



## The Municipal Guarantee Board (MGB): A Brief Profile

**Legal basis:** The Municipal Guarantee Board, hereinafter MGB, is a public law body established by the 487/1996 Act on the Municipal Guarantee Board.

**Purpose:** The purpose of MGB is to safeguard and develop the joint funding of Finnish municipalities.

In order to fulfil its purpose, MGB can grant guarantees for such funding of credit institutions directly or indirectly owned or controlled by municipalities which will be used for lending to municipalities and municipal federations, and to corporations which are wholly owned by municipalities or under their control.

Similarly, MGB can also grant guarantees for such funding of the credit institutions which will be used for lending to corporations designated by government authorities and engaged in the renting or production and maintenance of housing on social grounds or corporations controlled by them.

Municipality Finance Plc (MuniFin) is the only credit institution owned and controlled by the municipalities in Finland.

**Membership:** The membership of MGB consists of all 295 Finnish municipalities (31.12.2017), representing 100 per cent of the population of Finland. Due to the autonomy of the Province of Åland, the municipalities of the Province of Åland are not members of MGB.

**Credit ratings:** Moody's: Aa1 (stable)      Standard & Poor's: AA+ (stable)

The ratings of MGB are based on its special public-policy status, strong franchise value, creditworthiness of the Finnish Local Government Sector and an extremely low likelihood that MuniFin, as the beneficiary, will exercise this guarantee.

### Financial summary (as of 31 December 2017):

Result before transfer to fund	EUR 0.51 million
Total assets	EUR 20.41 million
Equity	EUR 20.25 million

### Guarantees and collateral (as of 31 December 2017):

Guarantee limits granted	EUR 45,103.27 million
Guarantees in use	EUR 30,644.79 million
Collateral received and items affecting collateral situation	EUR 33,413.60 million
Balance of collateral and guarantees	EUR 2,768.81 million

**Other information:** [www.muniguarantee.fi](http://www.muniguarantee.fi)      [www.munifin.fi](http://www.munifin.fi)