

**FINAL TERMS**

**INSTITUTO DE CRÉDITO OFICIAL, ENTIDAD PÚBLICA EMPRESARIAL**

Euro 50,000,000,000

Global Medium Term Note Programme Guaranteed by the Kingdom of Spain

SERIES NO: 494

TRANCHE NO: 1

EUR 500,000,000 0.10 per cent. Fixed Rate Notes due July 2021

Issue Price: 99.944 per cent.

**Crédit Agricole CIB**

**Goldman Sachs International**

**HSBC Bank plc**

The date of these Final Terms is 11 July 2017

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 set forth in the Base Prospectus dated 3 November 2016 which constitutes a simplified base prospectus for the purposes of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*). These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

1. (a) Issuer: Instituto de Crédito Oficial, Entidad Pública Empresarial
- (b) Guarantor: The Kingdom of Spain
2. (a) Series Number: 494
- (b) Tranche Number: 1
3. Specified Currency or Currencies: EUR
4. Aggregate Nominal Amount:
  - Series: EUR 500,000,000
  - Tranche: EUR 500,000,000
5. (a) Issue Price: 99.944 per cent. of the Aggregate Nominal Amount
- (b) Net Proceeds: EUR 499,157,500
6. (a) Specified Denominations EUR 1,000
- (b) Calculation Amount: EUR 1,000
7. (a) Issue Date: 13 July 2017
- (b) Interest Commencement Date: Issue Date
8. Maturity Date: 30 July 2021
9. Interest Basis: 0.10 per cent. Fixed Rate
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed and/or paid on the following basis in accordance with the Conditions:
  - Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. Status of the Notes: Unsubordinated
14. Method of distribution: Syndicated

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Applicable
(a)	Rate(s) of Interest:	0.10 per cent. per annum payable annually in arrear on each Interest Payment Date
(b)	Interest Payment Date(s):	30 July in each year, commencing on 30 July 2018, up to and including the Maturity Date. There will be a long first coupon in respect of the first Fixed Interest Period, from and including the Issue Date to, but excluding 30 July 2018.
(c)	Adjustment of Interest Payment Date(s) for payment purposes:	Interest Payment Dates will be adjusted for payment purposes only in accordance with the Following Business Day Convention.
(d)	Fixed Coupon Amount(s):	EUR 1 per Calculation Amount
(e)	Party responsible for calculating the Fixed Coupon Amount(s):	Not Applicable
(f)	Broken Amount(s):	EUR 1.04657534 per Calculation Amount, payable on the Interest Payment Date falling on 30 July 2018.
(g)	Day Count Fraction:	Actual/Actual (ICMA)
(h)	Determination Date(s):	30 July in each year
(i)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
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 Interest Note Provisions:	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	EUR 1,000 per Calculation Amount

23. Early Redemption Amount payable on redemption on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(d)): EUR 1,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:
- (a) Form: Bearer Notes:  
Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event.
- (b) New Global Note: Yes
- (c) Intended for New Safekeeping Structure (NSS): Not Applicable
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: Not Applicable
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 of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): Not Applicable
- (b) Instalment Date(s): Not Applicable
29. Redenomination applicable: Redenomination not applicable

30. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 14 (if applicable): None

31. Other final terms: None

#### DISTRIBUTION

32. (a) If syndicated, names of Managers: Crédit Agricole Corporate and Investment Bank  
Goldman Sachs International  
HSBC Bank plc

(b) Stabilising Manager(s) (if any): Not applicable

33. If non-syndicated, name of relevant dealer: Not Applicable

34. Total commission and concession: 0.1125 per cent. of the Aggregate Nominal Amount

35. U.S. Selling Restrictions: Reg. S, Category 1; TEFRA C

36. Additional selling restrictions: Not Applicable

37. Additional U.S. federal income tax considerations: Not Applicable

#### OTHER RELEVANT INFORMATION

38. Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market

39. Ratings: The Notes are expected to be rated:

Standard & Poor's Credit Market Services Europe Limited: BBB+

Standard & Poor's Credit Market Services Europe Limited is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation").

Fitch Ratings España, S.A.U.: BBB+

Fitch Ratings España, S.A.U. is established in the EU and registered under the CRA Regulation.

DBRS Ratings Limited: A (Low)

DBRS Ratings Limited is established in the EU and registered under the CRA Regulation.

40. ISIN Code: XS1644451434
41. Common Code: 164445143
42. Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): Not Applicable
43. Delivery: Delivery against payment
44. The Agents appointed in respect of the Notes are: As appointed under the Agency Agreement
45. The aggregate principal amount of the Tranche of Notes issued, converted into Euro, is (for Notes not denominated in Euro): Not Applicable
46. 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 recognised 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 satisfaction of the Eurosystem eligibility criteria.

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange's regulated market of the Notes described herein pursuant to the €50,000,000,000 Global Medium Term Note Programme of Instituto de Crédito Oficial, Entidad Pública Empresarial.

## **USE OF PROCEEDS**

The use proceeds of the Notes issued under these Final Terms is set out in the Annex to these Final Terms.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. Signed on behalf of Instituto de Crédito Oficial, Entidad Pública Empresarial:

By: .....

*Duly authorised*

  
**Instituto de Crédito Oficial**  
Antonio Cordero  
Head of Funding and Treasury

## ANNEX

### USE OF PROCEEDS

The net proceeds of the issue of the Notes (the **Proceeds**) will be used by the Issuer to fund its second-floor facilities aimed at extending credit to “small, medium or micro enterprises” (**Eligible SMEs**) through financing to financial institutions with an emphasis on employment creation or employment retention in specific economically underperforming regions of Spain.

In order to qualify, Eligible SMEs will need to meet each of the following three criteria:

- (a) be a small, medium, or micro enterprise (**SME**) as currently defined by the European Union<sup>1</sup>;
- (b) be located in an economically underperforming region of Spain as regions with GDP per capita in 2016 lower than Spain’s national GDP per capita, as per Spanish Regional Accounts listed in Appendix 1 hereto; and
- (c) not be engaged in any business activity described under Exclusionary Criteria listed in Appendix 2 hereto.

Further details on these criteria can be found in the Appendices to this Annex.

Pending the allocation of Proceeds, they will be managed by the Issuer, at its discretion, in cash or other negotiable liquid instruments in its liquidity portfolio, in accordance with its selection criteria applied to the management of its treasury.

The Issuer is expected to make public a compliance review report carried by *an internationally reputable SRI (social responsibility investment) rating agency* on the first anniversary of the Notes’ issuance, on the compliance, in all material respects, of Eligible SMEs with the criteria described above. The issuer is also expected to create a report detailing the bond proceeds allocated by region and industry, and additional details such as the numbers of SMEs, average amount lent to SMEs, average number of employees per SMEs etc. This information will be included in the Q3 2018 newsletter.

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<sup>1</sup> [http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index\\_en.htm](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm)



**Appendix 1:**

<b>Eligible Regions</b>	<b>GDP per Capita (2016)</b>	<b>Unemployment Rate (Q1 2017)</b>
EXTREMADURA	€ 16,369	29.23%
ANDALUCÍA	€ 17,651	26.94%
MELILLA	€ 17,686	29.46%
CASTILLA - LA MANCHA	€ 18,591	22.48%
CEUTA	€ 19,446	23.30%
MURCIA, REGIÓN DE	€ 19,411	19.34%
CANARIAS	€ 19,867	25.68%
ASTURIAS, PRINCIPADO DE	€ 20,910	14.23%
COMUNITAT VALENCIANA	€ 21,296	19.77%
GALICIA	€ 21,358	17.36%
CANTABRIA	€ 21,553	14.07%
CASTILLA Y LEÓN	€ 22,649	15.13%
Spanish National Average	€ 23,970	18.75%

**Appendix 2: List of business related activities excluded from SMEs financed through ICO's Social Bond**

<b>NACE Code<sup>2</sup></b>	<b>NACE description</b>
0115 A1.1.5	Growing of tobacco
0510 B5.1.0	Mining of hard coal
0520 B5.2.0	Mining of lignite
0610 B6.1.0	Extraction of crude petroleum
0620 B6.2.0	Extraction of natural gas

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<sup>2</sup> For the avoidance of doubt, this code is not coincident with the Spanish CNAE code.

0710 B7.1.0	Mining of iron ores
0721 B7.2.1	Mining of uranium and thorium ores
0729 B7.2.9	Mining of other non-ferrous metal ores
0811 B8.1.1	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate
0812 B8.1.2	Operation of gravel and sand pits; mining and clays and kaolin
0891 B8.9.1	Mining of chemical and fertiliser minerals
0893 B8.9.3	Extraction of salt
0899 B8.9.9	Other mining and quarrying n.e.c.
0910 B9.1.0	Support activities for petroleum and natural gas extraction
0990 B9.9.0	Support activities for other mining and quarrying
1101 C11.0.1	Distilling, rectifying and blending of spirits
1102 C11.0.2	Manufacture of wine from grape
1103 C11.0.3	Manufacture of cider and other fruit wine
1200 C12.0.0	Manufacture of tobacco products
2051 C20.5.1	Manufacture of explosives
2446 C24.4.6	Processing of nuclear fuel
2540 C25.4	Manufacture of weapons and ammunition
2910 C29.1.0	Manufacture of motor vehicles
2920 C29.2.0	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers
2931 C29.3.1	Manufacture of electrical and electronic equipment for motor vehicles
2932 C29.3.2	Manufacture of other parts and accessories for motor vehicles
3511 D35.1.1	Production of electricity
3512 D35.1.2	Transmission of electricity
3513 D.35.1.3	Distribution of electricity
3514 D35.1.4	Trade of electricity

3521 D35.2.1	Manufacture of gas
3522 D35.2.2	Distribution of gaseous fuels through mains
3530 D35.3.0	Steam and air conditioning supply
4110 F41.1.0	Development of building projects
4120 F41.2.0	Construction of residential and non-residential buildings
4511 G45.1.1	Sale of cars and light motor vehicles
4519 G45.1.9	Sale of other motor vehicles
4520 G45.2.0	Maintenance and repair of motor vehicles
4531 G45.3.1	Wholesale trade of motor vehicle parts and accessories
4532 G45.3.2	Retail trade of motor vehicle parts and accessories
4540 G45.4.0	Sale, maintenance and repair of motorcycles and related parts and accessories
4617 G46.1.7	Agents involved in the sale of food, beverages and tobacco
4635 G46.3.5	Wholesale of tobacco products
4639 G46.3.9	Non-specialised wholesale of food, beverages and tobacco
4726 G47.2.6	Retail sale of tobacco products in specialised sotres
6419 K64.1.9	Other monetary intermediation
6491 K64.9.1	Financial leasing
6492 K64.9.2	Other credit granting
6820 L68.2.0	Renting and operating of own or leased real estate
6831 L68.3.1	Real estate agencies
6832 L68.3.2	Management of real estate on a fee or contract basis
9200 R92	Gambling and betting activities

Source of NACE codes list: [http://ec.europa.eu/competition/mergers/cases/index/nace\\_all.html](http://ec.europa.eu/competition/mergers/cases/index/nace_all.html)