



Thursday 11 September 2014

## Kingdom of Belgium 10 year Reg S US Dollar Benchmark

### Bond Terms

Issuer:	The Kingdom of Belgium
Issuer Rating:	Aa3 (Moody's), AA (S&P), AA (Fitch), all stable
Amount:	USD 1.0 billion
Format:	RegS Eurobond / EMTN Programme
Pricing Date:	11 September 2014
Settlement Date:	18 September 2014 (T+5)
Coupon:	2.875% (annually)
Maturity Date:	18 September 2024
Re-Offer Price:	99.779%
Re-Offer Yield:	2.901% (annually)
Listing:	Luxembourg Stock Exchange
Joint-Lead Managers:	BNP Paribas Fortis, Deutsche Bank, Nomura

- The Kingdom of Belgium (rated Aa3/AA/AA, all stable) today launched its first USD Benchmark of 2014, through a syndication, lead managed by BNP Paribas Fortis, Deutsche Bank, and Nomura. This transaction is also its first-ever 10 year tenor in public-format US dollars issue.
- This new USD 1 billion benchmark was issued in EMTN format, matures on 18 September 2024 and pays a coupon of 2.875 %. It was priced at a spread over mid-swap +22 basis points (equivalent to +35.5 bps over the 2.375% US Treasury bond due 15 August 2024), to yield 2.901%.
- With this transaction the Belgian Debt Agency (BDA) completed 80% of its 2014 financing plan, which amounts to EUR 33 billion, divided between issuance of 30 billion in OLOs and 3 billion issuance under the EMTN programme.
- Two key goals of the BDA's EMTN funding strategy were achieved with this new USD benchmark: investor diversification, and cost-effectiveness compared to OLO (in EUR) issuance.

### Transaction Execution

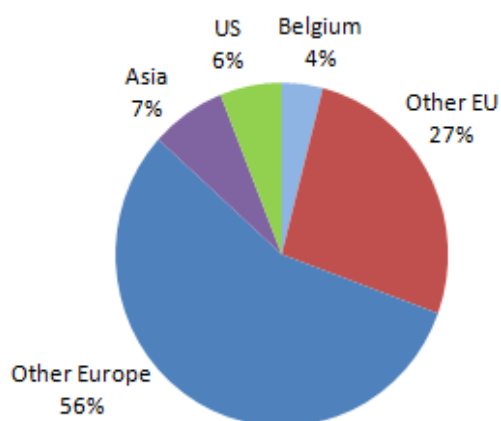
- USD market tone continued to be favourable, with rising rates, and 10 year issuance remained relatively scarce, and so The Kingdom of Belgium decided to meet the demand for a rare sovereign benchmark at this tenor.
- Accordingly, the mandate was announced and simultaneously the book opened, with spread guidance of US Mid-Swap +23.0 bp area, just after 10:00am CET on Thursday 11 September, aiming for intra-day execution.
- Orders build steadily throughout the Asian afternoon and European morning sessions, and reached 1.3 billion (including 325 million of Joint-Lead Manager interest) for the first update, at 13:30 CET, corresponding with the Americas morning opening.
- As books approached 1.5 billion, and with most of the orders at re-offer, the spread was tightened and set to a final Mid-Swap +22.0 bp at 15:35 CET, with books announced for closing at 16:00 CET.
- Final pricing for the 1.0bn issue was at 6 pm CET, with the Mid-Swap +22.0 bps equating to 35.5 over the US Treasury due August 2024.

- Belgium's new USD benchmark is only the sixth Supranational, Sovereign, and Agency (SSA) transaction in the 10 year USD Market year to date. It is The Kingdom of Belgium's first 10 year transaction and only the second Eurozone-sovereign transaction in 10-year USD since 2007.

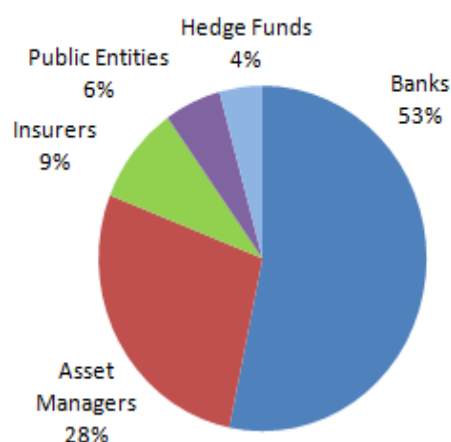
## Investor Distribution

- Over 50 investors participated in this oversubscribed transaction.
- European demand was especially strong, accounting for 86.5% of the allocations
- Placement by investor type was diverse, with the largest share of interest from Asset managers (28%) and banks, including ALM/Treasury interest (53%). The latter were definitely the main drivers of this tightly-priced transaction.

**Geographical Distribution**



**Investor Distribution**



## Contacts

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