



NORDIC INVESTMENT BANK

# Financial information January–April 2011

(unaudited)

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## Key figures

<i>(in EUR million unless otherwise noted)</i>	<b>Apr 2011*</b>	<i>Apr 2010*</i>	<i>Dec 2010</i>
Net interest income	76	78	234
Core earnings**	64	71	217
Profit/loss	72	59	211
Loans disbursed	478	128	1,274
Loans agreed	813	183	1,763
Loans outstanding	13,548	13,886	13,771
Guarantee commitments	8	12	8
New debt issues	1,400	1,589	4,120
Debts evidenced by certificates	16,412	20,532	19,944
Total assets	21,701	24,784	24,898
Equity/total assets (%)	10.8	8.5	9.1
Profit/average equity (%)	9.5	8.5	9.8
Number of employees (persons)	173	176	171

\* Unaudited figures, to be read in conjunction with NIB's audited financial statements for 2010 and the notes thereto

\*\* Core earnings consist of the profit before adjustments to hedge accounting, realised and unrealised gains/losses of the trading portfolio, credit losses and reversals thereof.

## Comments

### NIB's financial figures January–April 2011

In the first four months of the year, the world economy showed some signs of picking up, but it is still suffering from uncertainties related to weak public sector finances, particularly in the EU and the US. At the same time, there is ample liquidity in many parts of the economy, in part because of the expansionary monetary policy, in part because of low fixed investments.

In February, the decision of NIB's Board of Governors to increase the Bank's capital base came into force. The Bank's authorised capital now amounts to EUR 6,142 million. A larger capital base allows NIB to keep the pace of its lending operations.

During the first four months, NIB's efforts were aimed at further build-up of the lending pipeline, while loan disbursements saw a pick-up to EUR 478 million. Loans were provided for projects within the sectors of power generation and supply, renewable

energy, the development of modern transport infrastructure and in other sectors well in compliance with the mandate to support competitiveness and the environment. The CLEERE environmental lending facility, which is intended for combating and adapting to climate change around the world, was fully deployed as the total loans agreed reached EUR 2 billion.

NIB continued to benefit from high demand for its bonds. The Bank issued its first five-year USD 1 billion benchmark bond in January. Together with other issues, NIB had covered about half of the total funding needs for the year by the end of April.

The Bank's core earnings\* and the overall profit developed favourably and amounted to EUR 64 million and EUR 72 million, respectively.

*Johnny Åkerholm*  
President and CEO

\* Core earnings consist of the profit before adjustments to hedge accounting, realised and unrealised gains/losses of the trading portfolio, credit losses and reversals thereof.

## Statement of comprehensive income

EUR 1,000

	Jan–Apr 2011*	Jan–Apr 2010*	Jan–Dec 2010
Interest income	153,125	137,569	429,649
Interest expense	-76,966	-60,052	-195,999
<b>Net interest income</b>	<b>76,160</b>	<b>77,517</b>	<b>233,650</b>
Commission income and fees received	2,835	1,049	12,070
Commission expense and fees paid	-799	-937	-2,423
Net profit/loss on financial operations	20,539	35,803	39,317
Foreign exchange gains and losses	-1,712	641	2,822
<b>Operating income</b>	<b>97,022</b>	<b>114,073</b>	<b>285,436</b>
<b>Expenses</b>			
General administrative expenses	12,071	11,126	31,381
Depreciation	1,329	1,593	4,735
Impairment of loans	11,129	42,257	38,489
<b>Total expenses</b>	<b>24,529</b>	<b>54,977</b>	<b>74,604</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>72,494</b>	<b>59,096</b>	<b>210,832</b>
Value adjustments on the available-for-sale portfolio	779	133	514
<b>Total comprehensive income</b>	<b>73,273</b>	<b>59,229</b>	<b>211,346</b>

\* Unaudited figures,  
to be read in conjunction with NIB's audited financial statements for 2010 and the notes thereto

**Statement of financial position**

EUR 1,000

	30 Apr 2011*	30 Apr 2010*	31 Dec 2010
<b>ASSETS</b>			
Cash and cash equivalents	1,225,172	3,017,538	2,725,570
Financial placements			
Placements with credit institutions	57,665	130,709	130,262
Debt securities	4,711,199	5,360,432	5,074,778
Other	28,576	23,109	26,238
	<b>4,797,440</b>	<b>5,514,250</b>	<b>5,231,278</b>
Loans outstanding	13,548,081	13,886,369	13,771,286
Intangible assets	4,638	6,135	5,158
Tangible assets, property and equipment	31,590	32,825	31,888
Other assets			
Derivatives	1,763,687	1,936,004	2,717,942
Other assets	38,208	41,627	37,357
	<b>1,801,896</b>	<b>1,977,631</b>	<b>2,755,299</b>
Payments to the Bank's reserves, receivable	3,960	11,519	5,280
Accrued interest and fees receivable	288,515	338,150	372,071
<b>TOTAL ASSETS</b>	<b>21,701,291</b>	<b>24,784,417</b>	<b>24,897,830</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts owed to credit institutions			
Short-term amounts owed to credit institutions	877,952	640,813	1,131,200
Long-term amounts owed to credit institutions	142,129	184,093	144,130
	<b>1,020,081</b>	<b>824,906</b>	<b>1,275,330</b>
Debts evidenced by certificates			
Debt securities issued	16,195,172	20,294,703	19,709,566
Other debt	216,854	237,082	234,476
	<b>16,412,025</b>	<b>20,531,786</b>	<b>19,944,042</b>
Other liabilities			
Derivatives	1,718,618	1,046,223	1,116,684
Other liabilities	7,462	7,525	5,816
	<b>1,726,080</b>	<b>1,053,749</b>	<b>1,122,500</b>
Accrued interest and fees payable	208,176	264,438	294,303
<b>Total liabilities</b>	<b>19,366,362</b>	<b>22,674,879</b>	<b>22,636,174</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	684,366		
General Credit Risk Fund	761,589		
Special Credit Risk Fund PIL	395,919		
	<b>1,841,874</b>	1,623,483	1,629,722
Payments to the Bank's reserves, receivable	3,960	11,519	5,280
Other value adjustments	-2,000	-3,161	-2,780
Profit/loss for the period	72,494	59,096	210,832
<b>Total equity</b>	<b>2,334,929</b>	<b>2,109,538</b>	<b>2,261,656</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>21,701,291</b>	<b>24,784,417</b>	<b>24,897,830</b>

\* Unaudited figures,

to be read in conjunction with NIB's audited financial statements for 2010 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 2009</b>	<b>418,602</b>	<b>670,568</b>	<b>340,857</b>	<b>281,919</b>	<b>17,758</b>	<b>0</b>	<b>-3,294</b>	<b>323,900</b>	<b>2,050,310</b>
Appropriations between reserve funds			209,900	114,000				-323,900	0
Paid-in capital									0
Called in authorised and subscribed capital									0
Payments to the Bank's Statutory Reserve and credit risk funds, receivable		6,239			-6,239				0
Comprehensive income for the period 1/1–30/4/2010							133	59,096	59,229
<b>Equity at 30 April 2010</b>	<b>418,602</b>	<b>676,807</b>	<b>550,757</b>	<b>395,919</b>	<b>11,519</b>	<b>0</b>	<b>-3,161</b>	<b>59,096</b>	<b>2,109,538</b>
Payments to the Bank's Statutory Reserve and credit risk funds, receivable		6,239			-6,239				0
Comprehensive income for the period 1/5–31/12/2010							381	151,736	152,117
<b>Equity at 31 December 2010</b>	<b>418,602</b>	<b>683,046</b>	<b>550,757</b>	<b>395,919</b>	<b>5,280</b>	<b>0</b>	<b>-2,780</b>	<b>210,832</b>	<b>2,261,656</b>
Appropriations between reserve funds			210,832					-210,832	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 1/1–30/4/2011							779	72,494	73,273
<b>Equity at 30 April 2011</b>	<b>418,602</b>	<b>684,366</b>	<b>761,589</b>	<b>395,919</b>	<b>3,960</b>	<b>0</b>	<b>-2,000</b>	<b>72,494</b>	<b>2,334,929</b>

\* Only the year-end figures are audited, to be read in conjunction with NIB's audited financial statements for 2010 and the notes thereto

## Cash flow statement

EUR 1,000

	Jan-Apr 2011*	Jan-Apr 2010*	Jan-Dec 2010
<b>Cash flows from operating activities</b>			
Profit/loss from operating activities	72,494	59,096	210,832
<b>Adjustments:</b>			
Market value adjustment, trading portfolio	-18,010	-26,313	-26,871
Depreciation and write-down in value of tangible and intangible assets	1,329	1,593	4,735
Change in accrued interest and fees (assets)	83,417	34,017	212
Change in accrued interest and fees (liabilities)	-86,127	-26,105	3,759
Impairment of loans	11,129	42,257	38,489
Adjustment to hedge accounting	-2,253	-3,060	-5,029
Other adjustments to the period's profit	-12	-12	-39
<b>Adjustments, total</b>	<b>-10,526</b>	<b>22,377</b>	<b>15,257</b>
<b>Lending</b>			
Disbursements of loans	-477,799	-128,009	-1,274,234
Repayments of loans	431,592	362,124	1,806,725
Capitalisations, redenominations, index adjustments etc.	-79	-151	-237
Exchange rate adjustments	240,689	-371,426	-533,249
<b>Lending, total</b>	<b>194,403</b>	<b>-137,462</b>	<b>-996</b>
<b>Cash flows from operating activities, total</b>	<b>256,371</b>	<b>-55,989</b>	<b>225,093</b>
<b>Cash flows from investing activities</b>			
<b>Placements and debt securities</b>			
Purchase of debt securities	-1,114,013	-1,243,559	-3,253,162
Sold and matured debt securities	1,421,353	1,623,429	3,898,729
Placements with credit institutions	72,597	-45,674	-45,227
Other financial placements	-1,558	-2,978	-5,355
Exchange rate adjustments etc.	63,781	-55,930	-46,940
<b>Placements and debt securities, total</b>	<b>442,160</b>	<b>275,288</b>	<b>548,045</b>
<b>Other items</b>			
Acquisition of intangible assets	-227	-328	-1,197
Acquisition of tangible assets	-283	-65	-424
Change in other assets	-415	-2,828	1,774
<b>Other items, total</b>	<b>-925</b>	<b>-3,220</b>	<b>154</b>
<b>Cash flows from investing activities, total</b>	<b>441,235</b>	<b>272,068</b>	<b>548,199</b>
<b>Cash flows from financing activities</b>			
<b>Debts evidenced by certificates</b>			
Issues of new debt	1,399,728	1,588,798	4,120,271
Redemptions	-3,123,020	-454,783	-4,444,943
Exchange rate adjustments	-1,342,163	1,229,621	1,785,787
<b>Debts evidenced by certificates, total</b>	<b>-3,065,455</b>	<b>2,363,636</b>	<b>1,461,116</b>
<b>Other items</b>			
Long-term placements from credit institutions	-2,001	-16,959	-56,922
Change in swap receivables	491,457	-344,061	-764,456
Change in swap payables	628,278	-369,429	-350,647
Change in other liabilities	1,646	-222	-1,931
Paid-in capital and reserves	1,320	6,239	12,478
<b>Other items, total</b>	<b>1,120,700</b>	<b>-724,432</b>	<b>-1,161,479</b>
<b>Cash flows from financing activities, total</b>	<b>-1,944,755</b>	<b>1,639,204</b>	<b>299,636</b>
<b>CHANGE IN NET LIQUIDITY</b>	<b>-1,247,149</b>	<b>1,855,283</b>	<b>1,072,929</b>
<b>Opening balance for net liquidity</b>	<b>1,594,370</b>	<b>521,442</b>	<b>521,442</b>
<b>Closing balance for net liquidity</b>	<b>347,221</b>	<b>2,376,725</b>	<b>1,594,370</b>
<b>Additional information to the statement of cash flows</b>			
Interest income received	236,681	171,708	429,867
Interest expense paid	-163,092	-86,158	-192,240

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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