

Final Terms dated 17 December 2014

**MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)**

Issue of GBP 50,000,000 1.250 per cent. Notes due 15 December 2016  
(the "Notes")

Guaranteed by  
**THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)**

**(to be consolidated and form a single Series with the GBP 300,000,000 1.250 per cent. Notes due 15 December 2016 issued on 27 January 2014, the GBP 100,000,000 1.250 per cent. Notes due 15 December 2016 issued on 1 April 2014 and the GBP 25,000,000 1.250 per cent. Notes due 15 December 2016 issued on 10 July 2014 (the "Original Notes"))**

**under the €25,000,000,000  
Programme for the Issuance of Debt Instruments**

**PART A – CONTRACTUAL TERMS**

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 3 June 2013. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Offering Circular dated 6 May 2014 and the supplement thereto dated 10 September 2014, save in respect of the Conditions which are extracted from the Offering Circular dated 3 June 2013.

These Final Terms are available for viewing at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

- |    |      |                                   |   |
|----|------|-----------------------------------|---|
| 1. | (i)  | Issuer:                           | Municipality Finance Plc<br>(Kuntarahoitus Oyj)   |
|    | (ii) | Guarantor:                        | The Municipal Guarantee Board<br>(Kuntien takauskeskus)   |
| 2. | (i)  | Series Number:                    | 23/2014   |
|    | (ii) | Tranche Number:                   | 4   |
|    |      |                                   | The Notes are to be consolidated and form a single Series with the Original Notes on or after the date that is the first Business Day following the expiration of a period of 40 days after the Issue Date (the " <b>Exchange Date</b> ") |
| 3. |      | Specified Currency or Currencies: | British Pounds Sterling (" <b>GBP</b> ")  |

4. Aggregate Nominal Amount:
- (i) Series: After the Exchange Date, the total amount of the Series outstanding will be GBP 475,000,000, consisting of the aggregate nominal amount of the Notes (being GBP 50,000,000) and the aggregate principal amount of the Original Notes (being GBP 425,000,000)
- (ii) Tranche: GBP 50,000,000
5. Issue Price: 100.788 per cent. of the Aggregate Nominal Amount of the Tranche plus 4 days' accrued interest from, and including, the Interest Commencement Date to, but excluding, the Issue Date
6. (i) Specified Denominations: GBP 1,000 and multiples thereof
- (ii) Calculation Amount: GBP 1,000
7. (i) Issue Date: 19 December 2014
- (ii) Interest Commencement Date: 15 December 2014
8. Maturity Date: 15 December 2016
9. Interest Basis: 1.250 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: 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.	<b>Fixed Rate Note Provisions</b>	Applicable
	(i) Rate of Interest:	1.250 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	15 December in each year commencing on 15 December 2015; adjusted for payment purposes only in accordance with the Following Business Day Convention
	(iii) Fixed Coupon Amount:	GBP 12.50 per Calculation Amount payable on each Interest Payment Date other than the First Interest Payment 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.	<b>Floating Rate Note Provisions</b>	Not Applicable
17.	<b>Zero Coupon Note Provisions</b>	Not Applicable
18.	<b>Index-Linked Interest Note Provisions</b>	Not Applicable
19.	<b>Dual Currency Note Provisions</b>	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

20.	<b>Call Option</b>	Not Applicable
21.	<b>Put Option</b>	Not Applicable
22.	<b>Final Redemption Amount of each Note</b>	GBP 1,000 per Calculation Amount
23.	<b>Early Redemption Amount</b>	
	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	As set out in the Conditions

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 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:	Not Applicable
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:	<i>Joint Lead Managers:</i>  <b>Citigroup Global Markets Limited</b> Citigroup Centre Canada Square London E14 5LB United Kingdom GBP 25,000,000  <b>Scotiabank Europe plc</b> 201 Bishopsgate 6 <sup>th</sup> Floor London EC2M 3NS United Kingdom GBP 25,000,000
	(ii)	Date of Subscription Agreement:	17 December 2014
	(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 €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: ..... JOAKIM HOLMSTRÖM  
Duly authorised Head of Funding

MATTI KANERVA  
Senior Legal Counsel

Signed on behalf of the Guarantor:

By: .....  
Duly authorised

Heikki Niemeläinen  
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 the Issue Date
- The Original Notes are admitted to trading on the Regulated Market of the London Stock Exchange plc

### 2. RATINGS

Ratings: The Notes to be issued have not been rated

### 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: Until the Notes are consolidated and form a single series with the Original Notes, the Notes shall have the temporary ISIN Code XS1157021814. After the Exchange Date, the ISIN Code will be XS1022203076

Common Code: Until the Notes are consolidated and form a single series with the Original Notes, the Notes shall have the temporary Common Code 115702181. After the Exchange Date, the Common Code will be 102220307

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

the relevant identification number(s):

Delivery:

Delivery against payment

Names and addresses of additional  
Paying Agent(s) (if any):

Not Applicable