

Final Terms dated 23 April 2012

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of US\$1,000,000,000 1.625 per cent. Notes due 25 April 2017

Guaranteed by

THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)

under the €22,000,000,000

Programme for the Issuance of Debt Instruments

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 36 of Part A below, provided such person is one of the persons mentioned in Paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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 Base Prospectus dated 1 June 2011 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantor and the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the office of the Issuer at Jaakonkatu 3 A, 00100 Helsinki, Finland and on the Issuer's website www.munifin.fi and copies may be obtained from the office of the Issuer at Jaakonkatu 3 A, 00100 Helsinki, Finland.

1.	(i)	Issuer:	Municipality Finance Plc (Kuntarahoitus Oyj)
	(ii)	Guarantor:	The Municipal Guarantee Board (Kuntien takauskeskus)
2.		Series Number:	61/2012
3.		Specified Currency or Currencies:	United States Dollars ("USD")
4.		Aggregate Nominal Amount of the Series:	US\$1,000,000,000
5.	(i)	Issue Price:	99.695 per cent. of the Aggregate Nominal Amount
6.	(i)	Specified Denominations:	USD2,000
	(ii)	Calculation Amount:	USD2,000
7.	(i)	Issue Date:	25 April 2012
	(ii)	Interest Commencement Date:	25 April 2012
8.		Maturity Date:	25 April 2017
9.		Interest Basis:	1.625 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.		Fixed Rate Note Provisions	Applicable
	(i)	Rate of Interest:	1.625 per cent. per annum payable annually in arrear
	(ii)	Interest Payment Date(s):	25 April in each year commencing on

25 April 2013 and ending on the Maturity Date, not adjusted

(iii)	Fixed Coupon Amount:	USD 32.5 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
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

20.	Call Option	Not Applicable
21.	Put Option	Not Applicable
22.	Final Redemption Amount of each Note	USD2,000 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):	As 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.

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| 25. | New Global Note: | No |
| 26. | Financial Centre(s) or other special provisions relating to Payment Dates: | London and New York |
| 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:
- Joint Lead Managers*
- Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London
E14 4BB
United Kingdom
- USD 240,000,000
- Daiwa Capital Markets Europe Limited
5 King William Street
London
EC4N 7AX
United Kingdom
- USD 240,000,000
- Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London
EC2N 2DB
United Kingdom
- USD 240,000,000
- J.P. Morgan Securities Ltd.
125 London Wall
London
EC2Y 5AJ
United Kingdom
- USD 240,000,000
- Co-Managers*
- Credit Suisse Securities (Europe) Limited
One Cabot Square
London
E14 4QJ
United Kingdom
- USD 10,000,000

Mitsubishi UFJ Securities International plc
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9AJ
United Kingdom

USD 10,000,000

Nomura International plc
1 Angel Lane
London
EC4R 3AB

USD 10,000,000

Nordea Bank Danmark A/S
Strandgade 3
1401 Copenhagen K
Denmark

USD 10,000,000

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|-------|--|---|
| (ii) | Date of Subscription Agreement: | 23 April 2012 |
| (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. | Total commission and concession: | 0.125 per cent. of the Aggregate Nominal Amount |
| 35. | Additional selling restrictions: | Not Applicable |
| 36. | Non-exempt Offer: | An offer of the Notes may be made by the Managers other than pursuant to Article 3(2) of the Prospectus Directive in Germany and the United Kingdom (" Public Offer Jurisdictions ") during the period from the date of publication of these Final Terms until the Issue Date (" Offer Period "). |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue and public offer in the Public Offer Jurisdictions and admission to trading on the Regulated Market of the London Stock Exchange plc of the Notes described herein pursuant to the €22,000,000,000 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:

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Duly authorised


TONI HEIKKILÄ
Senior Vice President


MATTI KANERVA
Legal Counsel

Signed on behalf of the Guarantor:

By:

.....
Duly authorised


Heikki Niemeläinen
Managing Director

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: Application has been made for the Notes to be admitted to listing on the Official List of the United Kingdom Financial Services Authority with effect from the Issue Date.
- (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:

S & P: AAA
Moody's: Aaa

The ratings set out above are issued by Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Limited, each of which is established in the European Union and is registered under Regulation (EU) No 1060/2009 (the "**CRA Regulation**") of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

Save as described in "Subscription and Sale" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

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|-------|---------------------------|--|
| (i) | Reasons for the offer: | See "Use of Proceeds" in Base Prospectus |
| (ii) | Estimated net proceeds: | USD 995,700,000 |
| (iii) | Estimated total expenses: | USD 15,100 |

5. **YIELD**

Indication of yield: 1.689 per cent. per annum

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

6. **HISTORIC INTEREST RATES – floating rates only**

Not Applicable

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING – index-linked or other variable-linked notes only**

Not Applicable

8. **PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT – dual currency notes only**

Not Applicable

9. **OPERATIONAL INFORMATION**

Intended to be held in a manner which No. would allow Eurosystem eligibility:

ISIN Code: XS0775916058

Common Code: 077591605

CUSIP Number: Not Applicable

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking société anonyme 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

10. **(Retail issues only) TERMS AND CONDITIONS OF THE OFFER**

Offer Price: Issue Price

Conditions to which the offer is subject: Not Applicable

Description of the application process: Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

Details of the minimum and/or maximum amount of application: There are no pre-identified allotment criteria. The Managers will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations and/or as otherwise agreed between them.

Details of the method and time limits for paying up and delivering the Notes: The Notes will be issued by the Issuer to the Managers on a delivery versus payment basis on the Issue Date.

Manner in and date on which results of the offer are to be made public: Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: Not Applicable

Process for notification to applicants of the amount allotted and the

indication whether dealing may begin before notification is made:

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. None known to the Issuer