

Coop Pank Group 2023 Q4 and yearly unaudited results

09.02.2024

Key notes from Q4

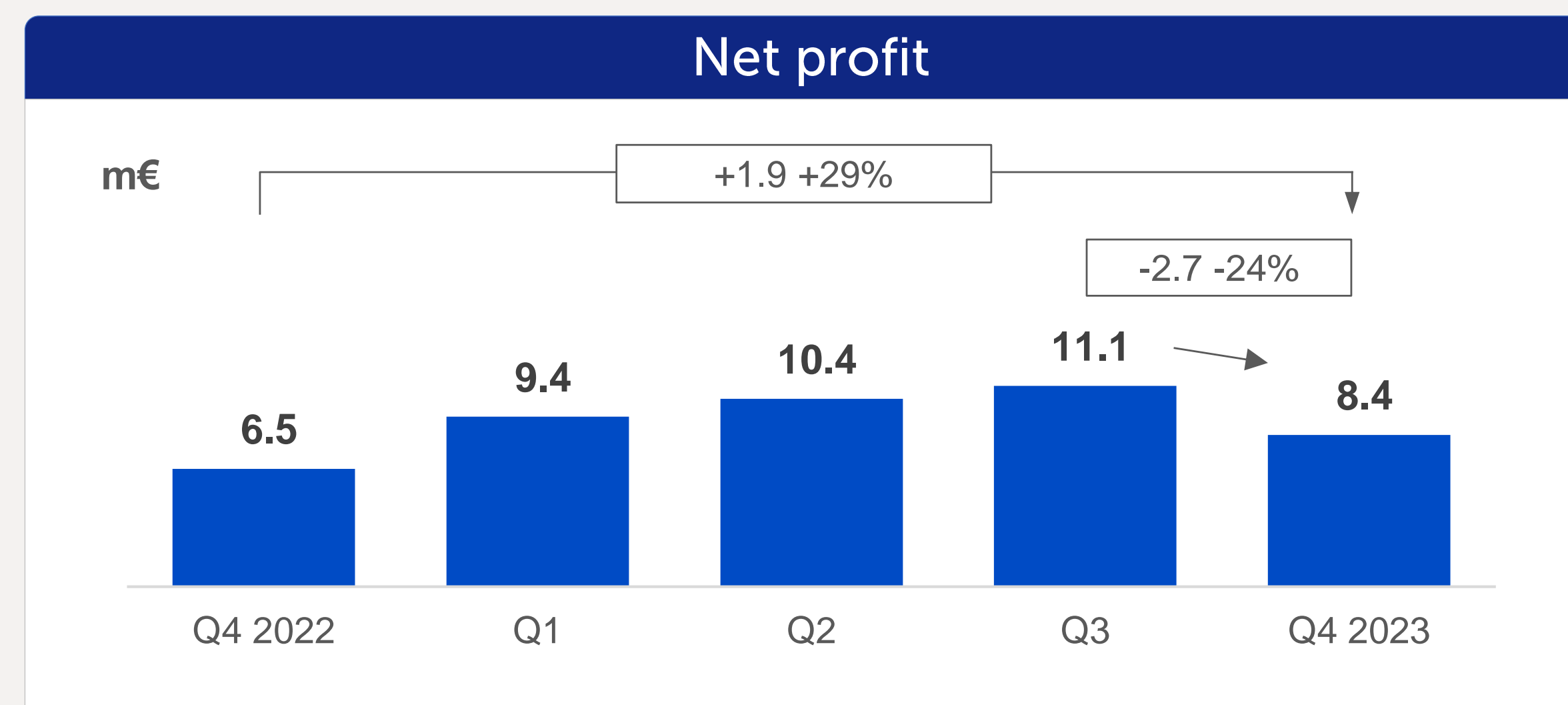
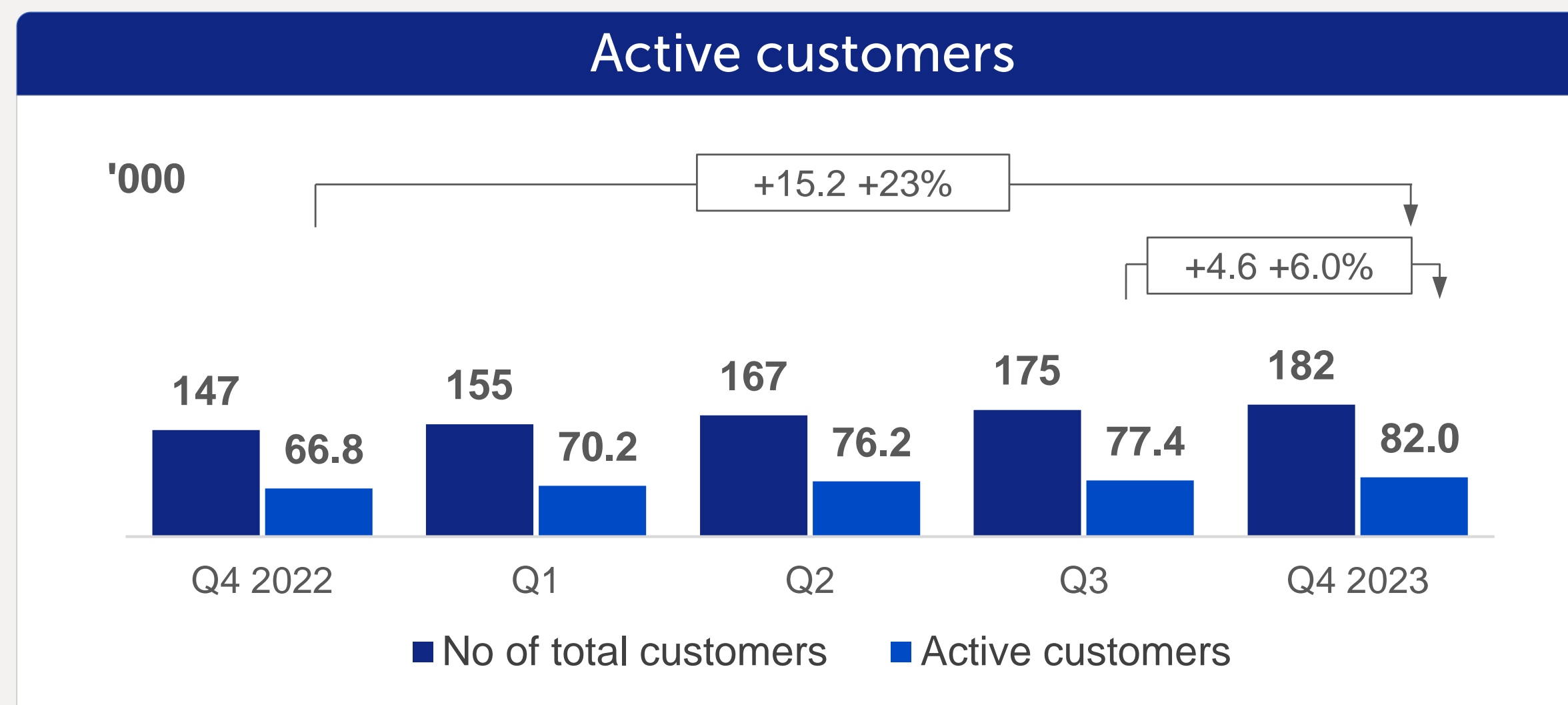
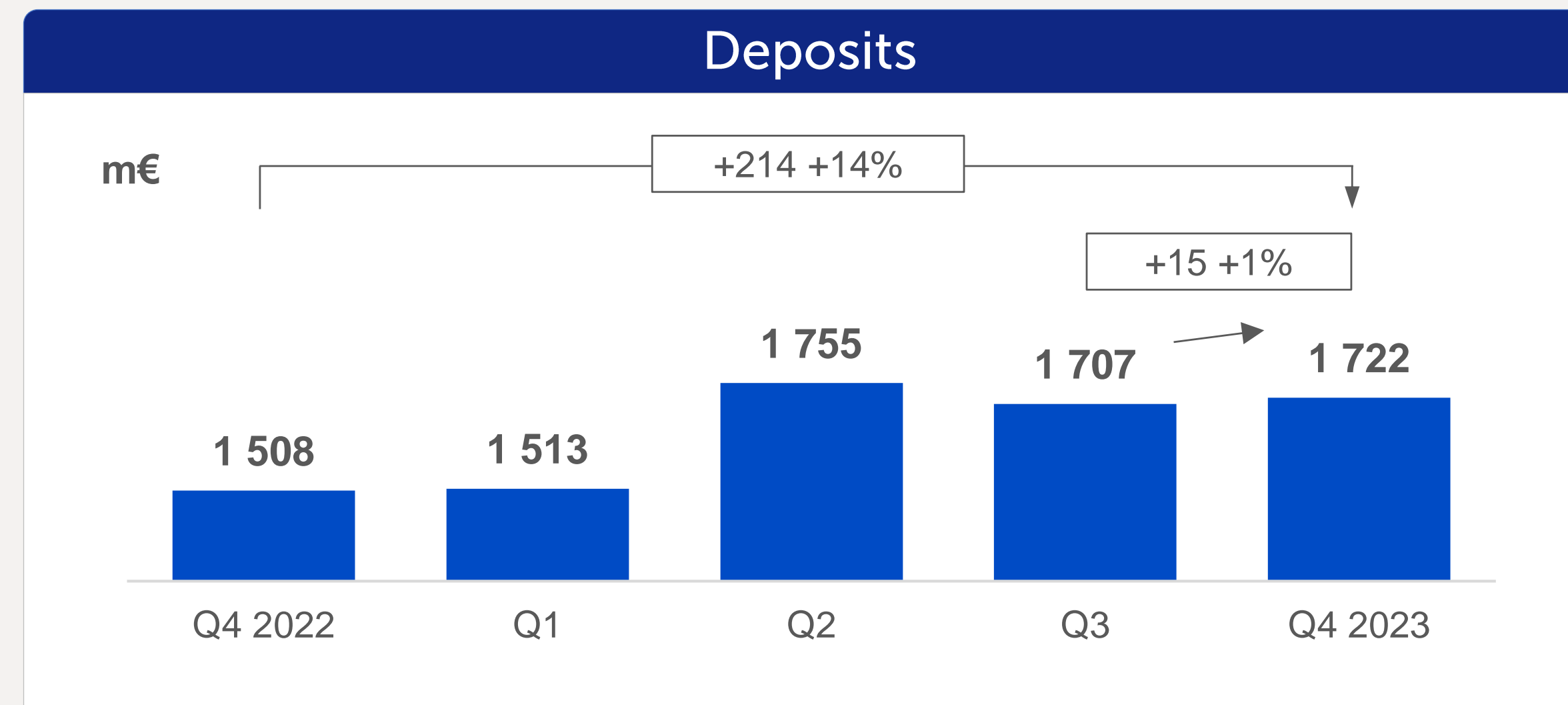
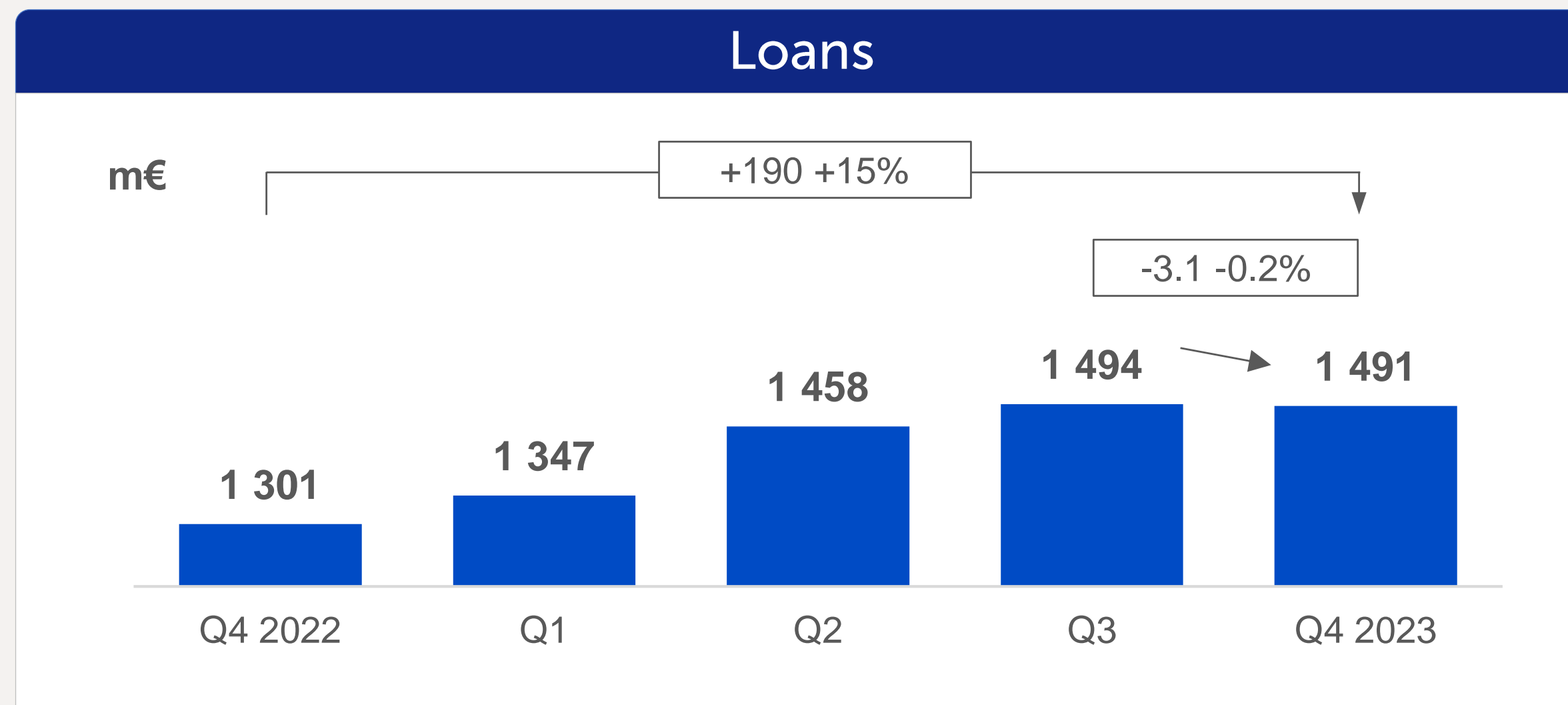
- Decent growth of active customers
- The loan portfolio did not grow
- Interest on deposits turned to decline
- New business line -> money saving; cooperation with Tuleva Pension Funds

Key notes from year 2023

- High interest rate environment
- Loan portfolio growth +15% YoY
- Quality of the loan portfolio remained high
- Increase in the customer numbers
- Growth in the share of term deposits
- Record profit, best performance indicators ever (CIR, ROE)



Business volumes in quarterly comparison



Change calculations refer to active customers. Active client has made at least 4 transactions in the last 60 days

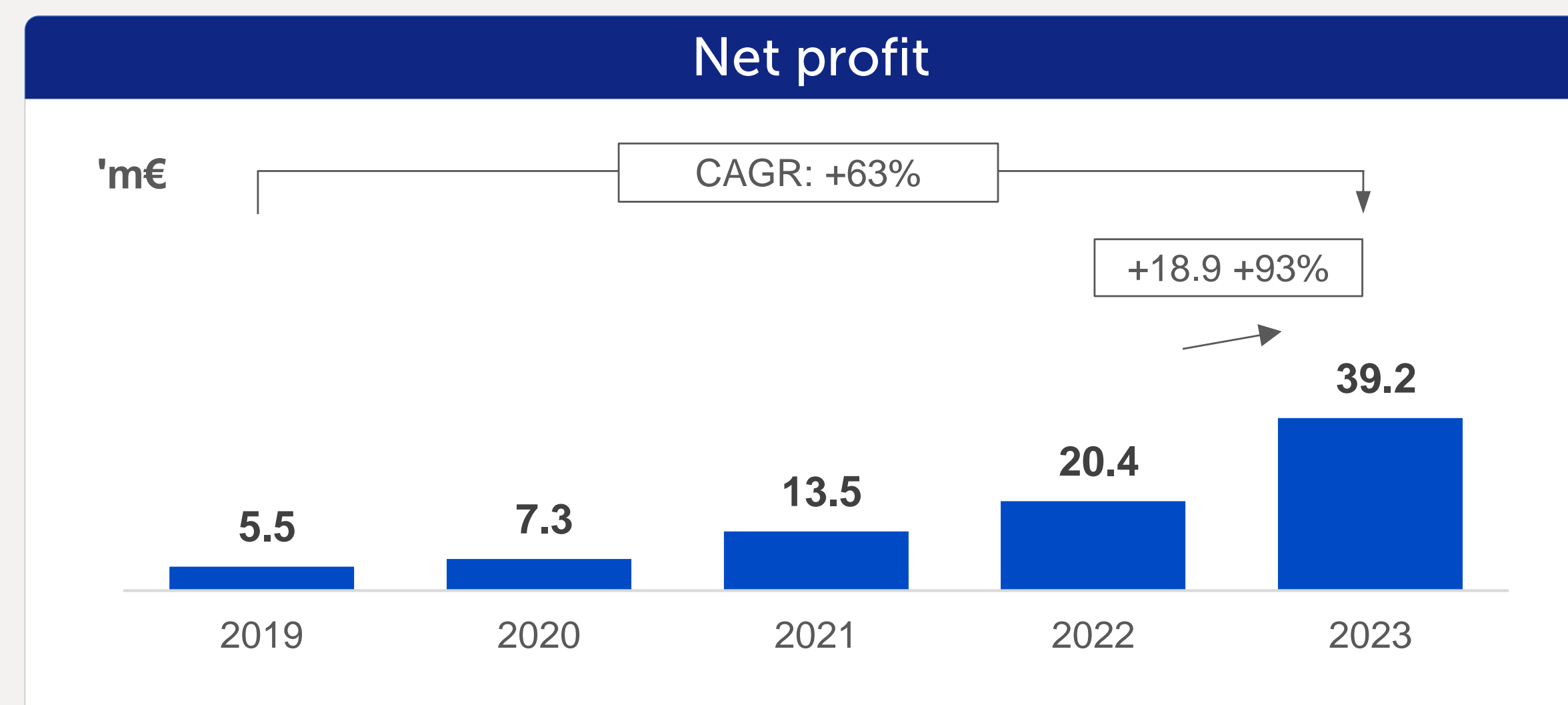
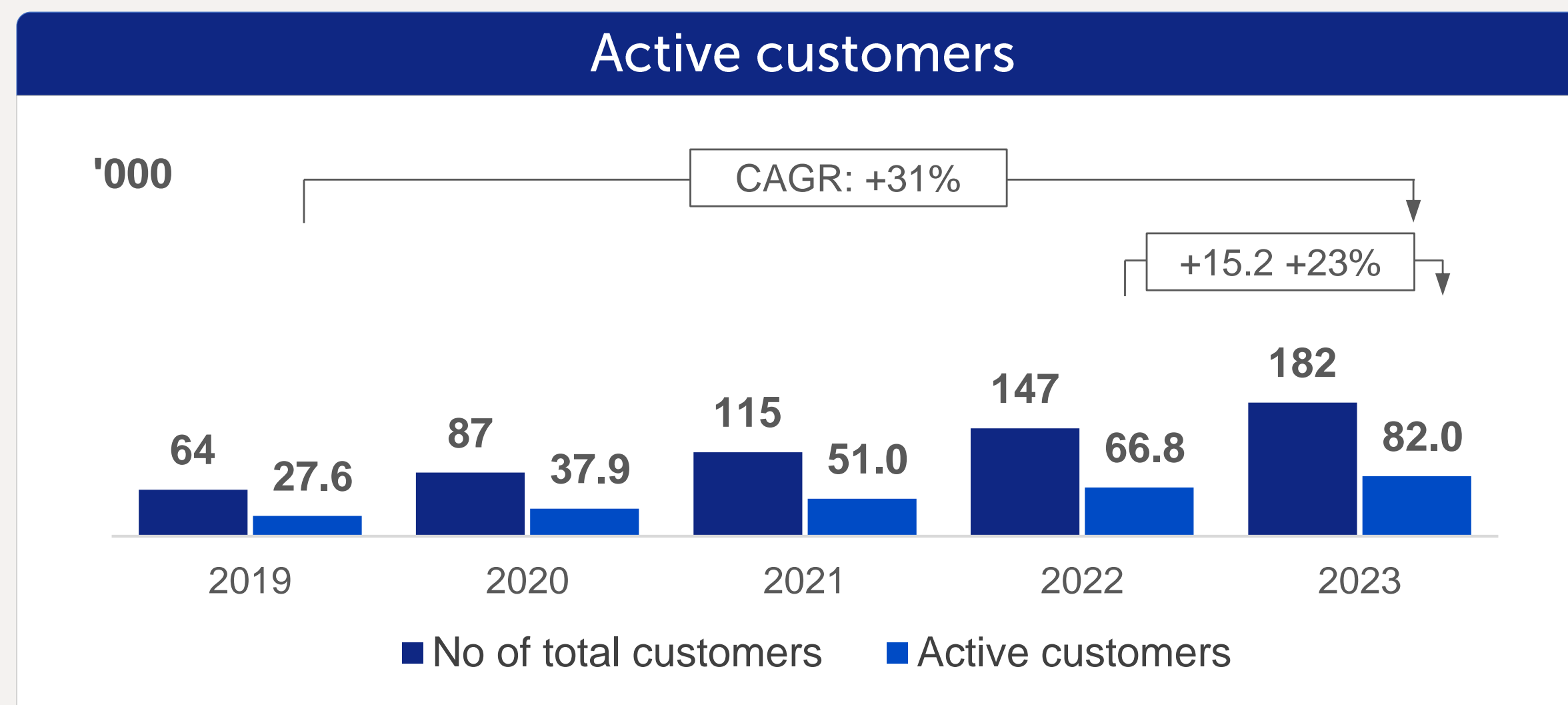
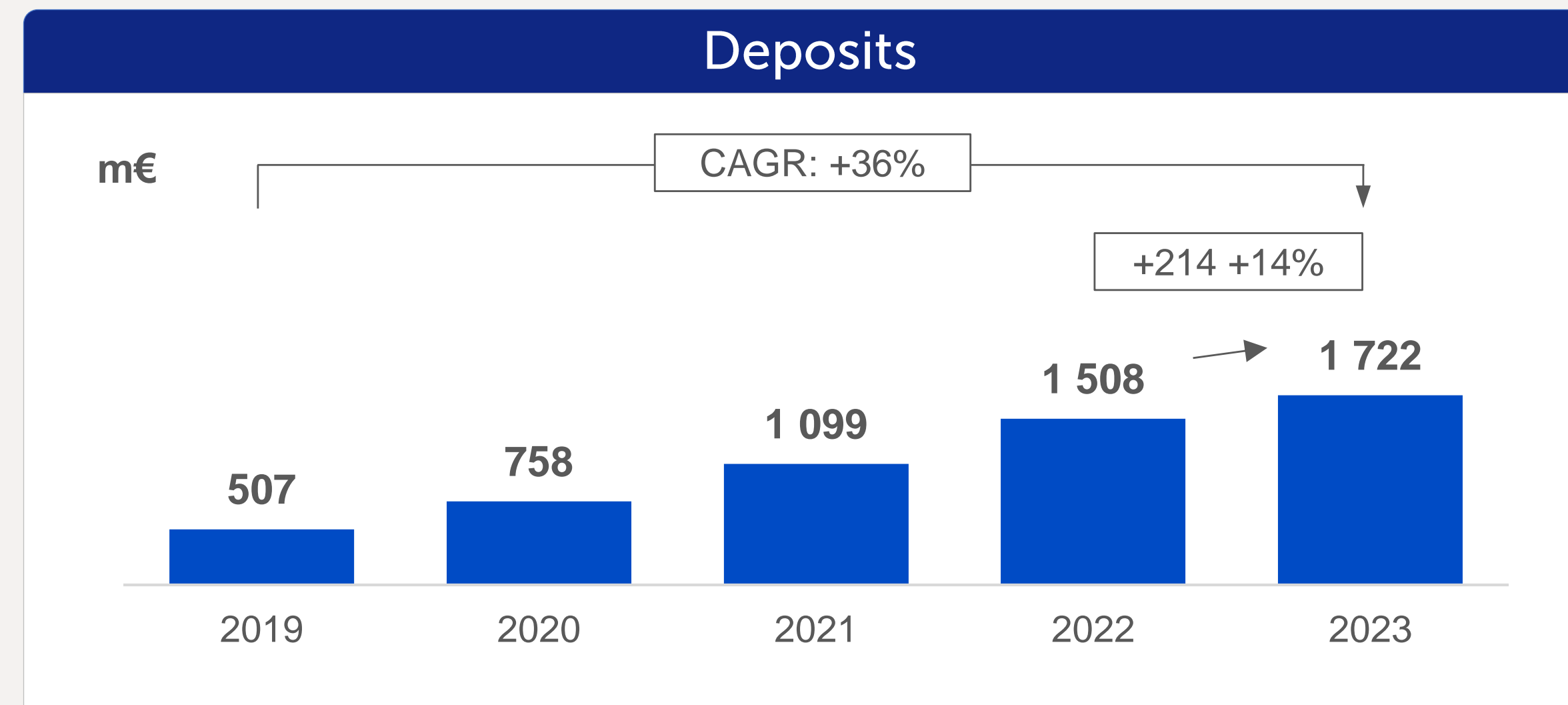
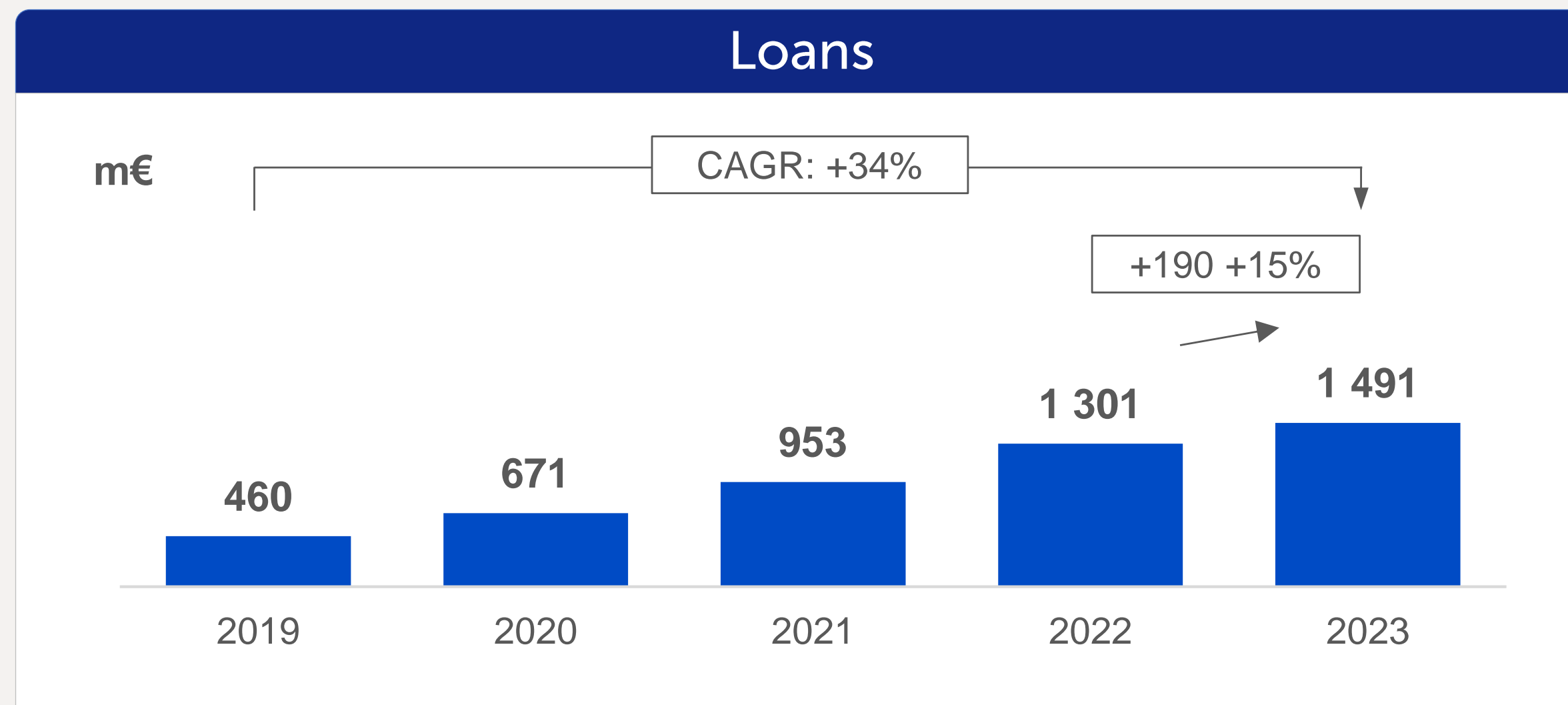
Results of Q4 2023 – compared to Q3 2023

Key indicators in quarterly comparison

	Q4 2023	Q3 2023	Quarterly change	
Net operating income ('000 €)	20 417	22 738	-2 321	-10%
Interest	20 594	21 257	-663	-3%
incl interest income	35 029	33 286	+1 743	+5%
incl interest expense	-14 435	-12 029	-2 406	+20%
Service fees and commissions	1 489	1 147	+342	+30%
Other	-1 666	334	-2 000	-599%
Operating expenses	-9 948	-9 022	-926	+10%
Operating profit	10 469	13 716	-3 247	-24%
Impairment costs	-1 148	-1 296	+148	-11%
Profit before income tax	9 321	12 420	-3 099	-25%
Income tax	-935	-1 344	+409	-30%
Net profit	8 387	11 076	-2 689	-24%
Net loan portfolio (m€)	1 491	1 494	-3	-0%
Deposits and loans received	1 722	1 707	+15	+1%
Equity	186	176	+9	+5%
ROE	18.5%	25.9%	-7.4%	
Net interest margin (NIM)	4.2%	4.4%	-0.1%	
Cost of financing	3.3%	2.9%	+0.4%	

- Net revenues -2.3 m€ (-10%)
 - Net interest decreased -0.7 m€ as deposit interest costs grew, loan portfolio remained stable over the quarter (-0.2%)
 - Other net income -2.0 m€ related to provision made to a real estate in Latvia (-1.8 m€)
- Operating expenses +0.9 m€ m€ (+10%)
 - Marketing costs
 - Payroll expenses
 - IT costs
- Impairment costs -0.1 m€ (-11%)
 - Loan portfolio stable
- Net profit -2.7 m€ (-24%)

Business volumes in yearly comparison



Change calculations refer to active customers. Active client has made at least 4 transactions in the last 60 days

Results of 2023 – compared to 2022

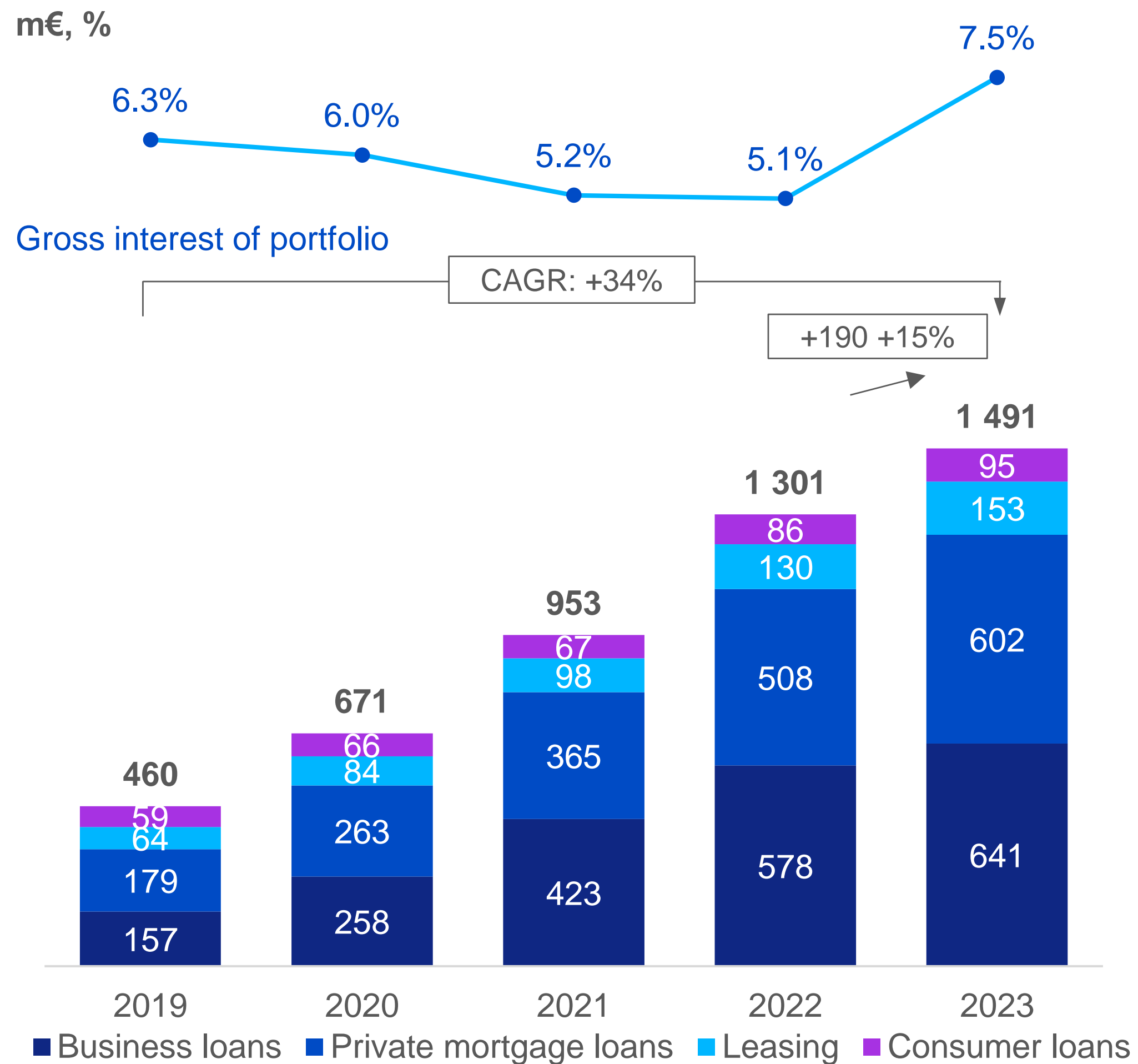
Key indicators in year on year comparison

	2023	2022	Year on Year change	
Net operating income ('000 €)	85 205	54 631	+30 574	+56%
Interest	81 265	50 709	+30 556	+60%
incl interest income	120 651	60 090	+60 561	+101%
incl interest expense	-39 386	-9 381	-30 005	+320%
Service fees and commissions	4 847	3 785	+1 062	+28%
Other	-908	137	-1 045	-763%
Operating expenses	-35 128	-27 177	-7 951	+29%
Operating profit	50 076	27 454	+22 622	+82%
Impairment costs	-6 302	-5 245	-1 057	+20%
Profit before income tax	43 774	22 209	+21 565	+97%
Income tax	-4 570	-1 859	-2 711	+146%
Net profit	39 204	20 350	+18 854	+93%
Net loan portfolio (m€)	1 491	1 301	+190	+15%
Deposits and loans received	1 722	1 508	+214	+14%
Equity	186	149	+37	+25%
ROE	23.5%	16.8%	+6.7%	
Net interest margin (NIM)	4.4%	3.4%	+1.0%	
Cost of financing	2.4%	0.7%	+1.7%	

- Revenues +30.6 m€ (+56%)
 - Net interest +30.6 m€ as loan portfolio increased (+190 m€) and higher euribor supported interest revenue
 - About 40% of net interest increase originated from larger business volumes, the rest from interest rate changes
- Operating expenses +8.0 m€ (+29%)
 - Payroll expenses
 - Marketing costs
 - Increase of contribution rate to Guarantee Fund
- Impairment costs +1.1 m€ (+20%)
 - Increased loan portfolio (+15%)
- Income tax +2.7 m€ (+146%)
- Net profit +18.9 m€ (+93%)

Loan portfolio continues to grow

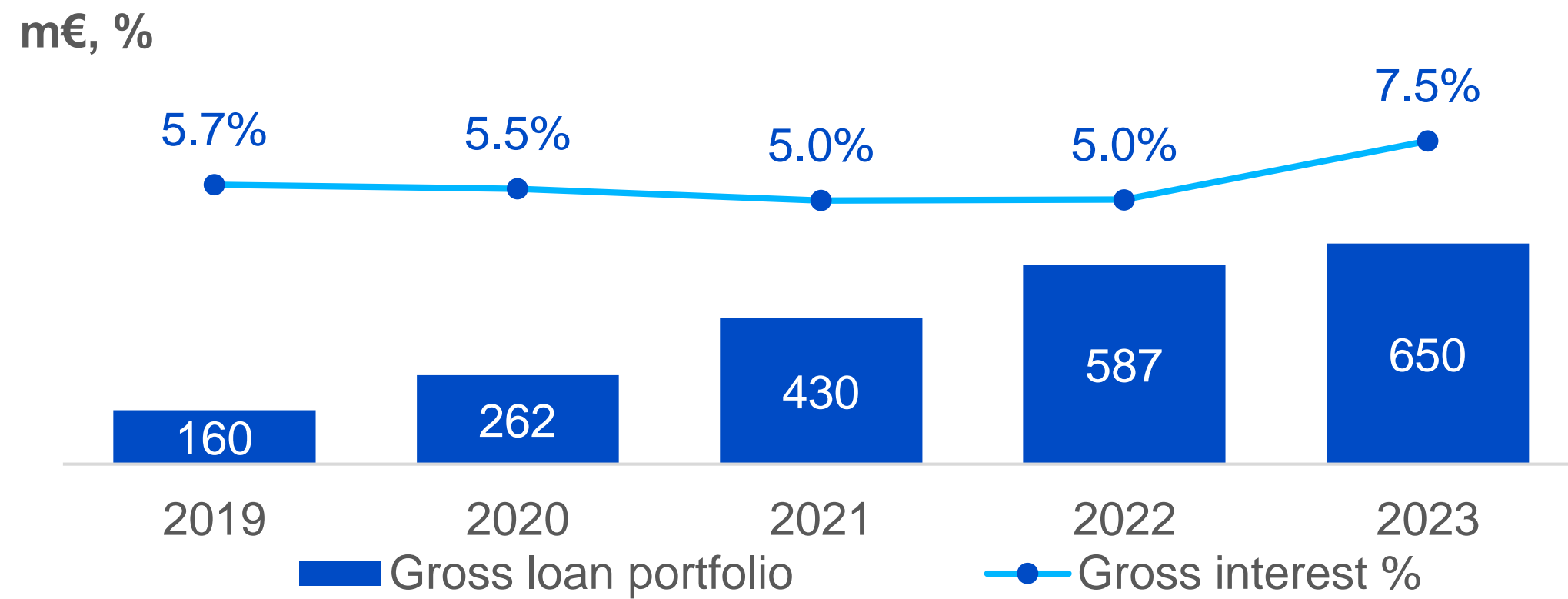
Net loan portfolio



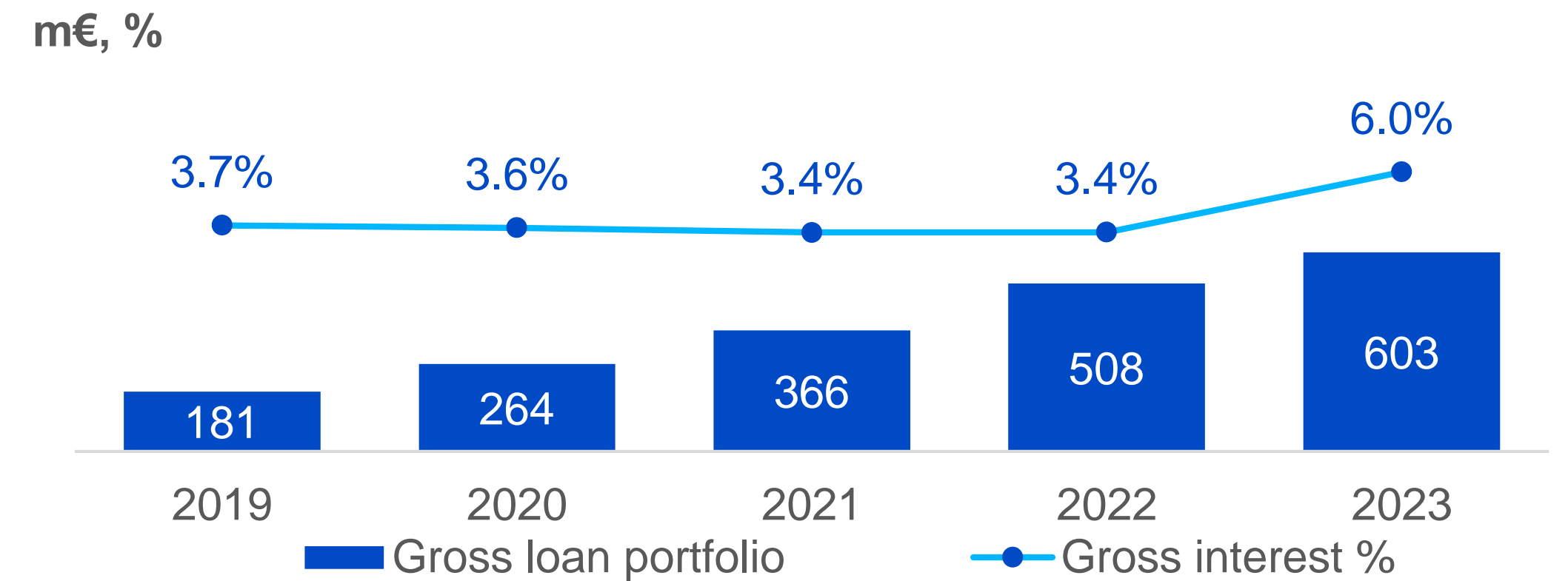
- Annual growth of loan portfolio +190 m€ (+15%)
 - Private mortgage loans +94 m€ (+18%)
 - Business loans +63 m€ (+11%)
 - Leasing +24 m€ (+18%)
 - Consumer loans +10 m€ (+11%)

Loan portfolio interest by business lines

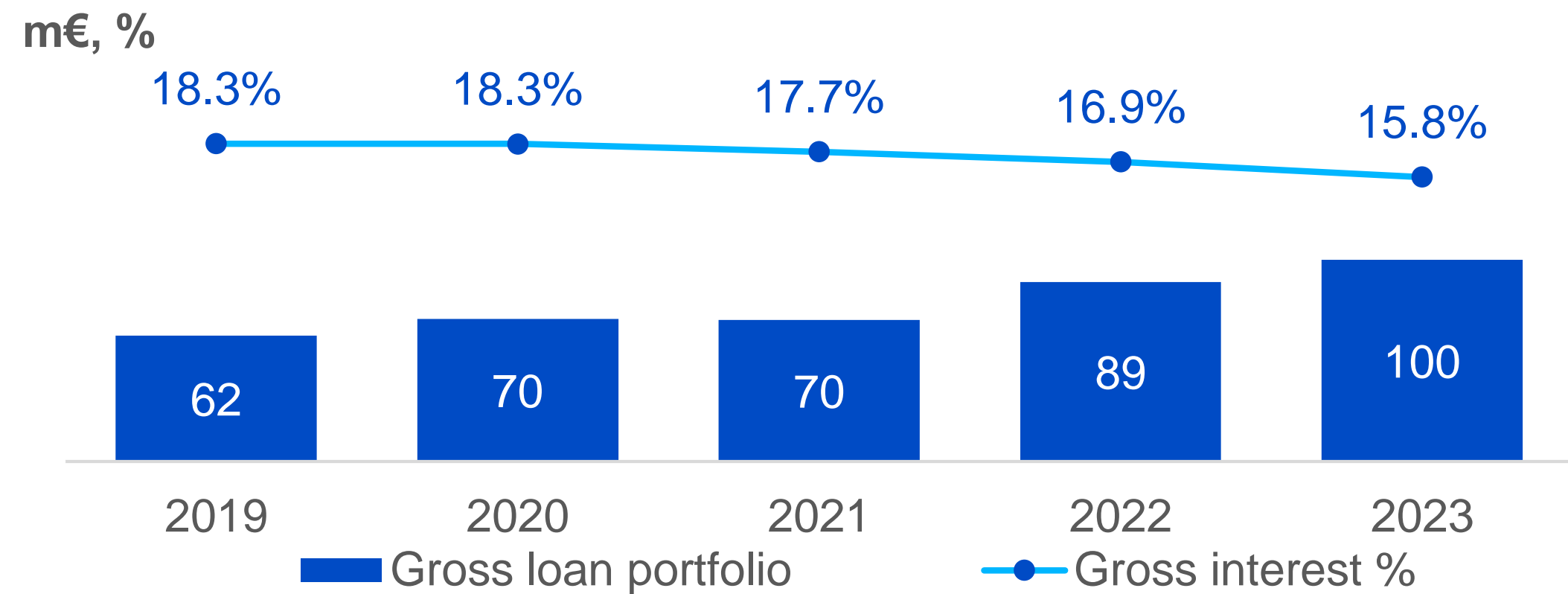
Business loans



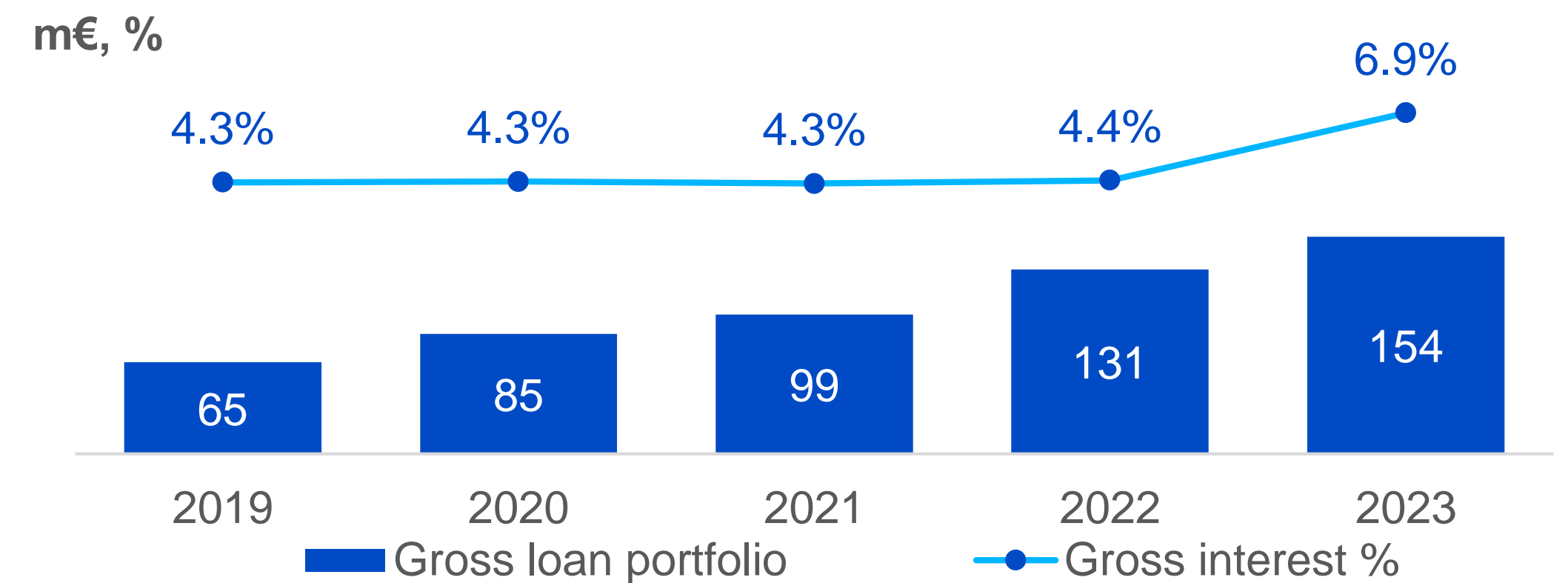
Private mortgage loans



Private consumer loans

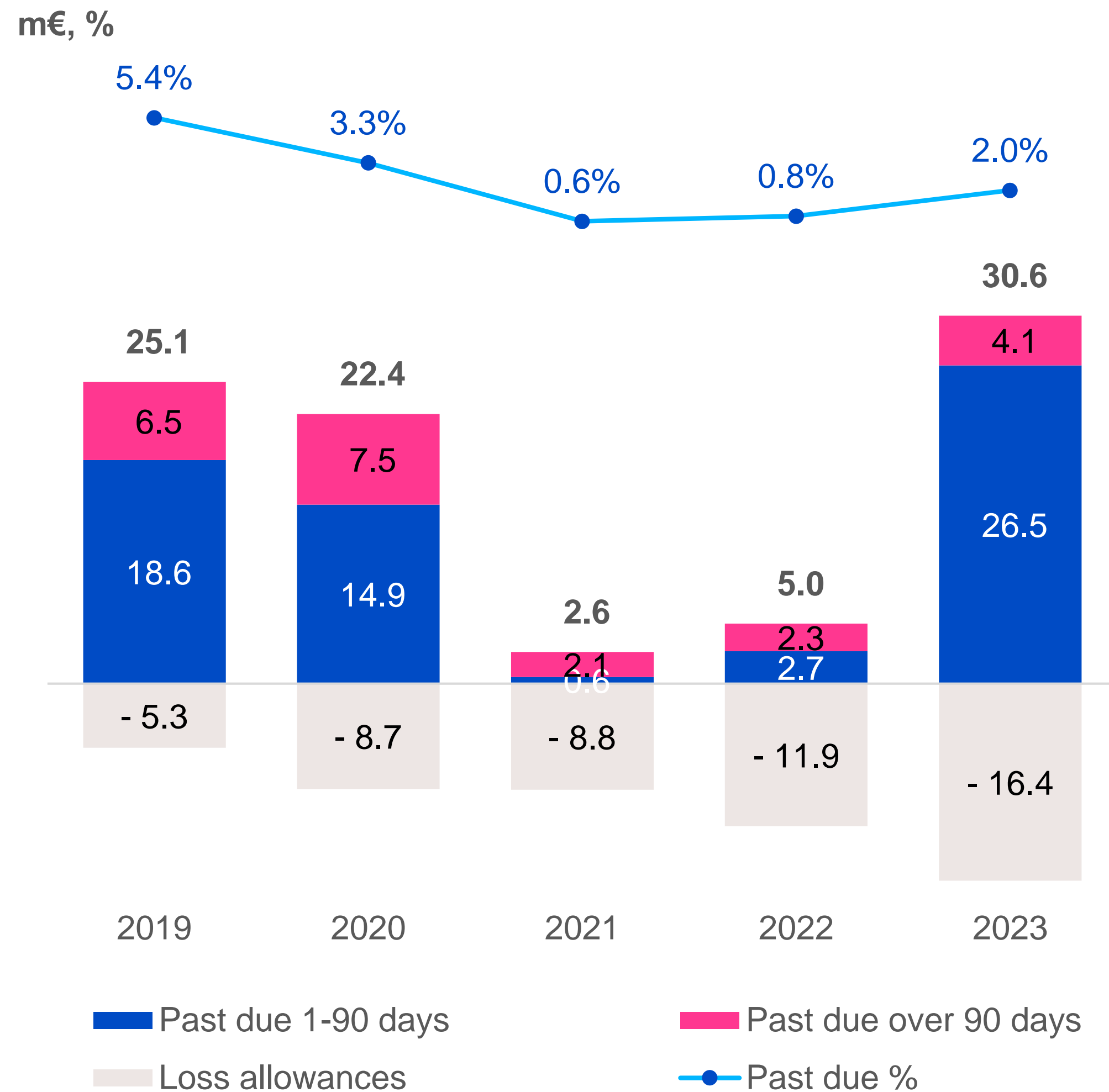


Leasing



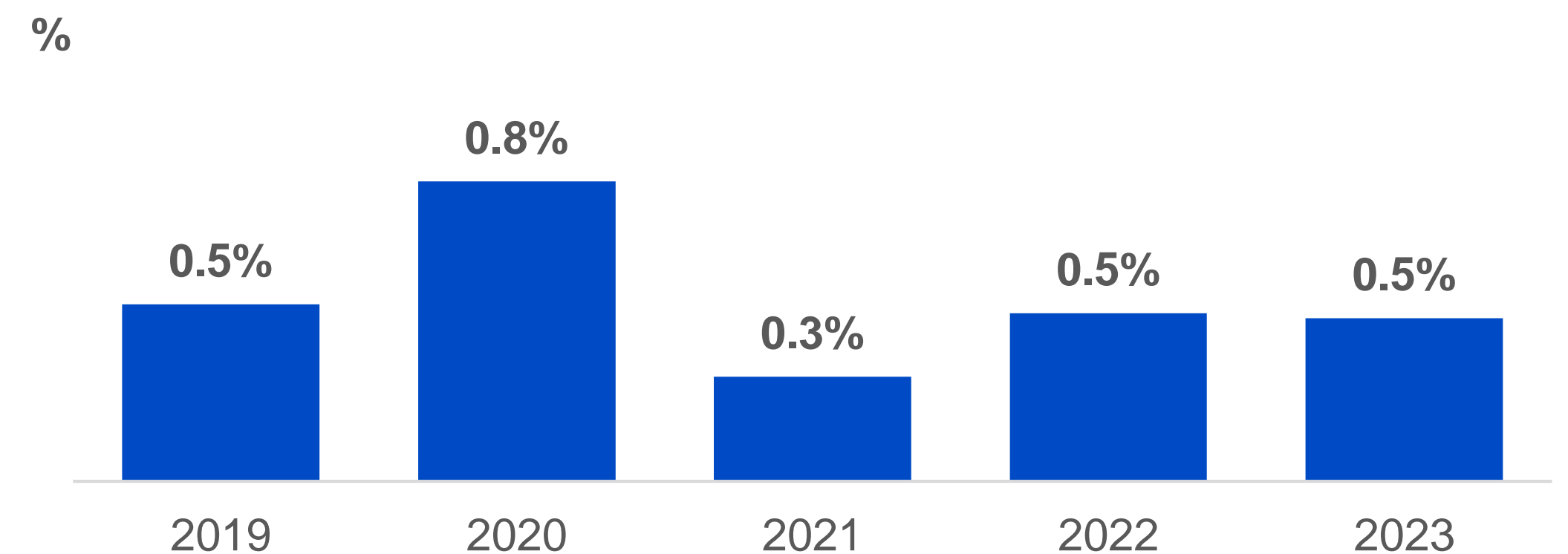
Quality of loan portfolio

Loans past due and loss allowances in balance sheet



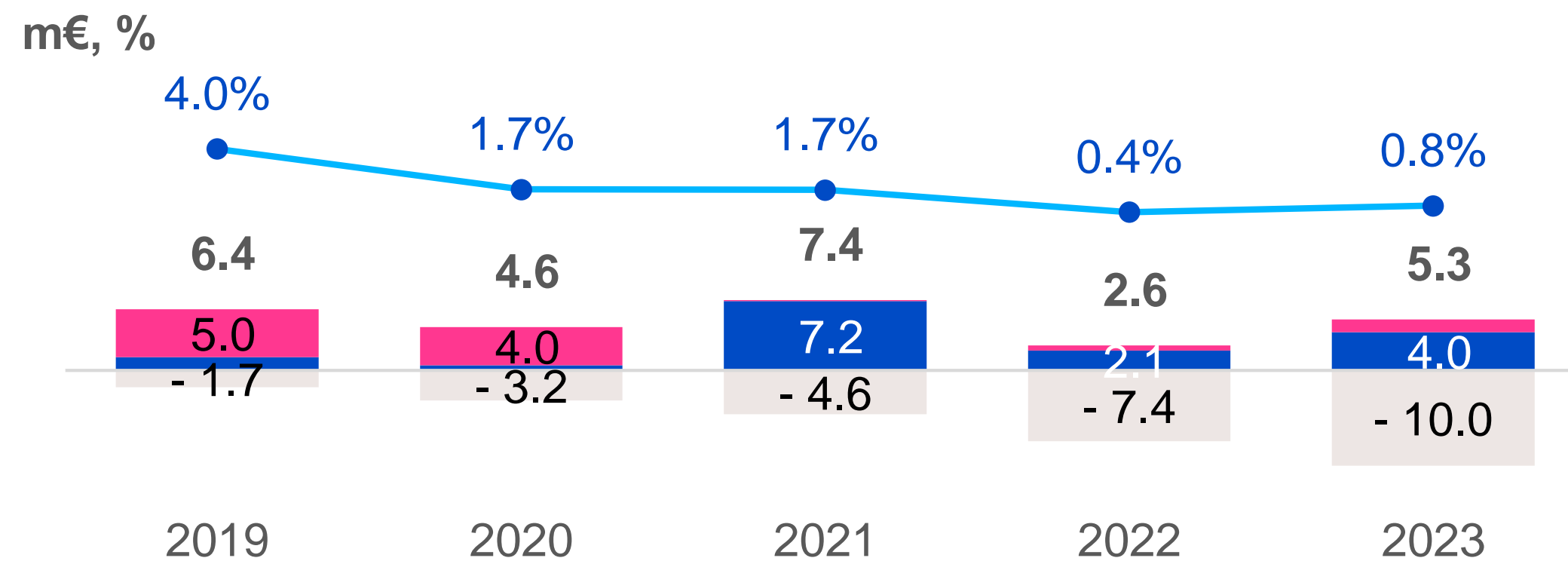
- Past due portfolio remains at a low 2.0%
- Credit risk cost ratio 0.5% in 2023

Credit risk cost ratio

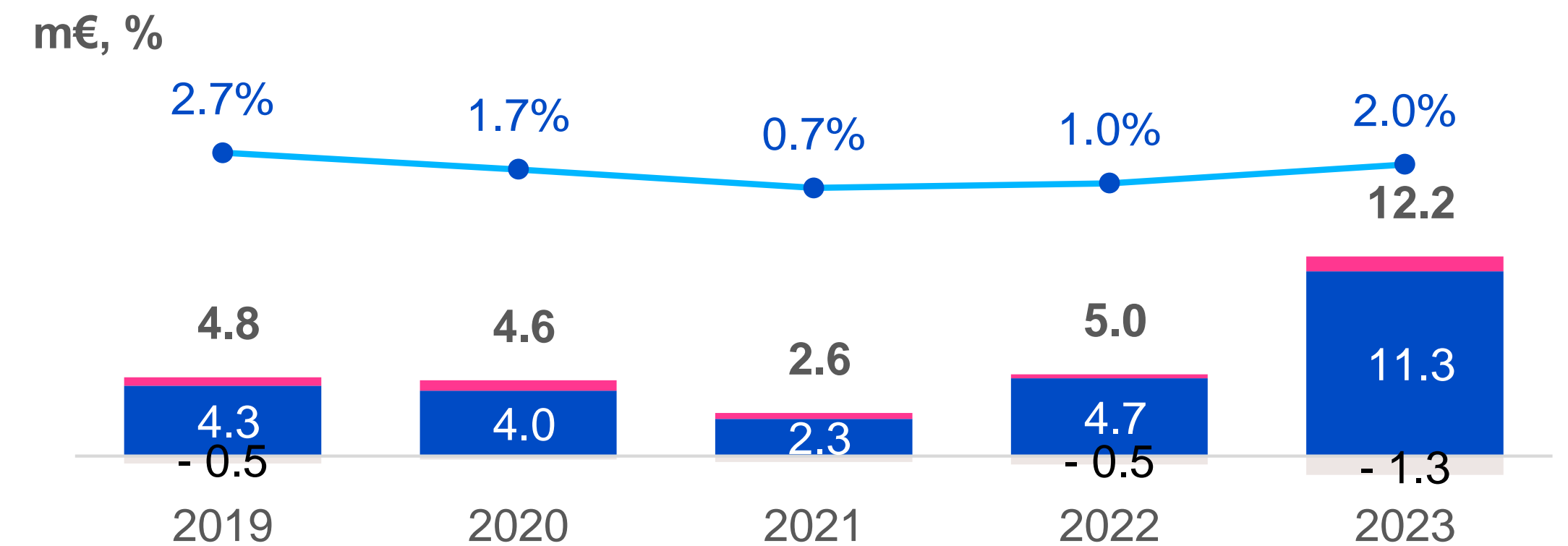


Loan portfolio quality by business lines

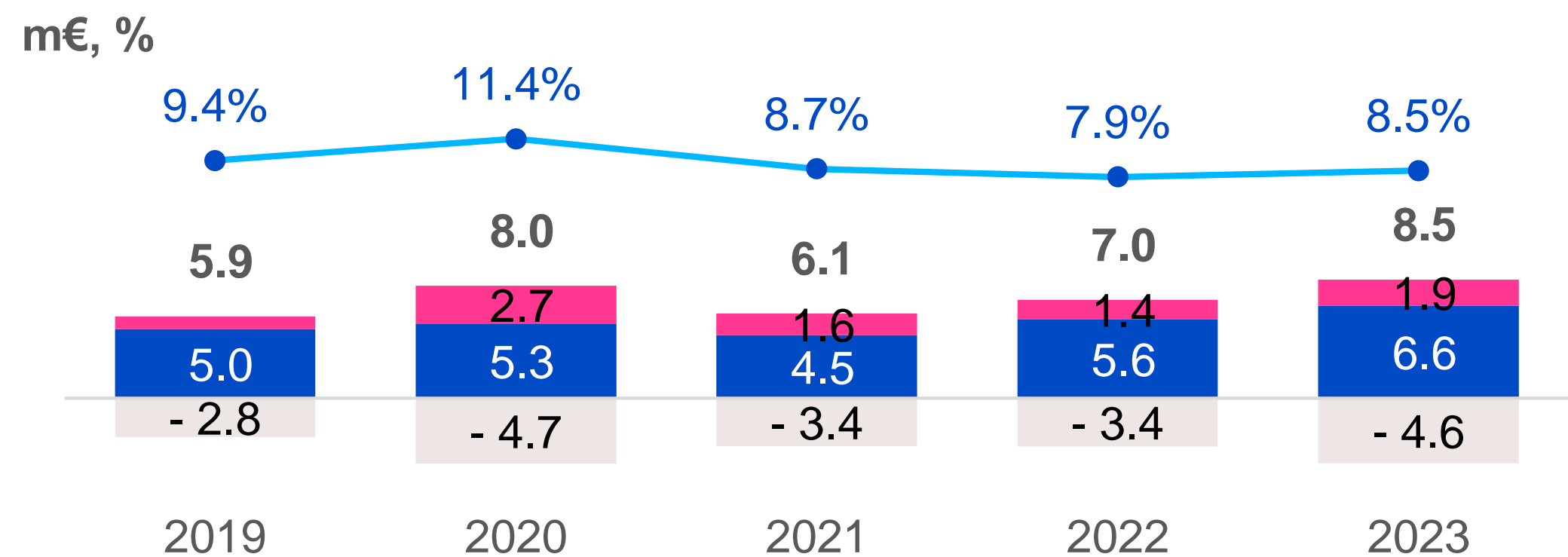
Business loans



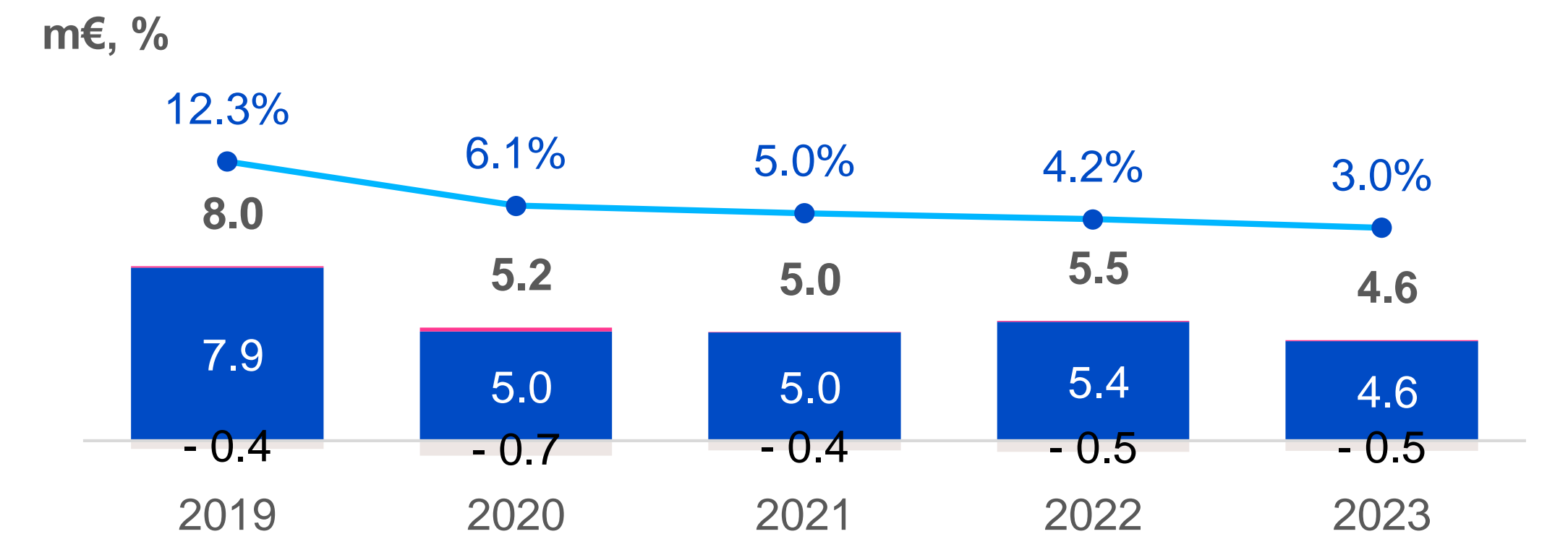
Private mortgage loans



Private consumer loans



Leasing

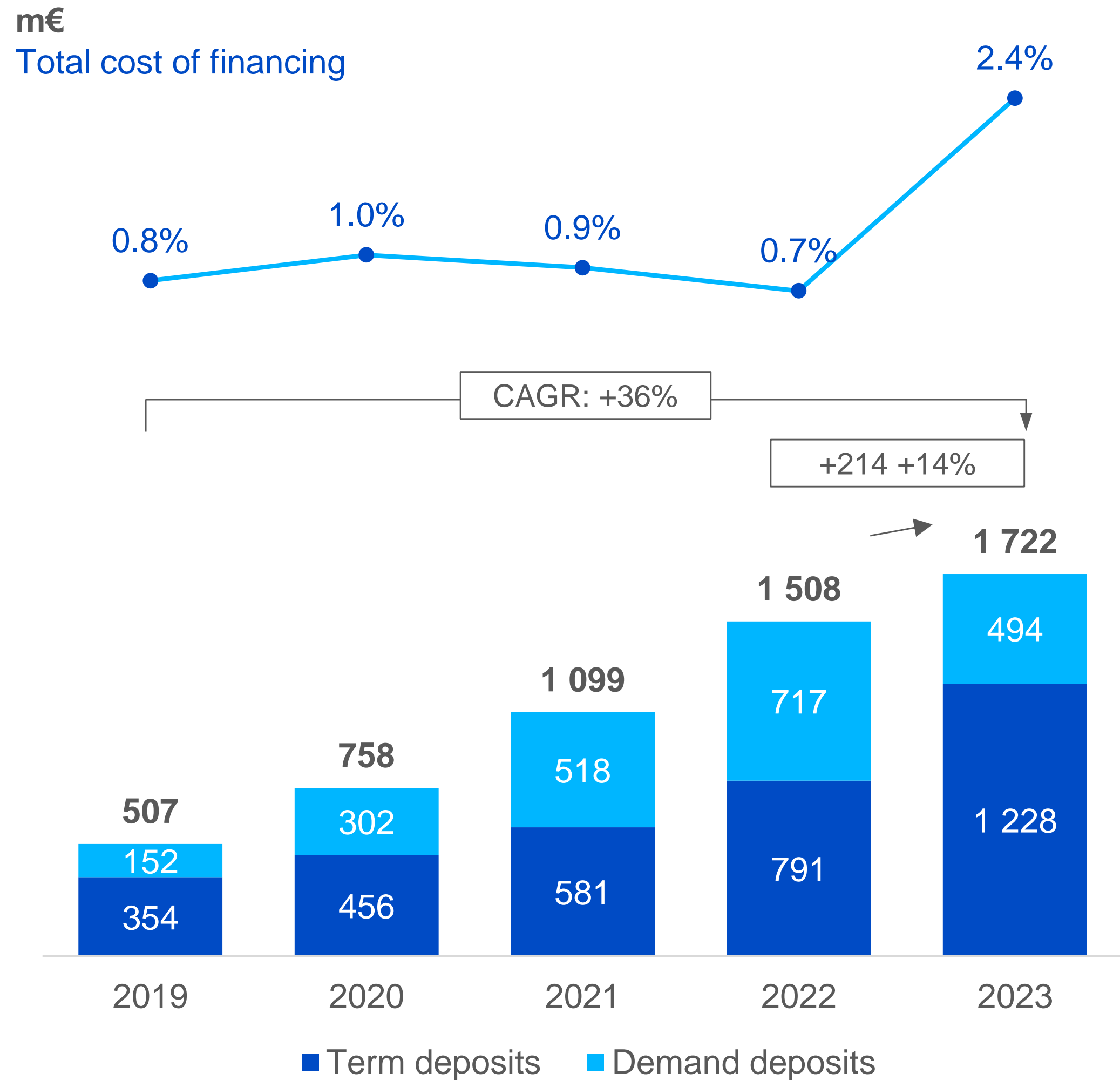


Total residual of loan principal amounts past due; loss allowances in balance sheet; share of overdue contracts in total (gross) portfolio

■ Past due 1-90 days
 ■ Past due over 90 days
 ■ Loss allowances
 —●— Past due %

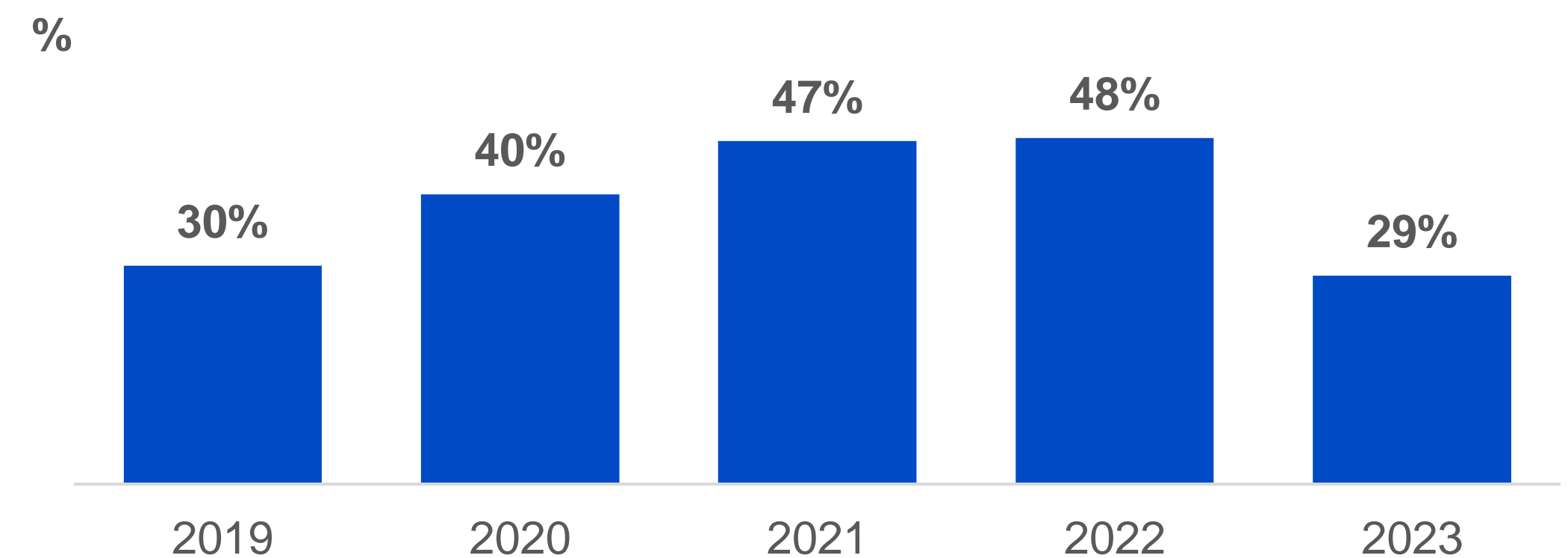
Interest costs of deposits increased

Deposits



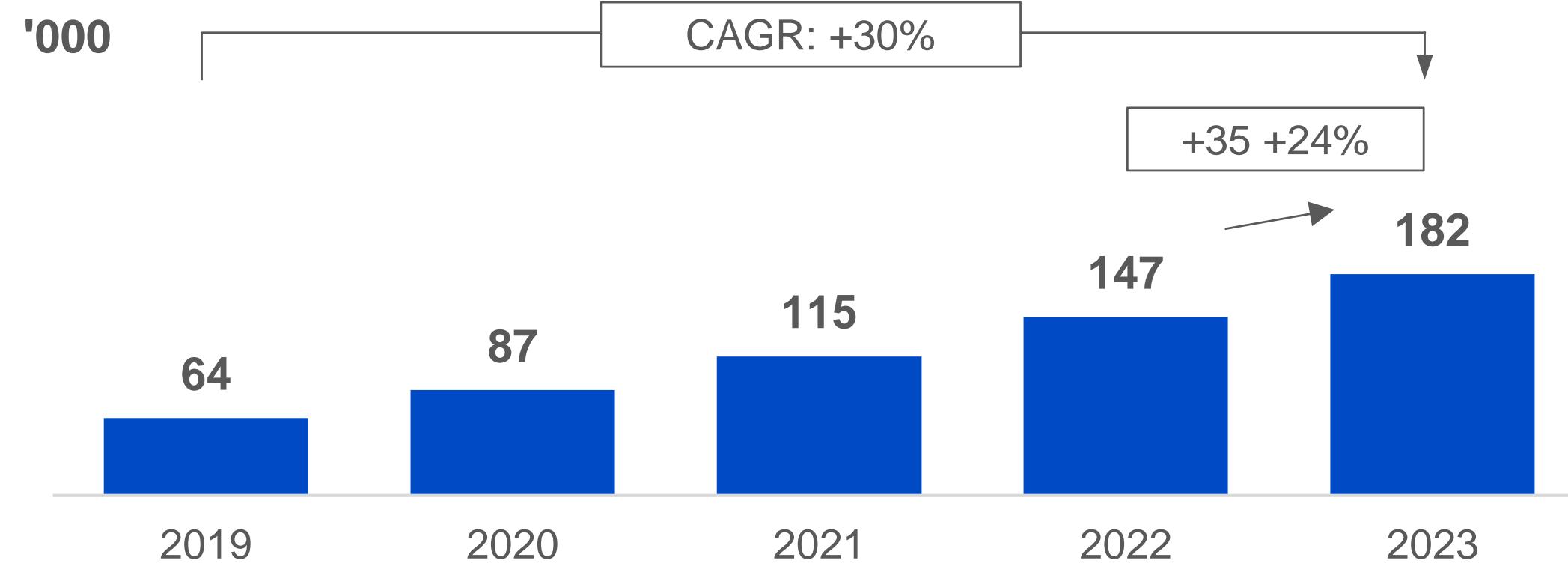
- Deposits grew by 214 m€ (+14%)
 - +174 m€ from private clients (-53 m€ demand deposits, +227 m€ term deposits)
 - +44 m€ from business clients (-171 m€ demand deposits, +215 m€ term deposits)
 - -4 m€ from Raisin platform and other financial institutions
- Cost of financing increased
- Proportion of demand deposits at 29%

Proportion of demand deposits in total deposits



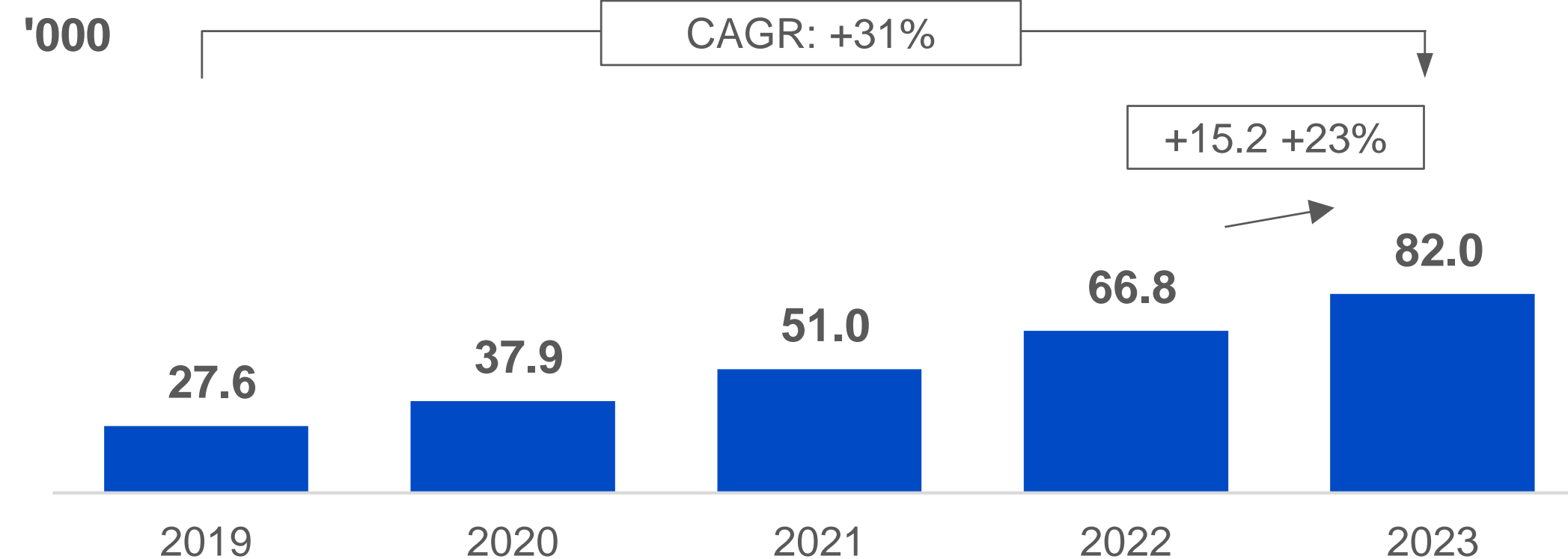
Client base and market share

Total no of clients with a bank account



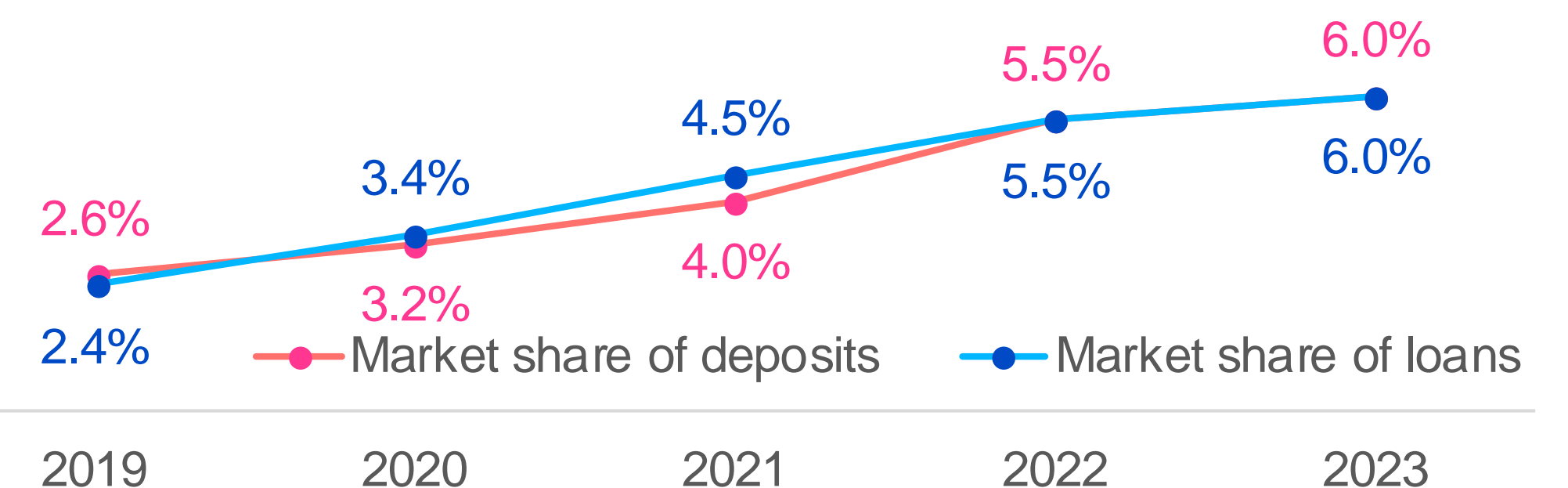
- Total no of clients increased by 35 000 (+24%) (+32 000 in 2022)
- 15 200 new active clients in 2023 (+23%) (+15 800 in 2022)
- Bank's market share changed in 2023*
 - Market share of loan portfolio 5.5% => 6.0%
 - Market share of deposits portfolio 5.5% => 6.0%

No of active clients



Market share

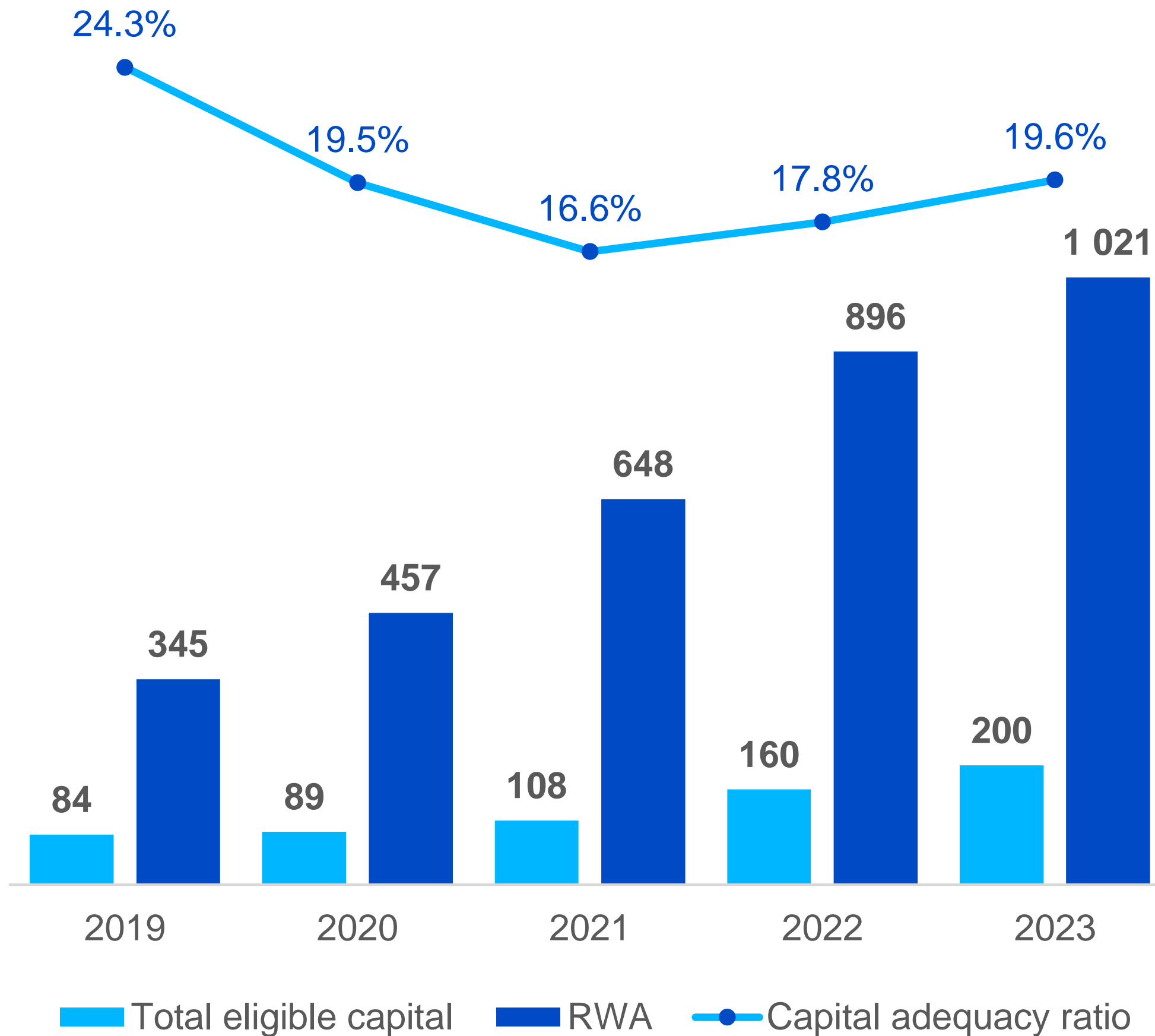
market share %



Capital base supports growth plans

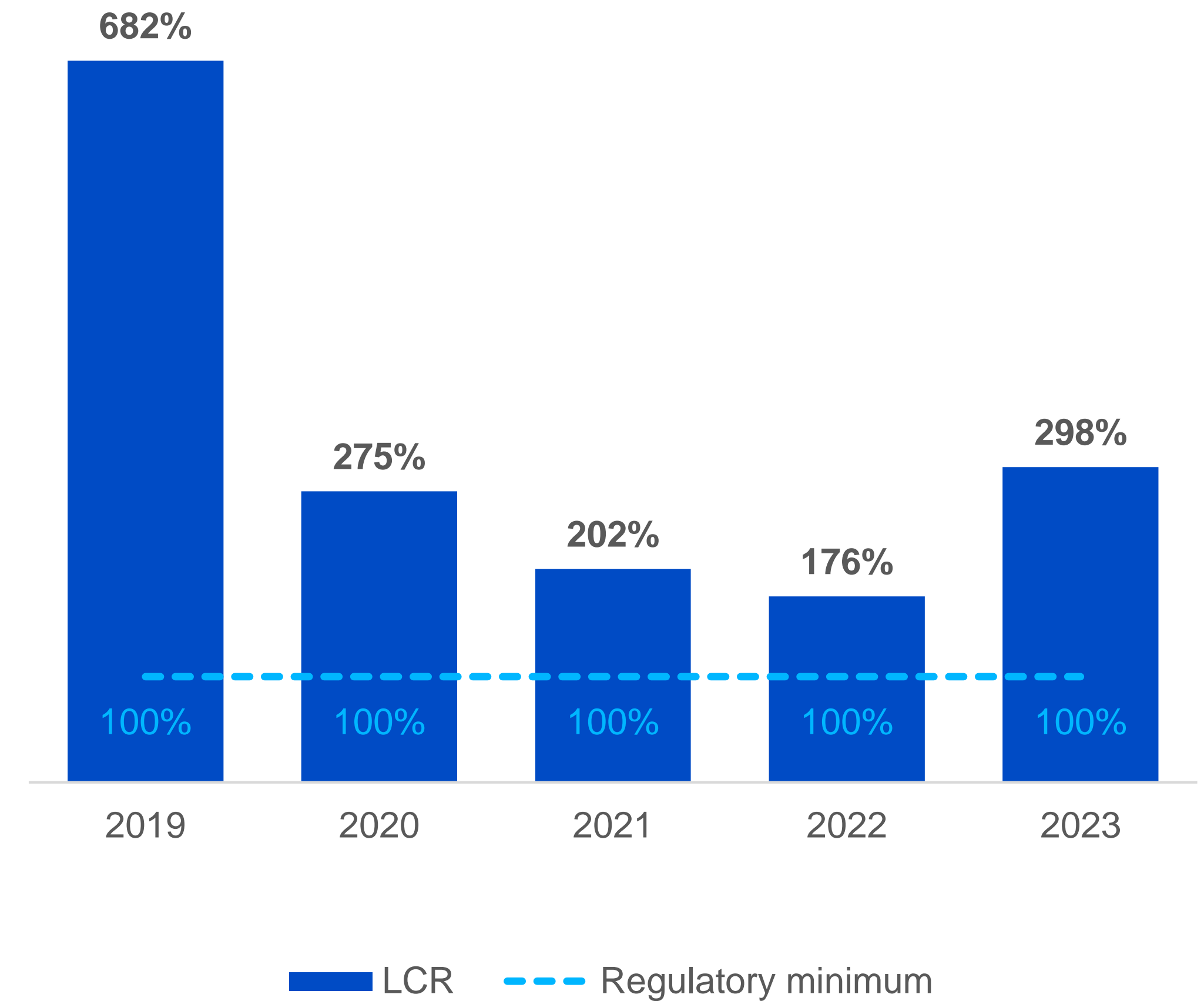
Annual capitalization

m€, %



Liquidity coverage ratio (LCR)

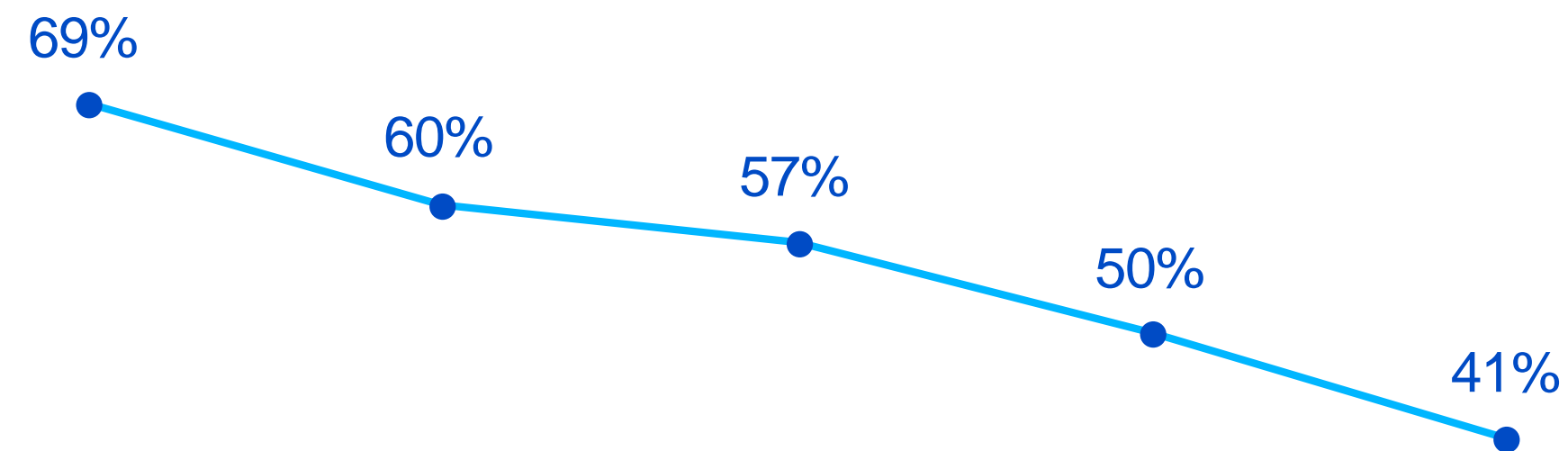
%



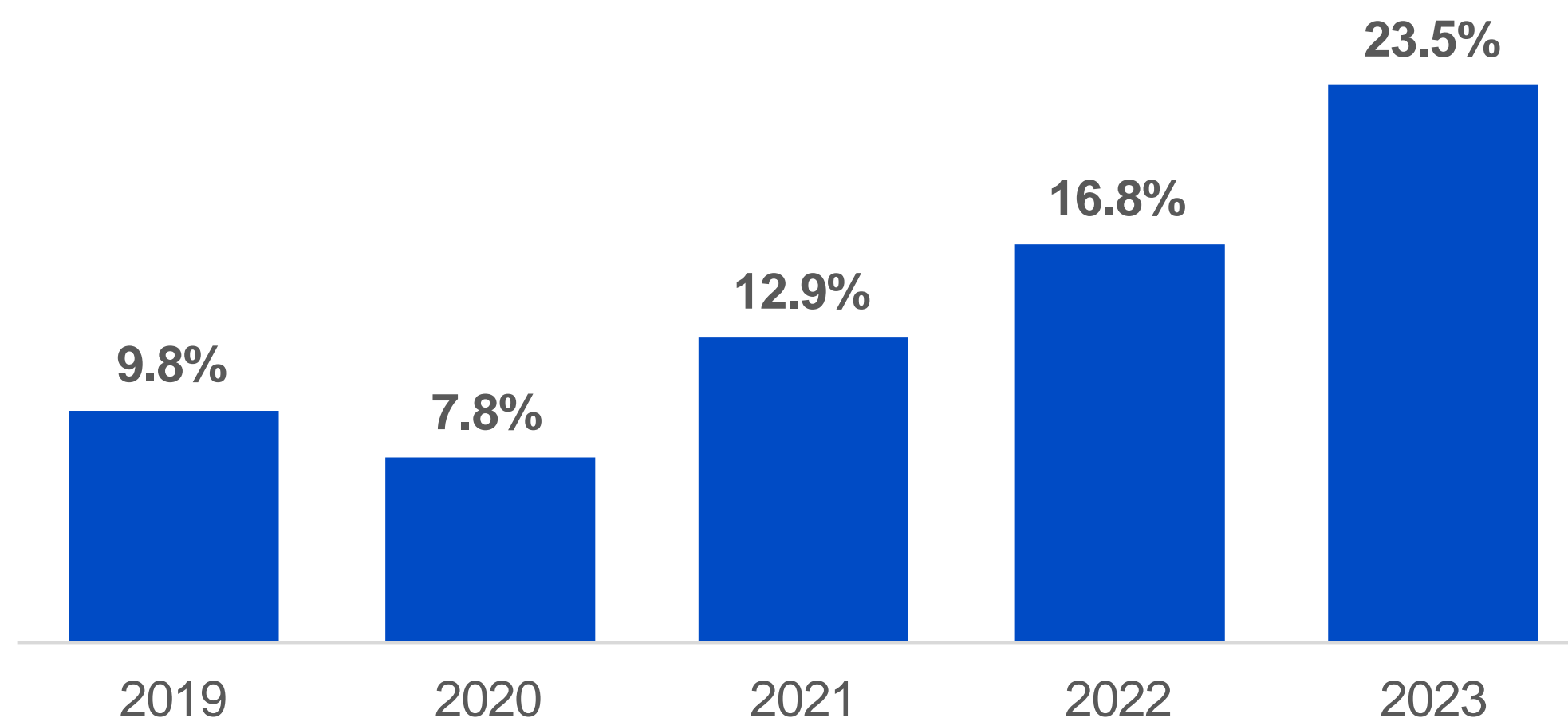
Performance indicators

Cost / income ratio (CIR) and ROE

Cost / Income ratio %



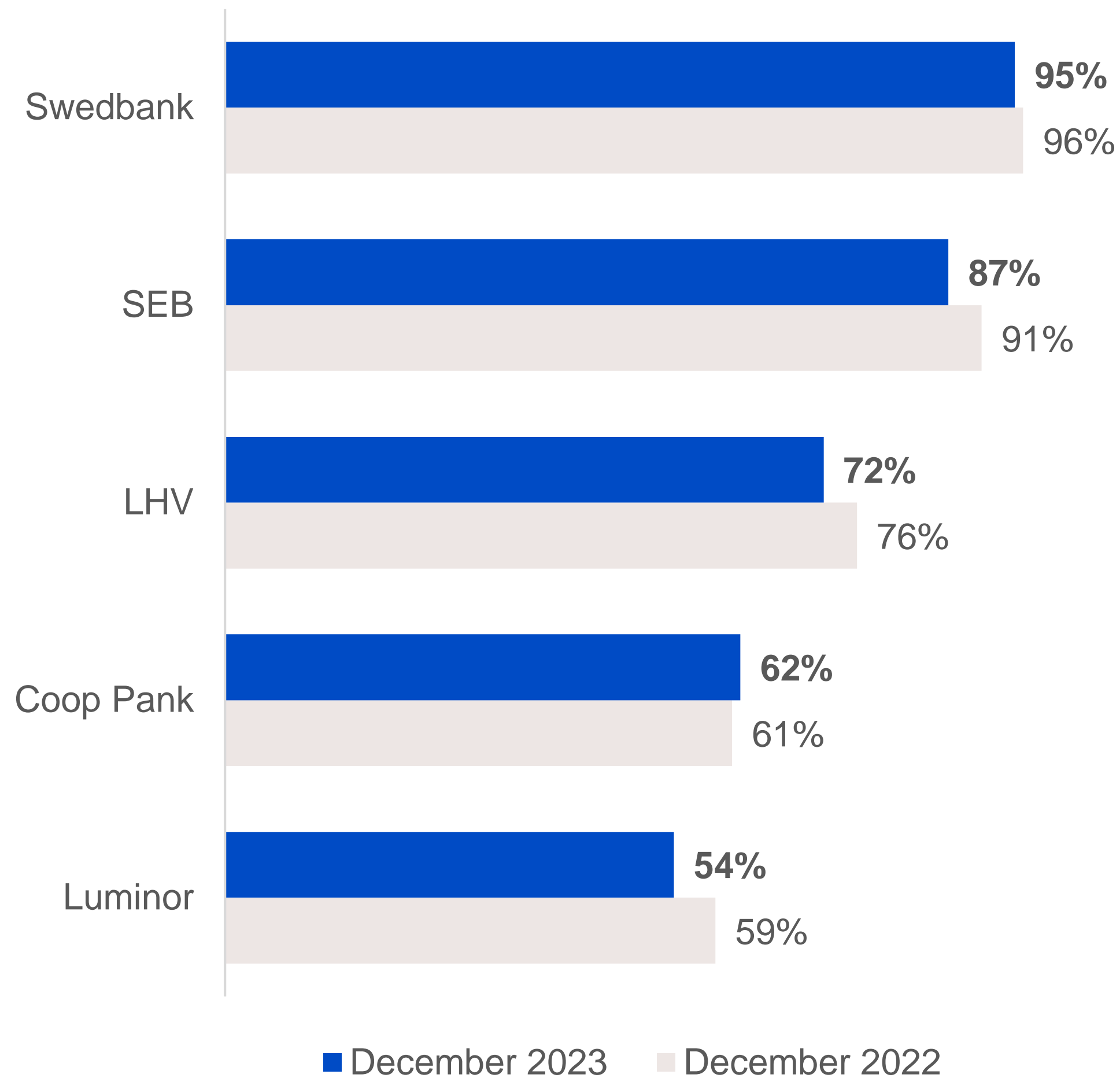
ROE %



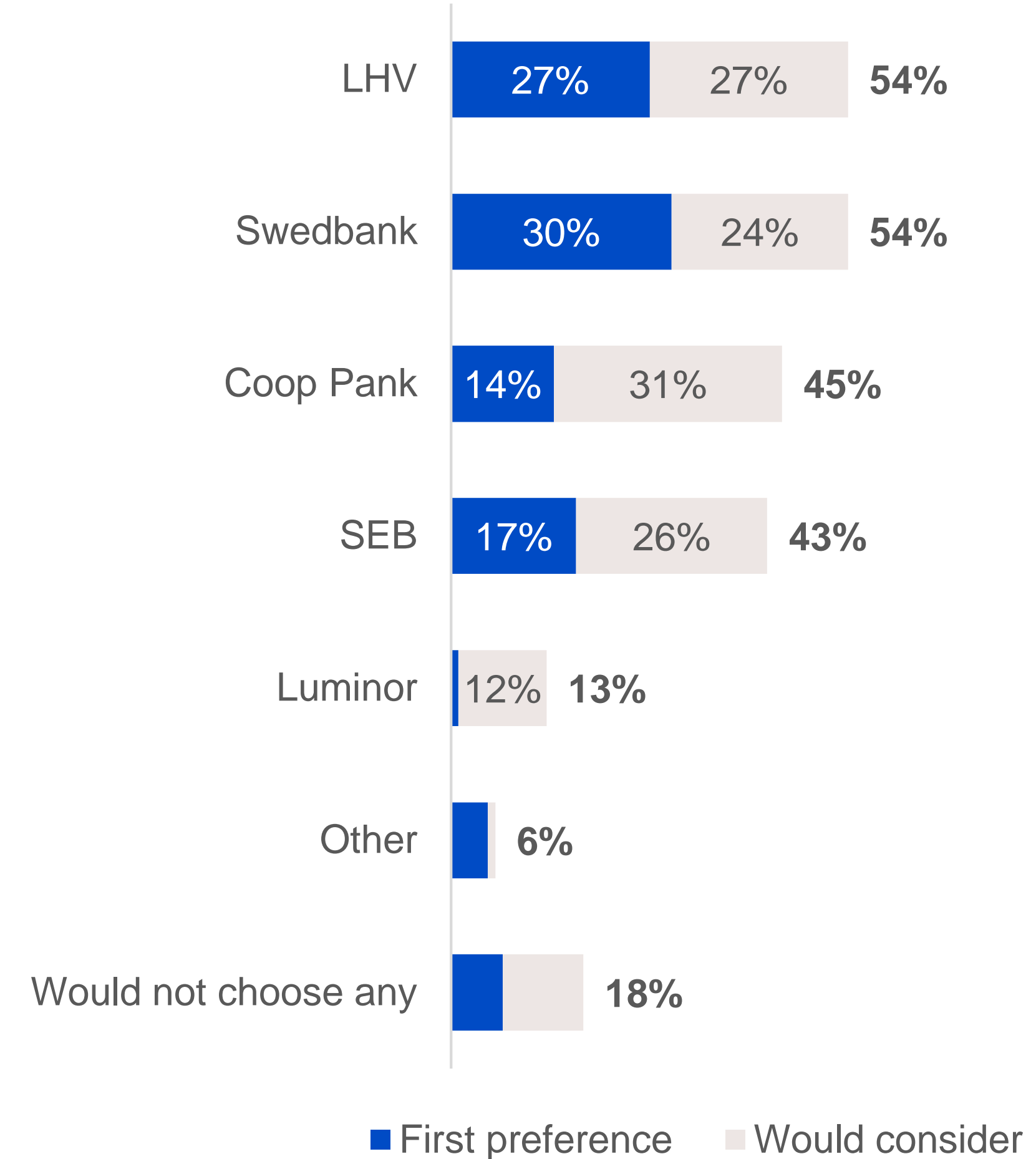
- CIR 41% (long term goal <50%)
 - Revenues +30.6 m€ (+56%)
 - Costs +8.0 m€ (+29%)
- ROE 23.4% (long term goal >15%)
 - Growing business volumes support scale effect in costs
 - Quality of loan portfolio remains high

Brand awareness and preference as a financial partner

Brand awareness of Coop Pank



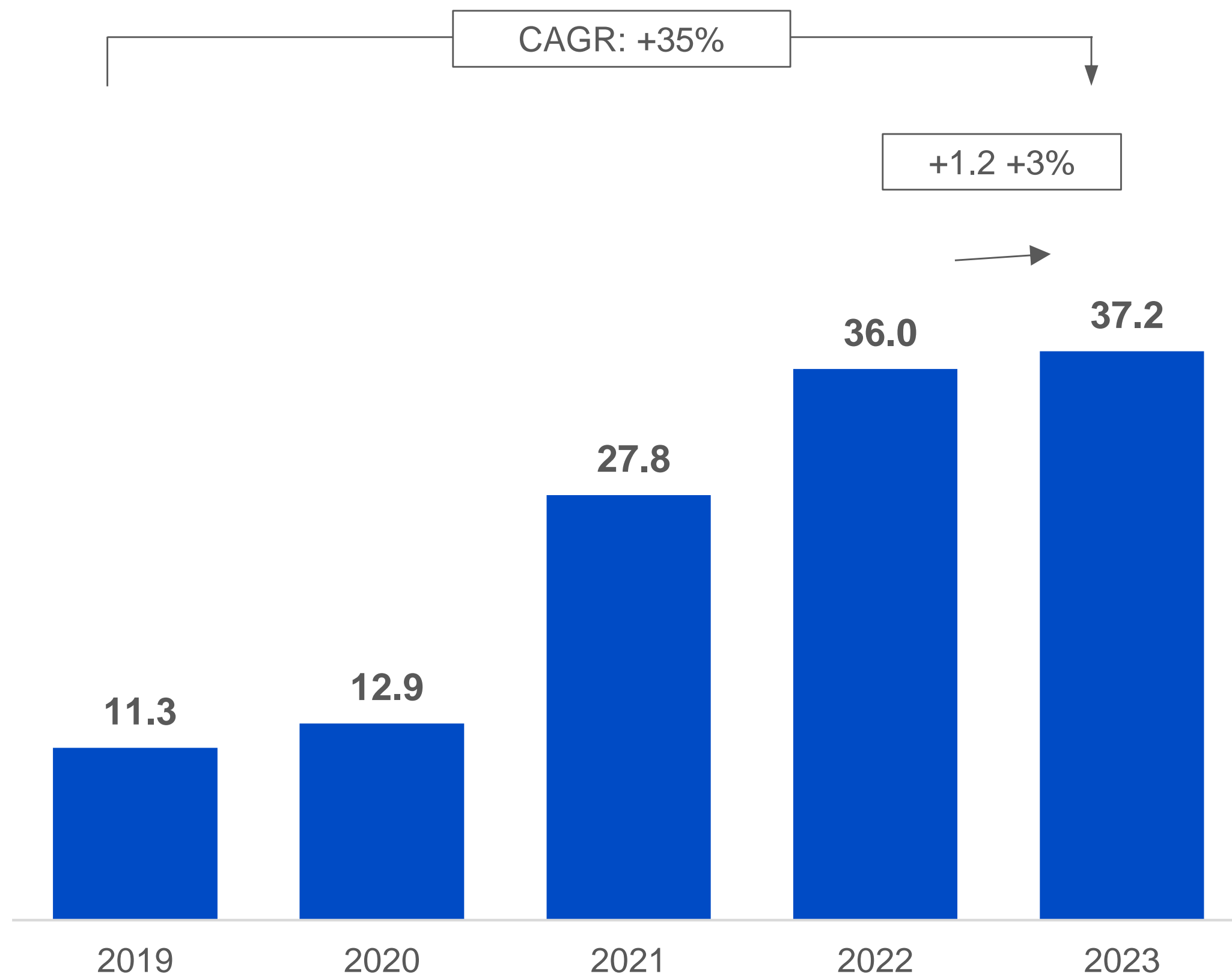
Preference as a financial partner



Shareholders

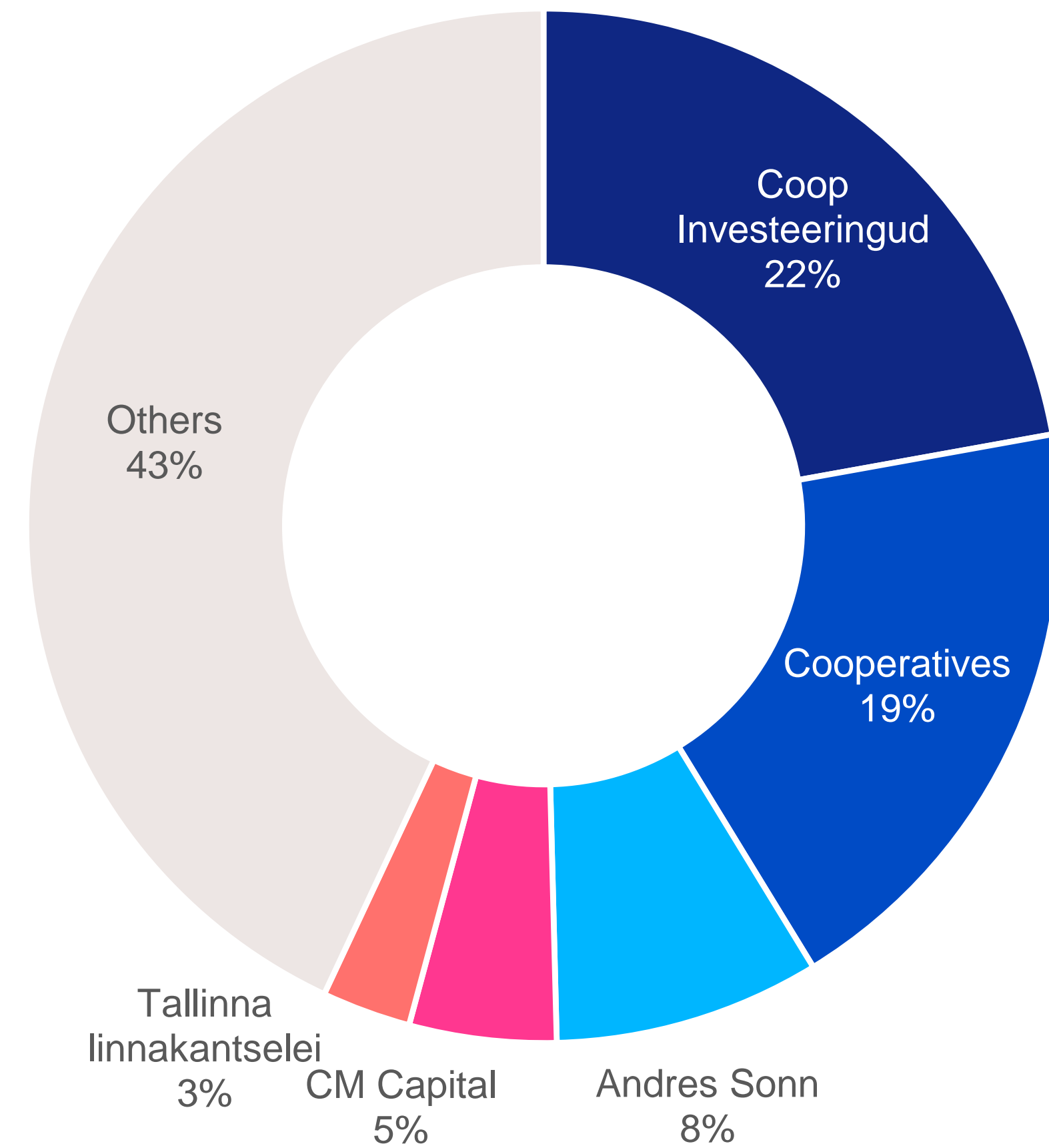
No of Coop Pank shareholders

'000



TOP shareholders

Shareholder distribution of Coop Pank as at 31.12.2023



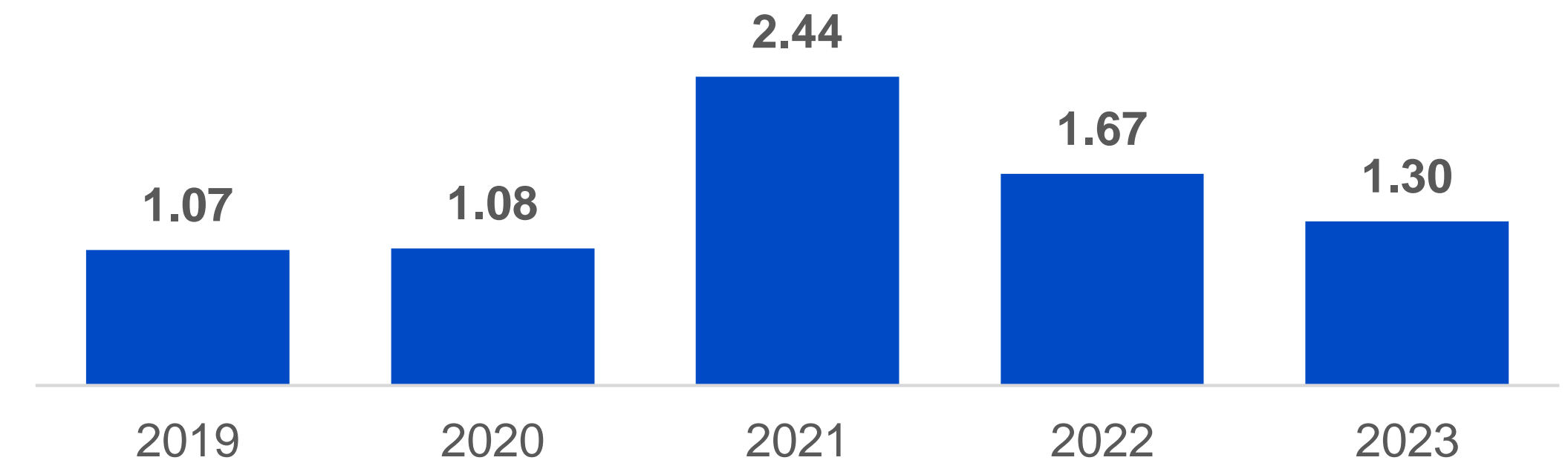
Share price

Coop Pank share price and trading volume by dates



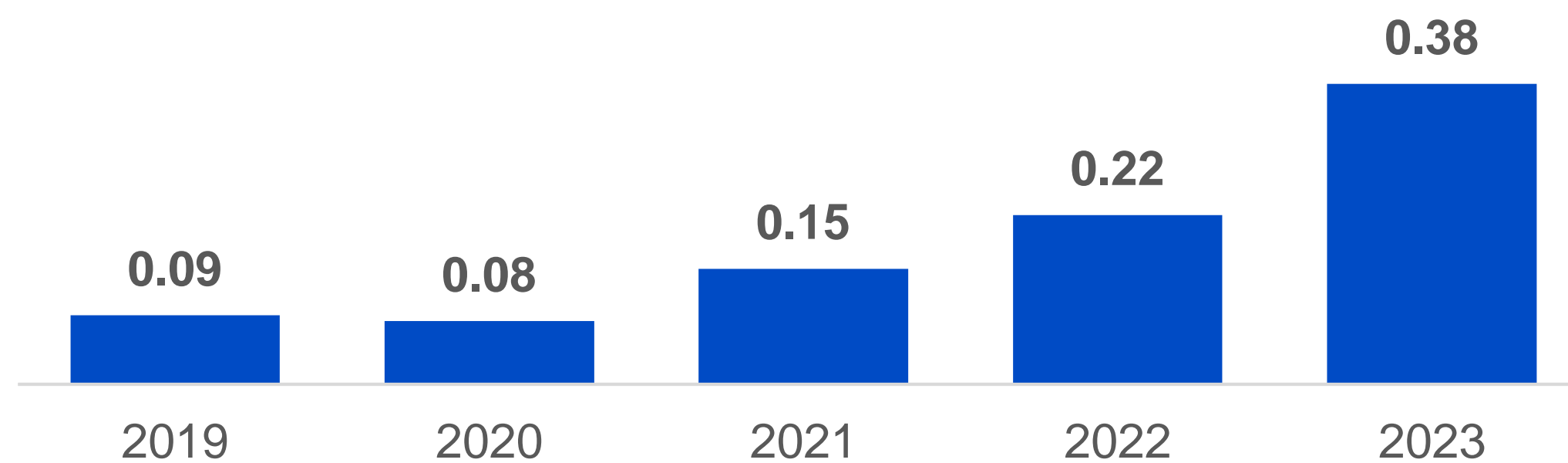
P/B ratio

P/B €



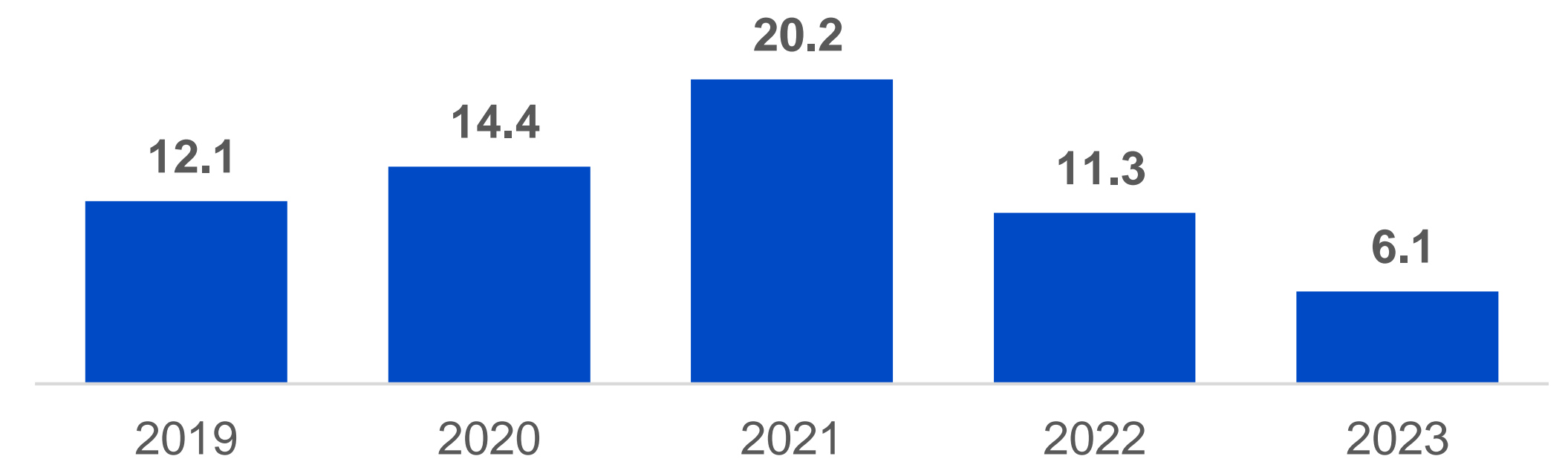
Net income per share (EPS)

EPS €



P/E ratio

P/E €



Summary: 2023 results

- Increased business volumes (+15% YoY)
- Growth of active customers (+23% YoY)
- Net profit 39.2 mln € (+93% YoY)
- CIR 41% (50% in 2022)
- ROE 23.5% (16.8% in 2022)

39.2 m€ profit
ROE 23.5%



Results of 5 years

Financial results and key indicators

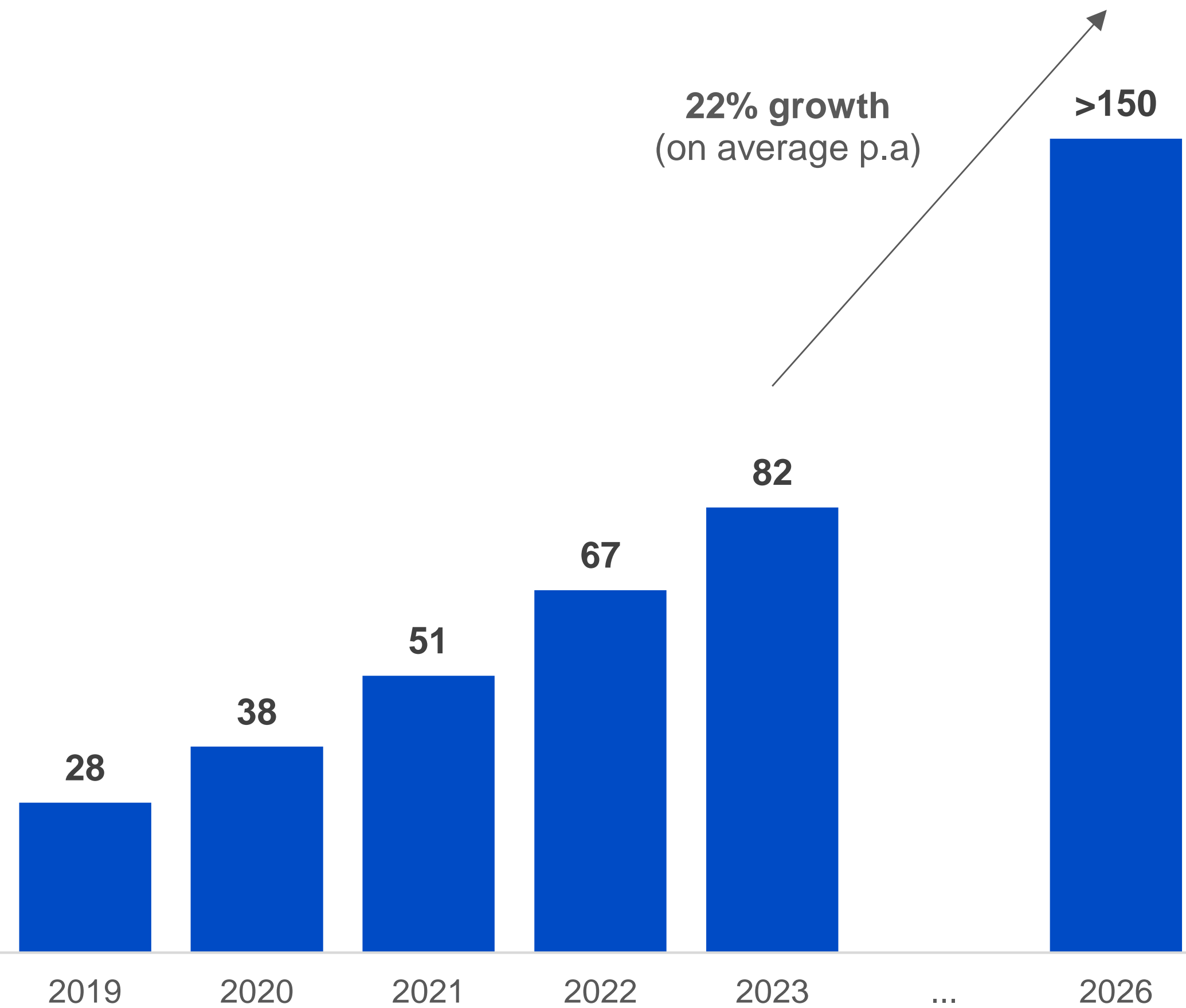
	2019	2020	2021	2022	2023
Net oper. income ('000 €)	23 719	31 089	39 238	54 631	85 205
Interest	20 689	28 371	35 538	50 709	81 265
incl interest income	25 577	34 640	43 040	60 090	120 651
incl interest expense	-4 889	-6 269	-7 502	-9 381	-39 386
Service fees and commissions	2 372	2 097	3 085	3 785	4 847
Other	658	621	615	137	-908
Operating expenses	-16 261	-18 796	-22 453	-27 177	-35 128
Operating profit	7 458	12 293	16 785	27 454	50 076
Impairment costs	-1 931	-4 789	-2 497	-5 245	-6 302
Profit before income tax	5 527	7 504	14 288	22 209	43 774
Income tax	0	-245	-825	-1 859	-4 570
Net profit	5 527	7 259	13 463	20 350	39 204
Net loan portfolio (m€)	460	671	953	1 301	1 491
Deposits and loans received	507	758	1 099	1 508	1 722
Equity	89	98	112	149	186
ROE	9.8%	7.8%	12.9%	16.8%	23.5%
Net interest margin (NIM)	4.2%	3.9%	3.4%	3.4%	4.4%
Cost of financing	0.8%	1.0%	0.9%	0.7%	2.4%
Cost / income ratio (CIR)	69%	60%	57%	50%	41%
Capital adequacy ratio	24.3%	19.5%	16.6%	17.8%	19.6%

- Strong business volume growth in the last five years
- Increased profitability due to economies of scale resulting in higher ROE and better CIR

Target: increasing number of active clients

No of active clients of Coop Pank and target

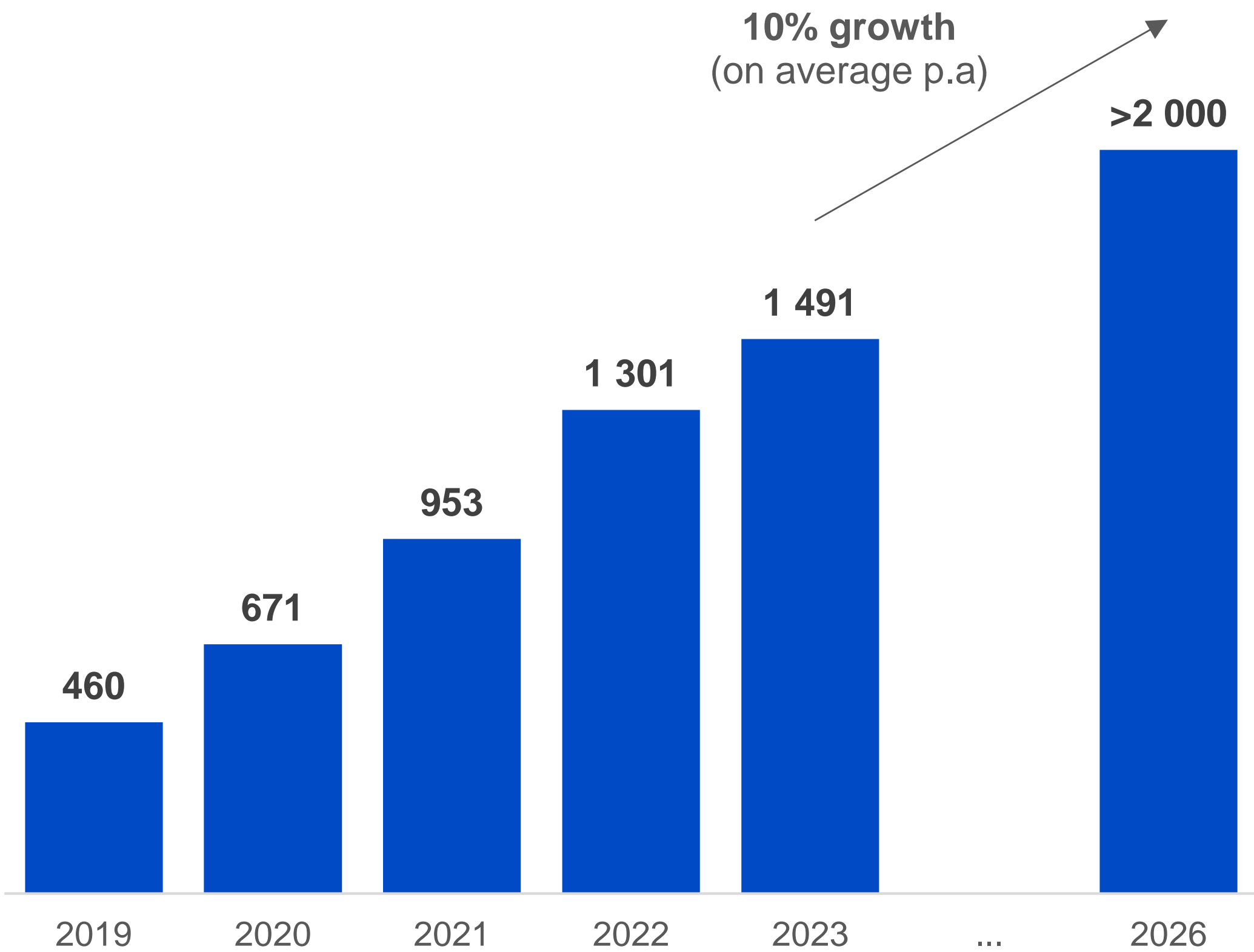
No of active customers of Coop Pank, thousand



Target: growth of loan portfolio

Coop Pank loan portfolio and target

Net loan portfolio of Coop Pank, m€



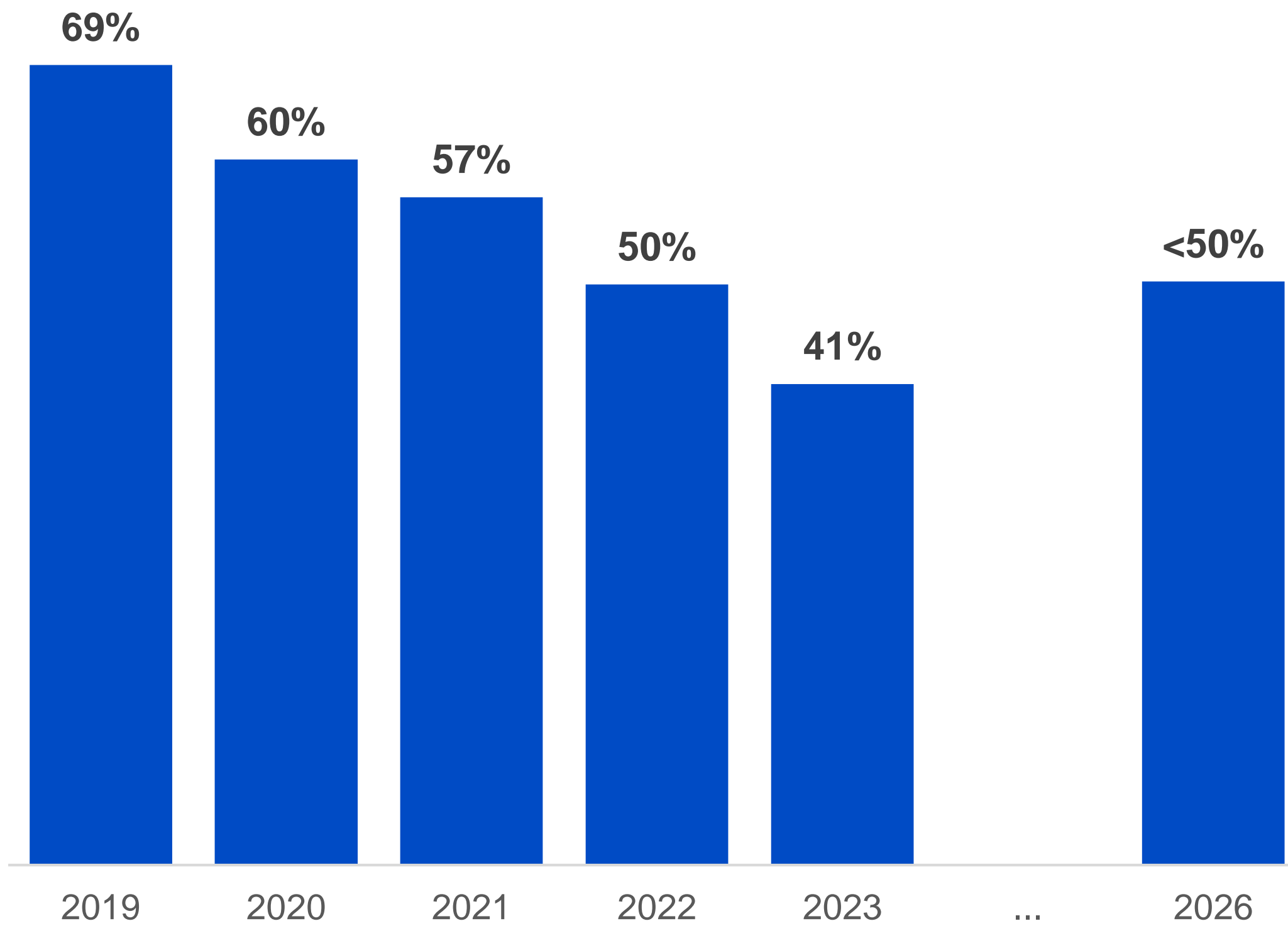
Loan portfolio
>2 bn €



Target: decreasing cost / income ratio

Cost / income ratio

Cost / income ratio (CIR)



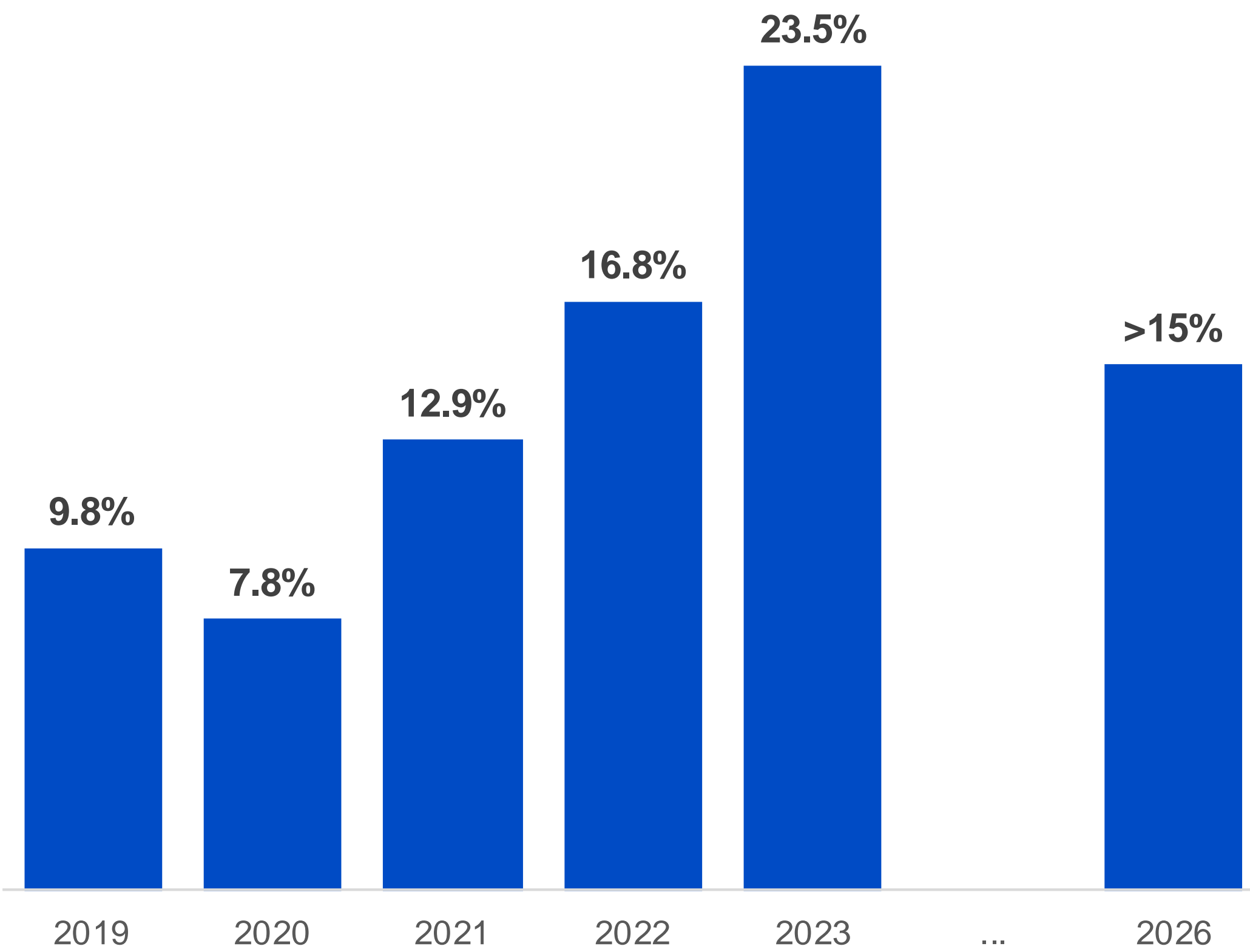
Cost / income ratio
<50%



Target: increasing return on equity

Return on equity

Return on equity (ROE)



Return on equity
>15%



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<https://www.cooppank.ee/en/for-investors>