

NORDIC INVESTMENT BANK**Programme for the Issuance of Debt Instruments
Issue of a Series of
ZAR 2,000,000,000 Zero Coupon Notes due 2027 (the "Notes")**

This document is the Pricing Supplement (as referred to in the Information Memorandum dated January 29, 1996 as supplemented by a Supplemental Information Memorandum dated January 29, 1997 for the above Programme) in relation to the Series of Notes referred to above and such Series of Notes are Instruments as defined in and for the purposes of the Dealership Agreement, the Fiscal Agency Agreement and the Deed of Covenant.

The particulars to be specified in relation to such Series of Notes are as follows:

Issuer:	<i>Nordic Investment Bank</i>
Currency:	South African Rand ("ZAR")
Aggregate Principal Amount of this Series:	ZAR 2,000,000,000 (Two billion South African Rand)
If interchangeable with existing Series, Series No.:	Not Applicable
Issue Date:	9th July, 1997
Issue Price:	2.8575 per cent.
Relevant Dealer:	<i>Hambros Bank Limited as Relevant Dealer and Lead Manager with a syndicate of Managers (as listed in Annex A hereto) pursuant to a Subscription Agreement dated 27th June, 1997.</i>
Form of Instruments:	<i>The Notes will be in Bearer form and will initially be represented by a Temporary Global Note without Coupons which will be deposited with Citibank N.A., London Branch, in its capacity as a common depository for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System and Cedel Bank, société anonyme, on or about 9th July, 1997. Interests in such Temporary Global Note will be exchangeable for security printed serially numbered Definitive Notes with Coupons attached not earlier than the date which is forty days after the Issue Date and upon certification as to non-U.S. beneficial ownership as required in the Temporary Global Note.</i>

Denomination:	ZAR 5,000, ZAR 50,000 and ZAR 500,000
Interest:	Non-interest bearing
Maturity Date:	9th July, 2027. Payment of the Redemption Amount shall be made on the Maturity Date subject to adjustment in accordance with the Following Business Day Convention (as defined in Condition 4F).
Redemption Amount at Maturity:	100 per cent. of the Aggregate Principal Amount.
Early Redemption for Taxation Reasons or an Event of Default:	If the Notes are redeemed for taxation reasons in accordance with Condition 5.02 or following the occurrence of an Event of Default as set out in Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated in accordance with Annex B hereto.
Optional Early Redemption (Call):	Not Applicable
Optional Early Redemption (Put):	Not Applicable
Additional Selling Restrictions:	<p>For the purposes of the issue of these Notes only and in addition to the selling restrictions set out in the section entitled "Subscription and Sale" of the Information Memorandum the following selling restrictions relating to the Republic of South Africa shall also apply:</p> <p>Each Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in the Republic of South Africa or to persons resident in the Republic of South Africa except in accordance with the South African Exchange Control Regulations 1961, as amended, and in circumstances which would not constitute an offer to the public within the meaning of the South African Companies Act 1973 (as amended).</p>
Business Days:	Johannesburg, London and New York for the purposes of Condition 7C.02 with respect to the payment of the Redemption Amount.
Relevant Financial Centre:	Johannesburg for the purposes of Condition 7C.04

Listing:

The Official List of the London Stock Exchange Limited

ISIN:

XS0077056546

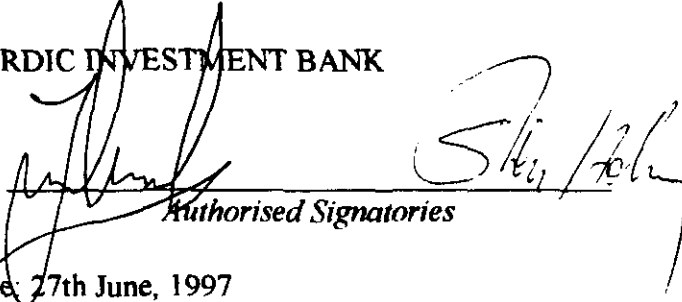
Common code:

7705654

CONFIRMED

NORDIC INVESTMENT BANK

By:


Authorised Signatories

Date: 27th June, 1997

Annex A to Pricing Supplement no. 120

The following institutions are Managers under the Subscription Agreement dated 27th June, 1997, in relation to the Notes described in this Pricing Supplement.

Lead Manager

Hambros Bank Limited

Co-Lead Manager

ABN AMRO Bank N.V.

Bear, Stearns International Limited

Commerzbank Aktiengesellschaft

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Dresdner Bank Aktiengesellschaft

ING Bank N.V.

Midland Bank plc

Norddeutsche Landesbank Girozentrale

Prudential-Bache Securities (U.K.) Inc.

VEREINS- UND WESTBANK Aktiengesellschaft

Annex B to Pricing Supplement no. 120

i) If the Notes are redeemed for taxation reasons or following the occurrence of an Event of Default, the Notes will be redeemed at the following redemption amounts (expressed as a percentage of the principal amount of the Notes) plus, if applicable, any amounts set out in ii) below (together the “Early Redemption Amount”)

If redeemed during the period	Redemption percentage
9th July, 1997 to 8th July, 1998	2.8575
9th July, 1998 to 8th July, 1999	3.22
9th July, 1999 to 8th July, 2000	3.62
9th July, 2000 to 8th July, 2001	4.08
9th July, 2001 to 8th July, 2002	4.59
9th July, 2002 to 8th July, 2003	5.17
9th July, 2003 to 8th July, 2004	5.82
9th July, 2004 to 8th July, 2005	6.55
9th July, 2005 to 8th July, 2006	7.37
9th July, 2006 to 8th July, 2007	8.30
9th July, 2007 to 8th July, 2008	9.35
9th July, 2008 to 8th July, 2009	10.52
9th July, 2009 to 8th July, 2010	11.85
9th July, 2010 to 8th July, 2011	13.34
9th July, 2011 to 8th July, 2012	15.01
9th July, 2012 to 8th July, 2013	16.90
9th July, 2013 to 8th July, 2014	19.03
9th July, 2014 to 8th July, 2015	21.43
9th July, 2015 to 8th July, 2016	24.12
9th July, 2016 to 8th July, 2017	27.16
9th July, 2017 to 8th July, 2018	30.57
9th July, 2018 to 8th July, 2019	34.42
9th July, 2019 to 8th July, 2020	38.75
9th July, 2020 to 8th July, 2021	43.62
9th July, 2021 to 8th July, 2022	49.11
9th July, 2022 to 8th July, 2023	55.29
9th July, 2023 to 8th July, 2024	62.25
9th July, 2024 to 8th July, 2025	70.08
9th July, 2025 to 8th July, 2026	78.90
9th July, 2026 to, but excluding, 9th July, 2027	88.82

together with

ii) accrued amortisation of the original issue (unless the date of redemption is 9 July) discounted at an annual rate of 12.5815 per cent. from (and including) the immediately preceding 9 July to (but excluding) the date fixed for redemption on the basis of a 360 day year consisting of 12 months of 30 days each, and, in the case of an incomplete month the actual number of days elapsed.