



# MuniFin investor presentation

June 2025

MuniFin



# Agenda

- 1 Our business and financials
- 2 Finnish public sector structure and MuniFin's guarantee
- 3 The Finnish economy and economic outlook
- 4 Our funding
- 5 Appendices

**MuniFin**





# Our business and financials

MuniFin



# MuniFin in brief

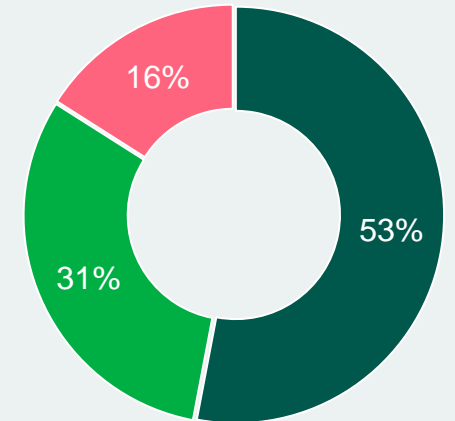
MuniFin is the leading provider of financial services to Finland's municipal sector, wellbeing services counties sector and affordable social housing

- Bloomberg ticker: **KUNTA**
- Funding guaranteed by the Municipal Guarantee Board (MGB)
- Credit ratings are in line with those of the Finnish sovereign
- Credit institution supervised by the ECB
- Credit institution of systemic importance to the Finnish financial system (O-SII)

Rating agency	Long-term funding	Outlook
Moody's Investors Service	<b>Aa1</b>	Stable
Standard & Poor's	<b>AA+</b>	Stable

The Municipal Guarantee Board, which guarantees MuniFin's funding, also has the corresponding ratings. Read more about our credit and ESG ratings here: <https://www.kuntarahoitus.fi/en/for-investors/credit-and-esg-ratings>

100% Finnish public sector-owned credit institution



- Finland's municipal sector and wellbeing services counties
- Keva, a public sector pension fund
- State of Finland

# Sustainability is a core value at MuniFin

Our sustainability Agenda summarises the main themes and goals of our sustainability work.

## Theme 1:

### Foundation of the Finnish welfare society

#### Goal:

Enabling the foundations for a sustainable welfare state

#### Indicator

- Amount of social finance

#### Target value

- 8% of the long-term customer finance portfolio

#### Target year

- 2030



## Theme 2:

### Driver of the green transition

#### Goal:

Promoting investments that benefit the climate and environment

#### Indicator

- Amount of green finance
- Financed emissions from buildings

#### Target value

- 25% of our long-term customer finance portfolio
- Emission intensity (buildings) 8 kgCO<sub>2</sub>e/m<sup>2</sup>

#### Target year

- 2030
- 2035



# Who we finance

MuniFin is the leading provider of financing for the Finnish public sector. We have three customer sectors.



## Municipality sector

- Responsible for providing many statutory services to their residents.
- Municipalities can provide these services also through corporate entities under municipal control or through joint municipal authorities.



## Wellbeing services counties sector

- Self-governing regions that have been responsible for organizing healthcare, social welfare and rescue services in Finland since the beginning of 2023.
- The Finnish wellbeing services counties sector also includes joint county authorities for wellbeing services as well as corporate entities owned by the counties.



## Affordable social housing sector

- Affordable social housing is mainly provided by municipality owned companies and nationwide non-profit organisations.
- Affordable social housing can be financed in two ways. The first is through interest subsidy loans. The state of Finland guarantees these loans and pays their interest subsidies. The second is through loans municipally owned companies take out from MuniFin for affordable social housing. These loans do not have a state interest subsidy, but they come with a 100% municipal guarantee.

We provide our customers the following financing services and products:

- Loans
- Property leases
- Green and social finance
- Risk management
- Analysis and reporting solutions
- Digital services for portfolio management and financial planning

# Customer finance portfolio

New long-term customer financing

**5**

EUR billion\*

Long-term customer financing in 2024

**35**

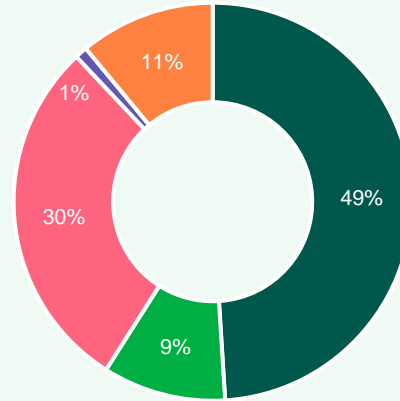
EUR billion\*

All customer financing carries a BIS

**0%**

risk weight\*

Loan portfolio in the balance sheet\*



- Housing organisations (incl. housing corporations controlled by municipalities)
- Wellbeing services counties
- Municipalities
- Joint municipal authorities
- Municipalities-controlled entities

MuniFin has never had any credit losses from the customer-finance portfolio

No final credit losses are expected to arise, as all our customer financing receivables are from Finnish public sector entities or accompanied by a securing public sector guarantee or State of Finland deficiency guarantee supplementing real estate collateral.

MuniFin conducts a credit assessment on its customers. The assessment covers both economic and qualitative factors, including indicators of solvency, debt-servicing capacity, profitability and ESG.

\* As of 31 December 2024



Case

# Jokeri Light Rail speeds up low-emission public transport in the Helsinki Metropolitan Area

**Green**  
bond  
MuniFin



Photo: Raide-Jokeri / Kaupunkiliikenne



## Case

# Service Center Metsola supports a smooth and independent everyday life for deaf, deafblind, and sign language users

**Social**  
bond  
MuniFin

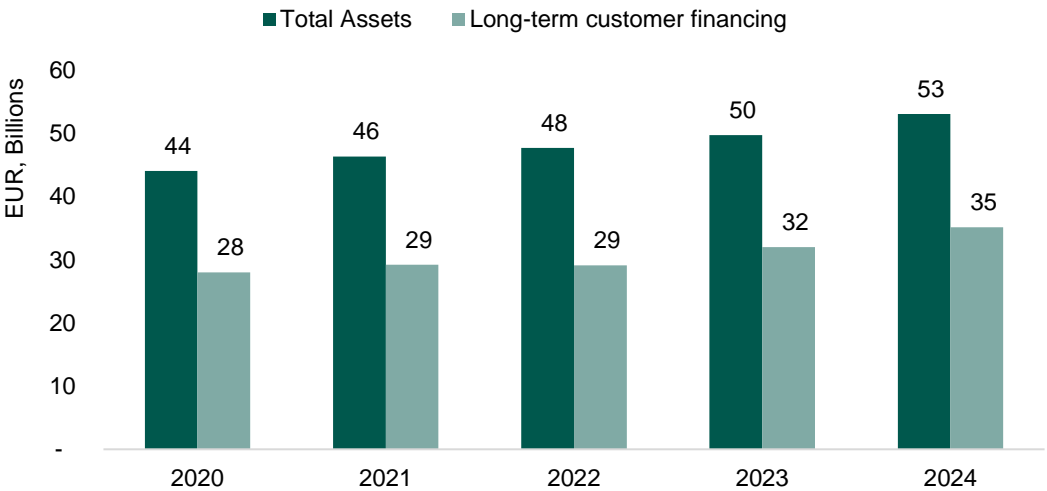


Photo: Sami Lamberg

# Financial performance 2024

Business remained stable despite turbulent operating environment

Copyright MuniFin



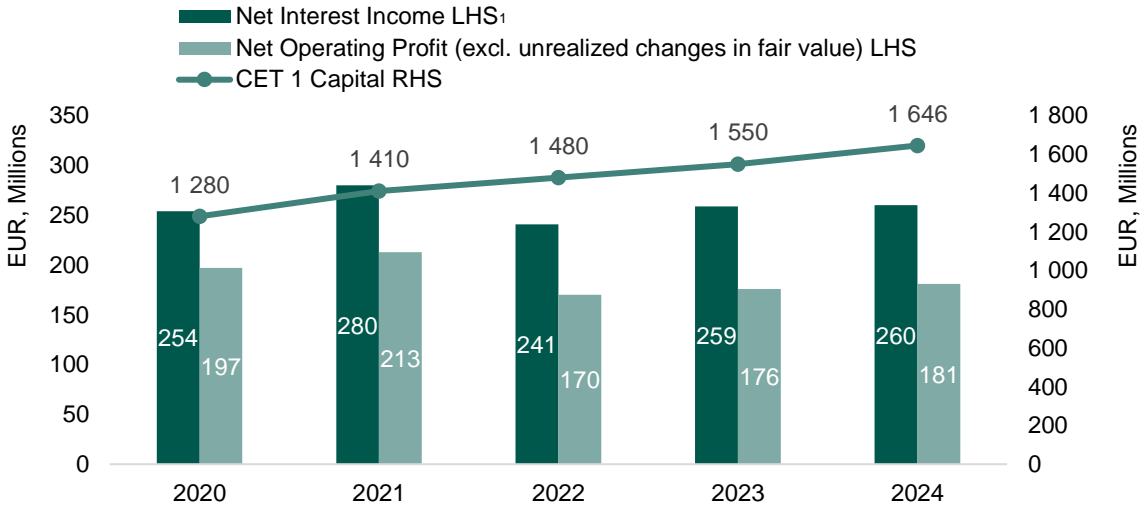
Balance sheet totaled EUR 53 billion



MuniFin

As of 31 December 2024

Solid capital adequacy and leverage ratio



Cost-to-Income Ratio <sup>1</sup>	21.6%	21.7%	23.9%	32.2%	27.7%
Return on Equity <sup>1</sup>	9.4%	10.7%	9.9%	6.6%	7.2%
Leverage Ratio <sup>2</sup>	3.9%	12.8%	11.6%	12.0%	12.3%
CET1 Ratio <sup>2</sup>	104.3%	95.0%	97.6%	103.4%	107.7%

<sup>1</sup> Alternative performance measure. More information on alternative performance measures can be found in the Annual Report/Half Year Report.

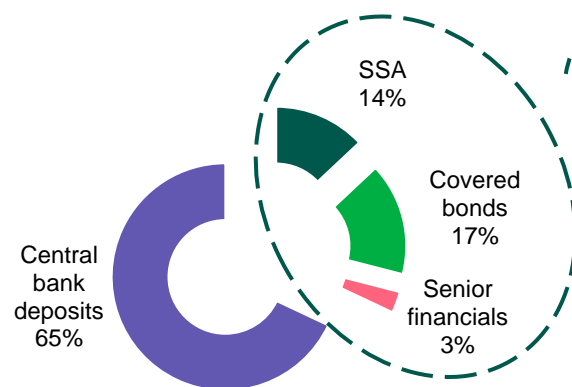
<sup>2</sup> Figures for 2021, 2022, 2023 and 2024 are calculated in accordance with CRR II. Comparison periods have not been restated to reflect the updated capital requirements regulation.

# Strong liquidity position

## Liquidity Portfolio

**11.8**

EUR, billion



- Sufficient liquidity to cover continued undisturbed operations for at least 12 months
- Secondary source of funding: Monetary policy counterparty of the Bank of Finland
- The majority of the liquidity portfolio is classified as HQLA Level 1 assets

## Security investments in the liquidity portfolio

**4.0**

EUR, billion

**AA+**

Average rating

**3.2**

Average maturity  
in years

## Guided by MuniFin's Sustainable Investment Framework

- Investment/Issuer selection, exclusion and controversy monitoring
- Applying issuer-level ESG management to the portfolio management process covering the entire portfolio
  - **ESG score of all security investments held over that of benchmark index**
- Separate thematic investment portfolio within the security investments portfolio

Size of socially responsible investments

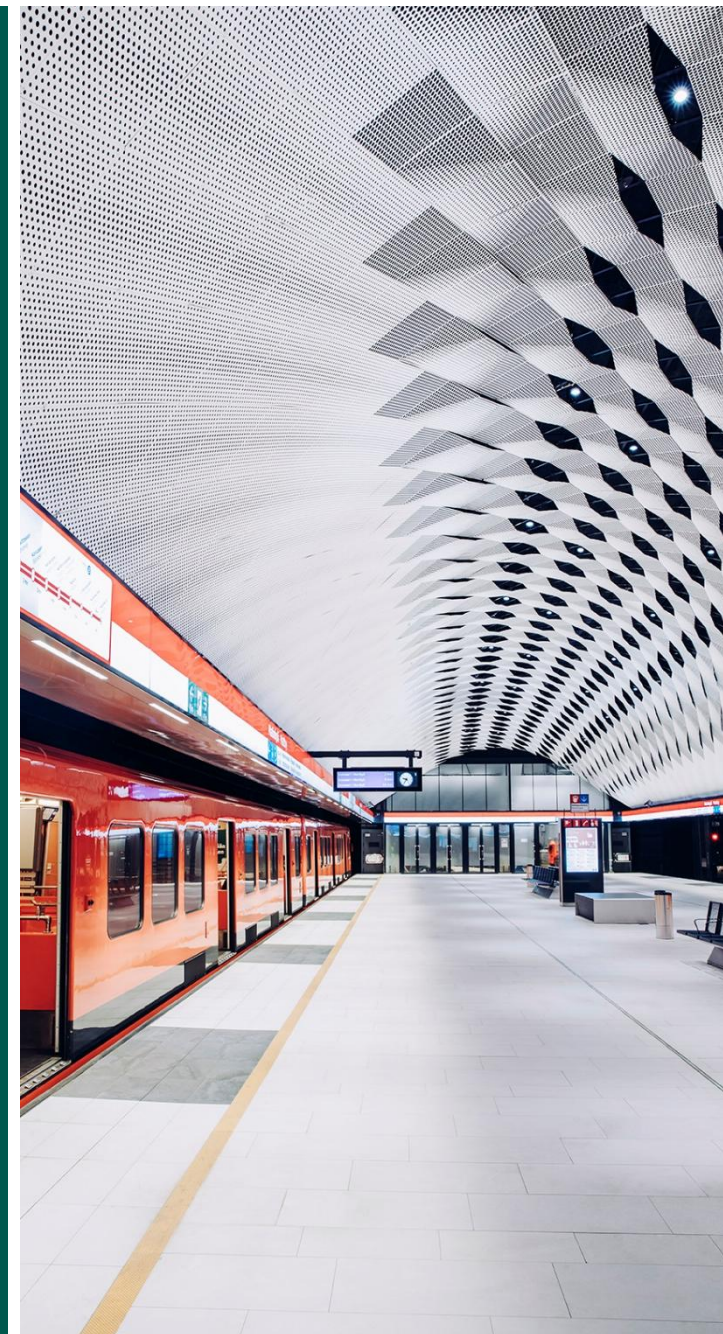
**870**

EUR, million



# The Finnish public sector structure and MuniFin's guarantee

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# The Finnish public sector has a three-tier structure



## Central Government

Comprises the ministries and the national agencies operating in their administrative branches

Services provided:

- Police
- Defence
- Highways
- Universities
- Judicial system
- Statistics and research



## Wellbeing services counties

Currently 21 wellbeing services counties\* and additionally joint county authorities for wellbeing services and corporate entities under their control

Services provided:

- Health and social
- Fire and rescue services



## Municipalities

Currently 309 municipalities\*\* and additionally joint municipal authorities and corporate entities under their control

Services provided:

- Education and day care services
- Cultural, youth and library services
- Urban planning and land use & environmental services
- Water and energy supply & waste management

\*In addition Helsinki will organise its own health, social, fire and rescue services

\*\*293 mainland municipalities

MuniFin's clients include wellbeing services counties and municipalities, however not the central government

Sources: Finnish government, State treasury, Association of Finnish Local and Regional Authorities, ARA

# Finnish municipalities: Strong revenue base and close link to Central Government

1

## By law, a Finnish municipality cannot be declared bankrupt

- Bankruptcy Act (120/2004)

2

## Close link to the central government

- Highly independent and have a parallel status with the Central government confirmed in the constitution dating from 1917

3

## Strong revenue base

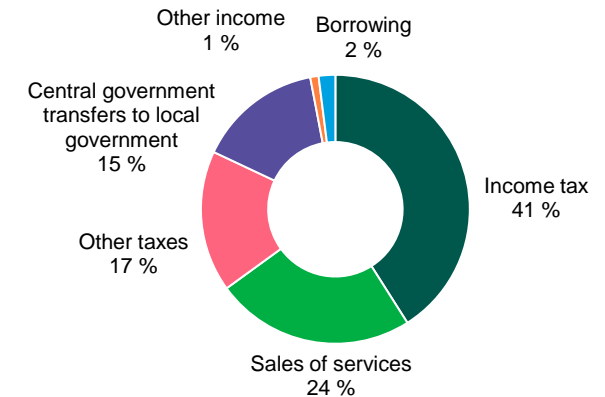
- Municipalities have an unlimited right to levy taxes on their inhabitants (municipal tax rate)
- Other revenues taxation related charges from service production

4

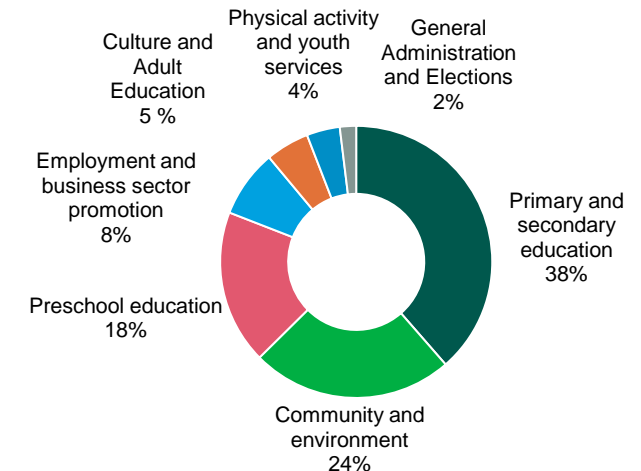
## Budget Control

- Ministry of Finance is responsible for monitoring the municipal sector
- By law municipalities have an obligation to balance their finances over a four-year time frame

Revenues (ca. EUR 25 billion)



Expenditures (ca. EUR 25 billion)





# Municipal Guarantee Board (MGB) provides the guarantee for MuniFin's funding



## Stable

- Aa1 (Stable)/AA+(Stable) rated
- MGB was established by an act passed by Finland's parliament in 1996 for the purposes of safeguarding and developing the joint funding of municipalities



## Strong

- All Finnish mainland municipalities\* are members, representing 100% of the taxation power in mainland Finland. Membership is permanent
- Members of the MGB are jointly liable in proportion to their population figures for the guarantee provided by MGB for MuniFin's funding



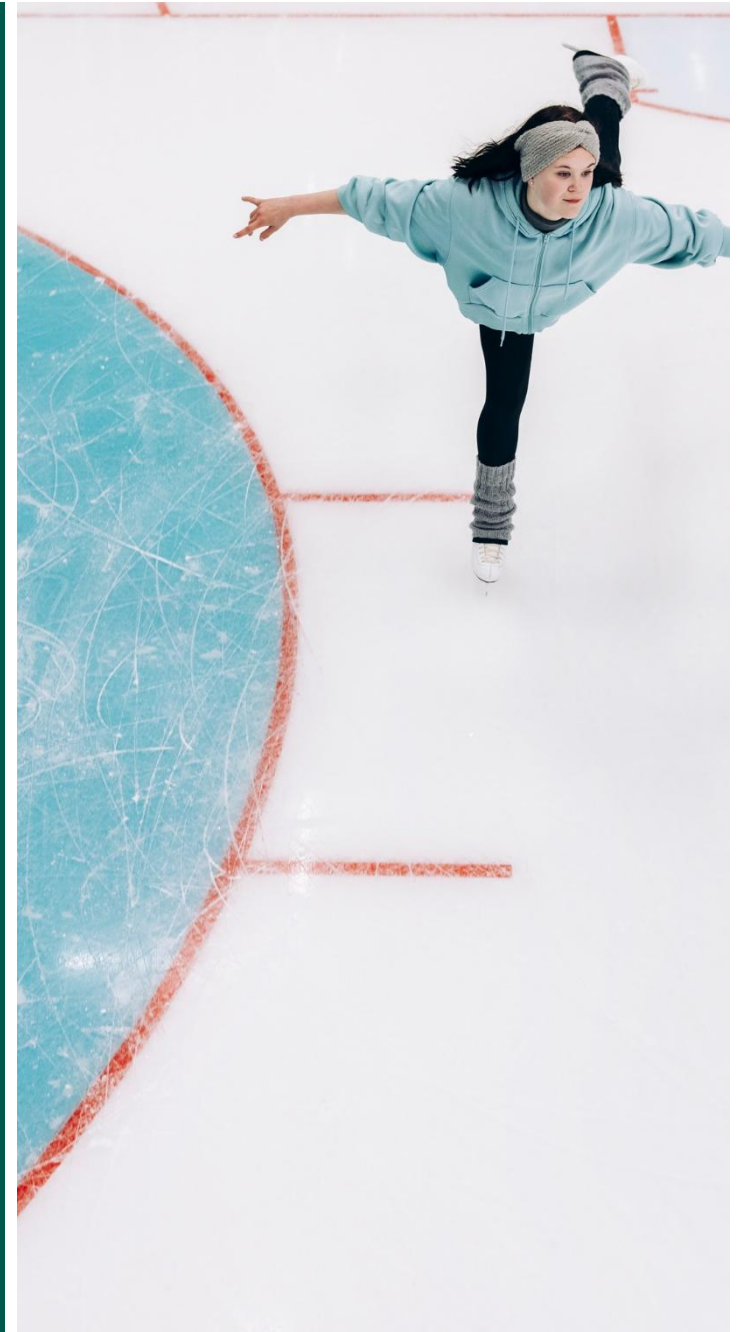
## Immediately enforceable

- MGB can collect from members without a court order
- All debt guaranteed by MGB is BIS 0% risk-weighted in the EU area

\*Due to the autonomy of the Province of Åland, its municipalities are not members of MGB and are not clients of MuniFin.  
More information about the Municipal Guarantee Board (MGB): [kuntientakauskuskeskus.fi/en/joint-funding-system-of-municipalities/](https://kuntientakauskuskeskus.fi/en/joint-funding-system-of-municipalities/)

# The Finnish economy and economic outlook

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# Highlights of the Finnish economy

## 5.5

million people

## 2.9

% of GDP  
above average gross  
domestic spending on  
R&D

## 2035

Finland aims to  
be carbon neutral

## 54 890

US\$  
GDP per capita

- **Happiest** country in the world eight years in a row
- The most **stable** country in the world
- One of the top OECD countries in **education**
- The best **governance** in the world
- The **water** richest country in the world
- The most **forests** in Europe
- Finns drink most **coffee** per person in the world

### Largest manufacturing sectors:

- Machinery
- Electrical equipment
- Paper and metal products

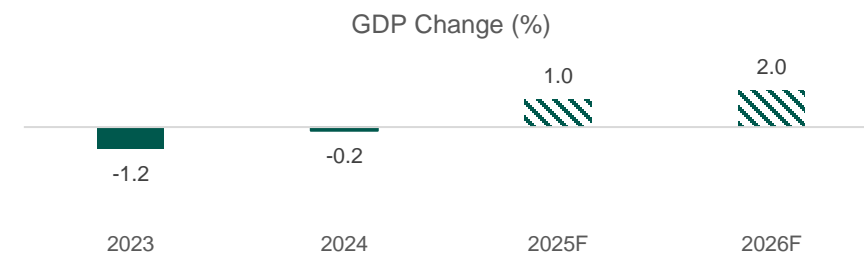
Sources: Statistics Finland; OECD; Ministry of the Environment; The United Nations annual World Happiness Report, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018; The Fund for Peace Fragile States Index 2022; OECD, Better Life Index: Education; Legatum Institute, The Legatum Prosperity Index 2021: Finland; Keele University, The Water Poverty Index: an International Comparison; FAO, Global Forest Resources Assessment; International Coffee Organization, Coffee Trade Statistics



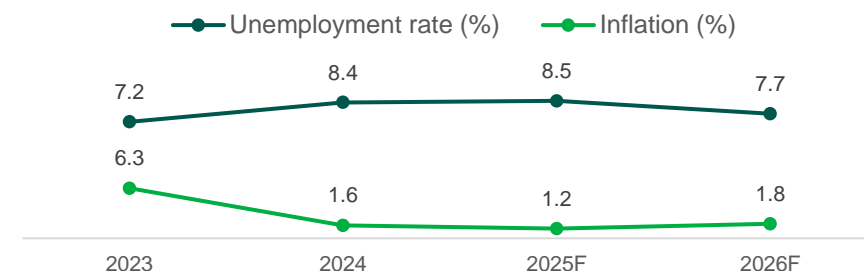


# Economic outlook of Finland

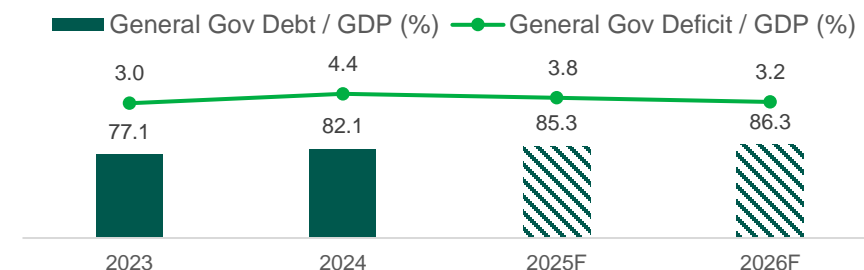
- Finland's economy is currently emerging from a recession, which has been fueled by a slowdown in housing construction, weak consumer confidence and struggling exports.
- Employment reacts to economic cycles with a delay. Unemployment will still rise moderately in 2025 and begin to decline in 2026.
- The increase in the general value-added tax temporarily raised inflation at the end of 2024. Otherwise, inflationary pressure in Finland has eased more quickly than in the rest of the euro area.
- MuniFin expects a positive turn in the economy to be driven by private consumption and net exports. Current geopolitical uncertainty could stall the recovery.
- Finland's debt/GDP level is comparably low – even after the unavoidable rise in debt due to the pandemic as well as the uncertain geopolitical landscape.



Source: Statistics Finland and MuniFin



Source: Statistics Finland and MuniFin



Source: Statistics Finland and Ministry of Finance

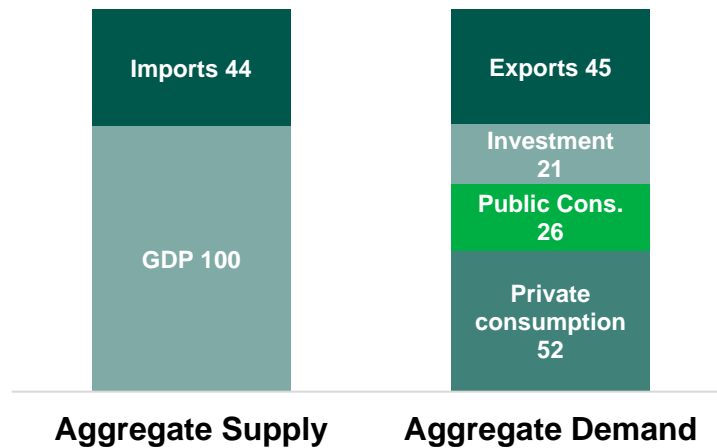
# The Finnish Economy

## Know-how intensive production base

- Services account for ca. 70% of GDP

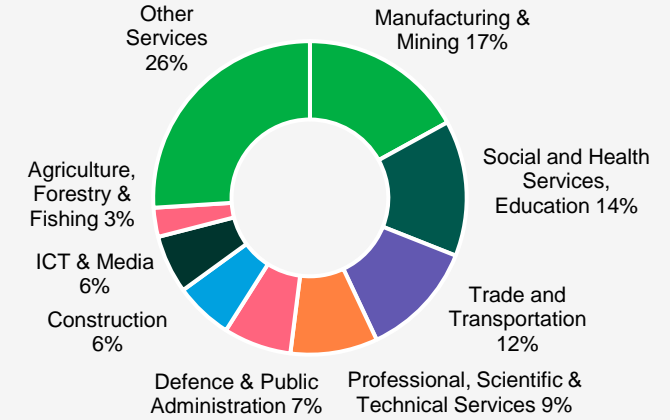
## Trade oriented open economy - export-to-GDP ca. 44%

- Exports largely made up of investment goods and intermediate products
- Services' share of total exports doubled since 2007-2008
- Roughly 56% of exports inside the EU. Largest trading partners (export and import) being Sweden, USA, Germany, Netherlands and China.



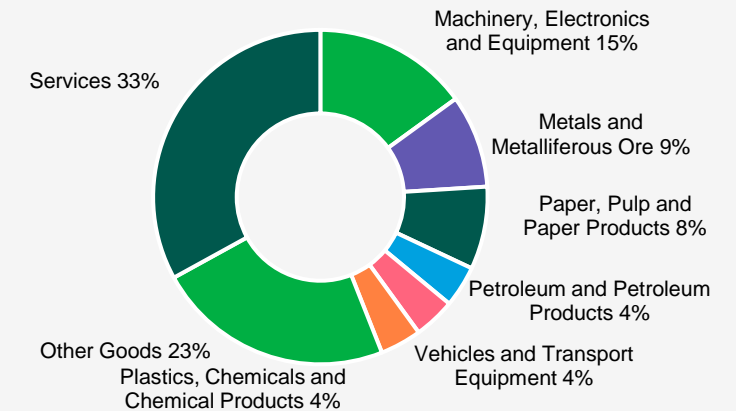
Source: Statistics Finland, MuniFin Finland Supply and Demand 2024 GDP=100

## Finnish GDP by Sector 2023



Source: Statistics Finland, Macrobond, MuniFin

## Finnish Exports 2024



Source: Statistics Finland, Finnish Customs, Macrobond, MuniFin

# Our funding

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# Funding Strategy

## Long-term funding

Target for 2025: EUR 10 billion

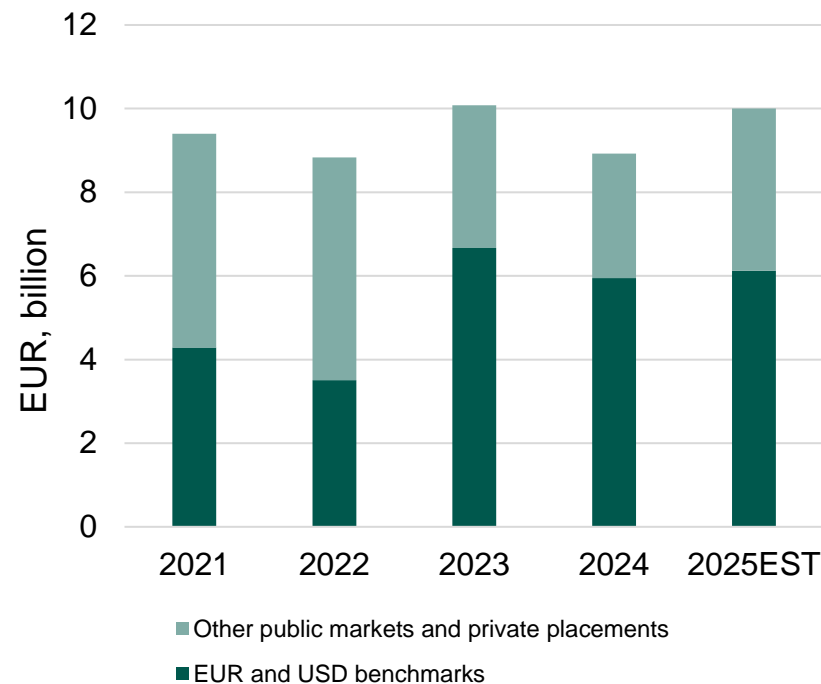


## Short-term funding

**Euro Commercial Paper (ECP)**

Outstandings 2.5–4.5 bn

## Long-term funding program

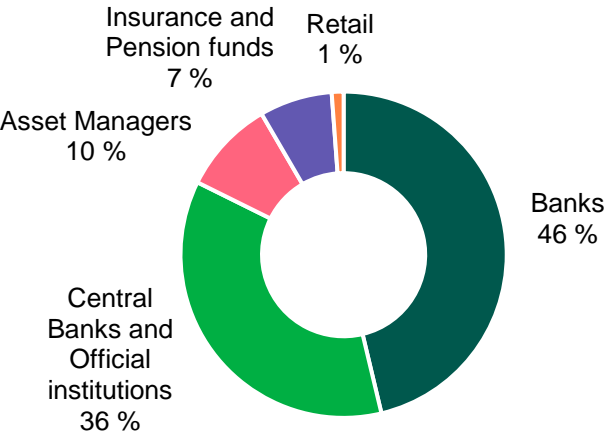


- **BIS 0%** risk-weighted
- **LCR HQLA Level 1 asset** in the EU area and Switzerland

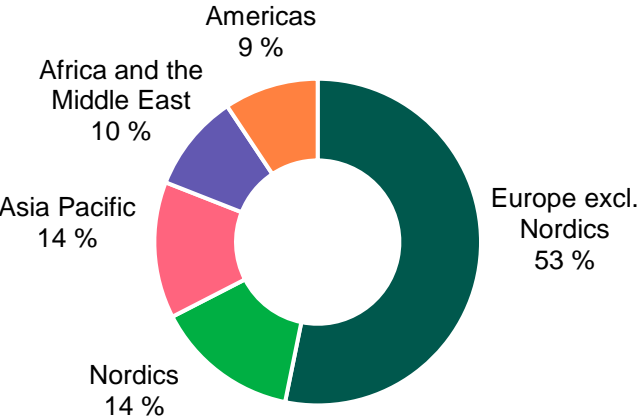
# Funding breakdown 2024

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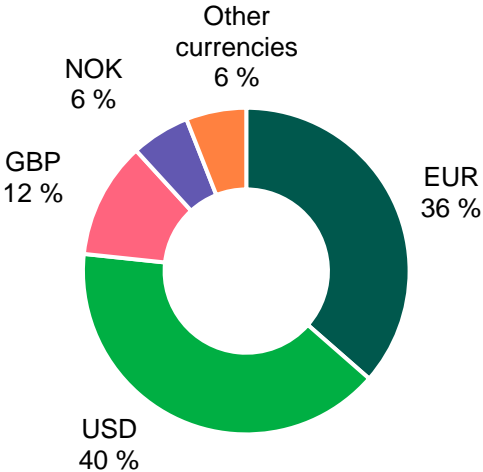
New long-term funding by investor type



New long-term funding by region



New long-term funding by currency



# Successful public market strategy

## EUR and USD benchmarks



### EUR FIXED BENCHMARKS 18.5 bn

11/2026, **09/2027<sup>1</sup>**, 01/2028, 04/2028, **09/2028<sup>1</sup>**, **05/2029<sup>1</sup>**, 08/2029, **09/2029<sup>1</sup>**, 12/2029, 07/2030, **10/2030<sup>1</sup>**, 03/2031, 02/2032, **06/2032<sup>1</sup>**, 02/2033, 02/2034, **09/2035<sup>2</sup>**

1 Green bond  
2 Social bond



### USD FIXED BENCHMARKS 10.3 bn

03/2026, 09/2026, 01/2027, 04/2027, 08/2027, 12/2027, 01/2029, **10/2029<sup>1</sup>**, 04/2030



### AUD 400 m

02/2026, 07/2027, 08/2029



### CHF 955 m

03/2026, 08/2026, 06/2027, 06/2028, 03/2030, 02/2035, 08/2038



### GBP 4.5 bn

06/2025, 12/2025, 01/2026, 07/2027, 02/2028, 10/2028, 01/2029



### NOK 35.9 bn

01/2026, 03/2026, 09/2026, 01/2027, 04/2027, 08/2027, 04/2028, **02/2029<sup>2</sup>**, **09/2029<sup>1</sup>**, 10/2029, 01/2030, **08/2030<sup>1</sup>**, 06/2031, 04/2037



### NZD 150 m

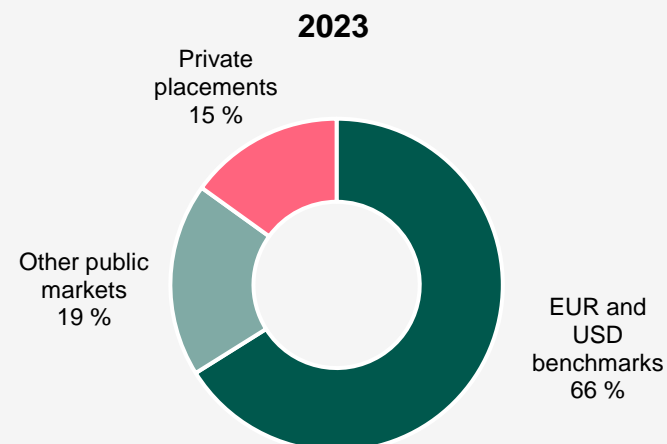
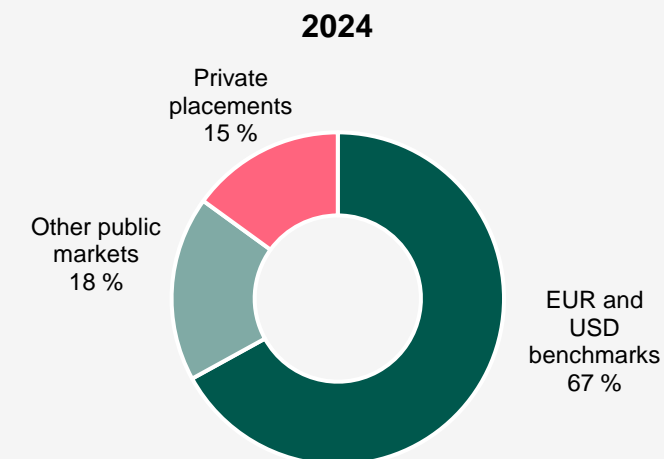
05/2026



### SEK 9 bn

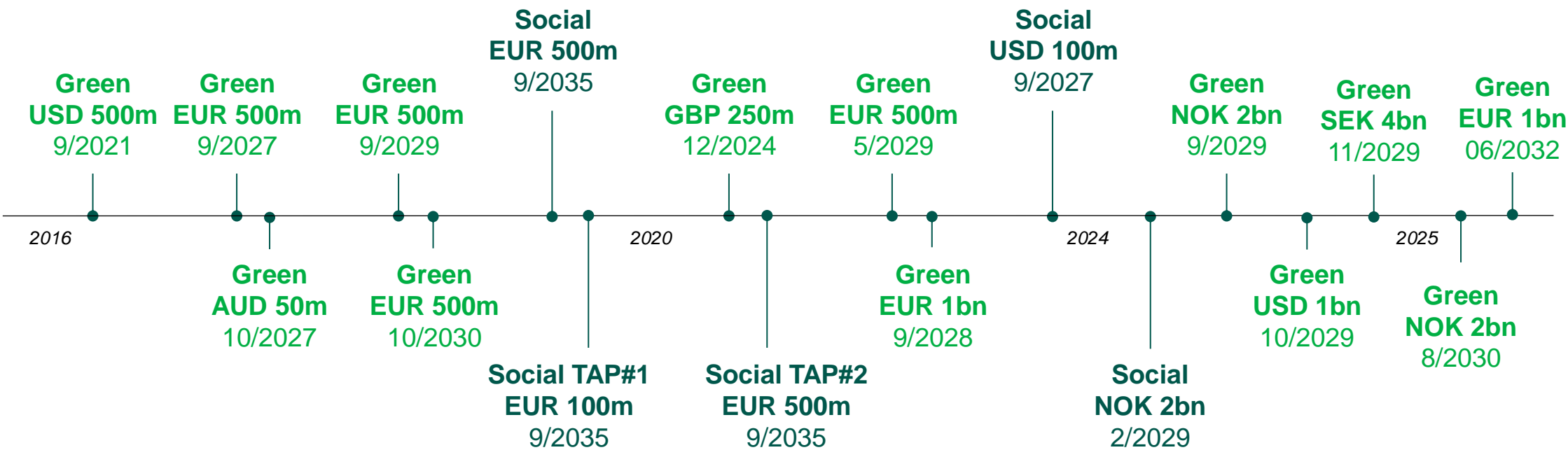
12/2027, 02/2028, **11/2029<sup>1</sup>**

## Other public markets



# Green and social bond timeline

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**Green**  
bond

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**11**

Outstanding bonds

**5.6**

EUR billion

**Social**  
bond

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**3**

Outstanding bonds

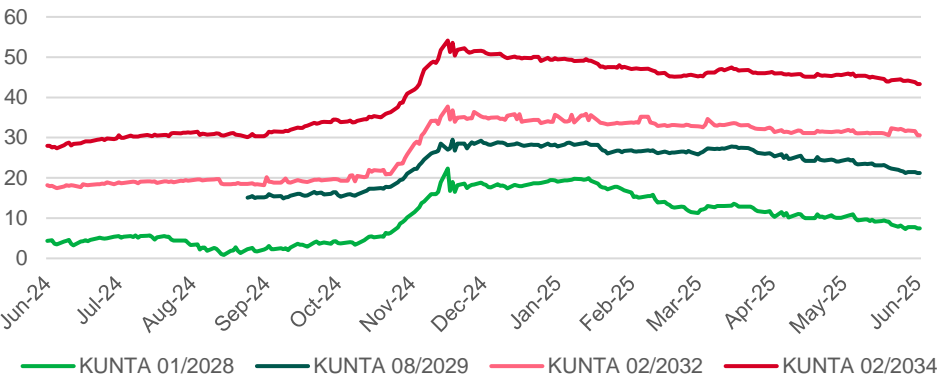
**1.4**

EUR billion

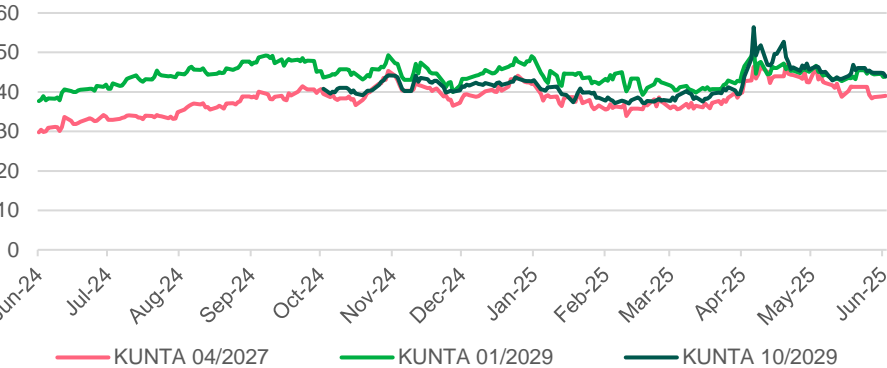


# Secondary market of EUR and USD benchmarks

Mid ASW spreads of selected MuniFin EUR benchmarks

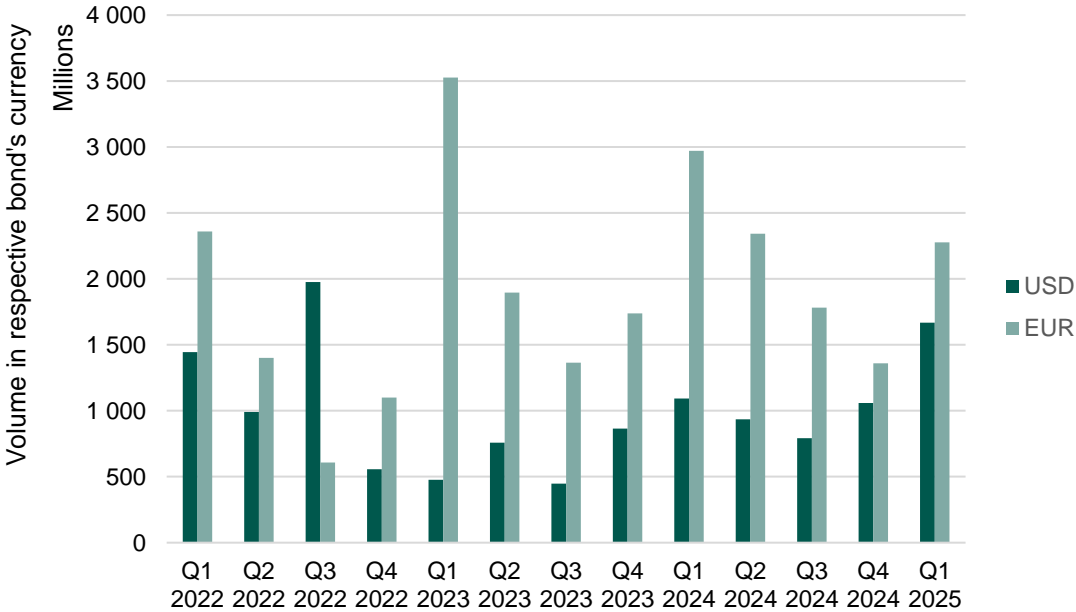


Mid ASW spreads of selected MuniFin USD benchmarks



## MuniFin incentivizes dealer banks to maintain good liquidity in its benchmarks in the secondary market

- Secondary market data is collected every quarter from the dealer bank group
- The data is also used to assess each dealer bank’s performance



Source: Bloomberg 4 June 2025

Source: MuniFin 2025. This data is based on quarterly secondary turnover data received from the dealer banks.

# Green and social bond frameworks

## Green bond

### MuniFin

- First pure Finnish Green Bond issuer in 2016
- Outstanding amount of green bonds 4.5 billion € equivalent\*
- Outstanding amount of green finance 6.8 billion €\*
- Green Bond Framework
  - Prepared in accordance with ICMA GBP
  - Internal Green Finance Team
  - Customer margin discount
- Second opinion
  - Cicero Shades of Green: Medium Green & Excellent Governance score
- Annual allocation and impact reporting

\*As of 31 December 2024

## Social bond

### MuniFin

- First Nordic SSA Social Bond issuer in 2020
- Outstanding amount of social bonds 1.4 billion €\*
- Outstanding amount of social finance 2.5 billion €\*
- Social Bonds Framework
  - Prepared in accordance with ICMA SBP
  - Social Evaluation Team
  - Customer margin discount
- Second opinion
  - ISS ESG
- Annual allocation and impact reporting

\*As of 31 December 2024

# Green finance in figures



Outstanding amount  
of green finance

**6,817**

EUR million



Share of all long-term  
customer finance

**19.0**



Total committed green finance

**8,375**

EUR million



Green portfolio duration

**13.4** years



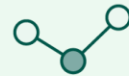
Number of green  
projects

**576**



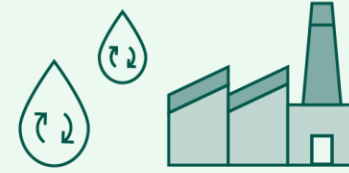
Annual energy savings (avoided/reduced)<sup>1</sup>

**81,056** MWh



Annual CO<sub>2</sub> emissions avoided/reduced<sup>2</sup>

**69,278** tCO<sub>2</sub><sup>3</sup>



Annual amount of treated waste water in existing plants  
immediately after project completion

**28,198,311** m<sup>3</sup>

Annual amount of treated waste water with  
increased capacity in the future

**39,659,485** m<sup>3</sup>



Annual production of renewable energy

**165,073** MWh



Renewable energy production capacity

**49** MW

Figures based on the outstanding amount of green finance on 31 December 2024

[Read more:](#)

[MuniFin Green Impact Report 2024](#)

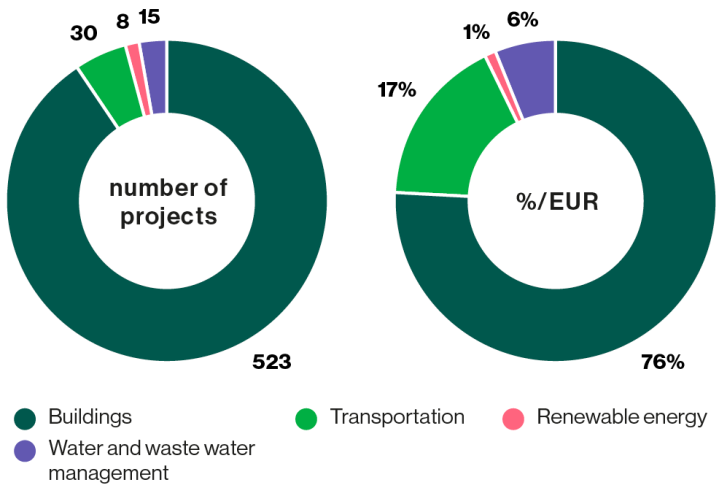
<sup>1</sup> 81,056 MWh: Equals the annual consumption of about 4,654 electrically heated single-family houses (Source: Motiva)

<sup>2</sup> Calculated using the emission factor for electricity consumed in Finland (33 g CO<sub>2</sub>e/kWh, Fingrid). When calculated using the emission factor recommended by the Nordic Position Paper on Green Bonds Impact Reporting (191 g CO<sub>2</sub>e/kWh, 2024 draft), the figure stands at 73,245 tCO<sub>2</sub>. The emission factor's biggest impact is on the buildings category.

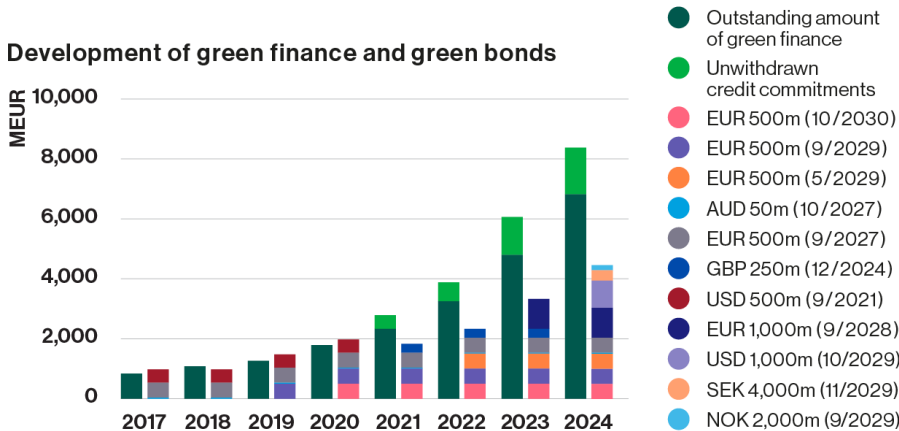
<sup>3</sup> 69,278 tCO<sub>2</sub>: Equals the average annual carbon footprint of about 6,726 Finns (Source: Sitra)

# Executive summary of Green finance

Green finance project breakdown



Development of green finance and green bonds



Project category	Outstanding amount, EUR million	Annual CO <sub>2</sub> emissions avoided/reduced, tCO <sub>2</sub>	Impact, tCO <sub>2</sub> per EUR million
Buildings	5,189	8,094	2
Transportation	1,189	8,185	7
Renewable energy	36	52,997	1,472
Water and waste water management	403	2	0
Total	6,817	69,278	N/A

Other impact indicators	
Annual energy savings (avoided / reduced), MWh	81,056
Annual production of renewable energy, MWh	165,073
Renewable energy production capacity, MW	49
Annual amount of treated waste water in existing plants immediately after project completion, m <sup>3</sup>	28,198,311
Annual amount of treated waste water with increased capacity in the future, m <sup>3</sup>	39,659,485

Impact attributable to green bond investors	
65.3%	
Outstanding amount of green bonds divided by outstanding amount of green finance (in EUR) as of 31 Dec 2024. Capped at 100%.	

Amount	ISIN	Issue date	Maturity date	
500m EUR	XS2242924491	14 Oct 2020	14 Oct 2030	7.3%
500m EUR	XS2023679843	10 July 2019	6 Sept 2029	7.3%
500m EUR	XS2480922389	17 May 2022	17 May 2029	7.3%
50m AUD	XS1706174015	25 Oct 2017	25 Oct 2027	0.5%
500m EUR	XS1692485912	3 Oct 2017	7 Sept 2027	7.3%
1,000m EUR	XS2590268814	22 Feb 2023	25 Sept 2028	14.7%
1,000m USD	XS2914674408	9 Oct 2024	9 Oct 2029	13.3%
4,000m SEK	XS2942472205	19 Nov 2024	19 Nov 2029	5.1%
2,000m NOK	XS2908585933	26 Sep 2024	26 Sep 2029	2.5%

Basic information	
Green bonds frameworks applied to the green finance portfolio	MuniFin Green Bonds Framework August 2022, May 2019, November 2018, August 2017 and February 2016
Reporting period	The reporting is based on the green finance portfolio as at 31 Dec 2024
Report publication date	4 March 2025
Reporting frequency	Annual
Next report planned for	March/April 2026
Reporting approach	Portfolio-based and project-by-project reporting
Reporting framework	Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting (2024)



# Social finance in figures



Number of social projects

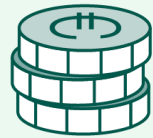
# 152



Outstanding amount of social finance

# 2,536

EUR million



Total committed social finance

# 2,657

EUR million



Share of all long-term customer finance

# 7.1



Social portfolio duration

# 11

years



Welfare

Estimated number of users and patient visits

# 9,603,253

Number of welfare service users reached\*

# 9,152,470

persons



Social housing

Number of apartments

# 5,735

of which housing for the most vulnerable population: **5,521**

Number of residents

# 7,124



Education

Number of students, pupils and children reached

# 1,197

Average class size

# 18

pupils



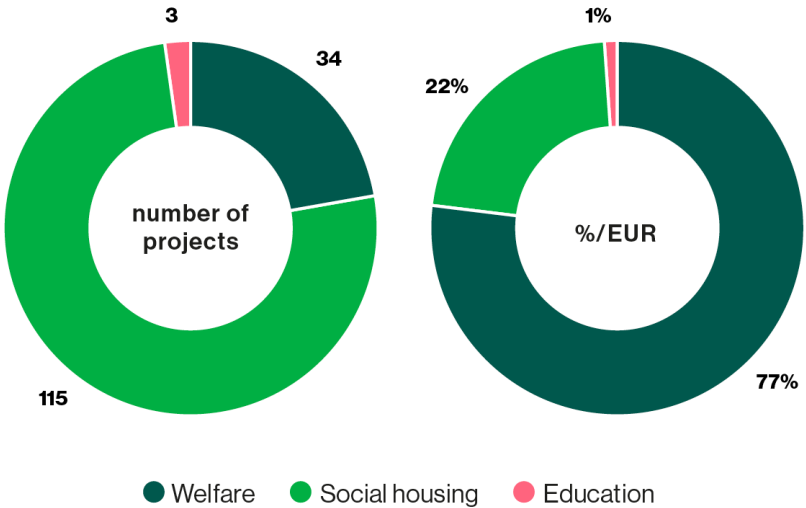
\* This number is not directly comparable to Finland's total population because different projects may report the same residents due to overlapping catchment areas.

Read more:  
[MuniFin Social Impact Report 2024](#)

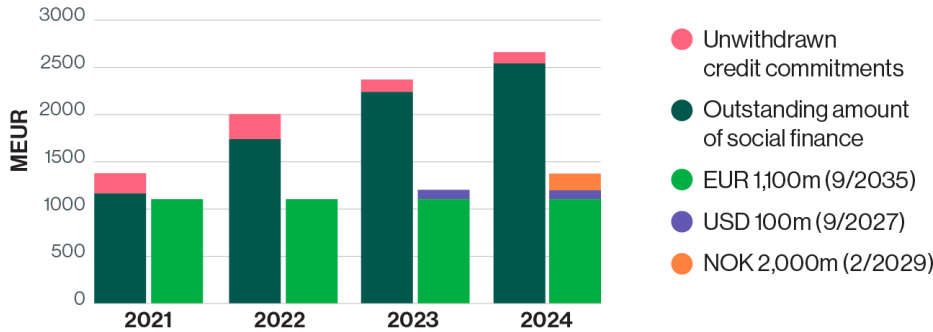
Figures based on the outstanding amount of social finance on 31 December 2024

# Executive summary of Social finance

Social finance project breakdown



Development of social finance and social bonds



Project category	Outstanding amount, EUR million
Welfare	1,949
Social housing	263
Education	24
Total	2,536

Other impact indicators	
Number of user and patient visits	9,603,253
Number of welfare service users reached	9,152,470
Number of residents	7,124
Number of apartments	5,735
Of which housing for the most vulnerable population	5,521
Number of students, pupils and children reached	1,197
Average class size, pupils	18

Impact attributable to social bond investors				54%
Outstanding amount of social bonds divided by outstanding amount of social finance (in EUR) as of 31 Dec 2024. Capped at 100%				
Amount	ISIN	Issue date	Maturity date	
EUR 1,100m	XS2227906034	12 Dec 2021*	10 Sept 2035	43.4%
USD 100m	XS2675717917	1 Sept 2023	1 Sept 2027	3.7%
NOK 2,000m	XS2769883955	13 Feb 2024	20 Feb 2029	6.9%

Basic information:	
Social bonds frameworks applied to the social finance portfolio	MuniFin Social Bonds Framework as of February 2020
Reporting period	The reporting is based on the social finance portfolio as at 31 Dec 2024
Report publication date	4 March 2025
Reporting frequency	Annual
Next report planned for	March / April 2026
Reporting approach	Portfolio-based and project-by-project reporting
Reporting framework	ICMA Social Bond Principles (June 2021) and ICMA Handbook - Harmonised Framework for Impact Reporting (June 2022, when applicable)

\*Issue dates 10 Sept 2020 / 12 Oct 2021



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# Thank you

**MuniFin**

## Contact us

### Senior Management



**Esa Kallio**

President and CEO  
+358 9 6803 6231

### Funding



**Antti Kontio**

Head of Funding and  
Sustainability  
+358 9 6803 5634



**Lari Toppinen**

Manager, Funding  
+358 9 6803 5685



**Aaro Koski**

Senior Analyst, Funding  
+358 9 6803 5694

**Arttu Leinonen**

Analyst, Funding  
+358 9 6803 6215

### Sustainability



**Joakim Holmström**

Executive Vice President,  
Capital Markets & Sustainability  
+358 9 6803 5674



**Mikko Noronen**

Manager, Sustainability  
+358 504 797 533



**Elina Sääskilahti**

Manager, Sustainability  
+358 415 438 695

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

Funding and Sustainability team contact information  
[funding@munifin.fi](mailto:funding@munifin.fi)

Direct e-mail address format  
[firstname.lastname@munifin.fi](mailto:firstname.lastname@munifin.fi)



# Appendices

MuniFin

# The Finnish healthcare and social services reform

On 1 January 2023, Finland's long-prepared health and social services reform became effective and the new wellbeing services counties began their operations. The operative work of the wellbeing services counties is being largely funded by the central government, but the counties have government authorization to acquire long-term funding for their investments. The counties can also seek short-term funding independently without government authorization.

MuniFin continued to act as a lender and counterparty to the loans and other liabilities that were transferred to the wellbeing services counties at the start of 2023. Legislation also allows MuniFin to finance new investments and other new financing needs by the wellbeing services counties. By virtue of a decision by the FIN-FSA, wellbeing services counties, similar to the central government and municipalities, will also fall in the zero-risk category in the capital adequacy regulation of credit institutions.

New financing to wellbeing services counties is currently affected by the fact that the wellbeing services counties are not liable for the guarantees for MuniFin's funding because, unlike municipalities, wellbeing services counties are not members of the MGB. For this reason, the MGB has set an annual limit to the amount of new financing MuniFin can grant to wellbeing services counties. In 2024, the MGB's limit for MuniFin's long-term loans to wellbeing services counties is EUR 400 million. MuniFin estimates the counties' financing needs to be higher than the limit. The MGB's limit for MuniFin's new short-term financing (i.e. commercial paper) to wellbeing services counties is EUR 900 million in 2024.

The long-term financial effects of the health and social services reform remain difficult to estimate. MuniFin's financing volumes will be affected by the wellbeing services counties' future level of investment, the limits set by the MGB and the fact that the operating expenses of the wellbeing services counties are covered from the central government's budget. In MuniFin's current financing operations, lending related to health and social services does not play such a role that changes in it would have a material impact on the Group's financial position in the near future.

More information concerning the status of the reform can be found at: <https://soteuudistus.fi/en/frontpage>.

*More information:*

<https://www.kuntarahoitus.fi/wp-content/uploads/2024/08/MuniFin-Half-Year-Report-2024.pdf>

<https://www.kuntarahoitus.fi/wp-content/uploads/2024/05/EUR-50b-MTN-Programme-Offering-Circular-2024.pdf>

# Our operations rely on low risk appetite

## MuniFin's risk pillars

## Objectives and related measures

### Profitability & Capital

### A sufficient level of earnings, profitability and capital

### Liquidity & Funding risks

### An adequate liquidity buffer and a sustainable funding position and profile

- Well diversified short- and long-term funding sources
- Well-balanced, low risk liquidity portfolio with a high ratio of HQLA
- Sufficient liquidity to cover continued undisturbed operations without new long-term funding for at least 12 months. Liquidity metrics, LCR and NSFR, to be kept well above regulatory requirements
- Secondary source of funding: Monetary policy counterparty of the Bank of Finland

### Credit risks

### Sound credit risk profile appropriate for MuniFin's business model

- All customer financing is direct municipal or wellbeing services counties risk or is guaranteed by a municipality, a wellbeing services county, a joint municipal authority, a joint county authority for wellbeing services or central government (deficiency guarantee)
- All customer financing carries a 0% risk weighting in capital adequacy calculations
- Liquidity portfolio rating target AA+ (single issuer minimum rating requirement A-)
- Derivative counterparty minimum rating requirement A- (with minor exceptions)
- 0/0 threshold two-way CSAs with daily collateral management

### Market risks

### Sound market risk profile appropriate for MuniFin's business model

- Funding and liquidity portfolio investments are as a norm back-to-back hedged to floating rate EUR
- Customer financing is all in EUR and as a norm hedged to floating rate

### Operational risks

### Effective operational control and compliance to support functional and responsible operations

- Objective is to minimize operational risks related to business and operations by carefully identifying and analyzing the impact and probability of the risks

# MuniFin's credit assessment and credit granting process

## Annual credit assessment

- MuniFin conducts an annual assessment of the ability of its customers to meet their future obligations.
- The assessment covers both economic and qualitative factors, including indicators of solvency, debt-servicing capacity, profitability and ESG. For municipality customers, the municipal evaluation criteria of the Ministry of Finance is taken into account.
- As a result of the annual assessment, MuniFin will have a view of a customer's current risk position.

## Credit granting process

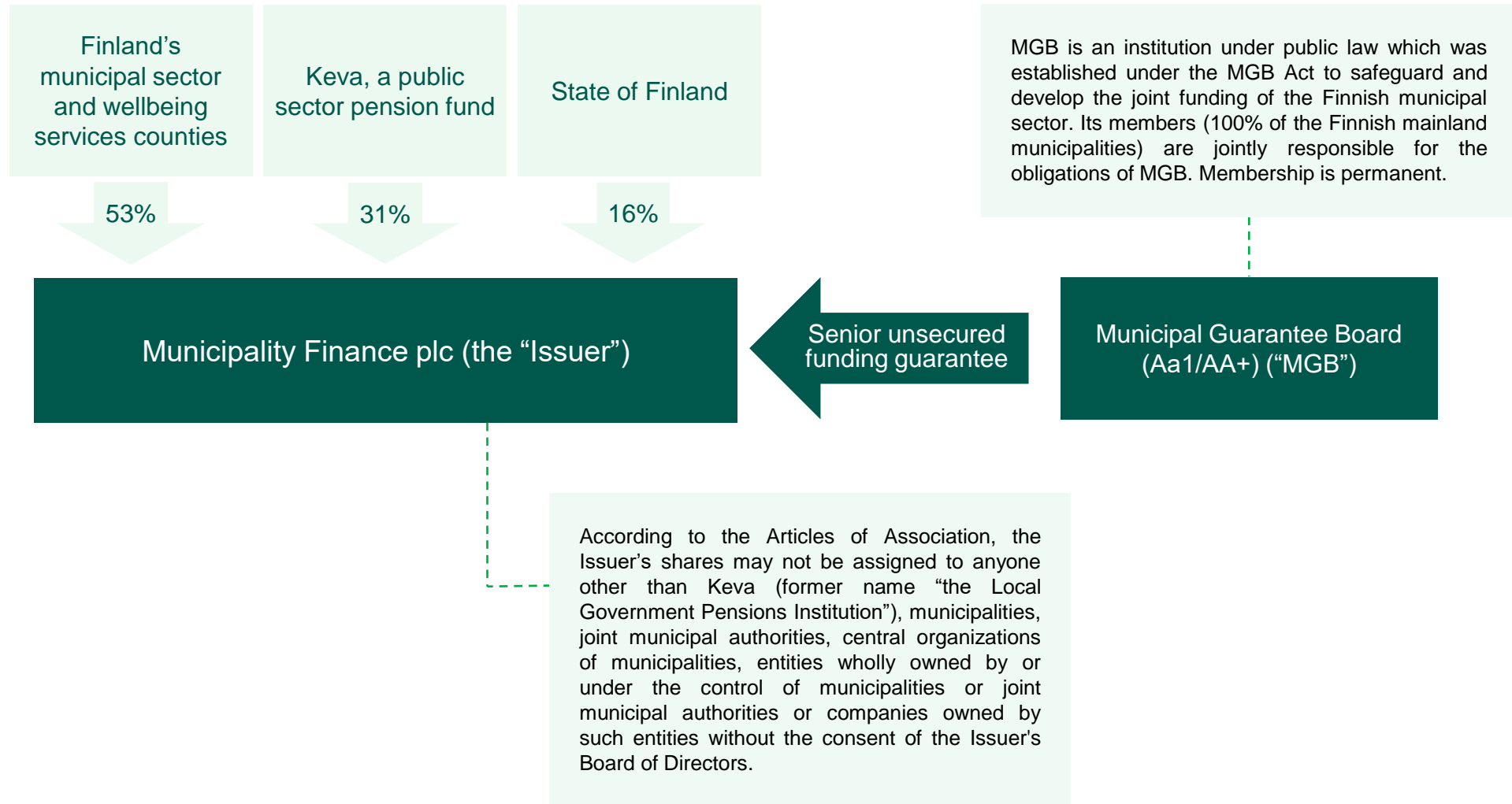
- MuniFin's credit granting process is carried out by the account manager, who will estimate whether a customer and a financing request will fulfill requirements of the Act on the Municipal Guarantee Board and MuniFin's credit risk strategy.
- As a part of the credit granting process MuniFin will conduct a credit analysis covering both financial and qualitative factors of the borrower. Factors include for example current, historical and future repayment capacity, purpose of the credit, borrower's funding structure, borrower's position within the sector, the outlook of borrower's industry and risks posed by macro-economic development and ESG.
  - The final risk assessment and scoring of a customer is the weighted sum of financial and qualitative factors

## Decision making

- The results of both the annual credit assessment and the credit granting process indicate the risk profile of a customer and will influence the final credit decision.



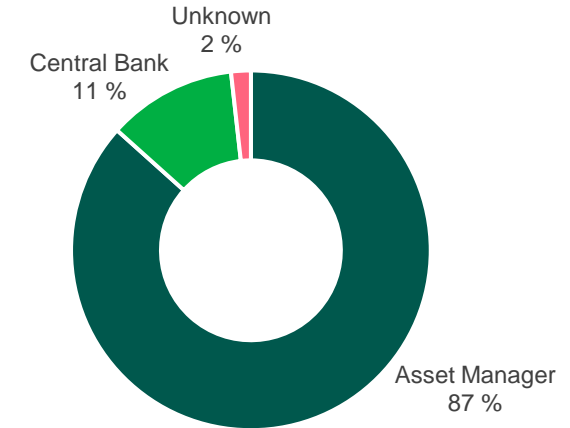
# Municipality Finance – Legal structure



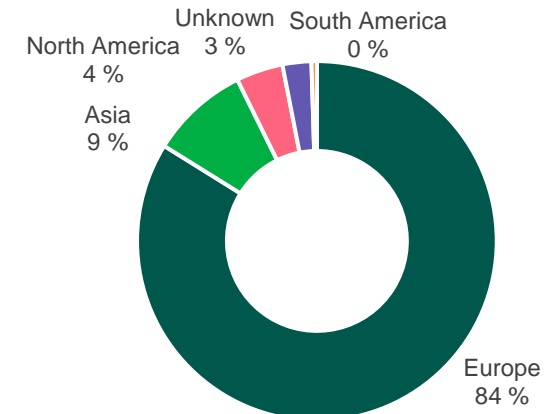
# MuniFin Euro-Commercial Paper (ECP) programme

- ECP issuance is MuniFin's primary tool for adjusting total liquidity in the short-term horizon. Total outstandings vary based on liquidity needs.
- MuniFin issues ECPs actively through its dealer banks and ECP levels are updated daily to match liquidity needs.
- The size of the programme (under English law) is EUR 10 billion.
- STEP-compliant since 2020.
- Outstandings at the end of 2024: EUR 3.3 billion.
- Main currencies: EUR, GBP and USD.
  - Also available: AUD, CAD, CHF, NZD, SEK.
- Dealers: Barclays, BofA securities, Bred, CA-CIB, Citigroup, Rabobank and UBS.

**Investor by type 2024**



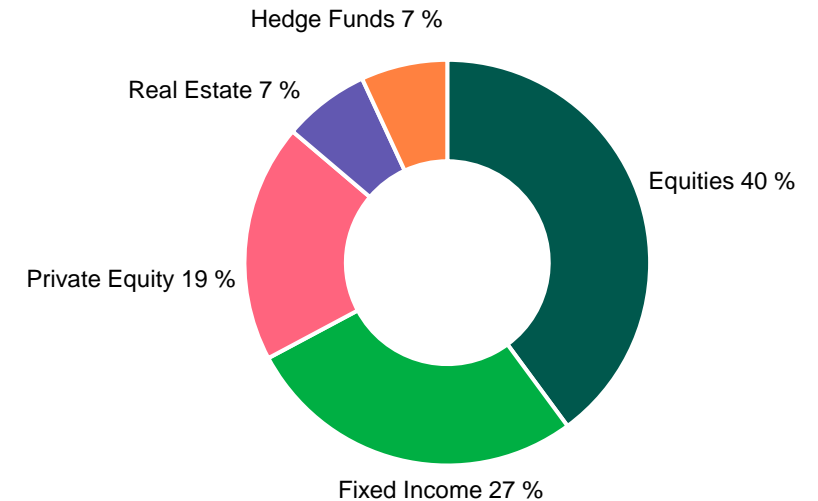
**Investor by region 2024**



# Keva – A public sector pension fund

- Mandatory pension fund for people working in the local government sector.
- Responsible for funding the pensions of local government employees and for investing their pension funds (1.3 million insured persons and pension recipients).
- Independent body governed by public law and operating in accordance with the Public Sector Pensions Act and the Keva Act.
- Supervised by the Ministry of Finance, the Financial Supervisory Authority and the National Audit Office of Finland.
- Fund assets totalling EUR 65.7 billion. Largest pension fund in Finland.

**Breakdown of investments**



# Green bond eligible project categories

## Buildings

- 1.1a Buildings: EPC A
- 1.1b Other buildings
- 1.2 Renovations: Overall reduction in primary energy demand by at least 30%
- 1.3 Individual energy efficiency measures
- 1.4 Renewable energy in buildings
- 1.5 Energy saving project (ESCO)
- 1.6 Biodiversity and adaptation measures

Cicero Shading: Light to Medium Green



## Transportation

- 2.1 Public transportation: zero direct (tailpipe) CO2 emissions
- 2.2 Supporting infrastructure for public transportation
- 2.3 Passenger cars and light commercial vehicles: zero direct (tailpipe) CO2 emissions and related charging infrastructure
- 2.4 Infrastructure for personal mobility
- 2.5 Biodiversity and adaptation measures

Cicero Shading: Dark Green



## Renewable energy

- 3.1 Solar energy
- 3.2 Wind energy
- 3.3 Bioenergy
- 3.4 Geothermal energy
- 3.5 Waste heat

Cicero Shading: Medium to Dark Green



## Water and waste water management

- 4.1 New waste water facilities
- 4.2 Existing waste water facilities
- 4.3 New water facilities
- 4.4 Existing water facilities

Cicero Shading: Medium to Dark Green





## 1. Buildings<sup>10</sup>

UN Sustainable Development Goals: 7.3, 9.1, 9.4, 11.1, 11.3, 11.7, 12.2, 13.1, 15.5

EU environmental objectives: Climate change mitigation (CCM)

Preliminary mapping of economic activities under the EU Taxonomy: CCM 7.1, 7.2, 7.3, 7.5, 7.6, 7.7



### PROJECT CATEGORY AND ELIGIBILITY CRITERIA

#### 1.1a Buildings

Buildings that have an Energy Performance Certificate (EPC) class A. The corresponding E-value requirements for EPC class A<sup>11</sup> are presented below.

Building type	E-value limit EPC A	Corresponding energy performance requirements <sup>12</sup> -x%
Small residential buildings	80	-24%
Apartment buildings, minimum 3 storeys	75	-17%
Office buildings, health care centres	80	-20%
Commercial buildings	90	-33%
Hospitality buildings, including sheltered housing	90	-44%
Schools and day-care centres	90	-10%
Hospitals	150	-53%

In addition to the energy requirements stated above, the following non-compulsory criteria (i–iii) will be considered and promoted in order to make environmentally friendly investments more attractive to MuniFin's customers and facilitate the implementation of the EU Taxonomy.

- For buildings larger than 5000 m<sup>2</sup>, the building undergoes testing for air-tightness and thermal integrity, upon completion.
- For buildings larger than 5000 m<sup>2</sup>, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed
- Buildings that self-supply renewable energy, have undergone an environmental impact analysis, make use of recyclable and low carbon materials, or have obtained a certification according to Nordic Swan Ecolabel, LEED Gold, BREEAM Very Good, The Building Information Foundation RTS 3 stars or better, or other equivalent certification with high ratings.

### EU TAXONOMY ELIGIBLE ACTIVITIES

7.1 Construction of new buildings

7.7 Acquisition and ownership of buildings

<sup>10</sup> Any buildings directly heated by fossil fuels, including hybrid solutions and peak load and backup systems powered by fossil fuels, will be excluded from the Green Bond Framework.

<sup>11</sup> The relevant E-value for energy class A that is specified in applicable regulation during design phase. In the event that the national building code is revised, the changes will supersede the values described in the table.

<sup>12</sup> We expect the Finnish nearly zero-energy buildings requirement, once established, to be equivalent to the National Building Code of Finland, Decree of the Ministry of the Environment on the Energy Performance of New Buildings (1010/2017).





1. Buildings<sup>10</sup>

UN Sustainable Development Goals: 7.3, 9.1, 9.4, 11.1, 11.3, 11.7, 12.2, 13.1, 15.5  
EU environmental objectives: Climate change mitigation (CCM)  
Preliminary mapping of economic activities under the EU Taxonomy: CCM 7.1, 7.2, 7.3, 7.5, 7.6, 7.7



PROJECT CATEGORY AND ELIGIBILITY CRITERIA

EU TAXONOMY ELIGIBLE ACTIVITIES

1.1b Other buildings

Other buildings, such as transport and communications buildings, indoor swimming pools, indoor ice rinks, and portable buildings, where  
a) the building supplies at least 75% of its own energy from renewable sources, or  
b) there are other environmental benefits proven by a specialist study.

1.2 Renovations

Renovations that lead to an overall reduction in primary energy demand by at least 30% compared to the pre-investment situation.

7.2 Renovation of existing buildings

1.3 Individual energy efficiency measures

Installation of energy-efficient equipment such as energy efficient windows and doors, energy efficient light sources, ventilation and measures to ensure air-tightness, leading to a 30% improvement in energy efficiency compared to the pre-investment situation. This list is not exhaustive.

7.3 Installation, maintenance, and repair of energy efficiency equipment  
7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

1.4 Renewable energy in buildings

Installation of renewable energy technologies such as solar power, heat pumps or heat recovery systems.

7.6 Installation, maintenance, and repair of renewable energy technologies

1.5 Energy saving project (ESCO)

Energy saving projects including ESCO, leading to a 30% improvement of energy efficiency compared to the pre-investment situation.

1.6 Biodiversity and adaptation measures

Measures that aim to promote and/or sustain biodiversity and ecosystem services, such as roof-top beehives, green roofs and walls, and adaptation measures such as flood barriers, reinforcement of the building structure and rainwater harvesting. This list is not exhaustive.

<sup>10</sup> Any buildings directly heated by fossil fuels, including hybrid solutions and peak load and backup systems powered by fossil fuels, will be excluded from the Green Bond Framework.



2. Transportation<sup>13</sup>

UN Sustainable Development Goals: 9.1, 9.4, 11.2, 11.6, 13.1, 15.5

EU environmental objectives: Climate change mitigation (CCM)

Preliminary mapping of economic activities under the EU Taxonomy: CCM 6.1, 6.3, 6.5, 6.7, 6.8, 6.10, 6.11, 6.13, 6.14, 6.15



PROJECT CATEGORY AND ELIGIBILITY CRITERIA

2.1 Public transportation

Public transport systems such as trains, metro, buses, trams, vessels, coaches and light rail systems with zero direct (tailpipe) CO<sub>2</sub> emissions

2.2 Supporting infrastructure for public transportation

Supporting infrastructure that is dedicated for zero direct emissions transport and promotes an improvement in the fleet efficiency, or an improved efficiency of the overall transport system.

2.3 Passenger cars and light commercial vehicles

Passenger cars and light commercial vehicles with zero direct (tailpipe) CO<sub>2</sub> emissions and related charging infrastructure.

2.4 Infrastructure for personal mobility<sup>14</sup>

Infrastructure dedicated to personal mobility such as pavements, bike lanes, pedestrian zones, street lighting and electrical charging installations for personal mobility devices. This list is not exhaustive.

2.5 Biodiversity and adaptation measures

Measures that aim to promote and/or sustain biodiversity and ecosystem services such as wildlife crossings, noise barriers, and climate change adaptation measures such as flood barriers, reinforcement of the infrastructure.

EU TAXONOMY ELIGIBLE ACTIVITIES

- 6.1 Passenger interurban rail transport
- 6.3 Urban and suburban transport, road passenger
- 6.7 Inland passenger water transport
- 6.8 Inland freight water transport
- 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities
- 6.11 Sea and coastal passenger water transport
- 6.14 Infrastructure for rail transport
- 6.15 Infrastructure enabling low-carbon road transport and public transport
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicle
- 6.13 Infrastructure for personal mobility, cycle logistics

<sup>13</sup> Not dedicated to the transport of fossil fuels.  
<sup>14</sup> Including the construction of roads, motorway bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.



3. Renewable energy

UN Sustainable Development Goals: 7.2  
EU environmental objectives: Climate change mitigation (CCM)  
Preliminary mapping of economic activities under the EU Taxonomy: CCM 4.1, 4.3, 4.6, 4.22, 4.24, 4.25



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PROJECT CATEGORY AND ELIGIBILITY CRITERIA

**3.1 Solar energy**  
Energy generation using solar power

**3.2 Wind energy**  
Energy generation using wind power

**3.3 Bioenergy**  
Facilities producing heat from biomass<sup>15</sup> as well as supporting infrastructure, such as mobile fuel storage and unloading systems.

**3.4 Geothermal energy**  
Geothermal energy-generation facilities and geothermal heating systems that operate at lifecycle emissions lower than 100g CO<sub>2</sub>e/kWh.

**3.5 Waste heat**  
Facilities that produce heat/cool using waste heat, such as excess heat from data centres.

EU TAXONOMY ELIGIBLE ACTIVITIES

4.1 Electricity generation using solar photovoltaic

4.3 Electricity generation from wind power

4.24 Production of heat/cool from bioenergy

4.6 Electricity generation from geothermal energy  
4.22 Production of heat/cool from geothermal energy

4.25 Production of heat/cool using waste heat

<sup>15</sup> Excluding use of food and feed crops. Use of fossil fuel is excluded, with the exemption of start-up, peak load or backup in case of breakdown.



4. Water and waste water management<sup>16</sup>

UN Sustainable Development Goals: 6.3, 6.4, 6.6, 9.1, 9.4, 14.1

EU environmental objectives: Climate change mitigation (CCM), Sustainable use and protection of water and marine resources

Preliminary mapping of economic activities under the EU Taxonomy: CCM 5.1, 5.2, 5.3, 5.4



PROJECT CATEGORY AND ELIGIBILITY CRITERIA

4.1 New waste water facilities

New treatment plants, systems and technologies designed for waste water collection (sewer network) and treatment where it is proven that substances (BOD7, phosphorus, nitrogen) have loading values better than required by the applicable environmental permit.

4.2 Existing waste water facilities

Measures at existing waste water facilities, including capacity expansion and upgrades, that achieve one of the following:  
a) improved treatment quality, b) at least 20% increase in energy efficiency, c) reduced use of chemicals or leakages, or  
d) recovering heat from waste water.

4.3 New water facilities

New water collection, treatment and supply systems enabling water purification, improved drinking water quality, improved reliable fresh water supply and/or increased water use efficiency.

4.4 Existing water facilities

Measures at existing water facilities, including capacity expansion and upgrades, that achieve one of the following:  
a) at least 20% increase in energy efficiency or b) reduced use of chemicals or leakages, or c) improved water quality.

EU TAXONOMY ELIGIBLE ACTIVITIES

5.3 Construction, extension and operation of waste water collection and treatment

5.4 Renewal of waste water collection and treatment

5.1 Construction, extension and operation of water collection, treatment and supply systems

5.2 Renewal of water collection, treatment and supply systems

<sup>16</sup> Any facility directly heated by fossil fuels will be excluded under the Green Bond Framework.

# The Green Finance Team (GFT) approves projects

- MuniFin's customer submits an application for finance
- The account manager handles the general finance application process, and in parallel the GFT collects information and supporting documentation from the customer to evaluate the eligibility for green finance, as well as the project's environmental and social impacts
- A member of the GFT prepares a project presentation, which is supported with relevant documentation
- The process applies the four-eyes principle, which requires another member of the GFT to assess the project presentation and determine the approval of the project and its status as an eligible green finance project
- After approval, green finance is granted to the customer, and the approved green finance project is added to MuniFin's green project portfolio
- An annual external review is conducted to assess compliance with MuniFin's Green Bond Framework and to assess the allocation of green bond proceeds (post-issuance review)
- MuniFin gives a margin discount of 0–15 basis points to approved green finance projects. The discount is based on the project's characteristics, which are assessed and scored by the Green Finance Team



The Green Finance Team consists of selected sustainability experts from the Customer Solutions division and the Capital Markets and Sustainability division at MuniFin.



**Rami Erkkilä**  
Senior Specialist  
MuniFin



**Mikko Noronen**  
Sustainability Manager  
MuniFin



**Anssi Wright**  
Senior Specialist  
MuniFin



# Social bond eligible project categories

## Social housing

### Social housing sub-categories

- i. Social housing for the most vulnerable population
- ii. Social housing that supports communality among the residents

### Target populations

- i. Elderly, homeless, students, disabled people, people with mental health or substance abuse problems, people suffering from memory illness, youth, refugees, rehabilitees, severely marginalised people
- ii. Low income population



## Welfare

### Sub-categories

- i. Healthcare facilities (public hospitals, health centres/ properties, clinics, care homes) and health service hardware
- ii. Sport facilities and public open spaces
- iii. Culture facilities

### Target populations

- i. General public (healthcare)
- ii. Population living in areas where social investments are needed (sports and culture)



## Education

### Sub-categories

Education facilities (daycare centres, pre-primary education, primary and secondary schools, upper secondary schools, higher education campuses and education centres) and education hardware

### Target populations

- i. Population living in areas where social investments are needed
- ii. General public (higher education campuses)



## Appendix

# The Social Evaluation Team approves projects

MuniFin's customer solutions division screens projects, which it believes to be aligned with eligible project categories in the Social Bonds Framework.

- For sports, culture and education projects internal evaluation model is applied for screening. The model analyses post code areas and municipalities across socioeconomic factors to identify areas where investments would have the greatest impact on the vitality of the area

After the initial screening, a project report is written based on an interview with the client. The report includes the following information:

1. project description
2. rationale of the investment
3. solved problems
4. desired social impacts
5. target population
6. SDGs addressed

The Social Evaluation Team reviews the project report and makes the final decision based on the overall impact. Projects need to promote some of the wider social goals such as equality, communality, safety, welfare and regional vitality.

For loans/leases, which are up for pricing will receive a 2 basis point margin discount.



The Social Evaluation Team consists of two independent experts and one MuniFin representative



**Jenni Airaksinen**  
University Lecturer in Local and Regional Governance  
Tampere University



**Jouni Parkkonen**  
CEO  
Association for Advocating Affordable Rental Housing (KOVA)



**Rami Erkkilä**  
Senior Specialist  
MuniFin

**“Many congratulations to the MuniFin team for their first EUR benchmark transaction of 2025! The final orderbook in excess of EUR 7 billion, MuniFin’s largest ever, was a demonstration of MuniFin’s credit strength and on-going popularity with the SSA investor base. Over 140 investors participated from 27 different countries, an impressive investor distribution. Citi is delighted to have been part of this stellar transaction.”**

Ebba Wexler, Head of SSA DCM, Citi

# EUR | 1.25 billion | 5y | 2.625% | CACIB, Citi, Danske Bank, LBBW

*“What a fantastic way to kick off our benchmark funding for the year! With a record orderbook of EUR 7.1 billion and more than 120 investors participating, EUR market is very strong and remains in the heart of our funding strategy. We want to thank our lead managers for the work and investors for their continued trust in MuniFin.”*



Antti Kontio  
Head of Funding  
and Sustainability

MuniFin started the year 2025 strong with a record-breaking benchmark. The EUR 1.25 billion 5-year transaction attracted outstanding investor demand amounting to a final order book of EUR 7.1 billion (excl. JLM), representing the largest one for MuniFin to date. In a busy January market, this is a remarkable first step to fulfill the funding target of EUR 9 billion for 2025.

The books initially opened with guidance at MS+35bps but were revised twice before being finalised at MS+31bps. High-quality order book attracted strong interest, particularly from banks, which received 41% of the allocations. Central Banks and Official Institutions followed, taking 34%. Geographically, the majority of the allocations went to Europe (63%), with the Nordics receiving 27%.

Joint lead managers of the transaction were CACIB, Citi, Danske Bank and LBBW.

# | USD | 1bn | 5y | 4.250% | BMO, BNPP, DB, Nomura |

*"This shows the strong investor interest towards MuniFin bonds, despite a more volatile market backdrop and competing supply. With transactions like this, we can really see the benefits of our strategic approach and commitment to the USD benchmark market."*



Joakim Holmström  
Executive Vice President,  
Capital Markets and  
Sustainability

On Tuesday, 25 March 2025, MuniFin, rated AA+, successfully returned to the USD market with a new USD 1 billion 5-year benchmark due 1 April 2030. The transaction saw strong investor demand in the competitive SSA market, leading to final pricing at SOFR mid-swap +46bps, 3bps tighter than initial pricing thoughts.

The orderbook was well-diversified, with Central Banks and Official Institutions leading allocations at 59%, followed by Banks (31%) and Asset/Fund Managers (10%). Geographically, the Americas took the largest share at 42%, followed by Europe (26%), Africa & Middle East (12%), Nordics (10%), and Asia Pacific (10%).

This successful issuance underscores MuniFin's strong market presence and continued ability to secure high-quality demand across a global investor base. After this transaction, MuniFin has reached roughly half of its EUR 9 billion long-term funding target for the year 2025.



# | Green | EUR | 1bn | 7y | 2.625% | Danske Bank, DZ Bank, J.P. Morgan, SEB |

*“The orderbook was nearly five times oversubscribed, making it the second-largest EUR orderbook on record — a strong endorsement of our sustainability strategy and the strength of MuniFin’s credit.”*



Joakim Holmström  
Executive Vice President,  
Capital Markets and  
Sustainability

On Tuesday 3 June 2025, MuniFin returned to the euro market with its first green benchmark of the year — a EUR 1 billion, 7-year transaction that attracted exceptional investor interest.

The deal was announced on Monday 2 June and formally launched the following morning. Initial price thoughts were set at mid-swaps +42bps, before tightening to +39bps due to exceptionally strong demand. Books closed at 11:00 CET in excess of EUR 4.8 billion, including EUR 280 million of joint lead manager interest.

Investor demand was driven by high-quality accounts. Central Banks and Official Institutions led allocations at 38%, followed by Banks at 31.5%. Nordic investors accounted for the largest regional share at 29.4%, with the remainder broadly diversified across Europe and other global regions.

With this issuance, MuniFin has completed approximately 70% of its long-term funding target for 2025.



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