



Nordic Investment Bank

Programme for the Issuance of Debt Instruments

Applications have been made to admit debt instruments (the "**Instruments**") issued during the period of twelve months after the date of this document under the Programme to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the purpose of Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**"), the "**UK Listing Authority**") and to trading on the London Stock Exchange plc (the "**London Stock Exchange**").

This document comprises listing particulars issued in compliance with the listing rules made under section 74 of the FSMA (the "**Listing Rules**") for the purpose of giving information with regard to the issue of Instruments under the Programme.

A copy of this document has been delivered for registration to the Registrar of Companies in England and Wales in accordance with section 83 of the FSMA.

This Information Memorandum supersedes the Information Memorandum dated 3rd February, 2004 in relation to the Programme.

Arranger of the Programme

Citigroup

Dealers

Barclays Capital
Citigroup
Goldman Sachs International
JPMorgan
Mitsubishi Securities International plc
Morgan Stanley
UBS Investment Bank

BNP PARIBAS
Deutsche Bank
HSBC
Merrill Lynch International
Mizuho International plc
RBC Capital Markets

Nordic Investment Bank (the "Bank") has confirmed to the dealers (the "Dealers") named under "Subscription and Sale" that this Information Memorandum is true and accurate in all material respects and not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the Programme or the issue of the Instruments contemplated herein, make any statement herein misleading in any material respect and that all reasonable enquiries have been made to verify the foregoing. The Bank has further confirmed to the Dealers that this Information Memorandum (subject to being supplemented by pricing supplements (each a "Pricing Supplement") referred to on page 8 hereof) contains all such information as investors and their professional advisors would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Bank and of the rights attaching to the relevant Instruments.

The Bank accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. Any reference in this Information Memorandum to listing particulars means this Information Memorandum excluding all information incorporated by reference. The Bank has confirmed that any information incorporated by reference, including any such information which readers of this Information Memorandum are expressly referred, has not been and does not need to be included in the listing particulars to satisfy the requirements of the FSMA or the Listing Rules. The Bank believes that none of the information incorporated herein by reference conflicts in any material respect with the information included in the listing particulars.

The Bank has not authorised the making or provision of any representation or information regarding the Bank or the Instruments other than as contained or incorporated by reference in this Information Memorandum, in the Dealership Agreement (as defined herein) or any Pricing Supplement or as approved for such purpose by the Bank. Any such representation or information should not be relied upon as having been authorised by the Bank, the Dealers or any of them.

Neither the delivery of this Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Instrument shall in any circumstances create any implication that there has been no adverse change in the financial situation of the Bank since the date hereof.

The distribution of this Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Instruments, in certain jurisdictions, may be restricted by law. Persons into whose possession this Information Memorandum or any Pricing Supplement comes are required by the Bank and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on distribution of this Information Memorandum or any Pricing Supplement and other offering material relating to the Instruments see "Subscription and Sale". In particular, the Instruments have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons.

This Information Memorandum or any Pricing Supplement does not constitute an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Bank, the Dealers or any of them that any recipient of this Information Memorandum or any Pricing Supplement should subscribe for or purchase any Instruments. Each recipient shall be taken to have made its own investigation and appraisal of the condition, financial or otherwise, of the Bank. This Information Memorandum or any Pricing Supplement may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

IN CONNECTION WITH THE ISSUE OF THE INSTRUMENTS UNDER THE PROGRAMME, THE DEALER (IF ANY) WHO IS SPECIFIED IN THE RELEVANT PRICING SUPPLEMENT AS THE STABILISING MANAGER (OR ANY PERSON ACTING FOR THE STABILISING MANAGER) IN RELATION TO THE RELEVANT SERIES OF INSTRUMENTS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS OF SUCH SERIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILISING MANAGER (OR ANY AGENT OF THE STABILISING MANAGER) TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) the most recently published annual report of the Bank from time to time;
- (2) all supplements to this Information Memorandum circulated by the Bank from time to time in accordance with the undertaking given by the Bank referred to below; and
- (3) any Pricing Supplement prepared in respect of the Programme for Instruments which are admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange, and/or quotation system,

save that any statement contained herein, in the most recently published annual report of the Bank or in such documents as are referred to in paragraph (2) above, shall be deemed to be modified or superseded for the purpose of this Information Memorandum (other than the listing particulars) to the extent that a statement contained in any such document subsequently incorporated by reference modifies or supersedes such statement.

The Bank has undertaken in connection with the listing of the Instruments that, if at any time while any Instruments are admitted to listing on the Official List of the UK Listing Authority there shall occur any material change in the financial condition or operations of the Bank or its ability to meet payments under the Instruments, the Bank will prepare and make available a supplement to this Information Memorandum or further listing particulars for use in connection with any subsequent issue of Instruments to be admitted to listing on the Official List of the UK Listing Authority.

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SUMMARY OF THE PROGRAMME

The following is a brief summary only and should be read in relation to any Series of Instruments in conjunction with the relevant Pricing Supplement and to the extent applicable, the Terms and Conditions of the Instruments set out herein

Issuer:	Nordic Investment Bank
Arranger:	Citigroup Global Markets Limited
Dealers:	Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG London, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Mitsubishi Securities International plc, Mizuho International plc, Morgan Stanley & Co. International Limited, Royal Bank of Canada Europe Limited, UBS Limited and any other dealer appointed from time to time by the Bank. The arrangements under which Instruments may from time to time be agreed to be sold by the Bank to, and purchased by, Dealers are set out in the amendment and restatement agreement (dealership agreement) dated 3rd February, 2005, (as amended, supplemented or restated from time to time, the "Dealership Agreement"). The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Instruments.
Fiscal Agent and Principal Registrar:	Citibank, N.A., London branch
Paying Agent and Alternative Registrar:	Dexia Banque Internationale à Luxembourg, société anonyme
Programme Amount:	Euro 15,000,000,000 (or its approximate equivalent in other currencies; for this purpose, any Instruments denominated in another currency shall be translated into Euro at the date of the agreement to issue such Instruments using the spot rate of exchange for the purchase of such currency against payment of Euro being quoted by the Fiscal Agent on the date on which such agreement was made or such other rate as the Bank and the Relevant Dealer may agree) in aggregate principal amount of Instruments outstanding at any one time, subject to any duly authorised increase or decrease.
Ratings:	The Programme has been rated AAA by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies and Aaa by Moody's Investors Service, Inc.
Form of Instruments:	Instruments may be issued in bearer form and/or in registered form. In respect of Instruments issued in bearer form, the Bank will deliver a temporary global instrument, which will be deposited on or before the relevant issue date therefor with Citibank, N.A., London branch acting as common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg") and/or with any other clearing system as specified in the relevant Pricing Supplement. Such temporary global instrument will be exchangeable for a permanent global instrument or, if so specified in the relevant Pricing Supplement, for Instruments in definitive bearer form in accordance with its terms, in each case against certification of non-U.S. beneficial ownership.

	<p>Each permanent global instrument will be exchangeable for Instruments in definitive bearer form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons attached or have a grid for recording the payment of interest endorsed thereon.</p> <p>In the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Pricing Supplement, the permanent global instrument or definitive bearer instruments will be exchangeable for Instruments in registered form in accordance with its terms. Instruments in registered form may not be exchanged for Instruments in bearer form.</p>
Status:	<p>Instruments will constitute direct and unsecured obligations of the Bank ranking <i>pari passu</i> without any preference among themselves and equally with all other unsecured indebtedness (other than subordinated indebtedness) of the Bank from time to time outstanding.</p>
Currencies:	<p>Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Instruments may, subject to compliance as aforesaid, be issued as dual currency Instruments. Payments in respect of an Instrument may, subject to compliance as aforesaid, be made in, or linked to, any currency or currencies in addition to the currency in which such Instruments are denominated.</p>
Placement of Instruments in France:	<p>Only a credit establishment or investment institution established in a member state of the European Union which is authorised to lead manage eurobond issues by the competent authority of its home state may (a) act as a dealer in respect of issues of Instruments publicly placed in France and (b) act as a lead manager of issues of Instruments issued on a syndicated basis in France. Any such issues will be carried out in compliance with the guidelines provided by the letter dated 1st October, 1998 from the French Ministry of the Economy, Finance and Industry to the <i>Président of the Association Française des Etablissements de Crédit et des Entreprises d'Investissement</i> (the "Guidelines"). Although it is not intended that Instruments will be listed on Euronext Paris S.A. ("Euronext Paris"), index-linked Instruments which are listed on Euronext Paris or publicly placed in France will be issued in compliance with regulations from time to time set by the <i>Commission des Opérations de Bourse</i> and by the <i>Conseil des Marchés Financiers</i>.</p>
Issuance in Series:	<p>Instruments will be issued in series (each a "Series"). The Instruments of each Series will all be subject to identical terms, whether as to currency, denomination, interest or maturity or otherwise, save that a Series may comprise Instruments in bearer form and Instruments in registered form. Further Instruments may be issued as part of an existing Series.</p>
Issue Price:	<p>Instruments may be issued at par or at a discount or premium to par.</p>
Maturities:	<p>Any maturity subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Where Instruments have a maturity of less than one year and the issue proceeds are received by the Bank in the United Kingdom such Notes must: (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring,</p>

	<p>holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Bank.</p>
Redemption:	<p>Instruments may be redeemable at par or at such other redemption amount (linked to an index or otherwise and subject to compliance with all applicable legal and/or regulatory and/or central bank requirements) as may be specified in the relevant Pricing Supplement.</p>
Interest:	<p>Instruments may be interest-bearing or non-interest-bearing.</p>
Denominations:	<p>Instruments will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Instruments issued in registered form for offer and sale pursuant to an exemption provided by Section 4(2) of the United States Securities Act of 1933 will be subject to a minimum denomination of U.S. \$500,000 or its equivalent in other currencies.</p>
Early Redemption:	<p>Early redemption will, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, be permitted, but only to the extent specified in the relevant Pricing Supplement.</p>
Taxation:	<p>Payments in respect of Instruments will be made without gross-up for any present or future taxes, duties, assessments or governmental charges whatsoever.</p>
Governing Law:	<p>The Instruments and all related contractual documentation will be governed by, and construed in accordance with, English law.</p>
Listing:	<p>Each Series may be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as specified in the relevant Pricing Supplement or may be unlisted. The Guidelines contain certain recommendations as to the listing of Instruments on Euronext Paris. However, it is not intended that Instruments issued under the Programme will be listed on Euronext Paris.</p>
Terms and Conditions:	<p>The Terms and Conditions applicable to each Series will be as agreed between the Bank and the relevant Dealer at or prior to the time of issuance of such Series, and will be specified in the relevant Pricing Supplement. The Terms and Conditions applicable to each Series will therefore be those set out herein as supplemented, modified or replaced by the relevant Pricing Supplement.</p>
Enforcement of Instruments in Global Form:	<p>In the case of Instruments in global form, individual investors' rights will be governed by a deed of covenant dated 3rd February, 2005 (as amended, supplemented or replaced from time to time the "Deed of Covenant") a copy of which will be available for inspection at the specified office of the Fiscal Agent and by their arrangements at Euroclear and/or Clearstream, Luxembourg.</p>
Clearing Systems:	<p>Euroclear, Clearstream, Luxembourg, The Depository Trust Company or any other clearing system as specified in the relevant Pricing Supplement.</p>

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the Terms and Conditions of the Instruments which (subject to completion and amendment) will be applicable to each Series of Instruments provided that the relevant Pricing Supplement in relation to any Series of Instruments may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Series of Instruments.

The Instruments are issued in accordance with an amendment and restatement agreement (fiscal agency agreement) dated 3rd February, 2005 (as amended, supplemented or restated from time to time, the "Fiscal Agency Agreement") and made between Nordic Investment Bank (the "Bank"), Citibank, N. A. acting through its London office in its capacities as fiscal agent (the "Fiscal Agent", which expression shall include any successor to Citibank, N. A. acting through its London office in its capacity as such) and as principal registrar (the "Principal Registrar" which expression shall include any successor to Citibank, N. A. acting through its London office in its capacity as such) and Dexia Banque Internationale à Luxembourg, société anonyme in its capacity as alternative registrar (the "Alternative Registrar", which expression shall include any successor to Dexia Banque Internationale à Luxembourg, société anonyme in its capacity as such) and in its capacity as paying agent (the "Paying Agent", which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement).

The Instruments have the benefit of a deed of covenant dated 3rd February, 2005 (as amended, supplemented or replaced from time to time, the "Deed of Covenant") executed by the Bank in relation to the Instruments.

Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar and the Alternative Registrar.

All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each a "Series"), and each Series will be the subject of a pricing supplement (each a "Pricing Supplement") a copy of which will be available for inspection at the specified office of each of the Fiscal Agent or, as the case may be, the Registrar, and a copy of which will, in the case of a Series in relation to which application has been made for admission to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, the "UK Listing Authority") and to trading on the London Stock Exchange plc (the "London Stock Exchange") and/or to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as specified in the relevant Pricing Supplement, be lodged with the UK Listing Authority and the London Stock Exchange and/or any such relevant listing authority, stock exchange and/or quotation system.

In the case of a Series in relation to which application has not been made for listing by any listing authority, stock exchange and/or quotation system, copies of the Pricing Supplement will only be available for inspection by a Holder of or, an Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

References in these Terms and Conditions or in any Pricing Supplement to the ISDA Definitions are to the 2000 ISDA Definitions incorporating the June 2000 version of the Annex (as further amended and supplemented as at the date of the Pricing Supplement in respect of the relevant Series of Instruments) as published by the International Swaps and Derivatives Association, Inc. ("ISDA").

1. Form and Denomination

1.01 Instruments are issued in bearer form or in registered form, as specified in the relevant Pricing Supplement.

Form of Bearer Instruments

1.02 Instruments issued in bearer form (the "Bearer Instruments") will be represented upon issue by a temporary global instrument (a "Temporary Global Instrument") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. On or after the date (the "Exchange Date") which is forty days after the completion of the distribution of the Instruments of the relevant Series and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (substantially in the form set out in the Temporary Global Instrument) has been received, interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global instrument (a "Permanent Global Instrument") representing the Instruments of that Series and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement; or
- (ii) if so specified in the relevant Pricing Supplement, serially numbered definitive instruments ("Definitive Instruments") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

If so specified in a relevant Pricing Supplement in the case of a Series comprising both Bearer and Registered Instruments, an exchange for Registered Instruments will be made in the manner specified in Condition 2.05 at any time or from such date as may be specified in such Pricing Supplement, in each case without any requirement for certification.

1.03 If any date on which a payment of interest is due on the Instruments of a Series occurs whilst any of the Instruments of that Series are represented by the Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in the form set out in the Temporary Global Instrument) has been received by Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear"), Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg") and/or any other clearing system as specified in the relevant Pricing Supplement.

1.04 Interests in a Permanent Global Instrument will, if so specified in the relevant Pricing Supplement, be exchangeable in whole (but not in part only), at the option of the Holder (as defined in Condition 2.01 and 2.03) of such Permanent Global Instrument, for Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the Pricing Supplement) Registered Instruments. In order to exercise such option the Holder must, not less than forty-five days before the date on which delivery of Definitive Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent with the form of exchange notice endorsed thereon duly completed. Interests in a Permanent Global Instrument will, in any event, be exchangeable for Definitive Instruments, if any Instrument of the relevant Series becomes due and payable in accordance with Condition 8 or if either Euroclear or Clearstream, Luxembourg or any other clearing system as specified in the relevant Pricing Supplement should be closed for business for a continuous period of fourteen days (other than by reason of public holidays) or should announce an intention to cease business permanently. If default is made by the Bank in the required delivery of Definitive Instruments and such default is continuing at 6.00 p.m. (London time) on the thirtieth day after the day on which the relevant notice period expires or such Permanent Global Instrument becomes so exchangeable, such Permanent Global Instrument will become void in accordance with its terms, but without prejudice to the rights of the Account Holders with Euroclear and Clearstream, Luxembourg and/or any other clearing system as specified in the relevant Pricing Supplement in relation thereto, under the Deed of Covenant.

1.05 Interest-bearing Definitive Instruments will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery coupons ("Coupons").

Denomination of Bearer Instruments

1.06 Bearer Instruments will be in the denomination or denominations (each of which denominations must be integrally divisible by each smaller denomination) specified in the relevant Pricing Supplement. Bearer Instruments of one denomination will not be exchangeable after their initial delivery for Bearer Instruments of any other denomination. A Bearer Instrument may, however, if so specified in the relevant Pricing Supplement, be exchanged for a Registered Instrument (as defined in Condition 1.07) of the same denomination as set out above and in the manner described in Condition 2.05 below.

Form of Registered Instruments

1.07 Instruments issued in registered form ("Registered Instruments") will be in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. Registered Instruments will not be exchangeable for Bearer Instruments.

Denomination of Registered Instruments

1.08 Registered Instruments will be in the minimum denomination specified in the relevant Pricing supplement or integral multiples thereof.

Currency of Instruments

1.09 Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

For the purposes of these Terms and Conditions, references to Instruments shall, as the context may require, be deemed to be Temporary Global Instruments, Permanent Global Instruments, Definitive Instruments or, as the case may be, Registered Instruments.

The Depository Trust Company

1.10 Registered Instruments, denominated in United States Dollars or, under certain circumstances, any other eligible currency, will, if so specified in the relevant Pricing Supplement, be the subject of an application by the Bank to The Depository Trust Company ("DTC") for the acceptance of such Registered Instruments into DTC's book-entry settlement system. If such application is accepted, one or more Registered Instruments (each a "DTC Instrument") in denominations equivalent in aggregate to the aggregate principal amount of relevant Registered Instruments, which are to be held in such system will be issued to DTC and registered in the name of Cede & Co., or such other person as may be nominated by DTC for the purpose, as nominee for DTC provided that no DTC Instrument may have a denomination of more than US\$150,000,000 and that, subject to such restriction, DTC Instruments will always be issued in the largest possible denomination. Thereafter, such registered nominee will be the holder of record and entitled to rights in respect of each DTC Instrument. Accordingly, each person having a beneficial interest in a DTC Instrument must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered Instruments are traded through DTC's book-entry settlement system, ownership of beneficial interest in the relevant DTC Instrument will (unless otherwise required by applicable law) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (a) DTC or its registered nominee (as to participant-interests) or (b) institutions having accounts with DTC.

2. Title

2.01 Title to Bearer Instruments and Coupons passes by delivery. References herein to the "Holders" of Bearer Instruments or of Coupons signify the bearers of such Bearer Instruments or such Coupons.

2.02 The Holder of any Bearer Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bearer Instrument or Coupon shall be overdue and notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof. Whether or not a Coupon is attached to the relevant Bearer Instrument it shall be subject to and bound by the terms and conditions for the relevant Bearer Instrument.

2.03 Title to Registered Instruments passes by registration of transfer in the register which is kept by the Principal Registrar or the Alternative Registrar, as specified in the relevant Pricing Supplement and in accordance with the provisions of the Fiscal Agency Agreement. For the purposes of these Terms and Conditions, "Registrar" means, in relation to any Series of Registered Instruments, the Principal Registrar or, as the case may be, the Alternative Registrar. References herein to the "Holders" of Registered Instruments signify the persons in whose names such Instruments are so registered.

Transfer of Registered Instruments

2.04 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the relevant Pricing Supplement) upon the surrender of the Registered Instrument for registration of transfer at the specified office of the Registrar, together with the form of transfer endorsed on it duly completed and executed by the transferor. Subject as provided in Condition 2.06 below a new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

2.05 If so specified in the relevant Pricing Supplement, a Bearer Instrument (provided that all unmatured Coupons appertaining to the Bearer Instrument are surrendered therewith) may be exchanged for a Registered Instrument of a like aggregate principal amount by surrender of the Bearer Instrument and the Coupons to the Registrar at its specified office outside the United States, together with a written request for the exchange in the form for the time being available from the specified office of the Registrar, upon the terms and subject to the conditions scheduled to the Fiscal Agency Agreement and, provided that a Bearer Instrument surrendered in exchange for a Registered Instrument on a day which is after the close of business (London, or, as the case may be, Luxembourg time) on the fifteenth London Banking Day or, as the case may be, Luxembourg Banking Day (each as defined in Condition 2.08 below), prior to the due date for any payment on the relevant Bearer Instrument may be surrendered without the Coupon maturing on such due date for payment (as specified in the relevant Pricing Supplement).

Interest on a Registered Instrument issued upon exchange will accrue as from the immediately preceding payment date, except where issued in respect of a Bearer Instrument surrendered on a day which is after the close of business (London, or, as the case may be, Luxembourg time) on the fifteenth London Banking Day or, as the case may be, Luxembourg Banking Day, prior to the due date for any payment in respect of the relevant Bearer Instrument in which event interest shall accrue as from such due date for any payment.

A new Registered Instrument will be issued to the transferee of a like aggregate principal amount to the Bearer Instrument exchanged in the manner described in Condition 2.06 below.

2.06 Each new Registered Instrument to be issued upon the registration of transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument, as the case may be, will, upon the effective receipt by the Registrar at its specified office of such form of transfer or written instrument of transfer or, as the case may be, form of exchange, be available for delivery at the specified office of the Registrar or (at the risk of the transferee or person requesting the exchange) will be sent by mail to such address as the transferee (or person requesting the exchange) may request within three London or, as the case may be, Luxembourg Banking Days of such request, or within such longer period as may be required to comply with any applicable fiscal or other laws or regulations.

For these purposes, a form of transfer received by the Registrar after the close of business (London, or, as the case may be, Luxembourg time) on the fifteenth London Banking Day or, as the case may be, Luxembourg Banking Day, prior to the due date for any payment in respect of the relevant Registered Instrument shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment

2.07 Holders of Registered Instruments will not be required to bear the costs and expenses of effecting any registration of transfer or any exchange as provided in Condition 2.04, 2.05 and 2.06 above, except for any costs or expenses of delivery other than by regular mail and except that the Bank may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to any such registration or exchange.

2.08 For the purposes of these Terms and Conditions, "London Banking Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and "Luxembourg Banking Day" has the same meaning *mutatis mutandis*.

2.09 Upon the transfer, exchange or replacement of Registered Instruments of any Series bearing the private placement legend (the "Private Placement Legend") set forth in the form of Registered Instrument scheduled to the Fiscal Agency Agreement, the Registrar shall deliver only Registered Instruments of such Series that also bear such legend unless there is delivered to the Registrar an opinion reasonably satisfactory to the Bank of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

3. Status

The Instruments of each Series constitute direct and unsecured obligations of the Bank ranking *pari passu* without any preference among themselves and equally with all other unsecured indebtedness (other than subordinated indebtedness) of the Bank from time to time outstanding.

4. Interest

Instruments may be interest-bearing or non-interest-bearing, as specified in the relevant Pricing Supplement. The Pricing Supplement in relation to each Series of interest-bearing Instruments shall specify which one (and one only) of Conditions 4A, 4B, 4C or 4D shall be applicable in relation to each applicable Interest Period (as defined below).

Interest-bearing Instruments shall (unless otherwise specified in the Pricing Supplement) bear interest from their date of issue (the "Issue Date") as specified in the relevant Pricing Supplement at the rate or rates per annum (the "Rate of Interest") as specified in the Pricing Supplement and calculated for each Interest Period (as defined below) according to one of Conditions 4A, 4B, 4C or 4D. The Rate of Interest shall include any reference rate or formula or other so specified in the Pricing Supplement and shall be expressed as a percentage per annum or amount or amounts (expressed as a price per unit of relevant currency).

Interest shall be calculated for each successive period (the "Interest Period") beginning on (and including) the Issue Date or any Interest Payment Date (as defined below) and ending on (but excluding)

the next Interest Payment Date, with the final interest Period ending on (but excluding) the maturity date (the "Maturity Date") as specified in the relevant Pricing Supplement.

When calculating an amount of interest (the "Interest Amount") in respect of any Instrument for any Interest Period, such Interest Amount will be calculated, by applying the relevant Rate of Interest for such Interest Period to the principal amount of such Instrument, multiplying the product by the relevant Day Count Fraction specified in the relevant Pricing Supplement as one of the methods defined in Condition 4F.

The resulting Interest Amount will be payable in arrear on each such dates (each an "Interest Payment Date") as are specified in the relevant Pricing Supplement

4A. Interest – Fixed Rate

Instruments in relation to which this Condition 4A is specified in the relevant Pricing Supplement as being applicable shall bear interest at the Rate of Interest specified in the relevant Pricing Supplement. Any Interest Amount will be payable in arrear on such Interest Payment Dates as are specified in the relevant Pricing Supplement and interest will cease to accrue on the due date for final redemption of the relevant Instrument.

Unless otherwise specified in the relevant Pricing Supplement and for the purposes of calculating the Interest Amount under this Condition 4A there will be no adjustment of the fixed dates specified as Interest Payment Dates in the relevant Pricing Supplement with the effect that the number of days will remain unchanged and consequently there will be no adjustment of such relevant Interest Period, although any such relevant Interest Payment Date may not be a Business Day for the purposes of payment under Condition 7C.02.

4B Interest – Floating Rate

4B.01 Instruments in relation to which this Condition 4B is specified in the relevant Pricing Supplement as being applicable shall bear interest at the Rate of Interest determined in accordance with this Condition 4B and may include any further modifications as may be specified in the relevant Pricing Supplement.

Any Interest Amount will be payable on each such Interest Payment Date as is specified in the relevant Pricing Supplement. If for the purpose of calculating the Interest Amount and unless otherwise is specified in the relevant Pricing Supplement, an Interest Payment Date would otherwise fall on a date which is not a Business Day (as defined in Condition 7C.02), it shall be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the preceding Business Day. Such adjustment of an Interest Payment Date will have the effect of adjusting the corresponding Interest Period unless otherwise specified in the relevant Pricing Supplement.

4B.02 The Pricing Supplement in relation to each Series of Instruments in relation to which this Condition 4B is specified as being applicable shall specify which page (the "Relevant Screen Page") on the Reuters Screen or Telerate or any other information vending service shall be applicable. For these purposes, "Reuters Screen" means the Reuters Money 3000 Service and "Telerate" means the Telerate Service (or such other services or service as may be nominated as the information vendor for the purpose of displaying the specified page on the respective services or such other page as may replace that page on that service or such other service or services, in all cases for the purpose of displaying comparable rates in succession thereto).

4B.03 The Rate of Interest applicable to such Instruments for each Interest Period shall be determined by the Determination Agent (as defined in Condition 4E.04) on the following basis:

- (i) the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period which appears on the Relevant Screen Page as of 11.00 a.m. (London time) on the second London Banking Day (as defined in Condition 2.08) (or, in the case of Instruments denominated in Euro, on the second TARGET Settlement Day (as defined in Condition 7C.02)) prior to (or, in the case of Instruments denominated in Pounds Sterling, on) the first day of the relevant Interest Period (the "Interest Determination Date");
- (ii) if no such rate for deposits so appears and there is no designated successor screen page on which such rate or any successor rate appears (or, as the case may require, if fewer than two such rates for deposits so appear), the Determination Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which deposits in the relevant currency are offered by four leading banks in the London interbank market, selected by the Determination Agent, at approximately 11.00 a.m. (London time) on the Interest

Determination Date to prime banks in the London interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time; and

- (iii) if fewer than two rates are so quoted, the Determination Agent will determine the arithmetic mean of the rates quoted by leading banks in the Relevant Financial Centre (as defined in Condition 7C.04), selected by the Determination Agent and agreed with the Bank, at approximately 11.00 a.m. (Relevant Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to major European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time.

The Rate of interest applicable to such instrument for any such Interest Period will be the rate so determined by the Determination Agent pursuant to the above as modified by any relevant margin (the "Margin") or any formula (the "Formula") set out in the relevant Pricing Supplement, provided that if the Determination Agent is unable to determine the Rate of Interest in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Instruments during such Interest Period will be the Rate of Interest last determined in relation to such Instruments in respect of the preceding Interest Period unless otherwise specified in the relevant Pricing Supplement.

4B.04 The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the Interest Amount payable in respect of the principal amount of the minimum denomination of such Instruments specified in the relevant Pricing Supplement for the relevant Interest Period.

4C. Interest – Swap-Related (ISDA)

4C.01 Instruments in relation to which this Condition 4C is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rate or rates per annum (the "Rate of Interest") determined in accordance with this Condition 4C (the "ISDA Rate").

4C.02 Each such Instrument shall bear interest from its date of issue (as specified in the relevant Pricing Supplement). Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event thereunder) by the Bank had it entered into an interest rate swap transaction (under the terms of an Interest Rate and Currency Exchange Agreement to which the ISDA Definitions applied) with the Holder of such Instrument and under which:

- the Fixed Rate Payer or, as the case may be, the Floating Rate Payer was the Bank;
- the Calculation Agent was the Determination Agent
- the Effective Date was such date of issue;
- the Calculation Amount was the principal amount of such Instrument;
- the Termination Date was the Maturity Date;
- the Calculation Periods were the Interest Accrual Periods;
- the Period End Dates were the Interest Period End Dates;
- the Payment Dates were the Interest Payment Dates;
- the Day Count Fraction applicable to the calculation of any amount was that specified in the Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date was that specified in the relevant Pricing Supplement or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- all other terms were as specified in the relevant Pricing Supplement.

For the definition of any defined term in this Condition 4C see Condition 4F "Definitions" below.

4D. Interest – Other Rates

Instruments in relation to which this Condition 4D is specified in the relevant Pricing Supplement as being applicable shall bear interest to be calculated in the manner determined in accordance with the relevant Pricing Supplement.

4E. Interest – Supplemental Provision

4E.01 Conditions 4E.02, 4E.03, 4E.04, 4E.05 and 4E.06 shall be applicable in relation to all Instruments save to the extent inconsistent with the relevant Pricing Supplement.

Notification of Items Determined by the Determination Agent

4E.02 The Determination Agent will cause each Rate of Interest, ISDA Rate, Interest Payment Date, final day of a calculation period, Interest Amount or other item, as the case may be, to be determined by it in accordance with the relevant Pricing Supplement to be notified to the Bank and the Fiscal Agent, who will cause such items to be notified to the other Paying Agents and the Holders in accordance with Condition 12 and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) as soon as practicable after such determination but in any event not later than the fourth London Banking Day thereafter and, in the case of Instruments admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as specified in the relevant Pricing Supplement, cause each such Rate of Interest, ISDA Rate, Interest Amount or other item, as the case may be, to be determined by it in accordance with the relevant Pricing Supplement, as the case may be, to be notified to the UK Listing Authority and the London Stock Exchange and/or any other listing authority, stock exchange and/or quotation system on which the Instruments of the relevant Series may for the time being be admitted to listing, trading and/or quotation as specified in the relevant Pricing Supplement.

4E.03 The Determination Agent will be entitled to amend any Interest Amount, Interest Payment Date or last day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) without notice in the event of the extension or abbreviation of the relevant Interest Period or calculation period.

4E.04 The determination by the Determination Agent or such other agent as is specified in the relevant Pricing Supplement of all Rate of Interest and Interest Amounts for the purposes of this Condition 4 shall, in the absence of manifest error, be final and binding on all parties. As used herein, the “Determination Agent” means the party so specified in the relevant Pricing Supplement.

4E.05 Interest in respect of an Instrument will cease to accrue on the due date for final redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, interest will continue to accrue (as well after as before any judgement) on the principal amount, or the redemption amount, as the case may be, of such Instrument at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the Pricing Supplement until but excluding the date on which, upon presentation of such Instrument, payment in full of the principal amount thereof, or the redemption amount thereof, as the case may be, is made or (if earlier) the seventh day after notice is duly given to the Holder of such Instrument in accordance with Condition 12 below that upon presentation thereof being duly made such payment will be made, provided that upon presentation thereof being duly made such payment is in fact made.

4E.06 For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent), (b) all amounts used in or resulting from such calculations will be rounded to the nearest sub-unit of the currency in which such Instruments are denominated (taking into account the minimum denomination of such Instruments) or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards); except that (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount.

4F. Interest – Definitions

In these Terms and Conditions the following expressions shall have the following meanings unless otherwise specified in the relevant Pricing Supplement:

“Applicable Business Day Convention” means the “Business Day Convention” which may be specified in the Pricing Supplement as applicable to any date in respect of the Instruments provided that (unless the Pricing Supplement specifies “No Adjustment” in relation to any date in which case such date shall not be adjusted in accordance with any Business Day Convention) if none is so specified in relation to either or both of the Interest Payment Dates and/or the Interest Period End Dates, the Applicable Business Day Convention for such purpose shall be the Modified Following Business Day Convention.

"Business Day Convention" means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement in relation to any date applicable to any Instruments, shall have the following meanings:

- (i) **"Following Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) the **"FRN Convention"** or **"Eurodollar Convention"** means that each such date shall be the date which numerically corresponds to the preceding such date and each such date which occurs in the calendar month which is the number of months specified in the relevant Pricing Supplement after the calendar month in which the preceding such date occurred provided that:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all such subsequent dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (**"Calculation Period"**), such day count fraction as may be specified in these Terms and Conditions or in the relevant Pricing Supplement and:-

- (i) if **"Actual/Actual (ISMA)"** is specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if **"Actual/Actual (ISDA)"** or **"Actual/365"** is specified, means the actual number of days in the relevant Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"** is specified, means the number of days in a Calculation Period divided by 360 (the number of days to be calculated on the basis of a 360-day year consisting of twelve

30-day months and, in the case of an incomplete month, the actual number of days elapsed (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

- (vi) if "30E/360" or "Eurobond basis" is specified, means the number of days in a Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or the last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (vii) such other basis as may be specified in the relevant Pricing Supplement.

"Interest Accrual Period" means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Issue Date and the final Interest Accrual Period shall end on but exclude the Maturity Date.

"Interest Determination Date" means, in respect of any Interest Accrual Period, the date falling that number (if any) of Business Days prior to the first day of such Interest Accrual Period as may be specified in the relevant Pricing Supplement.

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Pricing Supplement, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months.

"Interest Period End Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months or, if none of the foregoing is specified in the relevant Pricing Supplement, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

"Regular Period" means:

- (i) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Issue Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

5. Redemption and Purchase

Redemption at Maturity

5.01 Unless previously redeemed, or purchased and cancelled, Instruments shall be redeemed at their principal amount (or at such other redemption amount as may be specified in the relevant Pricing Supplement) on the date or dates specified in the relevant Pricing Supplement. In the case of Instruments

which bear interest at a floating rate or rates, such Instruments shall be redeemed on the date or dates upon which interest is payable.

Purchase of Instruments

5.02 The Bank may at any time purchase Instruments at any price in the open market or otherwise. Instruments purchased as aforesaid by the Bank may be held or resold or, at the discretion of the Bank, may be surrendered to the Fiscal Agent for cancellation (together with any unmatured Coupons attached to Bearer Instruments or purchased therewith). If any Bearer Instrument is surrendered for cancellation without all unmatured Coupons appertaining thereto, the Bank shall make payment in respect of any such missing unmatured Coupon, upon surrender of such Coupon, as if the relevant Bearer Instrument had remained outstanding for the period to which such Coupon relates.

Optional Early Redemption (Call)

5.03 If this Condition 5.03 is specified in the relevant Pricing Supplement as being applicable, then the Bank may, upon the expiry of the appropriate notice period and subject to such conditions as may be specified in the relevant Pricing Supplement, redeem all (but not some only, unless and to the extent that the relevant Pricing Supplement specifies otherwise), of the Instruments of the relevant Series.

5.04 The appropriate notice referred to in Condition 5.03 is a notice given by the Bank to the Fiscal Agent, the Registrar (in the case of Registered Instruments) and the Holders of the Instruments of the relevant Series, which notice shall be signed by authorised signatories of the Bank and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Instruments of the relevant Series which are to be redeemed; and
- the due date for such redemption, which shall be not less than thirty days (or such lesser period as may be specified in the relevant Pricing Supplement) after the date on which such notice is validly given.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Bank to make the redemption therein specified.

Partial Redemption

5.05 If some only of the Instruments of a Series are to be redeemed on any date in accordance with Condition 5.04:

- in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed; and
- in the case of Registered Instruments, the Instruments shall be redeemed *pro rata* to their principal amounts, subject always as aforesaid.

Optional Early Redemption (Put)

5.06 If this Condition 5.06 is specified in the relevant Pricing Supplement as being applicable, then the Bank shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date or the next of the dates specified in the relevant Pricing Supplement at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other period as may be specified in the relevant Pricing Supplement), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar.

Cancellation of Redeemed and Surrendered Instruments

5.07 All Instruments redeemed and surrendered in accordance with this Condition 5 (save for purchases made by the Bank in the open market pursuant to Condition 5.02) will be cancelled forthwith. Bearer Instruments so surrendered shall be cancelled together with any unmatured Coupons attached to such

Bearer Instruments or surrendered therewith. No Instruments surrendered or cancelled in accordance with this Condition 5.07 may be re-issued or re-sold.

6. Prescription

6.01 Bearer Instruments and Coupons will become void unless presented for payment within ten years (or, in the case of Coupons and save as provided in Condition 7A.03, five years) after the due date for payment.

6.02 Claims against the Bank in respect of Registered Instruments will be prescribed unless made within ten years (or, in the case of claims in respect of interest, five years) after the due date for payment.

7. Payments

7A. Payments – Bearer Instruments

7A.01 This Condition 7A is applicable in relation to any Instrument specified in the relevant Pricing Supplement as being in bearer form. If the relevant Pricing Supplement specifies that a Bearer Instrument may be exchanged for a Registered Instrument then Condition 7B below will be applicable for any payments after such Bearer Instrument has been so exchanged for a Registered Instrument.

7A.02 Payments of principal or redemption amount, as the case may be, due in respect of a Bearer Instrument will be made against presentation and, save in the case of a partial redemption, surrender of the relevant Bearer Instrument at the specified office of any Paying Agent.

Such payments will be made at the option of the Holder of such Bearer Instrument by a cheque drawn on, or by transfer to an account maintained by the payee with, a bank in the Relevant Financial Centre (as defined in Condition 7C.04) in respect of the relevant Bearer Instrument. In relation to such payments being made in Euro, such payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) with a bank in a country within the TARGET System (as defined in Condition 7C.02 below) specified by the payee.

7A.03 Each Definitive Instrument initially delivered with Coupons attached thereto should be presented and, save in the case of a partial redemption, surrendered for payment together with all Coupons appertaining thereto which, as at the Relevant Date (as defined in Condition 7A.06) for the payment of such Definitive Instrument, remain unmatured, failing which:

- (i) in the case of Definitive Instruments which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) will be deducted from the amount otherwise due for payment. Any amount so deducted will be paid in the manner provided in Condition 7A.04 and 7A.05 below against presentation and surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time following such deduction, but not later than the fifth anniversary after the Relevant Date (as defined in Condition 7A.06) or, if later, the fifth anniversary of the date of maturity of such Coupon for the payment of such Coupon; and
- (ii) in the case of Definitive Instruments which bear interest at a floating rate or rates or in variable amounts, all unmatured Coupons relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of such Coupon.

7A.04 Interest in respect of a Bearer Instrument shall be payable as follows subject to the provisions in Condition 7A.05:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument for notification thereon at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Instrument, upon due certification as to non U.S. beneficial ownership as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments for notification thereon at the specified office of any of the Paying Agents; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, payment will be made against presentation and surrender of the relevant Coupon at the specified office of any Paying Agent provided that, if (otherwise than by reason

of the application of Condition 7C.02 below) the due date for payment of any redemption amount of any Bearer Instrument is not an Interest Payment Date, or if payment of any redemption amount is improperly withheld or refused on or in respect of any Bearer Instrument or if default is otherwise made in respect of any such payment, interest accrued in respect of such Bearer Instrument will be paid against presentation and surrender of the relevant Bearer Instrument.

7A.05 Payments of interest in respect of a Bearer Instrument will be made at the option of the Holder of such Bearer Instrument or Coupon, as the case may be, by a cheque drawn on, or by transfer to an account maintained by the payee with, a bank in the Relevant Financial Centre in respect of the relevant Bearer Instrument. In relation to such payments being made in Euro, such payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) with a bank in a country within the TARGET System (as defined in Condition 7C.02 below) specified by the payee. Such payment will be made at any specified office of any Paying Agent in the manner provided above, provided that no payments of interest in respect of a Bearer Instrument denominated in U.S. dollars will be made at any specified office of any Paying Agent in the United States and that no transfer in respect of any such payment of interest shall be made to any account maintained with a United States office of the Paying Agent to which such Bearer Instrument or Coupon has been presented. Notwithstanding the foregoing, payments of interest in respect of a Bearer Instrument denominated in U.S. dollars may be made at the office of a Paying Agent in New York City if (i) the Bank shall have appointed Paying Agents at their specified offices outside the United States with the reasonable expectations that such Paying Agents would be able to make payment of the full amount of interest on the relevant Bearer Instrument in U.S. dollars when due, (ii) payment of the full amount of such interest at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) such payment is then permitted by U.S. law.

7A.06 For the purposes of these Terms and Conditions, the "Relevant Date" means the date on which a payment first becomes due and payable, except that if the amount of the monies payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which the full amount of such monies having been so received and notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 12.

7B Payments – Registered Instruments

7B.01 This Condition 7B is applicable in relation to Instruments specified in the relevant Pricing Supplement as being in registered form. If a relevant Pricing Supplement specifies that a Bearer Instrument may be exchanged for a Registered Instrument, then this Condition will be applicable in respect of payments after such Bearer Instrument had been so exchanged for a Registered Instrument.

7B.02 Payments of principal or redemption amount, as the case may be, in respect of any Registered Instrument will be made against presentation and, save in the case of a partial redemption, surrender of the relevant Registered Instrument at the specified office of the Registrar. Such payment will be made by a cheque drawn on a bank in the Relevant Financial Centre in respect of the relevant Instrument or, in the case of payments in Euro, on a bank in a country within the TARGET System (as defined in Condition 7C.02 below).

7B.03 Payments of interest in respect of a Registered Instrument and any redemption amounts in respect thereof, other than the final redemption amount, will be made by a cheque drawn on a bank in the Relevant Financial Centre in respect of the relevant Instrument or, in the case of payments in Euro on a bank in a country within the TARGET System (as defined in Condition 7C.02 below) and mailed on the due date to the Holder thereof (or, in the case of joint Holders, the first-named) who is appearing in the register kept by the Registrar as at the opening of business (London or, as the case may be, Luxembourg time) on the fifteenth London Banking Day, or as the case may be, Luxembourg Banking Day, prior to the relevant due date (the "Record Date") for such payment, at the address shown on the register on the Record Date.

7B.04 Upon application of the Holder (or, in the case of joint Holders, the first-named in the register kept by the Registrar) to the specified office of any Paying Agent not less than three Business Days prior to the Record Date for any payment of principal or redemption amount, as the case may be, or Interest Amount due in respect of a Registered Instrument, (other than in respect of the final redemption amount of such Registered Instrument), such payment may be made by transfer on the due date to an account maintained by the payee with a bank in the Relevant Financial Centre (as defined in Condition 7C.04) in respect of the Registered Instrument. In relation to such payments being made in Euro, such payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) with a bank in a country within the TARGET System (as defined in Condition 7C.02 below) specified by the payee.

7C. Payments – General Provisions

7C.01 Save as otherwise specified herein, this Condition 7C is applicable in relation to Instruments whether in bearer or in registered form.

7C.02 If the due date for payment of principal or any redemption amount or interest as the case may be, in respect of any Instrument or Coupon is not a Business Day, payment shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day, unless the Modified Following Business Day Convention is specified in the relevant Pricing Supplement as applicable and the due date for such payment would otherwise fall in the next calendar month in which case such payment shall be made and credit or transfer instructions shall be given on the first preceding day that is a Business Day. In the case of Instruments which bear interest at a fixed rate or rates or in fixed amounts, the Holder shall not be entitled to any interest or other sums in respect of such postponed payment unless otherwise specified in the relevant Pricing Supplement.

For the purposes of these Terms and Conditions:

“Business Day” means (unless varied or restated in the relevant Pricing Supplement):

- in relation to Instruments denominated in Euro, (i) a TARGET Settlement Day and (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place or, as the case may be, places so specified in the applicable Pricing Supplement; or
- in relation to Instruments denominated and payable in any other currency, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant currency (i) in the Relevant Financial Centre in respect of the relevant Instrument and (ii) in any other place or, as the case may be, places so specified in the applicable Pricing Supplement; or
- in relation to payments due upon presentation and/or surrender of any Instrument or Coupons, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant currency (i) in the place where the relevant Instrument or, as the case may be, Coupon is presented to the specified office of a Paying Agent for payment, (ii) in the Relevant Financial Centre in respect of the relevant Instrument or, in relation to payment being made in Euro, a TARGET Settlement Day and (iii) in any other place or, as the case may be, places so specified in the applicable Pricing Supplement for the purposes of payments;

“TARGET Settlement Day” means a day on which the TARGET System is operating; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

7C.03 In the case of payment in Japanese Yen being made after presentation and surrender of the relevant Instrument or Coupon, the Bank shall not be obliged to credit such account until the next business day in Tokyo following the business day in the place of the specified office of the relevant Paying Agent to which the relevant Instrument or Coupon, as the case may be, is presented for payment.

7C.04 The **“Relevant Financial Centre”** means, in relation to Instruments denominated in any currency other than Euro, such financial centre or centres as may be specified in the definition of **“Business Day”** in the ISDA Definitions in relation to such currency, and, in all cases, as the same may be modified in the relevant Pricing Supplement.

7C.05 Each payment (whether in respect of principal, interest or otherwise) will be subject to any fiscal or other laws and regulations applicable thereto.

8. Events of Default

8.01 If one or more of the following events (hereinafter referred to as **“Events of Default”**) shall have occurred and be continuing in relation to the Instruments of any Series, that is to say:-

- (i) the Bank shall fail to pay any principal or redemption amount, as the case may be, or interest payable in respect of an Instrument on the due date for payment thereof and for 30 days thereafter; or
- (ii) the Bank shall fail to perform or observe any other term, undertaking or agreement in respect of an Instrument of any such Series and such failure shall continue for 60 days after written

notice thereof shall have been given to the Bank at its principal office by the Holder of such Instrument requiring the same to be remedied;

then in any such event the Holder of any Instrument of the same Series may thereafter by written notice to the Fiscal Agent, effective upon receipt thereof by the Fiscal Agent, declare such Instrument to be forthwith due and payable whereupon the same shall become immediately due and payable at its principal amount, redemption amount (or such other amount as may be specified in the relevant Pricing Supplement) together with interest accrued to the date of actual repayment, without presentation, demand, protest or other notice of any kind, all of which the Bank hereby expressly waives, unless prior to the time when the Fiscal Agent receives such notice all Events of Default in respect of all the Instruments of the same Series shall have been remedied.

9. The Paying Agents and the Registrars

9.01 The specified office of the Fiscal Agent and the Registrars and the names of the other initial Paying Agents and their initial specified offices are set out below. The Bank reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Registrar or any such Paying Agent or Determination Agent (as determined in Condition 4E.04) and/or to appoint another Fiscal Agent or Registrar or additional or other Paying Agents or Determination Agents and approve any change in the office in the same city through which the Fiscal Agent or any of the Registrars or any Paying Agents act, provided that the Bank will in all events maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent having its specified office in one city in Europe (which will be outside of the United Kingdom), and (iv) so long as any Instrument is admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a Paying Agent and a Registrar each having its specified office in London and/or in such other place as may be required by such other listing authority, stock exchange and/or quotation system. Notice of such termination or appointment and of any changes in the Fiscal Agent or the Registrars and of any change in or addition to the Paying Agents or the Determination Agent and of any change in the specific offices of the Fiscal Agent or the Registrars or any of the other Paying Agents will be published in accordance with Condition 12.

9.02 In acting under the Fiscal Agency Agreement, the Fiscal Agent, the Registrars and the other Paying Agents act solely as agents of the Bank and assume no obligations towards or relationships of agency or trust for or with the Holder of any Instruments or the Coupons, except that any funds received by the Fiscal Agent for the payment of an instrument and a Coupon shall be held by it in trust for the persons entitled thereto until the expiration of the relevant period of prescription.

9.03 The Fiscal Agency Agreement may be amended by the parties thereto without the consent of the Holders of any Instruments or Coupons if in the reasonable opinion of such parties the amendment will not adversely affect the interests of the Holders of the Instruments or the Coupons.

10. Replacement of Instruments

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments) subject to all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system by which the relevant Instruments are admitted to listing, trading and/or quotation, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Bank and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

11. Meetings of Holder Modification

11.01 The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of such Series, whether or not they are present at the meeting and on all Couponholders (if any) except that any modification, *inter alia*, postponing the date of maturity of Instruments of any Series or any date for payment of interest thereon, or reducing or cancelling the principal amount or the redemption amount, as the case may be, or the interest payable in respect of such Instruments or Coupons or altering the currency of payment of Instrument of any Series or the Coupons thereto will only be binding if passed at a meeting of Holders of

such Instruments or Coupons (or at any adjournment thereof) at which a special quorum provided for in the Fiscal Agency Agreement is present.

11.02 The Fiscal Agent or, as the case may be, the Registrar may agree, without the consent of the Holders of any Instruments or Coupons, to any modification of the Fiscal Agency Agreement or of the Instruments or Coupons which, in the opinion of the Fiscal Agent or, as the case may be, the Registrar, is not materially prejudicial to the interests of the Holders of such Instruments or Coupons or which is of a formal, minor or technical nature or to any modification which is necessary to correct a manifest error.

12. Notices

To Holders of Bearer Instruments

12.01 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified in the relevant Pricing Supplement, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times) or, if such publication is not practicable, if published in a leading English-language newspaper having general circulation in Europe or, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Instruments admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system the requirements of the UK Listing Authority and the London Stock Exchange and/or such other listing authority, stock exchange and/or quotation system have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system.

To Holders of Registered Instruments

12.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

To the Bank

12.03 Notices to the Bank will be deemed to be validly given if delivered at Fabianinkatu 34, P.O. Box 249, FIN-00171 Helsinki, Finland and clearly marked on their exterior "Urgent-Attention: the *Chief Financial Officer*" (or at such other address and for such other attention as may have been notified to the Holders of the Instruments in accordance with this Condition 12) and will be deemed to have been validly given at the opening of business on the next day on which the Bank's principal office is open for business.

13. Further Issues

The Bank may from time to time without the consent of the Holders of any Instruments of any Series create and issue further instruments, bonds or debentures having the same terms and conditions as the Instruments of such Series in all respects (or in all respects except for the first payment of interest, if any, on them) so that such further issue shall be consolidated and so form a single series with the Instruments of such Series or upon such terms as the Bank may determine at the time of their issue.

14. Law and Jurisdiction

14.01 The Instruments, the Fiscal Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law.

14.02 No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Instruments.

14.03 The Bank submits to the jurisdiction of the English courts in any matter arising out of the issue of, or relating to the Instruments, the Fiscal Agency Agreement and the Deed of Covenant and has appointed the Ambassador for the time being of Finland in London at 38 Chesham Place, London SW1X 8HW to act as its agent for service of process in relation thereto and waives any objection to proceedings in such courts on the ground that such proceedings have been brought in an inconvenient forum or otherwise. This submission is made for the benefit of each of the Holders of Instruments of any Series.

USE OF PROCEEDS

The proceeds of the issue of each Series of Instruments will be used for the general business of the Bank.

NORDIC INVESTMENT BANK – GOVERNANCE

Under the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden (the “Member countries”) and the Statutes annexed thereto, the Bank shall have a Board of Governors, a Board of Directors, a President, and such other personnel as is necessary to carry out its operations.

The Board of Governors is composed of eight Governors. Each Member country shall be represented by the Minister designated by it as its Governor. The Board of Governors is responsible for matters specified in the Agreement and the Statutes.

With the exception of matters that fall within the authority of the Board of Governors, all the powers of the Bank are vested in the Board of Directors. The Board of Directors is composed of eight Directors, one being appointed by each Member country, who serve for renewable terms of up to four years and each of whom has one vote. Each Member country also appoints one alternate according to the same principles. The chairmanship and the deputy chairmanship shall rotate among the Member countries every two years.

The following are the Directors and Alternate Directors of the Bank:

Directors

Denmark	Lars Kolte	Managing Director, Danish Export Credit Agency
Estonia	Madis Üürike	Advisor, Ministry of Finance
Finland	Kristina Sarjo	Financial Counsellor, Ministry of Finance
Iceland	Mr. Bolli Thór Bollason	Permanent Secretary, Prime Minister's Office
<i>As of 1st June 2005</i>	Baldur Gudlaugsson	Permanent Secretary, Ministry of Finance
Latvia	Edmunds Krastiņš	Advisor, Ministry of Finance
Lithuania	Rolandas Kriščiūnas	Under Secretary, Ministry of Finance
Norway	Arild Sundberg	Director General, National Insurance Administration
Sweden	Erik Åsbrink	Former Minister of Finance

Alternate Directors

Denmark	Kåre Klein Emtoft	Chief of Division, Ministry of Economic and Business Affairs
Estonia	Ülle Mathiesen	Head of State Treasury Department, Ministry of Finance
Finland	Bo Göran Eriksson	Director General, Ministry of Trade and Industry
Iceland	Baldur Gudlaugsson	Permanent Secretary, Ministry of Finance
<i>As of 1st June 2005</i>	Ragnheidur Elín Árnadóttir	Political Adviser, Ministry of Finance
Latvia	Nikolajs Sigurds Bulmanis	Member of the Supervisory Council JSC Māras Banka
Lithuania	Vilma Mačerauskiene	Head of Financial Institutions Division, Ministry of Finance
Norway	Eli Telhaug	Director General, Ministry of Finance
Sweden	Ulrika Barklund Larsson	Director, Ministry of Finance

The business address for each of the Directors and Alternate Directors mentioned above is Fabianinkatu 34, P.O. Box 249, FIN-00171 Helsinki, Finland.

Under the Statutes, the Board of Directors may delegate its powers to the President, who is appointed by the Board of Directors and who participates in its meetings. The Statutes provide, however, that the President may not be a member or an alternate of the Board of Directors. The President may be appointed by the Board of Directors for renewable terms of not more than five years each.

The current senior management of the Bank and their positions are:

<i>Name</i>	<i>Position</i>
Jón Sigurðsson	President. Johnny Åkerholm has been appointed new President of the Bank from April 1, 2005
Carl Löwenhielm	Executive Vice President, Head of the Nordic Lending Department
Erkki Karmila	Executive Vice President, Head of the International Lending Department
Torben Nielsen	Senior Vice President, Head of the Financial Department
Siv Hellén	Senior Vice President and General Counsel
Oddvar Sten Rønsen	Senior Vice President, Head of the Appraisal Department
Juha Kotajoki	Senior Vice President, Head of the Risk Management Department

A Control Committee has the responsibility for ensuring that the operations of the Bank are conducted in accordance with its Statutes. The Control Committee is also responsible for conducting an audit of the Bank's financial statements to be delivered to the Board of Governors. The Control Committee is composed of ten members, serving renewable terms of up to two years. The Nordic Council and the Parliaments of Estonia, Latvia and Lithuania appoint one member from each Member country. The Board of Governors shall appoint two members, who will serve as Chairman and Deputy Chairman. The chairmanship and the deputy chairmanship rotate among the Member countries.

As of 31st December, 2004 the Bank had 147 employees.

SUBSCRIPTION AND SALE

Instruments may be issued from time to time by the Bank and subscribed for by any one or more of Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG London, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Mitsubishi Securities International plc, Mizuho International plc, Morgan Stanley & Co. International Limited, Royal Bank of Canada Europe Limited, and UBS Limited (the "Dealers"). Instruments may also be issued by the Bank directly to institutions or persons who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be issued by the Bank to, and subscribed for by, the Dealers are set out in an amendment and restatement agreement (dealership agreement) dated 3rd February, 2005 (as amended, supplemented or restated from time to time, the "Dealership Agreement", which expression shall include any further amendments or supplements thereto or restatements thereof) and made between the Bank and the Dealers. Any such agreement for issue and subscription will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be subscribed for by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Bank in respect of such subscription. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Instruments.

The United States of America

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph shall, unless expressly stated otherwise, have the meaning given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Series, as certified to the Fiscal Agent or the Bank by such Dealer (or in the case of a sale of a Series of Instruments to or through more than one Dealer by each of such Dealers as to Instruments of such Series purchased by or through it, in which case the Fiscal Agent or the Bank shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and each such Dealer will have sent to each dealer to which it sells Instruments during the distribution compliance period thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Instruments comprising any Series, any offer or sale of Instruments of such Series within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Furthermore, each Series of Instruments will also be subject to such further United States selling restrictions as the Bank and the relevant Dealer or Dealers may agree and as indicated in the relevant Pricing Supplement.

The United Kingdom

Each Dealer has further represented and agreed that:-

- (a) *No deposit-taking*: in relation to any Instruments having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Instruments would otherwise constitute a contravention of section 19 of the FSMA by the Bank.

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Bank; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Republic of France

Instruments will be issued outside the Republic of France and may not be publicly offered in the Republic of France, and each Dealer has represented and agreed that, and each further Dealer under the Programme will be required to represent and agree that, it has not offered or sold Instruments in the Republic of France, except in compliance with the relevant regulations issued from time to time by the Commission des Opérations de Bourse to (i) qualified investors (*investisseurs qualifiés*) or (ii) a limited number of investors (*cercle restreint d'investisseurs*) each as defined in Article L411-1 *et seq* of the French Code *monétaire et financier* and Decree no. 98.880 dated 1st October, 1998.

In addition, each Dealer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Information Memorandum or any other offering material relating to the Instruments other than to investors to whom offers and sales of Instruments in the Republic of France may be made as described above.

Federal Republic of Germany

Each Dealer has confirmed that it is aware of the fact that no German sales prospectus (*Verkaufsprospekt*) within the meaning of the Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*, the "Act") of the Federal Republic of Germany has been or will be published with respect to the Instruments and that it will comply with the Act and all other applicable legal and regulatory requirements. In particular, each of the Dealers has represented that it has not engaged and has agreed that it will not engage in a public offering (*öffentliches Angebot*) within the meaning of the Act with respect to any Instruments otherwise than in accordance with the Act.

General

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Pricing Supplement, no action has been or will be taken in any jurisdiction by the Bank or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Bank and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of

change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Bank. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Series of Instruments) or (in any other case) in a supplement to this document.

GENERAL INFORMATION

1. The Bank was established pursuant to an Agreement dated 4th December, 1975 (the "Establishing Agreement") among Denmark, Finland, Iceland, Norway and Sweden. On 23rd October, 1998, these countries entered into a novation of the Establishing Agreement, which came into force on 18th July, 1999 (the "1998 Agreement"), whereupon the Establishing Agreement ceased to be effective. Following a decision to broaden the Bank's ownership base a new agreement was signed on the 11th February, 2004 (the "2004 Agreement") allowing Estonia, Latvia and Lithuania to become members of the Bank. The 2004 Agreement came into force on 1st January, 2005 whereupon the 1998 Agreement ceased to be effective. Pursuant to the 2004 Agreement the Bank has full legal capacity to enter into agreements, to acquire and dispose of immovable and movable property, and to be a party to legal proceedings before courts of law and other authorities.

The 2004 Agreement also contains, among others, provisions regarding certain immunities, which are summarised below.

According to these provisions, actions may be brought against the Bank only in a court of competent jurisdiction in the territory of a country in which the Bank has established an office, has appointed an agent for the purpose of accepting service of process, or when the Bank has otherwise expressly accepted jurisdiction. Actions may, however, be brought by a Member country or by persons acting for or deriving claim from a Member country only if the Bank has given its express consent thereto.

In addition, under the 2004 Agreement (i) the property and assets of the Bank, wherever located and by whomsoever held, shall be immune from execution of judgment or decree by judicial or administrative authority before such judgment or decree is final; (ii) the property and assets of the Bank, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation and expropriation by executive or legislative action (iii) the Bank, its property and assets shall be immune from procedural measures of constraint such as seizure; and (iv) the premises and archives of the Bank and all documents belonging to it or held by it shall be inviolable.

2. The Programme was authorised by resolutions of the Board of Directors of the Bank dated 6th February, 1992, 3rd November, 1993, 2nd November, 1995, 19th December, 1997, and 13th December, 2001 respectively.
3. For the period of fourteen days after the date of this Information Memorandum and for so long thereafter as the Programme is in existence, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at each of the registered office of the Bank and at the specified office of Citibank, NA. at 5 Carmelite Street, London EC4Y 0PA namely:
 - (a) the 2004 Agreement;
 - (b) the Statutes of the Bank;
 - (c) the Fiscal Agency Agreement;
 - (d) the Deed of Covenant,
 - (e) the Dealership Agreement;
 - (f) the Annual Reports of the Bank for the two most recent financial years;
 - (g) the listing particulars and any supplementary listing particulars published since the date of this Information Memorandum; and
 - (h) any Pricing Supplement in respect of Instruments admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system and issued since the date of this Information Memorandum. In the case of a Series of Instruments in relation to which application has not been made for admission to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange or for listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of or, as the case may be, an Account Holder (as defined in the Deed of Covenant) in respect of such Instruments.
4. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number will be contained

in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.

5. There has been no material adverse change in the financial position of the Bank since the date of the latest audited financial statement which relate to the financial period ended 31st December, 2003.
6. There are no, nor have there been any, legal or arbitration proceedings, including any pending or threatened, involving the Bank which may have or have had during the twelve months prior to the date hereof a significant effect on the financial position of the Bank.
7. The listing of any Series of Instruments on the London Stock Exchange will be expressed as a percentage of their principal amount (excluding accrued interest). It is expected that each Series of Instruments which is to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a temporary global instrument initially representing the Instruments of such Series or, as the case may be, the relevant Registered Instruments, and the listing of the Programme in respect of such Instrument(s) will be granted on or about 8th February, 2005.
8. Each Series of Instruments and any interest thereon will not be exempt from taxation generally. Pursuant to the 2004 Agreement, the Member countries have agreed that borrowing and lending by the Bank shall be exempt from all taxes and imposts of a similar nature.
9. On 3rd June, 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1st July, 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

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