



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE

# Interim Management Statement

January–March 2021

[Unaudited]



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## Highlights

During the first quarter of 2021, a total of EUR 256.8 million in new loans were agreed and EUR 725.3 million were disbursed compared to EUR 1,716.9 million and EUR 946.4 million respectively in the corresponding period in 2020. The decrease in new loans was expected after last year's record highs due to the Bank's response to the Covid-19.

The Bank is in a strong financial position with solid capital and liquidity ratios. The net profit for the three month period amounted to EUR 35.1 million compared to a loss of EUR 112.7 million in 2020. The loss in 2020 resulted from unrealised losses on financial instruments when the financial markets experienced significant movements at the start of the Covid-19 outbreak. The Bank has maintained its expected credit loss provision at a similar level as at 31 December 2020. There have been no realised loan losses during the year to date.

In March, the Bank joined the European Bank for Reconstruction and Development (EBRD) and the central banks of Estonia (Eesti Pank), Latvia (Latvijas Banka) and Lithuania (Lietuvos Bankas) in a joint effort to develop a regional market for commercial papers. In the same month, the Bank invested in Lithuania's leading food retailer's Maxima Grupė inaugural commercial paper issuance.

At its annual meeting on 26 March 2021, the Board of Governors of NIB approved the Bank's annual report and audited financial statements. The Board also approved the proposal that no dividend would be paid to the Bank's owner countries for the year 2020. Assuming that the Covid-19 situation improves and the Bank's capital situation allows, it will be considered to pay a higher than normal dividend to member countries in 2022. The Board also expressed its view that NIB would be instrumental for green recovery and digital transformation in the years to come.

"NIB plays an important part in helping member countries to tackle long term challenges such as climate change, sustainable growth, and technological innovation. The Bank's relevance will only increase in the years to come as governments are focusing largely on green recovery," said Gintarė Skaistė, Minister of Finance of Lithuania and Chair of NIB's Board of Governors. An interview with Gintarė Skaistė can be found on the Bank's website by clicking [here](#).

On 1 April, André Kūšvek assumed office as NIB President and CEO, succeeding Henrik Normann who has retired from the Bank.

## Key figures and ratios

In millions of euro unless otherwise specified	Jan-Mar 2021*	Jan-Mar 2020*	Jan-Dec 2020
Net interest income	51.2	49.0	205.5
Profit/loss before net loan losses	36.1	-90.6	221.4
Net profit/loss	35.1	-112.7	164.7
Loans disbursed	725.3	946.4	4,852.8
Loans agreed	256.8	1,716.9	5,666.0
Mandate fulfilment **	100 %	100 %	98 %
Lending outstanding	22,194.2	18,643.5	21,554.8
Total assets	37,754.9	34,251.6	35,422.0
New debt issues	3,156.9	1,665.9	7,540.0
Debts evidenced by certificates	31,346.7	27,079.5	29,071.7
Total equity	3,879.5	3,607.3	3,860.8
Equity/total assets ***	10.3 %	10.5 %	10.9 %
Profit/average equity ***	3.6 %	n.a	4.4 %
Cost/income ***	27.3 %	n.a	19.1 %
Number of employees at period end	231	229	222

\* Unaudited figures, to be read in conjunction with NIB's 2020 audited financial statements

\*\* See page 8 for mandate fulfilment explanation

\*\*\* See page 18 for ratio definitions

# Operating and financial review

## Total comprehensive income

### January–March 2021 compared to January–March 2020

#### NET PROFIT

The net profit for the period January–March 2021 amounted to EUR 35.1 million, compared to a net loss of EUR 112.7 in the same period last year. Total operating income increased from a loss of EUR 78.2 million to an income of EUR 49.6 million. Last year’s loss was due to unrealised valuation losses when the financial markets experienced significant Covid-19 related market movements. Total operating expenses increased by EUR 1.1 million to EUR 13.5 million. Net loan losses for the period amounts to EUR 1.0 million compared to EUR 22.1 million in 2020 when the Bank increased its provisions in response to uncertainties arising from the Covid-19 crisis.

#### NET INTEREST INCOME

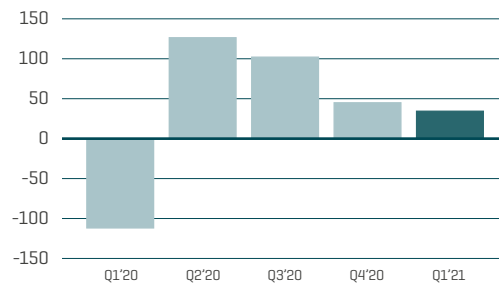
Net interest income for the period increased by 2.2 million to EUR 51.2 million, (January–March 2020: EUR 49.0). Net interest income on lending activities increased from EUR 38.1 million to EUR 40.4 million due to higher loan volumes and the interest income on treasury activities of EUR 10.8 million was similar to the same period in 2020.

#### NET FEE AND COMMISSION INCOME

Net fee and commission income for the period January–March 2021 was EUR 1.5 million which is unchanged from the previous year.

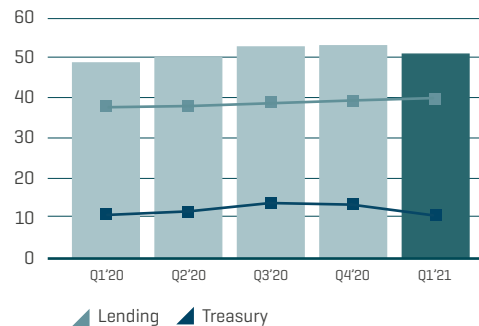
#### NET PROFIT FOR THE PERIOD

EUR m



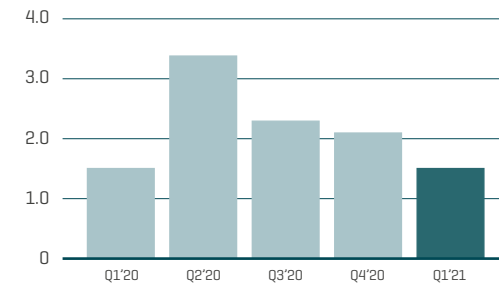
#### NET INTEREST INCOME

EUR m



#### NET FEE AND COMMISSION INCOME

EUR m



### NET PROFIT/LOSS ON FINANCIAL OPERATIONS

The loss on financial operations amounted to EUR 3.1 million compared to a loss of EUR 128.2 million in the same period last year. The result includes realised losses of EUR 1.2 million and unrealised losses of EUR 1.9 million compared to realised profits of EUR 1.4 million and unrealised losses of EUR 129.6 million in 2020. During 2020, the financial markets experienced significant market movements because of the Covid-19 outbreak. During the first quarter of 2020, these market movements resulted in significant unrealised losses on financial instruments that NIB holds to hedge its interest rate risks and in its liquidity portfolio. During the rest of 2020, the markets recovered and the Bank recorded unrealised gains resulting in an overall profit for the full year 2020.

The unrealised valuation gains and losses on interest rate hedges arise mainly from the change of the interest rate spreads that are embedded in the Bank's funding and lending transactions. When the Bank raises funds with fixed rates or offers borrowers fixed rate loans, it hedges the resulting interest rate risk using swaps, in which the fixed rate is swapped to the short-term money market floating rates referred to as the IBORS [e.g. LIBOR, EURIBOR, STIBOR, NIBOR etc.]. In keeping with what NIB believes is industry best practice, the valuation of these swaps is based on a risk free discounting rate called OIS [Overnight Interest rate Swap]. The changes in spread between the risk free rates [the OIS rates] and the relevant IBORs applicable to each such swap creates unrealised valuation gains and losses. It should be noted that as the Bank intends to hold these transactions to maturity, so that they are not sold for a price based on their exit market value these valuation gains and losses will not be realised as the transactions will settle at par.

The unrealised valuation gains and losses on assets in the Bank's liquidity portfolio arises from changes in credit spreads. The Bank maintains a large liquidity portfolio, which it invests in high quality bonds. When credit spreads widen, this results in negative valuations on the bonds. In periods with financial turbulence credit spreads tend to rise, which also affects NIB's high quality bonds. As the Bank intends to hold the bonds to maturity, so that they are not sold based on the current exit market value, the valuation gains and losses will reverse, as the bonds will settle at par.

### TOTAL OPERATING EXPENSES

Total operating expenses amounted to EUR 13.5 million an increase of EUR 1.1 million compared the corresponding period in 2020. The increase is due to higher depreciation and IT costs. The Bank continues to focus on cost control and the cost/income ratio remains strong.

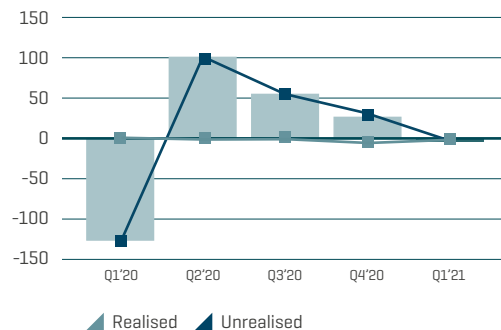
### NET LOAN LOSSES

The Bank has maintained expected credit loss ["ECL"] provisions at 31 March 2021 similar to the levels recorded at 31 December 2020. After the outbreak of Covid-19 in 2020, the global operating environment rapidly deteriorated and as a result, the Bank adjusted the macro-economic scenarios used to calculate the expected credit loss ["ECL"] provision. In 2020, there was an increase in the ECL provision from EUR 122.3 million at 31 December 2019 to EUR 172.6 million at 31 December 2020.

There have been no significant observed changes in the credit quality of the overall loan portfolio and there were no new non-performing loans during the period and no realised losses. The loss recognised

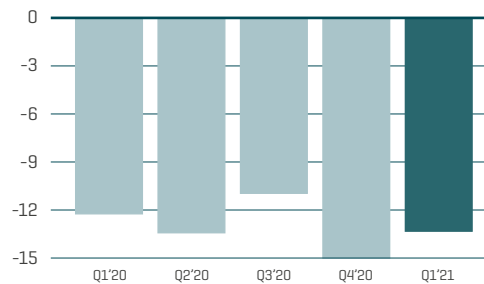
### NET PROFIT/ LOSS ON FINANCIAL OPERATIONS

EUR m



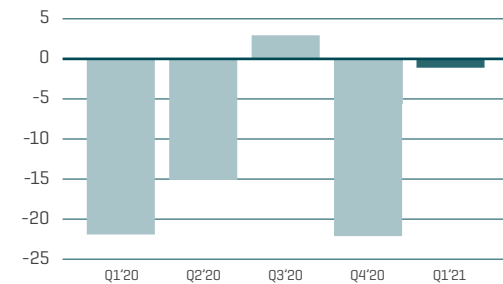
### TOTAL OPERATING EXPENSES

EUR m



### NET LOAN LOSSES

EUR m





in the income statement for net loan losses of EUR 1.0 million relates to recoveries on non-performing loans of EUR 0.2 million and EUR 1.1 million related to the change in ECL on performing loans.

#### **OTHER COMPREHENSIVE INCOME**

The Bank separates the foreign currency basis spread from financial instruments used in fair value hedge accounting and this separated amount is recorded in "Other comprehensive income" (OCI) which amounted to a loss of EUR 16.5 million for the period (January–March 2020: Loss EUR 15.4 million). The loss recorded is due to the widening of the Cross Currency Basis spreads, which negatively affect the valuation of basis swaps used to convert funding currencies into lending currencies.

For financial liabilities recorded at fair value through the profit and loss, valuation changes due to changes in own credit spreads need to be recorded in OCI. For the three month period ended 31 March 2021, the Bank recorded a positive impact from these changes of EUR 0.2 million.

The resulting total comprehensive profit for the period amounted to EUR 18.8 million, compared to a loss of EUR 128.1 million in 2020.

# Financial position

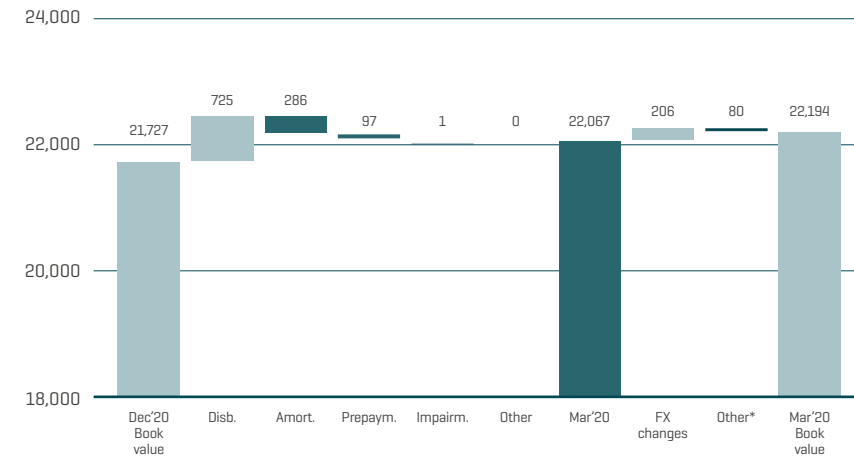
## LENDING OUTSTANDING

The lending outstanding amounted to EUR 22,194.2 million. This comprises EUR 22,011.4 million of loans outstanding and investments of EUR 182.8 million in labelled bonds and CPs. The total disbursements and investments during the period amounted to EUR 725.3 million, which is EUR 221.1 million lower than for the same period in 2020. The decrease is expected after last year's record disbursements. More information regarding loans agreed can be found on our website at [Agreed Loans](#).

Total lending outstanding, excluding exchange rate and valuation effects, increased from EUR 21,726.6 million at 31 December 2020 to EUR 22,067.5 million. The book value amounted to EUR 22,194.2 million due to foreign exchange movements and fair valuations/hedge accounting effects of EUR 206.4 million and EUR -79.7 million, respectively.

## DEVELOPMENT OF LENDING OUTSTANDING DURING 2021

EUR m



\* Fair valuations and hedging accounting.



## LENDING HIGHLIGHTS

in EUR millions, unless otherwise specified	Jan-Mar*	Jan-Mar*				
	2021	2020	2020	2019	2018	2017
Loans agreed excluding labelled bonds and CPs	245	1,717	5,632	3,185	4,269	3,665
Labelled bonds and CPs	12	-	34	131	61	147
Total disbursements	725	946	4,853	2,676	4,047	3,147
Number of loans agreements in period	5	16	59	55	58	55
Number of green bond investments in period	2	-	4	9	3	9
Lending outstanding	22,194	18,643	21,727	18,931	19,065	17,232
Member countries	21,620	17,840	21,098	18,055	17,960	15,867
Non-member countries	748	947	798	996	1,222	1,504
Loan impairment provision	-173	-143	-169	-119	-117	-139

\* Unaudited figures, to be read in conjunction with NIB's 2020 audited financial statements

## MISSION FULFILMENT

NIB's vision is a prosperous and sustainable Nordic-Baltic region. All projects proposed for financing undergo an assessment of their potential impact on productivity and the environment of the member country area. This mission fulfilment is rated on a five-grade scale from "negative" to "excellent". In response to the Covid-19 pandemic, NIB provided "response loans" to alleviate the economic and social consequences of the crisis. These response loans are tracked separately and are not included in the standard mandate rating. During the first quarter of 2021, projects achieving a "good" or "excellent" mandate rating accounted for 100% of the total amount of loans agreed excluding response loans which exceeded the target of 90%.





## FUNDING

By the end of March, the Bank had raised EUR 3.2 billion (January–March 2020: EUR 1.7 billion) in new funding through 15 transactions in six currencies with an average maturity of five years. NIB's estimated funding plan for 2021 is EUR 6.5–7.5 billion.

On 7 January, NIB priced a five-year GBP 600 million issue. The transaction was NIB's largest ever new sterling benchmark, with the final orderbook reaching over GBP 800 million.

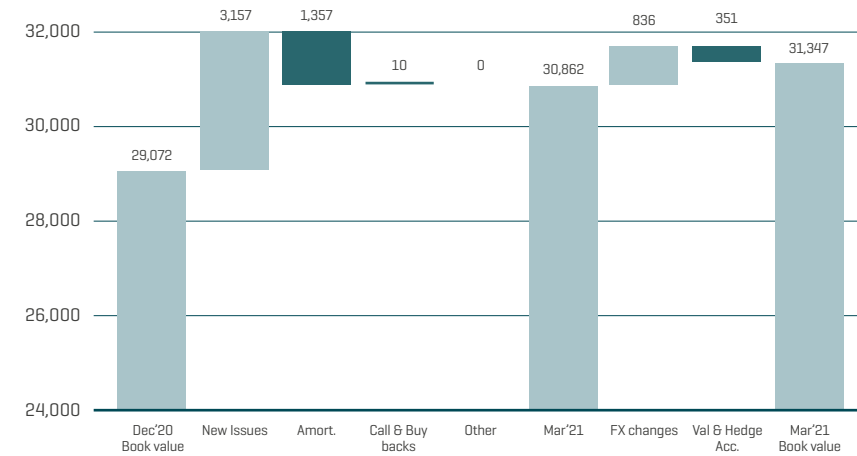
On 13 January, the Bank issued its first global USD benchmark issue for the year. The five-year USD 1.25 billion benchmark transaction has a final maturity on 21 January 2026 and was met with strong support from investors.

On 25 March, NIB issued its first NIB Environmental Bond (NEB) for the year. The EUR 500 million transaction was an increase of a NEB due April 2027, bringing the new total outstanding to EUR 1 billion. With this re-opening, NIB's total environmental bond issuance surpassed EUR 5 billion.

A full list of funding transactions can be found on our website at [Funding Transactions](#).

## DEBT DEVELOPMENT DURING 2021

EUR m



# Financial statements

## Statement of comprehensive income

In thousands of euro	NOTE	Jan-Mar 2021*	Jan-Mar 2020*	Jan-Dec 2020
Interest income from financial assets measured at amortised cost		50,096	73,929	254,355
Interest income from financial assets measured at fair value		2,144	7,111	18,160
Interest expense		-1,041	-32,079	-66,973
<b>Net interest income</b>	[1]	<b>51,199</b>	<b>48,961</b>	<b>205,543</b>
Commission income and fees received		2,057	2,036	12,485
Commission expense and fees paid		-555	-525	-3,145
<b>Net fee and commission income</b>		<b>1,502</b>	<b>1,511</b>	<b>9,340</b>
Net loss/profit on financial operations	[2]	-3,083	-128,226	58,810
Foreign exchange gains and losses		-17	-398	183
<b>Total operating income</b>		<b>49,601</b>	<b>-78,152</b>	<b>273,876</b>
Expenses				
General administrative expenses				
Personnel expenses		-8,038	-8,335	-31,327
Other administrative expenses		-3,392	-2,465	-13,563
Depreciation		-2,099	-1,612	-7,546
<b>Total operating expenses</b>		<b>-13,529</b>	<b>-12,412</b>	<b>-52,437</b>
<b>Profit/loss before loan losses</b>		<b>36,071</b>	<b>-90,564</b>	<b>221,439</b>
Net loan losses	[3] [4]	-992	-22,146	-56,744
<b>Net profit/loss for the period</b>		<b>35,079</b>	<b>-112,711</b>	<b>164,695</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to income statement</b>				
Fair value hedges - valuation of cross currency basis spread		-16,543	-15,357	9,120
Changes in own credit risk on liabilities recorded at fair value		241	0	-3,376
<b>Total other comprehensive loss/income</b>		<b>-16,302</b>	<b>-15,357</b>	<b>5,744</b>
<b>Total comprehensive income/loss</b>		<b>18,778</b>	<b>-128,068</b>	<b>170,439</b>

\* Unaudited figures, to be read in conjunction with NIB's 2020 audited financial statements  
The accompanying notes are an integral part of these financial statements.



# Statement of financial position

In thousands of euro	NOTE	31 Mar 2021*	31 Mar 2020*	31 Dec 2020
<b>ASSETS</b>				
Cash and cash equivalents		2,563,925	3,524,523	2,270,386
Placements with credit institutions		2,801,253	1,338,043	1,968,836
Debt securities		8,146,438	7,466,958	7,912,255
Other		8,907	7,603	8,907
Financial placements, total		<b>10,956,597</b>	<b>8,812,604</b>	<b>9,889,998</b>
Loans outstanding	[5]	22,011,389	18,527,397	21,554,808
Intangible assets		10,858	11,453	12,018
Tangible assets, property and equipment		36,671	37,679	37,256
Derivatives		1,387,979	2,105,650	1,405,770
Other assets		575,234	1,016,048	19,614
Other assets, total		<b>1,963,212</b>	<b>3,121,699</b>	<b>1,425,384</b>
Accrued interest and fees receivable		212,258	216,257	232,197
<b>TOTAL ASSETS</b>		<b>37,754,910</b>	<b>34,251,612</b>	<b>35,422,047</b>

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In thousands of euro	NOTE	31 Mar 2021*	31 Mar 2020*	31 Dec 2020
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Short-term amounts owed to credit institutions		838,814	1,416,558	723,795
Long-term amounts owed to credit institutions		-	8,435	0
Owed to credit institutions, total		<b>838,814</b>	<b>1,424,993</b>	<b>723,795</b>
Repurchase agreements		-	10,265	0
Debts evidenced by certificates	[6]	31,346,657	27,079,458	29,071,696
Derivatives		1,042,945	1,083,337	1,362,269
Other liabilities		491,828	878,433	227,905
Other liabilities, total		<b>1,534,773</b>	<b>1,961,769</b>	<b>1,590,174</b>
Accrued interest and fees payable		155,128	167,873	175,620
<b>Total liabilities</b>		<b>33,875,371</b>	<b>30,644,358</b>	<b>31,561,285</b>
<b>Equity</b>		<b>3,879,539</b>	<b>3,607,255</b>	<b>3,860,761</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>37,754,910</b>	<b>34,251,612</b>	<b>35,422,047</b>

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## Statement of changes in equity

In thousands of euro	PAID-IN CAPITAL	STATUTORY RESERVE	GENERAL CREDIT RISK FUND	SPECIAL CREDIT RISK FUND PIL	PROFIT AVAILABLE FOR APPROPRIATION	CHANGES IN OWN CREDIT RISK ON LIABILITIES RECORDED AT FAIR VALUE	HEDGING RESERVE	TOTAL
<b>EQUITY AT 31 DECEMBER 2019</b>	<b>418,602</b>	<b>686,325</b>	<b>2,002,562</b>	<b>426,941</b>	<b>181,982</b>	<b>0</b>	<b>18,910</b>	<b>3,735,323</b>
Loss for the period Jan-Mar 2020	-	-	-	-	-112,711	-	-	-112,711
Other comprehensive income Jan-Mar 2020	-	-	-	-	-	-	-15,357	-15,357
<b>Total comprehensive loss Jan-Mar 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-112,711</b>	<b>0</b>	<b>-15,357</b>	<b>-128,068</b>
<b>EQUITY AT 31 MARCH 2020</b>	<b>418,602</b>	<b>686,325</b>	<b>2,002,562</b>	<b>426,941</b>	<b>69,271</b>	<b>0</b>	<b>3,553</b>	<b>3,607,255</b>
Profit for the period Apr-Dec 2020	-	-	-	-	277,406	-	-	277,406
Other comprehensive income Apr-Dec 2020	-	-	-	-	-	-3,376	24,477	21,101
<b>Total comprehensive income Apr-Dec 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>277,406</b>	<b>-3,376</b>	<b>24,477</b>	<b>298,507</b>
<b>Transactions with owners in their capacity as owners 2020</b>								
Reallocation of reserves	426,941	-	136,982	-426,941	-136,982	-	-	0
Dividends	-	-	-	-	-45,000	-	-	-45,000
<b>EQUITY AT 31 DECEMBER 2020</b>	<b>845,543</b>	<b>686,325</b>	<b>2,139,544</b>	<b>0</b>	<b>164,695</b>	<b>-3,376</b>	<b>28,030</b>	<b>3,860,761</b>
Profit for the period Jan-Mar 2021	-	-	-	-	35,079	-	-	35,079
Other comprehensive income Jan-Mar 2021	-	-	-	-	-	241	-16,543	-16,302
<b>Total comprehensive income Jan-Mar 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,079</b>	<b>241</b>	<b>-16,543</b>	<b>18,778</b>
<b>Transactions with owners in their capacity as owners 2021</b>								
Reallocation of reserves	-	150,559	14,136	-	-164,695	-	-	0
<b>EQUITY AT 31 MARCH 2021</b>	<b>845,543</b>	<b>836,884</b>	<b>2,153,680</b>	<b>0</b>	<b>35,079</b>	<b>-3,135</b>	<b>11,487</b>	<b>3,879,539</b>

The accompanying notes are an integral part of these financial statements.

# Cash flow statement

In thousands of euro	Jan-Mar 2021*	Jan-Mar 2020*	Jan-Dec 2020
<b>Cash flows from operating activities</b>			
<b>Net loss/profit for the period</b>	<b>35,079</b>	<b>-112,711</b>	<b>164,695</b>
<b>Adjustments:</b>			
Unrealised gains/losses of financial assets held at fair value	1,778	72,439	-12,900
ECL non-lending activities	-34	185	301
Depreciation and write-down in value of tangible and intangible assets	2,099	1,612	7,546
Change in accrued interest and fees (assets)	19,959	58,521	42,646
Change in accrued interest and fees (liabilities)	-20,514	-53,934	-46,184
Net loan losses (ECL lending activities)	992	22,146	56,744
Adjustment to hedge accounting	266	55,739	-51,157
Other adjustments to the period's profit	595	2,947	3,023
<b>Adjustments, total</b>	<b>5,141</b>	<b>159,656</b>	<b>18</b>
<b>Lending</b>			
Disbursements of loans	-713,371	-946,367	-4,818,897
Repayments of loans	383,295	495,867	1,867,353
Capitalisations, redenominations, index adjustments, etc.	70	-37	430
<b>Lending, total</b>	<b>-330,006</b>	<b>-450,538</b>	<b>-2,951,115</b>
<b>Cash flows from operating activities, total</b>	<b>-289,786</b>	<b>-403,592</b>	<b>-2,786,402</b>
<b>Cash flows from investing activities</b>			
<b>Placements and debt securities</b>			
Purchase of debt securities	-590,323	-723,112	-1,090,285
Sold and/or matured debt securities	366,916	547,324	786,599
Placements with credit institutions	-745,056	2,251,110	1,335,090
Other financial placements			5,379
<b>Placements and debt securities, total</b>	<b>-968,462</b>	<b>2,075,322</b>	<b>1,036,783</b>

\* Unaudited figures, to be read in conjunction with NIB's 2020 audited financial statements

The accompanying notes are an integral part of these financial statements.



In thousands of euro	Jan-Mar 2021*	Jan-Mar 2020*	Jan-Dec 2020
<b>Other items</b>			
Acquisition of intangible assets	-240	-653	-4,872
Acquisition of tangible assets	-114	-2,439	-4,296
Change in other assets	-7,795	-3,599	1,684
<b>Other items, total</b>	<b>-8,149</b>	<b>-6,691</b>	<b>-7,484</b>
<b>Cash flows from investing activities, total</b>	<b>-976,611</b>	<b>2,068,631</b>	<b>1,029,299</b>
<b>Cash flows from financing activities</b>			
<b>Debts evidenced by certificates</b>			
Issues of new debt	2,592,659	658,983	7,540,409
Redemptions	-1,368,180	-1,012,420	-4,142,020
<b>Debts evidenced by certificates, total</b>	<b>1,224,479</b>	<b>-353,438</b>	<b>3,398,389</b>
<b>Other items</b>			
Long-term placements from credit institutions			-8,435
Change in swap receivables excluding fair value changes	17,786	-398,943	-274,019
Change in swap payables excluding fair value changes	55,321	100,497	-248,028
Change in other liabilities	146,540	499,374	-3,808
Dividend paid			-45,000
<b>Other items, total</b>	<b>219,647</b>	<b>200,929</b>	<b>-579,290</b>
<b>Cash flows from financing activities, total</b>	<b>1,444,125</b>	<b>-152,509</b>	<b>2,819,099</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>177,728</b>	<b>1,512,529</b>	<b>1,061,996</b>
<b>Opening balance for cash and cash equivalents, net</b>	<b>1,546,591</b>	<b>471,700</b>	<b>471,700</b>
Exchange rate adjustments	792	113,471	12,895
<b>Closing balance for cash and cash equivalents, net</b>	<b>1,725,111</b>	<b>2,097,700</b>	<b>1,546,591</b>
<b>Additional information to the statement of cash flows</b>			
Interest income received	72,179	139,609	315,144
Interest expense paid	-21,533	-86,011	-113,157

\* Unaudited figures, to be read in conjunction with NIB's 2020 audited financial statements

The accompanying notes are an integral part of these financial statements. The cash flow statement has been prepared using the indirect method and cash flow items cannot be directly concluded from the statements of financial positions.

# Notes to the interim financial statements

## Note 1: Net interest income

In thousands of euro	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Cash and cash equivalents	-3,735	-2,980	-10,735
Placements with credit institutions	-3,474	-3,576	-14,505
Debt securities	8,576	15,250	47,747
Loans outstanding	50,692	72,319	249,853
Other interest income	181	27	155
<b>Total, interest income</b>	<b>52,240</b>	<b>81,040</b>	<b>272,515</b>
<i>Of which, interest income from financial assets measured at amortised cost</i>	<i>50,096</i>	<i>73,929</i>	<i>254,355</i>
Short-term amounts owed to credit institutions	1,463	1,248	4,999
Long-term amounts owed to credit institutions		12	21
Short-term repurchase agreements		2	25
Debts evidenced by certificates	-100,341	-131,541	-448,733
Swap contracts and other interest expenses, net	97,837	98,199	376,714
<b>Total, interest expense</b>	<b>-1,041</b>	<b>-32,079</b>	<b>-66,973</b>
<i>Of which, interest expense from financial liabilities measured at amortised cost</i>	<i>-5,921</i>	<i>-61,346</i>	<i>-121,316</i>
<b>Net interest income</b>	<b>51,199</b>	<b>48,961</b>	<b>205,543</b>

## Note 2: Net loss/profit on financial operations

In thousands of euro	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Financial instruments held at fair value, realised gains and losses	-1,181	1,370	-4,985
Financial instruments held at fair value, unrealised gains and losses	-1,678	-73,708	12,959
Financial instruments held at amortised cost, realised gains and losses	7	36	-21
Expected credit loss on financial placements	34	-185	-301
Adjustment to hedge accounting, unrealised gains and losses of fair value hedges	-266	-55,739	51,157
<b>Net loss/profit on financial operations</b>	<b>-3,083</b>	<b>-128,226</b>	<b>58,810</b>



## Note 3: Expected credit loss

In thousands of euro	STAGE 1	STAGE 2	STAGE 3	TOTAL
<b>Balance at 31 December 2019</b>	<b>28,575</b>	<b>13,682</b>	<b>80,031</b>	<b>122,287</b>
Transfer to Stage 1	-	-	-	0
Transfer to Stage 2	-2,770	2,770	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	2,294	80	-	2,374
Amortisations and repayments	-751	-339	-	-1,090
Impact of remeasurment on existing assets	8,584	12,610	-146	21,047
Foreign exchange adjustments and other changes	-	-	2,043	2,043
<b>Net change income statement Jan-Mar 2020</b>	<b>7,357</b>	<b>15,121</b>	<b>1,896</b>	<b>24,374</b>
<b>Balance at 31 March 2020</b>	<b>35,932</b>	<b>28,803</b>	<b>81,927</b>	<b>146,662</b>
Transfer to Stage 1	-	-	-	0
Transfer to Stage 2	-2,442	2,442	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	6,189	1,044	-	7,233
Amortisations and repayments	-3,222	-1,847	-	-5,069
Impact of remeasurment on existing assets	15,291	17,872	-613	32,550
Foreign exchange adjustments and other changes	-	-	-8,769	-8,769
<b>Net change income statement Apr-Dec 2020</b>	<b>15,816</b>	<b>19,511</b>	<b>-9,381</b>	<b>25,945</b>
<b>Balance at 31 December 2020</b>	<b>51,747</b>	<b>48,314</b>	<b>72,545</b>	<b>172,606</b>
Transfer to Stage 1	60	-60	-	0
Transfer to Stage 2	-155	155	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	1,210	139	-	1,349
Amortisations and repayments	-436	-441	-155	-1,032
Impact of remeasurment on existing assets	-1,149	1,789	-	641
Foreign exchange adjustments and other changes	-	-	3,326	3,326
<b>Net change income statement Jan-Mar 2021</b>	<b>-471</b>	<b>1,583</b>	<b>3,171</b>	<b>4,283</b>
<b>Balance at 31 March 2021</b>	<b>51,277</b>	<b>49,897</b>	<b>75,716</b>	<b>176,890</b>

### PRESENTATION OF ECL IN THE STATEMENT OF FINANCIAL POSITION

In thousands of euro	31 Mar 2021	31 Mar 2020	31 Dec 2020
Loans outstanding	173,426	143,064	169,105
Other receivables	1,759	1,885	1,682
Commitments (recorded in other liabilities)	1,147	1,237	1,228
Financial placements	557	476	592
<b>Total</b>	<b>176,890</b>	<b>146,662</b>	<b>172,606</b>

### PRESENTATION OF ECL IN THE STATEMENT OF COMPREHENSIVE INCOME

In thousands of euro	Jan-Mar 2021	Apr-Dec 2020	Jan-Mar 2020
Net result on financial operations	34	-116	-185
Net loan losses (Note 4)	-992	-34,598	-22,146
Foreign exchange gains and losses	-3,326	8,769	-2,043
<b>Total recognised in income statement</b>	<b>-4,283</b>	<b>-25,945</b>	<b>-24,374</b>

## Note 4: Net loan losses

In thousands of euro	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Change in expected credit loss on performing loans	-1,147	-22,293	-57,504
Change in expected credit loss on non-performing loans	155	146	759
Decrease of provisions to cover realised loan losses	-	-	-
Realised loan losses	-	-	-
<b>Net loan losses</b>	<b>-992</b>	<b>-22,146</b>	<b>-56,744</b>

There were no realised losses for the periods Jan-Mar 2021, Jan-Mar 2020 or Jan-Dec 2020.

## Note 5: Lending outstanding

In thousands of euro	Jan-Mar 2021	Apr-Dec 2020	Jan-Mar 2020
<b>Opening Balance</b>	<b>21,726,644</b>	<b>18,643,480</b>	<b>18,931,294</b>
Disbursements	725,267	3,906,461	946,367
Amortisations	-286,165	-1,081,273	-375,867
Prepayments	-97,130	-290,212	-120,000
Changes in expected credit losses	-1,073	-34,607	-21,903
Foreign exchange movements	206,440	582,807	-766,448
Fair value adjustments	81	11,535	-8,363
Hedge accounting adjustments	-79,827	-11,287	58,555
Other	-64	-260	-155
<b>Closing balance</b>	<b>22,194,173</b>	<b>21,726,644</b>	<b>18,643,480</b>
Loans outstanding	22,011,389	21,554,808	18,527,397
Labelled bonds and CPs	182,784	171,836	116,083
<b>Total Lending</b>	<b>22,194,173</b>	<b>21,726,644</b>	<b>18,643,480</b>

## Note 6: Debts evidenced by certificates

In thousands of euro	Jan-Mar 2021	Apr-Dec 2020	Jan-Mar 2020
<b>Opening Balance</b>	<b>29,071,696</b>	<b>27,079,458</b>	<b>26,673,647</b>
New debt issues	3,156,891	5,874,496	1,665,913
Amortisations	-1,357,374	-3,106,905	-872,750
Calls and buy backs	-9,786	-22,982	-140,562
Foreign exchange movements	835,695	-573,396	-751,396
Fair value adjustments	-3,066	-22,545	24,037
Hedge accounting adjustments	-347,614	-156,718	479,679
Other	214	287	891
<b>Closing balance</b>	<b>31,346,657</b>	<b>29,071,696</b>	<b>27,079,458</b>

## Note 7: Basis of preparation

This interim management statement is not presented in accordance with IAS 34 “Interim Financial Reporting”, as this statement excludes a number of disclosures. The accounting policies and methods of computation are the same as described in Note 1 of NIB’s Financial Report 2020.

This report was approved by Executive Committee on 14th April 2021

### RATIO DEFINITIONS

$$\text{Equity/total assets} = \frac{\text{Total equity at reporting date}}{\text{Total assets at reporting date}}$$

$$\text{Profit/average equity} = \frac{\text{Annualised profit for the period}}{\text{Average equity for the period}}$$

$$\text{Cost/income} = \frac{\text{Total operating expenses for the period}}{\text{Total operating income for the period}}$$



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