

Municipality Finance Plc's annual general meeting held on March 12, 2009

Markku Pohjola becomes Chairman of the Board of Municipality Finance

Municipality Finance's annual general meeting held on March 12, 2009 elected the new Board and decided upon a share issue, in addition to the other matters on the agenda.

The following people were elected to the Board of Directors of Municipality Finance:

Pekka Alanen, Executive Director, Local Government Pensions Institution
Tapio Korhonen, Finance Director, City of Helsinki
Eva Liljebloom, Professor, Swedish School of Economics and Business Administration
Liisa Linna-Angelvuori, Ministerial Counsellor, Ministry of the Environment
Hannes Manninen, Member of Parliament
Markku Pohjola, B. Sc. (Econ.) (Chairman of the Board)
Mikko Pukkinen, City Manager, City of Turku
Antti Rantakangas, Member of Parliament
Sisko Seppä, Secretary General, Social Democratic Parliamentary Group (Vice Chairman of the Board)
Hanna Tainio, Medical Advisor, MD, PhD, Pirkanmaa Hospital District
Pekka Timonen, Director General, Head of Department, Ownership Steering Department, Government Office

Share issue

The annual general meeting decided to authorise the company's Board of Directors to implement the planned increase in share capital by means of a share issue. The Finnish government has undertaken to participate in the issue with an investment of EUR 20 million. This requires a contribution of at least EUR 9 million from the other subscribers.

"This decision upon the share issue is of utmost importance for us. Thanks to the strengthening of the capital structure, we will be better able to meet the increasing financial needs of the municipal sector in the current exceptional financial situation. It will also improve our prerequisites for supporting government-subsidised rental housing production in the spirit of recovery. We greatly appreciate the positive feedback we have received from all over the municipal sector in response to the increase in share capital", states Pekka Averio, CEO of Municipality Finance.

Municipality Finance Plc

Further information:

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Municipality Finance Plc is a local government credit institution owned by Finnish municipalities and the Local Government Pensions Institution and is the parent company of the Municipal Finance Group. The company's mission is to ensure top-value financial services for the municipal sector, to be efficient and to grow profitably. The Group's balance sheet totalled EUR 12,512 million on December 31, 2008. The company offers market-based funding to municipalities and municipal federations, to municipality-controlled entities and non-profit housing corporations. The company's funding, which is guaranteed by the Municipal Guarantee Board, is obtained from international capital markets and domestic investors. Funding provided by the company goes into social and non-profit service projects, such as schools, housing and hospitals. The Group includes Financial Advisory Services Inspira Ltd, which offers financial advisory services for investments, financial and asset arrangements, asset management and various analysis services.