

16th April, 1997

THE KINGDOM OF SPAIN - EMTN FACILITY

Series No: 1997/2

We confirm the following agreement for the issue of Notes:

1. Specified Currency (or currencies in the case of Dual Currency Notes): Japanese Yen ("JPY")
2. Specified Denomination(s): JPY 100,000,000
3. Type of Notes (if not determined by reference to Interest Basis): Fixed Rate Notes
4. Principal Amount: JPY 20,000,000,000
5. Issue Price: 99.90 per cent.
6. Amount due on Maturity Date: JPY 20,000,000,000
7. Issue Date: 21st April, 1997
8. Maturity Date (Non Floating Rate Notes): 21st April, 2017
9. Redemption Month (Floating Rate Notes): N/A
10. Interest Basis: Fixed Rate
11. Fixed Rate(s) of Interest (Fixed Rate Notes): 3.10 per cent. per annum
12. Fixed Interest Date(s) (Fixed Rate Notes): 21st April in each year
13. Convertible into different Interest Basis: N/A
14. Other terms relating to the method of calculating interest for Fixed Rate Notes: N/A

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| 15. | Interest Period(s) (Floating Rate Notes): | N/A |
| 16. | Interest Determination Date (Floating Rate Notes): | N/A |
| 17. | ISDA Determination (Floating Rate Notes): | N/A |
| 18. | Screen Rate Determination (Floating Rate Notes): | N/A |
| 19. | Reference Rate (Screen Rate Determination): | N/A |
| 20. | Relevant Screen Page (Screen Rate Determination): | N/A |
| 21. | Margin(s) (Floating Rate Notes): | N/A |
| 22. | Minimum Interest Rate (Floating Rate Notes): | N/A |
| 23. | Maximum Interest Rate (Floating Rate Notes): | N/A |
| 24. | Other terms relating to the method of calculating interest for Floating Rate Notes: | N/A |
| 25. | Amortisation Yield (Zero Coupon Notes): | N/A |
| 26. | Reference Price (Zero Coupon Notes): | N/A |
| 27. | Other formula or basis for determining Amortised Face Amount (Zero Coupon Notes): | N/A |
| 28. | Issuer's Optional Redemption: | No |
| 29. | Redemption at the option of the Noteholders: | No |

30. "Business day" definition (for the purpose of payments (if different from that set out in the Conditions)):
- London and Tokyo
31. To be listed on a stock exchange:
- No
32. If interchangeable with existing Series, series no.:
- N/A
33. Additional/alternative clearance system approved by the Issuer, the relevant Dealer and the Fiscal Agent:
- N/A
34. Stabilising Dealer:
- N/A
35. Other relevant terms or special conditions:
- N/A
36. Temporary Global Note exchangeable for Permanent Global Note or definitive Notes:
- Permanent Global Note
37. Principal amount of each Global Note if more than one to be issued for the Series:
- N/A
- Common Code:
- 7572336
- ISIN:
- XS0075723360
- Method of Distribution
- Non-syndicated
- Names of Dealer:
- Daiwa Europe Limited
- THE CHASE MANHATTAN BANK
(as Agent)