



# Initial Public Offering of the shares

18. november 2019

# Disclaimer

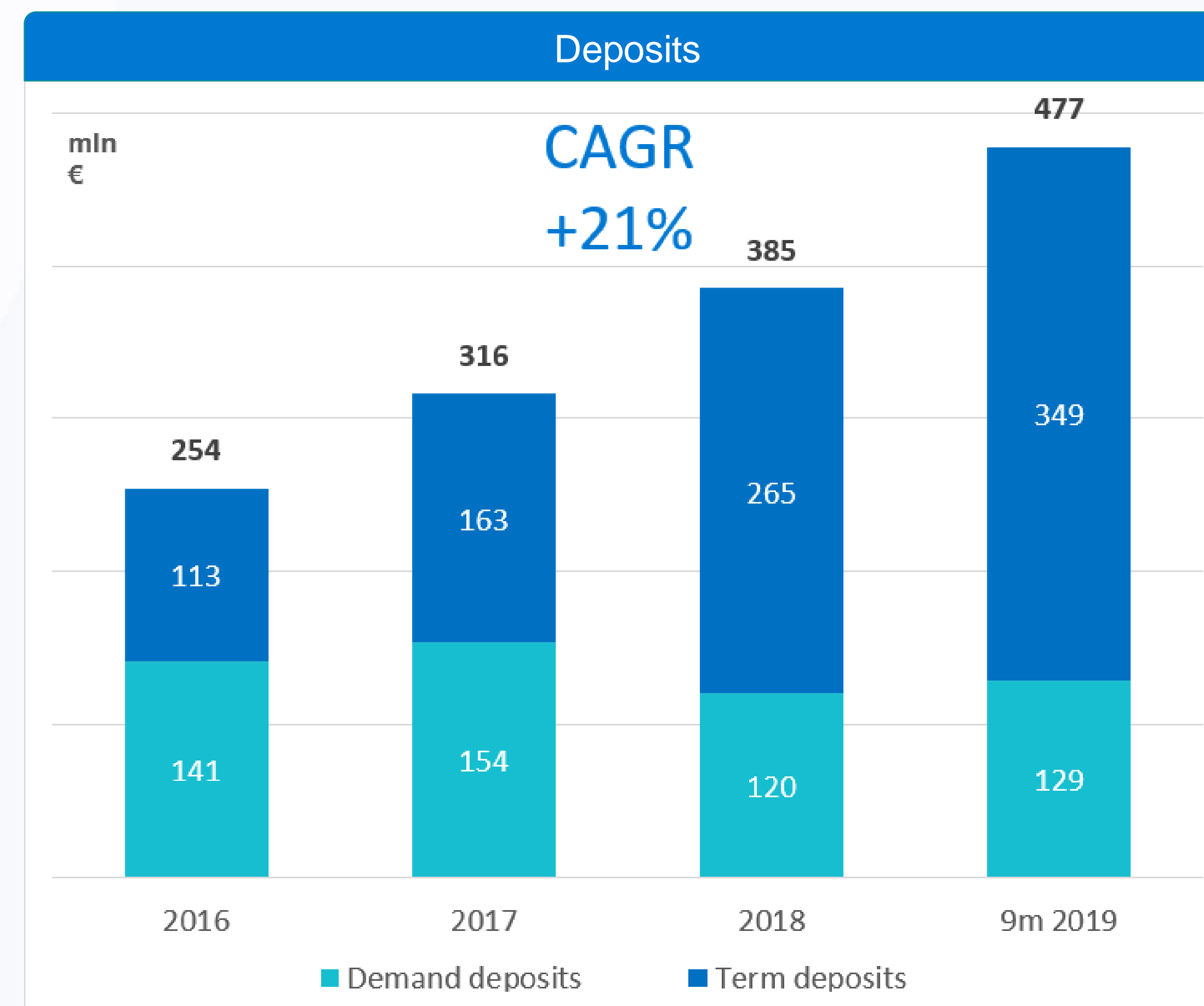
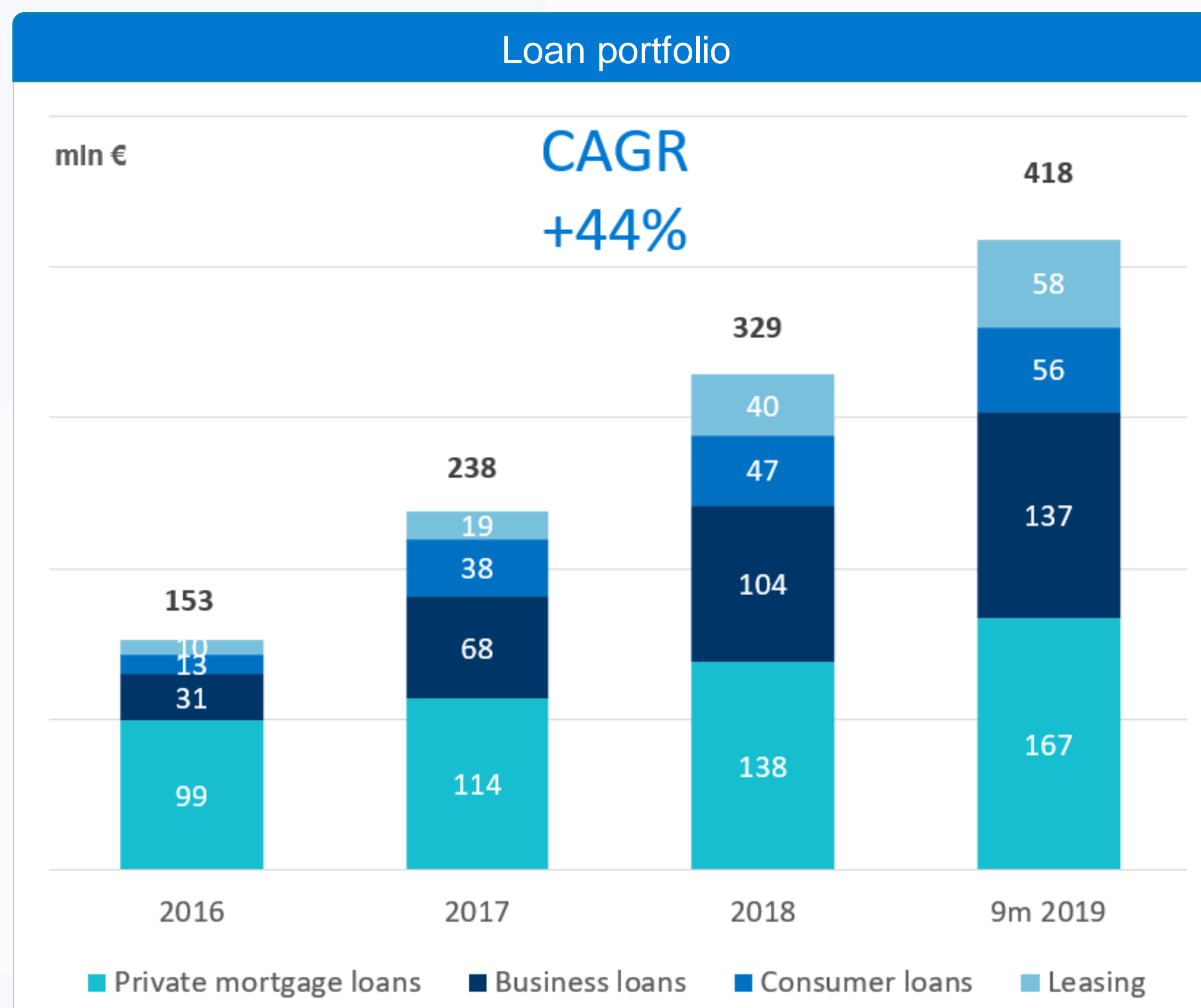
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Results 2017-2019

Strategy, targets 2020-2022

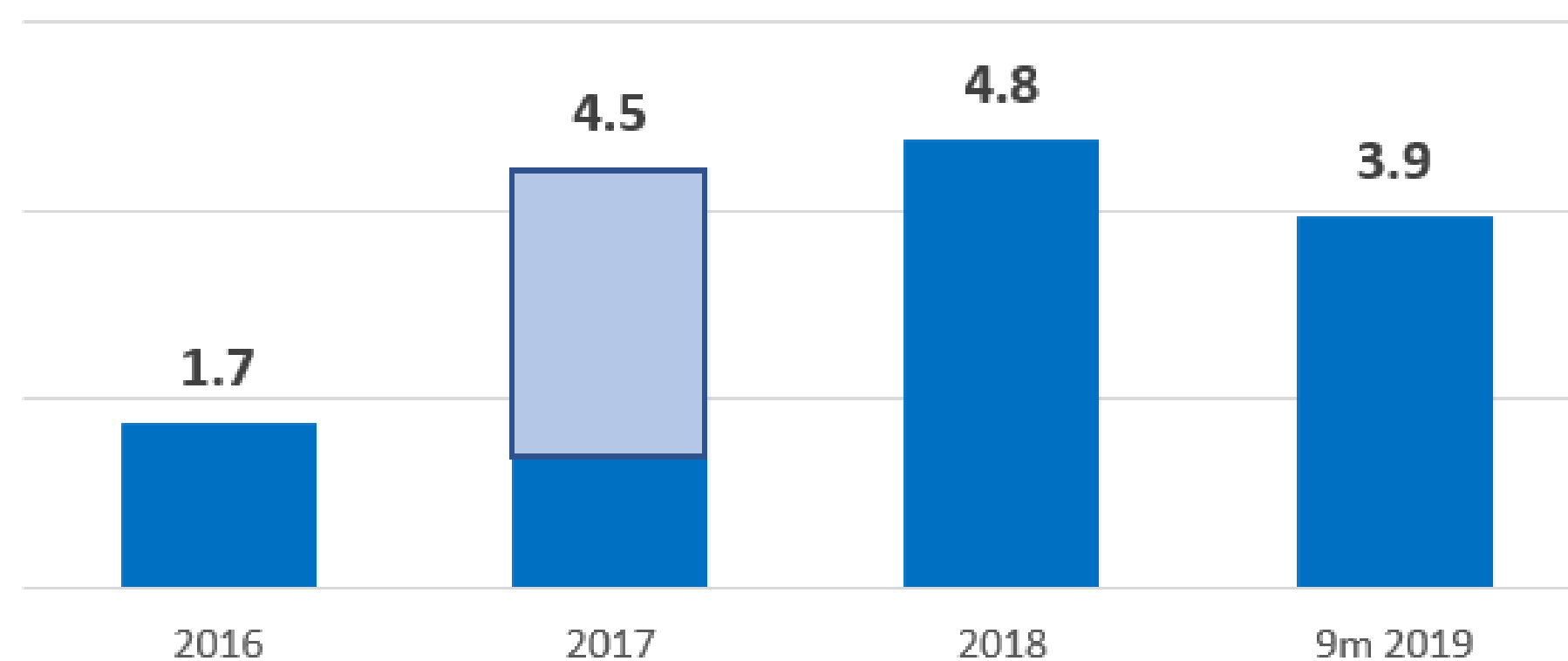
Initial public offering of the shares

# Business volumes 2016-2019



# Profit 2016-2019

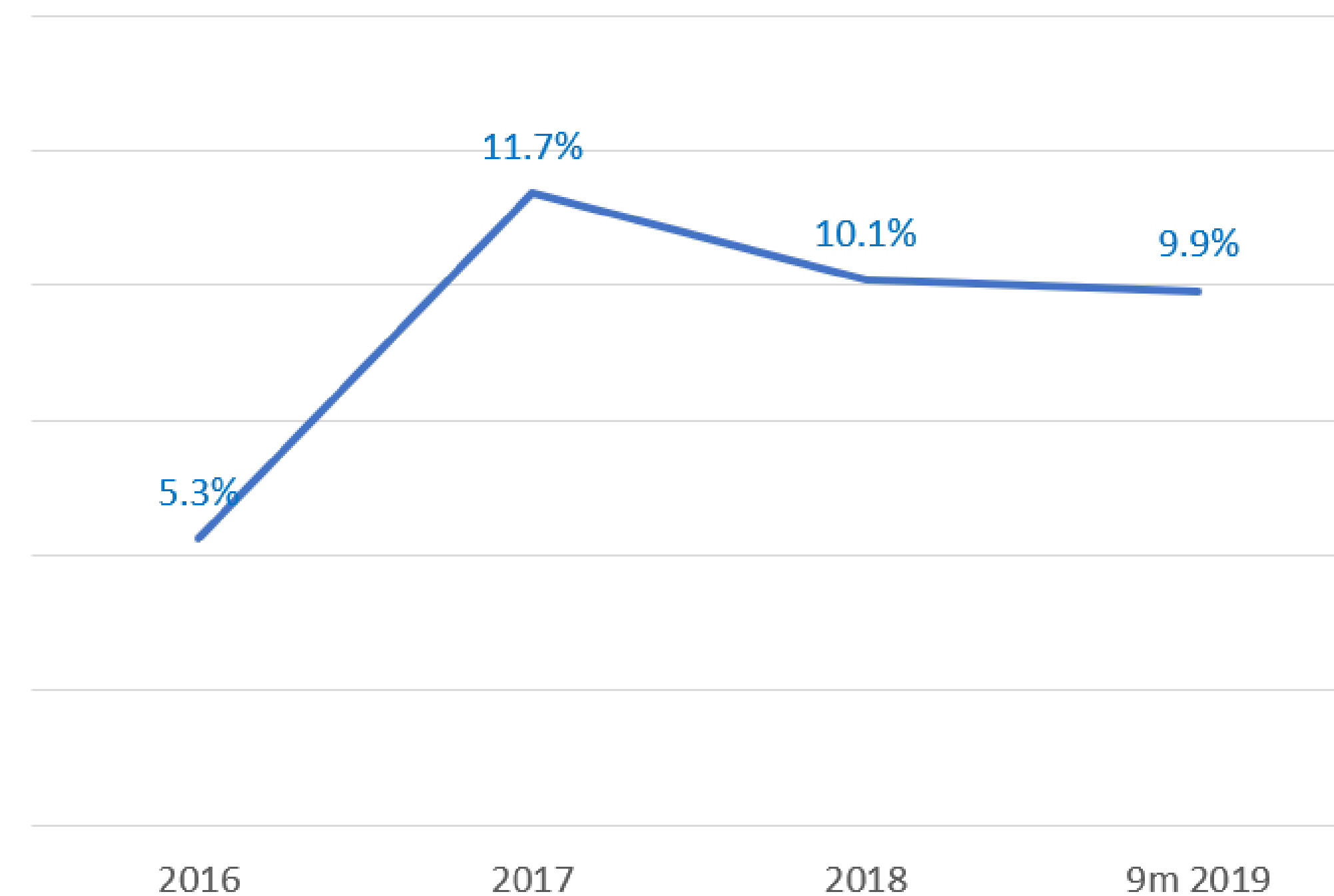
## Profit



mEUR	2016	2017	2018	9m 2019
Net revenues	11.0	17.3	19.8	17.0
Operating expenses	-8.2	-11.5	-13.6	-11.6
Loan impairment	-1.0	-1.3	-1.4	-1.4
<b>Total</b>	<b>1.7</b>	<b>4.5</b>	<b>4.8</b>	<b>3.9</b>

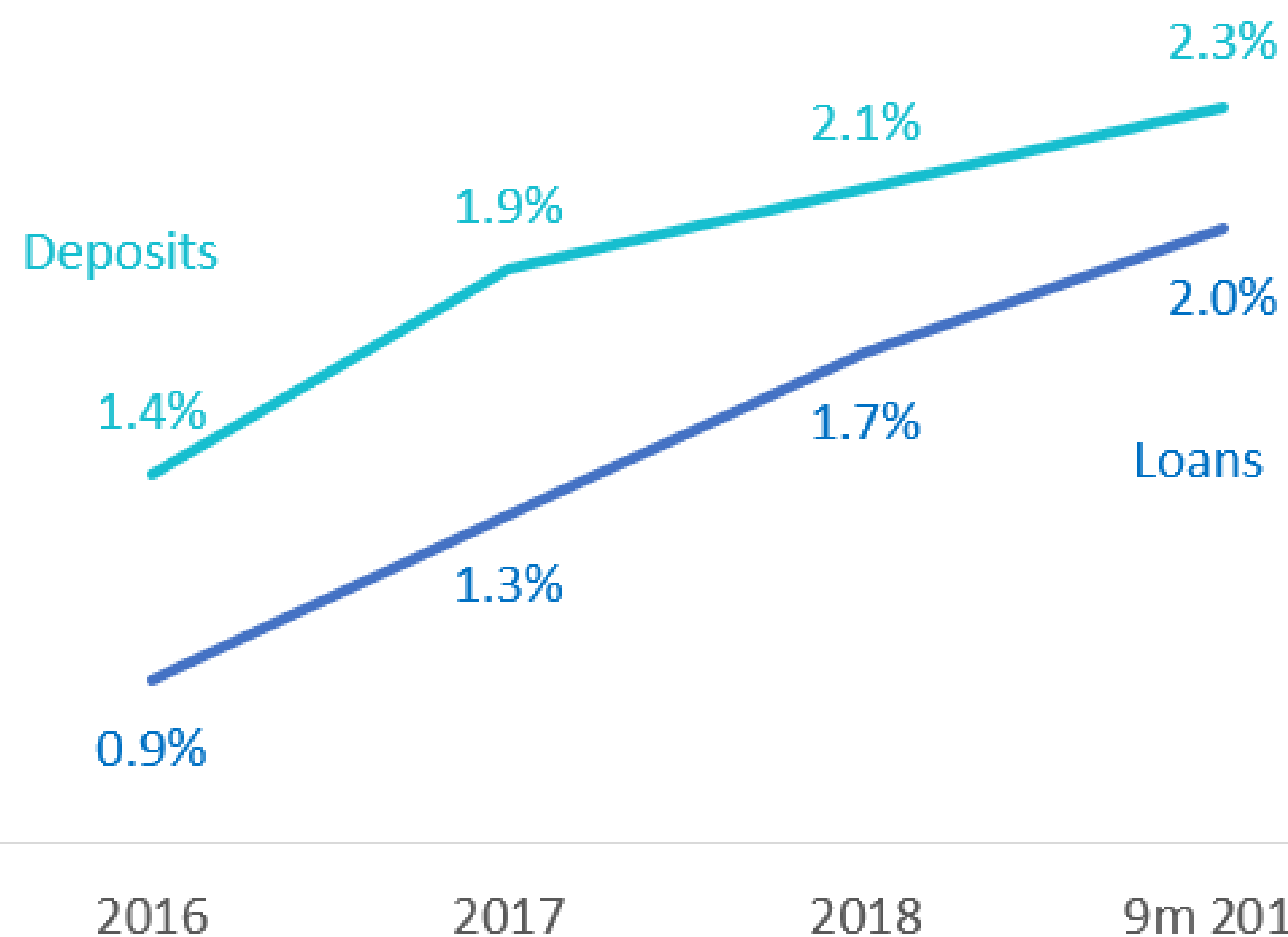
2017 profit includes extraordinary income 2,9 m€ from sale of real estate property

## Return on equity (ROE)

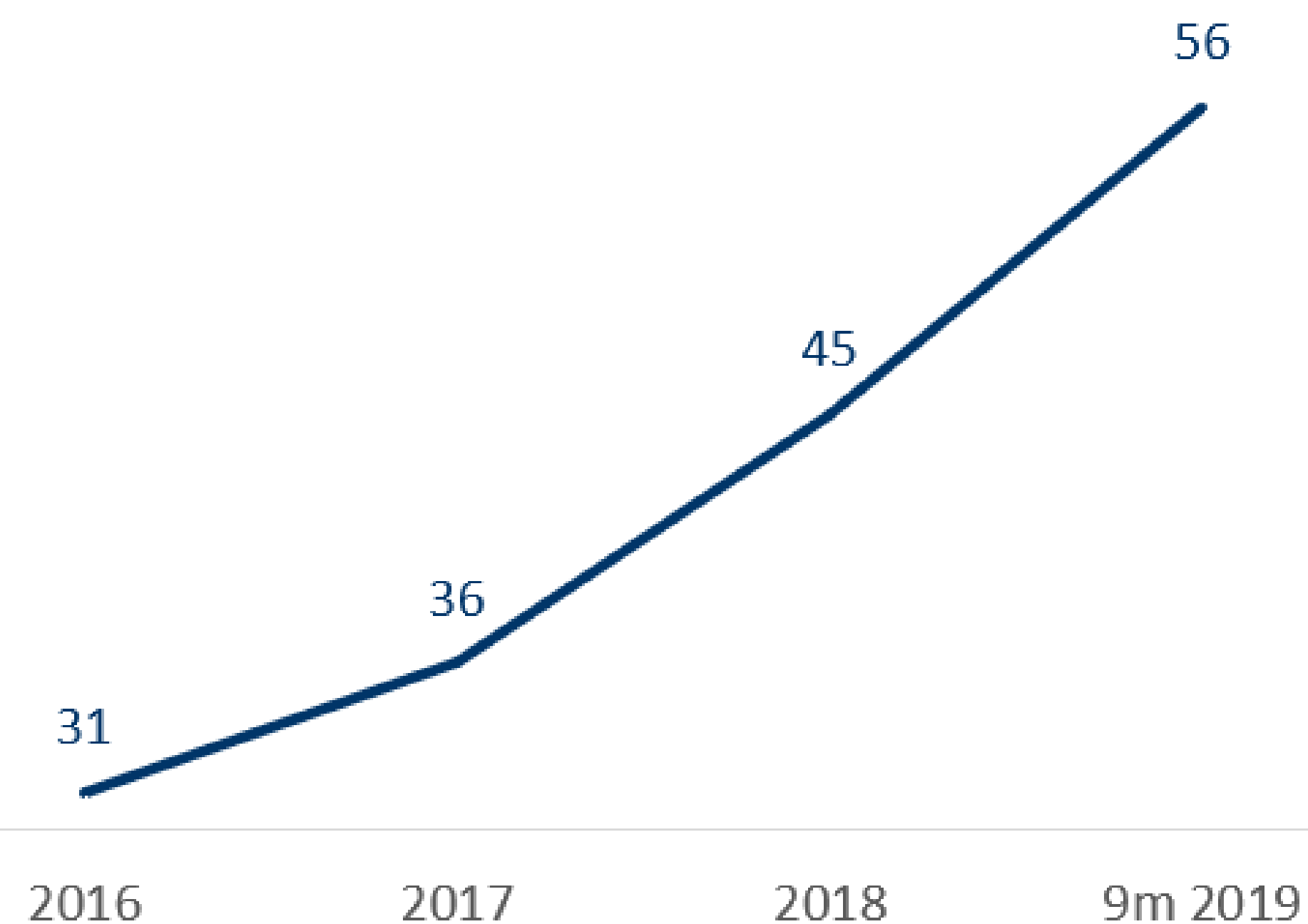


# Market share and number of customers

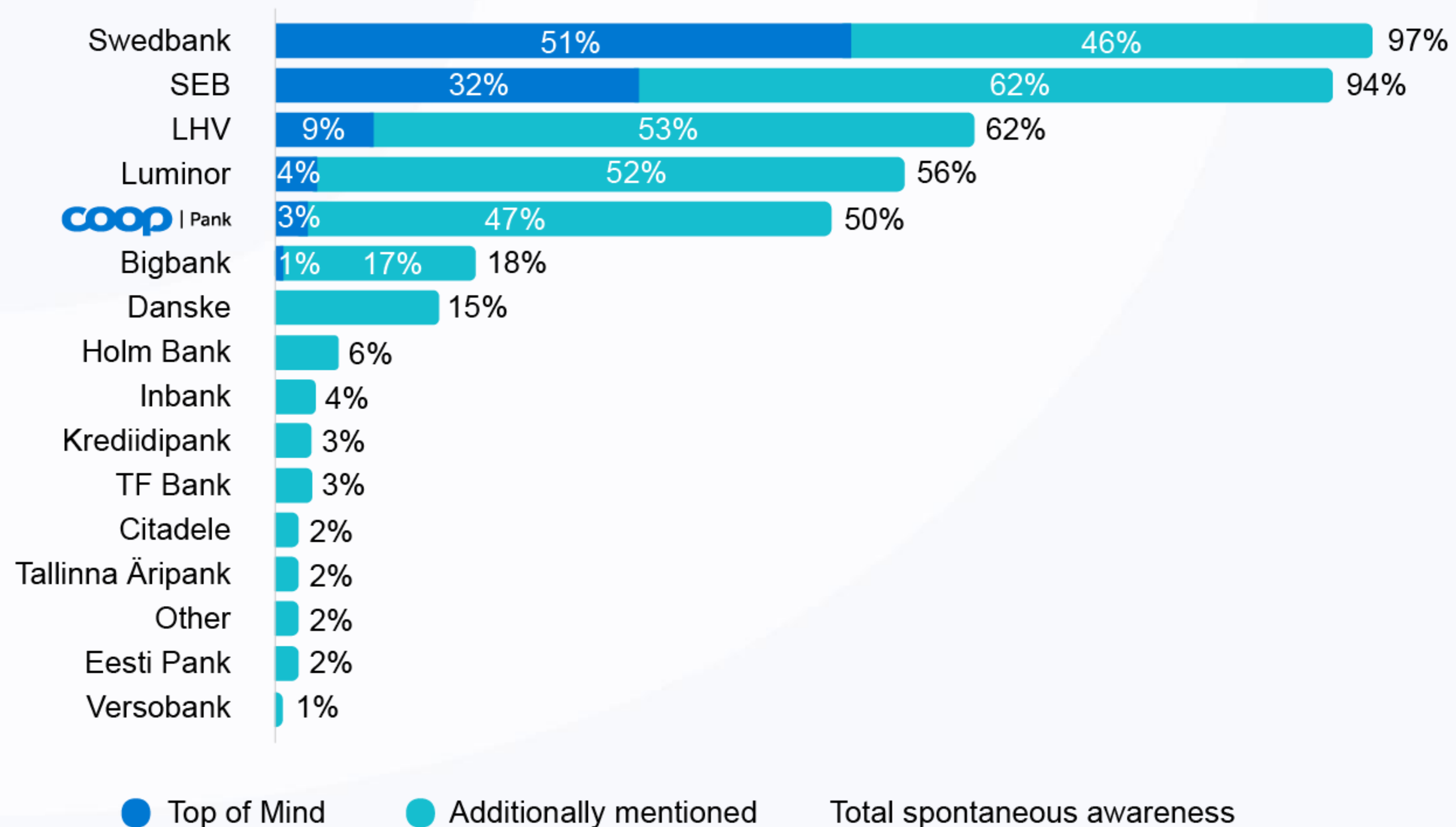
Market share



Number of customers (in thousands)



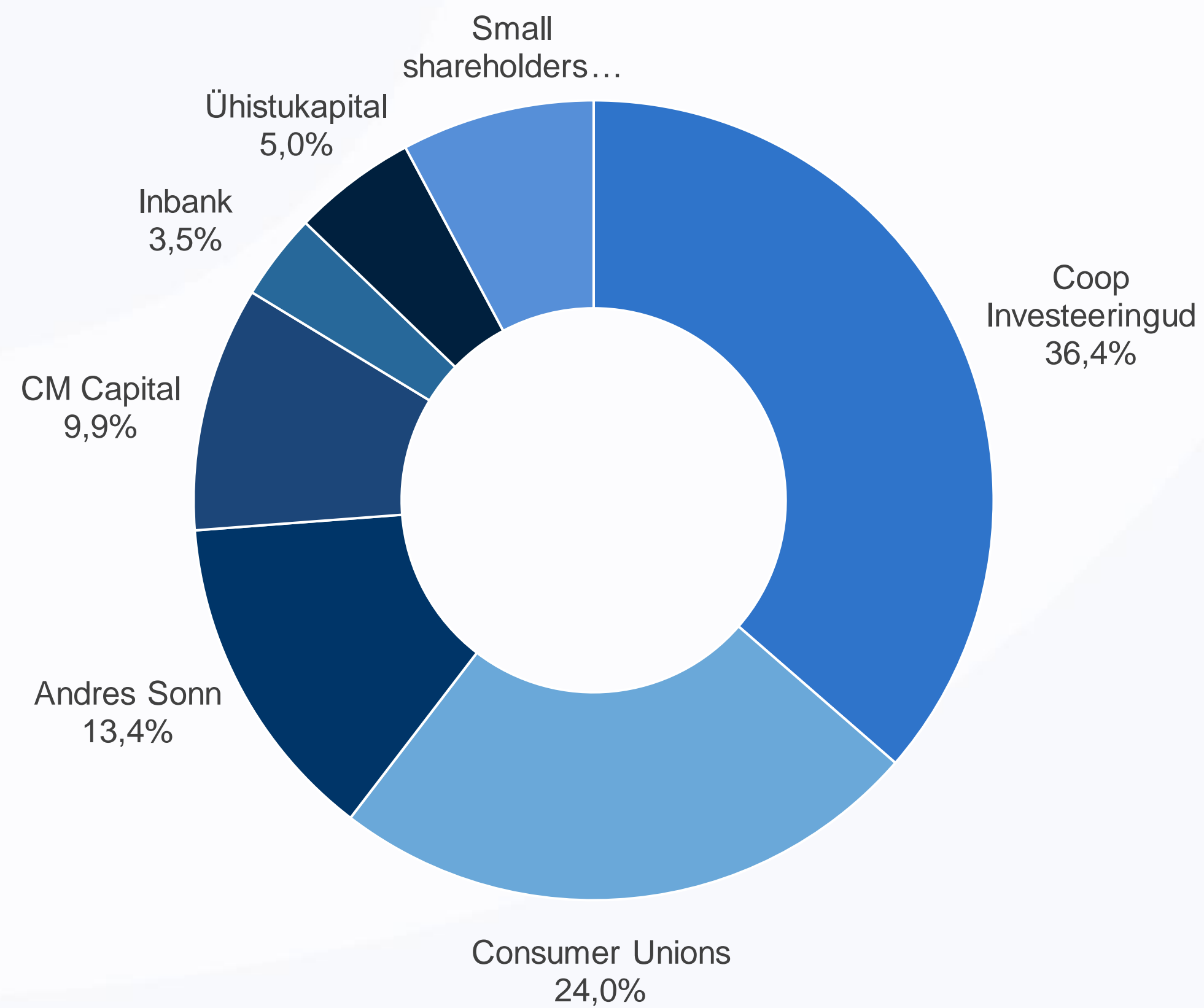
# Brand awareness



Coop Pank is number 5  
in spontaneous  
awareness



# Shareholders



Source: Nasdaq CSD

The bank has 64 shareholders at the moment





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# Growing of business volumes



# Strategic positioning



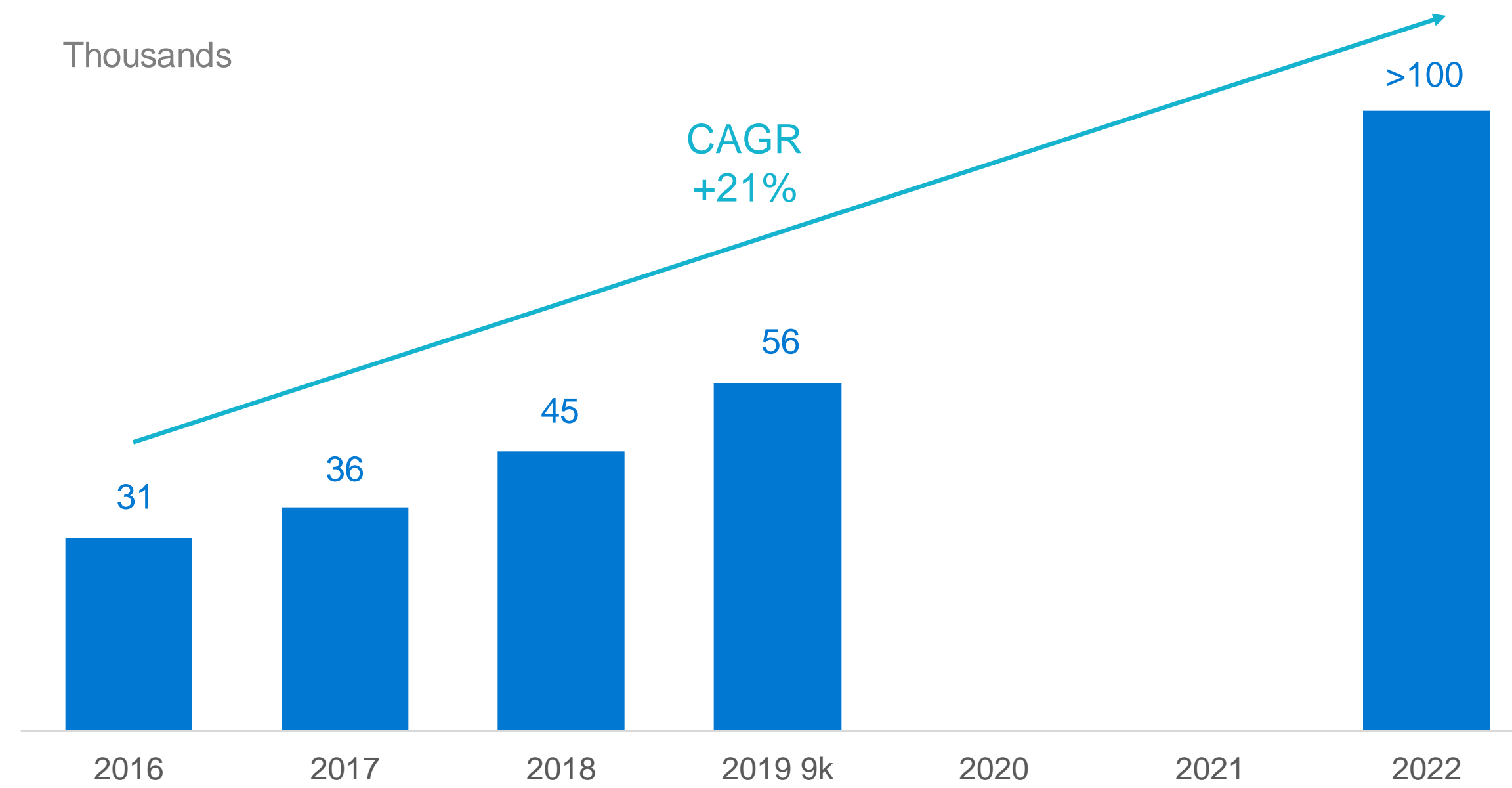
- We strive for the customer.
- We dare to do differently.
- Our main services are daily banking and financing. In addition we integrate third party products and services to client offering.
- Local, Estonian bank. All of our decisions are made here, in Estonia.
- Integration of banking and retail ►  
We maintain life in every corner of Estonia.



# Targets (1)

## Customers of the bank

Thousands



Source: COOP Pank

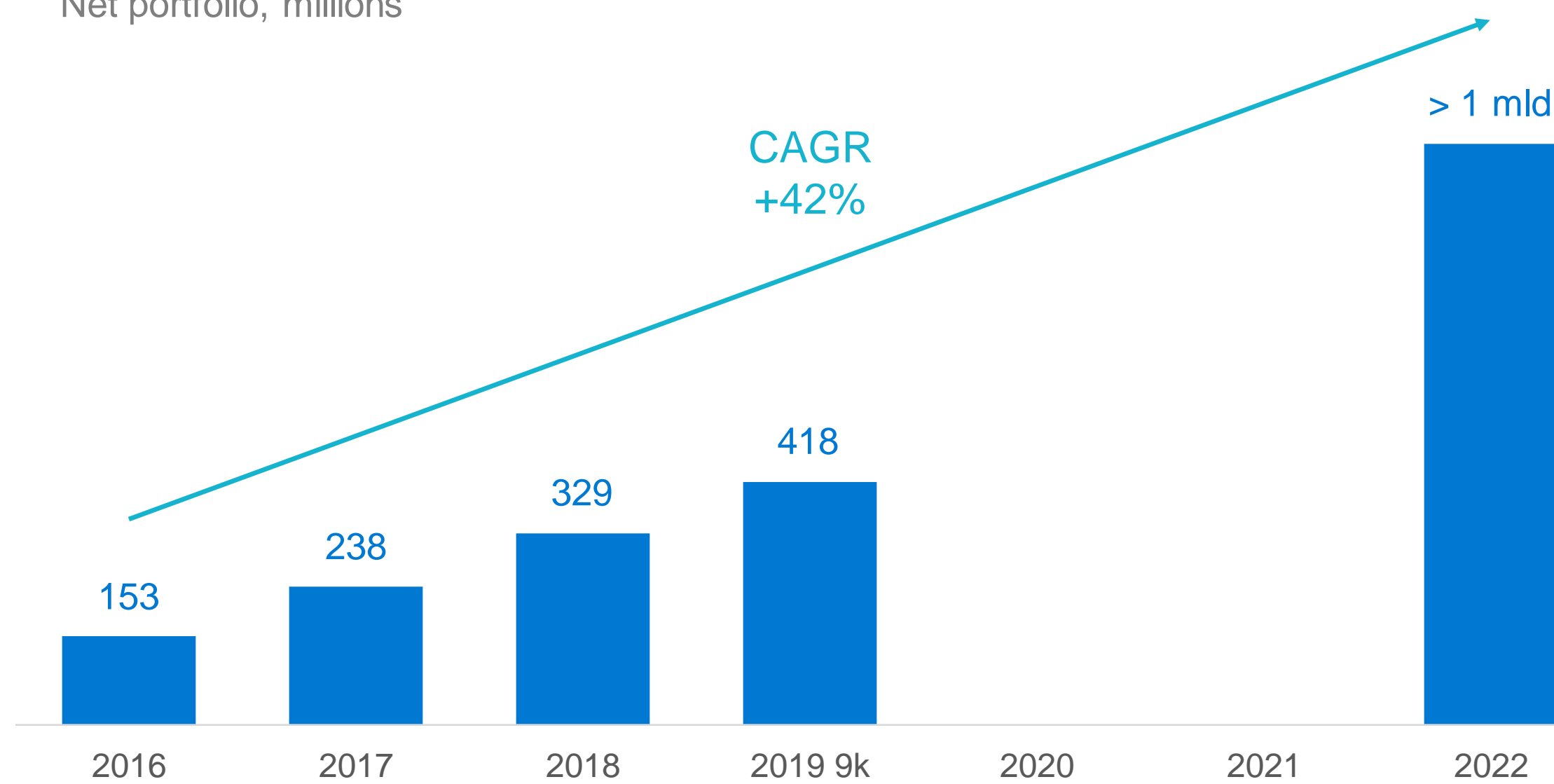
Number of  
customers  
>100 000



# Targets (2)

## Loan portfolio

Net portfolio, millions



Source: COOP Pank

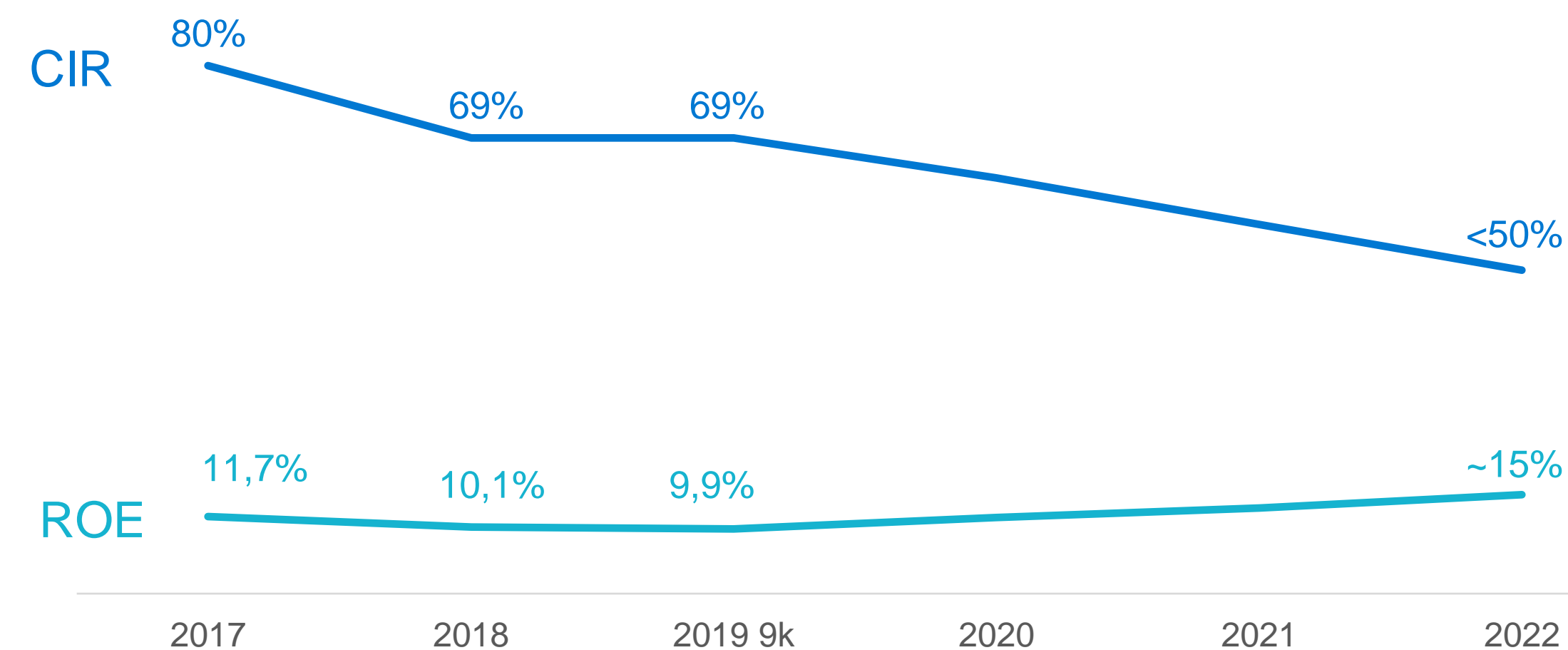
Loan portfolio  
>1 mld €





# Targets (3)

## Cost / income ratio (CIR) and return on equity (ROE)



We aim to reduce cost / income ratio below 50%.  
Return on equity temporarily declines due to raising of capital, but we aim on reaching 15% by 2022.

\* 2017 CIR is shown without extraordinary income from sale of real estate property

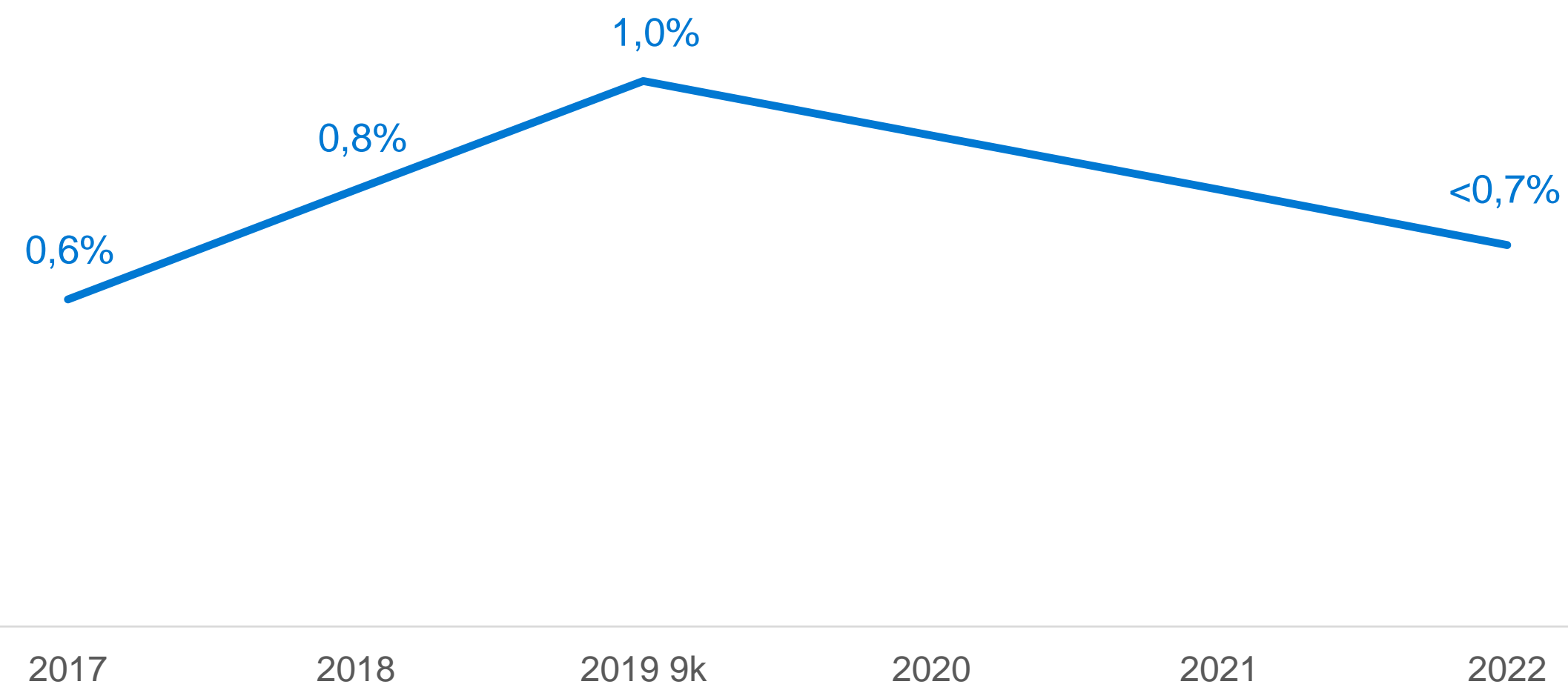
Source: COOP Pank

Cost/income ratio  
<50%  
Return on equity  
15%



# Targets (4)

## Financing cost



Source: COOP Pank

Financing cost  
<0,7%

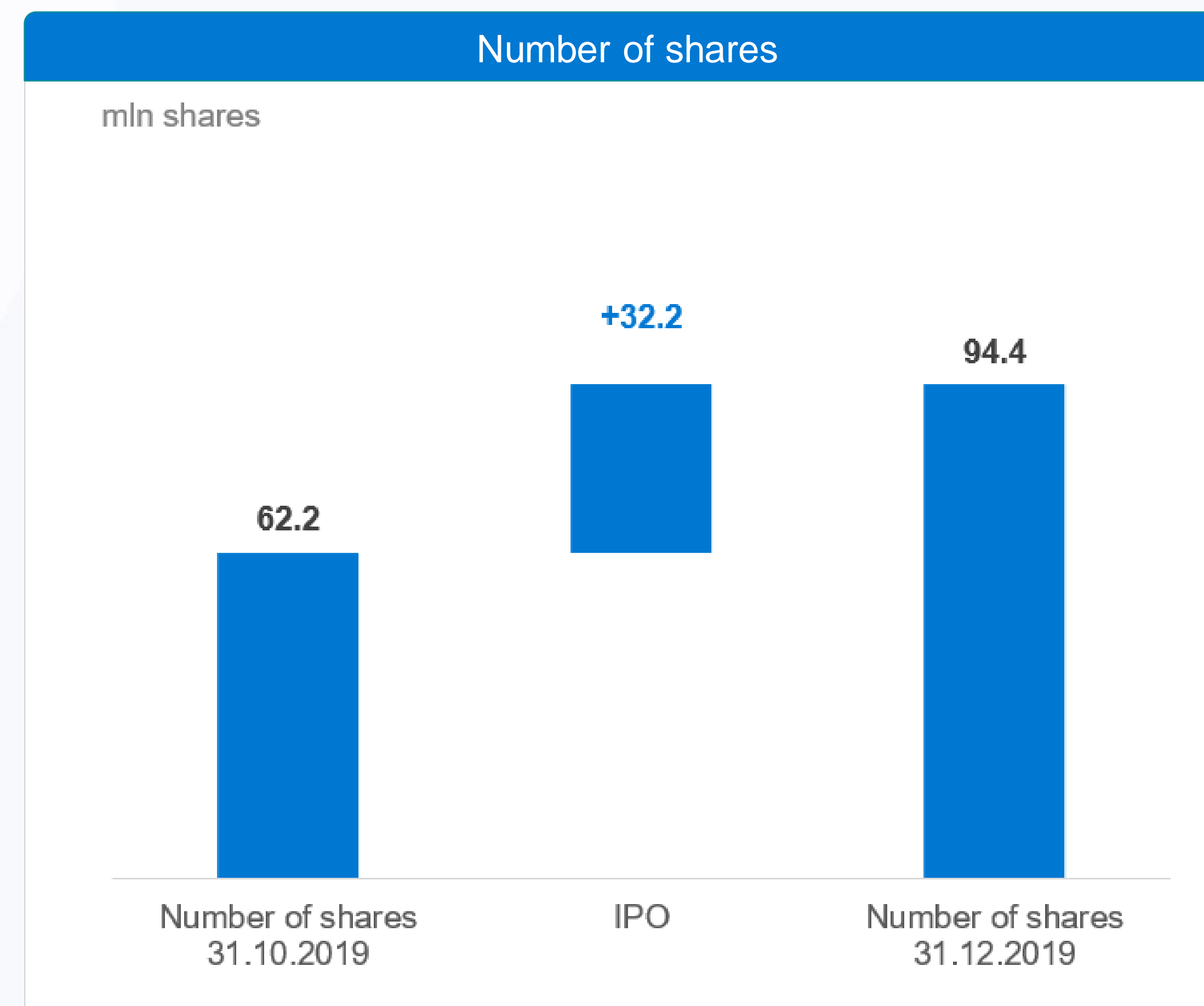
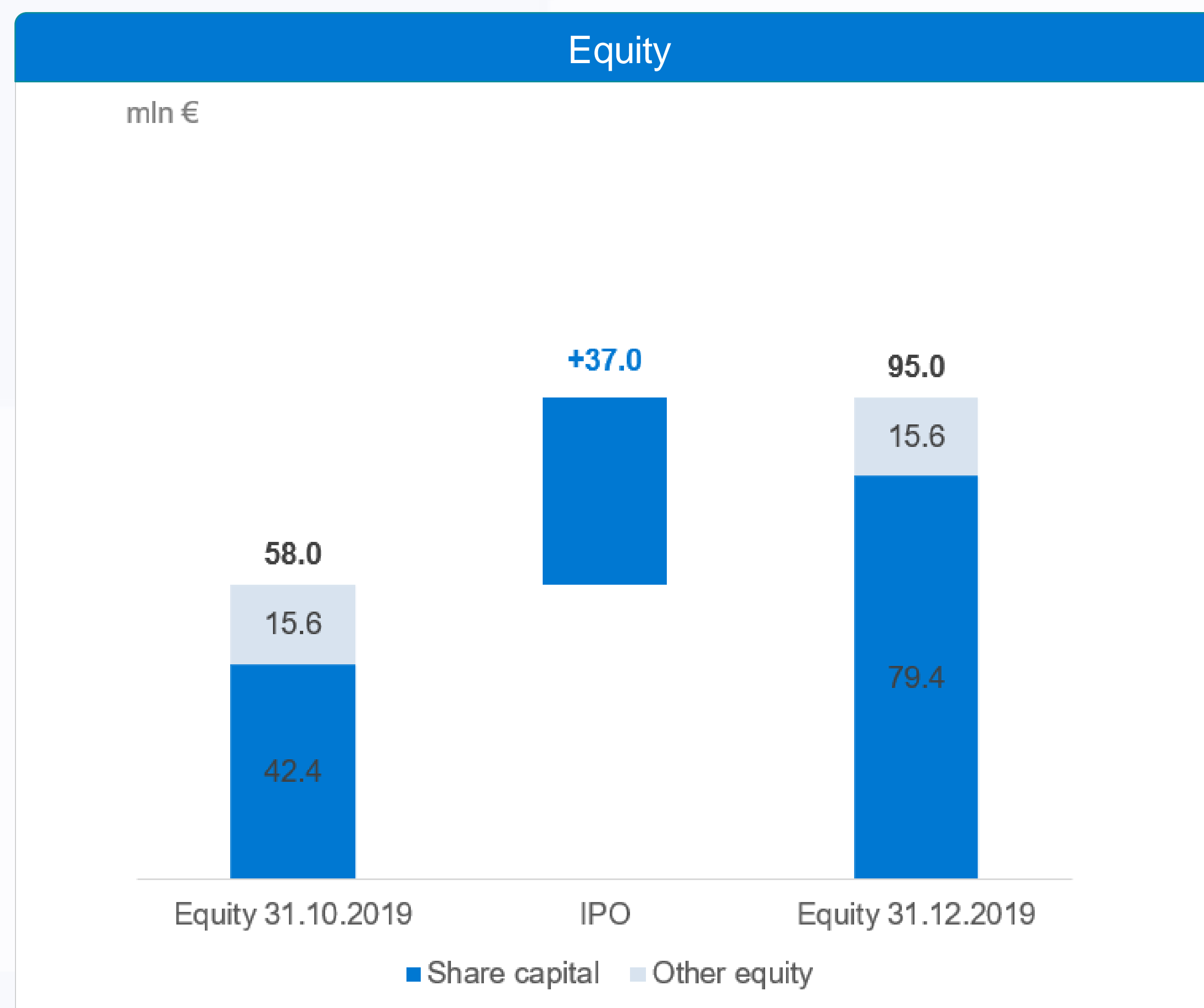


Results 2017-2019

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# Size of the offering



Number of additional shares can be lower depending on price of the offering.

# Terms

## IPO size and structure

- Public Offering in Estonia, Latvia and Lithuania. Institutional Offering in European Economic Area countries.
- **Up to 32 180 155 new shares.** In addition AS Inbank and connected investors offering **up to 14 102 578** shares (including overallotment option for stabilisation). Combined **up to 46 282 733 shares, a mid range about EUR 57 million.**

## Price range of the offering

- **EUR 1.15 – EUR 1.30 per share in Institutional Offering.**
- **EUR 1.30 in Public Offering.**

## Offering period

- **18 November 2019 @10.00 EET until 29 November 2019 @15.30 EET**

## Subscription

- Institutional Offer through book building. Any local or foreign custodian bank or broker can be used which is set up with Nasdaq Baltics CSD or any member of Nasdaq Baltics CSD.

## Pricing and settlement

- Standard book building process. **Final pricing and allocation on or about 2 December.**
- **T+2 DVP settlement on or about 4 December.**

## Listing and trading

- **Expected free float** of about 50% of shares (assuming all Offer Shares are sold)
- **First day of trading** expected to be on Nasdaq Baltic main list **on or about 9. December.**

## Lock-up and stabilisation

- **180 days** for all selling shareholders, also CM Capital and Ühistukapital (includes all existing shareholders who have more than 1% holding post IPO). **Longer Lock up is until 31.10.2020** for COOP Investeeringud and all COOP unions, who are directly shareholders.
- **Stabilisation period is 30 days** from the first day of trading.
- **Over-allotment is 15% of base offer** and depending on final pricing up to 6 036 878 shares.



# Share price range EUR 1.15-1.30

## P/B 2019 => 2021

Company	Market Cap EURm	P/B (x)			ROE (%)		
		2019E	2020E	2021E	2019E	2020E	2021E
ING GROEP NV	41 171	0.8	0.7	0.7	9.8	9.0	8.7
NORDEA BANK ABP	27 473	0.9	0.9	0.8	6.3	8.8	9.0
DNB ASA	26 040	1.2	1.2	1.1	11.6	11.5	11.2
SKANDINAVISKA ENSKILDA BAN-A	19 437	1.4	1.3	1.3	12.7	12.8	12.8
SWEDBANK AB - A SHARES	14 720	1.1	1.1	1.0	14.2	13.6	13.1
ERSTE GROUP BANK AG	14 347	1.0	0.9	0.9	10.5	10.3	9.7
OTP BANK PLC	11 754	1.8	1.5	1.4	18.2	16.7	15.4
PKO BANK POLSKI SA	11 615	1.2	1.2	1.1	10.9	10.8	10.9
BANK PEKAO SA	6 584	1.2	1.2	1.1	9.8	11.0	11.4
KOMERCNI BANKA AS	5 867	1.4	1.4	1.3	14.2	13.1	12.6
BANCA TRANSILVANIA SA	2 672	1.5	1.5	1.4	18.8	17.1	16.4
BRD-GROUPE SOCIETE GENERALE	2 142	1.3	1.3	1.3	17.7	15.4	14.5
BANK MILLENNIUM SA	1 780	0.8	0.8	0.7	8.3	9.8	10.9
BANK HANDLOWY W WARSZAWIE SA	1 523	0.9	0.9	0.9	7.8	8.7	8.9
LHV GROUP AS	343	2.0	1.7	1.5	14.5	19.5	18.7
SIAULIU BANKAS	309	1.0	0.9	0.9	16.2	14.0	13.4
Median (Excluding outliers)		1.20	1.2	1.1	12.1	12.2	11.4
Average (Excluding outliers)		1.17	1.1	1.1	12.6	12.6	11.9
Coop Pank @ mid range		1.19			10.0		

Source: Bloomberg, LHV

## Higher ROE implies increased valuation multiples in future

- Coop Pank growth rate is over 30%, scale effect to kick in over 2020
- Negative rates work in favour, as spread with larger Nordic competitors credit offers has moved down and it is easier to compete
- **European and CEE banks are at or close to their recent all time low levels** due to various one off factors and negative rates, including concerns about banking asset taxes in countries such as Romania, Poland, Lithuania, as well as other factors. For example, Poland: Swiss frank crises, Nordics: AML scandals, Western Europe: negative interest rates
- **Discount to closest Peer LHV on P/B basis is 40%**
- Coop Pank ROE from 2017-2019 (prior to capital increase) is 10%
- Reaching target 15% ROE should bring a higher market valuation for the bank. Based on peer group P/B should move towards 1.5x in addition to the earnings based growth of book value itself

# Allocation rules

For all subscribers in public offering  
up to 2500 shares

- All subscription orders presumably will be guaranteed allocation up to 2 500 shares. Further allocation is stepped with percentage up to 24 999 shares and next up to 99 999 shares.

Subscribers during the first week  
up to 5000 shares

- All subscription orders during first week presumably will be guaranteed allocation up to 5 000 shares. Further allocation is stepped with percentage up to 24 999 shares and next up to 99 999 shares.

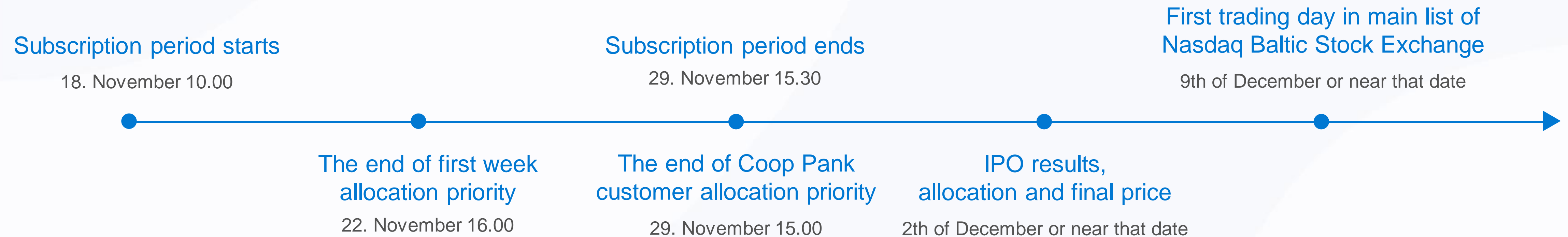
To Coop Pank customers  
up to 10 000 shares

- All subscribers that are customers of Coop Pank presumably will be guaranteed allocation up to 10 000 shares. Further allocation is stepped with percentage up to 24 999 shares and next up to 99 999 shares.
- **Coop Pank customer = account opened at Coop Pank as of 29. november 15.00.**

**Subscription orders, that are 100 000 shares or bigger, will be allocated individually within institutional offering.**

Coop Pank reserves the right to change the amount of shares in allocation and priorities, derived from final subscription results.

# Important dates





# Information materials

- Prospectus and summary of the Prospectus are available at Coop Pank and Financial Supervision and Resolution Authority websites [cooppank.ee/pakkumine](https://cooppank.ee/pakkumine) or [www.fi.ee](https://www.fi.ee)
- All information about IPO can be found [cooppank.ee/pakkumine](https://cooppank.ee/pakkumine)

Subscription for Coop Pank shares will take place from 18 to 29 November.

Let's stand united and grow together.

Coop Pank clients have an advantage when subscribing for shares!

View prospectus: [cooppank.ee/pakkumine](https://cooppank.ee/pakkumine)

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Fast growing small bank