

Final Terms dated 23 October 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.

**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)**

Issue of USD 500,000,000 Floating Rate Guaranteed Notes due 26 October 2020 (the "Notes")  
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 2018 as supplemented by the supplemental offering circular dated 14 September 2018 (the "Offering Circular"). These Final Terms contain the final terms of the Notes and must be read in conjunction with such Offering Circular. These Final Terms are available for viewing at [www.rns-pdf.londonstockexchange.com](http://www.rns-pdf.londonstockexchange.com).

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | (i) Issuer:                       | Municipality Finance Plc (Kuntarahoitus Oyj)         |
|    | (ii) Guarantor:                   | The Municipal Guarantee Board (Kuntien takauskeskus) |
| 2. | Series Number:                    | 201-18   |
| 3. | Specified Currency or Currencies: | United States dollars ("USD")                        |

4.	Aggregate Nominal Amount:	
	Series:	USD 500,000,000
5.	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	USD 200,000 and multiples of USD 1,000 thereafter
	(ii) Calculation Amount:	USD 1,000
7.	(i) Issue Date:	25 October 2018
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	The Interest Payment Date falling in October 2020
9.	Interest Basis:	3 month USD LIBOR + 0.01 per cent. Floating Rate (further particulars specified below)
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 and Guarantee obtained:	Not Applicable
14.	Method of distribution:	Syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15.	<b>Fixed Rate Note Provisions</b>	Not Applicable
16.	<b>Floating Rate Note Provisions</b>	Applicable
	(i) Interest Period:	Not Applicable
	(ii) Specified Interest Payment Dates:	26 January, 26 April, 26 July and 26 October in each year, commencing on 26 January 2019 up to, and including, the Maturity Date

- (iii) Business Day Convention: Modified Following Business Day Convention
- (iv) Business Centre(s): London, New York and TARGET2
- (v) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (vi) Party responsible for calculating the Rate(s) Interest and Interest Amount(s) (if not the Fiscal Agent): Not Applicable
- (vii) Screen Rate Determination:
  - Reference Rate: 3 month USD LIBOR
  - Interest Determination Date(s): 2 London Banking Days prior to the first day of each Interest Period
  - Relevant Screen Page: REUTERS LIBOR01
- (viii) ISDA Determination: Not Applicable
- (ix) Linear Interpolation: Applicable – the Rate of Interest for the long first Interest Period shall be calculated using Linear Interpolation (using 3m and 6m USD LIBOR)
- (x) Margin(s): + 0.01 per cent. per annum
- (xi) Minimum Rate of Interest: Not Applicable
- (xii) Maximum Rate of Interest: Not Applicable
- (xiii) Day Count Fraction: Actual/360
- (iv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: 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**

20. **Call Option** Not Applicable

21. **Put Option** Not Applicable

22. **Final Redemption Amount of each Note** USD 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): USD 1,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. **Form of Notes:** **Registered Notes:**  
Regulation S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg  
Restricted Global Note registered in the name of a nominee for DTC

25. **New Global Note:** No

26. **Business Centre(s) or other special provisions relating to Payment Dates:** London, New York and TARGET2

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 and underwriting commitments: *Joint Lead Managers:*  
**J.P. Morgan Securities plc**  
 25 Bank Street  
 Canary Wharf  
 London E14 5JP  
 United Kingdom  
  
**Nomura International plc**  
 1 Angel Lane  
 London EC4R 3AB  
 United Kingdom  
  
**The Toronto-Dominion Bank**  
 60 Threadneedle Street  
 London EC2R 8AP  
 United Kingdom
- (ii) Date of Subscription Agreement: 23 October 2018
- (iii) Stabilising Manager(s) (if any): Not Applicable
32. If non-syndicated, name and address of Dealer: Not Applicable
33. TEFRA: Not Applicable
34. Additional selling restrictions: Regulation S and Rule 144A/3(c)(7)

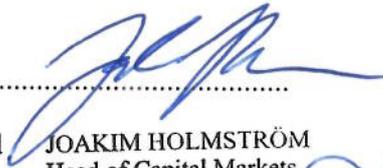
## PURPOSE OF FINAL TERMS

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: ..... 

Duly authorised **JOAKIM HOLMSTRÖM**  
Head of Capital Markets

By: ..... 

Duly authorised **HANNU-PEKKA YLIMOMMO**  
Legal Counsel

**SIGNED** on behalf of the Guarantor:

By: ..... 

Duly authorised **Tuukka Salminen**  
Deputy Managing Director

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: London
- (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 the Issue Date

### 2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
- Moody's Investors Service Limited: Aa1  
(stable)
- Standard & Poor's Credit Market Services Europe Limited: AA+  
(stable)
- Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited 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: Not Applicable
- Regulation S ISIN Code: XS1897624539
- Regulation S Common Code: 189762453
- Regulation S CFI: DTVXFR
- Regulation S FISN: MUNICIPALITY FI/VAREMTN 20201026
- Rule 144A ISIN Code: US62630CAQ42
- Rule 144A Common Code: 189762895
- Rule 144A CFI: DTFUFR
- Rule 144A FISN: Not Applicable
- CUSIP No: 62630CAQ4
- Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and

DTC and the relevant  
identification number(s):

Delivery:

Delivery against payment

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

Not Applicable