

## NIB in 2016: Lending up on strong public infrastructure demand

NIB publishes its Annual Report 2016

**In 2016, NIB increased its lending volume to an all-time high and showed a stable amount of net profit, at EUR 212 million. While corporate investment activity remained subdued, the demand for long-term loans saw strong growth, in particular from the public sector. The amount of environmental loans grew by 50% compared to the previous year. Based on last year's financial results, the Bank's Board of Directors is proposing to pay out EUR 55 million in dividends to the member countries.**

Last year, NIB signed 58 loan agreements and started investing in green bonds issued by public and private entities in the Bank's member countries. The aggregate value of loans agreed and green bond investments amounted to EUR 4,363 million (2015: EUR 2,830 million). Disbursements of loans also saw a significant increase, to an all-time high of EUR 3,373 million (2015: EUR 2,716 million).

Loans provided to projects achieving a "good" or "excellent" mandate rating for improving competitiveness and the environment accounted for 96% of the total amount of lending. Investments in public infrastructure—wastewater treatment, water supply, public transport and schools—as well as electricity networks, automated metering systems, biomass heat and power plants, and industrial R&D projects in the member countries were behind the strong demand for NIB's financing.

NIB's major environmental impact comes through its traditional long-term lending. Loans with positive effects on the environment grew by half year-on-year, to EUR 1.6 billion, or 37% of all agreed loans. In 2016, NIB also started investing in green bonds issued by companies or municipalities in the member countries. The purpose of the new approach is to support the development of the green bond market, finance environmental investments and promote good standards. NIB invested in eight transactions and held EUR 143 million in green bonds at year-end 2016.

"NIB's volume of loans agreed grew markedly. Financing long-term investments in public infrastructure was one of the principal drivers of this development. We also continued implementing new strategy initiatives, such as increased lending to SMEs and mid-sized corporates and the launch of the Arctic Financing Facility. The investments financed in 2016 will have long-term impacts on the environment and the growth potential in the whole Nordic-Baltic region", says Henrik Normann, NIB President & CEO.

The Bank's funding amounted to EUR 6.7 billion, which was the largest amount NIB has ever raised in one year. In the NIB Environmental Bond programme, the Bank raised EUR 763 million in one EUR- and two SEK-denominated transactions.

The Bank's profit before provisions for loan losses increased from EUR 218 million to EUR 232 million. The main driver for the increase was higher operating income due to higher net profit on financial operations. Net loan losses increased from the low amount in 2015, of EUR 3 million, to EUR 20 million in 2016, resulting in a decrease in net profit from EUR 215 million to EUR 212 million. Based on last year's financial results, the Bank's Board of Directors is proposing to pay out EUR 55 million in dividends to the member countries.

[Click here to visit Annual Report for 2016](#)

<b>Key Figures</b> <i>in EUR million unless otherwise specified</i>	<b>2016</b>	<b>2015</b>
Net interest income	242	247
Profit	212	215
Loans disbursed	3,373	2,716
Loan agreements	4,363	2,830
Loans outstanding and guarantees	16,640	15,627
New debt issued	6,700	4,276
Debts evidenced by certificates	23,907	20,862
Total assets	30,178	27,311
Equity/total assets	10.9%	11.5%

*The Nordic Investment Bank (NIB) is the common international financial institution of the eight Nordic and Baltic countries. NIB provides long-term financing 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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