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Federal Government Debt – Borrowing Requirements & Funding Plan

2025

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1 The 2025 gross borrowing requirements and funding plan

1.1. The 2025 gross borrowing requirements

The Belgian Debt Agency expects the **2025 gross borrowing requirements** of the federal government to amount to **EUR 44.65 billion**. This represents a decrease of EUR 6.23 billion compared to the 2024 borrowing requirements, which are expected to amount to EUR 50.88 billion (EUR 0.17 billion more than assumed in the revised funding plan of June 27th, 2024).

The Agency expects the **2025 net financing requirements** to amount to **EUR 19.43 billion**, assuming the Kingdom's compliance with the new European fiscal framework. It should however be noted that Belgium has not submitted its Medium Term Fiscal and Structural Plan to the European Commission at this stage, and that the incumbent government has only introduced a provisional budget for the first quarter of 2025 with the Parliament. This figure is as such likely to be adapted in the course of 2025.

Redemptions of medium- and long-term debt would amount to **EUR 22.62 billion**.

Furthermore, the Belgian Debt Agency plans to buy back bonds maturing in 2026 for an amount of EUR 2.50 billion.

Finally, the execution of puts and calls on certain instruments could possibly result in EUR 0.10 billion of borrowing needs.

1.2. The 2025 funding plan

In 2025, the Belgian Debt Agency plans to issue **EUR 42.00 billion** of **OLOs**, a decrease of EUR 1.19 billion compared to the amount of EUR 43.19 billion which the Debt Agency expects to issue in 2024. It expects to launch three new OLO fixed-rate benchmarks.

The Debt Agency also expects to issue **EUR 2.00 billion** via its **EMTN**-program or other alternative funding instruments such as **Schuldscheine**, as well as **EUR 0.25 billion** of **State Notes** with maturities of 3, 5, 8 or 10 years.

With regards to short-term funding, the outstanding amount of **Treasury Certificates** is planned to stabilize at an expected volume of 36.74 billion euro. The outstanding amount of **1-year State Notes** would also be stable (implying that the Debt Agency would issue some EUR 1.30 billion of this product during 2025).

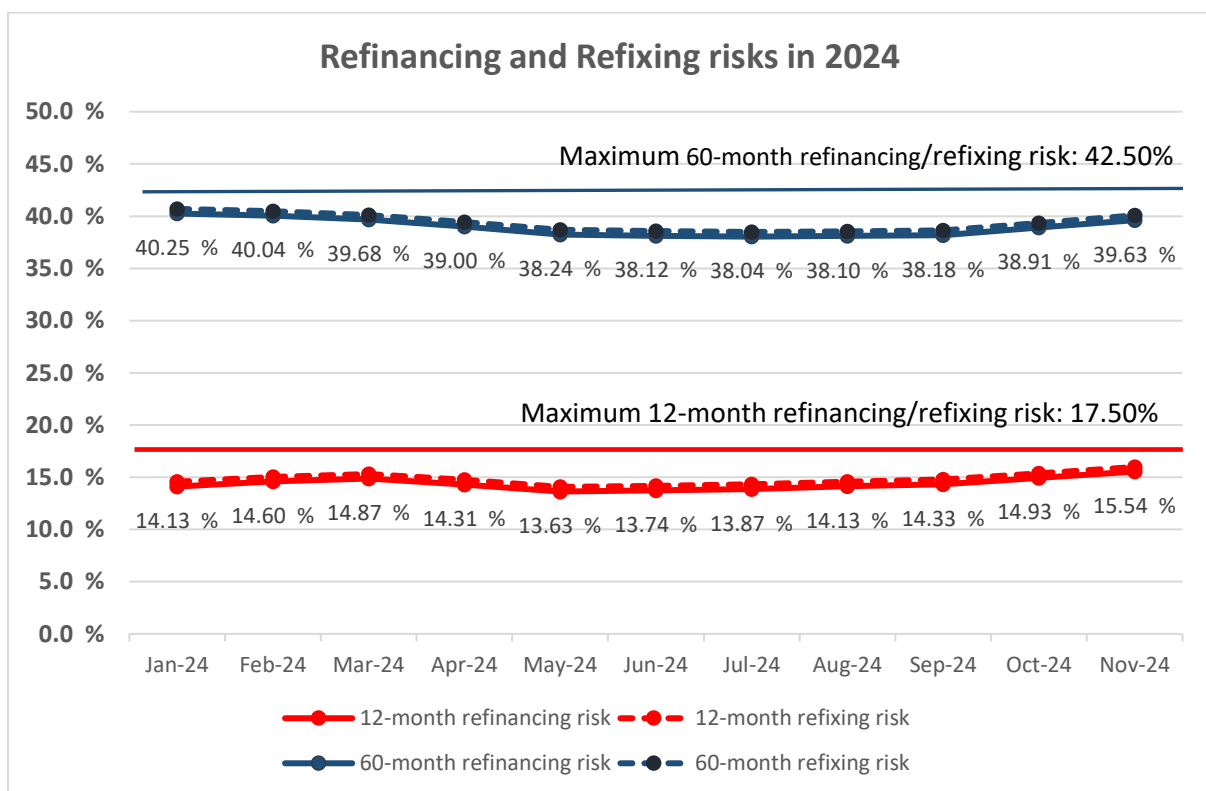
The net change of other short term debt and financial assets would amount to EUR 0.34 billion.

2 The debt management strategy

2.1. Refinancing and refixing risks

In 2024, as in previous years, both the 12-month refinancing and the 12-month refixing risk were subject to a maximum of 17.50%. These risks have been considerably lower than their maximum. In November 2024, the 12-month refinancing risk amounted to 15.54 %, while the 12-month refixing risk stood at 15.98%.

The 60-month refinancing and refixing also remained below their maximum level of 42.50%. They amounted to respectively 39.63% and 40.08% in November 2024.

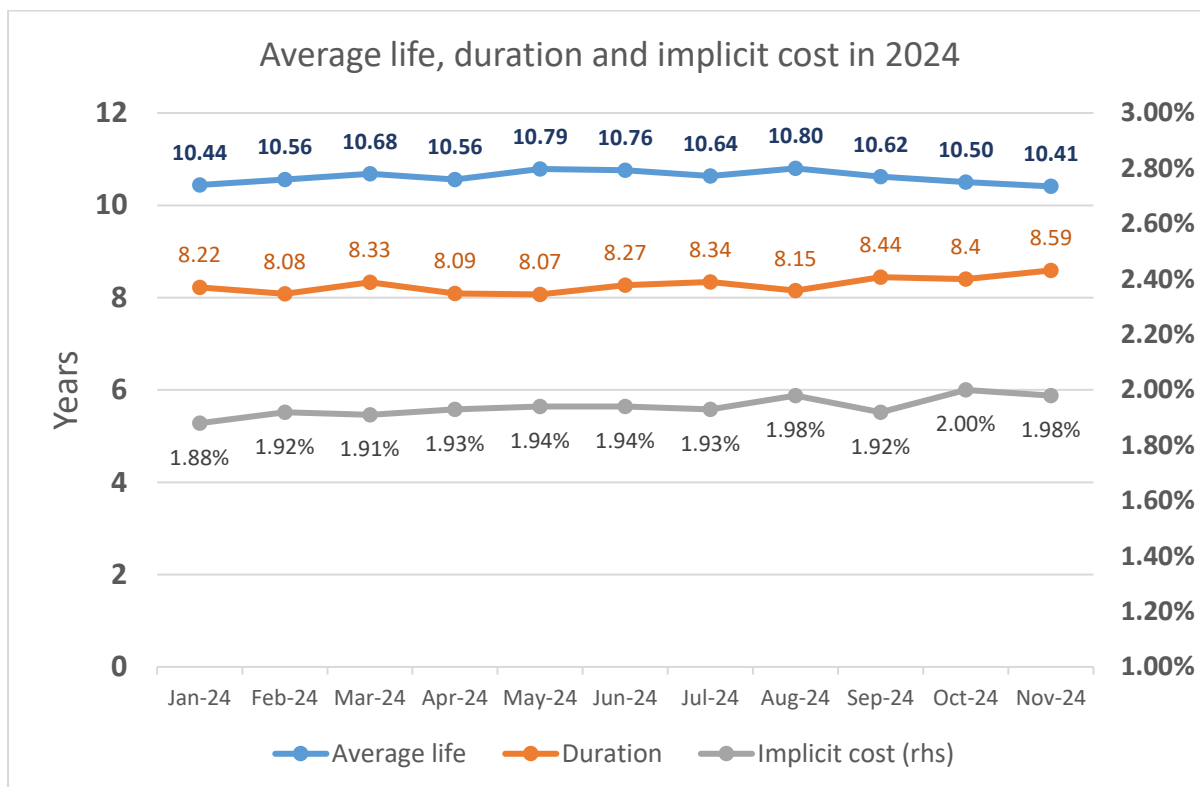


These risk limits will remain unchanged in 2025, meaning that the maximum of the 12-month refinancing and the refixing risk will be maintained at **17.50%**, and that the maximum of the 60-month refinancing and refixing risk will again be **42.50%**.

2.2. Average life, duration and implicit cost

The **average life** of the debt portfolio reached **10.41 years** as per 30 November 2024, and the **duration** amounted to **8.59** years. The **implicit cost** of the portfolio has risen to 1.98% in November.

In **2025**, the average life of the debt portfolio will again be required to exceed **9.25 years**.



3

The funding strategy in 2025

As always, the Belgian Debt Agency will apply an issuance strategy that combines **predictability** and **flexibility** in order to respond adequately to changing market environments.

The Belgian Debt Agency will be **predictable** with regard to the number of OLO syndications and auctions for its main financing instruments, OLOs and Treasury Certificates. Predictability will further prevail as to the timing of the auctions, the size of the financing program and the size of issuance in various instruments.

Flexibility will allow to adapt the size, instruments and the maturities to prevailing market conditions and investor demand at the moment of issuance. The BDA will continue to offer Optional Reverse Inquiry (ORI) facilities to allow Primary Dealers to ask for bonds they find harder to source in the secondary market.

In this context the forecasted issuance strategy for 2025 will be as follows.

3.1. With regard to long term financing

3.1.1. Methodology

- It is expected that new benchmarks will be launched through **syndicated issues** and increased in size through **auctions**.
- The Belgian Debt Agency expects to launch three new fixed-rate OLO benchmarks in **three syndicated transactions**.
- If sufficient demand is identified, **on- and off-the-run bonds** can be reopened in regular auctions.
- The number of **OLO auctions** is set at **11**, and auctions might be cancelled and replaced by a syndicated issue.
- At **8** predetermined moments throughout the year, the Primary Dealers have the possibility to ask the BDA to auction maximum 2 OLO lines, for a combined maximum amount of 500 million EUR, in the so-called **ORI facility**.
- The OLO issuance will be supplemented by **alternative financing instruments**. They can include: hedged foreign currency issuance and structured products issued under the **EMTN program**, or other funding instruments, in particular Schuldscheine and the **State Notes** (Bons d'Etat – Staatsbons, securities issued to the retail public).

3.1.2. Maturities

The Belgian Debt Agency has the intention to issue a new **10-year benchmark**, a new **5-year benchmark**, and one new OLO in a **long maturity**. If investor demand and major changes in the yield environment warrant issuance in different maturities, this can of course still be considered.

In the auctions, the BDA will have options to issue OLOs in any part of the curve.

Both existing Green OLOs, OLO86 maturing 22/04/2033 and OLO96 maturing 22/04/2039, can be reopened in the OLO auctions and in the ORI facility, subject to market demand. The total indicative amount of green eligible expenditures that can support green issuance in 2025 remains quite high and is estimated at EUR 5.0 billion. This figure is based on green expenditures budgeted in 2025 (53%) and during the two previous years (47%).

3.2. With regard to short term financing

- In 2024 the **Treasury Certificate**¹ program was brought back to size after being seriously reduced in light of the issuance of the 1-year State Note in 2023.

The **outstanding amount** of the program at the end of 2025 is **not expected to change significantly** from the current EUR 36.74 billion.

However, one important change will be implemented in 2025. Given the higher outstanding amount under the program, the Belgian Debt Agency will **revert to the system of 12 monthly lines** from the current system of 6 bi-monthly lines. The number of auctions remains unchanged, with two auctions every month: in the first auction of the month three lines will be reopened (the 3, 6, and 11 month tenors), and in the second auction of the month a new 12 month Certificate is issued, together with a reopening of the 3-month line. 2025 will be a transition year in which the additional lines will be gradually added, the specific auction calendar can be found in Appendix 2.

¹ Belgium's T-bills are called Treasury Certificates

Exceptionally, the BDA can offer a supplementary line or organize an additional auction or cancel the auction of a line in function of its cash management needs.

- The BDA will have a more formalized possibility to issue OLOs and TCs to be used for its own funding purposes. This **Own-use Issuance Repo Funding** can be used by issuing up to EUR 5,0 bn of additional notional debt, with a maximum additional notional amount of EUR 400 million per OLO and EUR 250 million per Treasury Certificate.
- The **1 year State Note** will remain a financing option in 2025 in one or more of the quarterly State Note campaigns. The outstanding amount is estimated to remain constant in the new year.
- These three short term funding options will be supplemented by issuance under the **ECP-program**, offering possibilities to issue in foreign currencies. This allows for flexible on-tap issuance in various currencies but swapped into Euro.

Appendices

Appendix 1 : 2025 Borrowing requirements

EUR billion	2025 Plan	2024 estimate as of December 6, 2024
1. GROSS FINANCING REQUIREMENTS	44.65	50.88
- Net Financing Requirement	19.43	21.36
- Debt Maturing in 2025 / 2024	22.62	29.27
- Planned Pre-funding (Bonds maturing in 2026 / 2025)	2.50	0.25
- Other Financing Requirements ⁽¹⁾	0.10	0.00
2. FUNDING RESOURCES (LONG AND MEDIUM TERM)	44.31	45.46
- OLOs	42.00	43.19
- Euro Medium Term Notes/Schuldscheine	2.00	2.13
- Medium- & Long Term State Notes	0.25	0.06
-Other (RFF)	0.06	0.08
3. CHANGE SHORT TERM DEBT	0.34	5.42
- Treasury Certificates ⁽²⁾	0.00	16.59
- 1-year State Notes	0.00	-20.57
- Others ⁽³⁾	0.34	9.40

(1) Including put/call options exercised on bonds or loans and net redemptions of the treasury bonds representing Belgian participation in international organisations.

(2) Expected outstanding stock of Treasury Certificates on 01/01/2025 : 36.74 billion euro.

(3) This section includes residual financing instruments complementing the reference instruments mentioned in the previous section, including collateral margin changes. A positive figure represents an increase in the stock of residual financing and/or a reduction in financial assets.

Appendix 2 : 2024 Issuance Calendars

1. OLO Issuance Calendar

Auction Date (Value Date: D+2)	NC1 (Value Date: D)	NC2 (Value Date: D)
Mon 27-Jan-25	Wed 29-Jan-25	Thu 30-Jan-25
Mon 24-Feb-25	Wed 26-Feb-25	Thu 27-Feb-25
Mon 24-Mar-25	Wed 26-Mar-25	Thu 27-Mar-25
Mon 28-Apr-25	Wed 30-Apr-25	Fri 02-May-25
Mon 26-May-25	Wed 28-May-25	Thu 29-May-25
Mon 23-Jun-25	Wed 25-Jun-25	Thu 26-Jun-25
Mon 28-Jul-25	Wed 30-Jul-25	Thu 31-Jul-25
Mon 25-Aug-25	Wed 27-Aug-25	Thu 28-Aug-25
Mon 22-Sep-25	Wed 24-Sep-25	Thu 25-Sep-25
Mon 27-Oct-25	Wed 29-Oct-25	Thu 30-Oct-25
Mon 24-Nov-25	Wed 26-Nov-25	Thu 27-Nov-25

Remark: The Belgian Debt Agency can decide to cancel an OLO auction

2. ORI Facility Calendar

Auction Date (Value Date: D+2)
Fri 07-Feb-25
Fri 07-Mar-25
Fri 02-May-25
Fri 04-Jul-25
Fri 01-Aug-25
Fri 05-Sep-25
Fri 07-Nov-25
Fri 19-Dec-25

3. Treasury Certificate Issuance Calendar

Auction (Value Date: D+2)	NC1 (Value Date: D)	NC2 (Value Date: D)	ISIN	Short	Maturity Medium	Long
07/01/2025	09/01/2025	13/01/2025	BE0312800726 BE0312801732 BE0312807796	08/05/2025	10/07/2025	11/12/2025
14/01/2025	16/01/2025	20/01/2025	BE0312800726 BE0312808802	08/05/2025		15/01/2026
04/02/2025	06/02/2025	10/02/2025	BE0312800726 BE0312805774 BE0312808802	08/05/2025	14/08/2025	15/01/2026
11/02/2025	13/02/2025	17/02/2025	BE0312800726 BE0312809818	08/05/2025		12/02/2026
04/03/2025	06/03/2025	10/03/2025	BE0312801732 BE0312802748 BE0312809818	10/07/2025	11/09/2025	12/02/2026
11/03/2025	13/03/2025	17/03/2025	BE0312801732 BE0312810824	10/07/2025		12/03/2026
01/04/2025	03/04/2025	07/04/2025	BE0312801732 BE0312806780 BE0312810824	10/07/2025	16/10/2025	12/03/2026
08/04/2025	10/04/2025	14/04/2025	BE0312801732 BE0312811830	10/07/2025		09/04/2026
06/05/2025	08/05/2024	12/05/2024	BE0312805774 BE0312803753 BE0312811830	14/08/2025	13/11/2025	09/04/2026
13/05/2025	15/05/2025	19/05/2025	BE0312805774 BE0312812846	14/08/2025		14/05/2026
03/06/2025	05/06/2025	09/06/2025	BE0312802748 BE0312807796 BE0312812846	11/09/2025	11/12/2025	14/05/2026
10/06/2025	12/06/2025	16/06/2025	BE0312802748 BE0312813851	11/09/2025		11/06/2026
01/07/2025	03/07/2025	07/07/2025	BE0312806780 BE0312808802 BE0312813851	16/10/2025	15/01/2026	11/06/2026
08/07/2025	10/07/2025	14/07/2025	BE0312806780 BE0312814867	16/10/2025		09/07/2026
05/08/2025	07/08/2025	11/08/2025	BE0312803753 BE0312809818 BE0312814867	13/11/2025	12/02/2026	09/07/2026
12/08/2025	14/08/2025	18/08/2025	BE0312803753 BE0312815872	13/11/2025		13/08/2026
02/09/2025	04/09/2025	08/09/2025	BE0312807796 BE0312810824 BE0312815872	11/12/2025	12/03/2026	13/08/2026
09/09/2025	11/09/2025	15/09/2025	BE0312807796	11/12/2025		

			BE0312816888			10/09/2026
07/10/2025	09/10/2025	13/10/2025	BE0312808802	15/01/2026		
			BE0312811830		09/04/2026	
			BE0312816888			10/09/2026
14/10/2025	16/10/2025	20/10/2025	BE0312808802	15/01/2026		
			BE0312817894			15/10/2026
04/11/2025	06/11/2025	10/11/2025	BE0312809818	12/02/2026		
			BE0312812846		14/05/2026	
			BE0312817894			15/10/2026
11/11/2025	13/11/2025	17/11/2025	BE0312809818	12/02/2026		
			BE0312818900			12/11/2026
02/12/2025	04/12/2025	08/12/2025	BE0312810824	12/03/2026		
			BE0312813851		11/06/2026	
			BE0312818900			12/11/2026
09/12/2025	11/12/2025	15/12/2025	BE0312810824	12/03/2026		
			BE0312819916			10/12/2026