

A large, light gray, stylized number '2025' is positioned in the background, spanning most of the page. The '2' and '5' have thick, rounded strokes, while the '0' is a simple ring. The number is centered vertically and horizontally.

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ANNUAL REPORT 2025

| KUNTIEN TAKAUSKESKUS | KOMMUNERNAS GARANTICENTRAL | MUNICIPAL GUARANTEE BOARD |

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## MANAGING DIRECTOR'S REVIEW

*During the past year, the Municipal Guarantee Board (MGB) fulfilled its statutory core task by safeguarding the joint funding of municipalities and developing the guarantee scheme.*

The operations of the Municipal Guarantee Board are based on the task laid down in the Act on the Municipal Guarantee Board (MGB) to safeguard and develop the joint fundraising of municipalities. In 2025, this task was carried out in an operating environment where liabilities and financing volumes continued to increase and the importance of preparedness was emphasised.

During the year, the MGB granted new guarantees totalling EUR 10 billion for loans acquired by Municipality Finance Plc. The guarantee enables the use of public support in the fundraising of a credit institution, provided that the credit institution channels the funds in accordance with the MGB Act and the EU State aid rules, to the lending of municipalities and wellbeing services counties as well as to separately permitted purposes.

The volume of guarantee liabilities has increased rapidly in recent years and has doubled over the past ten years. At the end of 2025, total guarantees amounted to EUR

52 billion. In particular, the intensive financing of social housing construction has accelerated growth beyond the pace of indebtedness in the municipal sector.

In December, the credit rating agencies S&P Global Ratings and Moody's confirmed the strong credit rating (AA+/Aa1) of the Municipal Guarantee Board, which is the same as that of the Republic of Finland. A high credit rating provides a stable basis for developing the guarantee scheme in a situation where uncertainty in the operating environment has increased.

Guarantee operations require sufficient risk-bearing capacity and appropriate protection mechanisms to safeguard liquidity and creditworthiness. Challenges in public finances, declining municipal tax revenues and the weakening financial position of municipalities, as well as the uncertain geopolitical environment, underline the importance of these protective mechanisms.

In these circumstances, the MGB has assessed its risk-bearing capacity more thoroughly than before. The decision taken in 2025 to increase the guarantee commission is based on the need to strengthen the buffer fund and to ensure that its size better reflects the scope of operations and the related risks.

With an appropriately dimensioned buffer fund, the MGB is able to protect its member municipalities from guarantee risks and minimise the need for additional public support in low-probability risk events which, if realised, would have very significant financial impacts.

At the core of the MGB's safeguarding and development mandate is the principle that the risks arising from guarantee operations must under no circumstances exceed the financial benefits generated for the member municipalities. This requires comprehensive risk management and systematic risk assessment of guarantee liabilities.

The Municipal Guarantee Board will mark its 30th anniversary in 2026. The Finnish Parliament established the public law body by enacting the Act on the Municipal Guarantee Board (487/1996), which entered into force on 1 July 1996. Although the operating environment has changed significantly over the past thirty years, the statutory purpose has remained the same. The MGB remains committed to carrying out this task carefully, proactively and in the common interest of its member municipalities.

**Teppo Koivisto**

## REPORT OF ACTIVITIES 2025

The purpose of the Municipal Guarantee Board (MGB) is to safeguard and develop the joint funding of Finnish municipalities. The MGB may, under the conditions laid down in the Act on the Municipal Guarantee Board (487/1996), grant guarantees for funding by credit institutions controlled by municipalities. There is currently one such credit institution, Municipality Finance Plc.

The funds acquired with guarantee from the MGB may be used to finance municipalities and wellbeing services counties, as well as municipal companies and social housing production, in accordance with the EU State aid rules. The benefit arising from the guarantee must be fully passed on to the borrowers and, ultimately, to the residents of the municipality.

At the end of 2025, the amount of guarantees granted by the MGB was EUR 52 billion. The amount grew by 8.1% during the year. The increase in guarantee liabilities has been driven particularly by the growth in the volume of housing loans. The financing of social housing construction is mainly channelled through Municipality Finance, which is reflected in the increase in fundraising and the total guarantee amount.

The Municipal Guarantee Board system is based on the joint responsibility of the municipalities. All 292 municipalities in mainland Finland are member organisations of the MGB. As municipalities are ultimately responsible for the guarantee risk, the MGB limits the allocation of funds acquired through the guarantee to wellbeing services counties with annually determined limits.

In 2025, EUR 400 million was reserved for new investments in wellbeing services counties. In addition, EUR 2.045 billion was available for securing liquidity. This consists of a EUR 1.145 billion funding limit transferred in connection with the establishment of wellbeing services counties and a EUR 900 million limit for new arrangements. The limits correspond to the limit amounts in 2024, and the MGB Council decided to keep them unchanged also in 2026.

Guarantee operations require that the guarantor has sufficient protection mechanisms to secure liquidity and creditworthiness and to protect the member municipalities from guarantee risks. For this purpose, the MGB has a fund, which is accumulated with guarantee commissions, and stand-by credit facility arrangements in case of exceptional situations. The size of the guarantee commission must cover the costs incurred by the operations and allow the fund to accumulate sufficiently in relation to the scope and risk of the operations.

The long-standing problems in public finances and the uncertain geopolitical security environment underline the importance of protective mechanisms. The MGB has assessed the sufficiency of its preparedness more critically in the current situation where municipalities' tax revenues have decreased due to the social welfare and healthcare reform, but guarantee liabilities and indebtedness have continued to increase.

## REPORT OF ACTIVITIES 2025

During the past financial year, the MGB decided to increase the guarantee commission from 0.03 percentage points to 0.10 percentage points for 2026. The low commission was based on a strategic policy to support the accumulation of the credit institution's own funds. Once the target has been met, the focus has been shifted to strengthening preparedness and building up the guarantor's fund.

The increase in the guarantee commission strengthens the buffer fund between the MGB's member municipalities and the credit institution and increases the funding ratio to better reflect the scope and risks of the operations. In the first phase, the aim is to increase the buffer fund from the current EUR 63 million to at least EUR 200 million, which corresponds to the amount of the available stand-by credit limit of the MGB.

### FUTURE OUTLOOK

In 2026, the MGB will strengthen its risk management and develop the systematic risk assessment of its guarantee liabilities. Risks are monitored more systematically with overall assessments of their development and comprehensive risk scenarios. This supports awareness of the risks associated with the liabilities, provides more information for decision-making and makes the amount of potential losses more concrete. At the same time, it creates the basis for determining a target funding ratio for the MGB's fund, based on which the size of the fund is made to correspond to the scope of the operations and risks.

According to the Act on the Municipal Guarantee Board, when investing, attention shall be paid to the safety, returns and liquidity of investments. As the size of the fund increases, the MGB will review its investment strategy during the year and outsource its asset management.

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## LEGISLATION ON THE MUNICIPAL GUARANTEE BOARD

The MGB is a public law institution established by the Act on the Municipal Guarantee Board (487/1996), the purpose of which is to secure and develop the joint funding of municipalities.

In order to fulfil its purpose, the MGB may grant guarantees for the funding of credit institutions controlled by municipalities, which the credit institution uses to finance municipalities, joint municipal authorities, wellbeing services counties or joint municipal authorities, in accordance with the Act on the Municipal Guarantee Board, and social housing organisations designated by state authorities or organisations owned or controlled by these, on favourable terms and in accordance with the EU State aid rules. One credit institution, Municipality Finance Plc, meets the criteria set out in the Act.

The Act on the Municipal Guarantee Board was notified to the European Commission in 2004. The notification defined the limits of the operations of the MGB and compliance with State aid rules. In accordance with the Commission's decision, state aid formed by the MGB is permitted, provided that the aid goes through a credit institution to the target and beneficiary referred to in the Act on the Municipal Guarantee Board.

Section 8 of the Act on the Municipal Guarantee Board requires the MGB to comply with sound and cautious business principles in its guarantee operations. The MGB may only grant guarantees against sufficient collateral. The collateral is loans pledged by a credit institution to MGB, which may include guarantees granted by municipalities and wellbeing services counties as credit protection.

More detailed provisions on the MGB's bodies, their composition, duties and term of office as well as on the MGB's other activities are laid down in the Rules of Procedure approved by the MGB Council.

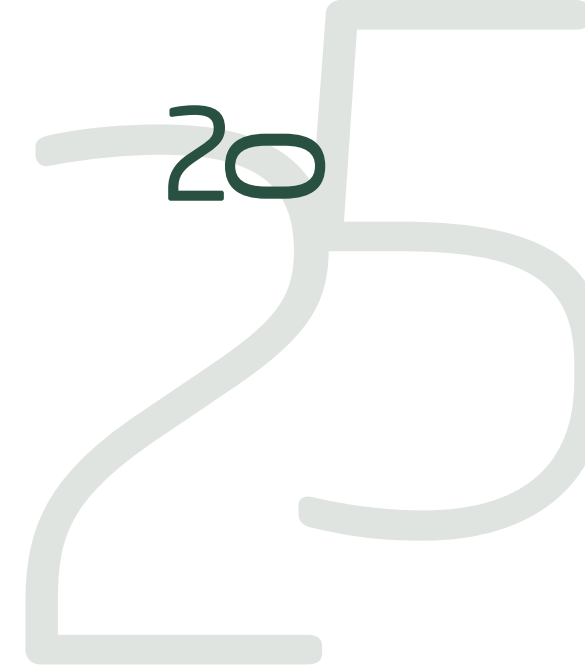
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## LEGISLATION ON THE MUNICIPAL GUARANTEE BOARD

### **SUSTAINABLE DEVELOPMENT AND RESPONSIBILITY**

The role of MGB as an authority requires that it supports the achievement of the EU's climate goals in accordance with Article 4.3 of the Treaty on European Union (TEU) and takes into account the obligations imposed by the Finnish Climate Act (423/2022). In addition, pursuant to sections 1 and 8 of the Act on the Municipal Guarantee Board, the MGB must take into account the principles of sustainable development in its operations.

The sustainable development goals are integrated into the MGB strategy. The principles governing responsibility are taken into account in the legislative framework and operations of the MGB.



## ADMINISTRATION AND PERSONNEL

The administrative bodies of the Municipal Guarantee Board are the Council, the Board of Directors and the Managing Director.

### COUNCIL

The Council consists of 15 members. Each of them has a personal substitute. The Council of MGB appoints the Board of Directors, determines the key objectives of the MGB's operations and finances, approves the annual accounts and discharges Board members and the Managing Director from liability.

For the term of office 2022–2025, **Terhi Peltokorpi** (Helsinki) served as the Chair and **Elin Härmälä** (Peder-söre) and **Jari Koskinen** (Hämeenlinna) as the Vice Chairs. The Council convened three times during the year under review.

The term of office of the new Council began on 1 January 2026. At its first meeting on 13 February 2026, the Council elects the Chair, Vice Chairs, the Members and Deputy Members of the Board of Directors for the next four-year term.

### BOARD OF DIRECTORS

The Board of Directors of the MGB has 5–7 members, and each member has a personal deputy. The Board of Directors is responsible for the administration of the MGB and the granting of guarantees, as well as the preparation and implementation of the Council's decisions. The Board of Directors represents the MGB and appoints the CEO.

For the term 2022–2025, the members of the Board of Directors of MGB were **Tapani Hellstén** from Hämeenlinna, **Antti Häkkänen** from Mäntyharju, **Kai Järvikare** from Helsinki, **Mervi Simoska** from Juva, **Jaakko Stenhäll** from Tampere, **Marita Toikka** from Kouvola and **Päivi Yli-Kauhaluoma-Nurmi** from Pori. Tapani Hellstén acted as the Chair of the Board of Directors and Antti Häkkänen as the Vice Chair.

### MANAGING DIRECTOR AND PERSONNEL

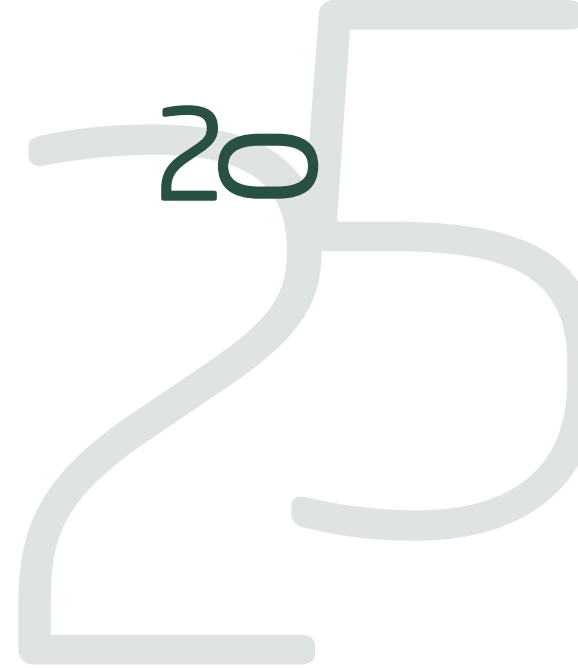
**Teppo Koivisto** started as Managing Director of the Municipal Guarantee Board on 1 August 2025 when **Heikki Niemeläinen** retired. Koivisto has extensive experience in public administration and the financial sector, and he has worked for a long time as CFO at the State Treasury. In addition to the Managing Director, the personnel includes Director **Tuukka Salminen** (deputy CEO) and Head Adviser **Johanna Hietalahti**.

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## AUDITING AND SUPERVISION

The Council elects an audit firm to audit the accounts and administration for the years corresponding to its term of office. The primary auditor must be a certified auditor authorised by Finland's Chamber of Commerce or a qualified public administration and finance auditor. In 2025, the audit firm of the MGB was KPMG Oy Ab.

The activities of the 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. In 2022–2025, the audit firm DHS Oy Audit Partners carried out the duties of the Guarantee Board Auditor, and the Ministry of Finance has ordered it to continue in this position in 2026–2029.



## RISK MANAGEMENT

### RISKS IN GUARANTEE OPERATIONS

Under Section 8 of the Act on the Municipal Guarantee Board, the MGB may grant guarantees against sufficient collateral. The collateral may also be granted as a covenant without a separate counter security. Grounds for the application of covenants are based on the realisation of the Act on the Municipal Guarantee Board's intended purpose. The application of covenants is decreed in the framework agreement entered into by Municipality Finance Plc (MuniFin) and the Municipal Guarantee Board.

The amount of collateral was sufficient during the year under review. Guarantee activities are mostly arranged in such a way that the MGB's Board of Directors grants guarantees for funding programmes, the most important of which is the EMTN programme. Within the programmes, the MGB's Managing Director, Managing Director's substitute or Head Adviser decides on guarantees for individual debt issues.

In 2025, the Municipal Guarantee Board guaranteed 10.01 billion Euro of the new long-term funding of MuniFin. Of the guarantees granted by MGB to MuniFin's funding, EUR 52,066,721,382.16 was in use at the end of 2025.

Under the Act on the Municipal Guarantee Board, guarantees granted as collateral for the credit institution's receivables may, at the time of granting the guarantee, amount to a maximum of four per cent of the total amount of the MGB's guarantee liabilities. On 31 December 2025, the total amount of these guarantee liabilities was EUR 286,401.00.

The total guarantee liabilities of the Municipal Guarantee Board amounted to EUR 52,067,007,783.16.

On 31 December 2024, the guarantee liabilities were divided among the following currencies: EUR 52%, USD 25%, NOK 10%, GBP 9%, SEK 9% and other currencies 3%.

The currency position formed is closed by the Municipality Finance's hedging operations. Collateral items received by MGB were denominated in euros.

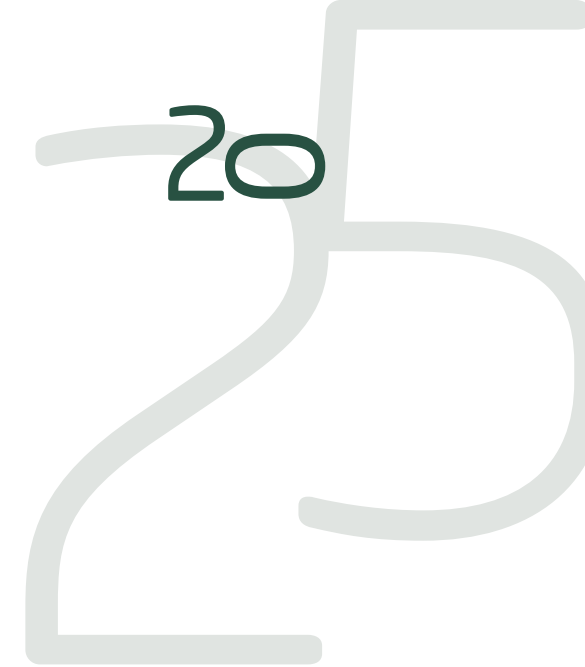
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## RISK MANAGEMENT

### OPERATIONAL RISKS

MGB has a continuity plan, preparing for exceptional situations so that MGB is able to continue its operations and restrict damage in diverse disturbance situations.

Operative risks have been mitigated by preparing guidelines, outsourcing activities, developing information systems, and by nominating deputies. Act on Information Management in Public Administration (TihL 906/2019) determines the management and secure processing of data and information. A description of the implementation of the public document has been published on the website of the Municipal Guarantee Board.



## RISK MANAGEMENT

### RISKS RELATED TO INVESTMENT OPERATIONS

MGB's liquidity is ensured through funds and sufficient stand-by credit facilities. According to Section 9 of the Act on the Municipal Guarantee Board, when investing, attention shall be paid to the safety, returns and liquidity of investments.

The MGB has promoted the accumulation of the credit institution's funds by keeping the guarantee commission small. After the Municipality Finance Plc's own funds reached a sufficient level, the MGB Council decided on a change in strategy, shifting the focus to increasing the fund.

The strategy change meant a return to the basic structure required by law, in which the fund acts as the MGB's primary liquidity instrument for covering the liabilities arising from the guarantee. As a result of the decision, the MGB accelerates the accumulation of the fund by increasing the price of the guarantee commission.

The Board of Directors decides on the use of the fund's assets and investment strategy. The investments consist of actively traded fixed income, equity and fund investments, for which daily market listings are available. Investments are measured at fair value in terms of their impact on profit.

In its investments, MGB favours companies and funds that take sustainability aspects into account. The methods used include norm-based review and exclusions. MGB avoids investing in companies that do not comply with good governance or international human rights and labour conventions.

The management and the Board of Directors of the MGB monitor the sustainability characteristics of the fund's investments through regular reporting provided by the entities and promote the development of sustainability practices in discussions with partners. Sustainability targets may have an impact on the size of the return on investment activities.

## RISK MANAGEMENT

No cash flow requirements are targeted at the fund or any profits thereof in the usual activities of MGB. When investing the fund's assets, attention shall be paid to the safety, returns and liquidity of investments. The long-term role of the fund supports striving for longer-term inflation hedging. The MGB tries to restrict the effects of value fluctuations by means of diversification and by maintaining a modest allocation in equities. In practice, the allocation on equities essentially determines the value fluctuation of the portfolio.

In accordance with the strategy, the MGB allocates 50% of its investments to fixed income investments and 50% to equity-linked investments. The permitted range is +/- 10 percentage points. The assets are investments either in direct debt instruments and shares or by using equity or bond funds. Direct fixed income investments are primarily made on benchmark

bonds with good rating (investment grade, Moody's Baa 3/S&P BBB). Investment funds can use derivatives within the framework of their rules. A maximum of 10% of the investment assets may be alternative investments. As the fund grew, the MGB initiated measures to update its investment strategy and outsource asset management.

On the balance sheet date, the weight of equity-linked investments was 49.2% and the weight of interest-linked investments 50.8%. There were no alternative investments.

## FINANCES

Income from regular operations consisted of guarantees granted, which produced a total guarantee premium sum of EUR 15,542,408.53. The operating expenses totalled EUR 3,598,484.53. Expenses were divided into personnel expenses of EUR 1,075,935.5, depreciation of EUR 53,390.83 and other expenses of EUR 2,469,159.20.

In other expenses, the largest item of expenditure was the credit-rating costs. Their pricing principle is partly tied to the amount of fundraising by Municipality Finance Plc. Another significant expense item was the credit provision commission arising from the MGB liquidity arrangement. The result from ordinary activities was EUR 12,037,321.90.

Throughout its period of operation, MGB has not received any claims for the payment of guarantee fees. Taking into account the nature of the operations, it is probable that no guarantee compensation will be payable by the MGB in the future.

Return on investment activities consists of interest and dividend income and capital gains. Sales losses are primarily recognised in expenses. MGB values its investments at fair value in terms of their impact on profit. The change in value from the previous financial statements was EUR 2,132,681.14.

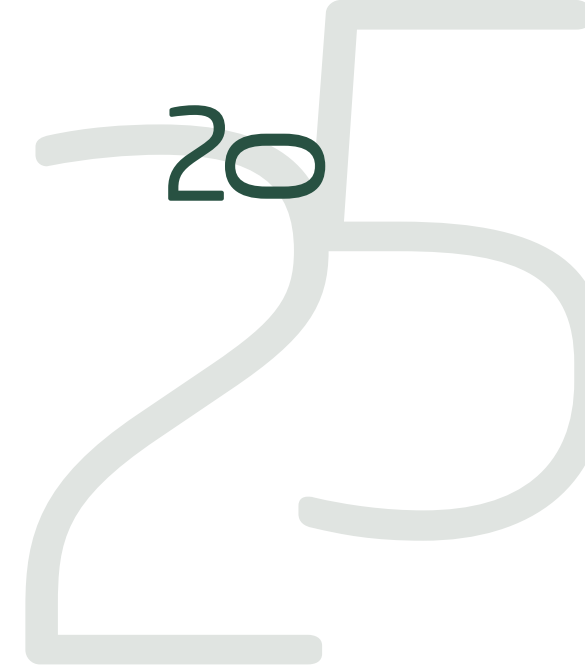
The investment environment was particularly affected by a decline in inflation and, as a result, the monetary policy decisions of central banks. The return on investment assets was 5.6%, driven particularly by the Finnish, developing countries and European equity markets. The carbon risk of investments was lower than the benchmark index, at 39,2 tCO<sub>2</sub>e/\$M Sales.

Proceeds before discretionary reserve adjustment were 14,956,179.70. Discretionary reserve adjustments comprise transfers into the fund and the fair value fund. The proposed transfer into the fund is EUR 12,823,498.56. This includes the actual operating result and the result of investment activities before unrealised changes in value. On 31 December 2025, the total amount of the fund was EUR 57,162,857.40.

## FINANCES

The transfer of EUR 2,132,681.14 into the fair value fund corresponds with the fair value change of invested capital on the balance sheet. The fair value fund stood at EUR 9,481,625.50 at the end of the year. On 31 December 2025, the MGB's equity totalled EUR 66,644,482.90. The result for the financial year is zero after discretionary reserve adjustments and fair value adjustments.

The MGB's liquidity comprises the fund and liquidity arrangements. The Municipal Guarantee Board has signed a EUR 200 million agreement with the Nordic Investment Bank (NIB) to secure liquidity.



## INCOME STATEMENT

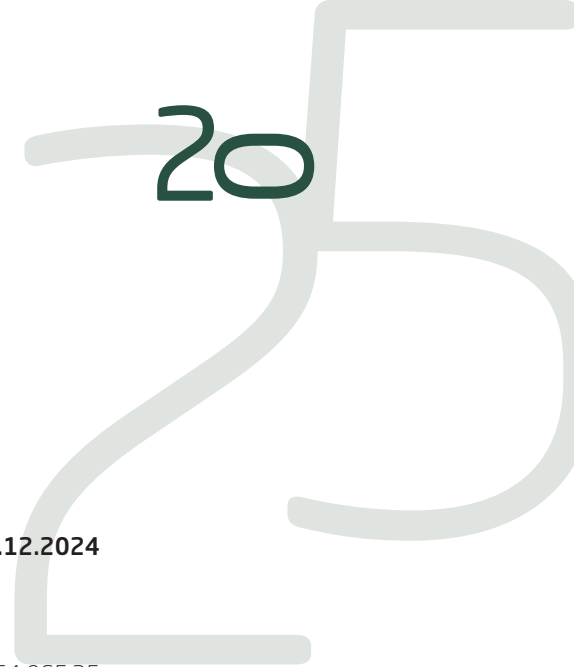
EUR	1.1.-31.12.2025	1.1.-31.12.2024
<b>ORDINARY OPERATIONS</b>		
Income		
Guarantee premiums and other income	15 635 806,43	14 416 055,39
Expenses		
(1) Staff expenses	-1 075 934,50	-868 144,59
Depreciation and impairments	-53 390,83	-53 390,82
Other expenses	-2 469 159,20	-2 245 266,04
Result from ordinary operations	12 037 321,90	11 249 253,94
<b>INVESTMENT ACTIVITIES</b>		
Income	874 673,24	600 621,34
Expenses	-88 496,58	-10 425,91
Result from investment activities prior to unrealised fair value changes	786 176,66	590 195,43
Unrealised fair value changes	2 132 681,14	3 306 666,05
Result from investment activities	2 918 857,80	3 896 861,48
<b>Result before appropriations</b>	<b>14 956 179,70</b>	<b>15 146 115,42</b>
<b>APPRORIATIONS</b>		
Transfer to fund	-12 823 498,56	-11 839 449,37
Transfer to the fair value reserve	-2 132 681,14	-3 306 666,05
Result for the financial year	0,00	0,00

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## BALANCE SHEET

EUR	31.12.2025	31.12.2024
<b>ASSETS</b>		
Non-current assets		
(2) Tangible and intangible assets	340 833,59	394 224,42
(3) Other shares and similar rights of ownership	2 149 706,92	2 871 294,27
Investments		
Other investments		
Shares and similar rights of ownership	47 090 167,59	29 056 763,61
Certificates of deposits and savings	2 778,81	254 503,58
Debt securities	12 294 946,54	15 271 888,00
Total investments	59 387 892,94	44 583 155,19
Current assets		
Receivables		
Invoiced receivables	3 905 604,10	3 612 556,80
Other receivables	0,00	0,00
Accrued income	485 220,71	341 198,25
Cash and bank accounts	570 323,52	87 404,71
<b>Total assets</b>	<b>66 839 581,78</b>	<b>51 889 833,64</b>
<b>EQUITY AND LIABILITIES</b>		
(4) Equity		
Fund	57 162 857,40	44 339 358,84
Fair value reserve	9 481 625,50	7 348 944,36
Total equity	66 644 482,90	51 688 303,20
Liabilities		
Current liabilities		
Trade creditors	18 230,42	44 730,30
Other liabilities	40 891,63	30 988,16
Accruals and deferred income	135 976,83	125 811,98
<b>Total equity and liabilities</b>	<b>66 839 581,78</b>	<b>51 889 833,64</b>

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## CASH FLOW STATEMENT

EUR	1.1.-31.12.2025	1.1.-31.12.2024
<b>CASH FLOW FROM ORDINARY OPERATIONS</b>		
Operating income	15 342 759,13	14 254 065,35
Operating costs	-3 592 942,16	-3 281 363,08
Cash flow from ordinary operations	11 749 816,97	10 972 702,27
Cash flow from non-current assets	0,00	-207 910,06
Cash flow from investments	-11 266 898,16	-11 081 713,28
<b>Change in cash funds</b>	<b>482 918,81</b>	<b>-316 921,07</b>
Cash funds at the beginning of financial period	87 404,71	404 325,78
Cash funds at the end of financial period	570 323,52	87 404,71

## NOTES TO THE FINANCIAL STATEMENTS

The Municipal Guarantee Board (MGB) complies, where applicable, with the current Accounting Act and Accounting Decree.

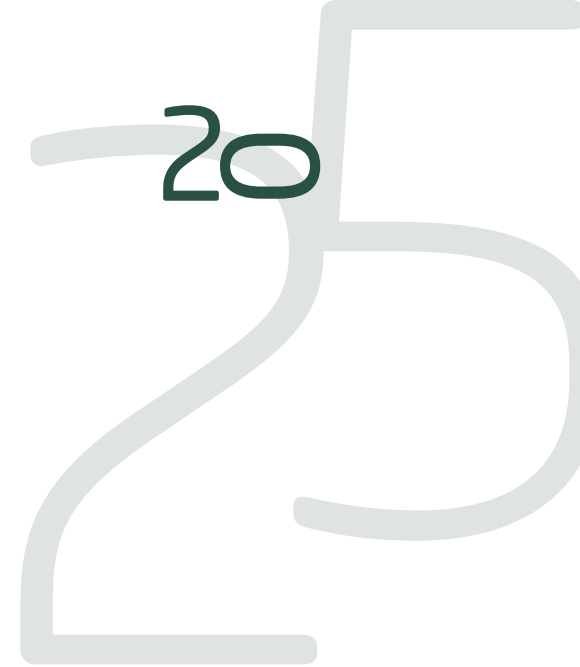
MGB's investments consist of interest-bearing securities, equities, and fund investments that are actively traded and have a daily market quotation. Investments are measured at fair value through profit or loss. Unrealized differences between the book value and fair value of the investments are recorded in equity under the fair value reserve.

The FIFO principle is applied in investment activities.

Fixed assets are valued at acquisition cost.

Depreciation on tangible fixed assets is recognized on a straight-line basis over five years.

MGB has a liquidity agreement with the Nordic Investment Bank (NIB) for an amount of up to EUR 200,000,000.



## NOTES

EUR

## (1) STAFF EXPENSES

1.1.-31.12.2025

	Salaries and fees	Pension expenses	Other personnel-related expenses
Board of Directors	225 395,32	31 838,62	4 936,13
Managing Director and Deputy MD	486 161,89	68 673,66	10 646,89
Others	200 325,93	28 297,39	4 387,12
Total	911 883,14	128 809,67	19 970,14

## NON-CURRENT ASSETS

(2) Tangible assets

	2025	2024
Acquisition cost 1.1.	447 615,24	239 705,18
Disposals	0,00	0,00
Increase	0,00	207 910,06
Acquisition cost 31.12.	447 615,24	447 615,24
Accrued depreciation 1.1.	-53 390,83	0,00
Accrued depreciation on disposals	0,00	0,00
Depreciation during the financial year	-53 390,83	-53 390,83
Accrued depreciation 31.12.	-106 781,66	-53 390,83
Book value 31.12.	340 833,58	394 224,41

(3) Other shares and similar rights of ownership

	2025	2024
Golf shares	1,00	1,00
Koy Yrjönkatu 11	1 581 228,92	1 581 228,92
As Oy Helsingin Eino Leinon katu 7	45 720,00	45 720,00
Koy Tahko Twinhills 212/5	522 757,00	522 757,00
As Oy Topeliuksenkatu 15	0,00	721 587,35
Total	2 149 706,92	2 871 294,27

## NOTES

EUR	2025	2024
<b>(4) CHANGES IN EQUITY</b>		
Fund 1.1.	44 339 358,84	32 499 909,47
Fund transfer 31.12.	12 823 498,56	11 839 449,37
Fund 31.12.	57 162 857,40	44 339 358,84
Fair value reserve 1.1.	7 348 944,36	4 042 278,31
Change in financial year	2 132 681,14	3 306 666,05
Fair value reserve 31.12.	9 481 625,50	7 348 944,36
Total equity	66 644 482,90	51 688 303,20
<b>GUARANTEES AND COLLATERAL</b>		
	<b>31.12.2025</b>	<b>31.12.2024</b>
Guarantee limits granted	67 637 591 718,33	67 637 591 718,33
Guarantees in use	52 066 721 382,16	48 167 424 048,00
Collateral received and items affecting collateral situation	53 937 325 960,85	50 167 615 711,82
Balance of collateral and guarantees	1 870 604 578,69	2 000 191 663,82
Receivables of Municipality Finance Plc derivatives guaranteed by the Municipal Guarantee Board from counterparties, net	286 401,00	21 123 532,00

## NOTES

Euro	1.1.-31.12.2025	1.1.-31.12.2024
<b>ALLOCATION OF FUNDING GUARANTEED BY THE MUNICIPAL GUARANTEE BOARD BY SECTOR</b>		
Municipality Finance Plc		
Loan portfolio		
Municipalities	11 079 321 823,63	10 524 630 097,84
Corporations controlled by municipalities	3 143 401 072,77	3 174 474 327,10
Housing corporations controlled by municipalities	8 024 828 241,05	7 212 552 966,19
Joint municipal authorities	720 371 962,00	709 024 975,00
Corporations controlled by joint municipal authorities	5 450 000,00	6 150 000,00
Wellbeing services counties	2 575 226 241,40	2 546 285 405,00
Corporations controlled by wellbeing services counties	298 875 107,00	313 114 692,00
Housing corporations controlled by wellbeing services counties	1 437 596,00	1 454 584,00
Joint county authorities	310 000 000,00	310 000 000,00
Corporations controlled by joint county authorities	147 924 528,00	162 475 594,18
Social housing corporations designated by state authorities	10 567 381 539,01	9 257 468 341,02
Total loan portfolio	36 874 218 110,86	34 217 630 982,33
- of which interest-subsidy loans	17 356 283 104,54	15 276 301 589,72
Leasing assets	1 630 414 165,32	1 567 495 978,11
Short-term customer financing	1 901 334 000,00	1 884 977 243,00
Funds related to liquidity management	11 660 755 105,98	10 497 319 844,56
Guarantees total	52 066 721 382,16	48 167 424 048,00

## SIGNATURES

Helsinki, 28 January 2026

### MUNICIPAL GUARANTEE BOARD

*Tapani Hellstén*  
Chair

*Kai Järvikare*  
Member

*Jaakko Stenhäll*  
Member

*Päivi Yli-Kauhaluoma-Nurmi*  
Member

*Antti Häkkänen*  
Deputy Chair

*Mervi Simoska*  
Member

*Marita Toikka*  
Member

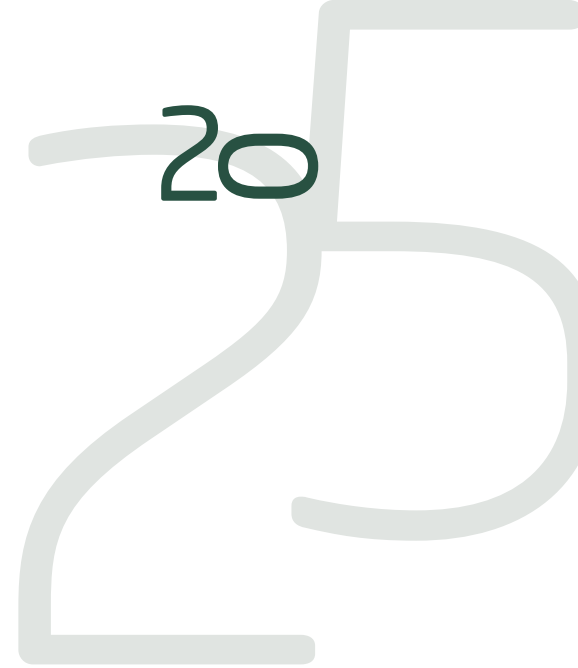
*Teppo Koivisto*  
Managing Director

### AUDITOR'S NOTE

Our auditors' report has been issued today.

Helsinki, 28 January 2026

KPMG OY AB  
*Marcus Tötterman*  
Authorised Public Accountant, KHT



To the Council of the Municipal Guarantee Board

## AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of the Municipal Guarantee Board (business identity code 1075583-7) for the year ended 31 December, 2025. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the Guarantee Board's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

#### BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Guarantee Board in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

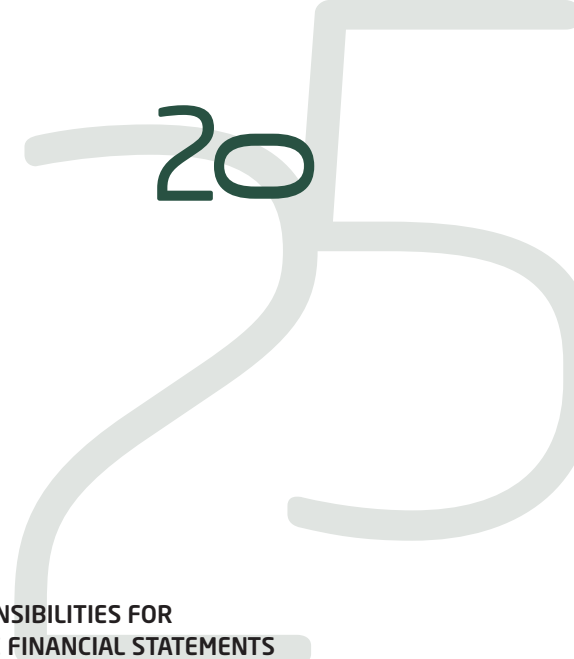
#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the Guarantee Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the Guarantee Board or cease operations, or there is no realistic alternative but to do so.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



## AUDITOR'S REPORT

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Guarantee Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Guarantee Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER REPORTING REQUIREMENTS

### OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 28 January 2026

KPMG OY AB

Audit Firm

MARCUS TÖTTERMAN

*Authorised Public Accountant, KHT*

## GUARANTEES

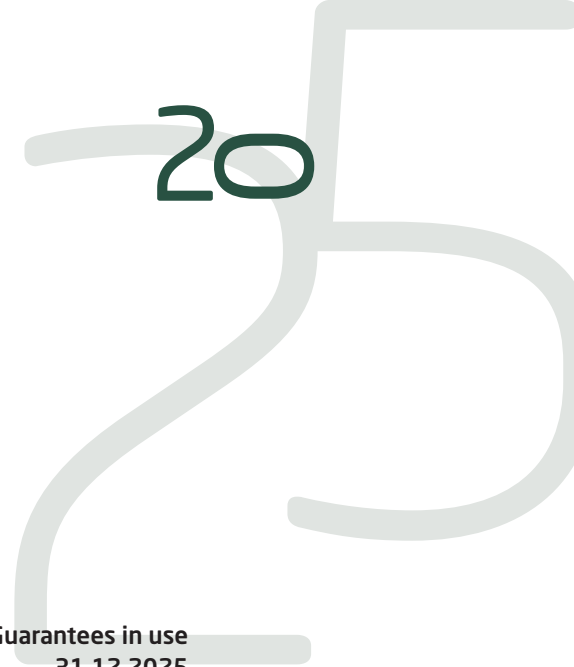
Million Euro

### MUNICIPALITY FINANCE PLC

### Guarantee limits

### Guarantees in use 31.12.2025

EMTN Programme	50 000 000 000,0	44 834 080 768,11
AUD 2 billion Programme	1 137 591 718,3	350 308 657,42
Euro Commercial Paper Programme	10 000 000 000,0	4 086 001 168,70
Other domestic and foreign funding	6 500 000 000,0	2 796 330 787,93
<b>Total</b>	<b>67 637 591 718,3</b>	<b>52 066 721 382,16</b>
Receivables of Municipality Finance Plc derivatives guaranteed by the Municipal Guarantee Board from counterparties, net.	Max. 4 %	286 401,00 0,001 %
<b>Total</b>		<b>52 067 007 783,16</b>



## BOARD OF DIRECTORS AND COUNCIL

### BOARD OF DIRECTORS 17.2.2022-31.12.2025

*Tapani Hellstén, Chair*

*Antti Häkkänen, Deputy Chair*

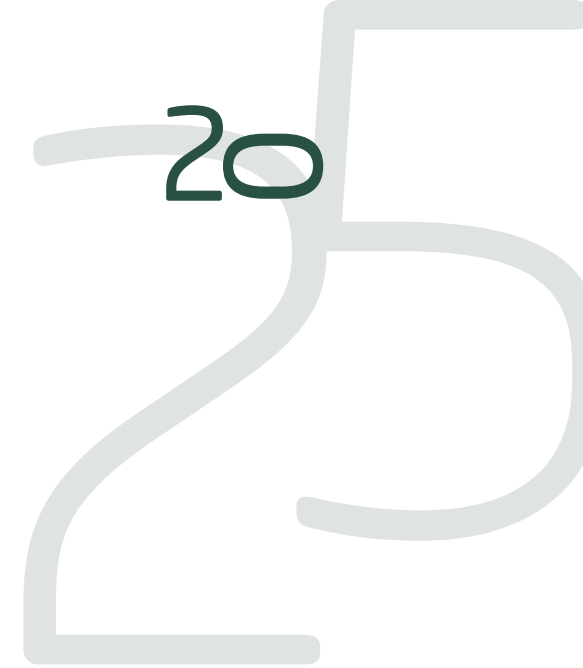
*Kai Järvikare*

*Mervi Simoska*

*Jaakko Stenhäll*

*Marita Toikka*

*Päivi Yli-Kauhaluoma-Nurmi*



## BOARD OF DIRECTORS AND COUNCIL

### COUNCIL 1.1.2022-31.12.2025

#### CHAIR

*Terhi Peltokorpi*

#### 1.ST DEPUTY CHAIR

*Elin Härmälä*

#### 2.ND DEPUTY CHAIR

*Jari Koskinen*

#### MEMBERS

*Mari Mikkola*

*Janne Sankelo*

*Pia Pakarinen (member as of 22 March 2024)*

*Eero Vainio*

*Ritva Suomalainen*

*Mikko Kärnä*

*Mira Nieminen*

*Urpo Myllymäki*

*Paula Himanen*

*Ville Hämäläinen*

*Johanna Jokinen*

*Fredrik Guseff*

#### ALTERNATE

*Arto Nykänen*

*Reijo Vuorento*

*Jari Andersson*

#### ALTERNATE

*Kati-Erika Timperi*

*Niilo Heinonen*

*Tinja Tähtinen*

*Petra Määttänen*

*Markku Harju*

*Henna Takatalo*

*Merja Nevalainen*

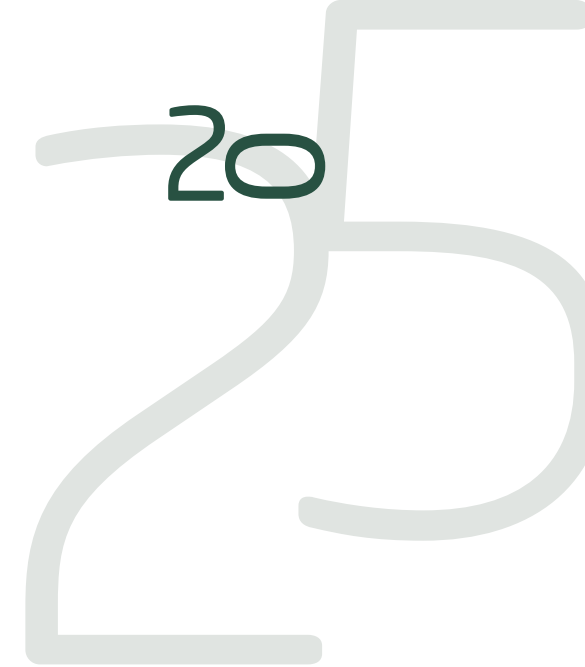
*Ari Kaunisaho*

*Susanna Suoniemi*

*Sakari Kouti*

*Pekka Heikkinen*

*Maria Grundström*





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| KUNTIEN TAKAUSKESKUS | KOMMUNERNAS GARANTICENTRAL | MUNICIPAL GUARANTEE BOARD |

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