



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE

Q2

# Interim Financial Report

January–June  
2024



# Table of contents

<b>3</b>	<b>President and CEO's comments</b>
<b>4</b>	<b>Highlights</b>
<b>4</b>	<b>Key figures and ratios</b>
<b>5</b>	<b>Operating and financial review</b>
5	Total comprehensive income
8	Financial position
<b>10</b>	<b>Financial statements</b>
10	Statement of comprehensive income
11	Statement of financial position
13	Statement of changes in equity
14	Cash flow statement
<b>16</b>	<b>Notes to the interim financial statements</b>
16	Note 1 - Segment information
18	Note 2 - Net interest income
18	Note 3 - Net profit/loss on financial operations
19	Note 4 - Expected credit loss
19	Note 5 - Net loan losses
20	Note 6 - Lending outstanding
20	Note 7 - Debts evidenced by certificates
21	Note 8 - Classification of financial instruments
23	Note 9 - Fair value of financial instruments
26	Note 10 - Basis of preparation
<b>26</b>	<b>Ratio definitions</b>
<b>28</b>	<b>Report on Review of Interim Financial Report</b>



In April, NIB organised a seminar in Oslo bringing together stakeholders to discuss Norway's green transition. The emphasis was on renewable energy, with an in-depth discussion on what is needed to turn green power into sustainable transportation.



# President and CEO's comments

NIB had a strong first half of the year. We maintained the solid financial performance with a 12.3% higher net profit in the first half of 2024 compared with the same period in 2023. Although the Bank is mission-driven, capital accumulation is crucial to fulfil the Bank's mandate and make an impact in the member countries in the future. The demand for NIB lending remains strong with over EUR 2.6 billion in new [lending signed](#), and EUR 1.9 billion disbursed so far in 2024 and with a 99.9% mandate fulfilment.

In June, the Board of Directors approved the reviewed Sustainability Policy for a public consultation. The revision includes a variety of subjects, ranging from defence to biodiversity. This sends an important signal and aims to ensure that the Bank's policies are in line with current sustainability standards and address the geopolitical challenges. The change regarding defence follows guidance from the Bank's Board of Governors and permits NIB to provide financing for military goods and dual-use equipment that support regional security, excluding weapons and ammunition. The policy entered into force in July.

NIB's loans remain distributed across various sectors and countries. Total assets at 30 June 2024 amounted to EUR 41.6 billion, compared to EUR 39.6 billion at 31 December 2023. At the end of the second quarter, the total lending outstanding amounted to EUR 22.2 billion. To meet the demand for our financing, the Bank has raised EUR 6.4 billion in new funding so far in 2024. This includes a five-year USD 1.5 billion global benchmark bond with a final orderbook of more than USD 4.5 billion, the largest ever for NIB.

The net profit for the period from January to June was strong and amounted to EUR 143 million, compared with EUR 127 million in the first half of 2023. The increase in net profit is mainly due to higher net interest income.

The Bank is in a strong financial position as confirmed by our AAA/Aaa credit rating, which was reaffirmed by both Standard & Poor's and Moody's during the spring. NIB's credit rating reflects its high asset quality, solid liquidity and capital adequacy, strong risk management and governance – and the strength of its owners.

In 2024, the European Commission and NIB signed an amendment to the existing InvestEU guarantee agreement whereby NIB becomes implementing partner also for Norway and Iceland. The guarantee now extends across all member countries of NIB and this expansion enables us to enhance our financing



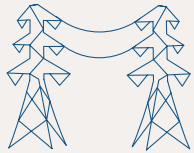
activities, particularly in driving the green transition. The first InvestEU loan disbursements occurred in the first quarter of 2024. Further information about InvestEU can be found [here](#).

June also marked a change in the composition of NIB's Board of Directors. The chair rotates among the member countries, and Merle Wilkinson [Estonia] became Chair of the Board for a two-year period. Julie Sonne [Denmark] became Deputy Chair of the Board, also for a two-year period. In addition, NIB welcomed two new Board members.

As stated previously, our mission to finance climate and nature, as well as productivity and innovation, remains central to NIB. In addition, we will continue to develop NIB's sustainability practices to ensure we remain at the forefront of supporting our member countries.

**André Küüsvek, President & CEO**

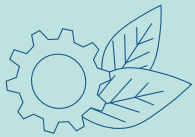
# Key figures and ratios



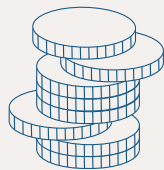
EUR **1,896** million  
new lending disbursed



EUR **2,642** million  
new lending signed



**99.9%**  
of disbursed loans fulfil our mandate  
to a level of good or excellent



EUR **143** million  
net profit



**17.1%**  
cost/income ratio



**15.8%**  
YoY increase in  
net interest income

In millions of euro unless otherwise specified	Jan-Jun 2024	Jan-Jun 2023	YoY change %	Jan-Dec 2023
Net interest income	162	139	15.8%	299
Profit before net loan losses	147	123	19.0%	248
Net profit	143	127	12.3%	251
Lending disbursed	1,896	1,670	13.5%	3,446
New signed lending	2,642	1,241	112.9%	2,829
% of loans achieving good or above mandate *	99.9%	99.8%	0.1%	99.8%
Lending outstanding	22,182	21,326	4.0%	21,924
Total assets	41,615	39,102	6.4%	39,593
New debt issuance	6,445	4,689	37.4%	7,152
Debts evidenced by certificates	33,953	31,022	9.4%	32,190
Total equity	4,424	4,206	5.2%	4,350
Equity/total assets **	10.6%	10.8%	-1.2%	11.0%
Net profit/average equity **	6.5%	6.2%	6.1%	5.9%
Cost/income **	17.1%	18.5%	-7.6%	18.8%
Number of employees at period end	257	237	8.4%	244

\* See page 8 for mandate fulfilment explanation

\*\* See page 26 for ratio definitions

# Operating and financial review

## Total comprehensive income

### January–June 2024 compared to January–June 2023

#### NET PROFIT

The net profit for the period January–June 2024 amounted to EUR 142.8 million, which was EUR 15.7 million higher than the corresponding period in 2023. Total operating income increased from EUR 151.3 million to EUR 177.0 million. Net interest income increased by EUR 22.1 million while net fee and commission income increased by EUR 1.1 million. The net profit on financial operations increased from EUR 9.6 million to a EUR 12.4 million. Net loan losses in the first half of 2024 amounted to EUR 4.0 million compared to a gain of EUR 3.8 million in the same period in 2023. There have been no realised loan losses year to date.

#### NET INTEREST INCOME

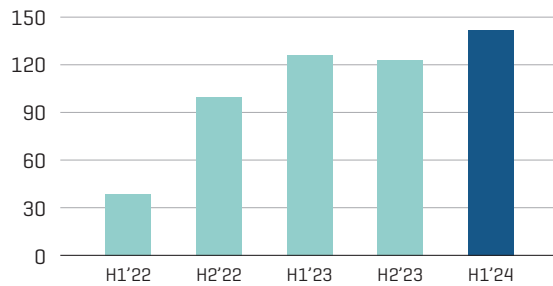
Net interest income for the period amounted to EUR 161.6 million compared to EUR 139.5 million in 2023. Net interest income on lending activities amounted to EUR 93.7 million and was EUR 6.8 million higher than in 2023 mainly due to higher margins. The interest income on treasury activities increased from EUR 52.7 million to EUR 67.9 million as the liquidity buffer bond portfolios benefited from increases in the market interest rate level during 2023 which have remained into 2024.

#### NET FEE AND COMMISSION INCOME

Net fee and commission income for the period January–June 2024 of EUR 3.1 million was EUR 1.1 million higher than the same period in 2023 and was positively affected by the increased level of lending disbursements.

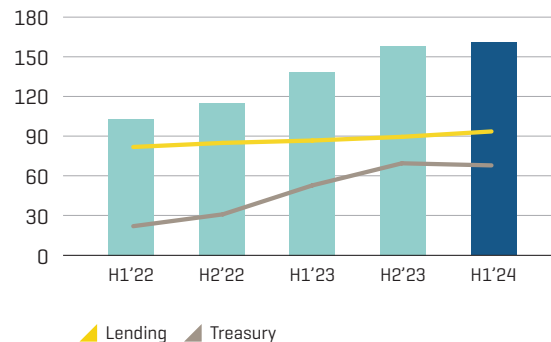
#### Net profit

EUR m



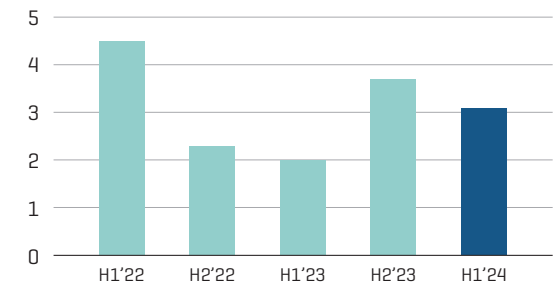
#### Net interest income

EUR m



#### Net commission income and fees

EUR m



### NET PROFIT/LOSS ON FINANCIAL OPERATIONS

The net profit on financial operations for the first half amounted to EUR 12.4 million compared to EUR 9.6 million in the same period last year. The result comprised of unrealised profits of EUR 12.0 million and realised gains of EUR 0.4 million. Financial markets have been relatively calm in 2024 compared to the volatility experienced during the first half of 2023. Inflation levels have come down which led some central banks to cut rates in the second quarter.

Unrealised valuation gains and losses on assets in the Bank's liquidity portfolio of high quality bonds arise from changes in credit spreads. When credit spreads tighten as was generally the case in the first half of 2024, this results in positive valuations on the bonds. If the Bank holds the bonds to maturity, so that they are not sold based on the current exit market value, any valuation gains and losses will reverse, as the bonds will settle at par. Unrealised valuation gains and losses can also relate to the interest rate hedges of 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 floating rates. The total valuation of the swap hedges and underlying transactions use different rates and is therefore exposed to spread changes between those rates. As the Bank intends to hold these hedging transactions to maturity these valuation gains and losses are expected to reverse in full.

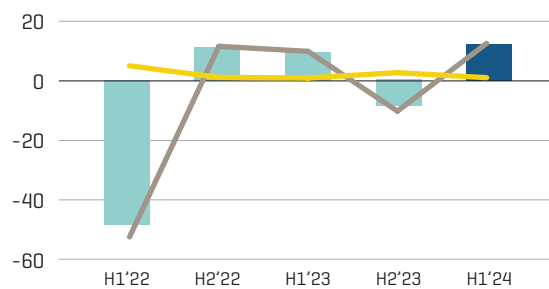
### TOTAL OPERATING EXPENSES

Total operating expenses amounted to EUR 30.2 million which is EUR 2.3 million higher than for the corresponding period in 2023. The Bank continues to invest in people and technology in order to remain relevant and fulfil the Bank's mandate. It should be noted that even with the increase in cost the Bank's cost/income ratio improved.

The Bank's main expenses comprise personnel costs, cost related to IT and depreciation. Personnel costs of EUR 19.9 million were EUR 1.5 million higher in the first half of 2024 compared to the same period in 2023 due to the annual salary adjustments and a higher head count. The other operating expenses were EUR 0.8 million higher in the first half of 2024 compared to the same period in 2023, due to increased depreciation when some assets became operational, increased development activity and inflationary pressures in some cost types.

#### Net profit/loss on financial operations

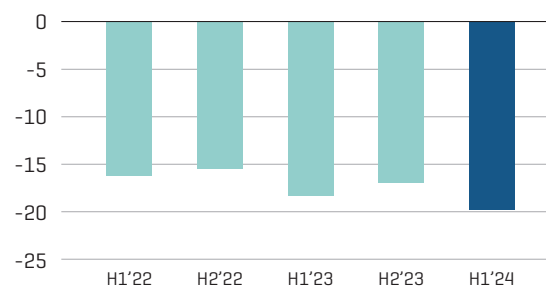
EUR m



▲ Realised ▲ Unrealised

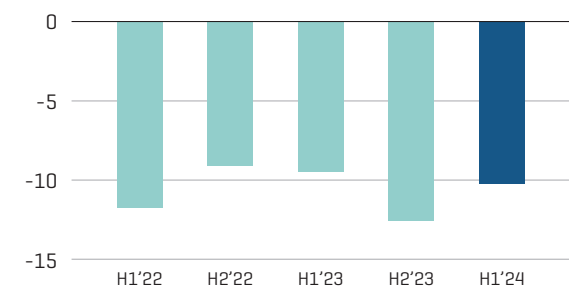
#### Personnel expenses

EUR m



#### Other operating expenses

EUR m



**NET LOAN LOSSES**

During the first half of 2024, the Bank recorded net loan losses of EUR 4.0 million compared to a gain of EUR 3.8 million for the corresponding period in 2023. The key driver was one lending exposure which was moved from a model based expected credit loss (ECL) impairment provision with the exposure classified as ECL stage 2 to an individually assessed impairment provision as the exposure was classified as ECL stage 3. The counterparty is currently servicing the loan. Although the exposure amounts to EUR 88 million the impact to the statement of comprehensive income is significantly less due to the high quality of the asset pledged as collateral for the loan. In general, there have been no other significant observed changes in the credit quality in the overall loan portfolio and there were no realised losses during the period.

**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 5.7 million for the period compared to a gain of EUR 3.7 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. As the fair value hedges are kept to maturity the gains and losses in OCI are expected to reverse in full.

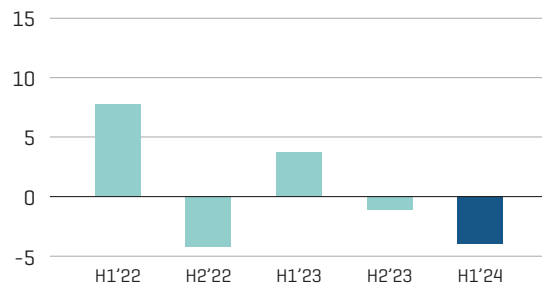
For financial liabilities recorded at fair value through the profit and loss, valuation changes due to changes in own credit spreads are recorded in OCI. For the six month period ended 30 June 2024, the Bank recorded a positive impact from these changes of EUR 0.8 million compared to loss of EUR 0.8 million in 2023.

**TOTAL COMPREHENSIVE INCOME**

All in all, NIB had a 6.0% higher total comprehensive income in the first half of 2024 compared to the same period in 2023. Total comprehensive income ended at EUR 137.8 million compared to EUR 130.0 million in the first half of 2023.

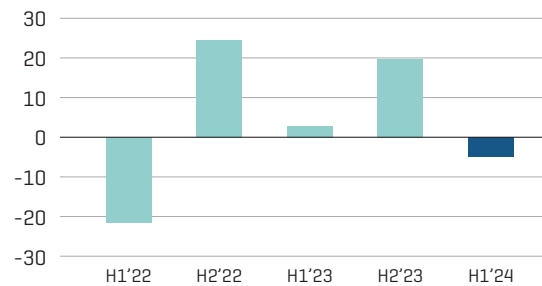
**Net loan losses**

EUR m



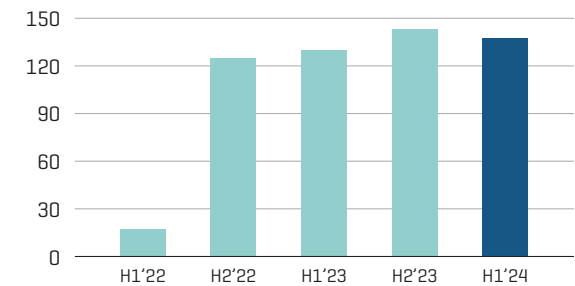
**Other comprehensive income**

EUR m



**Total comprehensive income**

EUR m



# Financial position

## LENDING OUTSTANDING

The lending outstanding amounted to EUR 22,182 million. This comprises EUR 21,702 million of loans outstanding and investments of EUR 481 million in lending labelled bonds recorded in debt securities. The total disbursements and investments during the period amounted to EUR 1,896 million, which is EUR 226 million higher than for the same period in 2023. More information regarding loans agreed can be found on NIB's website at new [lending signed](#).

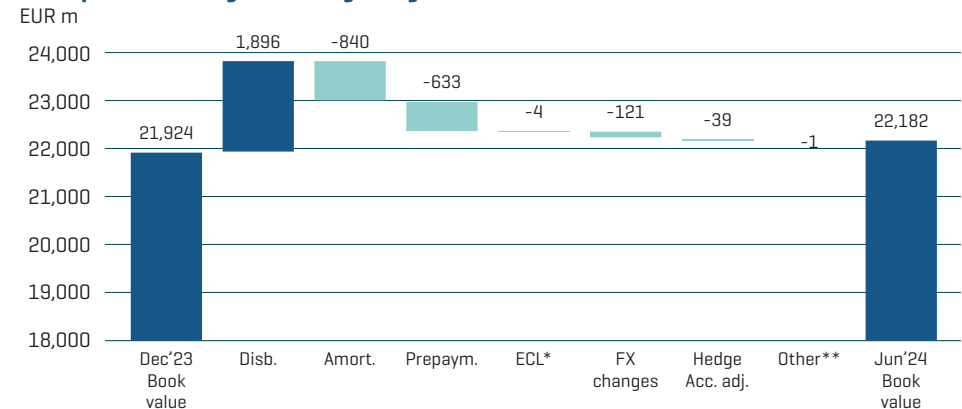
## LENDING HIGHLIGHTS

in EUR millions, unless otherwise specified	Jan-Jun 2024	Jan-Jun 2023	2023	2022	2021	2020
New loans signed, excluding labelled bonds	2,610	1,188	2,766	3,936	1,683	5,632
New lending labelled bonds	32	54	63	178	169	34
New lending disbursements	1,896	1,670	3,446	3,705	2,440	4,853
Number of new signed loans	38	25	52	54	36	59
Number of new lending labelled bonds	2	3	4	10	14	4
Amortisations and prepayments	-1,473	-1,835	-3,618	-2,707	-1,989	-1,878
Lending outstanding	22,182	21,326	21,924	22,195	22,313	21,727
Member countries	21,925	21,009	21,639	21,837	21,827	21,098
Non-member countries	328	381	351	424	635	798
ECL on loans outstanding	-70	-64	-66	-66	-150	-169
Credit impaired loans (Stage 3 ECL)	97	10	9	10	78	73
As % of total lending outstanding	0.44%	0.05%	0.04%	0.05%	0.35%	0.34%

## MISSION FULFILMENT

NIB's vision is for a prosperous and sustainable Nordic-Baltic region and the Bank has a mission formulated as a dual mandate to provide lending that benefits the environment and/or improves productivity. All projects proposed for financing undergo a thorough assessment of their potential impact on productivity and the environment of the member country area. The mandate fulfilment is rated on a six-grade scale from "negative" to "excellent". During the first half of 2024, projects achieving a "good" or "excellent" mandate rating accounted for 99.9% of the total amount of loans disbursed thereby exceeding the target of 95%.

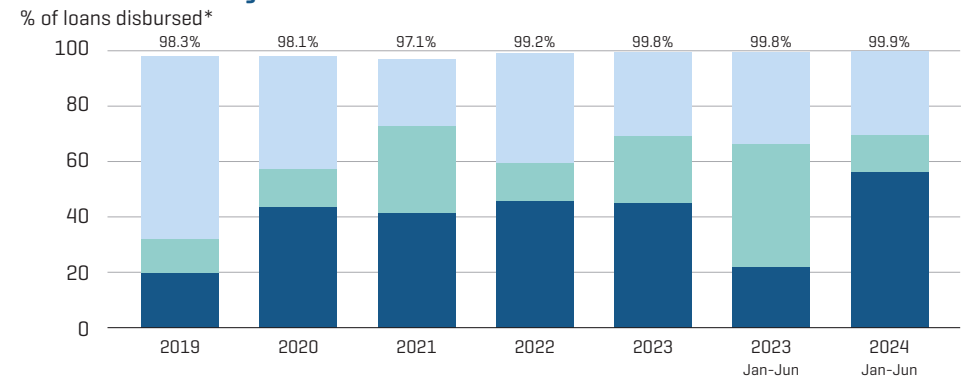
## Development of lending outstanding during 2024



\* Changes in expected credit losses

\*\* Fair valuation of lending labelled bonds and other adjustments

## Mandate fulfilment rating



Good or excellent in productivity only

Good or excellent in environment only

Good or excellent in both environment and productivity

\* Response loans excluded



## FUNDING

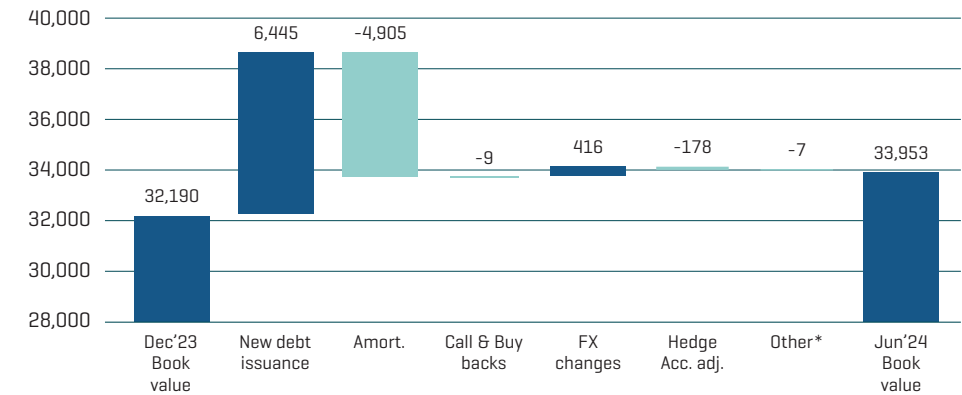
By the end of June, the Bank had raised EUR 6.4 billion in new funding in 2024 which compares to EUR 4.7 billion in the same period last year. This corresponds to approximately 70% of the expected funding need for the year. In the remainder of 2024, NIB plans to issue one more benchmark transaction in US dollars, complemented with other public and private bond issuance in different currencies to its diversified global investor base. The Bank will also aim to issue more NIB Environmental Bonds (NEB).

So far in 2024, the Bank has issued a five-year NOK 2.5 billion NEB, a five-year NEB of SEK 1.25 billion and a seven-year benchmark-size NEB of EUR 500 million. NIB also issued two bonds in the start of the year; a five-year Kauri bond of NZD 600 million opening up that market for other issuers and a five-year USD 1.5 billion global benchmark bond. The latter transaction had NIB's largest orderbook to date for a global benchmark bond. More recently, the Bank issued a three-year EUR 500 million benchmark bond in June, the first conventional bond issue in EUR in fifteen years for NIB.

For a full list of funding transactions, please click [here](#).

## Development of debts evidenced by certificates during 2024

EUR m



\* Fair valuation and other adjustments

# Financial statements

## Statement of comprehensive income

In thousands of euro	Note	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Interest income calculated using the effective interest method		642,763	481,619	1,105,329
Other interest income		339,354	271,360	574,826
Interest expense		-820,550	-613,482	-1,381,515
Net interest income	[2]	161,567	139,497	298,640
Commission income and fees received		4,252	3,303	7,934
Commission expense and fees paid		-1,188	-1,340	-2,275
Net fee and commission income		3,064	1,963	5,659
Net profit/loss on financial operations	[3]	12,402	9,612	815
Foreign exchange gains and losses		-68	188	424
Total operating income		176,965	151,260	305,538
Expenses				
General administrative expenses				
Personnel expenses		-19,886	-18,435	-35,395
Other administrative expenses		-7,706	-7,497	-15,790
Depreciation		-2,617	-2,007	-6,331
Total operating expenses		-30,210	-27,939	-57,516
Profit before loan losses		146,756	123,321	248,022
Net loan losses	[4] [5]	-3,977	3,764	2,637
<b>Net profit for the period</b>		<b>142,779</b>	<b>127,085</b>	<b>250,659</b>
Other comprehensive income				
Items that will be reclassified to income statement				
Fair value hedges - valuation of cross currency basis spread		-5,743	3,728	21,375
Items that will not be reclassified to income statement				
Changes in own credit risk on liabilities recorded at fair value		781	-817	1,554
Total other comprehensive income		-4,962	2,912	22,929
<b>Total comprehensive income</b>		<b>137,818</b>	<b>129,996</b>	<b>273,588</b>

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

## Statement of financial position

In thousands of euro	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Assets</b>				
Cash and cash equivalents		2,745,173	2,524,669	1,946,528
Financial placements				
Placements with credit institutions		4,457,883	3,848,126	4,338,570
Debt securities		10,096,936	9,282,663	9,886,628
Other		175	4,667	3,614
		14,554,993	13,135,456	14,228,812
Loans outstanding	[6]	21,701,794	20,871,399	21,455,677
Intangible assets		9,891	10,459	10,297
Tangible assets, property and equipment		28,764	31,519	30,064
Other assets				
Derivatives		1,404,829	1,864,037	1,362,103
Other assets		658,976	252,148	35,510
		2,063,805	2,116,184	1,397,613
Accrued interest and fees receivable		510,372	412,556	523,834
<b>Total assets</b>		<b>41,614,792</b>	<b>39,102,243</b>	<b>39,592,824</b>

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

In thousands of euro	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Liabilities and equity				
Liabilities				
Short-term amounts owed to credit institutions		743,909	780,453	487,612
Debts evidenced by certificates	[7]	33,952,868	31,022,385	32,190,267
Other liabilities				
Derivatives		1,615,782	2,548,440	1,982,614
Other liabilities		474,416	235,759	209,497
		2,090,198	2,784,199	2,192,111
Accrued interest and fees payable		403,429	309,226	373,262
Total liabilities		37,190,403	34,896,263	35,243,253
Equity		4,424,389	4,205,979	4,349,571
<b>Total liabilities and equity</b>		<b>41,614,792</b>	<b>39,102,243</b>	<b>39,592,824</b>

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

## 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	Cost of hedging reserve	Total
<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	-	-	-	127,085	-	-	127,085
Other comprehensive income	-	-	-	-	-817	3,728	2,912
Total comprehensive income	0	0	0	127,085	-817	3,728	129,996
Transactions with owners in their capacity as owners							
Appropriation of profit	-	-	114,273	-114,273	-	-	0
Dividends	-	-	-	-25,000	-	-	-25,000
<b>Equity at 30 June 2023</b>	<b>845,543</b>	<b>836,884</b>	<b>2,387,111</b>	<b>127,085</b>	<b>2,240</b>	<b>7,116</b>	<b>4,205,979</b>
Profit for the period	-	-	-	123,575	-	-	123,575
Other comprehensive income	-	-	-	-	2,370	17,647	20,017
Total comprehensive income	0	0	0	123,575	2,370	17,647	143,592
<b>Equity at 31 December 2023</b>	<b>845,543</b>	<b>836,884</b>	<b>2,387,111</b>	<b>250,659</b>	<b>4,610</b>	<b>24,763</b>	<b>4,349,571</b>
Profit for the period	-	-	-	142,779	-	-	142,779
Other comprehensive income	-	-	-	-	781	-5,743	-4,962
Total comprehensive income	0	0	0	142,779	781	-5,743	137,818
Transactions with owners in their capacity as owners							
Appropriation of profit	-	-	187,660	-187,659	-	-	0
Dividends	-	-	-	-63,000	-	-	-63,000
<b>Equity at 30 June 2024</b>	<b>845,543</b>	<b>836,884</b>	<b>2,574,771</b>	<b>142,779</b>	<b>5,391</b>	<b>19,020</b>	<b>4,424,389</b>

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



## Cash flow statement

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Cash flows from operating activities</b>			
Net profit for the period	142,779	127,085	250,659
Adjustments:			
Unrealised gains/losses of financial assets and liabilities measured at fair value	-5,661	-5,057	-305
ECL non-lending activities	166	-301	-180
Depreciation and write-down in value of tangible and intangible assets	2,617	2,007	6,331
Change in accrued interest and fees (assets)	21,372	-96,067	-210,830
Change in accrued interest and fees (liabilities)	46,530	29,534	159,374
Net loan losses (ECL lending activities)	3,977	-3,764	-2,637
Hedge accounting ineffectiveness	-6,554	-3,966	2,066
Other adjustments to the period's profit	-4,541	-10,095	-9,160
Adjustments, total	57,906	-87,709	-55,342
Lending			
Disbursements of loans	-1,864,039	-1,616,946	-3,383,078
Repayments of loans	1,456,114	1,793,885	3,552,531
Change in swaps hedging lending excluding fair value changes	-40	20	72
Lending, total	-407,964	176,959	169,525
<b>Cash flows from operating activities, total</b>	<b>-207,279</b>	<b>216,335</b>	<b>364,842</b>
<b>Cash flows from investing activities</b>			
Placements and debt securities			
Purchase of debt securities	-1,362,994	-1,897,604	-3,243,342
Sold and/or matured debt securities	1,183,759	1,276,987	2,229,503
Placements with credit institutions	-6,099,110	-5,982,019	-11,078,704
Sold and/or matured placements with credit institutions	6,090,561	6,603,130	11,309,088
Other financial placements	3,583	702	872
Placements and debt securities, total	-184,201	1,196	-782,582

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.

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Other items			
Acquisition of intangible assets	-320	-1,932	-2,190
Acquisition of tangible assets	-285	-247	-424
Change in trading swaps excluding fair value changes	207,371	-65,899	-65,283
Change in other assets	8,475	10,765	29,911
Other items, total	215,241	-57,313	-37,986
<b>Cash flows from investing activities, total</b>	<b>31,040</b>	<b>-56,117</b>	<b>-820,568</b>
Cash flows from financing activities			
Debts evidenced by certificates			
New debt issuance	5,792,544	4,481,010	7,110,653
Redemptions	-4,914,139	-4,426,078	-6,537,913
Change in swaps hedging funding excluding fair value changes	-220,767	24,340	-24,244
Debts evidenced by certificates, total	657,639	79,272	548,496
Other items			
Change in other liabilities	122,245	147,032	12,019
Dividend paid	-63,000	-25,000	-25,000
Other items, total	59,245	122,032	-12,981
<b>Cash flows from financing activities, total</b>	<b>716,883</b>	<b>201,304</b>	<b>535,515</b>
<b>Change in cash and cash equivalents, net</b>	<b>540,645</b>	<b>361,522</b>	<b>79,789</b>
Opening balance for cash and cash equivalents, net	1,458,915	1,389,286	1,389,286
Exchange rate adjustments	1,704	-6,592	-10,160
Closing balance for cash and cash equivalents, net	2,001,264	1,744,216	1,458,915
Additional information to the statement of cash flows			
Interest income received	1,003,489	447,871	1,469,324
Interest expense paid	-774,020	-351,141	-1,222,141

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: Segment information

### PROFIT/LOSS FOR THE PERIOD JANUARY-JUNE 2024

In thousands of euro	Lending	Asset and liability management	Portfolio management	Treasury total	Total
Net interest income	93,653	7,780	60,135	67,915	161,567
Commission income and fees received	4,062	190	-	190	4,252
Commission expense and fees paid	-76	-1,112	0	-1,112	-1,188
Net profit on financial operations	4,633	-9,303	17,072	7,769	12,402
Foreign exchange gains and losses	-	-68	-	-68	-68
Operating expenses	-19,302	-7,635	-3,272	-10,907	-30,210
Net loan losses	-3,977	-	-	0	-3,977
<b>Profit/loss for the period ended 30 June 2024</b>	<b>78,993</b>	<b>-10,149</b>	<b>73,935</b>	<b>63,786</b>	<b>142,779</b>

**PROFIT/LOSS FOR THE PERIOD JANUARY-JUNE 2023**

In thousands of euro	Lending	Asset and liability management	Portfolio management	Treasury total	Total
Net interest income	86,836	11,373	41,289	52,662	139,497
Commission income and fees received	3,152	151	-	151	3,303
Commission expense and fees paid	-8	-1,332	0	-1,332	-1,340
Net profit on financial operations	5,990	286	3,335	3,622	9,612
Foreign exchange gains and losses	-	188	-	188	188
Operating expenses	-17,719	-7,154	-3,066	-10,220	-27,939
Net loan losses	3,764	-	-	0	3,764
<b>Profit/loss for the period ended 30 June 2023</b>	<b>82,014</b>	<b>3,513</b>	<b>41,558</b>	<b>45,071</b>	<b>127,085</b>

**PROFIT/LOSS FOR THE PERIOD JANUARY-DECEMBER 2023**

In thousands of euro	Lending	Asset and liability management	Portfolio management	Treasury total	Total
Net interest income	176,446	25,485	96,708	122,193	298,640
Commission income and fees received	7,534	400	-	400	7,934
Commission expense and fees paid	-11	-2,264	0	-2,264	-2,275
Net profit on financial operations	12,185	-11,351	-19	-11,369	815
Foreign exchange gains and losses	-	425	-	425	425
Operating expenses	-35,586	-15,351	-6,579	-21,930	-57,516
Net loan losses	2,637	-	-	0	2,637
<b>Profit/loss for the year ended 31 December 2023</b>	<b>163,206</b>	<b>-2,657</b>	<b>90,111</b>	<b>87,454</b>	<b>250,660</b>

## Note 2: Net interest income

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Interest income</b>			
Cash and cash equivalents	41,516	33,234	79,756
Placements with credit institutions	9,579	5,622	22,859
Debt securities	33,490	18,391	45,534
Loans outstanding	481,800	373,348	830,331
Derivatives	76,378	51,024	126,848
Interest income calculated using the effective interest method	642,763	481,619	1,105,329
Placements with credit institutions	102,608	52,898	116,032
Debt securities	88,742	51,439	124,726
Loans outstanding	-	45	16
Derivatives	147,960	166,902	333,929
Other financial assets measured at fair value	45	76	123
Other interest income	339,354	271,360	574,826
<b>Total interest income</b>	<b>982,117</b>	<b>752,979</b>	<b>1,680,154</b>
<b>Interest expense</b>			
Placements owed to credit institutions	-13,997	-9,922	-23,829
Debts evidenced by certificates	-472,643	-362,733	-780,981
Derivatives	-333,910	-240,827	-576,705
<b>Total interest expense</b>	<b>-820,550</b>	<b>-613,482</b>	<b>-1,381,515</b>
<b>Net interest income</b>	<b>161,567</b>	<b>139,497</b>	<b>298,640</b>

## Note 3: Net profit/loss on financial operations

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Financial instruments measured at fair value, realised gains and losses	288	266	2,713
Financial instruments measured at fair value, unrealised gains and losses	5,661	5,057	305
Financial instruments measured at amortised cost, realised gains and losses	66	22	-317
Expected credit loss on financial placements	-166	301	180
Hedge accounting ineffectiveness	6,554	3,966	-2,066
<b>Net profit/loss on financial operations</b>	<b>12,402</b>	<b>9,612</b>	<b>815</b>



## Note 4: Expected credit loss

In thousands of euro	Stage 1	Stage 2	Stage 3	Total
Balance at 31 December 2022	51,624	13,490	10,033	75,147
Transfer to Stage 1	3,912	-3,912	-	0
Transfer to Stage 2	-197	197	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	8,545	481	-	9,026
Amortisations and repayments	-9,876	-2,329	-	-12,205
Impact of remeasurement on existing assets	-2,199	1,313	-	-886
Foreign exchange adjustments and other changes	-	-	-26	-26
Net change income statement	185	-4,250	-26	-4,091
Realised losses	-	-	-	0
<b>Balance at 30 June 2023</b>	<b>51,810</b>	<b>9,240</b>	<b>10,007</b>	<b>71,056</b>
Transfer to Stage 1	2,230	-2,230	-	0
Transfer to Stage 2	-877	877	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	8,759	-481	-	8,278
Amortisations and repayments	-6,429	-962	-	-7,391
Impact of remeasurement on existing assets	-1,930	3,557	-	1,628
Foreign exchange adjustments and other changes	-	-	-1,275	-1,275
Net change income statement	1,753	761	-1,275	1,239
Realised losses	-	-	-	0
<b>Balance at 31 December 2023</b>	<b>53,563</b>	<b>10,001</b>	<b>8,732</b>	<b>72,295</b>
Transfer to Stage 1	208	-208	-	0
Transfer to Stage 2	-294	294	-	0
Transfer to Stage 3	-	-3,529	3,529	0
New assets originated or disbursed	13,437	-	-	13,437
Amortisations and repayments	-20,083	-2,554	-	-22,638
Impact of remeasurement on existing assets	8,256	3,391	1,753	13,401
Foreign exchange adjustments and other changes	-	-	76	76
Net change income statement	1,523	-2,606	5,358	4,276
Realised losses	-	-	-	0
<b>Balance at 30 June 2024</b>	<b>55,086</b>	<b>7,395</b>	<b>14,090</b>	<b>76,571</b>

### ECL - STATEMENT OF FINANCIAL POSITION

In thousands of euro	30 Jun 2024	30 Jun 2023	31 Dec 2023
Loans outstanding	70,136	64,159	65,629
Commitments (recorded in other liabilities)	4,872	5,622	5,270
Financial placements	1,563	1,276	1,396
<b>Total</b>	<b>76,571</b>	<b>71,056</b>	<b>72,295</b>

### ECL - STATEMENT OF COMPREHENSIVE INCOME

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jul-Dec 2023
Net result on financial operations (Note 3)	-166	301	180
Net loan losses (Note 5)	-4,034	3,764	2,609
Foreign exchange gains and losses	-76	26	62
<b>Total recognised in income statement</b>	<b>-4,276</b>	<b>4,091</b>	<b>2,852</b>

## Note 5: Net loan losses

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Change in expected credit loss on Stage 1 and 2 loans	1,249	3,764	1,370
Change in expected credit loss on Stage 3 loans	-5,282	-	1,239
Expected credit loss	-4,034	3,764	2,609
Recoveries on claims	57	-	28
<b>Net loan losses</b>	<b>-3,977</b>	<b>3,764</b>	<b>2,637</b>

## Note 6: Lending outstanding

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Opening balance</b>	<b>21,924,377</b>	<b>22,194,850</b>	<b>22,194,850</b>
Disbursements	1,896,428	1,670,446	3,445,992
Amortisations	-839,833	-1,185,711	-2,519,735
Prepayments	-633,497	-648,874	-1,098,497
Changes in expected credit losses	-4,374	1,502	23
Foreign exchange movements	-120,537	-736,240	-316,925
Fair value adjustments	3,268	10,676	22,108
Hedge accounting adjustments	-39,374	22,850	203,346
Other	-4,055	-3,275	-6,786
<b>Closing balance</b>	<b>22,182,403</b>	<b>21,326,224</b>	<b>21,924,377</b>
Loans outstanding	21,701,794	20,871,399	21,455,677
Lending labelled bonds	480,609	454,825	468,700
<b>Total lending</b>	<b>22,182,403</b>	<b>21,326,224</b>	<b>21,924,377</b>

## Note 7: Debts evidenced by certificates

In thousands of euro	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Opening balance</b>	<b>32,190,267</b>	<b>31,595,081</b>	<b>31,595,081</b>
New debt issuance	6,445,347	4,689,266	7,151,636
Amortisations	-4,904,893	-4,377,614	-6,407,710
Calls and buy backs	-9,246	-56,170	-130,204
Foreign exchange movements	415,709	-806,887	-847,327
Fair value adjustments	-11,060	-15,008	-8,323
Hedge accounting adjustments	-177,694	-13,989	827,602
Other	4,439	7,706	9,511
<b>Closing balance</b>	<b>33,952,868</b>	<b>31,022,385</b>	<b>32,190,267</b>

## Note 8: Classification of financial instruments

In thousands of euro	Amortised cost	Fair value through profit and loss	Designated at fair value through profit and loss	Derivatives for hedging	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,971,267	773,906	-	-	2,745,173
Financial placements with credit institutions	393,078	4,064,805	-	-	4,457,883
Debt securities	3,723,963	6,372,973	-	-	10,096,936
Other financial placements	-	175	-	-	175
Loans outstanding	21,701,794	-	-	-	21,701,794
Derivatives	-	864,687	-	540,142	1,404,829
<b>Total 30 June 2024</b>	<b>27,790,102</b>	<b>12,076,546</b>	<b>0</b>	<b>540,142</b>	<b>40,406,789</b>
<b>Financial liabilities</b>					
Short-term amounts owed to credit institutions	743,909	-	-	-	743,909
Debts evidenced by certificates	33,061,505	-	891,362	-	33,952,868
Derivatives	-	128,198	-	1,487,584	1,615,782
<b>Total 30 June 2024</b>	<b>33,805,414</b>	<b>128,198</b>	<b>891,362</b>	<b>1,487,584</b>	<b>36,312,558</b>

In thousands of euro	Amortised cost	Fair value through profit and loss	Designated at fair value through profit and loss	Derivatives for hedging	Total
<b>Financial assets</b>					
Cash and cash equivalents	2,143,305	381,364	-	-	2,524,669
Financial placements with credit institutions	380,800	3,467,326	-	-	3,848,126
Debt securities	3,073,674	6,208,989	-	-	9,282,663
Other financial placements	-	4,667	-	-	4,667
Loans outstanding	20,870,593	-	806	-	20,871,399
Derivatives	-	1,280,345	-	583,691	1,864,037
<b>Total 30 June 2023</b>	<b>26,468,373</b>	<b>11,342,691</b>	<b>806</b>	<b>583,691</b>	<b>38,395,561</b>
<b>Financial liabilities</b>					
Short-term amounts owed to credit institutions	780,453	-	-	-	780,453
Debts evidenced by certificates	30,412,661	-	609,724	-	31,022,385
Derivatives	-	124,403	-	2,424,038	2,548,440
<b>Total 30 June 2023</b>	<b>31,193,114</b>	<b>124,403</b>	<b>609,724</b>	<b>2,424,038</b>	<b>34,351,278</b>

In thousands of euro	Amortised cost	Fair value through profit and loss	Designated at fair value through profit and loss	Derivatives for hedging	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,955,520	-8,992	-	-	1,946,528
Financial placements with credit institutions	825,753	3,512,817	-	-	4,338,570
Debt securities	3,407,410	6,479,218	-	-	9,886,628
Other financial placements	-	3,614	-	-	3,614
Loans outstanding	21,455,677	-	-	-	21,455,677
Derivatives	-	829,235	-	532,869	1,362,103
<b>Total 31 December 2023</b>	<b>27,644,360</b>	<b>10,815,891</b>	<b>0</b>	<b>532,869</b>	<b>38,993,120</b>
<b>Financial liabilities</b>					
Short-term amounts owed to credit institutions	487,612	-	-	-	487,612
Debts evidenced by certificates	31,482,646	-	707,621	-	32,190,267
Derivatives	-	279,508	-	1,703,106	1,982,614
<b>Total 31 December 2023</b>	<b>31,970,258</b>	<b>279,508</b>	<b>707,621</b>	<b>1,703,106</b>	<b>34,660,493</b>

## Note 9: Fair value of financial instruments

### FAIR VALUE MEASUREMENT FOR FINANCIAL INSTRUMENTS

In thousands of euro	30 Jun 2024		30 Jun 2023		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Cash and cash equivalents	2,745,173	2,745,173	2,524,669	2,524,669	1,946,528	1,946,528
Financial placements with credit institutions	4,457,883	4,457,883	3,848,126	3,848,126	4,338,570	4,329,799
Debt securities	10,096,936	9,965,019	9,282,663	9,467,047	9,886,628	9,805,458
Other financial placements	175	175	4,667	4,667	3,614	3,614
Loans outstanding	21,701,794	21,881,868	20,871,399	20,996,962	21,455,677	21,598,417
Derivatives	1,404,829	1,404,829	1,864,037	1,864,037	1,362,103	1,362,103
<b>Total</b>	<b>40,406,789</b>	<b>40,454,946</b>	<b>38,395,561</b>	<b>38,705,508</b>	<b>38,993,120</b>	<b>39,045,919</b>
<b>Financial liabilities</b>						
Short-term amounts owed to credit institutions	743,909	743,909	780,453	780,453	487,612	487,612
Debt evidenced by certificates	33,952,868	33,864,798	31,022,385	30,978,465	32,190,267	32,102,914
Derivatives	1,615,782	1,615,782	2,548,440	2,548,440	1,982,614	1,982,614
<b>Total</b>	<b>36,312,558</b>	<b>36,224,489</b>	<b>34,351,278</b>	<b>34,307,358</b>	<b>34,660,493</b>	<b>34,573,139</b>



**LEVEL OF FAIR VALUE MEASUREMENT FOR FINANCIAL INSTRUMENTS**

In thousands of euro	30 Jun 2024			30 Jun 2023			31 Dec 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>									
Cash and cash equivalents	2,745,173	-	-	2,524,669	-	-	1,946,528	-	-
Financial placements with credit institutions	-	4,457,883	-	-	3,848,126	-	-	4,329,799	-
Debt securities	9,961,497	-	3,522	9,461,551	-	5,496	9,801,256	-	4,202
Other financial placements	-	-	175	-	-	4,667	-	-	3,614
Loans outstanding	-	21,881,868	0	-	20,996,156	806	-	21,598,417	0
Derivatives	-	1,389,290	15,539	-	1,843,796	20,241	-	1,338,999	23,104
<b>Total</b>	<b>12,706,669</b>	<b>27,729,041</b>	<b>19,235</b>	<b>11,986,221</b>	<b>26,688,078</b>	<b>31,209</b>	<b>11,747,783</b>	<b>27,267,215</b>	<b>30,920</b>
<b>Financial liabilities</b>									
Short-term amounts owed to credit institutions	1,519	742,390	-	2,720	777,733	-	-	487,612	-
Debt evidenced by certificates	-	33,457,343	407,455	-	30,367,550	610,915	-	31,702,433	400,480
Derivatives	-	1,568,044	47,738	-	2,458,422	90,018	-	1,935,529	47,084
<b>Total</b>	<b>1,519</b>	<b>35,767,777</b>	<b>455,193</b>	<b>2,720</b>	<b>33,603,705</b>	<b>700,933</b>	<b>0</b>	<b>34,125,575</b>	<b>447,564</b>

**CHANGES IN FAIR VALUES OF FINANCIAL INSTRUMENTS CATEGORISED AT LEVEL 3**

In thousands of euro	Financial assets					Financial liabilities		
	Debt securities	Other financial placements	Loans outstanding	Derivative assets	Level 3, total assets	Debt evidenced by certificates	Derivative Liabilities	Level 3, total liabilities
<b>Balance at 31 December 2022</b>	<b>6,912</b>	<b>4,532</b>	<b>2,335</b>	<b>23,459</b>	<b>37,238</b>	<b>661,277</b>	<b>147,094</b>	<b>808,371</b>
New trades	-	-	-	-	0	-	-	0
Matured, buy backs and calls	-	-355	-	-13,345	-13,700	-58,452	-123,834	-182,287
Amortisation	-1,509	-	-632	-155	-2,296	-	-	0
Capitalisations	-	-	-	-	0	767	2,812	3,579
Inflation adjustments	-	-	-30	-16,456	-16,487	-16,456	30	-16,426
Changes in fair values	93	490	-5	-16,431	-15,853	7,613	5	7,618
Exchange rate adjustments	-	-	-861	43,168	42,307	16,167	63,911	80,078
<b>Balance at 30 June 2023</b>	<b>5,496</b>	<b>4,667</b>	<b>806</b>	<b>20,241</b>	<b>31,209</b>	<b>610,915</b>	<b>90,018</b>	<b>700,933</b>
New trades	-	-	-	-	0	61,141	1,313	62,454
Matured, buy backs and calls	-939	-1,911	-	12,714	9,865	-270,963	33,320	-237,643
Amortisation	-455	-	-328	-990	-1,773	-	-	0
Capitalisations	-	-	-	-	0	979	288	1,268
Inflation adjustments	-	-	-23	-12,777	-12,800	-12,777	23	-12,755
Changes in fair values	101	858	11	4,181	5,150	-845	9	-835
Exchange rate adjustments	-	-	-466	-264	-731	12,030	-77,888	-65,858
<b>Balance at 31 December 2023</b>	<b>4,202</b>	<b>3,614</b>	<b>0</b>	<b>23,104</b>	<b>30,920</b>	<b>400,480</b>	<b>47,084</b>	<b>447,564</b>
New trades	-	-	-	6,700	6,700	185,509	-	185,509
Matured, buy backs and calls	-	-3,583	-	-6,555	-10,138	-179,775	668	-179,107
Amortisation	-733	-	-	-	-733	-	-	0
Capitalisations	-	-	-	-	0	239	1,778	2,018
Inflation adjustments	-	-	-	-3,862	-3,862	-3,862	-	-3,862
Changes in fair values	53	144	-	-17,540	-17,343	-7,094	-	-7,094
Exchange rate adjustments	-	-	-	13,691	13,691	11,957	-1,793	10,164
<b>Balance at 30 June 2024</b>	<b>3,522</b>	<b>175</b>	<b>0</b>	<b>15,539</b>	<b>19,235</b>	<b>407,455</b>	<b>47,738</b>	<b>455,193</b>

## Note 10: Basis of preparation

These interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting". The accounting policies and methods of computation are the same as described in Note 1 of NIB's Financial Report 2023. The International Accounting Standards Board (IASB) has amended a number of standards, however they have not had any significant impact on the Bank's financial statements.

There have been no material changes in relation to transactions with related parties compared to those described in Note 25 "Related party disclosures" in the 2023 IFRS financial statements.

Net interest income in both Statement of comprehensive income and Note 2: Net interest income and Cash flow statement have been reclassified due to the revised allocation of swap contracts between different sections for the period ended 30 June 2023.

### RATIO DEFINITIONS

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

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

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

**HELSINKI, 13 AUGUST 2024**

Merle Wilkinson  
[Chair of the Board]

Julie Sonne  
[Deputy Chair of the Board]

Minna Nikitin

Esther Finnbogadóttir

Līga Kļaviņa

Jurgita Uzieliene

Bjarne Stakkestad

Max Elger

André Küüsvek  
[President & CEO]

# Review Opinion

To the Board of Directors of the Nordic Investment Bank

# Report on Review of Interim Financial Report

## INTRODUCTION

We have reviewed the condensed interim financial report of Nordic Investment Bank consisting of statement of financial position as of June 30, 2024 and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this interim financial report in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial report is not prepared, in all material respects in accordance with IAS 34.

Helsinki, 13 August 2024

Ernst & Young Oy	Ernst & Young AB
Authorized Public	Authorized Public
Accountant Firm	Accountant Firm

Terhi Mäkinen	Mona Alfredsson
Authorized Public	Authorized Public
Accountant	Accountant



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For more information about the Nordic Investment Bank, visit [www.nib.int](http://www.nib.int)