



# Annual Report 2015

KUNTIEN TAKAUSKESKUS | KOMMUNERNAS GARANTICENTRAL | MUNICIPAL GUARANTEE BOARD

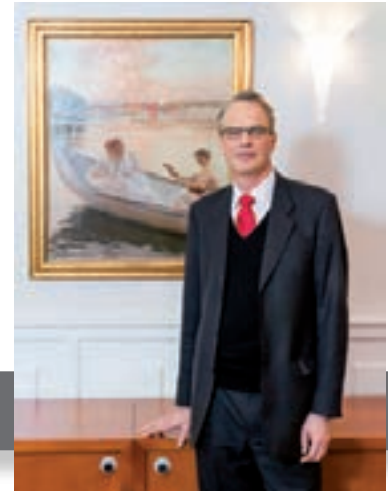




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## Managing Director's review



■ The Municipal Guarantee Board started its operations in 1996 after the Act on the Municipal Guarantee Board had come into force. The focus of the Guarantee Board's operations has shifted over the years. Early on, the main focus was on establishing the basic structures and developing legislation as well as ensuring creditworthiness. Following this development work, the total amount of guarantees granted by MGB has reached its current level of EUR 26 billion.

After the parliamentary election held in 2015, Sipilä's government was appointed to office. Sipilä's government set its target at reforming the social welfare and health care sector, in addition to the regional government reform. The implementation of such projects will have many points of contact with the Finnish constitution. The successful implementation of this reform will require sufficient expertise in the constitutional law on the various bodies of municipal government as well as knowledge on the constitution, founded on research.

In order to ensure the conformity of the reforms with the constitution and to broaden general knowledge of the constitution, an idea arose in 2015 among the representatives of the Finnish municipal sector to strengthen research on the constitutional law regarding municipal self-government and municipal bodies. This idea and the project based on it was formulated and elaborated upon in an MGB seminar on the constitution, held in the autumn of 2015. The objective of the project was set to establish a professorship on institutional constitutional law and to start research falling under this professorship. Through such a professorship, expertise and a body of information based on research would quickly accumulate in Finland, to be used by the various operators, particularly the Constitutional Law Committee of the Parliament which plays a key role in the preparation of legislation in Finland.

The MGB Council decided that MGB would assume the responsibility for the management of the project. MGB found that the sophisticated and secure funding of the actors within its sphere of operations, the promotion of which was one of MGB's tasks, was essentially founded on an unambiguous self-governing status guaranteed by the constitution. This project, as a whole, is a joint project run by Finnish municipal actors.

As in the preceding years, the joint municipal funding system consisting of Municipality Finance Plc (MuniFin) and the Municipal Guarantee Board (MGB) was able to secure the funding for municipal and social housing construction. MuniFin was also able to accumulate its own funds for future regulatory needs.

In addition to routine operations, the development projects have also been successfully carried out. The personnel of the joint municipal funding system has, together with the Association of Finnish Local and Regional Authorities, Ministries and other stakeholders, created plans that will enable the joint municipal funding system to develop its operations after the role of the municipalities change following the regional government reform. In view of our good result and favourable outlook, I thank everyone who has taken part in building the system or spurring us on—both have been needed and will be needed in future.

HEIKKI NIEMELÄINEN  
Managing Director



## Report of activities 2015

■ The purpose of the Municipal Guarantee Board (MGB) is to safeguard and develop the joint funding of Finnish municipalities. Since 2008, the funding of Finnish municipalities and social housing production has been predominantly channelled through Municipality Finance Plc (MuniFin), whose funding is guaranteed by MGB. Following this concentration trend, the guarantee stock of MGB has increased from around 7.7 billion euros in 2007 to approximately 26 billion euros at the end of 2015.

The operations of MGB in 2015 were characterised by active participation in legislative development. During the consideration of the new Local Government Act, MGB proposed to the Administration Committee of the Finnish Parliament that the Local Government Act should obligate each federation of municipalities, in their basic agreement, to agree on a monitoring system covering all their member municipalities. This proposal was incorporated into the Local Government Act in the format proposed by MGB.

Prior to the Finnish parliamentary election held in 2015, MGB considered it necessary to resurvey the legislative reform needs which MGB had reviewed in 2012. This review was conducted separately by the auditing firm authorised by MGB and another firm conducting a guarantee board audit. The review made essentially the same observations as the one conducted in 2012, with MGB submitting them to the Association of Finnish Local and Regional Authorities for consideration in the preparation of the new government programme.

After the drafting of the programme of Sipilä's government was completed in the summer of 2015, it became evident that the reform needs to take into consideration the Act on the Municipal Guarantee Board should be taken into consideration in the implementation of the government programme to a greater extent than had been the case previously. Sipilä's government programme states that there is a need in Finland to create new self-governing bodies addressing the needs of social welfare and health care in particular (regional government reform). An internal survey conducted by MGB concluded that MGB will be able to provide funding for the new operators provided that the State and/or the new self-governing bodies will join MGB as its members, shouldering their share of the guarantee liabilities regarding the funding allocated to them. These observations have been submitted on various occasions to the bodies engaged in the legislative preparation process, to be taken into consideration in the legislative work.

MGB arranges an annual seminar at which experts are invited to speak on key themes in their own sector. As in the previous year, the opening speech at the MGB seminar was given by Professor *Volker Wieland* of the University of Frankfurt. Professor *Wieland* is one of the five consulting professors of the German Council of Economic Experts. The theme of the seminar was development of the Eurozone.

In the summer of 2015, while Moody's Investors Service (Moody's) retained its highest rating of Aaa for MGB, it changed MGB's outlook to 'negative', following a similar change in the rating regarding the Finnish State. Similarly, Standard & Poor's (S&P) changed MGB's rating from 'AA+' to 'negative' in the autumn of 2015, following a similar change in the rating regarding the Finnish State.

The ability of the joint municipal funding system to secure and develop funding for municipalities and state subsidised social housing production remained excellent, as in previous years. MuniFin's new lending increased to approximately 19.8 billion euros, up by approximately 957 million euros from the previous year.

MGB's membership stood at 301 municipalities at the end of the year under review i.e. all Finnish municipalities, excluding the municipalities of the Åland Islands. Åland's municipalities are excluded from MGB for constitutional reasons.

MGB's social responsibility is a vital part of its purpose. The joint funding system, comprised of MuniFin and MGB, is an integral part of the funding of the Finnish municipal sector and state subsidised social housing production, and it has served its basic purpose without problems under all market conditions throughout its history. The joint funding system creates financial benefits based on the joint guarantee by municipalities through MGB, and transfers the benefits to eligible borrowers in the form of loans with preferential terms in accordance with the Act on the Municipal Guarantee Board.

The success of the joint municipal funding system and its ability to react swiftly to changes in the operating environment is based on its motivated personnel, advanced business methods and stable, long-term partnerships, both in Finland and abroad. In the coming years the system has excellent prospects for carrying out the task set for it in the Act on the Municipal Guarantee Board, i.e. safeguarding and developing municipal funding.



## Legislation on the Municipal Guarantee Board

■ The Act on the Municipal Guarantee Board (487/1996, “the Act”) was passed by the Finnish Parliament on 18 June 1996 and entered into force on 1 July 1996. The Act states that the purpose of MGB is to safeguard and develop the joint funding of Finnish municipalities. In order to fulfil this purpose, MGB can grant guarantees for such funding by credit institutions directly or indirectly owned or controlled by municipalities where this funding is used for lending to municipalities and municipal federations, and to corporations wholly owned by municipalities or under their control. In 2015, one credit institution, MuniFin, met the criteria set out in the Act.

The first amendment to the Act, passed by the Finnish Parliament on 25 April 1997, entered into force on 1 May 1997. As a result of the amendment, MGB has also been able to grant guarantees for funding by a credit institution that is used for lending to corporations designated by government authorities and engaged in renting or producing and maintaining housing on social grounds, or corporations controlled by them.

The Parliament made further considerable changes to the Act with another amendment to the Act passed on 18 October 2006, which was entered into force

on 1 January 2007. The amendment specified the range of receivables for which a guarantee granted by MGB can be used as security. With the amendment, the former Regulations controlling the operations of MGB and approved by the Ministry of Finance were abandoned and parts of the legal provisions included in the Regulations were transferred to the Act. These include the requirements for the granting of guarantees in accordance with European Community State Aid rules and their relationship with the said rules, the investment and use of assets transferred to MGB's fund and the powers of the Guarantee Board Auditor. Since the adoption of the amendment, it has also been possible to use MGB's fund for interim arrangements in order to prevent a directly imminent MGB's payment obligation.

The auditing corporation appointed for the auditing of MGB's administration and accounts and the Guarantee Board Auditor responsible for MGB's supervision can be appointed for a term of between one and four years. The amendment to the Act also defines in more detail the right of a municipality, which is a member organisation of MGB, to appeal for an amendment of the contribution to be paid by the municipality to cover MGB's guarantee liabilities.



## Administration and personnel

■ Under the Act, MGB has a Council of 10–15 members, each of whom has a personal deputy. The Council of MGB, appointed by the Ministry of Finance, determines the key objectives of the Guarantee Board's operations and finances, appoints the Board of Directors, approves the annual accounts, and discharges annually the Board members and the Managing Director from liability for the financial year. The four-year term of the current Council started on 1 October 2013 and extends until 30 September 2017. The Council appointed Mr *Mika Munkki*, Agrologist (Vehmaa), acts as its Chairman, and Mr *Reijo Vuorento*, Assistant Manager (Helsinki) and Mr *Matti Kankare*, Project Director (Espoo), acts as Deputy Chairmen. The Council convened twice during the year under review.

Under the Act, MGB has a Board of Directors of 5–7 members. The Board is responsible for MGB's administration, the granting of guarantees and the preparation and execution of the decisions of the Council. The Board of Directors has the right to represent the Municipal Guarantee Board. The Chairman of the Board of Directors that started its term on 1 January 2014 was Mr *Jari Blom*, Deputy Chairman Mr *Janne Laine* and members Ms *Paula Aikio-Tallgren*, Mr *Pekka Alanen*, Ms *Sari Innanen*, Ms *Jaana Karrimaa* and Mr *Timo Soini*.

Following the Finnish parliamentary election held in the spring of 2015, *Timo Soini* was elected a member of the Council of State and the Minister of Foreign Affairs, after which he requested to be allowed to resign from the MGB Board of Directors, having become incompetent due to the likelihood of bias. The Council of MGB elected *Jaakko Niinistö*, Deputy Mayor of Vantaa, as a new member.

In its autumn meeting, the Council elected new Board members for the term of 2016–2017. The following individuals were elected: entrepreneur *Paula Aikio-Tallgren* from Tornio; kaupunkineuvos (an honorary Finnish title) *Pekka Alanen* from Helsinki; CEO *Jari Blom* from Jyväskylä; lector *Sari Innanen* from Kokkola; Mayor *Jaana Karrimaa* from Harjavalta; Mayor *Janne Laine* from Savonlinna; and Deputy Mayor *Jaakko Niinistö* from Vantaa.

Mr *Heikki Niemeläinen* was MGB's Managing Director and Mr *Tuukka Salminen*, Executive Director, acted as a deputy to the Managing Director. The number of employees during the year was three.







## Auditing and supervision

■ The Council appoints an auditing corporation authorised by the Central Chamber of Commerce or by the Board of Chartered Public Finance Auditors for a maximum period corresponding to its term of office, to audit the financial accounts and administration of MGB. In 2015, the authorised auditing corporation was KPMG Oy Ab, which was reappointed by MGB's Council for the years 2016–2017.

The activities of MGB are supervised by the Guarantee Board Auditor, who is appointed by the Ministry of Finance on the proposal of the Board of Directors of MGB. For the years 2014–2017 the Ministry of Finance appointed DHS Oy Audit Partners as a Guarantee Board Auditor.



## Risk management

### RISKS IN GUARANTEE OPERATIONS

■ Under the Act, MGB may grant guarantees against sufficient collateral. The level of security during the year under review was sufficient. Guarantee activities are mostly arranged in such a way that MGB's Board of Directors grants guarantees for MuniFin's funding programmes, the most important of which is the MTN programme. Within the programmes, MGB's Managing Director or the Deputy Managing Director is authorized to grant guarantees for individual debt issues. Of the guarantees granted by MGB to MuniFin's funding, EUR 25.956.341.279,86 was in use at the end of 2015.

Under the Act, guarantees granted as security for MuniFin's receivables may, at the time of granting the guarantee, amount to a maximum of four per cent of the total amount of MGB's guarantee liabilities. On 31 December 2015, these guarantee liabilities totalled EUR 28.221.372,00, or 0.1 per cent of all guarantee liabilities. The guarantee liabilities of MGB totalled EUR 25.984.562.651,86.

Funding guaranteed by MGB on 31 December 2015 was divided amongst the following currencies: US dollar 36%, Japanese yen 34%, euro 20%, and other currencies 10%. Collateral received by MGB from MuniFin was denominated in euros. The currency risk is removed as a result of MuniFin's hedging operations.

### OPERATIVE RISKS

■ MGB's operative risks are dealt with in the Standing Orders approved by the Council and in the Guarantee and Operations Policy approved by the Board of Directors, which stipulates the authorisations within MGB. MGB has a continuity plan, preparing for exceptional conditions so that MGB is able to continue its operations and prevent damages and losses in different disruptive circumstances.

Operative risks have been mitigated by outsourcing activities, developing information systems, and by nominating deputies.

### RISKS RELATED TO INVESTMENT OPERATIONS

■ MGB's liquidity is ensured through its fund and sufficient standby credit facilities. According to the strategy decided by the Council, increasing the fund must be based primarily on the evaluation of risks related to counterparty guarantees in hedging operations or the interest and administration fees of temporary capitalisation.

The Board of Directors has decided on the investment of assets in its Guarantee and Operations Policy. According to the Policy, investments are allocated so that they support the operations of the municipal funding system. The aim of the investment activity is to obtain the maximum yield on the fund's assets while investing the assets safely; MGB invests only in liquid instruments that can be swiftly converted to cash based on MGB's liquidity needs. Derivatives are used only in special situations to hedge against risks.

MGB allocates 50% of its investments to plain vanilla debt instruments issued by governments and banks (credit rating requirement S&P BBB / Moody's Baa3) and 50% to capital protected debt instruments issued by banks, and debt instruments issued by corporations, shares of companies listed on the Helsinki Stock Exchange, equity investment funds and housing and real estate companies. The range is +/- 10 percentage points. Any greater deviation must be specifically justified on a case by case basis.



## Finances

■ Income from operations consisted of fees related to guarantees granted, which produced a total guarantee premium of EUR 2.300.000,00. Operating costs totalled EUR 1.670.303,37, comprising of personnel costs of EUR 599.558,18, depreciation amounting to EUR 26.799,45 and other costs of EUR 1.043.945,74. Prime factors in the increase in other costs were the credit rating costs resulting from MuniFin's substantial funding acquisition. The result from MGB's operations was EUR 629.696,63.

In 2015 no claims on MGB's guarantees were made or paid, nor were there any recovery claims. Taking into consideration the nature of the municipal funding system's and MGB's activities it is unlikely that any claims on guarantees will be made, or that recovery claims will be made in the future.

Income from investments came to EUR 532.951,39 and costs to EUR 108.142,86, giving a result from investment activities of EUR 424.808,53. MGB values its investments at fair value on its balance sheet. The fair value reserve stood at EUR 1.145.796,77 and the increase in fair value compared to the previous year was EUR 334.065,12. The financial result of investment activities and the change of the fair value reserve gave a total return of 5.19% on invested capital.

The result for the financial year, i.e. the total from MGB's activities and investments, was EUR 1.054.505,16 before the transfer to MGB's fund. The result for the financial year is proposed to be transferred to the fund in its entirety. The fund will thus total EUR 17.350.841,89 on 31 December 2015, and the total amount of the equity will be EUR 18.496.638,66.

MGB had on-going credit facilities for safeguarding its cash position up to EUR 150 million.





## Outlook

■ The outlook for MGB is stable as far as its current operations are concerned. Operations can be further developed by enhancing participation by the State and the new counties to be established in the MGB's loan guarantee operations of funding directed at State-run and county-run activities. This development would transform the joint municipal funding system into a general funding source for the public sector in Finland. Following such developments, the system would enable not only the municipal funding needs but also those of the State and, possibly, of the counties, depending on the way by which they will be established.

In the next few years, MGB will emphasise the importance of incorporating the new counties into the joint municipal funding system in its development efforts. Although this change is clear-cut on the principal level, its practical implementation will require a considerable work contribution from the administration.



## Income statement

	1.1.-31.12.2015	1.1.-31.12.2014
<b>ORDINARY OPERATIONS</b>		
Income		
Guarantee premiums	2 300 000,00	2 300 000,00
Expenses		
Staff expenses	-599 558,18	-566 234,28
Depreciation	-26 799,45	-32 973,82
Other expenses	-1 043 945,74	-924 229,74
Result from ordinary operations	629 696,63	776 562,16
<b>INVESTMENT ACTIVITIES</b>		
Income	532 951,39	367 413,36
Expenses	-108 142,86	-94 272,91
Result from investment activities	424 808,53	273 140,45
<b>RESULT BEFORE TRANSFER TO FUND</b>	1 054 505,16	1 049 702,61
<b>TRANSFER TO FUND</b>	-1 054 505,16	-1 049 702,61
<b>Result for the financial year</b>	<b>0,00</b>	<b>0,00</b>

## Balance sheet

	1.1.-31.12.2015	1.1.-31.12.2014
<b>ASSETS</b>		
Non-current assets		
Tangible assets	226 407,01	248 613,39
Other shares and similar rights of ownership	2 265 974,03	2 265 974,03
Investments		
Other investments		
Shares and similar rights of ownership	8 285 812,47	7 902 170,52
Debt securities	7 022 256,08	6 054 766,04
Current assets		
Debtors		
Guarantee receivables	575 000,00	575 000,00
Receivables	106 174,36	92 424,94
Cash and bank accounts	137 356,87	77 899,98
<b>Total assets</b>	<b>18 618 980,82</b>	<b>17 216 848,90</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Fund	17 350 841,89	16 296 336,73
Fair value reserve	1 145 796,77	811 731,65
Liabilities		
Current liabilities		
Trade creditors	40 634,68	30 194,53
Accruals and deferred income	81 707,48	78 585,99
Other current liabilities	0,00	0,00
<b>Total equity and liabilities</b>	<b>18 618 980,82</b>	<b>17 216 848,90</b>



## Cash flow statement

	1.1.-31.12.2015	1.1.-31.12.2014
<b>CASH FLOW FROM ORDINARY OPERATIONS</b>		
-operating income	2 300 000,00	2 300 000,00
-operating costs	-1 628 891,15	-1 527 229,55
Cash flow from ordinary operations	671 108,85	772 770,45
Cash flow from non-current assets	-4 593,07	-132 331,54
Cash flow from investments	-607 058,89	-645 823,12
<b>CHANGE IN CASH FUNDS</b>	59 456,89	-5 384,21
Cash funds at the beginning of financial period	77 899,98	83 284,19
Cash funds at the end of financial period	137 356,87	77 899,98

## Notes to the financial statements

■ The Municipal Guarantee Board observes, where applicable, the Accounting Act and Decree in force.

Investments are valued in the balance sheet at fair value, so the unrealized differences between their book value and fair value have been recognized in the fair value reserve under capital and reserves. Investments are adhered to by using the FIFO-principle.

Non-current assets have been valued at acquisition cost, on which planned depreciation is calculated.

Depreciation method since 1.1.2009:

- Machinery and equipment, equal depreciation	3 years
- Equipment	5 years
- Equipment of the MGB premises	10 years

### STAFF EXPENSES

1.1.-31.12.2015	Salaries and fees	Pension expenses	Other personnel-related expenses
Board of Directors	120 815,19	9 893,44	3 133,31
Managing Director and Deputy MD	271 911,41	53 060,66	12 637,66
Others	109 710,69	13 928,11	4 467,71
Total	502 437,29	76 882,21	20 238,68

### NON-CURRENT ASSETS

	2015	2014
Tangible assets		
Acquisition cost 1.1.	359 858,65	227 527,11
Disposals	-39 493,76	0,00
Increase	4 593,07	132 331,54
Acquisition cost 31.12.	324 957,96	359 858,65
Accrued depreciation 1.1.	-111 245,26	-78 271,43
Accrued depreciation on disposals	39 493,76	0,00
Accounting period depreciation	-26 799,45	-32 973,84
Accrued depreciation 31.12.	-98 550,95	-111 245,26
Book value 31.12.	226 407,01	248 613,39
Other shares and similar rights of ownership		
	2015	2014
Koy Yrjönkatu 11	1 476 953,13	1 476 953,13
Nurmijärvi Golf Club, one share	21 713,55	21 713,55
As Oy Helsingin Eino Leinon katu 7	45 720,00	45 720,00
As Oy Topeliuksenkatu 15	721 587,35	721 587,35
Total	2 265 974,03	2 265 974,03





CHANGES TO CAPITAL AND RESERVES	2015	2014
Fund 1.1.	16 296 336,73	15 246 634,12
Fund transfer 31.12.	1 054 505,16	1 049 702,61
Fund 31.12.	17 350 841,89	16 296 336,73
Fair value reserve 1.1.	811 731,65	528 995,37
Change in financial year	334 065,12	282 736,28
Fair value reserve 31.12.	1 145 796,77	811 731,65
<b>GUARANTEES AND COLLATERAL</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Guarantee limits granted	39 141 021 858,66	39 144 266 702,51
Guarantees in use	25 956 341 279,86	24 745 111 809,96
Collateral received and items affecting collateral situation	27 998 694 388,43	26 238 799 261,13
Balance of collateral and guarantees	2 042 353 108,57	1 493 687 451,17
Receivables of Municipality Finance Plc derivatives guaranteed by the Municipal Guarantee Board from counterparties, net.	28 221 372,00	93 757 655,00

## Signatures

### SIGNATURES OF THE REPORT OF THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

In Helsinki on 10 February 2016

#### THE MUNICIPAL GUARANTEE BOARD

*Jari Blom*  
Chairman of the Board

*Janne Laine*  
Deputy Chairman of the Board

*Paula Aikio-Tallgren*  
Member of the Board

*Pekka Alanen*  
Member of the Board

*Sari Innanen*  
Member of the Board

*Jaana Karrimaa*  
Member of the Board

*Jaakko Niinistö*  
Member of the Board

*Heikki Niemeläinen*  
Managing Director

### AUDITOR 'S NOTE

Our auditors' report has been issued today.

Helsinki, 10th February 2016

KPMG OY AB  
*Marcus Tötterman*  
Authorized Public Accountant

## Auditor's report

### TO THE COUNCIL OF THE MUNICIPAL GUARANTEE BOARD

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of the Municipal Guarantee Board for the year ended 31 December, 2015. The financial statements comprise the balance sheet, the income statement, the cash flow statement and notes to the financial statements.

### RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the Guarantee Board's accounts and finances, and the Managing Director shall see to it that the accounts of the Guarantee Board are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the Guarantee Board or have violated the Act on the Municipal Guarantee Board.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guarantee Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the Guarantee Board in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 10 February 2016

KPMG OY AB

[Signed]

Marcus Tötterman, Authorized Public Accountant in Finland

## Guarantees

Million euro

MUNICIPALITY FINANCE PLC	Guarantees	Funding 31.12.2015
Municipal Housing Finance Plc (-30.4.2001)		
EMTN Programme	1 500,0	22,6
Total	1 500,0	22,6
Municipality Finance Plc (1.5.2001-)		
EMTN Programme	25 000,0	19 103,5
AUD 2 billion Programme (Kangaroo)	1 341,0	511,2
Euro Commercial Paper Programme	4 000,0	1 230,5
Domestic Debt Issuance Programme	800,0	11,4
Other domestic and foreign funding	6 500,0	2 953,9
Separate Decisions		2 123,3
Total	37 641,0	25 933,7
Total	39 141,0	25 956,3
Receivables of Municipality Finance Plc derivatives guaranteed by the Municipal Guarantee Board from counterparties, net.	Max. 4 %	28,2 0,1 %
Total		25 984,56

## Board of Directors and Council

### BOARD OF DIRECTORS 1.1.2014-31.12.2015

*Jari Blom, Chairman*

*Janne Laine, Deputy Chairman*

*Paula Aikio-Tallgren*

*Pekka Alanen*

*Sari Innanen*

*Jaana Karrimaa*

*Timo Soini (1.1.2014–27.11.2015, disqualified since 29.5.2015)*

*Jaakko Niinistö (from 27.11.2015)*



*Mika Munkki and Jari Blom.*

### BOARD OF DIRECTORS 1.10.2013-30.9.2017

#### Members of the council

*Mika Munkki, Chairman*

*Reijo Vuorento, Deputy Chairman*

*Matti Kankare, Deputy Chairman*

*Kimmo Behm*

*Markku Forss*

*Pekka Heikkinen*

*Hilkka Hiltunen*

*Erkki Kukkonen*

*Anni Laihanen*

*Maarita Mannelin*

*Terhi Päivärinta*

*Ossi Sandvik*

*Riikka Slunga-Poutsalo*

*Jaakko Stenhäll*

*Virpi Ylitalo*

#### Personal Deputy

*Sinikka Kangas*

*Aarno Järvinen*

*Laura Manninen*

*Tero Rantanen*

*Marjo Heikkilä*

*Eila Viljakainen*

*Pertti Uusi-Erkkilä*

*Markku Harju*

*Jorma Hyökyvaara*

*Pirkko Valtola*

*Ninni Taavitsainen*

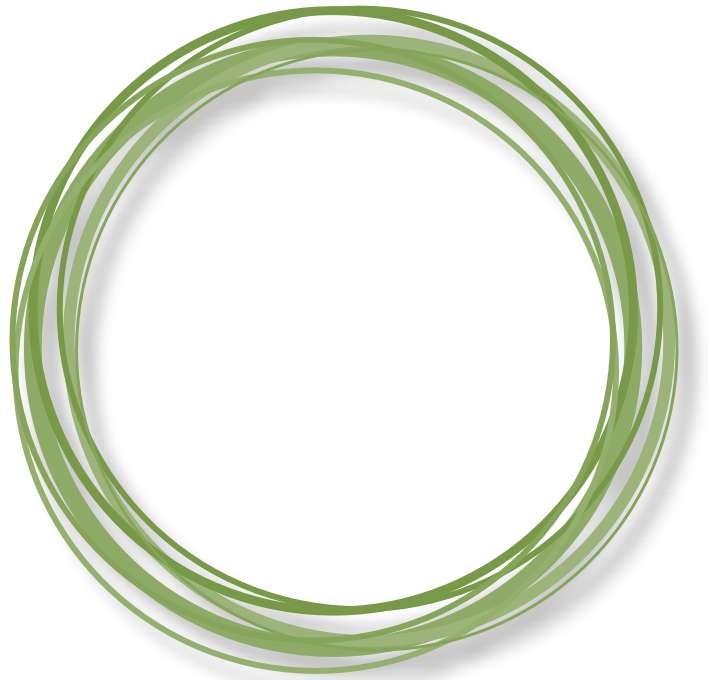
*Juhani Pilpola*

*Irma Kemppainen*

*Pasi Orava*

*Annina Lehtiö-Vainio*





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#### INFORMATION ABOUT THE ANNUAL REPORT

Funding guaranteed by the Municipal Guarantee Board is channelled in the form of loans for upgrading the operations and infrastructure of municipalities and for housing production on social grounds.

One example is the city of Vantaa, where the Municipal Guarantee Board has indirectly participated in financing investments for the city.