

Company Coop Pank AS
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Attachments:

- CoopPank-10003179951-en.pdf (<http://oam.fi.ee/en/download?id=4321>)
- CoopPank-10003179952-en.pdf (<http://oam.fi.ee/en/download?id=4323>)
- CoopPank-10003179954-et.pdf (<http://oam.fi.ee/en/download?id=4325>)
- CoopPank-10003179955-et.pdf (<http://oam.fi.ee/en/download?id=4326>)

Currency

Title Unaudited financial results of Coop Pank for Q4 and 12 months of 2019

Coop Pank increased its business volumes by 40% for the third consecutive year.

Coop Pank's loan portfolio reached EUR 460 million in 2019 having increased by EUR 131 million or 40% over the year. Car leasing and business loans business lines showed the highest growth, increasing their portfolios by 60% and 50%, respectively. Home loan portfolio showed the 29% and consumer finance portfolio 25% annual growth. The market share of the bank's loans was 2.3% at the end of 2019, showing the annual increase by 0.6 pp.

The quality of the loan portfolio remained high. In 2019, the provisions made on loan portfolios to account for potential future credit losses were made in sync with the growth of the loan portfolio, i.e. 39% more than in 2018.

As at the end of 2019, Coop Pank's deposits totalled EUR 507 million, having increased by EUR 122 million or 32% over the year. Term deposits increased by 34% and demand deposits by 26%. Considering the above, the bank's financing cost increased from 0.8% to 1%. The market share of the bank's deposits grew from 2.2% to 2.6%.

In 2019, the profit of Coop Pank reached EUR 5.5 million, having grown by 16% over the year. The annual increase of bank's income was 20%. The net interest income served as the biggest contributor to the increase of income with its 23% annual growth. Fee and commission income increased by 3% year on year. The annual increase of bank's operating expenses was 20%. The biggest impact here was the increase in IT expense, which grew by 53% year on year, as well as by payroll expense with the 21% increase.

The bank's return on equity was at 10% and the cost-to-income ratio remained at



69%.

Results for Q4

The fourth quarter of 2019 was record-breaking for Coop Pank in terms of both number of customers and growth in business volumes. The number of clients increased by 7,500 over the quarter, reaching 63,800 customers, the bank's net loan portfolio increased by EUR 42 million reaching EUR 460 million, and the volume of deposits increased by EUR 29 million, reaching the total of EUR 507 million.

In Q4 of 2019 the bank earned the net profit of EUR 1.58 million.

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

"2019 was a successful year for Coop Pank, we met all the set goals. For the third year in a row, we were able to increase our business volumes by 40% while increasing our profits. The results show that the distinctive strategy developed three years ago has proved successful.

The growth of the number of Coop Pank clients has accelerated year by year. At the end of 2019, the bank's customer base reached 63,800, having increased by 18,700 or 41% over the year (in comparison, the growth of 2018 was +9,000 and +4600 in 2017). The number of private clients increased by 17,100 in 2019 and the number of business customers by 1,600.

Last year's most significant updates in client value proposition were the instant interbank payments, the opportunity to earn up to 1% pa on current account balances for private clients and up to 0.25% pa on demand deposits for corporate clients.

In cooperation with Coop, Estonia's largest retail chain, Coop Pank launched an innovative cash deposit service for retail and corporate customers at Coop's cash desks last summer. Bank customers can now make cash deposits and withdrawals at more than 300 Coop stores across Estonia. In November, we upgraded Coop Pank's debit card customers to the highest level of Coop's loyalty programme, offering the best prices and earning 10% extra bonus points on purchases when paying with bank's debit card at Coop stores.

In the autumn, we started offering car leasing at Coop stores, allowing the clients to familiarize themselves with new passenger car models and leasing terms, and immediately submit a pre-established leasing application.

In August 2019, we founded Coop Kindlustusmaakler (insurance broker) for providing our home loan and leasing clients with the insurance solutions that best suit their needs.

To support the growth strategy of Coop Pank, the bank issued subordinated bonds worth EUR 2 million to LHV Pension Funds. In June the shareholders decided to increase bank's share capital by EUR 4 million. During the initial public



offering of Coop Pank shares in last November the bank raised EUR 31 million and on 10 December the shares of the bank were listed on the Nasdaq Tallinn Stock Exchange.

As at 31.12.2019, Coop Pank has 11,273 shareholders. The number of shareholders, compared to the participants in the bank's initial public offering, has increased by 421.

We want to be close to our customers, to provide innovative and very distinctive banking products and services. We will continue to implement a differentiated strategy based on the integration of banking and retailing, and work to deliver the promises to our shareholders for 2020-2022."

Income statement, EUR thousand	Q4 2019	2019	Q4 2018	2018
Net interest income	5 819	20 689	4 983	16 779
Net fee and commission income	675	2 372	463	2 302
Other net income	262	658	125	687
Total net income	6 756	23 719	5 571	19 768
Payroll expense	-2 710	-9 880	-2 131	-8 177
Marketing expense	-317	-1 006	-268	-1 122
IT expense and depreciation of intangible assets	-444	-1 501	-272	-982
Rental and office expense, depreciation of property, plant and equipment	-550	-1 931	-459	-1 673
Other operating expense	-614	-1 943	-463	-1 647
Total operating expense	-4 635	-16 261	-3 593	-13 601
Net profit before impairment losses on loans and advances	2 121	7 458	1 978	6 167
Impairment losses on loans and advances	-538	-1 931	-313	-1 392
Profit/loss before income tax	1 583	5 527	1 665	4 775
Income tax	0	0	-22	-22
Net profit for the reporting period	1 583	5 527	1 643	4 753
Basic and diluted earnings per share	0,02	0,09	0,03	0,08



Balance sheet, EUR thousand	31.12.2019	31.12.2018
Cash and cash equivalents	122 295	88 030
Debt securities	4 061	9 130
Loans to customers	460 460	328 723
Other assets	24 486	20 395
Total assets	611 302	446 278
Customer deposits and loans received	506 531	385 118
Other liabilities	8 356	6 971
Subordinated debt	7 064	5 026
Total liabilities	521 951	397 115
Shareholder's equity	89 351	49 163
Total liabilities and equity	611 302	446 278

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

Coop Pank will hold an Investor Webinar to introduce the results of the year 2019. Webinar is scheduled on 11(th) of February 2020 at 10 am (EET). The webinar will be held in Estonian. To join the webinar, you need to register in advance via following link:

<https://attendee.gotowebinar.com/register/2435602278496533004>
 (https://www.globenewswire.com/Tracker?data=uik7CwAeljeMZmnI8c67vsS8jyBT7_lVCnTd
 gUaodBGhfzDpOIiSsaYpPI92k-64-sGI3pEvcoRl9Hr9I-
 _gmFF77WQTF2NKNoQk5ktcHNphGeoqU4z753Aqt5Itoc2nHBTwgFIxt3qIx7oi76yslwaoC_mXkeUxC7
 ZyONDnsaMjvVJPnx6_K64n84LdcpWgkI9td07YdZXFVIwFyzHR-Q==)

The webinar will be recorded and available online for everyone on Coop Pank webpage www.cooppank.ee
 (https://www.globenewswire.com/Tracker?data=ysaYE2aduEcKrKAVh7DYM6LiE28UTJqD7xkd
 SPeY2t-8glSNNf3zmGgGz59--m-ZGdW8mZfR_aEVv-L5dz38qQ==) and Nasdaq Baltic
 youtube.com account.

Coop Pank, based on Estonian capital, is one of the five universal banks operating in Estonia. The number of clients using Coop Pank for their daily banking reached 65,700. 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 340 stores.

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