



Kingdom of Belgium | Belgian Debt Agency

EUR 7bn 2.7% new 5-year benchmark due 22 October 2029

Deal Summary – April 2024

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 third and last OLO syndicated benchmark transaction for the year. The new EUR 7 billion OLO 102 due 22 October 2029 pays an annual coupon of 2.7% and was priced at a spread of 1bp below the Mid-Swap Rate giving a reoffer yield of 2.711% and a re-offer price of 99.953%. Joint bookrunners were BNP Paribas Fortis, Crédit Agricole CIB, J.P. Morgan, NatWest Markets and Société Générale. All remaining primary dealers in Belgian government securities were invited into the syndicate as co-leads.

It was the first time since 2013 that the Kingdom of Belgium issued a new 5-year benchmark OLO. The October 2029 maturity fits perfectly within its maturity profile and it represents the lowest point on the Belgian yield curve. A new on-the-run 5-year bond provides the Kingdom optimal access to this attractive part of the curve.

Background

- The Belgian Debt Agency expects that the 2024 gross borrowing requirements of the federal government will amount to EUR 52.92 billion. This represents an increase of EUR 5.62 billion compared to the 2023 borrowing requirements. The funding plan includes an expected issuance of EUR 41 billion of OLOs, a decrease of 3.82 billion compared to last year. It expected to launch three new OLO fixed-rate benchmarks.
- The Belgian Debt Agency has now completed the launch of all three anticipated OLO fixed-rate benchmarks for 2024, as communicated in December 2023. This follows the new EUR 7 billion 10-year benchmark OLO launched in January and a EUR 5 billion 30-year benchmark OLO launched in February, both via syndication.
- With today's transaction, the Belgian Debt Agency has raised 60.45% of the planned 2024 OLO issuance.

Execution highlights

- The mandate for the new 5-year benchmark was announced at 12:00h CET on Monday 8th April with the intent to execute the transaction on Tuesday 9th April.
- With constructive feedback from investors overnight, books were opened shortly before 09:00h CET on Tuesday 9th April with simultaneous release of pricing guidance of MS+1bp area.
- Books grew steadily within the next hour on the back of strong demand and stood in excess of EUR35bn (incl. €1.9bn JLM interest) by 10:11h CET allowing the Debt Agency to tighten pricing by 2bps and set the spread at MS-1bp.
- Demand showed no sign of abating, and the deal attracted more investors by the time books closed at 11:30h CET, with final orders in excess of EUR 46bn (incl. €1.9bn JLM interest). The excellent quality of the book encouraged Belgium to set the deal size at EUR7bn.
- The new October 2029 OLO was priced at 14:52h CET at MS-1bp. With a coupon rate of 2.700% and a reoffer price of 99.953%, it provides investors a reoffer yield of 2.711%.
- The fair value for the benchmark was seen at MS-3.5bps resulting a final new issue concession of only 2.5bps.

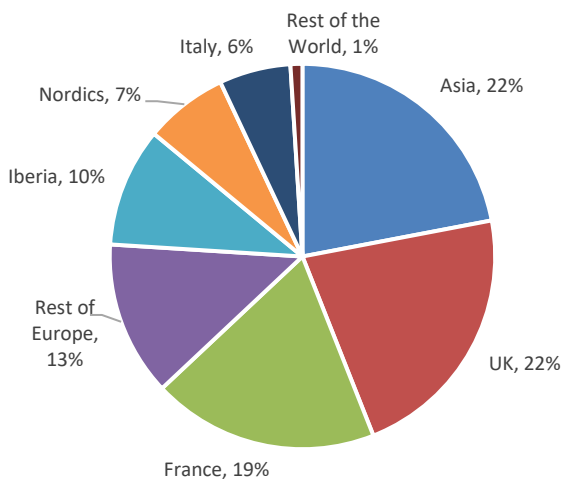




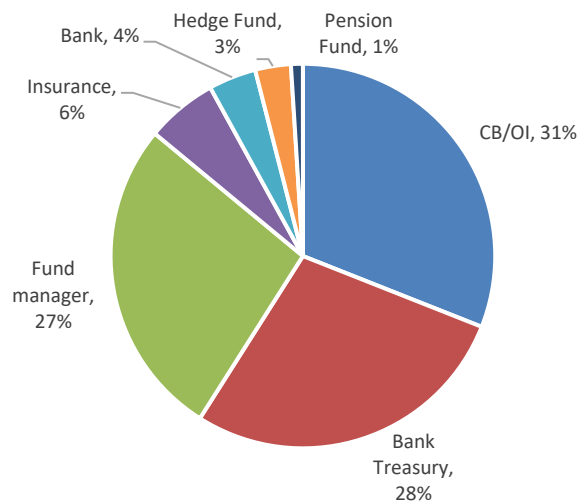
Summary of distribution

- Geographic distribution was granular with just under 200 accounts involved in the transaction. Participation was well balanced with Asia and the United Kingdom equally taking the largest share of the allocations (22% each) followed by France (19%), Iberia (10%), Nordics (7%) and Italy (6%). Investors from other European countries were allocated 13%, and 1% was allocated to Rest of the world.
- In terms of investor type, Central Banks and Official Institutions were allocated 31% of the transaction, followed closely by Bank Treasuries (28%) and Fund Managers (27%). Insurers and Banks accounted respectively for 6% and 4% of the allocations. Finally Hedge Funds were allocated 3% of the transaction and Pension Funds 1%.

Distribution by region



Distribution by type





Summary of terms and conditions

Issuer	The Kingdom of Belgium
Ratings	Aa3 by Moody's (stable) / AA by S&P (stable) / AA- by Fitch (negative)
Format	Belgium Government Bond (in dematerialised book entry form) Reg S Cat 1, 144A Eligible, CAC
Size	EUR 7 billion
Maturity	22 October 2029
Settlement	16 April 2024 (T+5)
Coupon	2.700% Annual ACT/ACT
Benchmark	Midswaps
Final Spread	-1bps
Reoffer	Price 99.953% / Yield 2.711%
Listing/Law	Brussels, Belgian Law
Denominations	EUR 0.01 / EUR 0.01
Target Market	Retail / Professional / Eligible Counterparties (all distribution channels)
ISIN	BE0000362716
Bookrunners	BNP Paribas Fortis, Crédit Agricole CIB, J.P. Morgan, NatWest Markets and Société Générale

