

FORM OF FINAL TERMS

PRINCIPALITY OF ANDORRA'S GOVERNMENT

FINAL TERMS dated May 29, 2017

Issue of EUR 60,000,000 Notes

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 March 30, 2016 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated September 21, 2016 (the "**First Supplement**"), and the second supplement to the Base Prospectus dated May 10, 2017 (the "**Second Supplement**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Base Prospectus, the First Supplement and the Second Supplement.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms, the Base Prospectus, the First Supplement and the Second Supplement, as so supplemented. The Base Prospectus, the First Supplement and the Second Supplement are available for viewing in electronic form on the website of the Issuer and are available for viewing and obtainable in printed form free of charge during normal business hours at the offices of the Issuer and at the Specified Offices of each of the Paying Agents set out below.

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| Issuer Name: | PRINCIPALITY OF ANDORRA'S GOVERNMENT. |
| 1. Issuer place of incorporation: | Andorra. |
| 2. Issuer address: | Carrer Prat de la Creu, 62-64, AD500 Andorra la Vella (Principat d'Andorra). |
| 3. Issuance Approval Date: | May 24, 2017. |
| 4. Issue Date | May 29, 2017. |
| 5. Instrument category: | Bond. |
| 6. Primary Place of Deposit: | Euroclear and/or Clearstream. |
| 7. Lead Manager: | BancSabadell d'Andorra, S.A. |
| 8. Bookrunners: | Crèdit Andorrà, S.A.; Andorra Banc Agrícol Reig, S.A.; Mora Banc Grup, S.A.; BancSabadell d'Andorra, S.A.; and Vall Banc, S.A.U. |
| 9. Trading Method: | Units. |
| 10. Legal Form: | Registered. |
| 11. Initial Physical Form: | Global Permanent. |
| 12. Selling Restrictions: | Reg. S. |
| 13. Method of Distribution: | Syndicated. |
| 14. Nominal Currency: | EUR. |
| 15. Interest Type: | FIXED |
| 16. ISIN: | XS1609254187. |
| 17. Common Code: | 160925418. |
| 18. Series Number: | 1 |
| 19. Aggregate Proceeds Amount: | EUR 60,000,000. |
| 20. Aggregate Issue Size: | 60,000. |
| 21. Face Value for Unit issues: | EUR 1,000. |
| 22. Minimum tradable size: | 1 unit. |
| 23. Unit Issue Price | EUR 1,000. |
| 24. Withholding Tax Regime: | All payments in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any taxes, unless required by law. In that event, the Issuer will pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, subject |

to certain exceptions as provided in Condition 8 (Taxation) of the Terms and Conditions.

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| 25. First Earning Period of Interest Commencement Date: | The Subscription Date. |
| 26. Final Maturity Date: | May 29, 2022. |
| 27. Governing law: | Andorra. |
| 28. Global Type: | CGN. |
| 29. After exchange physical form: | Exchangeable for Definitive Notes in the limited circumstances specified in the Global Note. |
| 30. Legal restrictions: | Reg. S. |
| 31. Place of listing: | The Issuer reserves the option to apply for the admission to listing, trading or quotation on any regulated or unregulated market, depending on the circumstances of such markets |
| 32. Depository: | BNP Paribas Securities Services Luxembourg Branch. |
| 33. Paying Agent: | BancSabadell d'Andorra, S.A. |
| 34. Paying Agent Address | Avinguda del Fener, 7 Andorra la Vella Principat d'Andorra |
| 35. Payment Frequency: | N/A. |
| 36. Payment Currency: | EURO. |
| 37. Fixed Interest Rate | 1,75%. |
| 38. Interest Payment Dates | Yearly on the following dates: - May 29 2018; - May 29 2019; - May 29 2020; - May 29 2021; - May 29 2022. |
| 39. Variable Interest Rate: | N/A. |
| 40. Zero Coupon Provisions: | N/A |
| 41. Day Count Convention: | "Actual / Actual (ISDA)". |
| 42. Business Day Convention: | Following Business Day. |
| 43. Redemption Type: | Final redemption. |
| 44. Redemption Payment Currency: | EURO. |