

**Press release – Kingdom of Belgium**  
**EUR 4.5bn 1.250% 15-year Inaugural Green OLO transaction due 22<sup>nd</sup> April 2033**  
**(OLO86)**

**Date: 26<sup>th</sup> February 2018**

**Bond summary terms**

Issuer:	Kingdom of Belgium
Ratings:	Aa3 (Moody's) stable/ AA (S&P) stable/ AA- (Fitch) stable
Size:	EUR 4.5bn
Pricing date:	26 <sup>th</sup> February 2018
Settlement date:	5 <sup>th</sup> March 2018
Maturity date:	22 <sup>nd</sup> April 2033
Coupon:	1.250%
Spread to benchmark:	m/s-14 bps
Re-offer price/ Reoffer yield	99.466% / 1.289%
Listing:	Brussels Stock Exchange
Structurers:	BNP Paribas Fortis, Crédit Agricole CIB
Bookrunners:	Barclays, BNP Paribas Fortis, Crédit Agricole CIB, ING, J.P. Morgan
Co-Lead Managers:	Citigroup, KBC Bank, Morgan Stanley, Nomura International, SG CIB
Selling Group:	ABN-Amro, Belfius, Rabobank, Scotiabank

**Today, the Belgian Debt Agency has successfully launched its Inaugural Green OLO. This new EUR 4.5bn OLO will mature on April 22<sup>nd</sup>, 2033 and carries a coupon of 1.250%.**

On February 26<sup>th</sup> 2018, the Kingdom of Belgium launched an inaugural Green OLO. Being the second Euro-Zone Sovereign to target the Green Bond market, Belgium is joining the club and is paving the way for other sovereigns to enter this market. This remarkable trade will enhance the development of Belgian Green finance and the commitment of the Kingdom towards climate change mitigation and environmental protection.

The lead managers for this syndicated OLO were Barclays, BNP Paribas Fortis, Crédit Agricole CIB, ING and J.P. Morgan. BNP Paribas Fortis and Crédit Agricole CIB were in charge of structuring the Green OLO. This new benchmark will be quoted by all primary dealers on the regular trading platforms and will therefore benefit from the same liquidity as any OLOs.

**Characteristics:**

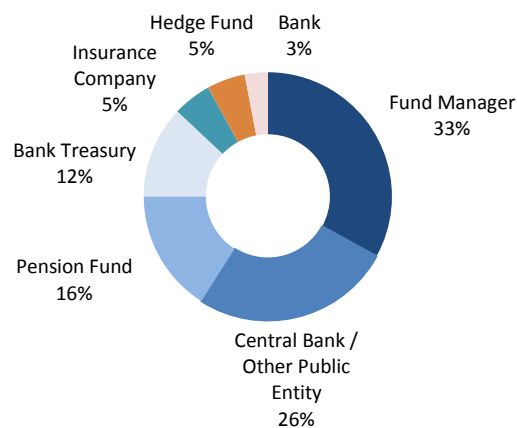
After having conducted a pan-European roadshow meeting with dedicated investors and NGOs, the Belgian Debt Agency announced on Friday, February 23<sup>rd</sup> its inaugural Green OLO. This new Benchmark will have the same characteristics as a standard OLO and is designed to respond to the highest standards of the Green Bond market.

Books opened in the morning of Monday, February 26<sup>th</sup> and closed at 12.45pm Brussels time. Total bids stood at more than EUR 12.7bn (including EUR 950M of Joint Lead Managers interests) and EUR 4.5bn was allocated. The EUR 4.5bn 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.

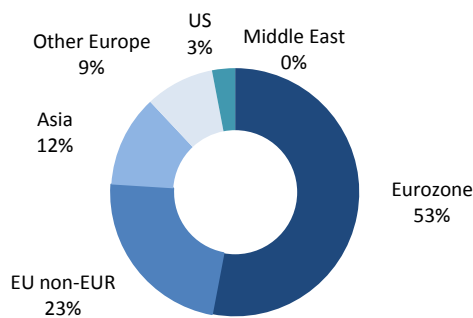
The transaction priced at m/s-14 bps for a re-offer yield of 1.289%. This represents a concession of just 1.5 bps compared to the mid-swap spread interpolated on the basis of OLOs 2031 and 2037 reflecting the quality of the book.

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%)



Please find below a list of investors who wished to disclose their participation in this inaugural transaction:

Achmea Investment Management  
 Actiam  
 Aegon NV  
 APG on behalf of its pension fund clients  
 a.s.r. vermogensbeheer  
 BNP AM  
 CANDRIAM Belgium

Crédit Agricole Assurances & Agrica  
Danske Capital  
Degroof Petercam Asset Management  
Dekabank  
Generali France  
KBC AM  
Kempen Capital Management NV  
NNIP  
Norddeutsche Landesbank  
PGGM on behalf of its clients  
PRO BTP  
Sampension  
Sparkasse Pforzheim  
Varma

**Additional Information:**

With the aim of actively contributing to climate change mitigation and environmental protection in Europe, the Belgian Debt Agency will be dedicating the proceeds of this green OLO to the transition to a sustainable economy. More precisely, five sectors will be alimented by the proceeds of this transaction: clean transportation (85%), living resources and land use (8%), renewable energy (3%), circular economy (2%) and energy efficiency (2%). The largest budget will be dedicated to mobility and transportation with a total amount of EUR 2.2bn to be invested in the domestic passenger transport by ordinary service trains for the benefit of SNCB and railway investment.

As an OLO, proceeds will be managed in compliance with the general budget rule and finance an equivalent amount of Eligible Green Expenditure. In practice, the proceeds of the Green OLO will be managed like those of a conventional OLO, but the allocations to Eligible Green Expenditure will be tracked and reported. For the five green sectors previously mentioned, investment expenditures, operating expenditures and tax expenditures are eligible. In this way, the Green OLO follows the Green Bond Principles and best market practices.

The Green OLO will perfectly fit the OLO curve; the BDA will tap the Green OLO after the initial issuance to maintain its liquidity, as it does for conventional benchmark OLOs. Consequently, the outstanding amount of the Green OLO will be increased by successive tap issues. The proceeds from tap issues will also be matched to Eligible Green Expenditure, as the cumulative amount of such expenditure rises over the coming years.

The Green OLO Framework obtained a “Second Party Opinion” by Sustainalytics, dated 6<sup>th</sup> February 2018. Sustainalytics is of the opinion that the Kingdom of Belgium’s Green OLO Framework is transparent and credible and aligns with the four pillars of the Green Bond Principles 2017. In addition, the Kingdom of Belgium is committed to provide two levels of reporting of the use of proceeds: on the one hand, the management and allocation of bond proceeds that will be reviewed by an independent audit firm and on the other hand, the assessment of environmental impact of Eligible Green Expenditures.