



# Coop Pank Group 2020 Q4 and yearly unaudited results

11.02.2021

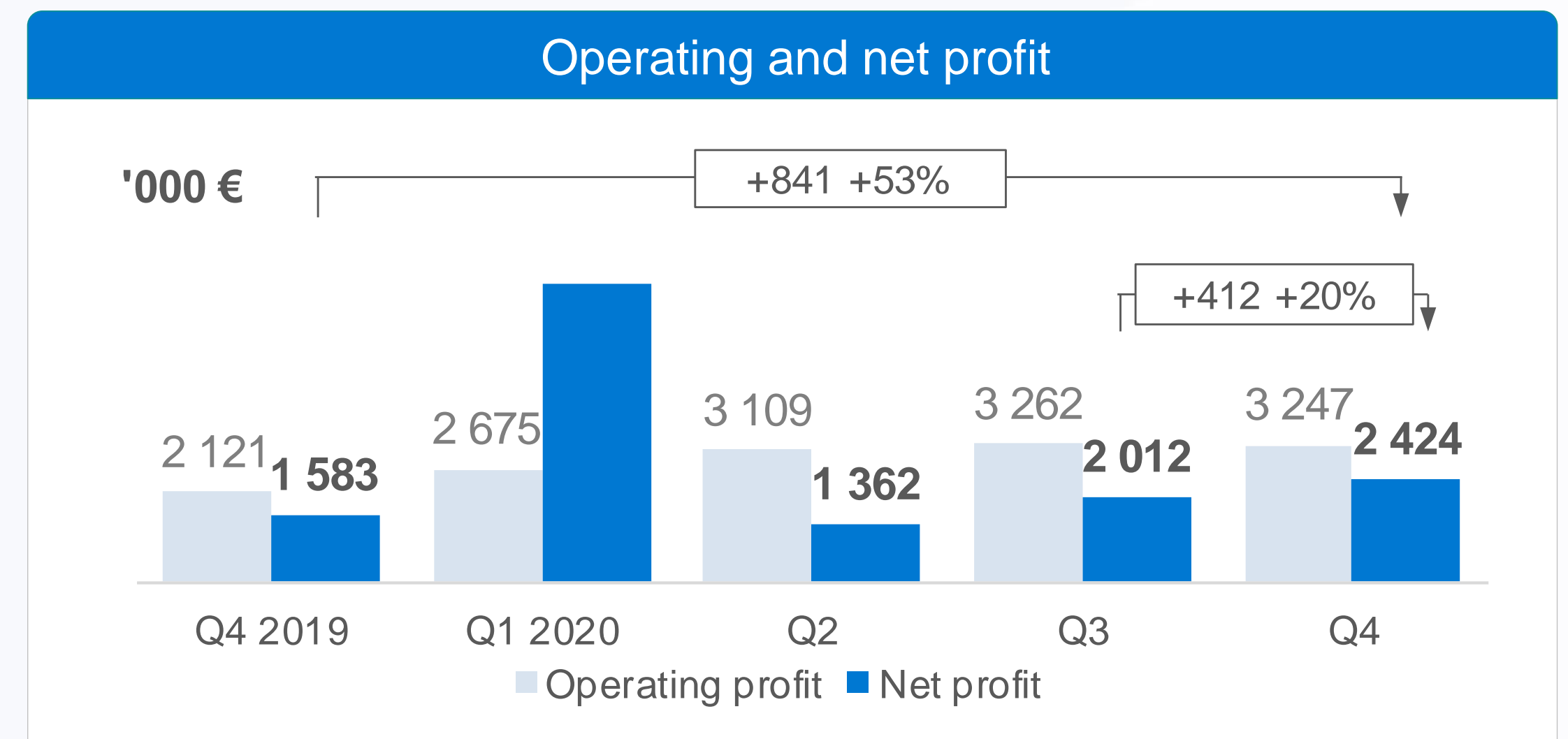
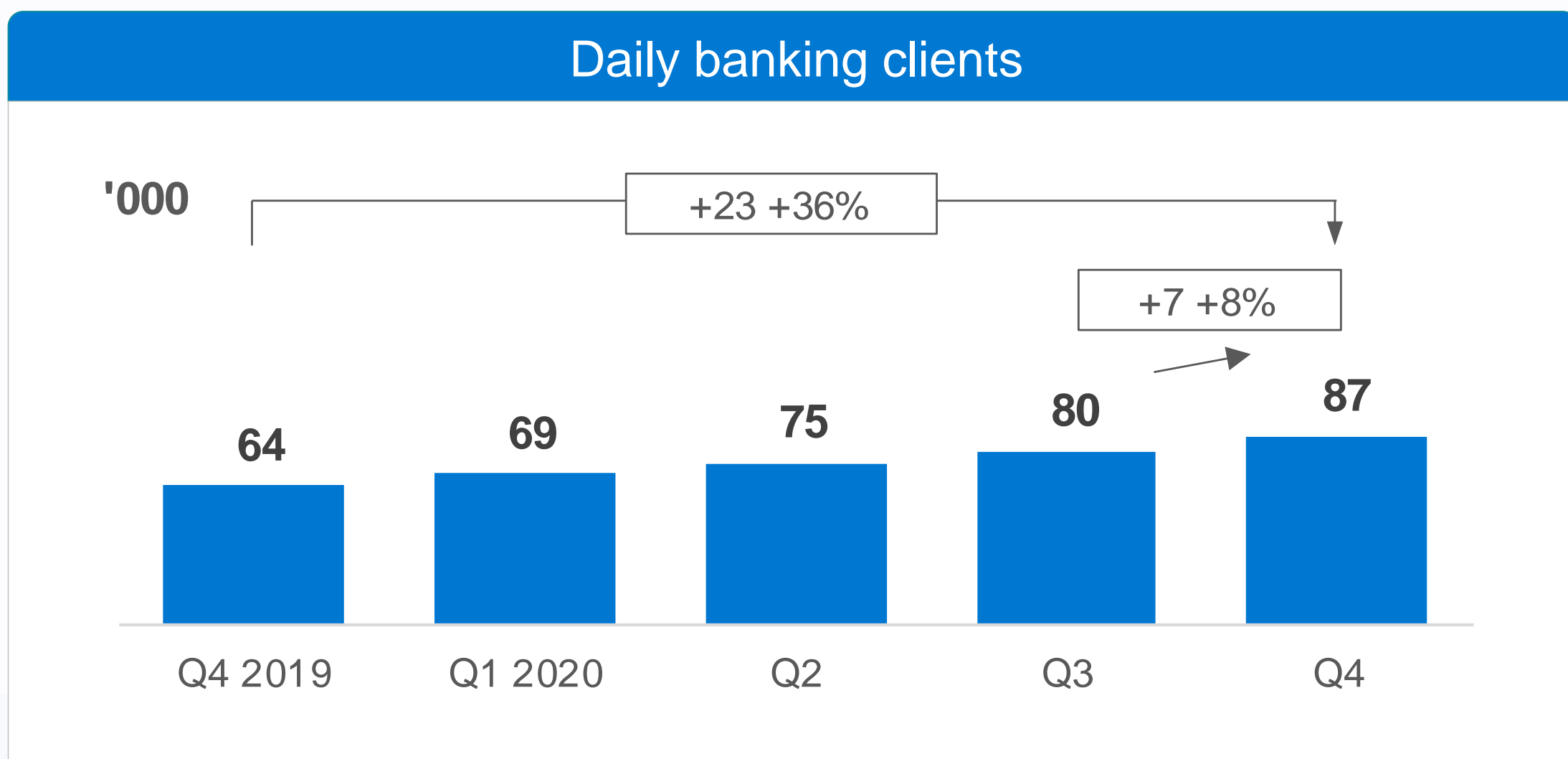
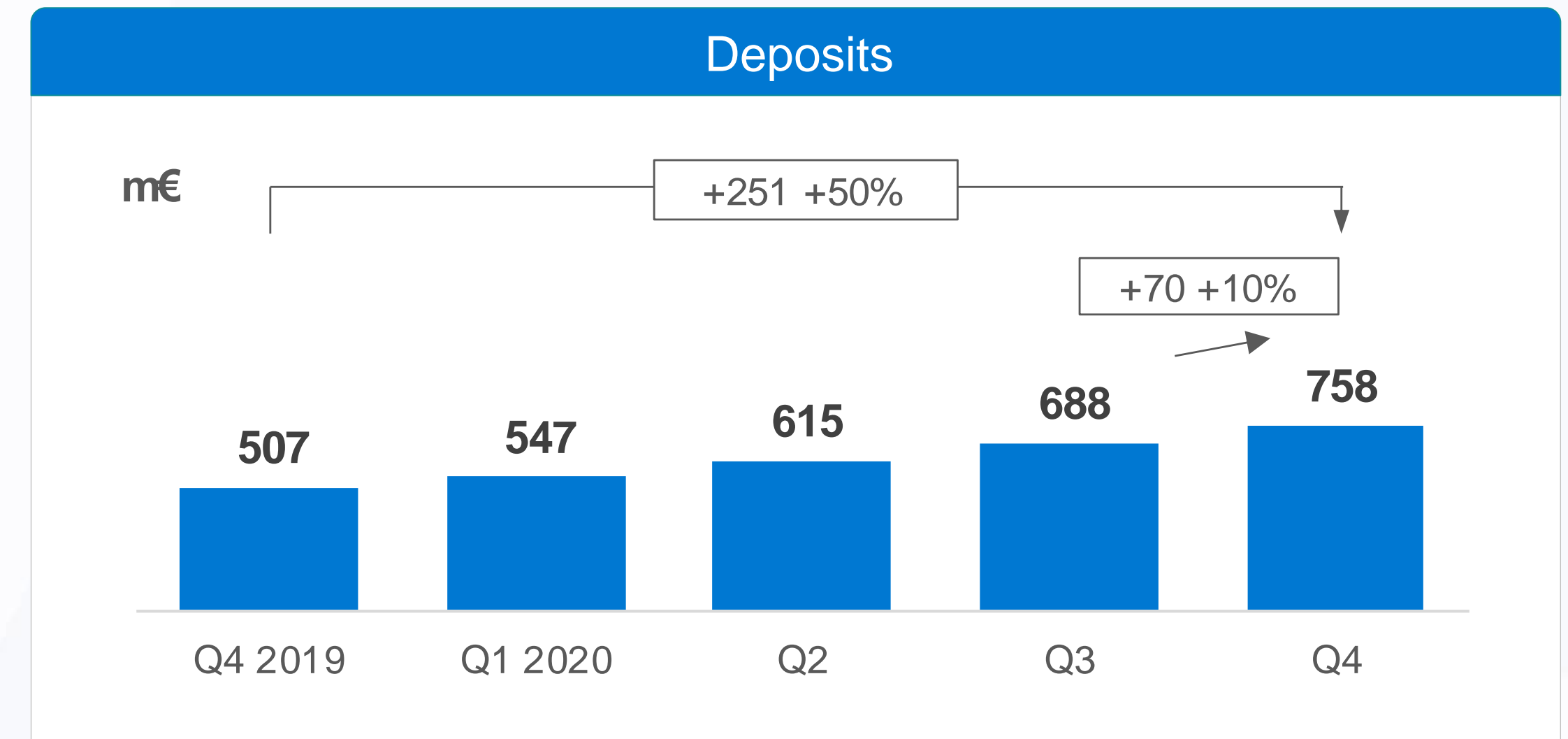
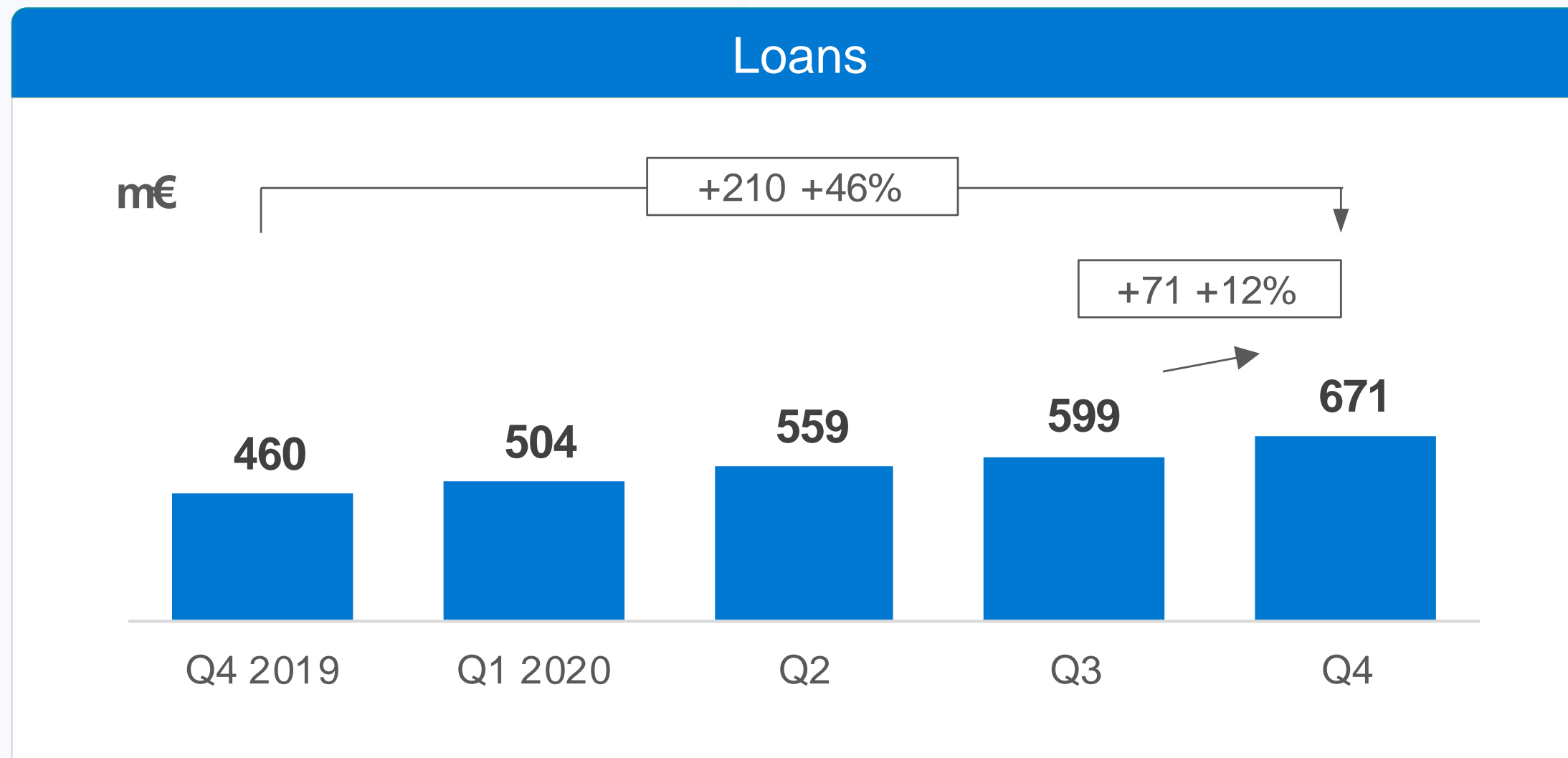
2020 Q4 results

2020 results

Stock information

Growth strategy

# Business volumes in quarterly comparison



Change reflects difference in net profit

# Results of Q4 2020 – compared to Q3 2020

## Key indicators in quarterly comparison

	Q4 2020	Q3 2020	Quarterly change	
<b>Net operating income ('000 €)</b>	<b>8 519</b>	<b>7 988</b>	<b>+531</b>	<b>+7%</b>
Interest	7 808	7 353	+455	+6%
Service fee and commissions	540	558	-18	-3%
Other	171	77	+94	+122%
Operating expenses	-5 272	-4 726	-546	+12%
<b>Operating profit</b>	<b>3 247</b>	<b>3 262</b>	<b>-15</b>	<b>-0%</b>
Impairment losses	-715	-1 139	+424	-37%
Profit before income tax	2 532	2 123	+409	+19%
Income tax	-108	-111	+3	-3%
<b>Net profit</b>	<b>2 424</b>	<b>2 012</b>	<b>+412</b>	<b>+20%</b>
Net loan portfolio (m€)	671	599	+71	+12%
Deposits and loans received	758	688	+70	+10%
Equity	98	94	+3	+4%
ROE	10.1%	8.6%	+1.5%	
Net interest margin (NIM)	3.8%	4.0%	-0.1%	
Cost of financing	0.8%	0.9%	-0.1%	
Cost / income ratio (CIR)	62%	59%	+2.7%	
Capital adequacy ratio	19.5%	18.9%	+0.6%	

- Revenues +7%
  - Net interest increased +0.5m€ as loan portfolio grew by 71 m€
- Operating costs +12%
  - Payroll expenses (increased number of employees)
  - Marketing (numerous marketing campaigns)
- Impairment losses -37%
  - No one-off impairments due to corona pandemic in Q4, adjustments of loan provision rates in year end 2020
- Net profit +48%

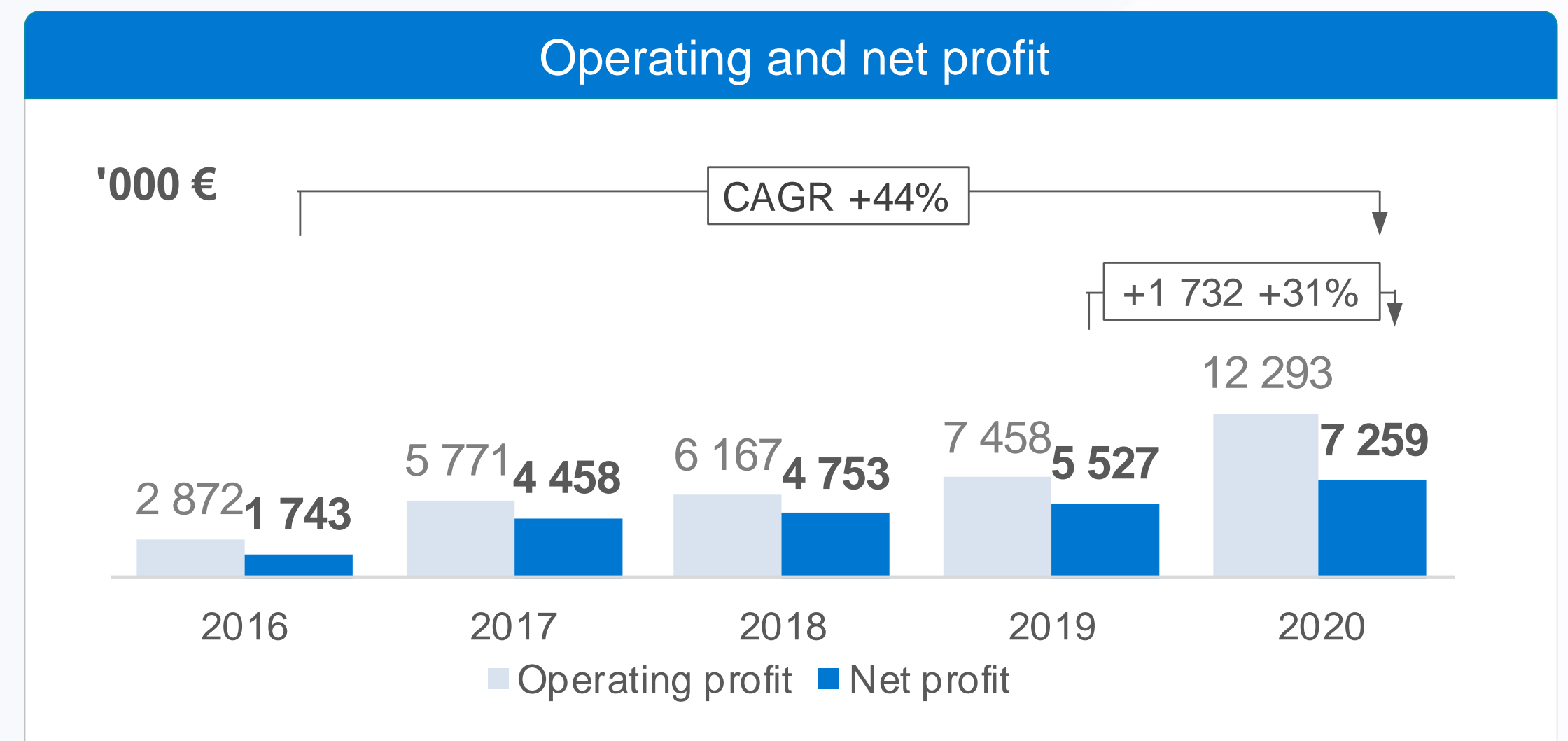
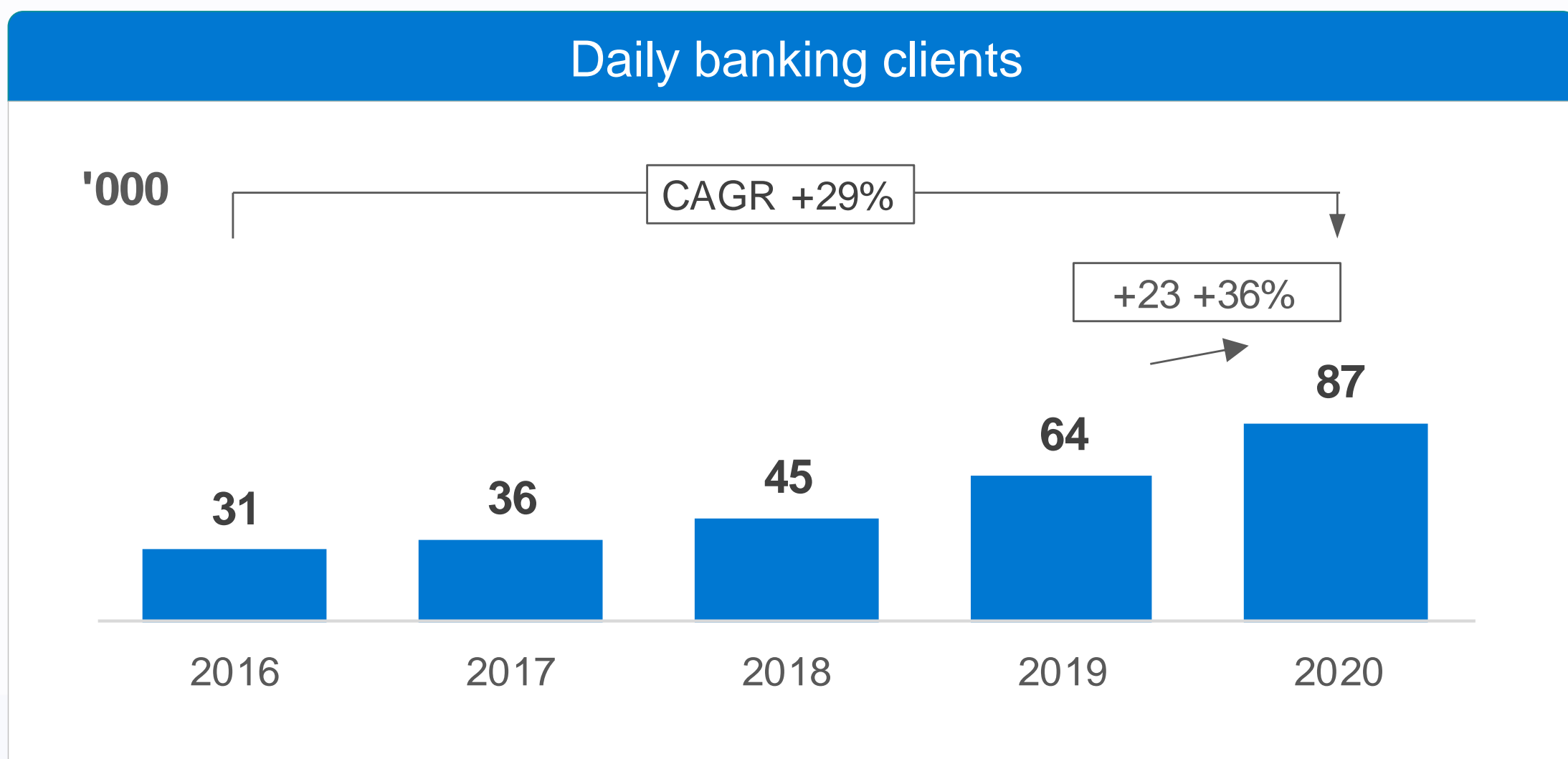
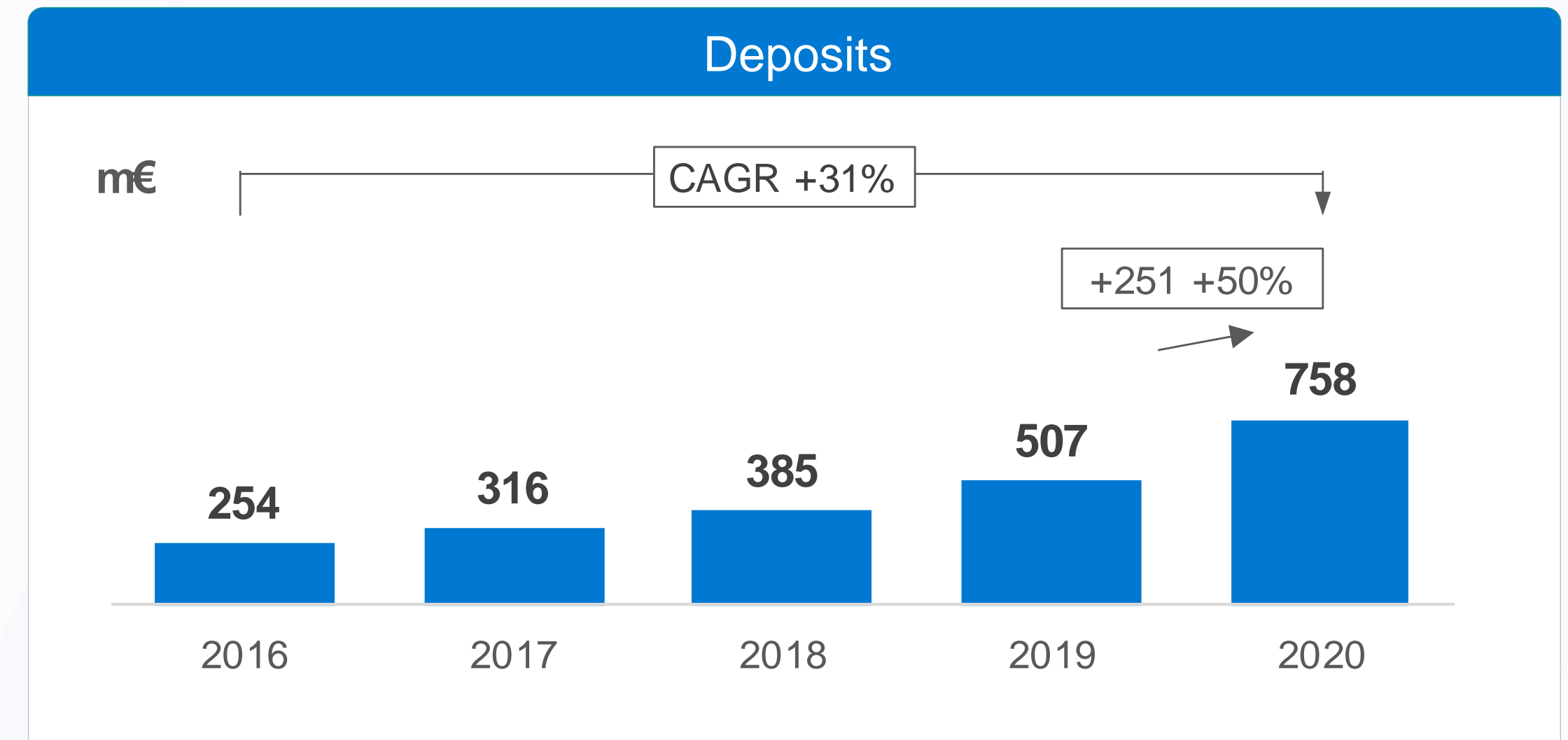
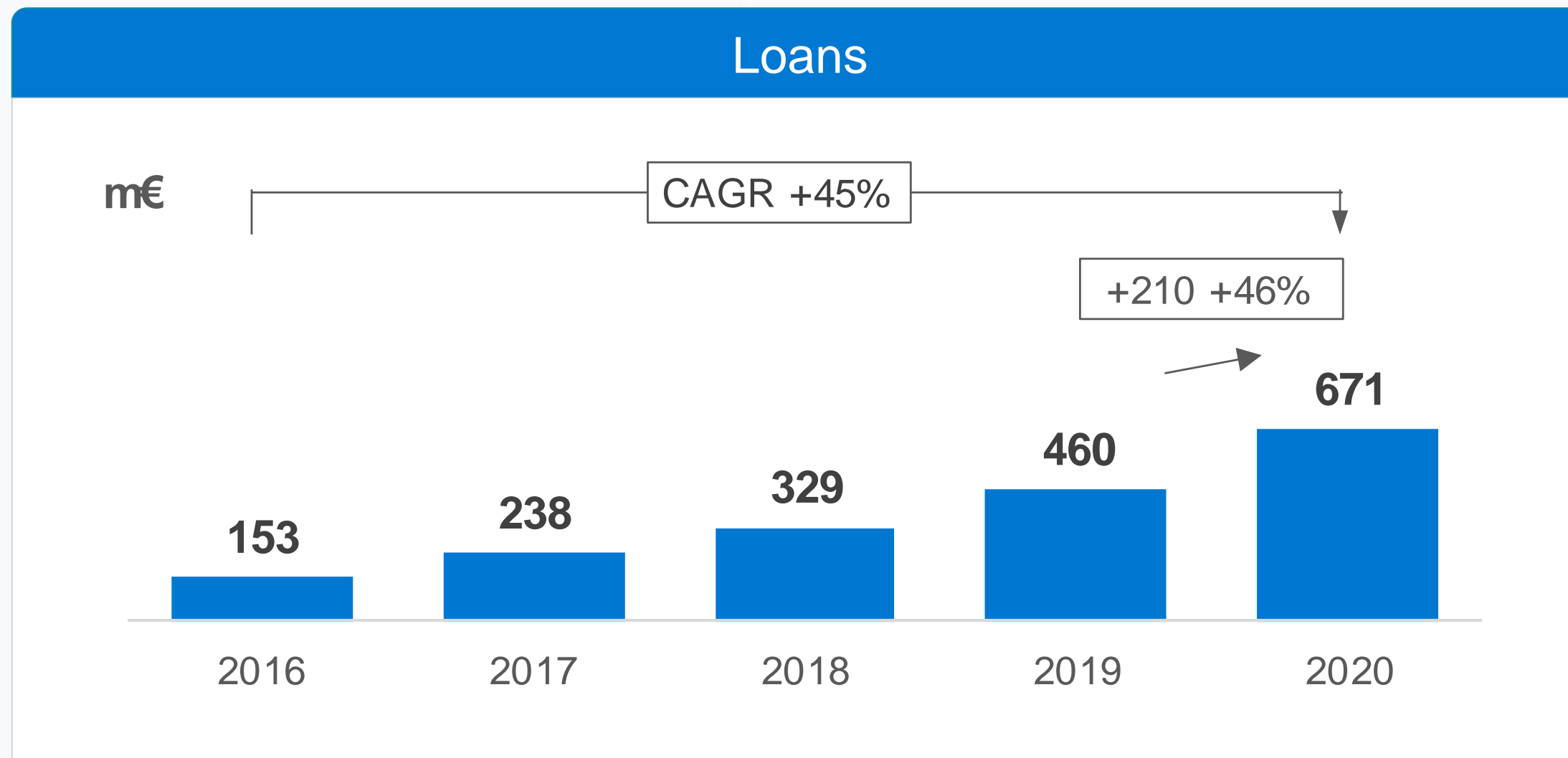
2020 Q4 results

2020 results

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Growth strategy

# Business volumes in yearly comparison



Change reflects difference in net profit

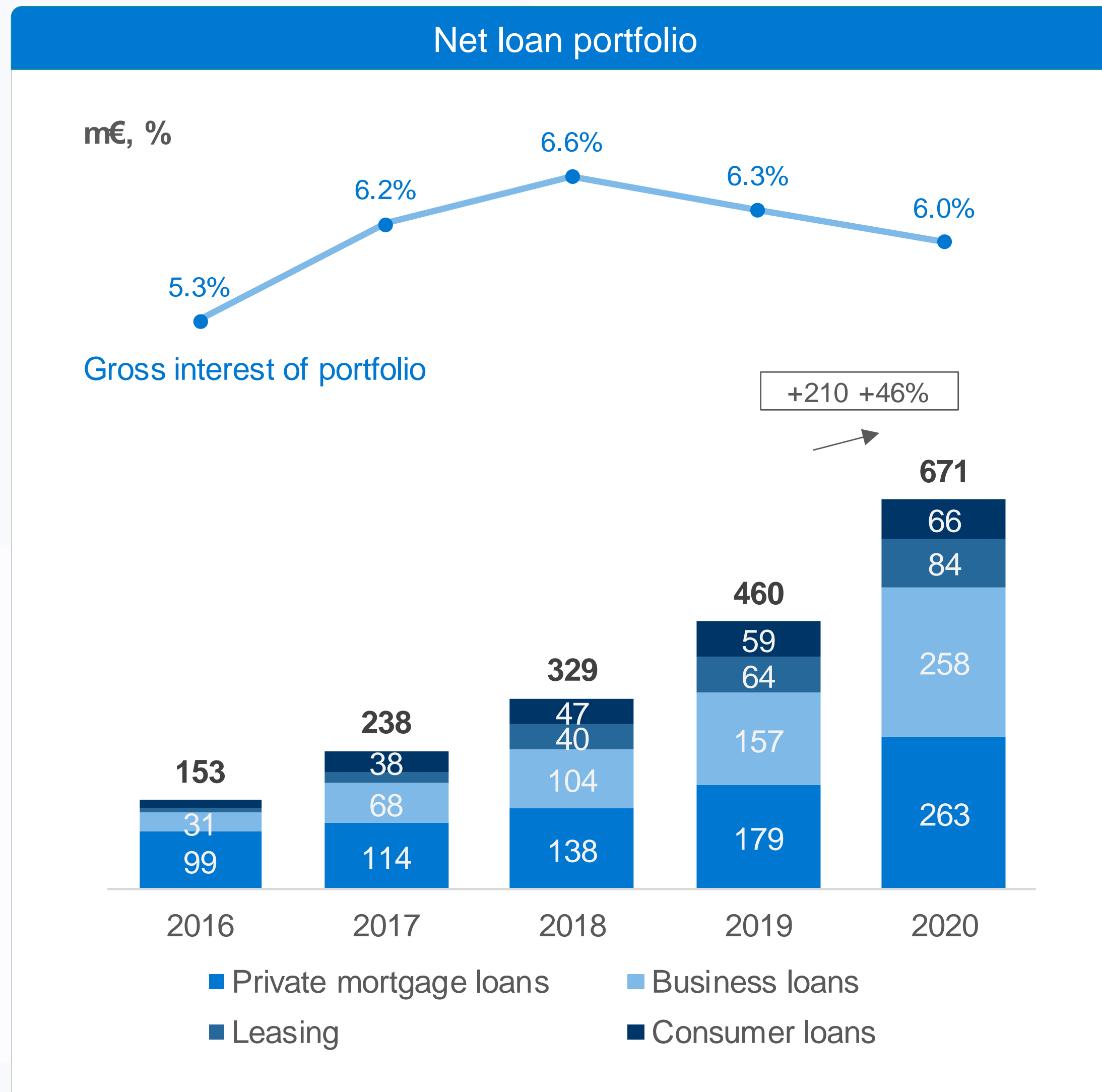
# Results of 2020 – compared to 2019

## Key indicators in year on year comparison

	2020	2019	Year on Year change	
<b>Net operating income ('000 €)</b>	<b>31 089</b>	<b>23 719</b>	<b>+7 370</b>	<b>+31%</b>
Interest	28 371	20 689	+7 682	+37%
Service fee and commissions	2 097	2 372	-275	-12%
Other	621	658	-37	-6%
Operating expenses	-18 796	-16 261	-2 535	+16%
<b>Operating profit</b>	<b>12 293</b>	<b>7 458</b>	<b>+4 835</b>	<b>+65%</b>
Impairment losses	-4 789	-1 931	-2 858	+148%
Profit before income tax	7 504	5 527	+1 977	+36%
Income tax	-245	0	-245	-
<b>Net profit</b>	<b>7 259</b>	<b>5 527</b>	<b>+1 732</b>	<b>+31%</b>
Net loan portfolio (m€)	671	460	+210	+46%
Deposits and loans received	758	507	+251	+50%
Equity	98	89	+8	+9%
ROE	7.8%	9.8%	-2.0%	
Net interest margin (NIM)	3.9%	4.2%	-0.3%	
Cost of financing	0.9%	1.0%	-0.1%	
Cost / income ratio (CIR)	60%	69%	-8.1%	
Capital adequacy ratio	19.5%	24.3%	-4.9%	

- Revenues +31%
  - Net interest increased +7.7m€ as loan portfolio grew by 210m€
- Operating costs +16%
  - Payroll expenses increased by 1.2m€, number of Coop Pank full time employees increased by 16
  - IT costs and depreciation of intangible assets +1m€ due to continued investments into IT development
- Operating profit +65%
- Impairment losses +148%
  - One-off impairments due to corona pandemic totalled 1.1m€ in Q1 and Q2 2020
- Net profit +31%

# Increased loan portfolio in all business lines



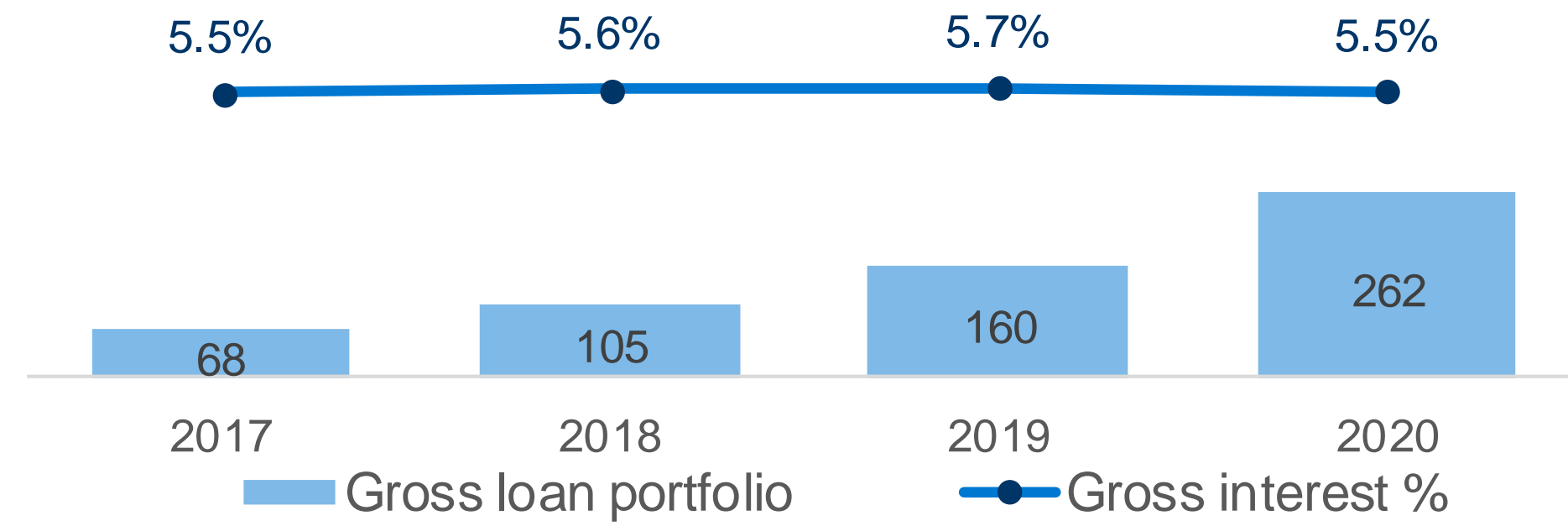
- Yearly growth of loan portfolio +210m€ (+46%)
  - Business loans +101m€ (+64%)
  - Private mortgage loans +84m€ (+47%)
  - Leasing +19m€ (+30%)
  - Consumer loans +7m€ (+11%)
- Gross interest of portfolio 6%
  - Decreased proportion of consumer loans portfolio in total group loans impacts interest margin (see next slide)



# Loan portfolio interest by business lines

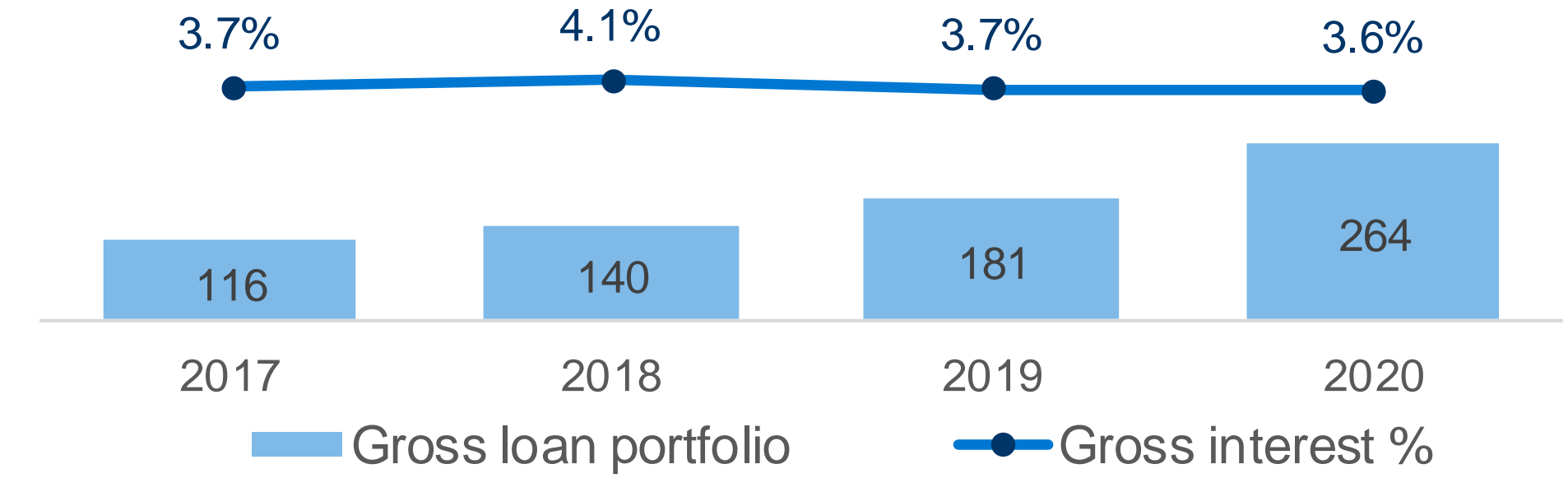
## Business loans

m€, %



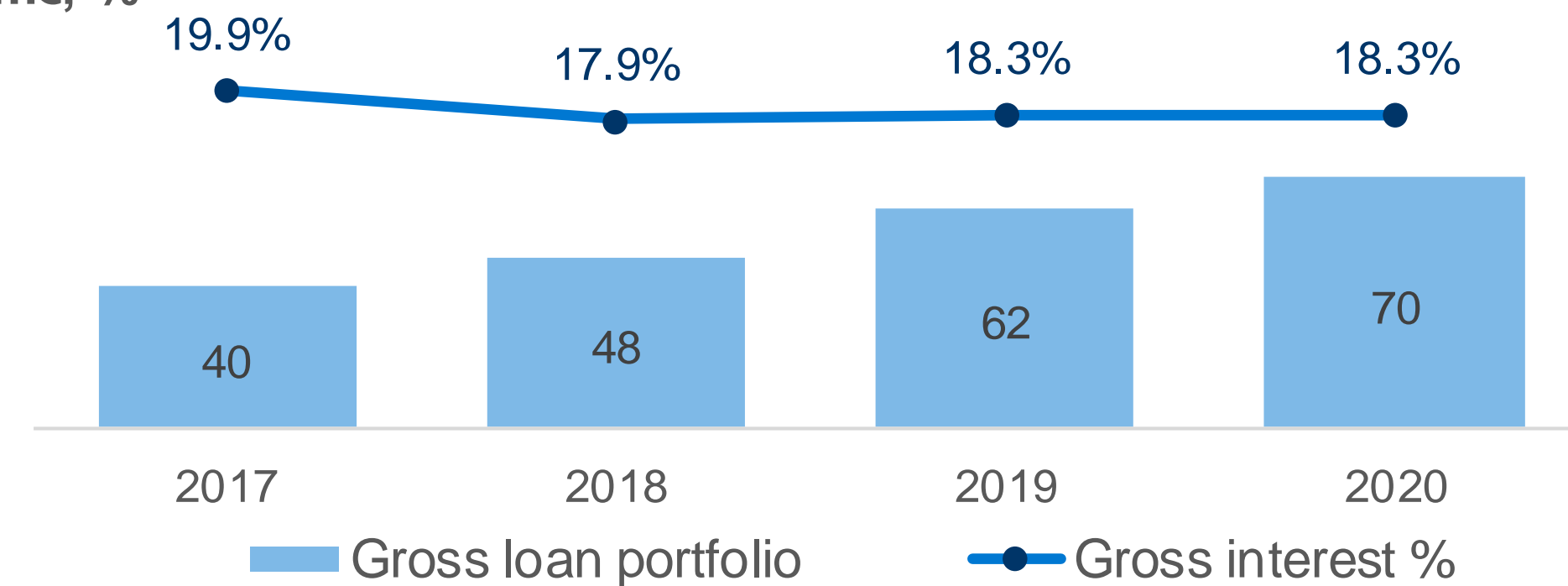
## Private mortgage loans

m€, %



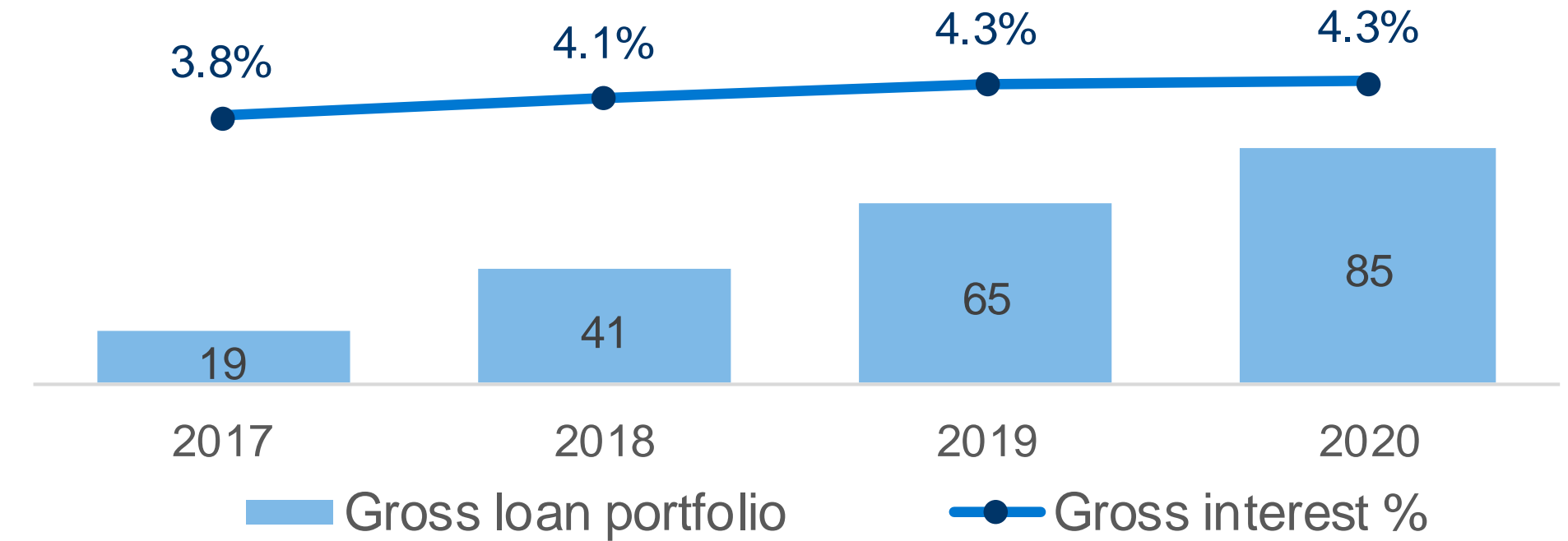
## Private consumer loans

m€, %



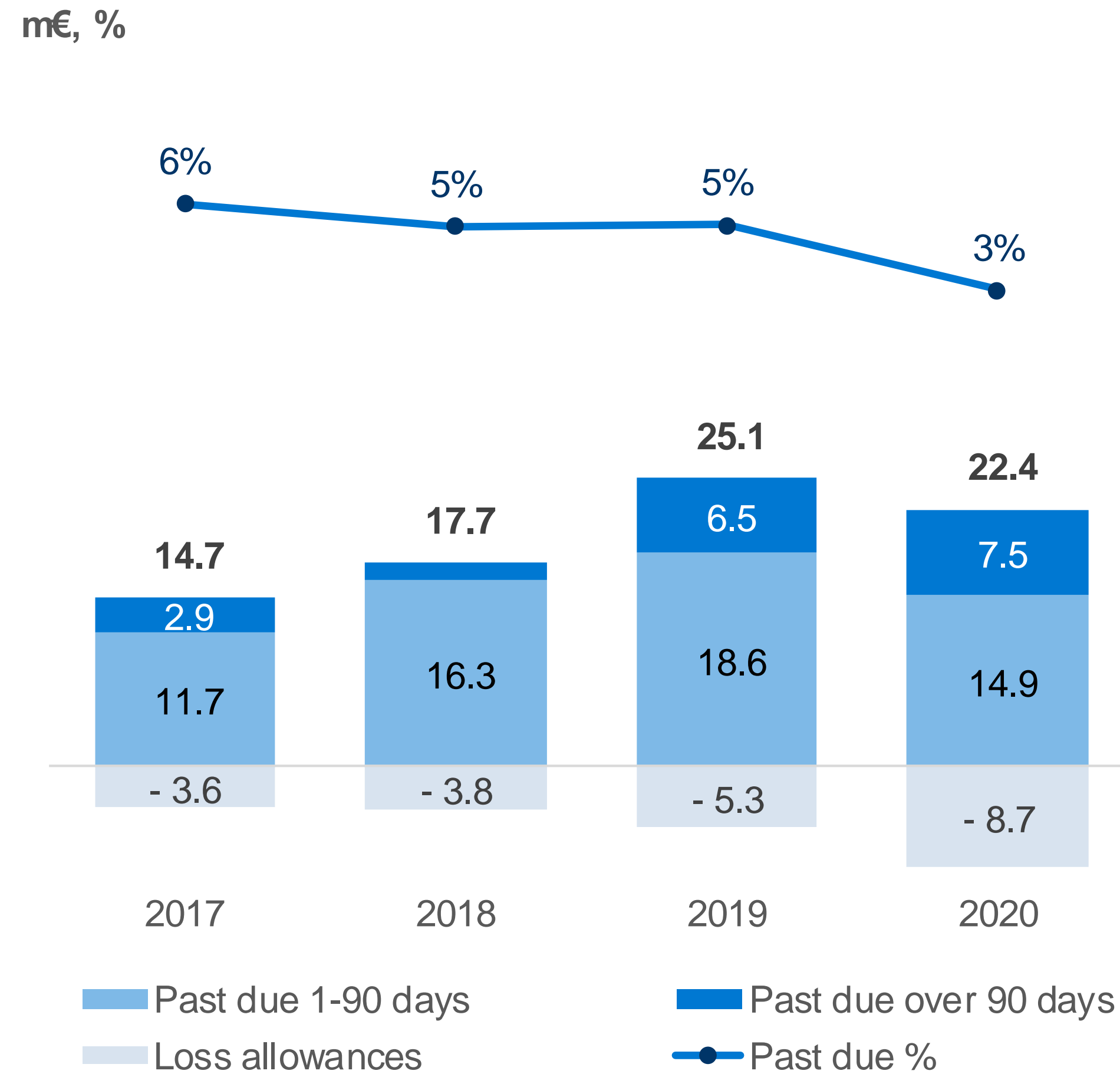
## Leasing

m€, %



# Quality of loan portfolio

## Loans past due and loss allowances in balance sheet

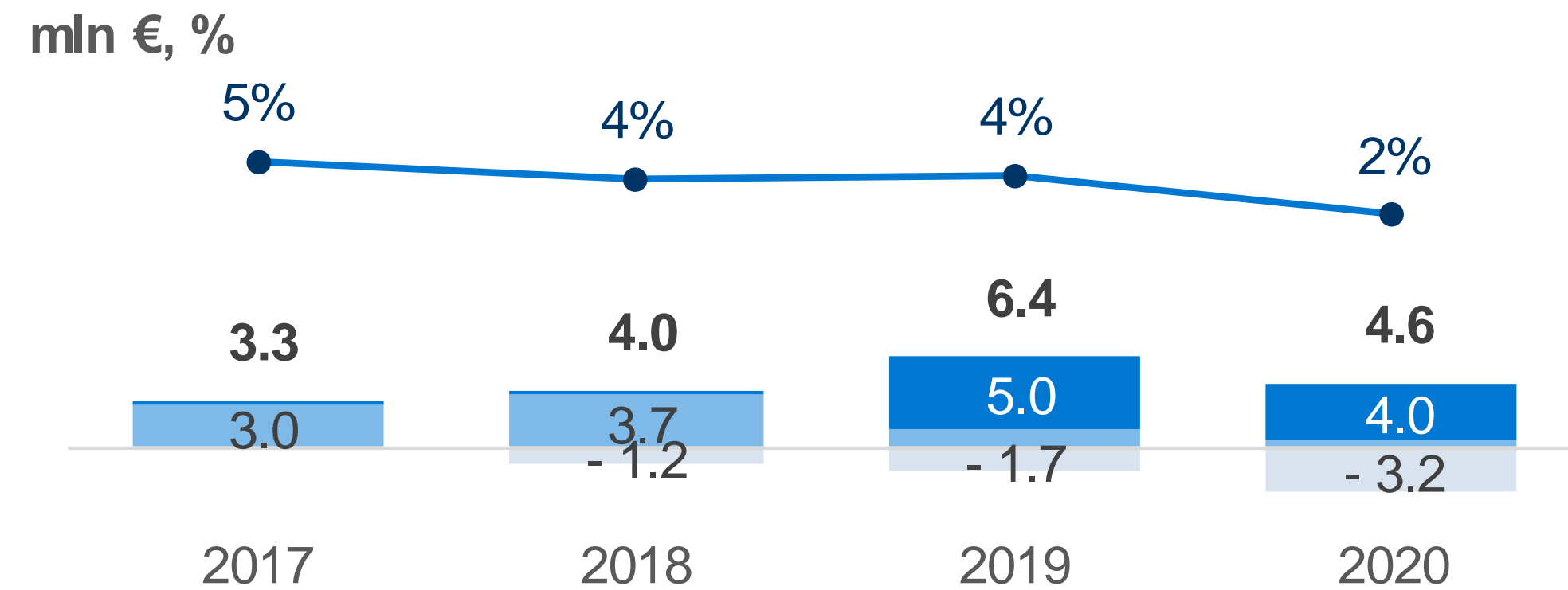


- Past due portfolio decreased to 3% level
- Highest amount of corona-related payment holidays in May 2020: 52m€ of portfolio, comparable amount was 8.5m€ in the end of year 2020
- In relation to coronavirus impact to economy, total of 1.1m€ of additional loss allowances were recognized in 6M of 2020
- Credit risk cost ratio 0.8% in 2020 (0.5% in 2019)

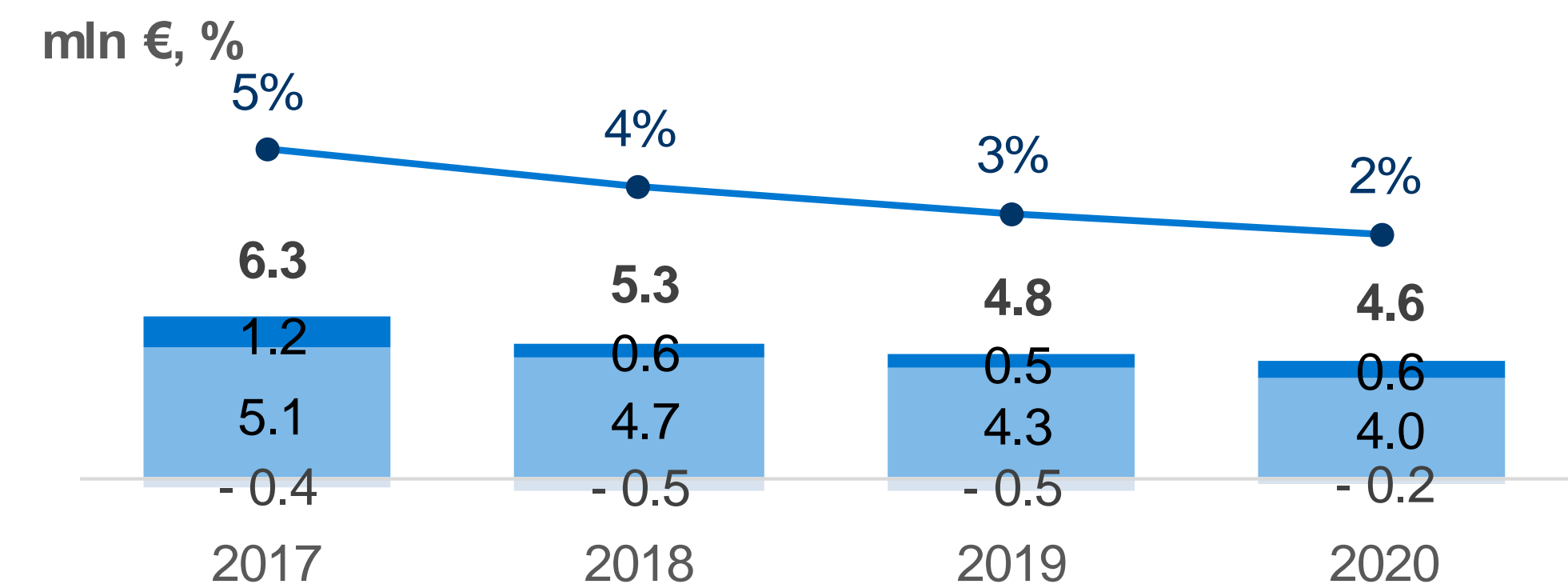
Total residual of loan principal amounts past due; loss allowances in balance sheet; share of overdue contracts in total (gross) portfolio

# Loan portfolio quality by business lines

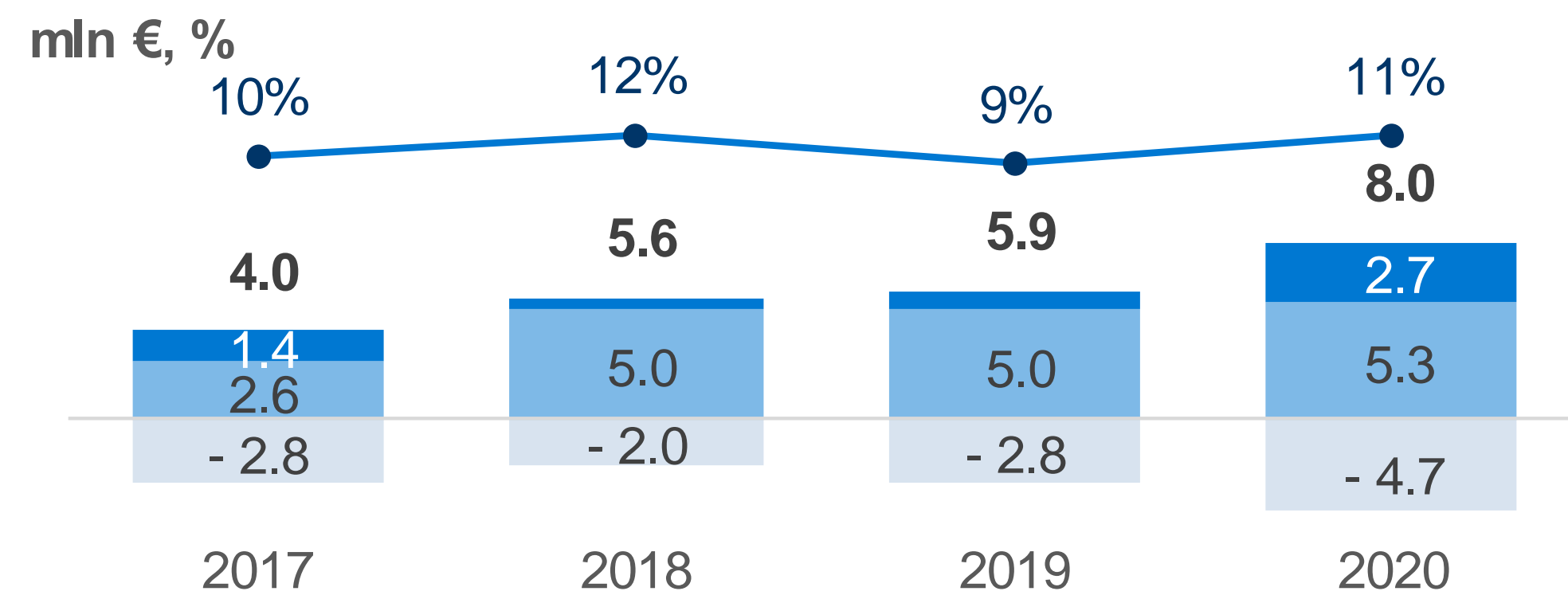
## Business loans



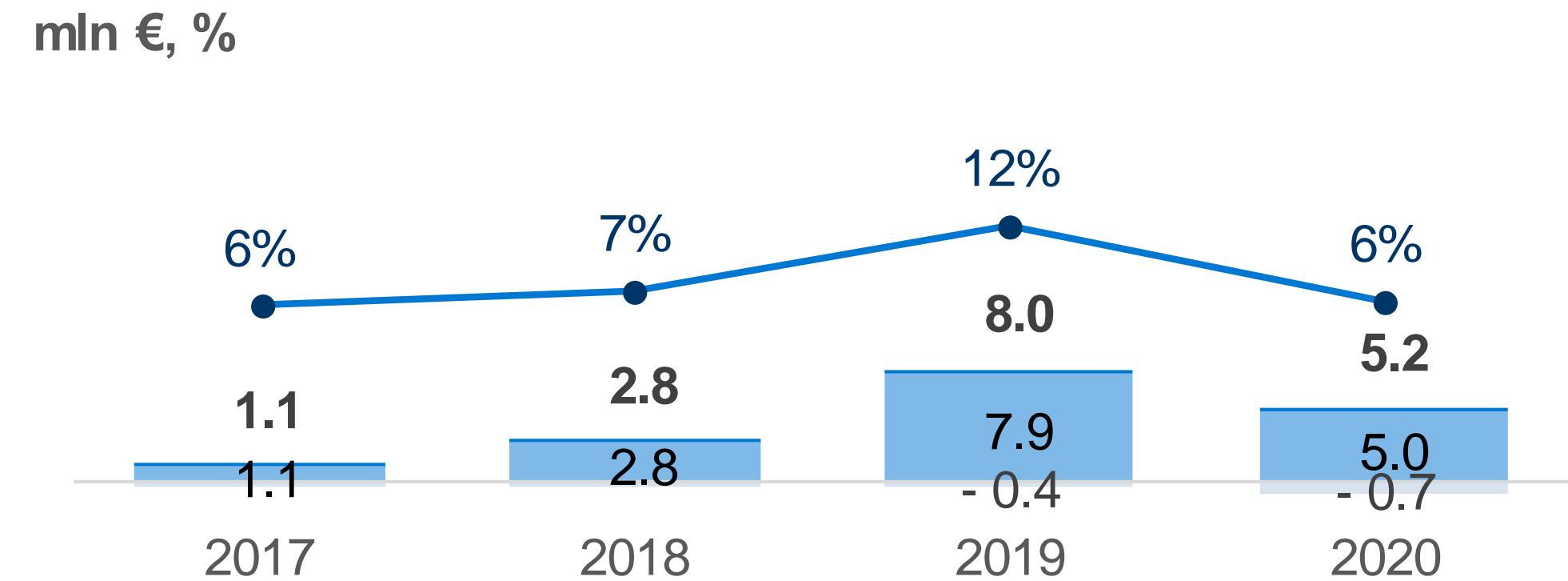
## Private mortgage loans



## Private consumer loans



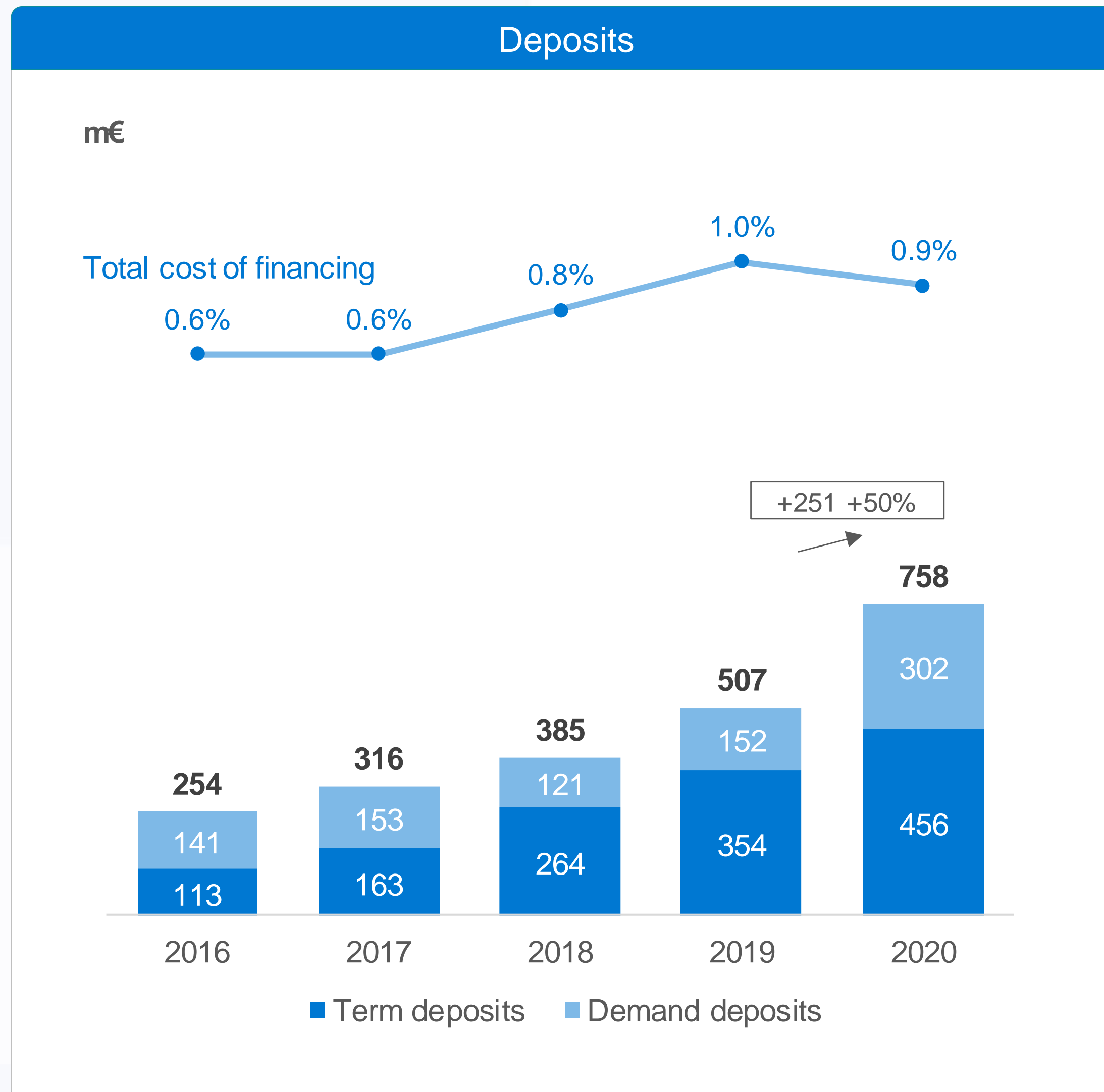
## Leasing



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 %

# Amount of deposits increased, cost decreased



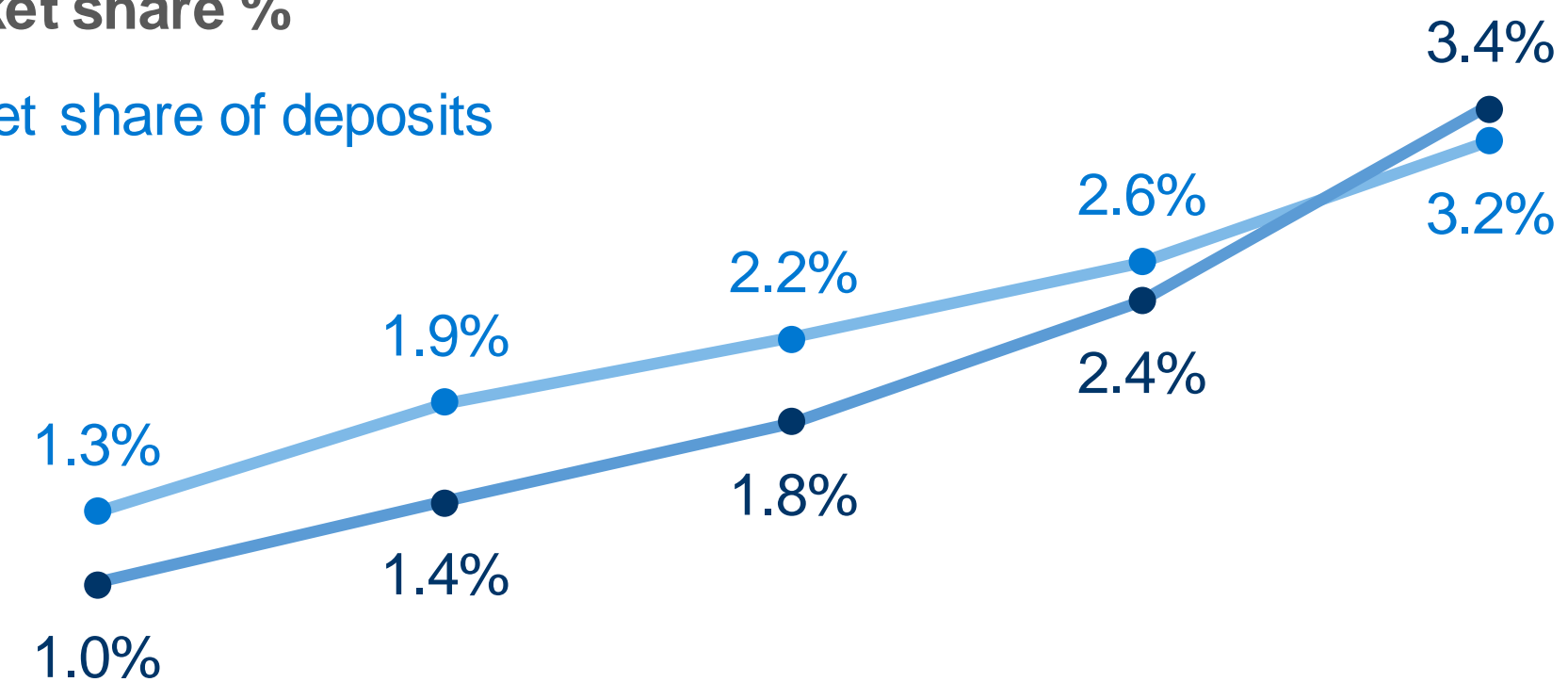
- Deposits grew by 251m€ (+50%)
- Demand deposits +150m€ (+99%)
  - +108m€ from business clients
  - +42m€ from private clients
- Term deposits +101m€ (+29%)
  - +62m€ from business clients
  - +17m€ from private clients
  - +34m€ through Raisin platform
  - - 12m€ deposits from financial institutions
- Proportion of demand deposits in total deposits reached 40% by the end of 2020 (30% in the end of 2019)
- Total cost of financing (0.9%) has decreased as proportion of demand deposits in total deposits has increased

# We are growing client base and market share

## Market share and number of bank clients

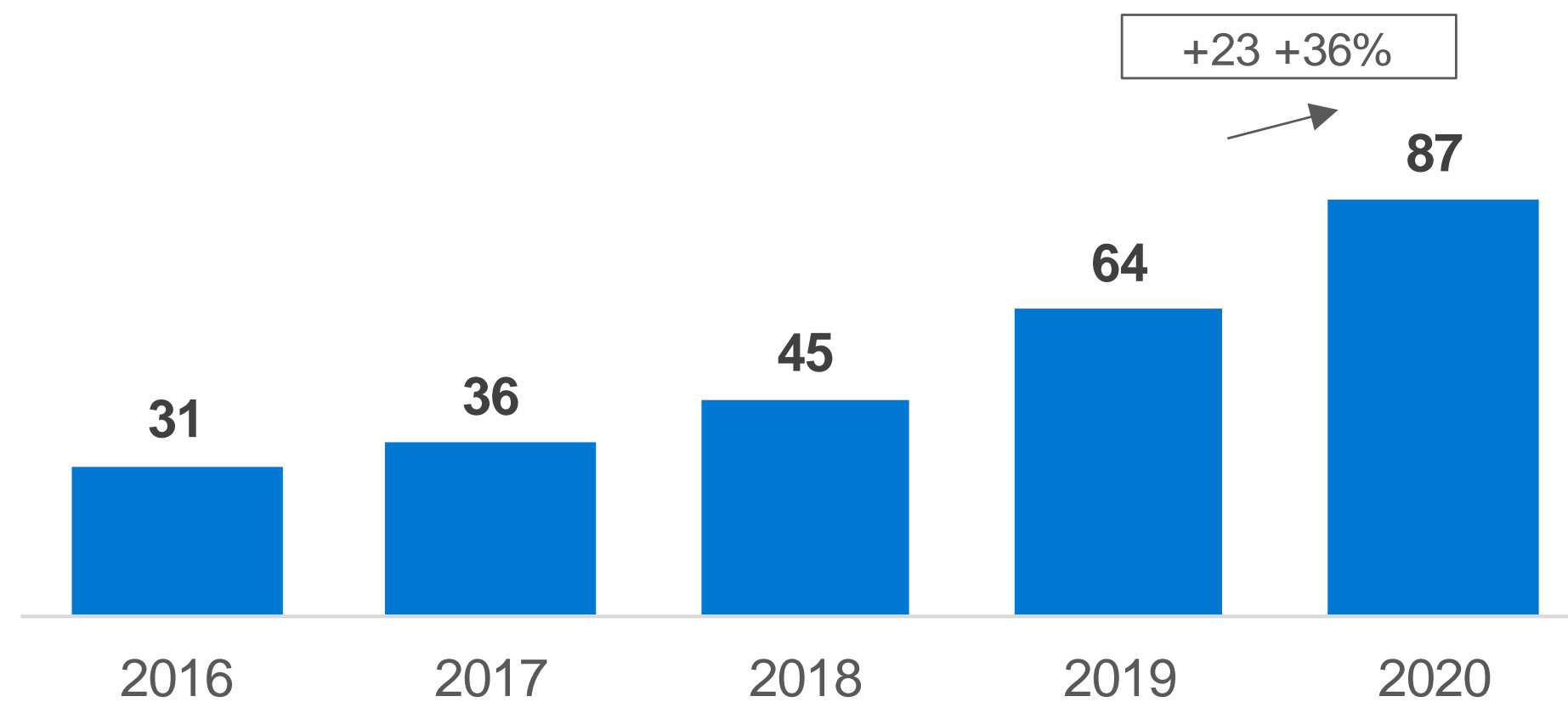
### Market share %

#### Market share of deposits



#### Market share of loans

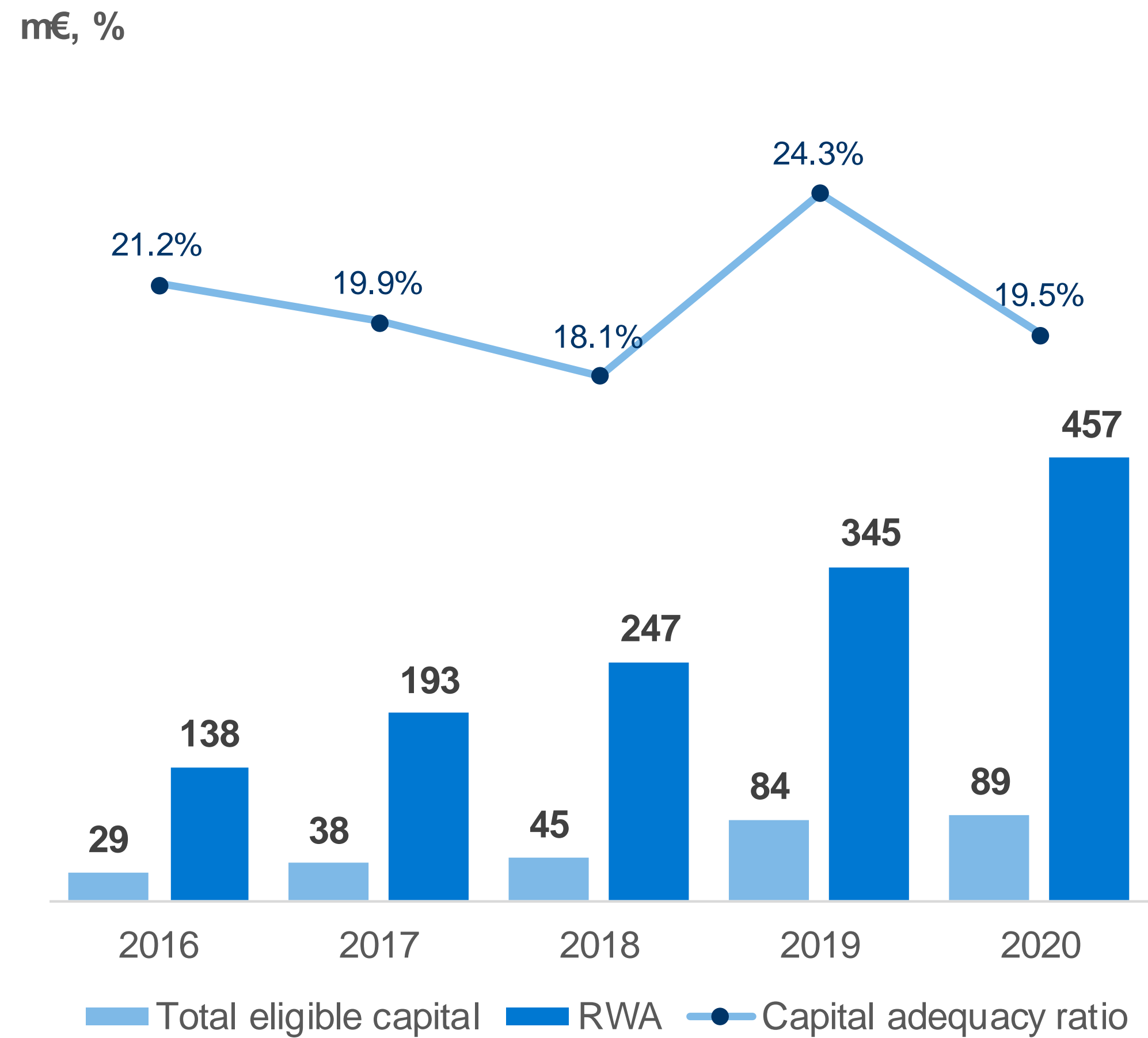
### No of customers (thousand)



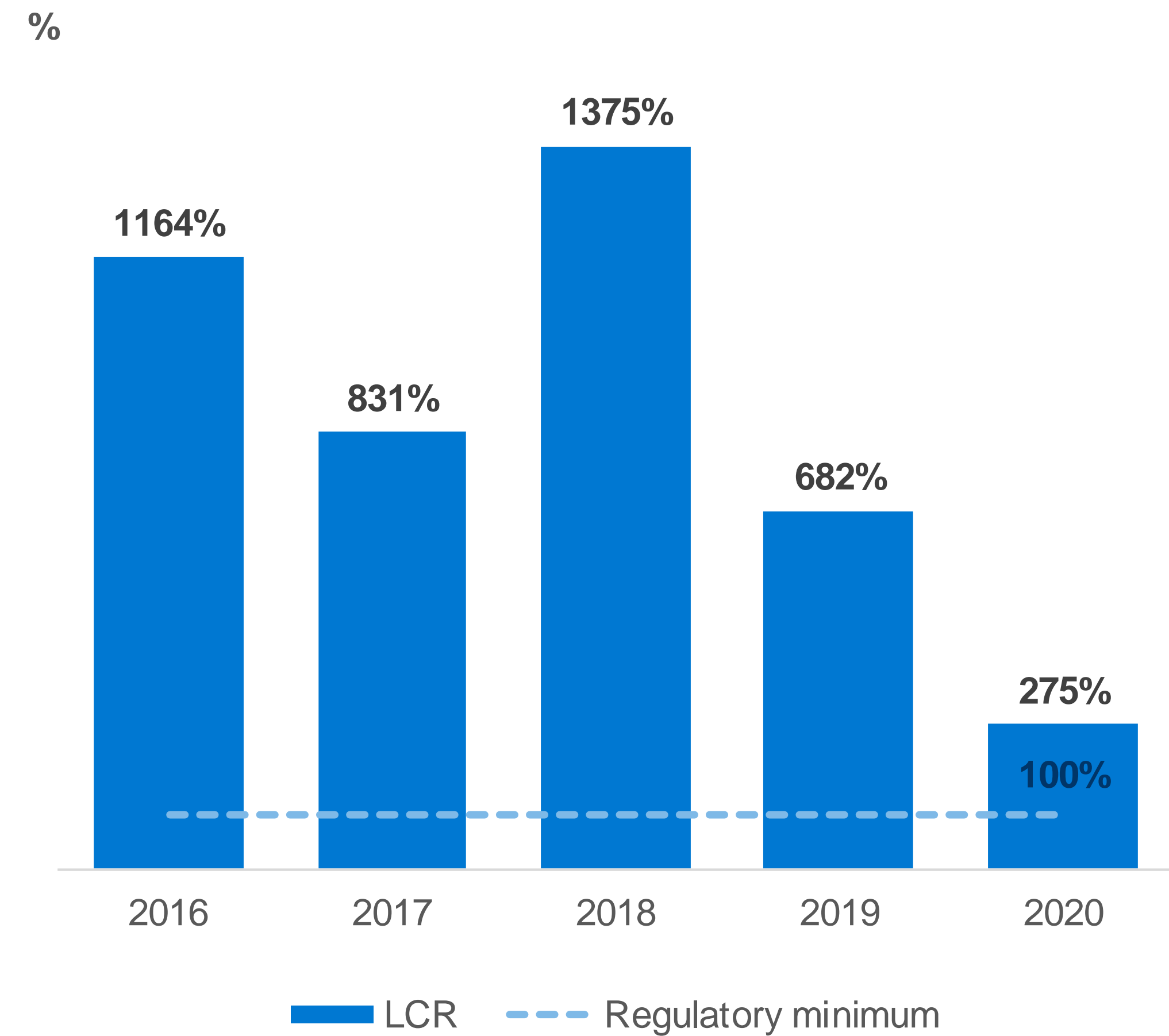
- 23 000 new clients with bank account in 2020 (2019 +19 000)
  - +21 000 private clients
  - +2000 business clients
- Banks market share changed in 2020
  - Market share in loan portfolio 2.4% => 3.4%
  - Market share in deposits 2.6% => 3.2%

# Capital base supports growth plans

## Yearly capitalization

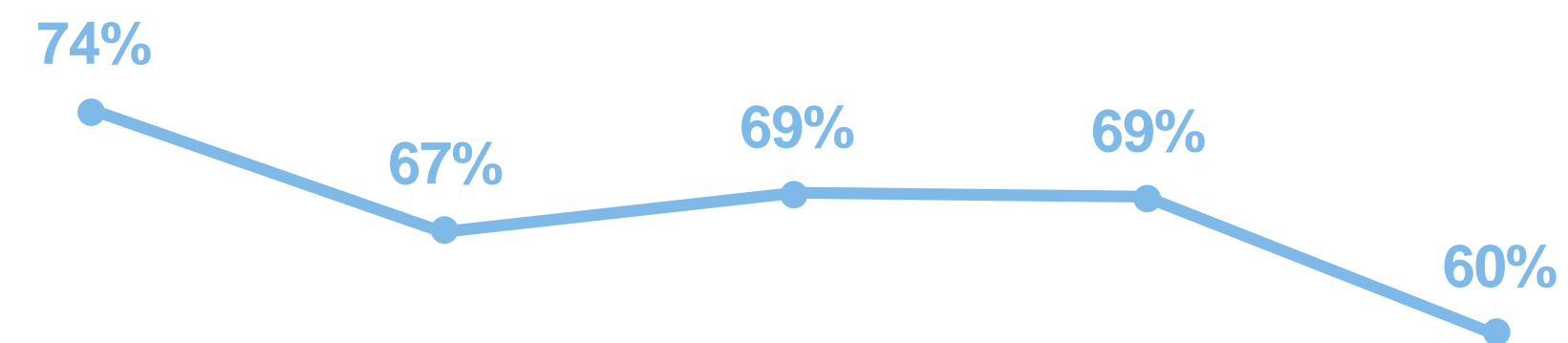


## Liquidity coverage ratio (LCR)

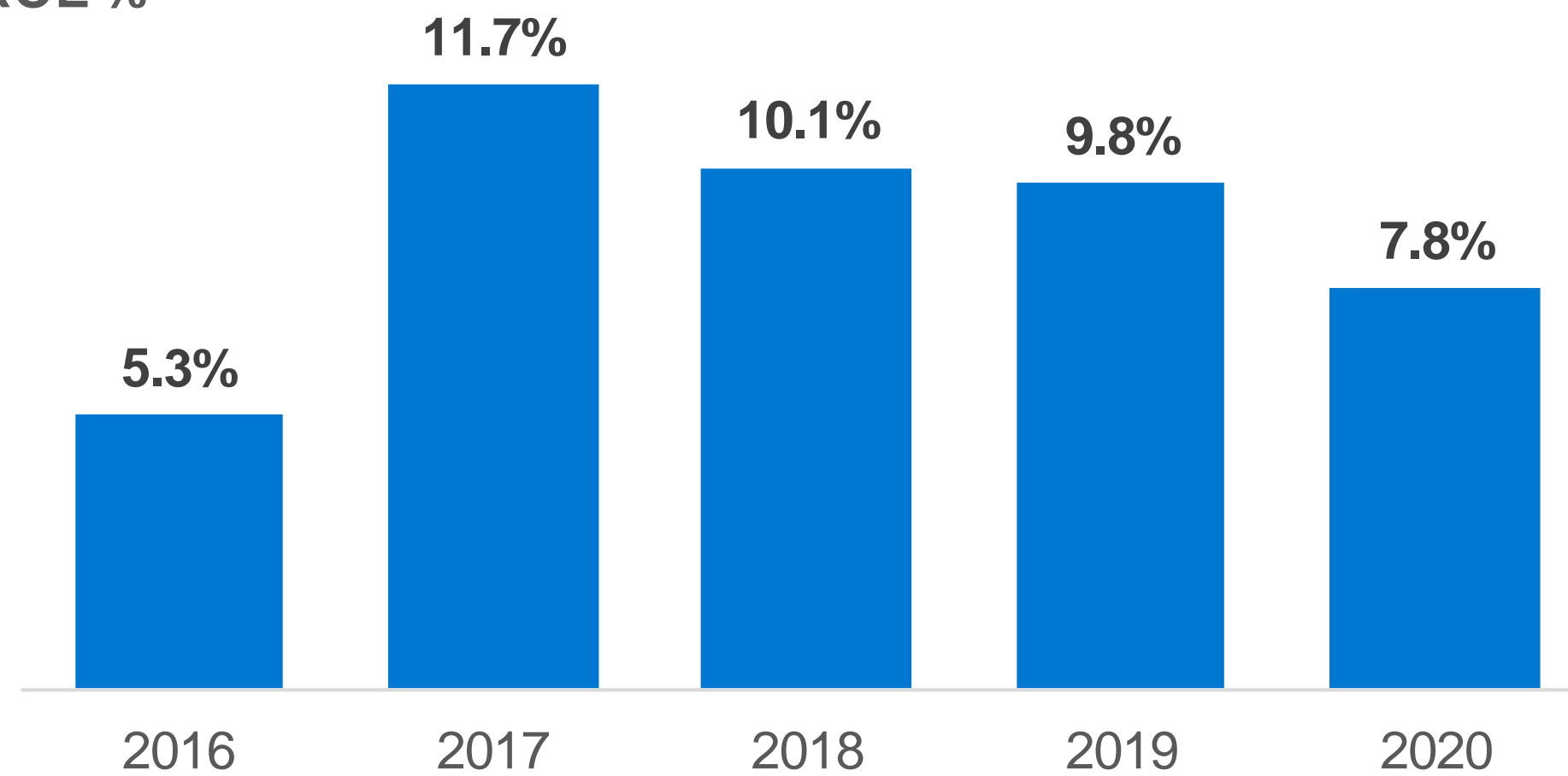


## Cost / income ratio (CIR) and ROE

Cost / income ratio %



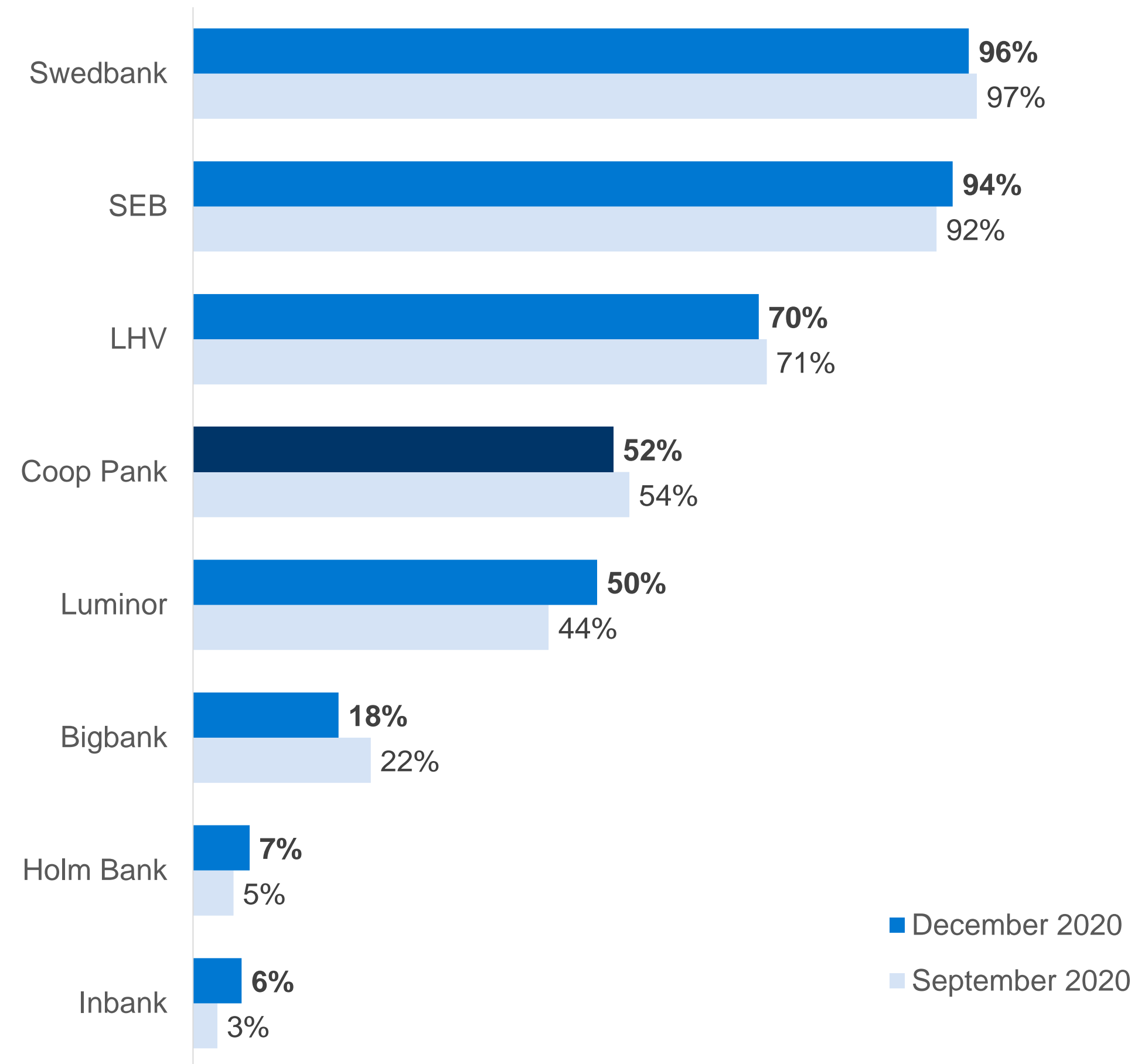
ROE %



- Decreased CIR
  - +31% revenue growth vs +16% increase of costs
- Decreased ROE
  - +31m€ addition to shareholders equity in December 2019 via IPO

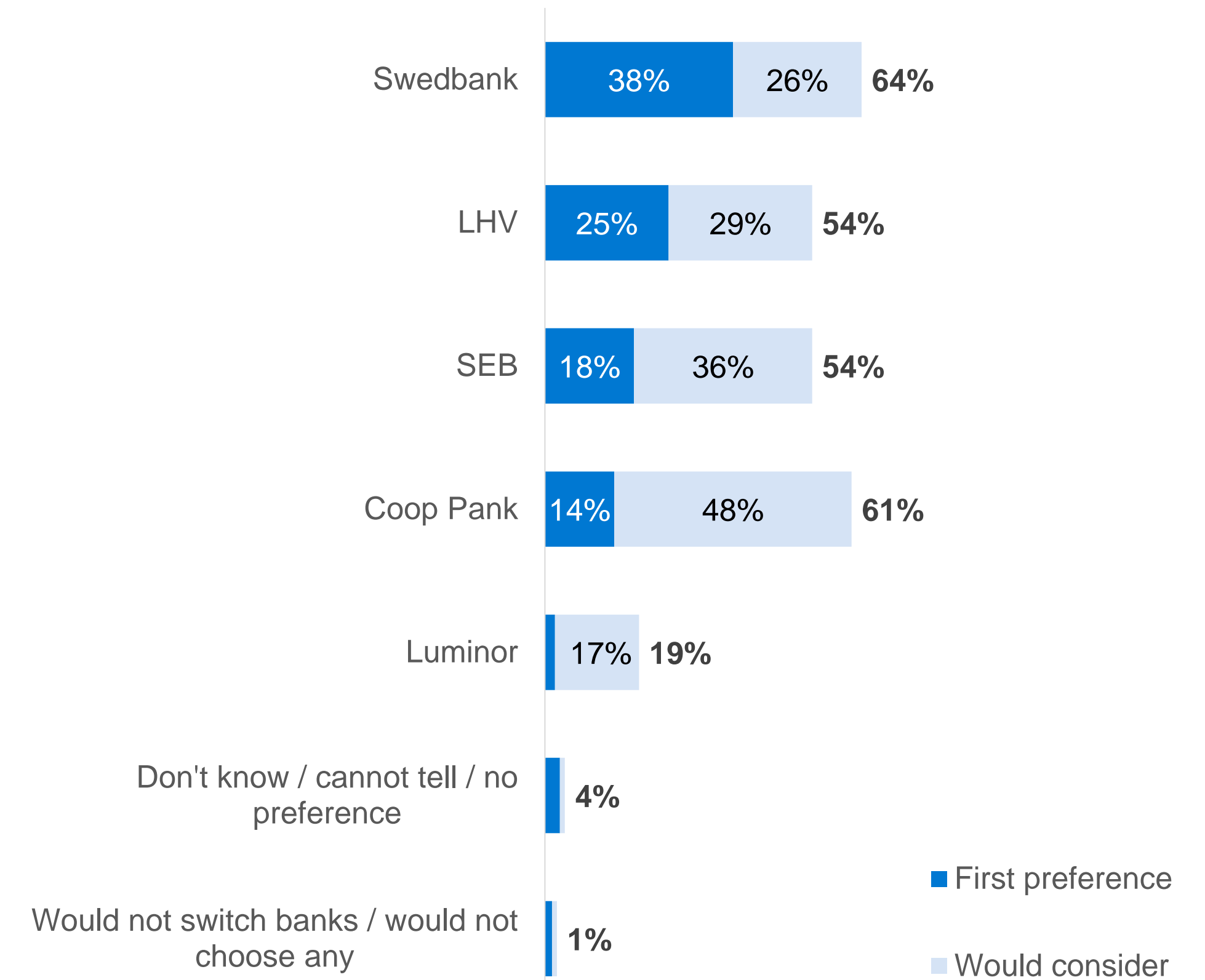
# Brand awareness and preference as financial partner

## Brand awareness of Coop Pank



Source: reports of Initiative brand study, September 2020 ja December 2020

## Preference as financial partner

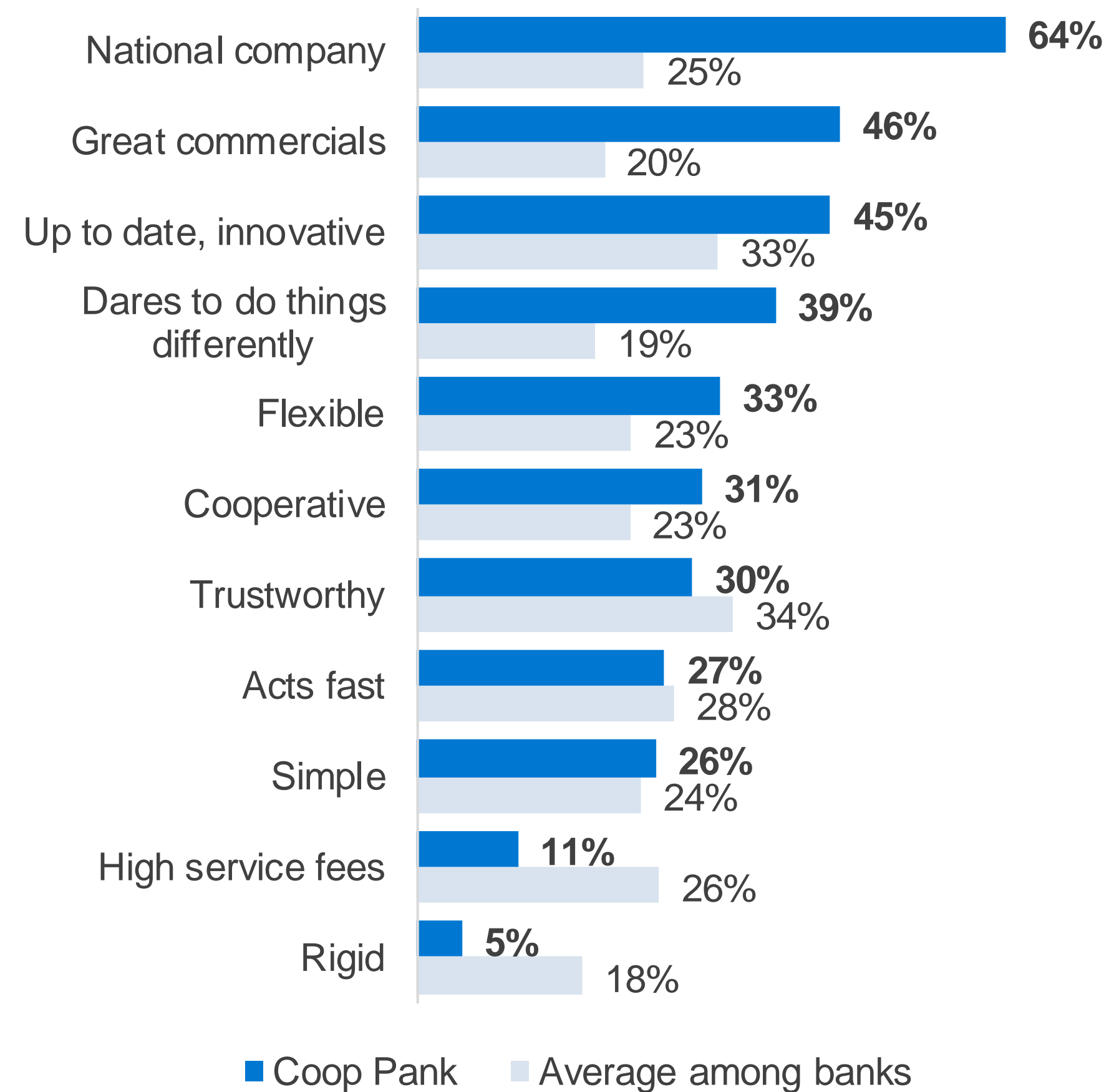


Source: reports of Initiative brand study, December 2020



# Coop Pank brand in Estonian banking market

## Corporate image of Coop Pank compared to other banks



- Replies to question: „In your opinion, which banks carry these attributes?“
- Coop Pank scored highest among other Estonian banks:
  - National company
  - Cooperative
  - Dares to do things differently
  - Flexible
  - Great commercials

# Summary: 2020 results

- Loan portfolio grew by 210m€ (+46% YoY)
- Deposits increased by 251m€ (+50% YoY)
- 23 000 new customers (+36% YoY)  
Bank has a total of 87 000 clients with bank account
- Net profit 7.3m€ (+31% YoY). Strong capital position
- Market share ca 3-3.5%. Our footprint in Estonian society is already visible

23 000 new clients  
7.3 mln € profit

2020 Q4 results

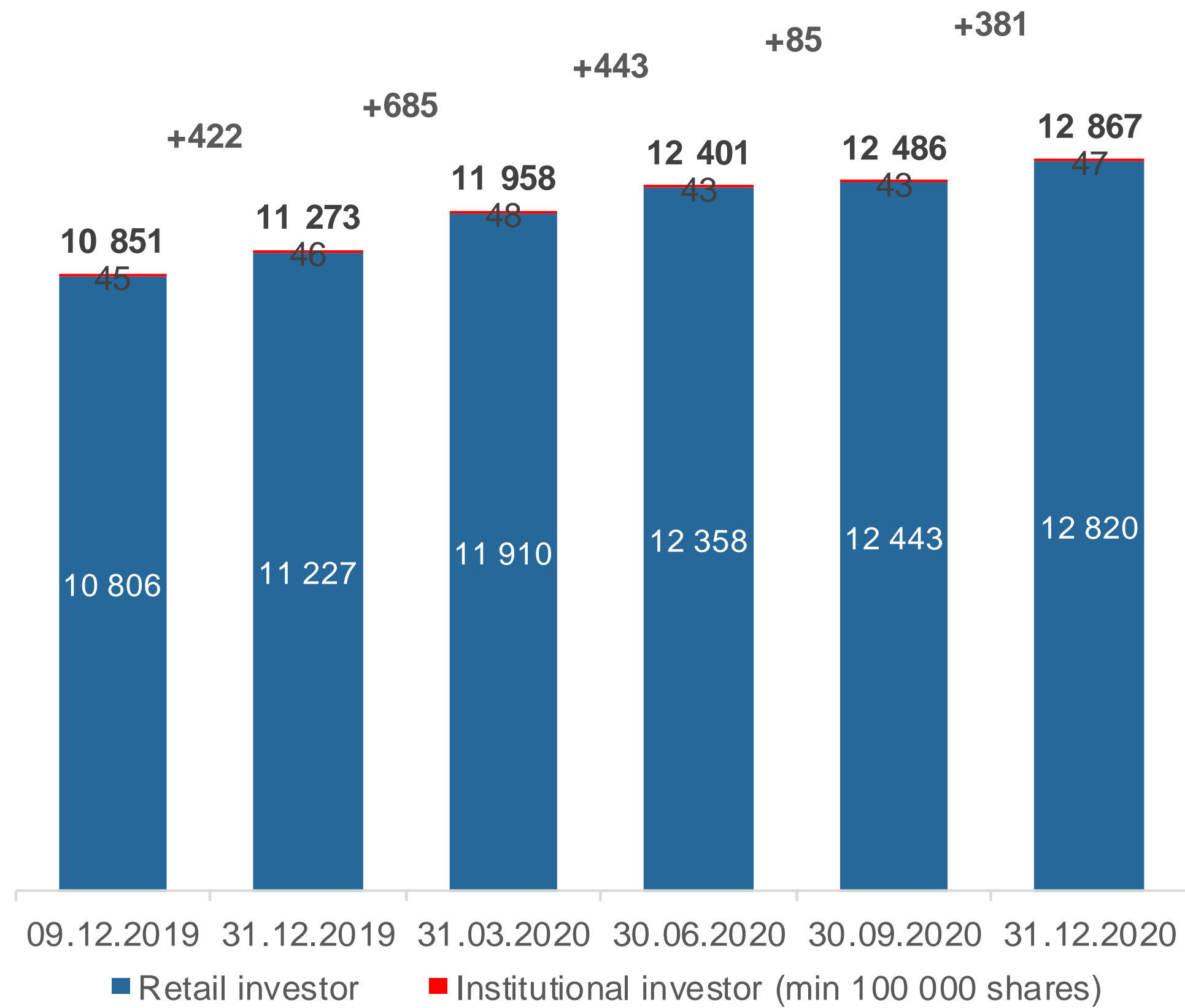
2020 results

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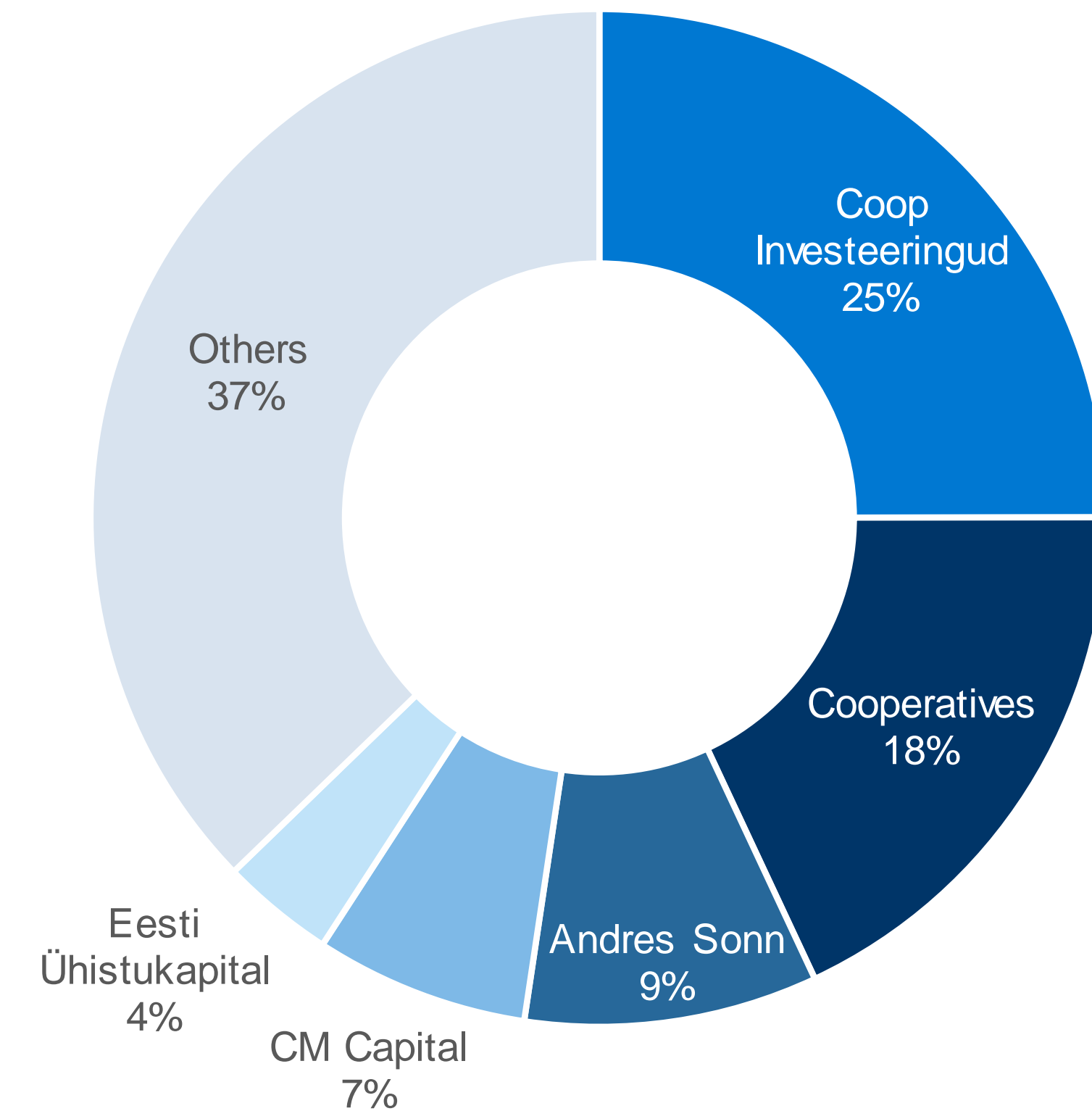
## No of Coop Pank shareholders

No of shareholders



## TOP shareholders

Shareholder distribution of Coop Pank as at 31.12.2020



# Share price

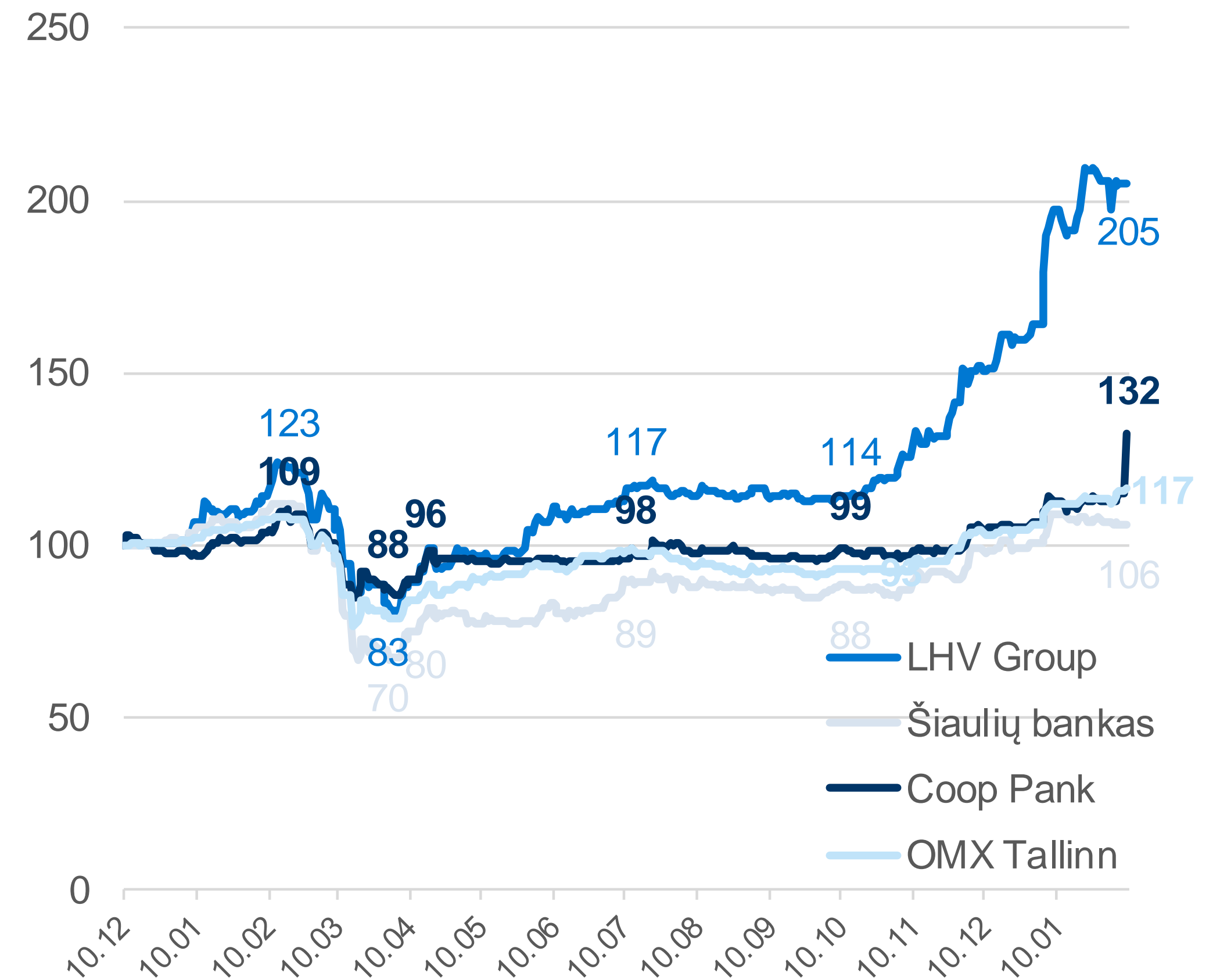
## Coop Pank share price and trading volume by dates

Share price (€) and trading volume (thousand shares)



## Coop Pank share price compared to other banks

Share prices indexed to 100 as at 10.12.2019



2020 Q4 results

2020 results

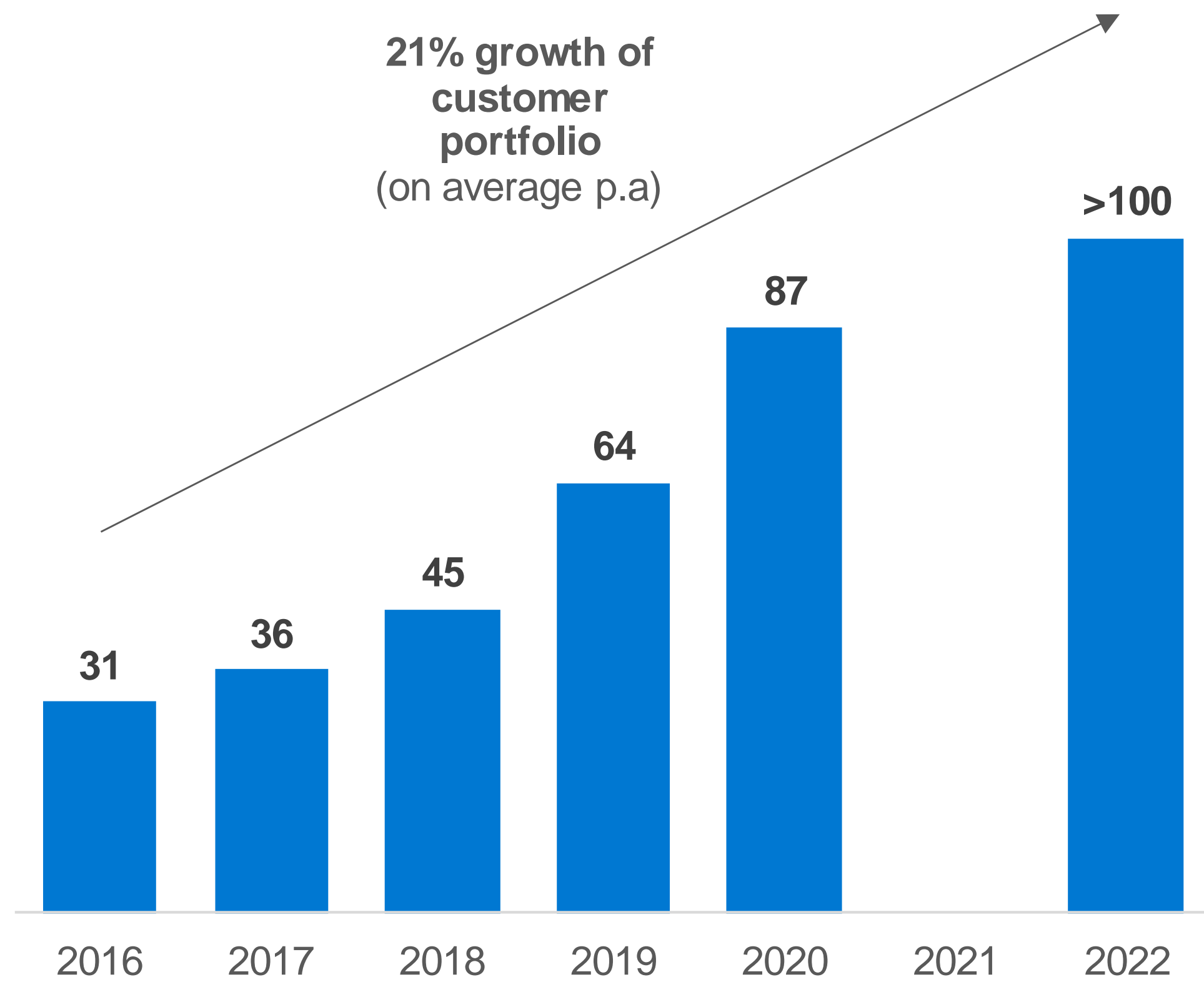
Stock information

Growth strategy

# Target: increasing number of clients

## No of clients of Coop Pank and target

No of customers of Coop Pank, thousand



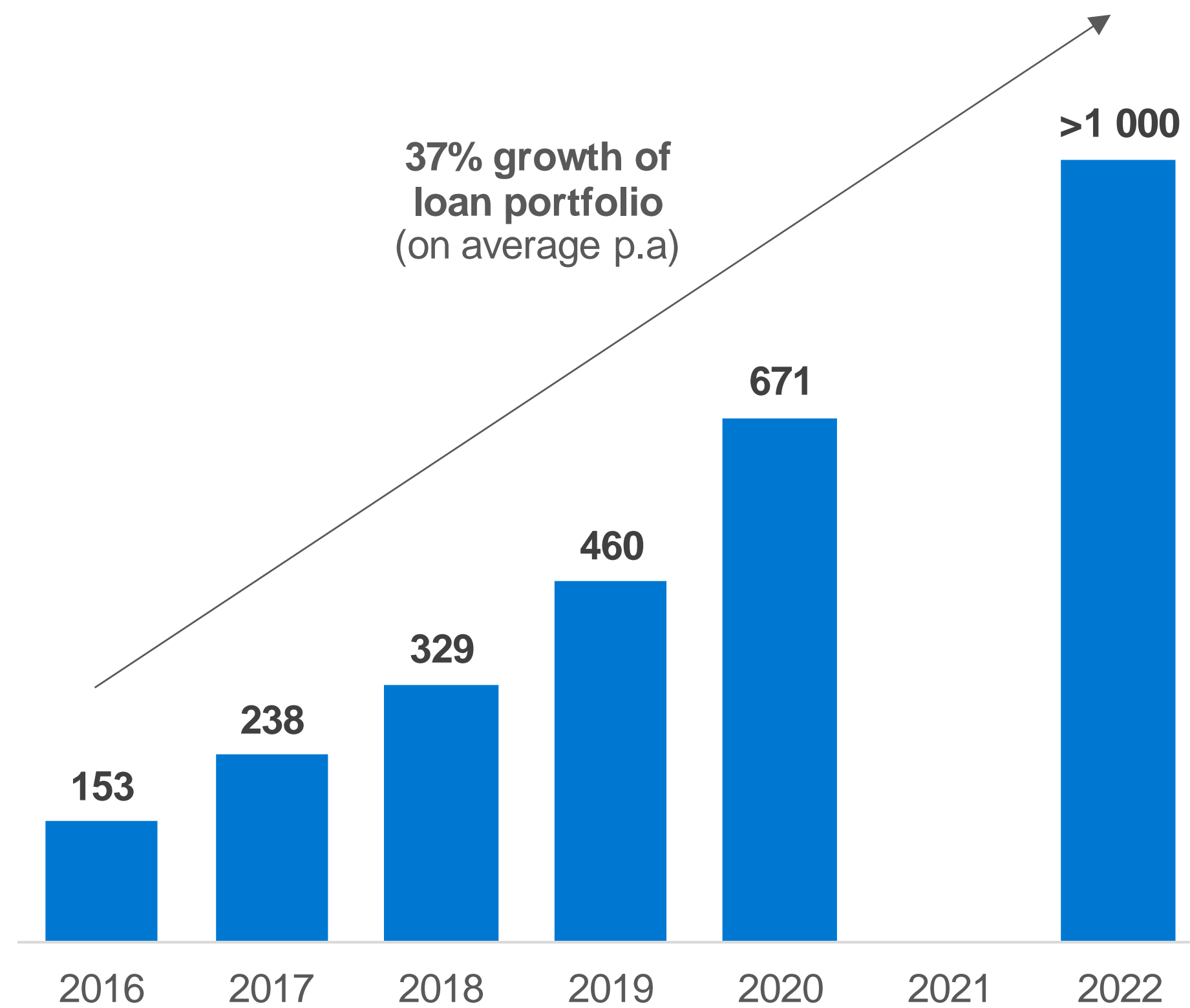
Number of clients >100 000



# Target: growth of loan portfolio

## Coop Pank loan portfolio and target

Net loan portfolio of Coop Pank, m€



Loan portfolio  
>1 bn €

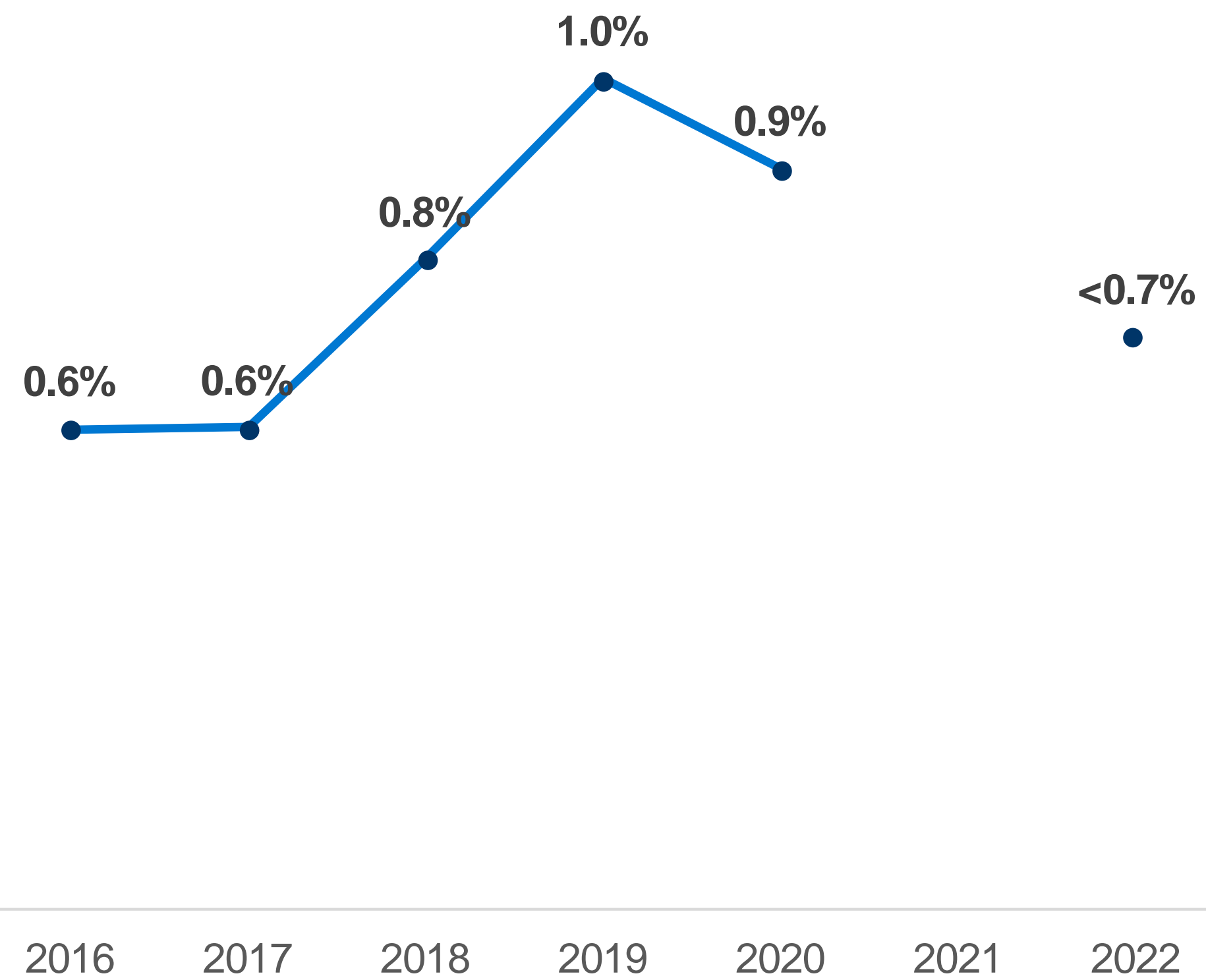




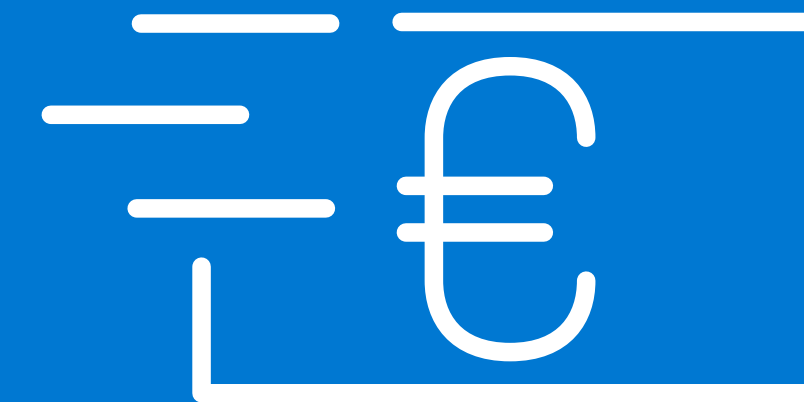
# Target: reducing cost of financing

Coop Pank cost of financing and target

Cost of financing, %



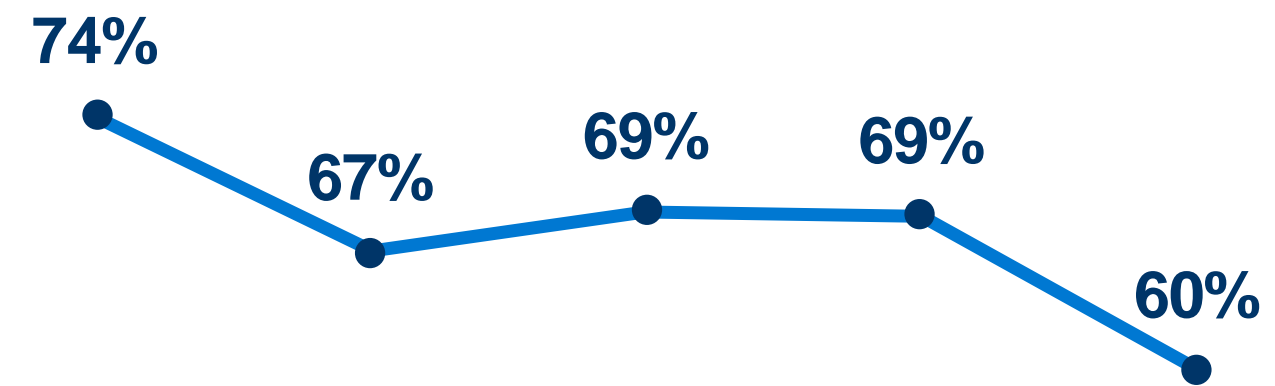
Cost of financing  
<0.7%



# Target: decreasing cost/income ratio

Cost/income ratio

Cost / income ratio (CIR)



<50%

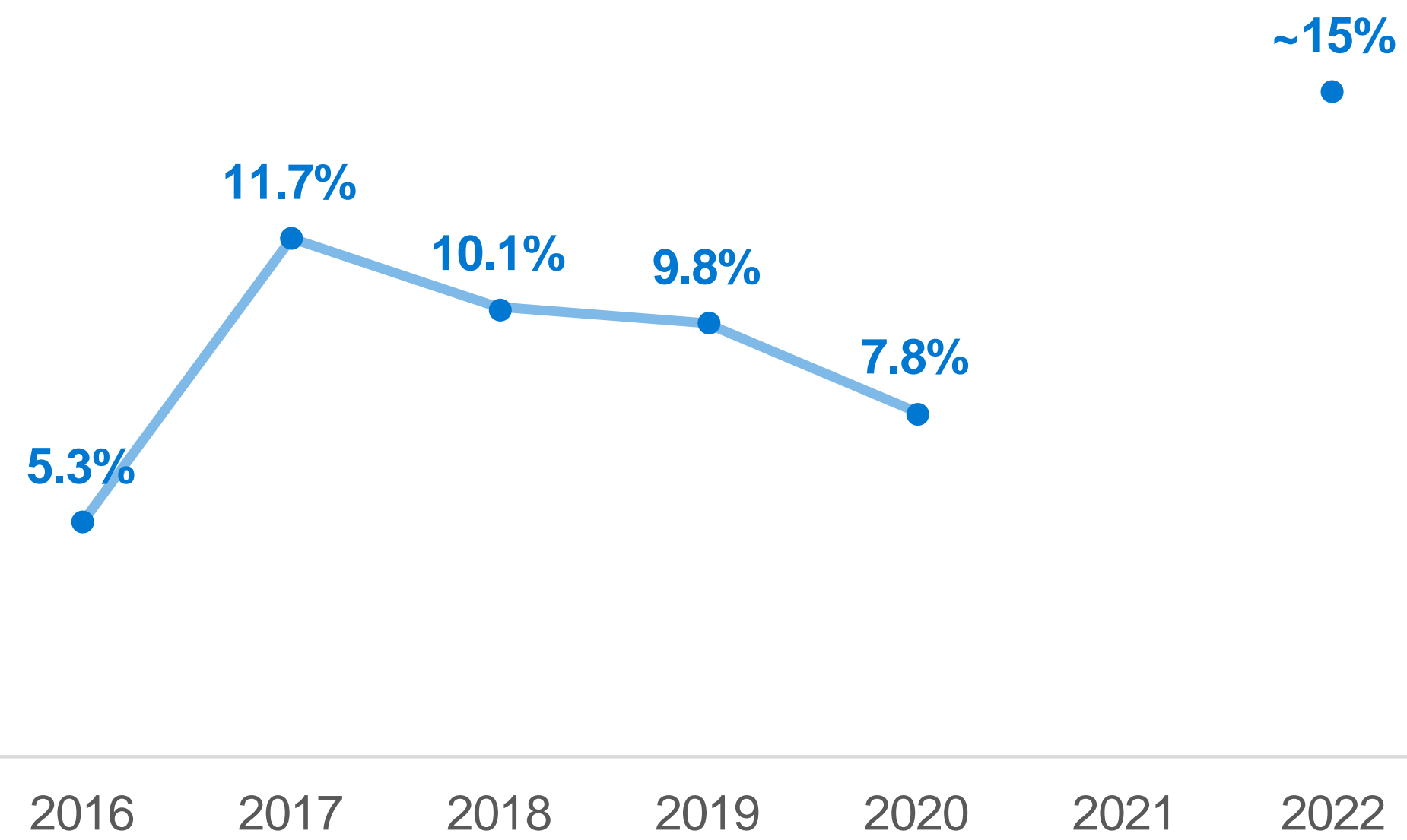
2016 2017 2018 2019 2020 2021 2022



# Target: increasing return on equity

## Return on equity

### Return on equity (ROE)



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**Kerli Lõhmus**

Member of Board, CFO  
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<https://www.cooppank.ee/en/for-investors>

# Financial results 5 years

## Financial results and key indicators

	2016	2017	2018	2019	2020
<b>Net operating income ('000 €)</b>	<b>10 960</b>	<b>17 289</b>	<b>19 768</b>	<b>23 719</b>	<b>31 089</b>
Interest	7 398	11 519	16 779	20 689	28 371
Service fee and commissions	2 737	2 170	2 302	2 372	2 097
Other	825	3 600	687	658	621
Operating expenses	-8 088	-11 518	-13 601	-16 261	-18 796
<b>Operating profit</b>	<b>2 872</b>	<b>5 771</b>	<b>6 167</b>	<b>7 458</b>	<b>12 293</b>
Impairment losses	-1 009	-1 313	-1 392	-1 931	-4 789
Profit before income tax	1 863	4 458	4 775	5 527	7 504
Income tax	-120	0	-22	0	-245
<b>Net profit</b>	<b>1 743</b>	<b>4 458</b>	<b>4 753</b>	<b>5 527</b>	<b>7 259</b>
Net loan portfolio (m€)	153	238	329	460	671
Deposits and loans received	254	316	385	507	758
Equity	29	45	49	89	98
ROE	5.3%	11.7%	10.1%	9.8%	7.8%
Net interest margin (NIM)	2.6%	3.7%	4.3%	4.2%	3.9%
Cost of financing	0.6%	0.6%	0.8%	1.0%	0.9%
Cost / income ratio (CIR)	74%	67%	69%	69%	60%
Capital adequacy ratio	21.2%	19.9%	18.1%	24.3%	19.5%