

FORM OF FINAL TERMS

**PRINCIPALITY OF ANDORRA'S GOVERNMENT
FINAL TERMS dated October 12, 2016
Issue of EUR 100,000,000 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**"), and the first supplement to the Base Prospectus dated September 21, 2016 (the "**First Supplement**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Base Prospectus and First 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 and the First Supplement, as so supplemented. The Base Prospectus and the First 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.

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:	October 12, 2016.
4. Issue Date	October 17, 2016.
5. Instrument category:	ZERO Coupon 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:	ZCP
16. ISIN:	XS1493421686.
17. Common Code:	149342168.
18. Series Number:	1
19. Aggregate Proceeds Amount:	EUR 100,000,000.
20. Aggregate Issue Size:	100,000.
21. Face Value for Unit issues:	EUR 1,000.
22. Minimum tradable size:	1 unit.
23. Issue Price:	EUR 99,256% Nominal Value.
24. Unit Issue Price	EUR 992,56.
25. 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.
26. First Earning Period of Interest Commencement Date:	N/A.
27. Final Maturity Date:	October 17, 2017.
28. Governing law:	Andorra.
29. Global Type:	CGN.
30. After exchange physical form:	Exchangeable for Definitive Notes in the limited circumstances specified in the Global Note.
31. Legal restrictions:	Reg. S.
32. 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
33. Depository:	BNP Paribas Securities Services Luxembourg Branch.
34. Paying Agent:	BancSabadell d'Andorra, S.A.
35. Paying Agent Address	Avinguda del Fener, 7 Andorra la Vella Principat d'Andorra
36. Payment Frequency:	N/A.
37. Payment Currency:	EURO.
38. Fixed Interest Rate	N/A.
39. Interest Payment Dates	N/A.
40. Variable Interest Rate:	N/A.
41. Zero Coupon Provisions:	<ul style="list-style-type: none"> i. Amortisation Yield 0.75% per annum. ii. Unit Issue Price 992,56 € iii. "Actual/Actual (ISDA)"
42. Day Count Convention:	"Actual / Actual (ISDA)".
43. Business Day Convention:	Following Business Day.
44. Redemption Type:	Final redemption.

45. Redemption Payment EURO.
Currency: