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## Kingdom of Belgium | Belgian Debt Agency

### EUR 5bn 0.65% new 50-year OLO 93 due 22 June 2071

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#### DEAL SUMMARY – 2<sup>nd</sup> February 2021

The Kingdom of Belgium, rated Aa3/AA/AA- (stable/stable/negative) by Moody's, S&P and Fitch, launched today, via the Belgian Debt Agency ("BDA"), its second OLO 50-year syndicated benchmark transaction since 2016. The new EUR 5 billion OLO 93 due 22 June 2071 pays an annual coupon of 0.65% and was priced at a spread of OLO80 (due Jun-66) +7bps implying a reoffer yield of 0.690% and a re-offer price of 98.304%. Joint bookrunners were BNP Paribas Fortis, Crédit Agricole CIB, J.P. Morgan, Morgan Stanley, NatWest Markets and Nomura. The other primary dealers in Belgian government securities participated in the syndicate as co-leads.

#### Background

- The Belgian Debt Agency expects its 2021 gross borrowing requirements to amount to EUR 43.61 billion, less than the EUR 51.46 billion for 2020. EUR 36.41 billion is expected to be raised in OLOs (Obligations Linéaires), down from EUR 44.50 billion in 2020.

#### Execution highlights

- The mandate for the new 50-year benchmark was announced at 11:30am CET on Monday 1<sup>st</sup> February with the objective to execute the transaction on Tuesday 2<sup>nd</sup> February.
- With significant Indications of Interest following the announcement, price guidance was released at 8:50am CET on Tuesday 2<sup>nd</sup> February with an indication over the outstanding 2066 benchmark, at OLO80 +9bps area.
- The investor response was strong from the outset with the orderbook in excess of EUR 41 billion (including EUR 4.75 billion of JLM interest) within the first two hours of bookbuilding. The spread was fixed at OLO80 +7bps at 10:40pm CET.
- The orderbook closed at 11:30 am CET with total orders in excess of EUR 53 billion (including EUR 4.75 billion of JLM interest) from over 280 investors, which represents the largest orderbook for a long end (10-year+) OLO syndicated offering. The quality of the orderbook enabled the Belgium Debt Agency to set the new issue size at EUR 5 billion.
- The final pricing at OLO80 +7bps represents a limited new issue concession of 2 bps to the fair value of the Belgian curve.
- The new June 2071 OLO priced at 4.20pm CET at OLO80 +7bps giving a reoffer yield of 0.690%, a coupon rate of 0.65% and an issue price of 98.304%.



BNP PARIBAS



CRÉDIT AGRICOLE  
CORPORATE & INVESTMENT BANK

J.P.Morgan

Morgan Stanley



NatWest

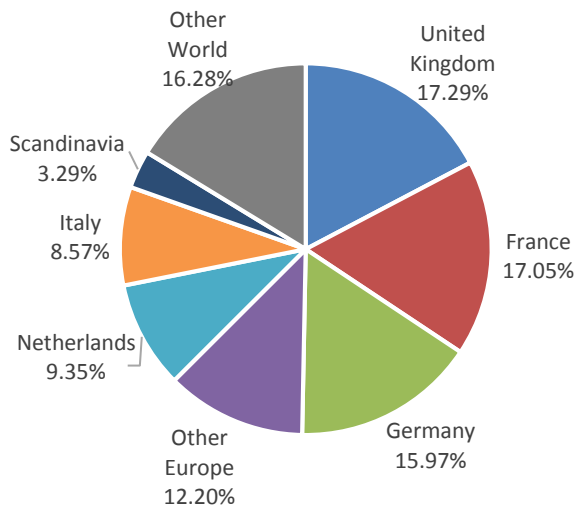
NOMURA



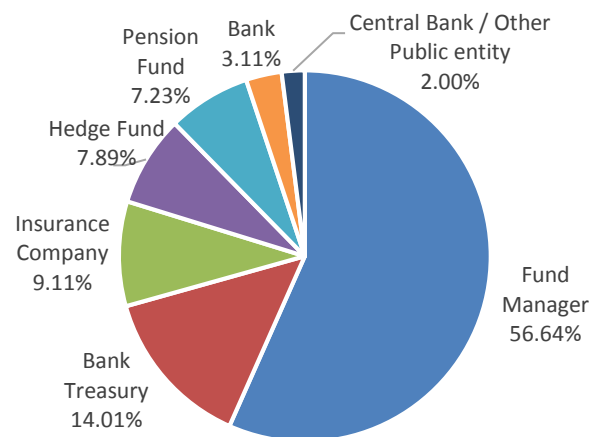
### Summary of distribution

- The geographical distribution was diverse with UK accounts taking 17.29% of the allocation followed by France (17.05%), Germany (15.97%), the Netherlands (9.35%), Italy (8.57%) and Scandinavia (3.29%). Other European accounts were allocated 12.20% and accounts from the rest of the world received 16.28% of the transaction.
- By investor type, Fund Managers and Bank Treasuries were allocated 56.64% and 14.01% respectively. Insurance Companies followed with 9.11%, Hedge Funds with 7.89%, Pension Funds with 7.23%, Banks with 3.11% and Central Banks and Other Public Entities with 2.00%.

Distribution by region



Distribution by type



### Summary of terms and conditions

Issuer:	Kingdom of Belgium
Ratings:	Aa3/AA/AA- (Moody's/S&P/Fitch - stable/stable/negative)
Format:	Belgium Government Bond (in dematerialised book entry form) Reg S Cat 1, 144A Eligible, CAC
Size:	EUR 5 billion
Maturity:	22-June-2071
Settlement:	9-February-2021 (T+5)
Coupon:	0.65% Annual ACT/ACT, short first on 22-Jun-2021
Final Spread:	OLO80 (Jun-2066) +7bps
Reoffer	Price 98.304% / Yield 0.690%
Listing/ Law:	Brussels, Belgian Law
Denominations:	EUR 0.01/ EUR 0.01
Target Market:	Retail / Professional / Eligible Counterparties (all distribution channels)
ISIN:	BE0000353624
Bookrunners:	BNP Paribas Fortis, Crédit Agricole CIB, J.P. Morgan, Morgan Stanley, NatWest Markets and Nomura

