

THE MUNICIPAL GUARANTEE BOARD (MGB) - A BRIEF PROFILE

LEGAL BASIS

The Municipal Guarantee Board (MGB) is a public law body established by the 487/1996 Act on the Municipal Guarantee Board. MGB, together with the Municipality Finance Plc (MuniFin), are the main participants in the joint funding system of municipalities in Finland.

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.

In order to fulfil its purpose, 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. MuniFin is the only credit institution in Finland owned and controlled by municipalities.

MEMBERSHIP

The membership of MGB consists of all 293 Finnish municipalities (1.1.2022), representing 100 per cent of the population of mainland Finland. Due to the autonomy of the Province of Åland, the municipalities of the Province of Åland are not clients of MuniFin or 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.

KEY FIGURES (31.12.2022)

Transfer to fund	EUR 0,85 million
Total assets	EUR 24,31 million
Equity	EUR 24,16 million

GUARANTEES AND COLLATERAL (31.12.2022)

Guarantee limits granted	EUR 62 774,45 million
Guarantees in use	EUR 41 773,89 million
Collateral received and items affecting collateral situation	EUR 43 675,22 million
Balance of collateral and guarantees	EUR 1 901,33 million