

Press release: Financial statements from Arbejdernes Landsbank:

Copenhagen, 10 February 2016

Arbejdernes Landsbank: Sound growth in a troubled market

With a profit before tax of DKK 330 mill., the financial statements for Arbejdernes Landsbank are satisfactory, with strong growth in core earnings and decreasing impairment charges. In 2015, the Bank had historically high activity in the housing area, loan growth of 8% and a solid net intake of about 7,000 new customers. Furthermore, for the seventh consecutive year, the Bank was chosen by Danes as their preferred bank.

In an extremely competitive market, Arbejdernes Landsbank has delivered good results, based on progress and growth in basic banking operations. The profit before tax of DKK 330 mill. indicates many positive signals, including increasing business activity, rising income on interest and fees, and not least, a drop in impairment charges to less than 0.5%, pointing to a clear improvement in the financial situation of our customers and their ability to pay.

"We have seen solid progress in our banking operations, not least due to an impressive net intake of about 7,000 new customers and because we were chosen by Danes as their preferred bank for the seventh consecutive year. At the same time, we have seen historically high activity in the housing area. In 2015, we launched our new housing concept "*BoligKlar*", where customers can book a meeting at one hour's notice and receive a response on financing within 24 hours. This was extremely well received by customers navigating a property market, in which timing is of the utmost importance," said Gert R. Jonassen, CEO of Arbejdernes Landsbank.

However, overall results are below the Bank's expectations of a profit before tax of DKK 350-400 mill., as announced in the interim financial statements. Against expectations, investment portfolio earnings developed negatively by about DKK 150 mill.

"The effect of the continued very low interest rates, including a year with negative interest rates in Denmark's Nationalbank, combined with large fluctuations on the financial markets, affected investment portfolio earnings more negatively than anticipated. Naturally, this is unsatisfactory, but we are pleased that we avoided having to pass negative deposit rates on to our customers," said Gert R. Jonassen.

Digital services and personal advisory services - at Arbejdernes Landsbank we believe in both!

In 2015, Arbejdernes Landsbank opened new branches in Ringsted and Holbæk, while also focusing on developing digital services.

"Our clear strategy with respect to offering personal advisory services together with the newest digital services is the key to customer satisfaction and our positive business trends. We have 71 branches throughout Denmark, and in recent years, we have made significant investments in developing our digital services, and this is already benefiting our customers. We want to continue this development in the coming years, as always on the basis of the needs and wishes of our customers. We consider digital solutions as a means rather than an end. Digital initiatives and services are to contribute to further enhancing the customer experience. Therefore, we engage in ongoing close dialogue with our customers, such that developments always take place in cooperation with our customers," said Gert R. Jonassen.

Arbejdernes Landsbank expects 2016 results of around DKK 400 mill. before tax.

See also the enclosed fact sheet on the Arbejdernes Landsbank financial statements for 2015.

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