

THE MUNICIPAL GUARANTEE BOARD (MGB) - A BRIEF PROFILE

LEGAL BASIS

The Municipal Guarantee Board (MGB) is a public law institution established under the Act on the Municipal Guarantee Board (487/1996). Its purpose is to safeguard and develop the joint funding of Finnish municipalities.

To fulfil its purpose, MGB may grant guarantees for funding of credit institutions owned or controlled by municipalities. The financing obtained through the guarantee must be allocated to the targets defined in the MGB Act in compliance with the European Union's state aid rules, on favourable terms, while also promoting the EU's climate objectives. The goal is to pass on the benefits of guarantees, which are based on the tax base of MGB's member municipalities, to municipal residents in the form of more affordable funding.

Under the MGB Act, there is only one eligible credit institution: Municipality Finance Plc (MuniFin).

MEMBERSHIP

MGB's members include all 292 municipalities in mainland Finland (as of 1 January 2025), representing 100% of the mainland population. Due to the autonomy of the Åland Islands, the municipalities of Åland cannot be members of MGB.

Payment obligations arising from guarantees are primarily covered by MGB's fund. If the fund's resources are insufficient, MGB has the right to cover the obligations through contributions collected from its member municipalities.

CREDIT RATINGS

Moody's | Aa1 (stable) Standard & Poor's | AA+ (stable)

MGB's credit rating is based on its special public policy status, the value of its operations, the creditworthiness of Finnish municipalities, and the extremely low probability that guarantees granted to Municipality Finance Plc would be realised.

KEY FIGURES (31.12.2024)

Transfer to fund	EUR 11,84 million
Total assets	EUR 51,89 million
Equity	EUR 51,67 million

GUARANTEES AND COLLATERAL (31.12.2024)

Guarantee limits granted	EUR 67 692,46 million
Guarantees in use	EUR 48 167,42 million
Collateral received and items affecting collateral situation	EUR 50 167,62 million
Balance of collateral and guarantees	EUR 2 000,19 million