



NORDIC
INVESTMENT
BANK

FINANCING
THE
FUTURE

A photograph of two women in business attire standing on a balcony with a glass railing. The woman on the left is talking on a mobile phone, and the woman on the right is smiling and looking towards the left. The background is a large glass window reflecting the sky and buildings.

Q3

Interim
Management
Statement

JANUARY–SEPTEMBER
2023 [Unaudited]

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President and CEO's comments

It has been a busy period for NIB since our last interim report. In August, NIB strengthened its Baltic presence with a new office in Riga. The new office brings NIB closer to its Baltic stakeholders, supporting the Bank's strategic objectives to further enhance the outreach in the region. The opening is in line with NIB's strategy to help develop and increase investments in underserved market segments. By establishing a regional hub, NIB aims to expand its activities towards Baltic private sector companies.

It is of utmost importance for NIB to identify priorities of our member countries and how we can support them. During the quarter, we held several stakeholder meetings to explore that. Most importantly, we met with the finance ministers of Latvia, Finland, and Sweden. We also held NIB's Board of Directors' meetings after summer in Stockholm and Riga with external stakeholder seminars focusing on financing the green transition and the future of mobility.

To get feedback from our stakeholders is particularly valuable as we are facing large geopolitical challenges across the world also impacting our region. The interest rate hikes over the past 15 months are unprecedented in the developed world, and the developing world continues to face deep problems with foreign exchange denominated debt burdens – and with more borrowing needs looming. However, despite these dark clouds we should not lose sight of the need to accelerate the green transition and support new innovation that can increase productivity and growth.

In the first three quarters of 2023, a total of EUR 2,050 million was disbursed. Continued demand for NIB lending has allowed the bank to prioritise high impact projects. The focus on the green transition is evident in the environmental mandate result, the share of which is at historical highs for NIB. New loans included projects to accelerate the transition towards marine decarbonisation and renewable energy, and to strengthen the electricity distribution networks in the region. The productivity mandate fulfilment also remains high. Details of all new lending can be found [here](#).

Total assets at 30 September 2023 amounted to EUR 40 billion compared to EUR 41 billion at 30 September 2022. The total lending outstanding amounted to EUR 22 billion at 30 September 2023 compared to EUR 23 billion at 30 September 2022. The decrease was mainly attributable to significant foreign exchange impacts.

The net profit for the period January to September was strong and amounted to EUR 195 million compared to EUR 84 million in 2022. The increase in net profit is driven by higher net interest income and unrealised profits on financial operations. The underlying trend in core earnings has been improving from



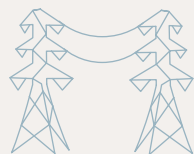
quarter to quarter since 2021 and the results on financial operations in the second and third quarter were better than the first quarter as the markets stabilised after the volatility in March. Net loan losses remain low and the expected loss provision on lending amounted to 0.3% of the lending exposure.

The Bank has raised EUR 6.7 billion in new funding in the first three quarters of 2023, including a five-year and a two-year global benchmark bond priced at attractive spreads over risk-free rates and both with large orderbooks. In September, NIB launched a five-year SEK 2 billion Environmental Bond. The proceeds from this transaction will be allocated to carefully selected projects that bring significant environmental benefits.

Finally, I would like to welcome our newest member of the Executive Committee, Hanna Pajunen who has been appointed Senior Director and Head of HR.

André Kүүsvek, President & CEO

Key figures and ratios



EUR **2.1** billion
lending disbursed



EUR **1.6** billion
lending signed



17.3%
cost/income ratio



EUR **195** million
net profit



99.8% of disbursed
loans fulfil our mandate to
a level of good or excellent



33.7% YoY increase
in net interest income

In millions of euro unless otherwise specified	Jan-Sep 2023*	Jan-Sep 2022*	YoY % change	Jan-Dec 2022
Net interest income	216	162	33.7%	219
Profit before loan losses	193	76	152.3%	136
Net profit	195	84	131.5%	139
Lending disbursed	2,050	2,883	-28.9%	3,705
New signed lending	1,637	2,613	-37.3%	4,114
% of loans achieving good or above mandate **	99.8%	98.8%	1.0%	99.2%
Lending outstanding	21,534	22,608	-4.8%	22,195
Total assets	40,238	41,490	-3.0%	39,280
New debt issues	6,741	8,070	-16.5%	9,630
Debts evidenced by certificates	32,049	33,019	-2.9%	31,595
Total equity	4,281	4,022	6.4%	4,101
Equity/total assets ***	10.6%	9.7%	9.7%	10.4%
Net profit/average equity ***	6.2%	2.8%	122.8%	3.4%
Cost/income ***	17.3%	33.8%	-48.9%	27.9%
Number of employees at period end	245	228	7.5%	228

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

** See page 9 for mandate fulfilment explanation

*** See page 19 for ratio definitions

Operating and financial review

Total comprehensive income

January–September 2023 compared to January–September 2022

NET PROFIT

The net profit for the period January–September 2023 amounted to EUR 195.4 million, which is EUR 111.0 million higher than the corresponding period in 2022. Total operating income increased significantly from EUR 115.2 million to EUR 232.7 million. Net interest income increased by EUR 54.5 million while net fee and commission income decreased by EUR 1.7 million. The net profit on financial operations increased from a loss of EUR 51.9 million to a gain of EUR 12.5 million. The financial markets have stabilised after the significant volatility in March due to the collapse of some regional US banks and Credit Suisse in Europe. A gain of EUR 2.9 million was recorded for net loan losses compared to a gain of EUR 8.1 million for the same period in 2022. There have been no realised loan losses year to date.

NET INTEREST INCOME

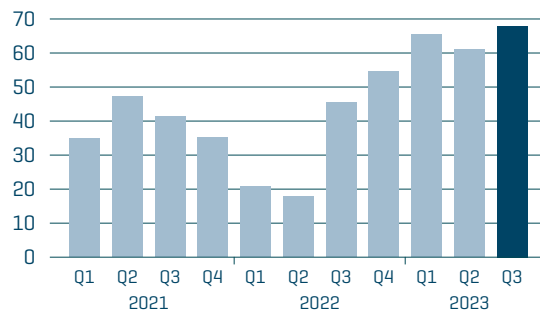
Net interest income for the period amounted to EUR 216.4 million compared to EUR 161.9 million in 2022. Net interest income on lending activities amounted to EUR 131.0 million and was EUR 7.2 million higher than in 2022 due to higher margins. The interest income on treasury activities increased from EUR 38.0 million to EUR 85.4 million as the liquidity buffer bond portfolios benefited from the increase seen in the market interest rate level. The outlook for net interest income remains positive for the rest of the year.

NET FEE AND COMMISSION INCOME

Net fee and commission income for the period January–September 2023 was EUR 3.8 million which was EUR 1.7 million lower than the same period in 2022.

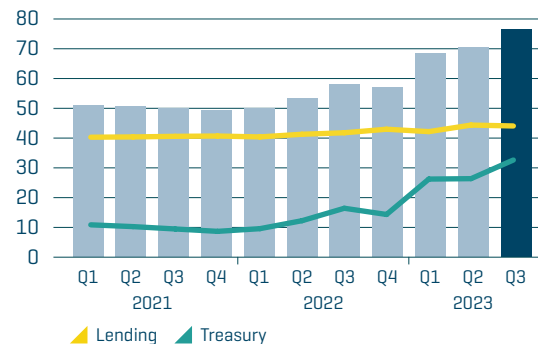
NET PROFIT

EUR m



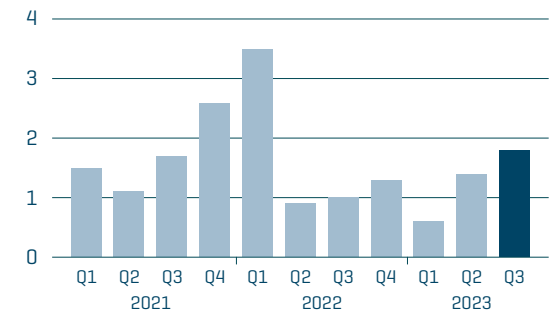
NET INTEREST INCOME

EUR m



NET FEE AND COMMISSION INCOME

EUR m



NET PROFIT/LOSS ON FINANCIAL OPERATIONS

The net profit on financial operations for the period ended 30 September 2023 amounted to EUR 12.5 million compared to a loss of EUR 51.9 million in the same period last year. The result comprised of unrealised profits of EUR 12.4 million and realised gains of EUR 0.1 million compared to unrealised losses of EUR 56.4 million and realised gains of EUR 4.5 million in 2022.

The unrealised valuation gains and losses on assets in the Bank’s liquidity portfolio arise from changes in credit spreads. The Bank maintains a liquidity portfolio, which it invests in high quality bonds. When credit spreads widen, this results in negative valuations on the bonds. In periods of financial turbulence credit spreads tend to rise, which also affects NIB’s high quality bonds. When the Bank holds the bonds to maturity, so that they are not sold based on the current exit market value, any valuation losses and gains are expected to reverse, as the bonds will settle at par.

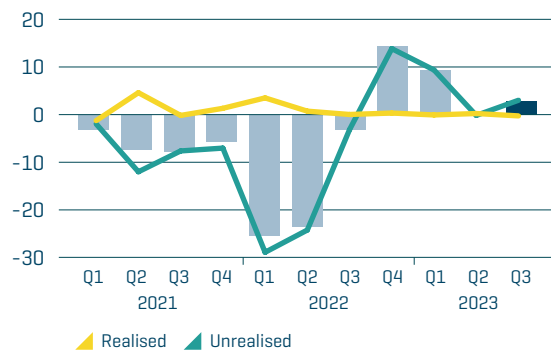
The unrealised valuation gains and losses on interest rate hedges are related to situations when the Bank raises funds with fixed rates or offers borrowers fixed rate loans, it hedges the resulting interest rate risk using swaps, in which the fixed rate is swapped to short term money market floating rates. The valuation of the swaps and underlying transactions may use different rates which might result in unrealised valuation gains and losses. It should be noted that as the Bank intends to hold these transactions to maturity these valuation gains and losses are expected to reverse in full.

TOTAL OPERATING EXPENSES

Total operating expenses amounted to EUR 40.2 million which is EUR 1.3 million higher compared to the corresponding period in 2022. The Bank’s main expenses comprise personnel costs, cost related to administration, IT and depreciation. Personnel costs of EUR 26.0 million were EUR 2.8 million higher in the first three quarters of 2023 compared to the same period in 2022 due to annual salary adjustments and a higher head count. The other operating expenses were EUR 1.5 million lower compared to the same period in 2022, due to decreased depreciation as some assets reached the end of their depreciable lives towards the end of 2022. The cost/income ratio for period January-September 2023 was 17.3% compared to 33.8% in the same period in 2022 and 27.9% for the full year 2022.

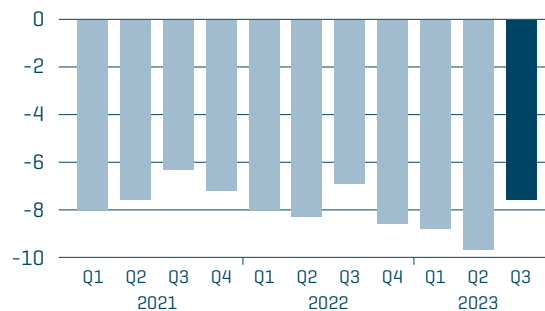
NET PROFIT/LOSS ON FINANCIAL OPERATIONS

EUR m



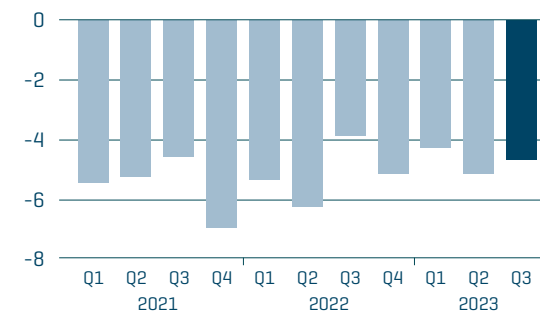
PERSONNEL EXPENSES

EUR m



OTHER OPERATING EXPENSES

EUR m



NET LOAN LOSSES

For the period ended 30 September 2023, the Bank has recorded a positive amount for net loan losses of EUR 2.9 million compared to a positive amount of EUR 8.1 million for the corresponding period in 2022. EUR 1.7 million of the gain recorded relates to performing loans and EUR 1.2 million relates to recoveries on fully impaired non-performing loans. The positive impact on performing loans is mainly due to some large prepayments and credit upgrades offset by downgrades. In general, there have been no significant observed changes in the credit quality of the overall loan portfolio and there were no new non-performing loans during the period and no realised losses.

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 gain of EUR 10.2 million for the nine month period ended 30 September 2023 compared to a loss of EUR 24.3 million in the same period last year.

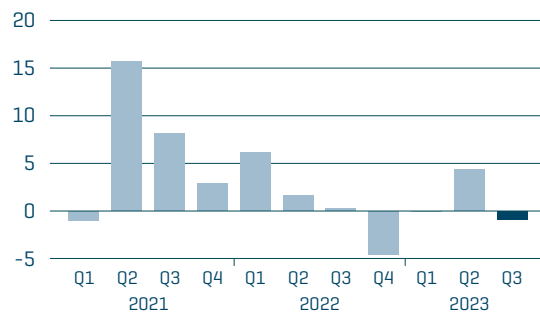
Financial liabilities recorded at fair value through the profit and loss, see valuation changes due to changes in own credit spreads need to be recorded in OCI. For the period ended 30 September 2023, the Bank recorded a negative impact from these changes of EUR 0.5 million compared to positive amount of EUR 3.0 million in 2022.

TOTAL COMPREHENSIVE INCOME

All in all, NIB had a significantly higher total comprehensive income in the nine months of 2023 compared to the same period in 2022. Total comprehensive income amounted to EUR 205.1 million compared to EUR 63.1 million in the same period of 2022.

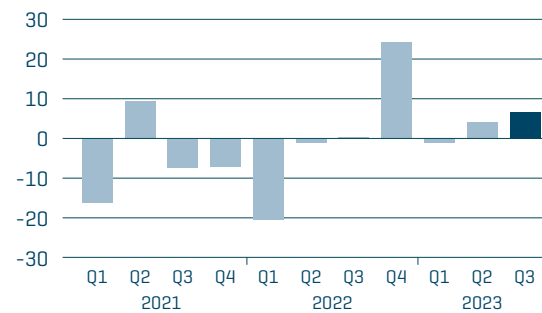
NET LOAN LOSSES

EUR m



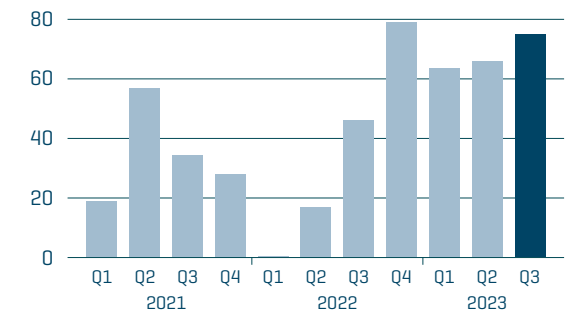
OTHER COMPREHENSIVE INCOME

EUR m



TOTAL COMPREHENSIVE INCOME

EUR m



Financial position

LENDING OUTSTANDING

The lending outstanding amounted to EUR 21,534 million. This comprises EUR 21,091 million of loans outstanding and investments of EUR 443 million in lending bonds recorded in debt securities. The total disbursements and investments during the period amounted to EUR 2,050 million, which is EUR 833 million lower than for the same period in 2022. More information regarding loans agreed can be found on our website at [signed loans](#). The large foreign exchange difference arises mainly from loans in the Nordic currencies which weakened against the Euro.

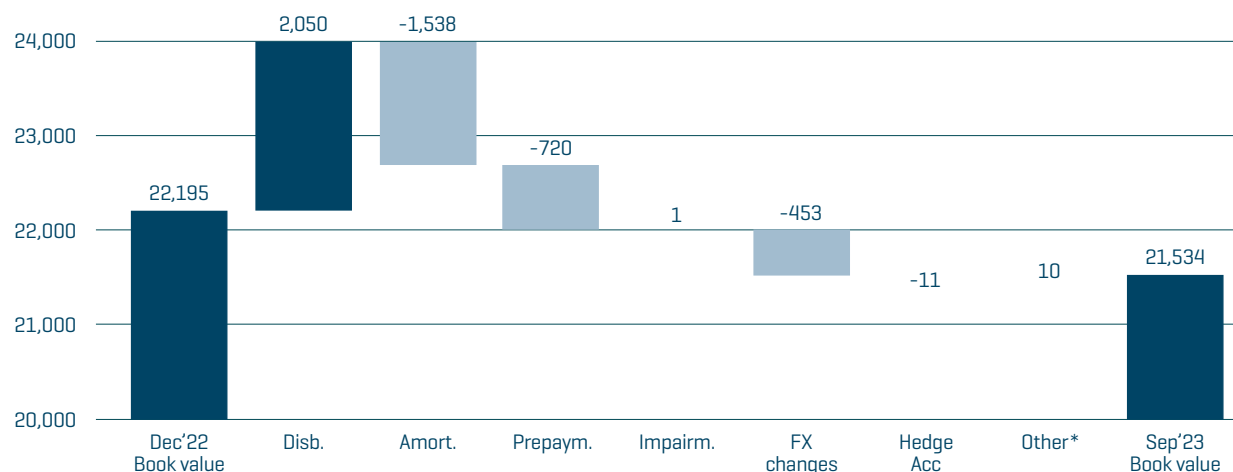
LENDING HIGHLIGHTS

in EUR millions, unless otherwise specified	Jan-Sep* 2023	Jan-Sep* 2022	2022	2021	2020	2019
New signed loans, excluding labelled bonds	1,584	2,480	3,936	1,683	5,632	3,185
New lending labelled bonds	54	132	178	169	34	131
Total lending disbursements	2,050	2,883	3,705	2,440	4,853	2,676
Number of new signed loans	33	36	54	36	59	55
Number of new lending labelled bonds	3	7	10	14	4	9
Lending outstanding	21,534	22,608	22,195	22,313	21,727	18,931
Member countries	21,247	22,202	21,837	21,827	21,098	18,055
Non-member countries	352	471	424	635	798	996
Expected credit loss provision for lending	-65	-65	-66	-150	-169	-119
Non-performing loans as a % of lending	0.04 %	0.04 %	0.05 %	0.35 %	0.33 %	0.42 %

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

DEVELOPMENT OF LENDING OUTSTANDING DURING 2023

EUR m



* Fair valuation of lending green bonds and hedging accounting.

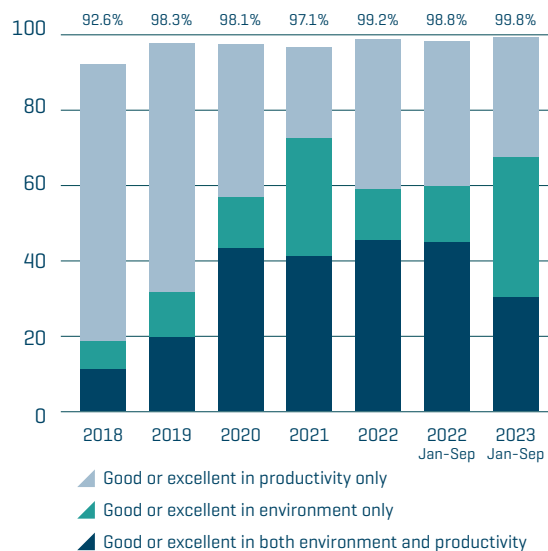
MISSION FULFILMENT

NIB's vision is for a prosperous and sustainable Nordic-Baltic region and the Bank has a dual mandate to provide lending that benefits the environment and/or improves productivity. All projects proposed for financing undergo an assessment of their potential impact on productivity and the environment of the member country area. The mission fulfilment is rated on a six-grade scale from "negative" to "excellent".

During the first nine months of 2023, projects achieving a "good" or "excellent" mandate rating accounted for 99.8% of the total amount of loans disbursed thereby exceeding the target of 95.0%. The focus on the green transition is evident in the environmental mandate result, which is at historical highs for NIB. The productivity mandate fulfilment also remains above target.

MISSION FULFILMENT RATING

% of loans disbursed



FUNDING

By the end of September, the Bank had raised EUR 6.7 billion in new funding which compares to EUR 8.1 billion in the same period last year. NIB's estimated funding plan for 2023 is EUR 7.0-8.0 billion.

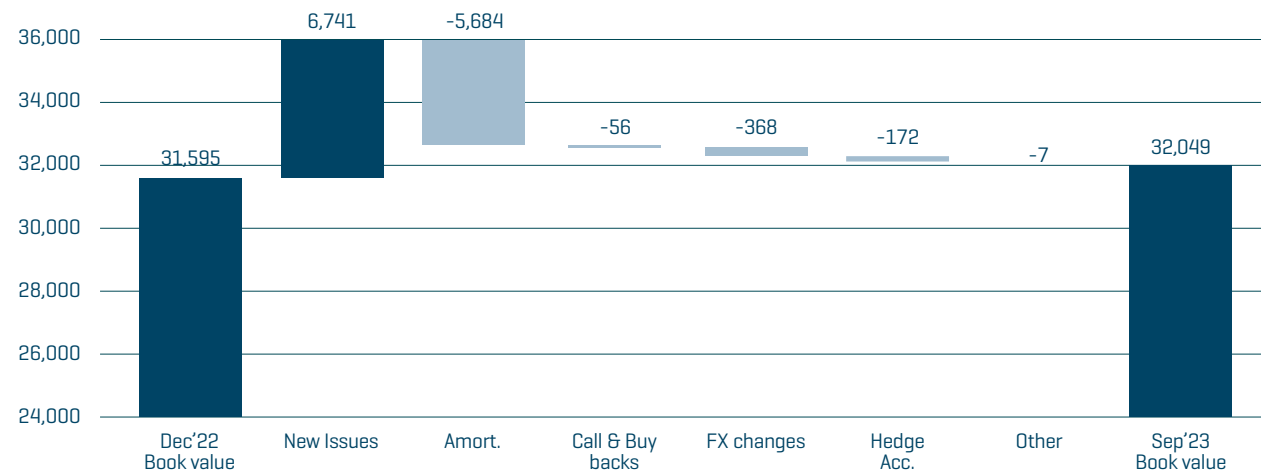
In September, NIB launched a two-year USD 1.0 billion global benchmark bond with over two-fold oversubscription and final orderbooks reaching USD 2.5 billion. Also, In September, NIB launched a five-year SEK 2.0 billion NEB. The proceeds from this transaction will be allocated to carefully selected projects that bring significant environmental benefits.

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

The large foreign exchange movement arises from funding in different currencies and especially the USD weakening against the Euro.

DEBT DEVELOPMENT DURING 2023

EUR m



Financial statements

Statement of comprehensive income

In thousands of euro	Note	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Interest income from financial assets measured at amortised cost		693,356	209,800	365,505
Interest income from financial assets measured at fair value		167,839	24,852	51,385
Interest expense		-644,799	-72,769	-197,617
Net interest income	[1]	216,395	161,883	219,272
Commission income and fees received		5,585	7,039	8,805
Commission expense and fees paid		-1,805	-1,562	-2,012
Net fee and commission income		3,780	5,477	6,793
Net profit/loss on financial operations	[2]	12,500	-51,893	-37,497
Foreign exchange gains and losses		37	-305	-214
Total operating income		232,712	115,162	188,353
Expenses				
General administrative expenses				
Personnel expenses		-26,000	-23,181	-31,764
Other administrative expenses		-11,112	-10,369	-14,544
Depreciation		-3,073	-5,318	-6,308
Total operating expenses		-40,185	-38,868	-52,616
Profit before loan losses		192,526	76,295	135,737
Net loan losses	[3] [4]	2,895	8,123	3,536
Net profit for the period		195,422	84,418	139,273
Other comprehensive income				
Items that will be reclassified to income statement				
Fair value hedges - valuation of cross currency basis spread		10,204	-24,279	-3,029
Items that will not be reclassified to income statement				
Changes in own credit risk on liabilities recorded at fair value		-512	2,970	6,103
Total other comprehensive income		9,692	-21,309	3,073
Total comprehensive income		205,113	63,109	142,346

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

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

Statement of financial position

In thousands of euro	Note	30 Sep 2023*	30 Sep 2022*	31 Dec 2022
Assets				
Cash and cash equivalents		2,495,353	2,288,925	2,078,406
Financial placements				
Placements with credit institutions		4,715,866	4,898,007	4,469,229
Debt securities		9,462,740	8,758,484	8,768,457
Other		4,853	4,184	4,532
		14,183,459	13,660,675	13,242,218
Loans outstanding	[5]	21,091,120	22,199,228	21,739,936
Intangible assets		11,374	8,154	8,704
Tangible assets, property and equipment		30,701	33,557	32,863
Other assets				
Derivatives		1,903,175	2,675,884	1,817,179
Other assets		55,020	364,000	34,904
		1,958,195	3,039,884	1,852,083
Accrued interest and fees receivable		467,403	259,162	325,374
Total assets		40,237,605	41,489,585	39,279,583

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In thousands of euro	Note	30 Sep 2023*	30 Sep 2022*	31 Dec 2022
Liabilities and equity				
Liabilities				
Short-term amounts owed to credit institutions		787,029	1,257,641	689,120
Debts evidenced by certificates	[6]	32,048,556	33,019,432	31,595,081
Other liabilities				
Derivatives		2,607,003	2,616,651	2,539,630
Other liabilities		185,650	370,671	89,958
		2,792,654	2,987,321	2,629,588
Accrued interest and fees payable		328,269	203,444	264,811
Total liabilities		35,956,508	37,467,838	35,178,600
Equity		4,281,096	4,021,746	4,100,983
Total liabilities and equity		40,237,605	41,489,585	39,279,583

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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
Equity at 31 December 2021	845,543	836,884	2,153,680	159,158	-3,047	6,418	3,998,636
Profit for the period	-	-	-	84,418	-	-	84,418
Other comprehensive income	-	-	-	-	2,970	-24,279	-21,309
Total comprehensive income	0	0	0	84,418	2,970	-24,279	63,109
Transactions with owners in their capacity as owners							
Appropriation of profit	-	-	119,158	-119,158	-	-	0
Dividends	-	-	-	-40,000	-	-	-40,000
Equity at 30 September 2022*	845,543	836,884	2,272,838	84,418	-76	-17,861	4,021,746
Profit for the period	-	-	-	54,855	-	-	54,855
Other comprehensive income	-	-	-	-	3,133	21,250	24,383
Total comprehensive income	0	0	0	54,855	3,133	21,250	79,238
Equity at 31 December 2022	845,543	836,884	2,272,838	139,273	3,057	3,389	4,100,983
Profit for the period	-	-	-	195,422	-	-	195,422
Other comprehensive income	-	-	-	-	-512	10,204	9,692
Total comprehensive income	0	0	0	195,422	-512	10,204	205,113
Transactions with owners in their capacity as owners							
Appropriation of profit	-	-	114,273	-114,273	-	-	0
Dividends	-	-	-	-25,000	-	-	-25,000
Equity at 30 September 2023*	845,543	836,884	2,387,111	195,422	2,544	13,592	4,281,096

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

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

Cash flow statement

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Cash flows from operating activities			
Net profit for the period	195,422	84,418	139,273
Adjustments:			
Unrealised gains/losses of financial assets and liabilities held at fair value	3,081	53,093	40,003
ECL non-lending activities	-115	1,263	1,309
Depreciation	3,073	5,318	6,308
Change in accrued interest and fees (assets)	-136,187	-18,016	-84,228
Change in accrued interest and fees (liabilities)	59,514	18,271	79,651
Net loan losses (ECL lending activities)	-2,895	-8,123	-3,536
Hedge accounting ineffectiveness	-15,341	2,052	1,058
Other adjustments to the period's profit	-4,939	6,063	6,512
Adjustments, total	-93,809	59,920	47,077
Lending			
Disbursements of loans	-1,996,374	-2,750,572	-3,526,941
Repayments of loans	2,192,337	1,688,686	2,702,232
Lending, total	195,963	-1,061,886	-824,709
Cash flows from operating activities, total	297,576	-917,547	-638,359
Cash flows from investing activities			
Placements and debt securities			
Purchase of debt securities	-2,607,849	-2,104,814	-2,516,292
Sold and/or matured debt securities	1,944,967	1,362,038	1,729,779
Placements with credit institutions	-10,431,474	-7,890,962	-8,560,031
Sold and/or matured placements with credit institutions	10,182,594	7,027,416	7,972,838
Other financial placements	700	-26	-72
Placements and debt securities, total	-911,064	-1,606,348	-1,373,778

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

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

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Other items			
Acquisition of intangible assets	-3,006	-3,385	-4,051
Acquisition of tangible assets	-243	-273	-383
Change in other assets	7,429	-7,518	-7,740
Other items, total	4,180	-11,177	-12,174
Cash flows from investing activities, total	-906,884	-1,617,525	-1,385,951
Cash flows from financing activities			
Debts evidenced by certificates			
Issues of new debt	6,730,611	7,742,933	9,630,309
Redemptions	-5,727,284	-5,453,965	-7,356,900
Debts evidenced by certificates, total	1,003,327	2,288,968	2,273,409
Other items			
Change in swap receivables excluding fair value changes	-296,370	75,101	30,704
Change in swap payables excluding fair value changes	220,995	22,723	56,383
Change in other liabilities	21,664	103,213	1,594
Dividend paid	-25,000	-40,000	-40,000
Other items, total	-78,712	161,037	48,682
Cash flows from financing activities, total	924,615	2,450,005	2,322,091
Change in cash and cash equivalents, net	315,307	-85,067	297,780
Opening balance for cash and cash equivalents, net	1,389,286	1,074,754	1,074,754
Exchange rate adjustments	3,731	41,596	16,752
Closing balance for cash and cash equivalents, net	1,708,324	1,031,283	1,389,286
Additional information to the statement of cash flows			
Interest income received	719,165	216,636	332,661
Interest expense paid	-581,341	-54,496	-117,976

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

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.

Note 1: Net interest income

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Cash and cash equivalents	67,325	-6,320	2,761
Placements with credit institutions	82,849	-9,006	-346
Debt securities	103,359	36,754	59,382
Loans outstanding	607,539	213,148	354,938
Other interest income	123	76	153
Total, interest income	861,194	234,652	416,889
<i>Of which, interest income from financial assets measured at amortised cost</i>	<i>693,356</i>	<i>209,800</i>	<i>365,505</i>
Short-term amounts owed to credit institutions	-16,371	2,277	-216
Short-term repurchase agreements	-215	16	-30
Debts evidenced by certificates	-560,163	-354,794	-514,049
Swap contracts and other interest expenses, net	-68,050	279,732	316,678
Total, interest expense	-644,799	-72,769	-197,617
Net interest income	216,395	161,883	219,272

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

Note 2: Net profit/loss on financial operations

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Financial instruments held at fair value, realised gains and losses	80	10,357	10,613
Financial instruments held at fair value, unrealised gains and losses	-3,081	-53,093	-40,003
Financial instruments held at amortised cost, realised gains and losses	46	-5,843	-5,741
Expected credit loss on financial placements	115	-1,263	-1,309
Hedge accounting in effectiveness	15,341	-2,052	-1,058
Net profit/loss on financial operations	12,500	-51,893	-37,497

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

Note 3: Expected credit loss

In thousands of euro	Stage 1	Stage 2	Stage 3	Total
Balance at 31 December 2021	32,103	42,252	78,090	152,445
Transfer to Stage 1	93	-93	-	0
Transfer to Stage 2	-933	933	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	11,134	31	-	11,165
Amortisations and repayments	-2,372	-2,250	-	-4,622
Impact of remeasurment on existing assets	3,923	-24,341	7,014	-13,404
Foreign exchange adjustments and other changes	-	-	4,408	4,408
Net change income statement	11,845	-25,719	11,422	-2,453
Realised losses	-	-	-79,331	-79,331
Balance at 30 Sep 2022*	43,948	16,532	10,181	70,661
Transfer to Stage 1	7,076	-7,076	-	0
Transfer to Stage 2	582	-582	-	0
Transfer to Stage 3	-	-1,101	1,101	0
New assets originated or disbursed	7,959	1,194	-	9,152
Amortisations and repayments	-1,554	693	-	-860
Impact of remeasurment on existing assets	-6,386	3,829	-1,101	-3,658
Foreign exchange adjustments and other changes	-	-	-148	-148
Net change income statement	7,676	-3,043	-148	4,486
Balance at 31 December 2022	51,624	13,490	10,033	75,147
Transfer to Stage 1	5,025	-5,025	-	0
Transfer to Stage 2	-432	432	-	0
Transfer to Stage 3	-	-	-	0
New assets originated or disbursed	10,745	737	-	11,482
Amortisations and repayments	-11,244	-3,011	-	-14,256
Impact of remeasurment on existing assets	-3,172	4,202	-1,239	-209
Foreign exchange adjustments and other changes	-	-	-52	-52
Net change income statement	921	-2,665	-1,290	-3,034
Balance at 30 Sep 2023*	52,545	10,825	8,743	72,113

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

ECL - STATEMENT OF FINANCIAL POSITION

In thousands of euro	30 Sep 2023*	30 Sep 2022*	31 Dec 2022
Loans outstanding	64,829	65,208	65,687
Commitments (recorded in other liabilities)	5,823	3,922	7,884
Financial placements	1,462	1,531	1,577
Total	72,113	70,661	75,147

ECL - STATEMENT OF COMPREHENSIVE INCOME

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Net result on financial operations (Note 2)	115	-1,263	-1,309
Net loan losses on performing and non performing loans (Note 4)	2,868	8,123	3,536
Foreign exchange gains and losses	52	-4,408	-4,260
Total recognised in income statement	3,034	2,453	-2,033

Note 4: Net loan losses

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Change in expected credit loss on performing loans	1,629	15,137	10,550
Change in expected credit loss on non-performing loans	1,239	-7,014	-7,014
Decrease of provisions to cover realised loan losses	-	-79,331	-79,331
Realised loan losses	-	79,331	79,331
Performing and non performing loans (note 3)	2,868	8,123	3,536
Recoveries on claims	28	-	-
Net loan losses	2,895	8,123	3,536

In the period Jan-Sep 2022 the bank had realised losses of EUR 79,331 thousand which had no impact to the income statement as the loans were fully impaired in previous years. There were no realised losses for the periods Jan-Sep 2023.

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

Note 5: Lending outstanding

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Opening Balance	22,194,850	22,312,579	22,312,579
Disbursements	2,049,874	2,882,661	3,705,191
Amortisations	-1,538,386	-1,354,629	-2,149,355
Prepayments	-719,650	-341,057	-559,877
Changes in expected credit losses	834	11,544	10,918
Foreign exchange movements	-453,064	-267,387	-499,682
Fair value adjustments	14,326	-35,056	-30,857
Hedge accounting adjustments	-10,709	-595,572	-586,357
Other	-4,286	-5,003	-7,709
Closing balance	21,533,789	22,608,080	22,194,850
Loans outstanding	21,091,120	22,199,228	21,739,936
Lending bonds	442,669	408,852	454,914
Total Lending	21,533,789	22,608,080	22,194,850

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

Note 6: Debts evidenced by certificates

In thousands of euro	Jan-Sep 2023*	Jan-Sep 2022*	Jan-Dec 2022
Opening Balance	31,595,081	31,525,985	31,525,985
New debt issues	6,740,611	8,069,928	9,630,309
Amortisations	-5,684,164	-5,351,638	-7,217,679
Calls and buy backs	-56,170	-106,851	-154,590
Foreign exchange movements	-367,942	1,371,500	56,016
Fair value adjustments	-19,765	-56,745	-58,584
Hedge accounting adjustments	-172,143	-2,437,271	-2,201,745
Other	13,050	4,525	15,368
Closing balance	32,048,556	33,019,432	31,595,081

* Unaudited figures, to be read in conjunction with NIB's 2022 audited financial statements

Note 7: Basis of preparation

This interim management statement is not presented in accordance with IAS 34 "Interim Financial Reporting" as it excludes a number of disclosures. The accounting policies and methods of computation are the same as described in Note 1 of NIB's Financial Statements 2022.

This report was approved by the Executive Committee on 18th October 2023

RATIO DEFINITIONS

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

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

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



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