

NIB USD1 billion 5-Year Global Benchmark

26th July 2016

Final Terms

Borrower:	Nordic Investment Bank (“NIB”)
Ratings:	Aaa (Stable) by Moody’s Investor Services; AAA (Stable) by Standard & Poor’s
Coupon:	1.25% semi-annual
Size:	USD1 billion
Launch Date:	26th July 2016
Payment Date:	2nd August 2016
Maturity Date:	2nd August 2021
Reoffer Spread:	MS + 17bps CT5 + 20.48bps
Joint Lead Managers:	Bank of America Merrill Lynch, Citi, HSBC and RBC Capital Markets

Issue Highlights

On Tuesday 26th July 2016 the Nordic Investment Bank (NIB), rated Aaa/AAA, priced a highly successful new 5 year Global transaction at mid swaps + 17bps, equivalent to CT5 + 20.48bps.

The transaction marks the first 5-year USD SSA issue that has priced inside of mid swaps plus 20bps since NIB’s 5-year benchmark launched in September 2015.

This is NIB’s second USD benchmark transaction of 2016, taking YTD funding to EUR4.3bn out of the EUR5-5.5bn programme.

Given the recent widening in swap spreads and the continuing strong bid for USD SSA paper, NIB took advantage of the positive market backdrop to announce a new 5-year USD Global benchmark shortly after 12.30 BST on Monday 25th July 2016, with initial price thoughts of mid swaps plus 19bps area.

The orderbook built strongly overnight, reaching in excess of USD1.6 billion by the time books officially opened at 8am BST on Tuesday morning. Given the strong demand already indicated, price guidance was announced at mid-swaps plus 18bps area.

The orderbook continued to grow throughout the morning, reaching in excess of USD2 billion by 9.30am BST. Given the high quality of the demand already indicated and the capped USD1 billion deal size, the spread was set at MS+17bps at this juncture, with books announced as closing for EMEA and Asia at 09.30am BST to prevent further orderbook inflation.

The transaction enjoyed a broad distribution across both geographies and investor types with almost 50 investors participating. The Americas accounts led the way taking 52% of the final allocation, with this demand supplemented by the international investor base (Asia 25% and EMEA 23%). In terms of investor type, Bank/Bank Treasury led the way taking 56% of the final allocation, followed by Central Banks and Official Institutions (27%), Asset Managers/Fund Managers (15%), Pension/ Insurance (1%) and Other (1%).

Quotes

Jens Hellerup – Head of Funding and Investor Relation at NIB

“With a potentially challenging autumn ahead of us, we wanted to take advantage of a strong market, before everything slows down for the summer break. The recent widening of swap spread in USD placed us in untouched price territory, but with an order book of over USD 2bn we are confident that we will see

performance in the bond, which is one of the goals we have with this transaction. We are again very happy to see the continued support the International investors show towards NIB."

Adrien de Naurois, Managing Director, SSA Syndicate at Bank of America Merrill Lynch

NIB has responded exceptionally well to market conditions here and provided exactly the right product for this market. As a result, they have been rewarded with the tightest SSA 5yr to swaps since their own 5yr Benchmark in September last year that has a fantastically high quality and well diversified orderbook

Philip Brown, Managing Director, Public Sector DCM at Citi

Another fantastic execution in Dollars for NIB. This time printing at the tightest spread of the year for a supranational 5-year benchmark, with a twice oversubscribed orderbook. This transaction reaffirms the strong support NIB has from the Dollar rates investor community worldwide.

PJ Bye, Managing Director, Global Head of Public Sector Syndicate at HSBC

"Another excellent transaction from NIB. The timing strategy was spot on, taking advantage of an extremely supportive issuance backdrop despite the summer period. They were rewarded with a twice oversubscribed book and the tightest 5y USD SSA print in almost a year."

Stuart McGregor, Managing Director, Head of European SSA DCM at RBC Capital Markets

"The NIB has timed the market perfectly in responding to demand with this new global benchmark offering. Rapid orderbook development was characterised by high quality interest, as well as granular orders from a diverse investor base. The impeccable execution and pricing is a testament to the NIB team"

About NIB

NIB finances projects that improve competitiveness and the environment of the Nordic and Baltic countries. The Bank offers long-term loans and guarantees on competitive market terms to its clients in the private and public sectors. NIB is an international financial institution owned by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Bank has lending operations both in and outside its member countries. NIB acquires the funds for its lending by borrowing on the international capital markets. NIB's bonds enjoy the highest possible credit rating.