

Final Terms dated 5 February 2018

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturers' 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 GBP 350,000,000 1.250 per cent. Guaranteed Notes due 7 December 2022
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: | 31/18 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | British pounds sterling ("GBP") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | GBP 350,000,000 |
| | (ii) Tranche: | GBP 350,000,000 |
| 5. | (i) Issue Price: | 99.758 per cent. of the Aggregate Nominal |

	Amount
6. (i) Specified Denominations:	GBP 1,000
(ii) Calculation Amount:	GBP 1,000
7. (i) Issue Date:	7 February 2018
(ii) Interest Commencement Date:	Issue Date
8. Maturity Date:	7 December 2022
9. Interest Basis:	1.250 per cent. Fixed Rate
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:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions	Applicable
(i) Rate of Interest:	1.250 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s):	Interest on the Notes will be paid annually in arrear on 7 December of each year up to and including maturity, commencing on 7 December 2018 with a short first coupon
(iii) Fixed Coupon Amount:	GBP 12.50 per Calculation Amount payable on each Interest Payment Date from and including 7 December 2019, to and including the Maturity Date
(iv) Broken Amount(s):	GBP 10.38 per Calculation Amount payable on 7 December 2018

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|------|--|---------------------|
| (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

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|-----|--|----------------------------------|
| 20. | Call Option | Not Applicable |
| 21. | Put Option | Not Applicable |
| 22. | Final Redemption Amount of each Note | GBP 1,000 per Calculation Amount |
| 23. | Early Redemption Amount | GBP 1,000 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: | Yes |
| 26. | Business Centre(s) or other special provisions relating to Payment Dates: | London 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: Not Applicable
29. Details relating to Instalment Notes: Not Applicable
30. Other terms or special conditions: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names and address of Managers and underwriting commitments: *Joint Lead Managers:*
- RBC Europe Limited**
Riverbank House
2 Swan Lane
London EC4R 3BF
United Kingdom
(GBP 117,000,000)
- Nomura International plc**
1 Angel Lane
London EC4R 3AB
United Kingdom
(GBP 116,500,000)
- Scotiabank Europe plc**
201 Bishopsgate
6th Floor
London EC2M 3NS
United Kingdom
(GBP 116,500,000)
- (ii) Date of Subscription Agreement: 5 February 2018
- (iii) Stabilising Manager(s) (if any): Not Applicable
32. If non-syndicated, name and address of Dealer: Not Applicable
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 €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).

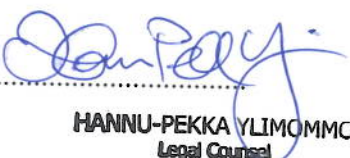
RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

SIGNED on behalf of the Issuer:


By: 
JOAKIM HOLMSTRÖM
Head of Funding

Duly authorised

By: 
HANNU-PEKKA YLIMOMMO
Legal Counsel

Duly authorised

SIGNED on behalf of the Guarantor:

By: 

Duly authorised

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 regulated market of the London Stock Exchange with effect from the Issue Date.

2. RATINGS

Ratings: The Notes to be issued are expected to be rated:

Moody's Investors Service Limited: Aa1
(stable)

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

Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited 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.

Regulation S ISIN Code: XS1765860363

Regulation S Common Code: 176586036

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. 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