Company	Coop Pank AS
Type	Company Release
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Attachments:
- Coop Pank 2023 Q2 results_EN.pdf (http://oam.fi.ee/en/download?id=7571)
- Coop Pank 2023-06_EN.pdf (http://oam.fi.ee/en/download?id=7572)
- Interim report_6m 2023_EN.pdf (http://oam.fi.ee/en/download?id=7573)
- Coop Pank 2023 Q2 tulemused_ET.pdf (http://oam.fi.ee/en/download?id=7574)
- Coop Pank 2023-06_ET.pdf (http://oam.fi.ee/en/download?id=7575)
- Vahearuanne_6k 2023_ET.pdf (http://oam.fi.ee/en/download?id=7576)

Currency

Title Coop Pank unaudited financial results for Q2 2023

By the end of the Q2 2023, Coop Pank had 167,000 customers, during the quarter the number of customers increased by 12,000 (+8%). The bank had 76,100 active customers, during the quarter the number of active customers increased by 6,000 (+9%).

In Q2 2023, volume of deposits in Coop Pank increased by 242 million euros (+16%), reaching total of 1.76 billion euros. Deposits from private clients showed the fastest growth, increasing by 127 million euros: demand deposits decreased by 30 million euros and term deposits increased by 155 million euros. Deposits from domestic business customers increased by 107 million euros: demand deposits decreased by 1 million euro and term deposits increased by 108 million euros. Deposits from international deposit platform Raisin and other financing increased by 10 million euros. Compared to Q2 2022, volume of Coop Pank's deposits has increased by 506 million euros (+41%). In an annual comparison, share of term deposits of total deposits has increased from 51% to 67%. In Q2 2023, the bank's financing cost was 1.8%, at the same time last year the financing cost was 0.5%.

In Q2 2023, net loan portfolio of Coop Pank increased by 111 million euros (+8%), reaching 1.46 billion euros. Business loans portfolio showed the fastest growth, increasing the volume by 53 million euros (+9%). Home loans portfolio increased by 34 million euros (+6%), leasing portfolio increased by 17 million euros (+12%) and consumer finance portfolio increased by 8 million euros (+9%). Compared to Q2 2022, total loan portfolio of Coop Pank has grown by 327 million euros (+29%).

In Q2 2023, overdue loan portfolio of Coop Pank increased from the level of 1.8% to the level of 2.0%. A year ago, overdue loan portfolio was at the level of 1.7%.

Impairment costs of financial assets in Q2 2023 were 2.2 million euros, which is 1.1 million euros (+89%) more than in Q2 2022.

Net income of Coop Pank in Q2 2023 was 22.4 million euros, having grown 14% over the quarter and 76% over the year. Operating expenses reached 8.6 million euros in Q2 - operating expenses increased 13% in the quarterly comparison and 30% in the annual comparison.

In Q2 2023, net profit of Coop Pank was 10.4 million euros, which is 11% more than in the previous quarter and 126% more than a year ago. In Q2 2023, cost to income ratio of the bank was 38% and return on equity was 25.6%.

As of 30 June 2023, Coop Pank has 37,000 shareholders, 500 (+1.3%) shareholders have been added over the quarter.

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

"Coop Pank increased its business volume at a record pace in the second quarter. All business lines were behind the growth of the loan portfolio: business loan, home loan, car leasing and consumer financing. This shows that despite the fragile macroeconomic environment and increased interest rates, the demand for loans in the market is still high.

We see that companies and households are coping well with the rising loan payments due to the rapid rise in Euribor. The good management of loan payments is due to the fact, that unemployment continues to be low, people's incomes are growing, inflation is receding and lending has taken place responsibly. However, we do see some growth in short-term debts, but we must consider that the level of debtors was just at an all-time low level. Short-term debts are generally paid before the next loan payment, and in consequence the quality of the loan portfolio remains good.

Attracting deposits has become a serious challenge. In the market, deposits have not increased since the beginning of the year - deposits of private individuals have increased by 0.5 billion euros, and deposits of corporate clients have decreased by the same amount. This has increased the competition of banks for the available resource. As money has come to have a price, a large amount of demand deposits is converting to term deposits with a higher interest rate. The bank's shareholders may not be happy about it, but customers and depositors are clearly the winners of that.

Coop Pank's second quarter income growth is due to the record growth of business volumes as well as additional interest income resulting from the rise in Euribor. In expenses, we see increasing interest expenses. We have also increased future-oriented loan provisions due to the weak macro-economic environment.

The second quarter ended with Coop Pank's best quarterly net profit (10.4 million euros), the lowest cost-to-income ratio (38%) and a record return on equity (25.6%)."

Income statement, in th. of euros	Q2 2023	Q1 2023	Q2 2022	6M 2023	6M 2022
Net interest income	21 044	18 372	11 629	39 416	22 224
Net fee and commission income	1 183	1 028	904	2 211	1 699
Net other income	163	261	224	424	327
Total net income	22 390	19 661	12 757	42 051	24 250
Payroll expenses	-4 900	-4 542	-3 780	-9 445	-7 229
Marketing expenses	-633	-412	-399	-1 045	-790
Rental and office expenses, depr. of tangible assets	-726	-700	-669	-1 425	-1 357
IT expenses and depr. of intangible assets	-1 082	-1 155	-1 115	-2 236	-2 089
Other operating expenses	-1 224	-788	-647	-2 012	-1 344
Total operating expenses	-8 565	-7 595	-6 610	-16 160	-12 809
Net profit before impairment losses	13 825	12 066	6 147	25 891	11 441
Impairment costs on financial assets	-2 232	-1 627	-1 181	-3 859	-2 675
Net profit before income tax	11 593	10 439	4 966	22 032	8 766
Income tax expenses	-1 227	-1 063	-378	-2 291	-677
Net profit for the period	10 366	9 375	4 588	19 741	8 089

Statement of financial position, in th. of euros	30.06.2023	31.03.2023	31.12.2022	30.06.2022
Cash and cash equivalents	459 631	334 074	364 878	261 821
Debt securities	27 877	18 931	18 747	4 968

Loans to customers	1 458 201	1 346 822	1 300 775	1 131 367
Other assets	32 500	30 048	29 776	30 711
Total assets	1 978 209	1 729 876	1 714 176	1 428 868
Customer deposits and loans received	1 754 746	1 512 627	1 508 126	1 248 711
Other liabilities	19 967	20 599	18 795	19 707
Subordinated debt	38 139	38 101	38 139	43 164
Total liabilities	1 812 852	1 571 327	1 565 061	1 311 582
Equity	165 357	158 550	149 116	117 287
Total liabilities and equity	1 978 209	1 729 876	1 714 176	1 428 868

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

Coop Pank will organise a webinar on 20 July 2023 at 9:00 AM, to present the financial results of Q2 2023. For participation, please register in advance at: https://bit.ly/CP-20-07-veebiseminar-registreerimine

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

Coop Pank, based on Estonian capital, is one of the five universal banks operating in Estonia. The bank has 167,000 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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