

Municipality Finance And MGB Outlooks Revised To Negative After Action On Sovereign; 'AA+/A-1+' Ratings Affirmed

May 5, 2026

Overview

- On April 24, 2026, we revised our outlook on Finland to negative from stable.
- The ratings on Finnish public sector funding agency Municipality Finance PLC (MuniFin) and guarantee institution, Municipal Guarantee Board (MGB), are highly dependent on Finnish local government creditworthiness, which, through the application of our criteria, is capped by the sovereign's credit standing.
- We therefore revised our outlook on MuniFin and MGB to negative from stable. The negative outlook reflects that on Finland.

Rating Action

On May 5, 2026, S&P Global Ratings revised its outlook on Finnish local government funding agencies Municipality Finance PLC (MuniFin) and Municipal Guarantee Board (MGB) to negative from stable. At the same time, we affirmed our 'AA+/A-1+' long- and short-term issuer credit ratings on the two entities.

Outlook

The negative outlook on MuniFin and MGB reflects that on Finland

Downside scenario

We would lower our long-term issuer credit ratings on MuniFin and MGB if we downgraded Finland. Negative rating actions on MuniFin and MGB could also occur if the credit quality of the Finnish municipal sector deteriorates, MuniFin loses its business position as a predominant lender to the sector, and its financial position weakens materially.

Upside scenario

Primary Contact

Carl Nynerod
Stockholm
carl.nynerod
@spglobal.com

Secondary Contact

Linus Bladlund
Stockholm
46-8-440-5356
linus.bladlund
@spglobal.com

All else being equal, we could revise the outlook to stable if we were to revise the outlook on Finland to stable, provided that the group credit profile remains very strong.

Rationale

The outlook revision follows our similar action on Finland on April 24, 2026 (see "[Research Update: Finland Outlook Revised To Negative From Stable On Fiscal And Economic Risks; 'AA+/A-1+' Ratings Affirmed](#)," published April 24, 2026).

We believe that MuniFin and MGB are highly dependent on the creditworthiness of Finnish local and regional governments (LRGs). We observe significant links between the central government and the local government sector and do not consider that the Finnish LRG sector could have stronger creditworthiness than the sovereign, through the application of our criteria "[Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#)," published Nov. 19, 2013. Our ratings on MuniFin and MGB hinge on the joint support of Finnish municipalities. This support is formalized in the joint pro rata municipal guarantee provided to MGB, which in turn extends the guarantee to MuniFin.

Related Criteria

- [Criteria | Governments | International Public Finance: Methodology For Rating Non-U.S. Public-Sector Funding Agencies](#), July 26, 2024
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Institutional Framework Assessment: Finnish Municipalities Have Flexibility To Balance Their Budgets](#), Dec. 9, 2024
- [Research Update: Finland Outlook Revised To Negative From Stable On Fiscal And Economic Risks; 'AA+/A-1+' Ratings Affirmed](#), April 24, 2026
- [Research Update: Finnish Municipality Finance & Municipal Guarantee Board Ratings Affirmed At 'AA+/A-1+'; Outlook Stable](#), Dec. 16, 2025

Ratings List

Ratings List

Ratings Affirmed; Outlook Action

Municipality Finance And MGB Outlooks Revised To Negative After Action On Sovereign; 'AA+/A-1+' Ratings Affirmed

Ratings List

	To	From
<u>Municipal Guarantee Board</u>		
<u>Municipality Finance PLC</u>		
Issuer Credit Rating	AA+/Negative/A-1+	AA+/Stable/A-1+

Ratings Affirmed

<u>Municipality Finance PLC</u>		
Senior Unsecured	AA+	
Commercial Paper	A-1+	

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