



# Coop Pank Group Unaudited results of Q1 2020

21.04.2020

# Results of Q1 2020 – compared to Q4 2019

## Key indicators in quarterly comparison

	Q1 2020	Q4 2019	Quarterly change	
<b>Net operating income ('000 €)</b>	<b>7 117</b>	<b>6 756</b>	<b>+361</b>	<b>+5%</b>
Interest	6 358	5 819	+539	+9%
Service fee and commissions	521	675	-154	-23%
Other	238	262	-24	-9%
Operating expenses	-4 442	-4 635	+193	-4%
<b>Operating profit</b>	<b>2 675</b>	<b>2 121</b>	<b>+554</b>	<b>+26%</b>
Loan impairment losses	-1 214	-538	-676	+126%
Profit before income tax	1 461	1 583	-122	-8%
Income tax	0	0	-	-
<b>Net profit</b>	<b>1 461</b>	<b>1 583</b>	<b>-122</b>	<b>-8%</b>
Net loan portfolio (m€)	504	460	+44	+9%
Deposits and loans received	547	507	+41	+8%
Equity	90	89	+1	+1%
ROE	6.5%	9.6%	-3.1%	
Net interest margin (NIM)	4.1%	4.1%	-0.0%	
Cost of financing	1.0%	1.1%	-0.1%	
Cost / income ratio (CIR)	62%	69%	-6.2%	
Capital adequacy ratio	21.3%	24.3%	-3.0%	

- Revenues +5%
  - Net interest increased +0.5m€ as loan portfolio grew by 44m€
  - Net service fees 0.15m€ lower due to certain one-off service fees in Q4 2019
- Operating costs -4%
- Operating profit +26%
- Loan impairment losses +0.7m€ of which
  - +0.4m€ additional impairment in relation to payment holidays arising from national emergency situation
- Net profit -8% (impacted by loan impairments)

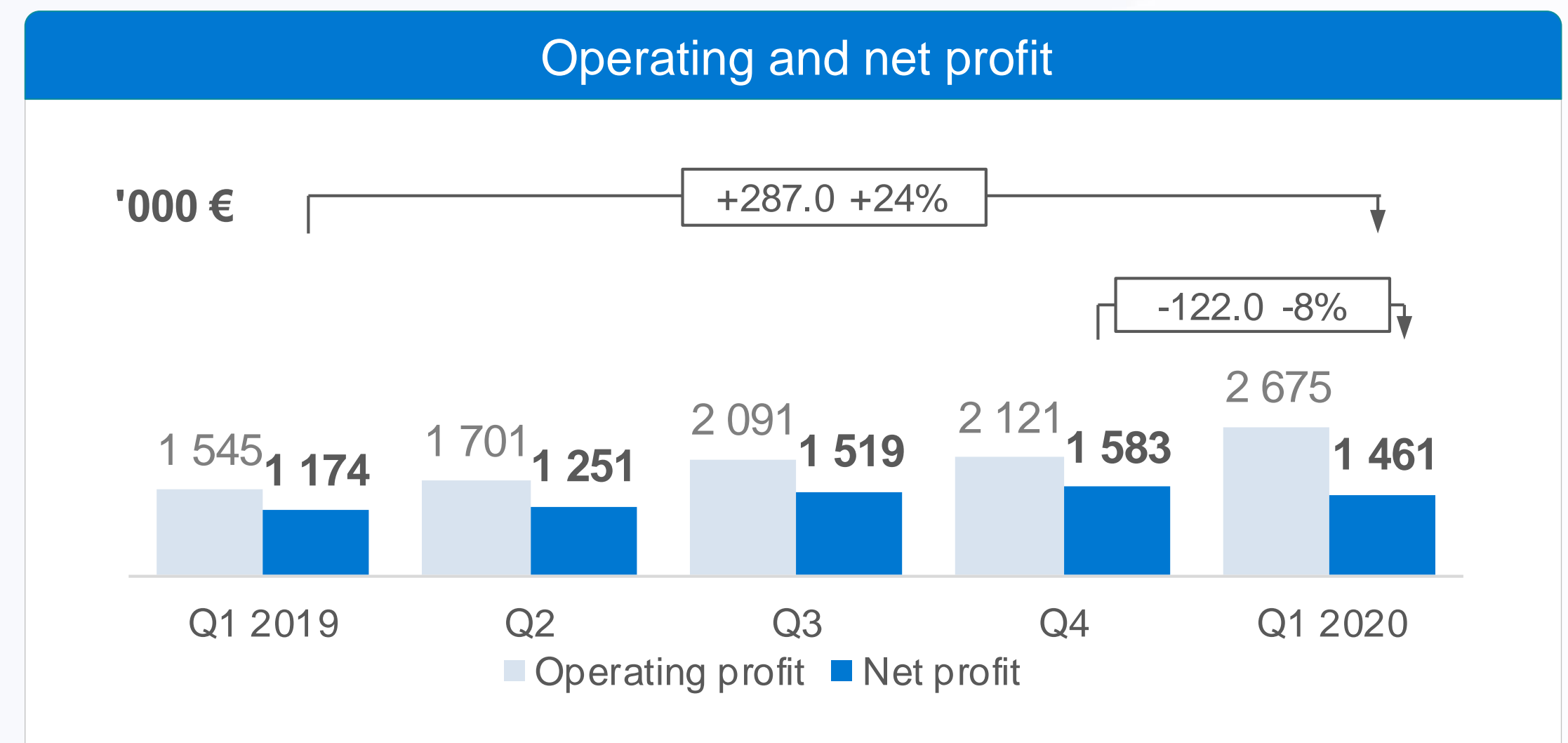
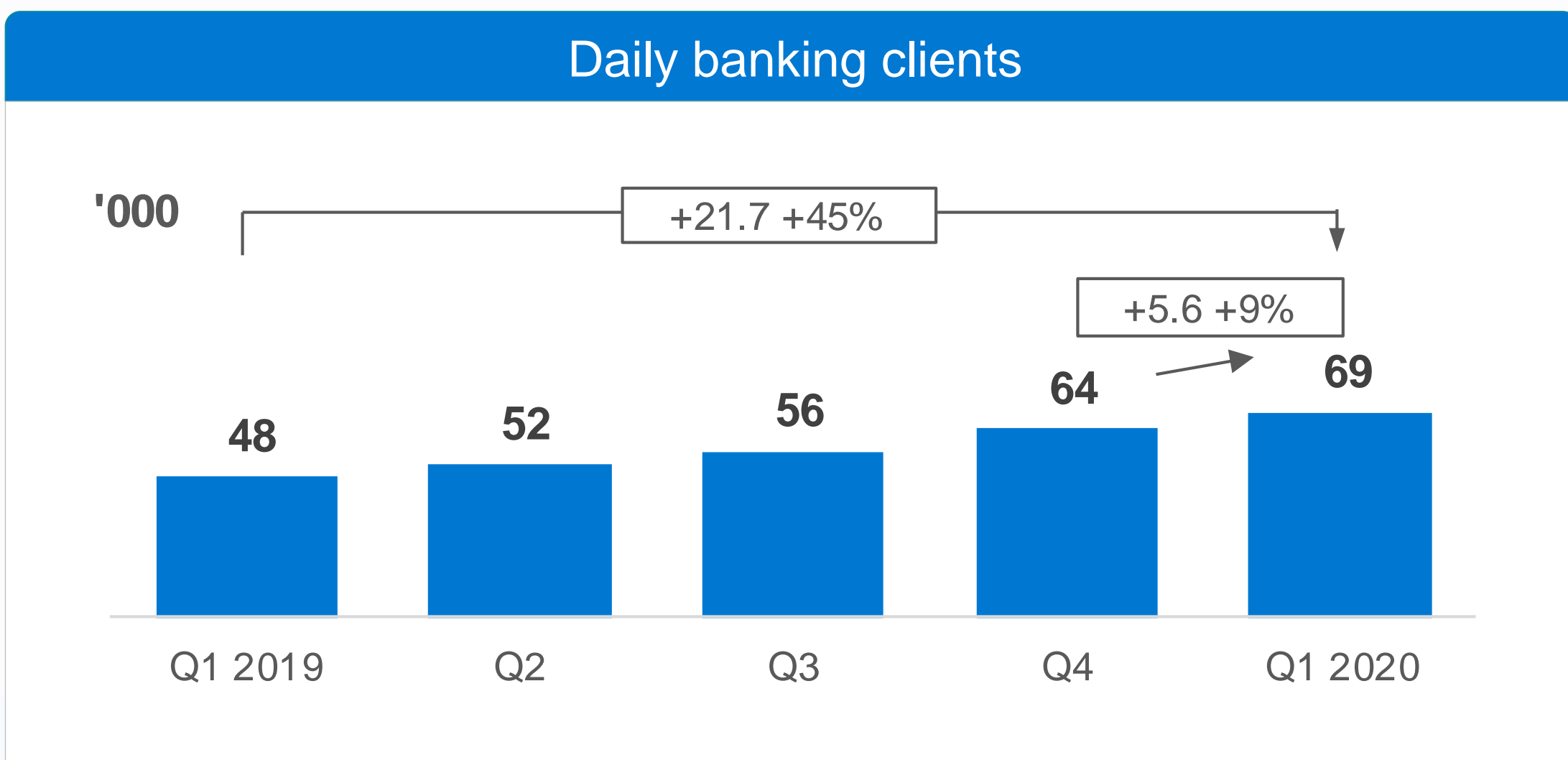
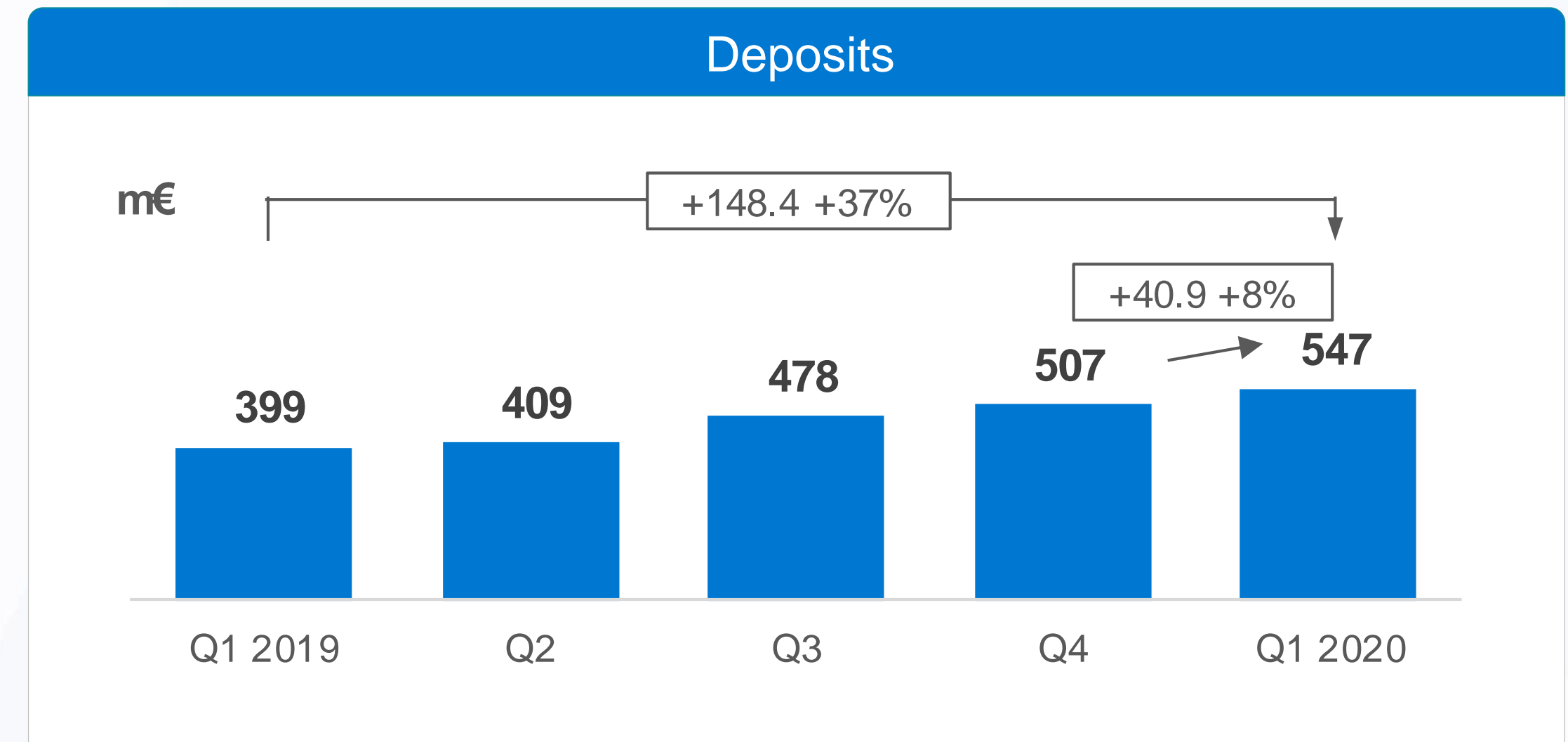
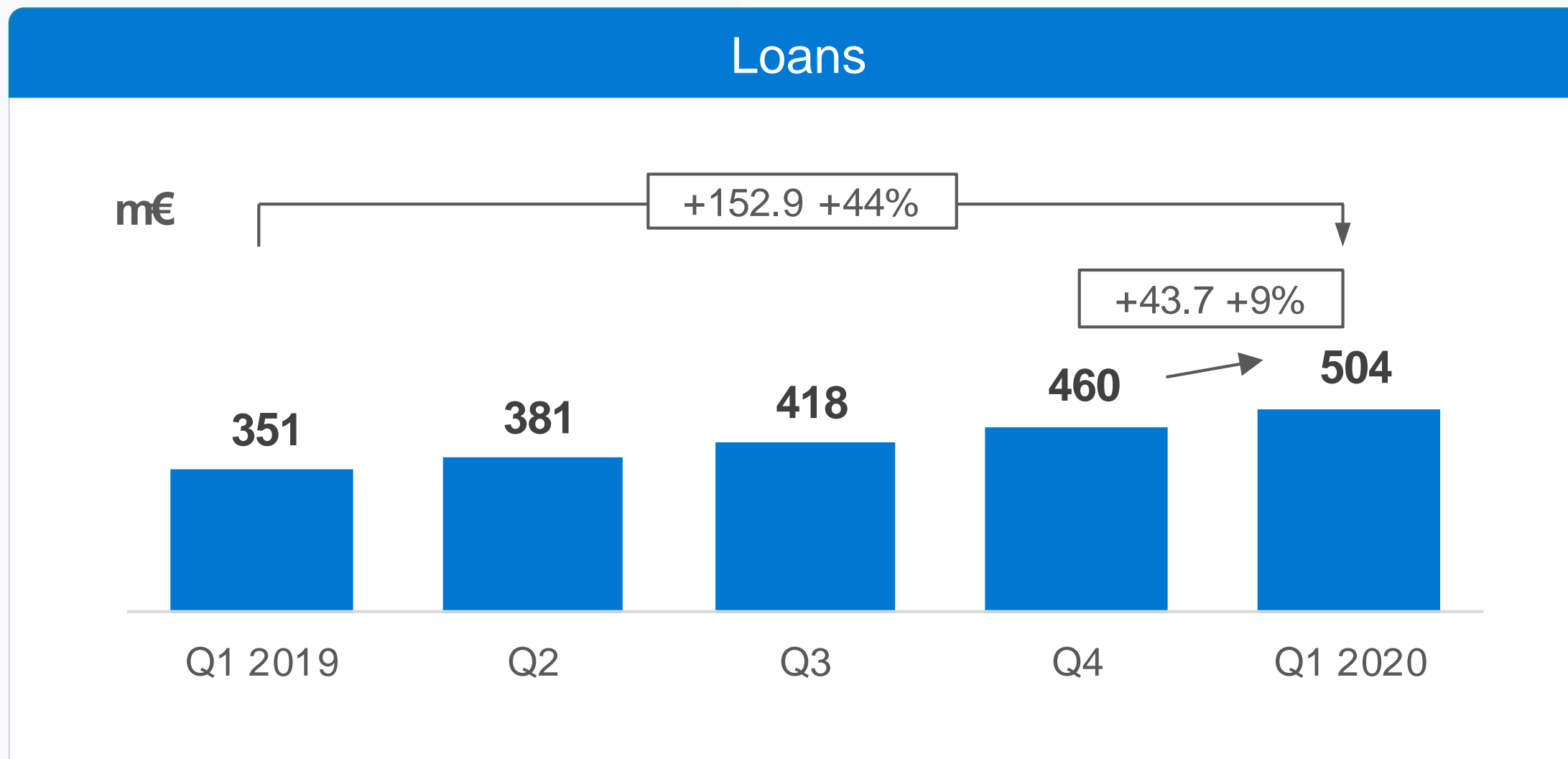
# Results of Q1 2020 – compared to Q1 2019

## Key indicators in quarterly comparison

	Q1 2020	Q4 2019	Year on Year change	
<b>Net operating income ('000 €)</b>	<b>7 117</b>	<b>6 756</b>	<b>+1 902</b>	<b>+36%</b>
Interest	6 358	5 819	+1 858	+41%
Service fee and commissions	521	675	-31	-6%
Other	238	262	+75	+46%
Operating expenses	-4 442	-4 635	-772	+21%
<b>Operating profit</b>	<b>2 675</b>	<b>2 121</b>	<b>+1 130</b>	<b>+73%</b>
Loan impairment losses	-1 214	-538	-841	+225%
Profit before income tax	1 461	1 583	+289	+25%
Income tax	0	0	-2	-100%
<b>Net profit</b>	<b>1 461</b>	<b>1 583</b>	<b>+287</b>	<b>+24%</b>
Net loan portfolio (m€)	504	460	+153	+44%
Deposits and loans received	547	507	+148	+37%
Equity	90	89	+40	+79%
ROE	6.5%	9.6%	-2.9%	
Net interest margin (NIM)	4.1%	4.1%	+0.0%	
Cost of financing	1.0%	1.1%	+0.0%	
Cost / income ratio (CIR)	62%	69%	-8.0%	
Capital adequacy ratio	21.3%	24.3%	+4.1%	

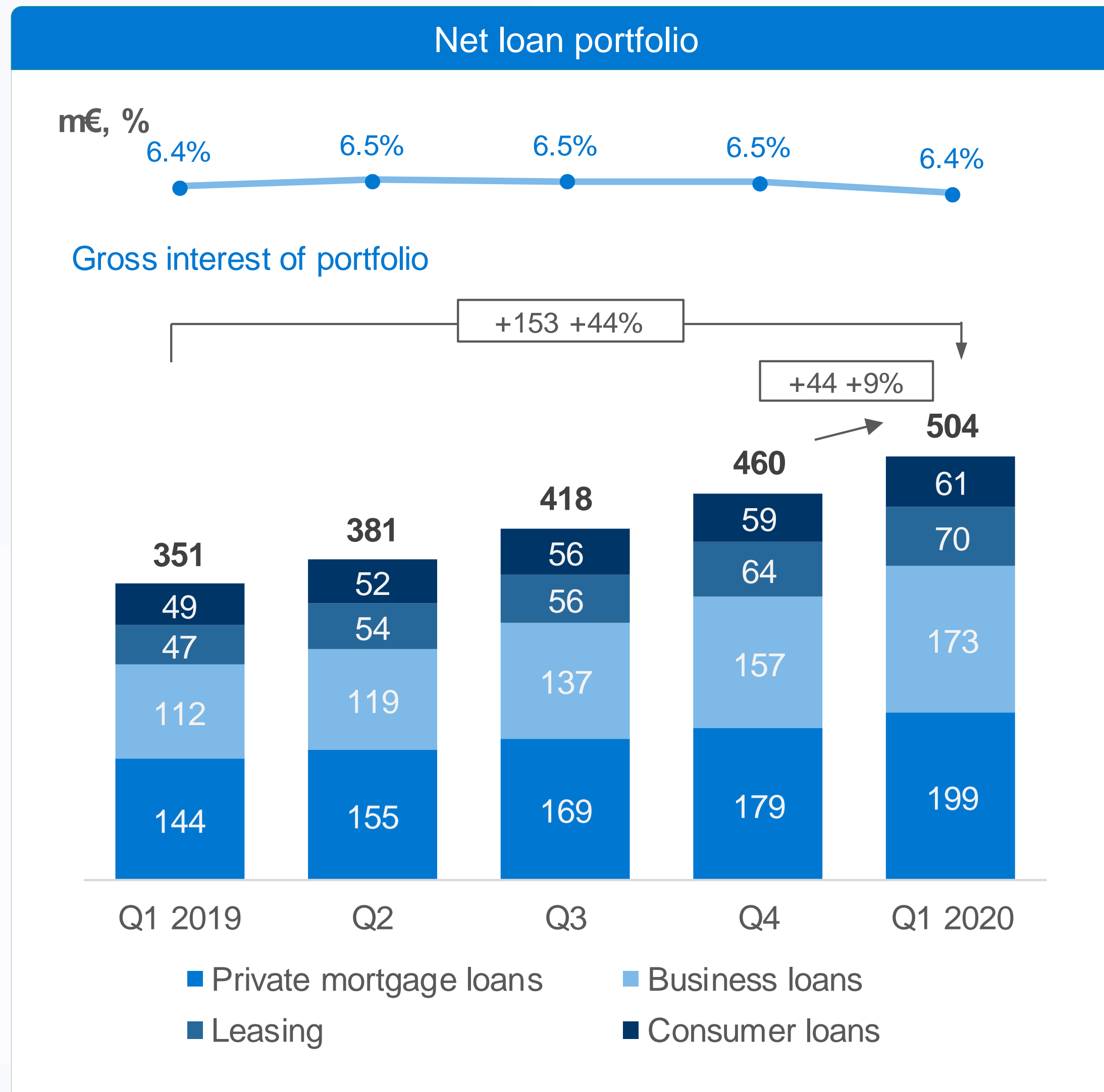
- Revenues +36%
  - Net interest grew +1.9m€  
loan portfolio +153m€ (+44%)
- Operating costs +21%
  - Payroll expense increased by 0.4m€, number of employees grew by 60 in one year
  - IT costs (incl depreciaton) +0.2m€ due to continued investments in banks IT development
- Operating profit +73%
- Net profit +24% (impacted by loan impairments)

# Continued growth in business volumes



Change reflects net profit difference

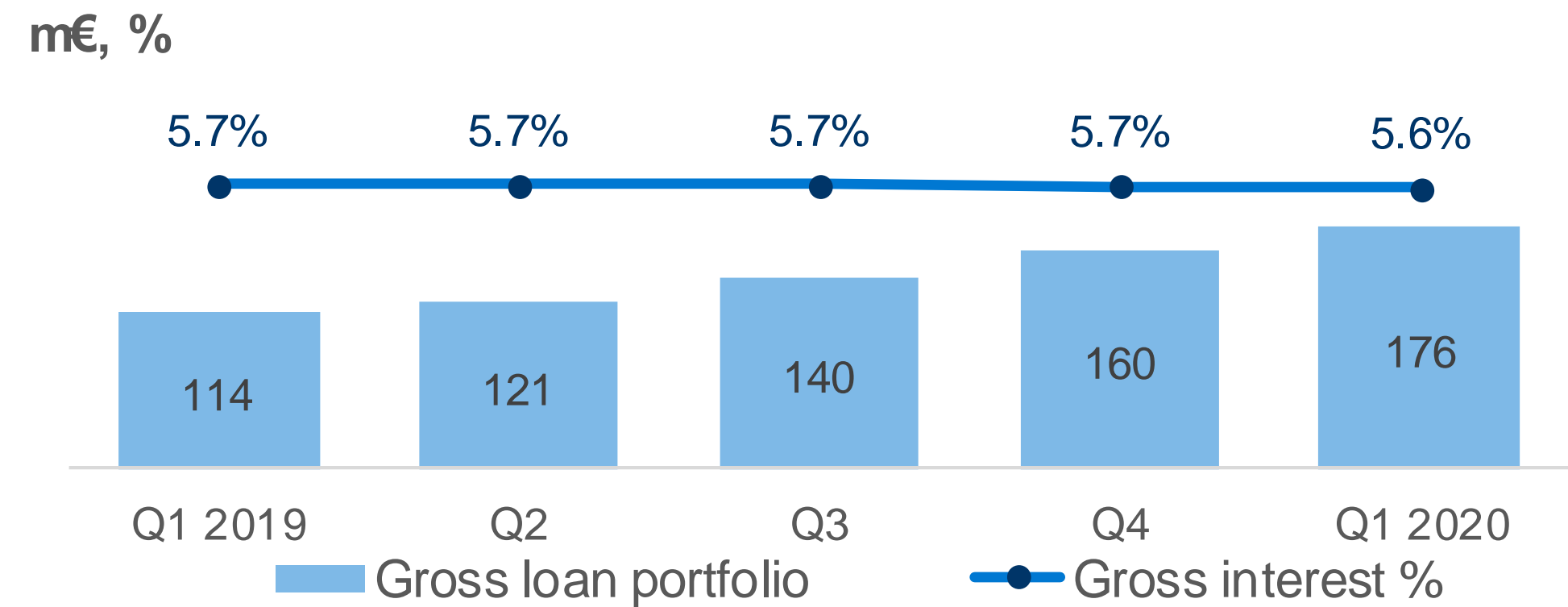
# Increased loan portfolio in all business lines



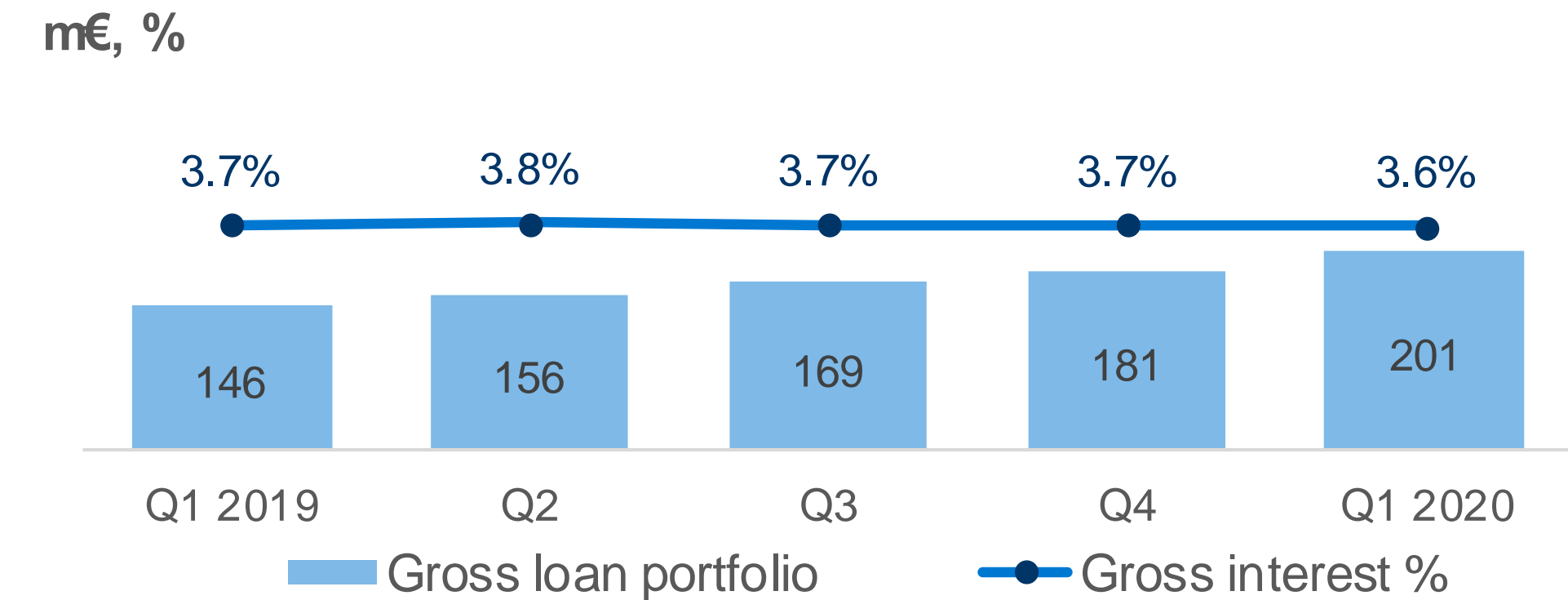
- Loan portfolio growth +44m€ (9%) (+42m€ in Q4 2019)
- Private mortgage loans +20m€ (+11%)
- Business loans +16m€ (+10%)
- Leasing +6m€ (+9%)
- Consumer loans +2m€ (+3%)
- Gross interest of portfolio remains at 6-6.5%

# Loan portfolio interest by business lines

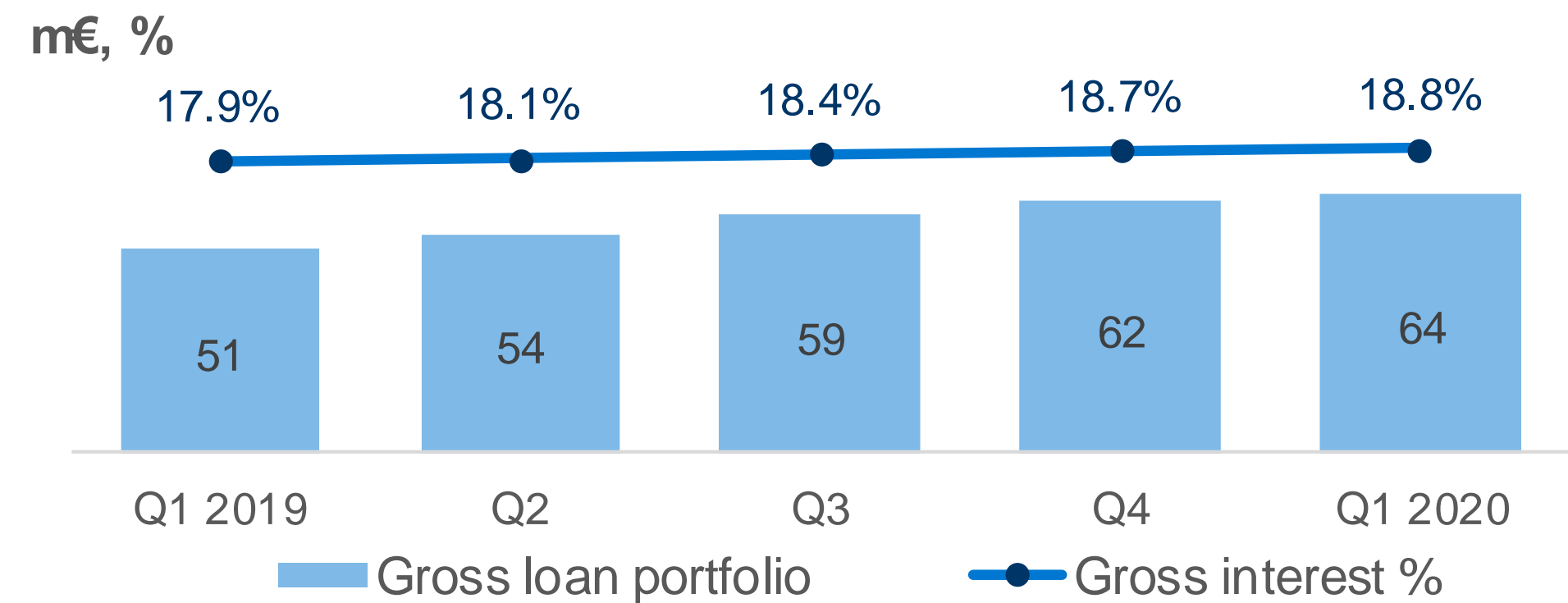
## Business loans



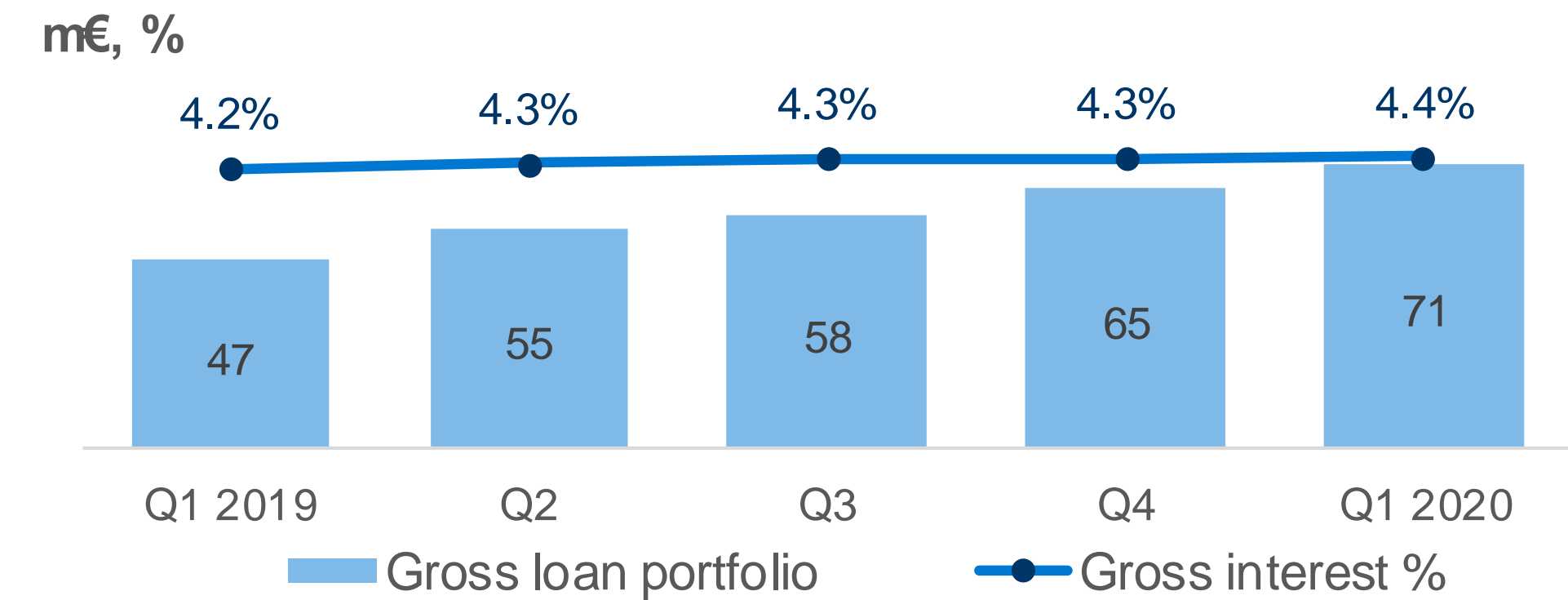
## Private mortgage loans



## Private consumer loans



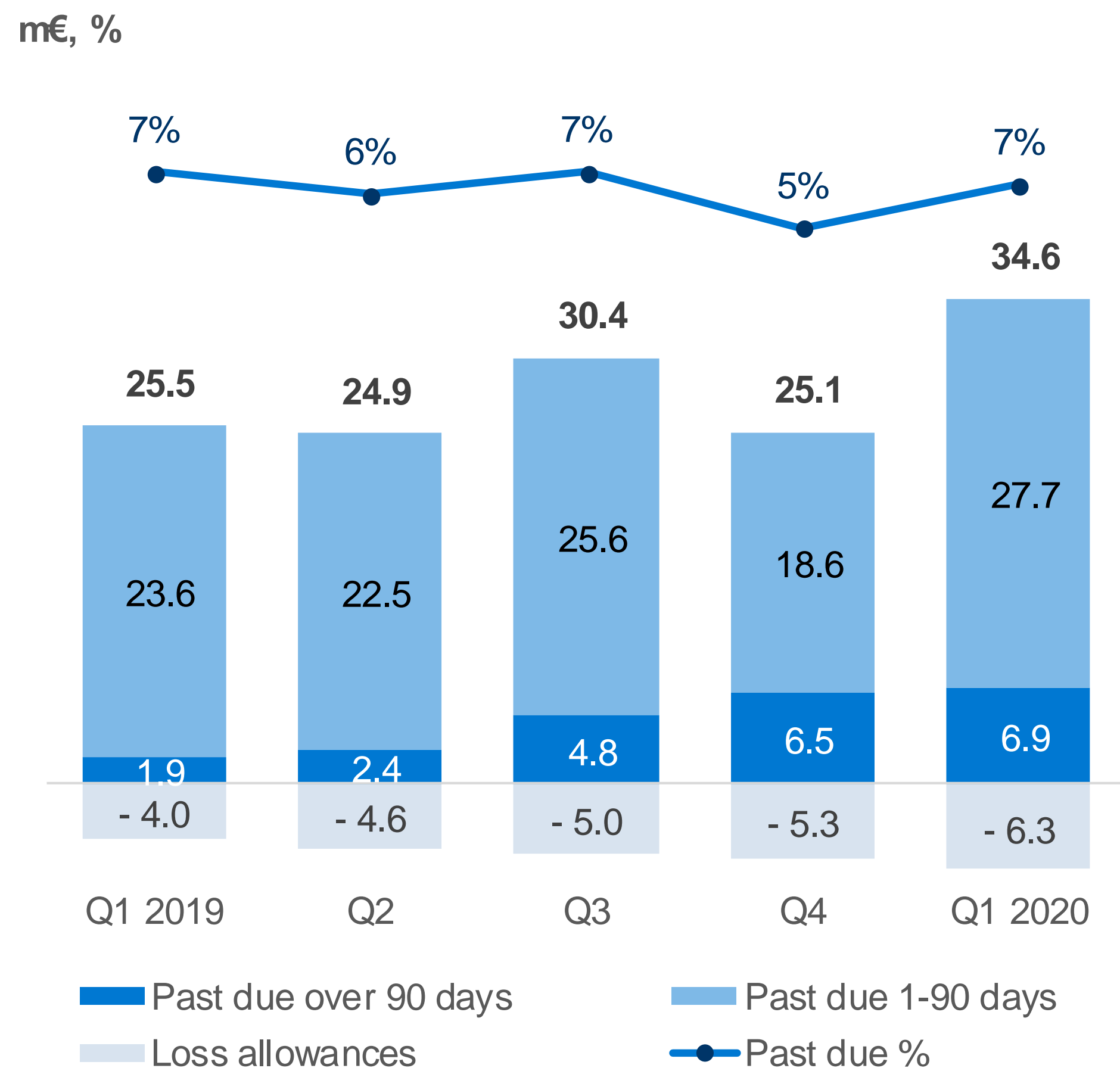
## Leasing





# Payment grace periods caused additional loss allowances

## Loans past due and loss allowances in balance sheet

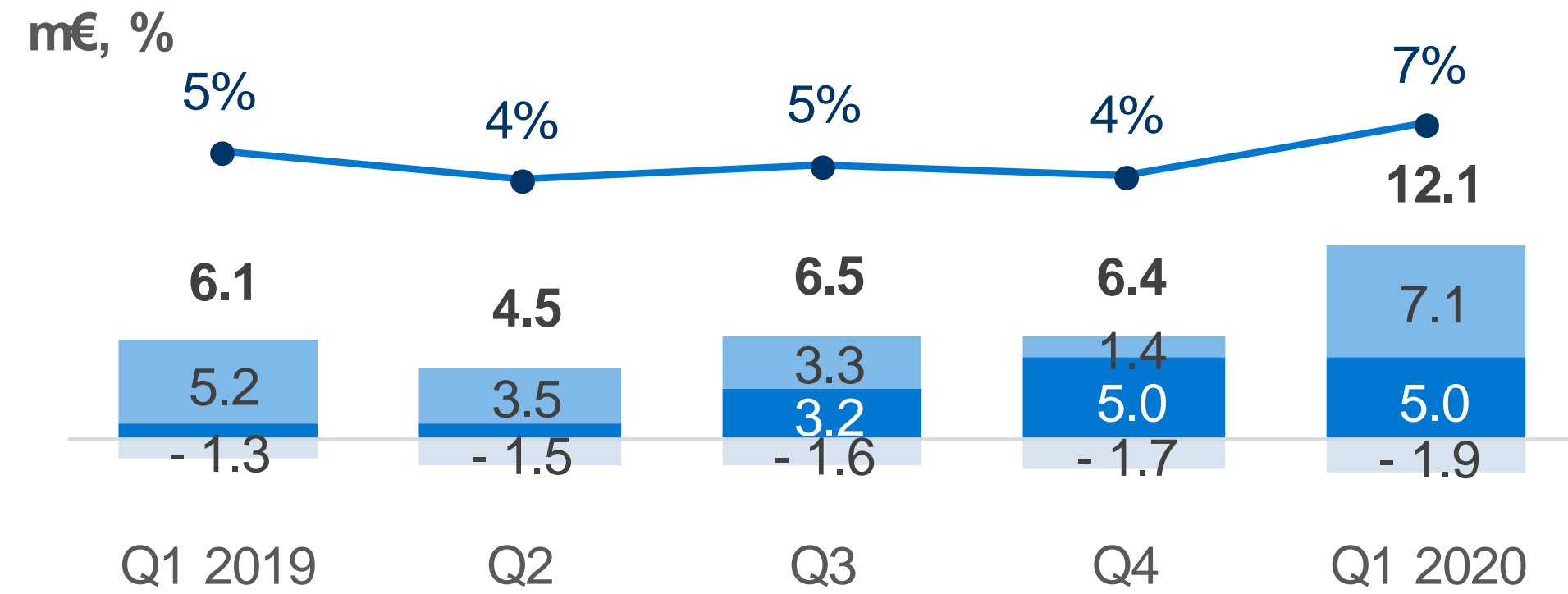


- Past due portfolio stays at 7%
- In relation of Coronavirus impact to economy, ca 0.4m€ of additional loss allowances were recognized in the end of Q1 2020
- Credit risk cost ratio 1% in Q1 2020 (0.5% in Q4 2019)

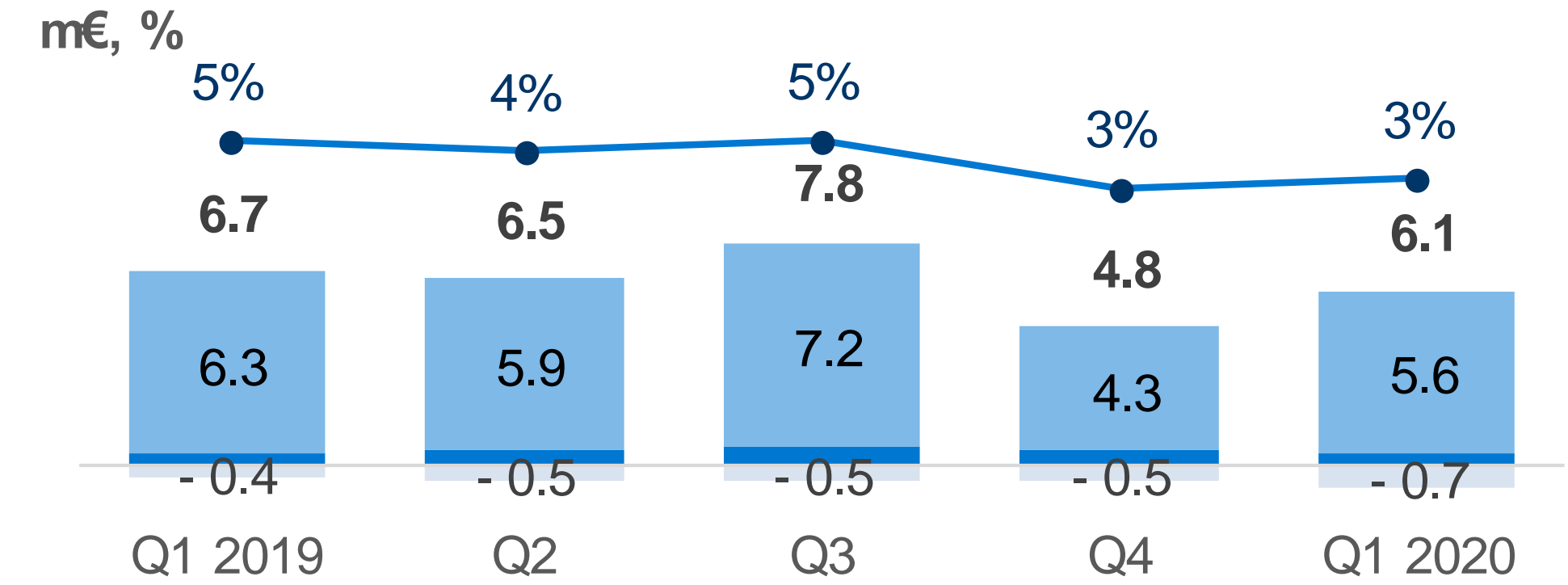
The chart shows total residual amount of loans past due; loss allowances in balance sheet; share of overdue contracts in total portfolio

# Loan portfolio quality by business lines

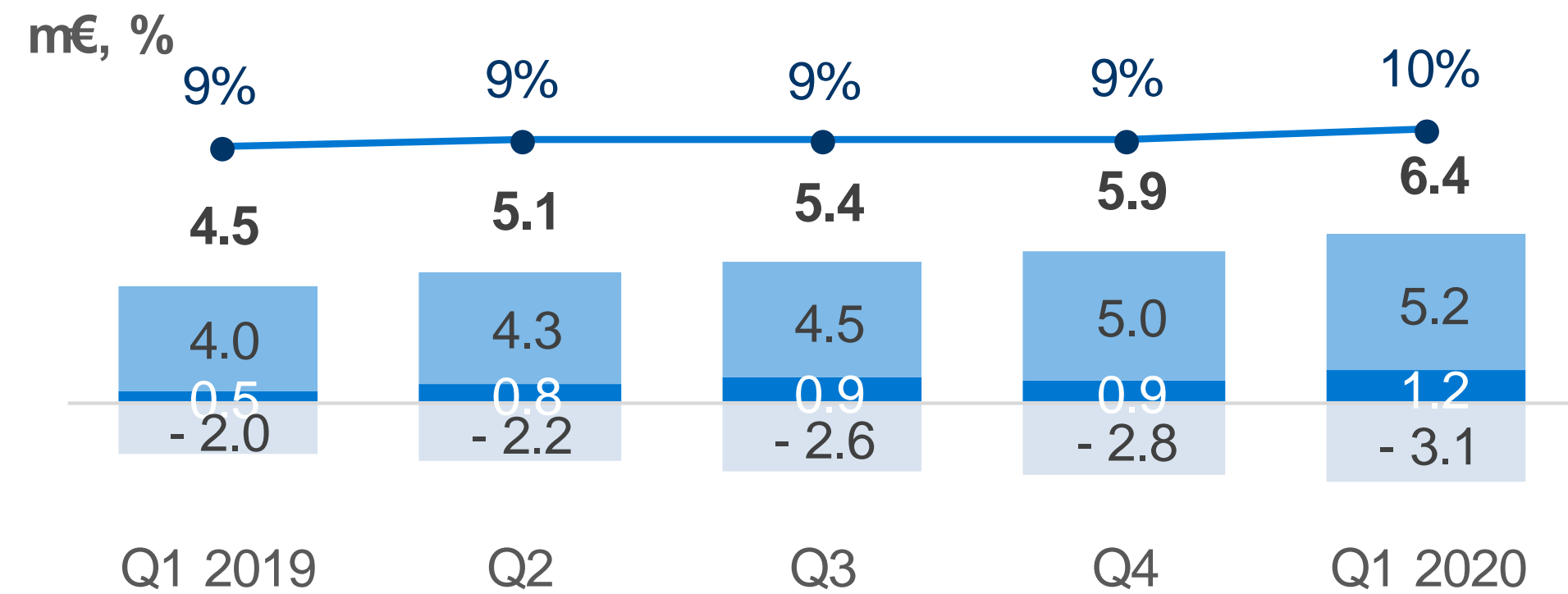
## Business loans



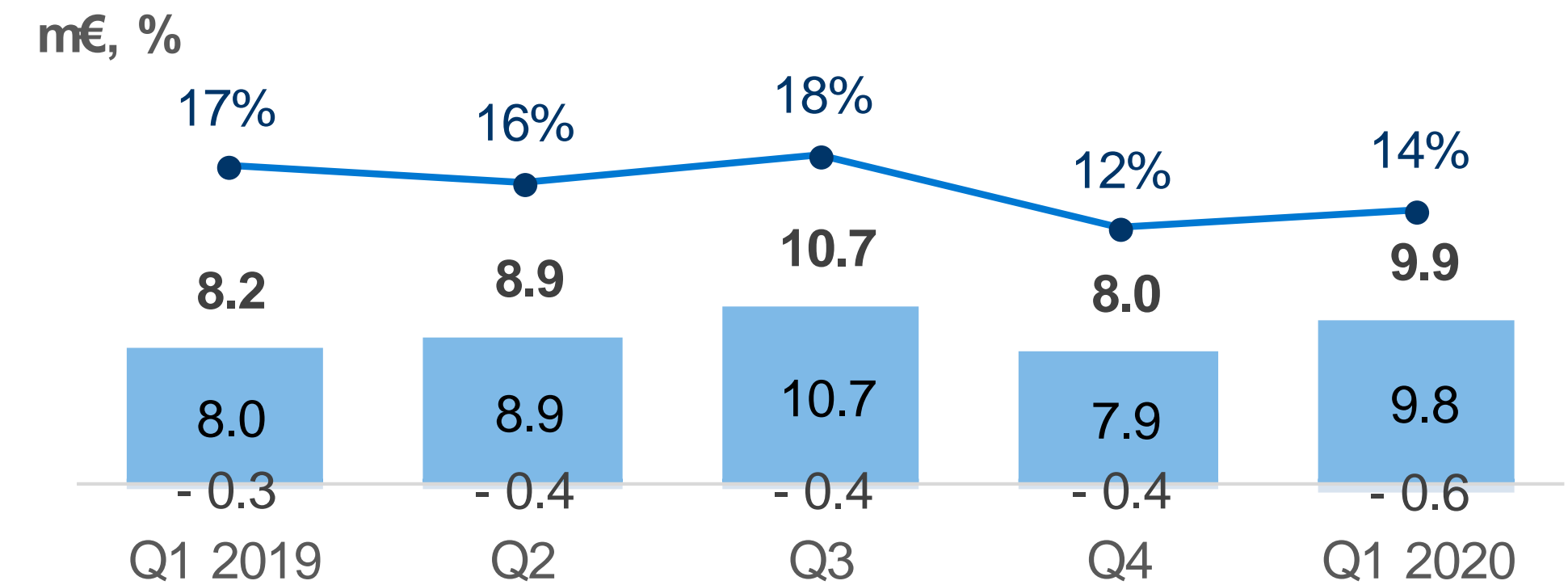
## Private mortgage loans



## Private consumer loans



## Leasing

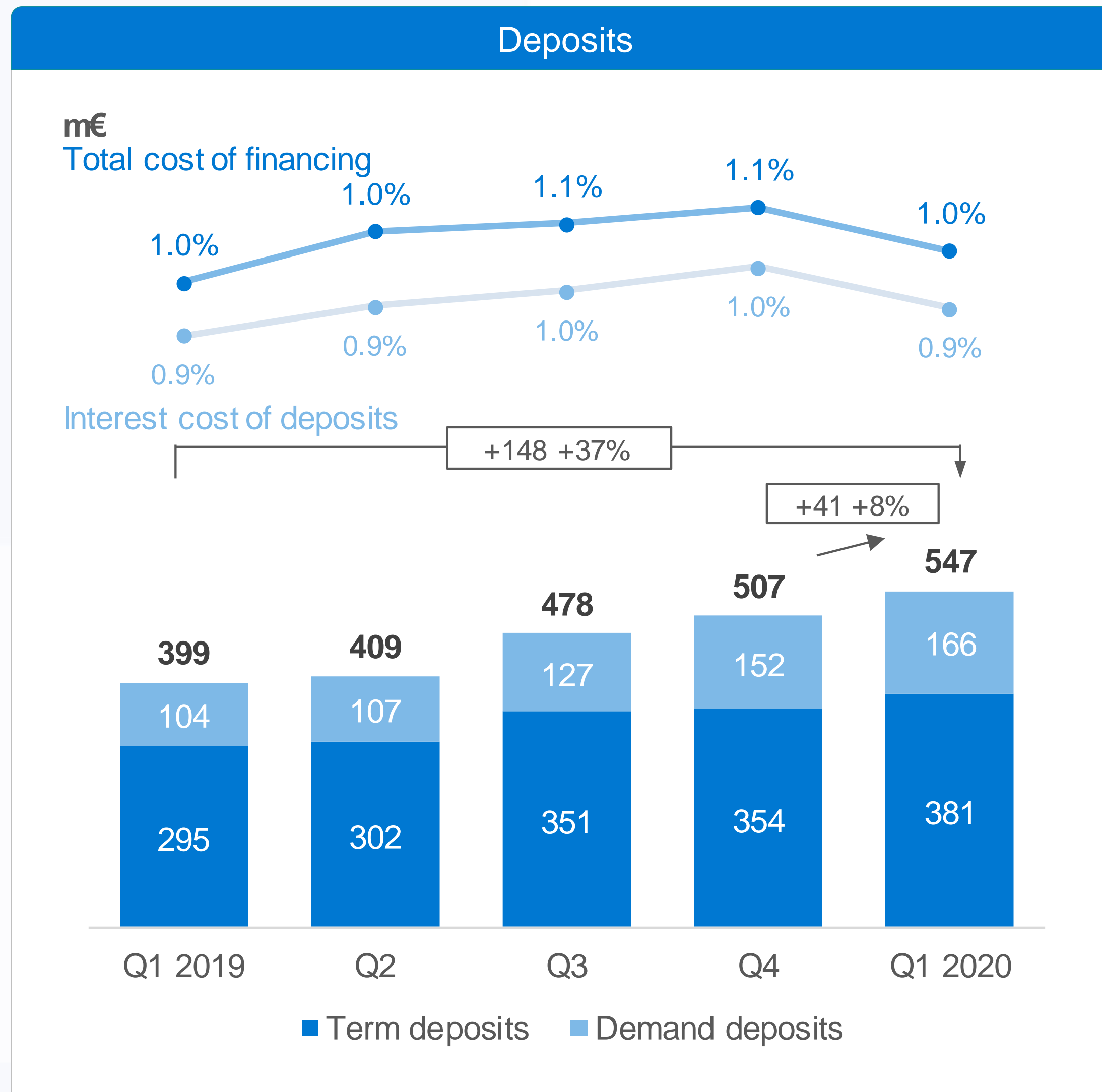


The chart shows total residual amount of loans past due; loss allowances in balance sheet; share of overdue contracts in total portfolio

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



# Amount of deposits increased, cost remains stable

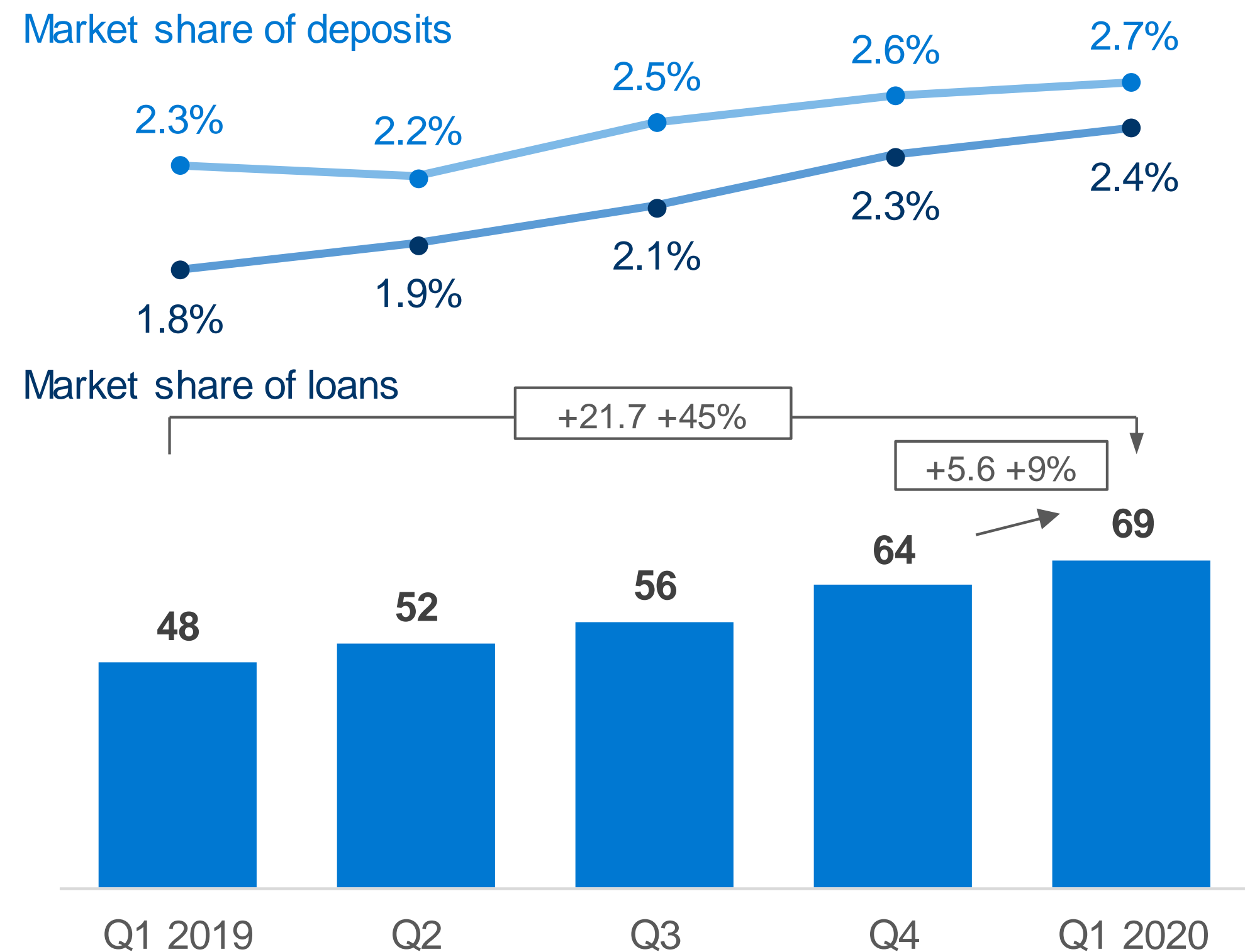


- Deposit growth +41m€ (+8%) (+29m€ in Q4 2019)
- Demand deposits grew +14m€ (+9%) as private customers' deposits increased
- Term deposits +27m€ (+8%)
  - +6m€ from private clients
  - +6m€ from business clients
  - +15m€ through Raisin platform
- Total cost if financing (1.0%) slightly lower QoQ due to favorable interest level in Raisin platform

# We are growing client base and market share

## Market share and number of bank clients

No of customers, thousand; market share %



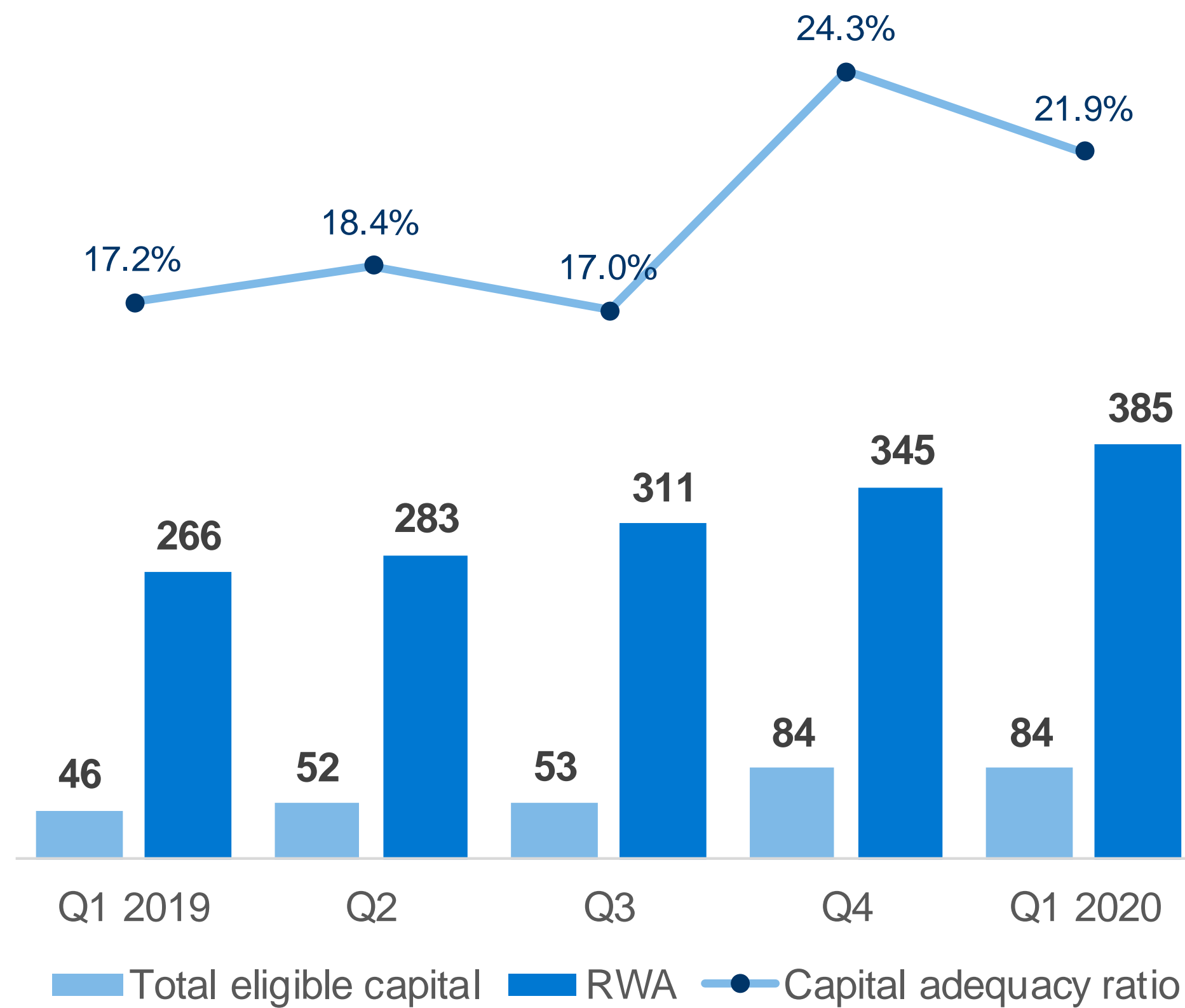
- 5 600 new clients with bank account in Q1 (+7 500 in Q4 2019; +4 600 in Q3 2019)
  - +5 100 private clients
  - +500 business clients
- Market share growth in Q1\*:
  - Market share in loan portfolio 2.6%→2.7%
  - Market share in deposits 2.3%→2.4%

\*Q1 2020 market share data as of February

# Capital base supports growth plans

## Quarterly capitalization

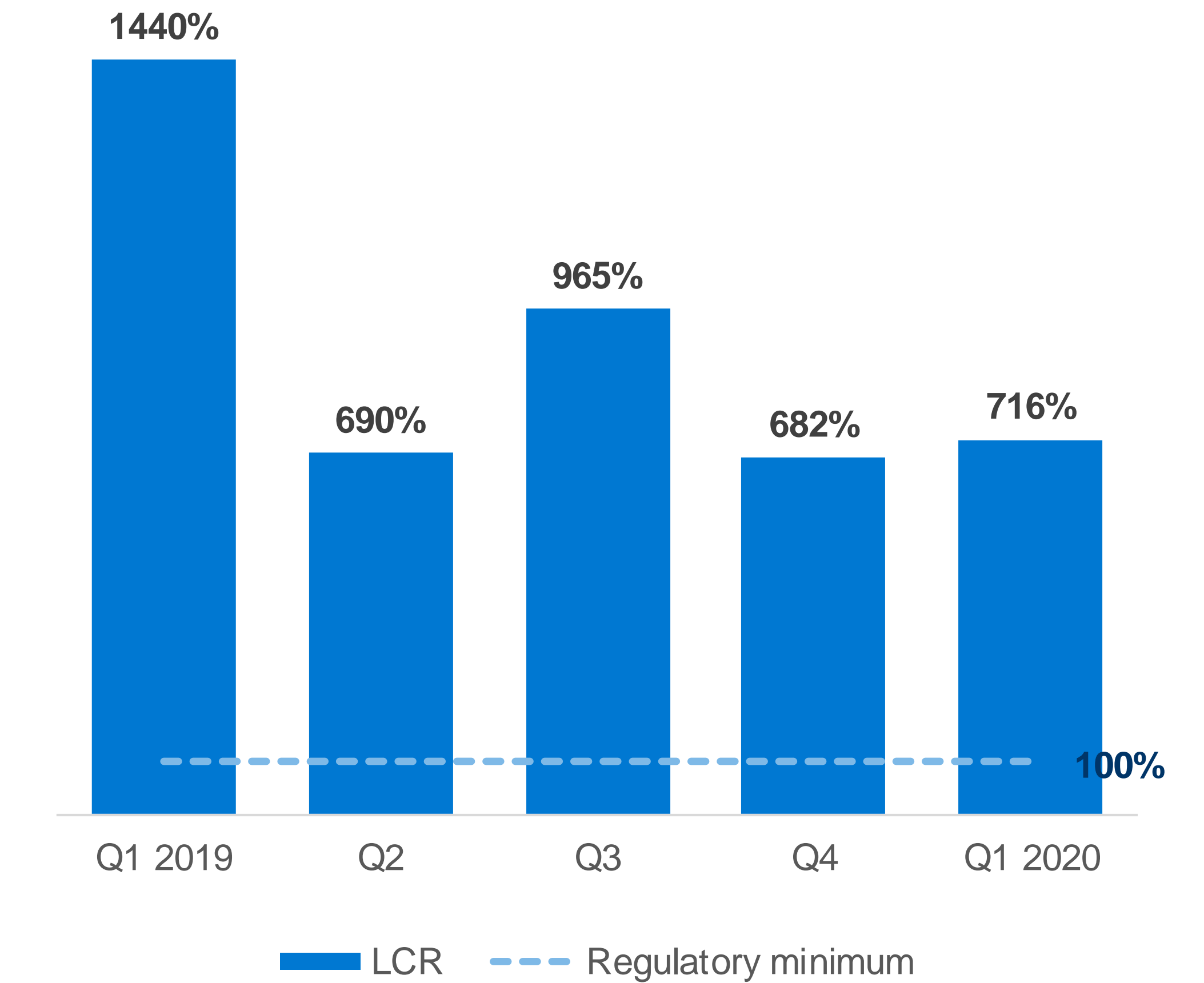
m€, %



Q1 2020 capital includes Q4 2019 audited net profit

## Liquidity coverage ratio (LCR)

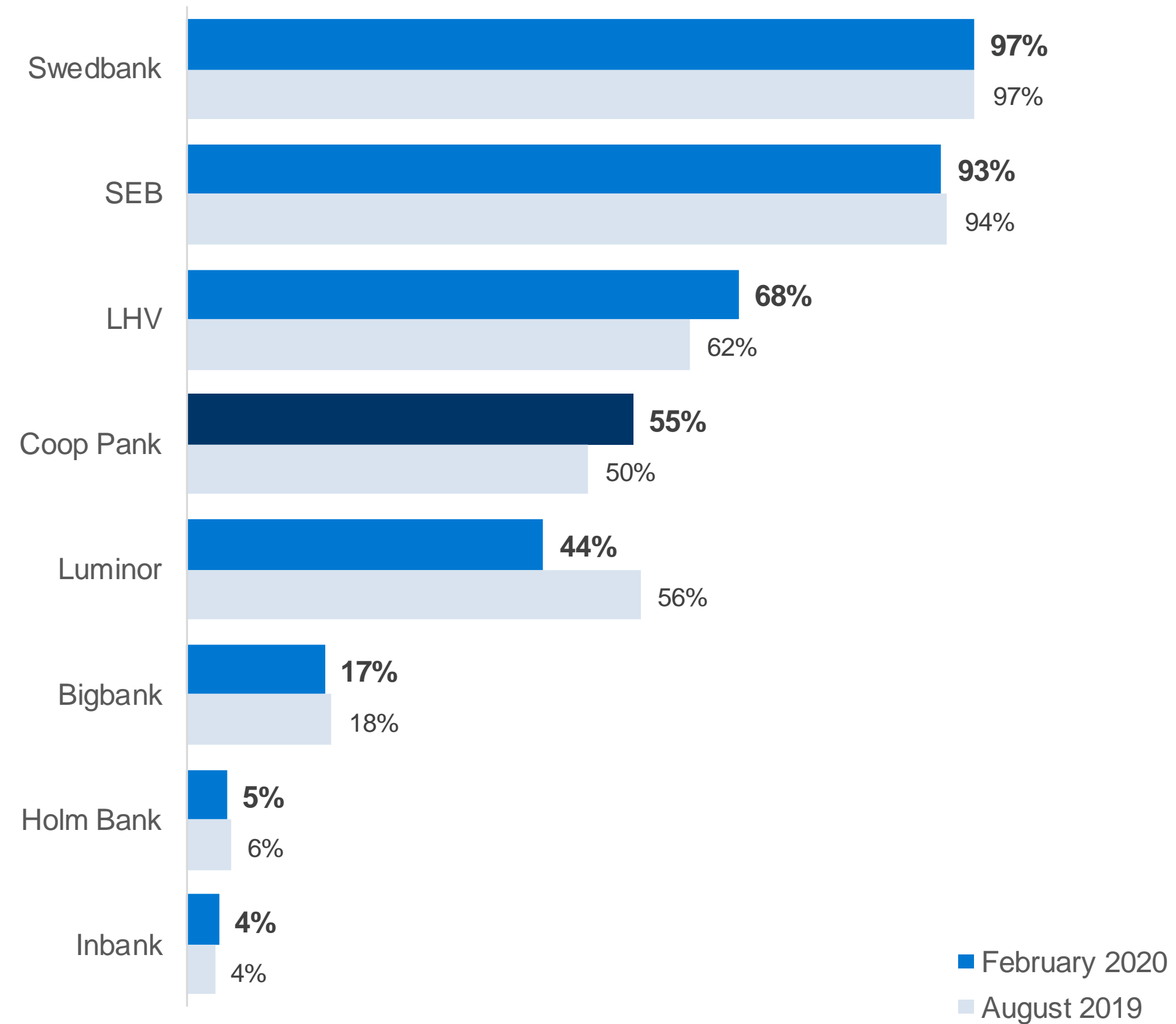
%



# Awareness of Coop Pank increased

## Brand awareness of Coop Pank

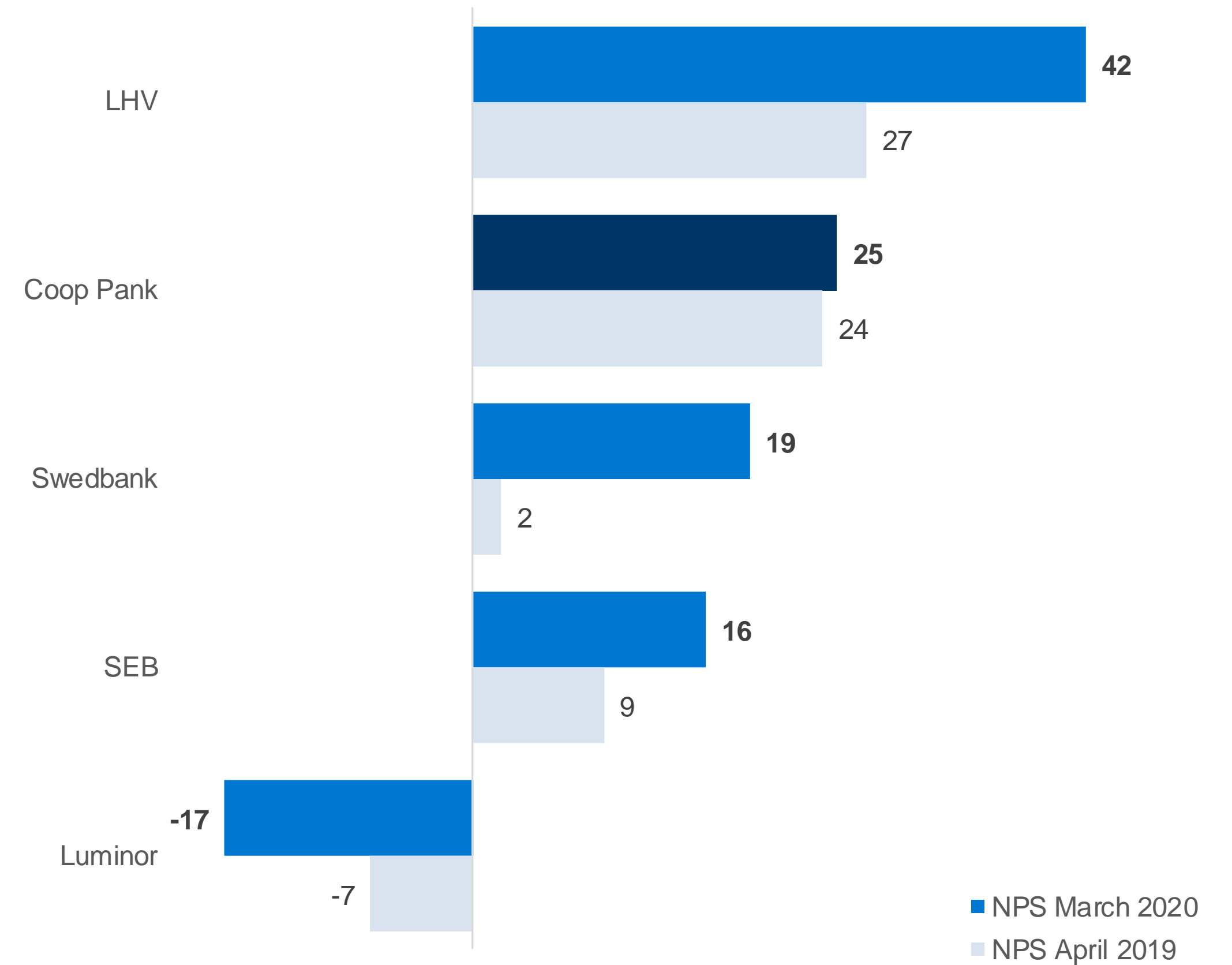
### Recognition of different banking brands



Source: reports of Initiative brand study, August 2019 and February 2020

## Recommendation index in banking sector

### Net Promoter Score (NPS) in banking sector

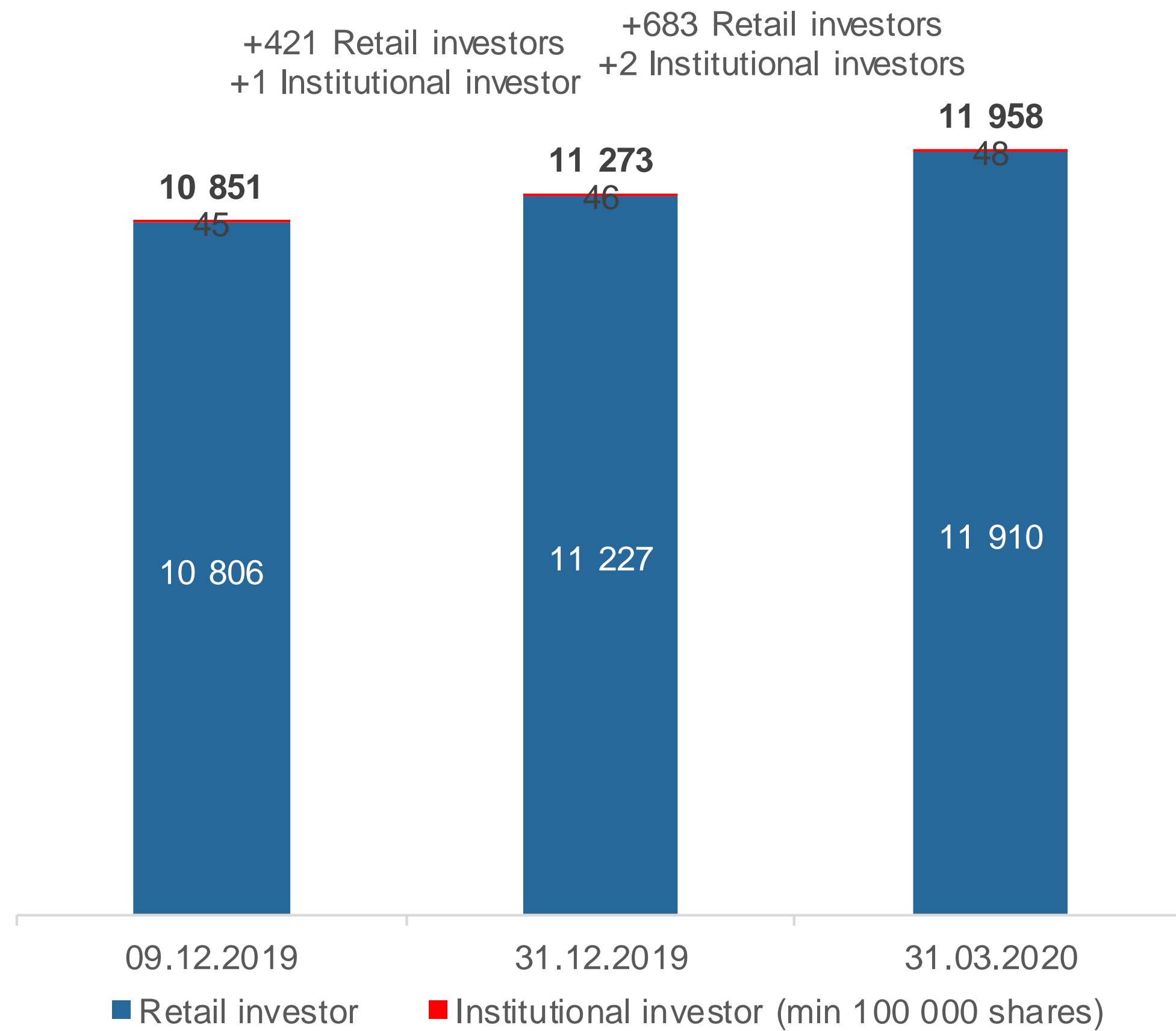


Source: Recommendation index of Estonian service companies. Kantar Emor, April 2019, March 2020

# Amount of shareholders has increased

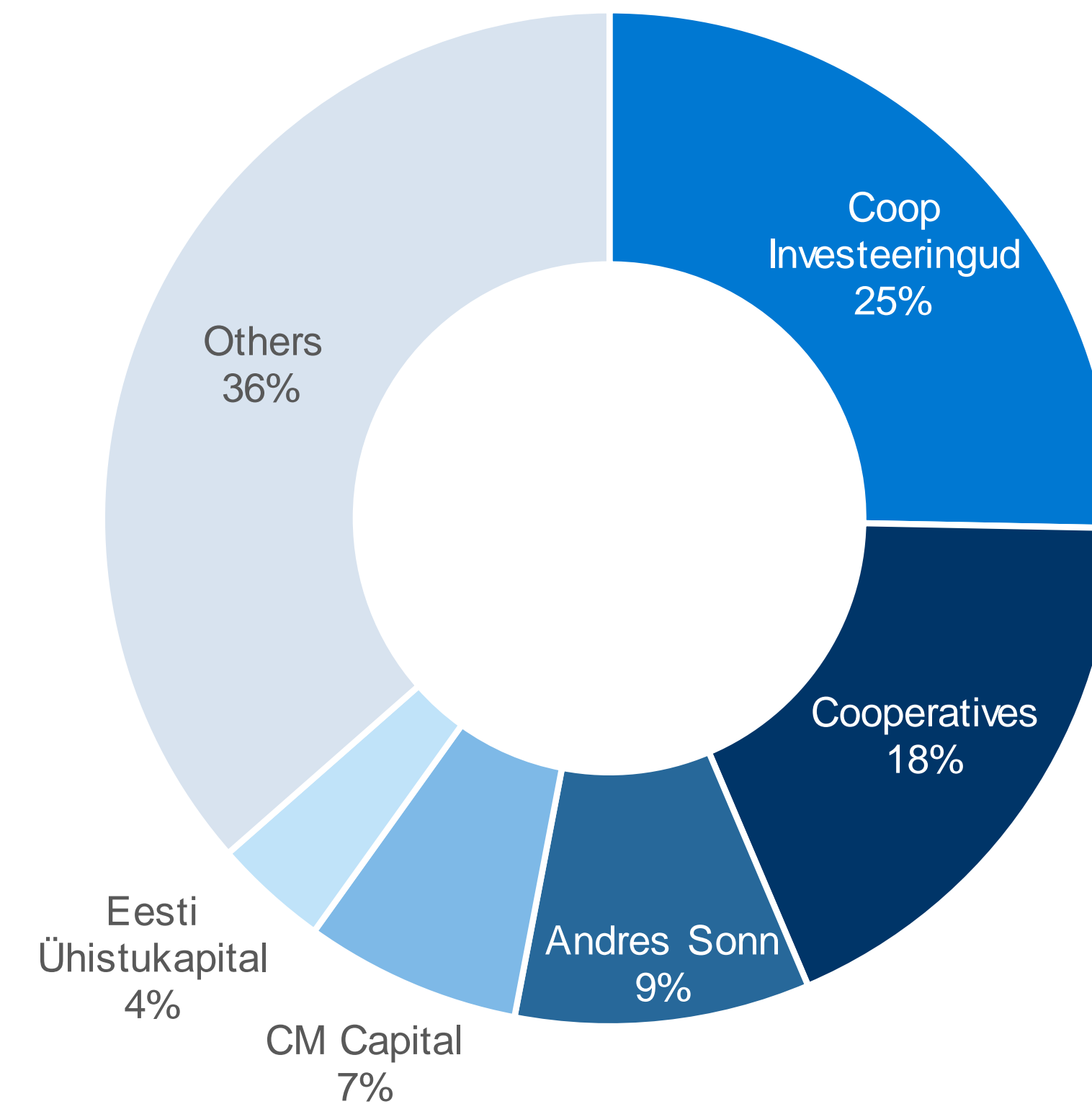
## Amount of Coop Pank shareholders

### No of shareholders



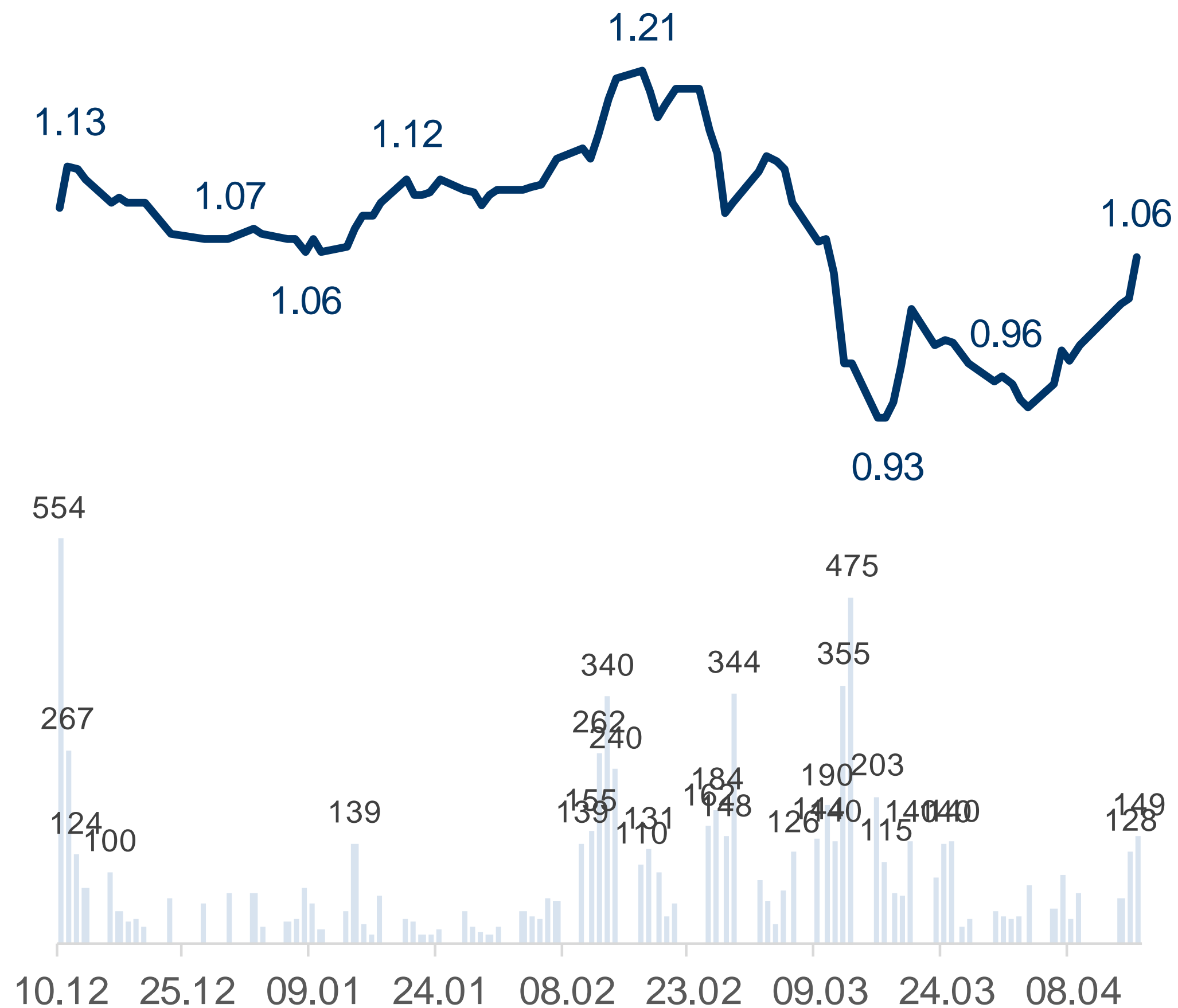
## TOP shareholders

### Shareholder distribution of Coop Pank as at 31.03.2020



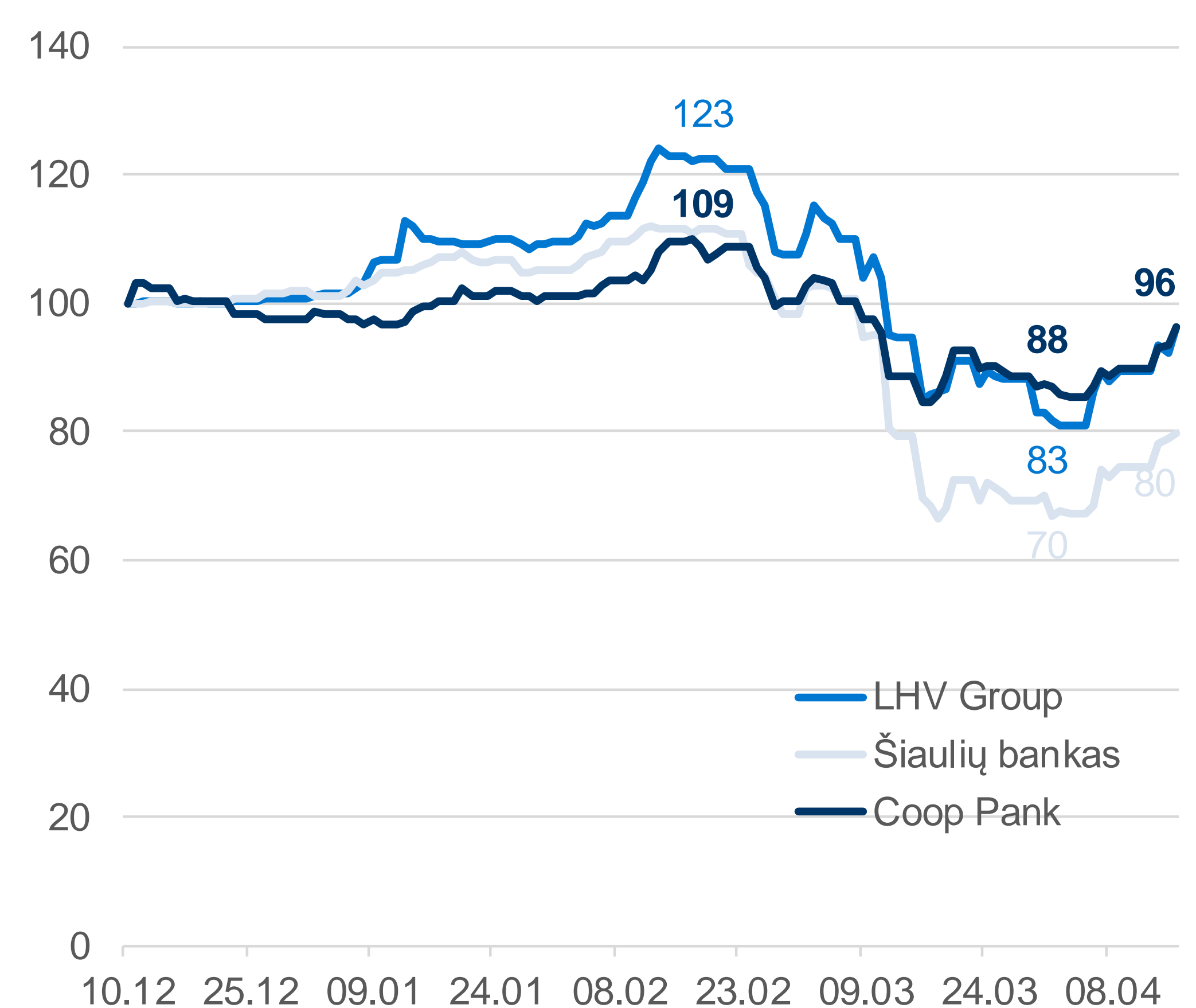
## Coop Pank share price and trading volume by dates

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: Q1 2020 results

- Loan portfolio increased by 44m€, deposits by 41m€
- 5 600 new clients
- Increase of effectiveness: revenues up by 5%, costs down by 4%
- 0.4m€ of additional loan impairments due to payment grace periods
- Strong capital position at the beginning of economic downturn
- 700 new shareholders in Q1 totalling shareholders amount to 12 000

**+5 600 clients**  
**1.5m€ profit**  
**700 new shareholders**

**Margus Rink**

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