

Spar Nord upgrades its financial guidance

On the basis of continued positive development in the financial markets and higher than expected activity within securities trading and mortgaging, Spar Nord now expects core earnings before impairment for the full year 2020 in the DKK 1,150-1,250 million range, while the Bank's guidance for profit after tax is upgraded to the range of DKK 650-750 million.

In September 2020, Spar Nord upgraded its full-year 2020 guidance for core earnings before impairment to DKK 1,000-1,200 million, while profit after tax was upgraded to the level of DKK 500-700 million. In both situations, the expected result was in the middle of the range (see company announcement no. 20/2020).

The upgrade was driven by continued positive trends in the financial markets in July and August 2020 resulting in higher market value adjustments than previously anticipated.

Positive trends in the financial markets has continued in recent months and especially in November leading to higher-than-expected market value adjustments. In addition, high level of activity within securities trading and asset management and continued growth in mortgage loans arranged results in higher net fee income than previously expected. Finally, non-recurring costs as a result of the reduction in staff at headquarters in November pull in the opposite direction.

Against this background, Spar Nord now upgrades guidance for full-year core earnings before impairment to the range of DKK 1,150-1,250 million with an expected result in the middle of the range.

Expected loan impairment charges for the full year remains unchanged. That is, impairments are still expected to be lower in H2 than in H1.

Based on the above factors, Spar Nord upgrades its full-year guidance for profit after tax DKK 650-750 million. Again with an expected result in the middle of the range.

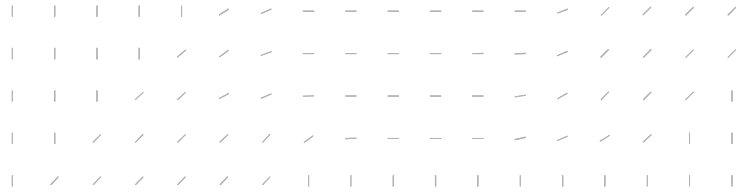
Spar Nord Bank A/S
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Spar Nord's Annual Report 2020 will be released as scheduled on 11 February 2021.

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