

**Moody's has confirmed the best possible credit rating for Municipality Finance**

Credit rating agency Moody's has confirmed that the long-term credit rating of Municipality Finance remains Aaa (stable), the best possible. The short-term credit rating also remained at the best possible level at Prime-1.

The main pillars for the credit rating by Moody's were Municipality Finance's strong market position as the most significant provider of funding for its customers, the zero risk-weighted loan book, strong liquidity and prudent risk management. In the rating rationale, it was noted that Municipality Finance is a pillar of the Finnish local government sector that helps municipalities fulfill their legal obligations.

In addition, Moody's also considered it positive that Municipality Finance has, in line with its strategy, started to prepare in time for the leverage ratio requirements that will enter into force in 2018, by improving its profitability with the aim of collecting the required funds through the results of its operations.

"The credit rating decision by Moody's was in accordance with our expectations. We are pleased that our persistent work in developing the company and especially our risk management and related systems were highlighted in the reasoning behind the decision. Our mission is to ensure the availability of competitive funding for our customers under all market situations, which naturally requires us to make particularly careful provisions for changes in market situations, among other things," says Pekka Averio, President and CEO of Municipality Finance.

Municipality Finance continues to be the only Finnish financial institution with the best possible credit rating from the two most significant credit rating agencies, Moody's and Standard&Poor's. Moody's has kept the credit rating of Municipality Finance at Aaa since 2001. Furthermore, Municipality Finance is the only institution, in addition to the Republic of Finland, that has a AAA/Aaa credit rating with a stable outlook from two credit rating agencies.

Municipality Finance Plc

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**Municipality Finance Plc** is the credit institution of the Finnish municipal sector, which is owned by municipalities, Keva and the State of Finland. The company is a key part of the basic economic structure of Finnish society. Its job is to ensure the most competitive funding possible for state-subsidised and municipally supported housing production under all market conditions.

The Municipality Finance Group also includes the subsidiary company Financial Advisory Services Inspira Ltd.

The company's customers are Finland's municipalities, municipal federations, municipally controlled companies and non-profit housing corporations. Our customers use funding solutions provided by Municipality Finance to fund social and non-profit entities such as day care centres, schools, housing facilities and hospitals as well as other municipal investments.

Municipality Finance has the best possible credit rating and its funding is guaranteed by the Municipal Guarantee Board. The funding for the company is primarily obtained through market-based fund-raising on the international capital markets. The Group's balance sheet total is more than EUR 25 billion.

Read more: [www.kuntarahoitus.fi](http://www.kuntarahoitus.fi)