



Coop Pank Group 2022 Q4 and yearly unaudited results

09.02.2023

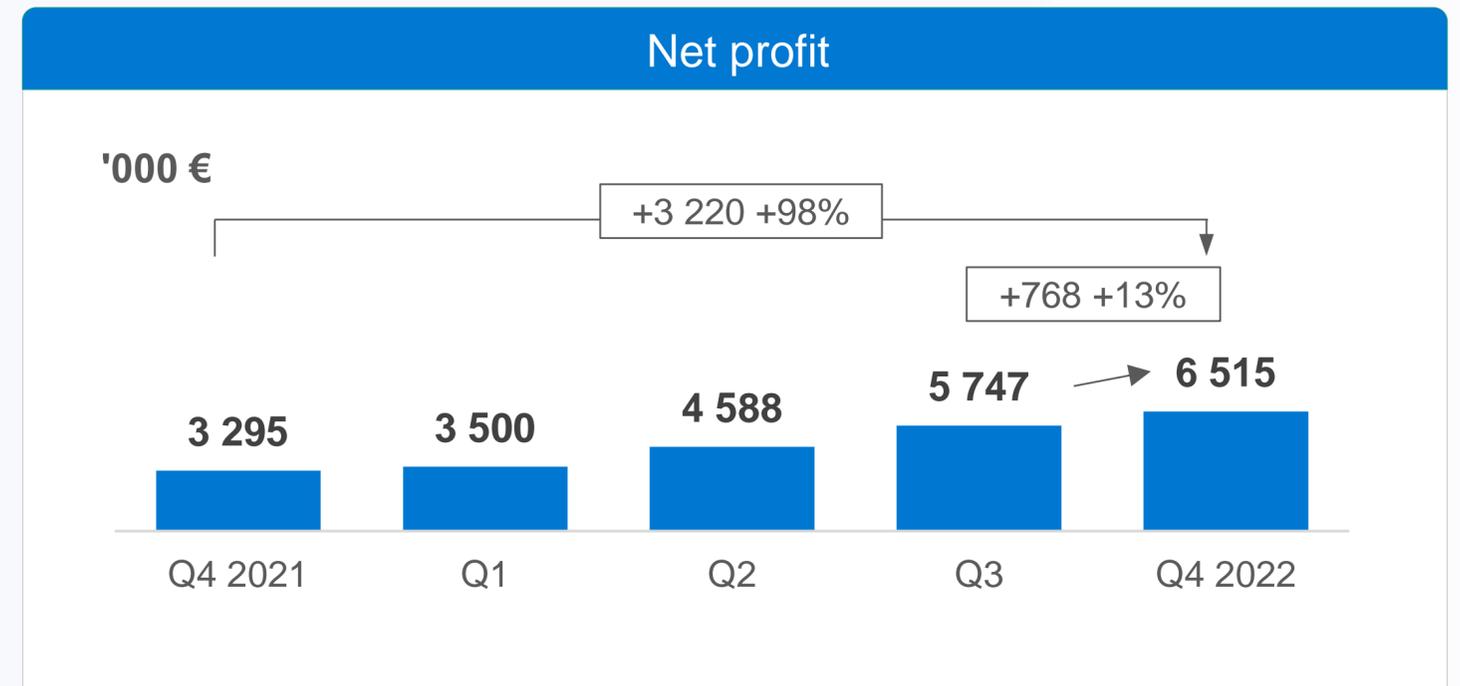
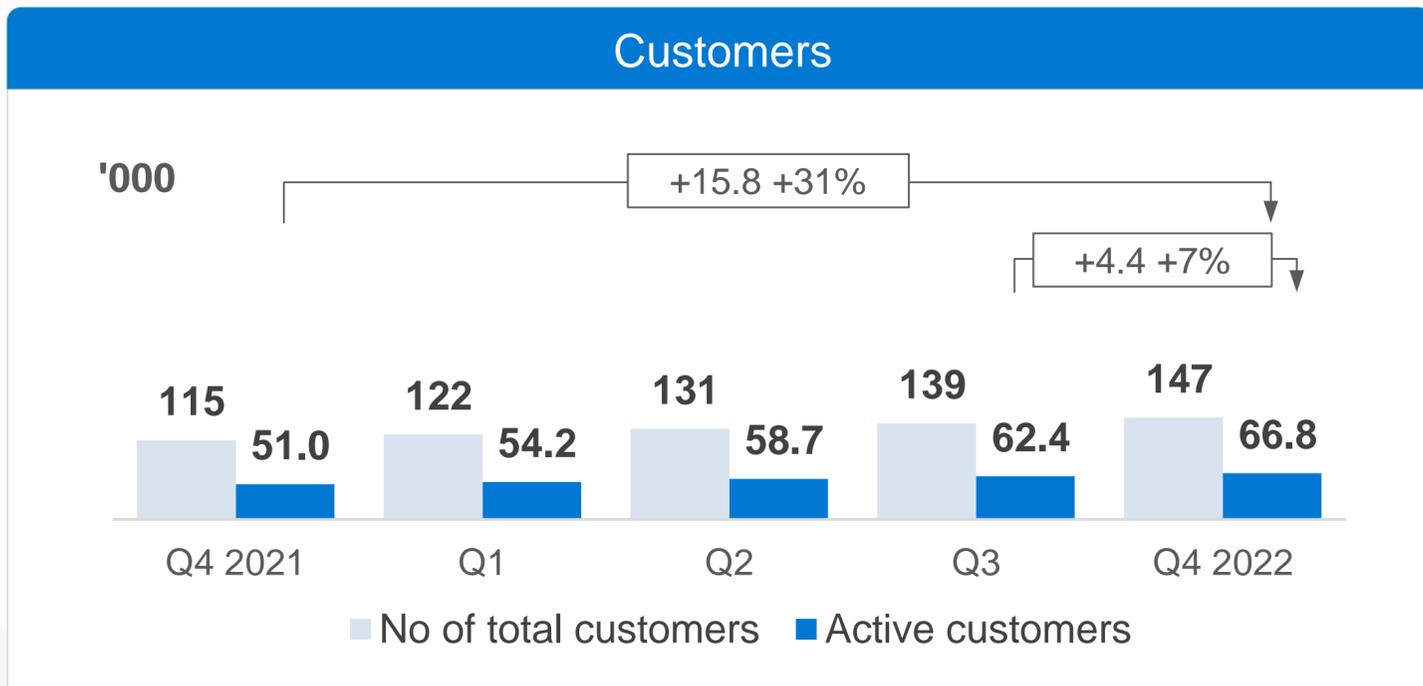
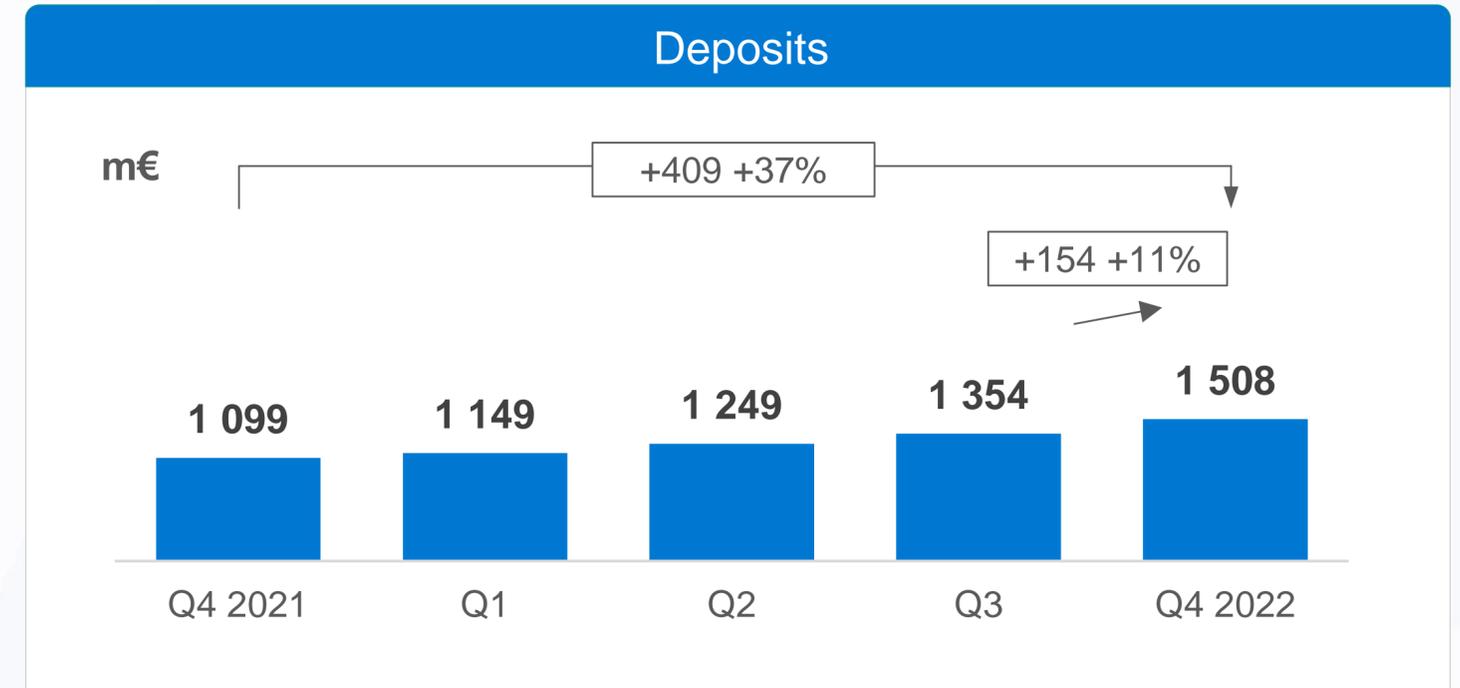
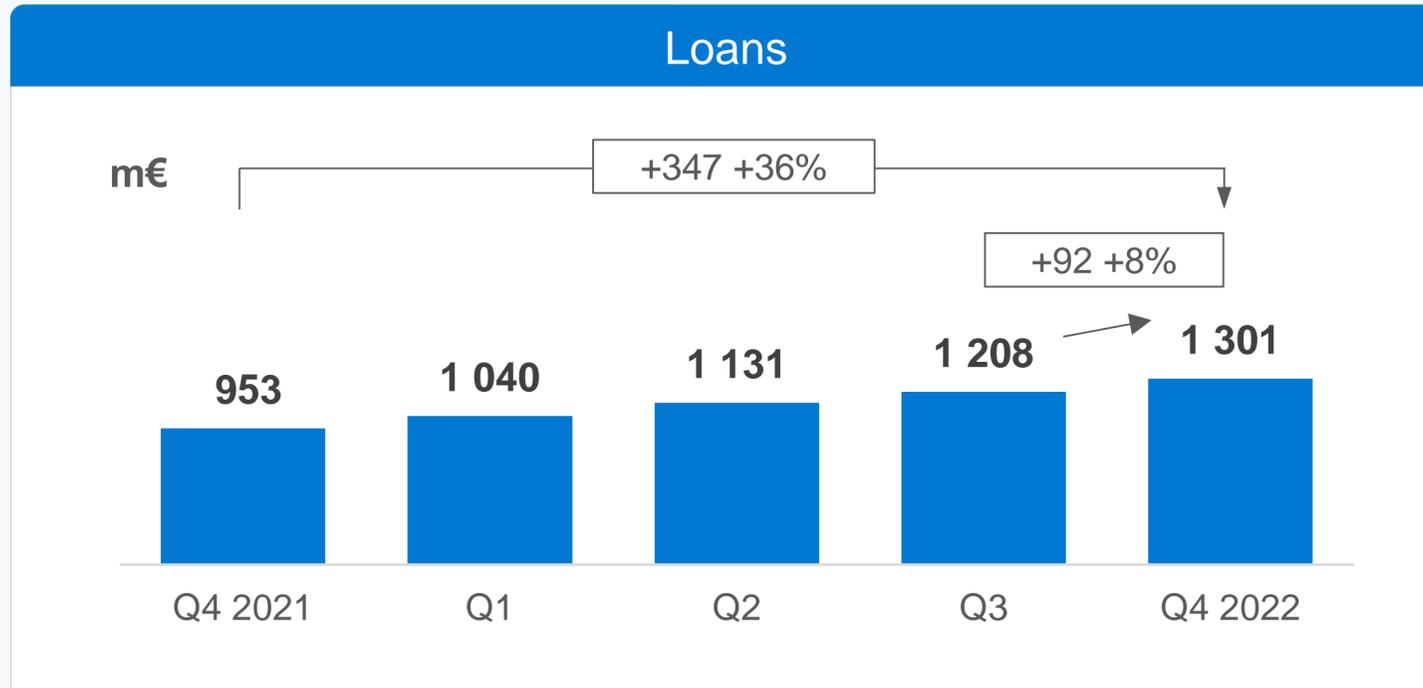
Key notes from Q4

- Strong growth in business volumes (no of customers, deposits, loans)
- Secondary public offering of shares
- Additional provisions to loan portfolio (weakening of economic environment)

Key notes from year 2022

- Number of clients increased
- Record high increase in deposits
- Strong growth of loan portfolio across all business lines. High quality loan portfolio
- Capital has attracted a price. Increasing interest rates in loans and deposits
- Strong capitalization (three capital raising events in 2022)
- First dividend payment made
- Performance indicators (profit, CIR; ROE) at their all-time high levels

Business volumes in quarterly comparison



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

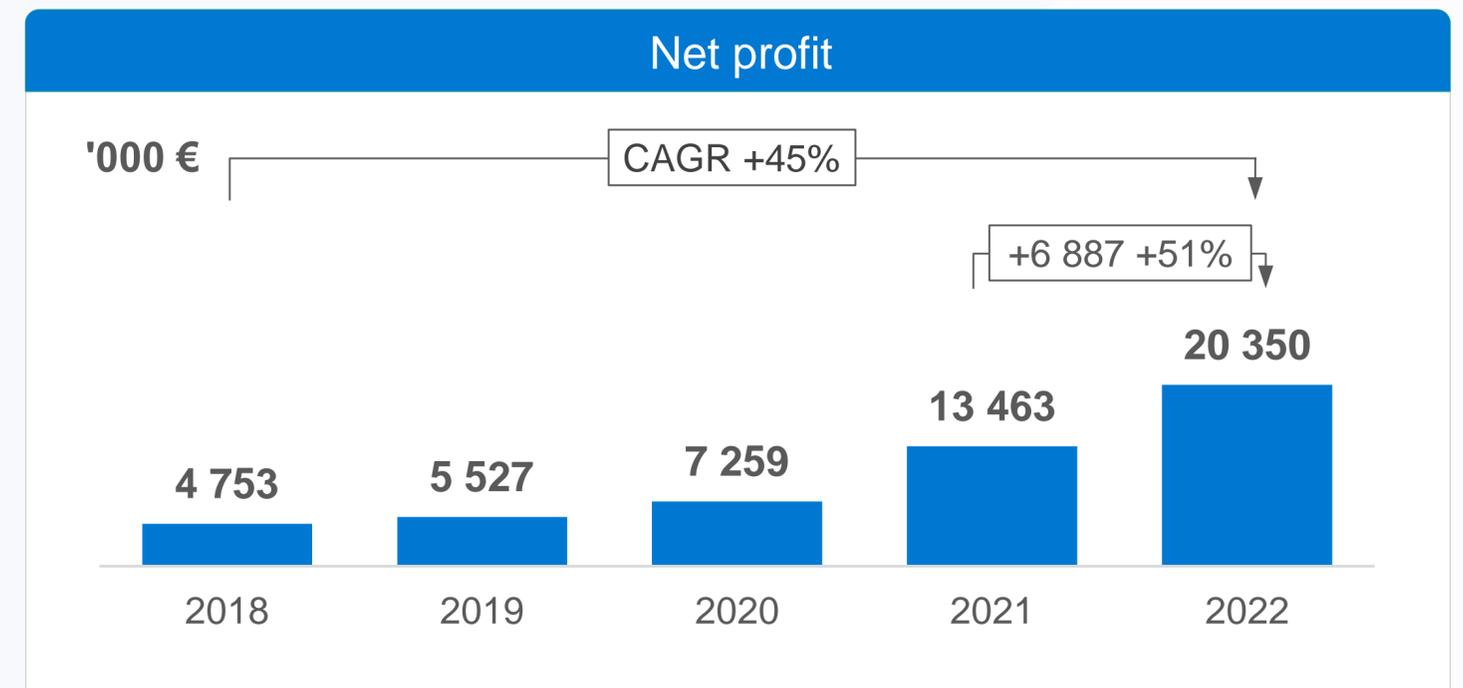
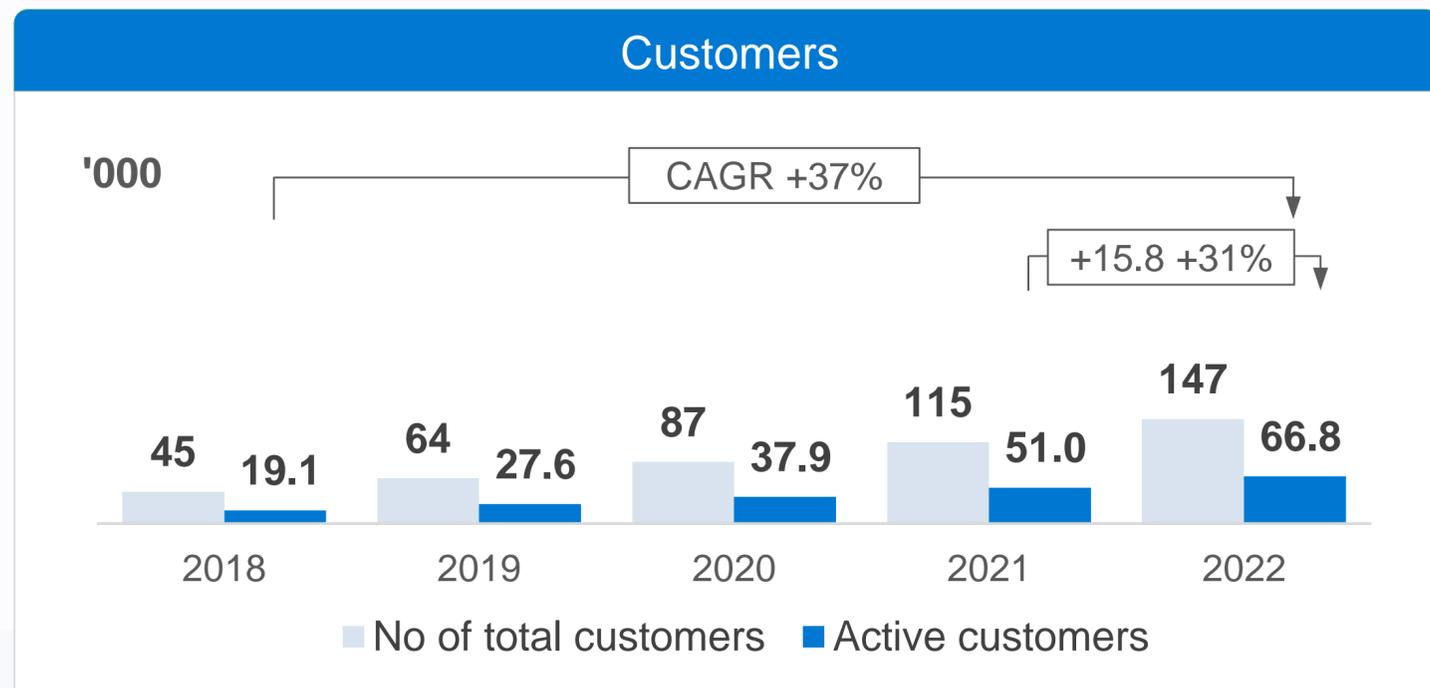
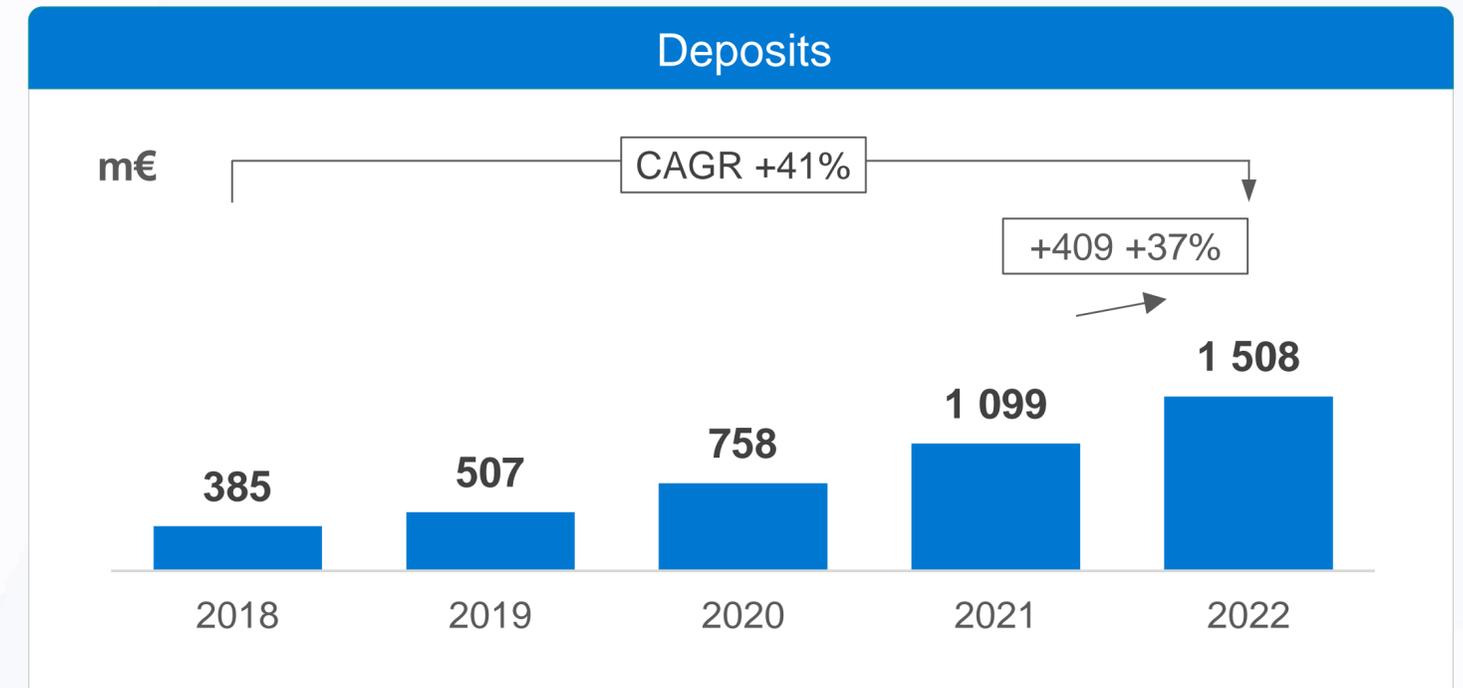
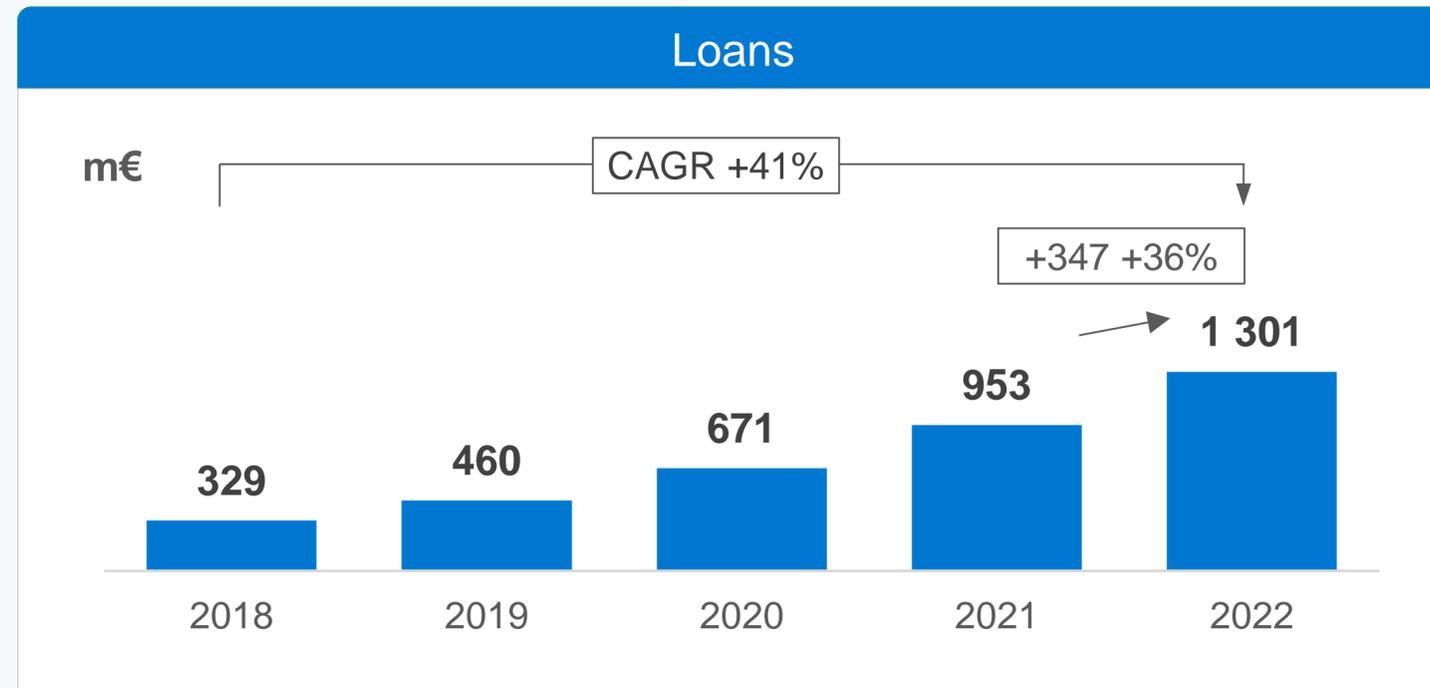
Results of Q4 2022 – compared to Q3 2022

Key indicators in year on year comparison

	Q4 2022	Q3 2022	Quarterly change	
Net operating income ('000 €)	16 534	13 847	+2 687	+19%
Interest	15 765	12 721	+3 044	+24%
Service fees and commissions	1 107	978	+129	+13%
Other	-338	148	-486	-328%
Operating expenses	-7 439	-6 929	-510	+7%
Operating profit	9 095	6 918	+2 177	+31%
Impairment costs	-1 898	-672	-1 226	+182%
Profit before income tax	7 197	6 246	+951	+15%
Income tax	-682	-499	-183	+37%
Net profit	6 515	5 747	+768	+13%
Net loan portfolio (m€)	1 301	1 208	+92	+8%
Deposits and loans received	1 508	1 354	+154	+11%
Equity	149	123	+26	+21%
ROE	19.2%	19.1%	+0.0%	
Net interest margin (NIM)	3.9%	3.5%	+0.4%	
Cost of financing	0.9%	0.7%	+0.3%	
Cost / income ratio (CIR)	45%	50%	-5.0%	
Capital adequacy ratio	17.8%	16.7%	+1.1%	

- Revenues +2.7m€ (+19%)
 - Net interest increased +3.0m€ (+24%) as loan portfolio grew by 92m€ and euribor increased
 - Other net revenue -0.5m€ as additional provision was made regarding real estate object in Latvia
- Operating expenses +0.5m€ (+7%)
- Impairment costs +1.2m€ (+182%)
 - Additional loan impairments made in Q4 as financial reports of our clients express signs of weakening, loan portfolio credit quality is still at a very good level
- Successful secondary public offering of shares increased share capital by 20.3m€
- Net profit +13%

Business volumes in yearly comparison



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

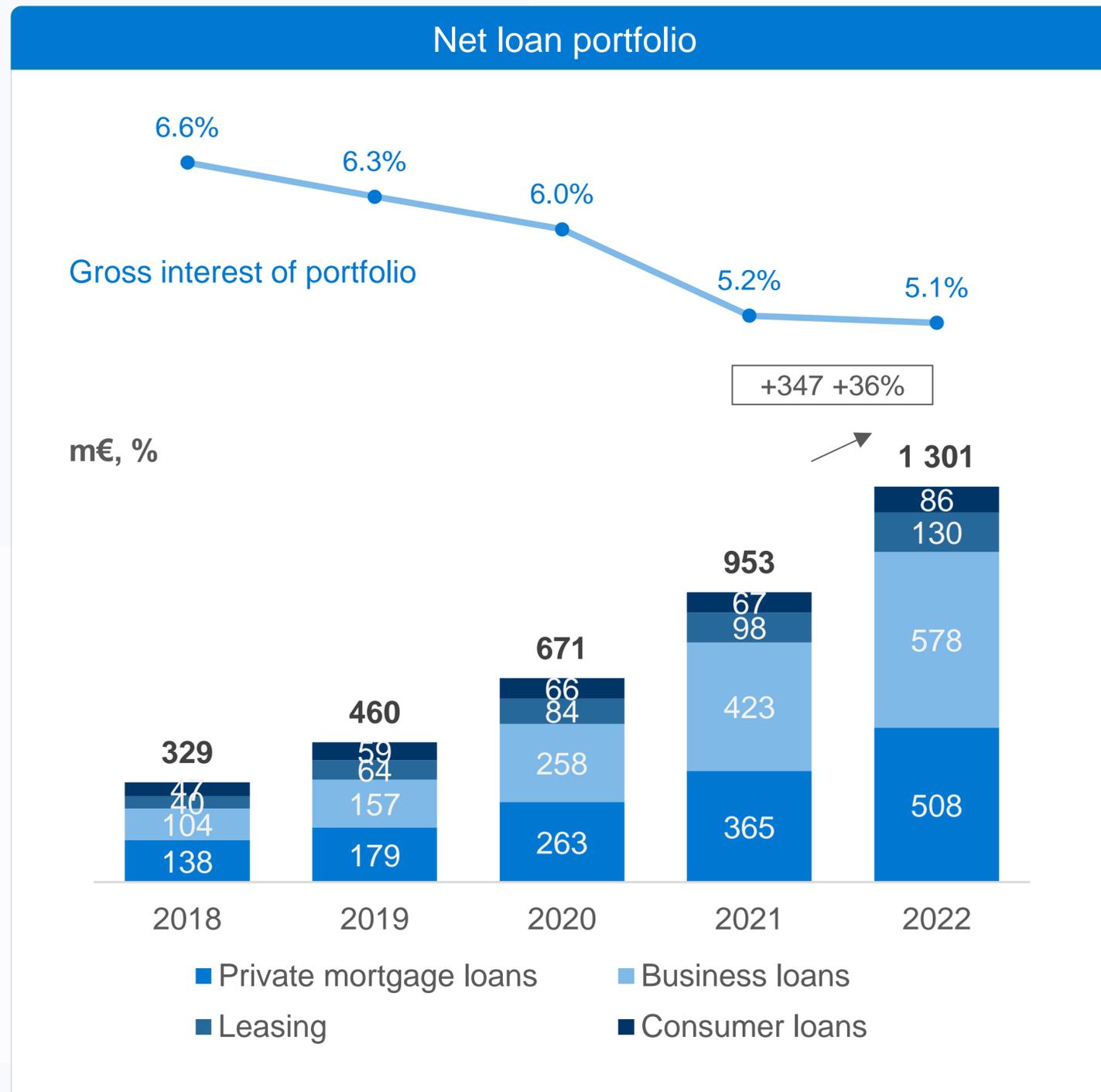
Results of 2022 – compared to 2021

Key indicators in quarterly comparison

	2022	2021	Year on Year change	
Net operating income ('000 €)	54 631	39 238	+15 393	+39%
Interest	50 709	35 538	+15 171	+43%
Service fees and commissions	3 785	3 085	+700	+23%
Other	137	615	-478	-78%
Operating expenses	-27 177	-22 453	-4 724	+21%
Operating profit	27 454	16 785	+10 669	+64%
Impairment costs	-5 245	-2 497	-2 748	+110%
Profit before income tax	22 209	14 288	+7 921	+55%
Income tax	-1 859	-825	-1 034	+125%
Net profit	20 350	13 463	+6 887	+51%
Net loan portfolio (m€)	1 301	953	+347	+36%
Deposits and loans received	1 508	1 099	+409	+37%
Equity	149	112	+37	+33%
ROE	16.8%	12.9%	+3.9%	
Net interest margin (NIM)	3.5%	3.4%	+0.1%	
Cost of financing	0.7%	0.7%	-0.0%	
Cost / income ratio (CIR)	50%	57%	-7.5%	
Capital adequacy ratio	17.8%	14.0%	+3.9%	

- Revenues +15.4m€ (+39%)
 - Net interest +15.2m€, loan portfolio +347m€, increasing euribor
 - Net service fees +0.7 m€ (+23%)
- Operating expenses +4.7m€ (+21%)
 - Payroll expenses
 - IT costs
 - Marketing costs
- Impairment costs +2.7m€ (+110%)
 - Negative changes in macroeconomic outlook were taken into account in 2022
- Net profit +51%

Loan portfolio continues to grow

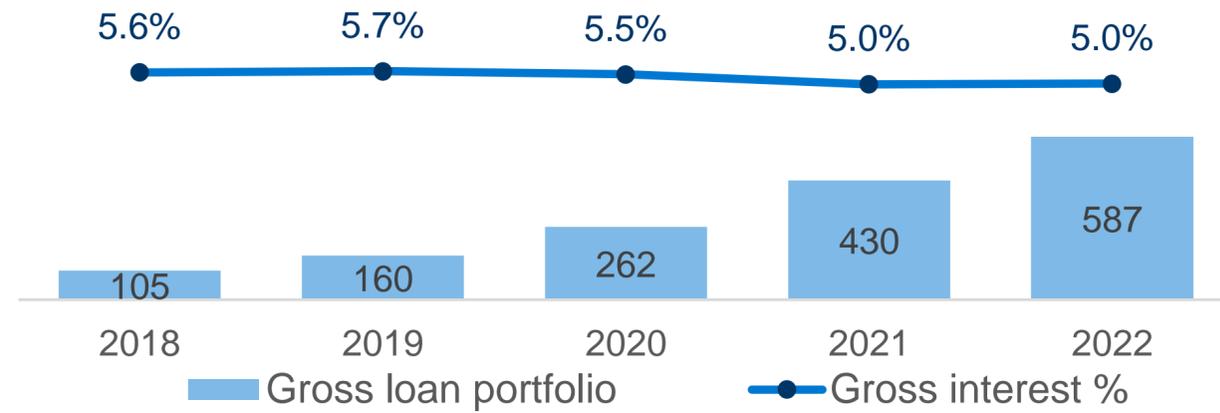


- Annual growth of loan portfolio +347m€ (+36%)
 - Business loans +154m€ (+36%)
 - Private mortgage loans +143m€ (+39%)
 - Leasing +32m€ (+32%)
 - Consumer loans +19m€ (+28%)

Loan portfolio interest by business lines

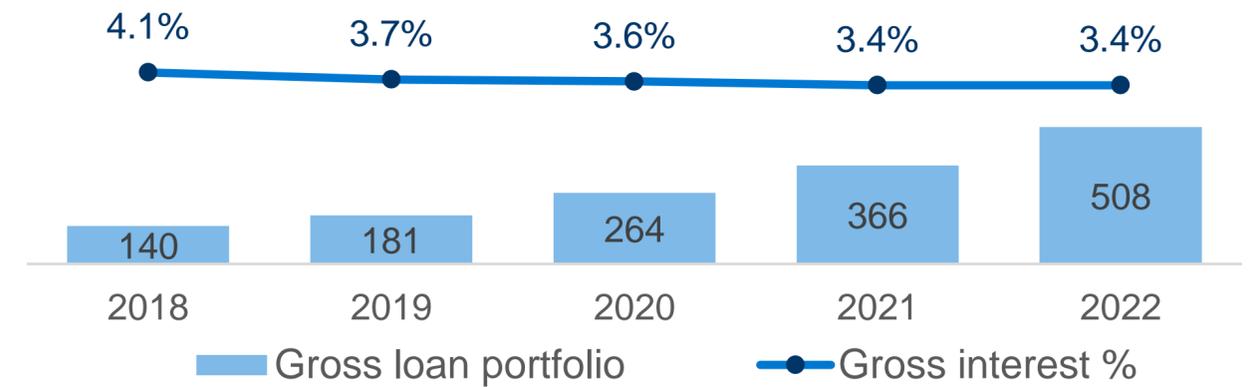
Business loans

m€, %



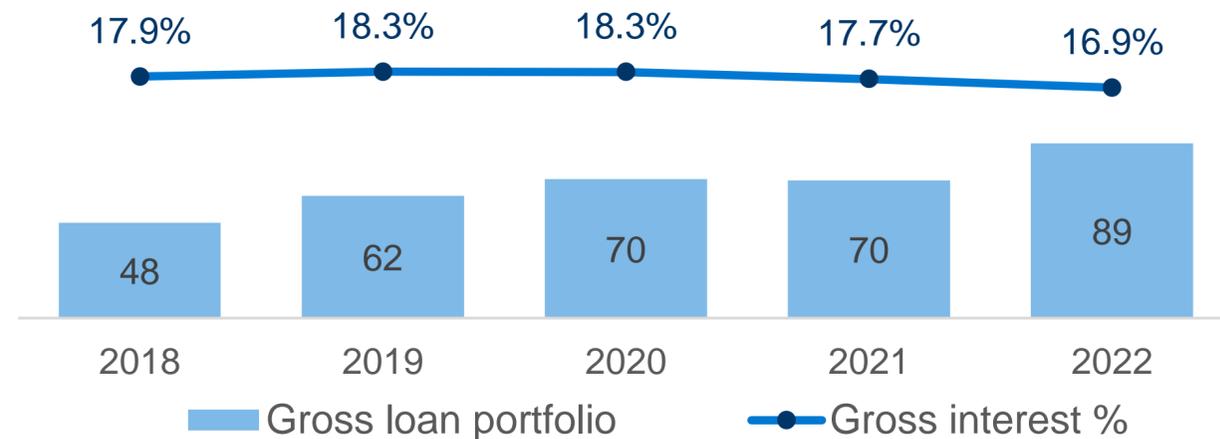
Private mortgage loans

m€, %



Private consumer loans

m€, %



Leasing

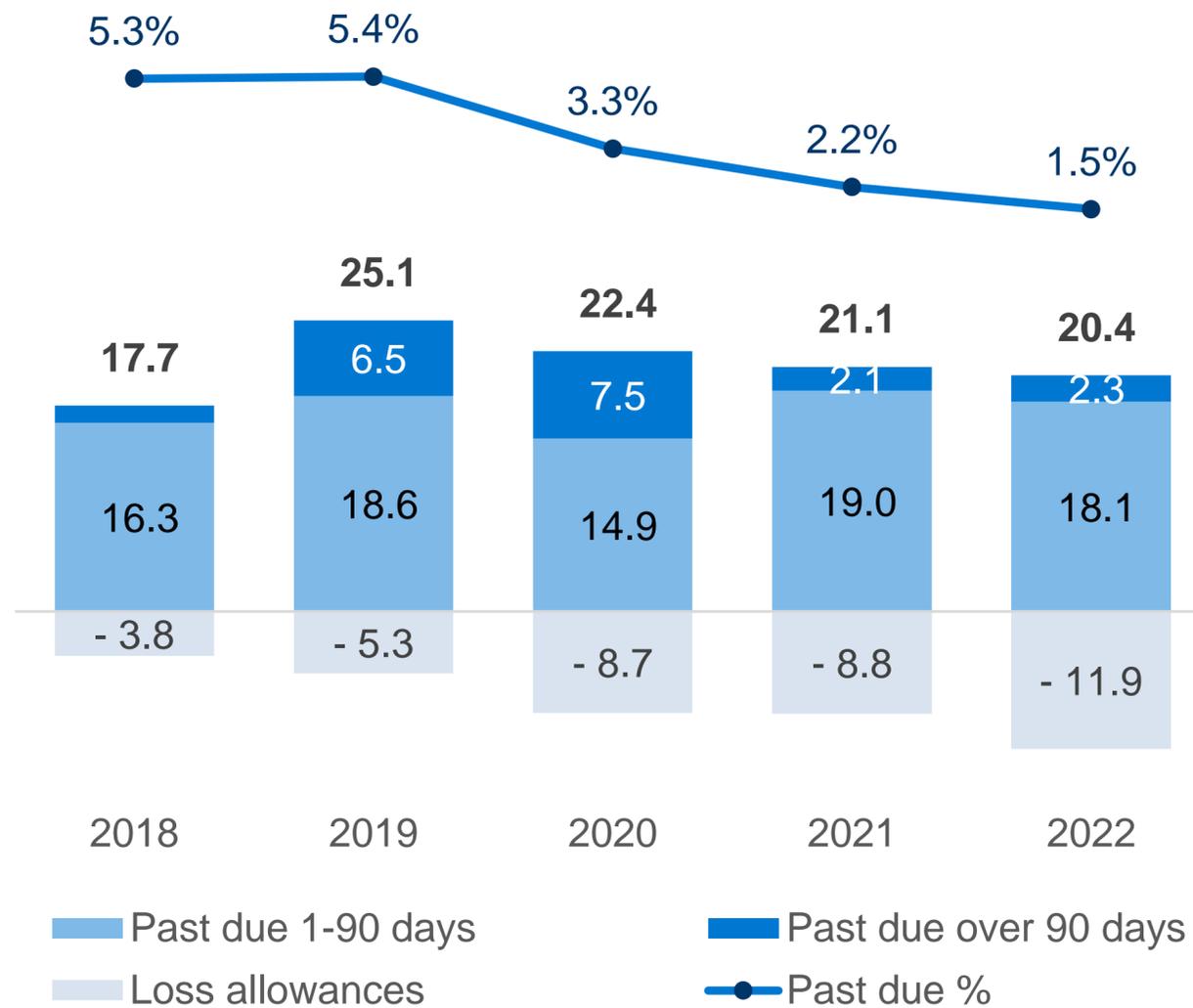
m€, %



Quality of loan portfolio

Loans past due and loss allowances in balance sheet

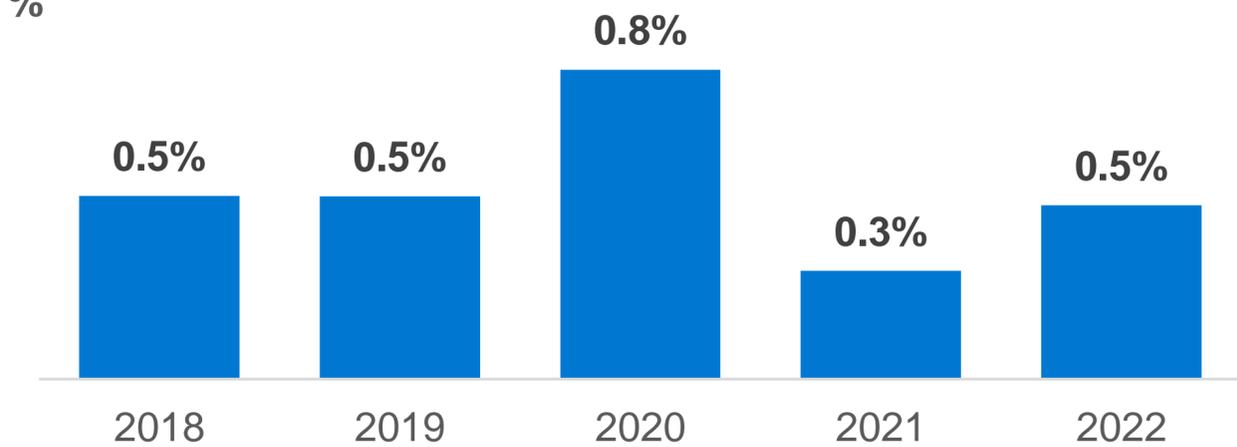
m€, %



- Past due portfolio remains at a low 1.5%
- Credit risk cost ratio 0.5% in 2022

Credit risk cost ratio

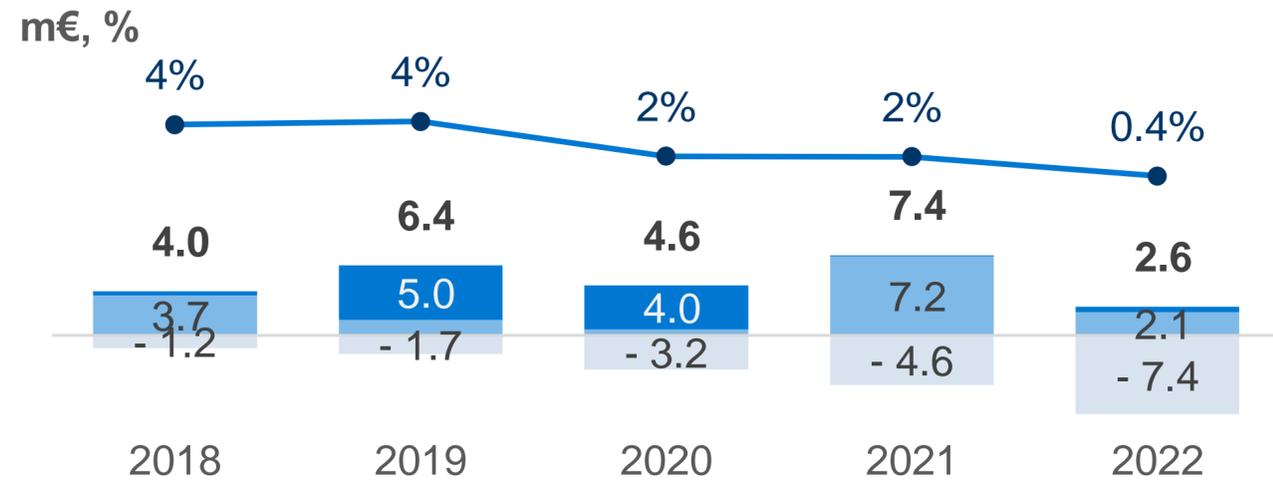
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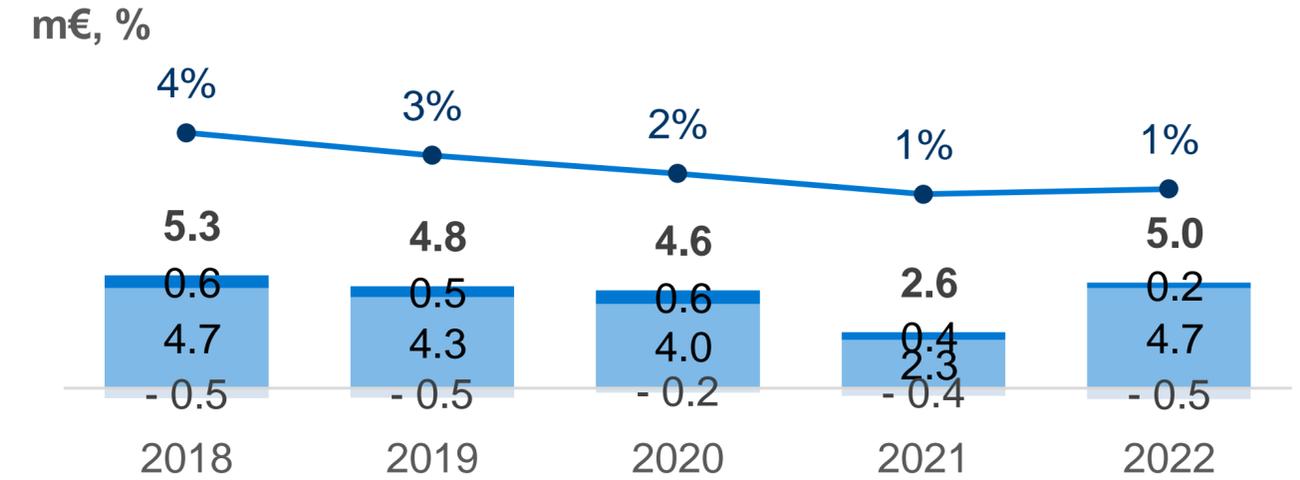
Total residual of loan principal amounts past due; loss allowances in balance sheet; share of overdue contracts in total (gross) portfolio

Loan portfolio quality by business lines

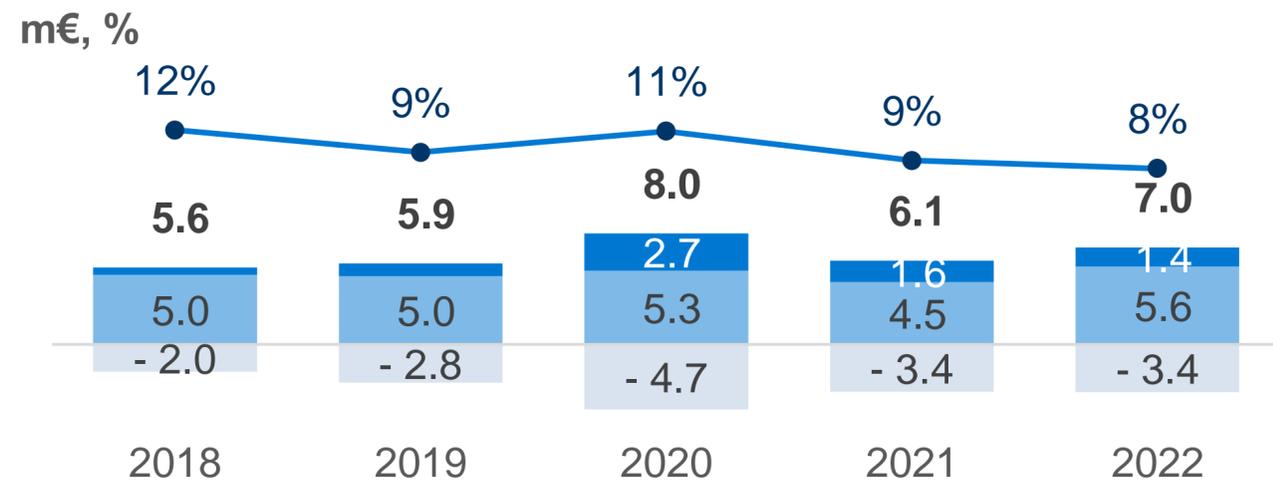
Business loans



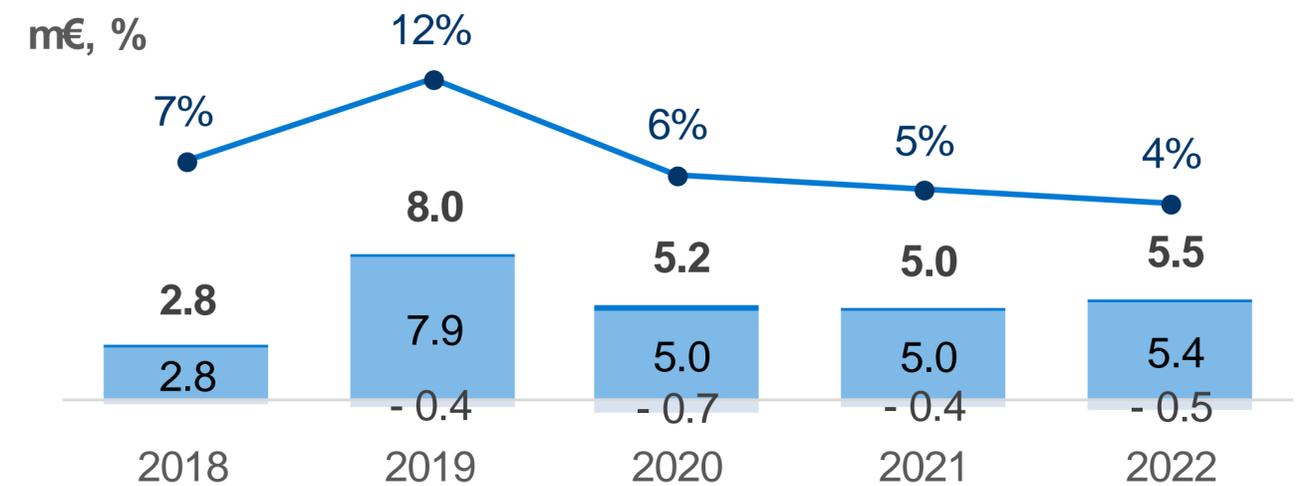
Private mortgage loans



Private consumer loans



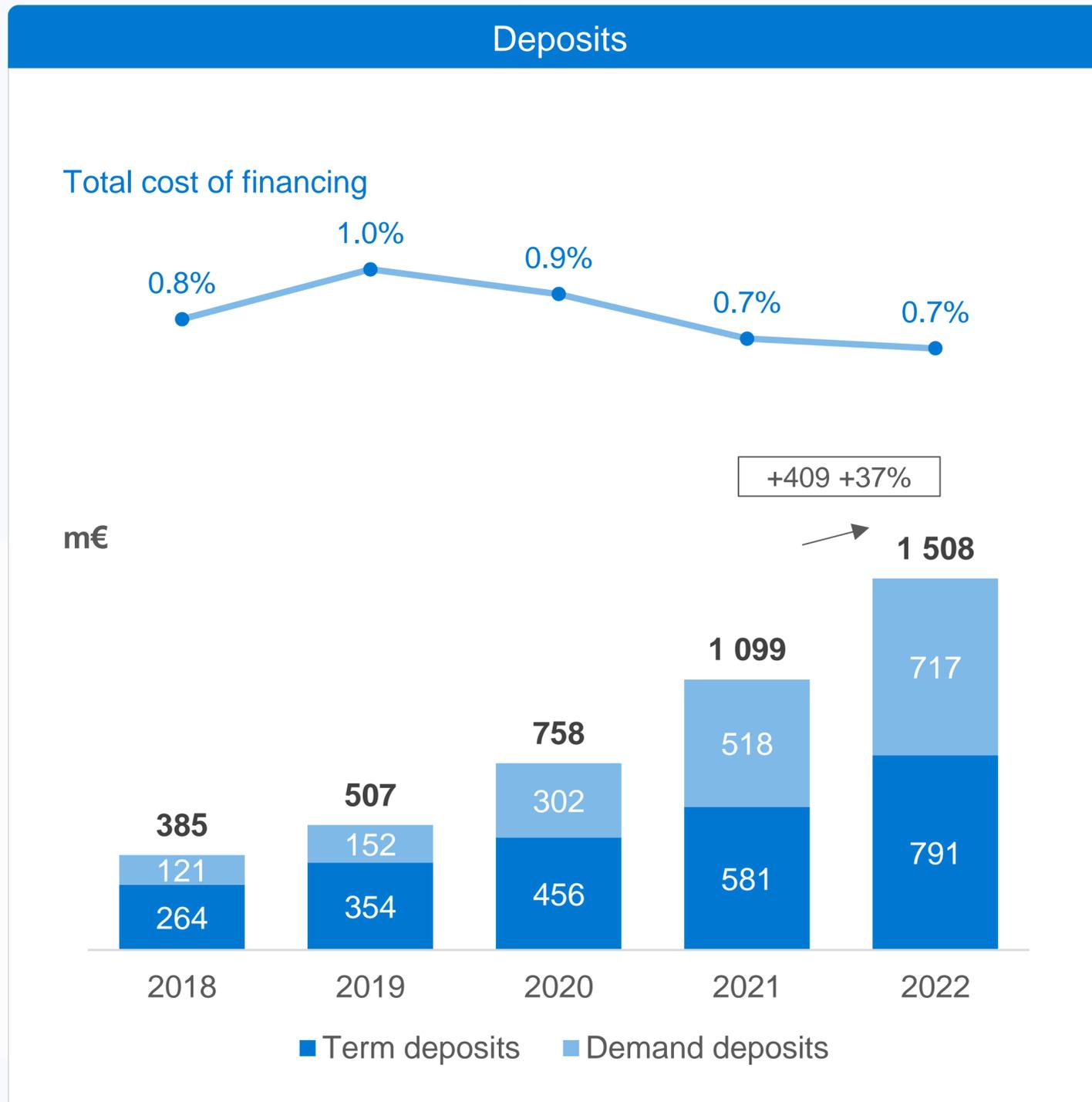
Leasing



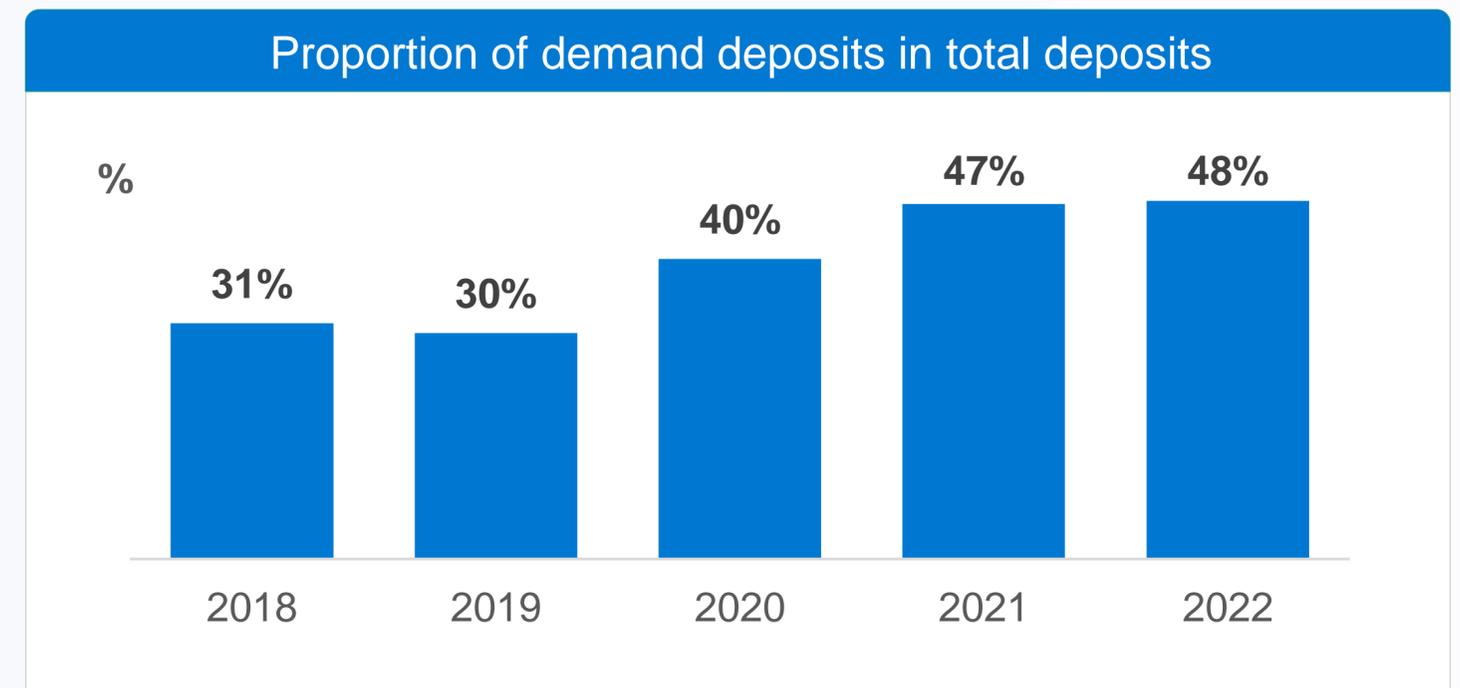
Total residual of loan principal amounts past due; loss allowances in balance sheet; share of overdue contracts in total (gross) portfolio

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

Interest costs of deposits have begun to rise



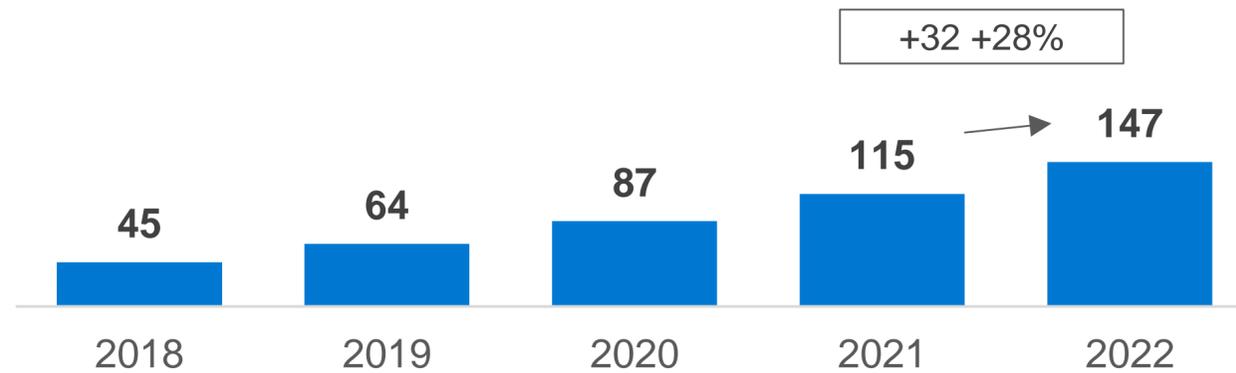
- Total cost of financing has remained at a 0.7% level compared to 2021, but on a quarterly basis, cost rate has increased from a 0.7% (Q3) to 0.9% (Q4)
- Deposits grew by 409m€ (37%)
 - +245m€ from business clients (+172m€ demand deposits, +73m€ term deposits)
 - +51m€ from private clients (+28m€ demand deposits, +23m€ term deposits)
 - +113m€ from Raisin platform and other financial institutions
- Proportion of demand deposits at 48%



Client base and market share

Total no of clients

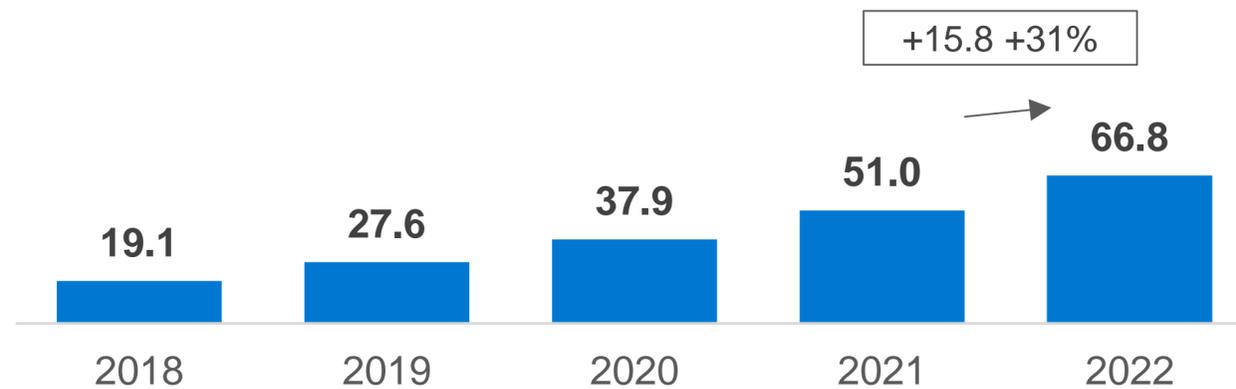
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- Total no of clients increased by 32.4 thousand (+28%) in 2022 (+27.9 thousand in 2021)
- 15.8 thousand (+31%) new active clients in 2022 (+13.1 thousand in 2021)
- Bank's market share changed in 2022:
 - Market share of loan portfolio 4.5% => 5.5%
 - Market share of deposits portfolio 4.0% => 5.5%

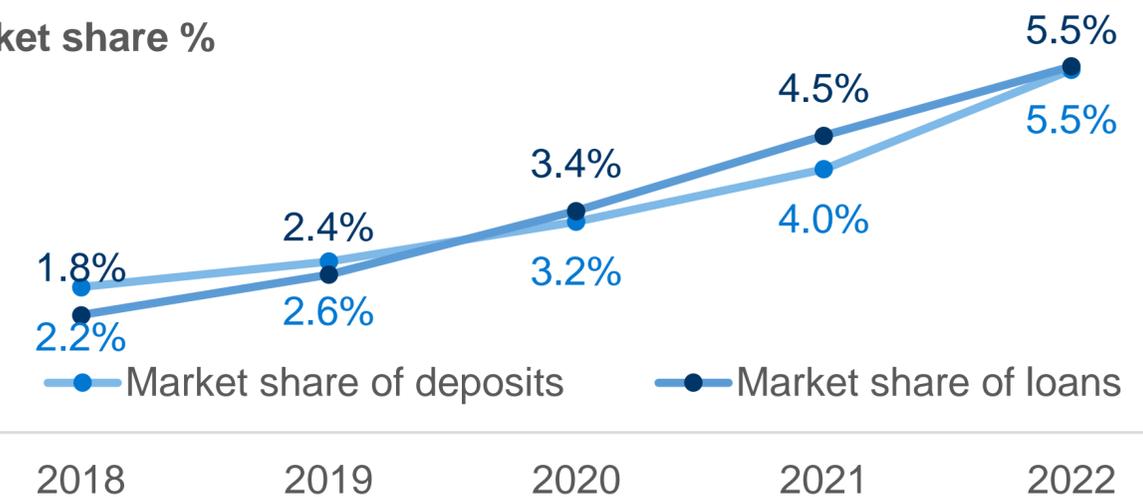
No of active clients

'000



Market share

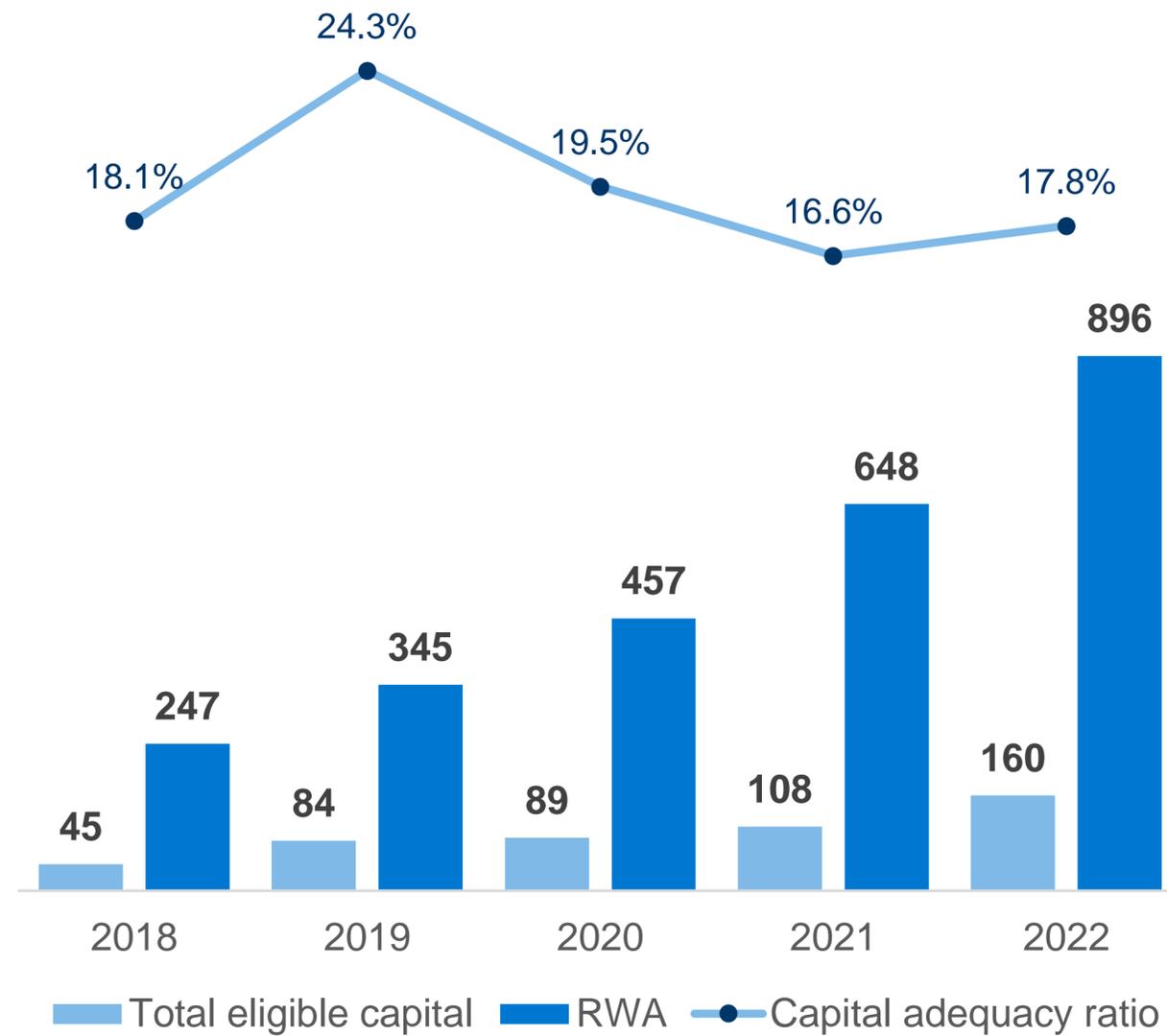
market share %



Capital base supports growth plans

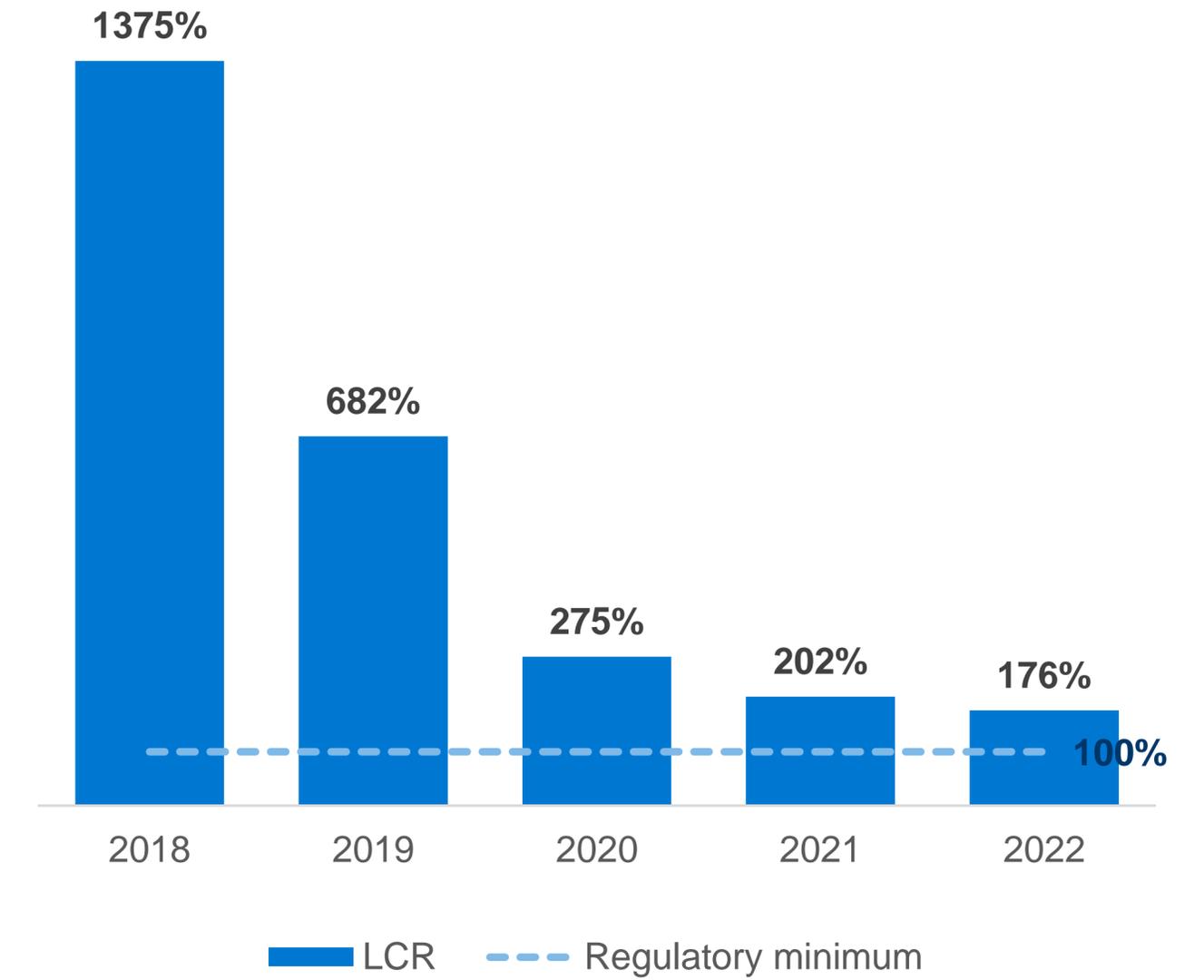
Annual capitalization

m€, %



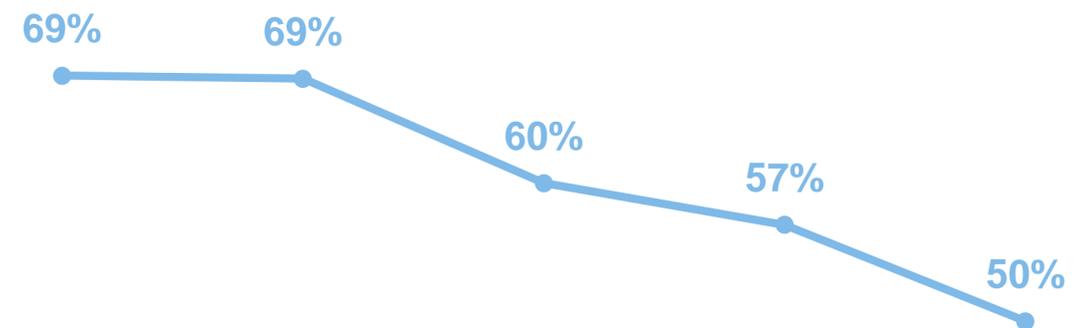
Liquidity coverage ratio (LCR)

%

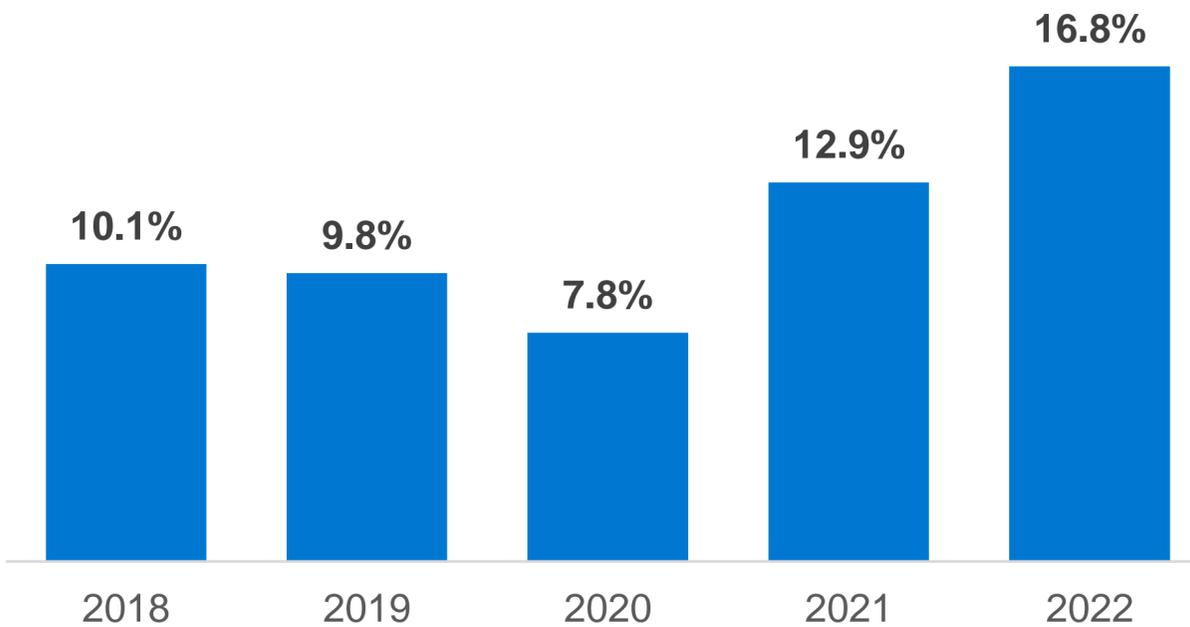


Cost / income ratio (CIR) and ROE

Cost / income ratio %



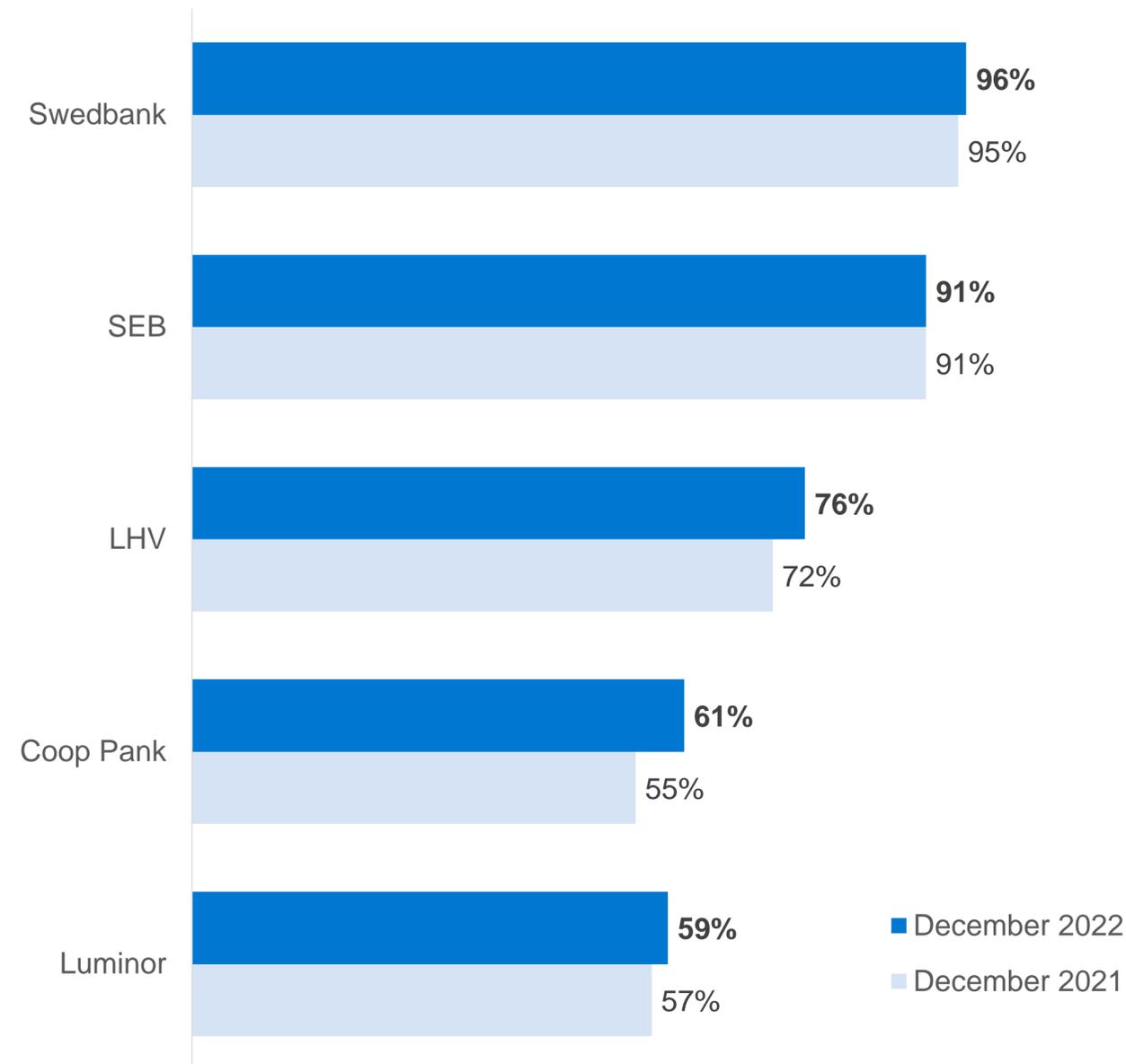
ROE %



- Decreasing CIR (long term goal: <50%)
 - Revenues +15.4m€ (+39%)
 - Costs +4.7m€ (+21%)
- Increased ROE (long term goal: >15%)
 - Quality of loan portfolio remains high
 - Rising euribor contributes to revenue growth

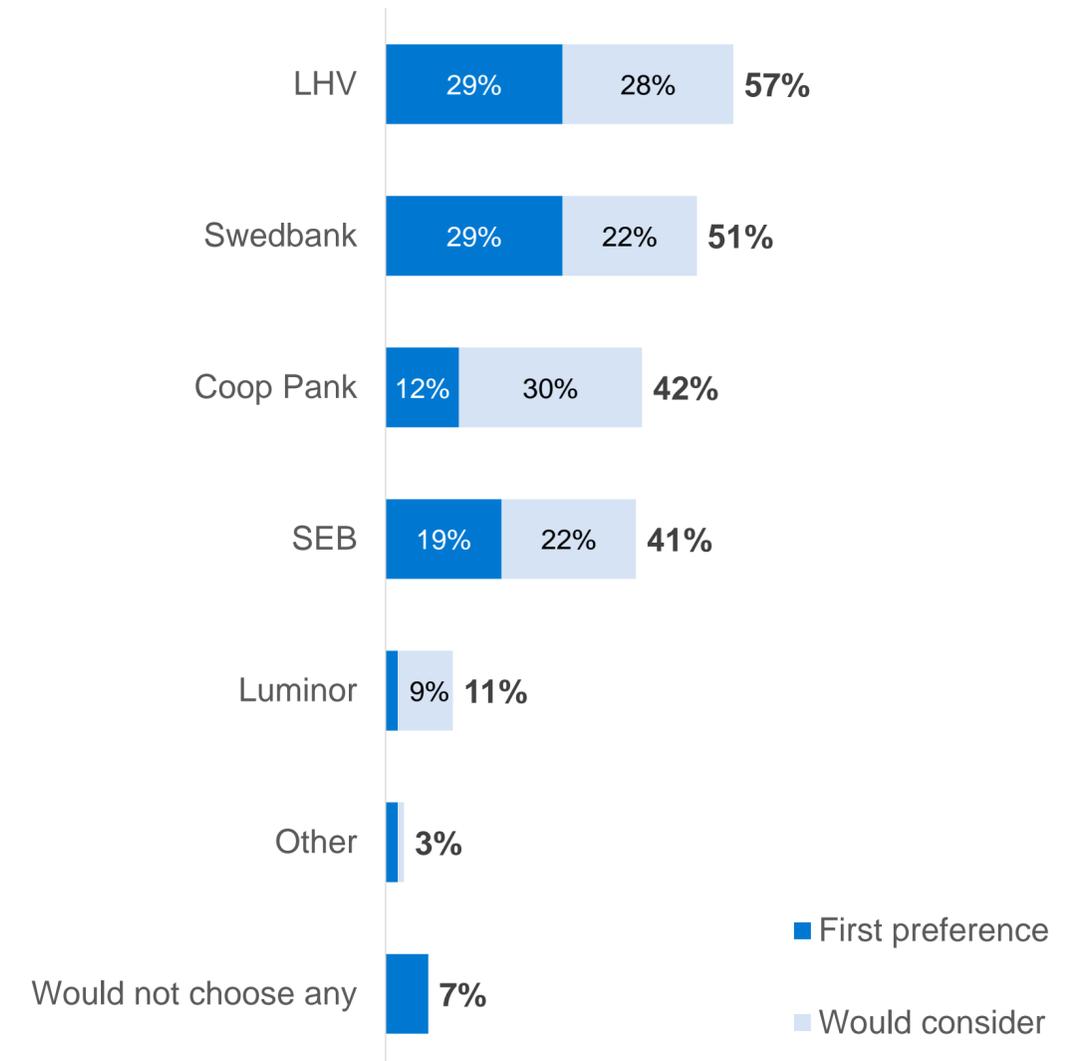
Brand awareness and preference as a financial partner

Brand awareness of Coop Pank



Source: reports of Initiative brand study, December 2022 ja December 2021

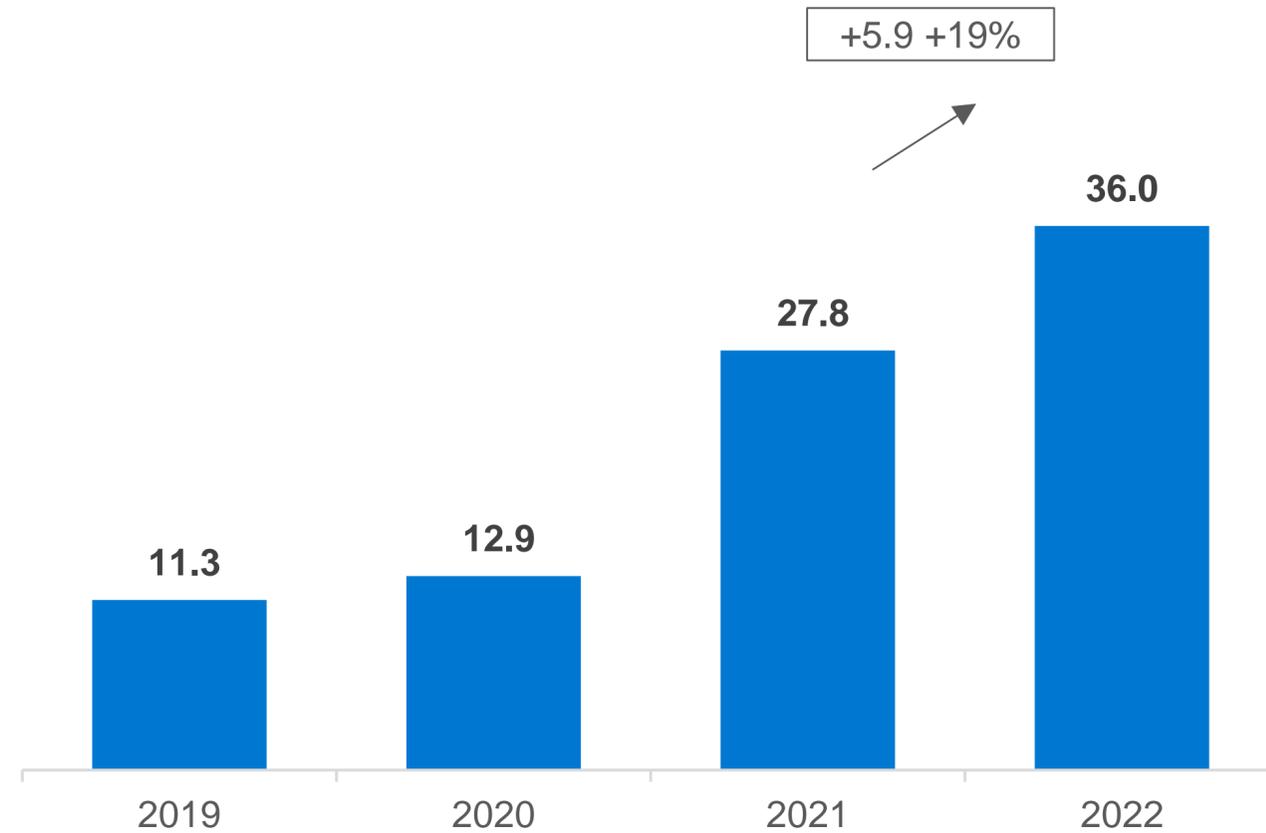
Preference as a financial partner



Source: report of Initiative brand study, December 2022

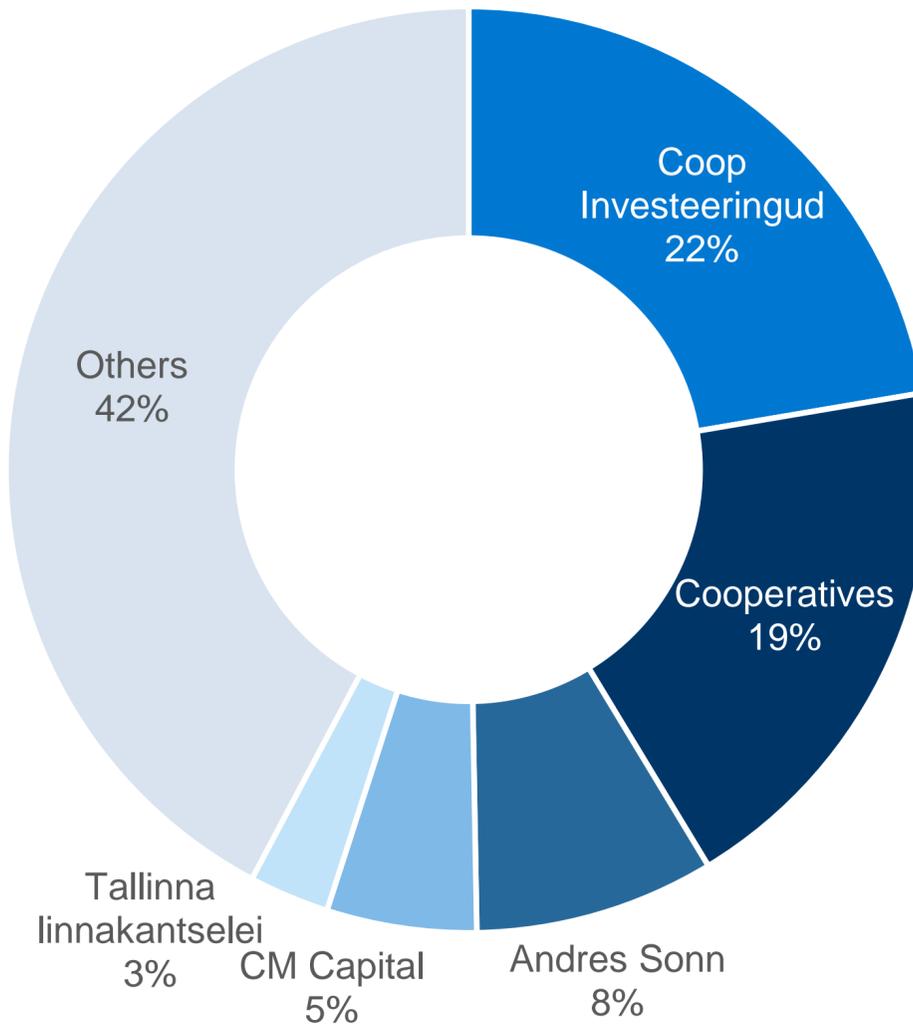
No of Coop Pank shareholders

No of shareholders (thousand)



TOP shareholders

Shareholder distribution of Coop Pank as at 31.12.2022



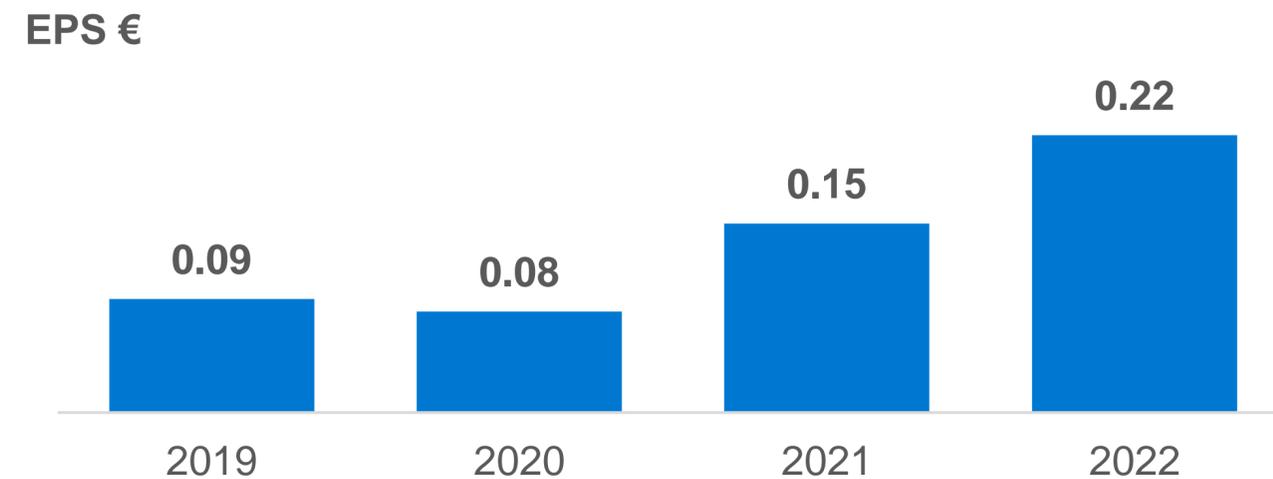
Share price

Coop Pank share price and trading volume by dates

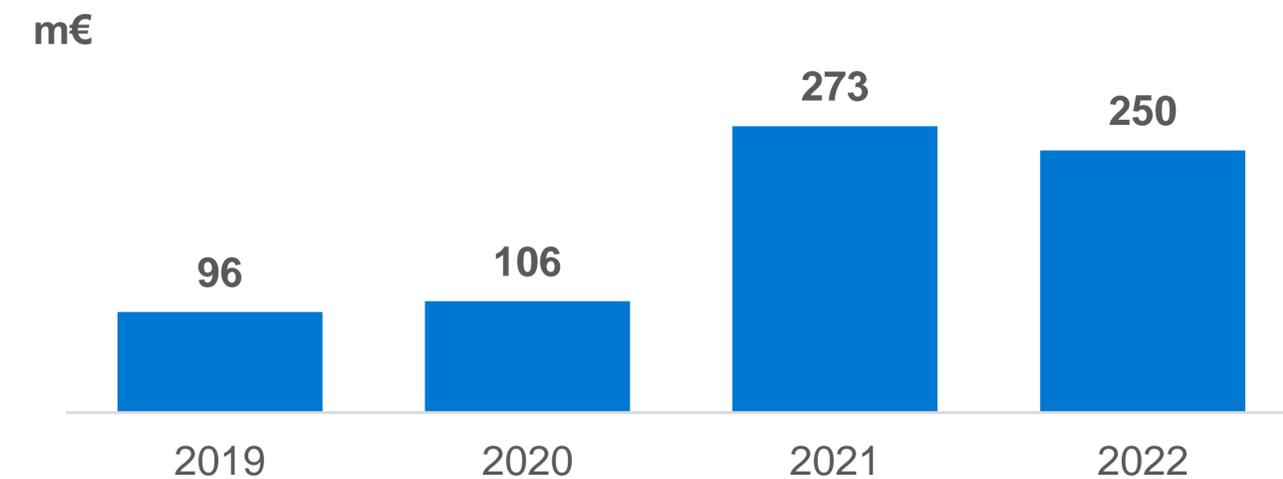


- Successful secondary public offering of shares completed in December. Emission was oversubscribed by 4.2 times and capital was raised in the amount of 20.3m€
- Share price at the end of 2022 at 2.46 € (2.99 € at the end of 2021)
- No of transactions in 2022 totalling 96 thousand. Volume of transactions 32m€
- EPS in 2022: 0.22 €
- P/E ratio 12.2
- P/B ratio 1.67

Coop Pank net income per share (EPS)



Coop Pank market capitalization



Summary: 2022 results

- Business volumes continue to grow *ca* +40% YoY
- Net profit 20.4m€ (+51% YoY)
- CIR: 50% (2021 57%)
- ROE: 16.8% (2021 12.9%)

20.4m€ profit
ROE 16.8%

Financial results 5 years

Financial results and key indicators

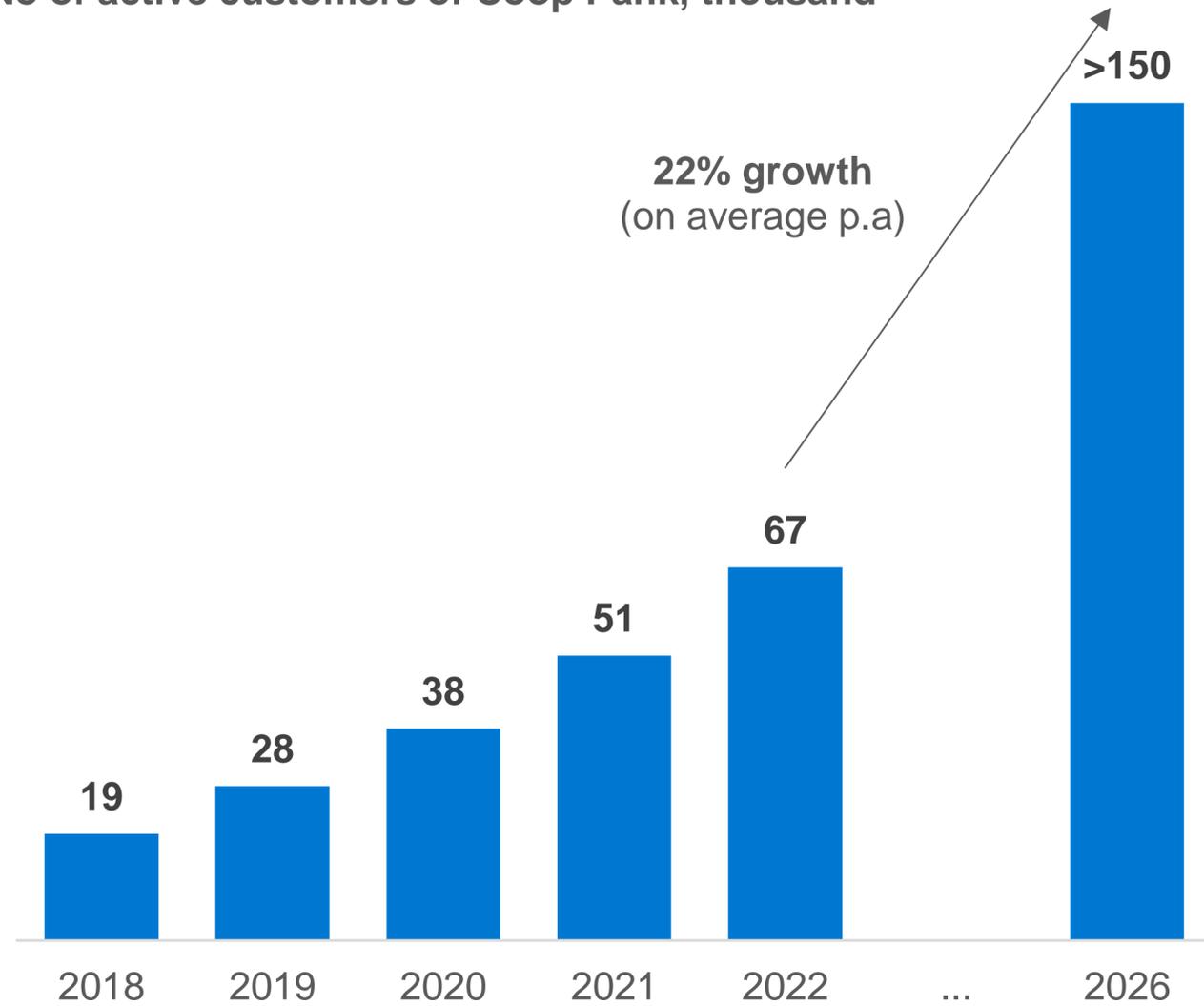
	2018	2019	2020	2021	2022
Net operating income ('000 €)	19 768	23 719	31 089	39 238	54 631
Interest	16 779	20 689	28 371	35 538	50 709
Service fees and commissions	2 302	2 372	2 097	3 085	3 785
Other	687	658	621	615	137
Operating expenses	-13 601	-16 261	-18 796	-22 453	-27 177
Operating profit	6 167	7 458	12 293	16 785	27 454
Impairment costs	-1 392	-1 931	-4 789	-2 497	-5 245
Profit before income tax	4 775	5 527	7 504	14 288	22 209
Income tax	-22	0	-245	-825	-1 859
Net profit	4 753	5 527	7 259	13 463	20 350
Net loan portfolio (m€)	329	460	671	953	1 301
Deposits and loans received	385	507	758	1 099	1 508
Equity	49	89	98	112	149
ROE	10.1%	9.8%	7.8%	12.9%	16.8%
Net interest margin (NIM)	4.3%	4.2%	3.9%	3.4%	3.5%
Cost of financing	0.8%	1.0%	0.9%	0.7%	0.7%
Cost / income ratio (CIR)	69%	69%	60%	57%	50%
Capital adequacy ratio	18.1%	24.3%	19.5%	14.0%	17.8%

- On average +40% yearly increase in business volumes
- Increased profitability due to economies of scale resulting in higher ROE and better CIR

Target: increasing number of active clients

No of clients of Coop Pank and target

No of active customers of Coop Pank, thousand



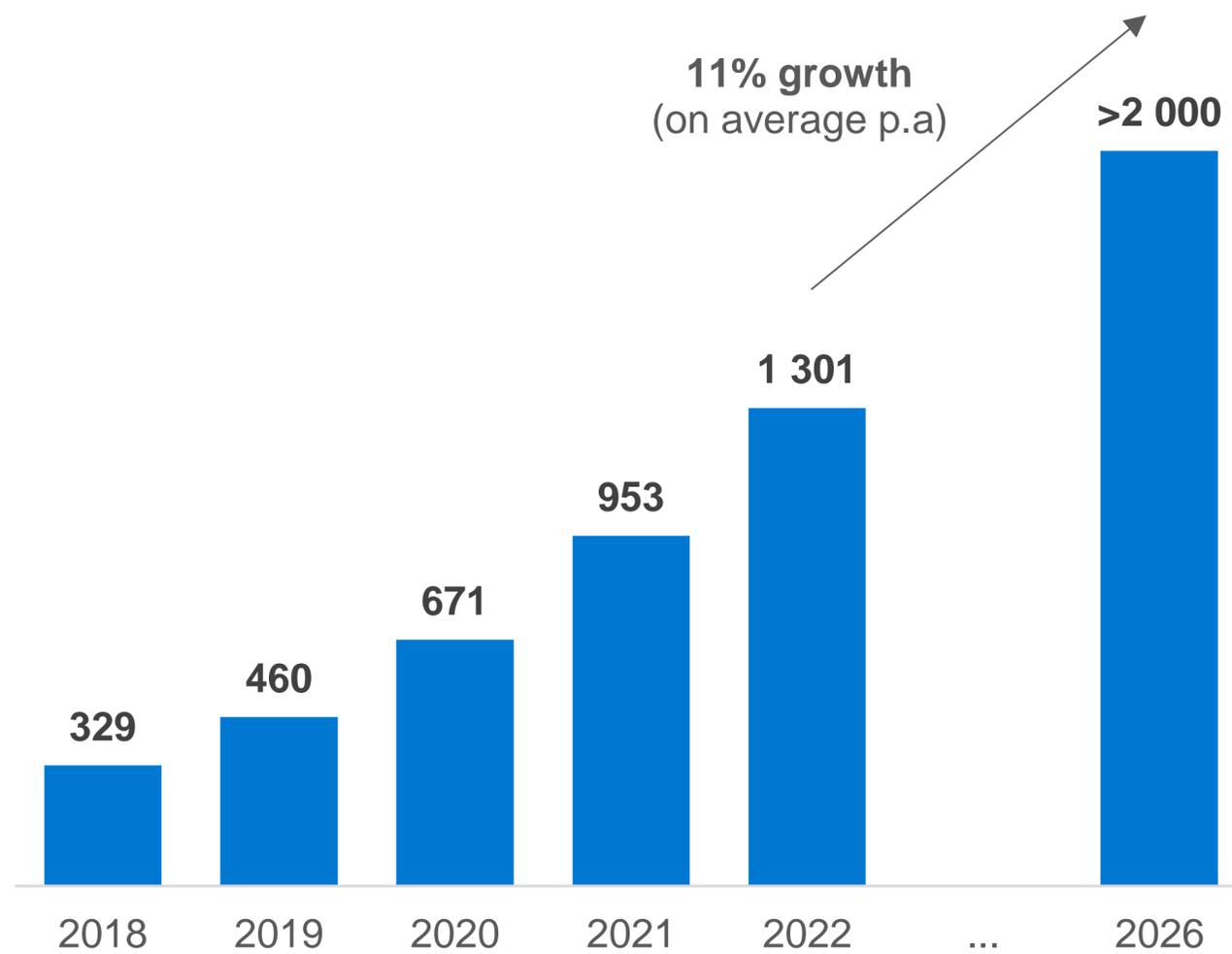
Number of active clients
>150 000



Target: growth of loan portfolio

Coop Pank loan portfolio and target

Net loan portfolio of Coop Pank, m€



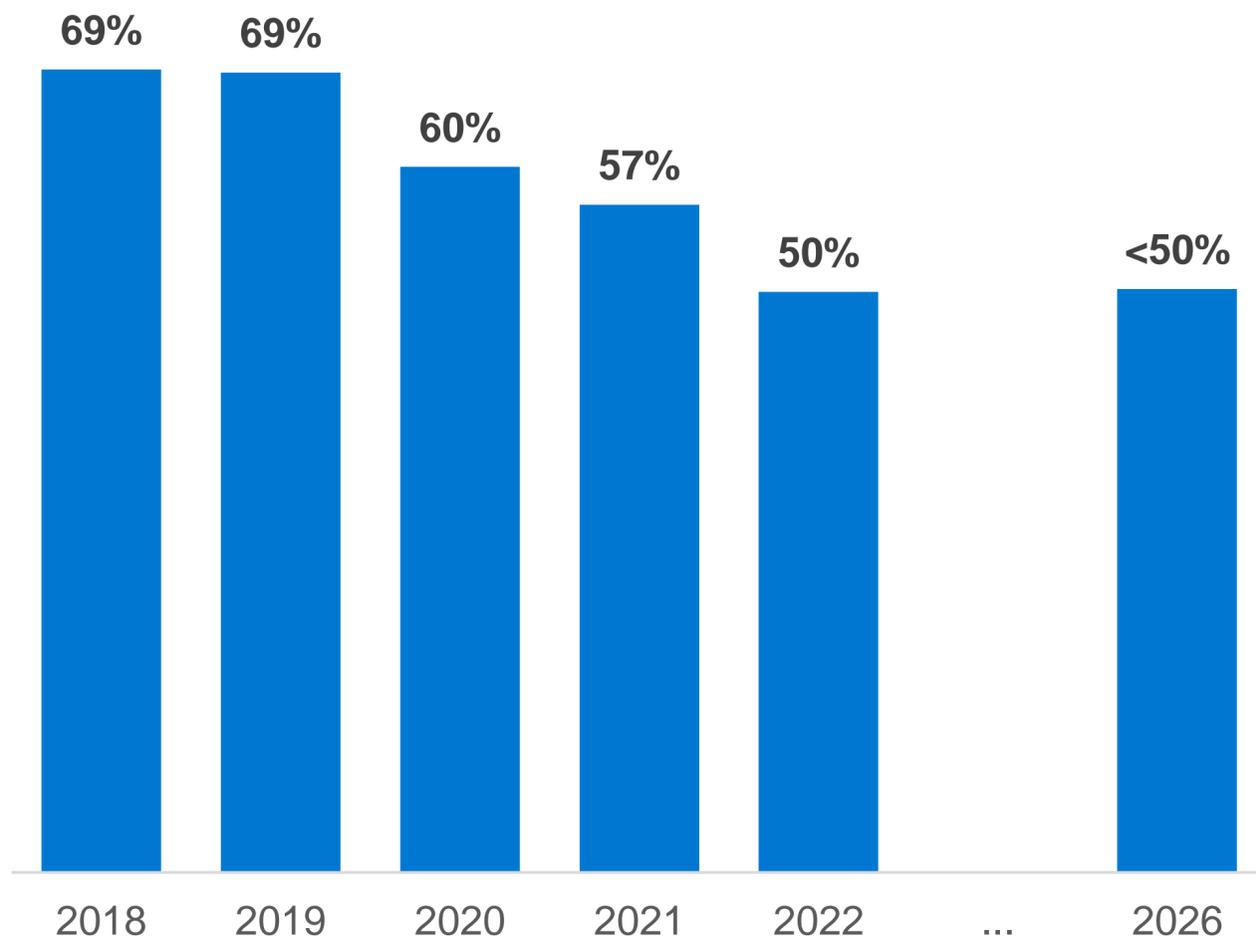
Loan portfolio
>2 bn €



Target: decreasing cost/income ratio

Cost/income ratio

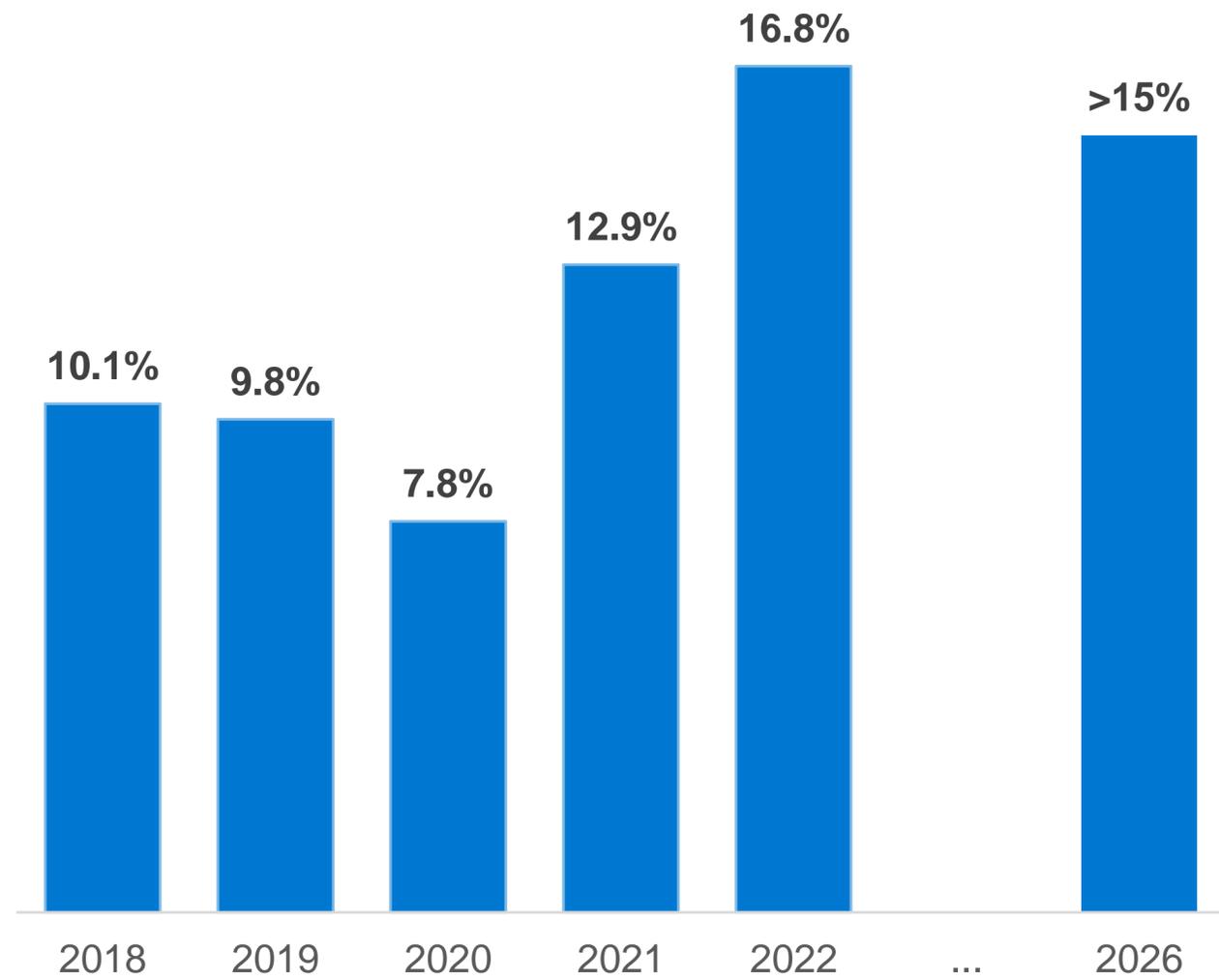
Cost / income ratio (CIR)



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>