DEBT AGENCY
Annual Report 2023

BRUSSELS FINANCES AND BUDGET
BRUSSELS REGIONAL PUBLIC SERVICE

TABLE OF CONTENTS

INTRODUCTION

The Brussels Capital Region is one of the three regions which, along with the three Communities, makes up the Belgian Federal State. The Region has had its own institutions since 1989. These institutions were created by the Special Law of 12 January 1989, pursuant to the Constitution Article which, from 1970, established the three Belgian Regions.

Every five years, the inhabitants of Brussels elect their regional MPs who are members of the Regional Council, which is still referred to as the Brussels Parliament. The Regional Council legislates by issuing orders. The Council elects and controls the Regional Government, the latter comprising a Minister-President, and three Secretaries of State reporting to four Ministers.

The Region applies its skills to the following main areas: Regional development, housing, the environment, the economy, employment policy, transport, public works, energy policy, local or subordinated powers, (municipal, inter-municipal, parish), external relations and scientific research.

From 1 July 2014 (when the 6th State reform came into force), other State powers were transferred in whole or in part to the Communities, Regions or Community Commissions. These powers included: "Family benefits, healthcare, the jobs market, road safety, rental law, community justice centres and the mortgage system. […] Therefore, the Communities and Regions have received €20 billion from the federal authorities, and the Regions also benefit from an additional €12 billion in tax autonomy [1]".

On 22 March 2024, the rating agency Standard and Poor’s lowered its long-term rating of the Brussels Capital Region from “AA-” to “A+” with a stable outlook. Standard and Poor’s[2] justifies the lower rating with the debt growth observed since 2019 and with the postponement by two years of the multi-year budgetary trajectory which was aimed at returning to a limited deficit in 2024. The stable outlook is based upon the fact that the coming government may “introduce significant budgetary consolidation measures” for the 2025 and 2026 budgets. Nevertheless, the Region comfortably covers its financial needs thanks to its very strong access to capital markets and a prudent debt management, aimed at minimizing the interest-rate and refinancing risks. It has set up an efficient guarantee management system. Moreover, the Belgian institutional framework for the regions and communities shows maturity and stability.

It should be noted that the Standard & Poor’s rating is of crucial importance, as its sets the Region's borrowing terms on capital markets. Moreover, please note that the Regions and Communities cannot have a higher rating that the Federal State.

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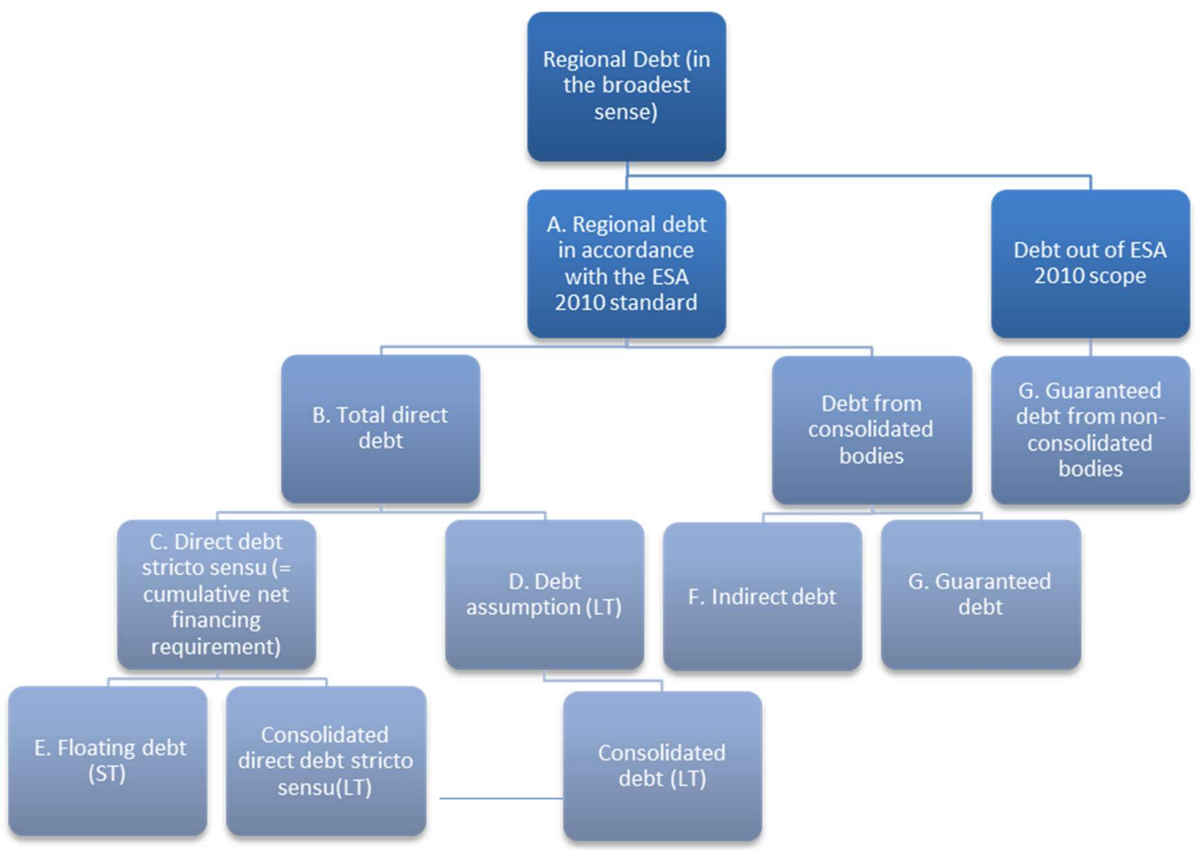
[1] https://www.belgium.be/en/la_belgique/connaitre_le_pays/histoire/la_belgique_a_partir_de_1830/constitution_de_l_etat_federal/sixieme_reforme_etat

[2] Cf. *S&P Global, Ratings Direct, Region of Brussels-Capital, 22.03.2024*

SECTION 1: REGIONAL DEBT

CHAPTER 1: BREAKDOWN OF REGIONAL DEBT

The structure of the Brussels Capital Region's debt is subdivided as follows:



A. *Regional debt in accordance with the ESA 2010 standard*[3] includes the Region's total direct debt as well as debts from consolidated bodies. See Eurostat for information on which bodies should be consolidated.

B. *Total direct debt* includes all cumulative net financing requirements (direct debt stricto sensu) since the Region was created, together with the debt assumption for the SIAMU (Fire and Urgent Medical Assistance Service), the Bruxelles-Propreté Agency (waste collection and

[3] The European system of National and Regional accounts (ESA 2010) sets out a shared accounting framework for European Union Member States.

treatment), the former Province of Brabant and the former Brussels Agglomeration. Loan repayments are described in the budget as "capital amortisations".

C. *The net financing requirement* covers the cumulative cash deficit (loans - amortisation + floating debt) for the Region.

D. *The debt assumption* was consolidated into the total direct debt at the beginning of 1996. The Region has included in its accounts the debts of the SIAMU (Fire and Urgent Medical Assistance Service), the Bruxelles-Propreté Agency, the former Province of Brabant and the former Brussels Agglomeration. This debt was re-negotiated for a total amount of €158.65 million (of which a share was amortised in 1995). The debt assumption ceased to exist on 31 December 2009. Since then, the net financing requirement and the total direct debt have once again been combined.

E. *Floating debt* covers fixed advances (FA), cash credit and the MTN programme which includes commercial paper (CP). Floating debt (ST) and consolidated direct debt sticto sensu (LT) form the cumulative net financing requirement.

F. *Indirect debt* includes loans that the Region pays on behalf of other bodies. Loan repayments are described in the budget as re-budgetisation.

G. *Guaranteed debt*: the Region authorises certain institutions in the Brussels Capital Region to enter into financial commitments (loans, receivables, rental agreements, …) based on the regional guarantee. Amortisation and interest charges must be paid by these bodies. The Region will intervene in the event of a default.

CHAPTER 2: KEY DEBT FIGURES

Table 1: Debt figures in the Brussels Capital Region on 31 December (in millions of € or in %)

	2022	2023
Rating awarded by Standard and Poor's		
- Long-term	AA-	AA-[4]
- Outlook	Negative outlook	Negative outlook
1. ESA 2010 debt (net)		
Outstanding balance	11,071,72 €	12,683.32 €
- Annual change	+20.21 %	+14.56 %
- Debt ratio/total revenue	210.02 %	215.43 %

[4] On 22 March 2024, the rating agency Standard and Poor's lowered its long-term rating of the Brussels Capital Region from "AA-" to "A+" with a stable outlook.

	2022	2023
2. Total direct debt		
Outstanding balance	8,850.23 €	10,339.59 €
Annual change	+24.89 %	+16.83 %
Long-term (%)[5]	87.53 %	90.33 %
Short-term (%)[6]	12.47 %	9.67 %
Fixed rate	86.40 %	87.79 %
Variable rate	13.60 %	12.21 %
Funding sources (long-term)		
- Bank loans	0.00 %	0.00 %
- Bilateral loans	0.00 %	0.00 %
- Medium Term Notes	98.15 %	76.56 %
- Schuldschein	1.85 %	23.44 %
Counterparty types (long-term)		
- Belgian	0.00 %	4.96 %
- Foreign	100.00 %	95.04 %
Interest expense (long-term)	136.33 €	159.40 €
Accrued interest (long-term)	144.27 €	192.66 €
Amortization	225.00 €	225.00 €
Refinancing	225.00 €	225.00 €
New financing	1,057.50 €	1,593.25 €
Financing cost	1.75%	2.28 %
Duration (in years)	16.77	15.98
Duration on financing (in years)	18.02	17.86
Duration on rates (in years)	7.52	6.85
Coverage ratio for debt servicing (SPRB)[7]	128.70 %	159.66 %
Debt burden[8]	2.25 %	2.90 %
3. Guaranteed debt		
Outstanding balance	3,287.89 €	3,396.14 €
Annual change	+1.78 %	+3.29 %

[5] Consolidated direct debt ratio on outstanding direct debt.

[6] Floating direct debt ratio on outstanding direct debt.

[7] Since the beginning of 2012, Standard & Poor’s assesses the Brussels Capital Region's available liquidity (SPRB) via the debt service coverage ratio for the next 12 months, only taking into account certain liquidity lines. Please refer to Section 3.1, Chapter 2.7 for further information.

[8] Interest ratio + management fund on execution of expenditure (accruals).

SECTION 2: REGIONAL DEBT IN ACCORDANCE WITH THE ESA STANDARD

The ESA 95 standard, in force since 2002, consolidates all debts on the balance sheet (excluding commercial debt) of public administrative bodies (S.1312) with those of government departments (the Brussels Regional Public Service[9]). This consolidation is purely for accounting purposes, and its result is known as "consolidated gross debt" or "Maastricht debt".

In February 2014, during a meeting with the federal and federated institutions, Eurostat expressed its wish to consolidate any entity or activity which is a source of debt to the public administrations into the S1312 sector.

1 September 2014 saw the replacement of the ESA 95 standard by ESA 2010, which introduced a number of new concepts including "captive financial institutions", which consolidated previously deconsolidated institutions into the S1312 sector.

Eurostat therefore applied three successive "waves" of ESA consolidations in 2014, through its national representative in Belgium, the National Accounts Institute (NAI[10]).

For the Brussels Capital Region, this involves consolidating the debts of around 40 institutions.

The outstanding regional debt is presented in this report according to ESA 2010 methodology. There may however be discrepancies between these figures and those officially published by the NAI, as a result of staggered data updates, and based on whether or not consolidation items have been applied (offsetting of debt arising from receivables in the balance sheet of a body in the same sub-sector).

The goal of the NAI and the Debt Agency is to provide a faithful representation of regional debt, and contact is made several times a year in order to explain and correct any discrepancies between the two series.

The Region sends the NAI a financial account (as defined by ESA) each quarter. This account provides more in-depth data that the balance sheets, enabling improved methods to be applied for consolidated regional debt.

[9] The term "Brussels Regional Public Service" (SPRB) replaces the term "Ministry of the Brussels Capital Region" (MRBC).

[10] The NAI (founded by the Law of 21 December 1994) comprises representatives of three institutions: la Directorate General for Statistics and Economic Information, the National Bank of Belgium and the Federal Planning Bureau. The NAI works in partnership with these other institutions, yet is individually responsible for producing national accounts statistics and economic forecasts.

In our tables, the cash balances and investments of bodies to be consolidated are subtracted from the consolidated gross debt. The Debt Agency applies this methodology based primarily on the following three points:

- The fact that ESA is backdated. This means that the debt of an institution consolidated in 2014 will be consolidated into the NAI series from 1995;
- The Eurostat position, which enables cash balances covered by a cash pooling agreement between the institution and the administration to be consolidated in the gross debt;
- Article 68 of the Order of 23 February 2006 (OOBAC), which pools regional cash using a notional cash pooling system. Pursuant to this Article:
    - Any S1312 institution (excluding the FRBRTC) is automatically included in the regional cash pooling scope, and is covered by an agreement between the institution and the Region;
    - Institutions in the regional cash pool cannot make investments, and all accounts, without exception, are included in the financial pool. Therefore, all cash balances and cash investments are reconsolidated into the cash pool.

When the term "ESA debt" is used in this report, it refers to consolidated gross debt, minus any credit balances or cash investments of the institutions to be consolidated.

Table 2: Consolidated gross ("Maastricht") debt and credit balances of S1312 bodies on 31 December

In thousands of €	2018	2019	2020	2021	2022	2023
1. Direct regional debt	3,364,687	4,291,766	5,827,449	7,086,521	8,850,229	10,339,588
2. Other regional consolidated debt	2,177,869	2,241,125	2,440,434	2,577,571	2,678,487	2,832,483
3. Maastricht consolidated gross debt (ESA 2010)	5,542,557	6,532,891	8,267,883	9,664,093	11,528,716	13,172,070
4. Credit balances of bodies included in the consolidation scope	-353,905	-368,361	-433,553	-453,870	-456,994	-488,753
Total net ESA debt (3+4)	5,188,652	6,164,529	7,834,329	9,210,222	11,071,722	12,683,317

Table 3: Total debt ratio/Total revenue (on 31 December)

In thousands of €	2018	2019	2020	2021	2022	2023
1. Total debt	5,188,652	6,164,529	7,834,329	9,210,222	11,071,722	12,683,317
2. Total revenue	4,763,910	4,739,283	4,827,915	4,986,608	5,271,641	5,887,533
Total debt ratio/total revenue	108.92%	130.07%	162.27%	184.70%	210.02%	215.43%

This ratio determines the Region's capacity, in a consolidate landscape, to meet its future financial commitments (financial debts) based on its own annual revenue.

The 2023 debt ratio for total revenue (regional revenue and own revenue from bodies to be consolidated) is 215.43%. It was 210.02% in 2022. This increase is due to a greater rise in total debt for 2023 (+14.56%) than in total revenue (+11.68%). Regional debt (SPRB) was up by €1.49 billion.

SECTION 3: TOTAL DIRECT DEBT

3.1. MANAGEMENT REPORT

CHAPTER 1: LEGAL FRAMEWORK, FINANCIAL MANAGEMENT PROCESSES, MONITORING TOOLS AND REPORTING REQUIREMENTS

1.1. LEGAL FRAMEWORK

Five legal sources set out the environment within which debt must be managed.

- The *Special Law of 16 January 1989, Art. 49* on the funding of the Communities and Regions authorises the Regions and Communities to raise loans under certain conditions.
- By voting in the *ways and means budget*, the Regional Council grants the Government of the Brussels Capital Region the ability to raise loans and complete any transaction, including derivatives and issuing commercial paper, ...
- In the D*ecree of the Government of the Brussels Capital Region dated 18 July 2000, Art.9*, the Government delegates to the Ministry of Finance the power to raise loans, manage short-, medium- and long-term debt and to issue commercial paper.
- By way of the *Ministerial Decree of 19 February 2024 delegating management powers for direct regional debt and delegation of signature*[11], the Minister of Finance established a procedure for the conclusion of short-term (one day to one year) and long-term (more than one year) transactions, together with derivative transactions, as part of a strategy pre-established authorized by het Minister of Finance. With this order, the Minister designates by name the agents of the Front Office of the Debt Agency and the Treasury in charge of financial management to negotiate and conclude the financial operations in question.

[11] It repeals the previous ministerial decrees on the delegation of powers for the management of direct regional debt and ministerial orders on the delegation of signature.

- *The Ministerial Decree of 30 August 2019 on the Financial Strategy Commission* (which repeals the Ministerial Decrees of 1 June 2004 and 10 November 2017) sets out how the Financial Strategy Commission and its Office are run.

Role of the Financial Strategy Commission Bureau:

Strategies for the management of the direct debt portfolio are put to the Financial Strategy Commission Bureau, which is chaired by the Chief of Staff of the Minister of Finance.

This Bureau "submits financial strategy proposals either for:

- the decision and opinion of the Minister;
- the opinion of the Commission at the request of one of the Commission Bureau members." [12]

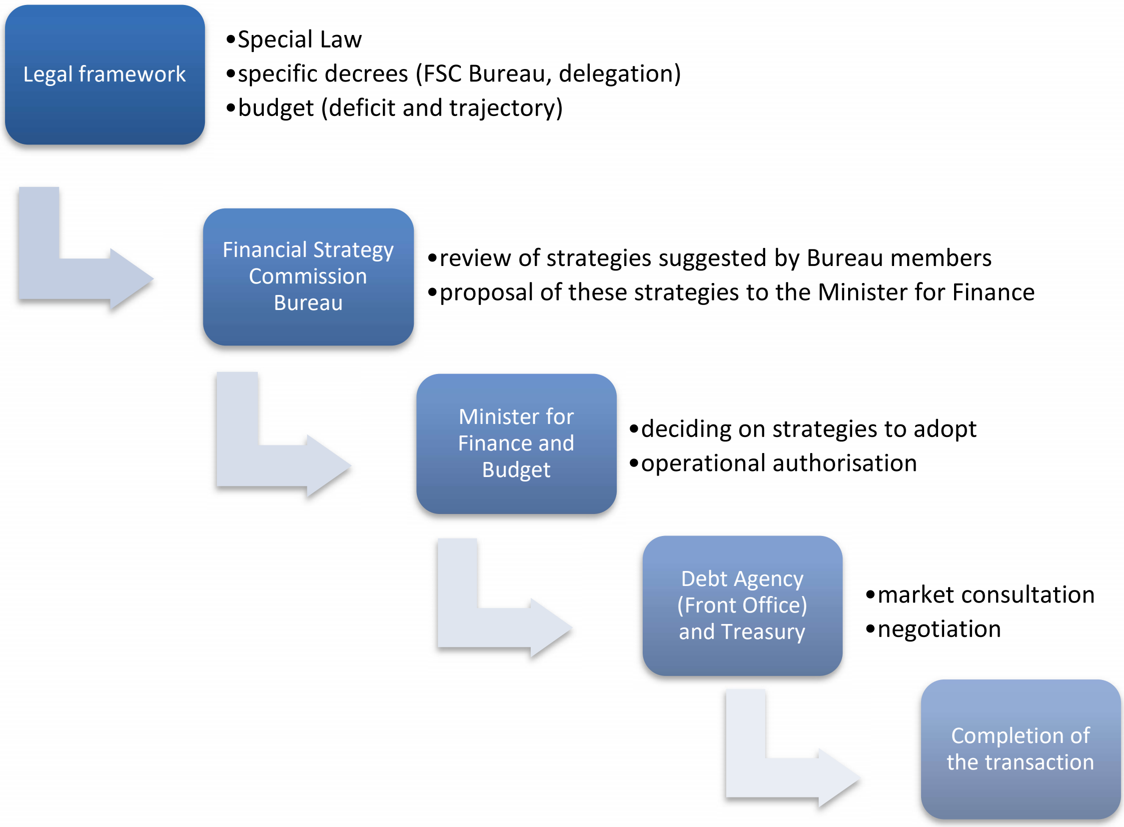
The Financial Strategy Commission Bureau is composed of:

- the Minister of Finance or their representative (Chair);
- the Director General of Finance (Secretary);
- the Director General of Taxation;
- the Debt Agency Director-Head of Service;
- the directors of the Front Office and the Treasury, as well as the agents they appoint, as these departments are responsible for managing direct debt.

Financial operations are authorised by the Minister of Finance, both strategically and operationally, in accordance with the above-mentioned Delegation Decree of 7 October 2022.

[12] In "Ministerial decree of 30.08.2019 on the Financial Strategy Commission", Article 9.

1.2. FINANCIAL MANAGEMENT AND AUTHORISATION PROCESS (SIMPLIFIED DIAGRAM)



The Brussels Capital Region only uses derivatives for hedging purposes. These products are always backed by existing underlying products, or will be in the near future.

1.3. MONITORING TOOLS

1.3.1. Financial Strategy Commission (financial monitoring)

The Financial Strategy Commission includes members of:

- The Ministry for Finance office;
- The regional Administration (the Secretary General, the Deputy Secretary General, the Director General for Finance, the Director General for Taxation, the Debt Agency Directorate and the Cash Management Directorate);
- The regional Cashier who provides advice free-of-charge.

The Financial Strategy Commission's duties include:

- "Issuing an opinion on the financial strategy proposals submitted by the Bureau;
- Presenting and discussing any economic factors that are relevant to financial strategy;
- Ensuring that the transactions completed with regard to direct debt management comply with the financial strategy set out by the Minister;
- Ensuring that the transactions completed with regard to direct debt management comply with the following prudential requirements:
    - The need for specific authorisation in order to complete a foreign currency transaction and/or a transaction based on a foreign reference on the Belgian financial markets;
    - The obligation for derivatives to be backed by an underlying loan."[13]

1.3.2. Court of Auditors (certification of accounts)

The Law of 16 May 2003 eliminated the need for prior approval by the Court of Auditors, as this was deemed cumbersome and inappropriate to the filing of accounts based on the concept of established entitlements. Moreover, this could cause the Court itself to be at fault, as it might find itself contesting a transaction that it had itself approved.

The OOBAC sets out the new role that the Court of Auditors plays in the account control process for the Brussels Capital Region. Article 84 states that: “the Court of Auditors examines the legality and

[13] In "Ministerial Decree of 30.08.2019 on the Financial Strategy Commission", Article 6.

compliance of revenue and expenditure. The Court also performs a general control of the establishment and recovery operations for the above. (...) The Court of Auditors is authorised to communicate all documents and information of any type whatsoever on the management of the Government services and administrative bodies under its control. It is also able to set up an onsite control."

The Brussels Capital Region, via the OOBAC, instructs the Court of Auditors to certify its accounts. The audit is conducted based on ISSAI standards (*International Standards of Supreme Audit Institutions)* set by INTOSAI (*International Organisation of Supreme Audit Institutions).*

"The general account of the regional entity is put together by the Government and sent for certification by the Court of Auditors (...). Certification denotes a reasoned and justified opinion on the compliance, sincerity and faithfulness of the regional entity's general account. The Court of Auditors sends this certification to the Parliament as a note to the general account, and attached its observations thereto" (Article 60).

This certification also controls regional debt data (verification of contracts, bank confirmations and data encoded in various computer applications in relation to payments made and revenues received in the context of debt management).

1.4. REPORTING OBLIGATIONS/MANDATORY REPORTING

1.4.1. Eurostat - NAI - NBB (data provision)

Eurostat is the European body responsible for pooling the statistical data collected by Member States. The National Accounts Institute (NAI) is responsible for providing Belgium's data.

The National Bank (NBB) controls short-term transactions implemented by the Region's Cash Directorate. Moreover, since 2012, twice a year the NBB asks the Debt Agency to complete a standardised table of debt guaranteed by the Brussels Capital Region, first in March with provisional figures, and then in August with final figures.

Since the beginning of 2014, Eurostat, via the NAI, has been asking the Federal State and the federated entities to send it an in-depth financial statement of all debt, cash management and asset balance sheet transactions.

1.4.2. Budget statement

Chapter III, Article 21 of the OOBCC Order stipulates that the general budget statement presented to the Brussels Parliament at year end must contain "a financial report which includes a report on the regional debt and cash positions".

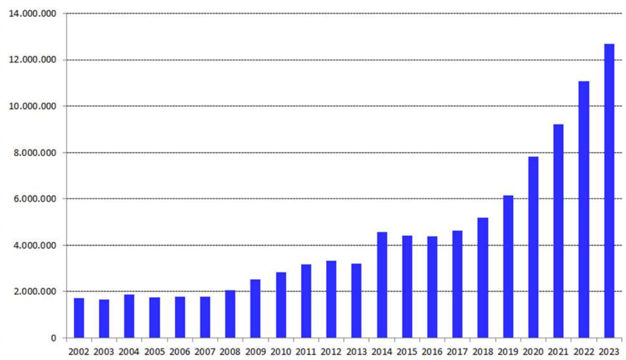
CHAPTER 2: KEY FIGURES

2.1. OUTSTANDING BALANCE

2023 outstanding balance: €10.34 billion

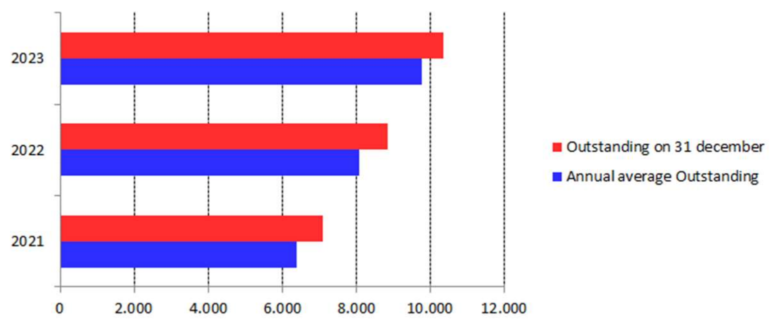
The cumulative net financing requirement on 31 December 2023 totalled €10,339,587,819.06. This represents an increase of €1,489,359,238.79 (+16.83%) in relation to 2022. This is therefore the amount of the Region's debt for the 2023 financial year[14].

Graph 1: Outstanding balance for 1991-2023 total direct debt on 31 December (in millions of €)



The information provided by the graph for total direct debt balance is incomplete. The information relates solely to the amount on 31 December of the year in question. This data can be refined. Studying patterns in the average annual outstanding balance provides a more realistic picture of regional debt trends based on 365 (or 366) records.

Graph 2: Difference between the average annual outstanding balance and the outstanding total direct debt on 31 December (in thousands of €)



[14] Refer to Section 5, Chapter 1.1 for further information.

On 31 December 2023, the outstanding balance was €1.49 billion higher than the end of 2022. The average outstanding balance, which provides a better overview of the situation, is €1.67 billion higher than that of 2022 (from 8,076,924,638.74 to 9,750,826,704.91).

2.2. FINANCING COST[15]

2023 financing cost: 2.28%

A full costing daily calculation basis is used for financing cost (consolidated debt + floating debt + derivative income and expenditure).

There are parallels between the average portfolio cost and the Euribor rate curve. The scope of these parallels is weighted by the outstanding variable and floating debt balances. The more prominent these outstanding balances within the portfolio, the more the portfolio financing cost matches the Euribor rate curve.

2.2.1. Euribor rates

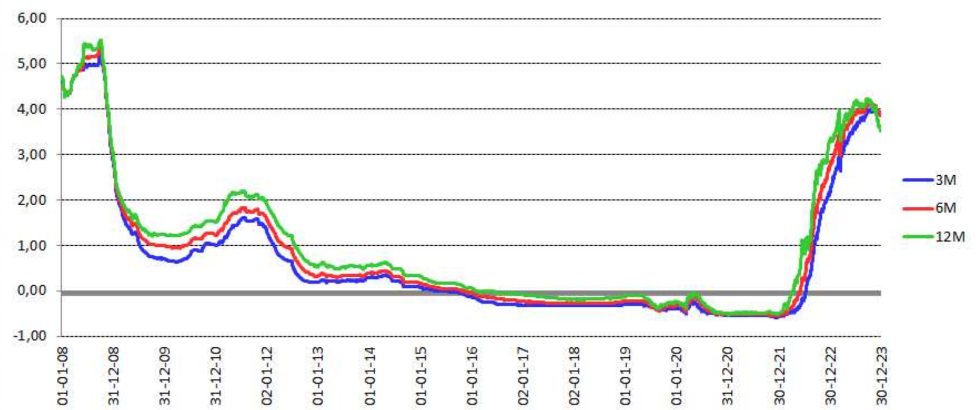
In 2023, the Euribor rates at 31 December and the annual average rates increased sharply, inversely in proportion to their term.

Table 4: Euribor rate trends between 2022 and 2023

	E3M	E6M	E12M
on 31.12.2022	2.132%	2.693%	3.291%
on 31.12.2023	3.909%	3.861%	3.513%
difference	+83.35%	+43.37%	+6.75%
2022 average	0.349%	0.682%	1.100%
2023 average	3.240%	3.481%	3.640%
difference	+828.16%	+410.49%	+231.02%

[15] The history of the financing cost can be found in the Appendix (Section 5, Chapter 4).

Graph 3: Euribor rate at 3, 6 and 12 months



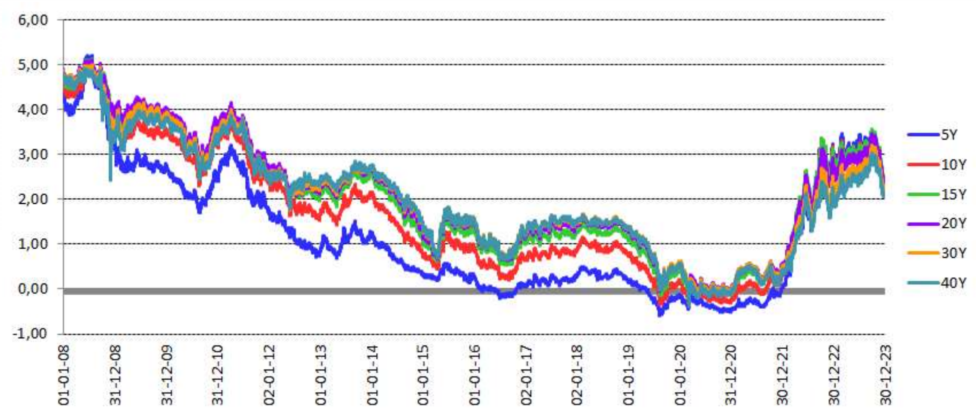
2.2.2. IRS rates

IRS rates per 31 December decreased between 2022 and 2023. IRS rates in annual average, to the contrary, rose sharply on a percentage basis in 2023 over 2022.

Table 5: Change in IRS rates between 2022 and 2023

	IRS5Y	IRS10Y	IRS15Y	IRS20Y	IRS30Y	
on 31.12.2022	3.230%	3.191%	3.132%	2.922%	2.524%	2.260%
on 31.12.2023	2.428%	2.488%	2.556%	2.505%	2.326%	2.187%
difference	-24.83%	-22.03%	-18.39%	-14.27%	-7.84%	-3.23%
2022 average	1.725%	1.921%	2.014%	1.914%	1.641%	1.450%
2023 average	2.924%	2.855%	2.867%	2.753%	2.494%	2.306%
difference	+69.53%	+48.60%	+42.33%	+43.88%	+51.94%	+58.99%

Graph 4: Trend in IRS rates between 2008 and 2023



2.2.3. Average annual portfolio cost

The average annual portfolio cost went up from 1.75% to 2.28% in 2023 (i.e. a 30.29% increase).

Despite this rise, the 2023 portfolio boasts one of the lowest cost figures ever, especially given its defensive profile (with very low interest rate risk[16]).

Graph 5: Average monthly weighted financing cost for direct debt (2021-2023)

2.3. PORTFOLIO DURATION

2.3.1. Standard duration[17]

2023 duration: 15.98 years

Duration is defined as the relationship between the current weighted value of each financial flow and the current value of all financial flows. It assesses the average interest rate risk for the portfolio (interest and amortisation) based on all updated cash flows.

Interest and amortisation flows for fixed-rate loans and derivatives have a high duration as they are valued over their entire lifetimes. On the other hand, interest and amortisation flows for variable-rate loans and derivatives have a low duration, as they are valued based on their next rate setting dates. In other words, only flows with known interest rates are taken into account.

The portfolio duration has had periods of increase and decrease. The longer the duration, the lower the interest rate risk. The periods of increase refer to consolidations or reductions of floating debt, while the decrease periods cover loan repayments and rises in floating debt.

[16] The interest rate risk includes the risks linked to interest rate fluctuations.

[17] The history of the duration can be found in the Appendix (Section 5, Chapter 5).

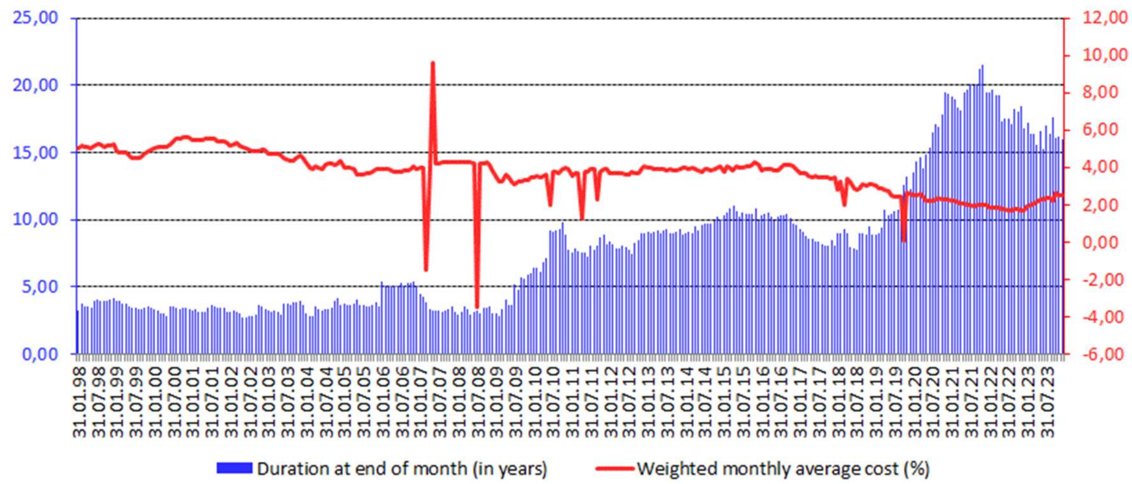
The creation of the FCCB has enabled the portfolio duration to be increased by cancelling out the interest rate risk for some of the floating debt.

The portfolio duration on 31 December 2023 is 15.98 years. It was a decrease compared to that of 31 December 2022 (16.77 years). Nevertheless, it remains one of the highest terms ever achieved by the Region as of 31 December.

In order to examine the portfolio's debt performance, both assessment criteria (duration and average cost) must be viewed within a single graph[18].

Indeed, placing portfolio duration and cost trends side-by-side makes it easier to cast a critical eye over how to optimise the portfolio management (in order to establish the best possible cost/risk ratio).

Graph 6: Trends in duration (end of month) and in the average monthly weighted cost (1998-2023)



Over recent years and for a minimal financing cost (4.13% in 2007 and 2.28% in 2023), the Region has applied a noticeable increase to the duration of its portfolio (3.17 years in 2007 and 15.98 years in 2023), and in so doing has reduced its interest rate, liquidity[19] and refinancing risks[20].

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[18] In calculating the duration and cost of direct debt in the graph below, we have taken into account the effect of the financial coordination centre (FCCB) for the period between 1 October 2004 and 31 December 2022. The creation of the FCCB made it possible to increase the duration of the portfolio by cancelling the interest rate risk on part of the floating debt and to lower the weighted average cost of the portfolio because the debit position on the current account was reduced by the credit position of the FCCB for the calculation of the interest charge on the current account.

[19] The liquidity risk is the danger of being unable to locate short-, medium- or long-term financing to cover an existing or future deficit.

[20] The refinancing risk is the risk to the Region of being unable to service loans taken out in previous years and the related interest expenditure, due to being unable to borrow the sums required for repayment.

2.3.2. Duration on financing

The duration on financing only takes into account amortisation flows. It denotes the remaining term of our financing commitments. This indicator is unique to the Region and also measures liquidity risk.

It decreased from 18.02 years at the end of 2022 to 17.86 years at the end of 2023.

2.3.3. Duration on rates

The duration on rates only takes into account interest rate flows. It denotes the remaining term for interest rate flows relating to financing and derivatives. This indicator is unique to the Region and also measures interest rate risk.

It decreased from 7.52 years at the end of 2022 to 6.85 years at the end of 2023.

2.4. PORTFOLIO STRUCTURE

87.79% of the total direct debt portfolio is at a fixed or protected rate[21].

2023 Structure: 87.79% fixed and protected

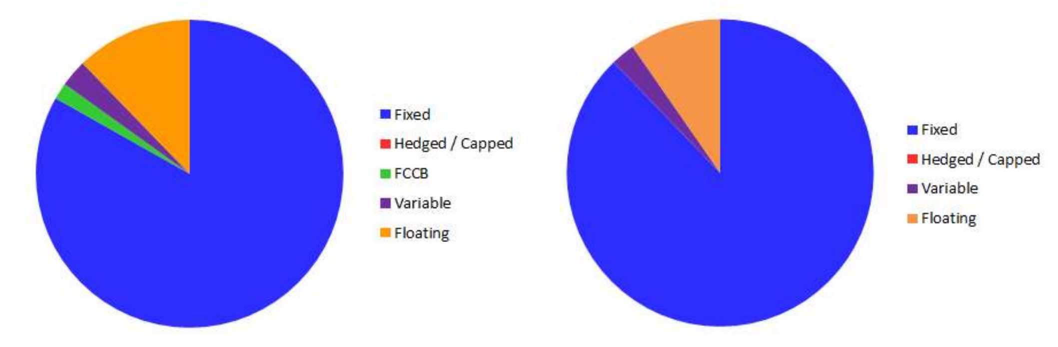
Table 6: Portfolio structure on 31 December 2023

	in €	in %
Fixed-rate consolidated debt	9,077,273,000.00	87.79 %
Variable-rate consolidated debt (protected)	0.00	0.00 %
Fixed & protected	**9,077,273,000.00**	**87.79 %**
Variable-rate consolidated debt	262,500,000.00	2.54 %
Floating debt	999,814,819.06	9.67 %
Variable rate	**1,262,314,819.06**	**12.21 %**
TOTAL	**10,339,587,819.06**	**100.00 %**

[21] The creation of the FCCB had made it possible to neutralise the interest rate risk on part of the floating debt. This was because the FCCB's credit position was subtracted from the debit position on the current account for calculating the direct debt structure between 1 October 2004 and 31 December 2022. As a result, the neutralised volume became part of the fixed debt (protected floating debt) instead of the floating debt. This induced an increase of the fixed-rate and protected part of the portfolio.

By maintaining the fixed and protected portion of its portfolio at a high level (87.79%), the Region is maintaining a low interest rate risk.

Graph 7: Changes to debt structure from 31 December 2022 (left) to 31 December 2023 (right)



2.5 DEBT BURDEN[22]

The debt burden is the interest ratio disbursed by the Region for the regional expenses (from which revenue has been subtracted). This represents 2.90% of the Region's expenditure.

Debt burden for 2023: 2.90% of expenditure

2.6. "MARK TO MARKET" RISK

Since 2014, the sensitivity calculation (previously provided by Belfius Bank) is now performed internally by the Front Office based on zero coupon rates.

Table 7: Changes to portfolio sensitivity

year	sensitivity	
	Total	% nominal
2021[23]	21,059,402	0.24%
2022[24]	11,845,848	0.13%
2023[25]	17,466,135	0.16%

[22] Interest ratio + management fund on execution of expenditure (accruals).

[23] In 2021, vanilla products represented 97% of the nominal. The increase in sensitivity is explained by the rise of financing.

[24] In 2022, vanilla products represented 97% of the nominal. This decrease in sensitivity is explained by the sharp rise in interest rates.

[25] In 2023, plain vanilla products accounted for 97% of nominal value. The increased sensitivity ensues from a rise in funding and a fall in interest rates.

The above table demonstrates exposure of direct debt (and related swap products) to the market interest rate risk. This risk is divided according to several different maturity rates (first column from the left).

Essentially, the table below shows the variation in euros of the value of the Region's financial commitments according to a variation of 1 basis point (0.01%) on the interest rate (zero coupon) for any given maturity. A positive figure shows that the value of the Region's commitments increases when the benchmark rate falls by 1 basis point.

Rate sensitivity is shown for loans and vanilla swaps, while the "total" column shows the two combined.

Table 8: Sensitivity of the Region's portfolio to market rates (zero coupon) on 31.12.2023

Period	Total	Loans	Swaps (vanilla)
6M	-7,850	-47,411	39,560
1Y	-17,439	-6,533	-10,906
2Y	-43,966	-23,905	-20,062
3Y	-70,819	-55,671	-15,148
4Y	-70,410	-57,829	-12,581
5Y	-114,381	-95,169	-19,212
6Y	-238,383	-220,727	-17,656
7Y	-185,820	-166,726	-19,094
8Y	-210,706	-161,695	-49,012
9Y	-270,355	-232,767	-37,588
10Y	-190,406	-192,343	1,937
11Y	-192,407	-112,686	-79,721
12Y	-440,077	-397,999	-42,077
15Y	-1,709,662	-1,290,454	-419,208
20Y	-2,491,271	-2,139,537	-351,735
25Y	-2,784,722	-2,570,489	-214,233
30Y	-3,174,822	-2,770,456	-404,366
35Y	-1,469,223	-868,961	-600,262
40Y	-3,055,312	-2,820,775	-234,537
50Y	-728,103	-739,977	11,875
Total	**-17,466,135**	**-14,972,110**	**-2,494,025**

2.7. DEBT SERVICE COVERAGE RATIO (BRPS)

Since the beginning of 2012, Standard & Poor's assesses the Brussels Capital Region's available liquidity via the *debt service coverage ratio (BRPS)* for the next 12 months, only taking into account certain liquidity lines. Standard & Poor's deems that this ratio should exceed 120% for the liquidity level to be positive in their analysis grid.

To reduce the liquidity risk, the Debt Agency has pursued a direct debt consolidation strategy to go from 49.27% in June 2012 to 159.66% in December 2023. Since then, the Agency has maintained the ratio at a high level.

First, the regional cashier's contract provides for a cash line of €500 million from 1 October 2022. Second, the Region has an additional €500 million credit line with another financial institution. Moreover, the region has another liquidity tool at its disposal, in the form of two lines of €475 million each, concluded with the European Investment Bank [26].

The ratio for end-2024 should stand at 140.66%.

Table 9: Debt service coverage ratio (BRPS)

	31.12.2023	31.12.2024 (projection at 18.04.2024)
1. Availability (in terms of liquidity)	2,031,185,181	1,717,000,000
credit lines and other liquidity tools	1,950,000,000	1,950,000,000
floating debt	999,814,819	1,099,814,819
volume of commercial paper	1,081,000,000	866,814,819
2. Debt service[27]	1,272,175,872	1,220,702,439
of which long-term interest at 12 months	205,205,216	244,988,706
of which long-term depreciations at 12 months and roll-over	351,500,000	388,000,000
of which short-term interest at 12 months	34,470,656	45,898,913
of which volume of commercial paper (BRPS)[28]	1,081,000,000	866,814,819
of ajustments on volume of commercial paper (BRPS)	-400,000,000	-325,000,000
3. S&P liquidity ratio [1/2]	159.66%	140.66%

CHAPTER 3: LONG-TERM DEBT

The external financing needs for 2024 are estimated a priori at €1,366.5 million, as they are composed of €1,190 million of maximum financial deficit as set out in the Initial 2024 Statement, and €176.5 million of amortisation maturing in 2024.

Thanks to the forward start financing transactions concluded in previous years for a total of €141 million (and which expressly cover part of the 2024 amortisation volume), the net volume of external financing to be raised is around €1,225.5 million. This volume also represents the maximum amount of basic consolidations authorised by the Finance Minister in order to use long-term financing to cover the bulk of the deficit on the initial 2024.

As in past years, additional consolidation volumes may be provided for later in the year if necessary, in particular to maintain limited short-time debt levels.

[26] Refer to Section 3.1, Chapter 3.1.4. (European Investment Bank) and Chapters 4.1.1. (cashier's contract) and 4.1.2. (additional credit line) for further information.

[27] Debt service includes all of the amortisations and interest payments to be disbursed over the next 12 months.

[28] Volume of commercial paper (short-term) to be repaid within 12 months.

Table 10: Amount of consolidations expected in 2024

Amounts (€)	Descriptions
176,500,000.00	Amortisation of debt maturing in 2024
+ 1,190,000,000.00	Estimated maximum financial deficit for 2024 (including strategic investments for 2024 and code 8)
= 1,366,500,000.00	A priori external financing needs for 2024 (can be covered by consolidations)
+ 0.00	Additional consolidations
= 1,366,500,000.00	Maximum volume of consolidations authorised for 2024
- 141,000,000.00	Forward start financing (concluded in previous years)
= 1,225,500,000.00	Net consolidation volume for 2024

The long-term financing operations concluded as of 5 April 2024 amounted to a total of 1,125.5 million through 25 operations (plus two hybrid operations to be considered as quasi-consolidations for a total of 100 million), concluded with 14 dealers over 14 maturities. The average margin is OLO+47bp (including all incentives). The average rate for these operations is nearly 3.62%.

To these 1,125.5 million, 141 million in forward start operations concluded in previous years but starting in 2024 must be added. The forward operations allowed for an average cost of only 3.36% on a total volume of €1,266.5 million.

100 million was raised on a short-time basis, bringing the total at 1,366.5 million for 2024, thereby concluding this year's consolidations.

3.1. MAIN FINANCING TOOLS

In general, all financial transactions in the direct debt portfolio were concluded in euros. To the knowledge of the Front Office, the counterparties (investors, banks exposed in BCR) are European, essentially continental and mainly concentrated in Germany, France and the Benelux countries. It is worth noting that forward operations are set up both in bond format and in Schuldschein format.

3.1.1. Bond financing (MTN programme)[29]

A single bond programme covers both the short- and long-term issues of the Region. Overall, it is the primary financing tool for the direct debt portfolio.

Belfius is an arranger and programme agent. The issues are listed on Euronext Brussels. The banks Belfius, BNP Fortis, ING and KBC are permanent dealers and are generally active in the short term. However, the Front Office concludes the bulk of its long-term operations with some tens of non-fixed dealers across main financial centres in Europe.

[29] Please refer to Section 3.1, Chapter 4.1.3 for further information.

3.1.2. Bilateral bank finance

Since the financial crisis of 2008, the use of banks for direct debt financing has become very low. The financial relationship with banks is expressed much more through derivatives.

3.1.3. Non-bank bilateral financing (schuldschein)

This is a specific bilateral framework and documentation mainly requested by German investors. The transactions concluded in this format represent a limited proportion of the portfolio. Relations with investors are mainly established through dealers, in the same way as for bond emissions.

3.1.4. Non-bank bilateral financing (EIB multi-year financing lines)

On 15 December 2022, the Region signed the establishment of a multi-year financing line with the European Investment Bank (EIB) for a volume of €475 million. This line offers a drawdown capacity over a period of four years starting on 15 December 2022. It is based on the theme of sustainable mobility. The eligible projects are mainly composed of the acquisition of electric vehicles (bus, tram, metro) and the renovation of part of the STIB network.

On 21 December 2023, the region has concluded a second financing line with the EIB, again for an amount of €475 million and with similar contract terms. The underlying project, to the contrary, is different this time and is aimed at upgrading the existing North-Albert pre-metro connection to a fully-fledged metro line.

The use of the lines is free during the drawdown period and does not have to correspond to the progress of the underlying projects, however there is an obligation that in the long run the execution of the projects reaches double the drawdown volumes used (the EIB can only contribute a maximum of 50% of the financing of the eligible projects).

These lines offer two advantages: they allow the Region to obtain long-term financing during the drawdown period and they provide access to liquidity on their unused volume. The unused portion of these lines can be included in the calculation of the extended liquidity ratio in the same way as the Region's other two bank credit lines, which amount to €1 billion.

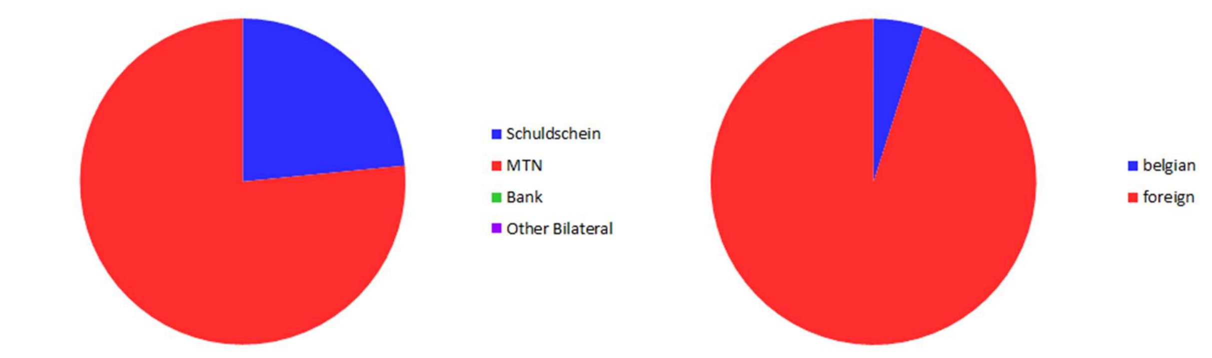
3.2. FINANCING SOURCES

3.2.1. 2023 financing sources

The Brussels Capital Region has made long-term consolidations for a total amount of €2,035,250,000. Consequently, 24 financings were raised through Schuldschein (€477 million), 36 via the MTN programme (€1.56 billion) and none under bilateral and non-bilateral banking.

95.04% of this long-term financing originated from foreign investors.

Graph 8: 2023 financing based on type (left) and origin (right)



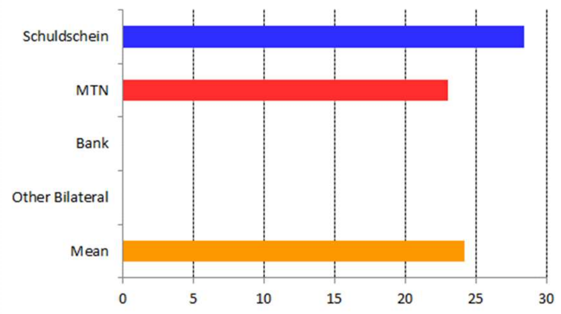
The Region aims not only to diversify its financing types, but also to diversify the type and origin of its investors. Therefore, there are both public and private investors (banks, savings accounts, pension funds, insurers and holdings). Moreover, since 2012 the Debt Agency has been authorised to enter into financing through direct agreements with non-banking counterparties.

3.2.2. 2023 financing margins and maturities

The 60 consolidations have been made at attractive levels for the Region: the margins were +50.7 BP on average in relation to OLO and +103.9 BP in relation to IRS or Euribor.

The average financing term was 24.2 years (all financing types combined).

Graph 9: 2023 long-term financing types (average maturities)



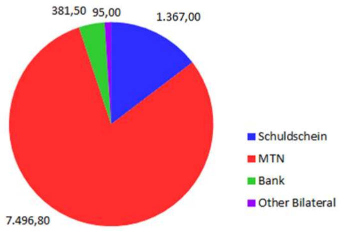
3.2.3. Financing sources, margins and maturities of the current portfolio

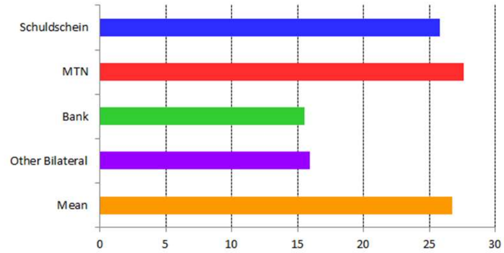
The portfolio, since 2023, included 249 finance dossiers for an amount of €9.34 billion.

The average financing term was 26.7 years (all financing types combined).

The average margin on borrowings was 63.51 basis points in relation to IRS or Euribor.

Graph 10: Financing types on 31 December 2023 : by amount (left) and by average maturity (right)





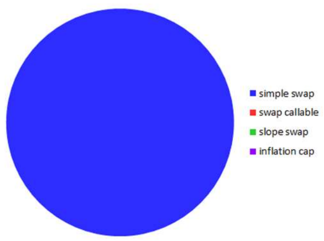
3.3. ASSET DERIVATIVES ON 31 DECEMBER 2023

Two operations were set up in 2023 to simplify the derivates portfolio, in line with previous years, in order to obtain an as vanilla as possible portfolio and to maintain a perfect match between derivatives and their underlying financings:

- No new swaps have been concluded;
- swap restructuring on 7 December 2023. The original fixed-rate receiving swap was part of a more advanced structure aimed at reducing the cost of a fixed-rate financing. The structure was modified so as to pay the fixed rate and, in addition, the facial value was increased from 10 to 15 million whereas the maturity was brought forward from 2036 tot 2031 in order to cover a variable-rate financing. The transaction was carried out on an unchanged mark-to-market basis;
- swap restructuring on 14 December 2023. The nominal value was increased from 36 to 40 million and the maturity brought forward from 2038 to 2036, in order to better hedge a variable-rate financing. The transaction was carried out on an unchanged mark-to-market basis.

On 31 December 2023, the Region possessed €1.56 billion of derivative agreements entered into with 9 banks. See below a breakdown by product category:

Graph 11: Breakdown of derivatives by product category on 31.12.2023

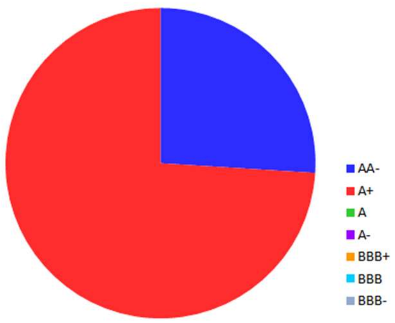


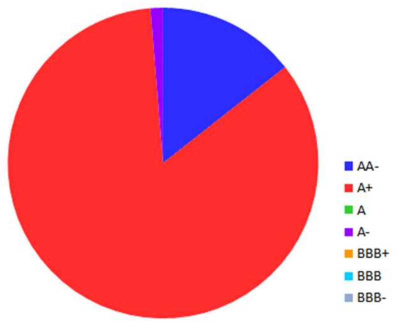
3.4. COUNTERPARTY RISK ON 31 DECEMBER 2023

The counterparty risk constitutes any risk of the counterparties not fulfilling all or some of their financial obligations. The Region has developed an assessment grid for ratings-based quality assessment of its counterparties, one for financing and another for derivatives.

The graphs below illustrate the excellent quality of the counterparties with whom the Region has entered into agreements.

Graph 12: Rating of banking counterparties on 31.12.2023 by financing (left) and by derivatives (right)





CHAPTER 4: SHORT-TERM DEBT

The Region reduced its debt by €458.1 million over the period 2013-2016. This debt reduction strategy completely cleared the initial floating debt and gave rise to a particularly defensive portfolio.

From 2016 onwards, the Region decided to gradually re-establish its floating debt, while maintaining a balanced and defensive portfolio. This objective has been achieved. Floating debt grew from 0.00% as of 31 December 2016 to 16.65% (without FCCB effect) and to 13.28% (with FCCB effect) of 31 December 2019.

This re-establishment of floating debt made it possible to significantly reduce the cost of regional debt during this period. The strategic objective is to keep floating debt below 20% of portfolio volume.

At the beginning of 2020, however, it was decided to keep the floating debt to a minimum, mainly through the minimum use of the credit line[30]. The floating debt in 2020 was mainly due to the issuance of short-term paper with maturities of 6 to 12 months (described as long CPs) to cover the economic effects of the health crisis; this volume was largely offset by the cash rich position achieved from the middle of the year as a result of consolidations. At its close on 31 December 2020, floating debt accounted for just

[30] Refer to Section 3.2, Chapter 5 for further information.

under €200 million, explained by a volume of €776 million of long CPs offset by a cash (and investments) position of €578 million.

It should be noted that at the end of the year, an exceptional loan operation was set up between the Region and the Federal Government. With the express agreement of the Regional Minister of Finance, the Region purchased the equivalent of a CP issued by the Federal Debt Agency for €300 million. This operation, which was financially relatively neutral for the Region, helped to neutralise part of the Belgian debt consolidated as of 31 December 2020.

2021 therefore started with a very comfortable level of floating debt. It remained very low for most of the year, so much so that it was possible to open only one consolidation envelope in the second half of the year (€200 million on 28 September 2021). Also, to not end the year in a cash-rich position, only part of the long BTs were renewed (€196 million outstanding on 31 December 2021 versus €776 million on 31 December 2020). On 31 December 2021, the floating debt amounted to only €397.5 million.

Despite this very low floating debt at the beginning of the year, the Front Office opened its consolidation campaign with successive envelopes at the beginning of the year (first envelope opened on 2 February 2022). Thanks to this strategy, the floating debt remained relatively stable during 2022 and the pitfall of the last quarter was avoided. Indeed, during the last quarter of 2022, markets became tense, credit spreads increased substantially and funding volumes were sharply reduced, leaving some issuers unable to cover the volumes required for their benchmark issue.

It should be noted, however, that the floating debt rose sharply in the last few weeks of December, mainly due to delays in the payment of different revenues, particularly from the federal government. As of 31 December 2022, the floating debt amounted to nearly €903 million (excluding €200 million of hybrid products forming quasi-consolidations) compared to an annual average of around €600 million in 2022.

In 2023, the very early launch, on 5 January, of the consolidation campaign enabled the Front Office to raise nearly half a billion euros in long-term financing in January alone. This significantly reduced the floating debt observed at year-end.

It should be noted that, as in 2022, in terms of the composition of short-term debt, the Front Office has continued to favour the use of long-term CPs. This limits the use of liquidity tools (including the two credit lines set up in 2022 for a total of €1 billion and starting on 1 October 2022) and ensures a sustainable short-term financing base for the year.

This strategy to “go long” on the short-term debt, coupled with the consolidations carried out throughout 2023, has made it possible to maintain a limited and stable short-time debt, made up mainly form long-term treasury certificates. Drawings on the credit lines have been very limited, leaving a substantial security margin of 1 billion euro (i.e. the joined capacities of the two credit lines with Belfius and ING) throughout the year. It should be noted that the Front Office did not have recourse to the two multi-year financing lines with the EIB of €475 million each.

Upon entering 2024, short-term debt stood low and credit lines showed a slightly cash-rich position. Thanks to the very early launch of the consolidation campaign this year again, on 3 January, and a massive coverage, to an extent of nearly 85%, of the projected basic funding needs (€ 1,225 million) achieved over January and February, the cash position was strengthened to about €700 million. Nearly half of this volume was invested in short-time paper emitted by the federal state offering attractive financial and fiscal investment terms as well as a very low counterparty risk.

This cash position can be expected to decrease gradually throughout the first half of 2024 as a result of budget execution.

If the consolidation strategy is extended to the second half of 2024 and if most of the short-term debt remains "long", we can anticipate that short-term debt will remain limited overall, as will recourse to credit lines, which offer a capacity of €1 billion.

As explained elsewhere in the annual report, the Region has a drawing capacity of 2 times €475 million on the EIB financing lines[31] and is to conclude a €250 million line with the Council of Europe Development Bank, which is currently under negotiation. Using this lines with restraint will leave an important buffer, offering wide access to liquidity for the rest of 2024 as well as for coming years.

4.1 MANAGEMENT TOOLS

Over time, the Region has developed management tools which have enabled it to minimise its liquidity risk.

4.1.1. Cashier's contract

Following the launch of the last call for tenders in 2021, the role of Cashier for the Region was entrusted to Belfius Bank[32] for the period running from 1 October 2022 to 31 December 2024. Belfius Bank has been the Cashier for the Brussels Capital Region since 1 January 1999.

The obligation of a cashier is fixed by law and the cashier's mission is to centralise the accounts and keep track of the daily situation. Historically, the Region has linked the provision of a credit line to this contract (as well as some specific financial transactions).

Until 31 December 2013, the Region had access to a cash line of €500 million. Then, between 1 January 2014 and 31 March 2018, the line increased to €1.5 billion, and between 1 April 2018 and 30 September 2022 to €1.2 billion.

Following the last European cashier/public market, the Region selected the offer of Belfius which includes a cash line of €500 million for the period from 1 October 2022 to 31 December 2024.

[31] Cf. part 3.1 chapter 3.1.4. for further information.

[32] Belfius Bank was known as Dexia Bank until June 2012.

4.1.2. Additional credit line

In July 2022, an additional credit line was concluded with ING Bank for a volume of €500 million, bringing the Region's overall credit line volume to €1 billion. It also covers the period from 1 October 2022 to 31 December 2024.

The two credit lines - Belfius and ING - are independent of each other. An availability fee is applicable to each line.

4.1.3. MTN programme

In addition to its cash facilities, the Brussels Capital Region has a short- and long-term Medium Term Notes (MTN) programme (from one day to 50 years), set up on 3 April 2009. The capacity of this MTN-programme has been increased several times over the years and stands at €11 billion since 23 December 2022.

Historically, this MTN programme included the short-term only commercial paper (CP) programme which had been in place until this time (one day to one year).

On 16 June 2010, the Region set up a new MTN programme open to competition between four dealer banks (BNP Paribas Fortis, Belfius Bank, KBC and ING). "Dealers of the day" can be added for one-off transactions. On 31 December 2023, €7.73 billion (including forward transactions) had been raised (for the long term) through the programme.

The revision of the MTN programme on 1 January 2014 not only covered the increase of the programme's capacity from €2 to €3 billion, but also:

- The option to list the paper at the request of investors (by default on Euronext Brussels). This is a regulatory obligation for some investors;
- The simplification and harmonisation of cost grids. The system is aligned with the Schuldschein system and therefore allows the same intermediation margin for the dealer regardless of the format. The investor has the final say on the choice of format;
- The downward revision of the programme's administrative costs;
- Formalising reporting on investor type and origin;
- More flexible ways of creating a call for tenders when initiated by the Region;
- The possibility for putting commercial paper of less than a month out for tender (Cashier no longer has exclusivity).

The MTN programme is now more dynamic, competitive, flexible and much less costly than before. It also offers new short-term options.

The update of the MTN programme at 23 December 2022 involved foremost raising the total amount of the programme from €8 to €11 billion.

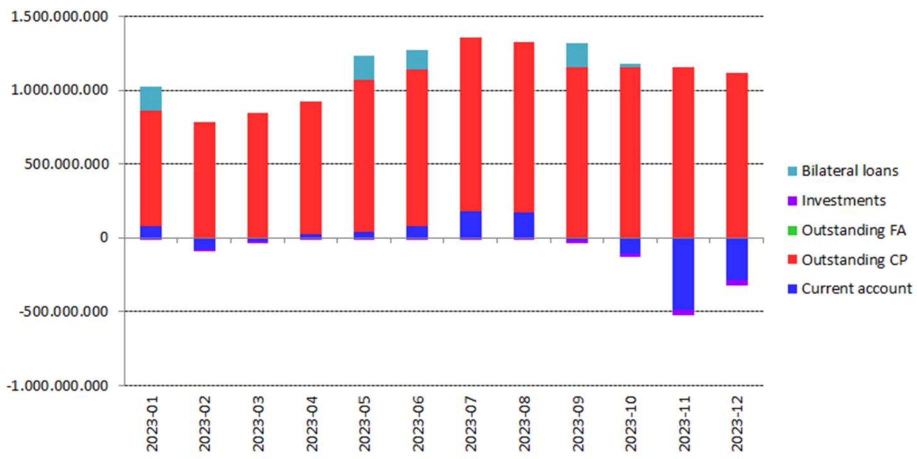
4.1.4. Composition and financial expenditure for short-term debt

In 2023, the annual average for short-term debt was broken down as follows:

Table 11: Annual average for short-term debt in 2023

Description	Amount in euros
CP outstanding balance	1,028,058,082.19
FA outstanding balance	0.00
Bilateral loans	53,972,602.74
Investments	-21,568,493.15
Current account	-34,301,030.70
Total ST debt	1,026,161,161.08

Graph 13: Weighted monthly composition (by number of days of the month) of floating debt (2023)



The total interest amount incurred on short-term debt (less than a year) for 2023 stands at €38,717,584.46.

Table 12: 2023 financial expenditure in € for short-term debt (< 1 year)

Via short-term banking finance (< 30 days)	
Current account interest	-513,646.16
Interest on FA	0.00
Interest on bilateral loans	1,663,805.56
Reserving commissions	2,799,999.99
Via the MTN programme:	
Interest (+ costs) on commercial paper	34,835,029.36
Via euro deposits (> 30 days):	
Interest on deposits	-67,604.29
Total	38,717,584.46

The Region sometimes has a credit balance on its current account. It thereby becomes a lender, either via its current account or by purchasing CP. The strategy adopted is to manage short-term investments as effectively as possible by:

- Diversifying investment channels (current account etc.);
- Diversifying investment periods (one week, one month, two months and three months);
- Minimising the counterparty risk (public sector investment);
- Ensuring that it is for the most part exempt from withholding tax of 30%[33] (in the case of a public sector investment).

4.2. COMMERCIAL PAPER (< 1 YR)

The Brussels Capital Region commercial paper programme, which since 3 April 2009 has formed part of the MTN programme, includes the following features:

- Continuous programme
- Maximum amount: €11,000,000,000 since 23 December 2022
- Electronic/online
- Clearing: National Bank of Belgium

[33] Effective rate since January 2017. Before this date it was 25%.

- Minimum of €250,000 per issue[34] since 1 January 2014
- Maturity: From 1 day to 1 year
- Taxation system: Subject to the Royal Decree of 15 December 1995 on the collection and refunding of withholding tax[35]
- Market maker: Belfius Bank (unless the CP is less than 1 month, it is then put out for tender)

The programme has many benefits for the issuer (the Brussels Capital Region):

- Diversification of short-term financial instruments
- Low-cost financing method
- Good flexibility
- Guaranteed liquidity
- Suited to the requirements of the cash flow cycle
- Option to use derivatives

There are also some major advantages for investors:

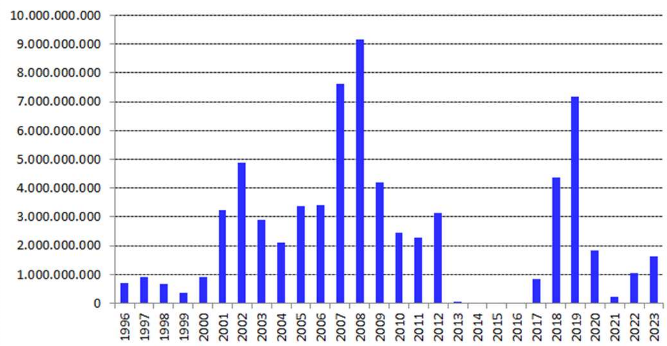
- Historically they offer a high return (higher than treasury certificates)
- No withholding tax for public sector investors
- Efficient secondary market
- Diversification of short-term products
- Suited to the requirements of the cash flow cycle
- A+ rating

[34] If the investor belongs to the private sector according to the ESA standard, €100,000 if the investor belongs to the public sector.

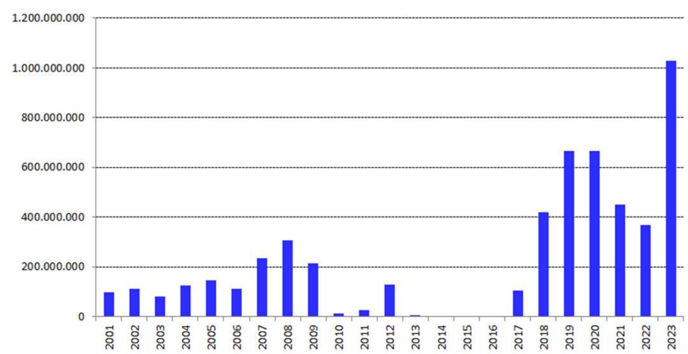
[35] Royal Decree amending the Royal Decree of 26 May 1994 on the collection and refunding of withholding tax in accordance with Chapter 1 of the Law of 6 August 1993 on transactions in certain securities.

The annual CP volumes issued (as a nominal value) must be distinguished from the annual weighted averages (average annual outstanding balance). Thus, for 2023, the volume reached €1,627,300,000.00 while the average annual outstanding balance was €1,028,058,082.19.

Graph 14: Annual volume of CP issues (as a nominal value)



Graph 15: Average annual outstanding balance (from 2001 to 2023)

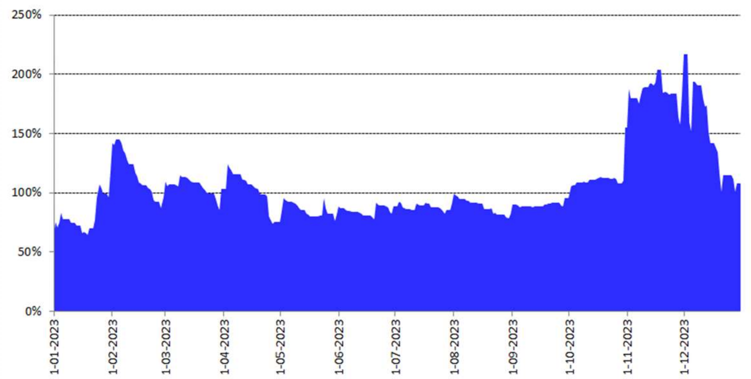


For 2023:

- 34 issues for the year;
- Issues of €5-125 million;
- Issuing terms from 34 to 366 days with an average term of 257 days;
- Euribor rates + margins comprised between 1,938 and 4,371%.

The graph ("commercial paper share in floating debt") demonstrates the extent to which CP has slotted in to the Region's short-term debt financing strategy The programme is a windfall both for the Region (issuer), and for its investors who have found it easy to adapt to.

Graph 16: 2023 CP share in floating debt



CHAPTER 5: FINANCIAL COORDINATION CENTRE (FCCB)

5.1 INTRODUCTION

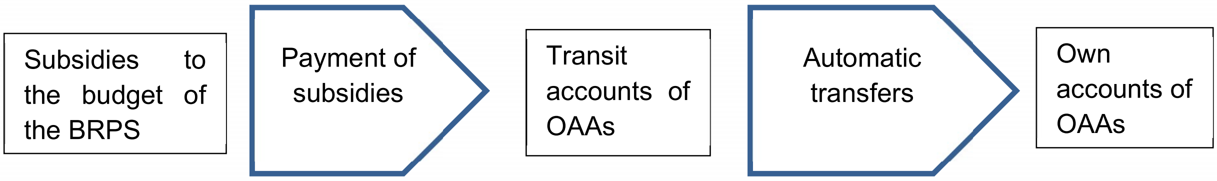
5.1.1. Background and missions

The FCCB was created by ordinance on 19 February 2004 and became operational on October 1 of the same year. Governed by the OOBCC since its adoption in 2006, the FCCB now centralises the treasuries of 20 OAAs (independent administrative bodies), i.e. an average outstanding amount close to €1.6 billion, thereby constituting a strategic tool for optimising the Region's finances.

The FCCB's general operating principles are as follows:

- Centralising of cash for the participating bodies using a cash pooling system;
- "Just in time" financing of bodies through an automatic transfer system from the transit account to their own accounts;
- Preparation of a consolidated cash flow plan based on the various bodies' cash flow plans;
- FCCB assessment of the smoothing qualities of the bodies' financial flows, and the quality of their cash flow forecasting;
- Upholding the independence of the bodies while the FCCB provides advice to improve their financial management.

The systematic payment of subsidies to the OAAs on their transit accounts, combined with the automation of transfers between these accounts and the OAAs' own accounts according to their actual treasury needs, results in substantial savings.



The creation of the FCCB has therefore generated considerable financial gains each year, around €20 million, demonstrating the advantages of the system.

The FCCB has optimised its operations, and the collaboration with the various partners is very good. In addition, the IT procedures developed internally are efficient and allow a small team to manage all operational aspects and provide high-quality regular reporting.

5.1.2. 2024 Outlook

In recent years, the FCCB has significantly expanded its expertise in cash-pooling, not only the technical and financial aspects, but also the legal and tax aspects. With this new expertise, and in view of the limits relating to the specific form of cash-pooling in place, the CCFB released alternative proposals for going even further in terms of financial optimisation following the in-depth study into the various methods of cash centralisation.

During the last "cashier contract" public procurement tender, the Region introduced in its special specifications an alternative mode to notional cash pooling. The aim was both to provide more legal certainty for the mechanism put in place in 2004 and to stimulate competition among potential tenderers.

The alternative mode, called mode A, was chosen by the Cashier and became effective on 1 January 2023. This mode implies that interest is generated for each of the OAAs' own accounts. In other words, the Region's current account no longer includes the organisations' own accounts.

The operation of the CCFB, namely the payment of grants into dedicated flow-through accounts for each organisation, and the automatic transfer between these accounts and the organisations' own accounts, is maintained.

At the end of 2023, a project to replace the IT application used by the FCCB was launched in collaboration with the SPRB's IT department. The current program works with SAS, but despite being entirely satisfactory, it does not fit within the SPRB's IT standards. As such it does not benefit from IT support in terms of development and maintenance, thereby inducing operational risks.

5.2 DESCRIPTION

5.2.1. Operation

5.2.1.1. Notional cash pooling

Notional cash pooling is a cash management technique which provides optimal liquidity management for different accounts without having to transfer funds from one account to another.

Debit and credit interest is therefore calculated based on the balance of the account as a whole (notional entity), rather than the debit and/or credit interest being calculated for individual accounts.

With this type of cashpooling no banking intermediation margins are due on credit and debit interests, but given the cash distribution between the transit accounts and the OAAs' own accounts, gains had become marginal.

As of 1 January 2023, notional cash pooling no longer includes the OAAs' own accounts, but the system's way of operating remained unchanged. It can be summarised as follows:

- each participating body designates one of its own accounts as its “main account”. The balance on this account must remain above zero;
- the cashier sets up and operates a system for automatic transfers from the Region's accounts (in particular the transit accounts into which subsidies to the OAAs are paid) to the OAAs' main accounts. At the end of the day, he resets these accounts to zero if necessary.

5.2.1.2. Effects of cash pooling on the Region's financial management

The cash pooling system has a noticeable effect on the Region's financial management:

- Impact on cash management

  In the past, subsidies were paid to the bodies' own accounts, at their request (over a shorter or longer period depending on the body) pending the actual deduction of the expenditure. This method led the OAAs to sometimes invest these subsidies in order to earn the most possible credit interest (in comparison to a current account) for the duration of the waiting period. However, these investments were made under less favourable conditions that those obtained by the Region.

  Meanwhile, the Region had to finance the payment of these subsidies and pay the debit interest to the Cashier.

  Currently, subsidies remain in the Region's transit account for as long as possible, and are only moved when the expenditure payment is actually made. Floating debt therefore tracks the bodies' expenditure.

➢ Impact on regional debt management

The treasury resources made available to participating OAAs are placed on their transit accounts. These transit accounts are part of the Region's current account.

The portfolio structure is therefore amended, which means that for the same risk, the consolidation of floating debt into fixed-rate long-term loans can be deferred, and that the average cost of the regional debt can be reduced.

5.2.2. FCCB structure

Table 13: 20 para-regional bodies forming part of the FCCB

Brussels Enterprise Support Agency	ABAE
Brussels Capital Region Parking Agency	ASR
Regional Hygiene Agency	ARP
Bruxelles Gaz Electricité (Brussels Gas and Electricity)	BRUGEL
Brussels Prevention & Security	BPS
Brussels Planning Bureau	BBP
IT Centre for the Brussels Region	BRIC
Economic and Social Council	ESC
Housing Fund	Fund
Brussels Institute for Environmental Management	IBGE
Brussels Institute for the Encouragement of Scientific Research and Innovation	INNOVIRIS
IRISteam ASBL	IRISteam
Brussels Regional Employment Office	Actiris
NEO SCRL	NEO
Fire and Urgent Medical Assistance Service	SIAMU
Brussels Capital Region Development Society	CityDev
Brussels Inter-Municipal Transport Company	STIB
Brussels Region Housing Society	SLRB
Regional Society for the Port of Brussels	Port
Visit.brussels	Visit.brussels

Their participation should be encouraged based on two main factors:

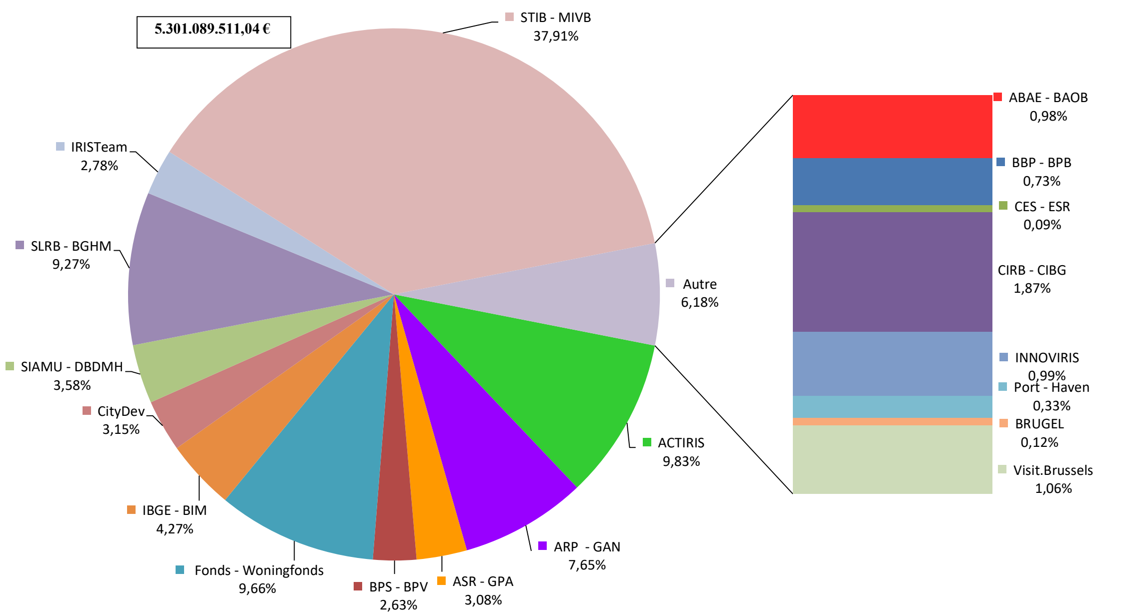
➢ Their impact on the consolidated cash flow

The scale of financial movements in bank accounts determines the impact of the body on the FCCB cash flow plan, and therefore the importance of its individual cash flow plan on the management of the Region's floating debt.

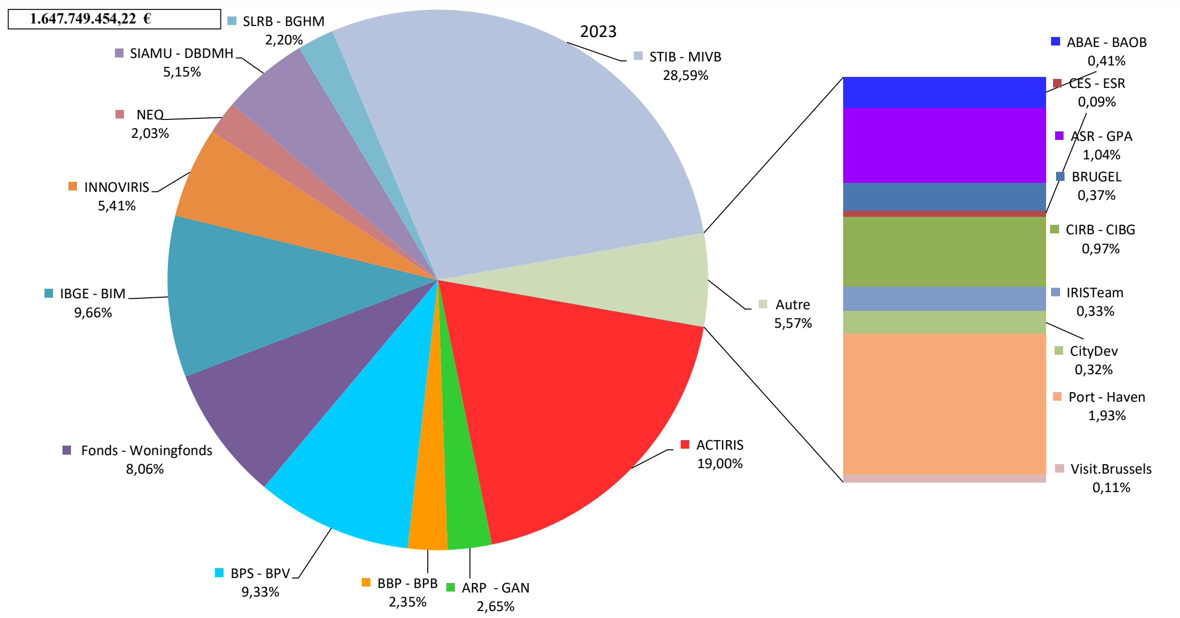
➢ Their cash contribution

A comparison of financial outstanding balances demonstrates their relative importance in terms of contribution.

Graph 17: 2023 Breakdown of total movements



Graph 18: 2023 breakdown of the total average outstanding balance for own accounts + transit accounts



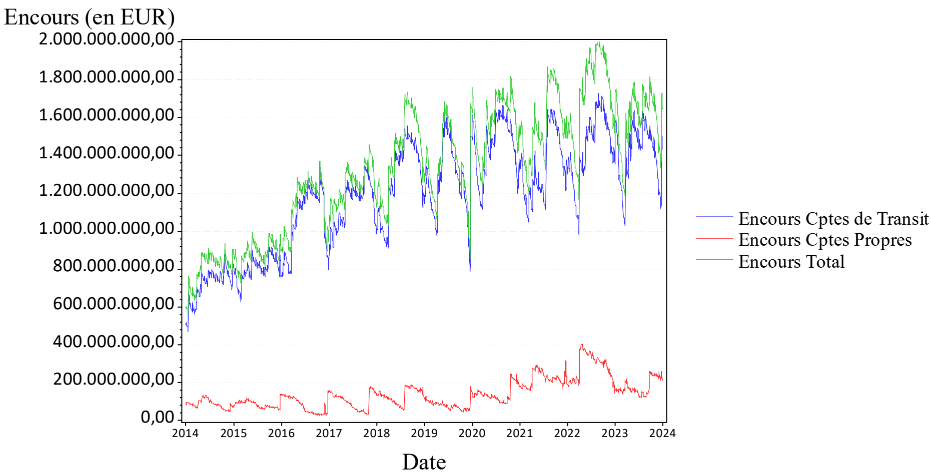
5.2.3. 2023 Financial data

A. Changes in the FCCB overall financial outstanding balance:

Table 14: Changes in the FCCB overall financial outstanding balance

Balances in EUR	2019	2020	2021	2022	2023
1. Own accounts	79,617,302.39	138,660,635.04	218,461,340.83	284,093,544.27	177,705,452.20
2. End of period	145,439,386.98	182,759,440.70	187,363,763.26	156,945,359.68	213,755,576.52
3. Transit accounts	1,269,142,061.88	1,448,545,667.06	1,347,257,496.88	1,447,568,510.23	1,413,699,631.84
4. End of period	1,489,415,650.90	1,381,287,990.04	1,303,383,882.88	1,356,107,648.69	1,433,993,877.70
5. Total	1,348,759,364.27	1,587,206,302.10	1,565,718,837.72	1,731,662,054.49	1,591,405,084.05
6. End of period	1,634,855,037.88	1,564,047,430.74	1,490,747,646.14	1,513,053,008.37	1,647,749,454.22

Graph 19: Changes in the FCCB overall financial outstanding balance

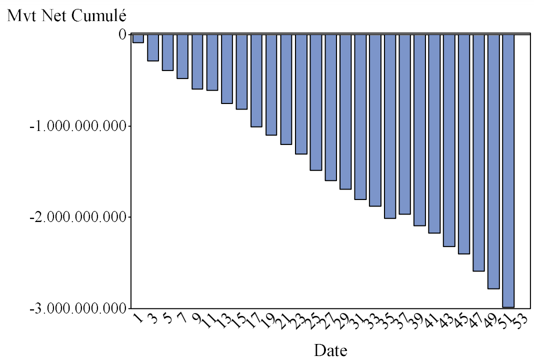


The total average outstanding debt for 2023 has slightly decreased in relation to 2022. It went from €1,731,662,022.72 to €1,591,405,084.05.

The graph reconfirms the trend for transit accounts only to be debited when the expenses are actually made, with the subsidies remaining within the regional scope for the maximum possible time.

The graph below illustrates the bodies' net financing requirement for 2024, excluding provision payments. Note that this balance displays regular changes over time, which makes it easier to establish reliable forecasts.

Graph 20: Changes in the bodies' net financing requirement for 2024



B. Quality of the FCCB's consolidated cash flow plan

The OAAs provide consolidated monthly cash flow plans on a weekly basis, and forecasts for transit account and own account financial balances are prepared for the following 28 days. These forecasts are used as a basis for managing the Region's floating debt.

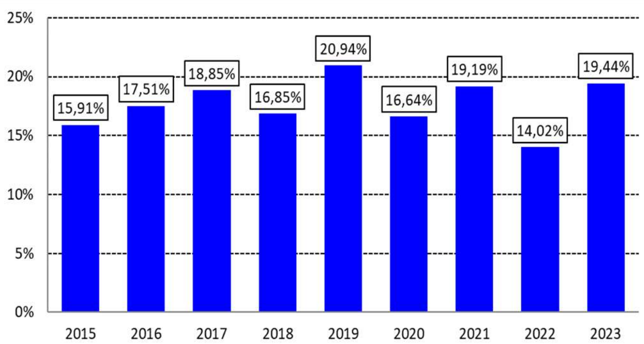
The same method is used to assess both individual and consolidated plans: A percentage discrepancy is calculated, based on the difference between the scheduled net movement and the actual net movement, reduced to the total debit and credit movements, and for each day covered by the cash flow plan.

A high-quality individual plan may enable the body to obtain a higher provision for good financial management (0-25 basis point bonus on the average annual outstanding balance).

The Cash Directorate carries out a consolidated plan quality measurement which assesses the quality of service for the floating debt management provided by the FCCB, the objective being to remain under the 15% discrepancy limit.

The quality of the FCCB’s cash flow plan improved significantly, right from the first years of operation, reaching the 15% mark in 2007. The 2023 average deviation stood at 19.44%, reflecting good quality cash flow forecasts.

Graph 21: Changes in FCCB cash flow plan quality



There are a number of factors which contribute to the high quality of the FCCB's cash flow plan:

- The FCCB analyses and collates discrepancies by category. This analysis is sent to the bodies by way of quarterly reports and/or information meetings initiated by the FCCB or OAAs. In many cases, the advice which the FCCB provides to the OAAs enables them to improve the quality of their cash flow forecasts.

- The pro-active approach of certain bodies which change their internal payment decision-making processes and their supplier deadlines, for better control of their expenditure dates.

5.3. REGIONAL GAIN

Consolidation report for the Region's floating debt

The Region's debt portfolio is managed by the Finance and Budget Administration Debt Agency for the Brussels Capital Region.

The portfolio's risk structure is a determining factor in how it is managed. Therefore, if the volume of the Region's floating debt (which is the most exposed to short-term rate variability risks) rises beyond a certain percentage of the portfolio, it must be consolidated by way of a long-term loan, in order to set the risk and maintain the portfolio structure within the limits set by the Debt Agency and agreed with the Minister for Finance.

Since 2005, the FCCB's first full year of operation, the cash pooling contributions of the participating bodies has enabled the prevention of consolidations. The current estimated cumulative amount of consolidations prevented by this method is €1.51 billion.

These cash contributions have therefore enabled the Region to prevent debt consolidations for an estimated sum of €1.51 billion, at an estimated cost of 0.89%, representing a saving of €13,533,543.28 for 2023.

CHAPTER 6: FINANCIAL COORDINATION CENTRE FOR MUNICIPALITIES (CCFCOM)

6.1. HISTORY AND MISSIONS

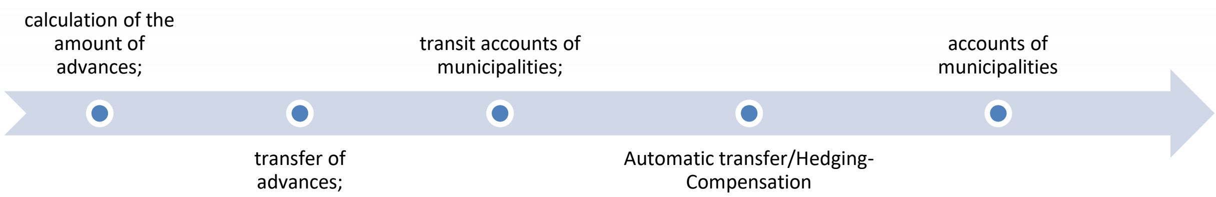
The Financial Coordination Centre for the Municipalities was created in 2017, following the publication of the ordinance of December 23, 2016 containing the General Expenditure Budget for the Brussels Capital Region. In accordance with the agreements concluded with the municipalities, the ordinance provides for the opening of a transit account dedicated to each municipality in the Brussels Capital Region. These transit accounts, also open within the Global State of the RPSB, allow in particular the payment of advances on municipal additional cents, in order to optimize the management of financial flows between the Region and the municipalities.

The CCFCOM is as of today centralizing advances on additional cents regarding to the property tax and the tax on tourist accommodation establishments in the 19 municipalities of the Brussels Capital Region, for an annual amount in 2023 of € 613,522,547.88 € and € 0 respectively. To these amounts must be added the settlement from 2022 to the property tax of €146,024,509.85, the repayment of the actual receipts to the tax on tourist accommodation establishments in the 19 municipalities, amounting to €875,904.86 and the traffic tax of €9,752,966.36.

In 2020, agreements were concluded between the Brussels Capital Region and the municipality, setting out the operating procedures for the transit account system. These are bipartite agreements, concluded between the Brussels Capital Region and the municipalities, and tripartite agreements, concluded between the Brussels Capital Region, the municipalities and the regional cashier. The general operating principles are as follows:

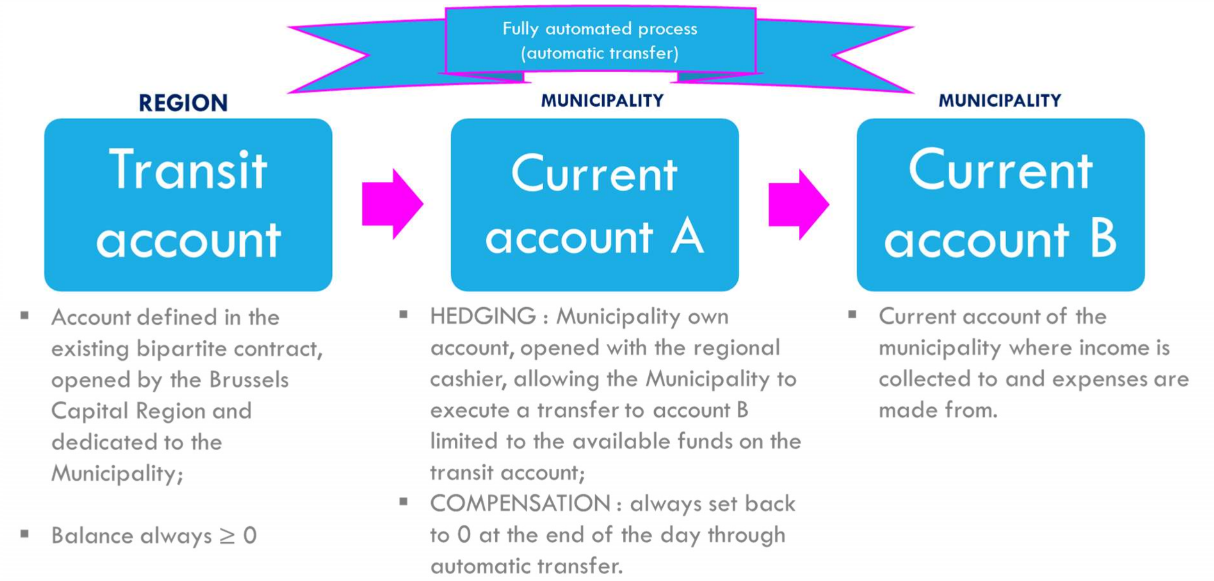
- Centralization of advances on transit accounts dedicated to municipalities;
- Establishing a consolidated plan of withdrawals based on the municipal individual withdrawals planning;
- Establishing a quarterly reporting intended for the municipalities and the authorities;
- Calculation and allocation of an annual subsidy for sound financial management;
- Introduction of a system for transferring advances by automatic levelling from the transit account of the municipalities to their own account;
- Setting up of a digital data exchange platform to facilitate the transmission of the drawing plans of the municipalities;
- Respect for municipal autonomy.

These amounts remain available, and the municipal financial managers draw the necessary sums from them, according to their cash flow needs, without any of this generating additional management costs. Municipalities do no longer have to wait for payments of additional cents to be made based of actual collection and borrow on unfavorable terms.



This process should help to ensure that advances remain in the Region's transit accounts for longer through just-in-time funding, thereby avoiding the need for municipalities to place excess drawings in investment or term accounts, where there is a minimum waiting period before they can be recovered unless there is financial compensation.

The operational mode of operation of the hedging-compensation system entered into force on 01.02.2020 is as follows:



This new system has undeniable advantages:

- **Administrative simplification**: automation of an existing system since 2017, at no cost to the municipality (except for a quarterly fee from the bank);
- **Flexibility in transfers**: desired amounts, desired frequency;
- **Availability of advances**: balance of the transit account transferable at any time without waiting time for provision ;
- **“Sliding” drawings calendar**: online platform created to insert transfer forecasts for the current year.

The digital interface called "e_Pecunia", set up by the Debt Agency to allow municipalities to introduce their drawing forecasts from their transit account to the municipality's own account B, will complement the available facilities:

- **Administrative simplification**: deletion of manual print requests and excel file exchanges by email to communicate print forecasts;
- **Respect for municipal autonomy**: no obstacle to the withdrawal of the amounts requested, greater freedom left to the municipality to dispose of the advances made available;
- **Support** : agents designated by Brussels Finances and Budget to specifically follow this mission are fully available to answer their questions and help them.

6.2. TRANSIT ACCOUNTS : KEY FIGURES

Table 15: The balance of the 19 transit accounts

Balance of accounts 31/12/2022	18,823,636.04 €
Balance of accounts 31/03/2023	42,482,803.02 €
Balance of accounts 30/06/2023	35,868,915.69 €
Balance of accounts 30/09/2023	16,690,583.51 €
Balance of accounts 31/12/2023	16,195,952.43 €

In 2023, the end-of-quarter balances on the transit accounts were lower than in 2022.

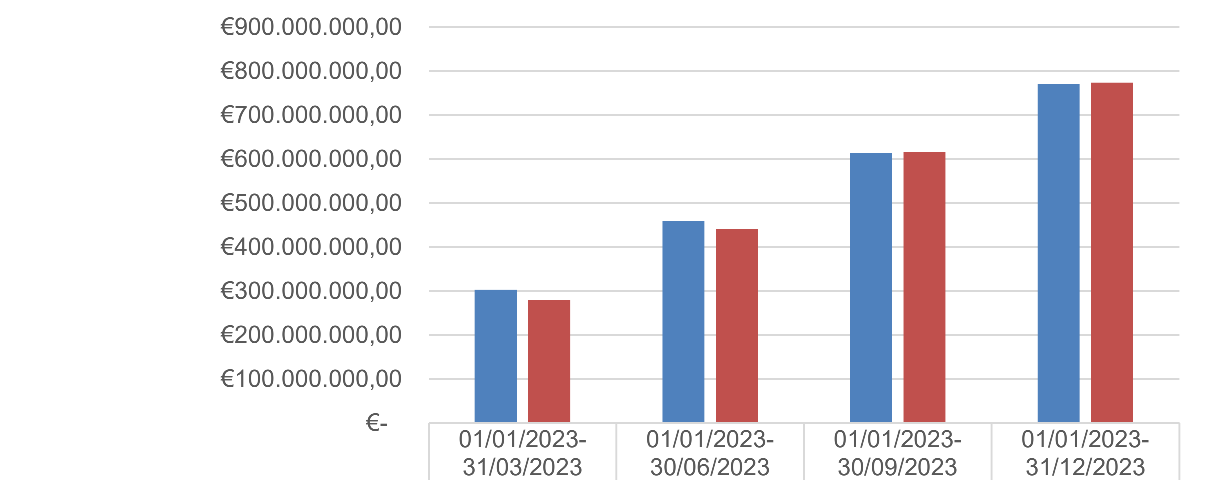
The average outstanding amount was €44,004,100.47 in 2023, compared to €90,803,281.30 in 2022.

The weighted average maturity was 31 days in 2023, compared to 46 days in 2022.

Several factors may explain the evolution of balances in 2023:

- the settlement of the 2022 withholding tax in February 2023, for a total amount of €146,024,509.85, to be compared with €288,202,111.29 in 2022;
- the payment of the general allocation to the municipalities in two phases, respectively in April and in May 2023, has slowed down drawings on transit accounts in June and July;
- the transferring of circulation tax receipts directly into the transit accounts;
- the rise in euribor rates during the third quarter of 2022; these rates have since then remained positive, which may have influenced the municipalities' "investment" behaviour.

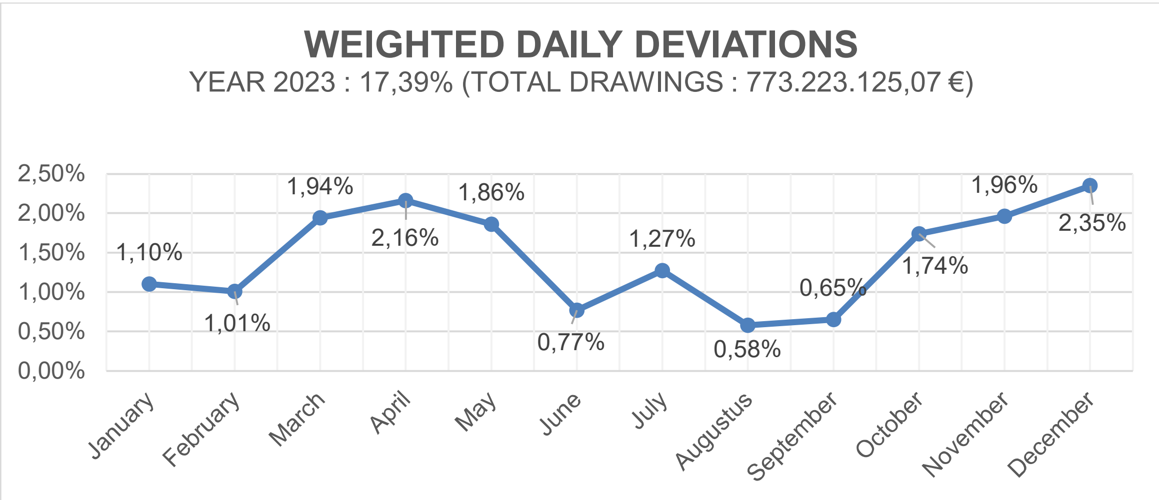
Graph 22: Amount of payments and drawings made on transit accounts in 2023



	01/01/2023-31/03/2023	01/01/2023-30/06/2023	01/01/2023-30/09/2023	01/01/2023-31/12/2023
Property tax advances 2023 (+regularization 2022), city tax 2022, additional pennies to traffic tax 2023 en endowment for good financial management	€302.869.992,88	€458.199.554,78	€613.589.862,79	€770.595.441,46
Drawings	€279.210.825,90	€441.154.275,13	€615.722.915,32	€773.223.125,07

The CCFCOM evaluates daily the deviation between the forecasts communicated and the actual withdrawals. These differences are weighted by the total sum of drawings over a given period, and this in a consolidated manner for the 19 municipalities. The average daily difference for the year 2023 is 17.39%. Compared to 2022, the average daily variance decreased slightly (28.51%).

Graph 23: Graphical representation of the weighted deviations for the year 2023



3.2. OUTLOOK

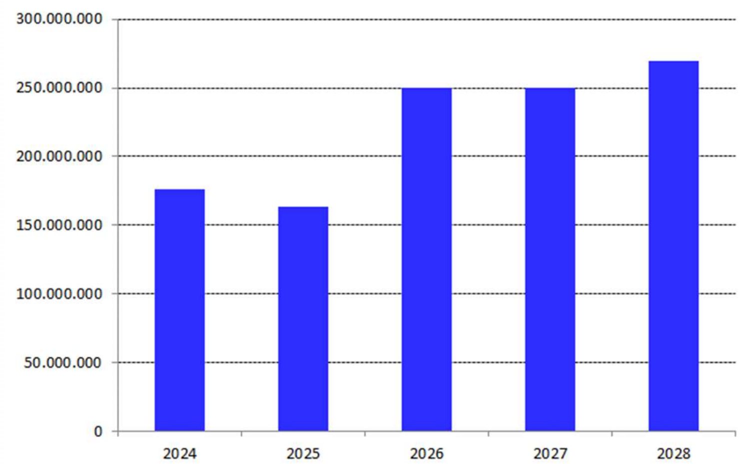
CHAPTER 1: AMORTISATION PLAN

The amortisation plan includes the outstanding capital amount owed by the Region for each repayment instalment.

The amortisation plan is an indicator of liquidity, refinancing and rate risks. If a public entity or company have difficulty finding financing or refinancing sources, they are faced with a liquidity or refinancing risk. The greater their financing or refinancing requirements, the more reluctant the banks are to grant a loan with favourable terms. This leads to a rate risk, and impacts on the borrower through higher financing costs due to higher banking margins on benchmark rates (Euribor, IRS, OLO).

In order to reduce these risks, the Region is keen to smooth the amortisation plan as far as is possible. This reduces capital repayment concentrations, and thereby improves the Region's financing and refinancing conditions.

Graph 24: Consolidated debt amortisation plan (2024-2028) on 31.12.2023[36]



[36] The full amortisation plan is available in the Appendices (Section 5, Chapter 7).

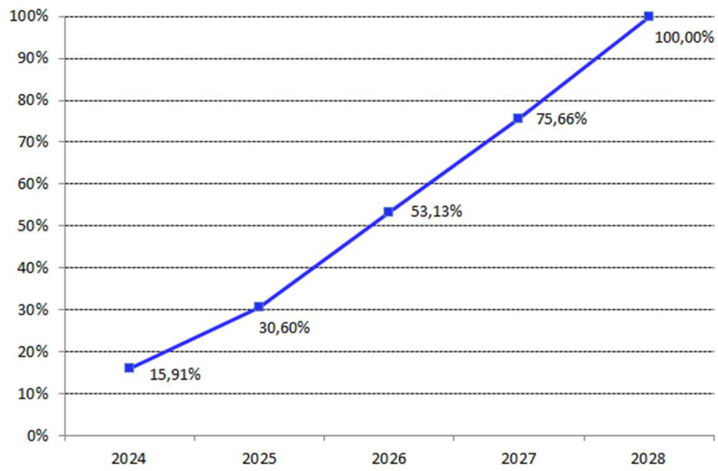
Calculation of amortisation volatility[37] based on the average is the Region's primary tool for reducing its liquidity, refinancing and rate risks. Low volatility denotes perfect smoothing of the amortisation plan. The Region deems this to be one of its primary objectives:

- The standard deviation/average shows that the dispersion of the Region's future amortisations is poor:

Year	Average	Covers	SD	SD/Average
2024	20.00%	5 years	4.37%	21.87%

- Which is demonstrated by the uniform gradient of the curve:

Graph 25: Cumulative amortisation for consolidated debt (2024-2028) on 31.12.2023



CHAPTER 2: PROJECTED DEFICITS AND FINANCING AND REFINANCING REQUIREMENTS

In order to correctly calculate the Region's rate and liquidity risk, the analysis must include any future financing flows that may be generated by authorised budget deficits (i.e. financing requirements) as decreed by the High Council of Finance (HCF's) permanent "Public Authority Borrowing Requirement" Section.

At its own initiative or as requested by the Federal Minister for Finance, this Section may issue an opinion on whether to restrict the borrowing capacity of one or several public authorities, according to the need:

[37] Analysing volatility allows the scale of variation for each amortisation to be measured based around an amortisation average.

- To prevent the economic and monetary unit from being compromised;
- To prevent a structural derailment of financing requirements.

On 13 December 2013, the federal state and the federated entities concluded a cooperation agreement on the basis of article 3[38] of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, which had come into force on 1 January 2013. This treaty, commonly referred to as the “European budget pact”, was aimed at ensuring that member states finance their expenditure with income rather than with loans.

In the face of the COVID-19 crisis (classified as a pandemic by the WHO on 11 March 2020) that caused a major economic recession, on 13 March 2020 the European Commission announced the activation of the budgetary flexibility clauses[39] provided for in the Stability and Growth Pact[40]. The Finance Ministers of the Member States agreed to this on 23 March 2020. A reform of the European Union's economic governance framework (including the budgetary framework) was launched in 2022.

The European Commission communicated on 8 March 2023[41] that the general derogation clause would continue to apply in 2023, as decided on 23 May 2022, but has to be deactivated for the 2024 tax year. A reform of the framework for economic governance in the European Union was launched at the beginning of 2024. The new European framework will be based upon compliance with a net primary expenditure trajectory, specific to each member state and subject to a yearly assessment by the European Commission[42].

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[38] Article 3, known as the “golden rule”, imposes member states to have their budgets in surplus or at least in balance.

[39] its socio-economic impact would come from the Member States themselves, with a resultant increase in budget deficits. The Commission therefore considered that full use should be made of the flexibility clauses in the fiscal rules framework when assessing the State aid granted and the budgetary situation. At the same time, the Commission constantly stresses that the sustainability of public finances must be preserved and that structural slippages must be avoided at all times (mindful to the preservation of fiscal sustainability)." in FSC, Preparation of the 2020 Stability Programme, p. 17, April 2020.

[40] « Derogation clause of the Stability and Growth Pact. On 20 March 2020, the Commission adopted a Communication on the activation of the general derogation clause of the Stability and Growth Pact. The general derogation clause introduced by Articles 5(1), 6(3), 9(1) and 10(3) of Regulation (EC) No 1466/97 and by Articles 3(5) and 5(2) of Council Regulation (EC) No 1467/97 facilitates the coordination of budgetary policies in times of severe economic downturn. » in Parliament of the Brussels Capital Region, Revenue and expenditure budget for the 2021 budget year, General Overview (A-268/1-2020/2021), p.243, 30.10.2020.

[41] European Commission, COM(2023) 141 final, Communication from the Commission to the Council: Fiscal policy guidance for 2024, 08.03.2023.

[42] Pursuant to this reform, the stability and convergence programmes are to be replaced with medium-term national budgetary and structural plans. These medium-term plans will have to be drawn up by the member states of the Union for the first time in the second half of 2024, on the basis of the reference trajectory that will be drawn up by the European Commission for each member state.Cf. CSF, Avis en préparation du programme de stabilité 2024-2027, p. 9, March 2024.

According to the multi-year estimates presented to Parliament by the Government in November 2023, the consolidation needs (projected deficits, debudgeted strategic investments[43], Code 8[44], depreciation to be refinanced) for the period 2024-2027 amount to €3.87 billion. As of 05 April 2024, there was a remaining requirement of 2.22 billion. Needs for 2024 have been covered entirely.

Table 16: Projected deficits, financing and refinancing requirements, new financing from 2024 to 2027 (in €) on 05.04.2024

	2024	2025	2026	2027	Total
Projected consolidations	1,366,500,000	1,207,000,000	735,000,000	560,000,000	3,868,500,000
Consolidations already carried out in previous years and starting in the year in question	-141,000,000	-25,000,000	-200,000,000	-62,000,000	-428,000,000
Consolidations for the current year	-1,125,500,000	0	0	0	-1,125,500,000
Floating debt	-100,000,000	0	0	0	-100,000,000
Remaining consolidations to be done	0	1,182,000,000	535,000,000	498,000,000	2,215,000,000

CHAPTER 3: CHANGES TO THE DIRECT DEBT STRUCTURE WITH CONSOLIDATIONS

Below are the consolidation amounts which should be applied between now and the end of 2027:

Table 17: Projected deficits, Refinancing and new financing from 2024 to 2027

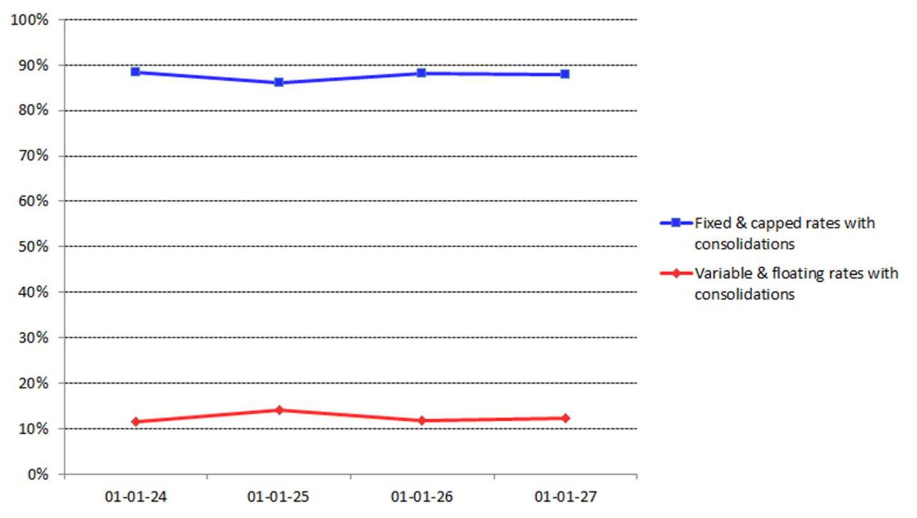
Year	Total
2024	1,366,500,000
2025	1,207,000,000
2026	735,000,000
2027	560,000,000

[43] The investments by the Brussels Capital Region, mainly relating to mobility, are not included in the medium-term objective (MTO) of the European Union's Stability and Growth Pact. These include the renovations of tunnels, flyovers and bridges and the renovation and expansion of the metro network.

[44] Items categorised as code 8 (granting of credit and equity holdings) are deemed financial transactions under ESA 2010. They therefore have no impact on the budget, and are therefore not included in calculations of the Region's net financing balance. They are considered as an addition to the net budget balance. The code 8 referred to are based on indicative data collected by the Debt Agency of the Brussels Capital Region.

Taking into account the future (fixed-rate) consolidations, the direct debt fixed-rate structured (fixed + caps) should fluctuate between 86.01 and 88.45% from 2024 to 2027. The variable rate portion (variable + floating) should be between 11.55% and 13.99%[45].

Graph 26 : Changes to the direct debt structure with the fixed-rate consolidations (31.12.2024 – 31.12.2027)



CHAPTER 4: FUTURE COST OF PORTFOLIO (2024-2028); STRESS TESTS[46]

The Brussels Capital Region Debt Agency has developed an in-house model of changes to the Region's debt portfolio cost over a five-year period. The model is based on changes to the actual future rates curve, and includes future consolidations at variable rather than fixed rates.

The Agency carried out a historical analysis of the volatility of interest rates and the differences observed between spot rates and future rates on their completion dates. This is mainly quantitative and takes account of the economic environment of the time.

Based on this historical analysis, a table of margins has been produced which reflects the possible differences between spot rates and future rates from which several variants are developed and adjusted depending on the current economic environment and potential risks.

The model[47] covers three macroeconomic scenarios:

[45] Simulation with the interest rates of 29.03.2024.

[46] Exercise which involves simulating extreme but credible rates conditions to examine the impact on the portfolio. The purpose is to measure the portfolio's resistance to such situations.

[47] The model was updated with the forward rates on 29.03.2024 except for 2024 where the future rates for 29.12.2023 were used.

- Actual future rates ;
- Increase in interest rates with a maximum margin increase of 2.45% (= maximum positive difference observed over the 2004-2015 period between spot and future rates);
- Moderate fall in interest rates with the lowest historical rates used as limits.

Table 18: Annual average weighted cost (end of month) according to the three macroeconomic scenarios

Year	Actual future rates	Increase in future rates	Fall in future rates
2024	2.36%	2.61%	2.29%
2025	2.49%	2.83%	2.34%
2026	2.56%	3.00%	2.40%
2027	2.59%	3.09%	2.40%
2028	2.62%	3.18%	2.42%

CHAPTER 5: RESULTS OF PREVIOUS YEARS AND 2024 REGIONAL STRATEGIES

5.1. HISTORICAL ROADMAP

Since 2018, strategic investments have fundamentally changed the regional approach in terms of debt.

As a reminder, before this date and more specifically after the sovereign debt crisis of 2011-2012, the Minister for Finance began a strategy to return to a balanced budget. This strategy resulted in the Region making great efforts which were reflected by the budgetary bonuses over the 2013-2017 period and a significant reduction in direct debt.

However, this trend changed from 2018 with the advent of strategic investments considered by the Government as neutral from a budget perspective in the context of establishing the budget deficit.

These investments are quite specific and are classified as strategic because they cover essential infrastructure projects for our Region. They consist firstly of the extension and renovation of the metro, then the renovation of engineering structures such as tunnels and viaducts, and finally the improvement of security following the 2016 Brussels attacks.

In their inception phase, these strategic investments were budgeted at €275.5 million in the initial 2018 budget and then increased to €360 million in the adjusted 2018 budget, with final execution at 96%.

In 2019, the gradual deployment of the projects underpinning the strategic investments started in 2018 had led to an increase in the budget to €460 million in the initial 2019 budget, increased to €472 million in the adjusted budget. However, the final amount was limited to €457 million.

With regards the initial 2020 budget, the volume of strategic investments was increased to €499.99 million.

As in previous years, the initial consolidation programme for 2020 was based on the amount of the scheduled amortisation in 2020 (which is €206 million) and the voted volume of the strategic investments (which is €500 million), forming the financial deficit to be covered.

Therefore, at the beginning of 2020, it was decided to increase the 2020 consolidation plan by an additional €300 million in order to mechanically reduce the level of floating debt, which had closed at a relatively high level in 2019. The total baseline consolidation identified prior to the health crisis therefore amounted to almost one billion for 2020.

It should be noted that operationally, a significant proportion of these 2020 baseline consolidation requirements were already covered in 2019 through an "additional consolidations" strategy (€414 million raised) and forward start financing (a total of €95 million).

During the first quarter and before the health crisis had its first effects, just over €300 million in consolidations had been concluded at historically aggressive margin conditions.

5.2. TWOFOLD STRATEGY DEPLOYED AT THE ONSET OF THE COVID-19 CRISIS

At the end of March - beginning of April 2020, when the health crisis was beginning and a large public intervention had to be activated, the Front Office launched a twofold strategy to cover needs: this twofold strategy consisted on the one hand in seeking sustainable financing by means of consolidation, to ensure the financing of exceptional measures - essentially in terms of expenditure - and on the other hand in covering the more economic impacts by means of shorter-term financing products (CPs - commercial paper between six months and one year).

This twofold dual strategy met several objectives. The first was to secure the Region by using the credit line (€1.2 billion) as a buffer. The credit line was completely emptied within a few weeks. It has served as resistance during a sustained health crisis, future waves and financial markets under pressure. This subsequently proved to be true.

Another objective was to make conscious use of consolidations in order to avoid the call for sustainable debt, while the more economic impacts were to be corrected gradually, generally in the form of delays or flexibilities in revenue items.

It should be noted that a total "COVID-19" consolidation volume of €500 million was then included, in addition to the basic consolidation plan for 2020, taking the 2020 requirements to €1.5 billion.

5.3. SECOND HALF OF 2020 AND « ADDITIONAL CONSOLIDATIONS » 2021

Throughout the second quarter, market conditions were very difficult, OLOs doubled and investors were very reluctant to buy public paper. For long-term transactions, the Front Office widened its credit margins by 10 basis points (0.10%) to create an incentive, following the example of the major European issuers (supras, very good German loans, etc.). In the short term, CPs were issued with a slightly positive yield (0.10%) as it became impossible to roll over (i.e. renew) short-term paper.

These efforts enabled the Region to remain active throughout the second half of the year and achieve the objectives of the twofold strategy. During the second quarter, just over €500 million was consolidated and around €700 million long CPs were concluded.

So much so that the first 2020 review at the beginning of June with the rating agency Standard and Poor's showed that a very large part of the 2020 requirements had already been covered. At the end of the review, the historical AA rating was maintained but the outlook was changed to negative in view of a slightly larger than expected deficit in 2019, but above all because of the prospects of a very large budget deficit in 2020 given the initial impacts of the health crisis and its uncertain evolution.

Market conditions gradually returned to normal during the second half of the year as there was a general easing as the first wave came to an end. Also, since it was then possible to return to OLO levels and credit margins close to the pre-crisis situation, the Front Office pleaded for the continuation of consolidations through "additional consolidations" taking effect from 2021.

Therefore, during the second half of the year, more than one billion consolidations were carried out, of which almost half were "additional consolidations". These excess consolidations were accompanied by the generation of a significant cash position from the middle of the year, with the credit line remaining completely free.

In total for 2020, the consolidations of the first quarter and those of the second half of the year made it possible to absorb the difference in financing costs in the second quarter due to the arrival of the COVID-19 crisis and the financial markets being under pressure. An average 2020 margin of OLO+16 basis points was obtained, very close to the historical level of OLO+10 to +15 basis points. As a result, throughout the year and even during the second quarter, the Region's margins remained consistently more aggressive than those achieved by other federated issuers in Belgium.

These exceptional results for a crisis year were made possible by the Region’s constant presence on the markets and a very wide distribution of transactions: 48 transactions, 20 dealers, 29 different maturities.

At the end of 2020, direct debt amounted to €5.8 billion, resulting in a 2020 financial deficit of €1.5 billion. This shortfall is mainly due to the measures and impacts linked to the health crisis, but also to the initially planned strategic investments.

5.4. TRAJECTORY AND 2021 FINANCIAL RESULTS

2021 started with a very comfortable situation. Indeed, at the start of the year, the floating debt of less than €200 million was made up of €700 million in long CPs and approximately €500 million in cash. This was made possible by just over half a billion "additional consolidations" completed in 2020.

Compared to the initial 2021 budget, the maximum financial deficit allowed for the year was around €1.5 billion (as in 2020). Together with depreciation, the financing requirements should have amounted to €1.7 billion. However, the financial deficit observed through direct debt at the close of 2021 was only €1.259 billion. This smaller financial deficit is due to greater-than-expected budget underspending in 2021.

Long-term financing raised to fund 2021 amounted to €1.241 billion. It was raised through various financing channels: firstly, through four spot financing envelopes on the financial markets for a total of €1.115 billion euros, which were spread over the year but which already provided extensive cover of €915 million euros by the middle of the year. Then, thanks to the two loan operations from the European SURE programme for a total of €94.5 million and finally thanks to a forward start operation which ensured advance financing of €31 million. These long-term financing operations were widely diversified through 38 operations concluded with 15 dealers and over 20 different maturities. This has resulted in a further substantial improvement in the smoothing of the amortisation plan and the diversification of counterparty risks.

Therefore, the cost of financing has been kept very low and close to 2020, with an average rate of nearly 0.76% on market financing and an even more aggressive credit margin of OLO+14bp. This level is quite remarkable. It accentuates the fact that the March 2021 rating downgrade (from AA negative outlook to AA- stable outlook at S&P) had little impact on investors' assessment of regional risk. Even further, the Region has been able to obtain more aggressive financing conditions than other regional and community issuers, even those with a higher rating (Flanders was able to maintain its AA rating until December 2021, when it was also downgraded to AA- by Moody's).

Floating debt remained broadly stable during 2021. At the end of the year, it stood at just €397.5 million.

5.5. 2022 AND NEW MARKET TRENDS

During the last quarter of 2021, a certain restraint could be felt by investors in their investment policy. In the last few weeks of the year, we could see the first signs of a rise in long-term rates. Investors are beginning to anticipate an end to the accommodating policy of central banks, despite the still very defensive speeches of the ECB in particular at that time.

This upward trend was initially gently confirmed during the first few weeks of 2022 before becoming very marked in February.

They then became structural over 2022 by strengthening with central banks' announcements, expectations and then realisations of inflation reinforced by the impacts of the war in Ukraine.

Even more practically, this evolution materialised through the financing conditions of the long-term debt: the cost of new long-term financing operations at the beginning of 2022 was around 1 to 1.5%, including a historical credit margin of OLO+10 to +15 BP. At the end of 2022, the average cost of new operations was around 3 to 3.5%, including a credit margin between OLO+40 and +45 BP.

The long-term financing raised amounted to €1.271 billion in 2022, mainly in the first half of the year. This resulted in a very low average 2022 financing cost of 1.89% and an average margin that was limited to OLO+23.75 BP. A total of 30 operations with 14 dealers on 17 maturities.

In addition to these spot operations, the Front Office had already secured partial financing for 2022 by means of €211 million of forward financing. This volume is in addition to the €1.271 billion.

On the short-term financing front, short-term rates gradually moved out of the negative levels of the last few years and followed the rise in key rates that started in the second half of the year. The deposit rate increased from -0.5% to 2% over the second half of the year. Short-term rates rose faster than long-term rates, leading to an inversion of the curve, but also naturally to a preference by investors for shorter maturities. During the second review in September 2022, the rating agency S&P lowered the outlook from stable to negative, mainly due to the budgetary performance observed in 2022 and its challenging of the Region's ability to remain on the trajectory set since 2020 and aiming for a return to a deficit limited to strategic investments in 2024.

An initial multi-year financing facility with the EIB was signed on 15 December 2022. It provides for a volume of € 475 million, with the underlying project being the acquisition of electrical rolling stock and the renewal of part of the network.

2022 closed with a larger than expected floating debt that was realised in the very last weeks of the year. It was essentially due to a delay in the payment of revenues, particularly from the federal government. However, thanks to short-term transactions concluded throughout the year, it has been possible to preserve important capacities on the short-term credit lines.

5.6. RESULTS OF 2023

The basic external financing needs for 2023 had been established at €1,274 billion based upon in the initial 2023 budget. Taking into account the floating debt volume at the turn of the year, the Front Office proposed to extend this volume with €300 million in additional consolidations, aimed at maintaining a limited floating debt.

As in 2022, the Front Office opened its consolidation campaign - which remained the preferred funding strategy - in the early days of the year. This resulted in nearly half a billion dollars of funding being raised in the first month of January 2023, which in turn significantly reduced the floating debt observed at the close of 2022.

This strategy was beneficial in order to benefit from rates that were still moderate at the beginning of the year and then continued to rise. The rise in rates, especially in the short term, was reinforced by monetary policies aimed at combating higher than expected inflation: key rates were raised twice in the first quarter of 2023 (the deposit rate reached 3%).

At the end of the first quarter, the long-term financing raised in 2023 amounted to nearly €750 million, i.e. nearly 50% of authorised consolidation volumes, with an average rate of 3.46% and an average margin of approximately OLO+42.5 BP.

As in previous years, the strategy of setting up forward operations covered part of the year's needs in advance. For 2023, it is €225 million, i.e. the volume of depreciation for 2023. This €225 million is in addition to the €750 million concluded in the first quarter. These forward transactions are also timely as they were concluded in previous years at lower financing costs than the current ones.

At the March 2023 review, the rating agency maintained the AA- rating and negative outlook. Its main focus remains on budgetary performance, both in terms of deficit execution and therefore impact on the volume of debt, and compliance with the targeted multi-year budget path.

Financing operations continued throughout the second and third quarter of 2023, bringing coverage to 94% at the end of the third quarter.

In the September 2023 review, both the rating and the outlook were maintained unchanged, with the same observations relating to budgetary performances.

At the very beginning of October, the Front Office announced to the market that a second consolidation package of €300 million had been authorised (with the preventive aim of maintaining a limited amount of floating debt until the end of the year), and that the main cap of the amortisation plan had been raised to €400 million (this took place with the agreement of the Minister of Finance, in order to free up space and at a time when most of the 15-30 year maturities were almost fully drawn down).

In December 2023, a second financing line was concluded with the EIB, again for an amount of €475 million. Although terms are broadly the same as for the first line, the underlying project is different in that it involves financing part of the metro upgrade on the Nord-Albert section.

In realisation terms, 2023 saw an actual financial deficit of €1,489 billion on direct debt. Given that a total financing of €1.793 billion had been concluded during the year, in the end nearly €300 million of consolidation has helped to reduce floating debt.

5.7. 2024 INTERIM RESULTS AND OUTLOOK

The basic external financing needs for 2024 have been established at €1,225 billion based upon the initial 2024 budget, including the differential between forward transactions and amortisations.

Once again, as in previous years, the Front Office opened its consolidation campaign very early in the year to cover these needs, in agreement with the Minister of Finance and as discussed in the CSF Bureau meeting in December 2023.

However, unlike in previous years, numerous issuers have advanced market appeals originally scheduled for later in the year. The federal debt agency is no exception to this rule. Despite 2023 being a record year in terms of finance needs coverage, statistics relating to supranational issuers suggest 2024 is set to surpass it, from the first quarter on.

Despite the massive presence of issuers, the Front Office managed to raise €725 million in the sole month of January (including a €500 million jumbo deal) and almost €1.050 billion by the end of February, i.e. a 85% coverage in two months.

Total coverage of initial needs was achieved in early April, despite the drop in rating.

In the first 2024 review, issued in March, the rating had indeed been lowered from AA- with negative outlook to A+ with stable outlook. The rating agency highlights that the target established several years ago – i.e. a return to a deficit limited to €500 million in strategic investments by the end of the 2024 legislature – will be postponed by 2 years (see multi-year trajectory provided in the 2024 Initial Budget Statement). It was also pointed out that the debt-to-income ratio reached almost 205% in 2023 and that it could reach 220% this year to come in at just under 225% in 2025, before declining again (S&P analysis for March 2024).

As to treasury, a positive cash position is expected on the credit lines throughout the first half of the year. Part of the cash remains on the credit line with the cashier, whereas another part is invested in commercial paper issued by the federal state offered on the secondary market.

Outlook:

The last quarter of 2023 was marked by the global slowdown in the quantitative easing policies of the various central banks and the financial markets' anticipation of rate cuts from the second quarter of 2024. As a result, rates fell down sharply in November.

However, from the very beginning of January 2024, they were corrected upwards and subsequently remained broadly stable throughout the first four months of 2024.

At the end of the first quarter, statistics and surveys relating to key rate movements became more moderate about the outlook for cuts in the second half of the year. Central bank messages became more mixed than at the end of 2023 and macro indicators (inflation, unemployment, etc.) were closely scrutinised.

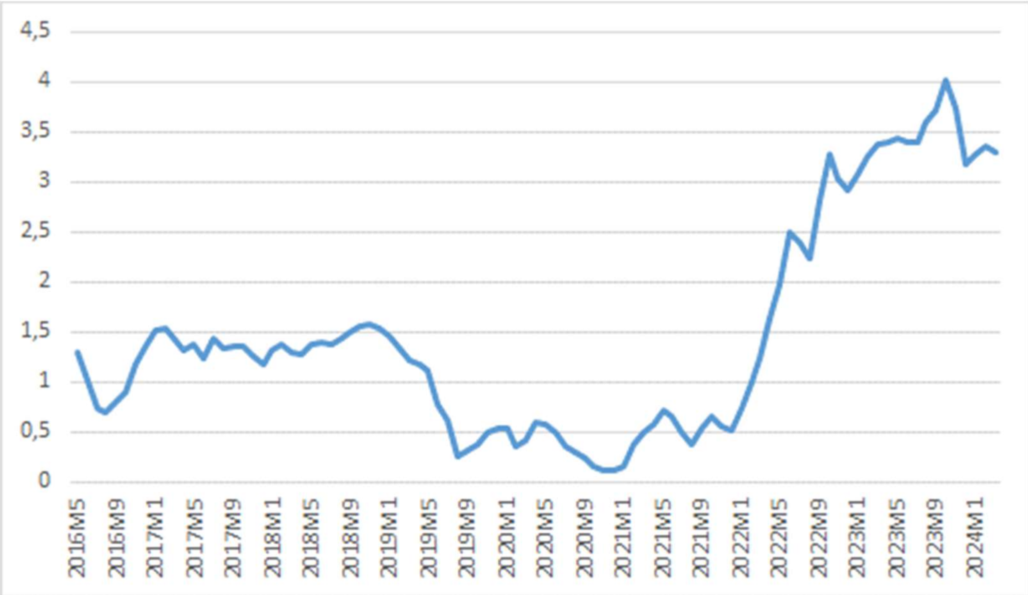
The question arises as to why so many issuers wanted to be present on the markets very early in 2024, despite expectations that rates would normally fall in the second half of the year. Statistics already show that 2024 will become a record year in terms of early coverage of financing needs, based upon the benchmark issues by large (including supranational) issuers. This is no doubt due to the many uncertainties surrounding geopolitical tensions, the US elections and so on.

With regard to funding, the Front Office intends recommending to the Minister of Finance to start using the multi-year financing lines in the coming months, at least the first EIB line concluded in December 2022. It will also propose for the Region to remain present on the markets in the second half of 2024 through an additional consolidation package, which should make it possible to maintain a limited level of floating debt and to approach 2025 without worries in terms of cash flow.

The following graph illustrates the evolution of the 25-year OLO (source: stat.nbb.be). This duration corresponds to the average maturity term of direct debt transactions concluded in recent years.

It can be observed that OLOs and behind market rates reached low levels over the period mid-2019 to end of 2021, at around 0.50% on the 25-year OLO. It was during this favourable period that the Front Office raised a significant portion of the long-term financing that currently makes up the direct debt portfolio. We can then clearly see the significant increase in market conditions throughout 2022, with the bond yield for the 25-year OLO rising from 0.50% to almost 3.00% over the year. As explained above, credit margins also increased significantly. This rise continued throughout 2023, with an acceleration in the third quarter, followed by a sharp correction in November due to the central banks' announcements (see above). Rates rose again in January 2024 and then stabilised for the rest of the first quadrimester.

Table 19: Evolution of the OLO 2047 (source: Bloomberg) on 17.04.2024



5.8. REVIEW OF CONSOLIDATED GUARANTEES AND FINANCIAL RISKS

As far as guaranteed debt is concerned, the Front Office is continuing with its dynamic management approach, particularly by analysing the counterparty risk. This risk gives rise to fees to be paid on a yearly basis by the body covered by the guarantee. These fees are paid into a reserve fund intended to cover possible future defaults. The portfolio risk is closely monitored by way of two review analyses per year and per body.

No defaults were observed on the guarantees managed by the Front Office in 2023, nor in the first quarter of 2024.

At the legal level, an ordinance legislating the commitments guaranteed by the Region was adopted by the Brussels Parliament on 29 March 2019 and published in the Belgian Official Gazette on 5 April 2019.

In operational terms, the Front Office has been recommending over the last few years that guaranteed entities pay close attention to the likely rise in market conditions. This anticipation has proved useful, particularly for the Fonds du Logement (Housing Fund). The fund had split its 2021 market appeal into two phases, instead of raising finance only at the end of the year. In 2022, the Front supported the granting of the bond to allow the Fund to raise the bulk of its annual requirement (€190 million of the €210 million capacity) through a first quarter appeal. This allowed the Fund to lock in its 2022 borrowing terms with certainty, before rates rose significantly in the rest of 2022. As in 2022, the Front Office supported the Fund's request for a guarantee to raise €200 million in the first quarter of 2023, which was successfully placed with various domestic banks. In the last half of 2023, the Fund also raised €30 million with the regional guarantee.At the beginning of 2024, a new application for the regional guarantee enabled the Housing Fund to raise €200 million at the end of January.

Moreover the guaranteed debt portfolio has been 98% replenished on a consolidated basis, contract by contract and flow by flow (interest and amortisation), and company by company. This is a unique database in Belgium which provides forward visibility of the regional risk linked to guarantees granted. As for the direct debt portfolio, this database also enables the duration, cost and structure of the guaranteed debt to be calculated on a consolidated basis, body by body.

In terms of the consolidated regional entities, the Front Office has developed the general mapping and monitoring of the financial risks of the main entities. The updates are also used for the half-year reviews by the ratings agency S&P. In the same vein, it is also worth recalling the PULSE survey launched at the outset of the 2020 health crisis to ascertain the cash position and prospects for potential financial stress due to the COVID-19 crisis of all consolidated and guaranteed regional entities. The positive assessment enabled both the Region and the rating agency to confirm the financial situation of the entities.

5.9. OTHER DEVELOPMENTS

In the context of its interdisciplinary missions, the Debt Agency will carry out the following actions:

- Maintaining and updating the LSF[48] calculator for the 6th State reform;
- Updating the sensitivity of the 2024 consolidated regional budget to inflation, which could result in hedging transactions;
- Continuation and development of the collaboration in terms of support and financial advice to various regional and community entities.

[48] Special Financing Law.

SECTION 4: GUARANTEED DEBT

Guaranteed debt constitutes all of the Region's conditional commitments. This debt does not form part of public debt, but rather represents potential debt in the event in which a guarantee is called upon. The guarantees granted by the region may relate to liabilities (e.g. loans) or assets (e.g. receivables).

CHAPTER 1: GUARANTEE MANAGEMENT

The Minister for Finance and Budget had made the introduction and consolidation of the new dynamic guarantee management system and increased monitoring by the Region one of its priorities during the 2014-2019 legislature[49]. The Debt Agency (Brussels Finances and Budget) had been entrusted with implementing this objective.

CHAPTER 2: OVERVIEW OF THE NEW DYNAMIC GUARANTEE MANAGEMENT SYSTEM

The Debt Agency's Front Office Directorate (hereinafter "Front Office"), created in mid-2014, was tasked with managing the guarantees. The Front Office developed a dynamic system which is based on a procedure which analyses the actual granting process, as such requests form part of the framework defined by the prior budget authorisation.

A harmonised methodology enables the Front Office to establish an individual risk profile and to determine the annual fees that the beneficiary pays to the Brussels Capital Region on the guaranteed volume used.

The beneficiary's obligations are set out in a bilateral agreement, while the Brussels Capital Region's role as guarantor is detailed in a guarantee contract. These two contracts and the opinion of the Front Office are sent to the Government as a basis for its decision on whether or not to grant the guarantee.

Based on the authorisation granted by the Government, the Front Office analyses the use made of the guarantee, for example by issuing an opinion on the financing levels obtained.

Subsequently, the Front Office regularly monitors any changes to the beneficiary's financial profile, by way of a quarterly meeting and an update of the figures as required to update the risk profile and where necessary the fees.

[49] Parliament of the Brussels Capital Region, ordinary session 2014-2015, 7 November 2014, A-51/2 – 2014/2015, Appendix to the General Overview – section 1 (point OO2.3), p.86.

The fees gradually are used to gradually build up a reserve fund, and serve as the first port of call in the event of a default.

Based on this dynamic and predictive management approach, the Front Office is able to gain a more in-depth knowledge of the risks linked to the beneficiaries, and to play a role in preventing any defaults. It is also able to gain a more accurate (financial rather than accounting) picture of the Brussels Capital Region's actual guarantee risk exposure.

This approach, which is groundbreaking in Europe, also meets European competition requirements and the new methodology of the Standard & Poor's rating agency off-balance sheet commitments.

The system has been applied on a bilateral basis with a number of entities, including Hydria, Vivaqua and the Housing Fund.

The Ordinance of 28 March 2019 containing the provisions relating to the management of commitments guaranteed by the Brussels Capital Region makes the application of this process and methodology systematic for all public companies, whether belonging to the non-market sector or performing missions of a general interest, which may benefit from a regional guarantee under a budgetary ordinance or under a founding legislative or regulatory text granting such a guarantee.

CHAPTER 3: RECONSTITUTION OF THE VOLUME OF REGIONAL GUARANTEES BASED ON INDIVIDUAL OPERATIONS

The Debt Agency Middle Office (hereinafter "Middle Office") maintains exhaustive documentation on all guarantees granted, i.e. for every financial transaction subject to a guarantee, to have:

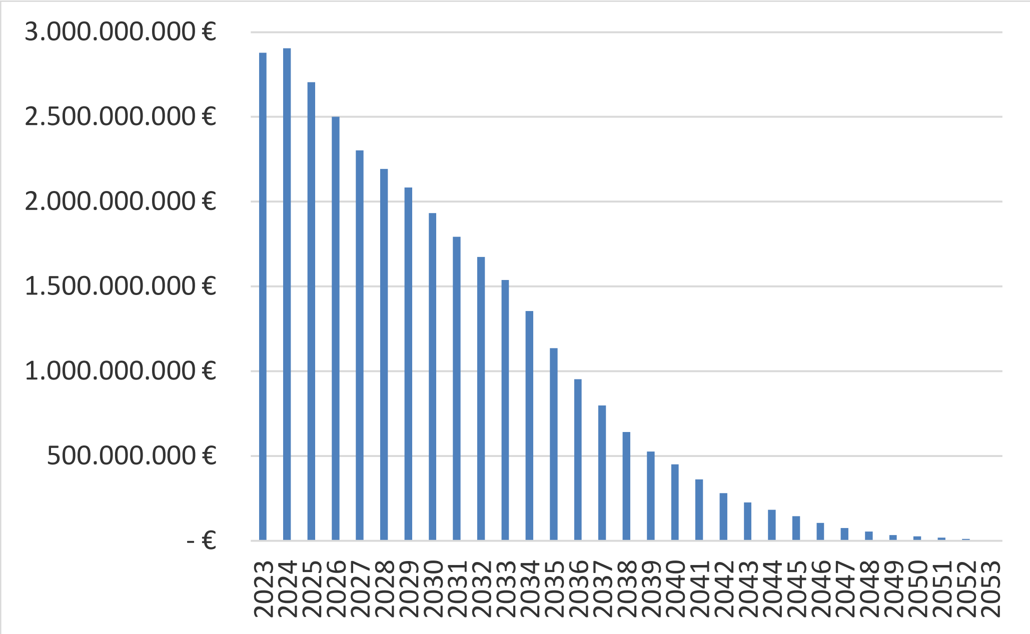
- The credit agreement;
- The deed of guarantee if separate to the agreement;
- The drawdown, in the case of a credit line;
- The amortisation table or schedule of individual cash flows, in order to calculate the non-amortised share of the guarantee until it has been fully amortised.

Therefore, 98% of guaranteed debt is subject to detailed documentation and analytical monitoring equivalent to the SPRB's direct debt. The remaining 2% comprises subordinated guarantees in portfolios containing low-value transactions, including mortgages issued by social credit societies, guarantees granted by the Guarantee Fund, and eco-loans. For such transactions, the Middle Office acts on the basis of declarations validated by the financial managers of these societies.

This reconstitution provides forward visibility of the regional guarantees already agreed, as well as the Region's current volume of commitments in this area. The graph below shows changes in the overall long-term outstanding balance of the guarantees currently granted by the Region, based on documentation collated by the Middle office at the time of writing this report and until they are fully amortised.

On 31.12.2023, the Region guaranteed a short-term outstanding balance of € 427.7 million.

Graph 27: Changes to the Region's long-term guaranteed debt balance



CHAPTER 4: REGIONAL GUARANTEES IN FIGURES

The two tables below summarise the whole of the guaranteed debt portfolio for the Brussels Capital Region:

Table 20: Authorisations and guarantees granted in 2023

In thousands of €			
	Bodies	Authorisations (2023 budget)	Guarantees granted (government)
1.	Housing Fund		
1.1.	Bank loans	230,000[50]	230,000
1.2.	Loans from the SLRB	0	0
2.	Social credit societies		
2.1.	Personal loans	0[51]	0
2.2.	Bank loans	25,000	0
4.	Port of Brussels	0	0
5	STIB	0	0
6.	Economic expansion	0	0
7.	BCR Guarantee Fund	0	0
8.	FRBRTC		
8.1/8.2/8.5	Missions 1, 2 & 5	932,900	507,707
9.	Bruxelles-Énergie	36,000	0
11.	Hydria	20,000	0
14.	Aquiris	0	0
15.	SFAR (SRIB)	0	0
17.	WIELS	0	0
18	Citydev (SDRB)	0	0
19.	SLRB		
19.1.	Bank loans	125,000	0
19.2.	Loans from the FRCE	0	0
20	Vivaqua	0	0
23.	Bruxelles-Propreté	27,200	0
24.	Eco-loans	0	0
25.	SA Recycling centre	60,000	0
30.	Bruxelles Biogaz	0	0
34.	Bruxelles-Démontage	0	0
36.	ABAE	10,000	0
	TOTAL	1,466,100	737,707

[50] In 2023, the Housing Fund extended a guarantee following an amendment to a €20 million loan contracted in 2017. The initial expiry was in 2023. This was postponed to 2026. For 2023, the Housing Fund was authorised to resort to the guarantee for up to 230 million. It has used this to take out new loans. The 20 million loan that was extended is not included in this total of 230 million.

[51] There is no ceiling but loans must meet the guarantee eligibility conditions set out by the Decree of 1st February 2001 by the Government of the Brussels Capital Region on the approval of credit societies and eligibility for the Region's performance guarantees as regards the repayment of credit obtained for the construction, procurement, conservation and conversion of social housing or similar projects.

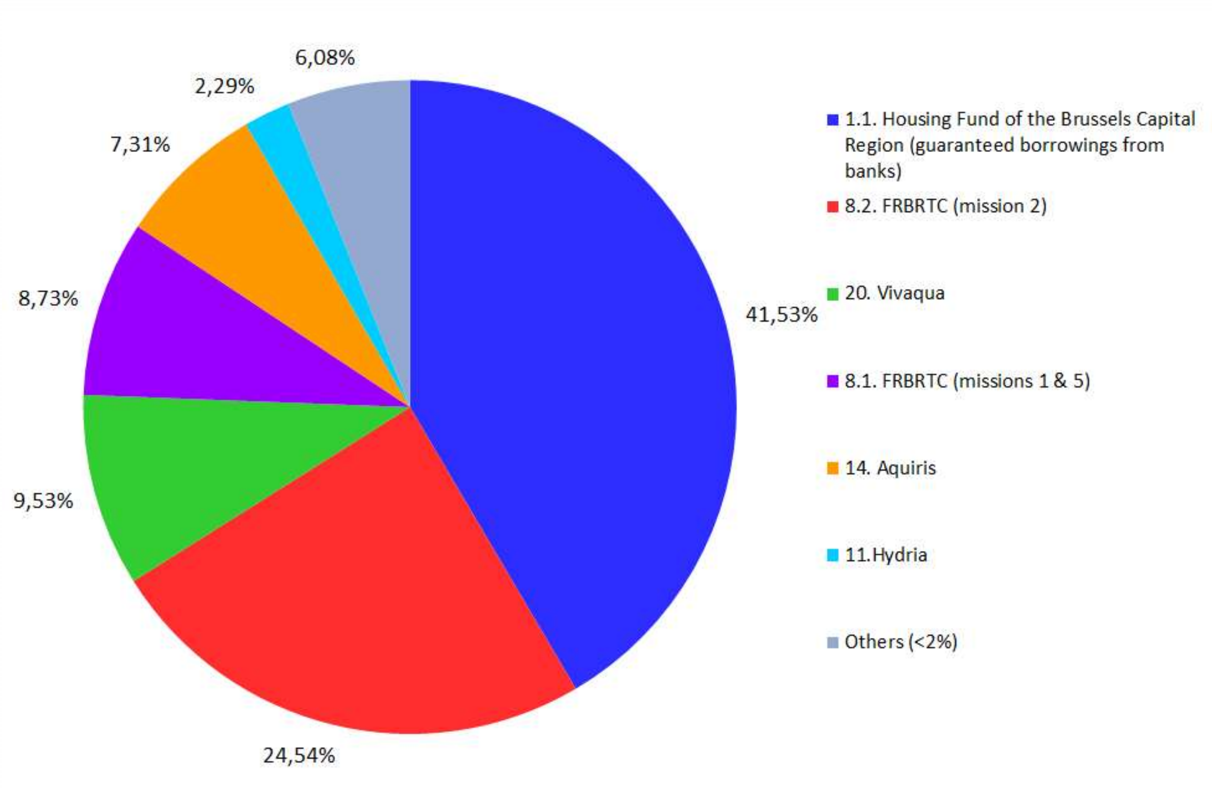
Table 21: Uses[52], guarantees called and outstanding balances in 2023

In thousands of €				
	Bodies	2023 uses	Guarantees called	Outstanding balance on 31.12.2023
1.	Housing Fund			
1.1.	Bank loans	230,000	0	1,410,331
1.2.	Loans from the SLRB	0	0	0
2.	Social credit societies			
2.1.	Personal loans	0	0	8,989
2.2.	Bank loans	0	0	32,099
4.	Port of Brussels	0	0	14,333
5	STIB	0	0	0
6.	Economic expansion	0	0	0
7.	BCR Guarantee Fund	0	368	42,105
8.	FRBRTC			
8.1/8.2/8.5	Missions 1, 2 & 5	507,707	0	1,129,582
8.9.	Swaps	0	0	35,000
9.	Bruxelles-Énergie	0	0	0
11.	Hydria	0	0	77,853
14.	Aquiris	0	0	248,156
15.	Plan for the future of housing (SRIB)	0	0	28,208
17.	WIELS	0	0	952
18	Citydev (SDRB)	0	0	0
19.	SLRB			
19.1.	Bank loans	0	0	40,512
19.2.	Loans from the FRCE	0	0	0
20	Vivaqua	0	0	323,610
23.	Bruxelles-Propreté	0	0	0
24.	Eco-loans	0	0	4,411
25.	SA Recycling centre	0	0	0
30.	Bruxelles Biogaz	0	0	0
34.	Bruxelles-Démontage	0	0	0
36.	ABAE	0	0	0
	TOTAL	737,707	368	3,396,142

[52] These uses may relate not only to guarantees granted in 2023, but also to previous years.

The graph below shows the breakdown by percentage:

Graph 28: Breakdown by percentage of the different institutions in the outstanding total guaranteed debt at 31.12.2023



SECTION 5: APPENDICES

CHAPTER 1: REGIONAL OUTSTANDING DEBT

1.1. TOTAL DIRECT DEBT (OUTSTANDING)

Table 22: Outstanding total direct debt on 31 December (in thousands of €)

	1990	1991	1992	1993	1994	1995
1. Direct debt stricto sensu (= net financing requirement)						
1.1. Long-term loans	---	74,368	310,956	523,357	805,585	921,358
1.2. Short-term loans	---	51,520	60,590	-4,747	27,614	68,078
Sub-total 1	---	125,888	371,546	518,610	833,199	989,436
2. Debt assumption						
2.1. Former Brabant Prov.	---	---	---	---	---	---
2.2. Agglomeration	---	---	---	---	---	---
2.3. Bruxelles-Propreté	---	---	---	---	---	---
2.4. SIAMU	---	---	---	---	---	---
Sub-total 2	---	---	---	---	---	---
Total	---	125,888	371,546	518,610	833,199	989,436

	1996	1997	1998	1999	2000	2001
1. Direct debt stricto sensu (= net financing requirement)						
1.1. Long-term loans	1,039,766	1,000,741	1,069,731	918,330	941,092	918,671
1.2. Short-term loans	78,187	127,104	37,290	161,883	249,306	263,106
Sub-total 1	1,117,953	1,127,845	1,107,021	1,080,213	1,190,397	1,181,776
2. Debt assumption						
2.1. Former Brabant Prov.	31,001	30,160	29,233	28,212	27,086	25,843
2.2. Agglomeration	88,428	88,428	88,428	88,428	43,807	43,807
2.3. Bruxelles-Propreté	18,266	18,266	18,266	18,266	18,266	18,266
2.4. SIAMU	19,984	19,984	19,984	19,984	19,984	19,984
Sub-total 2	157,679	156,838	155,911	154,890	109,143	107,900
Total	1,275,632	1,284,683	1,262,932	1,235,104	1,299,541	1,289,676

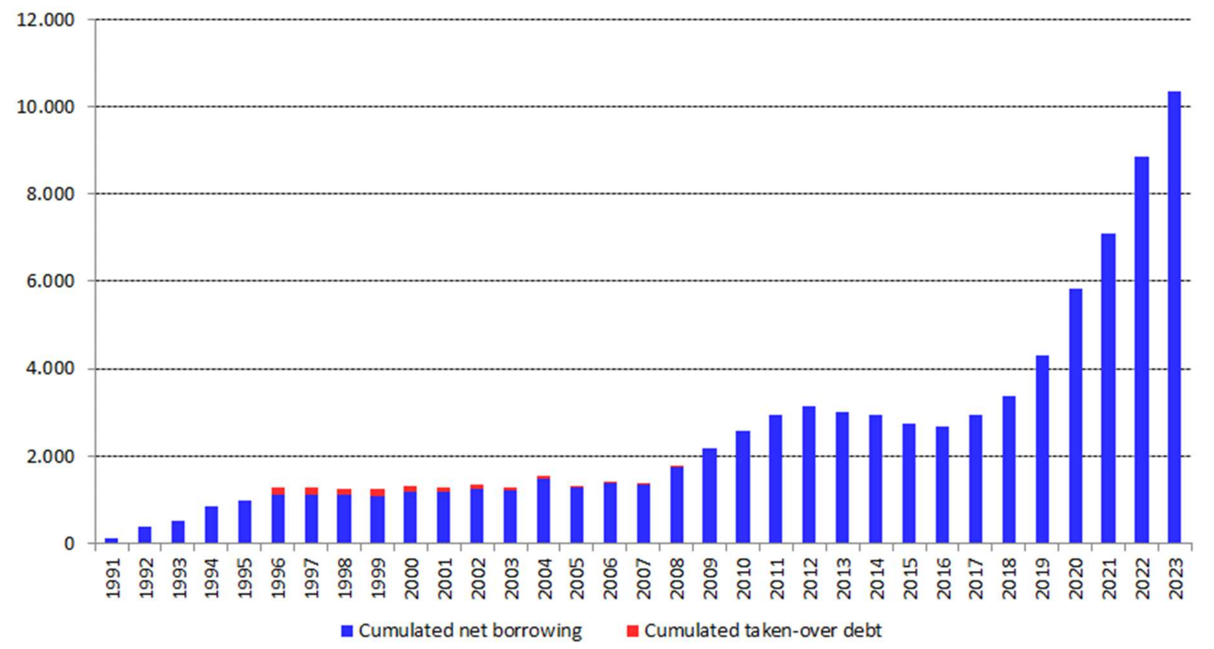
	2002	2003	2004	2005	2006	2007
1. Direct debt stricto sensu (= net financing requirement)						
1.1. Long-term loans	977,770	1,063,505	1,136,208	1,049,446	1,125,288	1,001,341
1.2. Short-term loans	276,366	165,163	351,928	240,958	270,678	358,810
Sub-total 1	1,254,136	1,228,668	1,488,136	1,290,404	1,395,966	1,360,151
2. Debt assumption						
2.1. Former Brabant Prov.	24,469	22,961	9,870	8,117	6,251	4,275
2.2. Agglomeration	43,807	43,807	43,807	17,730	0	0
2.3. Bruxelles-Propreté	18,266	0	0	0	0	0
2.4. SIAMU	19,984	0	0	0	0	0
Sub-total 2	106,526	66,768	53,677	25,847	6,251	4,275
Total	1,360,661	1,295,436	1,541,813	1,316,251	1,402,217	1,364,426

	2008	2009	2010	2011	2012	2013
1. Direct debt stricto sensu (= net financing requirement)						
1.1. Long-term loans	1,139,789	1,984,039	2,329,039	2,645,539	3,084,540	2,994,540
1.2. Short-term loans	592,401	202,874	240,731	291,905	61,496	25,988
Sub-total 1	1,732,190	2,186,913	2,569,770	2,937,444	3,146,036	3,020,528
2. Debt assumption						
2.1. Former Brabant Prov.	2,190	0	0	0	0	0
2.2. Agglomeration	0	0	0	0	0	0
2.3. Bruxelles-Propreté	0	0	0	0	0	0
2.4. SIAMU	0	0	0	0	0	0
Sub-total 2	2,190	0	0	0	0	0
Total	1,734,380	2,186,913	2,569,770	2,937,444	3,146,036	3,020,528

	2014	2015	2016	2017	2018	2019
1. Direct debt stricto sensu (= net financing requirement)						
1.1. Long-term loans	2,870,750	2,668,750	2,568,750	2,407,250	2,656,250	3,577,000
1.2. Short-term loans	79,147	81,626	119,262	551,343	708,437	714,766
Sub-total 1	2,949,897	2,750,376	2,688,012	2,958,593	3,364,687	4,291,766
2. Debt assumption						
2.1. Former Brabant Prov.	0	0	0	0	0	0
2.2. Agglomeration	0	0	0	0	0	0
2.3. Bruxelles-Propreté	0	0	0	0	0	0
2.4. SIAMU	0	0	0	0	0	0
Sub-total 2	0	0	0	0	0	0
Total	2,949,897	2,750,376	2,688,012	2,958,593	3,364,687	4,291,766

	2020	2021	2022	2023		
1. Direct debt stricto sensu (= net financing requirement)						
1.1. Long-term loans	5,269,000	6,689,023	7,746,523	9,339,773		
1.2. Short-term loans	198,449	397,498	1,103,706	999,815		
Sub-total 1	5,827,449	7,086,521	8,850,229	10,339,588		
2. Debt assumption						
2.1. Former Brabant Prov.	0	0	0	0		
2.2. Agglomeration	0	0	0	0		
2.3. Bruxelles-Propreté	0	0	0	0		
2.4. SIAMU	0	0	0	0		
Sub-total 2	0	0	0	0		
Total	5,827,449	7,086,521	8,850,229	10,339,588		

Graph 29: Outstanding balance for 1990-2023 total direct debt on 31 December (in millions of €)



1.2. INDIRECT DEBT (OUTSTANDING)

Table 23: Outstanding indirect debt on 31 December (in thousands of €)

	1990	1991	1992	1993	1994	1995
1. Agglo	96,321	98,995	66,345	63,735	61,061	61,061
2. STIB	348,079	372,631	417,222	410,690	464,547	450,090
3. Municipal loans[53]	670,363	647,480	589,510	556,689	311,810	91,175
4. FRBRTC loans	---	---	---	---	47,236	109,633
5. Subsidised works[54]	89,300	85,644	82,301	77,944	73,493	71,354
6. SDRB[55]	29,873	26,960	33,788	28,554	21,430	16,120
7. Bruxelles-Propreté	---	---	18,766	17,297	16,206	17,780
8. Fire service	---	---	14,970	14,367	13,383	15,802
9. Economic expansion	---	2,479	2,479	2,479	2,479	---
10. Former Brabant Prov.	---	---	---	---	---	33,398
11. CIBE	284	268	250	232	212	192
12. Housing	306,951	247,936	209,688	163,316	143,242	70,730
Total	1,541,171	1,482,393	1,435,319	1,335,303	1,155,099	937,335

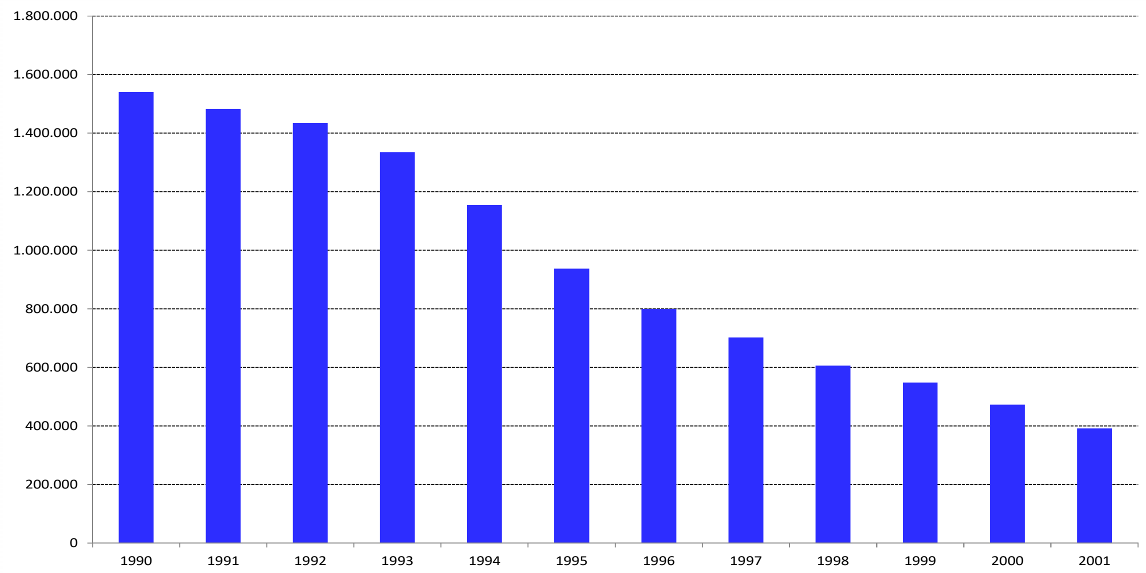
	1996	1997	1998	1999	2000	2001
1. Agglo	---	---	---	---	---	---
2. STIB	431,969	391,934	351,948	341,448	243,221	188,597
3. Municipal loans	50,667	555	---	---	---	---
4. FRBRTC loans	213,488	220,367	179,772	132,568	119,866	114,604
5. Subsidised works	34,187	31,688	29,080	26,366	23,267	20,461
6. SDRB	11,640	7,137	3,203	1,792	1,128	562
7. Bruxelles-Propreté	---	---	---	---	---	---
8. Fire service	---	---	---	---	---	---
9. Economic expansion	---	---	---	---	---	---
10. Former Brabant Prov.	---	---	---	---	---	---
11. CIBE	170	149	127	103	79	54
12. Housing	57,555	50,247	41,763	46,038	85,255	67,686
Total	799,676	702,077	605,893	548,315	472,816	391,964

[53] From 1993, for the Brussels Regional Fund for Municipal Cash Refinancing.

[54] Comprises public works, sanitation and water.

[55] Relates to the purchase of industrial land and the Military Hospital.

Graph 30: Changes to indirect debt on 31 December (in thousands of €)



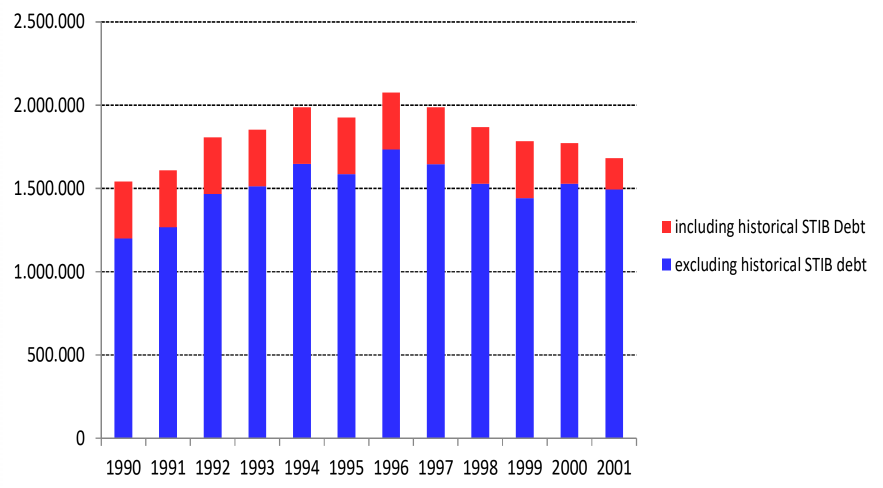
1.3. REGIONAL DEBT STRICTO SENSU (OUTSTANDING)

Table 24: Outstanding regional debt stricto sensu on 31 December (in thousands of €)

	1990	1991	1992	1993	1994	1995
1. Total direct debt						
Sub-total 1	---	125,888	371,546	518,610	833,199	989,436
2. Indirect debt						
Sub-total 2	1,541,171	1,482,393	1,435,319	1,335,303	1,155,099	937,335
3. Level of debt						
Total 1 + 2	1,541,171	1,608,281	1,806,865	1,853,913	1,988,298	1,926,771
Of which historic STIB debt	341,448	341,448	341,448	341,448	341,448	341,448
Total excluding historic STIB debt	1,199,723	1,266,833	1,465,417	1,512,465	1,646,850	1,585,323

	1996	1997	1998	1999	2000	2001
1. Total direct debt						
Sub-total 1	1,275,632	1,284,683	1,262,932	1,235,104	1,299,541	1,289,676
2. Indirect debt						
Sub-total 2	799,676	702,077	605,893	548,315	472,816	391,964
3. Level of debt						
Total 1 + 2	2,075,308	1,986,760	1,868,825	1,783,419	1,772,357	1,681,640
Of which historic STIB debt	341,448	341,448	341,448	341,448	243,221	188,597
Total excluding historic STIB debt	1,733,860	1,645,312	1,527,377	1,441,971	1,529,136	1,493,043

Graph 31: Outstanding regional debt stricto sensu on 31 December (in thousands of €)



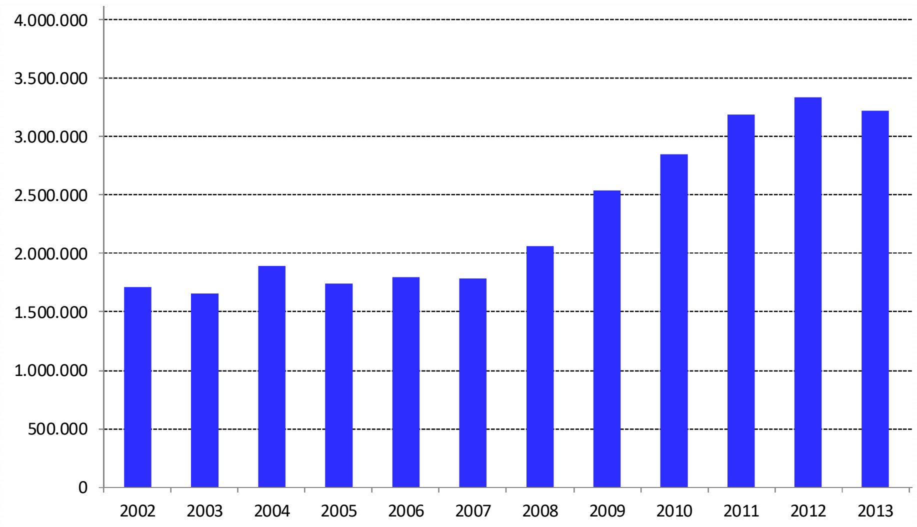
CHAPTER 2: OUTSTANDING DEBT IN ACCORDANCE WITH ESA 95

Table 25: Outstanding debt in accordance with ESA 95 on 31 December (in thousands of €)

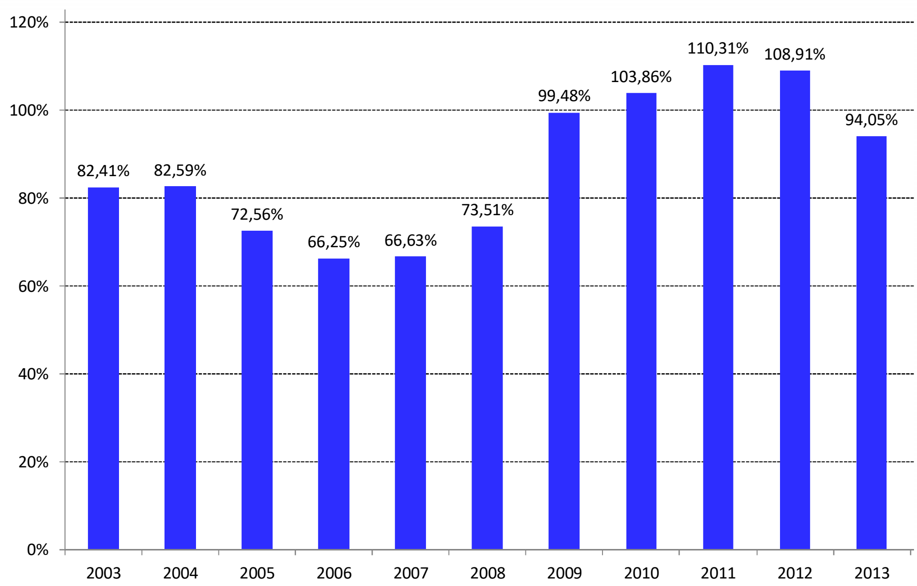
In thousands of €	2002	2003	2004	2005	2006	2007
1. Direct regional debt						
1.1. Direct debt stricto sensu	1,254,136	1,228,668	1,488,136	1,290,404	1,395,966	1,360,151
1.2. Direct debt assumption	106,526	66,769	53,677	25,848	6,251	4,275
Total direct debt	1,360,662	1,295,437	1,541,813	1,316,252	1,402,217	1,364,426
2. Other regional consolidated debt						
2.1. STIB	324,047	290,264	256,823	244,921	211,244	209,524
2.2. FRBRTC loans	139,458	163,203	185,959	205,877	221,447	239,622
2.3. Subsidised works	17,715	15,497	13,209	10,931	8,792	6,712
2.4. CIBE	27	0	0	0	0	0
2.5. Housing	48,321	0	0	0	0	0
2.6. Brussels Guarantee Fund	798	1,708	1,739	453	734	1,092
Total other debt	530,366	470,672	457,730	462,182	442,217	456,950
3. Credit balances of bodies included in the consolidation scope						
Total	- 176,897	- 104,451	- 109,621	- 31,069	- 51,810	- 34,499
Total debt in accordance with ESA 95						
Total	1,714,131	1,661,658	1,889,922	1,747,365	1,792,624	1,786,877

In thousands of €	2008	2009	2010	2011	2012	2013
1. Direct regional debt						
1.1. Direct debt stricto sensu	1,732,190	2,186,913	2,569,770	2,937,444	3,146,036	3,020,528
1.2. Direct debt assumption	2,190	0	0	0	0	0
Total direct debt	1,734,380	2,186,913	2,569,770	2,937,444	3,146,036	3,020,528
2. Other regional consolidated debt						
2.1. STIB	177,739	190,244	146,594	125,770	109,373	95,205
2.2. FRBRTC loans	256,221	251,459	235,572	248,810	231,209	204,206
2.3. Subsidised works	5,059	3,482	2,298	1,314	578	333
2.4. CIBE	0	0	0	0	0	0
2.5. Housing	0	0	0	0	0	0
2.6. Brussels Guarantee Fund	138	0	0	0	0	0
Total other debt	439,157	445,185	384,464	375,894	341,160	335,738
3. Credit balances of bodies included in the consolidation scope						
Total	- 106,085	- 94,995	-103,656	-125,259	-145,159	-134,476
Total debt in accordance with ESA 95						
Total	2,067,452	2,537,103	2,850,578	3,188,079	3,342,037	3,219,796

Graph 32: Changes to consolidated regional debt in accordance with ESA 95 on 31 December (in thousands of €)



Graph 33: Changes to total debt in relation to total revenue in accordance with ESA 95 on 31 December



CHAPTER 3: OUTSTANDING DEBT IN ACCORDANCE WITH ESA 2010

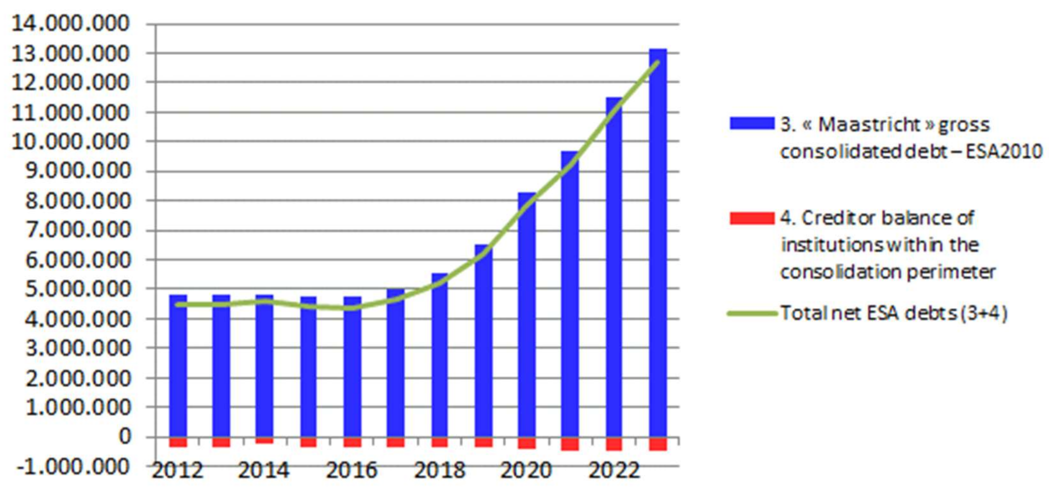
A change of methodology was applied in September 2014.

Table 26: Outstanding debt in accordance with ESA 2010 on 31 December (in thousands of €)

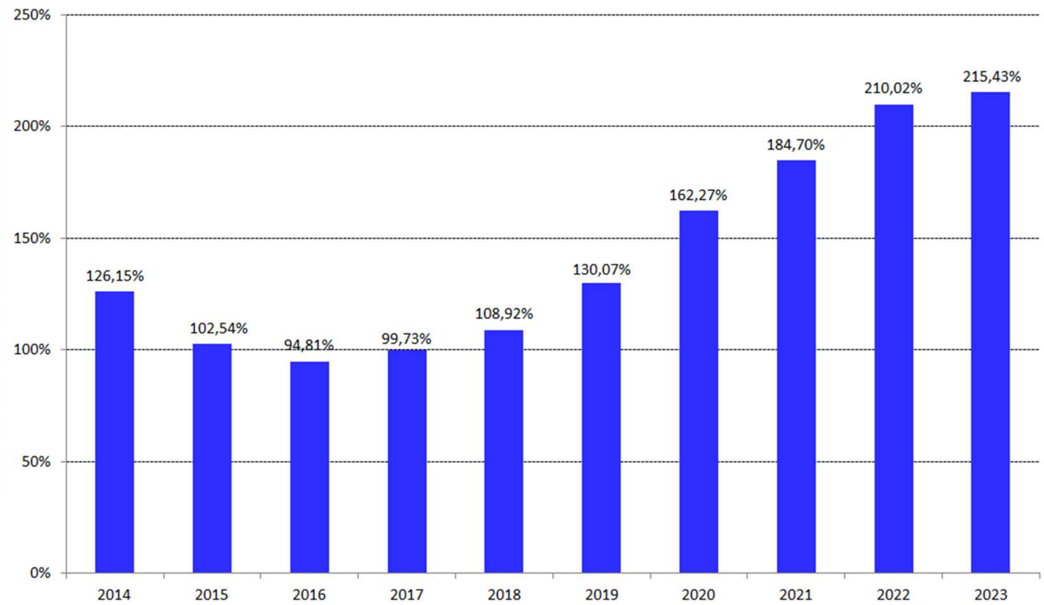
In thousands of €	2012	2013	2014	2015	2016	2017
1. Direct regional debt	3,146,036	3,020,528	2,949,897	2,750,376	2,688,012	2,958,593
2. Other regional consolidated debt	1,683,377	1,814,754	1,860,770	2,009,946	2,039,627	2,051,001
3. Maastricht consolidated gross debt (ESA 2010)	4,829,413	4,835,282	4,810,667	4,760,322	4,727,639	5,009,595
4. Credit balances of bodies included in the consolidation scope	-377,401	-355,585	-225,086	-335,049	-346,177	-367,423
Total net ESA debt (3+4)	4,452,012	4,479,698	4,585,581	4,425,273	4,381,462	4,642,171

In thousands of €	2018	2019	2020	2021	2022	2023
1. Direct regional debt	3,364,687	4,291,766	5,827,449	7,086,521	8,850,229	10,339,588
2. Other regional consolidated debt	2,177,869	2,241,125	2,440,434	2,557,571	2,678,487	2,832,483
3. Maastricht consolidated gross debt (ESA 2010)	5,542,557	6,532,891	8,267,883	9,664,093	11,528,716	13,172,070
4. Credit balances of bodies included in the consolidation scope	-353,905	-368,361	-433,553	-453,870	-456,994	-488,753
Total net ESA debt (3+4)	5,188,652	6,164,529	7,834,329	9,210,222	11,071,722	12,683,317

Graph 34: Changes to consolidated regional debt in accordance with ESA 2010 on 31 December (in thousands of €)



Graph 35: Changes to total debt in relation to total revenue on 31 December (ESA 2010)

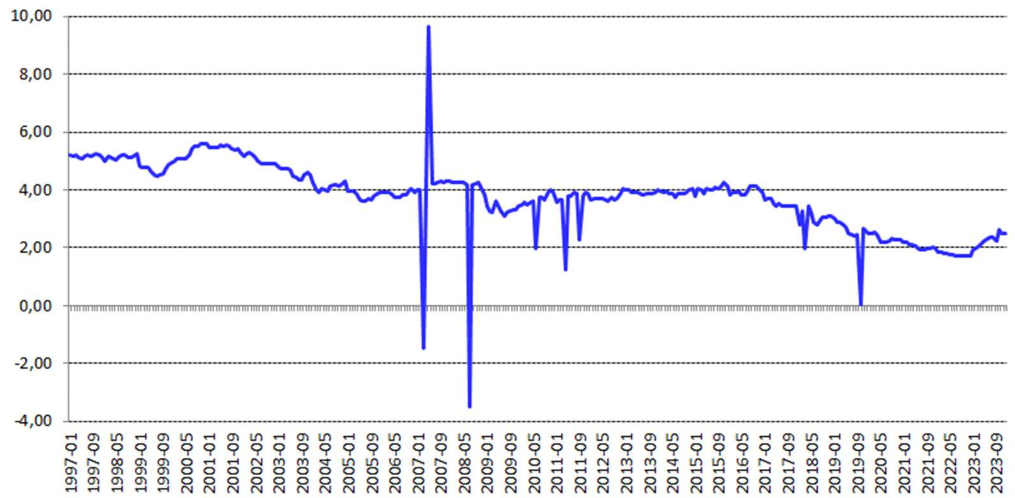


CHAPTER 4: HISTORY OF THE PORTFOLIO FINANCING COST

Table 27: History of the portfolio financing cost

Year	Average annual rate	Average monthly rate		Year	Average annual rate	Average monthly rate	
		Minimum	Maximum			Minimum	Maximum
1997	5.18%	5.06%	5.26%	2011	3.44%	1.25%	3.91%
1998	5.13%	5.00%	5.23%	2012	3.74%	3.62%	4.03%
1999	4.70%	4.49%	4.93%	2013	3.90%	3.82%	3.99%
2000	5.31%	5.00%	5.61%	2014	3.93%	3.74%	4.03%
2001	5.45%	5.30%	5.53%	2015	4.02%	3.79%	4.27%
2002	5.03%	4.88%	5.29%	2016	3.98%	3.83%	4.15%
2003	4.57%	4.35%	4.76%	2017	3.51%	3.42%	3.68%
2004	4.11%	3.90%	4.32%	2018	2.96%	1.99%	3.42%
2005	3.79%	3.60%	3.96%	2019	2.43%	0.03%	3.02%
2006	3.86%	3.73%	4.02%	2020	2.38%	2.18%	2.54%
2007	4.13%	-1.49%	9.63%	2021	2.02%	1.93%	2.20%
2008	3.52%	-3.49%	4.27%	2022	1.75%	1.74%	1.86%
2009	3.32%	3.11%	3.63%	2023	2.28 %	1.94 %	2.64 %
2010	3.56%	1.98%	4.01%				

Graph 36: Average monthly costs (weighted by the average outstanding balance) for financing of total direct debt (1997-2023)



CHAPTER 5: HISTORY OF THE PORTFOLIO DURATION

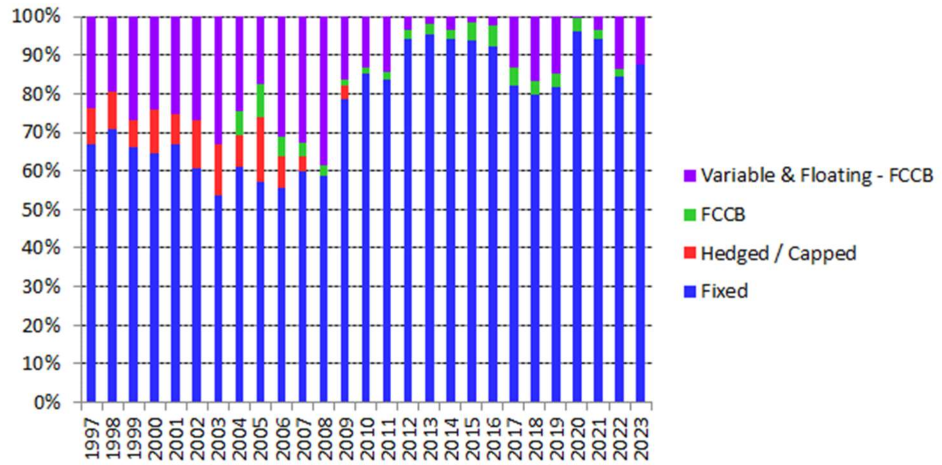
Table 28: History of the portfolio duration (in years)

Year	Duration on 31 December	End-of-month duration	
		Minimum	Maximum
1998	4.14	3.26	4.14
1999	3.40	3.35	3.94
2000	3.29	2.84	3.56
2001	3.14	3.09	3.62
2002	3.32	2.67	3.60
2003	3.66	2.93	3.91
2004	3.61	2.84	4.18
2005	3.57	3.50	4.04
2006	5.12	4.85	5.38
2007	3.17	3.15	4.46
2008	3.05	2.87	3.58
2009	6.05	2.87	6.05
2010	7.78	6.12	9.84
2011	8.18	7.24	8.93
2012	8.96	7.48	9.02
2013	8.86	8.86	9.31
2014	9.99	8.93	10.20
2015	9.88	9.88	10.84
2016	9.65	9.65	10.48
2017	8.06	8.06	9.24
2018	8.90	7.76	9.52
2019	12.29	8.87	13.19
2020	19.40	13.49	19.46
2021	19.47	18.16	21.50
2022	16.77	16.77	19.68
2023	15.98	15.27	17.59

CHAPTER 6: HISTORY OF THE PORTFOLIO STRUCTURE

Due to the use of hedges to shield the portfolio against interest rate rises, only 0.26 to 38.74% of the debt composition remained at a variable rate in the strict sense of the term (i.e. unprotected) from 1997 to 2023 (12.21% in 2023). During the same period, the fixed portion of the portfolio was between 53.57 and 96.34% (87.79% in 2023); the protected portion between 0.00 and 17.06% (0.00% in 2023); and the neutralised portion[56] (protected floating debt) between 0.00 and 8.27% (0.00% in 2023).

Graph 37: History of the portfolio structure (on 31 December)

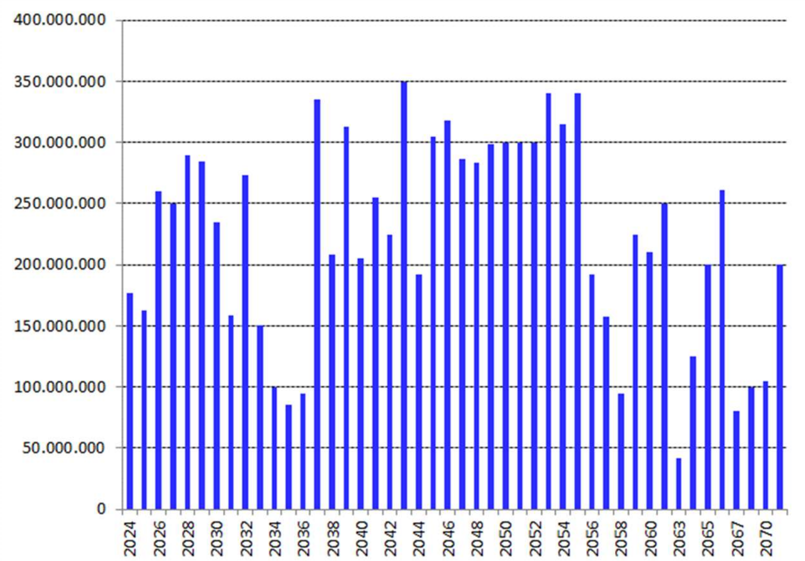


[56] Since 2023, the FCCB amount is no longer taken into account in the calculation of the neutralised portion.

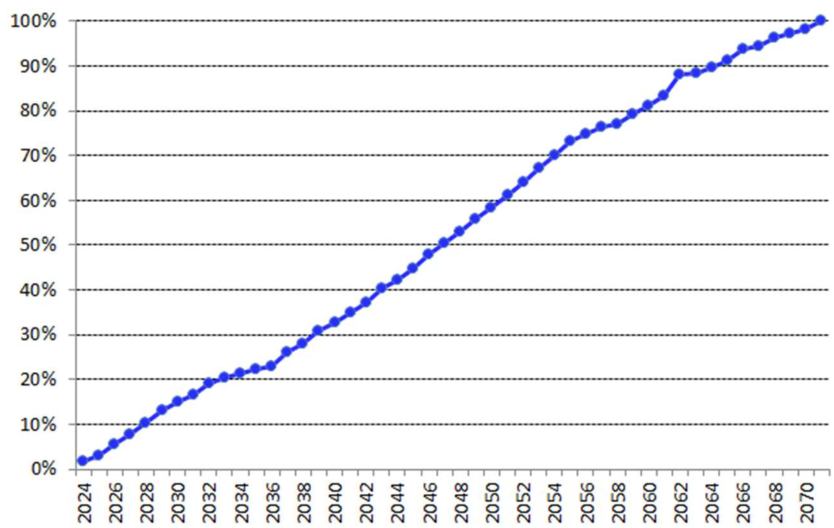
CHAPTER 7: PORTFOLIO AMORTISATION PLAN

The graphs below show the whole of the consolidated debt portfolio amortisation plan, and the cumulative amortisations on 31 March 2024.

Graph 38: Consolidated debt amortisation plan on 31 March 2024 (2024-2071)



Graph 39: Consolidated debt cumulative amortisation on 31 March 2024 (2024-2071)



CHAPTER 8: OUTSTANDING GUARANTEED DEBT AND DEFAULT RATIOS

Table 29: Outstanding guaranteed debt on 31 December (in thousands of €)

In thousands of euros	2021	2022	2023
1. Housing Fund			
1.1. Guaranteed bank loans	1,154,070	1,265,028	1,410,331
1.2. Guaranteed loans from the SLRB	0	0	0
1.3. Guaranteed loans from the FRCE	0	0	0
2. Social credit societies			
2.1. Personal loans	10,131	10,559	8,989
2.2. Bank loans	36,227	35,671	32,099
3. Medium-sized accommodation	0	0	0
4. Port of Brussels	16,186	15,279	14,333
5. STIB	4,000	2,000	0
6. Economic expansion	0	0	0
7. BCR Guarantee Fund	35,566	36,989	42,105
8. FRBRTC			
8.1/8.2/8.5 Missions 1, 2 & 5	1.093.186	1.100.281	1,129,582
8.9. Swaps	45,000	35,000	35,000
9. Bruxelles-Énergie	767	0	0
10. B2E (SRIB Subsidiary)	0	0	0
11. Hydria	94,399	86,248	77,853
12. Brussels-South	0	0	0
13. Municipal holding	0	0	0
14. Aquiris	313,599	284,092	248,156
15. SFAR (SRIB)	30,293	29,268	28,208
16. SA Flagey	0	0	0
17. WIELS	1,067	1,011	952
18 Citydev (SDRB)	0	0	0
19. SLRB			
19.1. Bank loans	44,006	42,296	40,512
19.2. Loans from the FRCE	0	0	0
20. Vivaqua	345,597	337,715	323,610
21. Bruxelles-Recyclage	0	0	0
22. Viangro	0	0	0
23. ARP (Bruxelles-Propreté)	0	0	0
24. Eco-loans	6,306	6,454	4,411
25. SA Recycling centre	0	0	0
35. ASR	0	0	0
36. ABAE	0	0	0
TOTAL	3,230,399	3,287,889	3,396,142

2006-2023 default ratios (without swaps) for total guaranteed debt (intervention by the Region/outstanding guaranteed balance)

2006	0.0872%		2010	0.0000%		2014	0.0000%		2018	0.0353%		2022	0.0236%
2007	0.0991%		2011	3.0514%		2015	0.0000%		2019	0.0354%		2023	0.0109%
2008	0.0068%		2012	0.0000%		2016	0.0481%		2020	0.0099%			
2009	0.0000%		2013	0.0014%		2017	0.0348%		2021	0.1429%			

CHAPTER 9: CONSOLIDATED DEBT LOANS

Table 30: Consolidated debt loans (situation on 31.03.2024)

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2019_03_20_LOAN02	50,000,000.00	EUR 6M	41.00	20.03.2019	18.04.2024
2021_05_20_MTN_01	20,000,000.00	IRS 3Y	1.30	20.05.2021	20.05.2024
2022_05_31_MTN_01	20,000,000.00	IRS 2Y	36.10	31.05.2022	31.05.2024
2022_05_31_MTN_02	15,000,000.00	IRS 31Y	81.00	31.05.2022	31.05.2024
2012_04_10_LOAN01	25,000,000.00	Euribor 6M	59.00	10.04.2012	26.06.2024
2014_07_07_LOAN01	31,500,000,00	Euribor 3M	60.00	07.07.2014	07.07.2024
2022_07_08_MTN_01	5,000,000.00	IRS 2Y	28.60	08.07.2022	08.07.2024
2012_08_01_MTN_01	25,000,000.00	IRS 12Y	148.00	01.08.2012	20.12.2024
2023_01_20_MTN_02	28,000,000.00	IRS 2Y	26.60	20.01.2023	20.01.2025
2015_02_26_SCHU01	15,000,000.00	Euribor 6M	1.80	26.02.2015	28.03.2025
2022_04_11_MTN_01	20,000,000.00	IRS 3Y	40.50	11.04.2022	11.04.2025
2019_03_20_LOAN01	50,000,000.00	EUR 6M	43.00	20.03.2019	18.04.2025
2009*6-1	20,000,000.00	IRS 16Y	80.00	04.09.2009	04.09.2025
2016_09_16_MTN_01	30,000,000.00	Euribor 6M	0.50	16.09.2016	14.10.2025
2023_01_20_MTN_03	28,000,000.00	IRS 3Y	12.50	20.01.2023	20.01.2026
2021_03_02_MTN_01	15,000,000.00	IRS 5Y	0.90	02.03.2021	02.03.2026
2006*1-1	75,000,000.00	Euribor 6M	0.00	10.05.2006	11.05.2026
2023_05_25_MTN_01	92,000,000.00	IRS 3Y	2.30	25.05.2023	25.05.2026
2016_06_22_MTN_01	20,000,000.00	Euribor 6M	0.00	22.06.2016	29.07.2026
2018_10_08_MTN_01	10,000,000.00	IRS 8Y	-8.00	08.10.2018	08.10.2026
2020_12_10_MTN_01	10,000,000.00	IRS 6Y	11.60	10.12.2020	10.12.2026
2023_01_20_MTN_04	28,000,000.00	IRS 4Y	3.70	20.01.2023	20.01.2027
2012_02_15_SCHU01	5,000,000.00	IRS 15Y	151.00	15.02.2012	15.02.2027
2019_04_08_MTN_01	10,000,000.00	IRS 8Y	0.00	08.04.2019	08.04.2027
2017_04_13_MTN_01	25,000,000.00	EUR6M	27.00	13.04.2017	14.04.2027
2023_07_04_MTN_02	7,000,000.00	IRS 4Y	0.00	04.07.2023	05.07.2027
2011_10_14_LOAN01	75,000,000.00	Euribor 6M	59.00	14.10.2011	14.10.2027
2017_12_15_MTN_01	25,000,000.00	EUR6M	30.00	15.12.2017	15.12.2027
2018_03_12_MTN_01	75,000,000.00	EUR3M	50.00	12.03.2018	30.12.2027
2022_12_29_MTN_01	5,000,000.00	EUR 5Y	14.10	29.12.2022	05.01.2028
2023_01_17_MTN_01	40,000,000.00	IRS 5Y	9.80	17.01.2023	17.01.2028
2023_01_24_MTN_02	15,000,000.00	IRS 5Y	17.30	24.01.2023	24.01.2028
2024_01_26_MTN_04	10,000,000.00	IRS 4Y	20.00	26.01.2024	26.01.2028
2018_01_25_MTN_01	25,000,000.00	EUR6M	30.00	25.01.2018	21.03.2028

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2010*5-1	100,000,000.00	IRS 18Y	54.00	06.04.2010	06.04.2028
2013_04_08_MTN_01	30,000,000.00	IRS 15Y	85.00	08.04.2013	08.04.2028
2023_07_04_MTN_03	10,000,000.00	IRS 5Y	0.00	04.07.2023	04.07.2028
2023_10_12_MTN_01	20,000,000.00	EUR 3M	8.50	12.10.2023	12.10.2028
2020_05_18_MTN_01	25,000,000.00	IRS 40Y	40.00	18.05.2020	16.10.2028
2024_02_14_MTN_01	20,000,000.00	EUR 3M	21.10	14.02.2024	14.12.2028
2014_04_07_MTN_01	15,000,000.00	IRS 15Y	57.00	07.04.2014	07.04.2029
2019_04_30_SCHU01	10,000,000.00	IRS 10Y	6.10	30.04.2019	30.04.2029
2021_05_25_LOAN02	51,924,000,00	EUR 8Y	0.20	25.05.2021	06.06.2029
2022_12_05_MTN_01	20,000,000.00	EUR 6M	8.00	05.12.2022	18.10.2029
2012_12_03_SCHU01	35,500,000,00	IRS 17Y	113.00	03.12.2012	03.12.2029
2009*8-2	20,000,000.00	Euribor 6M	52.00	17.12.2009	17.12.2029
2009*8-1	132,000,000.00	IRS 20Y	70.00	21.12.2009	21.12.2029
2024_02_05_MTN_01	15,000,000.00	IRS 6Y	28.50	05.02.2024	05.02.2030
2012_02_06_SCHU01	10,000,000.00	IRS 18Y	178.00	06.02.2012	06.02.2030
2024_02_14_MTN_02	110,000,000.00	IRS 6Y	35.70	14.02.2024	15.04.2030
2024_03_08_MTN_01	20,000,000.00	IRS 6Y	34.40	08.03.2024	15.04.2030
2020_04_29_MTN_01	10,000,000.00	IRS 10Y	47.90	29.04.2020	29.04.2030
2010*6-1	75,000,000.00	IRS 20Y	55.00	07.05.2010	07.05.2030
2020_02_25_MTN_01	50,000,000.00	IRS 11Y	8.40	25.02.2020	25.02.2031
2021_05_17_MTN_01	15,000,000.00	IRS 10Y	15.60	17.05.2021	07.05.2031
2021_05_19_MTN_01	15,000,000.00	IRS 10Y	15.80	19.05.2021	19.05.2031
2021_05_19_MTN_02	14,000,000.00	IRS 10Y	18.10	19.05.2021	19.05.2031
2021_06_29_MTN_02	15,000,000.00	IRS 10Y	12.80	29.06.2021	19.05.2031
2023_01_23_MTN_02	25,000,000.00	IRS 9Y	41.00	23.01.2023	20.10.2031
2012_02_27_MTN01	15,000,000.00	IRS 20Y	159.00	27.02.2012	27.02.2032
2022_06_01_MTN_01	10,000,000.00	IRS 10Y	10.00	01.06.2022	01.06.2032
2022_06_14_MTN_01	10,000,000.00	IRS 10Y	13.60	14.06.2022	01.06.2032
2022_10_27_MTN_01	11,500,000,00	IRS 10Y	6.60	27.10.2022	06.07.2032
2022_11_08_MTN_01	50,000,000.00	EUR 3M	18.50	08.11.2022	06.07.2032
2012_08_09_SCHU01	15,000,000.00	IRS 20Y	160.00	09.08.2012	09.08.2032
2012_08_09_SCHU02	1,500,000,00	IRS 20Y	160.00	09.08.2012	09.08.2032
2022_11_18_MTN_01	10,000,000.00	EUR 6M	18.00	18.11.2022	18.10.2032
2012_11_01_SCHU01	40,000,000.00	IRS 20Y	119.00	01.11.2012	01.11.2032
2012_11_02_SCHU01	50,000,000.00	IRS 20Y	107.00	02.11.2012	02.11.2032
2012_11_14_MTN01	10,000,000.00	IRS 20Y	116.00	14.11.2012	14.11.2032
2012_12_06_MTN01	50,000,000.00	IRS 20Y	116.00	06.12.2012	06.12.2032
2023_01_12_MTN_01	20,000,000.00	IRS 10Y	46.80	12.01.2023	12.01.2033
2024_01_26_MTN_03	10,000,000.00	IRS 9Y	47.50	26.01.2024	26.01.2033
2013_03_28_MTN_01	5,000,000.00	IRS 20Y	103.00	28.03.2013	28.03.2033
2023_01_12_MTN_01	10,000,000.00	EUR 6M	44.70	13.01.2023	18.04.2033
2023_01_24_MTN_01	20,000,000.00	IRS 10Y	45.00	24.01.2023	29.04.2033
2023_07_04_MTN_01	5,000,000.00	IRS 10Y	44.00	04.07.2023	04.07.2033
2024_01_23_MTN_01	10,000,000.00	IRS9 Y	50.10	23.01.2024	04.07.2033
2019_10_24_MTN_01	30,000,000.00	IRS 14Y	4.20	24.10.2019	24.10.2033
2023_01_20_MTN_01	20,000,000.00	EUR 6M	53.50	20.01.2023	28.10.2033
2024_02_07_MTN_01	20,000,000.00	IRS 10Y	52.90	07.02.2024	16.12.2033
2014_04_07_MTN_03	5,000,000.00	IRS 20Y	69.00	07.04.2014	07.04.2034
2014_04_08_SCHU01	10,000,000.00	IRS 20Y	71.00	08.04.2014	08.04.2034
2013_06_26_SCHU01	25,000,000.00	IRS 25Y	85.00	26.06.2013	26.06.2034
2012_09_07_SCHU01	30,000,000.00	IRS 22Y	133.00	07.09.2012	07.09.2034

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2011_09_08_SCHU01	30,000,000.00	IRS 23Y	119.00	08.09.2011	08.09.2034
2020_02_26_MTN_01	50,000,000.00	IRS 15Y	10.10	26.02.2020	26.02.2035
2010*4-1	25,000,000.00	Euribor 6M	45.00	06.04.2010	06.04.2035
2012_12_10_SCHU01	10,000,000.00	IRS 23Y	118.00	10.12.2012	10.12.2035
2024_02_06_MTN_01	10,000,000.00	IRS 12Y	61.20	06.02.2024	06.02.2036
2013_04_08_SCHU01	10,000,000.00	IRS 23Y	93.00	08.04.2013	08.04.2036
2006*1-2	75,000,000.00	Euribor 6M	0.90	10.05.2006	12.05.2036
2024_01_19_SCHU01	10,000,000.00	IRS 13Y	66.10	19.01.2024	16.02.2037
2024_01_24_SCHU01	10,000,000.00	IRS 13Y	69.20	24.01.2024	16.02.2037
2020_03_27_MTN_01	5,000,000.00	IRS 17Y	59.50	27.03.2020	27.03.2037
2022_04_05_MTN_01	35,000,000.00	IRS 15Y	12.20	05.04.2022	05.04.2037
2022_05_25_MTN_01	100,000,000.00	IRS 15Y	30.00	25.05.2022	25.05.2037
2022_05_04_MTN_01	70,000,000.00	IRS 15Y	10.10	04.05.2022	22.06.2037
2022_10_06_MTN_01	15,000,000.00	IRS 15Y	31.10	06.10.2022	06.10.2037
2023_03_01_MTN_01	10,000,000.00	IRS 15Y	67.60	01.03.2023	06.10.2037
2023_05_24_MTN_01	20,000,000.00	IRS 14Y	66.10	24.05.2023	06.10.2037
2023_09_19_MTN_01	45,000,000.00	IRS 14Y	69.50	19.09.2023	06.10.2037
2023_11_09_SCHU01	15,000,000.00	IRS 14Y	69.90	09.11.2023	09.11.2037
2013_03_28_SCHU01	25,000,000.00	IRS 25Y	95.00	28.03.2013	28.03.2038
2020_03_28_SCHU01	31,000,000.00	IRS 20Y	109.00	28.03.2020	28.03.2038
2021_03_28_SCHU01	31,000,000.00	IRS 20Y	109.00	28.03.2021	28.03.2038
2022_03_28_SCHU01	31,000,000.00	IRS 20Y	109.00	28.03.2022	28.03.2038
2023_04_12_MTN_01	5,000,000.00	IRS 15Y	62.10	12.04.2023	12.04.2038
2018_08_02_MTN_01	25,000,000.00	IRS 20Y	7.50	02.08.2018	02.08.2038
2018_08_02_MTN_02	10,000,000.00	IRS 20Y	9.00	02.08.2018	02.08.2038
2018_08_16_MTN_01	20,000,000.00	IRS 20Y	8.60	16.08.2018	16.08.2038
2020_04_15_MTN_01	5,000,000.00	IRS 18Y	55.70	15.04.2020	15.09.2038
2018_11_02_MTN_01	25,000,000.00	IRS 20Y	10.00	02.11.2018	02.11.2038
2024_01_26_MTN_01	50,000,000.00	IRS 15Y	79.90	26.01.2024	26.01.2039
2024_03_08_MTN_02	16,000,000.00	IRS 15Y	79.40	08.03.2024	26.01.2039
2019_02_15_MTN_01	50,000,000.00	IRS 20Y	30.60	15.02.2019	15.02.2039
2019_02_21_MTN_01	72,000,000.00	IRS 20Y	32.00	21.02.2019	21.02.2039
2019_03_01_MTN_01	25,000,000.00	IRS 20Y	31.50	01.03.2019	01.03.2039
2024_03_07_MTN_01	50,000,000.00	IRS 15Y	79.30	07.03.2024	07.03.2039
2019_03_15_MTN_01	20,000,000.00	IRS 20Y	30.90	15.03.2019	15.03.2039
2019_04_29_MTN_01	30,000,000.00	IRS 20Y	30.80	29.04.2019	29.04.2039
2020_02_27_MTN_01	5,000,000.00	IRS 20Y	21.00	27.02.2020	22.06.2040
2019_10_08_MTN_01	100,000,000.00	EUR 6M	60.00	08.10.2019	23.06.2040
2020_12_11_MTN_03	100,000,000.00	IRS 20Y	26.10	11.12.2020	11.12.2040
2020_01_07_MTN_01	80,000,000.00	IRS 21Y	56.80	07.01.2020	07.01.2041
2020_12_09_MTN_01	30,000,000.00	EUR 6M	60.00	09.12.2020	01.04.2041
2021_02_15_MTN_02	20,000,000.00	EUR 6M	60.00	15.02.2021	14.04.2041
2022_06_01_MTN_02	100,000,000.00	IRS 19Y	43.40	01.06.2022	01.06.2041
2021_07_02_MTN_01	25,000,000.00	IRS 20Y	28.90	02.07.2021	02.07.2041
2022_08_24_MTN_01	65,000,000.00	IRS 19Y	46.70	24.08.2022	29.01.2042
2021_06_24_MTN_01	40,000,000.00	IRS 21Y	29.40	24.06.2021	24.06.2042
2021_07_02_MTN_02	25,000,000.00	IRS 21Y	31.30	02.07.2021	02.07.2042
2023_09_15_SCHU01	10,000,000.00	IRS 19Y	88.60	15.09.2023	15.09.2042
2012_11_23_SCHU01	35,000,000.00	IRS 30Y	133.00	23.11.2012	24.11.2042
2022_08_24_MTN_02	50,000,000.00	IRS 20Y	48.70	24.08.2022	28.11.2042
2023_01_24_MTN_03	206,500,000.00	IRS 20Y	95.80	24.01.2023	24.01.2043

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2023_11_16_MTN_01	26,250,000,00	IRS 19Y	97.50	16.11.2023	24.01.2043
2024_01_24_MTN_02	5,000,000.00	IRS 19Y	92.70	24.01.2024	24.01.2043
2024_02_29_MTN_01	18,000,000.00	IRS 19Y	93.00	29.02.2024	24.01.2043
2022_09_26_MTN_01	25,000,000.00	IRS 21Y	58.10	26.09.2022	26.06.2043
2021_07_02_MTN_03	25,000,000.00	IRS 22Y	34.00	02.07.2021	02.07.2043
2018_07_06_MTN_01	20,000,000.00	IRS 25Y	20.00	06.07.2018	06.07.2043
2019_03_15_SCHU01	27,000,000.00	IRS 24Y	34.50	15.03.2019	16.11.2043
2019_03_15_SCHU02	4,000,000.00	IRS 24Y	34.50	15.03.2019	16.11.2043
2019_03_15_SCHU03	2,500,000,00	IRS 24Y	34.50	15.03.2019	16.11.2043
2024_01_18_SCHU01	15,000,000.00	IRS 20Y	92.60	18.01.2024	18.01.2044
2023_01_25_SCHU01	15,000,000.00	IRS 21Y	95.20	25.01.2023	25.01.2044
2026_02_05_SCHU01	25,000,000.00	IRS 18Y	90.20	05.02.2026	05.02.2044
2019_02_08_MTN_01	10,000,000.00	IRS 25Y	35.00	08.02.2019	08.02.2044
2023_02_10_MTN_01	15,500,000,00	IRS 21Y	89.90	10.02.2023	10.02.2044
2014_04_07_MTN_02	20,000,000.00	IRS 30Y	91.00	07.04.2014	07.04.2044
2014_04_07_SCHU01	21,500,000,00	IRS 30Y	84.00	07.04.2014	07.04.2044
2019_04_29_MTN_02	50,000,000.00	IRS 25Y	34.50	29.04.2019	29.04.2044
2019_09_13_MTN_02	10,000,000.00	IRS 25Y	27.00	13.09.2019	13.09.2044
2019_11_04_SCHU01	10,000,000.00	IRS 25Y	24.10	04.11.2019	04.11.2044
2028_01_24_MTN_01	100,000,000.00	IRS 17Y	115.30	24.01.2028	24.01.2045
2026_02_02_SCHU01	40,000,000.00	IRS 39Y	94.70	02.02.2026	02.02.2045
2019_04_01_MTN_01	50,000,000.00	IRS 26Y	38.50	01.04.2019	22.06.2045
2020_07_20_MTN_01	100,000,000.00	IRS 25Y	57.20	20.07.2020	20.07.2045
2023_03_09_MTN_01	100,000,000.00	IRS 23Y	107.70	09.03.2023	09.03.2046
2023_11_17_MTN_01	20,000,000.00	IRS 22Y	108.20	17.11.2023	09.03.2046
2021_06_28_MTN_01	25,000,000.00	IRS 25Y	44.60	28.06.2021	28.06.2046
2021_05_25_LOAN01	42,599,000,00	EUR 26Y	19.60	25.05.2021	04.12.2046
2022_03_11_MTN_01	130,000,000.00	IRS 25Y	53.00	11.03.2022	17.12.2046
2023_02_03_MTN_01	10,000,000.00	IRS 24Y	100.50	03.02.2023	03.02.2047
2023_02_15_MTN_01	6,000,000.00	IRS 24Y	104.10	15.02.2023	03.02.2047
2023_02_24_MTN_01	10,000,000.00	IRS 24Y	105.80	24.02.2023	03.02.2047
2022_04_05_MTN_02	65,000,000.00	IRS 25Y	51.20	05.04.2022	05.04.2047
2022_02_14_MTN_01	25,000,000.00	IRS 25Y	49.20	14.02.2022	22.06.2047
2021_10_07_MTN_01	95,000,000.00	IRS 26Y	42.10	07.10.2021	07.10.2047
2020_06_22_MTN_01	75,000,000.00	IRS 27Y	79.30	22.06.2020	22.12.2047
2022_01_14_MTN_01	50,000,000.00	IRS 26Y	57.10	14.01.2022	14.01.2048
2018_01_17_MTN_01	68,000,000.00	IRS 30Y	24.10	17.01.2018	17.01.2048
2018_01_22_MTN_01	35,000,000.00	IRS 30Y	25.40	22.01.2018	22.01.2048
2018_01_22_MTN_02	50,000,000.00	IRS 30Y	26.00	22.01.2018	22.01.2048
2022_04_14_MTN_01	10,000,000.00	IRS 26Y	53.00	14.04.2022	22.01.2048
2020_08_07_SCHU01	10,000,000.00	IRS 28Y	65.60	07.08.2020	07.08.2048
2018_08_17_MTN_01	60,000,000.00	IRS 30Y	28.10	17.08.2018	17.08.2048
2024_01_25_SCHU01	20,000,000.00	IRS 25Y	112.90	25.01.2024	25.01.2049
2019_04_05_MTN_01	50,000,000.00	IRS 30Y	47.90	05.04.2019	05.04.2049
2019_04_05_MTN_02	10,000,000.00	IRS 30Y	48.50	05.04.2019	05.04.2049
2019_04_05_MTN_03	29,000,000.00	IRS 30Y	51.00	05.04.2019	05.04.2049
2019_04_16_MTN_01	11,000,000.00	IRS 30Y	49.50	16.04.2019	05.04.2049
2019_04_30_MTN_01	25,000,000.00	IRS 30Y	53.60	30.04.2019	30.04.2049
2019_05_03_MTN_02	34,000,000.00	IRS 30Y	53.10	03.05.2019	30.04.2049
2021_05_07_SCHU01	30,000,000.00	IRS 28Y	44.10	07.05.2021	07.05.2049
2021_06_29_MTN_01	25,000,000.00	IRS 25Y	53.80	29.06.2021	29.06.2049

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2019_09_20_MTN_01	15,000,000.00	IRS 30Y	45.00	20.09.2019	20.09.2049
2020_03_03_MTN_01	50,000,000.00	IRS 29Y	39.80	03.03.2020	03.12.2049
2020_02_25_SCHU01	65,000,000.00	IRS 30Y	38.10	25.02.2020	25.02.2050
2020_04_14_MTN_01	13,000,000.00	IRS 30Y	75.80	14.04.2020	14.04.2050
2020_04_14_MTN_02	7,000,000.00	IRS 30Y	78.70	14.04.2020	14.04.2050
2020_07_24_MTN_01	25,000,000.00	IRS 30Y	68.60	24.07.2020	22.07.2050
2021_10_07_MTN_02	50,000,000.00	IRS 29Y	49.00	07.10.2021	07.10.2050
2019_10_31_MTN_01	100,000,000.00	IRS 30Y	39.30	31.10.2019	31.10.2050
2018_11_30_MTN_01	40,000,000.00	IRS 32Y	51.00	30.11.2018	30.11.2050
2020_06_05_MTN_01	50,000,000.00	IRS 30Y	99.20	05.06.2020	10.01.2051
2020_01_23_MTN_01	10,000,000.00	IRS 31Y	39.20	23.01.2020	23.01.2051
2020_10_08_MTN_01	50,000,000.00	EUR 6M	60.00	08.10.2020	23.01.2051
2020_04_21_MTN_01	50,000,000.00	IRS 31Y	83.70	21.04.2020	21.04.2051
2021_05_03_MTN_02	10,000,000.00	IRS 30Y	46.70	03.05.2021	03.05.2051
2021_05_07_MTN_01	5,000,000.00	IRS 30Y	49.30	07.05.2021	03.05.2051
2021_05_07_MTN_02	25,000,000.00	IRS 10Y	12.20	07.05.2021	07.05.2051
2021_05_25_MTN_01	15,000,000.00	IRS 30Y	57.90	25.05.2021	25.05.2051
2021_10_11_MTN_01	55,000,000.00	IRS 30Y	50.70	11.10.2021	11.10.2051
2019_10_17_MTN_01	25,000,000.00	IRS 32Y	44.40	17.10.2019	17.10.2051
2020_10_28_MTN_01	25,000,000.00	IRS 31Y	49.20	28.10.2020	15.12.2051
2020_11_05_SCHU01	5,000,000.00	IRS 31Y	49.30	05.11.2020	15.12.2051
2022_06_27_MTN_01	50,000,000.00	IRS 30Y	45.10	27.06.2022	26.06.2052
2020_07_15_MTN_01	200,000,000.00	IRS 32Y	78.00	15.07.2020	15.07.2052
2020_12_11_MTN_02	25,000,000.00	IRS 32Y	51.30	11.12.2020	15.07.2052
2021_05_06_MTN_01	25,000,000.00	IRS 31Y	48.60	06.05.2021	15.07.2052
2024_03_22_SCHU01	10,000,000.00	IRS 29Y	81.40	22.03.2024	22.01.2053
2020_01_31_MTN_01	10,000,000.00	IRS 33Y	41.70	31.01.2020	31.01.2053
2023_01_31_MTN_01	60,000,000.00	IRS 30Y	120.50	31.01.2023	31.01.2053
2024_01_31_MTN_01	30,000,000.00	IRS 9Y	129.00	31.01.2024	31.01.2053
2023_02_03_MTN_02	34,000,000.00	IRS 30Y	118.70	03.02.2023	03.02.2053
2024_01_24_MTN_01	131,000,000.00	IRS 29Y	72.20	24.01.2024	23.06.2053
2020_10_08_MTN_03	10,000,000.00	EUR 6M	60.00	08.10.2020	30.09.2053
2020_10_08_MTN_04	30,000,000.00	EUR 6M	60.00	08.10.2020	08.10.2053
2024_01_16_SCHU01	10,000,000.00	IRS 30Y	120.80	16.01.2024	16.12.2053
2022_03_11_MTN_02	178,000,000.00	IRS 32Y	78.50	11.03.2022	11.03.2054
2023_05_03_SCHU01	10,000,000.00	IRS 31Y	136.60	03.05.2023	22.06.2054
2023_11_17_MTN_02	15,000,000.00	IRS 31Y	135.90	17.11.2023	22.06.2054
2025_03_17_SCHU01	25,000,000.00	IRS 29Y	139.40	17.03.2025	22.06.2054
2027_06_22_SCHU01	20,000,000.00	IRS 27Y	151.40	22.06.2027	22.06.2054
2027_06_22_SCHU02	5,000,000.00	IRS 27Y	151.40	22.06.2027	22.06.2054
2027_06_22_SCHU03	2,000,000.00	IRS 27Y	151.40	22.06.2027	22.06.2054
2027_06_22_SCHU04	5,000,000.00	IRS 27Y	151.40	22.06.2027	22.06.2054
2027_06_22_SCHU05	20,000,000.00	IRS 27Y	151.40	22.06.2027	22.06.2054
2028_01_06_SCHU01	35,000,000.00	IRS 26Y	139.00	06.01.2028	22.06.2054
2023_07_28_MTN_01	85,000,000.00	IRS 22Y	134.10	28.07.2023	05.01.2055
2026_01_12_SCHU01	25,000,000.00	IRS 29Y	144.70	12.01.2026	12.01.2055
2023_05_24_MTN_02	160,000,000.00	IRS 32Y	141.80	24.05.2023	24.05.2055
2024_02_23_MTN_01	15,000,000.00	IRS 11Y	136.40	23.02.2024	24.05.2055
2023_11_08_SCHU01	25,000,000.00	IRS 32Y	137.80	08.11.2023	08.11.2055
2020_12_07_MTN_01	30,000,000.00	IRS 35Y	48.70	07.12.2020	07.12.2055
2026_01_05_SCHU01	25,000,000.00	IRS 30Y	143.70	05.01.2026	05.01.2056

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2028_08_21_SCHU01	15,000,000.00	IRS 28Y	148.80	21.08.2028	05.01.2056
2028_12_11_SCHU01	20,000,000.00	IRS 27Y	148.00	11.12.2028	07.01.2056
2022_01_14_MTN_02	50,000,000.00	IRS 34Y	70.70	14.01.2022	14.01.2056
2022_02_11_MTN_01	17,000,000.00	IRS 34Y	70.00	11.02.2022	14.01.2056
2023_12_19_SCHU01	10,000,000.00	IRS 32Y	137.40	19.12.2023	19.01.2056
2026_01_19_SCHU01	20,000,000.00	IRS 30Y	140.90	19.01.2026	19.01.2056
2020_12_22_SCHU01	35,000,000.00	IRS 36Y	55.00	22.12.2020	22.12.2056
2027_12_01_SCHU01	10,000,000.00	IRS 29Y	148.70	01.12.2027	15.01.2057
2020_03_19_MTN_01	53,000,000.00	IRS 37Y	85.10	19.03.2020	19.03.2057
2019_09_13_MTN_01	30,000,000.00	IRS 38Y	66.10	13.09.2019	22.06.2057
2020_02_17_MTN_01	25,000,000.00	IRS 37Y	51.00	17.02.2020	22.06.2057
2022_01_14_SCHU01	30,000,000.00	IRS 35Y	75.80	14.01.2022	22.06.2057
2019_09_23_MTN_01	10,000,000.00	IRS 38Y	64.30	23.09.2019	23.09.2057
2026_02_11_SCHU01	50,000,000.00	IRS 32Y	126.00	11.02.2026	11.02.2058
2020_06_12_MTN_01	15,000,000.00	IRS 38Y	91.90	12.06.2020	12.06.2058
2019_11_04_SCHU02	30,000,000.00	IRS 39Y	60.90	04.11.2019	04.11.2058
2019_04_24_MTN_01	50,000,000.00	IRS 40Y	75.80	24.04.2019	24.04.2059
2019_05_03_MTN_01	30,000,000.00	IRS 40Y	75.40	03.05.2019	24.04.2059
2019_09_30_MTN_01	30,000,000.00	IRS 40Y	69.60	30.09.2019	30.09.2059
2020_05_25_MTN_01	50,000,000.00	IRS 39Y	119.50	25.05.2020	30.09.2059
2020_05_27_MTN_01	41,000,000.00	IRS 39Y	114.40	27.05.2020	30.09.2059
2019_10_29_MTN_01	10,000,000.00	IRS 40Y	57.40	29.10.2019	29.10.2059
2019_11_14_MTN_01	14,000,000.00	IRS 40Y	58.90	14.11.2019	14.11.2059
2020_01_07_MTN_02	15,000,000.00	IRS 40Y	15.90	07.01.2020	07.01.2060
2023_01_10_SCHU01	30,000,000.00	IRS 37Y	109.00	10.01.2023	10.01.2060
2020_04_30_MTN_01	50,000,000.00	IRS 40Y	107.70	30.04.2020	30.04.2060
2020_08_25_MTN_01	65,000,000.00	IRS 40Y	74.40	25.08.2020	25.08.2060
2020_10_08_MTN_02	50,000,000.00	EUR 6M	70.00	08.10.2020	23.12.2060
2021_02_15_MTN_07	40,000,000.00	IRS 40Y	56.30	15.02.2021	15.02.2061
2021_02_15_MTN_08	40,000,000.00	IRS 40Y	55.20	15.02.2021	15.02.2061
2021_05_03_MTN_01	50,000,000.00	IRS 40Y	62.20	03.05.2021	03.05.2061
2021_02_15_MTN_03	20,000,000.00	EUR 6M	60.00	15.02.2021	14.10.2061
2020_12_10_MTN_02	100,000,000.00	IRS 41Y	64.70	10.12.2020	10.12.2061
2024_01_26_MTN_02	500,000,000.00	IRS 38Y	152.70	26.01.2024	26.01.2062
2023_05_22_MTN_01	32,000,000.00	IRS 30Y	156.50	22.05.2023	22.05.2063
2022_08_23_SCHU01	10,000,000.00	IRS 41Y	89.70	23.08.2022	23.08.2063
2024_03_04_SCHU01	25,000,000.00	IRS 40Y	146.80	04.03.2024	04.03.2064
2020_11_30_MTN_01	100,000,000.00	IRS 44Y	62.50	30.11.2020	23.12.2064
2020_11_30_MTN_02	200,000,000.00	IRS 45Y	63.60	30.11.2020	23.12.2065
2020_05_05_MTN_01	100,000,000.00	IRS 46Y	117.40	05.05.2020	22.06.2066
2020_06_12_MTN_02	50,000,000.00	IRS 46Y	100.06	12.06.2020	22.06.2066
2020_11_12_MTN_01	25,000,000.00	IRS 46Y	62.20	12.11.2020	22.06.2066
2021_05_04_MTN_01	53,000,000.00	IRS 45Y	69.30	04.05.2021	22.06.2066
2021_05_04_MTN_02	23,000,000.00	IRS 45Y	69.30	04.05.2021	22.06.2066
2021_06_22_MTN_01	10,000,000.00	IRS 45Y	77.10	22.06.2021	22.06.2066
2023_12_13_SCHU01	25,000,000.00	IRS 44Y	160.10	13.12.2023	13.06.2067
2023_05_24_MTN_03	30,000,000.00	IRS 44Y	163.10	24.05.2023	02.08.2067
2023_10_06_SCHU01	25,000,000.00	IRS 44Y	158.30	06.10.2023	06.10.2067
2023_10_31_MTN_01	200,000,000.00	IRS 45Y	155.70	31.10.2023	31.10.2068
2023_07_15_SCHU01	100,000,000.00	IRS 48Y	92.40	15.07.2023	15.12.2069
2021_06_21_MTN_01	10,000,000.00	IRS 49Y	82.90	21.06.2021	21.06.2070

Loans in €					
Benchmark	Amount	Type	Margin (BP)	Made available	Due date
2023_01_23_MTN_01	95,000,000.00	IRS 47Y	103.50	23.01.2023	22.06.2070
2021_05_11_MTN_01	200,000,000.00	IRS 50Y	77.60	11.05.2021	11.05.2071

CHAPTER 10: CONSOLIDATED DEBT SWAPS

Table 31: Consolidated debt swaps (situation on 31.03.2024)

in €					
Benchmark	Amount	Receive rate	Pay rate	Effective_date	Due date
2013_04_08_SWAP01	50,000,000	EURIBOR 6M	IRS 10Y	08.04.2013	08.04.2023
2006*1-1 SS	75,000,000	EURIBOR 6M	IRS 18Y	28.09.2010	10.05.2026
2018_04_14_SWAP01	75,000,000	EURIBOR 3M	EURIBOR 6M	14.04.2018	14.10.2027
2009*8-2 S	20,000,000	CMS 10-2Y	EURIBOR 6M	17.12.2009	17.12.2029
2018_03_21_SWAP01	25,000,000	EURIBOR 6M	-0.25%	21.03.2018	21.03.2032
2013_06_26_SWAP01	25,000,000	IRS 21Y	EURIBOR 6M	26.06.2013	26.06.2034
2010*4-1 S	25,000,000	IRS 20Y	3.22%	06.04.2010	06.04.2035
2013_04_08_SWAP03	15,000,000	EURIBOR 6M	IRS 23Y	08.04.2013	18.10.2031
2006*1-2 S	75,000,000	EURIBOR 6M	IRS 30Y	10.05.2006	10.05.2036
2013_03_28_SWAP03	25,000,000	IRS 20Y	EURIBOR 6M	28.03.2013	28.03.2038
2020_03_28_SWAP01	31,000,000	Trim. formula [57]	4.00%	28.03.2020	28.03.2038
2021_03_28_SWAP01	31,000,000	Trim. formula [58]	4.00%	28.03.2021	28.03.2038
2022_03_28_SWAP01	31,000,000	Trim. formula [59]	4.00%	28.03.2022	28.03.2038
2009*2-5 S CALL	40,000,000	EURIBOR 6M	5,047%	30.04.2009	30.04.2036
2009*2-2 S CALL	61,500,000	EURIBOR 3M	4.08%	06.04.2009	06.04.2039
2014_04_07_SWAP01	30,000,000	IRS 25Y	EURIBOR 3M	07.04.2014	06.04.2039
2020_12_23_SWAP01	50,000,000	EURIBOR 6M	EURIBOR 3M	23.12.2020	23.06.2040
2009_04_01_SWCM01	30,000,000	EURIBOR 6M	6.05%	01.04.2009	01.04.2041
2009*3-4 S CALL	20,000,000	EURIBOR 6M	7.97%	14.04.2009	14.04.2041
2009*4-1 SS	125,000,000	EURIBOR 6M	IRS 1Y	31.01.2011	29.07.2041
2012_03_31_SWAP01	50,000,000	EURIBOR 6M	IRS 30Y	31.03.2012	31.03.2042
2012_11_30_SWAP01	50,000,000	EURIBOR 6M	2.76%	30.11.2012	30.11.2042
2009*7-123 S CALL	50,000,000	EURIBOR 6M	IRS 30Y	21.09.2009	21.09.2050
2012_06_26_SWAP01	50,000,000	EURIBOR 6M	IRS 40Y	26.06.2012	26.06.2052
2017_12_27_SWAP01	50,000,000	EURIBOR 6M	3,10%	26.06.2017	26.06.2052
2010_10_14_SWCA01	75,000,000	EURIBOR 6M	IRS 1Y	14.10.2010	14.10.2055
2010_10_14_SWCA02	75,000,000	EURIBOR 6M	IRS 1Y	14.10.2010	14.10.2055
2010*1-1 S	50,000,000	EURIBOR 3M	IRS 1Y	23.06.2010	23.06.2060
2010*1-3 S	50,000,000	EURIBOR 6M	IRS 1Y	23.06.2010	23.06.2060
2019_02_11_SWAP01	50,000,000	EURIBOR 3M	IRS 41Y	11.02.2019	23.06.2060
2011*1-1 S	50,000,000	EURIBOR 6M	IRS 50Y	18.04.2011	18.04.2061

[57] IF(((IRS20Y-IRS2Y)>0);3.25%;0.00%)

[58] IF(((IRS20Y-IRS2Y)>0);3.25%;0.00%)

[59] IF(((IRS20Y-IRS2Y)>0);3.25%;0.00%)

in €					
Benchmark	Amount	Receive rate	Pay rate	Effective_date	Due date
2011_04_18_SWAP01	50,000,000	EURIBOR 6M	IRS 50Y	18.04.2011	18.04.2061
2011*1-4 S	50,000,000	EURIBOR 6M	IRS 1Y	14.10.2011	14.10.2061
2011*1-5 S	50,000,000	EURIBOR 6M	IRS 50Y	14.10.2011	14.10.2061

SECTION 6: GLOSSARY

1. REGIONAL CONCEPTS

Cash pooling	The FCCB arose from a political desire to centralise the treasuries of the Autonomous Administrative Bodies (see FCCB) and achieve economies of scale through the optimisation of cash flows. So, in the first instance, the regional grants awarded to participating organisations are paid into the Region's transit accounts. Then, a mechanism of automatic transfers between these accounts and the organisations' own accounts makes it possible to finance these organisations on a day-to-day basis as and when they need it. This means that the grants remain in the Region's current account until they are actually used, which allows the Region to avoid costly consolidation (LT loans) and thus generate substantial savings.
Debt Agency	Responsible for optimising the management of regional direct debt. With this in mind, it manages the Region's short-, medium- and long-term financing. It uses a range of financial products (or derivatives) linked to the interest rate curve to minimise the portfolio risk and cost (i.e. liquidity and interest rate risks). The Debt Agency is required to create and maintain close links to national and international banking stakeholders due to its financing activities on the Belgian and European markets. It keeps the Minister for Finance office, the Government and the Brussels Regional Council informed of its management methods and results, as well as supervisory bodies such as the Inspectorate of Finance, the Court of Auditors and the Standard & Poor's rating agency. It also monitors changes to indirect debt and to the debt guaranteed by the Region. In 2015, the Debt Agency developed a dynamic guarantee management system which is based on a procedure which analyses the eligibility application process, as such applications form part of the framework defined by the prior budget authorisation.
Debt assumption	Although the concepts of net financing requirements and direct debt stricto sensu were intertwined up until 1995, since 1996 this has no longer been the case. Indeed, a share of the indirect debt, known as the debt assumption, has been renegotiated and included in total direct debt. This includes the debt of SIAMU, Bruxelles-Propreté, the former Brabant Province and the former Brussels Agglomeration. From 2009, the net financing requirements and the direct debt stricto sensu were once again combined. Indeed, debt assumption will cease to exist from this date. As the debts are serviced, new loans will be financed exclusively based on net financing requirement.
ESA 2010	The European System of National and Regional Accounts (ESA 2010) sets out a shared accounting framework for European Union Member States. From 1 September 2014 it replaced the ESA 95 standard.
ESA 2010 Debt	ESA 2010 debt consolidates all debts on the balance sheet (excluding commercial debt) for public administrative bodies (S.1312) with those of government services (the Brussels Regional Public Service). This consolidation is purely for accounting purposes, and its result is known as "consolidated gross debt" or "Maastricht debt".
Financial coordination centre (FCCB)	The Financial Coordination Centre for the Brussels Capital Region was established by the Ordinance of 19 February 2004 and has been operational since 1 October of the same year. Governed by the OOBCC (organic ordinance on the provisions applicable to the budget, accounting and control) since its adoption in 2006, the CCFB now centralises the treasuries of 20 OAAs (independent administrative bodies), representing approximately one and a half billion €, thereby constituting a strategic tool for optimising the Region's finances.

Guaranteed debt	Guaranteed debt constitutes all of the Region's conditional commitments. This debt does not form part of public debt, but rather represents potential debt in the event in which a guarantee is called upon. The guarantees granted by the region may relate to liabilities (e.g. loans) or assets (e.g. receivables).
Indirect debt	Includes loans that the Region pays on behalf of other bodies. Loan repayments are described in the budget as rebudgetisation.
Total direct debt	This combines the cumulative net financing requirement (direct debt stricto sensu) since the Region was created, together with the debt assumption. Loan repayments are described in the budget as "capital amortisations".
Total direct debt (outstanding)	The outstanding total direct debt comprises the direct debt stricto sensu (floating debt for the short term and consolidated direct debt stricto sensu for the long term), together with the debt assumption. Floating debt covers fixed advances (FA), commercial paper (CP) and cash credit. Floating debt (ST) and consolidated direct debt sticto sensu (LT) form the cumulative net financing requirement. Consolidated direct debt stricto sensu (LT) and the debt assumption (LT) form consolidated debt (LT).

2. ANALYSIS INSTRUMENTS

Amortisation plan	The capital amortisation plan indicates how all loans will be repaid (due dates and amounts).
Average monthly and annual outstanding balance	Outstanding balance weighted either by the number of days in the month or year. The main reason for increases and decreases in the average outstanding balance is the management of cash and budget flows. Increases in the average outstanding balance is due to the negative differential between revenue and expenditure flows, while decreases are due to a positive differential.
Counterparty risk	The counterparty risk constitutes any risk of the counterparties not fulfilling all or some of their financial obligations.
Duration	Duration is defined as the relationship between the current weighted value of each financial flow and the current value of all financial flows. It assesses the average interest rate risk for the portfolio (interest and amortisation) based on all updated cash flows.
Euribor (European Interbank Offered Rate)	Euribor is the Europe-wide interbank rate. It is rate at which leading banks are willing to lend funds to one another. Rates are calculated on a daily basis and refer to due dates of less than one year. Euribor replaced the national interbank rates of the eurozone countries in 1 January 1999.
Financing cost	A full costing daily calculation basis is used for financing cost (consolidated debt + floating debt + derivative income and expenditure).
Interest rate risk	The interest rate risk covers the risks linked to interest rate fluctuations. It defines the total direct debt portfolio's level of exposure to an interest rate rise. Various financial instruments are available to protect the portfolio, including: rate swaps (IRS; forward swaps etc.); FRAs (rate guarantee); interest rate options (cap; floor; collar etc.).
Liquidity risk	The liquidity risk is the danger of being unable to locate short-, medium- or long-term financing to cover an existing or future deficit. This risk automatically leads to a demand for higher bank margins on the benchmark rate (Euribor, IRS, OLO) by credit institutions when consolidating loans, and therefore a higher financing rate for the borrower. The smoothing quality of the direct debt amortisation plan reduces refinancing concentrations and therefore the liquidity risk.

"Mark to market" risk	The mark to market risk demonstrates exposure of the Region's direct debt (and related swap products) to the market interest rate risk. It shows the variation in euros of the value of the Region's financial commitments according to a variation of 1 basis point (0.01%) to the interest rate (zero coupon) for any given maturity. A positive figure shows that the value of the Region's commitments increases when the benchmark rate falls by 1 basis point.
Portfolio structure	The portfolio structure is divided into two components: - The component which is not subject to/protected from rate risks (fixed-rate consolidated debt and protected variable-rate consolidated debt); - The component which is subject to rate risks (variable-rate consolidated debt);
Refinancing risk	The refinancing risk is the risk to the Region of being unable to service loans taken out in previous years and the related interest expenditure, due to being unable to borrow the sums required for repayment.
Standard Deviation/Average	This analysis instrument provides the value for how dispersed the data is in relation to average future amortisations. It shows the smoothing quality of the amortisation plan and the portfolio liquidity risk.

3. FINANCIAL PRODUCTS

Cap	A cap is an over-the-counter contract between two counterparties which, in exchange for payment of a premium (expressed as a percentage of the nominal amount) enables its buyer to hedge a variable-rate loan against an interest rate increase beyond a ceiling rate. It is a series of interest rate options with successive maturities (roll-over system). At each fixing, the rate level is compared to the cap exercise price. If the rate is higher than the exercise price, the cap buyer receives from the seller the rate differential multiplied by the nominal amount applied to the number of days in the period. If the rate is lower than the exercise price, the option will not be exercised.
Collar	A collar combines a cap purchase (premium to pay) with a floor sale (premium to receive) with the aim of reducing the cap purchase premium (or even of eliminating it in the case of a "zero cost collar".
Commercial paper (CP)	Commercial paper represents a receivable but assumes the form of a security. The security is issued on a specific basis (Euribor benchmark). It is issued by a private company or public entity which is not a credit institution to procure short-term capital (less than one year). The Brussels Capital Region has set up a short-term commercial paper programme, which since 3 April 2009 has formed part of the MTN programme. Since 23 December 2022, the maximum amount under the programme has risen to €11 billion.
Consolidated loan	Consolidating a loan is a transaction which involves converting some of the short-term debt (< 1 yr) into long-term debt (> 1 yr), either at a variable or fixed rate.
Fixed advances (FA)	A fixed advance is a loan of a specific amount to be repaid by a particular due date. Its purpose is to finance cash flow requirements. The Brussels Capital Region has access to fixed-term advance lines from one day to one year with the regional Cashier, and for more than 30 days with the various banks.
Floor	A floor is an over-the-counter contract between two counterparties which, in exchange for payment of a premium (expressed as a percentage of the nominal amount) enables its buyer to set up a hedge against an interest rate fall below the floor. It is a series of interest rate options with successive maturities (roll-over system). At each fixing, the rate level is compared to the floor exercise price. If the rate is lower than the exercise price, the floor buyer receives the rate differential multiplied by the

	nominal amount applied to the number of days in the period. If the rate is higher than the exercise price, the option will not be exercised.
Forward rate swap	This works in the same way as the IRS, except that the swap start date is not the same as the date on which the swap is entered into. The swap start date is set to a future date (forward).
FRA (Forward Rate Agreement)	An FRA is an over-the-counter contract between two counterparties (with no premium to pay) which, as soon as it is entered into, guarantees an interest rate on a loan or future money market investment. The borrower will fix its future debt cost by buying the FRA (protection against a rate rise), while a lender will provide a guaranteed investment rate by selling the FRA (protection against a rate fall). The counterparty is guaranteed a borrowing rate (in the case of the buyer) or a loan rate (in the case of the seller) which is known in advance, but waives the advantages of any fall (the buyer) or rise (the seller) of rates to their advantage. The FRA due date is the same as the guarantee start date. On this date, the value of the benchmark rate (Euribor) is compared to the guaranteed rate (FRA).
IRS (Interest Rate Swap)	IRS means Interest Rate Swap. It is an interest cash flow exchange transaction in a single currency. Over a pre-determined period, it enables two cash flow schedules to be exchanged with a counterparty, one for debt and one for investment (referred to as the two "legs" of the swap). There are three types of swap: - Variable rate to variable rate (basis swap); - Fixed rate to variable rate (classic swap); - Variable rate to fixed rate (classic swap). You can either be the payer (you pay the fixed rate if you are borrowing, and you receive the floating rate if you are lending), or the receiver (you receive the fixed rate if you are lending and you pay the floating rate if you are borrowing).
Knock-out cap	A cap with a knock-out barrier is a cap to which a ceiling rate has been added (i.e. the knock-out barrier) in order to reduce the premium paid. If the fixing rate exceeds this ceiling rate, the cap is deactivated for the fixing in question.
Swaption	Contraction of the words swap and option. A swaption is a swap option. It lets you buy (call swaption) or sell (put swaption) the right (rather than the obligation) to enter into an interest rate swap http://www.vernimmen.net/html/glossaire/definition_taux_d_interet.htmlon a certain date (European swaption) or for a certain duration (American swaption). The swap features are set in advance (notional amount, start and due dates, benchmark rate).

INDEX

GRAPHS

TABLES

Regional portal:

The latest annual report published by the Brussels-Capital Region is available and can be downloaded from the Brussels Finances and Budget website :

https://overheidsdienst.brussels/BFB/Publications/Agence%20de%20la%20Dette%20annuelle/2023/

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