

Record profit at Arbejdernes Landsbank for first half of 2017

With a record profit of DKK 500 mill. before tax, Arbejdernes Landsbank achieved highly satisfactory interim results for the first half-year of 2017. The primary factors behind this strong performance are solid growth in the Bank's core business, continued low levels of impairment charges and an impressive net influx of 4,500 new customers during the first six months.

The best interim results in the 98-year history of Arbejdernes Landsbank. That sums up the first six months at Arbejdernes Landsbank, which yielded a profit before tax of DKK 500 mill. and DKK 403 mill. after tax.

"Of course we're very satisfied with the first six months of 2017 and the strong results across the board. Our classical banking activities continued their extremely positive development, we've seen solid lending growth of 2.3%, and there was no end to the ongoing influx of new customers. The first six months saw a net 4,500 new private and business customers. The market is characterised by fierce competition, and therefore we're both proud and humbled by so many new customers," said Gert R. Jonassen, CEO at Arbejdernes Landsbank.

Large influx of new homeowner customers

The extensive market interest in the Bank's services is particularly apparent in the housing area. Personal advisory services rooted in the local community, in combination with attractive financing schemes and investments in new IT solutions provide a strong basis to attract many new customers to the Bank.

"This month, we paid bonuses totalling approx. DKK 42 mill. to our homeowner customers as part of the AL-BoligBonus scheme, and there is no doubt that AL-BoligBonus, as well as our unique AL-BoligKlar scheme, in which customers receive a response on their financing options within 24 hours, are strong contributors in attracting such large numbers of new homeowner customers. Today, we're able to offer some of the strongest mortgage solutions on the market, and they are continuously being expanded and updated. Therefore, we're convinced that we will remain attractive to both new and existing customers," says Gert R. Jonassen.

Impairment charges are declining - investment portfolio earnings are on the rise

The positive signs in the Danish economy have contributed to impairment levels at the Bank of close to 0%. This is significantly better than expected at the beginning of the year, and it is a clear indication that the financial situation has improved for our customers. We have experienced the same favourable trends in the Bank's investment portfolio earnings. At the end of the first half-year, investment portfolio earnings were DKK 177 mill.

"We're pleased that the positive development in the securities markets that we saw in the second half-year of 2016 has continued in 2017. Our long-term strategy to actively place the Bank's excess liquidity in securities is bound to result in fluctuations over the years, but ensures solid returns for owners in the long term," said Gert R. Jonassen.

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Outlook for 2017

Based on the developments in the first half-year and the prospects of continued favourable trends in the Danish economy, as announced earlier this summer, the Bank has adjusted upwards its overall expectations for the profit for the year by DKK 100 mill. The Bank thus expects an overall profit for 2017 in the region of DKK 550-600 mill. before tax.

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