

Final Terms dated 19 January 2018

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of €500,000,000 1.250 per cent. Guaranteed Notes due 23 February 2033

Guaranteed by
THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)

under the €30,000,000,000
Programme for the Issuance of Debt Instruments

PART A – CONTRACTUAL TERMS

This document constitutes the final terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 11 May 2017 and the supplemental Offering Circular dated 15 September 2017 (the "**Offering Circular**"). These Final Terms contain the final terms of the Notes and must be read in conjunction with such Offering Circular as so supplemented. These Final Terms are available for viewing at www.rns-pdf.londonstockexchange.com.

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| 1. | (i) | Issuer: | Municipality Finance Plc (Kuntarahoitus Oyj) |
| | (ii) | Guarantor: | The Municipal Guarantee Board (Kuntien takauskeskus) |
| 2. | (i) | Series Number: | 22/2018 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euro (" EUR ") |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 500,000,000 |
| | (ii) | Tranche: | EUR 500,000,000 |
| 5. | (i) | Issue Price: | 99.905 per cent. of the Aggregate Nominal Amount |

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| 6. | (i) | Specified Denominations: | EUR 100,000 and multiples of EUR 1,000 thereafter |
| | (ii) | Calculation Amount: | EUR 1,000 |
| 7. | (i) | Issue Date: | 23 January 2018 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 23 February 2033 |
| 9. | | Interest Basis: | 1.250 per cent. Fixed Rate |
| 10. | | Redemption/Payment Basis: | Redemption at par |
| 11. | | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | | Put/Call Options: | Not Applicable |
| 13. | (i) | Status of the Notes: | Senior |
| | (ii) | Status of the Guarantee: | Senior |
| | (iii) | Date Board approval for issuance of Notes obtained: | Not Applicable |
| 14. | | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | | Fixed Rate Note Provisions | Applicable |
| | (i) | Rate of Interest: | 1.250 per cent. per annum payable annually in arrear |
| | (ii) | Interest Payment Date(s): | 23 February in each year commencing on 23 February 2018 (the " First Interest Payment Date "); adjusted for payment purposes only in accordance with the Following Business Day Convention |
| | (iii) | Fixed Coupon Amount: | EUR 12.50 per Calculation Amount |
| | (iv) | Broken Amount(s): | Short first coupon: EUR 1.06 per Calculation Amount payable on the First Interest Payment Date |
| | (v) | Day Count Fraction: | Actual/Actual ICMA |
| | (vi) | Other terms relating to the method of calculating interest | Not Applicable |

for Fixed Rate Notes:

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| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index-Linked Interest Note Provisions | Not Applicable |
| 19. | Dual Currency Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 20. | Call Option | Not Applicable |
| 21. | Put Option | Not Applicable |
| 22. | Final Redemption Amount of each Note | EUR 1,000 per Calculation Amount |
| 23. | Early Redemption Amount | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | EUR 1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | Bearer Notes: |
| | | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on in the limited circumstances specified in the Permanent Global Note. |
| 25. | New Global Note: | Yes |
| 26. | Business Centre(s) or other special provisions relating to Payment Dates: | London and TARGET |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |

28. Details relating to Partly Paid Notes: Not Applicable
29. Details relating to Instalment Notes: Not Applicable
30. Other terms or special conditions: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names and address of Managers:

Lead Managers:

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London
E14 4BB
United Kingdom

Citigroup Global Markets Limited
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
Netherlands

Société Générale
10 Bishops Square
London
E1 6EG
United Kingdom

Co-Lead Managers:

Landesbank Baden-Württemberg
Am Hauptbahnhof 2
70173 Stuttgart
Germany

Natixis
30, Avenue Pierre
Mendes-France
75013 Paris
France

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

Nordea Bank AB (publ)
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

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| (ii) | Date of Subscription Agreement: | 19 January 2018 |
| (iii) | Stabilising Manager(s) (if any): | Not Applicable |
| 32. | If non-syndicated, name and address of Dealer: | Not Applicable |
| 33. | TEFRA: | The D Rules are applicable |
| 34. | Additional selling restrictions: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue and admission to trading on the Regulated Market of the London Stock Exchange plc of the Notes described herein pursuant to the €30,000,000,000 Programme for the Issuance of Debt Instruments of Municipality Finance Plc (Kuntarahoitus Oyj) guaranteed by The Municipal Guarantee Board (Kuntien takauskeskus).

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

SIGNED on behalf of the Issuer:

By: 
ESA KALLIO
Executive Vice President
Deputy to the CEO

By: 
HANNU-PEKKA YLIMOMMO
Legal Counsel

SIGNED on behalf of the Guarantor:

Duly authorised

By: 
Tuukka Salminen
Deputy Managing Director

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: London Stock Exchange
- (ii) Admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange with effect from on or around the Issue Date

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- Moody's Investors Service Limited Aa1
("Moody's"): (stable)
- Standard & Poor's Credit Market AA+
Services Europe Limited ("Standard & Poor's"): (stable)
- Moody's and Standard & Poor's are both established in the EEA and registered under Regulation (EU) No 1060/2009, as amended.

3. OPERATIONAL INFORMATION

- Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
- ISIN Code: XS1756367147
- Common Code: 175636714
- CUSIP No: Not Applicable

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., and DTC and the relevant identification number(s):

Not Applicable

Delivery:

Delivery against payment

Names and addresses of additional Paying Agent(s) (if any):

Not Applicable