

Arbejdernes Landsbank closes 2017 with an historically strong result

With a record profit of DKK 1,304 mill. before tax and a return on equity of 21 per cent, Arbejdernes Landsbank achieved an extremely satisfactory result for 2017. Among other things, the strong result was secured by solid growth in core business, continued low impairment charges, and an unrealised capital gain on Alka shares.

The result of DKK 1,304 mill. before tax and DKK 1,155 after tax is the best ever in the Bank's almost 100-year history, and as Gert R. Jonassen, CEO of Arbejdernes Landsbank said, this accentuates the positive developments the Bank has undergone in recent years.

"We're enormously pleased with this result. It's extremely strong and it confirms in every way that 2017 has been an amazing year for Arbejdernes Landsbank. We've seen solid growth in our core business, and customers continue to flood in. In 2017 alone we welcomed a net total of almost 10,000 new customers. Our investment portfolio earnings have also seen positive developments during the year, and clearly they've also boosted the bottom line," said Gert R. Jonassen, and he continued:

"In addition to the strong financial results, we can also look back on a year in which we were chosen by Danes as their preferred bank for the ninth consecutive year. We're enormously proud of this, especially in a fiercely competitive market.

The unrealised capital gain on Alka shares has further supported the results considerably by more than DKK 500 million. Looking at the result before this gain, the Bank had already earned historically high profits for 2017 of around DKK 800 million.

Decreasing impairment charges and increasing costs

The positive trends in the Danish economy are also benefitting the Bank's level of impairment charges, which is close to 0 per cent. However, the falling impairments have been countered by costs, which rose by 9.7 per cent compared with 2016. This sharp increase is partly due to a massive investment in new digital services.

"The increasing costs demonstrate that we're investing in improvements in both our physical and our digital customer services. Investments in the digital side build on a clear ambition to be able to offer our customers the best digital solutions, which, together with personal contact, can improve our customer experience and ensure that we're always ready to meet our customers' demands for an attentive bank. The combination of personal advisory services at our 70 branches and the very latest digital solutions is the key to high customer satisfaction and continued positive growth in our business," concluded Gert R. Jonassen.

In 2018, Arbejdernes Landsbank expects to achieve a profit before tax of between DKK 300-400 mill. and a return on equity of 5-6 per cent before tax.

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