

Final Terms dated 8 January 2018

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of NOK 500,000,000 Floating Rate Notes due January 2025

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: | 15-2018 |
| | (ii) | Tranche Number: | 1 |
| | | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible). | Not Applicable |
| 3. | | Specified Currency or Currencies: | Norwegian Kroner ("NOK") |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | NOK 500,000,000 |
| | (ii) | Tranche: | NOK 500,000,000 |
| 5. | (i) | Issue Price: | 107.896 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | NOK 1,000,000 |
| | (ii) | Calculation Amount: | NOK 1,000,000 |
| 7. | (i) | Issue Date: | 10 January 2018 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | Interest Payment date falling in or nearest to January 2025 |
| 9. | | Interest Basis: | 3 month NIBOR + 1.25 per cent.
(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:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Not Applicable
16.	Floating Rate Note Provisions	Applicable
	(i) Interest Period:	Not Applicable
	(ii) Specified Interest Payment Dates:	Interest will be payable quarterly in arrears on 10 January, 10 April, 10 July and 10 October in each year commencing on 10 April 2018 and ending on Maturity Date, subject to adjustment in accordance with the Business Day Convention specified below (each a "Specified Interest Payment Date").
	(iii) Business Day Convention:	Modified Following Business Day Convention
	(iv) Business Centre(s):	Oslo, TARGET
	(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):	Nordea Bank AB (publ)
	(vii) Screen Rate Determination:	
	• Reference Rate:	3 month NIBOR
	• Interest Determination Date(s):	Second Oslo business day prior to each Specified Interest Payment Date.
	• Relevant Screen Page:	Reuters Screen OIBOR page
	(viii) ISDA Determination:	Not Applicable
	(ix) Linear Interpolation:	Not Applicable
	(x) Margin(s):	+ 1.25 per cent. per annum
	(xi) Minimum Rate of Interest:	0.00 per cent. per annum
	(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** NOK 1,000,000 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): Not applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:** **VPS Notes:**
 VPS Notes issued in uncertificated book entry form
25. New Global Note: No
26. Business Centre(s) or other special provisions relating to Payment Dates: Oslo 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: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
30. Other terms or special conditions: Not Applicable

DISTRIBUTION

- | | | | |
|-----|-------|--|---|
| 31. | (i) | If syndicated, names and address of Managers and underwriting commitments: | Not Applicable |
| | (ii) | Date of Subscription Agreement: | Not Applicable |
| | (iii) | Stabilising Manager(s) (if any): | Not Applicable |
| 32. | | If non-syndicated, name and address of Dealer: | Nordea Bank AB (publ)
Smålandsgatan 17
105 71 Stockholm
Sweden |
| 33. | | TEFRA: | Not 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:
K. Kajova
Karoliina Kajova
Manager, Funding

By:
Hannu-Pekka Ylimommo
Hannu-Pekka Ylimommo
Legal Counsel

SIGNED on behalf of the Guarantor:

By:
Heikki Niemeläinen
Heikki Niemeläinen
CEO, 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 London Stock Exchange with effect from the Issue Date.

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: Aa1

Standard & Poor's: AA+

Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited are both established in the European Economic Area and registered under Regulation (EC) No. 1060/2009, as amended.

3. OPERATIONAL INFORMATION

Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

ISIN Code: NO0010813710

Common Code: Not Applicable

CUSIP No: Not Applicable

Any clearing system(s) other than Euroclear, Clearstream, and DTC and the relevant identification number(s): Verdipapirsentralen, Norway. VPS identification number: 985 140 421 The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purposes of performing its obligations under the issue of VPS Notes.

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Nordea Bank AB (publ), filial i Norge