

Very satisfactory 2021 results from Arbejdernes Landsbank Group

The 2021 profit for Arbejdernes Landsbank Group ended at DKK 1,378 mill. before tax. The result reflects a high level of activity, lending growth of 6 per cent, a continued influx of new customers and non-recurring revenues from acquiring a majority shareholding in Vestjysk Bank.

2021 was yet another year with solid growth throughout for the Arbejdernes Landsbank Group, which since 31 May 2021 has also had a majority shareholding of 73 per cent in Vestjysk Bank, the results of which are also recognised in the consolidated financial statements for the Group.

The profit for the year of DKK 1,378 mill. before tax and DKK 1,329 mill. after tax is at the high end of the expectation of DKK 1,200-1,400 mill. announced in October 2021. CEO Gert R. Jonassen described the result for the year as very satisfactory.

"The entire group with Arbejdernes Landsbank, AL Finans and Vestjysk Bank experienced progress and a high level of activity in 2021. We've once again been able to attract many new customers. More than 11,000 additional customers joined Arbejdernes Landsbank in 2021. Therefore, the Group is continuing to grow, both organically via the influx of new customers and through the acquisition of Vestjysk Bank," said Gert R. Jonassen.

High growth in lending to customers

The CEO highlighted in particular Arbejdernes Landsbank's general growth in lending of 6 per cent and growth of 10 per cent in mortgage-credit loans from Totalkredit.

"Many of our customers have moved home over the year, and many of our new customers are also homeowners. We're very pleased that we can attract this group of customers and that so many can see that we have a very competitive product in the market for home owners," said Gert R. Jonassen.

He is also delighted that, for the 13th successive year, Arbejdernes Landsbank is at the top of the list as "Danes' preferred bank" in the sector's largest independent customer survey by Voxmeter.

Integration with Vestjysk Bank

From 31 May 2021, Vestjysk Bank became a subsidiary and has therefore been recognised in the consolidated financial statements, line by line. The bank was previously recognised as an associate under income from associates and group undertakings.

The increase in net interest, fee and commission income at group level is largely made up of the additional customers from Vestjysk Bank, as well as a general high level of activity among customers in both banks.

"Net interest and fee income was effected positively by increases in customers and business activity as well as more activity in the provision of mortgage-credit loans and portfolio management. The Group's investment activities also improved, and this is partly due to the high returns of bonds and price adjustments on shares. Other operating income was influenced by non-recurring income in the form of goodwill of DKK 329 mill. from Vestjysk Bank. Costs will increase as a consequence of the acquisition of Vestjysk Bank and continuing increases in IT costs, whereas impairments will be influenced positively by the declining effect of the corona crisis," explained Frank Mortensen, CFO and executive bank director at Arbejdernes Landsbank.

Further information:

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

The acquisition of a majority shareholding in Vestjysk Bank has made the Arbejdernes Landsbank Group a systemically important financial institution (SIFI) since June 2021, and this means that the Bank has to meet stricter capital requirements and requirements for banking activities.

Outlook for 2022

Expectations for the profit before tax for 2022 are between DKK 900 mill. and DKK 1,100 mill.

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