



Kingdom of Belgium | Belgian Debt Agency

EUR 4bn 3.45% new 20-year OLO 99 due 22 June 2043

DEAL SUMMARY – 16th May 2023

The Kingdom of Belgium, rated Aa3/AA/AA- (outlook 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 in 2023. The new EUR 4 billion OLO 99, due 22 June 2043, carries an annual coupon of 3.45% and was priced at a spread of 54bps over mid-swaps, implying a reoffer yield of 3.451% and a re-offer price of 99.99%. The joint bookrunners were BNP Paribas Fortis, Citi, Crédit Agricole, Nomura and Société Générale. The other primary dealers in Belgian government securities participated into the syndicate as co-lead managers.

Background

- The Belgian Debt Agency expects its 2023 gross borrowing requirements to amount to EUR 47.25 billion. EUR 45 billion is expected to be raised in OLOs.
- This is the third and last syndicated OLO benchmark planned by the Kingdom of Belgium this year, following a 10yr benchmark launched in January and a 30yr benchmark launched in February.
- Including today's transaction, the Belgian Debt Agency has raised already 57.8% of its planned OLO funding for 2023.

Execution highlights

- The mandate for the new 20-year benchmark was announced at 12.15pm CET on Monday 15th May 2023 with the objective to execute the transaction on Tuesday 16th May.
- Price guidance was released at 9.00am CET on Tuesday 16th May at mid-swaps +55bps area.
- The orderbook reached a demand in excess of EUR 16.4 billion (including EUR 1.5 billion of JLM interest) within the first two hours of bookbuilding. The spread was fixed at mid-swaps +54bps at 11.00am CET.
- The orderbook closed at 11:45 am CET with total orders in excess of EUR 19.3 billion (including EUR 1.625 billion of JLM interest) from over 140 investors.
- Using several measures and comparisons, the fair value for a new June 2043 benchmark was seen at mid-swaps +50bps. The final pricing of mid-swaps+54bps represents a new issue concession of 4bps to that fair value.
- The new June 2043 OLO priced at 3.03pm CET at mid-swaps +54bps giving a reoffer yield for investors of 3.451%, a coupon rate of 3.45% and an issue price of 99.99%. This represents a spread of 91.1bps over DBR 3.25 Jul-42.



BNP PARIBAS



 CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

NOMURA

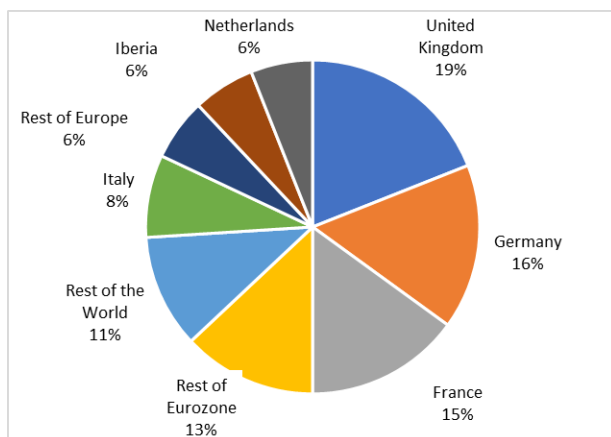
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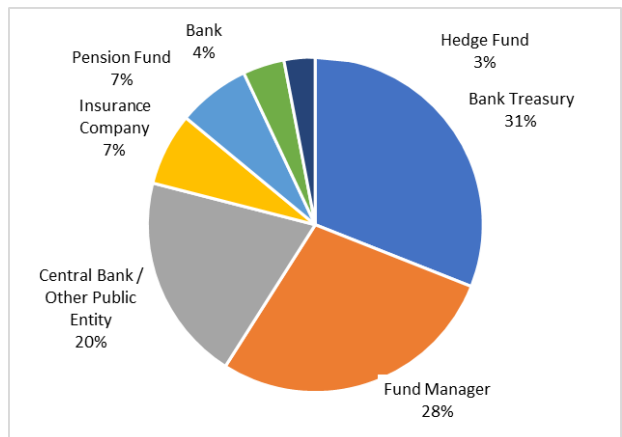
Summary of distribution

- The geographical distribution was diverse with UK accounts taking 19% of the transaction, followed by Germany (16%) and France (15%). Italy took 8%, the Netherlands and Iberia took both 6%. Other Eurozone countries together took 13% of the deal size, European investors outside the Eurozone represented 6% of the transaction. 11% was purchased by non-European investors.
- The lion's share of the deal was placed to Bank Treasuries (31%), closely followed by Fund Managers who took 28%. Central Banks and Official Institutions accounted for 20% of the deal size. Insurance Companies and Pension Funds both took up 7% of the transaction, the remainder was placed with banks (4%) and Hedge Funds (3%).

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 4 billion
Maturity:	22-June-2043
Settlement:	24-May-2023 (T+6)
Coupon:	3.45% Annual ACT/ACT, short first on 22-June-2023
Final Spread:	MS+54bps
Reoffer	Price 99.990% / Yield 3.451% / 91.1 over DBR 3.25 Jul-42 (spot 110.643%)
Listing/ Law:	Brussels, Belgian Law
Denominations:	EUR 0.01/ EUR 0.01
Target Market:	Retail / Professional / Eligible Counterparties (all distribution channels)
ISIN:	BE0000359688
Bookrunners:	BNP Paribas Fortis, Citi, Credit Agricole (B&D, DM), Nomura, Société Générale



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