

Final Terms dated 27 April 2018

MIFID II product governance / Professional investors and eligible counterparties 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 EUR 10,000,000 step-up Fixed Rate Notes due 02 May 2027 (the “Notes”)

Guaranteed by

THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)

under the EUR 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: | 079-18 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euro (“EUR”) |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 10,000,000 |
| | (ii) | Tranche: | EUR 10,000,000 |
| 5. | (i) | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | EUR 100,000 |
| | (ii) | Calculation Amount: | EUR 100,000 |
| 7. | (i) | Issue Date: | 02 May 2018 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 02 May 2027 |

9.	Interest Basis:	step-up Fixed Rate <i>(further particulars specified below)</i>
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Issuer Call <i>(further particulars specified below)</i>
	(i) Status of the Notes:	Senior
13.	(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	Applicable
	(i) Rate of Interest:	From and including the Interest Commencement Date, to but excluding 02 May 2019, 0.100 per cent. per annum payable annually in arrear From and including 02 May 2019, to but excluding the Maturity Date, 0.960 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	02 May in each year, commencing on 02 May 2019
	(iii) Fixed Coupon Amount(s):	EUR 100 per Calculation Amount, in respect of each Interest Period, during the period from and including the Interest Commencement Date, to but excluding 02 May 2019. EUR 960 per Calculation Amount, in respect of each Interest Period, during the period from and including 02 May 2019, to but excluding the Maturity Date.
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
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

20. **Call Option** Applicable
- (i) Optional Redemption Date(s): 02 May 2019
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): EUR 100,000 per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable
- (iv) Notice period (if other than as set out in the Conditions): Not less than five (5) TARGET and London Calendar Days
21. **Put Option** Not Applicable
22. **Final Redemption Amount of each Note** EUR 100,000 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 100,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:** **Bearer Notes:**
- Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes 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: TARGET and London
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: SOCIÉTÉ GÉNÉRALE
Tours Société Générale
17 Cours Valmy
92987 Paris La Défense Cedex
France

33. TEFRA: 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 EUR 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: 
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Antti Kontio
Manager, Funding

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

SIGNED on behalf of the Guarantor:

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 the Issue Date.

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- Moody's Investors Service Limited
("Moody's"): Aa1
- Standard & Poor's Credit Market Services Europe Limited
("Standard & Poor's"): AA+
- 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: XS1815076598
- Common Code: 181507659
- CUSIP No: Not Applicable
- Any clearing system(s) other than Euroclear, Clearstream, 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