



26 Aug, 2015

NWB Bank launches 10-year EUR 1 billion Benchmark Green Bond

On Wednesday, 26th August 2015, the Nederlandse WaterschapsBank N.V. (NWB Bank), rated Aaa/AA+, launched a 10-year EUR 1 billion Green Bond transaction to support NWB Bank's lending to the Dutch water authorities. The transaction constitutes the second green bond outing from NWB Bank with proceeds earmarked to finance green projects from the Dutch Water Authorities and follows the issuer's successful inaugural 5-year EUR 500 million green bond benchmark transaction launched in June 2014.

Proceeds from the NWB Bank's Green Bonds will be credited at an internal earmarked account at NWB Bank dedicated for lending to the Dutch Water Authorities. The Dutch Water Authorities are governmental bodies, employing around 11,000 people, responsible for flood protection, water management and water quality. Climate change adaptation is an integrated part of their tasks. A large part of the future investments in flood control and in water management will be executed under the umbrella of the Dutch "Delta Plan" a plan set up by the Dutch government to make the Dutch flood protection and water management schemes fit for the expected climate change in the coming decennia. Both heavier rainfall patterns as well as longer periods of drought are taken into consideration.

Proceeds will be used to fund Green Bond Eligible Projects by the Water Authorities that target (a) *mitigation* of climate change, being waterway management, (b) *adaptation* to climate change, meaning investments in climate-resilient growth (flood protection, other flood defenses and pumping stations) or (c) *biodiversity* projects which are related to water related biodiversity projects rather than directly climate related (i.e. sanitation and dredging of waterbeds, water treatment, transport and cleaning of wastewater and disposal of sewage sludge).

The 10-year EUR 1 billion transaction was announced in the morning of Wednesday, August 26th with an initial guidance at midswaps plus 4 basis points area and aim to reach EUR Bond benchmark size. The transaction quickly attracted strong demand from predominantly European green bond investors and it was decided by the syndicate banks together with the issuer to adjust the level to midswap plus 3 basis points (+/- 1 basis point) with the possibility to a further improvement for the issuer in case the order book continued to develop strongly. The order book grew rapidly to an order size north of EUR 1 billion and it was decided to tighten the level to midswap plus 2 basis points which was accepted by most investors. The transaction priced at 15.30h in the afternoon at midswaps plus 2 basis points, and



was primarily allocated to dedicated green investors and committed mainstream accounts such as ACTIAM, APG, AP2, Mirova Asset Management, La Mondiale, Union Investment, KfW, SEB Asset Management, Nordea Asset Management and Syntrus Achmea Vermogensbeheer. The transaction was the largest SSA Green Bond issue done so far this year and the around 70 investor's participating was an unusually high number of investor's considering the longer maturity of the issue.

"We are happy with this highly successful deal in a rather volatile market. Initially we had focused on US dollar but in the current market issuing in euro was the better option. The green element definitely attributed to the success of this issue with almost half of the orderbook placed with investors with a green interest. This is the second year that we issue a 'Waterbond'. We intend to bring a deal in this format each year" says **Tom Meuwissen, Treasurer at NWB Bank**

The distribution by investor type and geography was as follows; 54% of the bonds were placed with asset managers and insurance companies, 28% with central banks and official institutions and 16% with banks. In terms of geography 26% was placed in Germany and Austria, 24% in the Benelux, 16% in Asia, 14% in France, 8% in other, 7% in Scandinavia and 5% in Switzerland.

"ACTIAM is very pleased to participate in this Green Bond of the Nederlandse Waterschapsbank. For us and our clients like Zwitserleven, it is important to expand our Green Bond portfolio. This way we underline our role as a responsible investor and help, together with the Nederlandse Waterschapsbank, to contribute to a better environment" says **Carl Haarnack, Portfolio Manager at ACTIAM N.V**

"In general I find Green Bonds to be very attractive way of financing which I want to support both now and in the future" says **Heike Schwarz, Portfolio Manager at Raiffeisen KAG**

"We very much welcomed the opportunity to invest in the new Green Bond for Nederlandse Waterschapsbank. Nederlandse Waterschapsbank include sustainable water management and biodiversity amongst their green projects and so this bond enables us to increase the range and impact of our green investments. We also invested in Nederlandse Waterschapsbank's five year Green Bond last year and we believe their new ten year Green Bond is a further positive contribution to the growing euro Green Bond market." says **Christopher Wigley, Senior Portfolio Manager at Mirova – Responsible Investing**

"With the successful issuance of their second green bond to date, the Nederlandse Waterschapsbank strengthens its commitment to the green bond market. The aim to reduce greenhouse gas emissions and protecting biodiversity is in line with our approach to green bond investing, where we select securities that meet our ESG criteria and risk-return requirement" says **Michiel de Bruin, Head of Global Rates & Money Markets at BMO Global Asset Management (EMEA)**



“A very strong statement from NWB Bank, who successfully raised EUR 1 billion from the market, and against a challenging backdrop. A finely placed second euro Green Bond, reinforcing the issuer’s profile in this space, and broadening its investor base by offering a differentiating product” says **Martin Mills, Head of Green DCM, EMEA at Bank of America Merrill Lynch**

“With this second Green Bond, NWB Bank has not only cemented its profile as a Green Bond but also once offered investors an opportunity to show their commitment to the sustainability efforts of both NWB Bank and the Water Boards. Investor’s commitment was clear as highlighted not only by the increased issue size but also the tighter final issue pricing. In line with their inaugural Green Bond, the success of this deal is another positive signal in the fight against climate change” says **Susan Barron, Managing Director SSAR Origination at Barclays**

“NWB Bank returned to the Green Bond market in style, successfully printing the largest new SSA Green Bond line this year, a result made even more notable given the surrounding market volatility. The very high quality and granular orderbook outlines the issuer’s strong and growing following in the SRI/Green Bond market since their inaugural EUR 500 million 5 year transaction in June 2014” says **Ulrik Ross, Global Head of Public Sector and Sustainable Financing at HSBC**

“There was a very strong demand in the issue despite market volatility reflecting the strong name of NWB and the importance of the area NWB Green Bond finance, namely the water quality and –quantity in the Netherlands. From our side it is important to see and learn from the Dutch in respect to management of water and we know that many of our investors feel the same” says **Christopher Flensburg, Head of Climate Financial Solutions at SEB**

Transaction Summary:

Issuer: Nederlandse Waterschapsbank (NWB BANK)

Format: RegS

Amount: EUR 1 billion

Settlement date: 3 September 2015

Maturity date: 3 September 2025

Issue price: 99.443%

Coupon: 1.000%

Issue yield: 1.059%

Spread: Midswap +2 bps and 34.3 bps over the benchmark DBR 1.000% 08/25

Denomination: EUR 100,000 / EUR 1,000

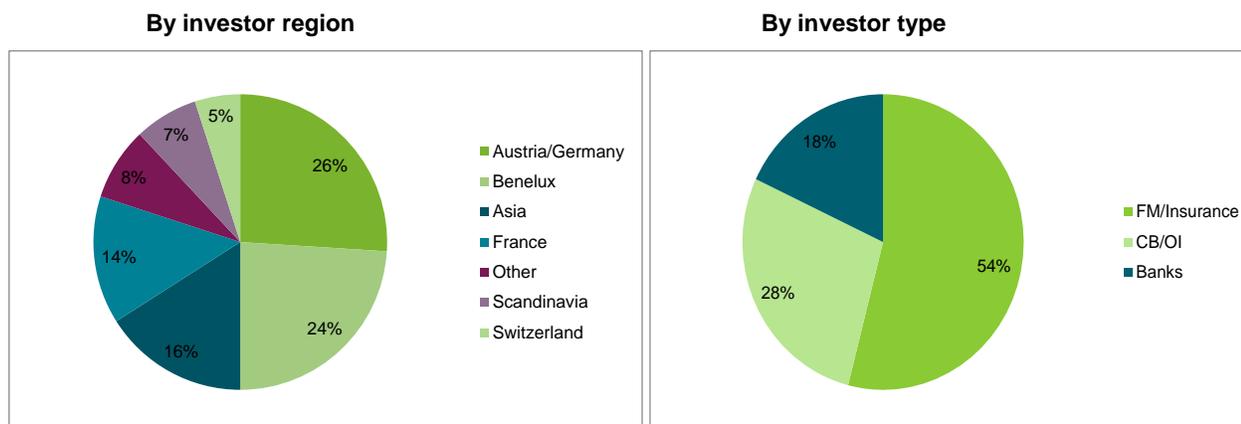
Listing: Luxembourg Stock Exchange

Joint-Lead Managers: BofA Merrill Lynch, Barclays, HSBC and SEB

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Distribution statistics



About NWB BANK

Nederlandse WaterschapsBank N.V. (NWB Bank) is the Dutch Bank of and for the public sector. NWB Bank arranges short-term and long-term loans for waterboards, municipal authorities, provinces, social housing, healthcare, educational institutions, Public-Private-Partnerships ("PPP") and activities in the field of water supply and the environment.

NWB Bank funds its activities on the international money and capital markets on the back of a very strong financial position and ratings from Moody's (Aaa) and Standard & Poor's (AA+). Since the Bank was founded in 1954, its shares have been held by public authorities.

The NWB Bank's objective is to provide the required funding subject to the most favourable terms and tailored specifically to the individual customer. Social relevance, high quality and a strong financial position and integrity are the cornerstones of the NWB Bank's policy.

Information for investors is available on the NWB Bank's website: <https://www.nwbbank.com/investor-relations-en.html>

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