



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE

# Financial information January–August 2015

(unaudited)



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6 October 2015

**Key figures**

<i>(in EUR million unless otherwise specified)</i>	<b>Aug 2015*</b>	<i>Aug 2014*</i>	<i>Dec 2014</i>
Net interest income	<b>165</b>	159	239
Profit/loss	<b>150</b>	148	210
Loans disbursed	<b>1,272</b>	1,159	2,274
Loans agreed	<b>1,389</b>	1,277	2,389
Loans outstanding	<b>15,141</b>	14,820	15,156
Guarantee commitments	-	-	-
New debt issues	<b>2,665</b>	2,714	3,361
Debts evidenced by certificates	<b>19,717</b>	19,747	19,446
Total assets	<b>26,268</b>	24,657	24,870
Equity/total assets (%)	<b>11.7</b>	11.9	12.0
Profit/average equity (%)	<b>7.4</b>	7.7	7.2
Number of employees (average during the period)	<b>189</b>	185	186

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2014 and the notes thereto.

## Comments on NIB's financial figures January–August 2015

Over the past four months, the economic environment has been turbulent. In the Nordic–Baltic region, growth has slowed further in Norway and Finland. By contrast, growth momentum remained broadly stable in Sweden, Denmark, Iceland and the Baltic countries, with low inflation. Hence, continued expansionary monetary policy is to be expected.

Despite the challenge of the persistently low interest rates, the Bank's eight-month profit amounted to EUR 149.6 million (Jan–Aug 2014: EUR 148.5 million). The figure reflects growth in net interest income and reversals of loan impairment charges, partially offset by lower profits from financial operations. NIB's total assets increased to EUR 26.3 billion (31 Dec 2014: EUR 24.9 billion).

During the period, NIB experienced good demand for long-term financing. In total, EUR 1,389 million of new loans were agreed, up from EUR 1,277 million in January–August 2014. The projects represent a wide range of private and public investments, including industrial research and

development, energy efficiency in buildings, urban transport, water and wastewater, as well as support to SMEs through financial intermediaries. Disbursements totalled EUR 1,272 million (Jan–Aug 2014: EUR 1,159 million).

During the first eight months of 2015, NIB issued 17 funding transactions in ten different currencies for a total amount of approximately EUR 2.7 billion. In March, NIB launched a three-year global USD 1.25 billion benchmark transaction. The Bank continued to issue NIB Environmental Bonds by launching a SEK 1 billion (EUR 107 million) transaction in April. By year-end, the Bank expects to raise EUR 4 to 4.5 billion in new funding.

Looking ahead, the impact of slowing demand in China is likely to have an effect on demand in commodity-driven economies. Due to the expected tightening of the monetary policy in the US, further volatility could be expected in the period ahead.

*Henrik Normann*  
President & CEO

**Statement of comprehensive income**

EUR 1,000

	<i>Jan–Aug 2015*</i>	<i>Jan–Aug 2014*</i>	<i>Jan–Dec 2014</i>
Interest income	<b>231,062</b>	258,208	382,760
Interest expense	<b>-65,780</b>	-99,056	-143,652
<b>Net interest income</b>	<b>165,282</b>	159,152	239,108
Commission income and fees received	<b>7,675</b>	6,844	9,326
Commission expense and fees paid	<b>-1,821</b>	-1,655	-2,092
Net profit/loss on financial operations	<b>3,063</b>	20,365	25,684
Foreign exchange gains and losses	<b>96</b>	117	187
<b>Operating income</b>	<b>174,295</b>	184,823	272,211
<b>Expenses</b>			
General administrative expenses	<b>25,672</b>	24,824	37,386
Depreciation	<b>2,780</b>	2,350	3,709
Impairment of loans	<b>-3,760</b>	9,182	20,905
<b>Total expenses</b>	<b>24,692</b>	36,356	62,000
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>149,603</b>	148,467	210,211
<b>Total comprehensive income</b>	<b>149,603</b>	148,467	210,211

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2014 and the notes thereto.

**Statement of financial position**

EUR 1,000

	31 Aug 2015*	31 Aug 2014*	31 Dec 2014
<b>ASSETS</b>			
Cash and cash equivalents	2,235,124	2,402,564	1,639,139
Financial placements			
Placements with credit institutions	7,571	6,101	6,571
Debt securities	5,880,116	5,377,073	5,489,623
Other	23,720	22,686	22,190
	5,911,407	5,405,859	5,518,384
Loans outstanding	15,141,404	14,820,390	15,156,486
Intangible assets	4,771	5,332	5,217
Tangible assets, property and equipment	28,352	28,828	28,324
Other assets			
Derivatives**	2,656,114	1,662,106	2,198,003
Other assets	25,812	21,882	19,259
	2,681,926	1,683,988	2,217,262
Accrued interest and fees receivable	264,946	309,728	305,590
<b>TOTAL ASSETS</b>	<b>26,267,931</b>	<b>24,656,690</b>	<b>24,870,400</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts owed to credit institutions			
Short-term amounts owed to credit institutions	1,554,834	558,396	872,010
Long-term amounts owed to credit institutions	-	-	-
	1,554,834	558,396	872,010
Debts evidenced by certificates			
Debt securities issued	19,642,967	19,670,661	19,369,052
Other debt	74,527	76,175	76,597
	19,717,493	19,746,837	19,445,649
Other liabilities			
Derivatives**	1,718,732	1,189,856	1,329,097
Other liabilities	9,953	9,874	6,760
	1,728,686	1,199,730	1,335,857
Accrued interest and fees payable	186,217	227,373	230,786
<b>Total liabilities</b>	<b>23,187,229</b>	<b>21,732,336</b>	<b>21,884,302</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	686,325	686,325
General Credit Risk Fund	1,430,252	1,275,041	1,275,041
Special Credit Risk Fund PIL	395,919	395,919	395,919
Profit/loss for the period	149,603	148,467	210,211
<b>Total equity</b>	<b>3,080,701</b>	<b>2,924,354</b>	<b>2,986,099</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,267,931</b>	<b>24,656,690</b>	<b>24,870,400</b>

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2014 the notes thereto.

\*\* The Bank is in the process of aligning its fair value measurement of derivatives with current market practice. This may subsequently have an impact on the value of derivatives.

**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 2013</b>	<b>418,602</b>	<b>686,325</b>	<b>1,112,831</b>	<b>395,919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>217,210</b>	<b>2,830,887</b>
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
<b>Equity at 31 August 2014</b>	<b>418,602</b>	<b>686,325</b>	<b>1,275,041</b>	<b>395,919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148,467</b>	<b>2,924,354</b>
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 1/9–31/12/2014								61,745	61,745
<b>Equity at 31 December 2014</b>	<b>418,602</b>	<b>686,325</b>	<b>1,275,041</b>	<b>395,919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210,211</b>	<b>2,986,099</b>
Appropriations between reserve funds			155,211			55,000		-210,211	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 1/1–31/8/2015								149,603	149,603
<b>Equity at 31 August 2015</b>	<b>418,602</b>	<b>686,325</b>	<b>1,430,252</b>	<b>395,919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149,603</b>	<b>3,080,701</b>

Only the year-end figures are audited, to be read in conjunction with NIB's audited financial statements for 2014 and the notes thereto.

## Cash flow statement

EUR 1,000

	Jan-Aug 2015*	Jan-Aug 2014*	Jan-Dec 2014
<b>Cash flows from operating activities</b>			
<b>Profit/loss from operating activities</b>	<b>149,603</b>	<b>148,467</b>	<b>210,211</b>
<b>Adjustments:</b>			
Unrealised gains/losses of financial assets held at fair value	1,464	-24,920	-27,631
Depreciation and write-down in value of tangible and intangible assets	2,780	2,350	3,709
Change in accrued interest and fees (assets)	40,644	8,353	12,491
Change in accrued interest and fees (liabilities)	-44,569	-15,482	-12,069
Impairment of loans	-3,760	9,182	20,905
Adjustment to hedge accounting	-696	780	1,019
Other adjustments to the period's profit	-637	-935	-641
<b>Adjustments, total</b>	<b>-4,774</b>	<b>-20,673</b>	<b>-2,217</b>
<b>Lending</b>			
Disbursements of loans	-1,271,669	-1,158,972	-2,273,619
Repayments of loans	1,388,426	1,220,000	2,005,001
Capitalisations, redenominations, index adjustments, etc.	-44	-67	-69
Exchange rate adjustments	-139,000	-98,986	-84,071
<b>Lending, total</b>	<b>-22,287</b>	<b>-38,025</b>	<b>-352,758</b>
<b>Cash flows from operating activities, total</b>	<b>122,542</b>	<b>89,769</b>	<b>-144,763</b>
<b>Cash flows from investing activities</b>			
<b>Placements and debt securities</b>			
Purchase of debt securities	-1,458,558	-1,736,478	-2,555,763
Sold and matured debt securities	1,081,936	1,765,432	2,489,721
Placements with credit institutions	-1,000	-360	-830
Other financial placements	689	1,350	1,663
Exchange rate adjustments, etc.	-30,392	-19,318	-36,599
<b>Placements and debt securities, total</b>	<b>-407,324</b>	<b>10,626</b>	<b>-101,808</b>
<b>Other items</b>			
Acquisition of intangible assets	-898	-1,122	-1,637
Acquisition of tangible assets	-1,465	-636	-861
Change in other assets	-1,390	11,477	16,570
<b>Other items, total</b>	<b>-3,753</b>	<b>9,719</b>	<b>14,072</b>
<b>Cash flows from investing activities, total</b>	<b>-411,077</b>	<b>20,344</b>	<b>-87,736</b>
<b>Cash flows from financing activities</b>			
<b>Debts evidenced by certificates</b>			
Issues of new debt	2,665,120	2,713,977	3,360,777
Redemptions	-2,888,200	-2,489,998	-4,031,164
Exchange rate adjustments	333,321	915,276	1,272,741
<b>Debts evidenced by certificates, total</b>	<b>110,242</b>	<b>1,139,254</b>	<b>602,354</b>
<b>Other items</b>			
Change in swap receivables	-501,631	-283,859	-653,925
Change in swap payables	466,642	-453,334	-277,680
Change in other liabilities	3,193	1,781	-1,334
Dividend paid	-55,000	-55,000	-55,000
Paid-in capital and reserves	-	-	-
<b>Other items, total</b>	<b>-86,796</b>	<b>-790,412</b>	<b>-987,939</b>
<b>Cash flows from financing activities, total</b>	<b>23,446</b>	<b>348,842</b>	<b>-385,585</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>-265,089</b>	<b>458,955</b>	<b>-618,084</b>
<b>Opening balance for cash and cash equivalents, net</b>	<b>767,129</b>	<b>1,385,213</b>	<b>1,385,213</b>
<b>Closing balance for cash and cash equivalents, net</b>	<b>502,039</b>	<b>1,844,168</b>	<b>767,129</b>
<b>Additional information to the statement of cash flows</b>			
Interest income received	271,706	266,631	395,321
Interest expense paid	-110,349	-114,539	-155,722

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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