

Green Bond Fact Sheet

Kingdom of Belgium		Date: 05-Mar-2018	
Issue date: 05-Mar-2018 Maturity date: 22-Apr-2033 Tenor: 15.1			
Issuer Name	Kingdom of Belgium	Amount Issued	EUR4.5bn (USD5.5bn)
Country of risk	Belgium	CBI Database	Included
Issuer Type ¹	Sovereign	Bond Type	Green OLO
Green Bond Framework	Link to Framework	Second party opinion	Sustainalytics
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input checked="" type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input checked="" type="checkbox"/> Hydro <input type="checkbox"/> Tidal	<input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> Waste to energy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input checked="" type="checkbox"/> Energy storage <input checked="" type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input checked="" type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input checked="" type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input checked="" type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input checked="" type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input checked="" type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input checked="" type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting	Annual reporting on proceed allocation will be available on the Belgian Debt Agency's website .		
Company information			
Firsts, records and certifications	Second largest sovereign GB. Second largest GB after French EUR9.7bn green OAT.		
Proceeds description	<p>The proceeds will finance primarily clean transport (85%) with EUR2.2bn to be invested in domestic passenger trains for the benefit of SNCB and railway projects, according to the Belgian Debt Office.</p> <p>Eligible categories under the Green OLO Framework also include living resources and land use, renewable energy, circular economy and energy efficiency, as well as related federal state expenditures that can contribute to meeting Belgium's climate policy objectives. In its SPO, Sustainalytics recognises the importance of government incentives in driving emission reductions in the public and private sectors, especially through energy efficiency improvements, and expresses a positive view regarding such expenditures.</p>		
Climate Bonds view	We agree with Sustainalytics' view that it makes sense to fund supportive government incentives and would hope to see evidence of their impact on GHG reductions in future reporting. For energy efficiency renovations in buildings, we note that communicating threshold levels in the framework would contribute to its transparency and clarity, albeit this is not so crucial for now given the focus on transport so far.		
Underwriters	Barclays, BNP Paribas Fortis, Credit Agricole, ING and JPM		
Deal comments			
Credit Rating	Aa3 (Moody's) stable/ AA (S&P)/ AA-(Fitch) stable		
Pricing summary	<p>Books opened in the morning of Monday, February 26th and closed at 12.45pm Brussels time. Total bids stood at more than EUR12.7bn (including EUR950m of Joint Lead Managers interests) and EUR4.5bn was allocated. The EUR4.5bn size had been announced at the roadshow as the maximum possible issuance size, given the identified covered pool of Green Eligible Expenditures for the Belgian Federal State.</p> <p>Coupon: 1.250%</p> <p>Spread to benchmark: m/s-14bps</p> <p>Re-offer price / Re-offer yield: 99.466% / 1.289%</p>		
Investors summary	With more than 150 accounts participating, the orderbook met with high quality demand both from the SRI and conventional world acknowledging a successful combination of both the features of the OLO and the features of the Green market.		

- By Investor types, Fund Managers represented 33% of the transaction followed by Central Banks and Official Institutions (26%) and Pension Funds (16%)
- By geographical distribution, Eurozone represented the bulk of demand (53%), followed by Europe (non-Euro zone) –23% and Asia (12%)

¹ Issuer categories: ABS, development bank, financial corporate, government-backed, loan, local government, non-financial corporate, sovereign