



NORDIC
INVESTMENT
BANK

FINANCING
THE
FUTURE

Financial information January–August 2014

(unaudited)



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13 October 2014

Key figures

<i>(in EUR million unless otherwise specified)</i>	Aug 2014*	<i>Aug 2013*</i>	<i>Dec 2013</i>
Net interest income	159	166	244
Profit/loss	148	153	217
Loans disbursed	1,159	1,039	1,922
Loans agreed	1,277	859	1,810
Loans outstanding	14,820	14,804	14,667
Guarantee commitments	-	-	-
New debt issues	2,714	3,356	4,080
Debts evidenced by certificates	19,747	19,386	18,421
Total assets	24,657	24,562	23,490
Equity/total assets (%)	11.9	11.3	12.1
Profit/average equity (%)	7.7	8.4	7.9
Number of employees (average during year)	185	182	183

* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2013 and the notes thereto.

Comments on NIB's financial figures January–August 2014

The European recovery was again interrupted in recent months—this time as rising geopolitical tensions cooled business confidence. With global growth lacking key engines, Nordic exports and business investment have been lacklustre.

Despite the difficult investment environment, the demand for NIB financing remained stable. A slight decrease in the Bank's profit, totalling EUR 148 million (Jan–Aug 2013: EUR 153 million), reflected the pressure of margins on NIB's net interest income. Impairments remained low and amounted to EUR 9 million.

During the period, the Bank's lending activities developed satisfactorily and according to plan. Twenty-two new loans were agreed with borrowers, with an aggregate amount of approximately EUR 1,277 million, up from EUR 859 million during the same period a year ago. Loan disbursements totalled EUR 1,159 million (Jan–Aug 2013: EUR 1,039 million). Energy

and the environment was the biggest disbursement sector, accounting for 38% of all disbursement for the period.

In January–August 2014, NIB issued new funding transactions for a total amount of EUR 2.7 billion, which accounts for nearly 80% of the Bank's annual funding programme. In April, NIB launched a five-year global USD 1 billion benchmark transaction. In addition, the Bank issued 29 public and private transactions in eight different currencies.

Interest rates in the Nordic–Baltic region look set to stay very low for an extended period. Amid fragile confidence due to elevated uncertainty, business investment is not expected to pick up substantially in the coming months.

Henrik Normann
President & CEO

Statement of comprehensive income

EUR 1,000

	<i>Jan–Aug 2014*</i>	<i>Jan–Aug 2013*</i>	<i>Jan–Dec 2013</i>
Interest income	258,208	274,400	404,179
Interest expense	-99,056	-108,304	-159,975
Net interest income	159,152	166,096	244,204
Commission income and fees received	6,844	7,284	10,199
Commission expense and fees paid	-1,655	-1,985	-2,454
Net profit/loss on financial operations	20,365	11,984	19,840
Foreign exchange gains and losses	117	-196	-384
Operating income	184,823	183,183	271,404
Expenses			
General administrative expenses	24,824	23,471	35,217
Depreciation	2,350	2,380	3,592
Impairment of loans	9,182	4,596	15,385
Total expenses	36,356	30,447	54,194
PROFIT/LOSS FOR THE PERIOD	148,467	152,736	217,210
Total comprehensive income	148,467	152,736	217,210

* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2013 and the notes thereto.

Statement of financial position

EUR 1,000

	31 Aug 2014*	31 Aug 2013*	31 Dec 2013
ASSETS			
Cash and cash equivalents	2,402,564	2,680,721	1,757,616
Financial placements			
Placements with credit institutions	6,101	4,891	5,741
Debt securities	5,377,073	5,125,509	5,343,419
Other	22,686	20,789	24,247
	5,405,859	5,151,188	5,373,407
Loans outstanding	14,820,390	14,804,079	14,666,747
Intangible assets	5,332	4,753	5,111
Tangible assets, property and equipment	28,828	29,099	29,640
Other assets			
Derivatives	1,662,106	1,539,265	1,308,990
Other assets	21,882	26,498	30,279
	1,683,988	1,565,763	1,339,269
Accrued interest and fees receivable	309,728	326,290	318,151
TOTAL ASSETS	24,656,690	24,561,894	23,489,941
LIABILITIES AND EQUITY			
Liabilities			
Amounts owed to credit institutions			
Short-term amounts owed to credit institutions	558,396	732,462	372,402
Long-term amounts owed to credit institutions	-	-	-
	558,396	732,462	372,402
Debts evidenced by certificates			
Debt securities issued	19,670,661	19,312,133	18,346,651
Other debt	76,175	73,937	73,906
	19,746,837	19,386,070	18,420,557
Other liabilities			
Derivatives	1,189,856	1,424,726	1,615,146
Other liabilities	9,874	10,859	8,094
	1,199,730	1,435,585	1,623,240
Accrued interest and fees payable	227,373	241,364	242,855
Total liabilities	21,732,336	21,795,480	20,659,054
Equity			
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	686,325	686,325
General Credit Risk Fund	1,275,041	1,112,831	1,112,831
Special Credit Risk Fund PIL	395,919	395,919	395,919
Profit/loss for the period	148,467	152,736	217,210
Total equity	2,924,354	2,766,413	2,830,887
TOTAL LIABILITIES AND EQUITY	24,656,690	24,561,894	23,489,941

* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2013 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
Equity at 31 December 2012	418,602	686,325	955,626	395,919	0	0	0	209,205	2,665,677
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					-52,000				-52,000
Comprehensive income for the period 1/1–31/8/2013							152,736		152,736
Equity at 31 August 2013	418,602	686,325	1,112,831	395,919	0	0	0	152,736	2,766,413
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 1/9–31/12/2013							64,474		64,474
Equity at 31 December 2013	418,602	686,325	1,112,831	395,919	0	0	0	217,210	2,830,887
Appropriations between reserve funds			162,210		55,000		-217,210		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					-55,000				-55,000
Comprehensive income for the period 1/1–31/8/2014							148,467		148,467
Equity at 31 August 2014	418,602	686,325	1,275,041	395,919	0	0	0	148,467	2,924,354

* Only the year-end figures are audited, to be read in conjunction with NIB's audited financial statements for 2013 and the notes thereto

Cash flow statement

EUR 1,000

	Jan-Aug 2014*	Jan-Aug 2013*	Jan-Dec 2013
Cash flows from operating activities			
Profit/loss from operating activities	148,467	152,736	217,210
Adjustments:			
Unrealised gains/losses of financial assets held at fair value	-24,920	-8,440	-13,500
Depreciation and write-down in value of tangible and intangible assets	2,350	2,380	3,592
Change in accrued interest and fees (assets)	8,353	25,585	33,724
Change in accrued interest and fees (liabilities)	-15,482	-23,075	-21,584
Impairment of loans	9,182	4,596	15,385
Adjustment to hedge accounting	780	-1,715	-2,294
Other adjustments to the period's profit	-935	-1,953	-1,820
Adjustments, total	-20,673	-2,622	13,503
Lending			
Disbursements of loans	-1,158,972	-1,039,312	-1,921,755
Repayments of loans	1,220,000	1,010,055	1,818,766
Capitalisations, redenominations, index adjustments etc.	-67	-183	-686
Exchange rate adjustments	-98,986	222,413	414,332
Lending, total	-38,025	192,973	310,656
Cash flows from operating activities, total	89,769	343,086	541,369
Cash flows from investing activities			
Placements and debt securities			
Purchase of debt securities	-1,736,478	-1,364,824	-2,437,468
Sold and matured debt securities	1,765,432	1,470,656	2,310,584
Placements with credit institutions	-360	-700	-1,550
Other financial placements	1,350	2,472	1,222
Exchange rate adjustments etc.	-19,318	9,036	27,783
Placements and debt securities, total	10,625	116,640	-99,429
Other items			
Acquisition of intangible assets	-1,122	-1,506	-2,440
Acquisition of tangible assets	-636	-425	-1,602
Change in other assets	11,477	1,083	172
Other items, total	9,719	-848	-3,870
Cash flows from investing activities, total	20,344	115,792	-103,300
Cash flows from financing activities			
Debts evidenced by certificates			
Issues of new debt	2,713,977	3,355,774	4,079,958
Redemptions	-2,489,998	-2,735,604	-3,776,926
Exchange rate adjustments	915,276	-1,022,764	-1,608,276
Debts evidenced by certificates, total	1,139,254	-402,593	-1,305,244
Other items			
Long-term placements from credit institutions	-	-15,222	-15,222
Change in swap receivables	-283,859	441,008	638,041
Change in swap payables	-453,334	292,876	459,022
Change in other liabilities	1,781	1,462	-1,304
Dividend paid	-55,000	-52,000	-52,000
Paid-in capital and reserves	-	-	-
Other items, total	-790,412	668,123	1,028,537
Cash flows from financing activities, total	348,842	265,530	-276,706
CHANGE IN CASH AND CASH EQUIVALENTS, NET	458,955	724,408	161,363
Opening balance for cash and cash equivalents, net	1,385,213	1,223,851	1,223,851
Closing balance for cash and cash equivalents, net	1,844,168	1,948,259	1,385,213
Additional information to the statement of cash flows			
Interest income received	266,631	299,985	437,903
Interest expense paid	-114,539	-131,379	-181,559

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.

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Nordic Investment Bank (NIB)

Fabianinkatu 34
P.O. Box 249
FI-00171 Helsinki, Finland

Telephone: +358 10 618 001
Fax: +358 10 618 0725
Internet: www.nib.int
E-mail: info@nib.int