



MuniFin

GBP 250 million New 5.125% Bond Due 22nd July 2027

Final Terms

9th August 2023

Issuer:	Municipality Finance Plc ("MuniFin")
Ratings:	Aa1 / AA+ (both Stable) by Moody's / S&P
Format:	Senior, Unsecured, Reg S, Registered
Size:	GBP 250 million
Pricing Date:	9 th August 2023
Settlement Date:	16 th August 2023
Maturity Date:	22 nd July 2027
Coupon:	5.125%, Fixed, Annual, ACT/ACT
Reoffer Spread:	UKT 1 ¼ 07/22/27 (Mid) + 60 bps
Joint Bookrunners:	Barclays / BofA / Citi

Transaction Highlights

- This trade marks the first benchmark transaction in the GBP market for Municipality Finance ("MuniFin") in over 18 months, following their GBP 300 million Jun-25 benchmark in January 2022.
- MuniFin capitalized on a period of scarce supply to re-open the GBP SSA market and achieved a high-quality oversubscribed orderbook in the process.
- This issuance strategically extends MuniFin's GBP benchmark curve to the new July 2027 maturity at a competitive cost of funding.

Transaction Details

- On 9th August 2023, MuniFin priced their GBP 250 million fixed-rate benchmark due 22nd July 2027. The transaction pays a coupon of 5.125% per annum and a spread of +60bps over the 1.250% UKT due July 2027.
- Following the latest round of Central Bank meetings and almost three weeks with no syndicated supply in the SSA sector, the issuer proactively seized a supportive window ahead of key inflation data out of the US.
- After a constructive market open, the transaction was announced on Wednesday 9th of August 2023 at 10:05hrs London / 12:05hrs Helsinki. The books were opened concurrently with initial guidance released at UKT+60bps area, equivalent to SONIA +19bps.
- Despite the scarcity of supply in August to date, there was clear focus and significant engagement from the global investor community from the outset. Momentum accelerated throughout the course of the London morning with the orderbook surpassing GBP 170 million (excluding JLM interest) by the first book update at 12:00hrs London / 14:00hrs Helsinki. The spread was formally set at UKT+60bps at this stage and it was announced that books would close at 12:30hrs London / 14:30hrs Helsinki.
- Driven by high-quality real money interest, the orderbook continued to grow and closed in excess of GBP 280 million (excluding JLM interest). This enabled the issuer to launch a GBP 250 million transaction at 12:35hrs London / 14:35hrs Helsinki.
- The transaction officially priced at 13:48hrs London / 15:38hrs Helsinki with a semi-annual yield of 5.158%.
- The high-quality orderbook was anchored by Banks (50%) and Central Banks/Official Institutions (44%). The remaining bonds were allocated to Fund Managers (4%) and Insurance and Pension Funds (2%).

- In terms of geographic distribution, the bonds were predominantly placed into investors from the UK (57%), followed by Asia and the Middle East (42%) and France (4%).

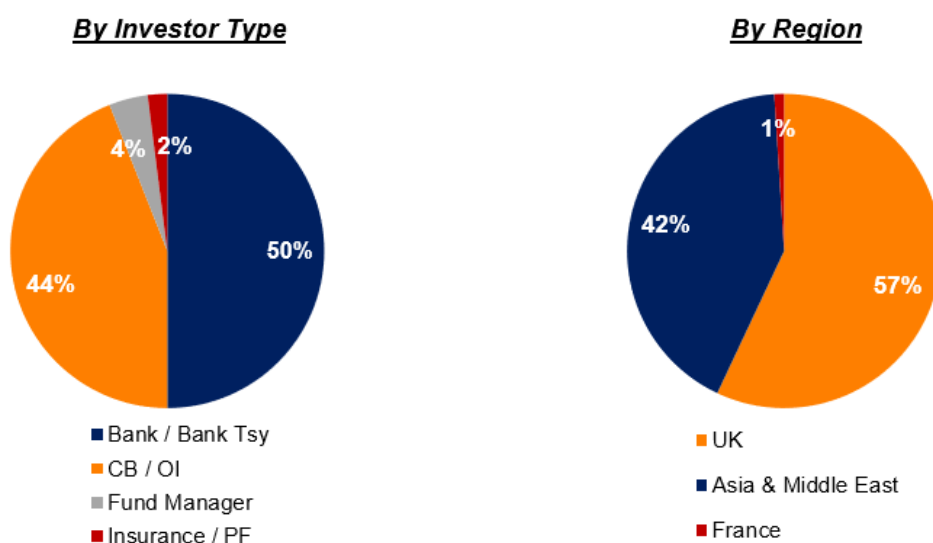
Issuer Overview

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

The financing is offered exclusively to Finnish municipal sector, wellbeing services counties sector, 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



Source: Joint Bookrunners

Comments from the Issuer:

"The Sterling market is an important funding market for us, so it was great to return after a little break. We are grateful for the support from our investors", says Karoliina Kajova, Senior Manager at MuniFin

Comments from the Bookrunners:

"Huge congratulations to the MuniFin team for a highly successful return to the GBP market. MuniFin were quick to capitalise on the constructive market backdrop, allowing them to extend their benchmark GBP curve at a competitive cost with their first benchmark for this currency in over 18 months. Achieving such a high-quality, oversubscribed orderbook whilst re-opening the GBP SSA market in the second week of August is testament to the depth of MuniFin's following from its global investor base. Barclays is delighted to have been able to support this transaction."
 – Alex Paterson, Head of SSA DCM, Barclays

"Congratulations to the MuniFin team for a hugely successful return to the sterling market. This transaction strategically extends the MuniFin sterling curve and captured focus during a quieter period for the SSA sector. Investors also appreciated high quality issuance in an under-supplied tenor thus far in 2023." – Robert Matthews, SSA DCM, Bank of America

“Congratulations to the MuniFin funding team for their first new Sterling benchmark since January 2022! Although August is typically a quieter month in primary markets, the MuniFin team took advantage of a stable and constructive market backdrop to price a successful £250 million transaction, which was well supported by high quality accounts. Citi is delighted to have worked with MuniFin on this deal which re-affirms their commitment to the Sterling SSA market.” – Ebba Wexler, Head of SSA DCM, Citi

MuniFin Contacts:

Joakim Holmström – Executive Vice President, Capital Markets and Sustainability

+358 50 4443 638

Antti Kontio – Head of Funding and Sustainability

+358 50 3700 285

Karoliina Kajova – Senior Manager, Funding

+358 50 5767 707

Lari Toppinen – Senior Analyst, Funding

+358 50 4079 300

Aaro Koski – Analyst, Funding

+358 45 1387 465