

15 th April 2020	MuniFin Contacts: <i>Joakim Holmstrom +358-9-68035674</i> <i>Antti Kontio +358-9-68035634</i>
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MuniFin successfully prices a new €1bn 5-year transaction

- Second Euro-denominated benchmark transaction of the year for MuniFin, after a Nov-2024 trade executed in January
- Over 3x subscribed with more than 90 accounts participating

Transaction Highlights

- On Wednesday 15th April 2020, MuniFin (Aa1 / AA+, both stable) priced a new EUR 1 billion 5-year RegS benchmark transaction. The issue carries an annual coupon of 0% and was priced at mid-swaps+16bps, equivalent to a spread of 56.4bps over the OBL 0% due April 2025 at the time of pricing.
- The mandate for the new 5-year benchmark was announced on Tuesday 14th April at 12:50 UKT. On the back of encouraging investor feedback received after the initial market announcement, MuniFin and the joint-bookrunners decided to open books and release guidance spread at 8:30 UKT on Wednesday 15th April, at mid-swaps+20bps area.
- Within less than an hour, demand grew to more than EUR 2 billion, at which point the guidance was revised to ms+18bps area. Momentum continued unabated, reaching EUR 2.8 billion at 10:05 UKT, at which point the spread was set at mid-swaps +16bps.
- The final order book closed over EUR 3.6 billion at 10:30 UKT, and the transaction was subsequently priced at 14:18 UKT.
- The orderbook was of very high quality, with 46% of the allocations to Central Banks & Official Institutions, followed by Banks (45%), Asset Managers (7%) and Insurance/Pension Funds (2%). In terms of geographic distribution too, the transaction was well diversified, with 76% of the investors from Europe (excl. Nordics), followed by Nordics (19%), Americas (4%) and Asia (1%).

Composition of allocation for the issue:

By Geographical Region		By Investor Type	
Europe excl. Nordics	76%	Central Banks / Official Institutions	46%
Nordics	19%	Banks	45%
Americas	4%	Asset Managers	7%
Asia	1%	Insurance / Pension Funds	2%

Summary Terms and Conditions for the new bond issue:

Issue Amount	EUR 1 billion
Pricing Date	15 April 2020
Payment Date	22 April 2020 (T+5)
Maturity Date	22 April 2025
Issue/Re-offer Price	100.476%
Re-offer Yield	-0.095% annual

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Annual Coupon	0.000%
Re-offer Spread	MS +16bps <i>OBL 0% due April 2025 + 56.4bps</i>
Format	Senior, Unsecured, Reg S
Listing	Helsinki Stock Exchange (Regulated market)
ISIN	XS2159795124
Joint Lead Managers	Barclays / Citi / Morgan Stanley / Nordea

Lee Cumbes, Head of Public Sector EMEA, Barclays, said: “By intelligently using the full benefit of its high credit quality and ongoing investor marketing efforts, the Municipality Finance team has successfully achieved its price and volume targets. This is the culmination of a great deal of hard work to develop its broad base of international EUR investors over recent years, proving its worth and diversification benefits yet again today”.

Philip Brown, Head of Public Sector DCM, Citi, said: “An impressive outcome for MuniFin's second Euro benchmark of 2020. In a very challenging market, the transaction captured the attention of a broad range of investors resulting in a heavily oversubscribed issue highlighting the MuniFin's well established investor base. Citi was pleased to have been part of this success.”

Ben Adubi, Head of SSA Syndicate, Morgan Stanley, said: “A triumphant return to the Euro market for MuniFin, after a period of wider market volatility. The high-quality and granular final orderbook, with notable participation from central banks and official institutions, further underscores the strength of MuniFin’s credit quality. Morgan Stanley was delighted to be involved!”

Kamal Grossard-Amin, Head of SSA DCM, Nordea, said: “A stellar result for MuniFin amid the global pandemic crisis. The highly oversubscribed, granular and high quality orderbook demonstrates the strong investor support that MuniFin commands even in difficult times. We are very pleased to be involved in the transaction.”



Morgan Stanley

Nordea