

Final Terms dated 21 March, 2018

MIFID II product governance / Eligible counterparties, professional investors only target market – Solely for the purposes of the product governance requirements contained within: (a) MiFID II (Directive 2014/65/EU); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; (together, the “MiFID II Product Governance Requirements”), 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, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, subject to compliance with applicable securities laws and regulations in the jurisdiction of the distribution. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration such target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels, with all sales subject to the distributor’s suitability and appropriateness obligations under applicable securities laws and regulations in the jurisdiction of the distribution.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Notes.

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of EUR 20,000,000 Fixed Rate Notes due 23 March, 2048
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.

1. (i) Issuer: Municipality Finance Plc
(Kuntarahoitus Oyj)
- (ii) Guarantor: The Municipal Guarantee Board
(Kuntien takauskeskus)
2. (i) Series Number: EMTN 65/2018
- (ii) Tranche Number: 1
3. Specified Currency or Currencies: Euro ("EUR")

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| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | EUR 20,000,000.00 |
| | (ii) Tranche: | EUR 20,000,000.00 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | EUR 1,000,000 |
| | (ii) Calculation Amount: | EUR 1,000,000 |
| 7. | Issue Date: | 23 March, 2018 |
| 8. | Maturity Date: | 23 March, 2048, subject to adjustment, for payment purposes only, in accordance with the Following Business Day Convention |
| 9. | Interest Basis: | 1.88 per cent. Fixed 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: | Issuer Call |
| 13. | (i) Status of the Notes: | Senior |
| | (ii) Status of the Guarantee: | Senior |
| | (iii) Date of Board approval for issuance of Notes and Guarantee obtained: | Not Applicable |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest: | 1.88 per cent. per annum payable quarterly in arrear |
| | (ii) Interest Payment Date(s): | 23 March, 23 June, 23 September and 23 December in each year from and including 23 June, 2018 to and including the Maturity Date, subject to adjustment, for payment purposes only, in accordance with the Following Business Day Convention |
| | (iii) Fixed Coupon Amount: | EUR 1,000,000 per Calculation Amount |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Day Count Fraction: | 30/360 |
| | (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable |

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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 | Applicable |
| | (i) Optional Redemption Date(s): | Every FIVE (5) years starting from and including 23 March, 2023 (adjusted in accordance with Following and Business Days) to and including 23 March, 2043 |
| | (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): | EUR 1,000,000 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): | Five (5) Business Days |
| 21. | Put Option | Not Applicable |
| 22. | Final Redemption Amount of each Note | EUR 1,000,000 per Calculation Amount |
| 23. | Early Redemption Amount | EUR 1,000,000 per Calculation 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): | |

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 in the limited circumstances specified in the Permanent Global Note. |
| 25. | New Global Note: | No |
| 26. | Business Centre(s) or other special provisions relating to Payment Dates: | London, Seoul and TARGET Business Day |
| 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: | "Business Day" shall mean a day on which commercial banks and foreign exchange markets are open for business and settle payments in each Business Centre (which is, for the avoidance of doubt, London and |

Seoul) and which is also a TARGET Business Day.

"**Calculation Agent**" means Nomura International plc or any duly appointed successor.


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: Nomura International plc
1 Angel Lane
London EC4R 3AB
33. TEFRA: The D Rules are applicable
34. Additional selling restrictions:

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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Martin Svedholm
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
- (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 London Stock Exchange with effect from the Issue Date.

2. RATINGS

Ratings: The Notes to be issued have been rated:
Standard & Poor's: AA+

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: XS1797132500

Common Code: 179713250

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