



NORDIC INVESTMENT BANK

# Financial information January–April 2013

(unaudited)

**Table of contents**

Key figures .....	3
Comments .....	4
Statement of comprehensive income.....	5
Statement of financial position .....	6
Changes in equity.....	7
Cash flow statement.....	8

17 June 2013

## Key figures

(in EUR million unless otherwise noted)

	<b>Apr 2013*</b>	<i>Apr 2012*</i>	<i>Dec 2012</i>
Net interest income	82	79	252
Profit/loss	70	94	209
Loans disbursed	615	406	2,355
Loans agreed	367	475	2,366
Loans outstanding	15,300	14,104	15,131
Guarantee commitments	-	4	-
New debt issues	2,707	1,944	4,355
Debts evidenced by certificates	21,416	19,621	20,332
Total assets	26,837	25,046	25,983
Equity/total assets (%)	10.2	10.2	10.3
Profit/average equity (%)	7.8	11.3	8.1
Number of employees (average during year)	183	179	180

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2012 and the notes thereto.

## Comments

### NIB's financial figures January–April 2013

As a result of extraordinarily accommodative monetary policies in developed economies, large amounts of excess liquidity have fuelled financial markets of late. So far, however, this has not affected the underlying economic fundamentals in Europe, where unemployment remains unsustainably high and investment has stalled. While largely tracking these developments, the countries of the Nordic-Baltic region maintain somewhat stronger economic performance compared to other European economies.

A higher lending volume and stable margins in January–April 2013 contributed to a 4% increase in NIB's net interest income that amounted to EUR 82 million. The Bank still had positive valuations of Treasury portfolios, but the net profit stemming from financial operations decreased from EUR 31 million in January–April 2012 to EUR 10 million this year. The total amount of NIB's four-month profit was EUR 70 million (Jan-Apr 2012: EUR 94 million).

During the period, the amount of loans disbursed during the period increased to EUR 615 million (Jan-Apr 2012: EUR 406 million). Loans were provided for projects within the sectors of industrial research and development, education facilities, transport infrastructure, renewable energy production,

electricity transmission as well as other sectors.

Loans outstanding totalled EUR 15.3 billion, an increase of 8% on a year ago. Loan impairments made during the period amounted to EUR 10.2 million, all of which were collective impairments, not related to specific losses.

During the first four months of the year, NIB raised EUR 2.7 billion in funding out of the EUR 4.5 billion plan for the year. In early February, a three-year USD 2 billion global benchmark bond was launched and priced, the largest single funding transaction issued by the Bank. The Australian and New Zealand dollar markets have again this year been contributing to diversifying NIB's funding portfolio. The Bank also performed several private placements in the Norwegian kroner, Brazilian Reals and Mexican pesos.

Low business investment activity combined with ample liquidity may affect negatively the demand for lending in the Nordic-Baltic region during the forthcoming months. The lasting low-yield environment may also reduce the net interest income derived from Treasury operations.

Henrik Normann  
President & CEO

## Statement of comprehensive income

EUR 1,000

	Jan–Apr 2013*	Jan–Apr 2012*	Jan–Dec 2012
Interest income	137,491	173,678	494,064
Interest expense	-55,464	-95,159	-242,370
<b>Net interest income</b>	<b>82,027</b>	<b>78,518</b>	<b>251,693</b>
Commission income and fees received	3,825	2,592	10,620
Commission expense and fees paid	-801	-1,100	-2,223
Net profit/loss on financial operations	10,081	30,795	43,288
Foreign exchange gains and losses	-117	-783	-221
<b>Operating income</b>	<b>95,014</b>	<b>110,021</b>	<b>303,157</b>
<b>Expenses</b>			
General administrative expenses	13,337	12,761	34,291
Depreciation	1,179	1,170	3,611
Impairment of loans	10,199	1,703	56,050
<b>Total expenses</b>	<b>24,715</b>	<b>15,634</b>	<b>93,951</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>70,300</b>	<b>94,387</b>	<b>209,205</b>
Total comprehensive income	70,300	94,387	209,205

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2012 and the notes thereto.

## Statement of financial position

EUR 1,000

	30 Apr 2013*	30 Apr 2012*	31 Dec 2012
<b>ASSETS</b>			
Cash and cash equivalents	3,798,306	3,235,577	2,817,189
Financial placements			
Placements with credit institutions	4,541	3,525	4,191
Debt securities	5,126,202	4,982,694	5,248,858
Other	19,867	27,862	22,059
	5,150,610	5,014,081	5,275,108
Loans outstanding	15,299,871	14,103,967	15,130,669
Intangible assets	4,342	4,564	4,446
Tangible assets, property and equipment	29,362	30,697	29,856
Other assets			
Derivatives	2,246,733	2,304,625	2,347,873
Other assets	26,985	34,441	25,895
	2,273,718	2,339,066	2,373,768
Payments to the Bank's reserves, receivable	-	1,320	-
Accrued interest and fees receivable	280,526	316,422	351,875
<b>TOTAL ASSETS</b>	<b>26,836,735</b>	<b>25,045,694</b>	<b>25,982,911</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts owed to credit institutions			
Short-term amounts owed to credit institutions	1,434,972	1,488,885	1,593,338
Long-term amounts owed to credit institutions	5,500	95,941	15,222
	1,440,472	1,584,827	1,608,560
Debts evidenced by certificates			
Debt securities issued	21,337,191	19,546,368	20,254,987
Other debt	79,185	74,824	77,144
	21,416,376	19,621,192	20,332,131
Other liabilities			
Derivatives	1,029,952	1,042,923	1,102,707
Other liabilities	13,835	11,227	9,397
	1,043,787	1,054,149	1,112,104
Accrued interest and fees payable	200,123	234,667	264,439
<b>Total liabilities</b>	<b>24,100,758</b>	<b>22,494,835</b>	<b>23,317,234</b>
<b>Equity</b>			
Authorised and subscribed capital	6,141,903		
of which callable capital	-5,723,302		
Paid-in capital	418,602	418,602	418,602
Reserve funds			
Statutory Reserve	686,325	685,005	686,325
General Credit Risk Fund	1,112,831	955,626	955,626
Special Credit Risk Fund PIL	395,919	395,919	395,919
Payments to the Bank's reserves, receivable	-	1,320	-
Appropriation to dividend payment	52,000	-	-
Profit/loss for the period	70,300	94,387	209,205
<b>Total equity</b>	<b>2,735,977</b>	<b>2,550,859</b>	<b>2,665,677</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,836,735</b>	<b>25,045,694</b>	<b>25,982,911</b>

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2012 and the notes thereto.

**Changes in equity\***

EUR 1,000

	Paid-in capital	Statutory Reserve	General Credit Risk Fund	Special Credit Risk Fund PIL	Payments to the Bank's Statutory Reserve and Credit Risk funds	Appropriation to dividend payment	Other value adjustments	Profit/loss for the period	Total
<b>Equity at 31 December 2011</b>	<b>418,602</b>	<b>683,685</b>	<b>761,589</b>	<b>395,919</b>	<b>2,640</b>	<b>0</b>	<b>0</b>	<b>194,037</b>	<b>2,456,472</b>
Appropriations between reserve funds			194,037					-194,037	0
Paid-in capital									0
Called in authorised and subscribed capital									0
Payments to the Bank's Statutory Reserve and credit risk funds, receivable		1,320			-1,320				0
Comprehensive income for the period 1/1–30/4/2012								94,387	94,387
<b>Equity at 30 April 2012</b>	<b>418,602</b>	<b>685,005</b>	<b>955,626</b>	<b>395,919</b>	<b>1,320</b>	<b>0</b>	<b>0</b>	<b>94,387</b>	<b>2,550,859</b>
Paid-in capital									0
Called in authorised and subscribed capital									0
Payments to the Bank's Statutory Reserve and credit risk funds, receivable		1,320			-1,320				0
Comprehensive income for the period 1/5–31/12/2012								114,818	114,818
<b>Equity at 31 December 2012</b>	<b>418,602</b>	<b>686,325</b>	<b>955,626</b>	<b>395,919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>209,205</b>	<b>2,665,677</b>
Appropriations between reserve funds			157,205			52,000		-209,205	0
Paid-in capital									0
Called in authorised and subscribed capital									0
Payments to the Bank's Statutory Reserve and credit risk funds, receivable									0
Dividend payment									0
Comprehensive income for the period 1/1–30/4/2013								70,300	70,300
<b>Equity at 30 April 2013</b>	<b>418,602</b>	<b>686,325</b>	<b>1,112,831</b>	<b>395,919</b>	<b>0</b>	<b>52,000</b>	<b>0</b>	<b>70,300</b>	<b>2,735,977</b>

\* Only the year-end figures are audited, to be read in conjunction with NIB's audited financial statements for 2012 and the notes thereto

## Cash flow statement

EUR 1,000

	Jan-Apr 2013*	Jan-Apr 2012*	Jan-Dec 2012
<b>Cash flows from operating activities</b>			
Profit/loss from operating activities	70,300	94,387	209,205
<b>Adjustments:</b>			
Unrealised gains/losses of financial assets held at fair value	-10,825	-34,988	-44,717
Impairment of bonds held at amortised cost		3,733	
Depreciation and write-down in value of tangible and intangible assets	1,179	1,170	3,611
Change in accrued interest and fees (assets)	71,350	47,265	11,812
Change in accrued interest and fees (liabilities)	-64,316	-44,711	-14,939
Impairment of loans	10,199	1,703	56,050
Adjustment to hedge accounting	-405	3,346	1,381
Other adjustments to the period's profit	1,135	-13	-2,523
<b>Adjustments, total</b>	<b>8,316</b>	<b>-22,495</b>	<b>10,675</b>
<b>Lending</b>			
Disbursements of loans	-614,843	-406,002	-2,354,787
Repayments of loans	416,867	439,955	1,502,789
Capitalisations, redenominations, index adjustments etc.	-111	215	245
Transfer of loans to claims in other assets	0	2,854	2,854
Exchange rate adjustments	18,779	25,337	-85,199
<b>Lending, total</b>	<b>-179,307</b>	<b>62,360</b>	<b>-934,098</b>
<b>Cash flows from operating activities, total</b>	<b>-100,692</b>	<b>134,252</b>	<b>-714,218</b>
<b>Cash flows from investing activities</b>			
<b>Placements and debt securities</b>			
Purchase of debt securities	-752,172	-1,611,995	-2,893,778
Sold and matured debt securities	885,428	995,017	2,046,894
Placements with credit institutions	-350	-8	-674
Other financial placements	1,662	-3,054	-3,463
Exchange rate adjustments etc.	-4,229	11,693	4,074
<b>Placements and debt securities, total</b>	<b>130,340</b>	<b>-608,346</b>	<b>-846,947</b>
<b>Other items</b>			
Acquisition of intangible assets	-492	-596	-1,727
Acquisition of tangible assets	-89	-469	-820
Change in other assets	1,157	4,956	13,587
<b>Other items, total</b>	<b>576</b>	<b>3,891</b>	<b>11,040</b>
<b>Cash flows from investing activities, total</b>	<b>130,916</b>	<b>-604,455</b>	<b>-835,907</b>
<b>Cash flows from financing activities</b>			
<b>Debts evidenced by certificates</b>			
Issues of new debt	2,707,132	1,943,697	4,355,019
Redemptions	-1,492,866	-650,552	-2,435,918
Exchange rate adjustments	-154,208	-143,819	-312,663
<b>Debts evidenced by certificates, total</b>	<b>1,060,059</b>	<b>1,149,326</b>	<b>1,606,438</b>
<b>Other items</b>			
Long-term placements from credit institutions	-9,722	-5,725	-86,444
Change in swap receivables	94,813	153,789	262,337
Change in swap payables	-40,327	-2,537	70,114
Change in other liabilities	4,437	1,284	-545
Paid-in capital and reserves	0	1,320	2,640
<b>Other items, total</b>	<b>49,201</b>	<b>148,133</b>	<b>248,102</b>
<b>Cash flows from financing activities, total</b>	<b>1,109,259</b>	<b>1,297,459</b>	<b>1,854,540</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>1,139,483</b>	<b>827,255</b>	<b>304,414</b>
<b>Opening balance for cash and cash equivalents, net</b>	<b>1,223,851</b>	<b>919,437</b>	<b>919,437</b>
<b>Closing balance for cash and cash equivalents, net</b>	<b>2,363,334</b>	<b>1,746,692</b>	<b>1,223,851</b>
<b>Additional information to the statement of cash flows</b>			
Interest income received	208,840	220,943	505,876
Interest expense paid	-119,779	-139,870	-257,309

The cash flow statement has been prepared using the indirect method and the cash flow items cannot be directly concluded from the statements of financial positions.

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2012 and the notes thereto.



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