



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE



# Q1

## Interim Management Statement

JANUARY-MARCH 2023  
[Unaudited]

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# President and CEO's comments

Year 2023 started with the expectations of central banks raising interest rates due to stubbornly high inflation. In March, the collapse of regional banks in the US sparked concerns about the stability of the banking system. This caused volatility in the financial markets. However, the determined actions by the public authorities on both sides of the Atlantic seem to have calmed the situation, at least temporarily.

The demand for NIB's long-term lending increased significantly in 2022, driven by a lower supply of long-term credit in the commercial bank and bond markets, the accelerated green transition and NIB's wider sustainable finance offering. In the current circumstances, we continue to see this strong demand in 2023 and our disbursements are in line with our plans.

On 31 March, the annual meeting of the Board of Governors of NIB approved the Bank's audited financial statements for 2022 and a dividend payment of EUR 25 million to the Nordic and Baltic member countries. Annika Saarikko, Finland's Minister of Finance and Chair of the Bank's Board of Governors, gave guidance to NIB: "NIB should continue focusing on the green transition and energy independence in the region. NIB should also strengthen its additionality, further engage with market segments where the biggest financing needs exist." We at the Bank will endeavour to ensure this guidance is fulfilled through the implementation of our strategy in accordance with our mandate.

In the first quarter, a total of EUR 432 million in new lending was signed and EUR 889 million were disbursed. The lending signed was distributed across various sectors and countries, more details of which can be found [here](#). Total assets at the quarter end amounted to EUR 42 billion compared to EUR 40 billion at 31 March 2022. The total lending outstanding amounted to EUR 22.3 billion at 31 March 2023 compared to EUR 22.9 billion at 31 March 2022. The decrease was mainly attributable to significant foreign exchange and hedge accounting impacts.

The net profit for the period January to March amounted to EUR 65 million compared to EUR 21 million in 2022. The increase in net profit is mainly due to higher net interest income and an unrealised profit on financial operations. The underlying trend in core earnings is improving and dominates the volatile result on financial operations from the increased uncertainty in the financial markets.

To meet the demand for our financing, the Bank has raised EUR 3.8 billion in new funding so far in 2023. On 7 March, NIB priced a five-year USD 1.5 billion global benchmark bond, its first USD benchmark of the year. The issue had a final orderbook of more than USD 4 billion, the largest ever for NIB.



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

Finally, I would like to welcome our new Head of Lending, Jeanette Vitasp to NIB. She brings a wealth of experience from a longstanding career in corporate banking, treasury and capital markets. I would also like to thank Søren Kjær Mortensen, who is retiring from the Bank in 2023 for his successful leadership of the Lending department and years of dedicated service.

**André Küusvek, President & CEO**

# Highlights

During the first quarter of 2023, lending disbursements amounted to EUR 889 million and lending signed was EUR 432 million, compared to EUR 1,107 million and EUR 1,222 million respectively, in the same period in 2022.

The Bank has raised EUR 3.8 billion in new funding so far in 2023. In March, NIB priced a five-year USD 1.5 billion global benchmark bond, which attracted high quality demand and had one hundred participating accounts, resulting in a final orderbook of more than USD 4 billion, the largest ever for NIB.

The net profit for the period January to March 2023 amounted to EUR 65 million compared to EUR 21 million in 2022 driven by increased interest income and net profit on financial operations. The net interest income, the Bank's core earnings, increased from EUR 50 million in Q1 2022 to EUR 69 million in Q1 2023. During the quarter, the Bank experienced some volatility in gains and losses related to its financial operations due to the increased uncertainty in the financial markets. However, the Bank did not incur any realised losses and remains in a strong position. The net profit on financial operations amounted to EUR 9 million in Q1 2023 compared to a loss of EUR 25 million in the same period in 2022.

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 in April.

On 31 March, the annual meeting of the Board of Governors of NIB approved the Bank's audited financial statements for 2022 and a dividend payment of EUR 25 million to the Nordic and Baltic member countries. The 2022 annual report can be found [here](#).

# Key figures and ratios

In millions of euro unless otherwise specified	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Net interest income	69	50	219
Profit before net loan losses	66	15	136
Net profit	65	21	139
Lending disbursed	889	1,107	3,705
New signed lending	432	1,222	4,114
% of loans achieving good or above mandate **	100%	100%	99%
Lending outstanding	22,293	22,865	22,195
Total assets	41,751	39,575	39,280
New debt issues	3,780	4,218	9,630
Debts evidenced by certificates	33,894	32,769	31,595
Total equity	4,140	3,999	4,101
Equity/total assets ***	9.9%	10.1%	10.4%
Net profit/average equity ***	6.4%	2.1%	3.4%
Cost/income ***	16.6%	47.9%	27.9%
Number of employees at period end	230	220	228

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

\*\* See page 9 for mandate fulfilment explanation

\*\*\* See page 19 for ratio definitions

# Operating and financial review

## Total comprehensive income

### January–March 2023 compared to January–March 2022

#### NET PROFIT

The net profit for the period January–March 2023 amounted to EUR 65.1 million, which is EUR 44.3 million higher than the corresponding period in 2022. Total operating income increased significantly from EUR 28.1 million to EUR 78.9 million. Net interest income increased by EUR 18.6 million while net fee and commission income decreased by EUR 2.9 million. The net profit on financial operations increased from a loss of EUR 25.4 million to a gain of EUR 9.5 million, however we have seen significant volatility in this result during the quarter mainly because of the market turmoil seen in March due to the collapse of some regional US banks and Credit Suisse in Europe. Net loan losses amounted to EUR 0.7 million compared to a gain of EUR 6.9 million in 2022. There have been no realised loan losses year to date.

#### NET INTEREST INCOME

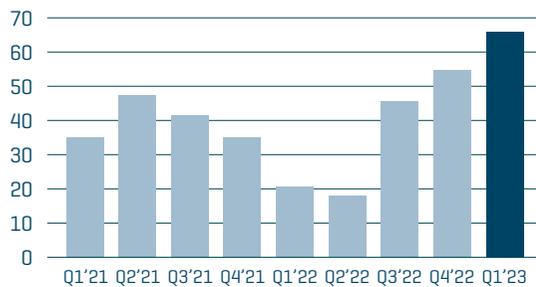
Net interest income for the period amounted to EUR 68.5 million compared to EUR 50.0 million in 2022. Net interest income on lending activities amounted to EUR 42.3 million and was EUR 1.8 million higher than in 2022 due to higher loan volumes and margins. The interest income on treasury activities increased from EUR 9.5 million in Q1 2022 to EUR 26.3 million as the liquidity buffer bond portfolios benefited from increases in the market interest rate level.

#### NET FEE AND COMMISSION INCOME

Net fee and commission income for the period January–March 2023 of EUR 0.6 million was EUR 2.9 million lower than the same period in 2022.

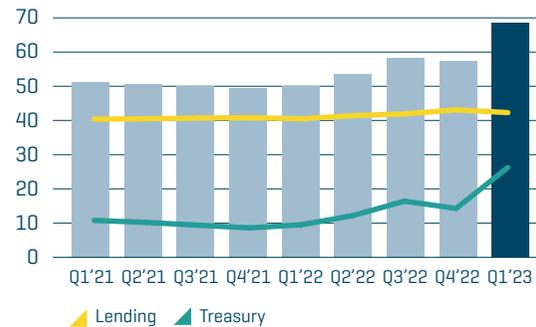
#### NET PROFIT

EUR m



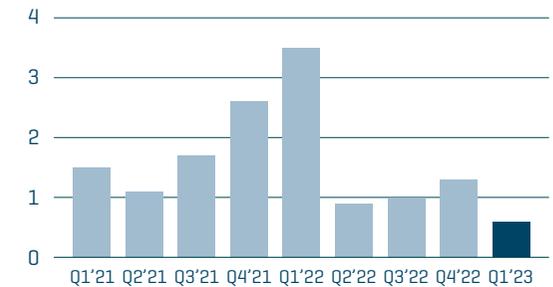
#### NET INTEREST INCOME

EUR m



#### NET COMMISSION INCOME AND FEES

EUR m



**NET PROFIT/LOSS ON FINANCIAL OPERATIONS**

The net profit on financial operations for the first quarter amounted to EUR 9.5 million compared to a loss of EUR 25.4 million in the same period last year. The result comprised of unrealised profits of EUR 9.5 million compared to unrealised losses of EUR 29.0 million plus realised gains of EUR 3.6 million in 2022. Financial markets experienced some volatility during the first quarter, arising from inflationary concerns and the collapse of some regional banks in the US and Credit Suisse in Europe. These market movements resulted in valuation swings during the period on financial instruments that NIB holds to hedge its foreign exchange and interest rate risks and in its liquidity bond portfolio. The year-to-date unrealised gains amounted to EUR 31.0 million at the end of February, dropped to a loss of EUR 10.2 million in mid-March and recovered to a gain of EUR 9.5 million by 31 March.

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

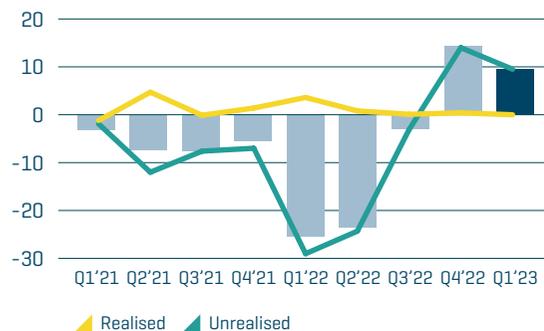
The unrealised valuation gains and losses on interest rate hedges mainly arise from the change of the interest rate spreads that are embedded in the Bank’s funding and lending transactions. When the Bank raises funds with fixed rates or offers borrowers fixed rate loans, it hedges the resulting interest rate risk using swaps, in which the fixed rate is swapped to short term money market floating rates. The valuation of the swaps and underlying transactions use different rates which gives rise to unrealised valuation gains and losses. It should be noted that as the Bank intends to hold these transactions to maturity these valuation gains and losses are expected to reverse in full.

**TOTAL OPERATING EXPENSES**

Total operating expenses amounted to EUR 13.1 million which is similar to the corresponding period in 2022. The Bank’s main expenses comprise personnel costs, cost related to administration, IT and depreciation. Personnel costs of EUR 8.8 million were EUR 0.8 million higher in Q1 2023 compared to Q1 2022 due to annual salary adjustments and a higher head count. The other operating expenses were EUR 1.1 million lower in the first quarter of 2023 compared to the same period in 2022, due to decreased depreciation as some assets reached the end of their depreciable lives towards the end of 2022.

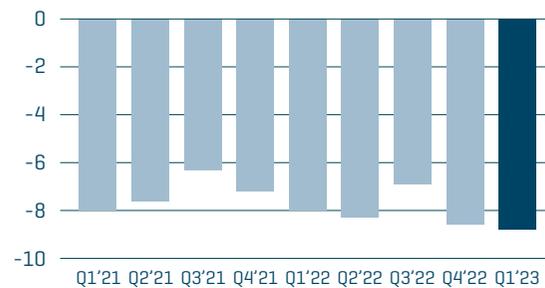
**NET PROFIT/LOSS ON FINANCIAL OPERATIONS**

EUR m



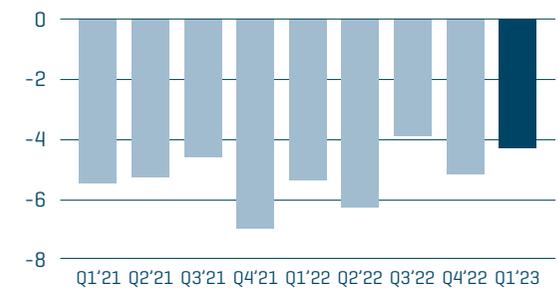
**PERSONNEL EXPENSES**

EUR m



**OTHER OPERATING EXPENSES**

EUR m



### NET LOAN LOSSES

During the first quarter of 2023, the Bank has recorded net loan losses of EUR 0.7 million compared to a positive amount of EUR 6.2 million for the corresponding period in 2022. The Bank updated the macro-financial scenarios used to calculate the expected credit loss (ECL) which increased the provision by approximately EUR 1.2 million however this was partly 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 1.0 million for the period compared to a loss of EUR 23.1 million in the same period last year. 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 2023, the Bank recorded a negative impact from these changes of EUR 0.3 million compared to positive amount of EUR 2.4 million in 2022.

### TOTAL COMPREHENSIVE INCOME

All in all, NIB had a significantly higher total comprehensive income in the first quarter of 2023 compared to the same period in 2022. Total comprehensive income ended at EUR 63.9 million compared to EUR 0.1 million in the first quarter of 2022.

### NET LOAN LOSSES

EUR m



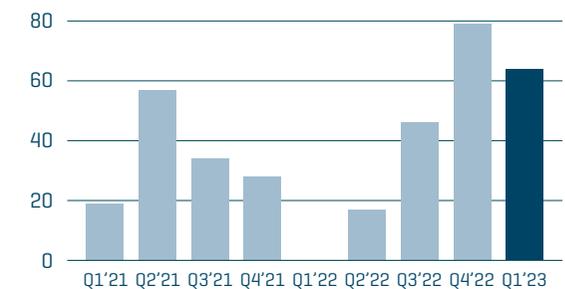
### OTHER COMPREHENSIVE INCOME

EUR m



### TOTAL COMPREHENSIVE INCOME

EUR m



# Financial position

## LENDING OUTSTANDING

The lending outstanding amounted to EUR 22,293 million. This comprises EUR 21,865 million of loans outstanding and investments of EUR 428 million in lending bonds recorded in debt securities. The total disbursements and investments during the period amounted to EUR 889 million, which is EUR 219 million lower than for the same period in 2022. More information regarding loans agreed can be found on our website at [Signed Loans](#). The large foreign exchange difference arises mainly from loans in the Nordic currencies which weakened against the Euro.

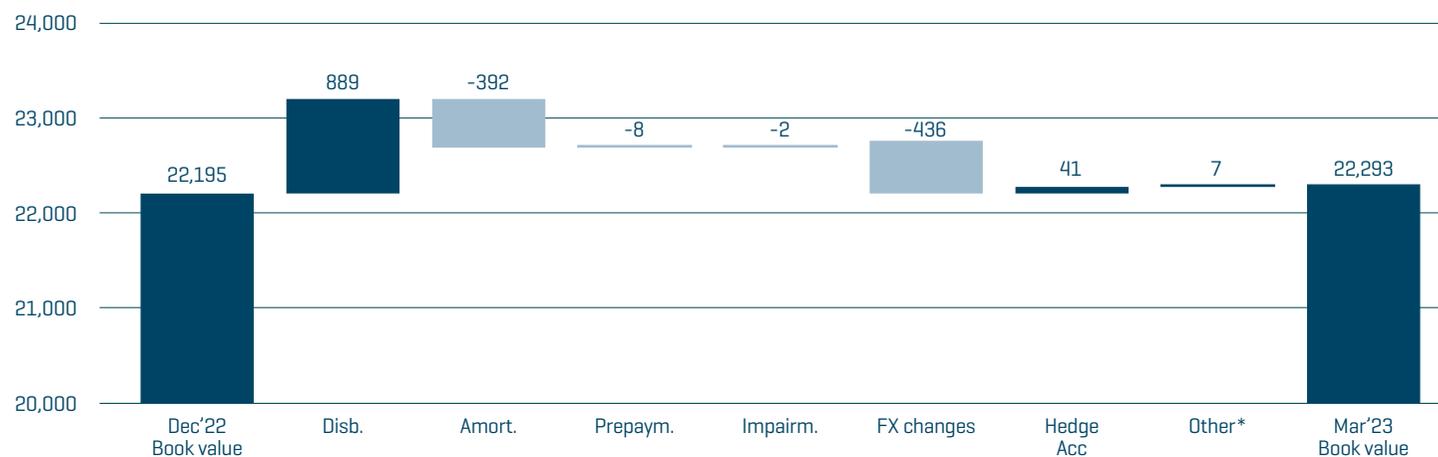
## LENDING HIGHLIGHTS

in EUR millions, unless otherwise specified	Jan-Mar* 2023	Jan-Mar* 2022	2022	2021	2020	2019
New signed loans, excluding labelled bonds	422	1,161	3,936	1,683	5,632	3,185
New lending labelled bonds	10	61	178	169	34	131
Total lending disbursements	889	1,107	3,705	2,440	4,853	2,676
Number of new signed loans	9	14	54	36	59	55
Number of new lending labelled bonds	1	4	10	14	4	9
Lending outstanding	22,293	22,865	22,195	22,313	21,727	18,931
Member countries	21,956	22,394	21,837	21,827	21,098	18,055
Non-member countries	405	615	424	635	798	996
Loan impairment provision	-68	-145	-66	-150	-169	-119

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

## DEVELOPMENT OF LENDING OUTSTANDING DURING 2023

EUR m



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

### MISSION FULFILMENT

NIB's vision is for a prosperous and sustainable Nordic-Baltic region and the Bank has a dual mandate to provide lending that benefits the environment and/or improves productivity. All projects proposed for financing undergo an assessment of their potential impact on productivity and the environment of the member country area. The mission fulfilment is rated on a five-grade scale from "negative" to "excellent". During the first quarter of 2023, projects achieving a "good" or "excellent" mandate rating accounted for 100% of the total amount of loans disbursed thereby exceeding the target of 95%.

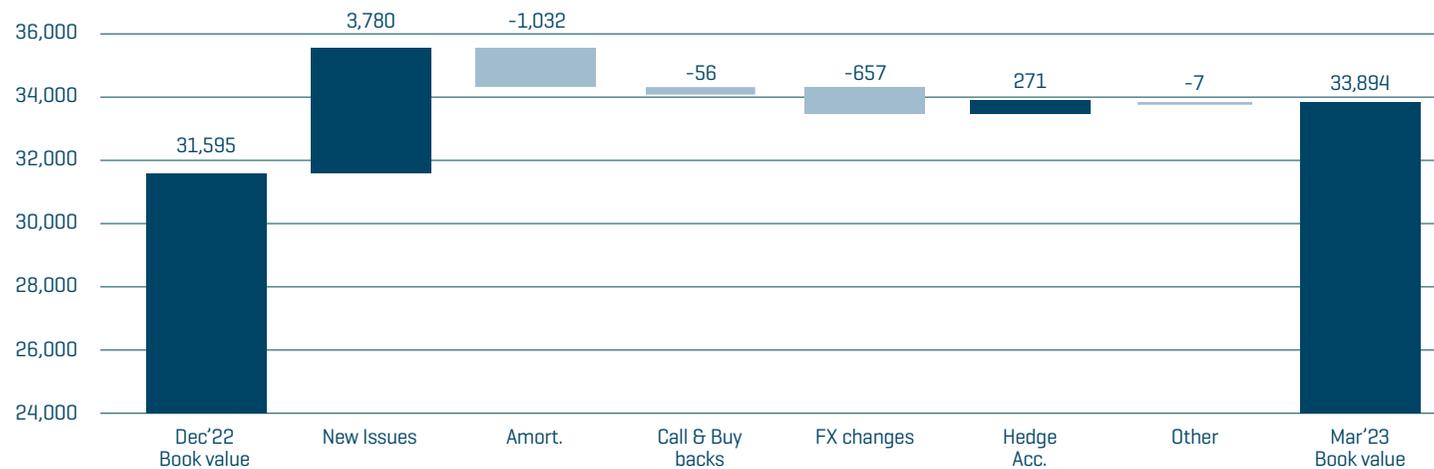
### FUNDING

By the end of March, the Bank had raised EUR 3.8 billion in new funding which compares to EUR 4.2 billion in the same period last year. The strategy for 2023 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 2023 is EUR 7.0-8.0 billion. On 7 March NIB priced a five-year USD 1.5 billion global benchmark bond. The transaction had NIB's largest USD orderbook to date. The Bank also issued a three-year GBP 600 million benchmark bond in January. Also in January, the first NIB Environmental Bond of the year, a seven-year EUR 500 million NEB was launched. In February, NIB returned to the Kauri market after more than two years by pricing a seven-year NZD 700 million bond on 3 February. The bond had a good demand and is the largest seven-year bond in almost two years. For a full list of funding transactions, please click [here](#).

The large foreign exchange movement arises from funding in Nordic currencies and USD weakening against the Euro. The increase arising from hedge accounting offsets valuation changes recorded in the income statement for derivatives used to hedge interest rate risk.

### DEBT DEVELOPMENT DURING 2023

EUR m



# Financial statements

## Statement of comprehensive income

In thousands of euro	NOTE	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Interest income from financial assets measured at amortised cost		199,977	53,160	365,505
Interest income from financial assets measured at fair value		43,874	3,532	51,384
Interest expense		-175,300	-6,716	-197,617
Net interest income	[1]	68,550	49,976	219,272
Commission income and fees received		1,434	4,067	8,805
Commission expense and fees paid		-841	-528	-2,012
Net fee and commission income		592	3,538	6,793
Net profit/loss on financial operations	[2]	9,464	-25,418	-37,497
Foreign exchange gains and losses		248	-46	-214
Total operating income		78,854	28,050	188,353
Expenses				
General administrative expenses				
Personnel expenses		-8,776	-7,995	-31,764
Other administrative expenses		-3,328	-3,281	-14,544
Depreciation		-979	-2,156	-6,308
Total operating expenses		-13,083	-13,432	-52,616
Profit before loan losses		65,771	14,618	135,737
Net loan losses	[3] [4]	-659	6,208	3,536
<b>Net profit for the period</b>		<b>65,112</b>	<b>20,826</b>	<b>139,273</b>
Other comprehensive income				
Items that will be reclassified to income statement				
Fair value hedges - valuation of cross currency basis spread		-987	-23,107	-3,029
Items that will not be reclassified to income statement				
Changes in own credit risk on liabilities recorded at fair value		-262	2,405	6,103
Total other comprehensive loss/income		-1,249	-20,702	3,073
<b>Total comprehensive income</b>		<b>63,863</b>	<b>124</b>	<b>142,346</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 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 2023*	31 Mar 2022*	31 Dec 2022
<b>ASSETS</b>				
Cash and cash equivalents		3,315,528	3,471,060	2,078,406
Financial placements				
Placements with credit institutions		5,157,179	2,039,549	4,469,229
Debt securities		9,161,406	8,572,379	8,768,457
Other		4,667	6,284	4,532
		14,323,252	10,618,212	13,242,218
Loans outstanding	[5]	21,865,123	22,483,205	21,739,936
Intangible assets		9,477	6,696	8,704
Tangible assets, property and equipment		32,135	34,939	32,863
Other assets				
Derivatives		1,785,684	1,179,315	1,817,179
Other assets		37,394	1,558,930	34,904
		1,823,077	2,738,246	1,852,083
Accrued interest and fees receivable		382,154	222,383	325,374
<b>TOTAL ASSETS</b>		<b>41,750,746</b>	<b>39,574,740</b>	<b>39,279,583</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements  
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In thousands of euro	NOTE	31 Mar 2023*	31 Mar 2022*	31 Dec 2022
<b>LIABILITIES AND EQUITY</b>				
Liabilities				
Amounts owed to credit institutions				
Short-term amounts owed to credit institutions		726,933	475,423	689,120
Repurchase agreements		-	202,089	-
Debts evidenced by certificates	[6]	33,894,366	32,768,529	31,595,081
Other liabilities				
Derivatives		2,441,912	1,390,363	2,539,630
Other liabilities		272,191	574,228	89,958
		2,714,102	1,964,591	2,629,588
Accrued interest and fees payable		275,498	165,347	264,811
<b>Total liabilities</b>		<b>37,610,900</b>	<b>35,575,979</b>	<b>35,178,600</b>
Equity				
		4,139,847	3,998,761	4,100,983
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>41,750,746</b>	<b>39,574,740</b>	<b>39,279,583</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 2021	845,543	836,884	2,153,680	159,159	-3,047	6,418	3,998,637
Profit for the period	-	-	-	20,826	-	-	20,826
Other comprehensive income	-	-	-	-	2,405	-23,107	-20,702
Total comprehensive income	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>
Profit for the period	-	-	-	118,447	-	-	118,447
Other comprehensive income	-	-	-	-	3,698	20,078	23,776
Total comprehensive income	0	0	0	118,447	3,698	20,078	142,223
Transactions with owners in their capacity as owners							
Appropriation of profit	-	-	119,158	-119,158	-	-	0
Dividends	-	-	-	-40,000	-	-	-40,000
<b>EQUITY AT 31 DECEMBER 2022</b>	<b>845,543</b>	<b>836,884</b>	<b>2,272,838</b>	<b>139,273</b>	<b>3,056</b>	<b>3,388</b>	<b>4,100,983</b>
Profit for the period	-	-	-	65,112	-	-	65,112
Other comprehensive income	-	-	-	-	-262	-987	-1,249
Total comprehensive income	0	0	0	65,112	-262	-987	63,863
Transactions with owners in their capacity as owners							
Appropriation of profit	-	-	114,273	-114,273	-	-	0
Dividends	-	-	-	-25,000	-	-	-25,000
<b>EQUITY AT 31 MARCH 2023*</b>	<b>845,543</b>	<b>836,884</b>	<b>2,387,111</b>	<b>65,112</b>	<b>2,794</b>	<b>2,401</b>	<b>4,139,847</b>

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

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

# Cash flow statement

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
<b>Cash flows from operating activities</b>			
Net profit for the period	65,112	20,826	139,273
Adjustments:			
Unrealised gains/losses of financial assets and liabilities held at fair value	-5,283	21,481	40,003
ECL non-lending activities	-483	25	1,309
Depreciation and write-down in value of tangible and intangible assets	979	2,156	6,308
Change in accrued interest and fees (assets)	-47,239	18,762	-84,228
Change in accrued interest and fees (liabilities)	2,134	-19,861	79,651
Net loan losses (ECL lending activities)	659	-6,208	-3,536
Hedge accounting ineffectiveness	-3,658	7,502	1,058
Other adjustments to the period's profit	-7,482	1,182	6,512
Adjustments, total	-60,374	25,038	47,077
Lending			
Disbursements of loans	-879,196	-1,046,147	-3,526,941
Repayments of loans	367,460	456,318	2,702,232
Lending, total	-511,736	-589,829	-824,709
<b>Cash flows from operating activities, total</b>	<b>-506,998</b>	<b>-543,965</b>	<b>-638,359</b>
<b>Cash flows from investing activities</b>			
Placements and debt securities			
Purchase of debt securities	-1,003,575	-767,332	-2,516,292
Sold and/or matured debt securities	601,296	489,680	1,729,779
Placements with credit institutions	-4,604,084	-1,363,930	-8,560,031
Sold and/or matured placements with credit institutions	3,916,095	3,307,086	7,972,838
Other financial placements	702	-14	-72
Placements and debt securities, total	-1,089,566	1,665,490	-1,373,778

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements  
The accompanying notes are an integral part of these financial statements.

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Other items			
Acquisition of intangible assets	-864	-487	-4,051
Acquisition of tangible assets	-61	-76	-383
Change in other assets	-333	-154,363	-7,740
Other items, total	-1,258	-154,927	-12,174
<b>Cash flows from investing activities, total</b>	<b>-1,090,824</b>	<b>1,510,563</b>	<b>-1,385,951</b>
Cash flows from financing activities			
Debts evidenced by certificates			
Issues of new debt	3,780,001	2,844,826	9,630,309
Redemptions	-1,088,286	-2,519,644	-7,356,900
Debts evidenced by certificates, total	2,691,715	325,182	2,273,409
Other items			
Change in swap receivables excluding fair value changes	-238,353	35,190	30,704
Change in swap payables excluding fair value changes	230,172	79,506	56,383
Change in other liabilities	121,116	311,990	1,594
Dividend paid	-	-	-40,000
Other items, total	112,935	426,686	48,682
<b>Cash flows from financing activities, total</b>	<b>2,804,650</b>	<b>751,868</b>	<b>2,322,091</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>1,206,827</b>	<b>1,718,467</b>	<b>297,780</b>
Opening balance for cash and cash equivalents, net	1,389,286	1,074,754	1,074,754
Exchange rate adjustments	-7,519	327	16,752
Closing balance for cash and cash equivalents, net	2,588,595	2,793,548	1,389,286
Additional information to the statement of cash flows			
Interest income received	187,070	75,454	332,661
Interest expense paid	-164,613	-26,540	-117,976

\* Unaudited figures, to be read in conjunction with NIB's 2022 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 2023*	Jan-Mar 2022*	Jan-Dec 2022
Cash and cash equivalents	18,057	-3,868	2,761
Placements with credit institutions	20,331	-3,743	-346
Debt securities	27,258	9,560	59,382
Loans outstanding	178,204	54,744	354,938
Other interest income	-	-	153
<b>Total, interest income</b>	<b>243,850</b>	<b>56,692</b>	<b>416,889</b>
<i>Of which, interest income from financial assets measured at amortised cost</i>	<i>199,977</i>	<i>53,160</i>	<i>365,505</i>
Short-term amounts owed to credit institutions	-4,102	970	-216
Short-term repurchase agreements	-17	3	-30
Debts evidenced by certificates	-168,097	-100,721	-514,049
Swap contracts and other interest expenses, net	-3,084	93,032	316,678
<b>Total, interest expense</b>	<b>-175,300</b>	<b>-6,716</b>	<b>-197,617</b>
<i>Of which, interest expense from financial liabilities measured at amortised cost</i>	<i>-252,693</i>	<i>-6,190</i>	<i>-318,612</i>
<b>Net interest income</b>	<b>68,550</b>	<b>49,976</b>	<b>219,272</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

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

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Financial instruments held at fair value, realised gains and losses	32	3,582	10,613
Financial instruments held at fair value, unrealised gains and losses	5,283	-21,481	-40,003
Financial instruments held at amortised cost, realised gains and losses	8	8	-5,741
Expected credit loss on financial placements	483	-25	-1,309
Hedge accounting ineffectiveness	3,658	-7,502	-1,058
<b>Net profit/loss on financial operations</b>	<b>9,464</b>	<b>-25,418</b>	<b>-37,497</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

## Note 3: Expected credit loss

In thousands of euro	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at 31 December 2021	32,103	42,252	78,090	152,445
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	-	-	1,433
Amortisations and repayments	-435	-292	-	-727
Impact of remeasurment on existing assets	1,923	-6,126	-2,686	-6,889
Foreign exchange adjustments and other changes	-	-	1,495	1,495
Net change income statement	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>
Transfer to Stage 1	-930	930	-	0
Transfer to Stage 2	-338	338	-	0
Transfer to Stage 3	-	-1,101	1,101	0
New assets originated or disbursed	17,660	1,225	-	18,885
Amortisations and repayments	-3,491	-1,264	-	-4,755
Impact of remeasurment on existing assets	-4,386	-14,386	8,598	-10,174
Foreign exchange adjustments and other changes	-	-	2,765	2,765
Net change income statement	8,515	-14,258	12,464	6,721
Realised losses	-	-	-79,331	-79,331
<b>Balance at 31 December 2022</b>	<b>51,624</b>	<b>13,490</b>	<b>10,033</b>	<b>75,147</b>
Transfer to Stage 1	928	-928	-	0
Transfer to Stage 2	-77	77	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	5,551	240	-	5,791
Amortisations and repayments	-5,595	-267	-	-5,862
Impact of remeasurment on existing assets	-619	866	-	247
Foreign exchange adjustments and other changes	0	0	-28	-28
Net change income statement	187	-11	-28	148
<b>Balance at 31 March 2023*</b>	<b>51,811</b>	<b>13,479</b>	<b>10,005</b>	<b>75,295</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

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

In thousands of euro	31 Mar 2023*	31 Mar 2022*	31 Dec 2022
Loans outstanding	67,871	144,865	65,687
Other receivables	0	1,859	0
Commitments (recorded in other liabilities)	6,330	740	7,884
Financial placements	1,094	293	1,577
<b>Total</b>	<b>75,295</b>	<b>147,757</b>	<b>75,147</b>

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

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Net result on financial operations	483	-25	-1,309
Net loan losses (Note 4)	-659	6,208	3,536
Foreign exchange gains and losses	28	-1,495	-4,260
<b>Total</b>	<b>-148</b>	<b>4,688</b>	<b>-2,033</b>

## Note 4: Net loan losses

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Change in expected credit loss on performing loans	-659	3,522	10,550
Change in expected credit loss on non-performing loans	-	2,686	-7,014
Decrease of provisions to cover realised loan losses	-	-	-79,331
Realised loan losses	-	-	79,331
<b>Net loan losses</b>	<b>-659</b>	<b>6,208</b>	<b>3,536</b>

There were no realised losses for the periods Jan-Mar 2023 or Jan-Mar 2022. During 2022 the Bank had realised losses of EUR 79,331 thousand which had no impact to the income statement as the related loans were fully impaired in previous years.

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

## Note 5: Lending outstanding

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Opening Balance	22,194,850	22,312,579	22,312,579
Disbursements	888,696	1,106,878	3,705,191
Amortisations	-392,260	-306,304	-2,149,355
Prepayments	-8,400	-157,014	-559,877
Changes in expected credit losses	-2,212	6,446	10,918
Foreign exchange movements	-435,750	136,855	-499,682
Fair value adjustments	8,057	-11,121	-30,857
Hedge accounting adjustments	41,248	-223,209	-586,357
Other	-1,232	-463	-7,709
<b>Closing balance</b>	<b>22,292,998</b>	<b>22,864,645</b>	<b>22,194,850</b>
Loans outstanding	21,865,123	22,483,205	21,739,936
Lending bonds	427,875	381,440	454,914
<b>Total Lending</b>	<b>22,292,998</b>	<b>22,864,645</b>	<b>22,194,850</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

## Note 6: Debts evidenced by certificates

In thousands of euro	Jan-Mar 2023*	Jan-Mar 2022*	Jan-Dec 2022
Opening Balance	31,595,081	31,525,985	31,525,985
New debt issues	3,780,001	4,217,531	9,630,309
Amortisations	-1,032,389	-2,449,151	-7,217,679
Calls and buy backs	-56,170	-68,493	-154,590
Foreign exchange movements	-656,597	416,168	56,016
Fair value adjustments	-7,214	-13,371	-58,584
Hedge accounting adjustments	271,381	-861,639	-2,201,745
Other	272	1,499	15,368
<b>Closing balance</b>	<b>33,894,366</b>	<b>32,768,529</b>	<b>31,595,081</b>

\* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

## 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 Statements 2022.

This report was approved by the Bank's Executive Committee on 20th April 2023.

### Ratio definitions

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

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

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



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