

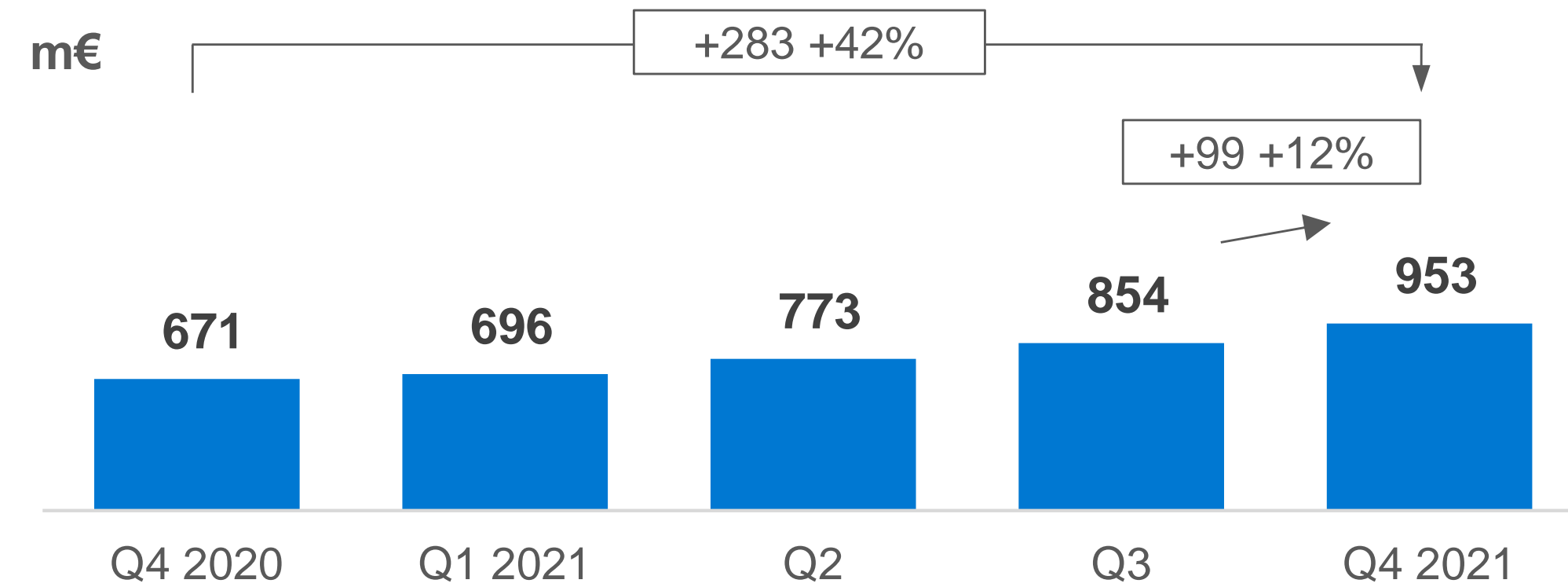


# Coop Pank Group 2021 Q4 and yearly unaudited results

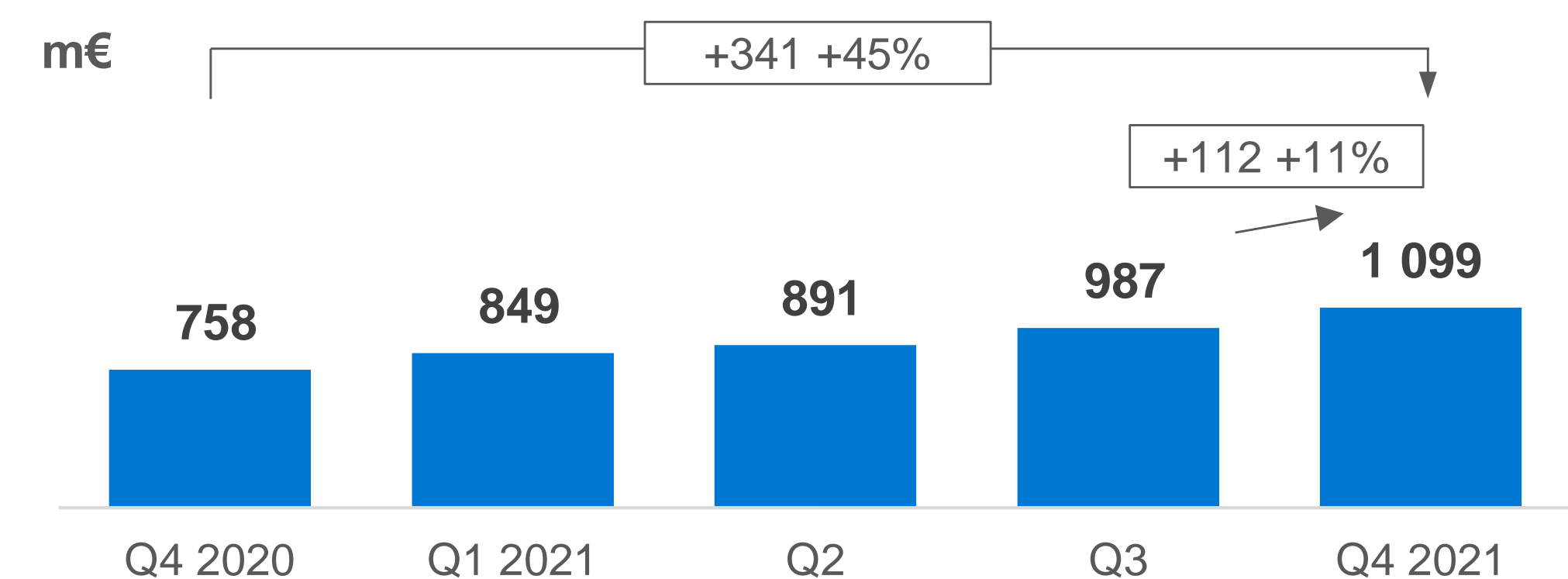
10.02.2022

# Business volumes in quarterly comparison

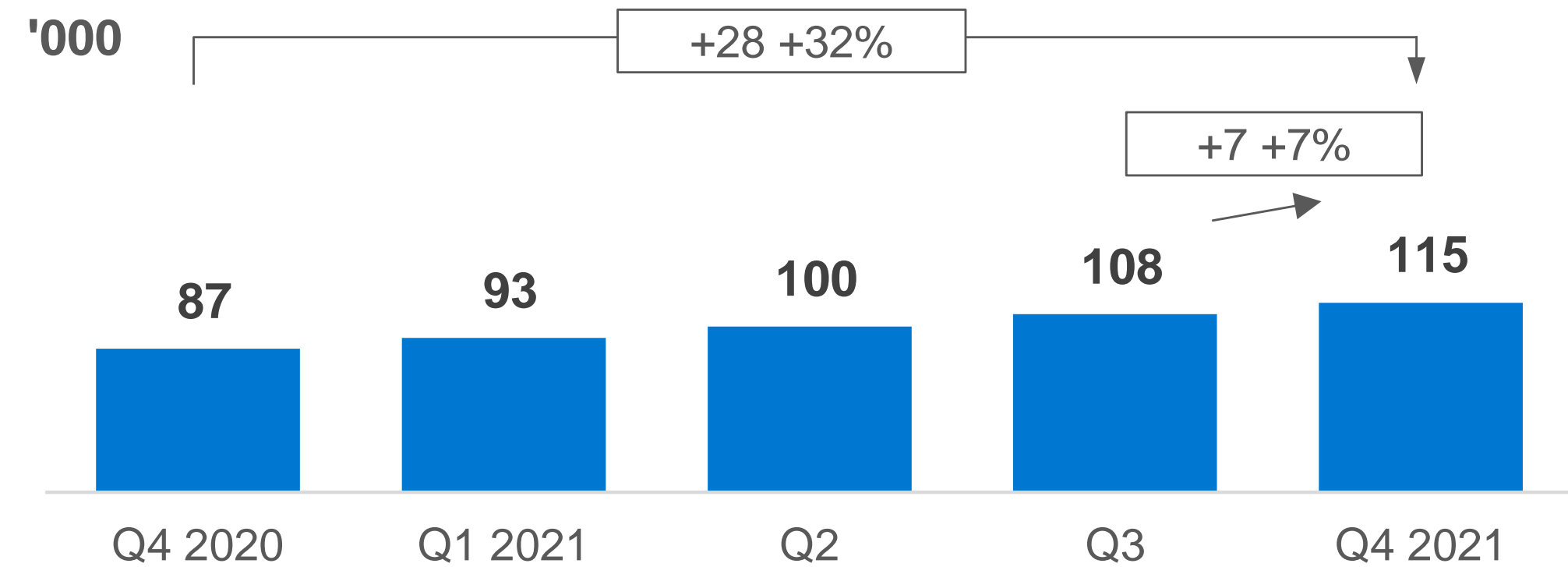
## Loans



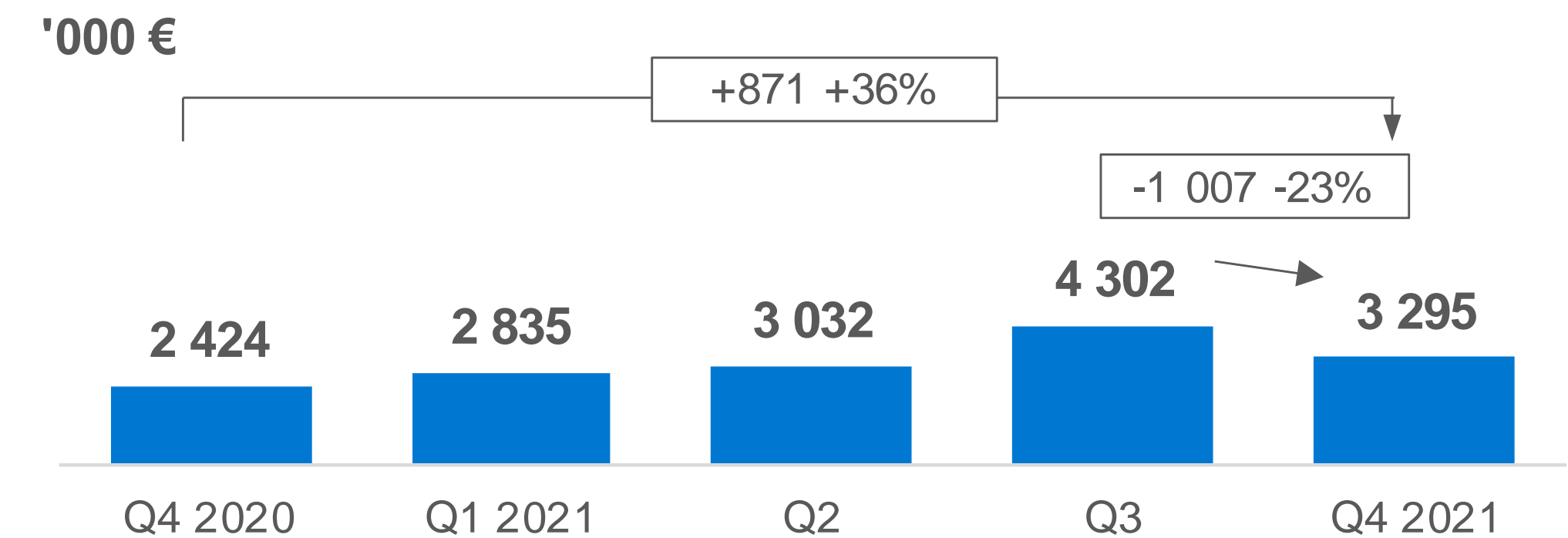
## Deposits



## Daily banking clients



## Net profit



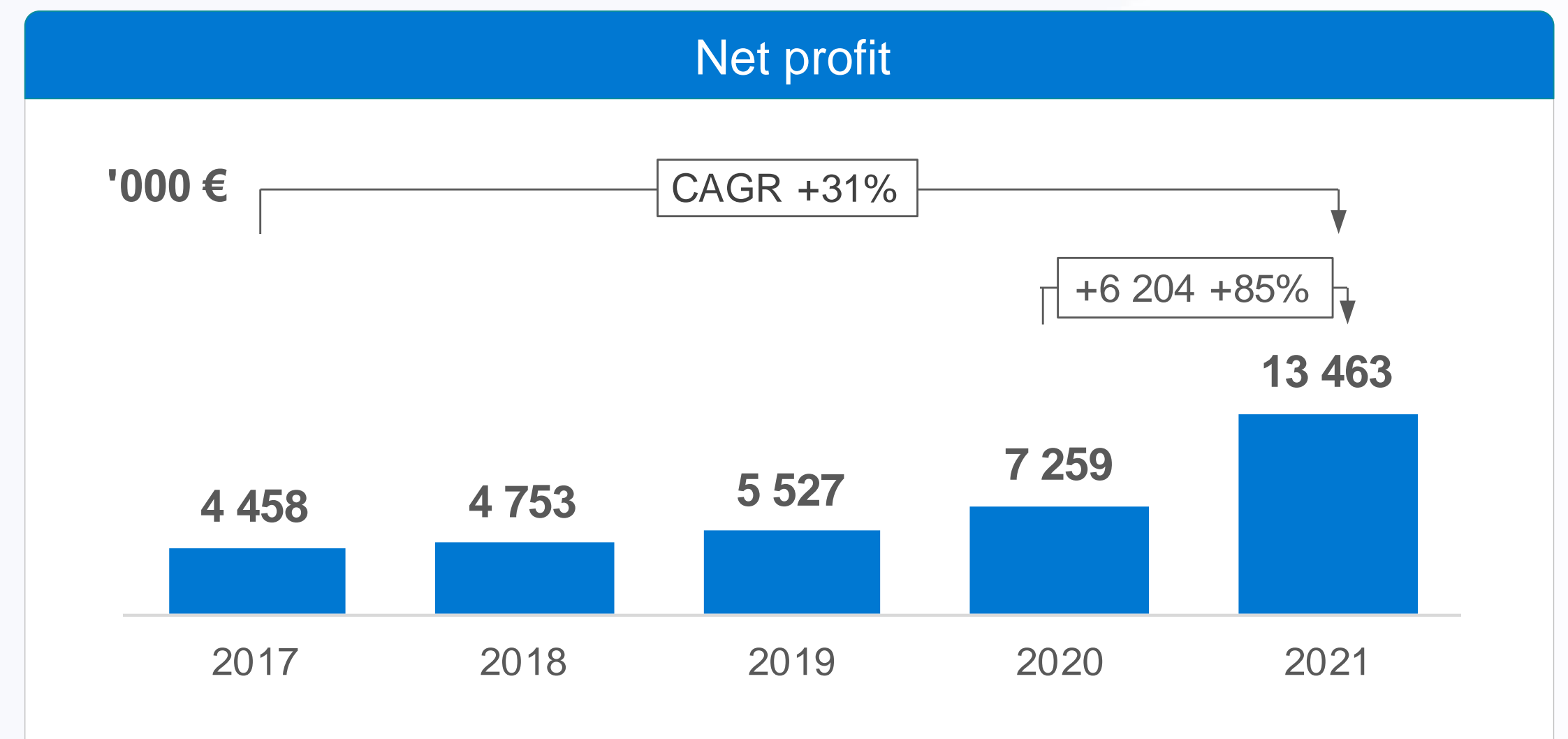
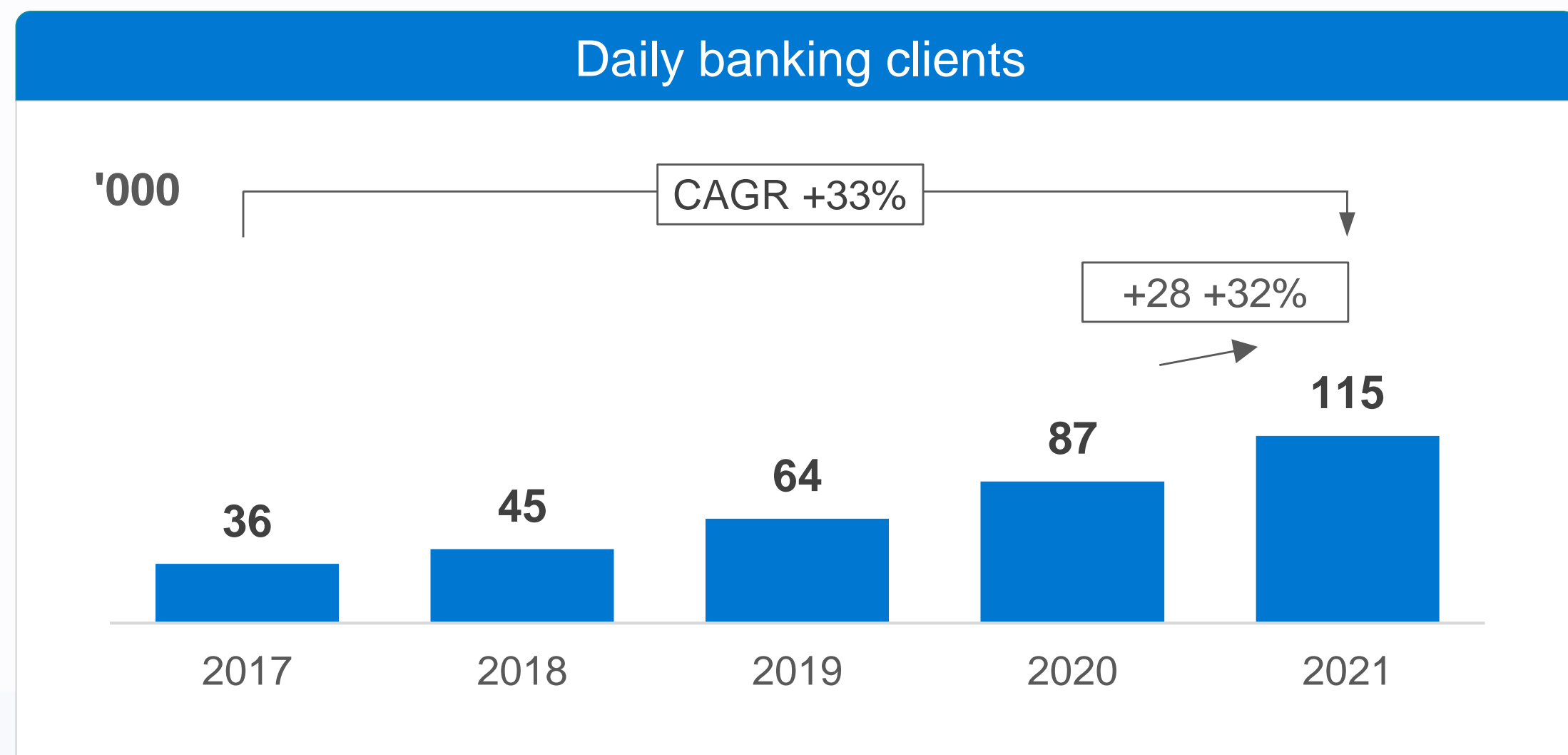
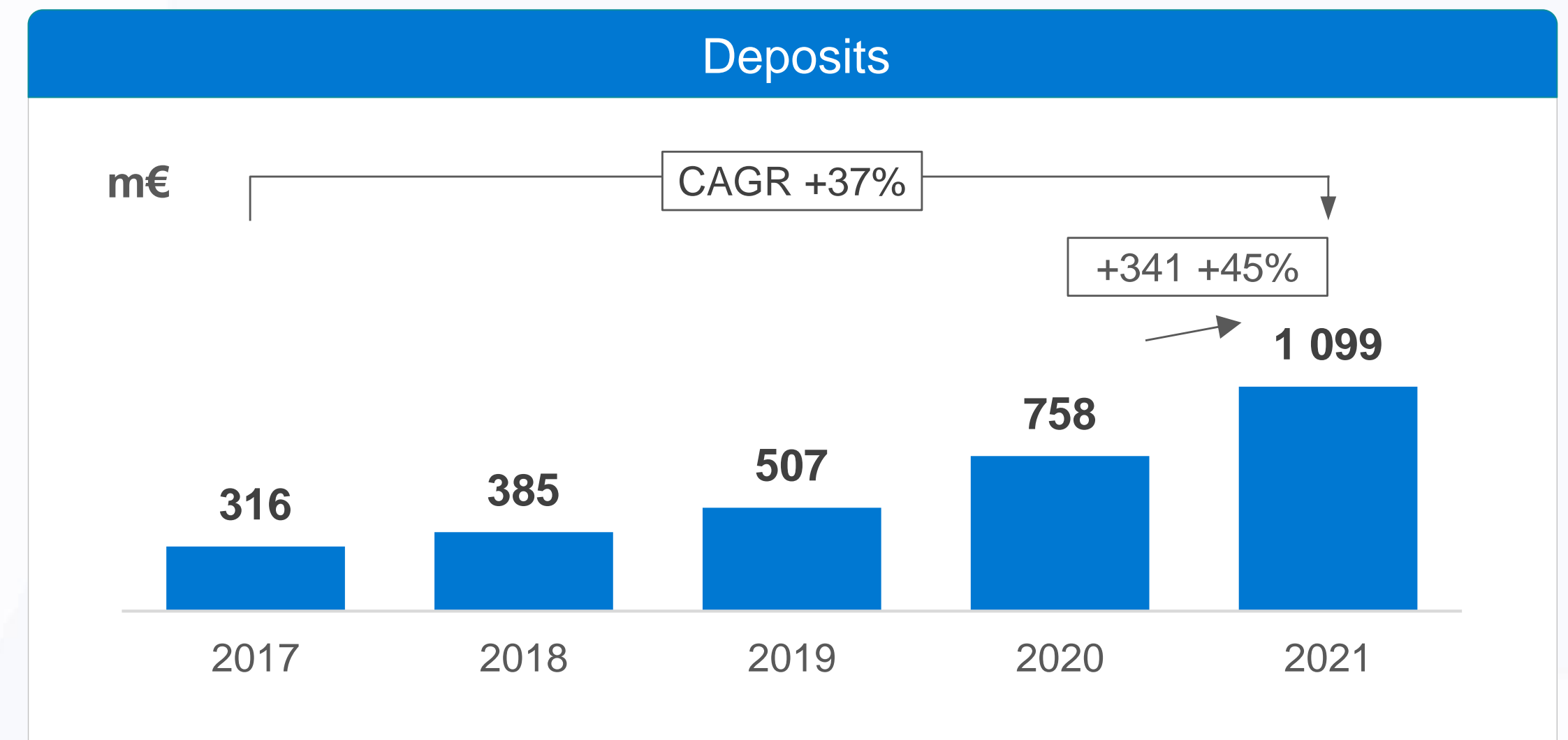
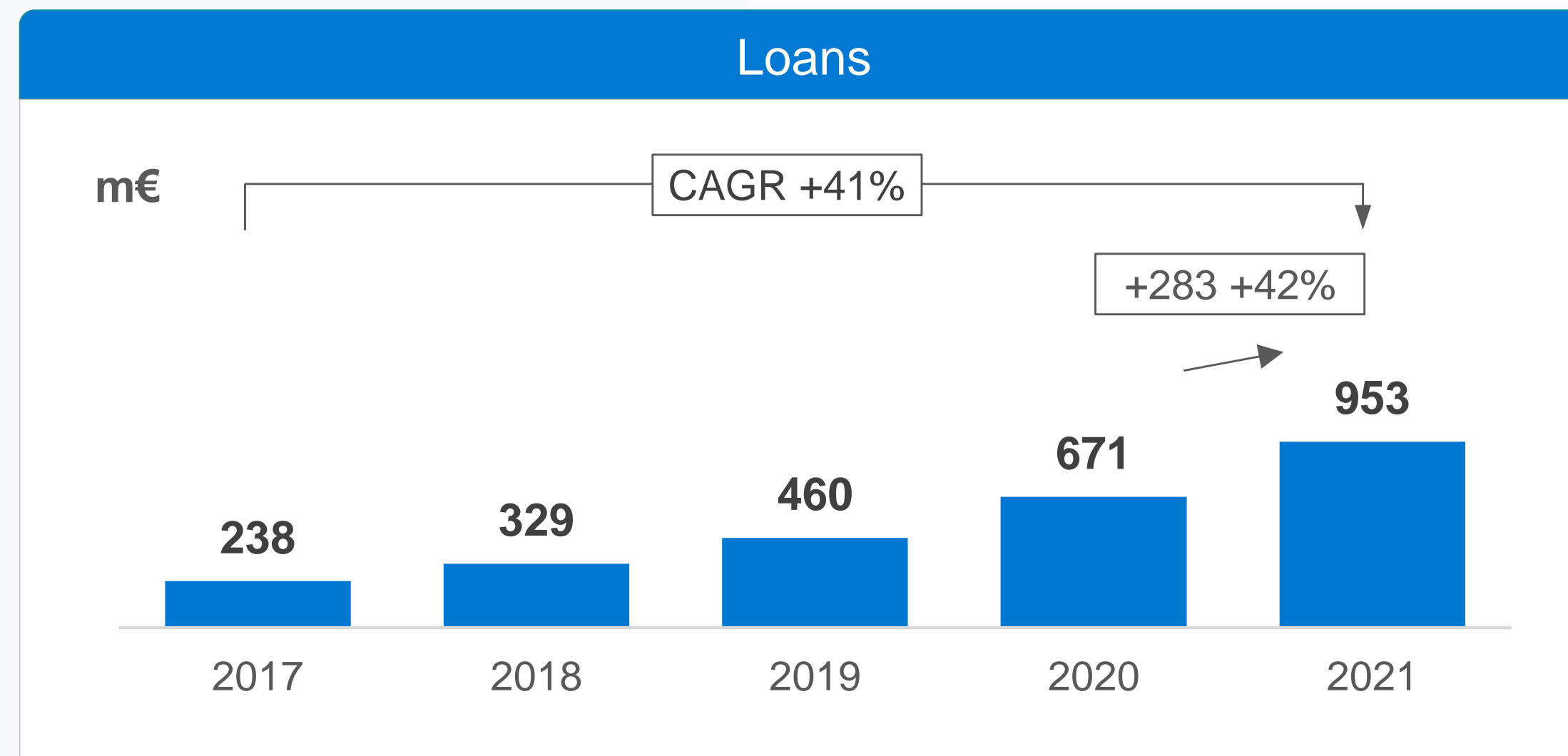
# Results of Q4 2021 – compared to Q3 2021

## Key indicators in quarterly comparison

	Q4 2021	Q3 2021	Quarterly change	
<b>Net operating income ('000 €)</b>	<b>10 676</b>	<b>10 327</b>	<b>+349</b>	<b>+3%</b>
Interest	9 824	9 345	+479	+5%
Service fees and commissions	902	752	+150	+20%
Other	-50	230	-280	-122%
Operating expenses	-6 205	-5 788	-417	+7%
<b>Operating profit</b>	<b>4 471</b>	<b>4 539</b>	<b>-68</b>	<b>-1%</b>
Impairment costs	-963	-10	-953	+9530%
Profit before income tax	3 508	4 529	-1 021	-23%
Income tax	-213	-227	+14	-6%
<b>Net profit</b>	<b>3 295</b>	<b>4 302</b>	<b>-1 007</b>	<b>-23%</b>
Net loan portfolio (m€)	953	854	+99	+12%
Deposits and loans received	1 099	987	+112	+11%
Equity	112	108	+3	+3%
ROE	12.0%	16.2%	-4.2%	
Net interest margin (NIM)	3.4%	3.5%	-0.2%	
Cost of financing	0.6%	0.7%	-0.1%	
Cost / income ratio (CIR)	58%	56%	+2.1%	
Capital adequacy ratio	16.7%	16.8%	-0.1%	

- Revenues +3%
  - Net interest increased +0.5m€ as loan portfolio grew (+99m€)
  - Net service fees +0.15m€
- Operating costs +7%
  - Increase of IT costs due to continued investments in IT
  - Increase of depreciation cost due to moving into a new office building
  - Marketing costs
- Operating profit -1%
- Impairment costs
  - Q3 2021 impairments were low due to high quality of loan portfolio and faster repayments of consumer loans (pension reform)
- Net profit -23%

# Business volumes in yearly comparison



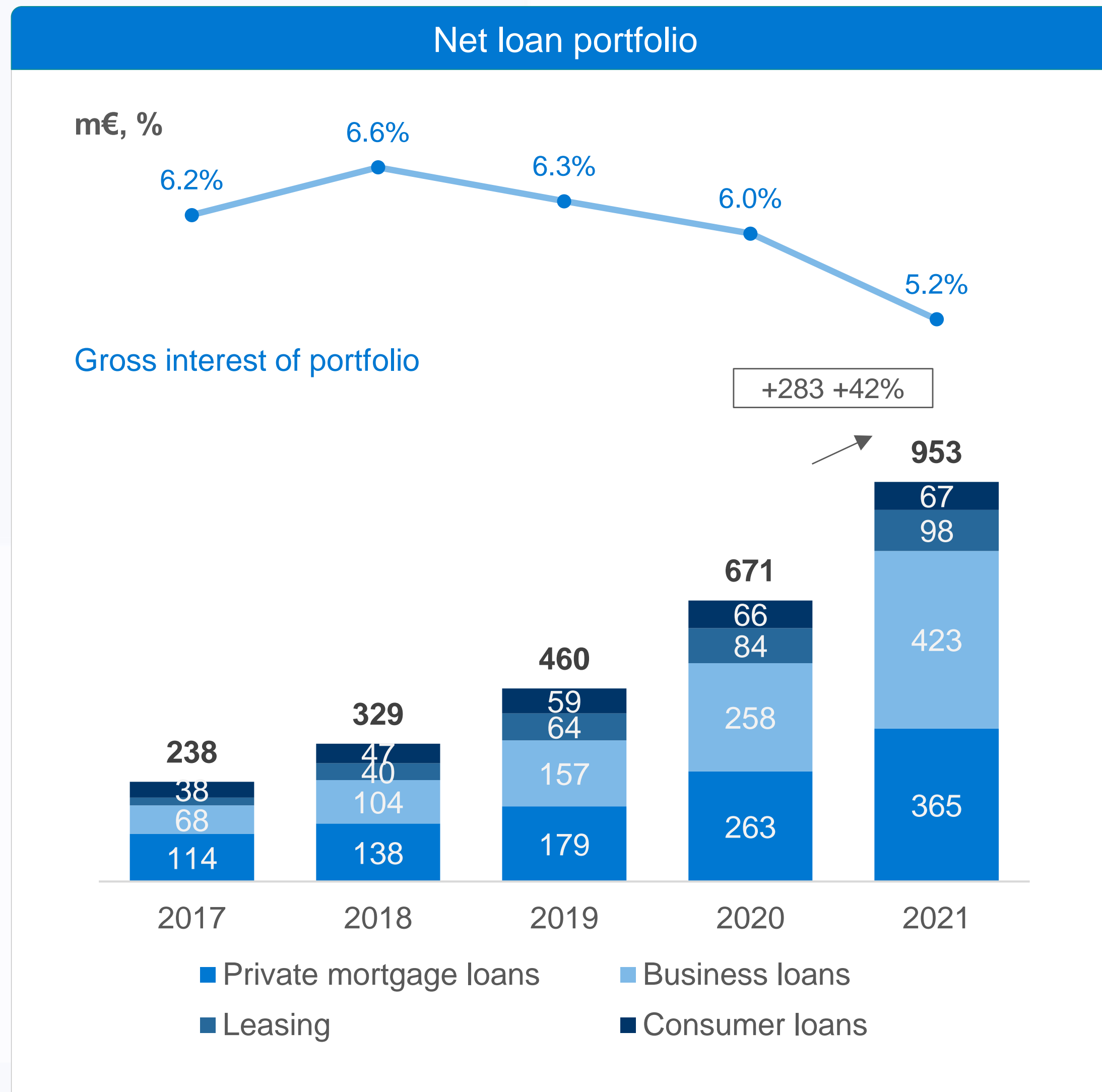
# Results of 2021 – compared to 2020

## Key indicators in year on year comparison

	2021	2020	Year on Year change	
<b>Net operating income ('000 €)</b>	<b>39 238</b>	<b>31 089</b>	<b>+8 149</b>	<b>+26%</b>
Interest	35 538	28 371	+7 167	+25%
Service fees and commissions	3 085	2 097	+988	+47%
Other	615	621	-6	-1%
Operating expenses	-22 453	-18 796	-3 657	+19%
<b>Operating profit</b>	<b>16 785</b>	<b>12 293</b>	<b>+4 492</b>	<b>+37%</b>
Impairment costs	-2 497	-4 789	+2 292	-48%
Profit before income tax	14 288	7 504	+6 784	+90%
Income tax	-825	-245	-580	+237%
<b>Net profit</b>	<b>13 463</b>	<b>7 259</b>	<b>+6 204</b>	<b>+85%</b>
Net loan portfolio (m€)	953	671	+283	+42%
Deposits and loans received	1 099	758	+341	+45%
Equity	112	98	+14	+15%
ROE	12.9%	7.8%	+5.1%	
Net interest margin (NIM)	3.4%	3.9%	-0.5%	
Cost of financing	0.7%	1.0%	-0.3%	
Cost / income ratio (CIR)	57%	60%	-3.2%	
Capital adequacy ratio	16.7%	19.5%	-2.8%	

- Revenues +26%
  - Net interest increased +7.2m€ (loan portfolio grew by 283m€)
  - Net service fees +1 m€ (+47%)
- Operating expenses +19%
  - Payroll expenses increased by +1.4m€, no of bank employees increased by 24
  - IT costs +1 m€ as investments in IT developments continued
- Operating profit +37%
- Finantsvarade allahindluse kulu vähenemine 48%
  - One-off impairments due to corona pandemic totalled 1.1m€ in 2020. No one-off impairments were made in 2021 and loan portfolio maintained a good level of quality
- Net profit +85%

# Increased loan portfolio in all business lines

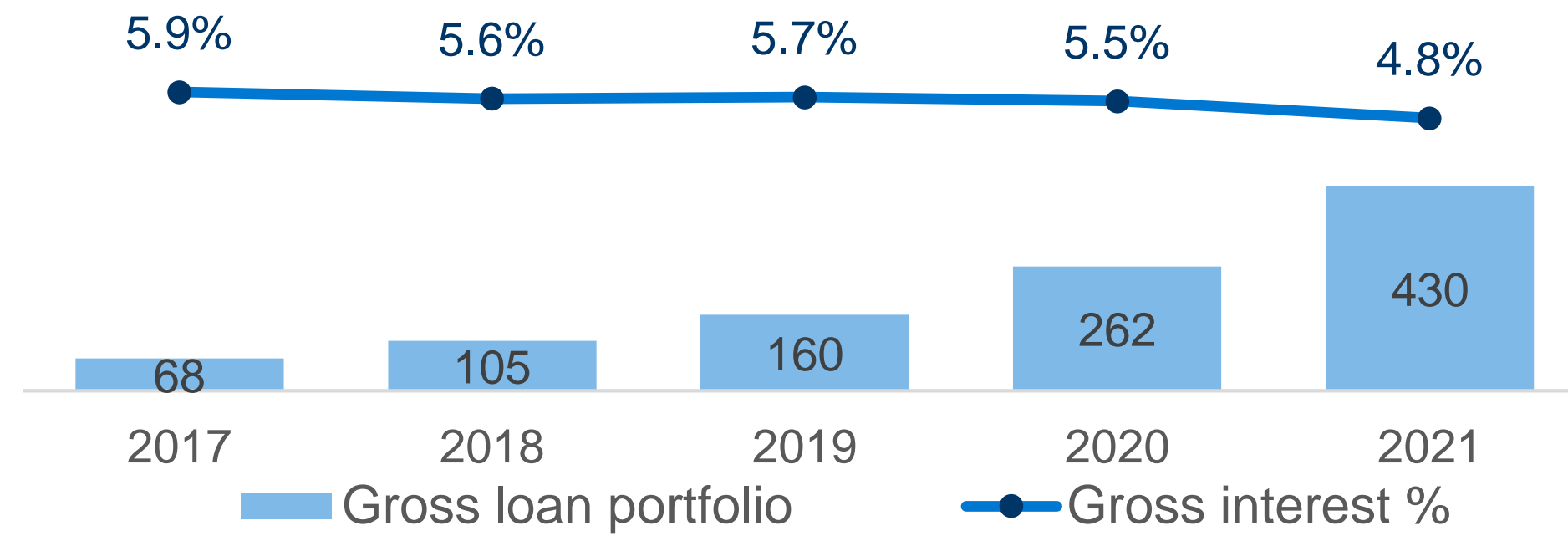


- Loan portfolio grew by 283m€ (+42%)
  - Business loans +166m€ (+64%)
  - Private mortgage loans +102m€ (+39%)
  - Leasing +14m€ (+17%)
  - Consumer loans +1m€ (+1%)
- Interest rate of portfolio continues to decrease
  - Increased competition
  - We are taking part in financing even bigger corporate/private clients which offer lower returns
  - Decreased proportion of consumer loans in total group loans impacts interest margin (see next slide)

# Loan portfolio interest by business lines

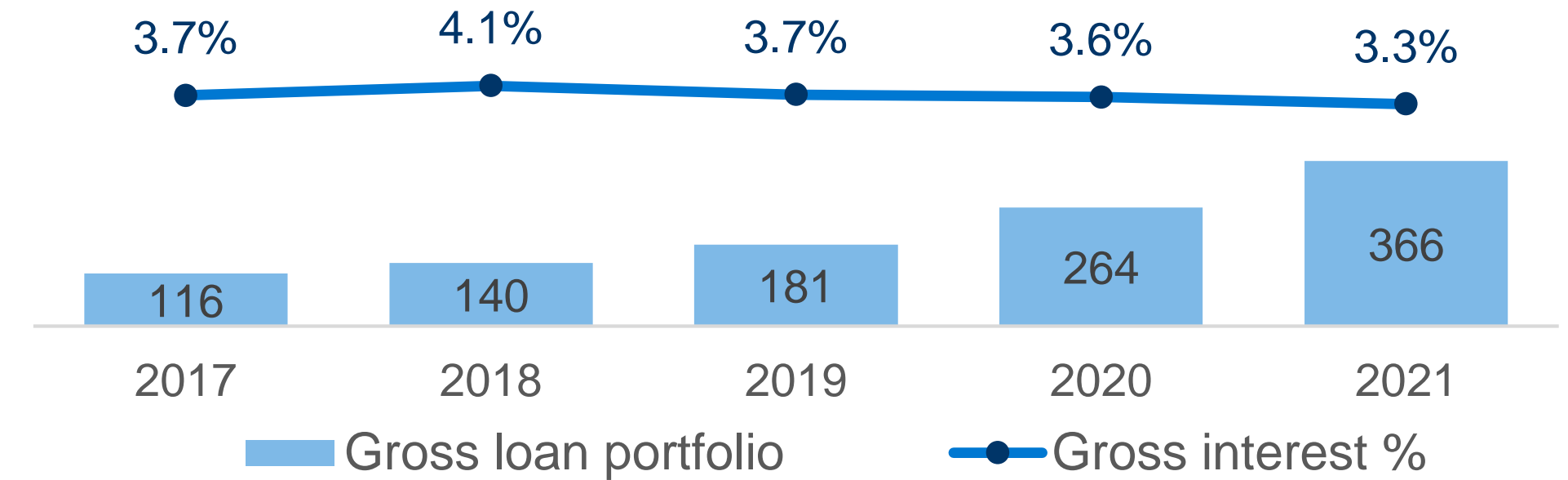
## Business loans

m€, %



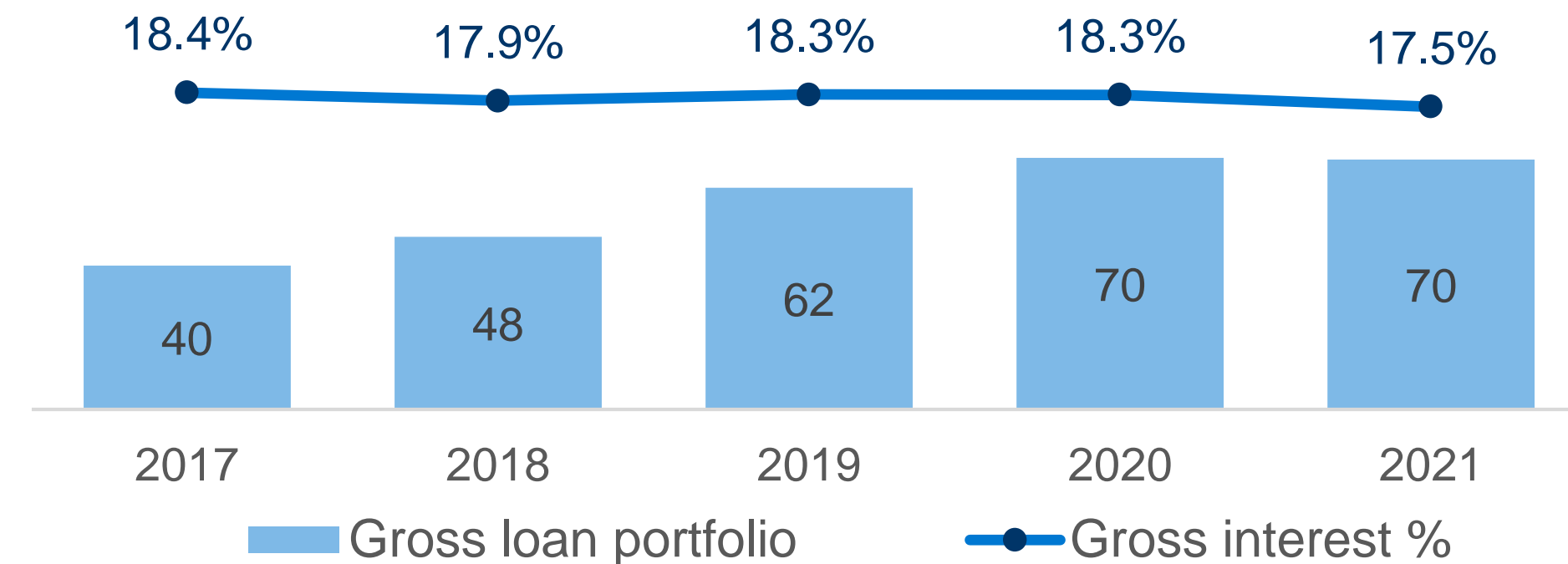
## Private mortgage loans

m€, %



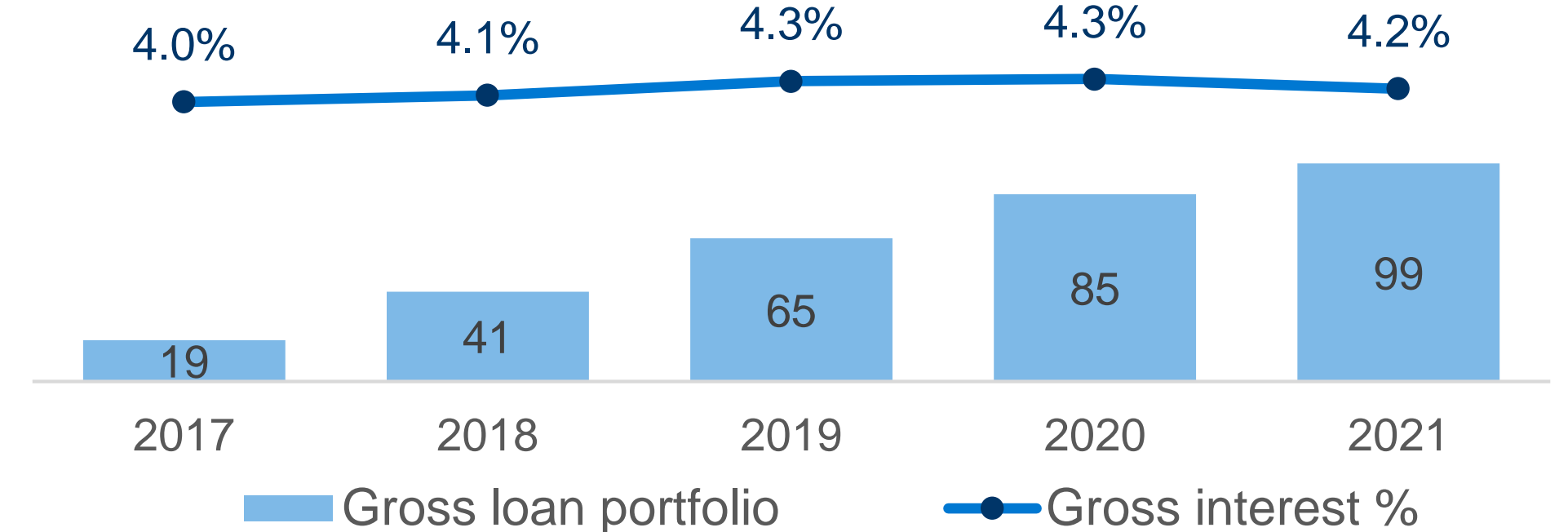
## Private consumer loans

m€, %



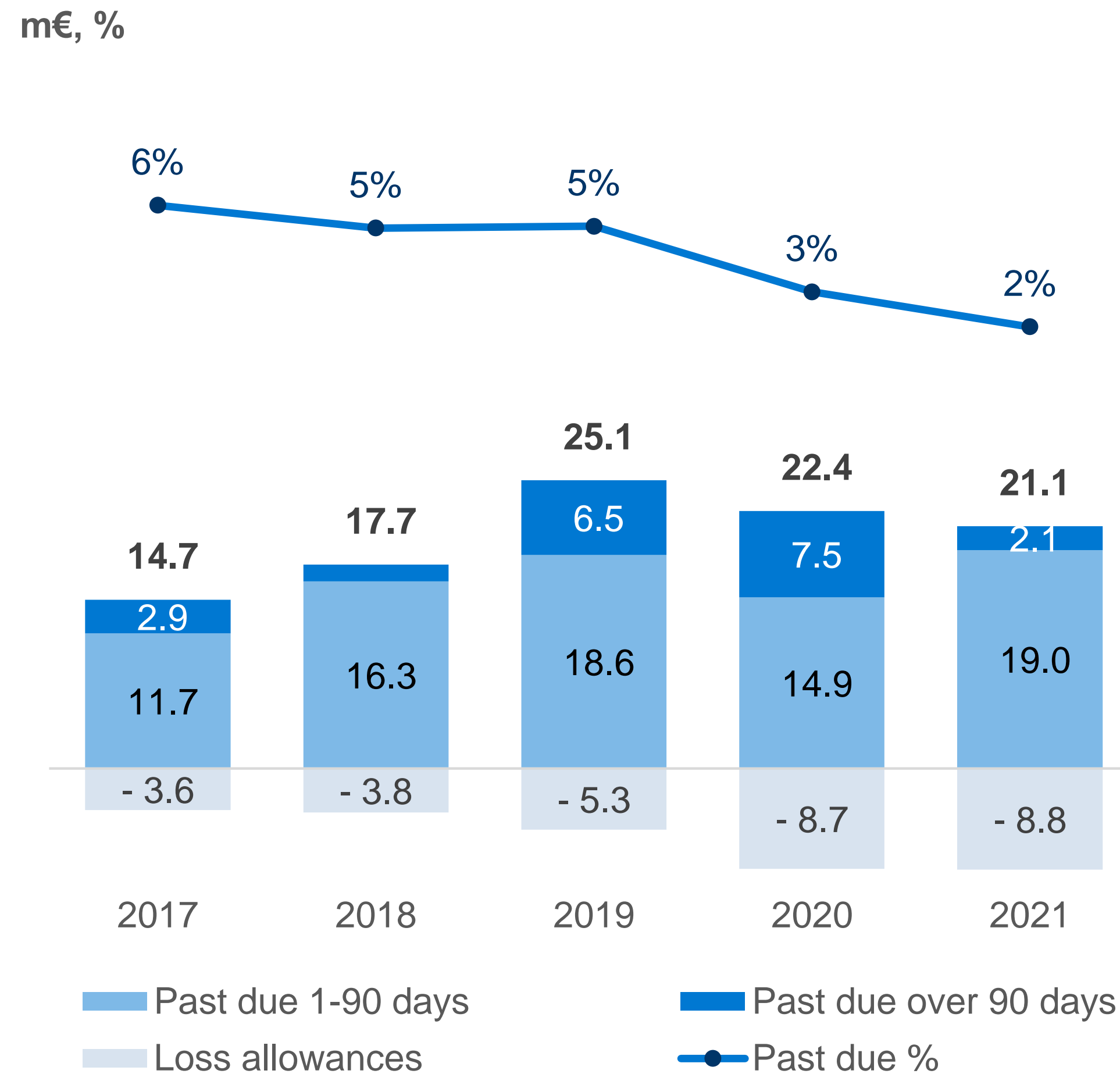
## Leasing

m€, %



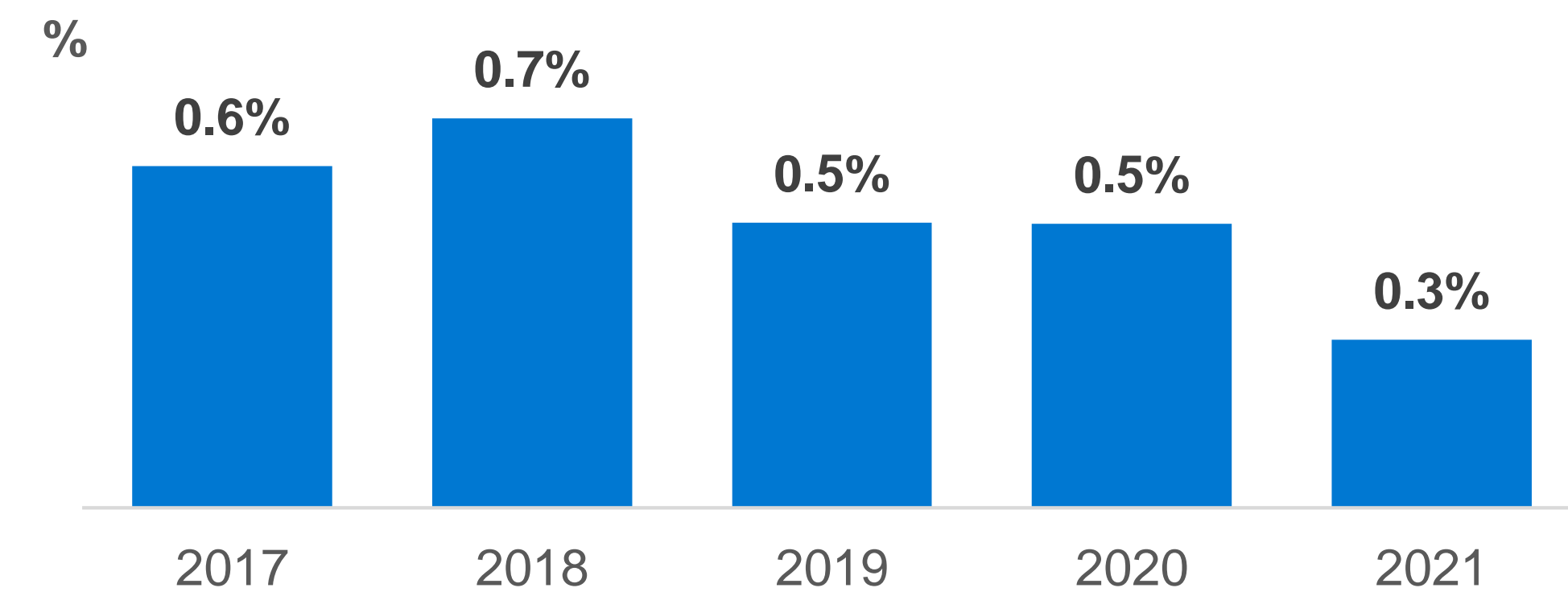
# Quality of loan portfolio

## Loans past due and loss allowances in balance sheet



- Past due portfolio has decreased to 2% level
- Credit risk cost ratio 0.3% in 2021

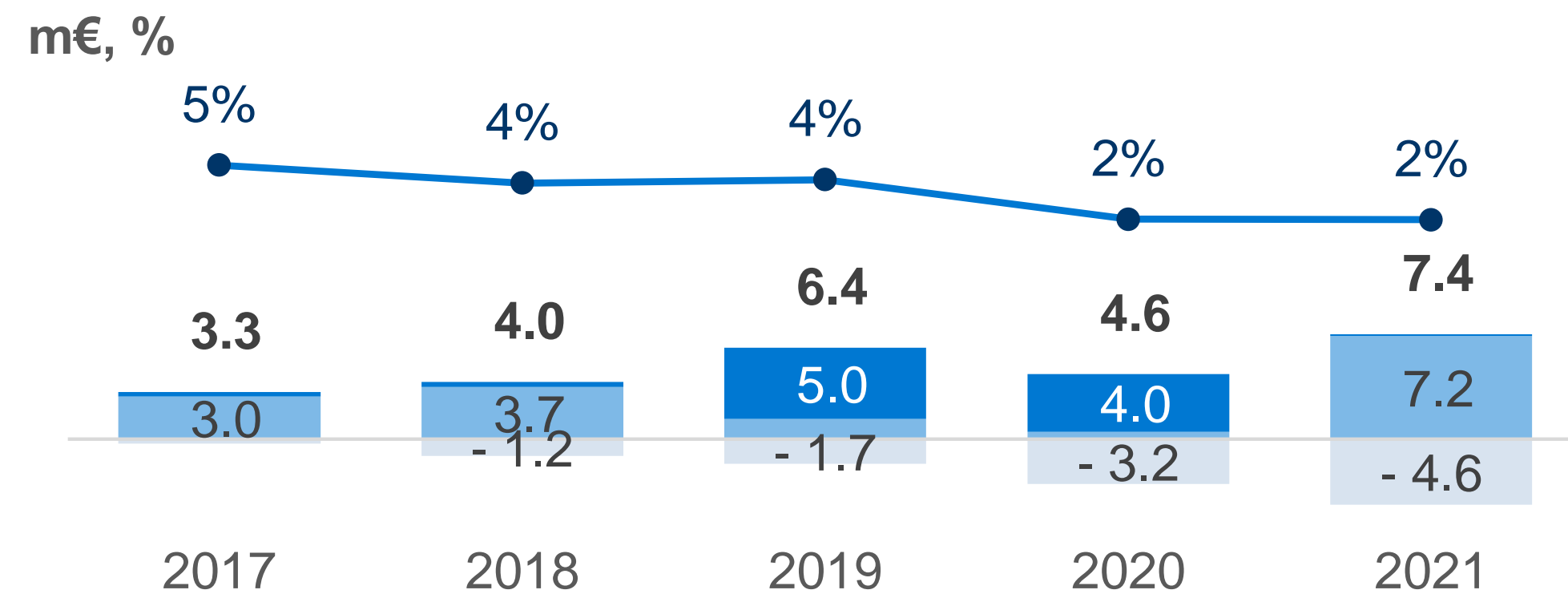
## Credit risk cost ratio



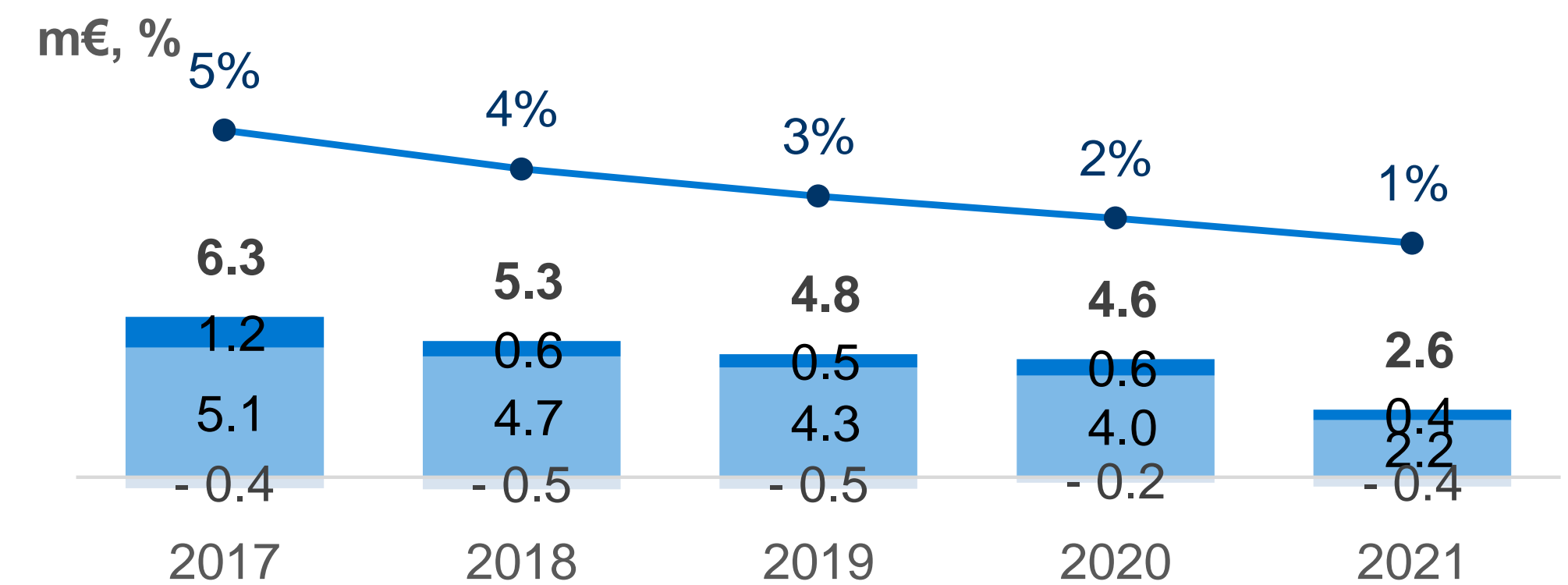


# Loan portfolio quality by business lines

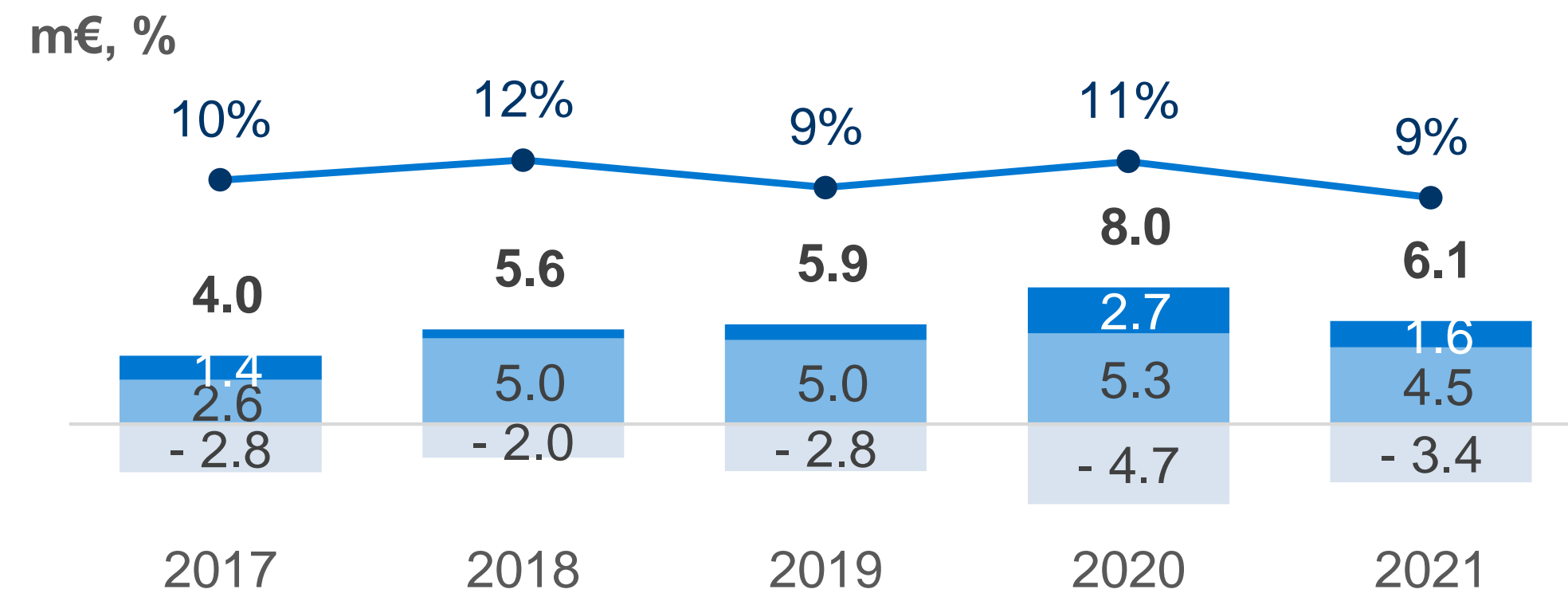
## Business loans



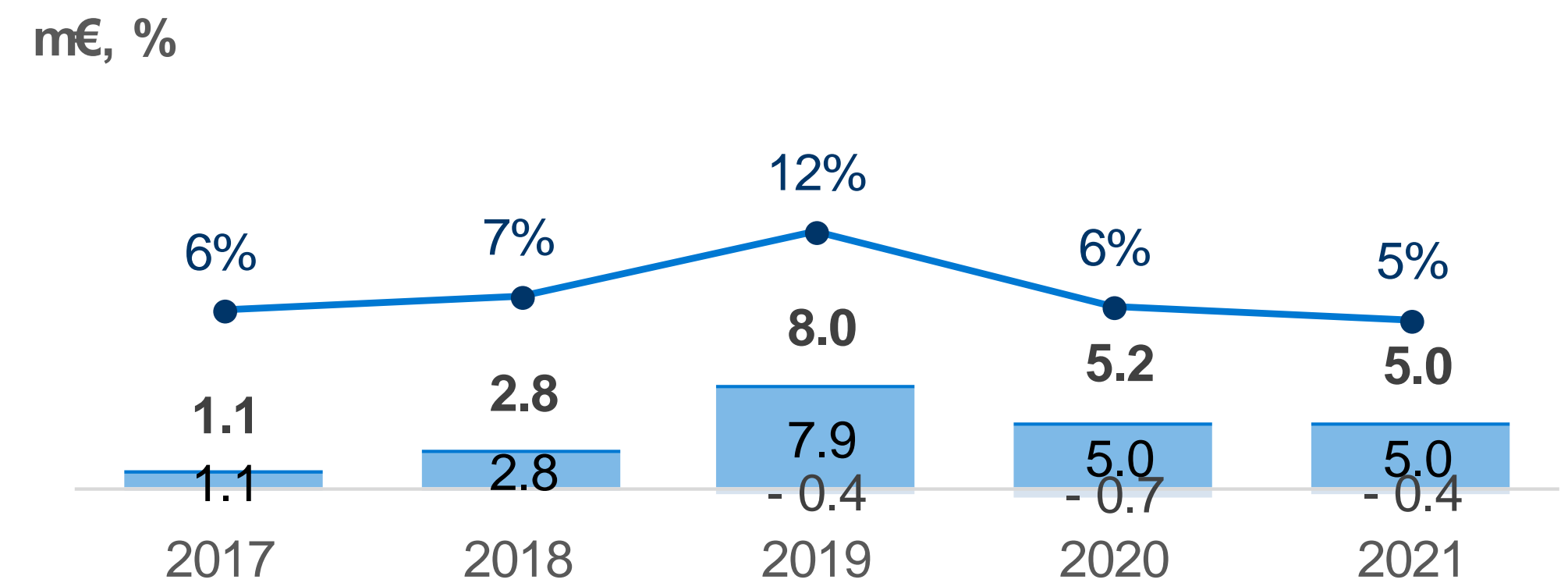
## Private mortgage loans



## Private consumer loans



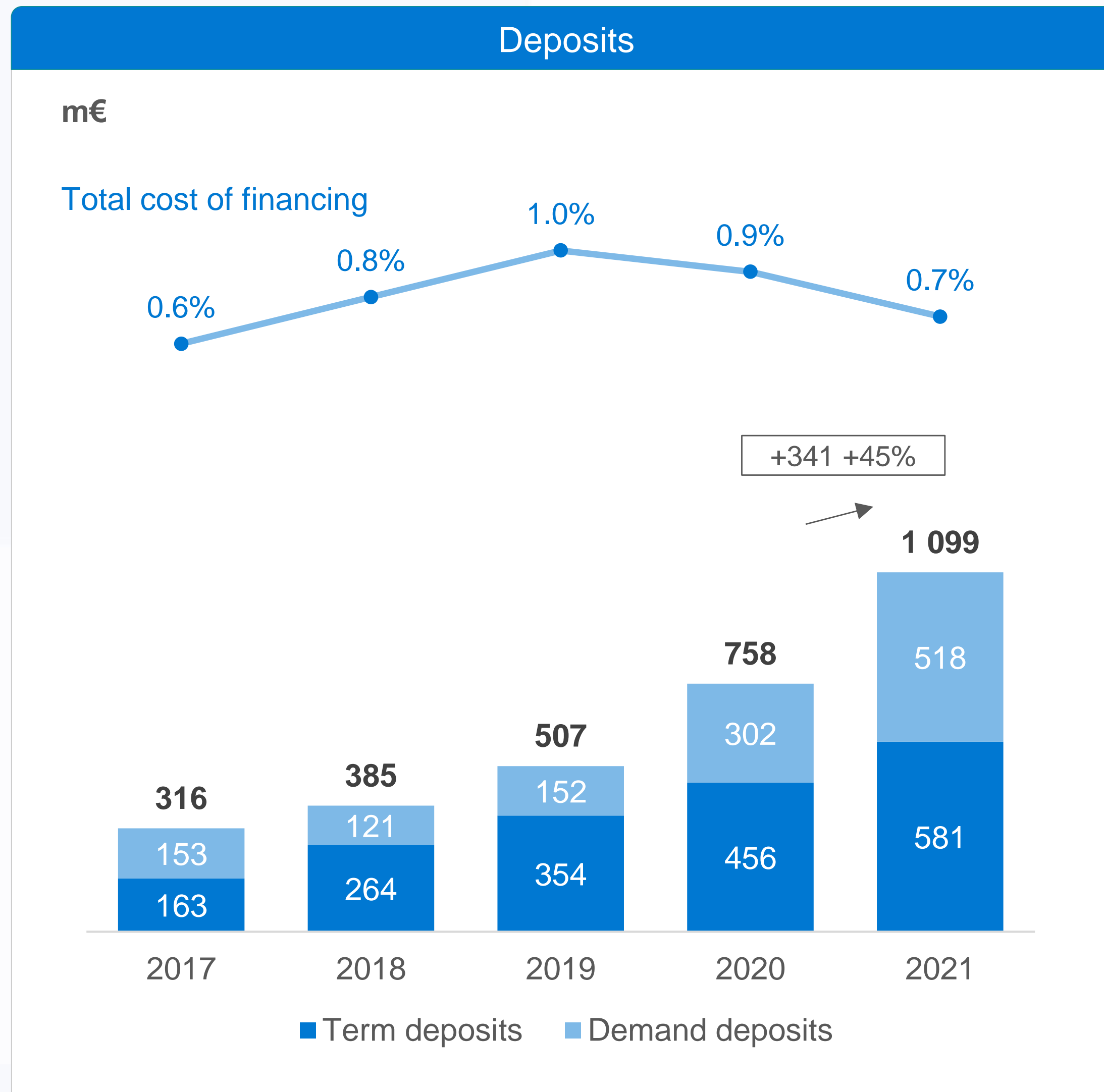
## Leasing



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

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

# Amount of deposits increased, cost decreased

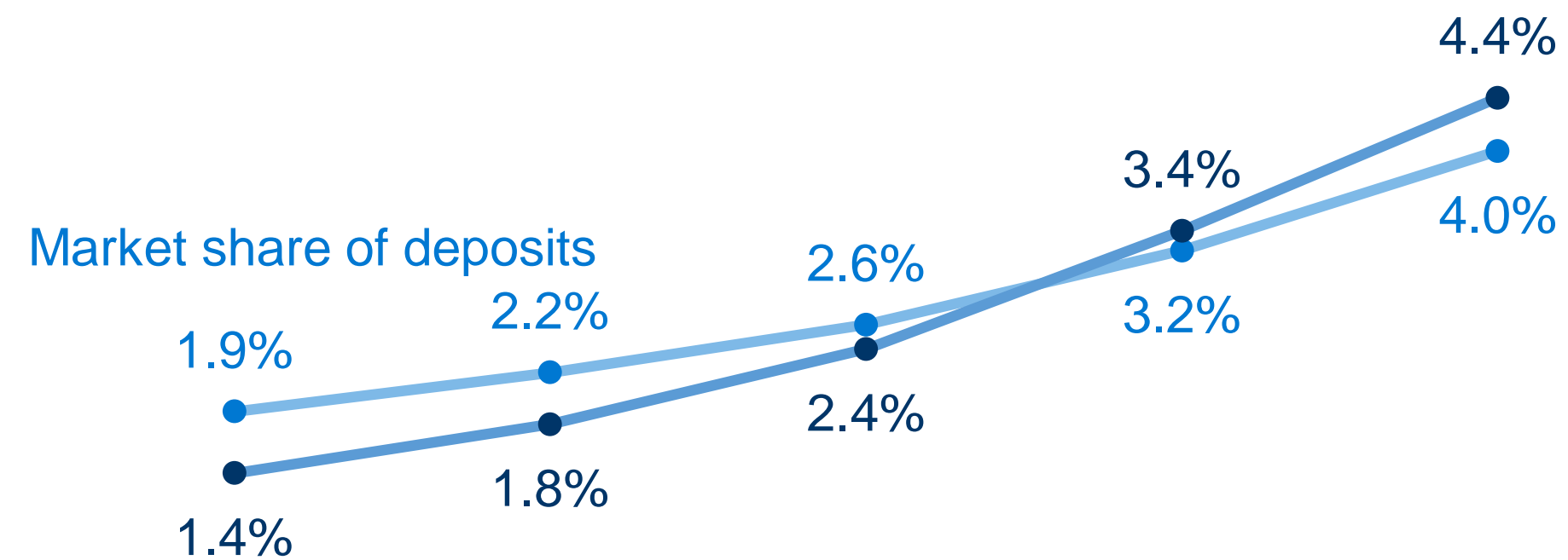


- Deposits grew by 341m€ (+45%)
- Demand deposits +216m€ (+71%)
  - +152m€ from business clients
  - +64m€ from private clients
- Term deposits +125m€ (+27%)
  - +163m€ from business clients
  - +11m€ from private clients
  - -29m€ impact from Raisini platform
  - -20m€ in other deposits from financial institutions
- Proportion of demand deposits in total deposits at 47% (40% in 2020)
- Total cost of financing (0.7%) decreased due to greater proportion of demand deposits and increased amount of domestic deposits with lower interest rate

# Client base and market share is increasing

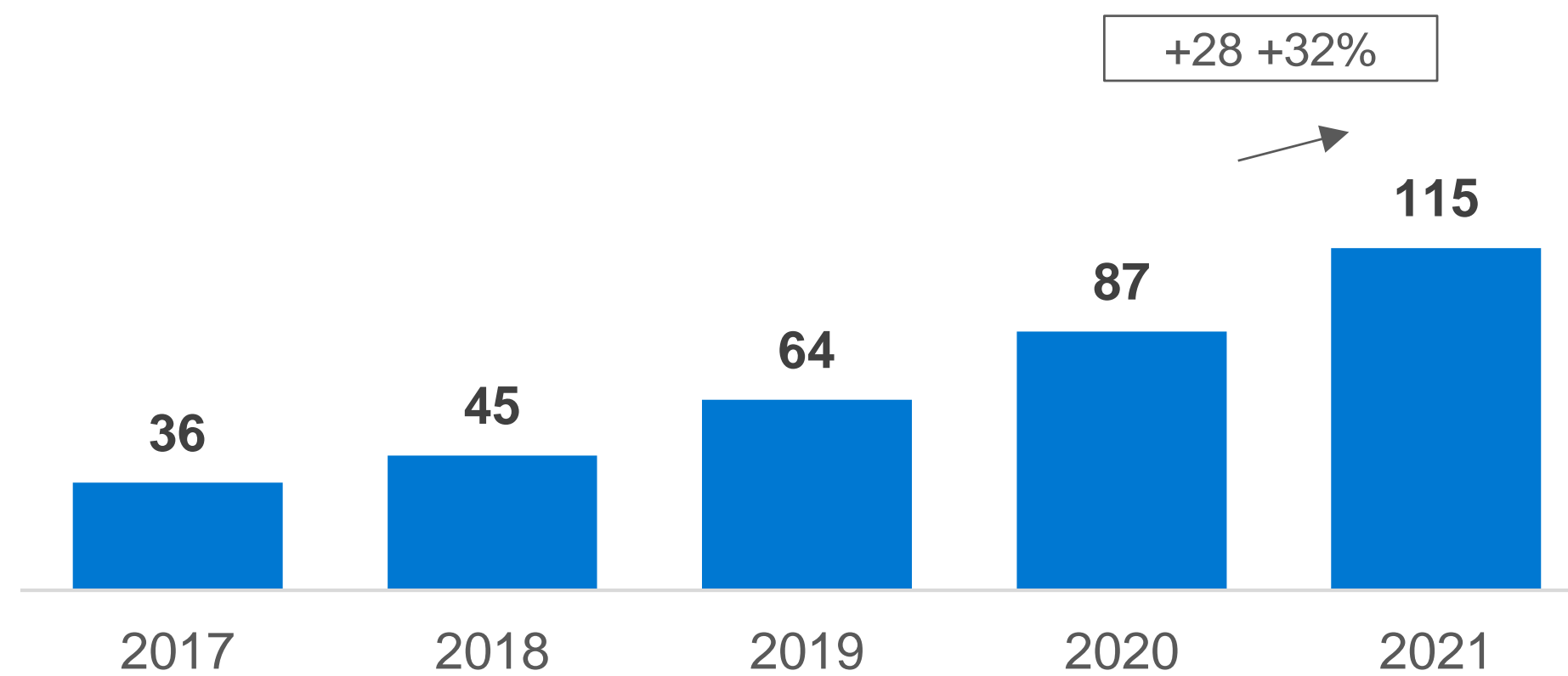
## Market share and number of bank clients

### Market share %



### Market share of loans

### No of customers (thousand)

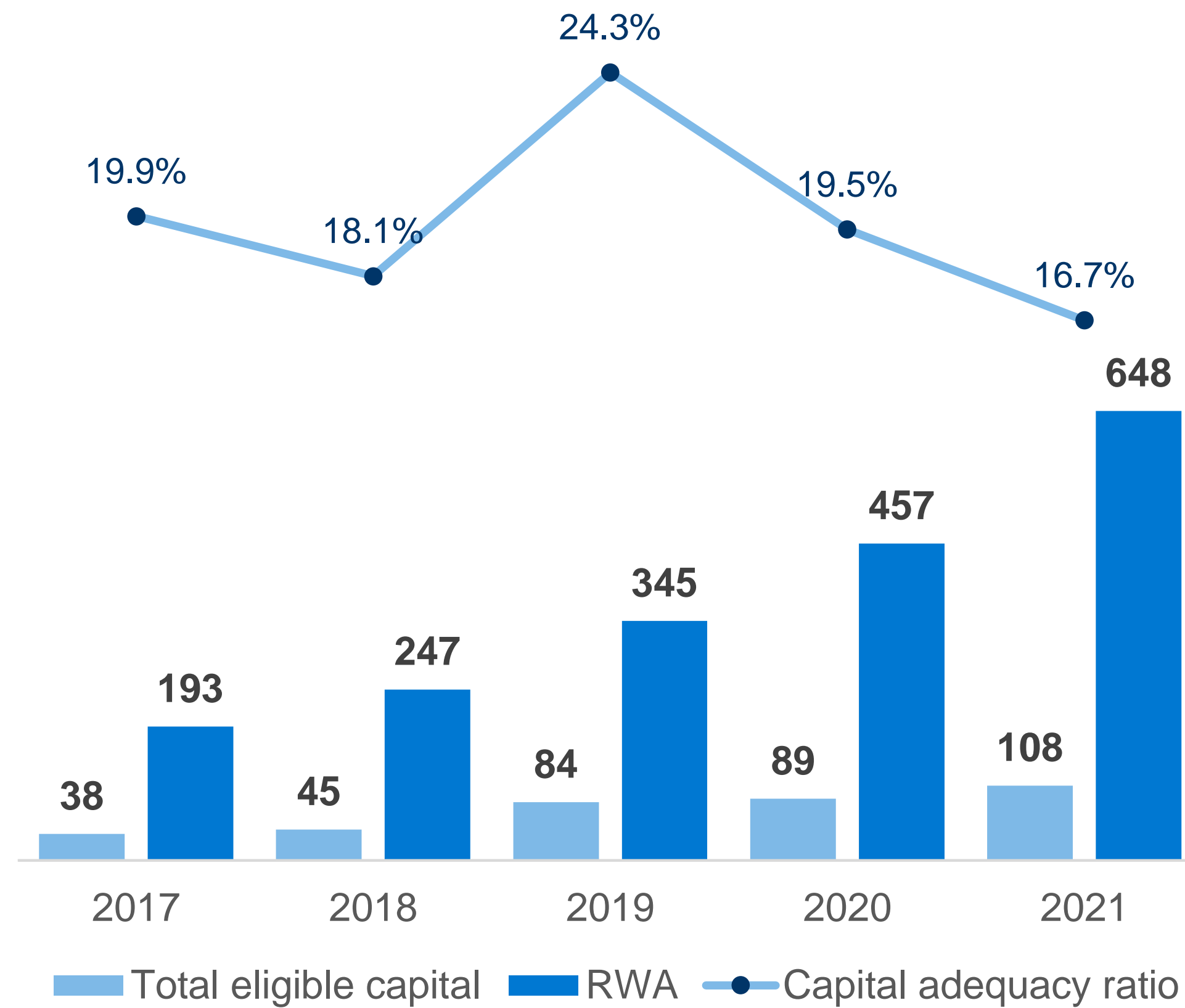


- 28 000 new clients with bank account in 2021 (+23 000 in 2020)
  - +25 400 private clients
  - +2500 business clients
- Bank's market share changed in 2021
  - Market share in loan portfolio 3.4% => 4.4%
  - Market share in deposits 3.2% => 4.0%

# Capital base supports growth plans

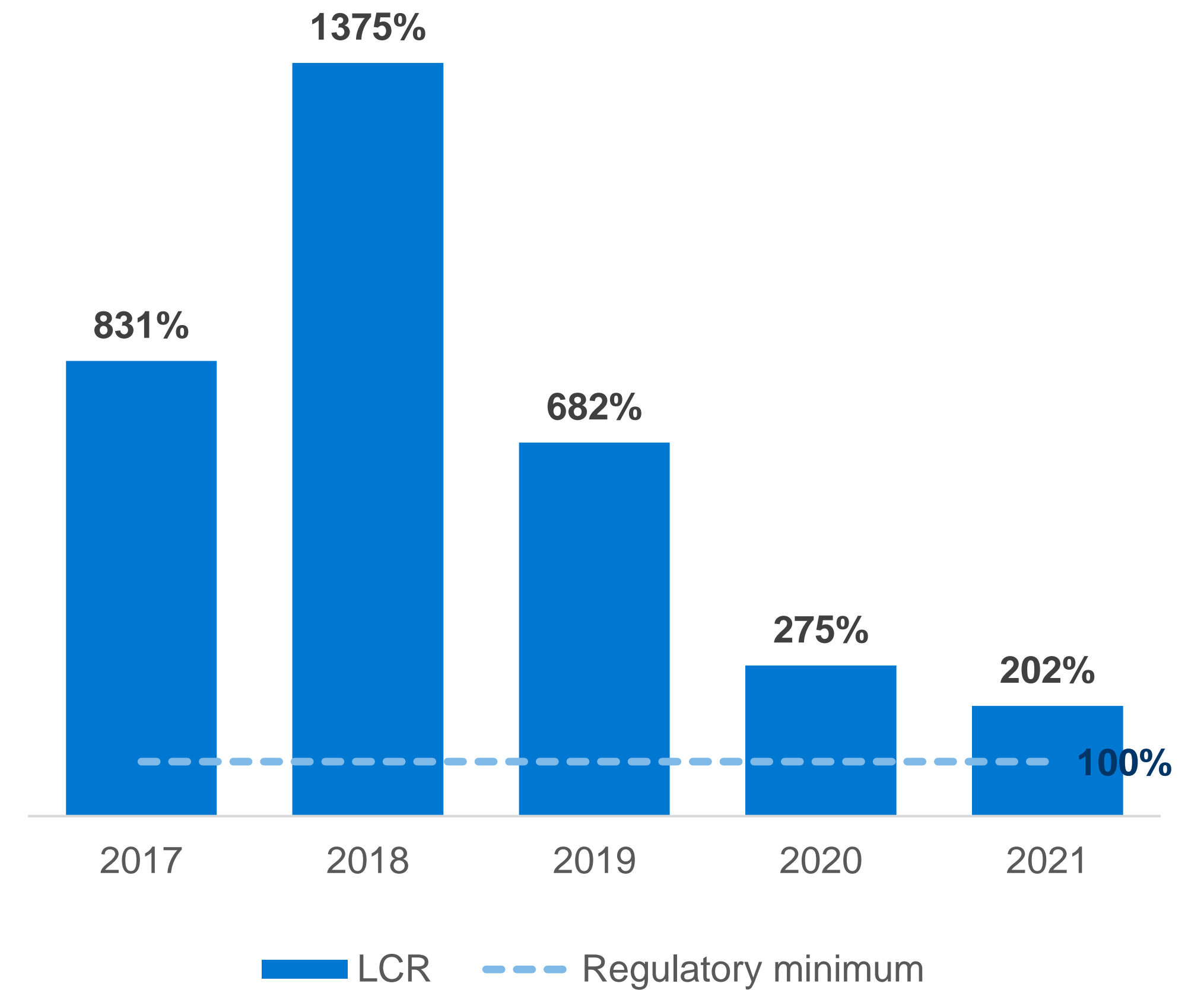
## Yearly capitalization

m€, %



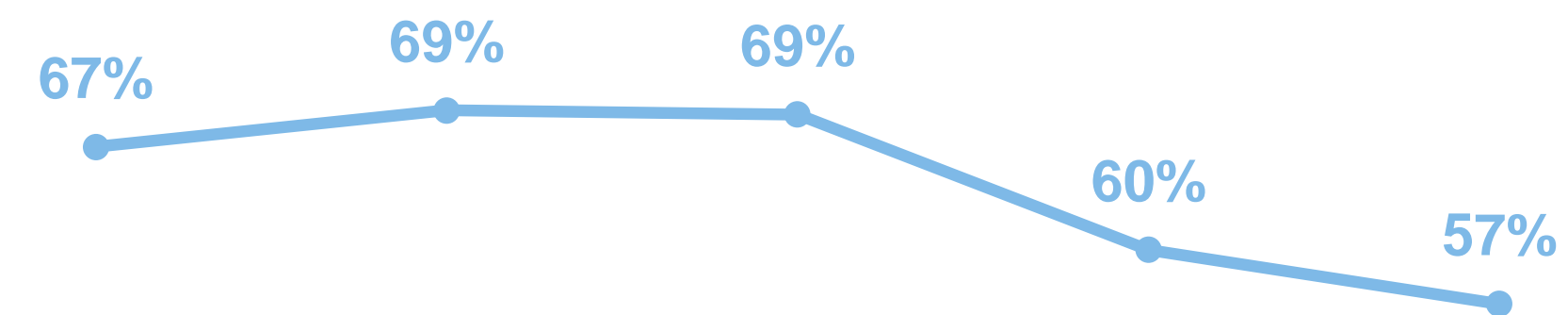
## Liquidity coverage ratio (LCR)

%

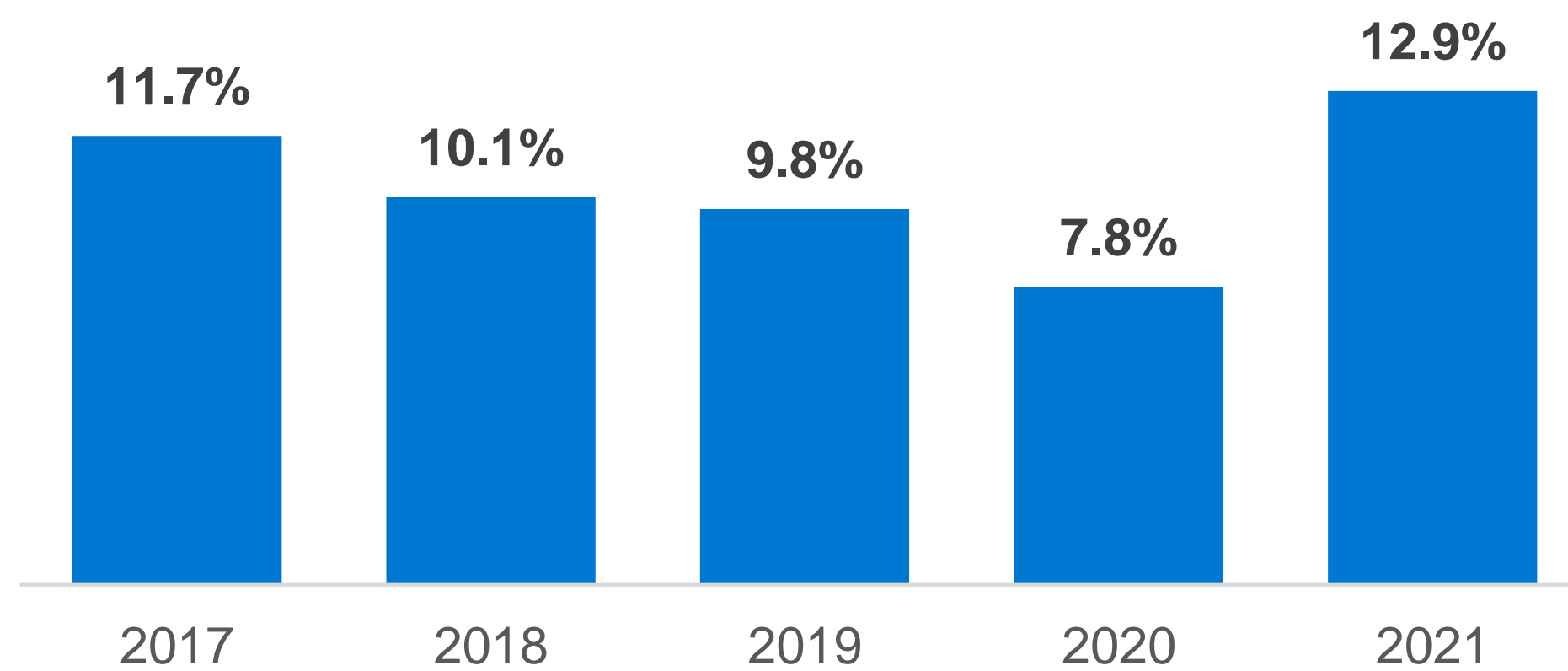


## Cost / income ratio (CIR) and ROE

Cost / income ratio %



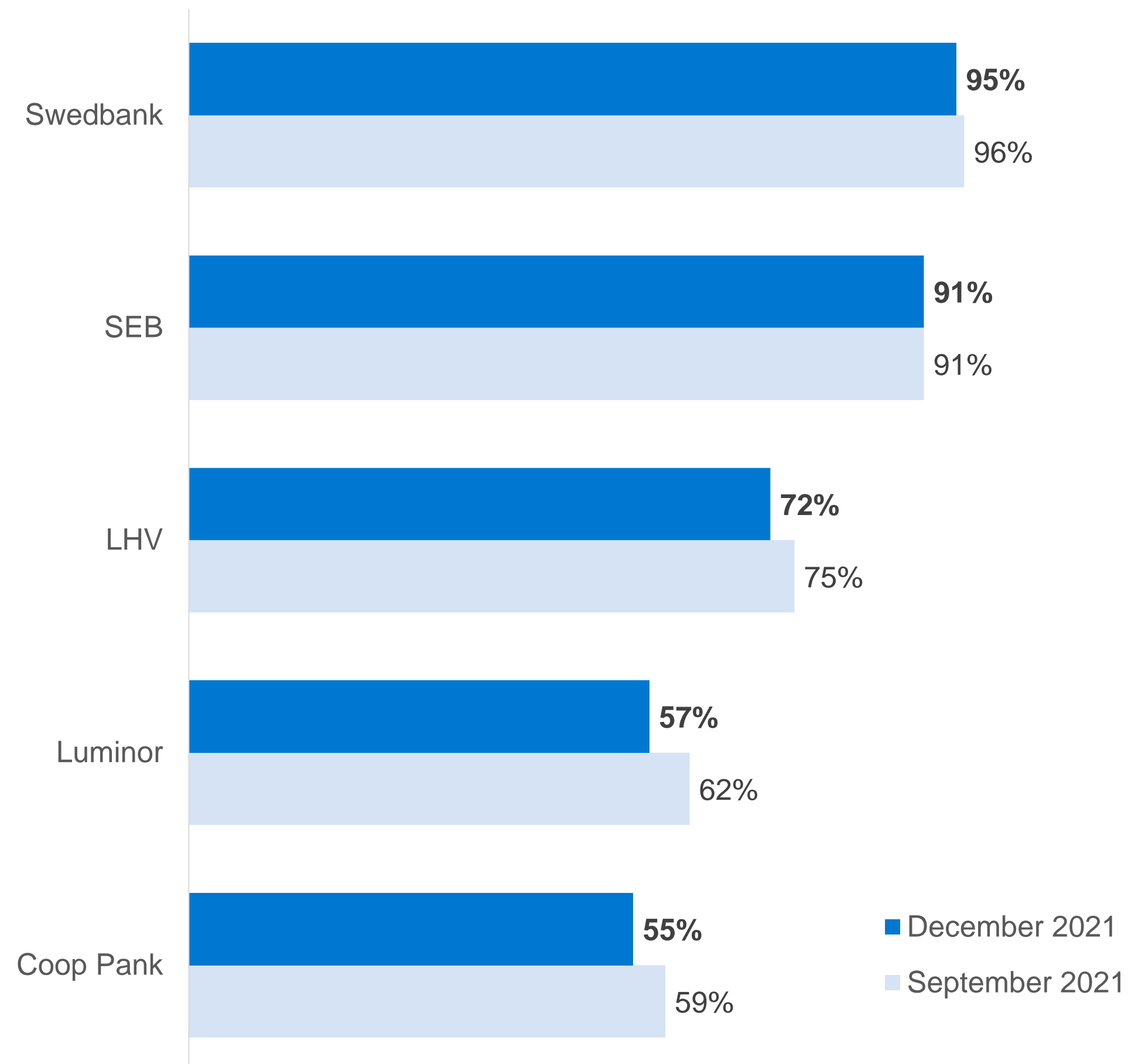
ROE %



- Decreased CIR
  - Revenues +26% vs costs +19%
- Increased ROE
  - Strong monthly net profits in 2021
  - Low impairment cost in 2021 due to high quality loan portfolio

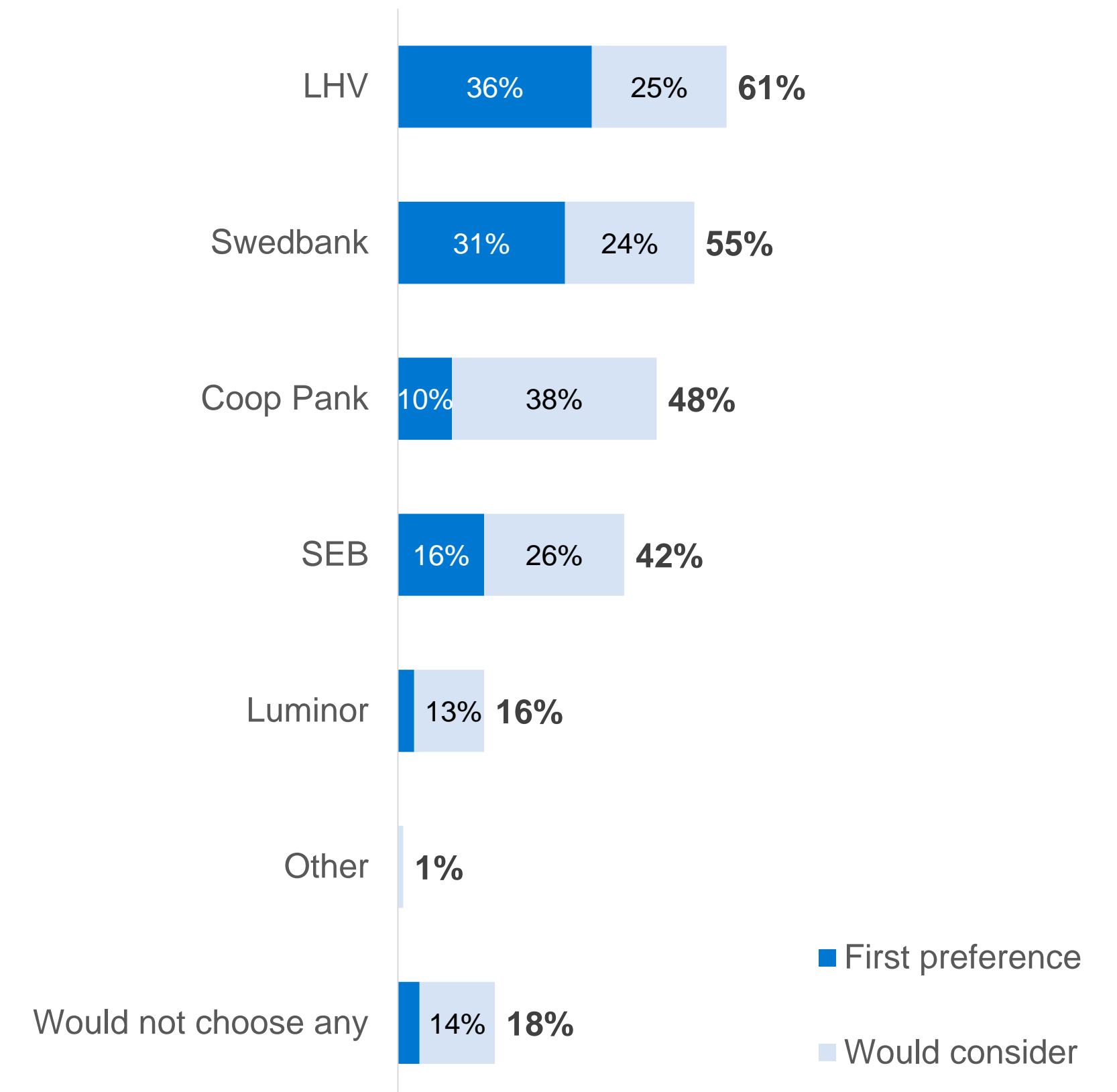
# Brand awareness and preference as financial partner

## Brand awareness of Coop Pank



Source: reports of Initiative brand study, September 2021 and December 2021

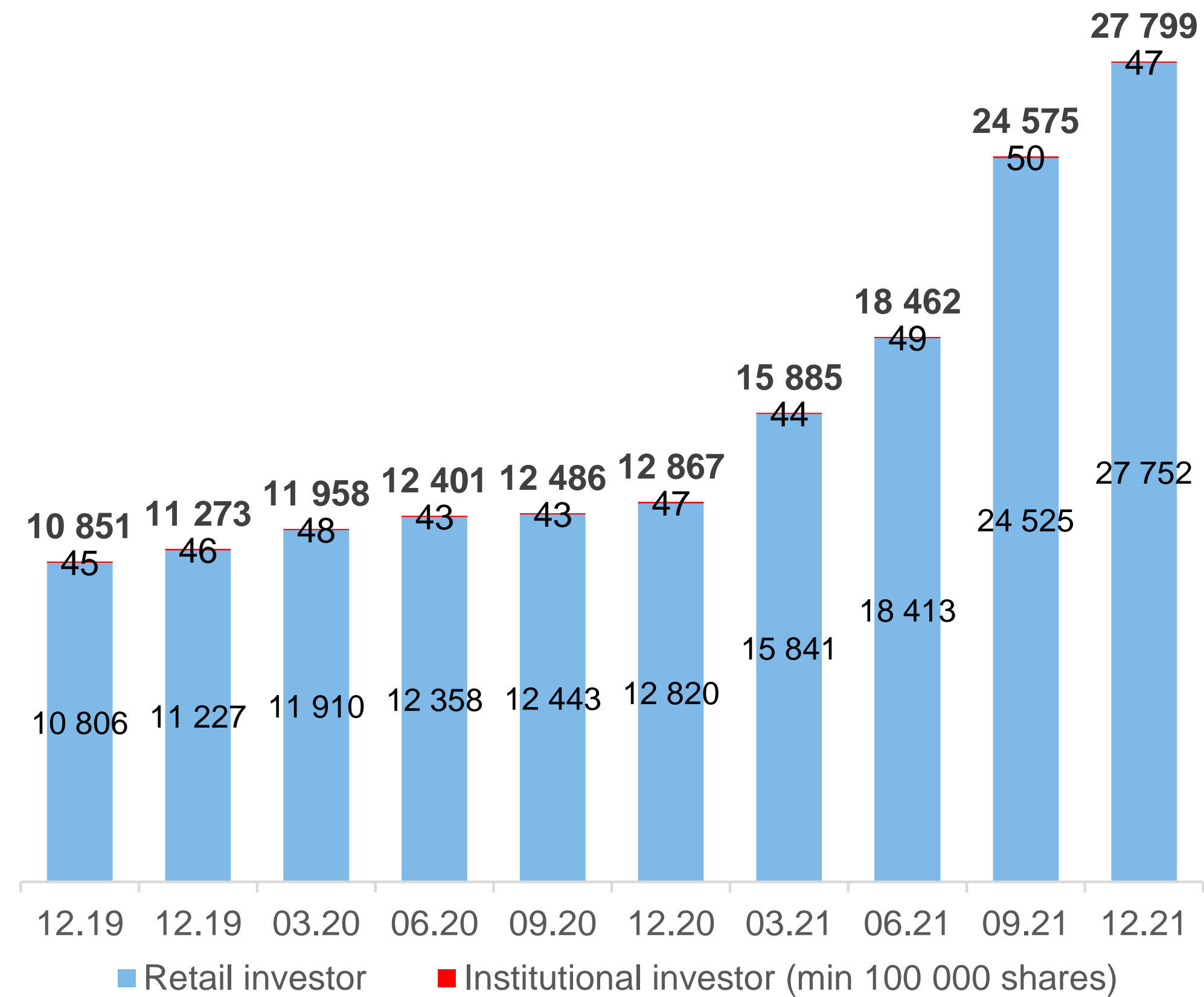
## Preference as financial partner



Source: report of Initiative brand study, December 2021

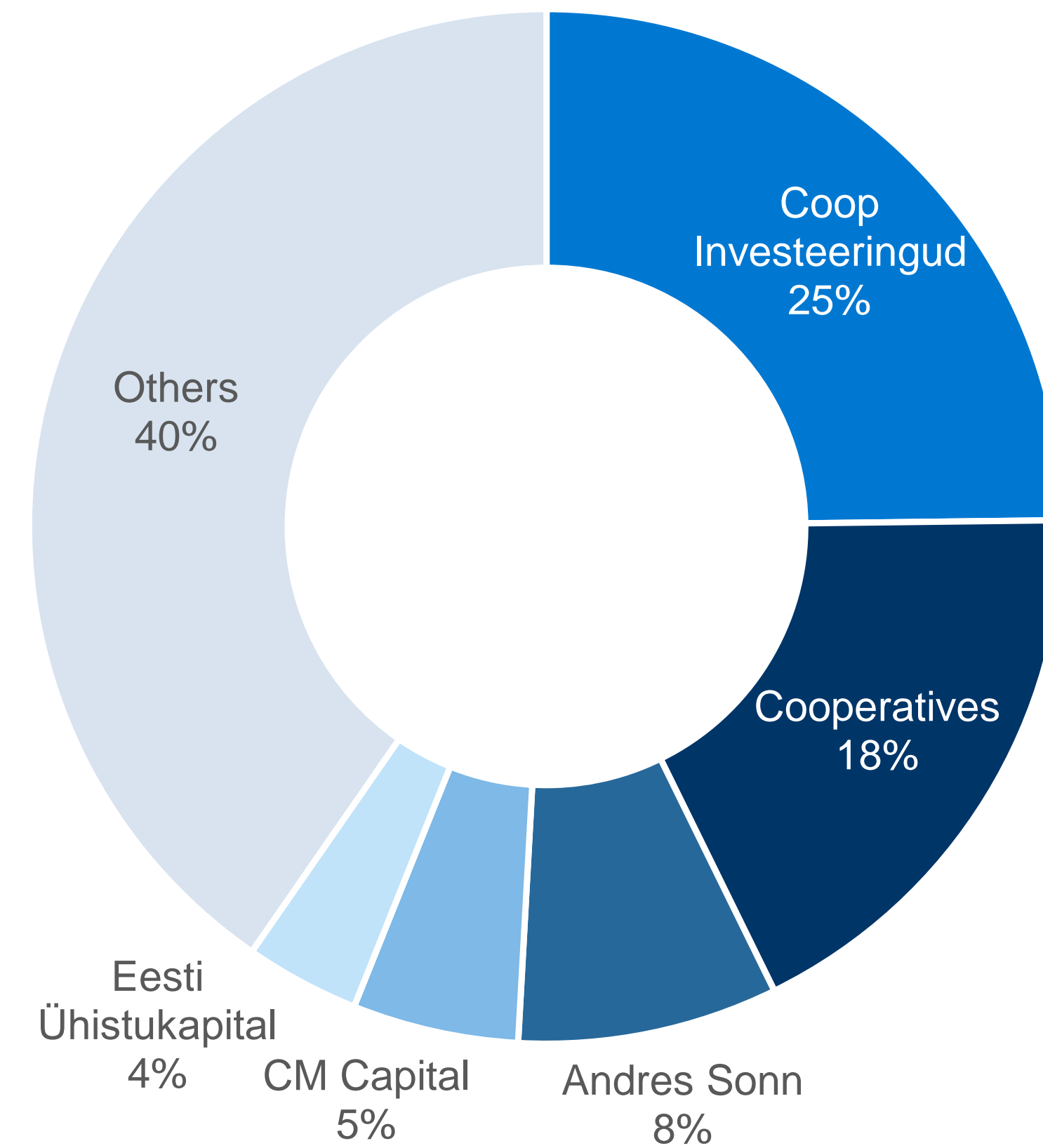
## No of Coop Pank shareholders

No of shareholders



## TOP shareholders

Shareholder distribution of Coop Pank as at 31.12.2021



# Share price

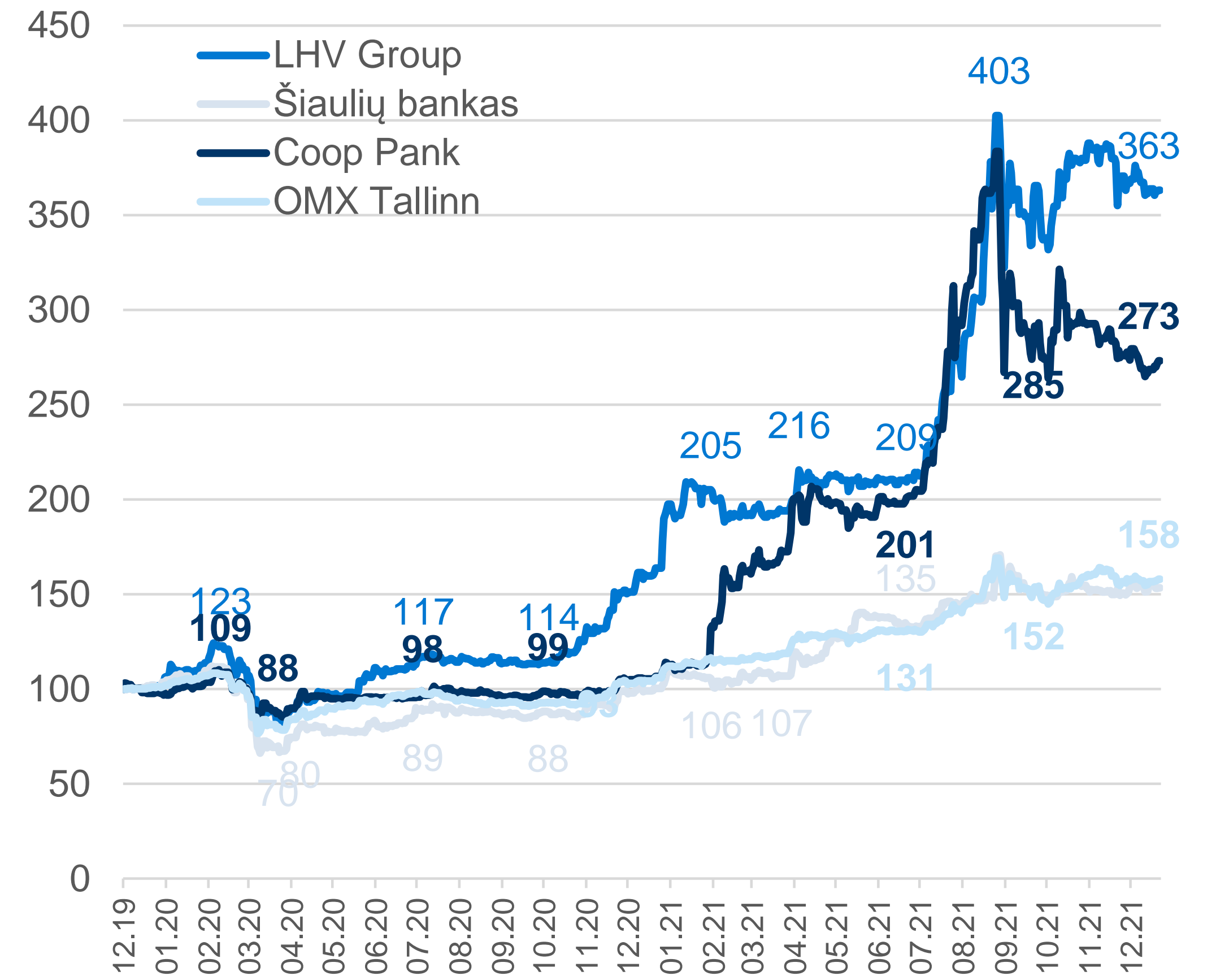
## Coop Pank share price and trading volume by dates

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





# Summary: 2021 results

- Loan portfolio grew by 283m€ (+42% YoY)
- 28 000 new customers (+35% YoY)  
The Bank now has a total of 115 000 clients with bank account
- Net profit 13.5m€ (+85% YoY)
- No of shareholders 28 000 (+116% YoY)
- More than 4% market share. Our footprint in Estonian society is growing

28 000 new clients  
13.5m€ profit

# Financial results 5 years

## Financial results and key indicators

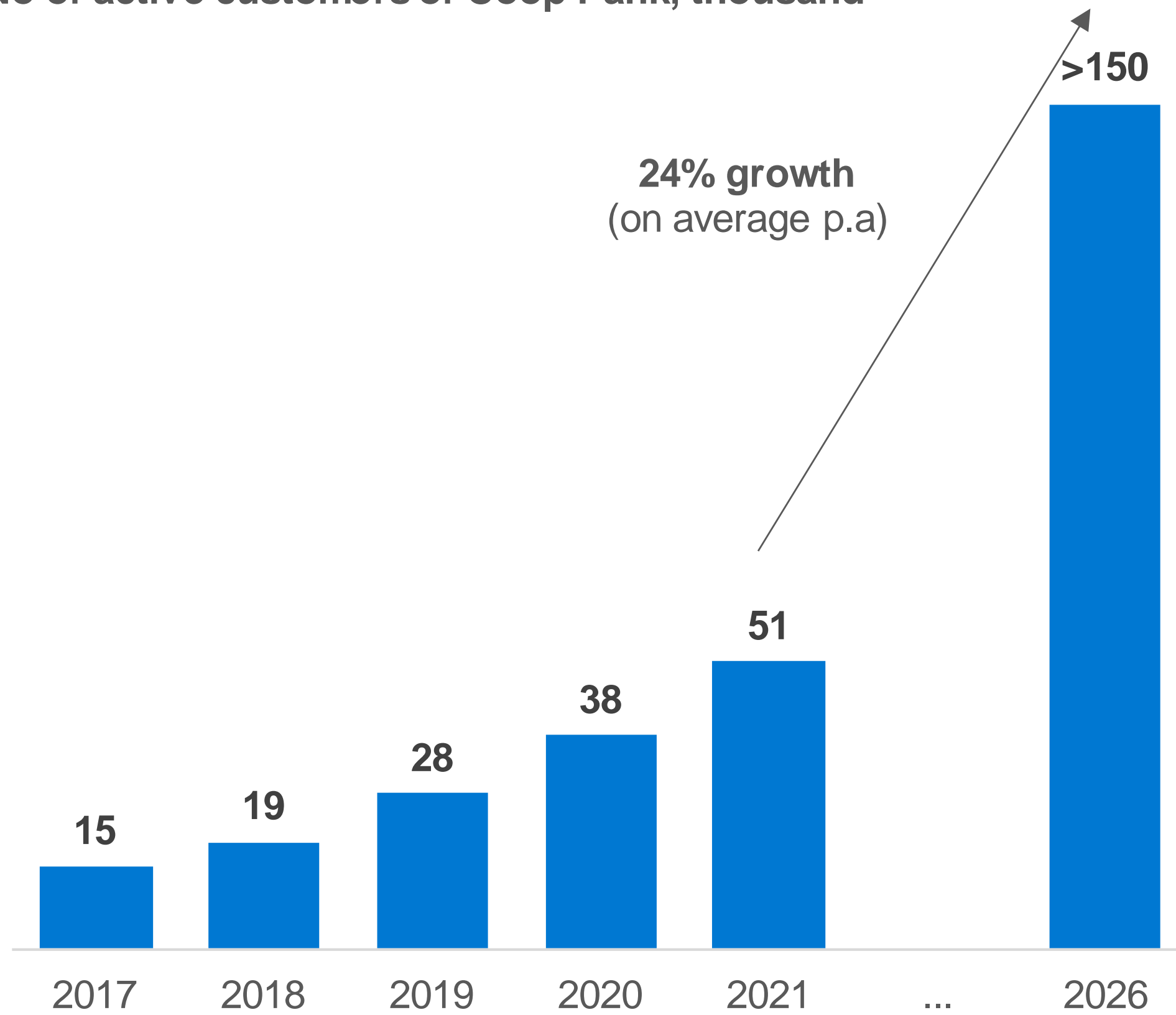
	2017	2018	2019	2020	2021
<b>Net operating income ('000 €)</b>	<b>17 289</b>	<b>19 768</b>	<b>23 719</b>	<b>31 089</b>	<b>39 238</b>
Interest	11 519	16 779	20 689	28 371	35 538
Service fees and commissions	2 170	2 302	2 372	2 097	3 085
Other	3 600	687	658	621	615
Operating expenses	-11 518	-13 601	-16 261	-18 796	-22 453
<b>Operating profit</b>	<b>5 771</b>	<b>6 167</b>	<b>7 458</b>	<b>12 293</b>	<b>16 785</b>
Impairment costs	-1 313	-1 392	-1 931	-4 789	-2 497
Profit before income tax	4 458	4 775	5 527	7 504	14 288
Income tax	0	-22	0	-245	-825
<b>Net profit</b>	<b>4 458</b>	<b>4 753</b>	<b>5 527</b>	<b>7 259</b>	<b>13 463</b>
Net loan portfolio (m€)	238	329	460	671	953
Deposits and loans received	316	385	507	758	1 099
Equity	45	49	89	98	112
ROE	11.7%	10.1%	9.8%	7.8%	12.9%
Net interest margin (NIM)	3.7%	4.3%	4.2%	3.9%	3.4%
Cost of financing	0.6%	0.8%	0.8%	1.0%	0.7%
Cost / income ratio (CIR)	67%	69%	69%	60%	57%
Capital adequacy ratio	19.9%	18.1%	24.3%	19.5%	16.7%

- 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



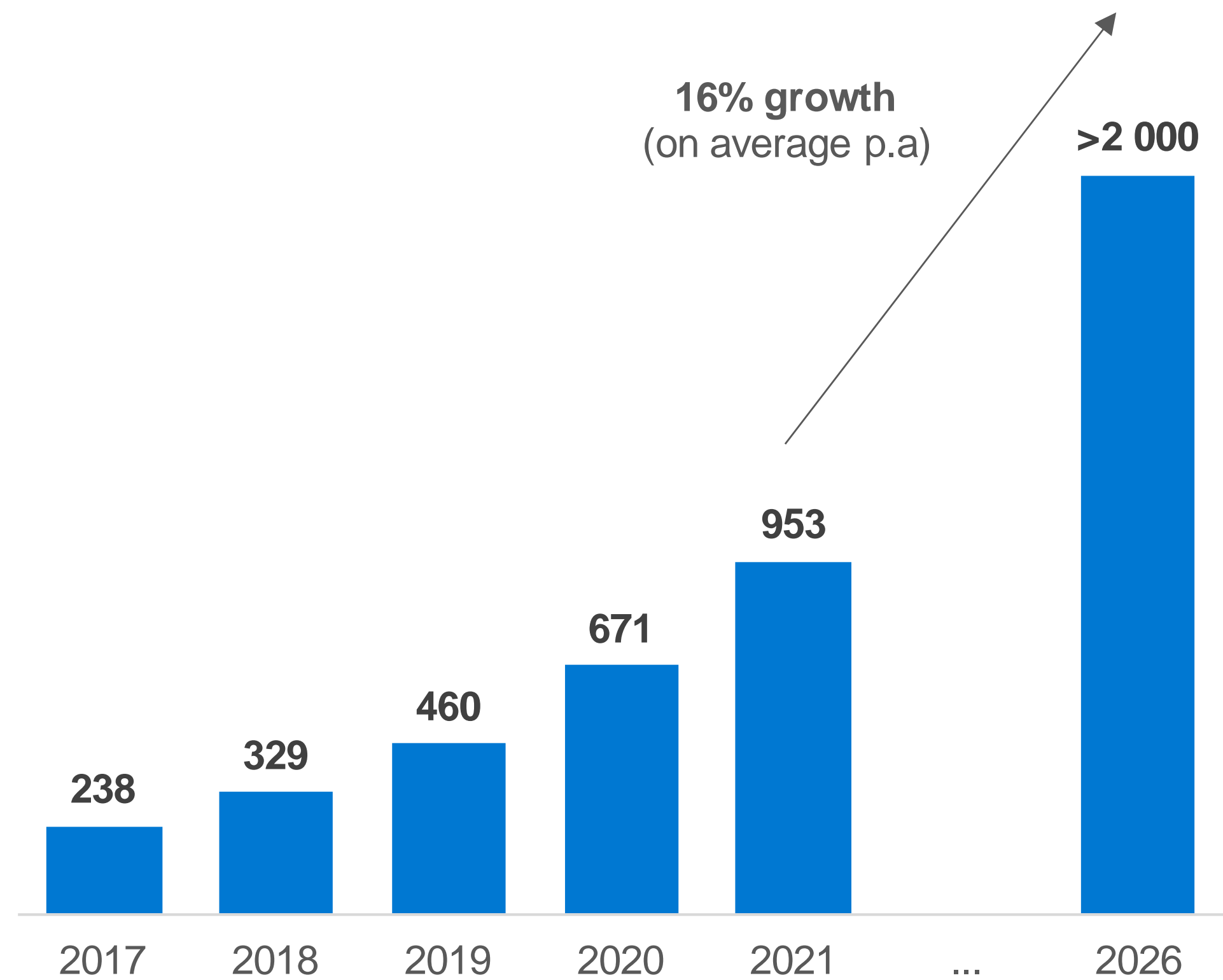
Number of active clients  
>150 000



# Target: growth of loan portfolio

## Coop Pank loan portfolio and target

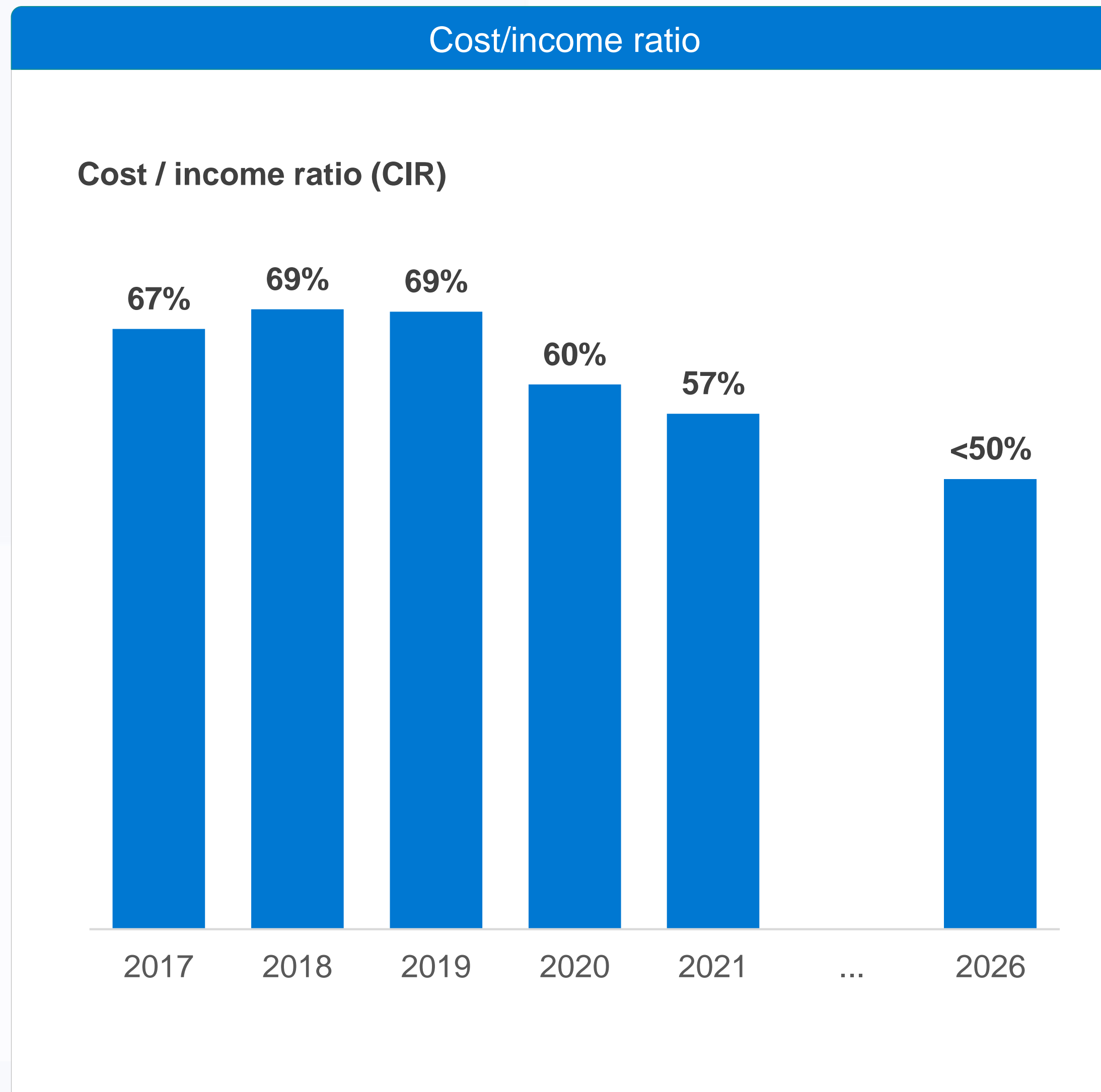
Net loan portfolio of Coop Pank, m€



Loan portfolio  
>2 bn €



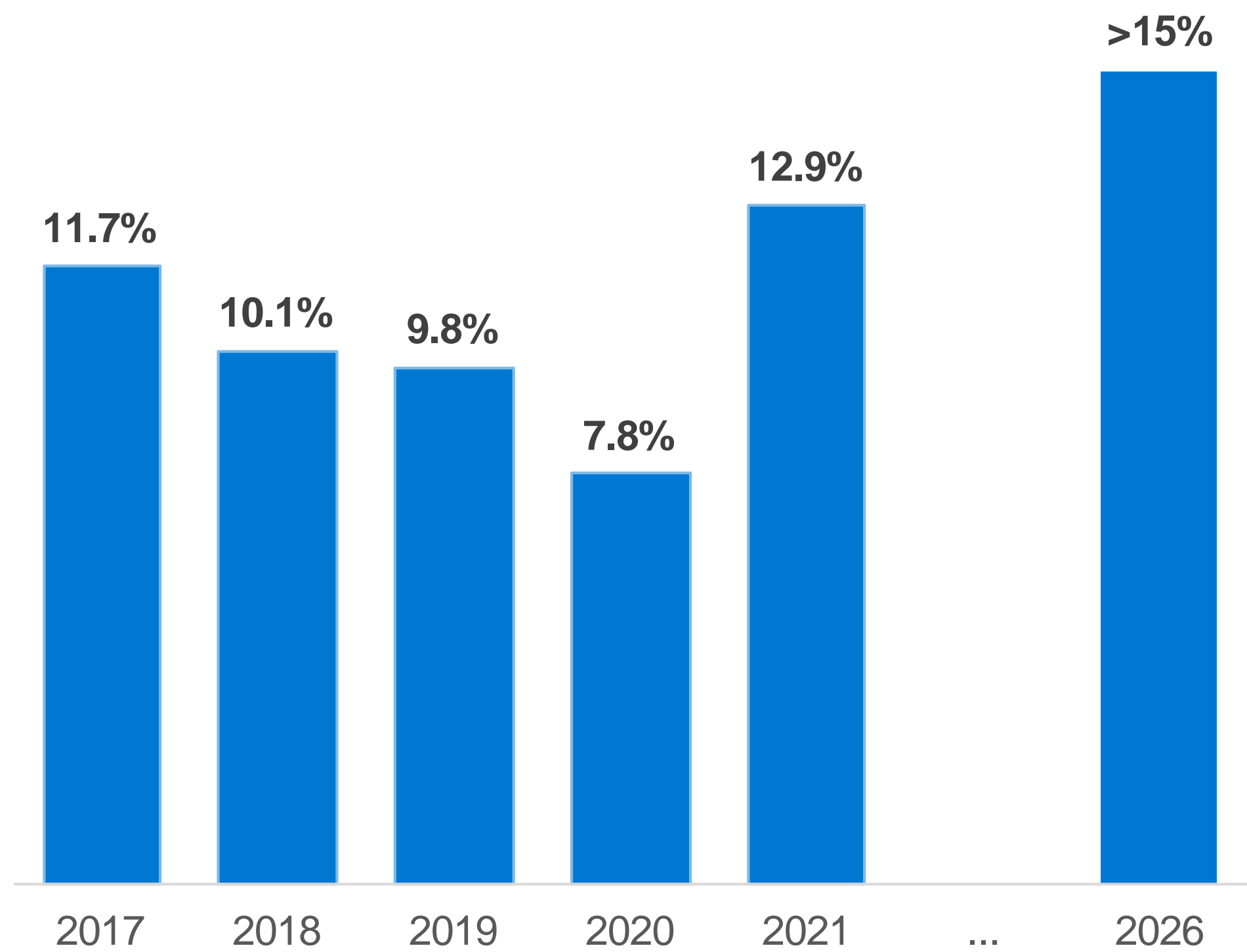
# Target: decreasing cost/income ratio



# Target: increasing return on equity

## Return on equity

Return on equity (ROE)



**Margus Rink**

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margus.rink@cooppank.ee

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