

FINAL TERMS

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.

Final Terms dated 9 January 2018

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of NOK 500,000,000 Floating Rate Notes due July 2023

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: | 016-18 |
| | (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: 107.889 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: 11 January 2018
- (ii) Interest Commencement Date: 11 January 2018
8. Maturity Date: Interest Payment Date falling in or nearest to July 2023
9. Interest Basis: 3 month NIBOR + 1.50 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: 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 shall be payable quarterly in arrear on 11 January, 11 April, 11 July and 11 October in each year, commencing on 11 April 2018 up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention specified below in (iii).
(iii)	Business Day Convention:	Modified Following Business Day Convention
(iv)	Business Centre(s):	Oslo and 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):	Danske Bank A/S shall be the Rate-Setting Agent in respect of the Notes
(vii)	Screen Rate Determination:	
	• Reference Rate:	3 month NIBOR
	• Interest Determination Date(s):	12.00 noon on the second Oslo business day before the relevant Interest Period
	• Relevant Screen Page:	Reuters page "OIBOR"
(viii)	ISDA Determination:	Not Applicable
(ix)	Linear Interpolation:	Not Applicable
(x)	Margin(s):	+ 1.50 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	If no Reference Rate appears on the Relevant Screen Page on an Interest Determination Date, the Rating-Setting Agent will request

terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

appropriate quotations and will determine the arithmetic mean of the rates at which deposits in NOK are offered by four major banks in the Oslo interbank market, selected by the Rate-Setting Agent, at approximately 12.00 noon (Oslo time) on the Interest Determination Date to prime banks in the Oslo interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the Oslo interbank market at the relevant time.

If fewer than two rates are so quoted, the Rate-Setting Agent will determine the arithmetic mean of the rates quoted by four major banks in the Oslo interbank market, selected by the Rate-Setting Agent, at approximately 12.00 noon (Oslo time) on the first day of the relevant Interest Period for loans in NOK to leading Norwegian banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the Oslo interbank market at the relevant time.

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| 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 | 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
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 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 |
| 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

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| 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: | Danske Bank A/S

2-12 Holmens Kanal

DK-1092 Copenhagen K |

Denmark

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: 
Martin Svedholm
Manager, Funding

By: 
Hannu-Pekka Ylimommo
Legal Counsel

SIGNED on behalf of the Guarantor:

By: 
Heikki Niemeläinen
CEO, Managing Director

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from 11 January 2018.

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's Investors Service Limited: Aa1

Standard & Poor's Credit Market Services Europe Limited: AA+

Each of Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited is 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: 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: NO0010813884

Common Code: 175017844

CUSIP No: Not Applicable

Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s):

Verdipapirsentralen, Norway. VPS identification number: NO0010813884. 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):

Danske Bank A/S

2-12 Holmens Kanal

DK-1092 Copenhagen K

Denmark