

MuniFin

Press Release

MuniFin EUR 500 million 0% Green Bond due 14th October 2030

Issuer	Municipality Finance Plc (“MuniFin”)
Rating	Aa1 / AA+ (Moody's/S&P - both stable)
Issue Size	EUR 500mn (no-grow)
Payment Date	14 October 2020
Maturity Date	14 October 2030
Coupon	0%
Re-offer Price	101.992
Re-offer Yield	-0.1970%
Re-offer vs Mid-Swaps	+2bps
Re-offer vs Benchmark	DBR 08/2030 +30.7bps
Lead Managers	Danske Bank, NatWest Markets, Nomura, Nordea

- On Tuesday, 6th October 2020, MuniFin (rated Aa1/AA+, stable outlook by Moody's/ S&P), priced a EUR 500m Reg S 10-year fixed rate Green benchmark; jointly led by Danske Bank, NatWest Markets, Nomura and Nordea.
- The benchmark offers a 0% coupon and a spread of 30.7bps over the DBR 08/2030, equivalent to 2 bps over mid-swaps.
- The transaction is MuniFin's third EUR-denominated green bond and fifth green bond across currencies.
- The mandate of a new 10y 500m WNG Green benchmark was announced at 11.00am London time on Monday 5th of October.
- The following morning books were officially opened at 8.00am London time with spread guidance of mid-swaps +5bps which represented minimal new issue concession of 1bp.
- Momentum was strong from the outset and orders built rapidly. By 9.35am London time demand was in excess of EUR 2.7bn and spread was revised by 3bps to ms+2bps, representing a negative new issue concession of 2bps.
- Despite the negative new issue concession on offer, orders continued to build with final books at 3.35bn.
- **This deal represents the largest oversubscription ever seen in the history of MuniFin issuance at 6.7x across 106 investors. This deal also represents the largest green allocation seen in a MuniFin issuance at 55%, testament to the ever growing presence and commitment of MuniFin to Sustainable bond issuances.**

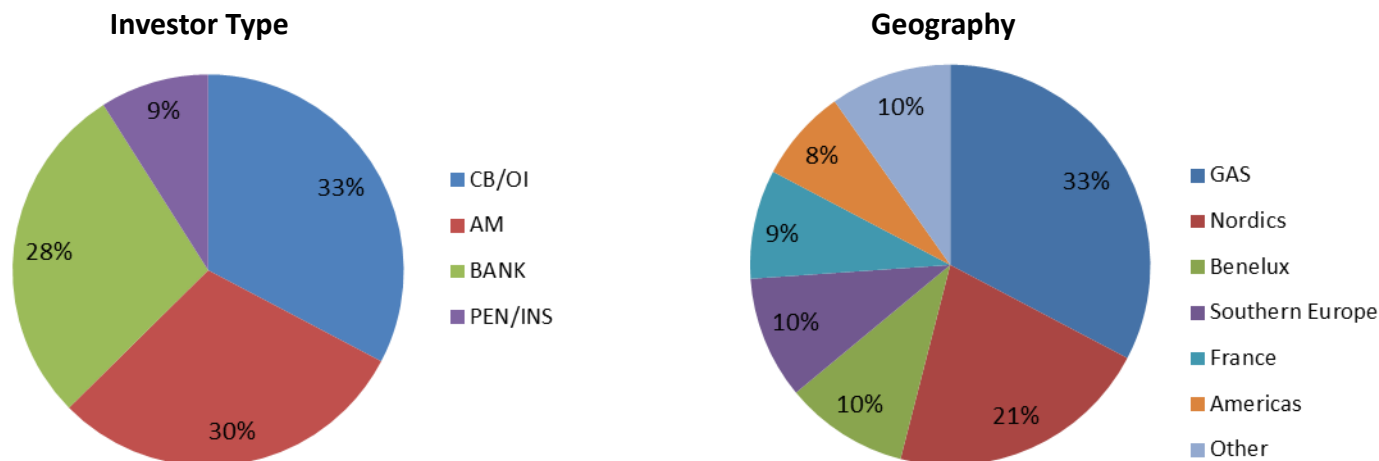
MuniFin is committed to understand, monitor and manage the social, environmental and economic impact of its own activities and finance offered to its customers in order to contribute to the Finnish society's wider goals of sustainable development. As a leader in sustainable investments in Finland, MuniFin have set a goal to have 10% green finance of the total lending portfolio by 2022. This benchmark is the 5th green bond issuance, and the 3rd in EUR taking the total EUR denominated green bond issuance to EUR 1.5 billion.

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Distribution Statistics:



Comments:

An amazing outcome for MuniFin in the EUR Green Bond market, achieving a final pricing through fair value with an almost seven times oversubscribed order book. It's great to see how well investor ESG mandates respond to the MuniFin Green Bond framework enabling this great result

Gustav Landström, Global Head of SSA origination at Danske Bank

MuniFin have consistently been at the forefront of Sustainability in the primary markets, and it's clear the time invested has paid dividends. The transaction was an outstanding success on all counts. Oversubscription of almost 7 times was driven both by high quality and ESG focussed accounts, and the negative new issue concession of 2bps is testament to MuniFin's pioneering work in the ever evolving ESG arena

Damien Carde, Head of FBG DCM, NatWest Markets

2020 marks another seminal year for Municipality Finance as they expand their sustainable footprint – last month saw their hugely successful inaugural Social Bond outing after introducing social financing to its customers. While today's EUR 10-year Green Bond – their 5th Green Bond - garnered their largest ever ESG book of EUR 3.35bn. Despite the busy market, the Green bond received investor interest of the highest quality from the outset and is a testament to the strength of the credit and tireless work by the Capital Markets team in promoting Municipality Finance, and indeed its Sustainable Bond offerings.

Mark Yeomans, Managing Director, DCM Public Sector, Nomura

Once again MuniFin has dazzled with a record-breaking Green Bond Euro benchmark which has become the latest in a string of phenomenal transactions for MuniFin under their Green Bond framework. Nordea is delighted to have been part of MuniFin's fifth Green benchmark which marks MuniFin's largest ever green bond orderbook and highest ever oversubscription ratio at almost seven times - all despite a 3bp tightening from guidance and a negative 2bp new issue premium. We see this is a clear testament to MuniFin's outstanding name in the SSA market, as well as its prodigious standing among Green Bond investors.

Kamal Grossard-Amin, Head of SSA DCM, at Nordea

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