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Transaction Release

Belfius Bank launched with success its first covered bond transaction with negative yield

Brussels, 23 September 2019

Belfius Bank SA/NV (“Belfius”) launched today its first covered bond benchmark transaction with a negative yield. This transaction is a 10 year Public Pandbrievien issue in the institutional market for an amount of EUR 500m, with a pool composed out of public sector exposure.

After a summer period with continuing lower interest rates, Belfius reacted on a constructive market. This transaction was very successful and benefited from a high quality order book with about 64 allocated accounts. The order book reached a total amount of EUR 850 million (excluding JLM) and enabled Belfius to price the transaction at a reoffer spread of 10 basis points over mid-swaps, generating a yield of -0.066%.

The transaction perfectly fits in the funding diversification and optimization strategy of the bank and demonstrates the ongoing positive perception of Belfius from the institutional investors base.

Joint book runners were Barclays, Belfius Bank, Commerzbank, Erste Group and Natixis

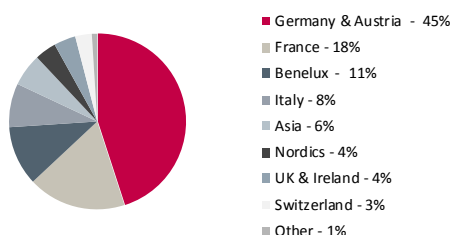
Distribution

The deal reached a high quality, well diversified order book split as follows:

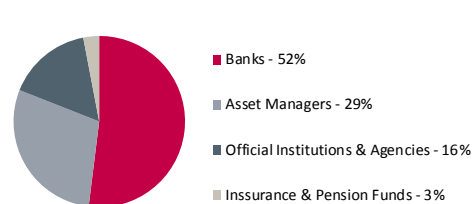
Geographical distribution was well spread across Europe, with traditionally Germany and Austria representing the biggest allocations (45%), followed by France (18%), Benelux (11%) and Italy (6%).

With a contribution of 52%, the Banks represent the bulk of the allocation, followed by Asset Managers (29%) and Official Institutions & Agencies (16%).

Geographical distribution



Distribution by investor type



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