

Copenhagen, 26 August 2020

Press release: Interim financial statements 2020

## Challenging first half year at Arbejdernes Landsbank

*The corona crisis has cast a shadow on the first six months of 2020 and left a negative mark on the interim results at Arbejdernes Landsbank, with a loss of DKK 64.2 million. Increased impairment charges and a negative return on the Bank's large portfolio of securities are the primary reasons for the negative result. On the positive side, the first half year saw an impressive net influx of more than 7,000 customers. Despite great unpredictability in the markets and a number of unknown socio-economic factors, Arbejdernes Landsbank expects a profit for 2020 as a whole of around DKK 50-100 mill. before tax.*

"During my more than 15 years as the CEO of Arbejdernes Landsbank, I can hardly remember a half year that changed so rapidly from stability to uncertainty as we saw in early March this year when the corona crisis paralyzed Denmark. Clearly, the crisis also affected our bank, and the negative interim results should very much be seen in this light," said Gert R. Jonassen, CEO of Arbejdernes Landsbank, and he continued:

"A loss of DKK 64.2 mill. after tax is, of course, unsatisfactory, but on the other hand, when we look at the parameters behind the result, we're rather optimistic. Given that the Bank has a very large portfolio of securities, we're sensitive to the major price fluctuations that followed in the wake of the corona crisis. Subsequently, prices have stabilised and much of the loss has been recovered. It's also important to note that the losses are not realised losses."

### Extra cautious impairments

With regard to impairments, the corona crisis also left a considerable mark on the interim financial statements. After the first six months of 2019, net impairments were positive at DKK 37.2 mill., whereas this year, the result is negative at DKK -115.8 mill.

"Even though, overall, the financial situation for our customers generally seems very healthy, and the housing market has fared very well through the crisis so far, we take a highly cautious approach in our estimates of impairment charges. As a responsible bank, we feel that this is the right thing to do in a situation still characterised by great unpredictability and with the potential to change rapidly for the worse. We'd rather be extra cautious and then pleasantly surprised. This has always been our strategy – and in this situation as well," said Gert R. Jonassen.

### Net influx of more than 7,000 new customers

Despite very difficult working conditions over the last few months, the Bank's 70 branches throughout Denmark have continued to welcome many new customers.

"We're extremely proud that we had a net influx of more than 7,000 new customers in the first six months. This is thanks to a tremendous effort by all the Bank's employees, who have been ready to welcome the new customers at all our branches across Denmark over the past few months, despite very difficult working conditions," said Gert R. Jonassen.

### Expectations of positive results for the full year

Despite the negative interim results, the Bank expects a profit for 2020 as a whole of around DKK 50-100 mill. before tax.

---

#### Further information:

Gert R. Jonassen, CEO, on (+45) 38 48 50 01 or by email [grj@al-bank.dk](mailto:grj@al-bank.dk)

Peter Froulund, Branding and Communication Director, on (+45) 29 20 26 48 or by email [peter.froulund@al-bank.dk](mailto:peter.froulund@al-bank.dk)

“Even though the next six months will still be affected by great uncertainty, we believe we’ll realise a profit for 2020 as a whole. Our expectation is not least based on the continued net influx of new customers, who also made a positive contribution to the results in the first half year. In June this year, as one of the last banks in Denmark, we decided to introduce negative deposit rates. We’ve done our utmost to avoid this, but the continued drastically increasing deposits surplus in a negative interest rate environment has forced us to react. We expect this will also have a positive impact on the overall result for the year,” concluded Gert R. Jonassen.

---

**Further information:**

Gert R. Jonassen, CEO, on (+45) 38 48 50 01 or by email [grj@al-bank.dk](mailto:grj@al-bank.dk)

Peter Froulund, Branding and Communication Director, on (+45) 29 20 26 48 or by email [peter.froulund@al-bank.dk](mailto:peter.froulund@al-bank.dk)