

Municipality Finance Plc  
Stock Exchange Release  
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## **Municipality Finance defined a nationally significant credit institution**

As a result of the renewed bank regulation, the Act on Credit Institutions require the Finnish Financial Supervisory Authority (FIN-FSA) to define credit institutions significant for the financial system in Finland. According to the decision published on July 6, 2015, FIN-FSA has listed Municipality Finance Plc among these institutions.

The credit institutions significant for the financial system are divided into five different classes which determine the demand of capital add-on of 0 to 2 percent. Municipality Finance is categorized into the class 2 which means that a capital add-on of 0.5 percent is required. Municipality Finance's ratio of total own funds to risk-weighted assets was 33.53 percent at the end of 2014, which easily fulfils the requirement.

The Act on Credit Institutions sets some special requirements for the corporate governance of the credit institutions significant for the financial system. Municipality Finance's corporate governance policies already comply with these requirements.

The FIN-FSA assessment of the significant credit institutions is based on the groundwork of the Act on Credit Institutions and the indicators published by the European Banking Authority (EBA) in its guidelines.

### **MUNICIPALITY FINANCE PLC**

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*Measured by the group's balance sheet, MuniFin (Municipality Finance Plc) is Finland's third largest credit institution. The company is owned by Finnish municipalities, the public sector pension fund Keava and the Republic of Finland. MuniFin is an integral part of the Finnish public economy.*

*MuniFin's balance sheet totals EUR 30 billion. Funding for the company is primarily obtained through the international capital markets. MuniFin's funding is guaranteed by the Municipal Guarantee Board.*

*MuniFin's mission is to ensure competitive funding for its customers in all market conditions. The company's customers are Finnish municipalities, municipal federations, municipally controlled companies and non-profit housing corporations. A significant portion of lending is used for socially responsible projects such as building hospitals, healthcare centers, schools, day care centers and homes for the elderly.*

*The Municipality Finance Group also includes the subsidiary company, Financial Advisory Services Inspira Ltd.*

Read more: [www.munifin.fi](http://www.munifin.fi)