

Company announcement no. 20

Spar Nord upgrades its financial guidance

Backed by continued positive developments in the financial markets in recent months, Spar Nord now expects core earnings before impairment for the full year 2020 in the DKK 1,000-1,200 million range, while the Bank's guidance for profit after tax is upgraded to the range of DKK 500-700 million.

In July 2020, Spar Nord upgraded its full-year 2020 guidance for core earnings before impairment to DKK 800-1,050 million, while profit after tax was upgraded to the level of DKK 350-550 million (see company announcement no. 18/2020).

The upgrade was driven by positive financial market developments in the second quarter of 2020 combined with satisfactory developments in net interest and fee income along with specific cost-cutting measures.

Continuing positive trends in the financial markets in July and August 2020 resulted in higher market value adjustments than previously anticipated, and against this background, Spar Nord now upgrades guidance for full-year core earnings before impairment to the range of DKK 1,000-1,200 million with an expected result in the middle of the range. However, the guidance range is maintained at DKK 200 million due to the substantial uncertainty resulting from COVID-19.

Expected loan impairment charges for the full year remains unchanged compared to the guidance in the Interim report H1 2020. 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 500-700 million. Again with an expected result in the middle of the range.

Spar Nord's financial report for Q3 2020 will be released as scheduled on 29 October 2020.

Spar Nord Bank A/S
Executive Board

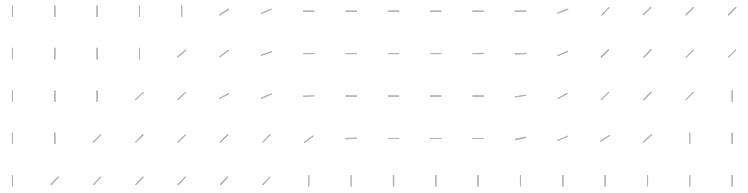


Spar Nord Bank A/S
Skelagervej 15
9000 Aalborg, Denmark

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Please direct any questions regarding this release to Lasse Nyby, Chief Executive Officer, on tel. +45 9634 4011, or Rune Børglum Sørensen, Head of Investor Relations, on tel. + 45 9634 4236.

Rune Børglum Sørensen
Head of Investor Relations