

Final Terms dated 21 March 2017

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of EUR 50,000,000 Collared Floating Rate Notes due 24 March 2027

Guaranteed by

THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)

under the €25,000,000,000

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 2016 and the supplemental Offering Circular dated 19 September 2016 (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: | 55/2017 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euro ("EUR") |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 50,000,000 |
| | (ii) | Tranche: | Not Applicable |
| 5. | (i) | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | EUR 100,000 |
| | (ii) | Calculation Amount: | EUR 100,000 |
| 7. | (i) | Issue Date: | 24 March 2017 |

	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	24 March 2027
9.	Interest Basis:	3-month-EURIBOR 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:	Quarterly in arrears, on every 24 March, 24 June, 24 September and 24 December in each year, commencing from (and including) 24 June 2017 up to (and including) the Maturity Date.
	(iii) Business Day Convention:	Modified Following Business Day Convention
	(iv) Business Centre(s):	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	Not Applicable

Agent):

- (vii) Screen Rate Determination:
- Reference Rate: 3-month-EURIBOR
 - Interest Determination Date(s): Second Business Day prior to commencement of each Interest Period
 - Relevant Screen Page: Reuters EURIBOR01
- (viii) ISDA Determination: Not Applicable
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
- (ix) Linear Interpolation: Not Applicable
- (x) Margin(s): Not Applicable
- (xi) Minimum Rate of Interest: 0.20 per cent. per annum
- (xii) Maximum Rate of Interest: 1.50 per cent. per annum
- (xiii) Day Count Fraction: Act/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** EUR 100,000 per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked: Not Applicable

(i) Index/Formula/variable:

(ii) Calculation Agent responsible for calculating the Final Redemption Amount:

(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:

(iv) Date for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:

(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

(vi) Payment Date:

(vii) Minimum Final Redemption Amount: EUR 100,000 per Calculation Amount

(viii) Maximum Final Redemption Amount: 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 As set out in the Conditions

if different from that set out in the Conditions):

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 on 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
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: DZ BANK AG
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
60265 Frankfurt am Main
Federal Republic of Germany
33. TEFRA: The 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 €25,000,000,000 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:

Karoliina Kajova
Senior Analyst, Funding

By:

Matti Kanerva
Senior 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 has been made 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: Aa1 (stable)
- Standard & Poor's: AA+

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: XS1579297638

Common Code: 157929763

CUSIP No: Not Applicable

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking societe anonyme and DTC and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

4. ESTIMATED NET PROCEEDS

Estimated net proceeds: EUR 49,538,000