



Interim Report  
6 months 2022

## Table of Contents

Management Director ´s Statement.....	3
Overview of financial results .....	4
Capitalisation .....	6
Consolidated financial statements .....	7
Consolidated statement of comprehensive income .....	7
Consolidated statement of financial position .....	8
Consolidated statement of cash flows.....	9
Consolidated statement of changes in equity .....	10
Notes to consolidated financial statements.....	11
Note 1 Accounting principles.....	11
Note 2 Operating segments.....	12
Note 3 Net interest income.....	14
Note 4 Net fee and commission income.....	15
Note 5 Cash and cash equivalents.....	15
Note 6 Debt securities at fair value through other comprehensive income .....	15
Note 7 Loans and advances to customers .....	16
Note 8 Loss allowances of loans and advances .....	16
Note 9 Allocation of past due loans .....	16
Note 10 Financial assets and liabilities by residual maturity .....	17
Note 11 Customer deposits and loans received .....	18
Note 12 Contingent liabilities.....	18
Note 13 Related parties .....	18
Note 14 Basic earnings and diluted earnings per share .....	19
Shareholders, Supervisory Board and Management Board of Coop Pank AS.....	20
Statement of the Management Board of Coop Pank AS .....	20

# Management Director's Statement

## Business volumes and financial results

By the end of the Q2 2022, Coop Pank had 130,700 customers, during the quarter the number of customers increased by 8,300 (+7%). The bank had 58,700 active customers, during the quarter the number of active customers increased by 4,500 (+8%).

In Q2 2022, volume of deposits in Coop Pank increased by 100 million euros (+9%), reaching total of 1.25 billion euros. Deposits from domestic companies showed the fastest growth, increasing by 87 million euros, of which 31 million were demand deposits and 57 million were term deposits. Deposits from private clients increased by 4 million euros, demand deposits increased by 11 million euros and term deposits decreased by 7 million euros. Deposits from international deposit platform Raisin and other financing increased by 9 million euros. Compared to Q2 2021, volume of Coop Pank's deposits has increased by 357 million euros (+40%). In an annual comparison, share of demand deposits to total deposits has increased from 44% to 49%. In Q2 2022, the bank's financing cost was 0.5%, at the same time last year the financing cost was 0.8%.

In Q2 2022, net loan portfolio of Coop Pank increased by 91 million euros (+9%), reaching 1.13 billion euros. Home mortgage loan portfolio showed the fastest growth, increasing the volume by 40 million euros (+10%). Business loans portfolio increased by 36 million euros (+8%), leasing portfolio increased by 10 million euros (+9%) and consumer finance portfolio increased by 6 million euros (+9%). Compared to Q2 2021, total loan portfolio of Coop Pank has grown by 359 million euros (+46%).

In Q2 2022, overdue loan portfolio of Coop Pank remained for the fourth consecutive quarter at the level of 2%. In an annual comparison, overdue loan portfolio decreased from the level of 3% to 2%.

Impairment costs of financial assets in Q2 2022 were 1.2 million euros, which is 0.4 million euros (+57%) more than in Q2 2021.

Net income of Coop Pank in Q2 2022 was 12.8 million euros, having grown 11% over the quarter and 37% over the year. Operating expenses reached 6.6 million euros in Q2 – operating expenses increased in the quarterly comparison by 7% and by 24% in the annual comparison.

In Q2 2022, net profit of Coop Pank was 4.6 million euros, which is 31% more than in the previous quarter and 51% more than a year ago. In Q2 2022, cost to income ratio of the bank was 52% and return on equity was 15.8%.

As of 30 June 2022, Coop Pank has ca 30 thousand shareholders, number of shareholders has been stable during the quarter.

## Key events and product developments

During Q2 the general meeting of Coop Pank decided to pay dividends to investors for 2021 in the net amount of 3 euro cents per share. This was the first time that the bank has paid dividends to its investors. A total of 2.74 million euros was paid out to almost 30,000 shareholders, of which 98% was received in the bank accounts of Estonian residents. In accordance with the dividend policy approved by the shareholders, Coop Pank will henceforth pay out 25% of its annual net profit as dividends.

Coop Pank successfully carried out its first private placement of Additional Tier 1 (AT1) bonds during Q2, raising 16.1 million euros in capital in support of its growth strategy.

During Q2, Coop Pank raised the interest rates on its term deposits, which in the case of longer deposit periods have doubled on average to up to 2%.

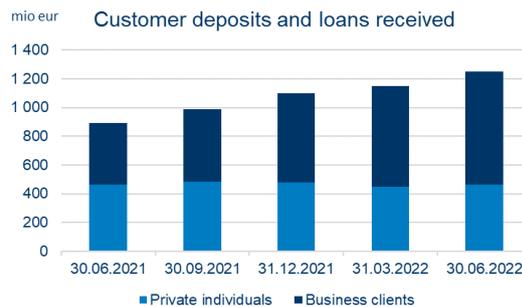
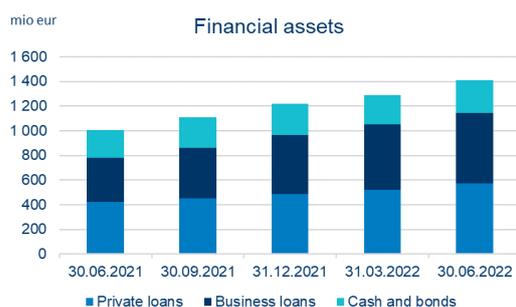
Coop Pank has entered into a cooperation agreement with GreenDice, which designs the ideal consumption cycles for technology products. The company will now organise the recycling and repurposing of the bank's used IT equipment.

Margus Rink  
Chairman of the Management Board

## Overview of financial results

Income statement EUR thousand	Q2 2022	Q1 2022	quarterly change	Q2 2021	annual change
Net interest income	11 629	10 595	10%	8 325	40%
Net fee and commissions income	904	796	14%	783	15%
Other income	224	101	122%	233	-4%
<b>Total net operating income</b>	<b>12 757</b>	<b>11 492</b>	<b>11%</b>	<b>9 341</b>	<b>37%</b>
Operating expenses	-6 610	-6 199	7%	-5 336	24%
Impairment costs on financial assets	-1 181	-1 494	-21%	-753	57%
Income tax	-378	-299	26%	-220	72%
<b>Net profit</b>	<b>4 588</b>	<b>3 500</b>	<b>31%</b>	<b>3 032</b>	<b>51%</b>

Business volumes, EUR thousand	Q2 2022	Q1 2022	quarterly change	Q2 2021	annual change
Net loan portfolio	1 131 367	1 040 209	9%	772 516	46%
Cash and bonds	266 790	235 902	13%	225 344	18%
Customer deposits and loans received	1 248 711	1 148 536	9%	891 397	40%
Owner´s equity	117 287	115 261	2%	103 930	13%



Ratios (quarterly ratios, expressed on annualised basis)	Q2 2022	Q1 2022	quarterly change	Q2 2021	annual change
Average equity (attributable to parent company), EUR thousand	116 274	113 502	2 772	102 174	14 100
Return on equity ROE % (net profit / average equity)	15,8	12,3	3,5	11,9	3,9
Average total assets, EUR thousand	1 367 276	1 273 830	93 446	999 642	367 634
Return on assets ROA % (net profit / average total assets)	1,3	1,1	0,2	1,2	0,1
Cash and interest-bearing assets, average, EUR thousand	1 349 361	1 255 611	93 750	984 127	365 234
Net interest margin NIM % (net interest income / interest-bearing assets, average)	3,4	3,4	0,0	3,4	0,0
Cost / income ratio % (total operating costs / total net operating income)	51,8	53,9	-2,1	57,1	-5,3

At 30.06.2022 the Liquidity Coverage Ratio (LCR) was 160% (31.12.2021 was 202%), the regulatory minimum requirement is 100%.

Key financial indicators in last three years as of the date of the interim report

EUR thousand	30.06.2022	30.06.2021	30.06.2020
Net loan portfolio	1 131 367	772 516	559 295
Customer deposits and loans received	1 248 711	891 397	615 153
Subordinated loans	43 164	17 064	7 064
Owner´s equity	117 287	103 930	92 232
Net interest income	22 224	16 368	13 210
Net fee and commission income	1 699	1 431	998
Other income	327	435	373
Total net operating income	24 250	18 234	14 581
Operating expenses	-12 809	-10 459	-8 797
Impairment losses on financial assets	-2 675	-1 524	-2 935
Income tax	-677	-384	-26
Net profit	8 089	5 867	2 823

## Capitalisation

Capital base, EUR thousand	30.06.2022	30.06.2022 adjusted *	31.12.2021
<b>Tier 1 capital</b>			
Paid-in share capital and share premium	74 493	74 493	74 416
Statutory reserve capital	3 838	3 838	3 165
Retained earnings	30 513	30 513	20 461
Eligible profit of the reporting period	0	6 272	8 012
Other accumulated comprehensive loss	-63	-63	-15
Goodwill accounted for as intangible asset (-)	-6 757	-6 757	-6 757
Intangible assets (-)	-8 091	-8 091	-7 457
Adjustment of value arising from requirements of reliable measurement (-)	-5	-5	-6
Other deductions from Tier 1 capital (-)	-2 674	0	-963
Other transitional adjustments of own funds	157	157	315
<b>Common Equity Tier 1 (CET1)</b>	<b>91 411</b>	<b>100 357</b>	<b>91 171</b>
Additional Tier 1 capital	16 100	16 100	0
<b>Total Tier 1 capital</b>	<b>107 511</b>	<b>116 457</b>	<b>91 171</b>
Subordinated debt	27 000	27 000	17 000
<b>Tier 2 capital</b>	<b>27 000</b>	<b>27 000</b>	<b>17 000</b>
<b>Eligible capital for capital adequacy calculation</b>	<b>134 511</b>	<b>143 457</b>	<b>108 171</b>
<b>Risk-weighted assets RWA</b>			
Central government and central banks using standardised approach	0	0	638
Credit institutions, investment companies using standardised approach	2 817	2 817	3 112
Companies using standardised approach	96 236	96 236	65 173
Retail claims using standardised approach	147 954	147 954	130 582
Claims secured by mortgage on real estate using standardised approach	377 263	377 263	325 729
Claims past due using standardised approach	3 781	3 781	3 033
Items subject to particularly high risk using standardised approach	105 225	105 225	59 295
Other assets using standardised approach	12 667	12 667	13 543
<b>Total credit risk and counter-party credit risk</b>	<b>745 943</b>	<b>745 943</b>	<b>601 105</b>
Operational risk using basic indicator approach	59 360	59 360	47 007
<b>Total risk-weighted assets (total risk exposure)</b>	<b>805 303</b>	<b>805 303</b>	<b>648 112</b>
<b>CET1 capital ratio %</b>	<b>11,35%</b>	<b>12,46%</b>	<b>14,07%</b>
<b>Tier 1 capital ratio %</b>	<b>13,35%</b>	<b>14,46%</b>	<b>14,07%</b>
<b>Capital adequacy ratio %</b>	<b>16,70%</b>	<b>17,81%</b>	<b>16,69%</b>

\* Includes unaudited profit for Q2 2022 which will be added to regulatory Tier 1 capital after approval of the interim profit by independent auditor and the Financial Supervisory Authority and from which expected dividend payments have been deducted.

### 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

By the end of the reporting period, the Group is compliant with all regulative capital requirements. Coop Pank carried out its first private placement of Additional Tier 1 (AT1) bonds during Q2, raising 16.1 million euros in capital was used to strengthen the capital base of the Bank and support its growth strategy.



# Consolidated financial statements

## Consolidated statement of comprehensive income

EUR thousand	Note	Q2 2022	6 M 2022	Q2 2021	6 M 2021
Interest income calculated using the effective interest method		12 159	23 401	9 342	18 182
Other similar income		1 242	2 405	974	1 910
Interest expense		-1 772	-3 582	-1 991	-3 724
<b>Net interest income</b>	<b>3</b>	<b>11 629</b>	<b>22 224</b>	<b>8 325</b>	<b>16 368</b>
Fee and commission income		1 509	2 845	1 237	2 332
Fee and commission expense		-605	-1 146	-454	-901
<b>Net fee and commission income</b>	<b>4</b>	<b>904</b>	<b>1 699</b>	<b>783</b>	<b>1 431</b>
Rental income from investment properties		0	0	1	3
Direct property operating expenses		0	-1	-13	-22
Change in fair value of investment property		0	0	-14	-14
Net gains/losses from non-financial asset realization		6	6	0	0
Net gains/losses from financial assets measured at fair value		18	4	-46	-59
Revenue from claims handling		108	207	120	320
Other income		92	111	185	207
<b>Other net income</b>		<b>224</b>	<b>327</b>	<b>233</b>	<b>435</b>
Payroll expense		-3 780	-7 229	-3 065	-5 944
Operating expense		-1 768	-3 471	-1 399	-2 850
Depreciation		-1 062	-2 109	-872	-1 665
<b>Total operating expense</b>		<b>-6 610</b>	<b>-12 809</b>	<b>-5 336</b>	<b>-10 459</b>
<b>Net profit before impairment costs</b>		<b>6 147</b>	<b>11 441</b>	<b>4 005</b>	<b>7 775</b>
Impairment costs		-1 181	-2 675	-753	-1 524
<b>Profit before income tax</b>		<b>4 966</b>	<b>8 766</b>	<b>3 252</b>	<b>6 251</b>
Income tax		-378	-677	-220	-384
<b>Net profit for the reporting period</b>	<b>2</b>	<b>4 588</b>	<b>8 089</b>	<b>3 032</b>	<b>5 867</b>
Items that may subsequently be reclassified to income statement:					
Financial assets at fair value through other comprehensive income		-24	-48	-3	-4
<b>Comprehensive income for the reporting period</b>		<b>4 564</b>	<b>8 041</b>	<b>3 029</b>	<b>5 863</b>
Net profit attributable to:					
Owners of parent company		4 588	8 089	3 032	5 867
<b>Net profit for the reporting period</b>		<b>4 588</b>	<b>8 089</b>	<b>3 032</b>	<b>5 867</b>
Comprehensive income attributable to:					
Owners of parent company		4 564	8 041	3 029	5 863
<b>Comprehensive income for the reporting period</b>		<b>4 564</b>	<b>8 041</b>	<b>3 029</b>	<b>5 863</b>
Basic earnings per share (in euros)		0,05	0,09	0,03	0,06
Diluted earnings per share (in euros)		0,05	0,09	0,03	0,06

## Consolidated statement of financial position

EUR thousand	Note	30.06.2022	31.12.2021
<b>Assets</b>			
Cash and cash equivalents	5	261 821	252 799
Debt securities at fair value through other comprehensive income	6	4 969	5 932
Equity instruments at fair value through other comprehensive income		13	13
Loans and advances to customers	7,8,9,10	1 131 367	953 396
Other financial assets		1 206	1 311
Other assets		2 118	927
Assets held for sale		3 731	3 725
Right-of-use assets		6 017	6 625
Tangible assets		2 778	3 034
Intangible assets		8 091	7 457
Goodwill		6 757	6 757
<b>Total assets</b>		<b>1 428 868</b>	<b>1 241 976</b>
<b>Liabilities</b>			
Customer deposits and loans received	11	1 248 711	1 098 746
Lease liabilities		6 026	6 639
Other financial liabilities		11 693	3 221
Other liabilities		1 987	4 563
Subordinated debt		43 164	17 064
<b>Total liabilities</b>		<b>1 311 581</b>	<b>1 130 233</b>
<b>Shareholder's equity</b>			
Share capital		62 233	62 186
Share premium		12 260	12 230
Statutory reserve capital		3 838	3 165
Retained earnings		38 602	33 924
Other reserves		354	238
<b>Shareholders' equity attributable to owners of the parent company</b>		<b>117 287</b>	<b>111 743</b>
<b>Total shareholder's equity</b>		<b>117 287</b>	<b>111 743</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 428 868</b>	<b>1 241 976</b>

## Consolidated statement of cash flows

EUR thousand	Note	6 M 2022	6 M 2021
<b>Cash flows from operating activities</b>			
Interest received		25 687	20 039
Interest paid		-3 530	-3 357
Service fee and commission received		2 845	2 332
Service fee and commission paid		-1 146	-901
Other received income		330	506
Salaries paid		-7 523	-6 547
Other operating expenses paid		-3 471	-2 850
Income tax paid		-512	-272
<b>Cash flows from operating activities before change in assets and liabilities related to operating activities</b>		<b>12 680</b>	<b>8 950</b>
<b>Change in operating assets:</b>			
Loan receivables from customers		-180 506	-103 391
Term deposits in credit institutions		2 001	-15 000
Change of statutory reserve in central bank		-1 597	-1 240
Other assets		-880	-431
<b>Change in operating liabilities:</b>			
Change in client deposits and loans received		149 913	133 195
Other liabilities		6 061	4 944
<b>Net cash flows from operating activities</b>		<b>-12 328</b>	<b>27 027</b>
<b>Cash flows from investment activities</b>			
Acquisition of property, plant and equipment		-2 089	-2 714
Sale of property, plant and equipment and investment properties		0	523
Acquisition of debt securities		-500	-825
Sale and redemption of debt instruments		1 542	448
<b>Total cash flows from investment activities</b>		<b>-1 047</b>	<b>-2 568</b>
<b>Cash flows from financing activities</b>			
Contribution to share capital		59	414
Dividends paid		-2 738	0
Issue of subordinated bonds		26 100	10 000
Repayment of principal of lease liabilities		-613	-199
<b>Total cash flows from financing activities</b>		<b>22 808</b>	<b>10 215</b>
Effect of exchange rate fluctuations to cash and cash equivalents		-7	2
<b>Change in cash and cash equivalents</b>		<b>9 426</b>	<b>34 676</b>
Cash and cash equivalents at the beginning of period		241 286	164 439
<b>Cash and cash equivalents at the end of period</b>	<b>5</b>	<b>250 712</b>	<b>199 115</b>
<b>Cash and cash equivalents balance is comprised of:</b>			
Cash on hand		44 503	26 749
Demand deposits in central bank		190 685	166 399
Demand and short-term deposits in credit institutions and other financial institutions		15 524	5 967

## Consolidated statement of changes in equity

EUR thousand	Share capital	Share premium	Statutory reserve capital	Other reserves	Revaluation reserve	Retained earnings	Total equity
<b>Equity as at 31.12.2020</b>	<b>61 756</b>	<b>12 061</b>	<b>2 802</b>	<b>142</b>	<b>-18</b>	<b>20 824</b>	<b>97 567</b>
Contribution to share capital	368	132	0	-86	0	0	414
Share options	0	0	0	86	0	0	86
Change in reserves	0	0	363	0	0	-363	0
Net profit 01.01. – 30.06.2021	0	0	0	0	0	5 867	5 867
Other comprehensive income 01.01. – 30.06.2021	0	0	0	0	-4	0	-4
Total comprehensive income	0	0	0	0	-4	5 867	5 863
<b>Equity as at 30.06.2021</b>	<b>62 124</b>	<b>12 193</b>	<b>3 165</b>	<b>142</b>	<b>-22</b>	<b>26 328</b>	<b>103 930</b>
Contribution to share capital	62	37	0	-26	0	0	73
Share options	0	0	0	137	0	0	137
Net profit 01.07. – 31.12.2021	0	0	0	0	0	7 596	7 596
Other comprehensive income 01.07. – 31.12.2021	0	0	0	0	7	0	7
Total comprehensive income	0	0	0	0	7	7 596	7 603
<b>Equity as at 31.12.2021</b>	<b>62 186</b>	<b>12 230</b>	<b>3 165</b>	<b>253</b>	<b>-15</b>	<b>33 924</b>	<b>111 743</b>
Contribution to share capital	47	30	0	-18	0	0	59
Dividends paid	0	0	0	0	0	-2 738	-2 738
Share options	0	0	0	182	0	0	182
Change in reserves	0	0	673	0	0	-673	0
Net profit 01.01. – 30.06.2022	0	0	0	0	0	8 089	8 089
Other comprehensive income 01.01. – 30.06.2022	0	0	0	0	-48	0	-48
Total comprehensive income	0	0	0	0	-48	8 089	8 041
<b>Equity as at 30.06.2022</b>	<b>62 233</b>	<b>12 260</b>	<b>3 838</b>	<b>417</b>	<b>-63</b>	<b>38 602</b>	<b>117 287</b>

## 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 accounting principles used in interim report are in conformity with accounting principles used in Annual Report 2021.

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.

Structure of the Group	Country	Activity	Holding
Coop Pank AS	Estonia	banking	parent company
Coop Liising AS	Estonia	leasing	100%
Coop Finants AS	Estonia	consumer financing	100%
Coop Kindlustusmaakler AS	Estonia	insurance brokerage	100%
CP Varad AS	Estonia	real estate management	100%
SIA Prana Property	Latvia	real estate management	100%

## 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 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	6 590	3 542	3 210	1 135	144	-1 220	13 401
Incl. external income	5 811	3 214	3 210	1 135	31	0	13 401
Incl. internal income	779	328	0	0	113	-1 220	0
Interest expense	-1 295	-1 100	-200	-294	-103	1 220	-1 772
<b>Net interest income</b>	<b>5 295</b>	<b>2 442</b>	<b>3 010</b>	<b>841</b>	<b>41</b>	<b>0</b>	<b>11 629</b>
Commission income	362	560	402	61	124	0	1 509
Commission expense	-132	-369	-57	-3	-44	0	-605
<b>Net commission income</b>	<b>230</b>	<b>191</b>	<b>345</b>	<b>58</b>	<b>80</b>	<b>0</b>	<b>904</b>
Other net income	35	50	92	37	10	0	224
<b>Net income</b>	<b>5 560</b>	<b>2 683</b>	<b>3 447</b>	<b>936</b>	<b>131</b>	<b>0</b>	<b>12 757</b>
Total operating expense	-1 903	-2 385	-1 330	-710	-282	0	-6 610
<b>Profit before credit losses and income tax</b>	<b>3 657</b>	<b>298</b>	<b>2 117</b>	<b>226</b>	<b>-151</b>	<b>0</b>	<b>6 147</b>
Impairment losses (-) or reversals (+)	-720	-126	-409	74	0	0	-1 181
Income tax expense	-216	-162	0	0	0	0	-378
<b>Net profit</b>	<b>2 721</b>	<b>10</b>	<b>1 708</b>	<b>300</b>	<b>-151</b>	<b>0</b>	<b>4 588</b>

Segment profits, 6M 2022, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimi- nation	Total
Interest income	12 538	6 841	6 277	2 196	334	-2 380	25 806
Incl. external income	11 060	6 206	6 277	2 196	67	0	25 806
Incl. internal income	1 478	635	0	0	267	-2 380	0
Interest expense	-2 553	-2 180	-402	-583	-244	2 380	-3 582
<b>Net interest income</b>	<b>9 985</b>	<b>4 661</b>	<b>5 875</b>	<b>1 613</b>	<b>90</b>	<b>0</b>	<b>22 224</b>
Commission income	685	1 053	772	117	218	0	2 845
Commission expense	-256	-710	-112	-5	-63	0	-1 146
<b>Net commission income</b>	<b>429</b>	<b>343</b>	<b>660</b>	<b>112</b>	<b>155</b>	<b>0</b>	<b>1 699</b>
Other net income	41	67	169	54	-4	0	327
<b>Net income</b>	<b>10 455</b>	<b>5 071</b>	<b>6 704</b>	<b>1 779</b>	<b>241</b>	<b>0</b>	<b>24 250</b>
Total operating expense	-3 647	-4 626	-2 604	-1 400	-532	0	-12 809
<b>Profit before credit losses and income tax</b>	<b>6 808</b>	<b>445</b>	<b>4 100</b>	<b>379</b>	<b>-291</b>	<b>0</b>	<b>11 441</b>
Impairment losses	-1 588	-114	-985	12	0	0	-2 675
Income tax expense	-515	-162	0	0	0	0	-677
<b>Net profit</b>	<b>4 705</b>	<b>169</b>	<b>3 115</b>	<b>391</b>	<b>-291</b>	<b>0</b>	<b>8 089</b>

Assets and liabilities as at 30.06.2022 EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimi- nation	Total
Loan portfolio	739	435	76	115	319	-553	1 131
Other assets	122	107	29	30	11	0	298
<b>Total assets</b>	<b>861</b>	<b>542</b>	<b>105</b>	<b>145</b>	<b>330</b>	<b>-553</b>	<b>1 429</b>
Total liabilities	809	498	97	132	329	-553	1 311

\* "Other" includes *Treasury*, subsidiaries CP Varad, Prana Property, Coop Kindlustusmaakler.

Segment profits, Q2 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimi- nation	Total
Interest income	4 243	2 846	3 126	931	384	-1 214	10 316
Incl. external income	3 696	2 538	3 126	931	25	0	10 316
Incl. internal income	547	308	0	0	359	-1 214	0
Interest expense	-1 110	-1 150	-276	-341	-328	1 214	-1 991
<b>Net interest income</b>	<b>3 133</b>	<b>1 696</b>	<b>2 850</b>	<b>590</b>	<b>56</b>	<b>0</b>	<b>8 325</b>
Commission income	361	419	365	39	53	0	1 237
Commission expense	-111	-280	-61	-2	0	0	-454
<b>Net commission income</b>	<b>250</b>	<b>139</b>	<b>304</b>	<b>37</b>	<b>53</b>	<b>0</b>	<b>783</b>
Other net income	157	10	74	20	-28	0	233
<b>Net income</b>	<b>3 540</b>	<b>1 845</b>	<b>3 288</b>	<b>647</b>	<b>81</b>	<b>0</b>	<b>9 341</b>
Total operating expense	-1 349	-1 998	-1 162	-605	-222	0	-5 336
<b>Profit before credit losses and income tax</b>	<b>2 191</b>	<b>-153</b>	<b>2 066</b>	<b>42</b>	<b>-141</b>	<b>0</b>	<b>4 005</b>
Impairment losses (-) or reversals (+)	-110	-95	-513	-35	0	0	-753
Income tax expense	-220	0	0	0	0	0	-220
<b>Net profit</b>	<b>1 861</b>	<b>-248</b>	<b>1 553</b>	<b>7</b>	<b>-141</b>	<b>0</b>	<b>3 032</b>

Segment profits, 6M 2021, EUR thousand	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Interest income	8 144	5 298	6 211	1 837	802	-2 200	20 092
Incl. external income	7 147	4 850	6 211	1 837	47	0	20 092
Incl. internal income	997	448	0	0	755	-2 200	0
Interest expense	-2 013	-2 064	-512	-626	-709	2 200	-3 724
<b>Net interest income</b>	<b>6 131</b>	<b>3 234</b>	<b>5 699</b>	<b>1 211</b>	<b>93</b>	<b>0</b>	<b>16 368</b>
Commission income	629	813	727	72	91	0	2 332
Commission expense	-208	-565	-123	-5	0	0	-901
<b>Net commission income</b>	<b>421</b>	<b>248</b>	<b>604</b>	<b>67</b>	<b>91</b>	<b>0</b>	<b>1 431</b>
Other net income	206	61	167	48	-47	0	435
<b>Net income</b>	<b>6 758</b>	<b>3 543</b>	<b>6 470</b>	<b>1 326</b>	<b>137</b>	<b>0</b>	<b>18 234</b>
Total operating expense	-2 609	-3 949	-2 279	-1 173	-449	0	-10 459
<b>Profit before credit losses and income tax</b>	<b>4 149</b>	<b>-406</b>	<b>4 191</b>	<b>153</b>	<b>-312</b>	<b>0</b>	<b>7 775</b>
Impairment losses	-507	-112	-941	36	0	0	-1 524
Income tax expense	-384	0	0	0	0	0	-384
<b>Net profit</b>	<b>3 258</b>	<b>-518</b>	<b>3 250</b>	<b>189</b>	<b>-312</b>	<b>0</b>	<b>5 867</b>

Assets and liabilities as at 30.06.2021, EUR million	Corporate banking	Retail banking	Consumer financing	Leasing	Other*	Elimination	Total
Loan portfolio	383	307	68	90	214	-290	772
Other assets	90	91	31	28	12	0	252
<b>Total assets</b>	<b>473</b>	<b>398</b>	<b>99</b>	<b>118</b>	<b>226</b>	<b>-290</b>	<b>1 024</b>
Total liabilities	430	360	90	105	225	-290	920

\* "Other" includes treasury, subsidiaries CP Varad (prev. Martinoza), Prana Property, Coop Kindlustusmaakler.

### Note 3 Net interest income

Interest income	Q2 2022	6M 2022	Q2 2021	6M 2021
Interest income calculated using the effective interest method:				
Loans to legal entities	5 678	10 802	3 653	7 073
Consumer loans and hire-purchase loans	3 210	6 277	3 126	6 211
Loans to private individuals	3 214	6 206	2 538	4 850
Bonds	57	116	24	46
Interest income on liabilities	0	0	1	2
	12 159	23 401	9 342	18 182
Other similar interest income:				
Leasing	1 242	2 405	974	1 910
<b>Total interest revenues</b>	<b>13 401</b>	<b>25 806</b>	<b>10 316</b>	<b>20 092</b>
Customer deposits and loans received	-1 220	-2 515	-1 501	-2 943
Subordinated debt	-387	-674	-261	-383
Interest expense on assets	-146	-354	-226	-392
Lease liabilities	-19	-39	-3	-6
<b>Total interest expenses</b>	<b>-1 772</b>	<b>-3 582</b>	<b>-1 991</b>	<b>-3 724</b>
<b>Net interest income</b>	<b>11 629</b>	<b>22 224</b>	<b>8 325</b>	<b>16 368</b>

## Note 4 Net fee and commission income

Fee and commission income	Q2 2022	6M 2022	Q2 2021	6M 2021
Fees from consumer loans	416	796	365	727
Monthly account fees and transaction fees	328	651	275	551
Fees from cards	328	602	214	400
Insurance brokerage commission	99	176	0	0
Foreign exchange transactions	21	36	12	20
Other fee and commission income	317	584	371	634
<b>Total fee and commission income</b>	<b>1 509</b>	<b>2 845</b>	<b>1 237</b>	<b>2 332</b>
Expenses related to cards	-427	-823	-338	-657
Transaction costs	-62	-115	-42	-88
Other fee and commission expense	-116	-208	-74	-156
<b>Total fee and commission expense</b>	<b>-605</b>	<b>-1 146</b>	<b>-454</b>	<b>-901</b>
<b>Net fee and commission income</b>	<b>904</b>	<b>1 699</b>	<b>783</b>	<b>1 431</b>

In Q2 2022, the Group earned 86% of fee and commission income from Estonian residents and 14% from residents of other countries (mostly EU countries). This ratio remains unchanged QoQ. All fee and commission income is recognized as incurred.

## Note 5 Cash and cash equivalents

	30.06.2022	31.12.2021
Cash	44 503	27 192
Mandatory reserve at the central bank *	11 109	9 512
Demand deposits at central bank	190 685	200 670
Demand deposits at credit institutions and other financial institutions	15 524	13 424
Term deposits at credit institutions *	0	2 001
<b>Total</b>	<b>261 821</b>	<b>252 799</b>

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

## Note 6 Financial investments

	30.06.2022	31.12.2021
Government debt securities	0	1 277
<b>Credit institutions</b>	<b>2 271</b>	<b>2 329</b>
Debt securities of other non-financial companies	2 698	2 326
<b>Total of debt securities</b>	<b>4 969</b>	<b>5 932</b>
Shares of other non-financial companies	13	13
<b>Total of equity instruments</b>	<b>13</b>	<b>13</b>
<b>Total of financial investments</b>	<b>4 982</b>	<b>5 945</b>

All debt securities and equity instruments in amount of 13 thousand euros are recognized at fair value through changes in other comprehensive income.

## Note 7 Loans and advances to customers

	30.06.2022	31.12.2021
Total receivables from private individuals	572 040	485 882
incl. consumers loans	78 940	70 380
incl. lease financing	57 135	50 903
incl. mortgage loans and other loans	435 965	364 599
Total receivables from legal entities	569 366	476 341
incl. lease financing	69 929	57 844
incl. other loans to legal entities	499 437	418 497
Total receivables	1 141 406	962 223
Loss allowances of loans and advances	-10 039	-8 827
Total	1 131 367	953 396

## Note 8 Loss allowances of loans and advances

	30.06.2022	31.12.2021
Balance at the beginning of the reporting period	-8 827	-8 743
Allowances during the reporting period	-2 602	-2 440
Derecognized during reporting period	1 390	2 356
Balance of allowance at the end of the reporting period	-10 039	-8 827

## Note 9 Allocation of past due loans

	30.06.2022			31.12.2021		
	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	4 311	5 942	3 603	3 519	3 690	9 511
31-60 days	847	751	1 136	772	598	451
61-90 days	519	324	112	440	132	8
over 90 days	1 433	115	138	1 919	283	122
Total	7 110	7 132	4 989	6 650	4 703	10 092

## Note 10 Financial assets and liabilities by residual maturity

Undiscounted cash flows by residual maturity

30.06.2022	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	217 318	0	0	0	217 318
Debt securities at fair value	0	870	1 828	2 271	4 969
Equity instruments	0	0	0	13	13
Loans and advances to customers	68 210	150 267	719 072	468 092	1 405 641
Other financial assets	1 185	0	21	0	1 206
<b>Total financial assets</b>	<b>286 713</b>	<b>151 137</b>	<b>720 921</b>	<b>470 376</b>	<b>1 629 147</b>
<b>Liabilities</b>					
Customer deposits and loans received	806 447	353 817	82 513	7 897	1 250 674
Lease liabilities	210	620	2 857	2 670	6 357
Other financial liabilities	10 193	1 500	0	0	11 693
Subordinated debt	790	2 916	28 175	31 825	63 706
<b>Total financial liabilities</b>	<b>817 640</b>	<b>358 853</b>	<b>113 545</b>	<b>42 392</b>	<b>1 332 430</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	166 408	0	0	0	166 408
Financial guarantees	16 889	0	0	0	16 889
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>1 000 937</b>	<b>358 853</b>	<b>113 545</b>	<b>42 392</b>	<b>1 515 727</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-714 224</b>	<b>-207 716</b>	<b>607 376</b>	<b>427 984</b>	<b>113 420</b>

31.12.2021	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>					
Cash and cash equivalents	252 799	0	0	0	252 799
Debt securities at fair value	1 277	202	2 124	2 329	5 932
Equity instruments	0	0	0	13	13
Loans and advances to customers	49 243	150 539	599 836	392 379	1 191 997
Other financial assets	976	0	21	314	1 311
<b>Total financial assets</b>	<b>304 295</b>	<b>150 741</b>	<b>601 981</b>	<b>395 035</b>	<b>1 452 052</b>
<b>Liabilities</b>					
Customer deposits and loans received	648 424	342 412	102 092	8 395	1 101 323
Lease liabilities	226	647	2 911	3 251	7 035
Other financial liabilities	3 221	0	0	0	3 221
Subordinated debt	260	786	4 185	19 999	25 230
<b>Total financial liabilities</b>	<b>652 131</b>	<b>343 845</b>	<b>109 188</b>	<b>31 645</b>	<b>1 136 809</b>
<b>Off-balance sheet liabilities</b>					
Undrawn lines of credit and overdraft facilities	124 838	0	0	0	124 838
Financial guarantees	16 553	0	0	0	16 553
<b>Total on-balance / off-balance-sheet liabilities</b>	<b>793 522</b>	<b>343 845</b>	<b>109 188</b>	<b>31 645</b>	<b>1 278 200</b>
<b>Duration gap of financial assets and financial liabilities</b>	<b>-489 227</b>	<b>-193 104</b>	<b>492 793</b>	<b>363 390</b>	<b>173 852</b>

## Note 11 Customer deposits and loans received

Due to customers	30.06.2022	31.12.2021
Private individuals	462 059	477 383
Legal entities	786 652	621 363
<b>Total</b>	<b>1 248 711</b>	<b>1 098 746</b>
Demand deposits	617 019	518 122
Term deposits	623 180	571 452
Special purpose loans	8 512	9 172
<b>Total</b>	<b>1 248 711</b>	<b>1 098 746</b>

## Note 12 Contingent liabilities

	30.06.2022	31.12.2021
Financial guarantees	16 889	16 553
Credit lines and overdrafts	166 408	124 838
<b>Total</b>	<b>183 297</b>	<b>141 391</b>

## 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 258 thousand euros (31.12.2021: 237).

Balances	30.06.2022	31.12.2021
Shareholders:		
Loans	0	0
Deposits	6 142	8 972
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Loans	761	705
Deposits	1 801	1 308

Transactions	30.06.2022	31.12.2021
Shareholders:		
Interest expense	1	16
Members of the Management Board and Supervisory Board, and persons and entities associated with them:		
Interest income of the reporting period	13	51
Interest expense of the reporting period	2	12
Other goods and services sold	0	5
Compensation paid to members of the Management Board and Supervisory Board	407	636

## 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 2022	6 M 2022	Q2 2021	6 M 2021
Profit attributable to the owners of the parent (in th. euros)	4 588	8 089	3 032	5 867
Weighted average number of shares (in th. of units)	91 289	91 278	90 894	90 804
Basic earnings per share (euros)	0,05	0,09	0,03	0,06
Adjustments for calculation of diluted earnings per share – share options (in th. of units)	1 922	1 854	1 698	1 647
Weighted average number of shares used for calculating the diluted earnings per share (in th. of units)	93 211	93 132	92 592	92 451
Diluted earnings per share (euros)	0,05	0,09	0,03	0,06

## Shareholders, Supervisory Board and Management Board of Coop Pank AS

As at 30.06.2022 shareholders with holding over 5% are:

Coop Investeeringud OÜ	24,79%
Andres Sonn	8,33%
CM Capital OÜ	5,19%

In addition, the member cooperatives of Coop Eesti Keskühistu hold the total of 17,92% of the total amount of shares, however, separately none of them holds over 5%.

Members of Supervisory Board hold 74 thousand shares of Coop Pank and Members of Management Board hold 654 thousand shares of Coop Pank, which in total accounts for 0,80% of the total amount of shares.

Members of the Supervisory board:

Alo Ivask (Chairman), Viljar Arakas, Jaan Marjundi, Roman Provotorov, Raul Parusk, Silver Kuus

Members of the Management board:

Margus Rink (Chairman), Heikko Mäe, Arko Kurtmann, Rasmus Heinla, Paavo Truu (mandate is valid since 16.02.2022)

## 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.

20.07.2022

Margus Rink

Chairman of the Management Board

Paavo Truu

Member of the Management Board

Heikko Mäe

Member of the Management Board

Arko Kurtmann

Member of the Management Board

Rasmus Heinla

Member of the Management Board

Contacts

669 0966

[klienditugi@coopbank.ee](mailto:klienditugi@coopbank.ee)  
[www.coopbank.ee](http://www.coopbank.ee)

**coop** | Pank