



Kingdom of Belgium 10-year 2.250% OLO68 due 22 June 2023

Final Bond Terms

• Issuer	The Kingdom of Belgium
• Rating	Aa3 (Neg)/ AA (Neg)/ AA (Neg)
• Size	EUR 4bn
• Lead Managers	Barclays Citi Royal Bank of Scotland Société Générale
• Pricing Date	09 January 2013
• Settlement Date	16 January 2013
• Maturity Date	22 June 2023
• Coupon	2.250%
• Spread over m/s	+62bps
• Re-offer Price	99.009%
• Re-offer Yield	2.359%

Deal Background

- The Kingdom of Belgium, rated Aa3 / AA / AA, issued a new €4 billion OLO 10-year benchmark on the 9th January 2013, due 22 June 2023 bearing a coupon of 2.25%. This new OLO 68 is the first syndicated benchmark for Belgium in 2013 and is part of the €37 billion OLO issuance plan for 2013.
- Belgium decided to take advantage of the improved risk-on environment and the ongoing strong positive spread performances from Eurozone Government bonds in general and of Belgium in particular.
- The 10-year maturity was chosen, given its true benchmark nature, whilst fitting well with the transparent and predictable issuance policy carried out by BDA over the past years.
- This transaction is the first new syndicated Eurozone Government Benchmark in 2013 and also the first syndicated bond ever bearing Collective Action Clauses.
- This well received deal has allowed Belgium to achieve a record low 10-year Benchmark funding level of 2.359%, almost half of last year's 4.30% OLO 65 level at launch.

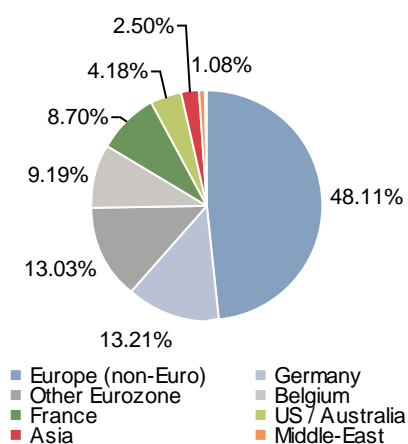
Pricing and Execution

- The mandate for a new 10-year OLO due June 2023 was announced at 11.15 am CET on Tuesday 8 January 2013. The market slightly adjusted to this news and Initial Pricing Thoughts of m/s + mid 60s were released early on Wednesday 9 January 2013 to allow closer conversations with investors.
- Following strong indications of interest and on the back of outperformance of the Belgium curve, the Belgian Debt Agency opened books at 10.50 am CET with lowered Initial Price Guidance of m/s + 63bps area.
- At 12.10 am CET, books had approached €4.5 billion (excluding primary dealer orders from lead managers) and the size was communicated to the market for the first time in the process with price guidance left unchanged.
- The large total book size - over €7 billion (including €1.45 billion of primary dealer orders from lead managers) - and the performance of the Belgium curve allowed for fixing the final spread slightly tighter at m/s + 62bps and a swift closing of the books at 14.15 pm CET.
- The €4 billion 10-year 2.250% benchmark finally priced at m/s + 62bps at 17.42 pm CET. This level represents a new issue premium of 4bps over Belgium's interpolated curve at the time of pricing.
- 180 investors participated in the transaction highlighting the depth and breadth of Belgium's investor reach.
- The forthcoming OLO auction, scheduled for 23 January 2013 has been cancelled.

Distribution

- Granular distribution in the Eurozone with excellent distribution in Germany, even outperforming the market shares of Belgium and the traditional second home market France.
- Real money accounts, including interest from small customer banks - essentially from Germany - accounted for more than 70%. As usual in 10-year transactions, Fund managers represented the most important investor category.
- The issuer was pleased with the renewed interest from outside Europe (8%), especially given the remarkable performance of the credit in the last year.

Distribution by Region



Distribution by Type

