

MuniFin

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GBP 250 million New 0.875% Green Bond Due 16th December 2024

26th October 2021

Final Terms

Issuer:	Municipality Finance Plc (“Munifin”)
Ratings:	Aa1 / AA+ (both Stable) by Moody’s / S&P
Size:	GBP 250,000,000
Coupon:	0.875% annual, Actual/Actual (ICMA), following unadjusted
Pricing Date:	26 th October 2021
Payment Date:	02 nd November 2021
Maturity Date:	16 th December 2024
Benchmark:	UKT 2 ¾ 09/07/24
Benchmark Spread:	+30bps
Joint Bookrunners:	BofA Securities, Nomura, TD Securities

Use of Proceeds

The proceeds of the issue of the Notes will be used by the Issuer in accordance with the Municipal Guarantee Board Act, as amended, and, in addition, will be used and earmarked in accordance with the Issuer’s Green Bonds Framework.

Green Bond Framework: <https://www.munifin.fi/sustainable-bonds/green-bonds/>

Transaction Highlights

- The transaction represents **MuniFin inaugural Green bond in the Sterling market**, capitalising on the increased focus on Green assets following the UK DMO’s debut and follow on Gilt syndications earlier this year
- The transaction met with strong support from the ESG Real Money community with circa 40% participation from ESG investors
- With this transaction, MuniFin is close to completing the funding program for the year

Transaction Details

- On 26th October 2021, Municipality Finance (“MuniFin”) priced their inaugural Green £250m fixed-rate benchmark due 16th December 2024. The transaction pays a coupon of 0.875% (annual) and a spread of 30bps over the UKT 2.750% September 2024 reference Gilt
- Taking advantage of the constructive market tone, the transaction was announced to the market on Tuesday 26th October at 9:10hrs London time, and books were opened with Price Guidance announced at UKT 09/24 +30bps area. The size was fixed from the outset at £250 million
- The orderbook enjoyed steady momentum throughout the morning and the syndicate set the spread in line with Guidance at UKT 09/24 +30bps. By 11.40hrs London time, the transaction was oversubscribed and books were announced to close at 12.15hrs London time
- Final books closed in excess of £300 million and the transaction priced at 14.25hrs London
- Participation was of the highest quality lead by Central Banks and Official Institutions 44% followed by Asset managers 42.9%. In terms of geography distribution was granular across regions with 54.2% from Europe excl. Nordics investors, 34% Asia Pacific and 10% Africa and the Middle East

Issuer Overview

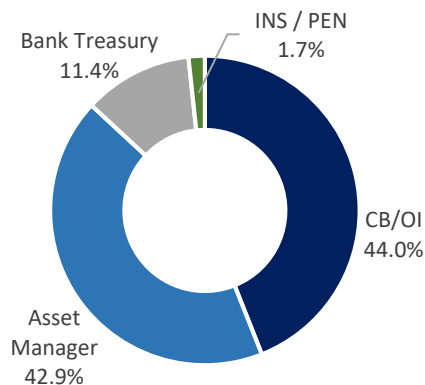
Municipality Finance Plc, or MuniFin, is one of Finland’s largest credit institutions and the only one specialised in the financing and financial risk management of the Finnish public sector.

The financing is offered exclusively to Finnish municipalities, their majority-owned companies, and non-profit housing companies.

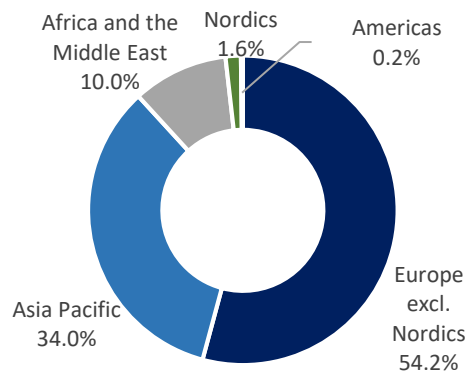
MuniFin is 100-percent owned by the Finnish public sector; the municipalities, the government of Finland and KeVa, a public sector pension fund.

Sales Distribution

By Investor Type



By Investor Region



Source: Joint Bookrunners

Comments from the Bookrunners:

"Huge congratulations to the Municipality Finance team for navigating the volatile backdrop and printing a hugely successful, second GBP transaction of 2021. Excellent to see the issuer benefiting from the growing demand for ESG assets in GBP and adding a fourth currency to their Green bond offerings. The orderbook is testament to the strong following MuniFin has gathered amongst the UK investor base, as well as the broader global central bank community"

Adrien de Naurois, Managing Director, Head of DCM SSA & EMEA IG Syndicate, BofA Securities

"Nomura was delighted to support Municipality Finance's inaugural Green outing in the Sterling market – a resounding success, broadening MuniFin's ESG investor universe and reinforcing the sustainability commitment of the organisation"

Mark Yeomans, Managing Director, SSA Debt Capital Markets, Nomura

"Congratulations to the MuniFin team on a fantastic inaugural GBP Green transaction. There was notable participation from dedicated green investors in this trade; a clear vote of confidence from the market in MuniFin's credentials in the ESG space. This transaction has added a fourth currency to MuniFin's green offerings and helps further expand their green investor base"

Laura Quinn, Managing Director, Head of Primary Markets, TD Securities, Dublin

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