

Final Terms dated 29 April 2016

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

Issue of EUR50,000,000 1.785 per cent. Fixed Rate Callable Notes due 4 May 2046

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 6 May 2015 and the supplemental Offering Circular dated 14 September 2015 (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.

- | | | | |
|----|------|---|--|
| 1. | (i) | Issuer: | Municipality Finance Plc (Kuntarahoitus Oyj) |
| | (ii) | Guarantor: | The Municipal Guarantee Board (Kuntien takauskeskus) |
| 2. | (i) | Series Number: | 81/2016 |
| | (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: | Euro ("EUR") |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 50,000,000 |
| | (ii) | Tranche: | EUR 50,000,000 |
| 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: 4 May 2016
(ii) Interest Commencement Issue Date
Date:
8. Maturity Date: 4 May 2046
9. Interest Basis: 1.785 per cent. Fixed Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Not Applicable
Redemption/Payment Basis:
12. Put/Call Options: Issuer Call
(further particulars specified below)
13. (i) Status of the Notes: Senior
(ii) Status of the Guarantee: Senior
(iii) Date of approval for issuance of Notes and Guarantee obtained: Not Applicable
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- Fixed Rate Note Provisions** Applicable
15. (i) Rate(s) of Interest: 1.785 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s): 4 May in each year adjusted for payment purposes only in accordance with Following Business Day Convention
(iii) Fixed Coupon Amount(s): EUR 1,785 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** Applicable
 - (i) Optional Redemption Date(s): 4 May 2024
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): EUR 100,000 per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: Not Applicable
 - (b) Maximum Redemption Amount: Not Applicable
 - (iv) Notice period (if other than as set out in the Conditions): Not less than five Business Days
- 21. **Put Option** Not Applicable
- 22. **Final Redemption Amount of each Note** EUR 100,000 per Calculation Amount other
- 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. |
| 25. | New Global Note: | Yes |
| 26. | Business Centre(s) or other special provisions relating to Payment Dates: | London, in addition to TARGET2 |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Yes |
| 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: | Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA |

33. TEFRA: United Kingdom
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:
Duly authorised


Joakim Holmström
Head of Funding


Matti Kanerva
Senior Legal Counsel

By:
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 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.

RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: Aaa

Standard & Poor's: AA+

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: XS1403700450

Common Code: 140370045

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

Names and addresses of additional Paying Agent(s) (if any): Not Applicable