

## Fact sheet on the Arbejdernes Landsbank financial statements (Group) for 2013

### Result

- The Arbejdernes Landsbank Group achieved a profit after tax for 2013 of DKK 423.4 mill. against a profit after tax for 2012 of DKK 456.6 mill.
- The year 2013 more than met expectations. The initial expectations for profit before tax for the period as well as the adjusted expectations for the half year were exceeded. This was because of very positive returns on the Bank's trading portfolio and a good return on the Bank's equity investments. Profit before tax for 2013 was DKK 517.0 mill. compared with the most recent expectations published for the half year of DKK 400-450 mill.
- This result is extremely satisfactory.

### Equity

- Return on equity after tax for 2013 was 11.2%, compared with 13.5% in 2012.

### Core earnings

- Core earnings increased by DKK 111.6 mill. to DKK 1,688.1 mill., corresponding to 7.1 %.
- Net interest income showed an increase of DKK 49.4 mill. to DKK 1,174.9 mill. against DKK 1,125.5 mill. in 2012. The positive trend is due to customer growth and new business with stable interest-rate differentials.
- Net fees and commission income increased by 55.0% to DKK 410.4 mill., corresponding to an increase of 15.5%. This progress was achieved through increases in activity due to the significant influx of customers in recent years.
- Trading earnings increased by 7.4% to DKK 102.8 mill., and this was primarily a result of increasing activity in securities trading and deposit management for our customers.

### Staff expenses

- Staff expenses saw an increase of DKK 26.9 mill., corresponding to 4.0%. The average number of employees in terms of full-time employees increased in 2013 by 15 to 1,076 employees. This increase was due to the addition of 22 employees from the three branches which the Bank took over from Østjydsk Bank in June 2013.

### Administration expenses

- In 2013, administration expenses rose by DKK 67.4 mill. to DKK 570.9 mill. The increase was the result of growth-stimulating activities.

### Write-downs on loans etc.

- Write-downs on loans etc. show a need for write-downs of net DKK 235.5 mill. against DKK 277.2 mill. in 2012. The write-down ratio was 1.1%, which is 0.2 percentage points lower than in 2012, but it was higher than initially expected and is considered to be unsatisfactory.

### Investment portfolio earnings, excl. investment securities

- Investment portfolio earnings, excl. investment securities amounted to DKK 289.8 mill., compared with DKK 378.9 mill. in 2012. The positive earnings from investment portfolios reflect the general trends in the financial markets, with increasing share prices and narrowing credit spread.

#### Investment securities

- Investment securities showed a profit of DKK 86.9 mill. against DKK 84.0 mill. for 2012. This profit is mainly attributable to Forsikringsaktieselskabet ALKA Forsikring and LR Realkredit A/S.

#### Contributions to sector solutions

- Contributions to sector solutions of DKK 41.6 mill. for 2013 cover the Bank's expenses in connection with the Guarantee Fund for Depositors and Investors. Contributions to sector solutions were DKK 26.0 mill. in 2012.

#### Tax

- The tax charge amounted to DKK 93.7 mill. against tax income of DKK 103.3 mill. in 2012.

#### Solvency

- Group solvency was 14.9% in 2013 against 14.6% in 2012. The solvency ratio is considerably above the Group's solvency need of 9.4%.

#### Capital

- The Group capital base amounted to DKK 3,981.2 mill. at the end of 2013, of which core capital accounted for DKK 3,728.0 mill.

#### Dividend

- A proposal has been submitted to the General Meeting for a dividend of 20%, corresponding to DKK 60.0 mill.

#### Outlook for 2014

- The Group expects the interest-rate differential to remain unchanged in 2014 compared with 2013. Core earnings are expected to be positively affected by a budding optimism in society as well as our own activities aimed at customer growth and increases in business activity on a sustainable foundation.
- In 2014, the Group will continue focusing on tight cost management with room for investment in controlled growth.
- The Bank assesses that there will be uncertainty about the need for write-downs in 2014. The need for write-downs is likely to continue towards normalisation, and the goal in the coming years is to reach a level of around 0.7-0.8% of total loans and guarantees.
- The Bank expects positive investment portfolio earnings, though significantly lower than in 2013.
- Profit before tax is expected to be at around DKK 350-400 mill., corresponding to a return on equity before tax of around 9-10%.

#### For more information, please contact:

- Gert R. Jonassen, Chief Executive, telephone no.: +45 38 48 50 01