



## About the organisation

Municipality Finance Plc (Kuntarahoytus Oyj) is a credit institution specialised in financing local government sector and state-subsidised social housing production. MuniFin is one of Finland's largest financial institutions.

Municipality Finance aims to promote welfare in Finland through the financing of municipal projects related to basic infrastructure, healthcare, education and the environment. A significant portion of its lending is used for socially responsible projects such as building hospitals, healthcare centers, schools, day care centers and homes for the elderly.

The group also includes a subsidiary Financial Advisory Services Inspira Ltd.

## Key figures

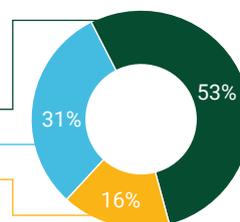
	2017	2016
Lending portfolio (EUR million)	21,219	20,910
Total assets (EUR million)	34,738	34,052
Net operating profit (EUR million)	198.4	174.2
Tier 1 capital adequacy ratio, %	75.51	66.89
Personnel	134	106

## Municipalities in Finland

Finland's local government sector is characterised by a high degree of autonomy over financial matters (including the unlimited right to levy taxes on income) and strong credit quality, which is reflected in the high quality of MuniFin's loan portfolio.

## Ownership

Municipalities, municipal federations and companies owned by municipalities	53%
Keva, a local public sector pension fund	31%
Republic of Finland	16%



## Explicit guarantee

The Municipal Guarantee Board (MGB) is an institution under public law whose purpose is to safeguard and develop joint funding for municipalities. MGB's member municipalities include all Finnish municipalities, which are jointly liable on a pro rata basis for MGB's commitments.

All loans guaranteed by MGB are classified as zero-risk. MGB's own credit ratings are Aaa (stable, Moody's) and AA+ (stable, S&P).

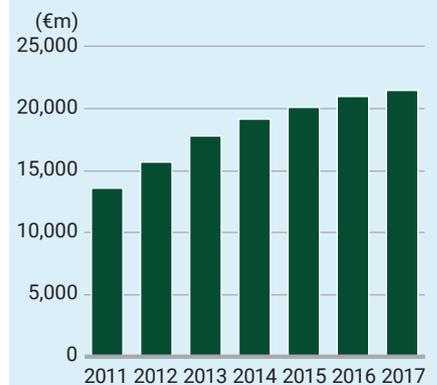
[www.muniguarantee.fi](http://www.muniguarantee.fi)

### Credit ratings

**Aa1** (stable) Moody's  
**AA+** (stable) S&P

The strong credit ratings are based on Municipality Finance's extremely low risk loan portfolio, good liquidity, conservative risk policy and the guarantees granted by the Municipal Guarantee Board for Municipality Finance's debt programmes and funding arrangements outside the programmes.

### Lending portfolio 2011 - 2017



MuniFin's lending portfolio carries only either Finnish municipality or central government risk.

### MuniFin finances only local governments and the non-profit housing sector in Finland

MuniFin can grant financing to

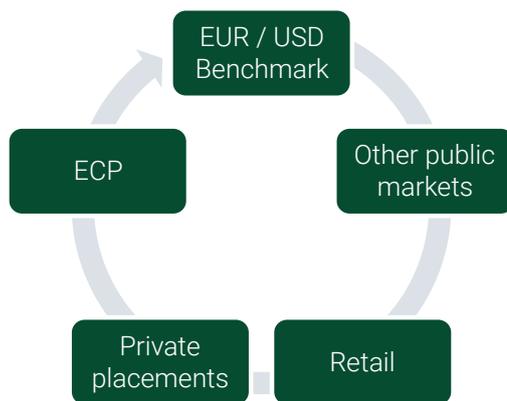
- municipalities
- municipal federations
- municipally owned corporations
- housing organisations with non-profit status



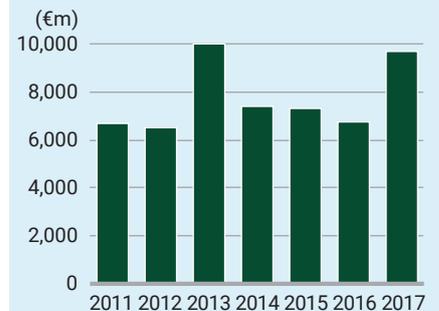
## Funding strategy

MuniFin funds its operations through international capital markets. The funding operations are diversified in several markets.

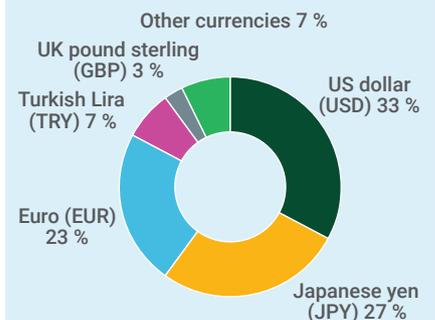
MuniFin's funding strategy is to be active in international markets to obtain the best conditions for borrowing over the long term.



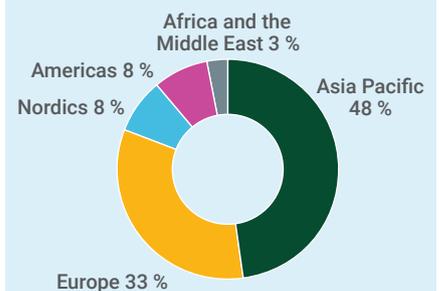
### Funding by year 2011 - 2017



### Funding by currency 2017



### Funding by region 2017



## MuniFin bonds HQLA level 1 assets

The Finnish FSA regards the bonds issued by MuniFin as HQLA Level 1 liquid assets. The statement was published on March 24, 2015.

## 0% risk weighting

According to FIN-FSA, MuniFin's guarantor Municipal Guarantee Board is a public sector entity such that exposures to it can be treated as exposures to the central government (chapter 5.2.3 in FIN-FSA's Capital requirements calculation and large exposures).

## Green bonds

MuniFin also offers Green financing for projects that promote the transition to low-carbon and climate resilient growth. Green financing is funded by green bonds.



### Contacts

[www.munifin.fi](http://www.munifin.fi)

**Bloomberg Ticker:** KUNTA

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