



Kingdom of Belgium | Belgian Debt Agency

EUR 5bn 0.350% new 10-year benchmark due 22 June 2032

Deal Summary – 18th January 2022

The Kingdom of Belgium, rated Aa3/AA/AA- (all stable) by Moody's, S&P and Fitch, launched today, via the Belgian Debt Agency ("BDA"), its first OLO syndicated benchmark transaction for the year. The new EUR 5 billion OLO 94 due 22 June 2032 pays an annual coupon of 0.350% and was priced at a spread of mid-swaps -6bps giving a reoffer yield of 0.363% and a re-offer price of 99.868%. Joint bookrunners were BNP Paribas Fortis, Citi, J.P. Morgan, Natixis and Nomura. All remaining primary dealers in the Belgian government securities were invited into the syndicate as co-leads.

Background

- The Belgian Debt Agency expects that the 2022 gross borrowing requirements of the federal government will amount to EUR 48.28 billion. Driven by EUR 12 billion higher debt redemptions, this represents an increase of EUR 5.08 billion compared to the 2021 borrowing requirements. The funding plan includes an expected issuance of EUR 41.2 billion of OLOs, up from EUR 39.2 billion last year.
- In December 2021, the Belgian Debt Agency communicated the intention to issue a 10-year benchmark OLO syndication as well as a new 30-year OLO and a New Green OLO.
- The transaction represents the first syndication priced by the Kingdom of Belgium in 2022.

Execution highlights

- The mandate for the new 10-year benchmark was announced at 12.15pm CET on Monday 17th January with the objective to price the transaction on Tuesday 18th January.
- With positive feedback from investors overnight, price guidance was released at 9am CET on Tuesday 18th January at mid-swaps -5bps area. At the same time books were officially opened.
- Account participation was strong from the outset with the orderbook in excess of EUR 17 billion (including EUR 1.9 billion of JLM interest) within the first two hours of bookbuilding, allowing the spread to be revised down and fixed at mid-swaps -6bps by 10.40am CET.
- The orderbook closed at 11:45am CET with total orders in excess of EUR 21 billion (including EUR 1.9 billion of JLM interest) from over 155 investors. The quality of the orderbook led by strong interest from Bank Treasuries and Fund Managers encouraged the Belgium Debt Agency to set the new issue size at EUR 5 billion.
- Fair value was seen at mid-swaps -7/8bps, based on the extrapolation and interpolation of surrounding recent OLOs. The final pricing at mid-swaps -6bps represents a limited new issue concession of 1/2 bps to that fair value.
- The new June 2032 OLO priced at 3.14pm CET at mid-swaps -6bps giving a reoffer yield for investors of 0.363%, a coupon rate of 0.350% and an issue price of 99.868%.



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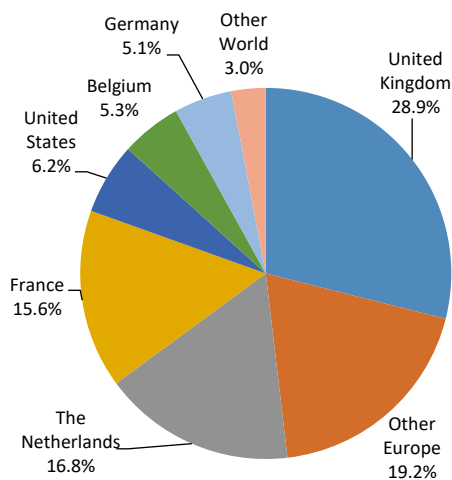




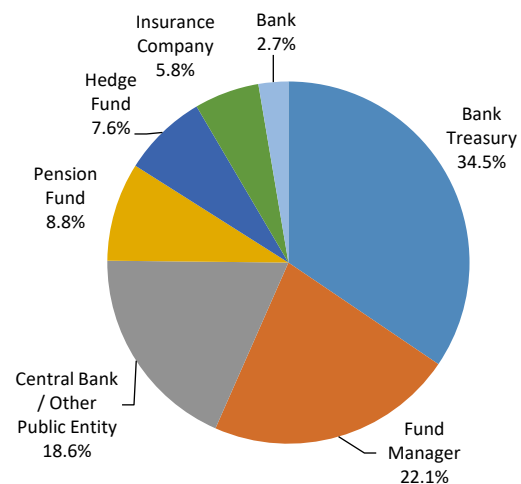
Summary of distribution

- Geographic distribution was granular with over 155 accounts involved in the transaction. Participation was balanced within Europe with the United Kingdom taking the largest share of the allocation (28.9%) followed by The Netherlands (16.8%), France (15.6%), Belgium (5.3%) and Germany (5.1%). Investors from 10 other European countries participated for a total of 19.2%. The United States and other non-European regions took 6.2% and 3.0% respectively.
- In terms of investor type, Bank Treasuries and Fund Managers were allocated 34.5% and 22.1% of the transaction followed closely by Central Banks and Public Entities at 18.6%. Pension Funds (8.8%) and Insurers (5.8%) were also conspicuously represented.

Distribution by region



Distribution by type



Summary of terms and conditions

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|---------------|---|
| Issuer | The Kingdom of Belgium |
| Ratings | Aa3 by Moody's (stable) / AA by S&P (stable) / AA- by Fitch (stable) |
| Format | Belgium Government Bond (in dematerialised book entry form) Reg S Cat 1, 144A Eligible, CAC |
| Size | EUR 5 billion |
| Maturity | 22 June 2032 |
| Settlement | 25 January 2022 (T+5) |
| Coupon | 0.350% Annual ACT/ACT |
| Final Spread | MS -6bps |
| Reoffer | Price 99.868% / Yield 0.363% |
| Listing/Law | Brussels, Belgian Law |
| Denominations | EUR 0.01 / EUR 0.01 |
| Target Market | Retail / Professional / Eligible Counterparties (all distribution channels) |
| ISIN | BE0000354630 |
| Bookrunners | BNP Paribas Fortis, Citi, J.P. Morgan, Natixis and Nomura |



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