NORDIC INVESTMENT BANK

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Press release
Helsinki, 20 September 2016

Press Release –NIB USD 1bn 0.875% Global due 27 September 2018

The combination of highest quality credit, rarity value and liquidity provision offered by the Nordic Investment Bank ensured another highly successful USD global issue

Execution Highlights:

- Third and final USD benchmark of 2016, with the new 2-year completing the NIB curve following successful outings in 3-years (February) and 5-years (July)
- The final orderbook closed in excess of USD1.3bn with 29 accounts participating
- Tightest pricing vs mid-swaps for an SSA issuer since July 2015
- First sub-libor print for NIB since $1.25bn 1.125% 3-year Global in March 2015

Nordic Investment Bank ("NIB") today priced a new 2 year Global USD benchmark transaction. This is NIB's third and final public benchmark of 2016, following successful outings in 3-years (February) and 5-years (July).

The new September 2018 fitted NIBs ALM book very well and added another liquid point on their USD benchmark curve.

Amid a heavy holiday and Event calendar, NIB elected to offer investors a low risk maturity ahead of the BoJ and FOMC meetings on Wednesday 21st September. With market conditions stable on Monday morning, NIB decided to capitalize on recent strong primary market sentiment in the front–end of the curve as well as constructive pricing dynamics.

The mandate for a 2-year USD Benchmark was announced to the market at 9:40h London time on Monday 19th September, signaling NIB's intention to access the market and to get ahead of other competing SSA supply in this shortened issuance week. Initial Price Thoughts ("IPT's") of mid-swaps -3bps area were released shortly thereafter at 13:00h with the simultaneous collection of Indications of Interest ("IOI's").

The transaction garnered strong investor demand from the outset, and IOI's stood at USD 1bn when the orderbook officially opened on Tuesday 20th September at 8.00h with guidance of mid-swaps -3bps area, in line with IPT's. Momentum was steady throughout the European morning, allowing the final spread to be revised downwards to mid-swaps -4bps, on the back of a USD1.35bn book, at 12:00h. Mid-swaps -4bps is the tightest pricing vs mid-swaps for an SSA issuer since July 2015.

Global books closed at 13:00h and the bond priced later in the afternoon. The new NIB 2-year Global priced with a +21.7bps spread over the 0.750% UST due August 2018, equating to a reoffer yield of 0.995%, and deriving a reoffer price of 99.763%.

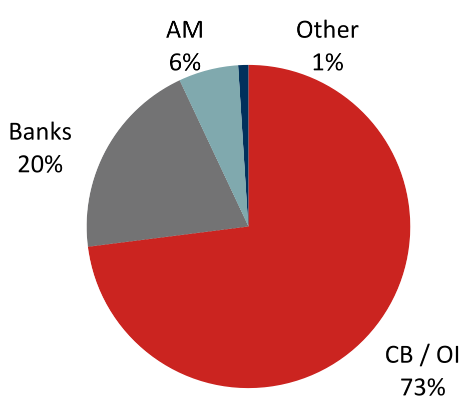
The final book drew interest from 29 investors globally. The strength of the NIB credit was underscored by the high participation of Central Banks / Official Money institutions, who accounted for 73% of the final allocations. Bank treasuries were also well represented with 20%. In terms of geography, European investors accounted for the lions share with 79% of the distribution.

Bond Summary Terms:

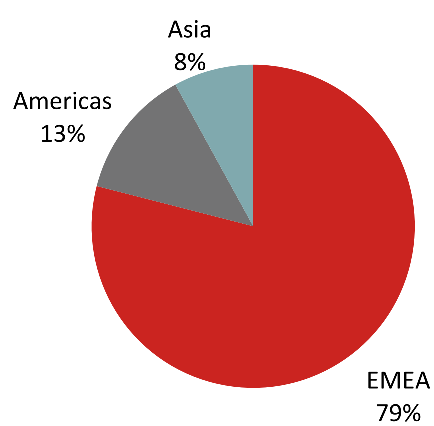
Rating: Aaa / AAA (Moody's / S&P) all stable
Issue amount: USD 1bn
Pricing Date: 20 September 2016
Settlement Date: 27 September 2016
Coupon: 0.875% payable semi-annually
Maturity Date: 27 September 2018
Reoffer Spread: Mid swaps -4 bps, UST 0.75% 08/18 + 21.7bps
Reoffer Price: 99.763%
Reoffer Yield: 0.995% s.a.
Format: Global
Joint Lead Managers: HSBC, JPM, Nomura

Distribution Stats

Investor Type



Geography



Comments:

"A very strong result from NIB ahead of the FOMC, with the tightest SSA USD transaction since July 2015. The top quality orderbook highlighted the safe haven status of NIB and the issuer's extensive following among global central bank and bank treasury investors."
Asif Sherani, Director, SSA Syndicate at HSBC

“Taking advantage of a stable market backdrop before two big central bank meetings, NIB once again demonstrates that it pays to stay nimble. The issuer priced its 3rd successful USD benchmark of 2016 at the tightest spread to mid-swaps seen in the USD SSA market since the summer of 2015.”
Matthieu Batard, Executive Director, SSA Syndicate at JPM

“2016 has proved to be a stellar year for NIB in the USD market, with the borrower making a rare 3rd outing. As with the earlier 3- and 5-year deals, NIB was careful with this transaction to secure a balance of pricing and extremely high quality orderbook.”
Spencer Dove, Managing Director, DCM Public Sector at Nomura

“NIB is pleased to see the support of the international investor base in this new 2 year USD benchmark. We reached our target to have an oversubscribed and well diversified order book with very high quality investors. Pricing the bond with a spread of minus four to LIBOR meant we entered a somewhat untested spread area. Wider swap spreads helped us here as well, so we think the pricing was spot on for investors as well and we are confident that the deal will deliver good performance”
Jens Hellerup, Head of Funding and Investor Relations, Nordic Investment Bank.

NIB is an international financial institution owned by eight member countries: Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Bank finances private and public projects in and outside the member countries. NIB has the highest possible credit rating, AAA/Aaa, with the leading rating agencies Standard & Poor’s and Moody’s.

For further information, please contact
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