

Company Coop Pank AS
Type Company Release
Category Other corporate action
Disclosure time 18 Jul 2024 08:00:00 +0300

Attachments:

- Coop Pank 2024 Q2 results_EN.pdf (<http://oam.fi.ee/en/download?id=8584>)
- Coop Pank 2024-06_EN.pdf (<http://oam.fi.ee/en/download?id=8585>)
- Interim report_6m 2024_EN.pdf (<http://oam.fi.ee/en/download?id=8586>)
- Coop Pank 2024 Q2 tulemused_ET.pdf (<http://oam.fi.ee/en/download?id=8587>)
- Coop Pank 2024-06_ET.pdf (<http://oam.fi.ee/en/download?id=8588>)
- Vahearuanne_6k 2024_ET.pdf (<http://oam.fi.ee/en/download?id=8589>)

Currency

Title Coop Pank unaudited financial results for Q2 2024

By the end of the Q2 2024, Coop Pank had 196,000 customers, increased by 7,000 customers in the quarter (+4%) and by 29,000 in the year (+17%). The bank had 89,500 active customers, increased by 5,100 (+6%) in the quarter and by 13,300 (+17%) in the year.

In Q2 2024, volume of deposits in Coop Pank increased by 46 million euros (+3%), reaching total of 1.74 billion euros. Deposits from private clients increased by 6 million euros: demand deposits increased by 17 million euros and term deposits decreased by 11 million euros. Deposits from domestic business customers increased by 39 million euros: demand deposits increased by 38 million euros and term deposits increased by 1 million euros. Deposits from the international deposit platform Raisin and other financing increased by 1 million euros. Compared to Q2 2023, volume of Coop Pank's deposits has decreased by 15 million euros (-1%). In an annual comparison, share of term deposits of total deposits has increased from 67% to 68%. In Q2 2024, the bank's financing cost was 3.3%, at the same time last year the financing cost was 2.1%.

In Q2 2024, net loan portfolio of Coop Pank increased by 90 million euros (+6%), reaching 1.62 billion euros. All financing business lines showed good growth. The volumes of business loan portfolio increased by 42 million euros (+6%), the volumes of home loan portfolio increased by 37 million euros (+6%), the leasing portfolio increased by 7 million euros (+4%) and consumer finance portfolio increased by 4 million euros (+4%). Compared to Q2 2023, total loan portfolio of Coop Pank has grown by 163 million euros (+11%).

In Q2 2024, overdue loan portfolio of Coop Pank decreased from the level of



2.4% to the level of 2.2%. A year ago, overdue loan portfolio was at the level of 2.0%.

Impairment costs of financial assets in Q2 2024 were 1.2 million euros, which is 0.7 million euros (+113%) more than in the previous quarter and 1,0 million euros (-45%) less than in Q2 2023.

Net income of Coop Pank in Q2 2024 was 20.5 million euros, increasing by 1% in a quarterly comparison and decreasing by 9% in an annual comparison. Operating expenses reached 10.1 million euros in Q2, operating expenses increased by 7% in the quarterly comparison and 18% in the annual comparison.

In Q2 2024, net profit of Coop Pank was 8 million euros, which is 12% less than in the previous quarter and 23% less than a year ago. In Q2 2024, cost to income ratio of the bank was 49% and return on equity was 16.4%.

As of 30 June 2024, Coop Pank has 36,900 shareholders.

Margus Rink, Chairman of the Management Board of Coop Pank, comments the results:

"In the second quarter, the success story of Coop Pank was a decent increase in business volumes. When in the cooled economic environment, the loan portfolio of the entire Estonian banking sector has increased by only nearly 350 million euros this year, our share was approximately one third of it. This means that we continue to grow our market share. Particularly active business took place in the home loan and car leasing segments. Also, the volume of business customers financing is increasing. The quality of the loan portfolio remains high, and today it can be said that we have made the right loan decisions in the past, which is proven by the fact that the economic crisis have not hit us.

The interest rate environment has been in a downward trend since last fall. However, the pace of decline has been slower than it was predicted at the end of last year. Both the interest on the loan portfolio and the interest paid on deposits have decreased. The first of them has changed more operatively, because here what happens in the market is converted into the bank's loan portfolio faster - the loan interest changes every 6 months. As interest rates on term deposits change mostly in 12 month increments, the effect of their conversion on the bank's balance has been slower. As a result of these trends, year-on-year our net interest margin fell from 4.6% to 3.6%, returning to the level of 2022.

We see significant increases in operating costs in the annual comparison primarily because in 2023 with informed management decisions we increased the number of employees by 66. This year, the increase has been only 13 employees, and the quarterly increase in expenses is in line with the increase in business volumes.

In summary, with the bank's performance indicators, after the extraordinary year of 2023 with high interest levels, we are back in reality, i.e. at the level of



2022. According to Coop Pank's long-term goals, our cost-income ratio is below 50% and our return on equity is above 15%."

Income statement, in th. of euros	Q2 2024	Q1 2024	Q2 2023	6M 2024	6M 2023
Net interest income	19 319	19 082	21 044	38 400	39 416
Net fee and commission income	1 000	1 014	1 183	2 015	2 211
Net other income	146	125	163	271	424
Total net income	20 465	20 221	22 390	40 686	42 051
Payroll expenses	-5 858	-5 409	-4 900	-11 267	-9 445
Marketing expenses	-775	-533	-633	-1 308	-1 045
Rental and office expenses, depr. of tangible assets	-775	-795	-726	-1 570	-1 425
IT expenses and depr. of intangible assets	-1 474	-1 405	-1 082	-2 879	-2 237
Other operating expenses	-1 208	-1 286	-1 224	-2 494	-2 008
Total operating expenses	-10 091	-9 427	-8 565	-19 518	-16 160
Net profit before impairment losses	10 374	10 794	13 825	21 168	25 891
Impairment costs on financial assets	-1 224	-576	-2 232	-1 800	-3 859
Net profit before income tax	9 150	10 218	11 593	19 368	22 032
Income tax expenses	-1 152	-1 080	-1 227	-2 232	-2 291
Net profit for the period	7 998	9 138	10 366	17 136	19 741
Earnings per share, eur	0,08	0,09	0,10	0,17	0,19
Diluted earnings per share, eur	0,08	0,09	0,10	0,16	0,19
Statement of financial position, in th. of euros	30.06.2024	31.03.2024	31.12.2023	30.06.2023	
Cash and cash equivalents	335 710	380 644	428 354	459 631	



Debt securities	36 980	36 460	36 421	27 877
Loans to customers	1 621 000	1 531 038	1 490 873	1 458 201
Other assets	32 608	31 320	30 564	32 500

Total assets	2 026 298	1 979 461	1 986 212	1 978 209

Customer deposits and loans received	1 739 709	1 693 254	1 721 765	1 754 746
Other liabilities	28 121	27 698	28 435	19 967
Subordinated debt	63 148	63 239	50 187	38 139

Total liabilities	1 830 978	1 784 191	1 800 387	1 812 852

Equity	195 270	185 825	158 549	

Total liabilities and equity	1 979 461	1 986 212	1 729 876	

The reports of Coop Pank are available at: <https://www.cooppank.ee/en/reporting>

Coop Pank will organise a webinar on 18 July 2024 at 9:00 AM, to present the financial results of Q2 2024. For participation, please register in advance at: <https://bit.ly/CP-18072024-registreerumine>

The webinar will be recorded and published on the company's website www.cooppank.ee (<http://www.cooppank.ee>) and on the YouTube channel (<https://www.youtube.com/@cooppank>).

Coop Pank, based on Estonian capital, is one of the five universal banks operating in Estonia. The bank has 196,000 daily banking clients. Coop Pank aims to put the synergy generated by the interaction of retail business and banking to good use and to bring everyday banking services closer to people's homes. The strategic shareholder of the bank is the domestic retail chain Coop Eesti, comprising of 320 stores.

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