PRICING SUPPLEMENT **No. 1040**

MIFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of the manufacturer's (the "**Manufacturer**") product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate, subject to compliance with applicable securities laws and regulations in the jurisdiction of the distribution. Any person subsequently offering, selling or recommending the Notes (a **"Distributor"**) should take into consideration the Manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels, with all sales subject to the Distributor's suitability and appropriateness obligations under applicable securities laws and regulations in the jurisdiction of the distribution.

NORDIC INVESTMENT BANK

Programme for the Issuance of Debt Instruments
Issue of a Series of
NOK 500,000,000 1.875 per cent. Notes due 2024 (the "Notes")

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Information Memorandum dated 2 June 2017 (the "**Information Memorandum**"). This document constitutes the Pricing Supplement as referred to in the Information Memorandum in relation to the Series of Notes referred to above and such Series of Notes are Instruments as defined in and for the purposes of the Dealership Agreement, the Fiscal Agency Agreement and the Deed of Covenant.

The particulars to be specified in relation to such Series of Notes are as follows:

Issuer:	Nordic Investment Bank.
Currency:	Norwegian Krone ("**NOK**").
Aggregate Principal Amount of this Series:	NOK 500,000,000 (Five hundred million Norwegian Kroner).
If interchangeable with existing Series, Series No.:	Not applicable.
Issue Date:	10 April 2018.
Issue Price:	99.887 per cent. of the Aggregate Principal Amount of this Series.
Net Proceeds after	NOK 499,435,000 (Four hundred ninety nine million four hundred thirty five thousand Norwegian Kroner).

Relevant Dealer and sole Manufacturer:	Nordea Bank AB (publ).
Form of Instruments:	The Notes will be in Bearer form and will initially be represented by a Temporary Global Instrument without Coupons attached and which will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, on or before the Issue Date. Interests in the Temporary Global Instrument will be exchangeable for interests in a Permanent Global Instrument without Coupons on or after the Exchange Date upon certification as to non-U.S. beneficial ownership as required in such Temporary Global Instrument. The Exchange Date is expected to be not earlier than the date which is forty days after the Issue Date.
New Global Note Form:	Not applicable.
Denominations:	NOK 10,000 (Ten thousand Norwegian Kroner).
Interest:	Interest bearing. Condition 4A will apply. The Rate of Interest is 1.875 per cent. per annum payable annually in arrear, calculated on an Actual/Actual (ICMA) Day Count Fraction basis (as defined in Condition 4F). The Interest Amount payable is NOK 187.50 per each NOK 10,000 Note.
Interest Payment Dates:	10 April of each year, commencing on 10 April 2019, and continuing to and including the Maturity Date. For the purposes of payment only, the Following Business Day Convention (as defined in Condition 4F) applies and the Noteholders will not be entitled to any additional interest or other sums in respect of such postponed payments.
Maturity Date:	10 April 2024. For the purposes of payment only the Following Business Day Convention (as defined in Condition 4F) applies and the Noteholders will not be entitled to any additional interest or other sums in respect of such postponed payments.
Redemption Amount at Maturity:	100.00 per cent. of the principal amount of each Note.

Redemption following an Event of Default:	If the Notes are redeemed following the occurrence of an Event of Default in accordance with Condition 8.01, the Redemption Amount will be 100.00 per cent. of the principal amount of each Note.
Optional Early Redemption (Call):	Not Applicable.
Optional Early Redemption (Put):	Not Applicable.
Business Days:	Oslo.
Listing:	Applications will be made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange plc.
ISIN:	XS1805263743.
Common code:	180526374.
New Global Note intended to be held in a manner which would allow Eurosystem eligibility:	Not Applicable.
Additional Selling Restrictions:	For the purpose of the issue of these Notes only and in addition to the Selling Restrictions set out in the section entitled "Subscription and Sale" of the Information Memorandum the following Selling Restrictions relating to Norway and the European Economic Area shall also apply: **Norway** The Notes may not, directly or indirectly, be offered for subscription or purchase, and no invitation may be issued to subscribe for or buy or sell any Notes, and no draft or definitive document in relation to any such offer may be distributed, in Norway except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Norwegian Securities Trading Act (*No. Lov om verdipapirhandel*).

EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Pricing Supplement to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure

implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

NORDIC INVESTMENT BANK

By: _____
Authorised Signatory

Patrik Wainio
Senior Director
Asset Liability Management

By: _____
Authorised Signatory

Pernelle de Klauman
Deputy Chief Counsel

Date: 6 April 2018