CREDIT OPINION
6 May 2025

Update

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RATINGS

Nordic Investment Bank

	Rating	Outlook
Long-term Issuer	Aaa	Stable
Short-term Issuer	P-1	--

Contacts

Steffen Dyck +49.69.70730.942
Senior Vice President
steffen.dyck@moodys.com

Will Dallas +33 153 303 428
Sr Ratings Associate
will.dallas@moodys.com

Dietmar Hornung +49.69.70730.790
Associate Managing Director
dietmar.hornung@moodys.com

Marie Diron +44.20.7772.1968
MD-Sovereign Risk
marie.diron@moodys.com

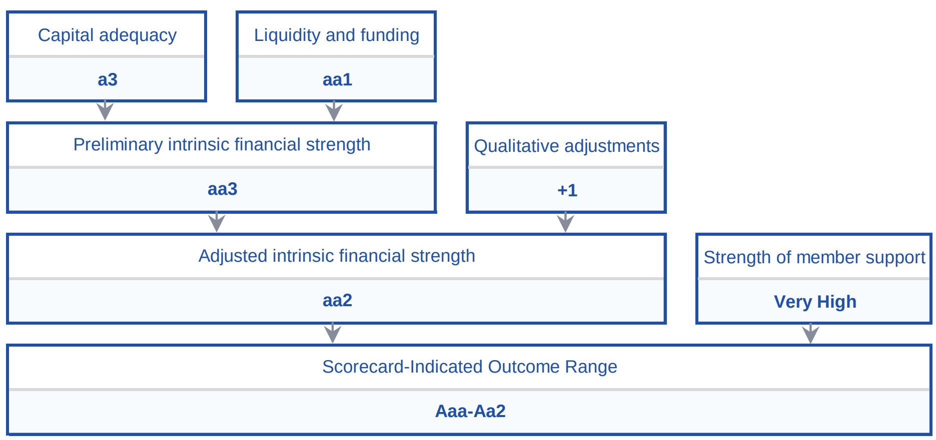
Nordic Investment Bank – Aaa stable

Regular update

Summary

Our credit view of Nordic Investment Bank (NIB) reflects its strong credit fundamentals: healthy capital adequacy, excellent asset performance, ample liquidity and a strong track record of support from its highly rated shareholders. NIB's credit profile also benefits from a very strong governance framework, with strong emphasis placed on risk management within all parts of the organization. These features offset NIB's elevated leverage ratio, which itself has been declining over the past three years.

Exhibit 1
Nordic Investment Bank's credit profile is determined by three factors



Source: Moody's Ratings

Credit strengths

» Very strong asset performance and quality, supported by robust risk management

» Track record of access to funding from a diverse investor base

» Very strong member support, with Aaa-rated members contributing 77% of capital

Credit challenges

» Maintaining asset quality in a volatile macroeconomic and geopolitical environment

» Managing the impact from lending growth on NIB's very high leverage ratio

Rating outlook

The stable outlook reflects our view that NIB's very strong credit profile will be maintained. In particular, we expect stable profitability which together with relatively small net new loan disbursements will further decrease NIB's leverage ratio. Also, the bank has shown a resilient credit profile in the wake of the coronavirus pandemic and the changed geopolitical situation in the region it operates in.

Factors that could lead to a downgrade

Downward pressure on NIB's ratings could result from a material weakening in the bank's asset quality and performance, and/or a significant increase in leverage over several years, potentially reflecting a combination of a big increase in lending and declining profitability. A substantial weakening in the bank's liquidity buffers and funding profile would similarly be credit negative. A significant reduction in the strength of member support, for example, because of downgrades of member states' sovereign ratings, would also exert downward pressure on NIB's ratings.

Key indicators

Exhibit 2

Nordic Investment Bank (NIB)	2019	2020	2021	2022	2023	2024
Total Assets (USD million)	36,683	43,466	42,533	41,896	43,750	44,780
Leverage Ratio (%) [1]	562.9	585.5	586.6	568.1	528.1	516.6
Weighted-Average Borrower Rating (WABR)	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2
Sovereign Exposures / Loans & Guarantees (%)	25.0	29.8	29.6	26.3	22.9	22.5
Equity Investments / DRA (%)	0.0	0.0	0.0	0.0	0.0	0.0
Non-Performing Assets / DRA (%)	0.4	0.3	0.3	0.0	0.0	0.5
Return on Equity (%)	5.0	4.3	4.1	3.4	5.9	5.8
Availability of Liquid Resources Ratio (ALR, %) [2]	117.5	114.0	98.1	89.1	113.5	107.3
Weighted-Average Shareholder Rating (WASR)	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1
Callable Capital / Gross Debt (%)	21.5	25.9	23.9	23.8	23.4	21.0

[1] Development-related assets (DRA) + Treasury assets rated A3 or lower / Usable equity

[2] Discounted liquid assets / Projected net cash outflows during upcoming 18 months

Source: Moody's Ratings

Profile

NIB was founded on 4 December 1975 by the five Nordic countries of Sweden (Aaa stable), Finland (Aa1 stable), Denmark (Aaa stable), Norway (Aaa stable) and Iceland (A1 stable). In reflection of the long-standing economic and political ties between the Nordic and Baltic regions, NIB's membership was expanded to include Estonia (A1 stable), Latvia (A3 stable) and Lithuania (A2 stable) on 1 January 2005, the year after all three Baltic states joined the European Union (EU, Aaa stable). Denmark, Norway and Sweden contribute approximately 77% of NIB's capital, while Finland contributes close to 18%. Moreover, Sweden, the largest economy in the region, contributes the highest share of subscribed capital at almost 35% and Swedish counterparts constitute the largest share of NIB's current loan portfolio at 28%, as of 31 December 2024.

NIB's dual policy mandate is to provide funding to support productivity gains and environmental benefits in member states. Consequently, lending is concentrated in the key areas of environment and energy, infrastructure, transport and communication, and industry and services. Although NIB is not a profit-maximising institution, it has been consistently profitable over the past decade and charges market interest rates on its loans. In contrast to most MDBs, it typically distributes annual dividend payments to member state governments. Given NIB's mandate, lending is concentrated in the Nordic-Baltic region, with the share of loans outstanding in member countries accounting for 98% of the total at the end of 2024. The bank is an important source of long-term financing for borrowers from member countries.

Detailed credit considerations

Our determination of a supranational's rating is based on three rating factors: capital adequacy, liquidity and funding and strength of member support. For Multilateral Development Banks, the first two factors combine to form the assessment of intrinsic financial strength, as shown on the cover page graphic. Additional factors can affect the intrinsic financial strength, such as risks stemming from the operating environment or the quality of management. The strength of member support is then incorporated to yield a rating range. For more information please see our Supranational Rating Methodology.

FACTOR 1: Capital adequacy score: "a3"

Our capital adequacy score of "a3" balances NIB's comparatively weak capital position ("ba3"), which reflects its high leverage ratio, against its strong development asset credit quality (DACQ, with a score of "a") and excellent asset performance ("aaa").

NIB's leverage ratio is higher than that of most of its Aaa-rated peers, but has been declining since 2021

NIB's leverage ratio[1] was very high at 517% as of the end of 2024, leading to a comparatively low score of "ba3" for its capital position. The ratio rose from 2020 to 2021, peaking at 587%, due to the bank's record high disbursement of new loans in 2020. It returned to below 2016 levels in 2024 (Exhibit 3).

NIB is one of the most highly leveraged MDBs that we rate and its leverage has also increased substantially from around 500% in 2014-15. The bank's leverage ratio is more than double the Aaa-rated MDB median. However, its leverage has been declining steadily in the past few years and it remains below the 622% leverage ratio of Aaa-rated peer the European Investment Bank (EIB, Aaa stable) in 2023 (Exhibit 4).

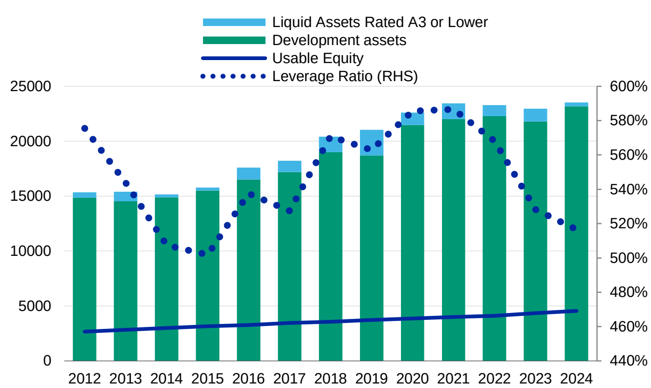
Lending picked up in 2024, with newly disbursed loans reaching €4.4 billion for the full year, the second largest volume of disbursements in the Bank's history, after the all-time high of close to €5 billion in 2020. Alongside lower amortisations and prepayments compared to 2023, the increase in lending drove the value of outstanding loans higher to €23.4 billion in 2024, from €21.9 billion in 2023. We expect the leverage ratio to stabilise or slightly increase in 2025, as we expect loan disbursements to remain at around the same level as in 2024 and the Bank anticipates repayments of loans at around €2.4 billion.

NIB is a profit-making institution and although it distributes dividends to its shareholding governments, its robust track record of profitability has allowed it to consistently generate retained earnings that bolster its capital base and moderate the increase in leverage. Usable equity grew at an average annual rate of 4.2% from 2017 to 2024 against an average annual growth rate for the combined portfolio of gross loans and liquid assets rated A3 or below of 3.8% over the same period.

Exhibit 3

NIB's leverage ratio has been declining since 2021...

Leverage ratio = (Development assets + Treasury assets rated A3 and lower) / Usable equity, %

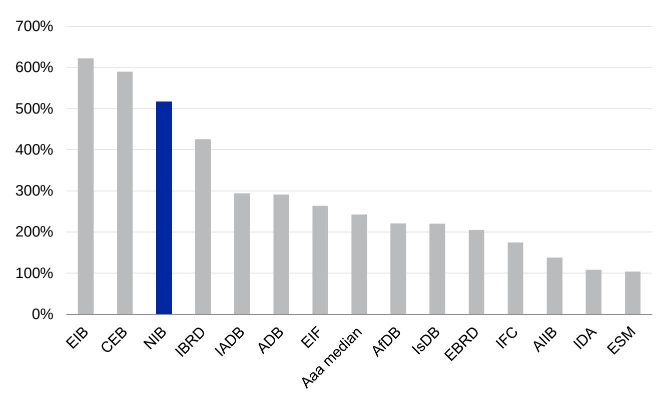


Sources: NIB and Moody's Ratings

Exhibit 4

...but remains high compared to peers

Leverage ratio



2024 leverage ratio for NIB, AIIB, IADB, IBRD, IDA, IFC; 2023 leverage ratio for all remaining MDBs.

Sources: NIB and Moody's Ratings

NIB's asset quality and performance are among the strongest of the MDBs we rate

NIB receives a strong score of "a" for its development asset credit quality (DACQ), the second sub-factor of the capital adequacy rating factor. The bank's weighted average borrower rating, the starting point of our DACQ assessment, was "baa2" at the end of 2024 and is among the strongest of the MDBs we rate. The median weighted average borrower rating for Aaa-rated MDBs is "B1", with the median DACQ score at "baa" (Exhibit 5).

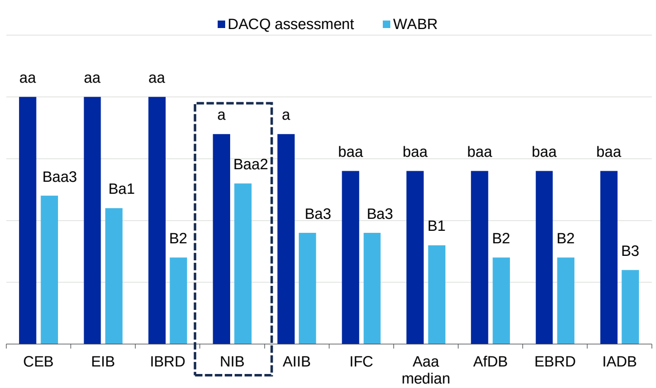
More than 95% of NIB's lending exposure is concentrated in the benign operating environment of the Nordic-Baltic region of its member states. Furthermore, relatively highly rated public sector borrowers account for around 23% of NIB's lending portfolio, with local and regional governments a key sector of lending growth in recent years. On the whole, the expansion in NIB's portfolio since 2015 has remained concentrated in its lowest risk classes, supporting the comparatively high asset quality of its portfolio, with over 90% of lending extended to investment-grade borrowers.

Country concentration, as measured by the Herfindahl-Hirschman Index, is relatively high at 19% compared to the Aaa median of 7%, while sector concentration at 21% is in line with the Aaa median of 20%. These attributes and the absence of any equity investments in NIB's development asset portfolio contribute to our assessment of its DACQ score at "a". To limit concentration risks, the bank's lending to a single project generally does not exceed 50% of the total cost of the project (for small and mid-sized enterprise financing this limit is set at 75%).

Although NIB often provides unsecured loans, almost all of its lending enjoys some form of credit enhancement. Out of NIB's total loan portfolio at the end of 2024, 23% was granted directly to or guaranteed by member countries or local authorities, while 27% was granted to or guaranteed by companies owned (50% or more) by member countries or local authorities in member countries. The remainder of the loan portfolio has some form of protection through collateral, guarantees or covenants.

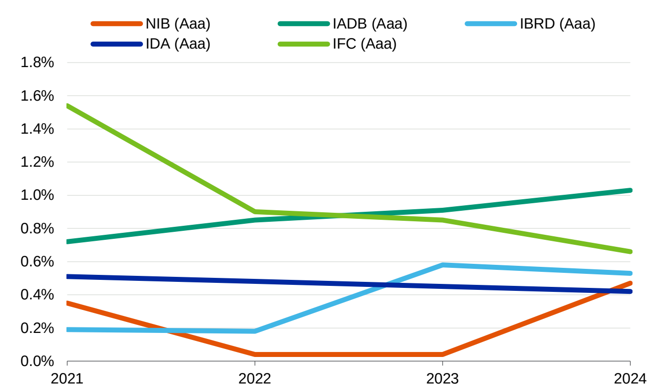
The key ratio we consider in assessing NIB's asset performance is the level of nonperforming assets relative to total development related assets, which, despite an increase in 2024, remained low at 0.5%, leading us to assign a "aaa" score for the bank's asset performance (Exhibit 6). For comparability across institutions, we standardise the numerator of the nonperforming assets ratio to include loans with interest or principal payments that are 90 days or more overdue.

Exhibit 5
NIB's asset quality is among the strongest of all MDBs...



WABR = Weighted Average Borrower Rating
DACQ= Development Asset Credit Quality
Source: Moody's Ratings

Exhibit 6
...as is its asset performance ratio
Non-performing assets (NPAs), as % of total development related assets



Source: Moody's Ratings

The bank's track record of very strong asset performance is underpinned by its prudent risk management framework, which supports our positive one-notch adjustment to its intrinsic financial strength score on account of the quality of management (see "Qualitative adjustments" section). Additionally, NIB usually cooperates with other IFIs to benefit from their expertise in specific foreign markets to minimise lending risks in non-member states, although it is in this environment where its nonperforming assets have historically arisen.

FACTOR 2: Liquidity and funding score: "aa1"

Our assessment of NIB's liquidity and funding position at "aa1" reflects the combination of its ample liquid resources and excellent quality of funding.

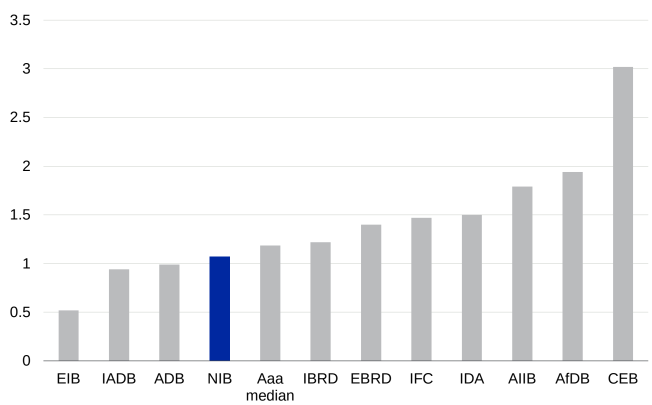
NIB has strong liquidity buffers and follows international banking standards in managing liquidity risk

Liquidity plays an important role in the credit assessment of MDBs because, with the exception of EIB, they are not eligible for emergency funding from central banks. Our key metric for the assessment of an MDB's liquidity is the availability of liquid resources (ALR) ratio, which measures an entity's discounted liquid assets against expected net cash outflows over the ensuing 18-month period. Based on end-2024 figures, this ratio was 107.3% for NIB, a fall from 113.5% a year before and below the Aaa-rated median of 119% (Exhibit 7).

NIB also has an internal requirement to maintain sufficient liquid resources to meet all operating and refinancing requirements for the ensuing 12-month period (with a minimum requirement of nine months), even under severe stress. NIB's so-called survival horizon fell to 407 days at the end of 2024, from 461 days a year earlier. NIB's liquidity buffer amounted to €17.2 billion at the end of 2024, an increase from €14.7 billion in 2023. At the end of 2024, 42% of the liquidity buffer was held as cash or in short-term money market instruments, with the remainder in longer maturity assets. 98% of assets in the liquidity buffer had a rating corresponding to Aa3 or above as of end-2024, while 91% met the standard of high-quality liquid assets under the Basel III definition.

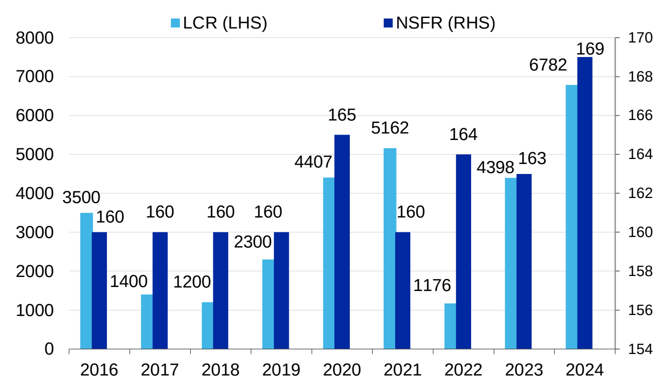
NIB's internal liquidity risk management also covers two prudential ratios, which are embedded in the Basel Accords: the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). The LCR covers a 30-day period and the NSFR one year, and both must be at or above 100%. At the end of 2024, NIB's LCR was 6,782%, significantly above the 2023 value of 4,398%. Its NSFR likewise increased in 2024 to 169% compared to 163% at the end of 2023 (Exhibit 8). NIB's adherence to such international banking standards supports the positive one-notch adjustment we make to its intrinsic financial strength score on the basis of the quality of the bank's management (see "Qualitative adjustments" section).

Exhibit 7
NIB's availability of liquid resources is in line with Aaa peers
Availability of liquid resources ratio



Sources: NIB and Moody's Ratings

Exhibit 8
It also exceeds the key Basel III liquidity targets
%



LCR=liquidity coverage ratio, NSFR=net stable funding ratio
Source: NIB and Moody's Ratings

NIB's funding is raised in a broad mix of currencies and maturities from a diverse invester base

We score NIB's quality of funding at "aaa", reflecting its established market presence, with funding consistently raised at low cost in a mixture of currencies and maturities from an investor base that is diversified by both geography and type. The bank's access to funding is strong, partly because demand for its securities is supported by their classification under the Basel III framework as high quality liquid assets, which implies a zero risk weight. NIB securities are also eligible for central bank repo transactions in several major jurisdictions.

NIB's outstanding debt had a book value of €35.8 billion at the end of 2024, up from €26.7 billion at the end of 2019, with the increase in debt driven by the bank's significant increase in lending in 2020 and 2024. The bank typically follows a strategy of creating US dollar-denominated benchmark liabilities while simultaneously maintaining broad investor and currency diversification. Consequently, around 35% of outstanding debt is denominated in US dollars, followed by funding in euros (24%), the Nordic currencies (15%) and pound sterling (13%). The bank uses swaps extensively to better match its funding to its lending requirements and to mitigate exchange and interest-rate risks. After accounting for swaps, 46% of the bank's funding is in the Nordic currencies and 45% in euros, with the share of dollar funding reduced to 9%.

In 2011, NIB began issuing NIB Environmental Bonds (NEBs), which allow investors to provide funds for lending that meets the bank's highest criteria in the fulfillment of its environmental mandate. NEBs have helped NIB to diversify its investor base further, because demand for the bonds from asset managers and pension and insurance funds in particular is typically higher than for the bank's ordinary debt issuances. In 2024, the NIB issued a record €1.7 billion of NEBs, an increase from €757 million in 2023. In February 2019, NIB listed its inaugural blue bond for water management and protection on Nasdaq Stockholm — the first blue bond to be listed on the Nasdaq Sustainable Debt Market. Moreover, to fund the increase in lending driven by the outbreak of the coronavirus, NIB issued two so-called Response Bonds in 2020.

Qualitative adjustments to intrinsic financial strength

Operating environment

We do not apply a negative adjustment for NIB's operating environment. Although there is a high degree of correlation between the bank's member states and its assets that could pose a risk in the event of a synchronised shock, the Nordic-Baltic region is on the whole characterised by a high degree of political stability, a supportive institutional environment and high degree of economic diversification, both within and among member states, which provide for a benign operating environment for the bank.

Quality of management

We apply a one-notch upward adjustment for NIB's quality of management. NIB has long committed to following relevant international banking standards such as those of the EU and European Banking Authority and the Basel Accords in its operations. Under the update to the bank's statutes adopted in 2020, NIB remains formally committed to follow "sound banking principles" in its operations.

The bank publishes a risk appetite statement and updated risk management policies annually, approved by the member states through its representatives on the board of directors. Under NIB's updated statutes, lower limits for capital adequacy, leverage and liquidity are set by the bank's board of governors and board of directors, to set the parameters for the level of risk they wish to see NIB take on in its operations. Monitoring of compliance with these limits is done by the internal risk management function which via the Board of Directors reports to the bank's control committee, its monitoring body composed of member state representatives, which is responsible for monitoring NIB's adherence to the statutes in its operations.

While all bank units are responsible for the implementation of these policies (first line of defense), the bank's independent risk and compliance department, headed by a dedicated chief risk officer, operates as a second line of defense that is responsible for bank-wide monitoring and reports both to the bank's internal Asset, Liability and Risk Committee, the Board of Directors and the Control Committee. The risk department carries out independent measuring, monitoring and reporting of the bank's credit risk, market risk, liquidity risk and operational risk, as well as capital and liquidity adequacy. It also provides independent credit opinions on individual transactions and provides recommendations to the Mandate, Credit and Compliance Committee and Board of Directors, as relevant. The bank's internal audit unit functions as a third line of defense, evaluating the controls and risk management processes put in place throughout the bank.

The bank's holistic internal capital adequacy assessment process aims to ensure that NIB holds sufficient levels of capital and liquidity given the risk taken on in its lending and treasury activities. Portfolio risk is assessed using an economic capital model. NIB also conducts regular stress tests to assess the resilience of the bank under adverse economic scenarios. All credits are evaluated and rated on an internal 20 grade credit scale, with all credit exposures being subject to continuous monitoring of contractual compliance and any signs of a material change in risk. Large and high-risk exposures are subject to more thorough and frequent in-depth analysis.

NIB's strong commitment to sound banking principles throughout the institution has allowed it to build a track record of very strong asset performance and has helped it weather periods of macroeconomic and financial market turbulence such as the global financial crisis and the coronavirus pandemic, as well as heightened geopolitical risks without a significant negative impact on its credit profile.

FACTOR 3: Strength of member support score: Very High

We score strength of member support “Very High”. Contractual support in the form of callable capital is relatively limited, but NIB’s weighted average shareholder rating of “aa1” is one of the highest of the MDBs we rate (Exhibit 9). We also assign a “Very High” score for member states' willingness to support NIB over and above their contractual obligations, given the importance of the bank in promoting key economic and environmental policy goals in the member states' home jurisdictions.

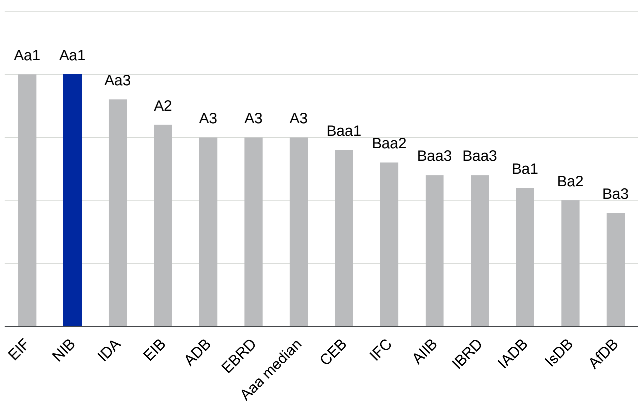
The ability of NIB's member states to support the institution is very strong

We consider the ability of NIB’s members to support the bank to be very strong, based on their “aa1” weighted average shareholder rating, which is among the highest of all the MDBs we rate. Aaa-rated members Sweden, Denmark and Norway provide 77% of NIB’s paid-in capital, while Aa1-rated Finland provides an additional 18%. Iceland and the Baltic states, which together account for around 5% of NIB’s paid-in capital, are all rated in the single A category.

Exhibit 9

NIB's shareholder base is very strong

Weighted average shareholder rating

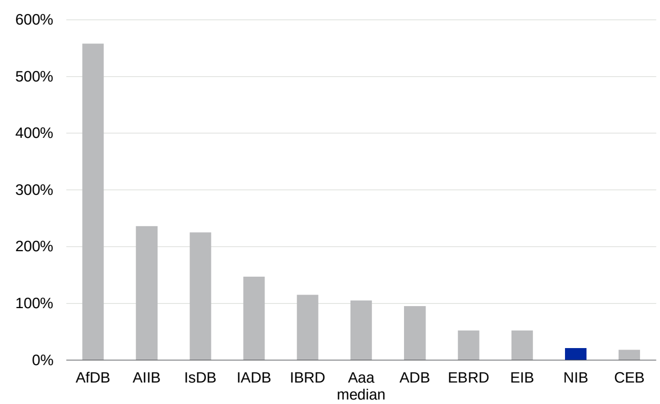


Source: Moody's Ratings

Exhibit 10

NIB's ratio of callable capital to debt is low compared to peers

Callable capital, percentage of total outstanding debt



Source: Moody's Ratings

Callable capital is relatively limited but benefits from a strong enforcement mechanism

We score NIB's contractual support at “ba2” based on its relatively low share of callable capital to total debt of 21.0% in 2024, which is much lower than the Aaa-rated median (Exhibit 10). Callable capital currently accounts for 90% of NIB's subscribed capital, with the remaining 10% provided by paid-in capital.

We include a one-notch upward adjustment to our assessment of contractual support to reflect the very strong enforcement mechanisms in place to ensure that capital would be swiftly and reliably paid if called upon. According to NIB's constituent documents, capital can be called to the extent that the board of directors deems necessary for the fulfilment of the bank’s debt obligations. Although the timeline for payments is not specified in the bank's statutes, the timelines have been confirmed in writing through formal legal opinions with the relevant ministries of member countries. Taking account of country-specific procedures and capital commitments, we estimate that payment of over half of callable capital would take place within one month and close to 80% within six months.

NIB's importance in meeting member states' policy goals supports a very high level of non-contractual support

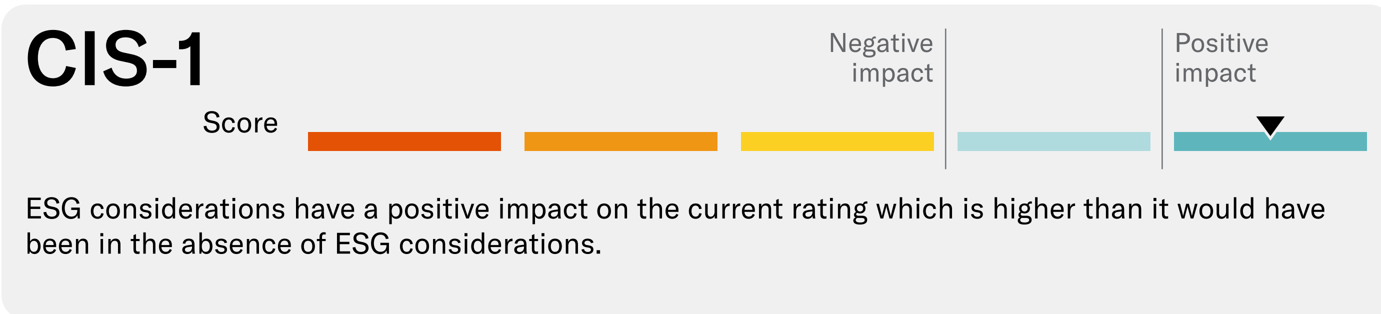
NIB’s score for non-contractual support is assessed as “Very High” on the basis of an established track record of shareholders' willingness to provide financial support to the bank, as well as NIB's importance in supporting economic development and environmental objectives in the countries of the shareholding governments.

Members' willingness to support NIB has, for instance, been demonstrated by the provision of an additional €2 billion in authorised capital in 2011 and the effective implementation of the requisite procedures under the calls of two guarantees under the MIL facility in 2014 and 2016. Given NIB's relatively small scale and the extremely strong creditworthiness of its shareholders, it is highly likely that the shareholders would be in a position to provide financial or other support in an emergency. The regional concentration and limited number of member states would also likely facilitate any emergency intervention, if needed.

ESG considerations

Nordic Investment Bank's ESG credit impact score is CIS-1

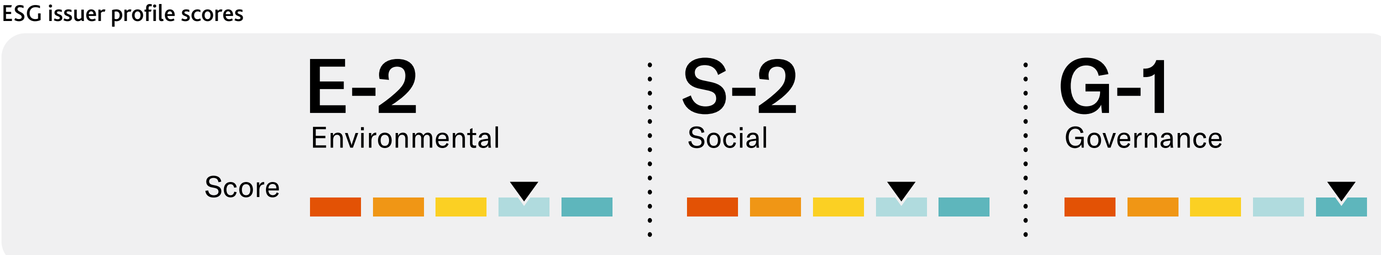
Exhibit 11
ESG credit impact score



Source: Moody's Ratings

The NIB's **CIS-1** indicates that the credit rating is higher than it would have been in the absence of ESG considerations. This notably reflects a very strong governance profile that we consider to be a positive feature of NIB's rating, as well as its limited exposure to environmental and social risks. The positive credit impact of ESG is underpinned by the very strong support and governance profiles of its Nordic-Baltic shareholder governments, which support the bank's resilience to environmental and social risks that could potentially evolve in the future.

Exhibit 12
ESG issuer profile scores



Source: Moody's Ratings

Environmental

The NIB's **E-2** environmental issuer profile score is in line with the sector median and reflects limited exposure to environmental risks. This assessment is based on the bank's limited direct exposure to environmental risks across all five environmental risk categories, reflecting the generally low environmental risks in the bank's main Nordic-Baltic operating environment. Given its mandate of supporting a prosperous and sustainable Nordic-Baltic region, NIB pays close attention to making a beneficial environmental impact through its lending and has established a thorough process for project evaluation, which is also subject to regular reviews. The bank has also specified climate targets for eight sectors which it aims to achieve by 2030.

Social

The NIB's **S-2** social issuer profile score is in line with the sector median and signals a neutral impact from social risk exposure considerations on the bank's issuer profile. NIB enjoys strong customer relations with its borrowers. Moreover, meeting productivity objectives, together with environmental ones, has been part of NIB's dual mandate since its inception, which supports our assessment of responsible production. The bank aims to promote technological progress and innovation as well as human capital development with its funded projects.

Governance

We consider NIB's very strong governance framework to be a positive feature of its issuer profile, which is reflected in a **G-1** governance issuer profile score. The bank's very strong financial strategy and risk management as well as management credibility and track record are core strengths. The strong emphasis placed on risk management within all parts of the organization has also allowed the bank to build a strong track record of low loan-losses and a near zero non-performing asset ratio.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

All of these considerations are further discussed in the “Detailed credit considerations” section above. Our approach to ESG is explained in our cross-sector methodology General Principles for Assessing Environmental, Social and Governance Risks. Additional information about our rating approach is provided in our Supranational Rating Methodology.

Recent developments

New lending disbursements picked up in 2024 to second highest level in NIB's history

New lending disbursed in 2024 stood at €4.4 billion, up from a €3.4 billion in 2023. This represented the second highest volume of disbursements in the Bank's history after the €5 billion disbursed in 2020. Alongside lower amortisations and prepayments compared to 2023, the higher disbursement volume drove an increase in outstanding loans to €23.4 billion, from €21.9 billion in 2023. The loan portfolio had previously been stable at around €22 billion since 2020. Despite the growth of the loan book, the NIB's leverage ratio continued to improve in 2024, albeit from a high level, declining to 517% from 528% in 2023, due to a 5% increase in usable equity, driven by retained profits, and a reduction in treasury assets rated below A3, which we include in our definition of development-related assets.

The bank's credit portfolio remains strong with the non-performing assets ratio at 0.5% in 2024, albeit an increase from 0.0% in 2023 due to two loans totaling €130 million being moved into Stage 3. Provisions for expected loan losses increased to €70 million from €66 million in 2023, representing 0.3% of gross loans. However, no losses were realized during 2024.

About 11% of the bank’s total lending is to the three Baltic states, which are more susceptible to geopolitical event risk. The NIB's largest exposures to the Baltics comprise public transport companies and two (out of three originally) loans extended to the Baltic sovereigns as part of the bank’s pandemic response in 2020. Nevertheless, we do not expect a material weakening in NIB's overall asset quality or performance unless there is a further sharp escalation in geopolitical risks that directly affect the Baltic states.

Profitability continued to improve in 2024, driven by net interest income

Core net interest income earnings reached a second consecutive all-time high in 2024 of around €332 million, from €299 million in 2023, driven by higher net income from both lending and treasury activities. The Bank's overall profitability improved modestly to €256 million in 2024, from €251 million in 2023, with higher net interest income offset by a €17 million net loss on financial operations driven by the valuation of interest rate risk hedges. The Bank expects this unrealized loss to eventually fully reverse. In line with its policies, NIB paid €76 million in dividends to member countries for the year 2024, equal to a pay-out ratio of 30% of net profit. Operating income and expenses have grown at similar rates, with the latter due to increased staff costs.

The Bank's capital and liquidity metrics are comfortably above statutory requirements. The NIB’s survival horizon stands at 407 days at the end of 2024, above its target of 12 months, indicating that the liquidity buffer is sufficient to survive under stressed market conditions meeting all payment obligations and continuing to carry out lending operations without access to new funding for longer than a year. The largest treasury exposures are to European sovereigns, supranationals, and Nordic banks.

NIB raised €9.1 billion in funding in 2024 compared to €7.2 billion in 2023, with 30% issued in euros, 28% in US dollars, 11% in Norwegian krone and 11% in British pounds. Central banks and bank treasuries continued to be the primary investor base for NIB’s US dollar benchmark issuances. NIB issued a total of €1.7 billion in environmental bonds in 2024, a record amount for the Bank. The Bank intends to raise €8.5-9.5 billion in 2025, of which it had already raised €2 billion by March.

Rating methodology and scorecard factors: Nordic Investment Bank - Aaa stable

Factor / Subfactor	Metric	Initial score	Adjusted score	Assigned score
Factor 1: Capital adequacy (50%)			a3	a3
Capital position (20%)			ba3	
	Leverage ratio	ba3		
	Trend	0		
	Impact of profit and loss on leverage	0		
Development asset credit quality (10%)			a	
	DACQ assessment	a		
	Trend	0		
Asset performance (20%)			aaa	
	Non-performing assets	aaa		
	Trend	0		
	Excessive development asset growth	0		
Factor 2: Liquidity and funding (50%)			aa1	aa1
Liquid resources (10%)			a1	
	Availability of liquid resources	a1		
	Trend in coverage outflow	0		
	Access to extraordinary liquidity	0		
Quality of funding (40%)			aaa	
Preliminary intrinsic financial strength				aa3
Other adjustments				+1
Operating environment		0		
Quality of management		+1		
Adjusted intrinsic financial strength				aa2
Factor 3: Strength of member support (+3,+2,+1,0)			High	Very High
Ability to support (50%)			Aa1	
	Weighted average shareholder rating	Aa1		
Willingness to support (50%)				
	Contractual support (25%)	ba3	ba2	
	Strong enforcement mechanism	+1		
	Payment enhancements	0		
	Non-contractual support (25%)		Very High	
Scorecard-Indicated Outcome Range				Aaa-Aa2
Rating Assigned				Aaa

Note: Our ratings are forward-looking and reflect our expectations for future financial and operating performance. However, historical results are helpful in understanding patterns and trends of an issuer's performance as well as for peer comparisons. Additional considerations that may not be captured when historical metrics are used in the scorecard may be reflected in differences between the adjusted and assigned factor scores. Furthermore, in our ratings we often incorporate directional views of risks and mitigants in a qualitative way. For more information please see our Multilateral Development Banks and Other Supranational Entities rating methodology.

Related websites and information sources

» Moody's Supranational web page

» Moody's Sovereign and supranational rating list

» Nordic Investment Bank

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Endnotes

1 The bank's development assets (that is, its lending portfolio) and its liquid treasury assets rated A3 or below against its usable equity.

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