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## Kingdom of Belgium | Belgian Debt Agency

### EUR 6bn 0.1% new 10-year OLO89 due June 2030

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#### DEAL SUMMARY – 15<sup>th</sup> January 2020

The Kingdom of Belgium, rated Aa3/AA/AA- (all stable outlook) by Moody's, S&P and Fitch, launched today, via the Belgian Debt Agency, its first syndicated OLO benchmark in 2020.

The new EUR 6 billion OLO89 due June 2030 pays an annual coupon of 0.1% and was priced at a spread of mid-swaps -7 bps implying a reoffer yield of 0.113%.

Joint Lead Managers were BNP Paribas Fortis, Crédit Agricole CIB, J.P. Morgan, KBC and NatWest Markets.

#### Background

- The Belgian Debt Agency expects its 2020 gross borrowing requirements to amount to EUR 31.46 billion, less than the EUR 35.67 billion for 2019.
- Similarly to last year, two new fixed-rate OLO benchmarks are expected in 2020. The transaction priced today is the first syndicated OLO benchmark for 2020. Following today's transaction, 19% of the 2020 gross borrowing requirements have already been raised.

#### Execution highlights

- The mandate for this new 10-year benchmark was announced on Tuesday 14<sup>th</sup> January at 13:00 CET with the objective to execute the transaction on Wednesday 15<sup>th</sup> January. Immediate response to the mandate was very encouraging with positive indications of interest before the announcement of any price guidance and limited impact on outstanding OLO bonds post announcement.
- As the transaction received significant indications of interest overnight, books officially opened on Wednesday 15<sup>th</sup> January at 08:50 CET with price guidance defined at mid-swaps -5 bps area. With orders gathered in excess of EUR 23 billion (incl. 2.755bn from JLMs) by 10:15 CET, decision was taken to revise spread guidance at mid-swaps -6 bps area. The orderbook continued to grow steadily up to EUR 28.5 billion (incl. 2.755bn from JLMs) allowing the Kingdom to set the spread at mid-swaps -7 bps on the back of a strong quality orderbook around 11:30 CET. The orderbook officially closed shortly thereafter at 12:00 CET.
- More than 175 investors took part to the transaction with a total amount requested in excess of EUR 27.5 billion (incl. 2.755bn from JLMs) at the final spread. It was made of high quality real money investors enabling to launch a EUR 6 billion benchmark at 14:00 CET.
- Allocations were released to the market at 15:35 CET and the transaction priced at 16:40 CET at mid-swaps -7 bps implying a reoffer yield for investors of 0.113% and a coupon rate of 0.1%. The 0.1% coupon is the lowest ever on a fixed rate OLO.
- At the time of pricing, fair value was calculated at mid-swaps -9 bps based on the interpolation of the OLO 0.9% Jun-29 and the OLO 1% Jun-31. The pricing at mid-swaps -7 bps represents a limited new issue concession of 2 bps, matching the lowest ever reached by the BDA on the 10-year segment.

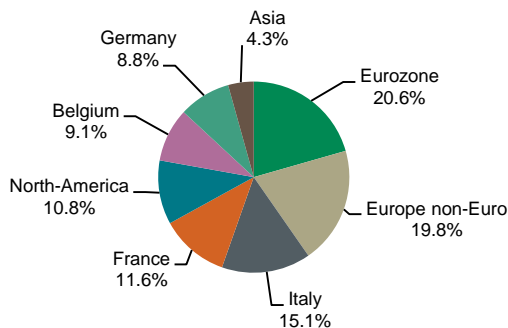


- The low levels at which the Belgian Debt Agency has been able to raise these funds re-affirms the breadth and quality of Belgium’s investor franchise and gives a strong message to the market as the result achieved is another clear vote of confidence for the country going forward.

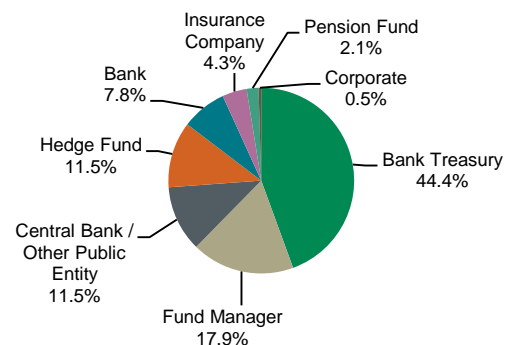
### Summary of distribution

- The new transaction confirmed the heightened demand within the international investor community with more than 90% of the total allocation to customers outside of Belgium. Overall, Eurozone customers were particularly active and represented more than 65% of the allocations. Within this, Italy received 15.1% of allocations, followed by France (11.6%), Belgium (9.1%) and Germany (8.8%). Other Eurozone countries were allocated 20.6% and European countries outside of the Eurozone got 19.8%. Outside of Europe, North America represented 10.8% of the allocations and Asia 4.3%.
- In terms of investor type, Real Money accounts were strongly present in the transaction. Bank Treasuries were clearly dominant with 44.4%, followed by Fund Managers (17.9%), Central Banks & Other Public Entities (11.5%) and Insurance Companies (4.3%). Hedge Funds and Banks were allocated 11.5% and 7.8% respectively.

*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/stable)
Pricing date	15 <sup>th</sup> January 2020
Settlement date	22 <sup>nd</sup> January 2020 (T+5)
Maturity date	22 <sup>nd</sup> June 2030
Size	EUR 6,000,000,000
Coupon	0.1% Annual ACT/ACT(ICMA) with short first coupon on 22 <sup>nd</sup> June 2020
Re-offer spread	MS -7 bps
Re-offer price	99.865%
Re-offer yield	0.113%
Listing / Law	Brussels / Belgian law
ISIN	BE0000349580
Joint Lead Managers	BNP Paribas Fortis, Crédit Agricole CIB, J.P. Morgan, KBC and NatWest Markets



**BNP PARIBAS  
FORTIS**



**CRÉDIT AGRICOLE**  
CORPORATE & INVESTMENT BANK

**J.P.Morgan**



**NatWest Markets**