



Interim Report
6 months 2020

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Management report

Structure of the Group	Country	Activity	Holding
Coop Pank AS	Estonia	banking	parent company
Coop Liising AS	Estonia	leasing	100%
Coop Finants AS	Estonia	other lending activities	100%
Coop Kindlustusmaakler AS	Estonia	insurance brokerage	100%
AS Martinoza	Estonia	real estate management	100%
SIA Prana Property	Latvia	real estate management	100%

At the end of the quarter, Coop Pank had 74 500 everyday banking customers, and in three months the bank's customer portfolio has increased by 5 100 customers or 7%. The banking group's net loan portfolio increased by 55 million euros (11%) during the quarter and reached 559 million euros by the end of June. The volume of business loans increased the most, ie 28 million euros, the volume of home loans increased by 20 million euros, leasing by 5 million euros and consumer financing by 2 million euros. The volume of the bank's deposits and loans received increased by 68 million euros (12%) during the quarter and reached 615 million euros by the end of June. Demand deposits of individuals grew by 10 million euros and demand deposits of business clients grew by 23 million, 31 million euros was attracted via Raisin platform and 4 million as term deposits from local customers. In the first quarter, the banking group earned a profit of 1.4 million euros, which is 9% more than in the same period last year and 7% less than in the first quarter of 2020. Net income increased by 33% year-on-year and 5% quarter-on-quarter. Operating expenses increased by 11% year-on-year and decreased by 2% quarter-on-quarter.

The health care and economical crisis caused by the spread of coronavirus this year has not yet shown its final results. The forecast for Estonian economy is to decline 10%. In April, we saw decline in sales due to the crisis, but May and June were strong again. We will continue to operate in accordance with our strategic goals. The first payment holidays granted to loan customers in spring will end in autumn, when the recovery of customers' solvency will become clear. Currently, 12% of our loan portfolio is on payment holiday and we have made additional loan provisions of 1.1 million euros to cover possible loan losses due to the crisis.

Among the most important events of Coop Pank in the second quarter of 2020 are several new services launched on the market and the appointment of a new Supervisory Board.

From the end of April, Coop Pank started offering private customers the opportunity to make and receive the bank's name payment in mobile app. Name payment means that when making a transfer in a mobile bank, it is enough to know the payee's phone number and name.

In May, Coop Pank started offering factoring services to companies. Factoring allows companies flexible and additional financing corresponding to the actual sales volume, secured by sales invoices.

At the beginning of June, Coop Leasing launched a web-based car department store, the aim of which is to make buying a car more convenient than before. It offers the customer a "one-stop shop" solution, during which the customer can choose a new car from one place and take on the most suitable financing and insurance solution.

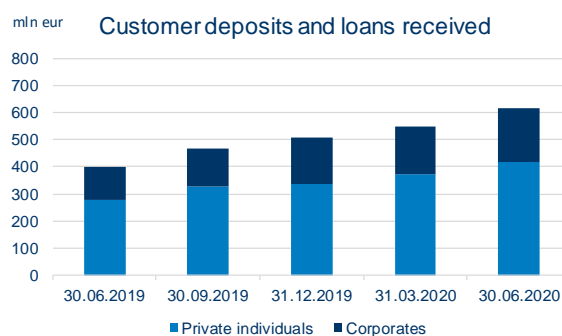
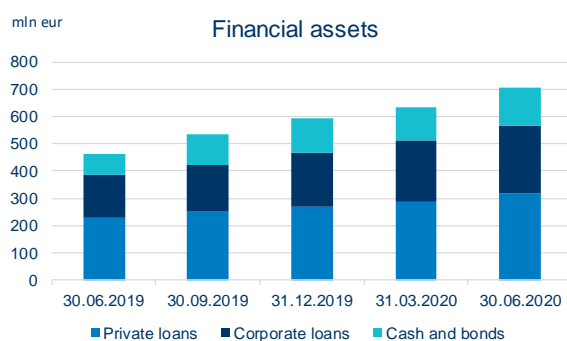
In June, Coop Pank made the loan application process more convenient and faster for the client: the possibility was introduced that the loan applicant could use the data of the Tax and Customs Board to submit job and income data. The new process also ensures that the loan applicant receives a response to the application faster than was previously possible.

At the Annual General Meeting of Shareholders held on 28 May, the shareholders of Coop Pank elected a new six-member Supervisory Board. At the first meeting at June 17 Alo Ivask, Chairman of the Management Board of Coop Eesti Keskühistu was elected as Chairman, Ardo Hansson, former Chairman of Eesti Pank was elected as Vice Chairman, and the members are Jaan Marjundi, Raul Parusk, Roman Provotorov and Silver Kuus.

Overview of financial results

Income statement EUR thousand	Q2 2020	Q1 2020	quarterly change	Q2 2019	annual change
Net interest income	6 852	6 358	8%	4 939	39%
Net fee and commissions income	477	521	-8%	606	-21%
Other income	135	238	-43%	77	75%
Total net operating income	7 464	7 117	5%	5 622	33%
Operating expenses	-4 355	-4 442	-2%	-3 921	11%
Loan losses	-1 721	-1 214	42%	-448	284%
Income tax	-26	0	0%	-2	0%
Net profit	1 362	1 461	-7%	1 251	9%

Business volumes, EUR thousand	Q2 2020	Q1 2020	quarterly change	Q2 2019	annual change
Loan portfolio	559 295	504 119	11%	380 642	47%
Cash and bonds	137 587	123 217	12%	78 356	76%
Customer deposits and loans received	615 153	547 398	12%	409 036	50%
Equity	92 232	90 472	2%	55 807	65%



Ratios (quarterly ratios, expressed on annualised basis)	Q2 2020	Q1 2020	quarterly change	Q2 2019	annual change
Average equity (attributable to parent company), EUR thousand	91 352	89 911	1 441	53 130	38 221
Return on equity ROE % (net profit / average equity)	6,0	6,5	-0,05	9,4	-3,4
Average total assets, EUR thousand	687 253	631 990	55 263	473 494	213 759
Return on assets ROA % (net profit / average total assets)	0,8	0,9	-0,1	1,1	-0,3
Cash and interest-bearing assets, average, EUR thousand	671 003	614 813	56 190	457 196	213 807
Net interest margin NIM % (net interest income / interest-bearing assets, average)	4,1	4,1	0,0	4,3	-0,2
Cost / income ratio % (total operating costs / total net operating income)	58,3	62,4	-4,1	69,7	-11,4

Group's liquidity position is strong. At 30.06.2020 the Liquidity Coverage Ratio (LCR) was 392% (31.12.2019 was 682%), the regulatory minimum requirement is 100%.

Capitalisation

Capital base, EUR thousand	30.06.2020	30.06.2020 adjusted *	31.12.2019
Tier 1 capital			
Paid-in share capital and share premium	72 757	72 757	72 757
Statutory reserve capital	2 802	2 802	2 526
Retained earnings	13 565	13 565	8 314
Eligible profit of the reporting period	0	2 823	3 944
Other accumulated comprehensive loss	-8	-8	1
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-4 782	-4 782	-3 712
Adjustment of value arising from requirements of reliable measurement (-)	-4	-4	-4
Other deductions from Tier 1 capital (-)	-2 935	0	-538
Other transitional adjustments of own funds	441	441	535
Total Tier 1 capital	75 079	80 837	77 066
Subordinated debt	7 000	7 000	7 000
Tier 2 capital	7 000	7 000	7 000
Eligible capital for capital adequacy calculation	82 079	87 837	84 066
Risk-weighted assets RWA			
Central government and central banks using standardised approach	690	690	699
Credit institutions, investment companies using standardised approach	414	414	570
Companies using standardised approach	38 656	38 656	39 450
Retail claims using standardised approach	93 887	93 887	86 643
Claims secured by mortgage on real estate using standardised approach	157 670	157 670	142 311
Claims past due using standardised approach	8 176	8 176	5 972
Items subject to particularly high risk using standardised approach	46 057	46 057	29 231
Other assets using standardised approach	11 757	11 757	11 994
Total credit risk and counter-party credit risk	357 307	357 307	316 870
Operational risk using basic indicator approach	36 423	36 423	28 414
Total risk-weighted assets (total risk exposure)	393 730	393 730	345 284
Capital adequacy ratio %	20,85%	22,31 %	24,35%
Tier 1 capital ratio %	19,07%	20,53%	22,32%

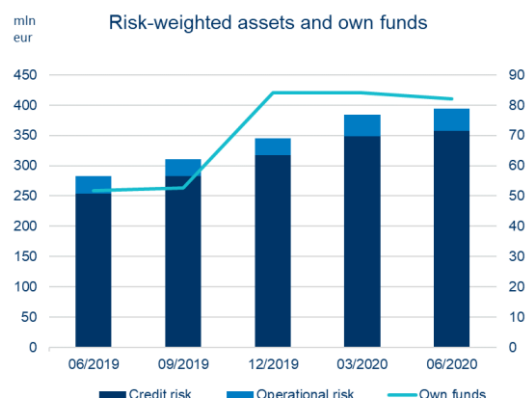
* Includes unaudited profit for Q1 and Q2 2020, which will be added to regulatory Tier 1 capital after approval of the interim profit by independent auditor and the Financial Supervisory Authority.

Requirements to own funds:

Core Tier 1 capital ratio	4.50%	core Tier 1 capital / total risk exposure
Tier 1 capital ratio	6.00%	Tier 1 capital / total risk exposure
Total capital ratio (capital adequacy)	8.00%	total capital / total risk exposure
Capital conservation buffer	2.50%	of total risk exposure
Systemic risk buffer	0.00%	of total risk exposure

Systemic risk buffer was changed 01.05.2020 from 1% to 0%.

By the end of the reporting period, the Group is compliant with all regulative capital requirements. Capital adequacy decrease is caused by growth of loan portfolio and related risk weighted assets. Until auditing of the interim profit, current loan losses are deducted from eligible capital.



Consolidated financial statements

Consolidated statement of comprehensive income

EUR thousand	Note	Q2 2020	6 M 2020	Q2 2019	6 M 2019
Interest income calculated using the effective interest method		7 554	14 595	5 506	10 619
Other similar income		794	1 528	541	992
Interest expense		-1 496	-2 913	-1 108	-2 172
Net interest income	3	6 852	13 210	4 939	9 439
Fee and commission income		845	1 737	934	1 758
Fee and commission expense		-368	-739	-328	-601
Net fee and commission income	4	477	998	606	1 157
Revenue from sale of assets		0	146	0	100
Cost of assets sold		0	-146	0	-93
Rental income from investment properties		5	10	10	22
Direct property operating expenses		-11	-28	-38	-53
Net gains/losses from non-financial asset realization		0	39	-20	-20
Net gains/losses from financial assets measured at fair value		-46	-46	3	-5
Revenue from claims handling		127	255	106	253
Other income		60	143	16	34
Other net income		135	373	77	238
Payroll expense		-2 603	-5 265	-2 355	-4 603
Operating expense		-1 120	-2 295	-1 141	-2 172
Depreciation		-632	-1 237	-425	-813
Total operating expense		-4 355	-8 797	-3 921	-7 588
Net profit before impairment losses		3 109	5 784	1 701	3 246
Impairment losses on financial assets		-1 721	-2 935	-448	-821
Profit before income tax		1 388	2 849	1 253	2 425
Income tax		-26	-26	-2	0
Net profit for the reporting period	2	1 362	2 823	1 251	2 425
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		360	-9	44	132
Comprehensive income for the reporting period		1 722	2 814	1 295	2 557
Net profit attributable to:					
Owners of parent company		1 362	2 823	1 251	2 425
Net profit for the reporting period		1 362	2 823	1 251	2 425
Comprehensive income attributable to:					
Owners of parent company		1 722	2 814	1 295	2 557
Comprehensive income for the reporting period		1 722	2 814	1 295	2 557
Basic earnings per share (in euros)		0,01	0,03	0,02	0,04
Diluted earnings per share (in euros)		0,01	0,03	0,02	0,04

Consolidated statement of financial position

EUR thousand	Note	30.06.2020	31.12.2019
Assets			
Cash and cash equivalents	5	133 905	122 295
Debt securities at fair value through other comprehensive income	6	3 682	4 061
Equity instruments at fair value through profit or loss		204	0
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	559 295	460 460
Other financial assets		898	1 263
Assets held for sale		6 804	6 756
Goodwill		6 757	6 757
Right-of-use assets		1 339	1 722
Other property, plant and equipment		2 390	2 504
Intangible assets		4 782	3 712
Investment property		594	594
Other assets		1 167	1 165
Total assets		721 830	611 302
Liabilities			
Customer deposits and loans received	11	615 153	506 531
Lease liabilities		1 344	1 725
Other financial liabilities		3 039	3 462
Other liabilities		2 998	3 169
Subordinated debt		7 064	7 064
Total liabilities		629 598	521 951
Shareholder's equity			
Share capital		60 960	60 960
Share premium		11 797	11 797
Statutory reserve capital		2 802	2 526
Retained earnings		16 388	13 841
Other reserves		285	227
Total equity		92 232	89 351
Total liabilities and equity		721 830	611 302

Consolidated statement of cash flows

EUR thousand	Note	6 M 2020	6 M 2019
Cash flows from operating activities			
Interest received		15 745	11 532
Interest paid		-2 490	-1 695
Service fee and commission received		1 737	1 758
Service fee and commission paid		-739	-601
Other received income		422	268
Salaries paid		-5 846	-4 962
Other operating expenses paid		-2 295	-2 172
Cash flows from operating activities before the change in assets and liabilities related to operating activities		6 534	4 128
Change in operating assets:			
Loan receivables from customers		-101 376	-52 605
Change of statutory reserve in central bank		-521	-175
Other assets		343	-505
Change in operating liabilities:			
Change in client deposits and loans received		108 199	23 479
Other liabilities		-487	1 305
Net cash flows from operating activities		12 692	-24 373
Cash flows from investment activities			
Acquisition of property, plant and equipment		-1 937	-1 008
Sale of property, plant and equipment		52	420
Sale and redemption of debt instruments		308	3 443
Total cash flows from investment activities		-1 577	2 855
Cash flows from financing activities			
Issue of subordinated bonds		0	2 000
Contribution to share capital		0	4 026
Total cash flows from financing activities		0	6 026
Effect of exchange rate fluctuations to cash and cash equivalents		-3	-5
Change in cash and cash equivalents		11 112	-15 497
Cash and cash equivalents at the beginning of period		118 002	84 797
Cash and cash equivalents at the end of period	5	129 114	69 300
Cash and cash equivalents balance is comprised of:			
		129 114	69 300
Cash on hand		26 559	22 966
Demand deposits in central banks		99 427	44 406
Demand and short-term deposits in credit institutions		3 128	1 928

Consolidated statement of changes in equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Revaluation reserve	Retained earnings	Total equity
Equity as at 31.12.2018	38 199	175	2 288	103	-154	8 552	49 163
Increase of share capital at the expense of share premium	175	-175	0	0	0	0	0
Contribution to share capital	4 026	0	0	0	0	0	4 026
Change in reserves	0	0	238	0	0	0	238
Share options	0	0	0	61	0	0	61
Net profit 01.01. – 30.06.2019	0	0	0	0	0	2 425	2 425
Other comprehensive income 01.01. – 30.06.2019	0	0	0	0	132	0	132
Total comprehensive income	0	0	0	0	132	2 425	2 557
Equity as at 30.06.2019	42 400	0	2 526	164	-22	10 739	55 807
Contribution to share capital	18 560	11 797	0	0	0	0	30 357
Share options	0	0	0	62	0	0	62
Net profit 01.07. – 31.12.2019	0	0	0	0	0	3 102	3 102
Other comprehensive income 01.07. – 31.12.2019	0	0	0	0	23	0	23
Total comprehensive income	0	0	0	0	23	3 102	3 125
Equity as at 31.12.2019	60 960	11 797	2 526	226	1	13 841	89 351
Change in reserves	0	0	276	0	0	-276	0
Share options	0	0	0	67	0	0	67
Net profit 01.01. – 30.06.2020	0	0	0	0	0	2 823	2 823
Other comprehensive income 01.01. – 30.06.2020	0	0	0	0	-9	0	-9
Total comprehensive income	0	0	0	0	-9	2 823	2 814
Equity as at 30.06.2020	60 960	11 797	2 802	293	-8	16 388	92 232

Notes to consolidated financial statements

Note 1 Accounting principles

The interim report has been prepared in conformity with International Accounting Standard IAS 34 "Interim Financial Reporting" as approved by the EU. The interim report should be read parallel to the Annual Report 2019, prepared in conformity with International Financial Reporting Standards (IFRS).

Subsidiaries are consolidated on a line-by-line basis, eliminating the intercompany transactions, receivables and liabilities, income and expense. The definition of group according to the Regulation (EU) No 575/2013 of the European Parliament and of the Council matches that of IFRS.

All figures in financial statements are in thousands of euros unless noted otherwise.

The accounting principles used in 6 months Interim Report 2020 are generally in conformity with accounting principles used in Annual Report 2019.

Due to the effects of the coronavirus and in accordance with the guidelines of the European Banking Authority, the Bank does not treat loans with a principal payment holiday as restructured loans. The principal payment grace period of these loans has not been treated as a significant increase in credit risk and therefore the loans have not been recognized in stage 2 according to IFRS. In addition, the Bank assesses corporate customers payment grace periods and the potential significant increase in credit risk individually depending on the financial strength of the counterparties, the nature of the business and the potential longer-term impact on credit risk.

The Bank's bond portfolio is measured at fair value through other comprehensive income. There was a restructuring to one bond in second quarter and the bank recognized impairment loss on this financial asset according to IFRS9 stage 2 principles.

Note 2 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the main operating decision-maker. The main decision-maker, responsible for resource distribution and evaluation of the activities of the segments, is the management board of the bank.

The Group divides its business into segments based on both the legal structure and the customer-specific distribution within the Bank. According to the legal structure, the Group has a consumer loan and leasing segment that provides consumer loans to private customers and leasing products to both private and corporate customers, respectively. Consumer financing segment earns interest incomes from lending and fee commissions from issuing hire-purchase cards. Leasing segment earns interest income from lending. At the end of 2019 the new segment insurance brokerage was added, which earns revenues on intermediating insurance contracts.

Due to the Bank's customer-based division, the Group owns corporate banking (legal entities) and retail banking (private individuals) segments. Both segments offer money transferring products and loan products to customers and gather deposits. The segments earn interest income from lending and commissions fees from settlement of payments and bank card transactions.

Segments are the basis for regular monitoring of business results by the Group's management and supervisory boards, and separate financial data are available for the segments. According to the group's structure, the group also divides the corporate banking and retail banking segments into more detailed business lines of loans and everyday banking (deposits, settlements). The Group also uses the division of business lines for planning and budgeting. The Management Board of the Group has been appointed as the chief decision maker for assessing financial allocations and the profitability of business.

Revenue reported by a segment consists of revenue from external customers and additional interest income or interest expense on inter-segment borrowing, which is based on the internal transfer pricing model in the Group and is shown as elimination in the tables below. The Group does not have any customers whose income would account for more than 10% of the respective type of income. All interest income is earned in Estonia. The geographical breakdown of commission fees is shown in Note 4.

Segment profits, Q2 2020, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	2 837	2 063	3 023	794	509	-878	8 348
Interest expense	-669	-744	-232	-260	-469	878	-1 496
Net interest income	2 168	1 319	2 791	534	40	0	6 852
Commission income	110	319	384	26	6	0	845
Commission expense	-92	-215	-59	-2	0	0	-368
Net commission income	18	104	325	24	6	0	477
Other net income	17	32	84	37	-35	0	135
Net income	2 203	1 455	3 200	595	11	0	7 464
Total operating expense	-991	-1 735	-938	-501	-190	0	-4 355
Profit before credit losses and income tax	1 212	-280	2 262	94	-179	0	3 109
Impairment losses	-297	-17	-1 348	41	-100	0	-1 721
Income tax expense	-26	0	0	0	0	0	-26
Net profit	889	-297	914	135	-279	0	1 362

Segment profits, 6M 2020, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	5 371	4 005	5 965	1 528	985	-1 731	16 123
Interest expense	-1 311	-1 472	-472	-518	-871	1 731	-2 913
Net interest income	4 060	2 533	5 493	1 010	114	0	13 210
Commission income	235	643	790	56	13	0	1 737
Commission expense	-188	-425	-121	-5	0	0	-739
Net commission income	47	218	669	51	13	0	998
Other net income	56	80	184	91	-38	0	373
Net income	4 163	2 831	6 346	1 152	89	0	14 581
Total operating expense	-2 028	-3 447	-1 960	-969	-393	0	-8 797
Profit before credit losses and income tax	2 135	-616	4 386	183	-304	0	5 784
Impairment losses	-511	-215	-1 960	-149	-100	0	-2 935
Income tax expense	-26	0	0	0	0	0	-26
Net profit	1 598	-831	2 426	34	-404	0	2 823

Assets and liabilities as at 30.06.2020, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Total assets	252	295	89	94	224	-232	722
Total liabilities	217	262	78	81	224	-232	630

* "Other" includes treasury, subsidiaries Martinoza, Prana Property, Coop Kindlustusmaakler.

Segment profits, Q2 2019, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	1 769	1 568	2 379	541	379	-589	6 047
Interest expense	-438	-576	-200	-192	-291	589	-1 108
Net interest income	1 331	992	2 179	349	88	0	4 939
Commission income	176	286	426	23	23	0	934
Commission expense	-98	-166	-61	-3	0	0	-328
Net commission income	78	120	365	20	23	0	606
Other net income	16	25	62	23	-49	0	77
Net income	1 425	1 137	2 606	392	62	0	5 622
Total operating expense	-875	-1 538	-988	-390	-130	0	-3 921
Profit before credit losses and income tax	550	-401	1 618	2	-68	0	1 701
Impairment losses	-253	249	-374	-70	0	0	-448
Income tax expense	4	-6	0	0	0	0	-2
Net profit	301	-158	1 244	-68	-68	0	1 251

Segment profits, 6M 2019, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	3 460	2 994	4 563	992	750	-1 148	11 611
Interest expense	-869	-1 135	-393	-363	-560	1 148	-2 172
Net interest income	2 591	1 859	4 170	629	190	0	9 439
Commission income	356	537	793	31	41	0	1 758
Commission expense	-184	-289	-123	-5	0	0	-601
Net commission income	172	248	670	26	41	0	1 157
Other net income	50	56	147	40	-55	0	238
Net income	2 813	2 163	4 987	695	176	0	10 834
Total operating expense	-1 726	-2 920	-1 919	-748	-275	0	-7 588
Profit before credit losses and income tax	1 087	-757	3 068	-53	-99	0	3 246
Impairment losses	-355	344	-656	-154	0	0	-821
Income tax expense	5	-5	0	0	0	0	0
Net profit	737	-418	2 412	-207	-99	0	2 425

Assets and liabilities as at 30.06.2019, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Total assets	143	225	72	64	158	-180	482
Total liabilities	126	204	65	56	155	-180	426

* "Other" includes treasury, subsidiaries Martinoza and Prana Property

Note 3 Net interest income

Interest income	Q2 2020	6 M 2020	Q2 2019	6 M 2019
Interest income calculated using the effective interest method:				
Consumer loans and hire-purchase loans	3 023	5 965	2 380	4 563
Loans to entities	2 624	4 963	1 646	3 169
Loans to private individuals	1 891	3 611	1 418	2 715
Leasing	15	53	56	136
Bonds	1	2	5	34
Interest income on liabilities	0	1	1	2
Other similar interest income:				
Leasing	794	1 528	541	992
Total	8 348	16 123	6 047	11 611
Customer deposits and loans received	-1 285	-2 498	-937	-1 835
Subordinated debt	-123	-247	-123	-209
Interest expense on assets	-83	-158	-42	-117
Lease liabilities	-5	-10	-6	-11
Total	-1 496	-2 913	-1 108	-2 172
Net interest income	6 852	13 210	4 939	9 439

Note 4 Net fee and commission income

Fee and commission income	Q2 2020	6 M 2020	Q2 2019	6 M 2019
Fees on card transactions	319	641	348	627
Monthly fees on cards	226	451	216	431
Account opening and management fees	179	362	150	294
Bank transfer fees	58	123	91	191
Gains from foreign exchange transactions	11	25	46	81
Other fee and commission income	52	135	83	134
Total	845	1 737	934	1 758
Charges on card transactions	-253	-513	-206	-378
Bank transfer fees	-55	-105	-48	-93
Other fee and commission expense	-60	-121	-74	-130
Total	-368	-739	-328	-601
Net fee and commission income	477	998	606	1 157

In Q2 2020, the Group earned 89% of fee and commission income from Estonian residents and 11% from residents of other countries (mainly from residents of EU countries). This ratio remains unchanged QoQ. All fee and commission income is recognized as incurred.

Note 5 Cash and cash equivalents

	30.06.2020	31.12.2019
Cash	26 559	21 531
Mandatory reserve at the central bank *	4 414	3 893
Demand deposits at central bank	99 405	94 019
Demand deposits at credit institutions	3 128	2 452
Term deposits at credit institutions *	399	400
Total **	133 905	122 295

* Not included in cash and cash equivalents in the consolidated statement of cash flows.

** Negative interest in the amount of 23 thousand euros included in the "Total" are not included in cash and cash equivalents in the consolidated statement of cash flows.

Note 6 Debt securities at fair value through other comprehensive income

	30.06.2020	31.12.2019
Government debt securities	1 380	1 398
Debt securities of other non-financial companies	2 302	2 663
Total	3 682	4 061

Note 7 Loans and advances to customers

	30.06.2020	31.12.2019
Total receivables from private individuals	317 856	268 329
incl. consumers loans	67 239	62 218
incl. lease financing	30 606	26 424
incl. mortgage loans and other loans	220 011	179 687
Total receivables from legal entities	249 023	197 471
incl. lease financing	44 843	38 127
incl. other loans to legal entities	204 180	159 344
Total receivables	566 879	465 800
Loss allowances of loans and advances	-7 584	-5 340
Total	559 295	460 460

Note 8 Loss allowances of loans and advances

	30.06.2020	31.12.2019
Balance at the beginning of the reporting period	-5 340	-3 838
Allowances during the reporting period	-2 962	-2 460
Derecognized during reporting period	718	958
Balance of allowance at the end of the reporting period	-7 584	-5 340

Note 9 Allocation of past due loans

	30.06.2020			31.12.2019		
	Unsecured loans to private individuals	Secured loans to private individuals	Loans to legal entities	Unsecured loans to private individuals	Secured loans to private individuals	Loans to legal entities
1-30 days	4 487	6 119	13 110	3 796	4 993	6 328
31-60 days	1 276	812	1 853	918	568	961
61-90 days	710	259	286	516	305	333
over 90 days	1 996	520	6 408	1 133	400	5 138
Total	8 469	7 710	21 657	6 363	6 266	12 760

Note 10 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

30.06.2020	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	133 506	398	0	0	133 904
Debt securities at fair value	0	409	3 273	0	3 682
Equity instruments	68	136	0	13	217
Loans and advances to customers	42 481	87 400	348 341	237 362	715 584
Other financial assets	582	0	0	316	898
Total financial assets	176 637	88 343	351 614	237 691	854 285
Liabilities					
Customer deposits and loans received	336 914	177 709	91 134	16 367	622 124
Lease liabilities	155	444	766	0	1 365
Other financial liabilities	2 018	1 021	0	0	3 039
Subordinated debt	125	435	1 985	8 393	10 938
Total financial liabilities	339 212	179 609	93 885	24 760	637 466
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	64 336	0	0	0	64 336
Financial guarantees	5 761	0	0	0	5 761
Total on-balance / off-balance-sheet liabilities	409 309	179 609	93 885	24 760	707 563
Duration gap of financial assets and financial liabilities	-232 672	-91 266	257 729	212 931	146 722

31.12.2019	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and cash equivalents	121 893	400	0	0	122 293
Debt securities at fair value	0	0	4 061	0	4 061
Equity instruments	0	0	0	13	13
Loans and advances to customers	39 180	85 284	272 935	193 242	590 641
Other financial assets	1 263	0	0	314	1 577
Total financial assets	162 336	85 684	276 996	193 569	718 585
Liabilities					
Customer deposits and loans received	220 608	184 616	91 986	16 786	513 996
Lease liabilities	157	472	1 090	41	1 760
Other financial liabilities	3 658	24	0	0	3 682
Subordinated debt	149	374	1 985	8 653	11 161
Total financial liabilities	224 572	185 486	95 061	25 480	530 599
Off-balance sheet liabilities					
Undrawn lines of credit and overdraft facilities	38 414	0	0	0	38 414
Financial guarantees	4 161	0	0	0	4 161
Total on-balance / off-balance-sheet liabilities	267 037	185 486	95 061	25 480	573 064
Duration gap of financial assets and financial liabilities	-104 811	-99 802	181 935	168 089	145 411

Note 11 Customer deposits and loans received

Due to customers	30.06.2020	31.12.2019
Private individuals	416 078	338 137
Legal entities	190 623	165 693
Credit institutions	8 452	2 701
Total	615 153	506 531
Demand deposits	198 841	152 189
Term deposits	395 450	327 431
Issued debt securities	9 663	14 103
Special purpose loans	11 199	12 808
Total	615 153	506 531

Note 12 Contingent liabilities

	30.06.2020	31.12.2019
Financial guarantees	5 761	4 161
Credit lines and overdrafts	64 336	38 414
Total	70 097	42 575

Note 13 Related parties

Related parties are:

- a shareholder of significant influence and companies that are part of its group;
- management of the group: i.e. members of the Management Board and the Supervisory Board of parent company, head of internal audit and entities controlled by them;
- individuals, who have equal economic interest as management, and entities associated to them.

The terms of the loans issued to related parties do not differ from the loans issued to other customers regarding interest rates. Transactions with related parties are based on the price list and/or are carried out at market value. Maximum termination benefits payable to members of the management board on a contingent basis is 175 thousand euros (31.12.2019: the same).

Balances	30.06.2020	31.12.2019
Shareholders:		
Loans	4	58
Deposits	6 884	275
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	529	167
Deposits	1 130	2 736

Transactions	30.06.2020	31.12.2019
Shareholders:		
Interest expense	7	1
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	2	3
Interest expense of the reporting period	2	10
Other goods and services sold	2	2
Other goods and services purchased	0	23
Compensation paid to members of the Management Board and Supervisory Board	332	537

Note 14 Basic earnings and diluted earnings per share

In order to calculate basic earnings per share, net profit attributable to owners of the parent has been divided by the weighted average number of shares issued. Diluted earnings per share comes from the share options granted to key employees.

	Q2 2020	6 M 2020	Q2 2019	6 M 2019
Profit attributable to the owners of the parent (in th. euros)	1 362	2 823	1 251	2 425
Weighted average number of shares (in th. of units)	89 456	89 456	58 385	58 385
Basic earnings per share (euros)	0,01	0,03	0,02	0,04
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	2 763	2 225	2 015	2 015
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	92 219	91 681	60 400	60 400
Diluted earnings per share (euros)	0,01	0,03	0,02	0,04

Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 30.06.2020 shareholders with holding over 5% are:

Coop Investeeringud OÜ	25,31%
Andres Sonn	9,40%
CM Capital OÜ	6,89%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 18,29% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 84 thousand shares of Coop Pank and Members of Management Board hold 55 thousand shares of Coop Pank, which in total accounts for 0,16% of the total amount of shares.

Chairman of the Supervisory Board: Alo Ivask

Members of the Supervisory Board: Ardo Hillar Hansson, Jaan Marjundi, Roman Provotorov, Raul Parusk, Silver Kuus

Chairman of the Management Board: Margus Rink

Members of the Management Board: Hans Pajoma, Kerli Lõhmus, Heikko Mäe

Statement of the Management Board of Coop Pank AS

The Management Board of Coop Pank is of the opinion, that information in this interim report, consisting of the management report and financial reports, is in conformity with requirements to interim reports and gives a true and fair view of the financial condition and economic results of Coop Pank Group, the presented data and additional information is true and comprehensive. Current interim report is not audited.

20.07.2020

Margus Rink
Chairman of the Management Board

Hans Pajoma
Member of the Management Board

Kerli Lõhmus
Member of the Management Board

Heikko Mäe
Member of the Management Board

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