

# Private Placements - Procedure

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The Flemish Community can raise capital in different ways. Apart from, for example, the EMTN benchmark issues, we also rely on private placements. For each private placement the Flemish Community always conducts a market consultation.

## Request for participation

Flanders will send a request for participation (RfP) to a selection of banks. This selection is based on past experiences and the willingness of banks to participate in the issuance of Flemish bonds, i.e. in private placements as well as in benchmark issues. The selection of banks may change, but in the event the market consultation was prompted by an investor through a bank, that bank will automatically receive the RfP.

In the RfP, the Flemish Community indicates:

- the total amount it wants to raise
- the preferred maturity or maturities
- the timing of the proposals

For each maturity, the Flemish Community mentions the reference interest rate to be used to determine the applicable interest rate. For fixed interest rates we use the OLOs whereas for floating interest rates EURIBOR is used.

## Proposals submitted by banks

For each RfP the banks are given a minimum of 2 or 3 working days and a maximum of 5 or 6 working days to submit a proposal. They are expected to present a proposal regarding the spread, the amount and the fee. For each maturity a minimum amount of 30 million euros is required.

## Evaluation by Flemish Community

The Flemish Community then evaluates the different proposals of the banks. For each maturity we decide on a maximum spread we are willing to pay. Each proposal up to the maximum spread will be retained. All retained proposals with the same maturity period will get the maximum spread for that maturity.

If the maximum amount of the proposals is higher than the maximum amount we want to issue, the proposal(s) at the maximum spread will only get a fraction of the proposed amount. If different proposals with the same maturity are retained, we will combine them to issue one bond for that maturity.

The Flemish Community tries to keep the process for private placements as short as possible. The whole procedure (including evaluation of proposals, decision making and confirmation) will be concluded in one day.