



Kingdom of Belgium | Belgian Debt Agency

EUR 5bn 3.450% new benchmark due 22 June 2042

Deal Summary – March 2025

The Kingdom of Belgium, rated Aa3/AA/AA- (negative/stable/negative) by Moody's, S&P and Fitch, launched today, via the Belgian Debt Agency ("BDA"), its second OLO syndicated benchmark transaction for the year. The new EUR 5 billion OLO 104 due 22 June 2042 pays an annual coupon of 3.450% and was priced at a spread of 8bps over the OLO 90 maturing 22 June 2040 giving a reoffer yield of 3.497% and a re-offer price of 99.410%. Joint bookrunners were BNP Paribas Fortis, Crédit Agricole CIB, Deutsche Bank, HSBC and Morgan Stanley. All remaining primary dealers in Belgian government securities were invited into the syndicate as co-leads.

Background

- The Belgian Debt Agency expects its 2025 gross borrowing requirements to amount to EUR 44.65 billion which represents a decrease of EUR 6.23 billion compared to the 2024 borrowing requirements. This will be financed by issuing EUR 42 billion of OLOs, marginally less than the EUR 43.19 billion issued via OLOs in 2024.
- The Belgian Debt Agency has now completed two of the three anticipated OLO fixed-rate benchmarks for 2025, as communicated in December 2024. This follows the new EUR 7 billion 10-year benchmark OLO launched in January via syndication. The third new benchmark bond is expected to be a five year OLO.
- With today's transaction, the Belgian Debt Agency has already raised 39% of the planned 2025 OLO issuance.

Execution highlights

- The mandate for the new June 2042 benchmark was announced at 12:00h CET on Monday 3rd March with the intent to execute the transaction on Tuesday 4th March.
- With constructive feedback from investors overnight, books were opened at 08:52h CET on Tuesday 4th March with simultaneous release of pricing guidance of 10bps area over the OLO maturing 22nd June 2040 (OLO 90).
- The transaction saw strong participation from the outset, with the orderbook growing in excess of EUR 35 billion within the first two hours of bookbuilding.
- With the orderbook supported by high quality accounts and real depth of demand, the BDA revised down the spread by 2bps in one swift move and fixed at 8bps over OLO 90 at 10:35h CET.
- The orderbook closed shortly after 12:00h CET with total orders in excess of EUR 37 billion (excl. JLM interest), which encouraged the Debt Agency to set the new issue size at EUR 5 billion. The 37bn in orders is the highest number for an OLO syndication in the 15-20 years maturity range.
- Using several measures and extrapolating Belgium's own curve for the additional year, the fair value for the new June 2042 benchmark was seen at OLO 90 +6.5bps. The final pricing at 8bps over the OLO 90 represents a limited new issue concession of 1.5bps to that fair value.



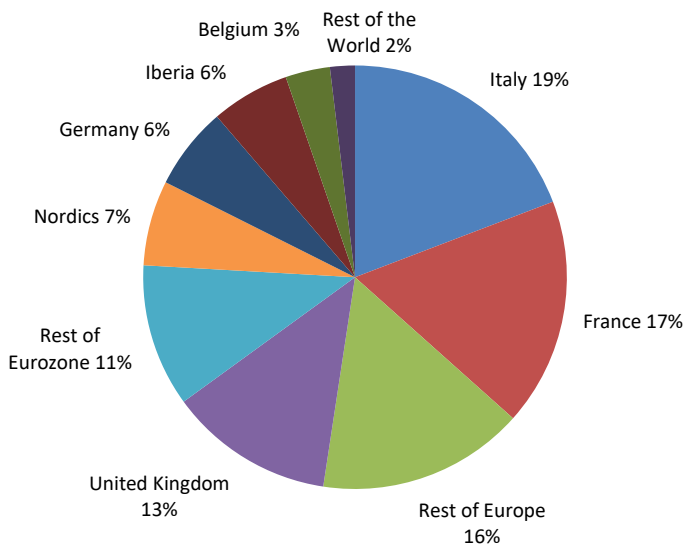


- The new June 2042 OLO was priced at 15:00h CET at OLO 90 + 8bps. With a coupon rate of 3.450% and a reoffer price of 99.410%, it provides the investors a reoffer yield of 3.497%.

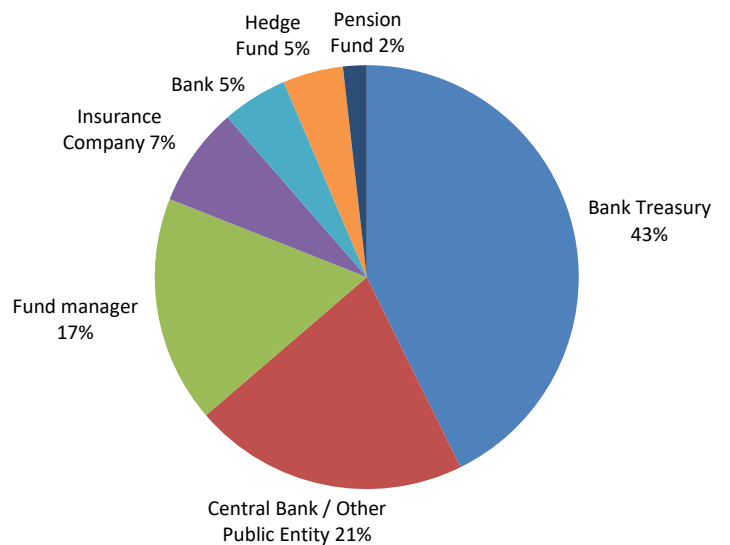
Summary of distribution

- The transaction saw participation of a multitude of investor with over 175 accounts involved in the transaction. Participation was well diversified within Europe, with Italy taking a 19% of the allocation, closely followed by France (17%), the United Kingdom (13%), the Nordics (7%), Germany (6%), Iberia (6%) and Belgium (3%). Investors from other countries of the Eurozone were allocated 11%, while other European accounts outside of the EU took further 16%. The remaining 2% were allocated to accounts out of other parts of the world.
- In terms of investor type, Bank Treasuries took the lion's share with 43% of total deal size. They were followed by Central Banks / Other Public Entity (21%), Fund Managers at 17% and Insurance companies at 7%, respectively. Banks took 5% of the allocations, whilst Hedge Funds and Pension Funds took the residual at 5% and 2% each.

Distribution by region



Distribution by type





Summary of terms and conditions

Issuer	The Kingdom of Belgium
Ratings	Aa3 by Moody's (negative) / 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 5 billion
Maturity	22 June 2042
Settlement	11 March 2025 (T+5)
Coupon	3.450% Annual ACT/ACT, Short first to 22-June-2025
Benchmark	OLO 3.75 22 June 2040 (OLO 90)
Final Spread	OLO 90 +8bps
Reoffer	3.497% / 99.410%
Listing/Law	Brussels, Belgian Law
Denominations	EUR 0.01 / EUR 0.01
Target Market	Retail / Professional / Eligible Counterparties (all distribution channels)
ISIN	BE0000364738
Bookrunners	BNP Paribas Fortis, Crédit Agricole CIB, Deutsche Bank, HSBC and Morgan Stanley

