

Criteria For Rating Non-U.S. Public-Sector Funding Agencies Published

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STOCKHOLM (S&P Global Ratings) May 22, 2018--S&P Global Ratings today published new criteria for rating non-U.S. public-sector funding agencies (PSFAs), which are specialized not-for-profit institutions established to secure and provide cost-efficient funding to public-sector entities in their domicile country or region (see "Public-Sector Funding Agencies: Methodology And Assumptions").

These new criteria fully supersede the criteria titled "Rating Finance Companies," and "Finance Company Ratios," both published on March 18, 2004. These new criteria aim at enhancing both the transparency and consistency of our approach to assigning ratings to PSFAs, in particular by clarifying how we derive their stand-alone credit profiles and assess the likelihood of extraordinary support provided by potential supporting governments or public sector entities.

The updated methodology follows our "Request For Comment: Public-Sector Funding Agencies: Methodology And Assumptions," published on June 6, 2017. For a comparison of the changes between the request for comment (RFC) and the final criteria, please see "RFC Process Summary: Public-Sector Funding Agencies: Methodology And Assumptions," published today.

We also published a frequently asked questions article titled "A Closer Look At The New Public-Sector Funding Agencies Criteria."

Lastly, for guidance on how we apply the new criteria, see "Assumptions For Liquidity Gap Analysis Under "Public-Sector Funding Agencies: Methodology And Assumptions"," also published today.

S&P Global Ratings maintains issuer credit ratings on 10 PSFAs included in the scope of the new criteria. We expect these criteria to have an impact on about one-third of the PSFA ratings in scope. We expect rating changes will likely be of one notch up or down. As we indicate in our press release titled "10 Public-Sector Funding Agencies Placed Under Criteria Observation On Publication Of New Criteria," we are placing all 10 credits under criteria observation.

RELATED CRITERIA

- Public-Sector Funding Agencies: Methodology And Assumptions, May 22, 2018
- Request For Comment: Public-Sector Funding Agencies: Methodology And Assumptions, June 6, 2017

RELATED RESEARCH

- A Closer Look At The New Public-Sector Funding Agencies Criteria, May 22, 2018
- RFC Process Summary: Public-Sector Funding Agencies: Methodology And Assumptions, May 22, 2018
- Assumptions For Liquidity Gap Analysis Under "Public-Sector Funding Agencies: Methodology And Assumptions", May 22, 2018
- 10 Public-Sector Funding Agencies Placed Under Criteria Observation On Publication Of New Criteria, May 22, 2018

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Following changes in rating methodology, credit rating agencies regulated under Regulation (EC) No 1060/2009, as amended, are required to immediately place credit ratings potentially affected by such changes "under criteria observation" (see "Standard & Poor's Announces "Under Criteria Observation" Identifier For Ratings Potentially Affected By Criteria Changes," published on May 7, 2013).

As a result of these updated criteria, we are placing 10 short- and long-term issuer credit ratings and their dependent issues and programs (either short- or long-term) under criteria observation (UCO).

10 Public-Sector Funding Agencies Placed Under Criteria Observation On Publication Of New Criteria

These ratings are labeled as being "UCO" in the Regulatory Identifier column on the individual transaction pages of S&P Global Ratings' online credit rating products (see below for a list of the affected entities). Any rating changes prompted by the new criteria will be published in compliance with the regulation. The UCO identifier will remain in place until the conclusion of the review under the changed criteria. We expect to review the ratings identified as UCO as a result of the new methodology for rating PSFAs within six months.

ENTITIES PLACED UNDER CRITERIA OBSERVATION

Canada:

- First Nations Finance Authority
- Municipal Finance Authority of British Columbia

Denmark:

- KommuneKredit

Finland:

- Municipality Finance PLC

Japan:

- Japan Finance Organization for Municipalities

New Zealand:

- New Zealand Local Government Funding Agency Ltd.

Norway:

- KBN Kommunalbanken Norway

Sweden:

- Kommuninvest i Sverige AB

U.K.:

- GB Social Housing PLC
- The Housing Finance Corp. Ltd.

RELATED CRITERIA

- Public-Sector Funding Agencies: Methodology And Assumptions, May 22, 2018

RELATED RESEARCH

- A Closer Look At The New Public-Sector Funding Agencies Criteria, May 22, 2018

10 Public-Sector Funding Agencies Placed Under Criteria Observation On Publication Of New Criteria

- RFC Process Summary: Public-Sector Funding Agencies: Methodology And Assumptions, May 22, 2018
- Assumptions For Liquidity Gap Analysis Under "Public-Sector Funding Agencies: Methodology And Assumptions", May 22, 2018

Only a rating committee may determine a rating action and this report does not constitute a rating action.

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