BULLETIN

NORDIC INVESTMENT BANK • JULY 2005

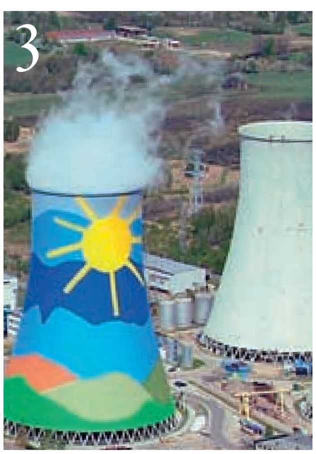
Cross-
border
cooperation

NIB

Rimi Latvia

FOCUS: CROSS-BORDER COOPERATION

Turów



Kaius Hedenström

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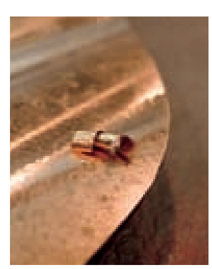

Cover photo
Boliden

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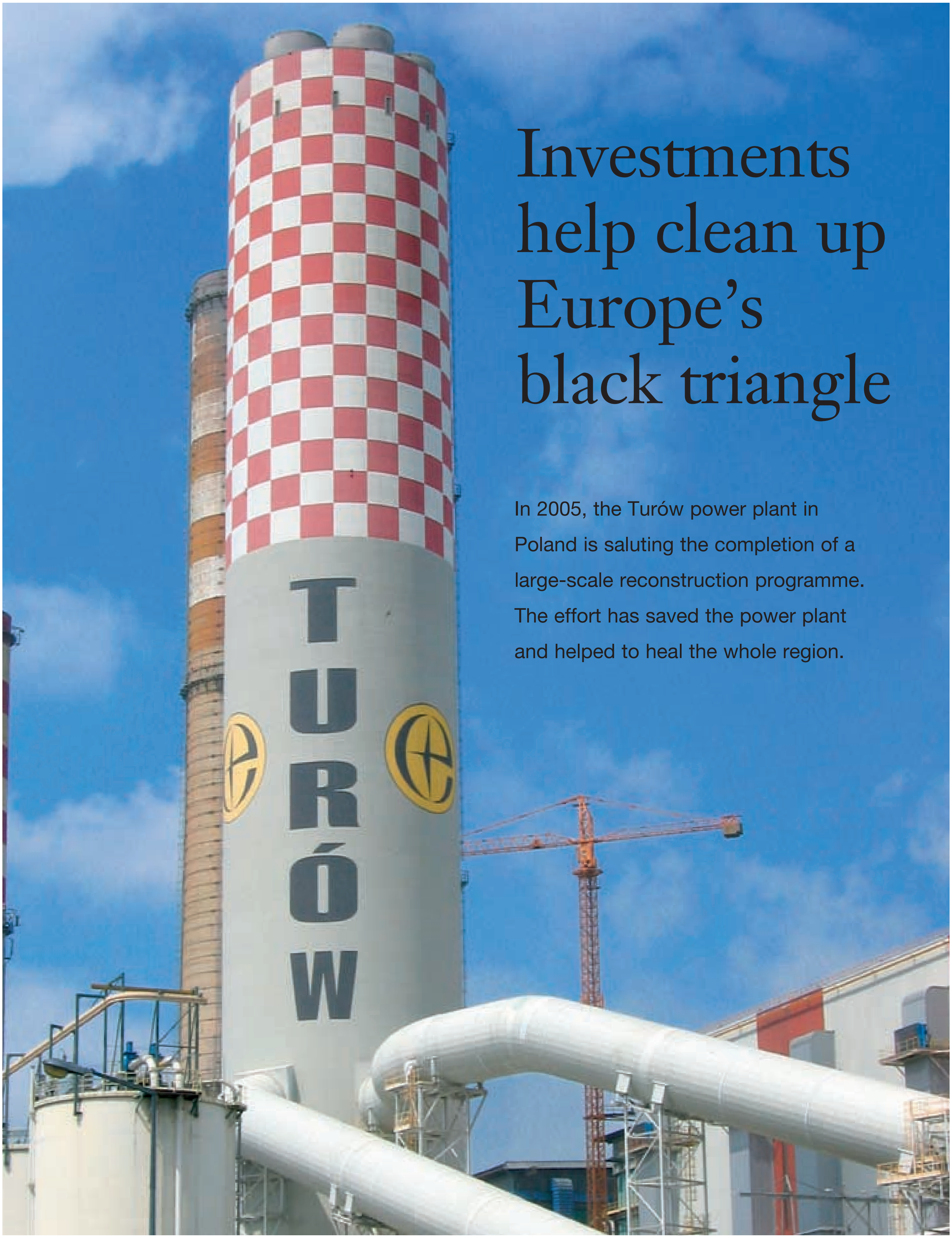


Dimitrijs Alekins

Investments help clean up Europe's black triangle

In 2005, the Turów power plant in Poland is saluting the completion of a large-scale reconstruction programme. The effort has saved the power plant and helped to heal the whole region.

Turów's daring modernisation mission that has cost 1.2 billion euros is completed. The lignite-fuelled Turów, located in the town of Bogatynia in the Polish Sudety, where the borders of Poland, Germany and the Czech Republic meet, not only complies with the EU environmental standards, its emissions are even lower than required.

Yet, above all the project brings a recovery to the region that has for forty years been Europe's "black triangle", or one of the most dangerous sources of environmental pollutions.

"We have carried out the largest project of a power plant reconstruction in Poland and the most far-reaching effort in the whole of the region," says Roman Walkowiak, managing director of the power plant.

The reconstruction and rehabilitation of Turów, Poland's fourth largest electricity generator, lasted ten years. The power plant modernised six units. With a loan of 150 million US dollars, NIB was the main long-term financier of the project.

"NIB's participation made it possible for the power plant to attract commercial banks with shorter maturities for full financing of the investment programme," says Yngve Söderlund, deputy head of the region the Baltic countries and Poland at NIB.

As a result of the reconstruction, the plant has profoundly cut noxious emissions that previously caused acid rains, degradation of soil and damage of forest: during 1994–2004, emissions of sulphur dioxide decreased by 82 per cent, nitrogen oxides by 45 per cent and dust by 96 per cent.

"Replacement of old coal boilers was a key element of the modernisation process. Modern equipment allows achieving an almost complete desulphurisation of flue gases, controlled combustion helps reduce the creation of nitrogen oxides, while dust is not let out to the atmosphere by modern electrostatic filters," explains Paweł Krzyżanowski, head of the environmental department at the power plant.

The consumption of water at the power plant shrank by 40 per cent to 1.5 cubic metres per megawatt-hour. The modernisation project also included the construction of a sanitary sewage treatment plant, a limestone milling plant, land reclamation of the nearby coalmine and the establishment of pollution emission monitoring.

In 1994, when the project started, modernisation was simply a question of survival for the power plant, the only Polish power plant of the twelve located in the "black triangle", all fuelled with lignite from brown coal mines.

The perilously high concentration of pollutants turned the region into one of Europe's environmentally dirtiest spot in the 1970s. The "black triangle" was responsible for about 30 per cent of sulphur dioxide emission in the continent.

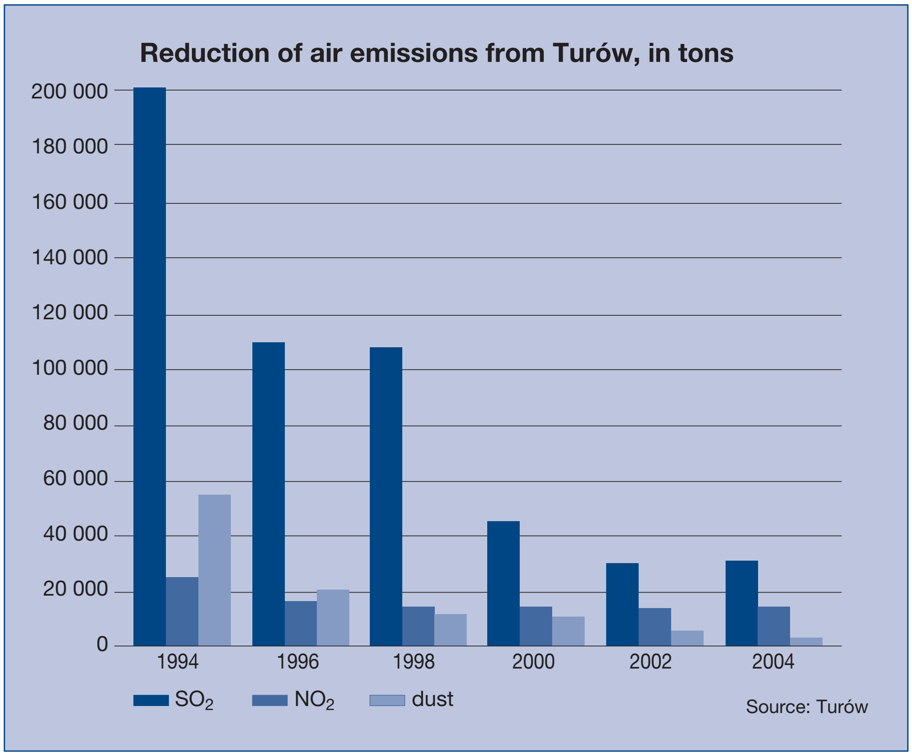
"About 10 per cent of pollutions in the Nordic countries came from Poland. The situation changed in the early 1990s after the collapse of the communist system in Central and Eastern Europe," says Olle Westling, researcher at the IVL Swedish Environmental Research Institute.

He believes there is no longer a "black triangle" in Europe: "Being largely dependent on what happens in other European countries, Sweden has definitely gained a lot from the modernisation of industrial facilities in Central and Eastern Europe, including the reconstruction of Turów. But recovery of acidified soil and damaged forests will take many tens of years."

The socio-economic aspect of the modernisation is of no less value. In the small Polish town of Bogatynia with 20,000 inhabitants, Turów keeps 1,900 people employed with the power plant and 3,000 working in its nearby lignite mines.

The reconstructed power plant will be using the existing brown coal mines until 2035. Then, the deposit, now estimated at 600 million tons, will have been exhausted.

Although the main modernisation programme is closed, the power plant is already considering new investment in environmental improvements—primarily



Turów

The modernised units will be in operation until 2035.

further reduction of nitrogen oxides—as required by a new directive of the European Commission.

Johan Ljungberg, head of environmental analysis at NIB, shares the optimism about the power plant's future environmental investments: "Turów has a very valuable experience of modernisation and implementation of environmental protection measures. So far, they have achieved even larger reductions of flue gas emissions than was previously planned."

Environmental monitoring shows that the plant's emissions were lower than the allowed max at the end of 2004—by 28 per cent for sulphur dioxide and by 46 per cent for nitrogen oxides.

"Now we are ready for competition in the energy market," says Mr Walkowiak.

Liberalisation of the European energy market will allow the power generator to export electricity and heat abroad in the coming years. Turów, together with power plants in Bełchatów and Opole as well as two lignite mines, became in October 2004 a part of Poland's largest energy producer, state-owned BOT Górnictwo i Energetyka. The holding is set to keep on investing several billions of euros in order to create a strong national energy corporation within ten years.

The Turów thermal power plant contributes 7 per cent of electricity produced in Poland. Turów holds international ISO certificates in environmental management, quality and safety. The power plant has been recognised as Poland's most environment-proactive enterprise in a number of governmental competitions. In 2004, the production of electricity at the power plant exceeded 11 million megawatt-hours, up by 11 per cent compared to 2003. The plant's sales increased by 4 per cent in 2004 to 436 million euros. ■

Environmental investments in the East pay off

Investments financed by NIB in Northwest Russia are estimated to reduce the load of phosphorus emissions to water by the equivalent of 10 per cent of overall phosphorus riverine discharges to the Gulf of Finland, the inner part of the Baltic Sea. Environmental investments in the East are cost-effective: each euro invested can make a major environmental impact.

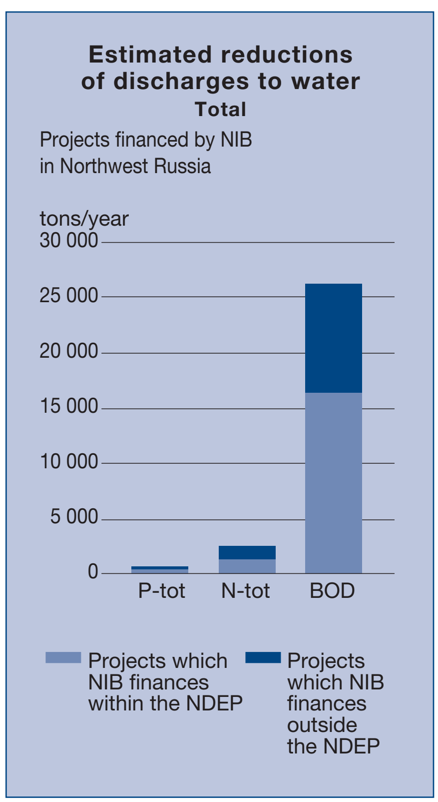
This is according to the estimated figures of thirteen projects financed by NIB in Northwest Russia. Some of the projects are nearing completion, whereas others are in the planning stages. Johan Ljungberg, head of environmental analysis at NIB, emphasises that the estimates refer to the predicted impact. If the reductions of emissions are realised, the environmental improvements will be substantial. The projects for example are expected to lead to sulphur dioxide reductions exceeding 150,000 tonnes annually in the area. This figure is three times the total amount of yearly sulphur dioxide emissions in Sweden.

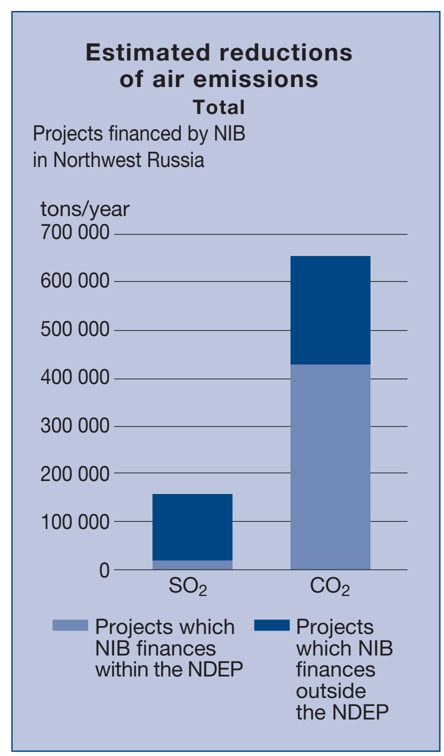
"This proves that the potential for cost-effective emission reductions is considerable," says Mr Ljungberg.

He believes that it is important for NIB as a financial institution to quantify projects not only from the financial perspective but also with regard to environmental aspects. NIB prioritises the financing of projects with a positive impact on the environment. The Bank has an Environmental Investment Loan facility (MIL) totalling 300 million euros to further environmental investments in the member countries' neighbouring areas, with focus on Northwest Russia.

Within the public sector in Northwest Russia, NIB has chosen to place priority on wastewater and energy projects. In the private sector, NIB has decided to focus on the pulp and paper industry and the metallurgical and chemical industries.

All projects considered by NIB for financing are assessed from an environmental perspective. Based on technical feasibility studies carried out by external consultants, Mr Ljungberg has put together data concerning the estimated impact of NIB-financed investments in Northwest Russia on air emissions in the form of sulphur dioxide and carbon dioxide, as well as on water emissions in the form of phosphorus, nitrogen and biological oxygen demand, or BOD. Sulphur dioxide causes acid rain, whereas carbon dioxide contributes to global warming. Phosphorus, nitrogen and BOD contribute to the eutrophication of watercourses. According





NDEP = Nordic Dimension Environmental Partnership to Mr Ljungberg, it would be interesting to see figures on toxins such as dioxins and mercury, but information on these types of emissions is not readily available.

He sees water emissions as the greatest threat.

"The Baltic Sea is a very sensitive inland sea," he says, emphasising that urgent measures are needed to save it.

Kaj Forsius, professional secretary at the Helsinki Commission (HELCOM), which works to protect the marine environment of the Baltic Sea, says that emissions from single-point sources around the Baltic Sea have diminished considerably since the 1980s, but that progress in the agricultural sector has been slow. In Russia and the new member countries of the European Union, emissions from single-point sources are still higher per capita than in countries such as Finland and Sweden.

"This means that there is more scope for reducing emissions in these countries, as can be seen in these figures," says Mr Forsius, referring to the data put together by Mr Ljungberg.

According to Mr Forsius, HELCOM is working on developing information supply on hazardous substances, for example dioxins.

"We have a project aiming at a strategy for the entire Baltic Sea region regarding what type of information on hazardous substances we should collect and how. This project focuses on Russia in particular," he says.

In respect to NIB-financed projects to benefit the Baltic Sea, the Southwest Wastewater Treatment Plant in St. Petersburg is in a class of its own according to Mr Ljungberg. NIB was a leading financier of the facility, which will open this autumn. According to Mr Ljungberg, the development of water and wastewater services in Kaliningrad is also an important environmental project. As regards air emissions, the refurbishment of the Pechenga Nickel plant in particular has entailed significant environmental benefits. Mr Forsius also characterises the Southwest Wastewater Treatment Plant as an important step forward, but emphasises that nearly one-fourth of St. Petersburg's wastewater will still be discharged untreated when the treatment facility is in operation.

"Feasibility studies are being conducted in order to take care of the remaining untreated sewage," says Mr Ljungberg.

He points out that there is some uncertainty in the estimates of the reductions in pollution, since information on the current situation is incomplete. What is decisive to the actual environmental impact is not just the investments themselves, but also how a facility is run once the investment has been made.

Several of the thirteen projects reviewed by Mr Ljungberg are being financed by NIB within the framework of the Northern Dimension Environmental Partnership (NDEP), set up to coordinate and promote the financing of environmental investments around the Baltic Sea and the Barents Sea. The Partnership combines resources and expertise from the European Commission, the Russian Federation and multilateral financial institutions. Also those projects not financed within the framework of the NDEP have, in addition to loans from NIB, received financing from other sources. ■

Estimated reductions of discharges to water

By project

Projects financed by NIB in Northwest Russia and a comparison with riverine discharges to the Gulf of Finland

Project	Phosphorus P-tot (tons/year)	Nitrogen N-tot (tons/year)	Biological oxygen demand BOD (tons/year)
Southwest Wastewater Treatment Plant St. Petersburg	200	1,000	14,000
Wastewater treatment Sestroretsk	1	25	110
Wastewater treatment Kaliningrad	138	1,240	9,540
Water and wastewater Leningrad region	50	100	110
Manure handling system	110	140	0
Water treatment Kondopoga	0	0	1,875
Segezha pulp and paper mill	0	0	690
Sum of all projects	**~ 500**	**~ 2,500**	**~ 26,300**
Total riverine discharges to the Gulf of Finland	**4,940**	**110,000**	**201,600**

Estimated reductions of air emissions

By project

Projects financed by NIB in Northwest Russia and a comparison with emissions to air in Sweden

Project	Sulphur dioxide SO_2 (tons/year)	Carbon dioxide CO_2 (tons/year)
Pechenga Nickel	136,000	214,000
Biofuel project	620	25,800
Energy project Vyborg	60	1,270
Sludge incineration plant St. Petersburg	1,675	94,600
District heating Murmansk	900	65,000
Energy project Kondopoga	9,600	165,000
Segezha pulp and paper mill	1,910	84,700
Sum of all projects	**~ 150,800**	**~ 650,400**
Total air emissions in Sweden	**52,000**	**72,200,000**

Rimi Baltic gears up for regional leadership

Becoming a leader in the densely populated Baltic food retail market is a tough target and would require much of courage, neat planning and a strong financial profile. That is the reason why the newly born joint venture, Swedish-registered Rimi Baltic, has embarked upon a large-scale investment endeavour in Estonia, Latvia and Lithuania.

Rimi Latvia

All existing and all new super- and hypermarkets opened in the Baltic countries by ICA and Kesko will be re-branded into Rimi Hypermarkets.

The joint venture was established in January 2005 by Swedish ICA AB and Finnish Kesko Group on a fifty-fifty basis. The three-year investments programme is targeting the expansion of Rimi Baltic's retail chains in the three Baltic countries from the current 164 to about 250 by the end of 2007.

Of the total amount needed for the expansion, 40 million euros is provided by NIB as a ten-year loan. The loan agreement was signed in Riga in March 2005.

"We are targeting no less than 25 per cent of the regional food retail market, which not only means regional leadership but also a fast expansion," says Antonio Soares, CEO of Rimi Baltic.

"Achieving this market share within the coming three years is the primary objective for the large-scale investment programme we are carrying out in all three countries," adds Mr Soares.

Climbing up toward the ambitious goal would require doubling sales by the end of 2007 from 690 million euros that is the total revenue generated by Kesko and ICA together in the Baltic countries in 2004. While the growth pace of the whole Baltic food market is estimated at 5 per cent a year with a total value in 2004 believed at 4.7 billion euros, Rimi will need to keep up the annual growth at 25 per cent.

Rimi Baltic's Finnish parent gained a strong foothold in Estonia, where it started operations in 1994, and in Latvia since 2000. In both countries, Kesko launched a network of supermarkets and low-price stores—under the Säästumarket brand in Estonia and the Supernetto brand in Latvia.

Swedish ICA, active in the medium- and large-sized supermarket segment, chose Latvia as its starting point in the Baltic region in 1996. Since 1999, ICA has also been operating in the Lithuanian and Estonian markets.

Being the market leader in Latvia and Estonia, Rimi Baltic is number four in the Lithuanian market. For this country, the company's expansion strategies are especially ambitious. The number of new stores in Lithuania is planned at 80 within three years.

A comparably low purchasing power in the Baltic countries determines a need for an energetically developing low-price segment. This is where Rimi Baltic expects vehement rivalry with other strong actors and is mapping out a wide-front onslaught.

Just to emphasise the importance of this business direction: Kesko's expansion in the low-price segment entailed threefold growth of the operator's Baltic sales in 2004, as compared to the year before. Currently, this segment produces 30 per cent of Rimi Baltic's total revenue.

"The shares of hypermarkets and discounters in our sales will be growing to 40 per cent each. As a result, the share of supermarkets will go down despite considerable sales growth in this segment," says Ton Nolet, Rimi Baltic's CFO.

Of all new stores in the Baltic countries in the next three years, most will be discounters. In Lithuania alone, 90 per cent of the launches will be in the low-price segment. Rimi Baltic plans to enter this market with the Supernetto brand during 2005.

"Our priority is the launch of the Supernetto chain in Lithuania, whereas in parallel we will continue to strongly enhance our hypermarket presence," adds Mr Nolet.

"In Estonia, we put emphasis on maintaining our leading position by opening new discount stores and a limited number of new compact hypermarkets. In Latvia, we are still expanding the Supernetto chain. There is still sufficient space for further growth in hypermarkets and compact hypermarkets in Latvia."

The merger of ICA's and Kesko's Baltic subsidiaries and its fast expansion are giving a push toward consolidation of the fragmented retail market and cutting down the weight of open-air marketplaces in the Baltic retail sector.

Open-air markets are believed to account for one third of food retailing in the region. The markets are often used for trading smuggled goods. A stronger supermarket segment will back up the Baltic governments' efforts to cut off the ground for tax evasions, and ensure compliance of Estonia, Latvia and Lithuania with the EU regulations on food safety and hygiene. ■

Rimi Latvia

A strong supermarket segment is a viable alternative to open-air marketplaces.

Rimi Baltic's retail network as of May 2005

	Hypermarkets	Supermarkets	Discounters	Sales 2004, EUR
Estonia	7	6	49	280 million
Latvia	11	33	29	285 million
Lithuania	3	27	—	130 million

Source: Rimi Baltic

OWNERS

- ICA is number one in Sweden. The group has more than 40,000 employees and operates about 3,000 stores in Scandinavia and the Baltic countries. The group includes operating subsidiaries featuring an extensive network of store locations, as well as distribution to restaurants and commercial kitchens.
- Kesko is the largest food retailer in Finland, controlling 36 per cent of the national market. Apart from food retail that generates half of the group's revenue, Kesko operates "do-it-yourself" stores, agricultural machinery trade, home and specialty goods trade, and a car sales business. Kesko employs about 18,000 people in Finland, Sweden, the Baltic countries and Russia.

Cable across the Gulf of Finland: link to energy security

Better competitiveness of the Baltic energy producers, wider opportunities for cross-border electricity exchange and improved security of the electricity supply in the Baltic and Nordic countries are the key reasons for laying a 100-kilometre high-voltage trunk from Estonian Harku to Finnish Espoo. The construction of the new link started in April 2005.


ABB

The project turnkey supplier ABB is constructing a new link to connect the Baltic countries with the EU electricity network.

The Nordic Energy Link (NEL), a joint venture set up by three Baltic and two Finnish energy companies, will span the first connection with a carrying capacity of 350 megawatts between the Baltic and the Nordic electricity markets. It is estimated that the cable will transfer 2 terawatt-hours of electricity every year.

NIB's loan of 53 million euros to the Nordic Energy Link covers half of the total project costs. The signing of the agreements with financiers and the turnkey supplier in late April 2005 marked the official start of the construction that is to be completed by the end of 2006.

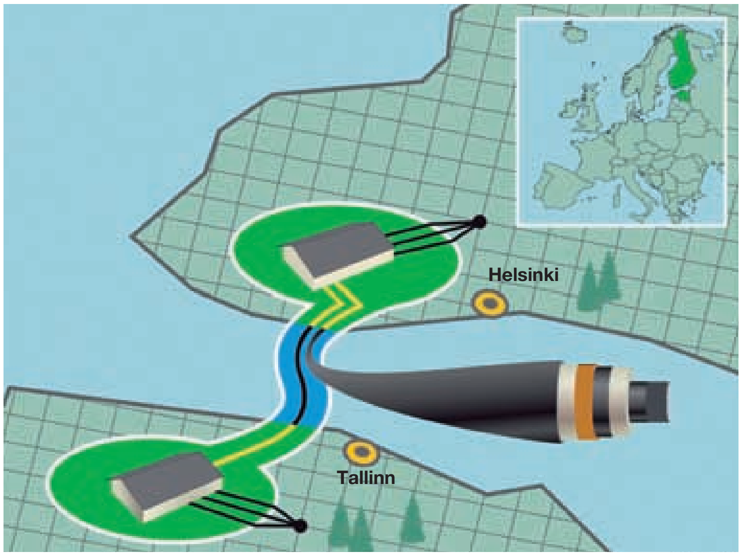
The capacity of the new link will be distributed between NEL's owners: Estonia's power utility Eesti Energia, Latvian Latvenergo, Lithuanian Lietuvos Energija and two Finnish electric companies—Pohjolan Voima and Helsingin Energia.

"The link is an important first practical step towards connecting energy systems of the Baltic countries to the rest of the EU and the creation of the Baltic Electricity Ring, a common open electricity market in the Baltic Sea area," says Marko Allikson, member of the management board of NEL and Eesti Energia.

"We are opening a gate working both ways—from the Baltic countries to Finland and the rest of the Nordic region and in the opposite direction," he adds.

The idea of the Baltic Electricity Ring was formulated by the Baltic governments in the early 1990s. The idea is well in line with the EU policies of deregulation of trade barriers, investments in cross-border transmission capacity and removal of limits for electricity exchange within Europe.

However, after fifteen years of independence, the Baltic countries are still a part of a distribution network tied eastward, to the former Soviet "mainland". Hitherto cut from the EU electricity grid, the Baltic economies may now bind their hopes for the EU-inspired energy market liberalisation with the new link.



ABB

The 100-kilometre cable will cross the Gulf of Finland.

The Baltic energy network now enjoys a substantial surplus of electricity generation capacity, whereas the Nordic region has a 2,000-megawatt deficiency in power supply.

NEL will allow energy supply to Finland from the renovated units of the Narva power plants in Estonia and the region's only nuclear power plant Ignalina in Lithuania. Once a year, during snow melt floods, Latvia can also export energy produced in excess on the power plants on the Daugava, the largest river in the Baltic region.

Timo Rajala, President and CEO of Pohjolan Voima, stresses the new link's importance for keeping the company versatile in purchasing energy: "Versatility means also security for a country with insufficient energy resources of its own."

The issue of energy supply security is on the top of the agenda on both ends of the link. NEL will ensure an alternative channel for electricity exchange to cover potential deficits in generating capacity in the Baltic region.

The internal supply in Latvia covers some 70 per cent of the country's demand. Latvia has so far been importing power from Lithuania, Estonia and Russia.

"For us, the new link is like an emergency valve in case the traditional way of energy import is not viable," says Kārlis Miķelsons, President of Latvenergo.

Although Lithuania is set to use the link to export some 0.5 terawatt-hours of its energy surplus annually in the next couple of years, Rymantas Juozaitis, CEO of Lietuvos Energija, is also putting emphasis on the security of energy supply.

"The economic and political importance of the project lies with the improved security and less dependence on Russia," says Mr Juozaitis.

Continuous increase in energy consumption following the booming growth of the Baltic economies will apparently turn the current surplus into a deficiency within the next ten years. Once the Lithuanian Ignalina nuclear power plant is closed down in 2009, and the old units of the Estonian Narva plants by 2015, the total energy generation capacity in the Baltic region will shrink by about 3,000 megawatts, or 30 per cent of the current size.

For the efficient use of opportunities in the Nordic market, the Baltic companies are looking forward to entering the Nord Pool regional energy exchange. The Nordic countries are the leaders in organising international trade of electricity and deregulating the electric power sector.

"Joining Nord Pool would be the next objective after the link is in use," says Mr Miķelsons of Latvenergo.

As a turnkey supplier, the Baltic and Finnish partners have picked up Swedish ABB. The project will use ABB's high-voltage direct current light technology that minimises electromagnetic fields.

"This feature helps eliminating disturbances that the current in the cable placed in the seabed may cause to fish navigation, which is in turn vital for some fishes, for instance, during spawning," says Johan Ljungberg, head of environmental analysis at NIB.

The link project also involved NIB's sister organisation, the Nordic Project Export Fund—Nopef, that since 1999 has been financing a feasibility study carried out by Pohjolan Voima. ■

Boliden

Boliden Odda has an annual output capacity of 160,000 tonnes of zinc metal. This can now be doubled.

BOLIDEN ODDA IN NORWAY

Purer zinc production and added capacity

Boliden

The Boliden Odda zinc smelter by the Sørfjord on the west coast of Norway has its own ice-free port for deliveries of zinc concentrates and shipping out the plant's end-products.

The Boliden Odda zinc smelter in Norway has undergone extensive modernisation and is now one of the most modern smelters in the world. New technology allows doubling zinc output, at the same time as zinc discharges into the Sørfjord are estimated to decline by 90 per cent. NIB helped to finance the project with a loan of 40 million euros.

One important part of the modernisation project was the installation of a direct leaching facility to replace the old roasting plant and make the production process more efficient. Leaching serves to remove the sulphur from the zinc concentrate, which is the raw material for zinc production. Whereas a roasting plant removes the sulphur by means of high temperatures, direct leaching removes it with the aid of oxygen. The method has been developed by Odda's sister plant in Finland, Boliden Kokkola.

The investment also included the construction of a new filter station, for more efficient purification of production residues. Thanks to this new purification process, a larger quantity of zinc can be recovered from the residues, and the materials to be deposited will contain smaller quantities of metals. The water treatment plant has also been upgraded with four new reactors, which will reduce metallic discharges into the Sørfjord considerably—by up to 90 per cent compared with discharges in 1998.

The Boliden Odda zinc smelter was founded in 1924 as Det Norske Zinkkompani. Today it forms part of the Swedish new Boliden industrial group, which was formed in January 2004, when Boliden acquired Finnish Outokumpu's mining and smelting operations. The smelter mainly produces zinc and aluminium fluoride, but also sulphuric acid as a by-product. The zinc is mainly sold to steelworks, which use it for galvanisation in order to prevent steel from corroding. The Odda facility, with about 360 employees, benefits from the smelter being part-owner of a nearby hydroelectric power plant, which means advantageous electricity prices.

In 2004, Boliden, a public company, posted its best profit in modern times, and new Boliden's President and CEO Jan Johansson is confident of the future for the mining and smelting operations.

"One of Boliden's strengths is the balance between our zinc mining and smelting operations, which allows us to produce metal from our own concentrate. One of Boliden's important principles is that all growth in production must be achieved through the application of the latest technology, which is also the most environmentally friendly. The environmental know-how within the company provides a competitive advantage that we intend to develop even further." ■

High-tech abattoir challenges industrial standards

In late May 2005, the Danish Crown meat packaging concern launched Europe's largest and one of the world's most technologically advanced slaughterhouses in Horsens, Denmark. The construction of the new facility was partly financed with a loan of 223 million Danish kroner (30 million euros) from NIB. Modern technologies applied in the new slaughterhouse benefit both the working environment and the outer environment.

The financing provided by NIB was aimed at securing compliance with strict internationally acknowledged environmental standards at the new slaughterhouse.

The working environment at the slaughterhouse is in line with the most recent requirements on the level of noise and hygiene in the workplace. The internal logistics is arranged so no one crosses the production lines, while suspended ceilings facilitate easy access to the slaughterhouse's engineering equipment.

"People no longer have to lift heavy weights, which may cause back pain. Robots handle evisceration and cutting," says Gudrun Andreasen, Communication Manager of Danish Crown.

During the day, the new slaughterhouse is full of natural light. There are three large courtyards in the middle of the area occupied by the facility. The employees enjoy comfortable recreational rooms with much of daylight and trimmed with houseplants.

The slaughterhouse is divided into hygiene zones that are all equipped with special hygiene airlocks and provided with a central cleaning system. Access to these zones is granted only to the personnel working there. For instance, the pig house personnel are not only the only ones who are allowed in that area, but they also have a separate entrance and a separate dining room.

"You cannot enter the slaughterhouse without rubbing a disinfecting liquid on your hands and washing your shoes. This kind of hygienic arrangements is known in higher risk zones at animal-breeding enterprises. We are the first ones to apply these provisions at a slaughterhouse," says Ms Andreasen.

The neighbouring areas around the slaughterhouse will benefit from the facility's odour reducing technology and establishment of noise zones. The waste from different parts of the slaughterhouse is transported away in vacuum-sealed tubes. To protect the neighbours from smell, odour from all sources is being drawn away from the slaughterhouse through 40-metre high chimneys.

The environment-friendly technologies allow for better efficiency in the consumption of energy and water. The new slaughterhouse consumes only 205 litres of water per pig against 329 litres, the average figure for the industry in Denmark. The energy consumption for heating and water warming is cut to 12 kilowatt-hours per pig from the average 16 kilowatt-hours.

Animal welfare appears as a top priority in the daily run of the slaughterhouse. The slaughterhouse is equipped according to recent findings in the area of livestock breeding. As pigs feel much better having

Danish Crown

The new slaughterhouse is one of the most technologically advanced in the world.

an opportunity to move herded upward in the direction of light, the passage way to the slaughtering chamber has a special lighting effect and a low upward gradient to prevent pigs' stress as much as possible.

"It has secured a calm environment in the pig houses with the space for 3,800 animals," adds Ms Andreasen.

Gentle treatment of animals and healthy growth conditions ensure a high quality of meat. Veterinary checks at the Danish Crown's slaughterhouses are frequently carried out according to the environmental management standards HACCP by an independent in-house veterinary inspection and by the Danish state veterinary agency.

The Horsens slaughterhouse is also the largest in the company. Its capacity of 4 million pigs a year will stand head and shoulders above the throughput of Danish Crown's other slaughterhouses—in Ringsted, Blans, Sæby and Odense.

"We plan to achieve this capacity by the end of 2005. Then the slaughterhouse will also increase the number of employees from the current 1,100 to 1,360," says Ms Andreasen.

Innovative technologies will also be challenging the existing limits of quality management. Ms Andreasen names such novelties introduced at the new slaughterhouse as careful chilling, integrated quality control and a system of sorting and tracing.

The total amount of the investment into the new slaughterhouse stood at 2 billion Danish kroner (283 million euros), of which the environmental investments totalled 718 million Danish kroner (97 million euros). NIB's agreement with Danish Crown for a loan of 30 million euros was signed in mid-2003. ■

HORSENS SLAUGHTERHOUSE IN BRIEF

- Europe's largest and the world's most advanced slaughterhouse
- weekly slaughtered pigs: 77,000
- employees: 1,360
- ground area: 47 hectares
- gross floor area: 78,000 square metres
- construction started in August 2002
- commissioning in late 2004
- inaugurated on 23 May 2005

FACTS ABOUT DANISH CROWN

- the world's largest exporter of pork and second largest meat packager
- sales in 2003/2004: 6 billion euros, up by 10 per cent year-on-year
- exports 89 per cent of its output
- employs 26,000 people worldwide, of which 15,000 are based in Denmark
- owns 27 pig slaughterhouses and cutting plants, eight cattle slaughterhouses and cutting plants (including one in Germany), a network of distribution and retail outlets
- parent company to ten subsidiaries; the most recent acquisition (2003/2004), in partnership with Finnish HK Ruokatalo, is an 80 per cent stake in the Polish Sokolow meat packager

New intermediaries in Central and Eastern Europe

NIB has signed agreements with four new intermediary banks in Central and Eastern Europe. Intermediary operations enable NIB to channel funds into projects through financial institutions with a knowledge of specific national and regional markets.

Speaking of NIB's onlending activities in Central and Eastern Europe, Deputy Regional Manager Ulf Westergård says: "Companies in our member countries will hopefully see this as an aid to doing business."

The loan programmes for intermediaries not only broaden NIB's operations geographically, but also make possible the financing of small and medium-sized projects, which NIB would not be able to finance directly. Funding through intermediaries, therefore, is especially important in regions, where projects are not usually very big.

During 2004 and early 2005, NIB signed agreements with the three national development banks Encouragement Bank in Bulgaria, Hungarian Development Bank and Slovak Guarantee and Development Bank, and also with the Black Sea Trade and Development Bank, which as the name implies is the development bank for the Black Sea region.

Mr Westergård describes state-owned financial institutions as natural partners for NIB, given that the Bank's activities outside the member countries are based on cooperation agreements with each government concerned. State-owned financial institutions have a general long-term development mandate and, in addition to small-scale projects, also finance comprehensive infrastructure projects. This fits in well with NIB's role of creating added value through long-term loans.

According to the agreements with the intermediaries, all onlending within the framework of a loan programme is subject to NIB's approval.

"Every single project, be it large or small, comes to us for assessment," Mr Westergård continues.

One requirement is for the projects to be of mutual interest to the borrower country and NIB's member countries. A project can, for example, involve deliveries from NIB's member countries, or it may concern a business from one of the Bank's member countries making an investment in the borrower country.

The credit risk vis-à-vis the end customer is assumed by the intermediary, NIB's own risk assumption being confined to the intermediary. Consequently NIB cannot influence the credit process in itself. Instead the final decision on lending is made by the partner bank after NIB has given a project the green light.

NIB has had intermediary operations in Central and Eastern Europe since the end of the 1990s, but it is only in the past few years that cooperation has really picked up speed. Mr Westergård says that NIB is now in the process of developing a comprehensive network of intermediaries in the region.

He finds that, thanks to the EU enlargement, an increasing interest in Central and Eastern Europe can be seen in the NIB member countries.

"For example, companies are enquiring more into business opportunities."

Bulgaria is a candidate country, while Hungary and Slovakia became EU members recently. ■

WORLD-WIDE INTERMEDIARY COOPERATION

- NIB's lending outside the member countries takes the form either of direct loans to projects or lending programmes to intermediaries channelling funds to various projects.
- The Bank cooperates with financial intermediaries, mainly state-owned development banks and local commercial banks, and with governmental intermediaries, mostly ministries of finance and economy.
- Outside the member countries, NIB has loan programmes for onlending in sixteen countries. Apart from that, NIB cooperates with regional financial institutions operating in several countries.
- NIB's partner banks are located in Central and Eastern Europe, Latin America and Asia.
- NIB has agreements with 29 intermediaries outside the member countries, namely 25 financial and four governmental intermediaries.
- Loans outstanding to intermediaries outside the member countries total approximately 760 million euros.

Nopef focuses on Eastern Europe

Pamela Schönberg

Nordic Project Fund
www.nopef.com

Nopef's new Managing Director Lars Kjær sees the Fund as a Nordic instrument of enterprise policy in the neighbouring regions.

Every week a Nordic company gains a foothold abroad with the aid of feasibility studies funded by the Nordic Project Fund—Nopef. Help is, above all, needed for activities in East European countries outside the EU. Nopef is now readjusting its strategy to the customers' needs. In the future, the focus of its operations will be on Eastern Europe and, particularly, on Northwest Russia and Ukraine.

The new strategy will take effect in autumn 2005. Nopef's new Managing Director, Lars Kjær, views the strategy primarily as a response to the customers' needs, but also as a focussing of the Fund's resources.

"We're a small organisation, and concentration of our activities means the possibility of improving our competence in our operational fields. We have had projects in all parts of the world, and providing expertise in all markets isn't easy."

The concept of the Nordic countries' neighbouring regions is to be defined more clearly in the new strategy. For Nopef's part it can, for example, include Northwest Russia, Ukraine, Belarus and East European countries outside the EU.

"By focussing more clearly on the neighbouring regions, we can learn more about our top priority markets—Russia and Ukraine. And in keeping with our owners' wishes, we can be a Nordic instrument of enterprise policy in these regions."

Mr Kjær says that Nopef will also be looking for new customer categories.

"Up until now, our financing has mostly concerned established SMEs. Now we also want to devise a model for reaching innovative embryo enterprises. Companies at the start-up stage imply a greater commercial risk, and it can be hard for them to obtain finance. And so extra help is often needed with drawing up a business plan."

Nopef is a sister organisation of NIB and a member of the Nordic Finance Group. The Fund's purpose is to strengthen the international competitiveness of Nordic businesses by offering them favourable loans for feasibility studies in connection with project exports and foreign start-ups. Organisationally, Nopef is a part of the Nordic Council of Ministers.

Lars Kjær took over as Nopef's Managing Director in February 2005, succeeding Per-Olof Dahllöf, who retired in January. ■

NEW APPOINTMENTS


Dimitrijs Alehins


Benedikt Árnason


Joachim Claesson

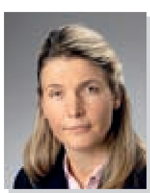

Andreas Laane


Fredrik Lindblom


Erkka Näsäkkälä


Giedrius Ruskys


Jonas Solehav


Kersti Talving


Henrik G Forsström


Martina Jägerhorn


Kim Krokfors


Rasmus Holm Lauridsen

Dimitrijs Alehins (LV) has been employed as Information Officer. Prior to joining NIB he worked for Northroup Newsletter as an editor for the newsletter news2biz LATVIA.

Benedikt Árnason (IS) has been appointed Vice President and Regional Manager for Iceland. He previously worked at the Ministry of Industry and Commerce in Iceland.

Joachim Claesson (SE) has been appointed Vice President and Regional Manager for Africa and the Middle East. He was previously Deputy Regional Manager.

Andreas Laane (EE) has been hired as Loan Officer and Senior Manager. He joins NIB from SEB Eesti Ühispank where he worked as client executive.

Fredrik Lindblom (NO) has been appointed Legal Counsel in the General Counsel's Office. He previously worked at the lawyer's office Wiersholm, Mellbye & Bech in Oslo.

Erkka Näsäkkälä (FI) has been appointed Credit Portfolio Analyst at NIB's Risk Management Department. Prior to joining NIB he worked as a researcher at Helsinki University of Technology.

Giedrius Ruskys (LT) has been employed as Analyst at the Bank's Appraisal Department. He previously worked at SEB Vilniaus Bankas.

Jonas Solehav (SE) has been appointed Environmental Analyst at the Appraisal Department. He joins NIB from the Swedish Export Credits Guarantee Board. Solehav has also worked at Boliden and Ångpanneföreningen (ÅF).

Kersti Talving (EE) has been employed as Loan Officer and Senior Manager. She previously worked at Standard & Poor's in Stockholm.

Nordic Finance Group

Henrik G Forsström (SE) has been employed at NEFCO and will primarily work with environmental projects in the Russian part of the Barents region. He joins NEFCO from the EBRD's office in St. Petersburg. Previously, he has also worked at Skanska and SEB.

Martina Jägerhorn (FI) has been appointed Regional Manager for Africa at NDF. Among her previous employers are Helsinki Consulting Group and the Red Cross.

Kim Krokfors (FI) has been appointed Regional Manager for Finland at Nopef. He joins Nopef from the Finnish OP-ryhmä.

Rasmus Holm Lauridsen (DK) has been appointed Regional Manager for Latin America and the Caribbean at NDF. He has worked for the Danish Ministry of Foreign Affairs, Danida and UNDP.

ACTIVITIES IN CHINA

During the first week of February 2005, a delegation from NIB headed by Jón Sigurðsson, President and CEO, visited Beijing to meet with the Chinese Ministry of Finance and investors of NIB's foreign currency denominated bonds. Mr Sigurðsson and the Executive Vice Minister of Finance Lou Jiwei signed two loan programmes—one for the health care sector and one for various sectors—in the total amount of 120 million US dollars.

NIB also handed over to the Executive Vice Minister an official application seeking in-principle permission to issue bonds denominated in the Chinese yuan in the People's Republic of China.

The Chinese Ministry of Finance is the Bank's largest borrower outside the member countries. The total amount of loans NIB has approved to the People's Republic of China since the early 1980s exceeds 1 billion US dollars. ■

FOURTH BILLION DOLLAR BOND ISSUE

"NIB's 3.875 per cent June 2010 1 billion US dollar bond issue was the first supranational US dollar global five-year transaction of the year in the market. It was the first one in some eight months. Following the success of the Bank's previous issues, NIB's new global issue was well received by investors," says Kari Kukka, head of funding at NIB, about the Bank's latest global 1 billion US dollar issue launched in February.

Since 2002, NIB has launched a 1 billion US dollar global benchmark issue every year. The 2005 issue met good demand in the market and was quickly subscribed by investors.

"There had been no significant dollar issuance for two weeks because of a busy economic calendar and the Chinese New Year holidays. There was no other supranational institution or other major borrower planning a bond issue at that time," says Mr Kukka commenting the timing of the transaction.

Mr Kukka points out that NIB achieved a favourable pricing as compared to the issues done by other supranational issuers. In the secondary markets, the bonds are traded at prices that correspond to those of other supranational institutions' similar securities.

"NIB issues offer a rarity value for the investors and they have noted that our bonds perform well on the secondary markets."

Of the bonds, 44 per cent went to investors in Asia, 34 per cent to North America and 22 per cent to Europe, the Middle East and Africa. The largest part of the bonds was bought by central banks. Lead managers were BNP Paribas, Citigroup and HSBC.

NIB's funding requirement in 2005 totals 2.5 billion euros. ■

COOPERATION WITH SERBIA AND MONTENEGRO

NIB has signed a framework agreement on financial cooperation with the government of Serbia and Montenegro. The agreement implies that Serbia and Montenegro recognises NIB as an international financier. This status enables NIB to participate in the financing of projects in this country.

According to NIB's President Johnny Åkerholm, from now on NIB can grant loans for projects of Nordic and Baltic interest in Serbia and Montenegro. The projects could be concerning infrastructure, the sectors of energy and telecommunications, as well as environmental improvements.

"The new agreement will further promote the economic ties between the Nordic and Baltic countries on one hand side and Serbia and Montenegro on the other," says Mr Åkerholm. ■

PRESIDENT VISITING NIB

Marjo Koivumäki

Finland's President Tarja Halonen visited NIB in May. The visit was hosted by the Bank's President and CEO Johnny Åkerholm. At the meeting, the Bank's management presented NIB's operations within and outside the member countries.

BWSC

DIESEL POWER PLANT IN MAURITIUS

A power plant is currently being built in the vicinity of Port Louis, the capital of the island state Mauritius. The purpose of the project is to expand an existing diesel power plant. NIB participates in the financing of the project with a 16 million euro loan.

In Mauritius, just as in many other countries experiencing dynamic development, there is a need for increasing energy production.

"Tourism and textile industry are the largest contributors to Mauritian gross domestic product," says Joachim Claesson, regional manager for Africa and Middle East at NIB. He points out that stable energy supply is vital for these sectors.

Diesel power makes it possible for a swift rise of the energy production in the country. The new plant with a capacity of 41.4 megawatt is to be ready for launch already in February 2006. Danish Burmeister & Wain Scandinavian Contractor (BWSC) will implement the project on a turnkey basis, with Finnish Wärtsilä as a subcontractor.

NIB has agreed the loan for the project with the Mauritian state-owned power production and distribution enterprise Central Electricity Board. The loan provided against government guarantee is the fifth one NIB has granted in this country. NIB began lending to Mauritius in 1989. Previous loans were issued to the energy and telecommunications sectors.

"We see potential for further operations in this country," says Mr Claesson regarding the prospects of NIB's future activities in Mauritius. ■

NEW TECHNOLOGY FOR PREMIUM PAPER QUALITY


Myllykoski

Requirements to the special properties of printing paper are growing stricter. Among other things, the paper industry has to produce ever whiter paper, which means new requirements on bleaching technology. Being in the vanguard of paper development, the Myllykoski Group has started a modernisation project at its Finnish subsidiary, Myllykoski Paper Oy. The project will also bring substantial environmental benefits.

The purpose of the current investment is to further improve the quality of the paper and to raise the production efficiency. There is a technical challenge involved in producing paper with high brightness and high opacity: the print on one side of the paper must not show through on the other side in a printed product.

A new bleaching plant is now under construction at Myllykoski. The new process will have the environmental advantage of reducing the use of phosphoric acid due to the new process chemistry. A general reduction of phosphorus discharges in watercourses ranks as the most important measure for improving the quality of the water in the Gulf of Finland. The Myllykoski Paper investments have been facilitated by the earlier enlargement and rebuilding of the factory's biological waste-water treatment plant.

Myllykoski is a Finnish-owned family company, which began operating in 1892. Today it is an international group with paper mills in Finland, Germany, Switzerland and the USA and its own worldwide sales network. Its eight factories produce wood-containing and recycled fibre based uncoated and coated printing papers. NIB has granted the group a loan of 25 million euros for the Myllykoski Paper investments. ■

FIRST ANNUAL MEETING

NIB's Board of Governors held its first annual meeting on 19 May 2005 at Frederiksborg Castle in Hillerød, Denmark. At this meeting, the Nordic Ministers of Finance and Economy formally handed over the audited and approved accounts of NIB for 2004 to the Board of Governors and to the Board of Directors responsible for the Bank's activities from the beginning of the year 2005. Geir H. Haarde, Minister of Finance of Iceland, chaired the meeting.

The Baltic countries' membership in NIB has entailed a new governance of the Bank. The Board of Governors is an entirely new body composed of eight Governors. Each member country has designated a cabinet minister as its Governor. ■

PHARMACEUTICAL R&D IN ICELAND

"First to market" is a strategy adopted by one of Europe's leading generic pharmaceutical producers, Icelandic Actavis Group hf. Investments in R&D projects has a pivotal importance for the group's continuous growth. The efforts are concentrated on the development of high-quality generic pharmaceutical products and active pharmaceutical ingredients.

NIB has disbursed a 24 million euro loan to Actavis Group for the financing of a new R&D centre in Iceland and several new R&D projects. The new 3,000 square metre centre located in Hafnarfjörður is now in the construction phase.

Actavis Group's R&D division employs around 200 people around the world, most of them in Hafnarfjörður, and launches up to thirteen new products every year.

Founded in 1956, the group now operates across five continents and has its headquarters in Iceland. Experienced teams of pharmacists, chemists and other scientific professionals help to make up a total workforce of around 7,000. In 2004, Actavis generated a 450 million euro turnover.

Actavis runs manufacturing facilities in Iceland, Bulgaria, Malta, Serbia and Turkey producing a wide variety of dosage forms, while an extensive and growing sales network delivers effective market penetration. The company's Danish subsidiary hosts Actavis Group's business support centre for the operations in the Nordic countries. In early 2004, through a company acquisition, Actavis gained a foothold in the Finnish market. ■

Photos: Marjo Koivumäki and Pamela Schönberg

FAREWELL PARTY AT NIB

After eleven years as the Bank's President and CEO, Jón Sigurðsson left NIB on 31 March 2005. A farewell reception for the Bank's employees and cooperation partners was held in NIB's headquarters in Helsinki. The reception gathered politicians, representatives of the business community, financial and credit institutions, Nordic organisations and the diplomatic corps. ■

Jón Sigurðsson, to the right, and his successor Johnny Åkerholm, NIB's new President and CEO.

To the left Outi Ojala, Chairman of the Finnish delegation of the Nordic Council of Ministers.

To the right Jón Baldvin Hannibalsson, Iceland's ambassador in Finland.

To the right Catriona Brown from Nomura International.

To the right Paavo Lipponen, Speaker of the Finnish Parliament.

This is NIB

The Nordic Investment Bank (NIB) finances private and public projects, which have high priority with the member countries and the borrowers. NIB finances projects both within and outside the member countries. NIB offers its clients long-term loans and guarantees on competitive market terms.

NIB acquires the funds to finance its lending by borrowing on the international capital markets. NIB's bonds enjoy the highest possible credit rating, AAA/Aaa, with the leading rating agencies Standard & Poor's and Moody's.

NIB is a multilateral financial institution that operates in accordance with commercially sound banking principles. The Bank was originally founded by the five Nordic countries Denmark, Finland, Iceland, Norway and Sweden. At the beginning of 2005, NIB received three new owners, when Estonia, Latvia and Lithuania became members of the Bank. NIB's operations are governed by an agreement among the member countries and statutes pertained thereto.

NIB has its headquarters in Helsinki and offices in Copenhagen, Oslo, Reykjavik, Stockholm and Singapore. On 31 December 2004, the Bank had 147 employees. ■

NIB'S FINANCING POSSIBILITIES

NIB finances investment projects and project export, which are of mutual interest for the member countries and for the borrower countries. NIB finances projects in member countries, OECD countries and emerging markets.

High priority is given to investments that improve the economic cooperation in the member countries. Loans and guarantees are granted to finance investments that assure energy supply, improve infrastructure or support research and development. High priority is also given to projects that improve the environment in the member countries and their neighbouring areas. NIB participates in the financing of foreign investments, which provide employment in the member countries. In different parts of the world, NIB finances investments of mutual interest for the borrower countries and the member countries.

In addition to loans, NIB also issues guarantees for projects that meet the Bank's conditions.

Projects appraised by the Bank for possible financing are subject to analyses of sustainability and environmental consequences. Further, increasing emphasis is attached to social consequences.

LENDING IN MEMBER COUNTRIES

In the member countries, NIB offers medium- and long-term investment loans with maturities of five to fifteen years. The loans are granted in various currencies at fixed or floating market-based interest rates, for up to half of the project's total cost.

NIB finances

- projects in the manufacturing industry, including investments in industrial facilities;
- infrastructure investments within sectors, such as energy, transport, telecommunications, water supply and waste management;
- environmental investments in the business and public sectors;
- cross-border investments, such as mergers and corporate acquisitions;
- research and development;
- foreign investments in the member countries;
- improvement of the economic conditions for small and medium-sized enterprises in prioritised areas.

LENDING OUTSIDE MEMBER COUNTRIES

The core of NIB's international lending operations consists of Project Investment Loans. These are long-term loans—up to 20 years—for projects in emerging markets in Africa and the Middle East, Asia, Central and Eastern Europe as well as Latin America. Loans are primarily granted to the borrowing countries' governments or public financial institutions. Project Investment Loans may also be granted without a government guarantee, particularly to private sector infrastructure investments. The loans are granted for up to half of the project's total cost. Project Investment Loans can be utilised to finance all types of project costs, including local costs. The loans are granted at market-based interest rates in a currency preferred by the customer. Project Investment Loans have been granted for projects in approximately 40 countries.

In the member countries' neighbouring areas, NIB grants loans primarily to projects, aimed at infrastructure development and promoting economic conditions for small and medium-sized enterprises. The Bank has a special environmental loan facility for financing environmental projects in the member countries' neighbouring areas. The projects are to help in reducing environmental degradation and thereby also in reducing cross-border pollution. Environmental Investment Loans are granted on the basis of commercial banking terms to governments, governmental authorities, institutions and companies.

NIB can also provide investment loans to projects and companies' investments, including joint ventures and corporate acquisitions, within the OECD area. ■

Strong results for 2004

The year 2004 was an eventful and positive year for the Nordic Investment Bank (NIB). The financial results for the year were the best in the Bank's history. New lending maintained a fairly strong level despite sluggish investment demand.

NIB's profit for 2004 amounted to 172 million euros, compared with 151 million euros in 2003, representing an increase of 13.9 per cent. Net interest income rose to 163 million euros in 2004, up from 155 million euros in 2003. At year-end, total assets amounted to 16.4 billion euros (2003: 16.7). The Board of Directors proposes that 55 million euros (41.3) be paid as dividends for the financial year 2004 to the Bank's owners in that year—the Nordic countries.

The quality of the Bank's portfolios, taken as a whole, continues to be very high. During 2004, specific provisions for possible loan losses were recognised in the Profit and Loss Account with a sum of only 0.7 million euros. Reversals of specific provisions recognised in previous years totalled 4.5 million euros.

Membership in NIB was broadened on 1 January 2005, when the three Baltic countries became full members of the Bank. On 11 February 2004, representatives of the Nordic and Baltic countries' governments signed the new Agreement on NIB. The Agreement was ratified by all eight countries during 2004. Accordingly, Estonia, Latvia and Lithuania became members of NIB on an equal footing with NIB's five founding members: Denmark, Finland, Iceland, Norway and Sweden.

The volume of new borrowing amounted to 1,808 million euros. The Bank successfully launched its third global benchmark issue of USD 1 billion in the five-year segment.

NIB participated in the financing of 38 investment projects and loan programmes in the Nordic countries. Manufacturing industry accounted for one third and the energy sector for one fourth of the disbursements in the Nordic region during the year.

At year-end 2004, the Bank had loans outstanding in 30 countries outside the Nordic area. During the year the Bank entered into 30 new international loan agreements. The international lending was mostly focused on financing of infrastructure investments, particularly within the sectors of energy, transportation and communications.

NIB can provide loans and guarantees for projects outside the member countries under a special loan facility called the Project Investment Loan facility, PIL, with special guarantees from the Bank's owners. On 1 July 2004, the Bank's PIL facility was increased from 3,300 million euros to 4,000 million euros. The increase of the facility provides greater scope for the Bank to grant loans to countries that are not members of NIB.

Financing environmental investment is one of the cornerstones of NIB's lending operations. During the year, 26 new environmental loans for a total of 300 million euros were granted. Of the loans disbursed during the period, 17 per cent were environmental loans.

NIB has undertaken an active role in the Northern Dimension Environmental Partnership (NDEP). In July 2004, NIB assumed the chairmanship of the Steering Group for the NDEP. ■

Key figures (in million euros)

	2004	2003
Net interest income	163	155
Profit	172	151
Loans disbursed	1,348	1,841
Loans agreed	1,657	1,859
Loans outstanding	10,279	10,522
New debt issues	1,808	3,258
Debts evidenced by certificates	12,355	13,087
Net liquidity	2,876	2,744
Total assets	16,363	16,666
Equity/assets ratio (%)	10.9	9.9
Profit/average equity (%)	10.1	9.5
Number of employees	147	147

NIB's Annual Report 2004 is available at **http://annual.nib.int**. A CD-ROM with the report or its hard copy can be ordered at **http://www.nib.int**.

FINANCING SUCCESS

The Nordic Investment Bank (NIB) offers long-term loans and guarantees on competitive market terms for both private and public sector projects.

Lending covers a wide spectrum, including infrastructure investments, research and development, and cross-border company acquisitions and start-ups. Loans are provided for projects in manufacturing industry, energy and metal extraction, construction, trade and services, transport and communication.

NIB was originally formed by the five Nordic countries and acquired three new owners with the accession of Estonia, Latvia and Lithuania in 2005. NIB has clients both in and outside the member countries. The Bank now has operations in about 40 countries.

NORDIC INVESTMENT BANK

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