

Financial statement

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Finnish, Icelandic, Norwegian, Swedish
(+358 9 1800 294)**Good results 2003—three new member countries**

The Nordic Investment Bank's (NIB) results for the year 2003 were good. Profits amounted to EUR 151 million, compared with EUR 142 million in 2002. Net interest income rose to EUR 155 million during the year, compared with EUR 150 million in 2002. At year-end, total assets amounted to EUR 16.7 billion. Net liquidity amounted to EUR 2,744 million. The Board of Directors proposes that EUR 41.3 million be paid as a dividend to the Bank's owners, the Nordic countries, for year 2003.

Disbursements of new loans rose to EUR 1,841 million in 2003, compared with EUR 1,648 million in 2002. Loans agreed in 2003 amounted to EUR 1,859 million (2002: 1,807). Loans outstanding at year-end totalled EUR 10,522 million (10,110).

The year's new borrowing amounted to EUR 3,258 million (3,320). ^{Den} ^{ute} Outstanding borrowings amounted at year-end to EUR 13,087 million (13,150). NIB carried out its second USD 1 billion global issue under a global borrowing programme.

The Bank's loan portfolios and financial counterparties maintain their high quality. During the period under review, new specific provisions for possible loan losses in a total amount of EUR 1 million were recognised in the Profit and Loss Account. Taking into account the reversals of previously made provisions for loan losses, the net result is a EUR 0.3 million positive effect on the profit.

Baltic countries join NIB

NIB's membership will be widened when Estonia, Latvia and Lithuania become members of the Bank in 2005. On 11 February 2004 representatives of the Nordic and Baltic countries' governments signed a new Agreement on NIB, effecting the membership of Estonia, Latvia and Lithuania.

At the meeting of Nordic Prime Ministers in June 2003, the five heads of government agreed to invite the three countries to become members of NIB. The negotiations, conducted under the auspices of the Nordic and Baltic Ministers of Finance and Economy, were completed at the turn of the year, resulting in a new Agreement and new Statutes for the Bank. After national ratification during 2004 the three Baltic countries are expected to become members of NIB from 1 January 2005.

According to the Agreement Estonia, Latvia and Lithuania will become members of NIB on an equal footing with the present five members, Denmark, Finland, Iceland, Norway and Sweden. All members will have the same rights and obligations as under the current NIB Agreement.

The Baltic membership is a milestone in the history of the Bank and in the cooperation between the Nordic countries and Estonia, Latvia and Lithuania.

Project financing

NIB participated in the financing of 62 investment projects and loan programmes in the Nordic countries. A large proportion of these loans related to cross-border acquisitions and company establishments. Financing of environmentally friendly energy investments accounted for almost one third of the year's disbursements.

At present NIB has loans outstanding in 31 countries outside the Nordic area. During the year the Bank entered into 26 new international loan agreements. The international lending continued to be dominated by loans to infrastructure investments, particularly within the energy, transport and telecommunications sector. Lending to the Baltic countries increased sharply during the year, above all as regards financing of infrastructure investments in the energy sector, as well as municipal investments.

The Bank's owners decided to increase the Project Investment Loan facility (PIL) for lending outside the membership area from EUR 3.3 billion to EUR 4 billion from 1 July 2004. The decision expands the Bank's lending capacity and possibilities to grant loans outside the Nordic countries.

Environmental financing

Financing environmental investments is one of the cornerstones of NIB's lending operations. As per 31 December 2003 the Bank's total environmental exposure amounted to EUR 2,014 million. A great part of the loans has been granted to environmental projects in the Nordic countries and their neighbouring areas. During the year, 22 new environmental loans for a total of EUR 379 million were granted. Among its loans in the Nordic countries in 2003, NIB granted loans to five companies in the pulp and paper industry for various environmental investments, such as improved wastewater treatment, replacement of recovery boilers and installation of smoke particle filters. Environmental loans were also made to an oil refinery for utilising biofuel, to a wind power station, to investments in a geothermal power station, and to energy-saving measures in district heating systems.

NIB's Financial Statement for 2003 is published on 15 March 2004 on <http://annual.nib.int>

Key figures

(in EUR million)	2003	2002
Net interest income	155	150
Profit	151	142
Loans disbursed	1,841	1,648
Loans agreed	1,859	1,807
Loans outstanding	10,522	10,110
New debt issues	3,258	3,320
Debts evidenced by certificates	13,087	13,150
Net liquidity	2,744	2,947
Total assets	16,666	15,948
Equity/assets ratio (%)	9.9	9.7
Profit/average equity (%)	9.5	9.5
Number of employees	147	144

NIB is a multilateral financial institution owned by the five Nordic countries. The Bank finances investment projects of mutual interest to the borrower and the member countries. NIB has the highest possible credit rating, AAA/aaa, with the leading rating institutions Standard & Poor's and Moody's.

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