



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE

Q1

# Interim Management Statement

JANUARY–MARCH 2022

[Unaudited]

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# President and CEO's comments

When we published our 2021 Financial Report on 22 February, we were cautiously looking forward to a post Covid era. Little did we know that within 48 hours, Europe would be plunged into a new crisis as Russia launched a full-blown attack on Ukraine. We are deeply horrified by the loss of human life and destruction brought by the war. NIB stands by the Ukrainian people during these terrible times. We have announced that we are ready to support the efforts of our clients and member countries to deal with the consequences of the war. There are at least two important goals, to help make the Nordic and Baltic region independent of Russian fossil fuel sources, and to accelerate the green transition.

The Bank has limited direct exposure in Russia and Belarus. NIB ceased financing new projects in Russia in 2014 and no new loans have been signed in Belarus since 2012. The two remaining old loans are related to protecting the Baltic Sea environment. NIB has some borrowers with a portion of their operations in these countries. At a macro level, several NIB member countries have an external border with Russia and/or Belarus and are therefore exposed also through trade and investment. We continue to monitor the impact of developments on our clients, however, we do not at this stage anticipate any significant impact on the credit quality of our loan portfolio.

The Bank is in a strong financial position as confirmed by our triple-A rating which was reaffirmed by Standard & Poor's and Moody's in April. NIB's credit rating reflects its high asset quality, solid liquidity and capital adequacy, strong balance sheet and ownership.

In the first quarter of year, we have seen very strong demand for NIB financing. A total of EUR 1,222 million in new loans were agreed and EUR 1,107 million were disbursed compared to EUR 257 million and EUR 725 million respectively, in the same period last year. The loans agreed were distributed across various industries and countries and included sustainability linked loans, more details of which can be found [here](#).

The net profit for the period January to March amounted to EUR 21 million compared to EUR 35 million in 2021. Further details regarding the financial performance can be found in the Operating and Financial Review on page 5.

In 2021, Board of Directors completed a business strategy review. The review, focused on the opportunities to accelerate delivery of the Bank's mission and impact in the context of the changing economic conditions, the development of sustainable finance markets and the climate change. The Bank has started to implement the new strategy, the tangible impacts of which are beginning to emerge.

In order to meet the demand for our financing, the Bank has raised EUR 4.2 billion in new funding in the first quarter. Amongst other transactions, NIB issued its inaugural NIB Environmental Bond (NEB) denominated in Danish Kroner [DKK]. The eight-year DKK 2 billion bond was driven by domestic ESG focused investors. The Bank has now issued a total of EUR 6.2 billion in environmental bonds under its NEB Framework since 2011.

In these dark times, it's important to remain positive and I hope that we will soon see a speedy and long-lasting peaceful solution to the war.

**André Küüsvek, President & CEO**

# Highlights

During the first quarter of 2022, there was strong demand for NIB financing and a total of EUR 1,222 million in new loans were agreed and EUR 1,107 million were disbursed compared to EUR 257 million and EUR 725 million respectively, in the corresponding period in 2021. More details regarding the loans agreed can be found [here](#).

The Bank is in a strong financial position with solid capital and liquidity ratios as evidenced by the Bank's triple-A rating, reaffirmed by Standard and Poor's and Moody's in April. The net profit for the three month period amounted to EUR 21 million compared to EUR 35 million in 2021. The lower net profit during the first quarter of 2022 is a result of unrealised losses on financial instruments used for hedging foreign exchange and interest rates risks and this temporarily had a negative impact on the cost to income ratio. Since February, the valuation of these instruments have been affected by increased volatility in the financial markets.

In February, the Bank published its 2021 Financial Report which can be found [here](#). In March, the Bank published its 2021 Impact Report where NIB's activities, impact and sustainability performance is reported and can be found [here](#).

# Key figures and ratios

In millions of euro unless otherwise specified	Jan-Mar 2022*	Jan-Mar 2021*	Jan-Dec 2021
Net interest income	50	51	201
Profit before net loan losses	15	36	133
Net profit	21	35	159
Loans disbursed	1,107	725	2,440
Loans agreed	1,222	257	1,852
% of loans achieving good or above mandate **	100 %	100 %	97 %
Lending outstanding	22,865	22,194	22,313
Total assets	39,575	37,755	37,553
New debt issues	4,218	3,157	7,028
Debts evidenced by certificates	32,769	31,347	31,526
Total equity	3,999	3,880	3,999
Equity/total assets ***	10.1 %	10.3 %	10.6 %
Net profit/average equity ***	2.1 %	3.6 %	4.1 %
Cost/income ***	47.9 %	27.3 %	27.9 %
Number of employees at period end	220	231	221

\* Unaudited figures, to be read in conjunction with NIB's 2021 audited financial statements

\*\* See page 9 for mandate fulfilment explanation

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

# Operating and financial review

## Total comprehensive income

### January–March 2022 compared to January–March 2021

#### NET PROFIT

The net profit for the period January–March 2022 amounted to EUR 20.8 million, which is 14.3 million lower than the corresponding period in 2021. Total operating income decreased from EUR 49.6 million to EUR 28.1 million. Net interest income decreased by EUR 1.2 million and net fee and commission income increased by EUR 2.0 million. Since February, financial markets have experienced increased volatility and the net loss on financial operations, linked to the hedging of foreign exchange and interest rate risks, increased from EUR 3.1 million to EUR 25.4 million. Due to decreases in the expected credit loss provision, the Bank recorded positive net loan losses of EUR 6.2 million. There have been no realised loan losses year to date.

#### NET INTEREST INCOME

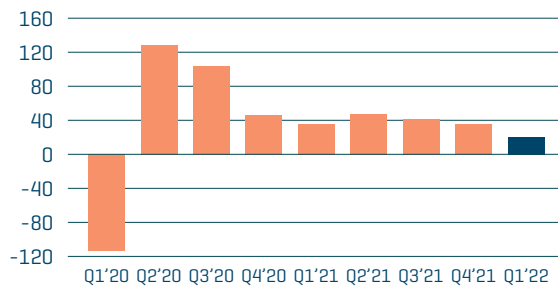
Net interest income for the period amounted to EUR 50.0 million compared to EUR 51.2 million in 2021. Net interest income on lending activities of EUR 40.5 million was similar to the same level as Q1 2021 whereas interest income on treasury activities decreased from EUR 10.8 million in Q1 2021 to EUR 9.5 million due to the low yield environment. The net interest income increased compared to the last quarter.

#### NET FEE AND COMMISSION INCOME

Net fee and commission income for the period January–March 2022 of EUR 3.5 million was EUR 2.0 million higher than the same period in 2021 due to increased lending activity.

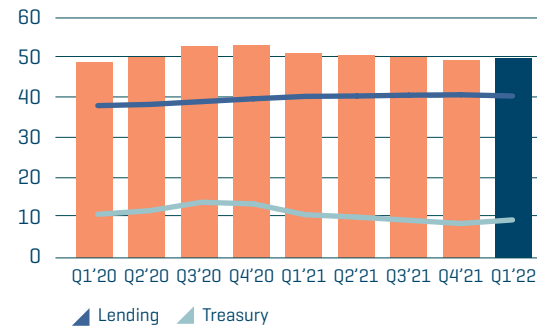
#### NET PROFIT FOR THE PERIOD

EUR m



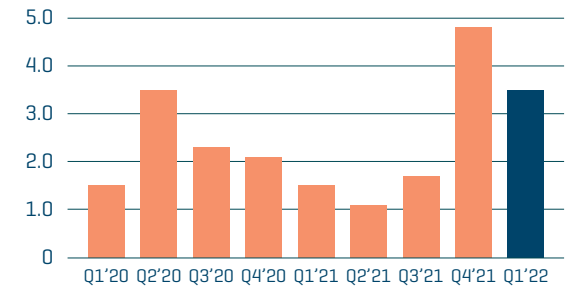
#### NET INTEREST INCOME

EUR m



#### NET COMMISSION INCOME AND FEES

EUR m



### NET PROFIT/LOSS ON FINANCIAL OPERATIONS

The markets have experienced some volatility during the first quarter, arising from inflationary concerns and the escalation of the war in Ukraine. These market movements have resulted in unrealised losses on financial instruments that NIB holds to hedge its foreign exchange and interest rate risks and in its liquidity portfolio. The loss on financial operations amounted to EUR 25.4 million compared to a loss of EUR 3.1 million in the same period last year. The result includes realised gains of EUR 3.6 million and unrealised losses of EUR 29.0 million compared to realised losses of EUR 1.2 million and unrealised losses of EUR 1.9 million in 2021.

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

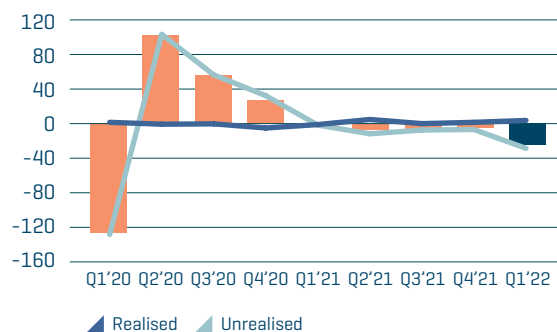
Total operating expenses amounted to EUR 13.4 million which is similar to the corresponding period in 2021. The Bank's main expenses comprise personnel costs, cost related to administration, IT and depreciation.

### NET LOAN LOSSES

During the first quarter of 2022, the Bank has recorded positive net loan losses of EUR 6.2 million. Of this amount EUR 2.7 million relates to realised recoveries on non-performing loans and EUR 3.5 million is related to the change in the expected credit loss ["ECL"] provision on performing loans. During the first quarter, the Bank updated the macro-economic scenarios used to calculate the ECL which increased the

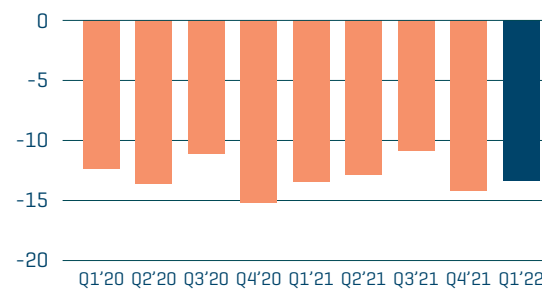
### NET PROFIT ON FINANCIAL OPERATIONS

EUR m



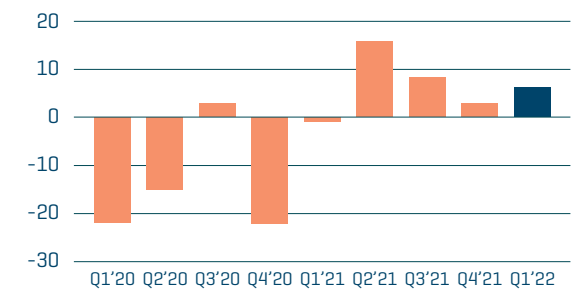
### TOTAL OPERATING EXPENSES

EUR m



### NET LOAN LOSSES

EUR m



provision, however this was more than offset by an improvement in the credit quality of certain individual counter-parties. In general, 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.

#### **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 23.1 million for the period [January–March 2021: Loss EUR 16.5 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 2022, the Bank recorded a positive impact from these changes of EUR 2.4 million compared to EUR 0.2 million in 2021.

# Financial position

## LENDING OUTSTANDING

The lending outstanding amounted to EUR 22,864.6 million. This comprises EUR 22,483.2 million of loans outstanding and investments of EUR 381.4 million in lending bonds recorded in debt securities. The total disbursements and investments during the period amounted to EUR 1,106.9 million, which is EUR 381.6 million higher than for the same period in 2021. More information regarding loans agreed can be found on our website at [Agreed loans](#).

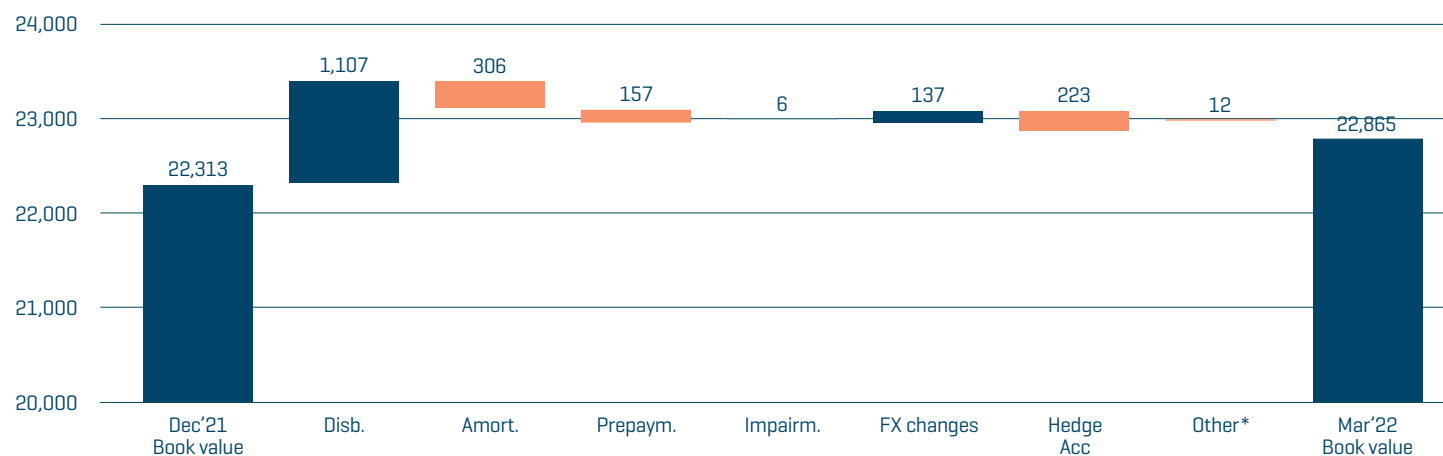
## LENDING HIGHLIGHTS

in EUR millions, unless otherwise specified	Jan-Mar* 2022	Jan-Mar* 2021	2021	2020	2019	2018
Loans agreed excluding lending bonds	1,161	245	1,683	5,632	3,185	4,269
Lending bonds	61	12	169	34	131	61
Total disbursements	1,107	725	2,440	4,853	2,676	4,047
Number of loans agreements in period	14	5	36	59	55	58
Number of green bond investments in period	4	2	14	4	9	3
Lending outstanding	22,865	22,194	22,313	21,727	18,931	19,065
Member countries	22,394	21,620	21,827	21,098	18,055	17,960
Non-member countries	615	748	635	798	996	1,222
Loan impairment provision	-145	-173	-150	-169	-119	-117

\* Unaudited figures, to be read in conjunction with NIB's 2021 audited financial statements

## DEVELOPMENT OF LENDING OUTSTANDING DURING 2022

EUR m



\* Fair valuation of lending green bonds and hedging accounting.



### 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 2022, 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

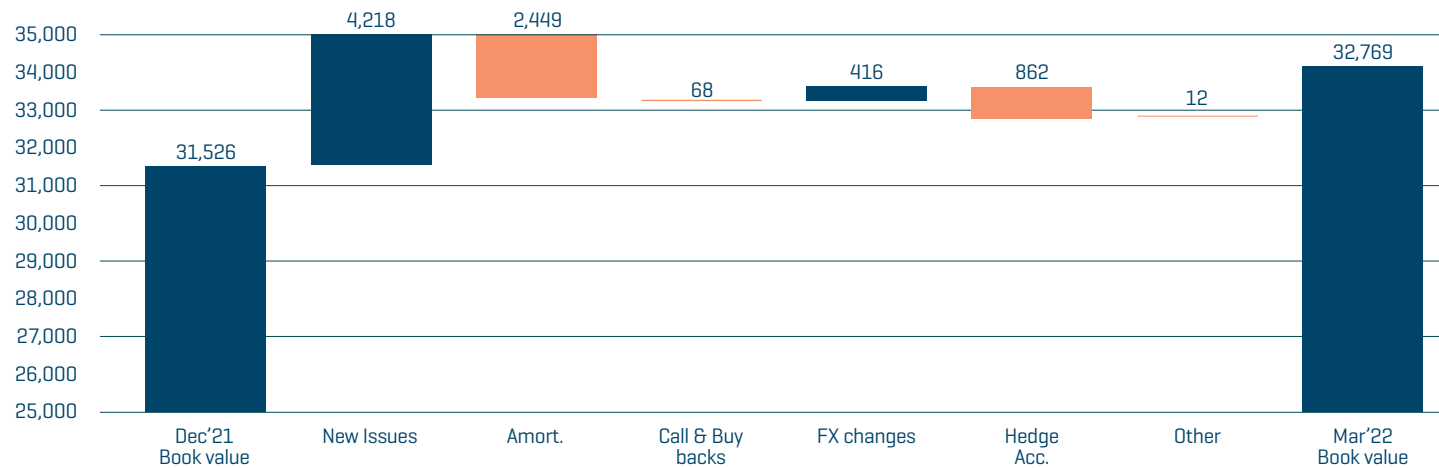
By the end of March, the Bank had raised EUR 4.2 billion [January-March 2021: EUR 3.2 billion] in new funding. The strategy for 2022 is to complete benchmark transactions in US dollars and Euros, complemented with other public and private issues in order to maintain a diversified portfolio of currencies and a global investor base. The Bank will also continue issuing NIB Environmental Bonds. NIB's estimated funding plan for 2022 is EUR 6.5-7.5 billion.

On 11 January, NIB priced its first transaction of the year, a three-year GBP 500 million benchmark. The transaction has since been increased with a further GBP 200 million, taking the new total to GBP 700 million. On 20 January, the Bank issued its inaugural NIB Environmental Bond denominated in Danish Kroner. The eight-year DKK 2 billion bond was driven by domestic ESG focused investors. The Bank has now issued a total of EUR 6.2 billion in environmental bonds under its NEB Framework since 2011. On 29 March NIB issued its first global USD benchmark for the year of USD 1.25 billion with a maturity of 3 years.

For a full list of funding transactions, please click [here](#).

### DEBT DEVELOPMENT DURING 2022

EUR m



# Financial statements

## Statement of comprehensive income

In thousands of euro	NOTE	Jan-Mar 2022*	Jan-Mar 2021*	Jan-Dec 2021
Interest income from financial assets measured at amortised cost		53,160	50,096	197,089
Interest income from financial assets measured at fair value		3,532	2,144	4,159
Interest expense		-6,716	-1,041	145
Net interest income	[1]	49,976	51,199	201,393
Commission income and fees received		4,067	2,057	9,199
Commission expense and fees paid		-528	-555	-2,165
Net fee and commission income		3,538	1,502	7,034
Net loss/profit on financial operations	[2]	-25,418	-3,083	-23,663
Foreign exchange gains and losses		-46	-17	13
Total operating income		28,050	49,601	184,777
Expenses				
General administrative expenses				
Personnel expenses		-7,995	-8,038	-29,182
Other administrative expenses		-3,281	-3,392	-12,766
Depreciation		-2,156	-2,099	-9,545
Total operating expenses		-13,432	-13,529	-51,493
Profit/loss before loan losses		14,618	36,071	133,284
Net loan losses	[3] [4]	6,208	-992	25,874
<b>Net profit/loss for the period</b>		<b>20,826</b>	<b>35,079</b>	<b>159,158</b>
Other comprehensive income				
Items that will be reclassified to income statement				
Fair value hedges - valuation of cross currency basis spread		-23,107	-16,543	-21,612
Items that will not be reclassified to income statement				
Changes in own credit risk on liabilities recorded at fair value		2,405	241	329
Total other comprehensive loss/income		-20,702	-16,302	-21,283
<b>Total comprehensive income/loss</b>		<b>124</b>	<b>18,778</b>	<b>137,876</b>

\* Unaudited figures, to be read in conjunction with NIB's 2021 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 2022*	31 Mar 2021*	31 Dec 2021
<b>ASSETS</b>				
Cash and cash equivalents		3,471,060	2,563,925	1,826,451
Financial placements				
Placements with credit institutions		2,039,549	2,801,253	3,881,023
Debt securities		8,572,379	8,146,438	8,291,062
Other		6,284	8,907	8,661
		10,618,212	10,956,597	12,180,747
Loans outstanding	[5]	22,483,205	22,011,389	21,975,146
Intangible assets		6,696	10,858	7,524
Tangible assets, property and equipment		34,939	36,671	35,632
Other assets				
Derivatives		1,179,315	1,387,979	1,254,828
Other assets		1,558,930	575,234	31,916
		2,738,246	1,963,212	1,286,744
Accrued interest and fees receivable		222,383	212,258	241,145
<b>TOTAL ASSETS</b>		<b>39,574,740</b>	<b>37,754,910</b>	<b>37,553,390</b>

\* Unaudited figures, to be read in conjunction with NIB's 2021 audited financial statements  
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In thousands of euro	NOTE	31 Mar 2022*	31 Mar 2021*	31 Dec 2021
<b>LIABILITIES AND EQUITY</b>				
Liabilities				
Amounts owed to credit institutions				
Short-term amounts owed to credit institutions		475,423	838,814	751,697
Long-term amounts owed to credit institutions		-	-	-
		475,423	838,814	751,697
Repurchase agreements				
Debts evidenced by certificates	[6]	32,768,529	31,346,657	31,525,985
Other liabilities				
Derivatives		1,390,363	1,042,945	1,052,474
Other liabilities		574,228	491,828	39,426
		1,964,591	1,534,773	1,091,900
Accrued interest and fees payable		165,347	155,128	185,171
<b>Total liabilities</b>		<b>35,575,979</b>	<b>33,875,371</b>	<b>33,554,753</b>
Equity				
		3,998,761	3,879,539	3,998,637
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>39,574,740</b>	<b>37,754,910</b>	<b>37,553,390</b>

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## Statement of changes in equity

In thousands of euro	PAID-IN CAPITAL	STATUTORY RESERVE	GENERAL CREDIT RISK FUND	PROFIT AVAILABLE FOR APPROPRIATION	CHANGES IN OWN CREDIT RISK ON LIABILITIES RECORDED AT FAIR VALUE	HEDGING RESERVE	TOTAL
EQUITY AT 31 DECEMBER 2020	845,543	686,325	2,139,544	164,695	-3,376	28,030	3,860,761
Profit for the period Jan-Mar 2021	-	-	-	35,079	-	-	35,079
Other comprehensive income Jan-Mar 2021	-	-	-	-	241	-16,543	-16,302
Total comprehensive loss Jan-Mar 2021	0	0	0	35,079	241	-16,543	18,778
Transactions with owners in their capacity as owners							
Appropriation of profit	-	150,559	14,136	-164,695	-	-	0
EQUITY AT 31 MARCH 2021	845,543	836,884	2,153,680	35,079	-3,135	11,487	3,879,539
Profit for the period Apr-Dec 2021	-	-	-	124,080	-	-	124,080
Other comprehensive income Apr-Dec 2021	-	-	-	-	88	-5,069	-4,981
Total comprehensive income Apr-Dec 2021	0	0	0	124,080	88	-5,069	119,099
EQUITY AT 31 DECEMBER 2021	845,543	836,884	2,153,680	159,159	-3,047	6,418	3,998,637
Profit for the period Jan-Mar 2022	-	-	-	20,826	-	-	20,826
Other comprehensive income Jan-Mar 2022	-	-	-	-	2,405	-23,107	-20,702
Total comprehensive income Jan-Mar 2022	0	0	0	20,826	2,405	-23,107	124
<b>EQUITY AT 31 MARCH 2022</b>	<b>845,543</b>	<b>836,884</b>	<b>2,153,680</b>	<b>179,985</b>	<b>-641</b>	<b>-16,690</b>	<b>3,998,761</b>

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

# Cash flow statement

In thousands of euro	Jan-Mar 2022*	Jan-Mar 2021*	Jan-Dec 2021
<b>Cash flows from operating activities</b>			
Net loss/profit for the period	20,826	35,079	159,158
Adjustments:			
Unrealised gains/losses of financial assets and liabilities held at fair value	21,481	1,778	-9,169
ECL non-lending activities	25	-34	-323
Depreciation and write-down in value of tangible and intangible assets	2,156	2,099	9,545
Change in accrued interest and fees (assets)	18,762	19,959	-8,948
Change in accrued interest and fees (liabilities)	-19,861	-20,514	10,584
Net loan losses (ECL lending activities)	-6,208	992	-25,874
Adjustment to hedge accounting	7,502	266	37,966
Other adjustments to the period's profit	695	595	-104
Adjustments, total	24,552	5,141	13,676
Lending			
Disbursements of loans	-1,046,147	-713,371	-2,270,722
Repayments of loans	456,318	383,295	1,975,518
Capitalisations, redenominations, index adjustments, etc.	487	70	1390
Lending, total	-589,342	-330,006	-293,815
<b>Cash flows from operating activities, total</b>	<b>-543,965</b>	<b>-289,786</b>	<b>-120,980</b>
<b>Cash flows from investing activities</b>			
Placements and debt securities			
Purchase of debt securities	-767,332	-590,323	-2,191,647
Sold and/or matured debt securities	489,680	366,916	1,645,287
Placements with credit institutions	1,943,156	-745,056	-2,002,565
Other financial placements	-14		51
Placements and debt securities, total	1,665,490	-968,462	-2,548,873

\* Unaudited figures, to be read in conjunction with NIB's 2021 audited financial statements  
The accompanying notes are an integral part of these financial statements.

In thousands of euro	Jan-Mar 2022*	Jan-Mar 2021*	Jan-Dec 2021
Other items			
Acquisition of intangible assets	-487	-240	-1,617
Acquisition of tangible assets	-76	-114	-1,810
Change in other assets	-154,363	-7,795	-1,431
Other items, total	-154,927	-8,149	-4,858
<b>Cash flows from investing activities, total</b>	<b>1,510,563</b>	<b>-976,611</b>	<b>-2,553,732</b>
Cash flows from financing activities			
Debts evidenced by certificates			
Issues of new debt	2,844,826	2,592,659	7,027,535
Redemptions	-2,519,644	-1,368,180	-5,073,812
Debts evidenced by certificates, total	325,182	1,224,479	1,953,722
Other items			
Long-term placements from credit institutions	-	-	-
Change in swap receivables excluding fair value changes	35,190	17,786	92,626
Change in swap payables excluding fair value changes	79,506	55,321	147,890
Change in other liabilities	311,990	146,540	-2,491
Dividend paid	-	-	-
Other items, total	426,686	219,647	238,025
<b>Cash flows from financing activities, total</b>	<b>751,868</b>	<b>1,444,125</b>	<b>2,191,747</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>1,718,467</b>	<b>177,728</b>	<b>-482,964</b>
Opening balance for cash and cash equivalents, net	1,074,754	1,546,591	1,546,591
Exchange rate adjustments	327	792	11,127
Closing balance for cash and cash equivalents, net	2,793,548	1,725,111	1,074,754
Additional information to the statement of cash flows			
Interest income received	75,454	72,179	192,300
Interest expense paid	-26,540	-21,533	9,696

\* Unaudited figures, to be read in conjunction with NIB's 2021 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 2022	Jan-Mar 2021	Jan-Dec 2021
Cash and cash equivalents	-3,868	-3,735	-17,446
Placements with credit institutions	-3,743	-3,474	-17,024
Debt securities	9,560	8,576	33,515
Loans outstanding	54,744	50,692	201,862
Other interest income	-	181	341
<b>Total, interest income</b>	<b>56,692</b>	<b>52,240</b>	<b>201,248</b>
<i>Of which, interest income from financial assets measured at amortised cost</i>	<i>53,160</i>	<i>50,096</i>	<i>197,089</i>
Short-term amounts owed to credit institutions	970	1,463	7,686
Long-term amounts owed to credit institutions	-	-	-
Short-term repurchase agreements	3	-	-
Debts evidenced by certificates	-100,721	-100,341	-382,637
Swap contracts and other interest expenses, net	93,032	97,837	375,096
<b>Total, interest expense</b>	<b>-6,716</b>	<b>-1,041</b>	<b>145</b>
<i>Of which, interest expense from financial liabilities measured at amortised cost</i>	<i>-6,190</i>	<i>-5,921</i>	<i>-12,147</i>
<b>Net interest income</b>	<b>49,976</b>	<b>51,199</b>	<b>201,393</b>

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

In thousands of euro	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Financial instruments held at fair value, realised gains and losses	3,582	-1,181	4,776
Financial instruments held at fair value, unrealised gains and losses	-21,481	-1,678	9,169
Financial instruments held at amortised cost, realised gains and losses	8	7	34
Expected credit loss on financial placements	-25	34	323
Adjustment to hedge accounting, unrealised gains and losses of fair value hedges	-7,502	-266	-37,966
<b>Net loss/profit on financial operations</b>	<b>-25,418</b>	<b>-3,083</b>	<b>-23,663</b>



## Note 3: Expected credit loss

In thousands of euro	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at 31 December 2020	51,747	48,314	72,545	172,606
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	0	641
Foreign exchange adjustments and other changes	-	-	3,326	3,326
Net change income statement Jan-Mar 2021	-471	1,583	3,171	4,283
<b>Balance at 31 March 2021</b>	<b>51,277</b>	<b>49,897</b>	<b>75,716</b>	<b>176,890</b>
Transfer to Stage 1	3,402	-3,402	-	0
Transfer to Stage 2	-165	165	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	2,198	221	-	2,419
Amortisations and repayments	-2,400	-2,342	155	-4,588
Impact of remeasurment on existing assets	-22,208	-2,287	-491	-24,986
Foreign exchange adjustments and other changes	-	-	2,710	2,710
Net change income statement Apr-Dec 2021	-19,173	-7,645	2,373	-24,445
<b>Balance at 31 December 2021</b>	<b>32,103</b>	<b>42,252</b>	<b>78,090</b>	<b>152,445</b>
Transfer to Stage 1	8,099	-8,099	-	0
Transfer to Stage 2	-13	13	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	1,433	0	-	1,433
Amortisations and repayments	-435	-292	-	-727
Impact of remeasurment on existing assets	1,923	-6,126	-	-4,204
Recoveries on non-performing loans	-	-	-2,686	-2,686
Foreign exchange adjustments and other changes	-	-	1,495	1,495
Net change income statement Jan-Mar 2022	11,007	-14,504	-1,191	-4,688
<b>Balance at 31 March 2022</b>	<b>43,110</b>	<b>27,748</b>	<b>76,899</b>	<b>147,757</b>

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

In thousands of euro	31 Mar 2022	31 Mar 2021	31 Dec 2021
Loans outstanding	144,865	173,426	149,853
Other receivables	1,859	1,759	1,822
Commitments [recorded in other liabilities]	740	1,147	502
Financial placements	293	557	268
<b>Total</b>	<b>147,757</b>	<b>176,890</b>	<b>152,445</b>

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

In thousands of euro	Jan-Mar 2022	Apr-Dec 2021	Jan-Mar 2021
Net result on financial operations	-25	289	34
Net loan losses [Note 4]	6,208	26,866	-992
Foreign exchange gains and losses	-1,495	-2,710	-3,326
<b>Total recognised in income statement</b>	<b>4,688</b>	<b>24,445</b>	<b>-4,283</b>

## Note 4: Net loan losses

In thousands of euro	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Change in expected credit loss on performing loans	3,522	-1,147	25,383
Change in expected credit loss on non-performing loans	2,686	155	491
Decrease of provisions to cover realised loan losses	-	-	-
Realised loan losses	-	-	-
<b>Net loan losses</b>	<b>6,208</b>	<b>-992</b>	<b>25,874</b>

There were no realised losses for the periods Jan-Mar 2022, Jan-Mar 2021 or Jan-Dec 2021.

## Note 5: Lending outstanding

In thousands of euro	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Opening Balance	22,312,579	21,726,644	21,726,644
Disbursements	1,106,878	725,267	2,439,727
Amortisations	-306,304	-286,165	-1,534,556
Prepayments	-157,014	-97,130	-440,962
Changes in expected credit losses	6,446	-1,073	25,148
Foreign exchange movements	136,855	206,440	248,567
Fair value adjustments	-11,121	81	-1,477
Hedge accounting adjustments	-223,209	-79,827	-149,188
Other	-463	-64	-1,324
<b>Closing balance</b>	<b>22,864,645</b>	<b>22,194,173</b>	<b>22,312,579</b>
Loans outstanding	22,483,205	22,011,389	21,975,146
Lending bonds	381,440	182,784	337,433
<b>Total Lending</b>	<b>22,864,645</b>	<b>22,194,173</b>	<b>22,312,579</b>

## Note 6: Debts evidenced by certificates

In thousands of euro	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Opening Balance	31,525,985	29,071,696	29,071,696
New debt issues	4,217,531	3,156,891	7,027,535
Amortisations	-2,449,151	-1,357,374	-4,763,800
Calls and buy backs	-68,493	-9,786	-299,348
Foreign exchange movements	416,168	835,695	1,222,213
Fair value adjustments	-13,371	-3,066	-7,951
Hedge accounting adjustments	-861,639	-347,614	-720,310
Other	1,499	214	-4,050
<b>Closing balance</b>	<b>32,768,529</b>	<b>31,346,657</b>	<b>31,525,985</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 2021.

This report was approved by Executive Committee on 22th April 2022

### RATIO DEFINITIONS

Equity/total assets =	$\frac{\text{Total equity at reporting date}}{\text{Total assets at reporting date}}$
Net Profit/average equity =	$\frac{\text{Annualised profit for the period}}{\text{Average equity for the period}}$
Cost/income =	$\frac{\text{Total operating expenses for the period}}{\text{Total operating income for the period}}$



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