

## **NIB in 2011: Increased lending in a volatile market**

**In 2011, the sovereign debt crisis deepened further, adversely affecting the confidence in the financial markets. Despite the growing volatility on a global scale, the Nordic–Baltic region posted a relatively stable economic performance. NIB continued to build its lending portfolio, resulting in a clear increase of new loan agreements.**

In February 2011, the decision of the Board of Governors to increase the Bank's capital base by EUR 2 billion came into force. After the increase, the Bank's authorised capital totals EUR 6,142 million. NIB continued to build up the lending portfolio of projects fulfilling the Bank's mandate. Demand for loans from NIB remained high, although increased uncertainty and a weaker economic outlook had a negative effect on investments.

"NIB's standing on the funding market remained strong. The increase of the Bank's new loan agreements and loan disbursements has been in line with its long-term targets and capacity. NIB's reliability is basically reflected in the fact that the Bank is able to provide finance in difficult times. This is the result of the Bank's high creditworthiness, which last year, like in all previous years, proved advantageous for our customers," says Johnny Åkerholm, NIB President and CEO.

All in all, the Bank signed 47 loan agreements during 2011 for a total of EUR 2,608 million (2010: EUR 1,763 million). The disbursement of loans rose to EUR 1,946 million (1,274). Of all loans NIB agreed to during this period, approximately 90% went to projects which were assessed as strongly supporting competitiveness and the environment, the centrepieces of NIB's strategy. As in previous years, the sectors of power generation and supply, renewable energy and development of modern transport infrastructure dominated NIB's lending.

NIB's net interest income amounted to EUR 228 million (234). The profit for the period amounted to EUR 194 million (211). Loan impairment charges (net impairment charges) made during the period amounted to EUR 12 million (38).

The Bank's total assets at the end of the period amounted to EUR 24 billion. Loans outstanding increased to slightly more than EUR 14 billion. Overall, the quality of the Bank's portfolios remained high in 2011.

Turbulence in the financial markets, especially in the latter part of 2011, had only minor impact on NIB's funding programme. Funding costs remained favourable for the Bank's funding programme throughout 2011. NIB borrowed a total of EUR 2.9 billion in 11 different currencies through 43 transactions. The NIB Environmental Bond was launched for investors willing to support NIB's

environmental lending. The net proceeds of the issue are held in a separate portfolio pending disbursement to eligible projects.

NIB assumes that the supply of long-term financing will remain constrained due to increased uncertainty in the financial markets, and the Bank's customers may face significant refinancing needs. NIB will look at possibilities to support borrowers in the Nordic–Baltic area within its mandate and risk framework. This activity will be facilitated by continued good access to funding.

More information is available in [NIB's Annual Report for 2011](#).

### Key figures

in EUR million unless otherwise noted

	Y2011	Y2010
Net interest income	228	234
Profit	194	211
Loans disbursed	1,946	1,274
Loan agreements	2,608	1,763
Member countries	2,130	1,284
Non-member countries	478	479
Loans outstanding and guarantees	14,157	13,780
Member countries	11,268	11,019
Non-member countries	2,889	2,761
New debt issues	2,887	4,120
Debts evidenced by certificates	18,433	19,944
Total assets	23,802	24,898
Equity/total assets	10.3%	9.1%

*The Nordic Investment Bank (NIB) is the common international financial institution of the eight Nordic and Baltic countries. NIB provides long-term financing to the energy, environmental, transport, logistics and communications, and innovation sectors for projects that strengthen competitiveness and enhance the environment. NIB has the highest possible credit rating, AAA/Aaa, with the leading rating agencies Standard & Poor's and Moody's.*

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