

Issuer:	Municipality Finance Plc (“MuniFin”)
Ratings:	Aa1 / AA+ (both Stable) by Moody’s / S&P
Size:	EUR 1,000,000,000
Coupon:	3.000% annual, Actual/Actual (ICMA), following unadjusted
Pricing Date:	15 February 2023
Payment Date:	22 February 2023
Maturity Date:	25 September 2028
Mid Swap Spread:	-3bps
Joint Bookrunners	CACIB / Danske Bank / HSBC / NatWest Markets

Transaction Highlight

- This trade represents the largest Green bond ever issued by MuniFin, the first Green issuance from MuniFin in 2023 and the inaugural transaction under the updated Green Bond Framework (dated August 2022). Overall, this trade is the 8th Green bond for MuniFin.

Transaction Details

- On 15th February 2023, MuniFin priced their €1bn fixed-rate benchmark due 25 September 2028. The transaction pays a coupon of 3.000% (annual) and a spread of mid-swaps – 3bps.
- The mandate was announced to the market on Tuesday, 14th February at 13:45hrs London time.
- Books formally opened the morning thereafter at 08:00hrs London with guidance at ms-1bps.
- Momentum was strong from the outset and after just 1.5hrs books were in excess of €1.7bn (excluding JLM interest) with spread set at ms-3bps. Books closed shortly afterwards at 10:30hrs London.
- Final books were in excess of €2bn with the deal pricing at 13:30hrs London time.
- Composition of the orderbook was well diversified, with Banks and AM accounts leading the way at 46% and 31% respectively. In terms of geographical split, the Nordic region accounted for the majority at 37% followed by the DACH and Benelux regions at 29% and 13% respectively.
- ESG investors played a key role in this transaction with nearly 80% of the final transaction going to investors with some degree of ESG shading (derived from JLM syndicate ESG shading calculations approved by MuniFin).

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.

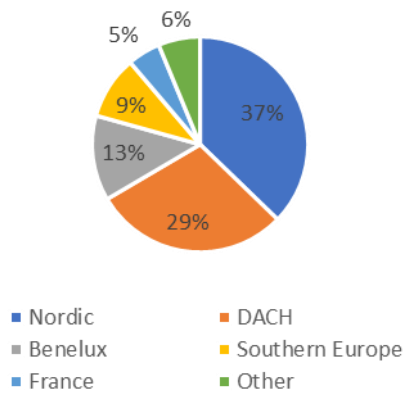
The financing is offered exclusively to Finnish municipalities, their majority-owned companies, wellbeing services counties and non-profit housing companies.

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

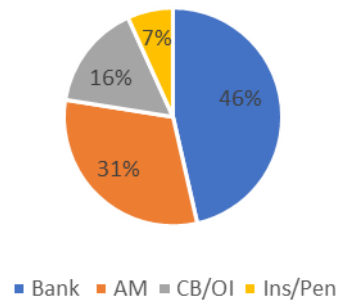
MuniFin

Distribution:

By Region



By Type



Comments from the Bookrunners:

“Credit Agricole CIB is proud to have assisted MuniFin with its successful return to the Green Bond market. MuniFin not only achieved an outstanding result in terms of tight pricing and diversified high-quality investor demand, it also raised the bar on the green bond issue size of EUR 1 billion - the largest EUR Green Bond in the Nordic SSA market to date. Credit Agricole CIB would like to congratulate the MuniFin team for its longstanding commitment to Sustainability and for continuously supporting the development within the Nordic region and on a global scale.” Lawrence Duquesne-Garner, Managing Director, SSA Origination, Credit Agricole CIB

“This is a fantastic outcome for MuniFin and a testament of the quality in their recently updated green bond framework. We are pleased to see a MuniFin being able to attract such a strong order book with pricing through their EUR curve despite an uncertain market backdrop. Danske Bank is proud to have supported MuniFin with the framework update and as a lead manager on the first Green Bond issue thereafter.” Gustav Landström, Head of SSA Origination at Danske Bank

“A stellar result for MuniFin, capitalizing on constructive market conditions to print its largest ever Green benchmark. Today’s deal highlights the strong following MuniFin receives from the global investor base as well underlining MuniFin’s strength as a green issuer. The deal was 2x oversubscribed, allowing pricing to move 2bps through execution and price with a minimal new issue concession. HSBC is proud to have helped lead this transaction. Congratulations to the MuniFin team” Sabrina Khalfoune, SSA DCM, HSBC

“With this transaction, MuniFin have issued their largest green benchmark to date. This represents an ongoing commitment from MuniFin to create large liquid benchmarks in Green format and also highlights an increased engagement from the investor community. The latter point is evidenced by a 2x oversubscribed book and issuance at fair value. ESG is at the core of NatWest’s business model and we are incredibly proud to have been involved in this issuance” Damien Carde, Head of FBG DCM, NatWest Markets

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