



Institutional Performance
Private Placement Powerhouse

Municipality Finance awarded and commended for fund-raising

Municipality Finance won the "Private Placement Powerhouse 2008" award and commendations at the January MTN-i award ceremony in London.

The MTN-i Awards for the international finance sector were given out for the sixth time. With nominees for the awards selected on the basis of interviews and polls from among active issuers operating on international markets, in deciding the 2008 winners, MTN-i placed a special emphasis on the nominees' ability to react to the new challenges created by the finance sector crisis.

One criterion for awarding Municipality Finance was its speed, flexibility and reliability in reacting to the needs of investors in the extremely difficult market situation. It was also noted that Municipality Finance was able to cover its funding for 2008 as a whole (EUR 4.6 billion) without major public benchmark issues by issuing primarily tailor-made MTNs while nearly doubling the number of placements arranged during the year to 335. In addition, the MTN-i underlined that Municipality Finance was also able to expand both its investor base as well as its selection of structures and currencies.

A strong performer throughout the year, Municipality Finance stood out from the other issuers by taking an active role in the changing market at the time when Lehman Brothers' troubles were uncovered. The market interpreted this as a sign of Municipality Finance's ability to attract investors also under extremely demanding market circumstances. The bankruptcy of Lehman Brothers had a very limited direct effect on the operations of Municipality Finance, a "lead" to competitors the company successfully exploited. At the end of September, Municipality Finance successfully placed one of the most significant MTNs of the last part of the year, a note issued through Commerzbank that had a nominal value of EUR 200 million and a maturity of six years. The underlying instrument was the Eurostoxx 50 index structure. This issue was granted the "Landmark Deal" commendation at the award ceremony.

Bank dealers have praised Municipality Finance for its flexibility and alertness. The feedback from the market earned Municipality Finance a separate "Rapid Response" commendation at the event.

- "This recognition is a fine award for the long-term work carried out together by the entire organisation at Municipality Finance to raise funding. We stand at a good position to continue our work" notes Esa Kallio, Executive Vice President, Customer Finance and Funding.

Municipality Finance Plc

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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 company's balance sheet totalled EUR 9,609 million on June 30, 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.