

PRESS RELEASE**Financial statement**

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Available in Danish, English, Estonian, Finnish, Icelandic, Latvian, Norwegian, Swedish.

<http://www.nib.int/news/press.html>**NIB's lending in demand on growth markets in 2006**

The Nordic Investment Bank (NIB) continued expanding on growth markets both in Northern Europe and in other parts of the world. NIB marked its 30-year anniversary and introduced a revised strategy, emphasising the Bank's role in long-term lending for projects that strengthen competitiveness and enhance the environment. The operational results for 2006 showed stable growth.

Results 2006

NIB's net interest income rose to EUR 179 million in 2006, up 6% year-on-year. The increase was mainly a result of larger average volumes of loan assets, thanks to a high level of loan disbursements during 2005. The Bank's profit amounted to EUR 137 million, down from EUR 165 million the year before. The decline in profit was due to market value movements on the trading portfolio, caused by the increase in international interest rates.

The credit quality of the Bank's various portfolios has remained very good. No credit losses were recognised during the year. The Board of Directors proposes that EUR 50 million be paid as dividends to the Bank's member countries.

NIB's lending activities in 2006 were mainly affected by high liquidity in the financial markets, which resulted in lower demand for loans. The total amount of loans agreed decreased, while the amount of loans disbursed normalised after the extraordinarily high figures of 2005. The total amount of new loan agreements was EUR 1.6 billion (2005: EUR 2.6 billion). Loan disbursements in 2006 amounted to EUR 1.6 billion (2.1). The Bank's portfolio of loans outstanding and guarantees remained stable, totalling EUR 11.6 billion at the end of the year.

New borrowing amounted to EUR 2.7 billion (2.1). The Bank successfully launched its fifth USD 1 billion global benchmark issue and the first of its Australian dollar transactions.

Lending

By 31 December 2006, NIB had loans outstanding in 36 countries in most of the world's growth regions. During the year, the Bank concluded 64 new loan agreements for projects in 19 countries. Of these, 27 agreements were with new clients. Of all new loan agreements concluded in 2006, environmental loans accounted for 14% and a total of 26% had a positive environmental impact.

In the member countries, the energy and water sector as well as the manufacturing industry accounted for the largest shares of new lending. Recognising the growing importance of transport and communication in Northern Europe, the value of the Bank's commitments in this sector increased by 28% compared to the previous year.

Lending outside the membership area was mostly focused on financing infrastructure investments. New loans in the energy and water sector in non-member countries grew by 17% year-on-year. The total amount of new lending in the manufacturing industry in non-member countries swelled by 48%. During the year, the Bank carried out particularly active lending in Russia, Brazil, China and Vietnam.

NIB's Financial Report for 2006 is available at <http://annual.nib.int>

Key figures

(in EUR million)	2006	2005
Net interest income	179	169
Profit	137	165
Loans disbursed	1,605	2,092
Loan agreements	1,575	2,616
Loans outstanding and guarantees	11,559	11,742
New debt issues	2,689	2,059
Debts evidenced by certificates	13,622	14,456
Net liquidity	3,224	3,101
Total assets	17,988	18,178
Equity/total assets (%)	11.2	10.7
Profit/average equity (%)	6.9	8.9
Number of employees	160	150

NIB is a multilateral financial institution owned by eight member countries: Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Bank finances private and public projects in and outside the member countries. NIB has the highest possible credit rating, AAA/Aaa, with the leading rating agencies Standard & Poor's and Moody's.

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