

FINAL TERMS

Preliminary Final Terms dated as 27 February 2007

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

PUBLIC OFFER IN DENMARK

of

DKK denominated Non-Interest Bearing Sydinvest Fund Linked Redemption Notes due 2013,
(the "Notes")

**The subscription period for the Notes will commence on 28 February 2007 at 9.00 a.m. (CET)
and end on 16 March 2007 at 5.00 p.m. (CET)**

Guaranteed by

THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)

under the **€8,000,000,000**

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 set forth in the Base Prospectus dated 1 June 2006, as supplemented by the Supplement to the Base Prospectus dated 26 February 2007, which together constitute a 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, as supplemented by the Supplement to the Base Prospectus dated 26 February 2007. The Base Prospectus and the Supplement are available for viewing at Municipality Finance Plc, Annankatu 42 C, 00100 Helsinki, Finland and at the website www.munifin.fi. In addition the Base Prospectus and the Supplement are available for viewing at the *website* of the Copenhagen Stock Exchange at www.omxgroup.com/nordicexchange.

- | | | | |
|----|------|-----------------------------------|--|
| 1. | (i) | Issuer: | Municipality Finance Plc (Kuntarahoitus Oyj) |
| | (ii) | Guarantor: | The Municipal Guarantee Board (Kuntien takauskeskus) |
| 2. | (i) | Series Number: | 12/2007 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Danish Kroner (" DKK ") |

4.	Aggregate Nominal Amount: ¹	
	(i) Series:	DKK (to be determined on 20 March 2007)
	(ii) Tranche:	DKK (to be determined on 20 March 2007)
5.	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	DKK 10,000
7.	(i) Issue Date:	23 March 2007
	(ii) Interest Commencement Date:	Not Applicable (“N/A”)
8.	Maturity Date:	22 March 2013, (the “ Scheduled Maturity Date ”) or, if a Fund Disruption Event has occurred on or before the Scheduled Final Valuation Date, the day falling five Reference Fund Business Days after the Final Valuation Date. (see Annex 1)
9.	Interest Basis:	Non-interest bearing Notes
10.	Redemption/Payment Basis:	Fund Linked Redemption – See Annex 1 and 2 hereto
11.	Change of Interest or Redemption/Payment Basis:	N/A
12.	Put/Call Options:	N/A
13.	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
	(iii) [Date [Board] approval for issuance of Notes [and Guarantee] obtained:	N/A
14.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	N/A
16.	Floating Rate Note Provisions	N/A
17.	Zero Coupon Note Provisions:	N/A

¹ The Aggregate Nominal Amount will be determined on 20 March 2007 by Nordea Bank Danmark A/S. A minimum of DKK 50,000,000 will be issued. If Subscriptions exceed DKK 750,000,000, the Arranger may reduce the incoming orders in its own and absolute discretion to an amount of DKK 750,000,000 with the Issuers prior approval.

18. **Index-Linked Interest Note Provisions** N/A
19. **Dual Currency Note Provisions** N/A

PROVISIONS RELATING TO REDEMPTION

20. **Call Option:** N/A
21. **Put Option:** N/A
22. **Final Redemption Amount of each Note:** Please refer to Annex 1 and 2

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

Index/Formula/variable:

Reference Portfolio consisting of:

- (i) Sydinvest BRIK
- (ii) Sydinvest Dannebrog Privat
- (iii) Sydinvest Danrente

For further particulars please refer to Annex 1 and 2

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

Nordea Bank Danmark A/S

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

Please refer to Annex 1 and 2

(vi) Determination Date(s):

Please refer to Annex 1 and 2

(vii) 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:

Please refer to Annex 1 and 2

(viii) Payment Date:

22 March 2013

(ix) Minimum Final Redemption Amount:

100.00 per cent. of the Aggregate Nominal Amount

(x) Maximum Final Redemption Amount:

N/A

23. **Early Redemption Amount of each Note:** N/A

Early Redemption Amount(s) of each Note 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

24. Form of Notes: Bearer Notes, issued in the form of a Permanent Global Note. The Permanent Global Note will be issued on 23 March 2007 and the Notes will be registered as bearer Notes in uncertificated dematerialised book-entry form with the Værdipapircentralen A/S ("VP") on that day.
- Nordea Bank Danmark A/S is acting as Account Holding Bank (Da. "Kontoførende Institut") in relation to VP.
- The Permanent Global Note will be controlled by Nordea Bank Danmark A/S as Account Holding Institute for and on behalf of VP and the Noteholders in accordance with the provisions of the Danish Government Regulation No. 527 of 7 June 2006 on the registration of funds assets in a securities centre. The Permanent Global Note can only be held in favour of Nordea Bank Danmark A/S acting in its capacity as Account Holding Institute on behalf of the Noteholders registered in the VP system.
- For the avoidance of doubt, Notes registered in VP are negotiable Notes not subject to any restrictions on the free negotiability within the Kingdom of Denmark, under Danish Law.
25. Financial Centre(s) or other special provisions relating to Payment Dates: Copenhagen and a TARGET day
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
27. 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, N/A

including any right of the Issuer to forfeit the Notes and interest due on late payment:

- | | | |
|-----|--|--|
| 28. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | N/A |
| 29. | Redenomination, renominalisation and reconventioning provisions: | N/A |
| 30. | Consolidation provisions: | N/A |
| 31. | Other terms or special conditions: | Settlement of purchase and sale transactions takes place on a “registration against payment” basis. Transfer of ownership to the Notes shall be made in accordance with the rules of VP. |

Registration of the Notes with VP is governed by Danish law, and any disputes arising out of or in connection with the registration of the Notes with VP shall be brought before the Copenhagen Maritime and Commercial Court.

Payments shall be effected by the Substitute Fiscal and Danish Principal Paying Agent via VP.

Notwithstanding Condition 18, any notice given to VP in accordance with Condition 18 shall be deemed to have been given to the Holders on the day on which that notice is given to VP.

For further terms and special conditions please refer to Annexes hereto

DISTRIBUTION

- | | | |
|-----|--|-----|
| 32. | (i) If syndicated, names and address of Managers and underwriting commitments: | N/A |
|-----|--|-----|

- | | | |
|-------|--|---|
| (ii) | Date of Subscription Agreement: | N/A |
| (iii) | Stabilising Manager(s) (if any): | N/A |
| 33. | If non-syndicated, name and address of Dealer: | Nordea Bank Danmark A/S, Strandgade 3
1401 Copenhagen C, Denmark |
| 34. | TEFRA: | The C Rules are applicable |
| 35. | Total commission and concession: | 2.00 per cent. of the Aggregate Nominal
Amount |
| 36. | Additional selling restrictions: | N/A |

ADMISSION TO TRADING

These Final Terms comprise the final terms required for the Notes described herein to be admitted to trading on the Copenhagen Stock Exchange pursuant to the €8,000,000,000 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. The information contained under the Annexes – Fund Documents has been extracted from publicly available sources and provided to the Issuer by the Dealer. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published that no facts have been omitted which would render the reproduced inaccurate or misleading.

Signed on behalf of the Issuer:

By:
Duly authorised

Signed on behalf of the Guarantor:

By:
Duly authorised

PART B - OTHER INFORMATION

1. LISTING

- | | | |
|-----|----------|---------------------------|
| (i) | Listing: | Copenhagen Stock Exchange |
|-----|----------|---------------------------|

- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Copenhagen Stock Exchange with effect from on or around the Issue Date

2. RATINGS

Ratings: The Notes have not specifically been rated

3. NOTIFICATION

The United Kingdom Financial Services Authority has provided the Danish Financial Supervisory Authority with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Nordea Bank Finland Plc will act as swap counterparty in relation to the Issuer.

In connection with the issue of the Notes Nordea Bank Finland plc will in its capacity as investors in the underlying Reference Funds receive a fee from Sydinvest. The fee will be paid onwards to the financial institution selling the initial public offering. The fee will vary from 0.25 per cent. per annum to 1.00 per cent. per annum.

In addition Nordea Bank Finland Plc will in its capacity as arranger of the Issue of Notes receive a fee of an amount equal to the RPF as defined below.

So far as the Issuer is aware, no further person involved in the offer of the Notes has an interest material to the offer

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

- (i) Reasons for the offer: See Use of Proceeds section in the Base Prospectus
- (ii) Estimated net proceeds: 100.00 per cent of the Aggregate Nominal Amount
- (iii) Estimated total expenses: DKK 70,000 of listing and clearing fees

6. YIELD

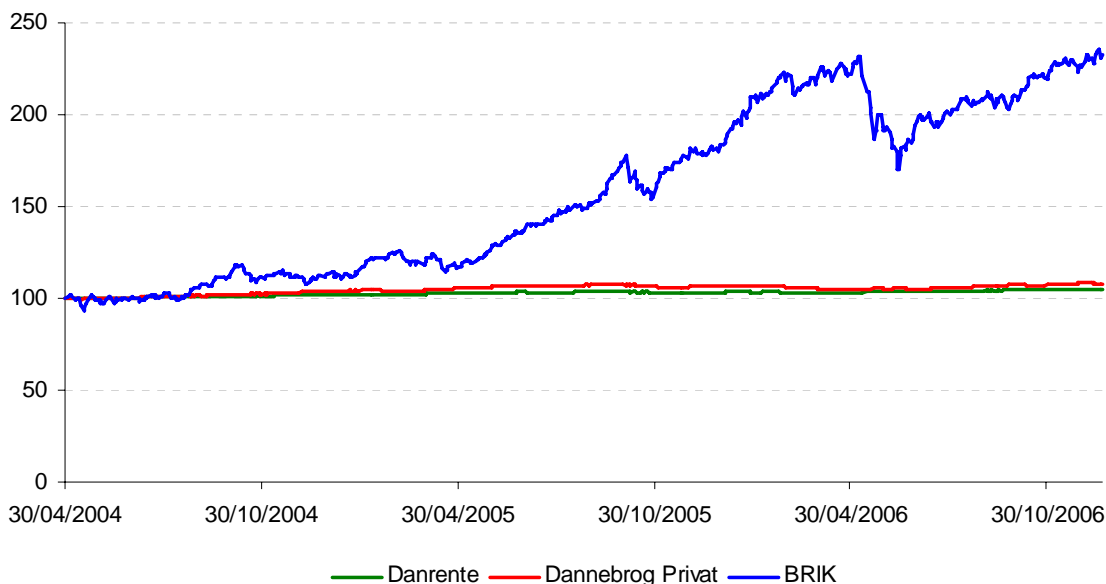
Indication of yield: N/A

7. HISTORIC INTEREST RATES

N/A

8. **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**

Performance of the underlying funds



The graph shows the development in the Reference Funds. An increase in one of the curves means that the respective Reference Fund has increased in value. Each Reference Fund is set to the index number 100 on 30 April 2004. Source: Bloomberg

Average development in the Reference Portfolio	Redemption Price in per cent. per Specified Denomination of DKK 10,000
-50%	100
-30%	100
-10%	100
0%	100
10%	100
30%	119
50%	138
70%	157
90%	176

The table shows the hypothetical redemption price based on a hypothetical development in the Reference Portfolio, where it is assumed that the Reference Portfolio develop linearly throughout the term of the note.

If however the Reference Portfolio should initially increase and subsequently decrease, the Notes could still be redeemed at a price above par. An example of such a situation is shown in the example below:

Assumptions:

RP at Issue Date: 100.00

RP after 3 years: 150.00

RP at maturity: 90

As the RP increase, the Guaranteed Amount has also increase. $GA = 115 (GA = 100 + 30\% \cdot (150-100))$.

Even though RP has fallen below the initial value the Notes will still be redeemed at the higher of RP and GA. In this case the Notes are redeemed at a price of 115 per cent. of the Specified Denomination.

9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

N/A

10. OPERATIONAL INFORMATION

ISIN Code: DK0030047162

Common Code: N/A

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking Societe Anonyme and the relevant identification number(s): Værdipapircentralen A/S ("VP")
Business Registration Number: 21 59 93 36

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Nordea Bank Danmark A/S
Christiansbro
Strandgade 3
DK-1401 Copenhagen K
Denmark

Annex 1

(this Annex forms part of the Final Terms to which it is attached)

1. FINAL REDEMPTION AMOUNT

Unless previously redeemed or purchased and cancelled, the Issuer shall redeem the Notes on the Maturity Date at an amount in DKK per Specified Denomination determined by the Calculation Agent as an amount equal to the largest of:

(i) RP_{Final} ; or

(ii) GA

where RP_{Final} means the Reference Portfolio Value (RP) at Fund Exposure End,

provided that if a Fund Disruption Event occurs or is subsisting on the Final Valuation Date then the Calculation Agent may postpone the Maturity Date to such later date on which it determines that no Fund Disruption Event is subsisting the final Maturity Date may however not be postponed for more than five Reference Fund Business Days.

2. FUND DISRUPTION EVENT

If at any time on a Valuation Date or the Final Valuation Date there occurs or exists or is continuing a Fund Disruption Event, as determined by the Calculation Agent, of a particular Reference Fund or any other event that would have the effect of preventing the determination of the Reference Portfolio Value or the Final Redemption Amount as determined by the Calculation Agent (each such event, a “**Fund Disruption Event**”), then the relevant Valuation Date or the Final Valuation Date shall be postponed until the next following Reference Fund Business Day which is not a disrupted day and in respect of which the Reference Fund Value or the Premium Payment Amount may be determined, provided that the relevant Valuation Date or the Final Valuation Date shall not be postponed for more than five Reference Fund Business Days, in such case the fifth Reference Fund Business Days shall be deemed to be the Final Valuation Date the Calculation Agent shall determine the Reference Portfolio Value or the Final Redemption Amount in its sole discretion (acting in good faith and in a commercially reasonable manner).

Where:

"Fund Disruption Event" means in respect of any Shares, the occurrence or existence of a Fund Redemption Valuation Disruption, a Fund Valuation Reporting Disruption or a Fund Settlement Disruption, in each case as determined by the Calculation Agent as of the Valuation Time on the relevant Valuation Date or other relevant day.

"Fund Redemption Valuation Disruption" means any Share is not redeemed on the date on which they are due to be redeemed or ordinarily would be, redeemed.

"Fund Valuation Reporting Disruption" means the official net asset value of any Share is not published in the manner in which it would ordinarily be published or on a date on which it would ordinarily be published.

"Fund Settlement Disruption" means Redemption Proceeds of any Share are not paid when due or when they would ordinarily be paid.

"Redemption Proceeds" means, with respect to any Shares, the cash proceeds that would be paid when such Shares are redeemed.

Annex 2

(this Annex forms part of the Final Terms to which it is attached)

ADDITIONAL TERMS AND CONDITIONS

Buffer	Means 5% of the NRFU.
Cushion	Cushion = RP – Present Value GA
Final Valuation Date	Means the Fund Exposure End subject to postponement on the occurrence of a Fund Disruption Event.
Fund Exposure End	Means 8 March 2013
Fund Exposure Start	Means 27 March 2007
Guaranteed Amount (“GA”)	<p>The Guaranteed Amount is calculated in accordance with the following formula:</p> $GA = GA_{\text{Initial}} + 30\% \times \text{MAX}(0, RP_{\text{Max}} - GA_{\text{Initial}})$ <p>Where;</p> <p>GA_{Initial} means the Aggregate Nominal Amount; and</p> <p>RP_{Max} means the maximum RP observed at any Reference Fund Business Day subsequent to Fund Exposure Start.</p>
RP_{Initial}	Means the Aggregate Nominal Amount.
M_{MAX}	Means 3.5
M_{MIN}	Means 2.5
Multiplier_{Observed}	Multiplier_{Observed} = RFU / Cushion
Multiplier_{Target}	The Multiplier _{Target} is equal to 3.

Non-Risky Fund Units (“NRFU”) Means the value of the exposure to the Sydinvest Danrente (“SD”) and the Sydinvest Dannebrog Privat (“SDP”) funds as subject to the Reference Fund Asset Allocation Mechanism from and including Fund Exposure Start.

Present Value GA Means the value of a hypothetical zero coupon bond with maturity at Fund Exposure End and a face value of GA.

Present Value GA_{Initial} Means the value of a hypothetical zero coupon bond with maturity at Fund Exposure End and a face value of GA_{Initial}.

Reference Fund Asset Allocation Mechanism The proportion of Risky Fund Units, the Risky Fund Units Weight (“RFUW”), of the RP is determined by the performance of the Reference Funds, deduction of Reference Portfolio Fee and purchases and/or sales executed in order to target the target multiplier (“Multiplier_{Target}”).

The RFUW at Fund Exposure Start is determined in accordance with the formula below;

$$\mathbf{RFUW = Multiplier_{Target} \times (RP_{Initial} - Present Value GA_{Initial}) / RP_{Initial}}$$

For avoidance of doubt the RFUW can never exceed 100% of the RP.

If the Multiplier_{Observed} at any time following Fund Exposure Start is below M_{MIN} or above M_{MAX} purchases and/or sales will be performed at a best effort basis in order to target the Multiplier_{Target} of 3. When purchases and/or sales are executed the value of the funds units in the Reference portfolio (“RFU” and “NRFU”) are adjusted accordingly. If the “Underlying Funds” change risk characteristics during the life of the note, then the “Calculation Agent” may in its sole discretion change the “Multiplier_{Target}”, and the “M_{MIN}” and “M_{MAX}”.

The proportion of the Non-Risky Fund Units at any given time, the Non-Risky Fund Units Weight (“NRFUW”), of the RP will be calculated as follows:

$$\mathbf{NRFUW=1 - RFUW}$$

The internal allocation of the Non-Risky Fund Units between the exposure to the Sydinvest Danrente (“SD”) and the Sydinvest Dannebrog Privat (“SDP”) is conducted in accordance with the following formula:

$$D_{ZC}=W_{SD} \times D_{SD} + W_{SDP} \times D_{SDP}$$

Where,

W is the weight such that $W_{SD} + W_{SDP} = 100\%$;

D is the duration; and

D_{ZC} is the duration of the Zero Bond with maturity at Fund Exposure End.

This allocation strategy is only indicative and the Calculation Agent may in its sole discretion choose other weights.

Reference Fund Business Day Means a day (other than a Saturday or Sunday), (i) on which commercial banks and foreign exchange markets settle payments in Stockholm and Copenhagen and (ii) that is a TARGET Settlement Day.

Reference Fund Valuation Time Means approximately 2 p.m at each Reference Fund Business Day.

Reference Portfolio Means a portfolio consisting from time to time of one or each of the following funds under management of Sydinvest Administration A/S (UCITS):

(i) Sydinvest BRIK which is a share fund investing in Brazil, Russia, India and China;

(ii) Sydinvest Dannebrog Privat which is a bond fund investing in government and agency bonds; and

(iii) Sydinvest Danrente which is a money market fund investing in short term debt instruments.

Each of the underlying funds of the Reference Portfolio will be referred to as a “**Reference Fund**”.

Reference Portfolio Fee (“RPF”) Means the sum of 1) a fund management fee of 1.5 % per annum accrued daily on the basis of the sum of the RFU and the NRFU, and 2) an administration fee of 0.25% per annum of the Aggregate Nominal Amount accrued daily.

Reference Portfolio Value (“RP”) At Fund Exposure Start the Reference Portfolio Value is equal to the $RP_{Initial}$.

The Reference Portfolio Value subsequent to Fund Exposure Start if a Suspension Event has not occurred is subject to the Reference Fund Asset Allocation Mechanism and calculated daily on every Reference Fund Business Day in accordance with the following formula;

$$RP = RFU + NRFU$$

The Reference Portfolio Fee will be extracted daily from the RP by writing down the RFU with an amount calculated in accordance with the following formula:

$$(1.5\% \times [RFU+NRFU] + 0.25\% \times NA) / 252$$

Where NA is the Aggregate Nominal Amount.

the Reference Portfolio Value subsequent to Fund Exposure Start after a Suspension Event has occurred is calculated in accordance with the following formula:

$$RP=ZB$$

as determined by the Calculation Agent as of the Reference Fund Valuation Time on each Valuation Date.

Risky Fund Units (“RFU”)

Means the value of investments allocated to the Sydinvest BRIK fund as subject to the Reference Fund Asset Allocation Mechanism from and including Fund Exposure Start.

Share

Means a share or unit of a Reference Fund.

Suspension Event

Shall be deemed to have occurred if on any Valuation Date after the Fund Exposure Start and prior to the Fund Exposure End the Calculation Agent determines that:

$$RP \leq (\text{Present Value GA} + \text{Buffer})$$

(any such date, the “**Suspension Date**”),

If Suspension Event has occurred the following will apply from and including the Suspension Date:

- (1) All Risky Fund Units and Non-Risky Fund Units shall be redeemed; and
- (2) the remaining net proceeds (“**Net Proceeds**”) will be invested in the Zero Bond.

Following a Suspension Event, and the steps (1) and (2) above having been taken, the RP shall equal the aggregate value of the Zero Bond.

Valuation Date

Means each Reference Fund Business Day, subject to postponement on the occurrence of a Fund Disruption Event.

Zero Bond (“ZB”)

Means a hypothetical zero coupon bond with the following characteristics:

an issue date of the Fund Exposure Start;

a maturity date of the Fund Exposure End; and

an issue price equal to the Net Proceeds.

Reallocation

- (1) If, a material Reallocation Event occurs or has occurred on any Reference Fund Business Day after the Effective Date in relation to one or more Reference Funds the Calculation Agent may decide to either:
 - (i) make relevant adjustments to any variable, method of calculation, valuation or any other terms applicable to take account of such Reallocation Event, or
 - (ii) substitute or replace the relevant Reference Fund or part thereof. Such substitution or replacement shall occur within fourteen Reference Fund Business Days of the determination of the Calculation Agent that material Reallocation Event has occurred.

- (2) The “**Reallocation Event(s)**” are:
 - (i) The Calculation Agent, considers (after examining publicly available sources of information including but not limited to the Reference Fund’s prospectus, Bloomberg, and Reuters) the strategy, guidelines, investment policies or objectives of the Reference Fund to have changed, or the Reference Fund’s benchmark is altered by the manager of the Reference Fund;
 - (ii) The activities of a Reference Fund or of a Reference Fund’s management company are under investigation by any relevant governmental, legal, supervisory or regulatory body;
 - (iii) The Reference Fund or the Reference Fund’s management company has its registration or approval cancelled or suspended;
 - (iv) There is a change in tax treatment which would adversely affect Party B, as a direct or indirect holder of the Reference Fund’s shares;
 - (v) The Reference Fund merges or is scheduled to merge with another Reference Fund if such merger causes or would cause the Reference Fund to infringe any regulatory requirement;
 - (vi) The insolvency, liquidation (whether voluntary or involuntary), bankruptcy of, or any analogous proceedings affecting the Reference Fund or its manager;
 - (vii) The cost structure of a Reference Fund changes substantially in the discretion of the Calculation Agent;
 - (xvii) A Fund Disruption Event lasts for more than five consecutive Reference Fund Business Days;
 - (xviii) Any event as a result of which the determination of the RP becomes, and is likely to remain for the foreseeable future, impossible or impracticable; AND
 - (xix) If the money market funds and the bond funds of the Reference Funds under this Transaction invest in instruments which does not have a credit rating of at least Investment Grade, if rated.

Annex 3

(this Annex forms part of the Final Terms to which it is attached)

Taxation

Noteholders

The following describes the taxation of Danish resident Noteholders investing in the Notes.

Noteholders subject to full tax liability include individuals resident in Denmark, foreign individuals who spend at least six months in Denmark and companies and other bodies incorporated in Denmark or whose management is based in Denmark.

Any interest and/or principal payable to the Noteholders will, under current law and practice, be paid without any withholding or deduction on account of any Danish taxes or duties.

Individuals

The Notes will be taxed as financial instruments because the redemption amount and interest amounts of the Notes are regulated proportionally to the development of a fund.

Individuals fully tax liable in Denmark are therefore taxable according to section 6 and 7 in the Danish Gains on Securities and Foreign Currency Act (Kursgevinstloven) regarding financial instruments.

Consequently, gains and losses on the Notes are calculated according to a mark-to-market principle and taxed on an accrual basis.

Gain and losses are taxed as capital income. However, the right to deduct losses are subject to limitation for individuals. The limitation implies that losses are only deductible if the losses do not exceed previous years' gains on financial contracts and notes taxed as financial contracts. Additional losses may be deducted in the income year's net gain on financial contracts and gains on notes taxed as financial contracts, or carried forward and deducted in future gains on financial instruments and notes taxed as financial contracts in the following income years.

Interest income will be taxable as capital income.

Companies

The Notes will be taxed as financial instruments because the redemption amount and interest amounts of the Notes are regulated proportionally to the development of a fund.

Companies fully tax liable in Denmark are therefore taxable according to section 6 and 7 in the Danish Gains on Securities and Foreign Currency Act (Kursgevinstloven) regarding financial instruments.

Gains on the Notes are taxable at the normal corporate tax rate, and losses are deductible. Gains and losses are calculated according to a mark-to-market principle and taxed on an accrual basis.

Interest income will be taxable at the normal corporate tax rate.

Companies liable to PAL-tax

Danish pension funds and life insurance companies are among others liable to tax pursuant to the Danish Pension Yield Tax Act (PAL).

Gains and losses on the Notes are included in the taxable PAL-income. Gains and losses are calculated on a mark-to-market value and taxed on an accrual basis.

Interest income is included in the PAL-income and taxed on an accrual basis.

The description does not constitute tax advice, as it does not address all possible tax consequences relating to an investment in the Notes, but are intended only as a general guide to current Danish law and practice. Any person who is in doubt as to his or her taxation position or who requires more detailed information than that outlined above or who is resident for tax purposes in a jurisdiction other than or in addition to Denmark should consult his or her own professional adviser.

Annex 4

(this Annex forms part of the Final Terms to which it is attached)

SUBSCRIPTION FORM:

Submission of subscription form: The attached subscription form should be completed and submitted to Nordea Bank Danmark A/S during the Subscription Period.

Subscription: The issue of the Notes will be cancelled if the aggregate Nominal amount of orders received during the subscription period is lower than DKK 50,000,000.

If Subscriptions exceed DKK 750,000,000, the Arranger may reduce the incoming orders in its own and absolute discretion, to an amount of minimum DKK 750,000,000. The reduction is subject to the Issuer's prior approval.

Subscription Period: Means the period running from and including 28 February 2007, 9.00 a.m. to and including 16 March 2007, 5.00 p.m.

Both the Arranger and the Issuer have the right to, stop, revoke or cancel the offer to subscribe at any time prior to 16 March 2007. Should the offer be stopped, revoked or cancelled prior to 16 March 2007, this will be announced to the Copenhagen Stock Exchange A/S.

The Aggregate Nominal Amount of Notes to be issued will be made public no later than 21 March 2007 on the Copenhagen Stock Exchange A/S.

