



24<sup>th</sup> April 2020

## NIB successfully launches a new EUR denominated Environmental Bond due April 2027

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### Transaction Summary

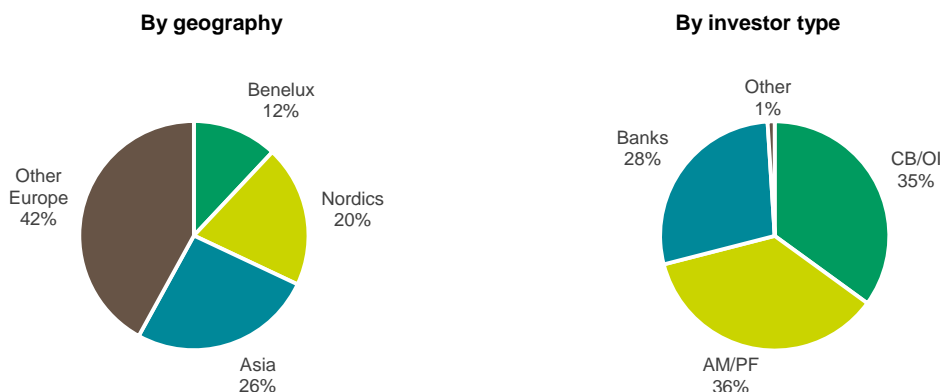
<b>Rating:</b>	Aaa (Moody's, stable) / AAA (S&P, stable)
<b>Issuer:</b>	Nordic Investment Bank (NIB)
<b>Format:</b>	Reg S, Senior Unsecured
<b>Amount:</b>	EUR 500 million
<b>Settlement date:</b>	30 April 2020 (T+5)
<b>Maturity date:</b>	30 April 2027
<b>Issue price:</b>	100.802%
<b>Coupon:</b>	0%
<b>Reoffer yield:</b>	-0.114%
<b>Spread:</b>	MS+2bps
<b>Denomination:</b>	EUR 100,000 / EUR 1,000
<b>Listing:</b>	Helsinki
<b>Joint-Lead Managers:</b>	BofA Securities, Crédit Agricole CIB and Nordea
<b>ISIN:</b>	XS2166209176

### Transaction highlights

- On Thursday 23<sup>rd</sup> April 2020, the Nordic Investment Bank (NIB), rated Aaa (Moody's, stable) / AAA (S&P, stable), successfully issued a new 7-year euro-denominated NIB Environmental Bond (NEB). The proceeds of the NIB Environmental Bonds will be used for financing selected loans to projects, which are considered to enhance the environment in a NIB member country according to the issuer's criteria stated in its framework.
- The new EUR 500mn NEB benchmark transaction is due on 30<sup>th</sup> April 2027, pays a coupon of 0% and priced with a spread of MS+2bps, equivalent to 46.9bps over the DBR 0.25% Feb-27. It had a reoffer price of 100.802%, equivalent to a yield of -0.114%. BofA Securities, Crédit Agricole CIB and Nordea acted as Joint Book runners.
- Following a Global Investor call held on Wednesday 22<sup>nd</sup> April, and against a backdrop of supportive market conditions, NIB decided to take advantage of a favorable window of issuance ahead of the highly anticipated European Council meeting scheduled in the afternoon.
- Books opened at 8.45am London time on Thursday 23<sup>rd</sup> April with an official price guidance of MS+6bps area for a EUR 500mn (no-grow) transaction. Momentum grew very rapidly in the morning with orders in excess of EUR 2.1bn (excluding JLM interest) after just one hour of book building, allowing for guidance to be revised to MS+4bps area at 9.50am London time. At 10.30am London time, the final spread was set at MS+2bps as demand reached over EUR 2.6bn (excluding JLM interest). Books closed 30min later with a final size north of EUR 2.9bn (excluding JLM interest).

- This is the largest orderbook ever achieved by NIB for an Environmental Bond benchmark.
- Orderbooks were characterized by low spread sensitivity, by sizable orders coming from high quality real money accounts and by a strong participation from ESG accounts. This allowed for the 4bps tightening from initial guidance to final pricing, offering a very limited new issue concession.
- The transaction benefitted from the participation of more than 100 investors. European accounts received the bulk of the issue, with Nordics receiving 20%, Benelux 12% and Other Europe 42%. Asian accounts received 26% of the allocation. By investor type, the allocation was well balanced between CB/OI (35%), AM/PF (36%) and Banks (28%).
- With this successful transaction, NIB once again confirms its leadership in the Green Bond market and confirms its position as the largest Nordic Green Bond issuer.

#### Distribution statistics



*“The demand for NIB’s new environmental bond benchmark was again strong with more than 100 investors for a record high of nearly EUR 3 billion in orders in the book. We highly appreciate the strong investor support and see this as recognition of the high level of transparency, careful selection of eligible green projects and best in class impact reporting for NIB Environmental Bonds”, – Jens Hellerup, Head of Funding and Investor Relations, at NIB.*

*“NIB Environmental Bonds combined the strong credit strengths of NIB and the certainty that the funding is used to support sustainable environmentally-friendly projects in the Nordic and Baltic regions. NIB is one of the early pioneers of the Green Bond market and provides extremely high standards for its green use of proceeds and reporting. We were happy to be able to participate in this new NEB offering”, – Lars Dreier Kristensen, Senior Portfolio Manager, at ATP.*

*“Union Investment is glad to have been able to support NIB in this new Environmental Bond. We highly appreciate the transparent approach NIB applies vis-à-vis their ESG investor base and their continued effort for advancing the Green and Sustainability Bonds market”, - Johannes Böhm, ESG Analyst, at Union Investment.*

*“An exceptional transaction executed by the NIB team. Demonstrated by strong over subscription, significant ESG participation and a minimal concession to secondaries. It positions NIB well for future activities in the ESG sector”, – Adrien de Naurois, SSA Syndicate, at BofA Securities.*

*“NIB has once again achieved an exceptional result for this new 7-year Environmental Bond. The combination of tight pricing and oversubscribed orderbook underlines NIB’s best-in-class approach to the Green Bond market. More than 100 high-quality investors participated in this transaction and thereby join NIB on its mission for a more sustainable Nordic Baltic region. Credit Agricole CIB is proud to support NIB on this new Environmental Bond”, – Tanguy Claquin, Head of Sustainable Banking, at Crédit Agricole CIB.*

*“Another fantastic result to add to NIB’s impressive track record in the ESG bond space - and what better week for it to fall on than the 50th anniversary of Earth Day! The size, number of investors and quality of the order book, despite a 4bp tightening from guidance, is a tribute to NIB’s pioneering status in the Green Bond Market, and highlights the value that investors place in the largest Nordic green issuer’s Environmental Bond framework”, – Kamal Grossard-Amin, Head of SSA DCM, at Nordea.*

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