S&P Global Ratings

Powered by Shades of Green

An S&P Global Ratings Post-Issuance Review (PIR) includes S&P Global Ratings' assessment of an Issuer's post-issuance sustainable financing reporting, where proceeds are allocated to environmental and/or social use-of-proceeds projects. A PIR provides a point-in-time opinion, reflecting the information provided to us at the time the PIR was created and published, and is not surveilled. We assume no obligation to update or supplement the PIR to reflect any facts or circumstances that may come to our attention in the future. A PIR is not a second party opinion (SPO) on pre-issuance financing, or a comment on the alignment of allocations with third-party published sustainable finance principles. A PIR is not a credit rating, and does not consider credit quality or factor into our credit ratings.
See Analytical Approach: Sustainable Financing Post-Issuance Reviews.

Post-Issuance Review: Allocation And Impact Reporting

MuniFin's Green Impact Report

April 1, 2026

Assessment Summary

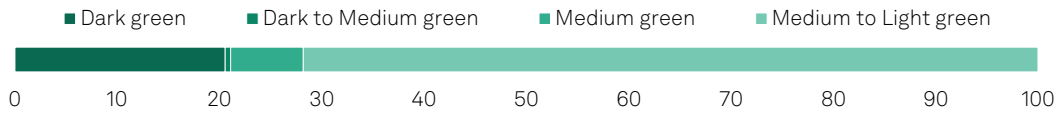
Consistency Opinion (jump to section)

✓ Allocations are consistent with the pre-issuance commitments of Municipality Finance PLC's (MuniFin's) 2025 green bond framework. The scope of this post-issuance review is limited to the projects allocated under the 2025 framework and the projects allocated under the previous frameworks that MuniFin considers to meet the criteria of the 2025 framework. This represents around 64% of the total green finance portfolio.

Allocation Analysis (jump to section)

As of Dec. 31, 2025, the green finance portfolio consistent with the 2025 framework amounted to €5.8 billion and consisted mostly of building projects (72% of the portfolio), transportation projects (20%), and wastewater projects (7%). Allocations are consistent with the shades we previously assigned to the respective project categories, namely Medium to Light green for the building category, Dark green for the transportation category, and Medium green for the wastewater category.

Environmental: Allocations to projects on Dec. 31, 2025, within the scope of this review (% of allocation per shade)



Reporting Quality Assessment (jump to section)

✓ The report meets the requirements for allocation and impact reporting contained in the ICMA Green Bond Principles and commitments in MuniFin's green bond framework relating to allocation and impact reporting.

The report follows the recommendations of the Nordic Public Sector Issuers (NPSI) Position Paper on Green Bonds Impact Reporting, which leads to a clear, detailed, and transparent report.

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Read Second Party Opinion >

MuniFin's green bond framework, dated August 2025, obtained a Medium green shade.

Strengths

The granularity and comprehensiveness of the information go beyond standard market practices. Considering the number of projects in the portfolio, the level of detail is positive, and includes project descriptions, individual impact metrics, and transparency on alignment with the most recent criteria. The impact report is also transparent about the different framework vintages, the calculation methodologies, and the link between the allocations and the issuer's strategy.

Weaknesses

No weaknesses to report.

Areas to watch

Most construction projects in the green finance portfolio do not need to meet the lifecycle emissions criteria for embodied emissions. However, we understand that future allocations will have to meet the 2025 framework's embodied emissions requirements, which apply to all approved projects in the portfolio after Aug. 18, 2025.

Issuer Description

Location: Finland **Sector:** International Public Finance

MuniFin is one of Finland's largest credit institutions. It specializes in financing the municipal sector and state subsidized housing. MuniFin is owned by Finnish municipalities, public sector pension provider Keva, and the State of Finland.

MuniFin published its latest green bond framework in August 2025, with a Second Party Opinion from S&P Global Ratings. It has not issued any instruments under this updated framework. However, MuniFin has screened its existing green finance portfolio to assess the share that is aligned with the 2025 framework. The reporting is based on the green finance portfolio as of Dec. 31, 2025. Since 2016, MuniFin has issued 13 green bonds, 11 of which are outstanding, with a total outstanding amount of €5.632 million as of Dec. 31, 2025.

Consistency Opinion

This section provides our opinion on the consistency of allocations described in the report with the issuer's commitments made at pre-issuance.

Relevant issuances

Type	Identifier	Date	Maturity	Amount issued (currency)	Portfolio value (Mil. €)*
Bond	XS1692485912	October 2017	September 2027	500 mil. (EUR)	
Bond	XS1706174015	October 2017	October 2027	50 mil. (AUD)	
Bond	XS2590268814	February 2023	September 2028	1,000 mil. (EUR)	
Bond	XS2480922389	May 2022	May 2029	500 mil. (EUR)	
Bond	XS2023679843	July 2019	September 2029	500 mil. (EUR)	
Bond	XS2908585933	September 2024	September 2029	2,000 mil. (NOK)	9,110
Bond	XS2914674408	October 2024	October 2029	1,000 mil. (USD)	
Bond	XS2942472205	November 2024	November 2029	4,000 mil. (SEK)	
Bond	XS3062770659	April 2025	August 2030	2,000 mil. (NOK)	
Bond	XS2242924491	October 2020	October 2030	500 mil. (EUR)	
Bond	XS3092023178	June 2025	June 2032	1,000 mil. (EUR)	

*The total portfolio value is €9.11 billion, of which €5.80 billion includes projects aligned with MuniFin's 2025 green bond framework. AUD--Australian dollar. EUR--Euro. NOK--Norwegian krone. SEK--Swedish krona. USD--U.S. dollar. Sources: MuniFin's Green Impact Report, S&P Global Ratings.

✓ Allocation consistency with pre-issuance commitments

Allocations to environmental projects are consistent with the pre-issuance commitments of the 2025 green bond framework's criteria. MuniFin proactively monitors all projects in the green finance portfolio against the updated criteria from the framework published in August 2025. MuniFin considers 64% of the overall green finance portfolio to be consistent with the 2025 framework.

Allocation Analysis

This section provides information on the allocation of proceeds, incorporating the conclusions that led to our consistency opinion.

Environmental projects

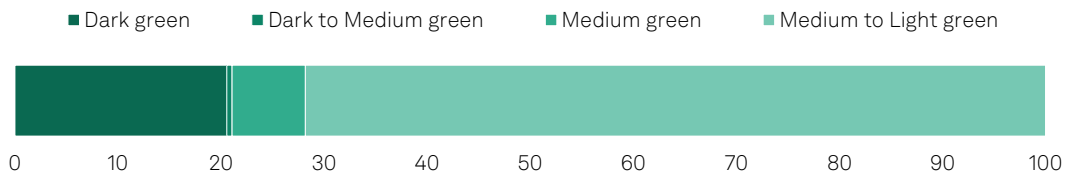
- As of December 2025, allocations to environmental projects derive from a portfolio of 712 loans amounting to €9.1 billion in 132 different municipalities across Finland. Within this portfolio, 64% of the projects, amounting to around €5.8 billion, are in line with the criteria in the most recent green bond framework from August 2025. Our analysis focuses on this part of the portfolio.
- Most of this portfolio relates to green buildings (72%), of which close to 20% are renovation projects. As of Aug. 18, 2025, all new construction projects that MuniFin adds to its portfolio need to demonstrate that they do not exceed certain thresholds regarding their lifecycle global warming potential. With the new Construction Act in Finland, this has become mandatory for all building permits granted after Jan. 9, 2026. However, MuniFin has confirmed that most of the building projects that it has added to the portfolio in 2026 likely relate to building permits from previous years. Therefore, the increased focus on lifecycle emissions in the eligibility criteria is ahead of the regulatory requirements, which we see as positive. Buildings that limit lifecycle emissions are more likely to be in line with a low carbon future because the emissions embodied in their construction materials are accounted for.
- Transportation projects represent 20% of the portfolio's value. Most allocations are dedicated to electric public transport projects. Investment in public rather than private modes of transport is crucial for the transportation sector's climate transition. Around 7% of the portfolio comprises wastewater facilities. The remaining share of the portfolio, less than 1%, includes renewable energy projects, mostly bioenergy heating plants.
- MuniFin added two new categories to the 2025 framework, namely biodiversity and climate adaptation. As of December 2025, MuniFin has been financing a river-restoration project in the biodiversity category. This project aims to facilitate fish migration and reproduction. MuniFin may expect the number of such projects to increase as municipalities in the Nordics increasingly prioritize biodiversity and adaptation strategies.
- MuniFin rewards projects that go beyond the eligibility criteria with margin discounts of up to 15 basis points. Most of the projects approved under the 2025 framework are building projects and 83.7% of them exceeded the minimum requirements. We view this margin-discount approach positively as it is an innovative way to encourage financed projects to achieve a stronger environmental performance.

Shades of Green

- Allocations to building projects are representative of the Medium to Light green shade that we assigned to the project category in our Second Party Opinion in August 2025.
- Allocations to transportation projects are representative of the Dark green shade that we assigned in our framework review in August 2025, as these projects focus on electric transport. Wastewater projects are also representative of the Medium green shade that we previously assigned to the category.
- Bioenergy and waste heat projects are representative of the Dark to Medium green shade that we assigned to the renewable energy category.
- The biodiversity project category obtained a Dark to Medium green shade in our framework review in August 2025, reflecting some uncertainties about the nature of the eligible

projects. The actual biodiversity project that was financed has a Dark green shade as it focuses exclusively on habitat restoration and does not include active management.

Environmental allocations on Dec. 31, 2025 (% of allocation per shade)



Source: S&P Global Ratings.

Reporting Quality Assessment

This section provides an opinion on the quality of the issuer's post-issuance allocation and impact reporting.

✓ Alignment with reporting requirements

The report aligns with the requirements for allocation and impact reporting contained in the ICMA Green Bond Principles.

✓ Satisfaction of pre-issuance reporting commitments

The report satisfies the issuer's pre-issuance commitments related to allocation and impact reporting.

Additional reporting considerations

Comprehensiveness of allocation reporting

- We believe that the level of transparency and granularity in MuniFin's impact report reflects some of the best practices in the market. Specifically, MuniFin publishes the report with an excel file that lists each loan in the portfolio, including the project description, the approval framework, and the outstanding and withdrawn amounts.
- The impact report's structure allows readers to see the different allocations made under each framework vintage, the different instruments issued since the first framework, and how the portfolio has evolved. Some sections of the report also provide additional transparency on a few legacy projects in the portfolio that could be viewed as controversial today, notably due to their reliance on fossil fuels. Such monitoring of the continued eligibility of projects is positive.
- It is also positive that MuniFin has followed the recommendations of the NPSI Position Paper on Green Bonds Impact Reporting. The impact report notably provides high-level mapping on how MuniFin followed each of the 22 recommendations in the paper.

Linking allocations and issuer-level sustainability performance, targets, and strategy

- MuniFin clearly sets out its sustainability goals in its report. One of these goals is for sustainable finance to reach 50% of MuniFin's long-term customer financing by 2035. Another relevant environmental target is MuniFin's aim to reduce the emissions intensity of its portfolio of residential buildings by 71.0% by 2035 compared to 2023 levels, and by 73.5% for other buildings.
- MuniFin has increased its share of sustainable finance to about 33% of its long-term customer financing as of December 2025 from around 26% in 2024. It achieved this mostly through an increase in the share of sustainable finance from 19% in 2024 to 24% in 2025.

Relevance and materiality of metrics

- The selected metrics are relevant and material. These include annual energy savings and carbon dioxide emissions avoided. The metrics follow the NPSI Position Paper's suggestions on the key performance indicators used for impact reporting. In our view, the adoption of commonly used metrics is positive as it allows investors to more accurately compare projects and issuers in a standardized way.
- MuniFin pro-rates impacts based on its share of finance and the share of outstanding green bonds compared to the overall size of the green finance portfolio, which is good practice. MuniFin also provides investors with a summary tool that allows them to find out the impact attributable to their specific bond simply by inputting the amount invested.
- MuniFin used the "restored area" key performance indicator to illustrate the impact of its biodiversity project. It complemented this with the inclusion of a case study in the impact report on this project. This provides some qualitative information on the project's impact, which we see as positive. The impact of biodiversity projects is inherently local, and it is therefore challenging to report on such projects consistently while being specific about their intended impact. In this case, the project aims to enable fish migration and reproduction by restoring their natural habitat.

Transparency on methodology and assumptions

- The issuer's impact report is transparent about the key methodology and assumptions used to determine the impact numbers. The report details the electricity emission factors used and the key calculation principles applied. Where available, MuniFin relies on the calculations presented in the customers' project-specific documentation to determine the environmental impact. If project-specific information is not available, the emission factors used to determine the environmental impact are disclosed and follow the NPSI Position Paper's recommendations. Similarly, if local information is available, MuniFin prioritizes this to estimate the impact. For example, for district heating, MuniFin has used municipality-specific or region-specific data to account for the local characteristics of the district heating networks wherever possible. Where this data was not available, MuniFin applied Finland's average electricity emission factor for district heating.
- The report is transparent about how it applied the NPSI Position Paper's recommendations, but also about how it departed from the recommendations in certain cases. For example, whereas the NPSI Position Paper recommends an electricity emission factor of 191 grams of carbon dioxide equivalent per kilowatt-hour (gCO2e/kWh), MuniFin applied an emission factor of 26 gCO2e/kWh, reflecting the low carbon intensity of electricity consumption in Finland. This resulted in 64,326 tonnes of carbon dioxide equivalent (tCO2e) of annual emissions avoided in 2025, whereas by using the NPSI Position Paper's figure, the value would have been 69,225 tCO2e. We believe that these clarifications add transparency to MuniFin's disclosures.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Solar power plants	Energy efficient buildings	Hybrid road vehicles	Health care services	Conventional steel production	New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Related Research

- Analytical Approach: Sustainable Financing Post-Issuance Reviews, June 30, 2025
- FAQ: Applying Our Analytical Approach for Post Issuance-Reviews, June 30, 2025
- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023

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