



About the organisation

Municipality Finance Plc (Kuntarahoitus Oyj) is a credit institution specialised in financing local government sector and state-subsidised social housing production. MuniFin is one of Finland's largest financial institutions.

Municipality Finance aims to promote welfare in Finland through the financing of municipal projects related to basic infrastructure, healthcare, education and the environment. A significant portion of its lending is used for socially responsible projects such as building hospitals, healthcare centers, schools, day care centers and homes for the elderly.

The group also includes a subsidiary Financial Advisory Services Inspira Ltd.

Key figures

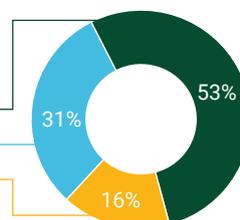
| | 2018 | 2017 |
|------------------------------------|--------|--------|
| Lending portfolio (EUR million) | 22,354 | 21,219 |
| Total assets (EUR million) | 35,677 | 34,738 |
| Net operating profit (EUR million) | 190.0 | 198.4 |
| Tier 1 capital adequacy ratio, % | 87.97 | 72.50 |
| Personnel | 151 | 134 |

Municipalities in Finland

Finland's local government sector is characterised by a high degree of autonomy over financial matters (including the unlimited right to levy taxes on income) and strong credit quality, which is reflected in the high quality of MuniFin's loan portfolio.

Ownership

| | |
|---|-----|
| Municipalities, municipal federations and companies owned by municipalities | 53% |
| Keva, a local public sector pension fund | 31% |
| Republic of Finland | 16% |



Explicit guarantee

The Municipal Guarantee Board (MGB) is an institution under public law whose purpose is to safeguard and develop joint funding for municipalities. MGB's member municipalities include all Finnish municipalities, which are jointly liable on a pro rata basis for MGB's commitments.

All loans guaranteed by MGB are classified as zero-risk. MGB's own credit ratings are Aaa (stable, Moody's) and AA+ (stable, S&P).

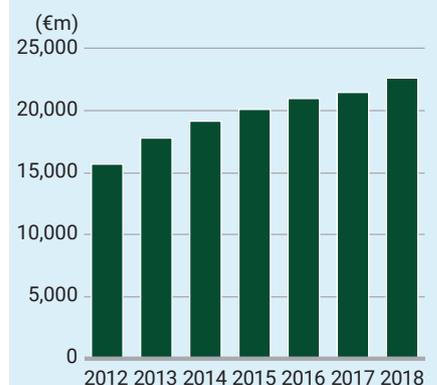
www.muniguarantee.fi

Credit ratings

Aa1 (stable) Moody's
AA+ (stable) S&P

The strong credit ratings are based on Municipality Finance's extremely low risk loan portfolio, good liquidity, conservative risk policy and the guarantees granted by the Municipal Guarantee Board for Municipality Finance's debt programmes and funding arrangements outside the programmes.

Lending portfolio 2012 - 2018



MuniFin's lending portfolio carries only either Finnish municipality or central government risk.

MuniFin finances only local governments and the non-profit housing sector in Finland

MuniFin can grant financing to

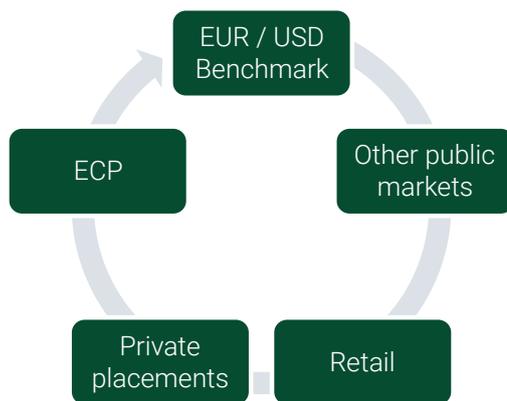
- municipalities
- municipal federations
- municipally owned corporations
- housing organisations with non-profit status



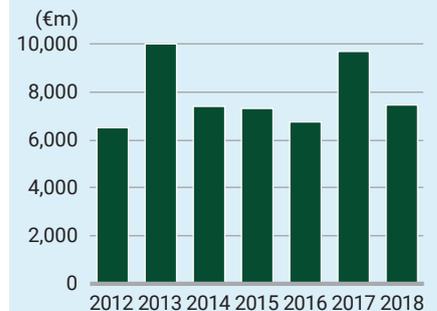
Funding strategy

MuniFin funds its operations through international capital markets. The funding operations are diversified in several markets.

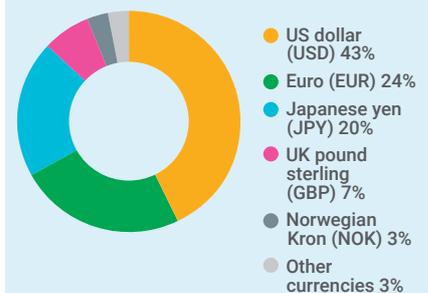
MuniFin's funding strategy is to be active in international markets to obtain the best conditions for borrowing over the long term.



Funding by year 2012 - 2018



Funding by currency 2018



MuniFin bonds HQLA level 1 assets

The Finnish FSA regards the bonds issued by MuniFin as HQLA Level 1 liquid assets. The statement was published on March 24, 2015.

0% risk weighting

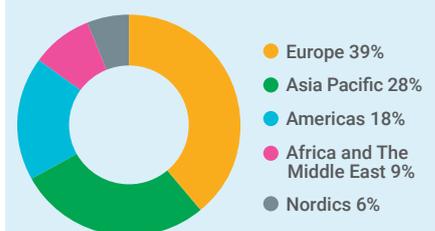
According to FIN-FSA, MuniFin's guarantor Municipal Guarantee Board is a public sector entity such that exposures to it can be treated as exposures to the central government (chapter 5.2.3 in FIN-FSA's Capital requirements calculation and large exposures).

Green bonds

MuniFin also offers Green financing for projects that promote the transition to low-carbon and climate resilient growth. Green financing is funded by green bonds.



Funding by region 2018



Contacts

www.munifin.fi

Bloomberg Ticker: KUNTA

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