

Annual report 2021

Public Debt

Federation Wallonia-Brussels /
French Community of Belgium

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2021

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Foreword

The year 2021 was marked for the Federation's financing by the drafting of the "Social Framework". Although our competences can be considered as social in nature, this document presents concrete efforts of the Fédération Wallonie-Bruxelles (FWB) in terms of societal financing.

This framework has enabled and will enable the FWB in the future to classify all of its financing instruments as "social", thereby further broadening its investor base. A growing number of investors are indeed obliged to comply with the new European directives on the environment, social impact and governance.

The first "Social Bond" issued within the context of this "Social Framework" materialised in June 2021 in the form of a "benchmark-sized" public financing operation carried out by the Debt Agency for an amount of EUR 500 million with a 14-year maturity at a rate of 0.655%. More than 80% of investors highlighted the sustainability of the investment in their decision to participate in this transaction. Three private placements complemented the "Social Bonds" issued in 2021. The report detailing the use of the funds and their links to the UN Sustainable Development Goals was published by the Debt Agency in July 2022.

While the COVID-19 pandemic had a profound impact on the year 2020 and led to a significant loss of revenue, next to an increase in expenses related to the support for sectors in difficulties as a result of the crisis, its impact on the country's economic activity was lower in 2021.

Consequently, long-term financing needs for 2021 were lower than expected in the previous year. A total of 15 financing operations were carried out for a total of EUR 1,231 million with a weighted average maturity of 16.66 years.

All these loans were concluded at a fixed rate. In 2021, the Debt Agency was able to benefit from a relatively low market rate environment, bringing the proportion of fixed-rate borrowings to almost 89%.

In addition to borrowings in EMTN bond format, two SURE loans (Support to mitigate Unemployment Risks in an Emergency, an instrument set up by the European Union), a Schuldschein and a drawdown from the Council of Europe Bank were carried out, supporting the FWB's decision to diversify its financing sources.

This report provides a detailed insight into the strategy pursued by the Agency and its team, in collaboration with the Government. It is also part of the FWB's commitment to transparency, particularly in order to meet the trust placed in it by investors. The current economic context leads us to further reinforce this transparency and to refine our debt management. I will do my utmost on a daily basis with the support of the Agency and its teams.

Minister for the Budget
Frédéric Daerden

The key figures of the Federation Wallonia-Brussels

Amounts in € million as at 31 December	2020	2021
Stock of debt of the Community		
Total community consolidated debt	8,565.2	9,254.8
Long-term community debt	8,737.1	9,612.8
- Direct debt	8,726.7	9,603.3
- University debt	10.4	9.5
Short-term community debt	-171.9	-358.0
Direct debt amortisations	494.8	379.2
Re-borrowing of total debt amortisations	495.6	380.0
New borrowings	1,488.2	875.7
Debt instruments used		
Long-term EMTN Financing programme	6,383.4	7,162.6
Bank loans	592.9	565.5
Schuldschein	1,510.8	1,538.8
OLCo, Lobo,...	75.0	75.0
Commercial paper & short-term EMTN	175.0	175.5
SURE	0.0	85.9
Characteristics of the debt of the Federation Wallonia-Brussels		
Financial rating awarded by rating agency Moody's (last update: 09 December 2021)		
- Long terme	A1	A2
- Outlook	Negative	Stable
- Currency	A1	A2
- Short-term	P-1	P-1
Extra-financial rating awarded by agency Vigeo Eiris	"Robuste" 57%	"Robuste" 57%
Distribution according to the rate (in %)		
- Fixed rate	88.7	91.1
- Floating rate	11.3	8.9
Residual maturity in terms of liquidity (in years)	16.6	16.2
Internal rate of return (in %)	1.9	1.6
Debt/revenue ratio (in %)	88.4	86.1
Debt service/revenue ratio (in %)	1.7	1.5

Introduction

In the tradition of the reports presented by the Federation Wallonia-Brussels since the beginning of the 1990s, this report relating to the 2021 figures presents in detailed fashion the information concerning solely the debt that the Federation has directly contracted or taken over, i.e. that issued and managed directly by the administrative departments of the FWB Ministry, for which it is responsible, and for which the interest charges are charged to the FWB's expense budget.

Out of a concern for clarity and transparency and with the aim of giving the reader comprehensive information, the debt issued by entities other than the FWB (debt for which it is not responsible but which nonetheless fits into the European concept of consolidated gross debt, a Maastricht concept, and falling within the FWB's consolidation sphere) and guaranteed debt (debt for which it is not responsible but for which it is the guarantor in the event of default) are covered in this report. However, this will be presented in summary form, since it is from the legal entity responsible for this debt, the one that issues, manages and repays it, that the reader interested by the data set forth should be able to obtain the information he requires.

Chapter I

Institutional framework
of the Federation
Wallonia-Brussels
(French Community
of Belgium)

Since June 2011, in accordance with the Government and Parliament decision in this respect, all everyday notifications and announcements are made using the official name of Federation Wallonia-Brussels (*Fédération Wallonie-Bruxelles*). Seeing as the Constitution has not been amended, texts of a legal import or significance¹ still make reference to the name “French Community” (*Communauté française*). In this report we will also more often than not use the name Federation Wallonia-Brussels and its acronym FWB. However, the name has not been changed in the extracts of articles of law cited in this report.

A. Belgium: a federal state

In 1993, Belgium officially became a federal state made up of two types of federated entity: the Regions and the Communities (Belgian Constitution² – Article 1). The country currently has three Regions (the Walloon Region, Flemish Region and Brussels-Capital Region) and three Communities (the French Community, Flemish Community and German-speaking Community). With the exception of Flanders, which has merged its Regional and Community components into a single body, each federated entity has the sovereign power to exercise its powers and remit by means of its own parliamentary and governmental institutions.

B. Explanation of the concept of Community

The Communities group people together according to the criteria of language and culture. Each Community’s field of action is defined according to four linguistic regions: the “French-language region”, the “Dutch-language region”, the “Brussels-Capital bilingual region” and the “German-language region” (Constitution – Article 4). The linguistic regions are mere territorial subdivisions that do not have any political or administrative body and therefore should not be confused with the three major Regions (Walloon, Brussels and Flemish Regions) (Constitution – Article 3). Given the bilingual (French/Dutch) character of the Brussels-Capital linguistic region, the country’s two main Communities (French and Flemish) are authorised to exercise their powers there within the bounds of their remit. However, seeing as the absence of an official linguistic census makes it impossible to differentiate people in this respect, the two Communities’ scope of competence here has been limited to those institutions that have opted for adherence to one of the two languages. This specific characteristic implies that the Communities are human entities and not territorial entities in the traditional sense of the term. The Regions, for their part, are territorial entities in their own right, and exercise their competencies in matters completely different to those of the Communities.

This two-tier federalism is the result of the historical evolution of the reform of the Belgian state.

1 These are chiefly texts of a prescriptive nature such as draft decrees and draft orders of the Government of the French Community; agreements, contracts of employment, lease contracts, loan agreements or contracts for the placing of items at a person’s disposal, etc.; documents relating to a procurement contract, etc.

2 Constitution coordinated on 17 February 1994.

C. The Federation Wallonia-Brussels (French Community): “geographical” organisation, institutions, new designation, responsibilities and financing

C.1. “Geographical” organisation

The Federation Wallonia-Brussels (French Community) is a federated entity of the Belgian federal state. Its legal existence is ensured by Articles one and two of the Constitution.

Its powers are exercised with regard to the people established on the territory of the “French-language region” (Wallonia, with the exception of people living in the German-speaking Community) and the unilingual French-speaking institutions of the “Brussels-Capital bilingual region”.

C.2. Institutions

The institutional organisation of the federated entities is defined by the Special Institutional Reform Act (“LSRI”) of 8 August 1980, as amended.

The Parliament³ of the French Community (or Parliament of the Federation Wallonia-Brussels) is a unicameral assembly bringing together 94 indirectly elected members: the 75 Walloon regional deputies and 19 Brussels French-speaking regional deputies. It exercises legislative power by means of decrees and in particular holds the vote on the budget and carries out the closing of the accounts.

At this very moment, the Government of the Federation Wallonia-Brussels has 5 members⁴ and is represented since the regional and European elections of 26 May 2019, by a coalition of the PS (Socialist Party), MR (Mouvement Réformateur) and Ecolo, which accounts for 71.3% of the seats in the Federation’s Parliament. With the responsibility for exercising executive power, the Government provides *inter alia* for enforcement of the decrees voted by the Parliament by means of orders. The Government is politically accountable to Parliament.

It should be noted that the result of the federal and European elections does not have any direct impact on the Community’s political landscape and thus, inevitably, on the Community parliamentary and governmental representations. In this way the Government of the FWB may be of a different coalition to that of the federal government or the regional governments. As such, although a PS/MR/Ecolo coalition was also set up in Wallonia on 17 September 2019, it was another majority which was constituted a few weeks earlier in the Brussels-Capital Region bringing together, on the French-speaking executive side, the PS, Ecolo and DéFI (Independent Federal Democrat).

³ Name permanently sanctioned by the review of the Constitution of 25 February 2005 modifying the terminology of the Constitution (entering into force on 11 March 2005). The official name had previously been “Council of the French Community”.

⁴ See in this respect the French Community Government order of 17 September 2019 establishing the distribution of powers among ministers and regulating the signing of the Government’s proceedings (Belgian Official Journal of 27/09/2019).

C.3. New designation: the Federation Wallonia-Brussels

The “French-language cultural Community” is the name that the Constitution gave in 1970 to the federated political grouping made up of Walloons and French-speaking Brussels residents together. The constitutional review of 1980 changed this name to “French Community”. Other names have been suggested over time. Further to a resolution of 25 May 2011, the Parliament of the French Community decided to systematically use the name “Federation Wallonia-Brussels” to commonly refer to the French Community in its announcements and notifications. The Government is doing likewise. The term “Federation Wallonia-Brussels” is thus used to denote the French Community referred to in Article 2 of the Constitution.

C.4. Responsibilities

The powers and areas of competence of the Federation Wallonia-Brussels are determined by the Belgian Constitution and by the LSRI (Special Institutional Reform Act) of 8 August 1980, as amended. The subjects for which it has competence can be broken down into four aggregates:

- culture (fine arts, performing arts, radio and television, and sport);
- education (from nursery school to higher education);
- social affairs (assistance for young people, infancy, health promotion, social assistance for prisoners);
- the use of languages (in administrative and social matters)⁵.

For the various matters for which it is responsible, the Federation is also competent in the field of national and international cooperation as well as in that of scientific research.

In 1993 the FWB transferred the exercising of some of its powers to the Walloon Region and to the French Community Commission of the Brussels-Capital Region (Cocof). This transfer mainly concerned school buildings, sports infrastructures, tourism, vocational training, social advancement and the policies on health and assistance to people.

The year 2013 also saw an important reform of the Belgian State. The federated entities received new areas of competence for an overall amount estimated in 2015 at some €20.0 billion. A significant part of the exercising of the powers received by the FWB was immediately transferred by decree, in the framework of an intra-Francophone agreement, to the Walloon Region and the Cocof, so that ultimately the FWB's new powers following the sixth State reform are basically limited to legal advice centres (*Maisons de Justice*) and some of the health prevention activities⁶.

5 For more details, see the chapter “Economic and Financial Report” of the 2022 General Report available on the Ministry of the French Community's budget website at: <http://www.budget-finances.cfwb.be>.

6 See in this respect the Special Sixth State reform Act of 6 January 2014, and the special decree of 3 April 2014 on the French Community's powers the exercising of which is transferred to the Walloon Region and the French Community Commission (the so-called “Sainte-Emilie” decree), which can be consulted on the website of the Parliament of the Federation Wallonia-Brussels at: <http://www.pfwb.be> and/or on the website of the Belgian Official Journal: <http://www.ejustice.just.fgov.be>.

C.5. Financing

The financing of the federated entities (Communities and Regions) is governed by the Special Act of 16 January 1989 on the Financing of the Communities and Regions (LSF), as amended in 1993, 2001 and 2014.

The year 2001 was particularly marked by a major reform of the financing method of the Wallonia-Brussels Federation: see the special law of 13 July 2001 on the refinancing of Communities and on the extension of the tax powers of Regions. In addition, the so-called VAT endowment, already indexed to inflation, has also been linked to economic growth.

In January 2014 the LSF was adapted following the implementation of the sixth reform of the Belgian state: see on this subject in particular the Special Act of 6 January 2014 on reform of the financing of the Communities and Regions, extension of the fiscal autonomy of the Regions and financing of the new powers (Belgian Official Journal of 31 January 2014). The mechanisms set forth in the new version of the LSF entered into force on 1 January 2015.

What is expounded below therefore relates to the LSF as amended in 2014.

In its Article 1, the Special Act establishes that the financing of the budget of the French Community of Belgium and the Flemish Community comes from:

- non-tax revenues;
- revenues from taxes and perceptions;
- federal allocations;
- a transition mechanism (applicable for the period 2015-2033);
- loans.

The French Community of Belgium has consequently 4 different sources of financing (transition mechanism excluded).

Non-tax revenues are various receipts stemming, for example, from various registration fees, income from sale of common property, diploma equivalence fees, etc.

Tax revenues collected through VAT (value-added tax) and personal income tax which are transferred from the federal government, in accordance with LSF, independently of the FWB's actual contribution of these taxes.

Besides, this new level of allocations from VAT revenues is increased as from 2015 with:

- the amount of the compensatory allocation from the Radio and Television Licence Fee (RRTV); and
- the financing means linked the transfer of competences organized by the sixth State reform: the « *Fonds pour les équipements et services collectifs (FESC)* », « *la protection de la jeunesse* », the « *Fonds d'impulsion fédérale à la politique des immigrés (FIPI)* » and the « *Fonds européen d'intégration (FEI)* », the global projects and projects for young starters, and career break.

In 2014 an overall review of the LSF took place. However, the modifications made to the LSF were negotiated in such a way that when they entered into force in 2015, for the financing of its traditional powers, the FWB's revenues were identical to those resulting from the LSF prior to its review. Nonetheless, it should be stated that efforts to stabilise public finances are expected on the part of the FWB, as well as all the entities of the federal Belgian state, and are included in the LSF. This stabilisation effort will be applied after a calculation has been made of the balance between the old and new Act. It should also be noted that the revenues that the FWB receives for the powers concerning "family income support, care for the elderly" and (in part) for powers in the "health" area are immediately transferred, either to the Walloon

Region or to the Cocof, which (will) actually exercise these powers in application of the Sainte-Emilie agreements. Indeed, following the sixth State reform, the Sainte-Emilie Decree establishes that an additional allocation should be granted by the FWB to the Walloon Region and to the Cocof on annual basis ; this allocation is calculated in such a way that the operation is totally neutral from the FWB perspective. Nevertheless, the Sainte-Emilie decree foresees explicitly that the Walloon Region and the Cocof take part in the efforts to stabilize public finances, as required by the sixth State reform, and as translated in the calculation of the LSF cash flows for the FWB. The additional allocation is mentioned in a specific section of the budget and corresponds to a large extent to the allocations “new competences transferred” for an amount of €3,684 million in 2021. Consequently, the budget of the FWB is not modified by in- and out-flows, which compensate perfectly. The Sainte-Emilie allocations have evolved as follows since 2017, based on the respective adjusted budgets:

Year	2017	2018	2019	2020	2021
Sainte-Émilie	3,509,642,000	3,574,125,000	3,649,476,000	3,488,828,000	3,684,486,000

The Sainte-Emilie allocation (2014 agreement) should be distinguished from the Saint-Quentin Decree II (1993 agreement), which is maintained in chapter 5 of FWB's expenses budget (just over €480.0 million in 2021). Lastly, on the basis of successive adjusted budgets, the following table can be drawn up:

Year	2017	2018	2019	2020	2021
Saint-Quentin	467,160,000	467,241,000	476,742,000	479,187,000	480,523,000

D. Rules governing indebtedness of the federated entities

D.1. Legal foundations

Pursuant to Article 49, § 1 of the LSF of 16 January 1989, the Communities and Regions may contract loans. These loans do not immediately benefit from the federal State's guarantee in application of Article 15 of the LSRI of 8 August 1980.

It should be noted, however, that Article 54 of the LSF states, in § 2, that if the federal State is late in paying or only partly pays the allocations it is bound to transfer to the federated entities in implementation of the LSF, the Federation has the right to contract a loan benefiting *ipso jure* from the guarantee of the State and thus the financial servicing is fully and directly borne by the latter.

Through certain provisions of the LSF, the federal authorities have made sure that the borrowing capacity of the federated entities is restricted. Two objectives are pursued in this area: on the one hand, the safeguarding of economic union and the monetary unit (both at European and domestic level), and on the other hand the prevention of a structural deterioration of borrowing requirements (Article 49, § 6). To this end, a section entitled “Public Authority Borrowing Requirements” has been created within the High Council of Finance (CSF). This body is made up of representatives of

the federal and federated entities. It is responsible for publishing opinions on their borrowing requirements and on the way in which they attained the previous debt standard in the past, or, since 2003, have respected the cooperation agreements entered into between the different regional and Community entities and the federal State; cooperation agreements defining the respective budgetary objectives. It is worth pointing out that the opinions and recommendations published every year by the CSF have had a major influence on the federated entities' debt policy.

D.2. Types of loans

The Special Act of 13 July 2001 on the refinancing of the Communities and Regions also substantially modified the terms and conditions under which the latter can have recourse to loans. Article 49 of the LSF henceforth stipulates the following:

"§ 1. The Communities and Regions may contract loans in euros or foreign currencies".

"§ 2. The programming of public loans [in the strict sense]⁷ is fixed by the [federal] Council of Ministers after consultation with the [Community and Regional] Governments. The terms and issue schedule of any public loan are submitted for approval to the [federal] Minister of Finance. Should the [federal] Minister of Finance refuse to give his approval, the [Community or regional] government concerned may request that the matter be brought before the [federal] Council of Ministers for a decision."

"§ 3. The Communities and Regions may issue private loans and short-term securities after having informed the [federal] Minister of Finance of this [...]."

The date for entry into force of these provisions was set at 1 January 2002. This means that as from that date, only one procedure involving notification of the federal minister has to be observed before recourse to the loan. The terms and conditions of the notification and the content of this information (in particular the amount and term of the loan, financial conditions, contracting party) have been the subject of an agreement⁸ between the [federal] Minister of Finance and the Community and Regional Governments.

Only loans to be contracted with private individuals are thus subject to approval by the federal Minister of Finance. In respect of all other loans, all that is needed is a simple notification. The Federation Wallonia-Brussels has hitherto never had recourse to financing from private individuals.

It should also be pointed out that the repeal of the former § 4 of Article 49 of the LSF has removed any allusion to the limitation of the French Community's sphere of borrowing both to the former Belgian franc zone and to the current euro zone.

7 I.e. loans aimed at private individuals.

8 Agreement of 29 April 1991 on Article 49 of the LSF.

Chapter II

Administrative and
technical framework
of the management of
the community debt
and cash balances

A. Administrative framework

The finances of the Federation Wallonia-Brussels are managed by the Community Minister responsible for the Budget and Finance.

Pursuant to Article 3 of the decree containing the Community's Revenue Budget, the Minister is authorised to subscribe loans and to enter into any financial- and treasury management operation undertaken in the Treasury's general interest. This authorisation is thus renewed every year and is also subject to procedures adopted by the Government.

Ministerial orders relating to management of the Community's debt and cash balances are enforced within the Administration by the Debt Agency; the latter is nonetheless responsible for the everyday aspects of this management¹.

The Debt Agency's activities are divided into two distinct bodies; the Front Office and the Back/Middle Office. Whilst the former concludes financial operations on the monetary and financial markets, the latter takes care of administrative, budgetary and accounting control, as well as the production of various reports. For all these matters, the Debt Agency is assisted by a consulting firm which, on request, issues an opinion as to the operations managed and the financial strategy to be pursued.

The activities of the FWB's Debt Agency are subject to various audits and checks, both internal and external to the Administration. Basically there are three such audits: the Tax Inspectorate, the State Audit Office, and the prudential examination carried out by a company auditor approved by the FSMA (Financial Services and Markets Authority).

With a view to optimise the management of Regional and Community finances, organisational synergies were set up between Wallonia and the Federation Wallonia-Brussels, in particular through the creation of a Joint Treasury Council² which can debate on the main orientations taken for the management of the debt and treasury, the coordination of the Community and regional financing policies, the establishment of the joint principles governing financial risk management, and the intensification of synergies in the light of the institutional frameworks. This advisory body is chaired by a representative chosen by joint agreement by the Community and Regional Ministers responsible for the Budget and Finance, and is made up of the representatives of the Ministers-President, of the Vice-Presidents and of the Regional and Community Administrations. The Tax Inspectorate, State Audit Office, company auditors and external experts also take part in the Council's meetings.

1 See on this subject the French Community Government decree of 19 January 2009 on delegations of competencies and powers to sign to general civil servants and to certain officials of the departments of the French Community Government – Ministry of the French Community – General Finance Department – Debt Management Department (former name of the current Debt Agency).

2 Cooperation Agreement of 10 December 2004 establishing a Joint Treasury Council for the Walloon Region and the French Community (MB as at 23 March 2005). Cooperation Agreement of 19 May 2010 modifying the Cooperation Agreement of 10 December 2004 (not published in the MB).

The Joint Council sets up a Community Treasury Council and a Regional Treasury Council, which are responsible for assisting their respective governments in the daily management of the debt and treasury, making proposals and following-up on the implementation of the strategic decisions taken by the Minister in charge. Since the start of the 2014-2019 legislature, the Community Treasury Council has met on several occasions. During these meetings, the strategic orientations for the management of the FWB's debt and treasury are debated and proposals are submitted for approval to the Minister of Budget.

B. Technical framework

The Debt Agency has high-performance IT tools with which to carry out its duties. The Front Office is fitted out, among other things, with a software package enabling it to revalue the main financial instruments held or issued by the Federation Wallonia-Brussels, at any time and in real time. The Back/Middle Office has various IT media and software packages aimed at saving all the operations transacted and producing semi-automated reports. A public contract launched before the summer of 2018 enabled the Debt Agency to replace its old system with a new financial management system that will support decision making, management of the treasury and debt operations of the Agency, helping them to better understand the financial needs of the FWB and its exposure to market risk.

The organisational and administrative procedures for debt- and treasury management within the Debt Agency are in line with best practices identified in entities with similar activities at an international level, and even ahead of public-sector entities. For example, the practice of competitive bidding, verification of market data and independent product valuation is in line with best practices; financing products and hedging instruments used represent a mix of diversified products in line with the benchmark of good practices; the processes used for confirmation processing and marking operations are in line with best practices in treasury management; the processes in place respect the principle of separation of functions; physical access security is in line with best practices, etc.

In their report of July 2019, the auditors responsible for the prudential supervision report that "the tools and procedures set in place by the Debt Agency allow to assess and to manage the risks³ inherent in the debt- and treasury management of the Federation Wallonia-Brussels. These tools and procedures lead to the publication of reports that accurately reflect the actions taken and the situation of the Federation's treasury- and debt position".

3 The four essential risks identified by the auditors being:

- the interest rate risk and more particularly the risk of interest rate curves;
- the operational risk;
- the liquidity risk;
- the counterparty risk.

C. Accounting framework

In the decree of the 20 December 2011, the FWB adopted the rules of the new public accounting as defined in the 16 May 2003 general provision law.

These rules provide the keeping of general accounts according to the usual rules of double-entry bookkeeping, to which the budgetary accounts are integrated. The certification of the general account of the FWB by the Court of Auditors takes place as from the accounts of the financial year 2020. In 2017, the French Community Administration began the implementation of the new public accounting system using an ERP system, the SAP software package. All the Debt Agency's transactions are processed in accordance with the procedures in force for this double-entry accounting. Amounts recorded in the borrowing accounts have been corroborated with third-party bank confirmations.

The reconciliation between, on the one hand, the data recorded in the various balance sheet accounts relating to financial loans and, on the other hand, the Community debt established by the Debt Agency in this report is described in the following table:

	Accounting headings (AR 2009 chart of accounts) in M€	2020	2021
172	Public loans (debt > 1 year)	0.0	86.0
176	Private loans (debt > 1 year)	8,379.5	9,198.8
516	Private loans (debt maturing in the next year)	303.1	251.0
533	Treasury certificates and bills	175.0	175.0
492	Positive issue premiums	29.7	27.0
491	Positive issue premiums	22.0	41.4
	Total liabilities in the balance sheet (1)	8,909.3	9,779.3
481	Negative issue premiums	172.2	166.5
	Total assets in the balance sheet (2)	172.2	166.5
	Total balance sheet (1) - (2) 31 december	8,737.1	9,612.8

Chapter III

Community cash
balances and debt

A. General Presentation

A.1. Component elements of the Community debt as at 31 December: evolution from 2017 to 2021¹.

The various components of the Community debt closed on 31 December in the years 2017 to 2021 have evolved as follows:

Amounts in millions of €	2017	2018	2019	2020	2021
Direct debt [1]	6,394.0	6,756.5	7,238.5	8,726.7	9,603.3
University debt [2]	12.9	12.1	11.2	10.4	9.5
Long-term debt [3] = [1] + [2]	6,407.0	6,768.6	7,249.8	8,737.1	9,612.8
Issues(+)/Current cash invest- ments (-) [4]	-267.0	-393.8	-319.4	0	-15.0
Debit (+)/Current account credit (-) [5]	-30.5	18.3	-4.5	-171.9	-343.0
Total short-term debt [6] = [4] + [5]	-297.5	-375.5	-323.8	-171.9	-358.0
Total debt of Fonds Ecureuil (7) = (3) + (6)	6,109.5	6,393.0	6,926.0	8,565.2	9,254.8
Debt held by the Fonds Ecureuil [8]	128.6	128.6	128.6	0 ²	0
Total debt incl. Fonds Ecureuil [9] = [7] - [8]	5,980.9	6,264.4	6,797.3	8,565.2	9,254.8

From the early 2000s up to 2008, the Community debt had been stabilised in nominal terms to about €3,000.0M and reduced in relative terms, particularly in terms of revenues. Following the very serious banking and financial crisis of the years 2007/2008 and the Euro crisis of 2011, the Community debt increased significantly and reached €5,637.3 million on 31 December 2016. In the following years, the consolidated Community debt increased to €8,565.2M on 31 December 2020 and €9,241.9M on 31 December 2021.

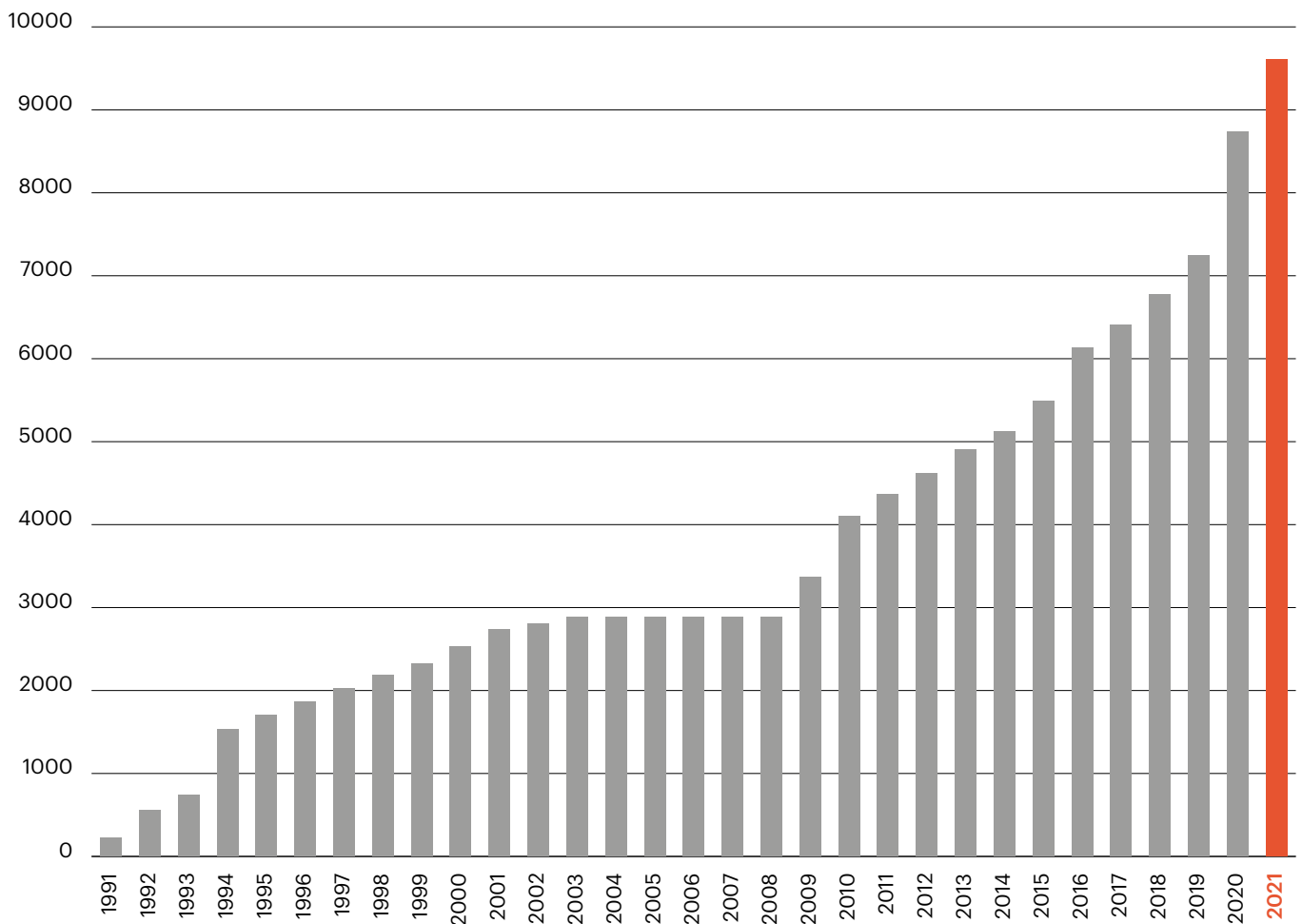
¹ The figures contained in this report are as a rule expressed in € millions; seeing as the underlying calculations were more often than not done to the nearest cent, a difference owing to automatic rounding up or down may appear between a total and the sum of the component parts that make it up.

² In 2020, integration of the Fonds Ecureuil into the Department's treasury.

A.2. Evolution and breakdown of the non-consolidated long-term Community debt

The evolution from 1991 to 2021 of the total long-term Community debt is as follows:

FIGURE 1
Evolution of the outstanding non-consolidated long-term Community debt (in € million)

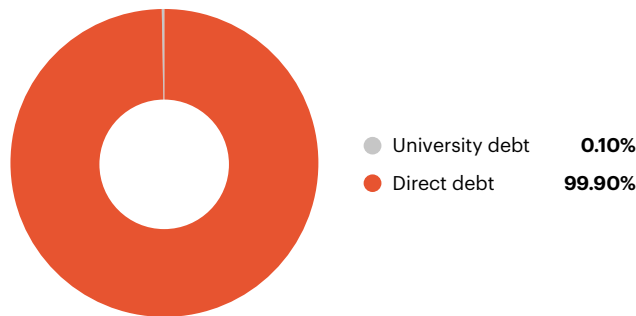


Whilst the long-term Community debt had been stabilised in nominal terms for the period 2002-2008, in 2021 it showed an increase (as it has done every year since 2009) linked primarily to the net balance to be financed for the financial year (see point A.3 below). In 2021 the debt amounted to €9,612.8M, which represents an annual increase of 10%.

Its relative evolution is presented Table A in the appendix.

The breakdown of the various components of the total long-term debt in 2021 is as follows:

FIGURE 2
Breakdown of the outstanding debt of €9,612.8M as of 31/12/2021



The relative share of the university debt thus continues to decrease, as is reflected in Table B in the appendix. This debt would have been paid off on 1 December 2037 if the FWB had not prepaid it on 31st January 2022.

A.3. Financing balances and cooperation agreements

The new ESA2010 European standard for the calculation of national accounts entered into force in September 2014. This new methodological review is the result of a long-term development and is part of an international framework. Its aim is to capture more effectively the specific transformations of contemporary economies. The historical financing balances are illustrated in the table below. The financing balances for the year 2010 and following years are calculated on the basis of this new methodology. The figures were published by the Institute of National Accounts (ICN) on 30 September 2014 on the website of the National Bank of Belgium (NBB) at: <http://www.nbb.be/belgostat> and are included in the successive reports of the High Council of Finance (CSF). All reports from the High Council of Finance are available on their website at the following address: <https://www.highcounciloffinance.be/en>.

The effective introduction of ESA2010 together with the methodological adjustments brought by the ICN upon request from Eurostat have led to a broadening of the perimeter of the FWB and to adjustments to the target objectives that the Kingdom and each specific entity have to reach. These target objectives towards the EU have been translated into medium-term objectives, i.e. to achieve budgetary balance on the medium term. With this in mind, the Government of the FWB also sets annual targets in the context of the successive budgetary adjustments, the aim of which is to return to structural balance in the medium term. The abovementioned annual targets are internal to the French Community and are not targets negotiated with the other entities of the Kingdom, for example, in the Consultative Committee.

Compared to the objectives set out in the Notes to the Government, relating to the preparation of the respective adjusted budgets, the achievements can be presented as follows:

Year	Objectives in € million	Achievements in € million	Source 'Achievements'
2014	-92.3	-214.1	Eurostat Notice of April 2022
2015	-239.0	-275.6	Eurostat Notice of April 2022
2016	-246.3	-65.8	Eurostat Notice of April 2022
2017	-221.1	-207.7	Eurostat Notice of April 2022
2018	-220.9	-207.5	Eurostat Notice of April 2022
2019	-507.6	-350.7	Eurostat Notice of April 2022
2020	-1,837.7	-1,536.9	Eurostat Notice of April 2022
2021	-1,001.4	-882.1	Eurostat Notice of April 2022

B. Principles of debt management

B.1. Reminder of the principles of debt management

The debt of the Federation Wallonia-Brussels is managed in observance of seven permanent principles. These principles are:

1. Harmonisation of financing and debt management operations

All operations relating to the management of both the direct and indirect debt are carried out by the FWB's Debt Agency. The Administration's other functional departments do not in any way intervene in this area. Moreover, all charges pertaining to these types of debt are grouped together within the Public Debt chapter of the general expense budget.

2. Optimal breakdown of the fixed-rate and floating-rate share of the debt according to the trend observed in the rates curve.

The rates curve is one of the main factors taken into consideration for the management of the Federation's debt. Indeed, this indicator helps determine a ratio aimed at dividing up the outstanding debt into a fixed-rate part and a floating-rate part. The objective is to obtain an optimal risk/yield ratio. For this reason, a major change in the slope of the rates curve usually triggers a repositioning of the fixed-rate/floating rate ratio, irrespective of the maturity of the loan. In this way, in the case of a sharply sloping positive curve, the positioning of the debt ratio will be directed more towards the floating rate, because a sizeable curve opening makes the use of short-term referenced financial instruments – loans or hedging derivative products – less costly. On the other hand, in the event of a relatively flat rates curve, the yield is relatively similar for all maturities. Therefore, faced with this kind of curve, the search for the best risk/yield ratio would involve increasing the fixed-rate part of the ratio.

Since 2010, the risk of a change in the interest rates paid and the refinancing risk have been analysed on the basis of two different instruments:

- the fixed/floating rate ratio is used to monitor the risk associated with an increase in the interest rates paid on the part of the debt for which the coupon is variable. The floating rate part of the debt cannot exceed, at this moment, 15%;
- the ratio between the amount of debt that matures within the next 5 years and the stock of debt is used to monitor the refinancing risk. This measure has been set at 33,3%. Within the same train of thoughts, the part of the borrowings maturing or being called within twelve months cannot exceed 10% of the total outstanding amount.

The ratio variable/fixed rate has been maintained below 15% of the outstanding amount for the last five years:

Variable rate	2017	2018	2019	2020	2021
	7.78%	12.48%	12.47%	11.32%	8.93%

The breakdown of the variable portion of the debt in 2021 is as follows:

Type	Inflation	E3M	E6M	OLO Participation
Share	5.51%	2.35%	0.02%	1.04%

It should be pointed out that the natural reference of the Federation Wallonia-Brussels for its financing cost is the OLO curve, with which the spread is much less volatile than with the IRS. Given the close financial links between the federal State and the FWB, which are expressed through the LSF and are confirmed by the ratings (identical for the two entities), the OLO/FWB spread can only reflect the liquidity difference as the Belgium-specific risk is already incorporated in the OLO trend.

3. Active use of the most appropriate financial instruments

The Federation Wallonia-Brussels has recourse to the most appropriate financial instruments for the management of its debt. In this respect, any speculation is systematically excluded and every derivative product concluded is secured, or will be throughout its existence, with a component part of the Community debt.

Interest rate swaps have a prime place in the framework of rates curve management easily allowing the transfer of part of the fixed-rate debt to the floating rate, and vice versa.

The variable rate portion increased sharply in 2018, reaching 12.48%. This was due to the numerous inflation-related issues concluded, totalling a notional amount of € 315.0 million. This amount excludes the € 50.0 million Inflation Linked ones concluded at the end of December 2018, with a departure date of early 2019. It is noted that this issuance is the only variable rate issuance part of the 2019 transactions. All other 33 transactions that took place in 2019 show a fixed rate. As such, the variable rate portion of the Community's debt has remained stable at slightly under 12.5% as of 31/12/2019. All of the 2020 and 2021 loans were at fixed rates, reducing the variable rate portion to 11.32% and 8.93%, respectively.

4. “Investor-oriented” strategy

The financing programmes – as presented in point C below – that the Federation Wallonia-Brussels has at its disposal enable it to provision its cash balances and its consolidated debt on an ongoing basis. The use of these programmes offers certain advantages: a reduction in the financing cost compared with the traditional average conditions in the short and (very) long term, and a possibility of reacting quickly so as to be able to take advantage of certain opportunities on the capital markets (the traditional consultation procedures being slower). Moreover, it enables a broadening of the investor base, accentuated, for that matter, by a proactive communication approach designed to familiarise foreign investors with the Belgian federal system and in particular the strength of the LSF which provides the FWB with the bulk of its revenues (more than 98%) in a foreseeable and guaranteed manner.

Implementation of the investor-oriented strategy is based on communication and transparency, the ability to react quickly to financing proposals, and flexibility of management thanks to adapted instruments and procedures.

5. Synergy in the financing and investment operations of the Federation Wallonia-Brussels and the public entities integrated in the ESA.

Since 7 February 1995³, the Federation⁴ has been exempt of the advance levy on income derived from securities when it invests its cash surpluses in dematerialised securities issued by public administrations (sector S13) included in the consolidation of the national accounts by the European authorities.

The approach adopted in the investment policy has been substantially modified as a result, the Federation has therefore only acquired securities issued by the federal State and the federated entities. In recent years, particularly since the emergence and persistence of negative Euribor rates, this investment policy was also strongly impacted by the fact that short-term investments in the market offered negative returns that were naturally not attractive for the FWB whose conditions are grounded at 0%: the only arbitrage possible is to keep the assets on accounts.

6. Management of the repayment schedule

The Federation Wallonia-Brussels constantly makes sure that its overall debt term, at least over the 4 year mark, is maintained so as to avoid having to deal with a sizeable refinancing volume over a short period and in the near future. In this way it is ensured an overall staggering of its debt over a long enough period. Nonetheless, it also sees to it that the maturity dates of its debt are diversified so as to avoid refinancing peaks and troughs insofar as is possible, and is in this way present on the market for relatively similar amounts every year.

3 Royal Decree of 23 January 1995 amending the Royal Decree of 26 May 1994 on the collection and discounting of the advance levy on income derived from securities in accordance with chapter I of the Act of 6 August 1993 on operations on certain securities (entry into force at the time of publication in the Official Journal, on 7 February 1995).

4 This provision applies to all public entities consolidated in the ESA.

The measure of limiting the amount of debt maturing within the next 5 years to a maximum of 50% of the outstanding amount of debt also contributes to this objective. It evolved, since 2010, as follows:

Year	5-year cumulative amortisation ratio
31/12/2010	39.3%
31/12/2011	38.5%
31/12/2012	46.0%
31/12/2013	47.0%
31/12/2014	42.9%
31/12/2015	46.1% > 48.4%
31/12/2016	43.1%
31/12/2017	39.1%
31/12/2018	26.5%
31/12/2019	21.9%
31/12/2020	19.2%
31/12/2021	17.5%

With regard to the one-year refinancing risk, the principle of a maximum ratio of 15% representing the maturity of the borrowings maturing within the year in relation to the total stock of debt, is confirmed and has been supplemented, since 2015, to take into account the loans that may optionally mature within the year, as follows: the total potential amortization expiring in the first year (i.e., depreciation and amortization + optional depreciation) divided by the total debt cannot exceed 20%.

In December 2020, the 1-year refinancing risk increased to 10% at maximum following the decision of the Community Treasury Council.

Since 2015, it has evolved as follow:

Years	12-month cumulative amortisation ratio
2015	17.4%
2016	15.9%
2017	16.6%
2018	10.1%
2019	7.9%
2020	5.5%
2021	5.1%

Until 31/12/2018, the debt portfolio of the FWB includes short-term issues that are made under local or EMTN programmes and renewed on a periodic⁵ basis.

The semi-annual issues are renewed by putting about ten banks in competition and are essentially entirely subscribed even though almost all renewals since 2016 were concluded at negative rates. However, they are not guaranteed by commitments and may - in the worst case scenario - face a drying up of the market.

To remain prudent in its management of liquidity and to keep transparency, the FWB includes the quarterly and semi-annual issues that are not guaranteed by firm commitments (€175.0 million as at 31/12/2021) and the LOBO⁶ issue, which can optionally mature within the year (€75.0 million), in the ratio that measures the 1-year refinancing risk, which may not exceed 10%. The part of the debt that optionally matures within the year shifts progressively from one year to another and is added to the amount of debt that will certainly mature within the year. This operation is not neutral for the amortizing schedule, which becomes less smooth. This gives however more transparency and is conform to a reality that is less likely but still possible. The amount in millions of Euro of these borrowings, which matured optionally during the year, has since changed as follows:

Year	PC & short term EMTN renewed at 3 months and 6 months	Lobo	Total
2015	413 million	75 million	488 million
2016	225 million	75 million	300 million
2017	413 million	75 million	488 million
2018	0 million	75 million	75 million
2019	0 million	75 million	75 million
2020	175 million	75 million	250 million
2021	175 million	75 million	250 million

5 By competitive tendering for 3-month and 6-month operations; operations not exceeding the month are de facto devolved to the Cashier by the Royal Decree of 6 August 1990 laying down the arrangements for the organization of the treasury of the Communities, the Regions and the Common Community Commission.

6 Lender's Option Borrower's Option: the investor has the option (but not the obligation) to offer a new rate only once during the term of the issue, the FWB has the option to accept the new rate, that is, then, applicable, until the final maturity in 2058, or to refuse the new rate and repay the loan upon exercise of the option.

7. Principles of prudence, competitive bidding and efficiency of decision-making operations

By way of reminder, debt and cash management operations are excluded from the scope of the law of 2006 (ex-1993) on procurement contracts and certain contracts for works, supplies and services. This has been reconfirmed by the new law of 17 June 2016 on procurement contracts (MB 14 July 2016), which also reaffirms the principles of good management to be applied by the public authorities in the field of financial services: equality, non-discrimination, transparency, and proportionality. At FWB, the prices, rates, margins, etc. are systematically obtained after publication of a competitive call in a form adapted to the type of product, after being (in the vast majority of the cases and insofar as possible) subject to internal evaluation. Competitive bidding makes it possible to secure the best price, but it also enables a monitoring of the understanding of the product dealt with. Indeed, a sizeable price difference between the FWB and a counterparty may stem from a poor understanding of the transaction under way and can be corrected before the operation is concluded, thereby avoiding problems at a later stage.

Regarding the specific case of renewing three- and six-months borrowings after a call for tenders, it logically appears that this has had a positive effect on the conditions obtained by the FWB as demonstrated in the below table:

Year	Tenders	Average issuance in € millions	Weighted average rate in %	Weighted average spread in bp vs Euribor	Weighted average bid-to-cover
2012	12	79.2	0.631	-3.19	1.2
2013	13	69.3	0.268	-3.78	2.2
2014	10	62.6	0.245	-5.09	2.4
2015	11	66.0	-0.115	-13.44	3.5
2016	11	76.2	-0.293	-9.81	2.3
2017	10	63.7	-0.384	-10.96	3.1
2018	7	80.4	-0.373	-7.78	3.4
2019	6	91.7	-0.387	-4.05	3.7
2020	4	87.5	-0.389	-2.74	3.7
2021	4	87.5	-0.532	-0.78	4.2

B.2. Application of the management principles to the debt and cash

B.2.1. The debt

Given that the FWB's gross financing needs have increased considerably and in particular over the long term, especially since the 2007/2008 crisis, the FWB has stepped up its external communication policy (road shows, one-to-one, etc.) and its diversification policy not only in terms of products but also in terms of investors and counterparties / intermediaries. For example, the maximum gross requirement for 2021 was around €1,698.0 million compared to €27.0 million in 2007. Similarly, at the end of 2008 the FWB had a dozen counterparty / intermediary banks compared to thirty-six at the end of December 2021.

Finally, a rating downgrade was announced by the rating agency Moody's in the Credit Opinion of the December 9, 2021. The FWB rating went from A1/P1 to **A2/P1**. Moody's decided to downgrade the rating because of the growing debt amount and because of the lack of budget flexibility that limits the reactions in case of market frictions. Moody's also confirmed the close financial ties between the FWB and the federal State by emphasizing the mature legislative and robust context. Moreover, it puts emphasize on the well-defined responsibilities of the FWB as well as on its credit quality based on its active and sophisticated financial management and its wide-ranging and flexible access to sources of financing. The long-term perspective, which has been downgraded from 'stable' to 'negative' on June 5, 2020, has again become 'stable' as a result of the downgrade.

The development over time of the FWB's rating since its debut rating in April 2003 can be presented as follows:

- first rating: Aa1/P1- outlook stable;
- 15 December 2006: Aa1/P1- outlook positive;
- 15 January 2009: Aa1/P1- outlook stable;
- 10 October 2011: Aa1/P1- review for downgrade;
- 20 December 2011: Aa3/P1- outlook negative;
- 13 March 2014: Aa3/P1- outlook stable;
- 5 June 2020: aa3/P1 – outlook negative;
- 10 December 2020: A1/P1 – outlook negative;
- 9 December 2021: A2/P1 – outlook stable.

The recourse to private or public bonds, preferred debt instruments of the FWB, was carried out in 2021 for a total amount of €1,406.0M according to the following schedule:

Format	Start	Maturity	Notional	Rate type
EMTN	19/01/2021	19/07/2022	15,000,000.00	Fixed Rate
EMTN	22/01/2021	22/01/2041	25,000,000.00	Fixed Rate
EMTN	04/02/2021	04/02/2061	50,000,000.00	Fixed Rate
EMTN	08/02/2021	08/02/2061	160,000,000.00	Fixed Rate
SURE	25/05/2021	04/07/2029	47,242,000.00	Fixed Rate
SURE	25/05/2021	04/01/2047	38,758,000.00	Fixed Rate
EMTN	11/06/2021	11/06/2035	500,000,000.00	Fixed Rate
Loan (CEB)	30/06/2021	30/06/2031	150,000,000.00	Fixed Rate
EMTN	19/07/2021	19/07/2051	50,000,000.00	Fixed Rate
EMTN	19/07/2021	19/07/2023	50,000,000.00	Fixed Rate
EMTN	19/07/2021	19/07/2061	30,000,000.00	Puttable
Schuldschein	19/07/2021	19/07/2061	25,000,000.00	Puttable
EMTN	22/07/2021	22/07/2031	50,000,000.00	Fixed Rate
EMTN	22/07/2021	22/07/2031	20,000,000.00	Fixed Rate
EMTN	26/07/2021	26/07/2023	20,000,000.00	Fixed Rate
EMTN CT	29/07/2021	31/01/2022	100,000,000.00	Fixed Rate
PC	04/08/2021	04/02/2022	50,000,000.00	Fixed Rate
EMTN CT	04/08/2021	04/02/2022	25,000,000.00	Fixed Rate

Total amount financed long-term in 2021: €1,231.00 million
Weighted average rate after eventual hedging (without CP): 0.395%
Weighted average maturity: 16.66 years

Share financed at fixed rate after possible IRS : 100%
Share financed under EMTN format: 69.00%
Share financed under Schuldschein format: 1.8%
Share financed under the SURE format: 6.1%
Share financed by bank loans: 10.7%
Share financed under CP & short term EMTN format: 12.4%

B.2.2. Cash

Up until 31 December 2009, the interest rate conditions applied to the Federation Wallonia-Brussels current account by its cashier were based on the Euribor 1 month (base 365) adjusted by an upward margin for the debtor rate and a downward margin for the creditor rate. These rates were subjected to a quarterly arithmetical average and were compared, with a view to carrying out arbitrage, with those of investments or issues on the spot market. A new Cashier Protocol, concluded after due and proper consultation of the market and signed on 17 November 2009, entered into force on 1 January 2010, pursuant to which the reference rate became the Euribor 1 week (base 360) and was subjected to a monthly arithmetical average. Since 1 January 2014 and the additional clause of 17 December 2013, if the reference rate has remained unchanged, i.e. the monthly arithmetical average of the Euribor 1 week (base 360), the spread attached to the debit in account has been reduced by 3.0bp and that relating to the credit in account increased by 5.0bp, accordingly improving the conditions in account applied to the Community, all zero-floored.

After being put into competition, a new Cashier protocol was awarded in September 2018 for a period as from January 1, 2019 until December 31, 2023. The conditions for the access to a permanent short-term liquidity line of € 2,500.0 million are reaffirmed in this new protocol, as is the floor at 0% for credit and debit account positions. The rate applied to the credit balances is equal to the quarterly arithmetic average of the 1-month Euribor minus a margin of 5.0bp and increased by 10.0bp for the debit balance. As a result, the conditions in account couldn't be negative in any case.

Management of the deficits and surpluses is decided on in the light of the arbitrage principle "conditions in account vs. spot market conditions" and is conducted for the former by means of the short-term commercial paper programmes and for the latter through investments in State paper, the latter, it is recalled, being non-deducted.

The management of the variances between the commercial paper rates, the current account creditor and debtor rates, and the rate applicable to investment in federal State or federated entity treasury bonds has made it possible to appreciably reduce the cash financing cost.

* Management of deficits

For issues carried out on the commercial paper programmes, the Federation benefits from conditions allowing it to finance itself from the day to the year, as a rule at levels close to the interbank rate (Euribor) when market conditions so permit. This explains why it is generally more attractive for the FWB to finance itself in the short term by means of commercial paper issues than through a debit in current account.

The table below presents a summary overview of Treasury note issues (including any fixed term advances) concluded in recent years:

Year	Number	Average amount in € million	Weighted average rate	Weighted average maturity	Total amount
2005	38	44.1	2.05%	14.2 days	1,674.0
2006	84	30.6	2.74%	14.6 days	2,572.4
2007	86	39.5	3.88%	13.2 days	3,400.4
2008	81	39.0	4.04%	10.1 days	3,161.6
2009	39	61.6	0.97%	8.8 days	2,403.0
2010	7	87.4	0.51%	8.3 days	612.0
2011	22	90.0	1.12%	11.5 days	1,979.8
2012	7	132.9	0.26%	6.3 days	930.0
2013	15	76.6	0.18%	6.1 days	1,149.0
2014	22	111.2	0.23%	9.1 days	2,246.0
2015	19	136.7	0.02%	3.4 days	2,597.0
2016	0	N/A	N/A	N/A	0
2017	1	150.00	-0.05%	4.0 days	150.0
2018	1	124.2	0.00%	10.0 days	124.2
2019	0	N/A	N/A	N/A	0
2020	2	80.0	-0.43%	10.4 days	160.0
2021	1	86.0	-0.42%	7.0 days	86.0

* Management of surpluses

As explained above, the FWB is exempted from paying an advance levy on income that is derived from treasury bonds issued by the Belgian federal State or the federated entities. For this reason, when cash surplus is available, it is primarily in such type of papers that the FWB invests available liquidity.

The quarterly balance of the current account, when it is positive, does not however benefit from such exemption. Income generated by the current account is subject to an advance levy of 27% since 01/01/2016⁷ (this increase of the levy is part of the “tax-shift” decided by the federal government) and was 30% starting from the 1st January 2017. Also, subject to market appetite, any credit balance is systematically invested with the non-discounted product as long as the interest that can be obtained by such an investment is not lower than the interest resulting from the current account.

⁷ The evolution of the levy has been the following: 15% until 31/12/2011; 21% until 31/12/2012; 25% until 31/12/2015; 27% as from 01/01/2016 and 30% as from 01/01/2017.

The table below presents a summary breakdown of the investments (including any fixed term deposits) that have been made in the last few years:

Year	Number	Average amounts in € million	Weighted average rate	Weighted average maturity	Total amount
2005	35	100.5	2.0%	5.0 days	3,517.0
2006	6	98.3	2.4%	4.4 days	589.6
2007	4	50.8	3.9%	6.1 days	203.0
2008	12	53.3	4.2%	8.6 days	640.0
2009	16	36.6	0.4%	27.0 days	586.0
2010	10	31.0	0.6%	27.7 days	310.2
2011	28	29.4	1.3%	29.8 days	821.9
2012	9	30.1	0.4%	28.3 days	271.3
2013	24	41.2	0.2%	26.5 days	988.3
2014	0	N/A	N/A	N/A	0.0
2015	0	N/A	N/A	N/A	0.0
2016	0	N/A	N/A	N/A	0.0
2017	1	267.0	0.0%	4.0 days	267.0
2018	1	518.0	0.0%	10.0 days	518.0
2019	1	448.0	0.0%	4.0 days	448.0
2020	7	28.5	0.0%	30.7 days	199.7
2021	4	26.9	0.4%	14.2 days	107.7

The investments made in 202 were concluded primarily during the first half of the year with Belgian public entities (regions and cities for the year under review) for a total amount of nearly €199.7M at 30.7 days.

In 2016, four investments were made for a total amount of €107.7M. The weighted average maturity was 14.2 days in 2021.

* Cash cycle

In the context of active cash management, it is interesting to isolate the annual cash cycle. This enables an analysis to be made of the evolution of the overall daily statement of all the accounts included in the amalgamation and to determine divergences in the rates of collection of revenues and disbursement of expenditures, monthly and annually.

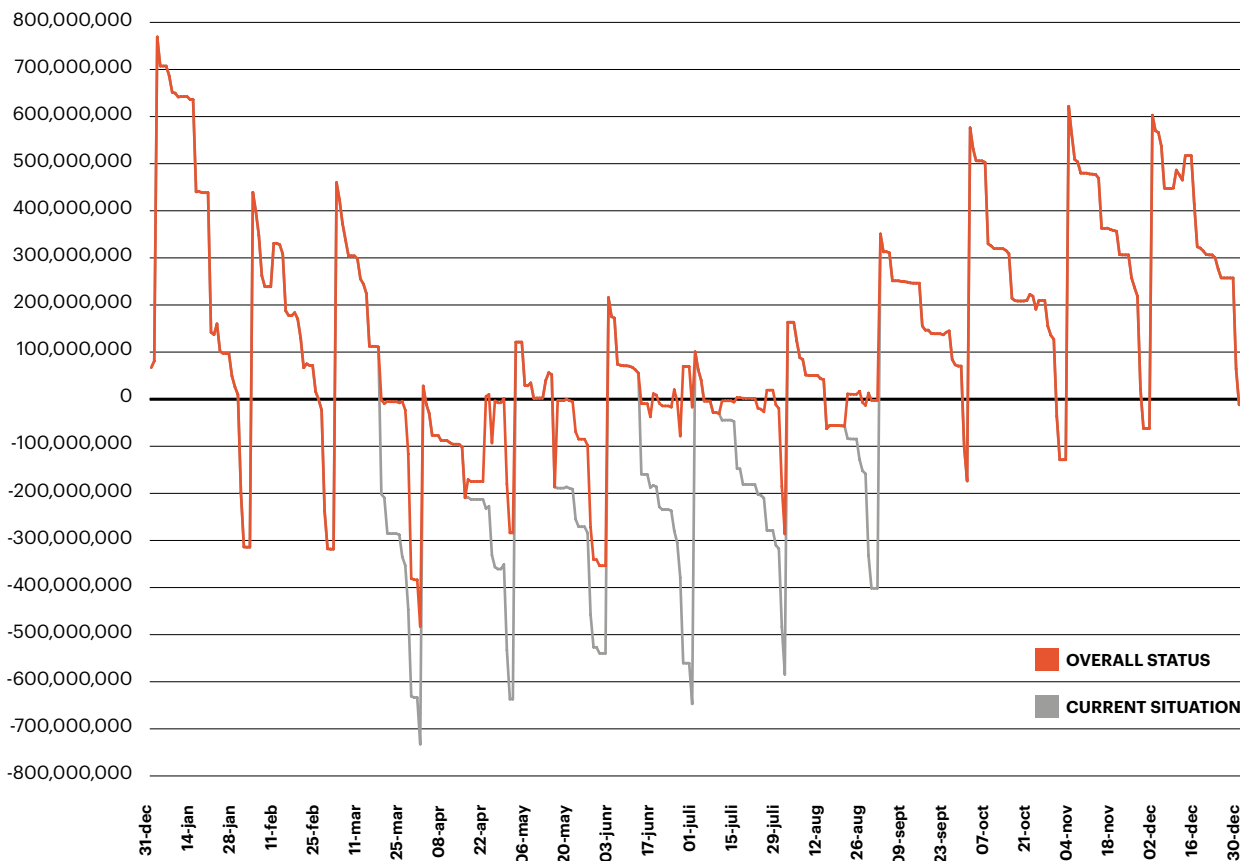
The prevailing tone of the cash curve is the result of the fact that the French Community's major expenses are for the most part incurred at the end of the month, whilst the bulk of its revenues are collected at the beginning of the corresponding period. We thus observe an oscillatory phenomenon that is rather creditor at the beginning of the month and rather debtor at the end of the month. This wave pattern in the month is accompanied by a general downward trend in cash flow during the

first half of the year and an upward trend in the second half of the year. This can be explained by the fact that the FWB often strives to pay the majority of its grants and subsidies to beneficiaries as quickly as possible in the fiscal year.

As an example the following graph shows, for a typical⁸ reference year:

- The “global statement”, i.e. the cash position resulting from the merger of all the accounts of the French Community. This includes the various management transactions (investments and cash borrowings);
- The “real situation”, i.e. the cash cycle excluding short-term investments and borrowings.

FIGURE 3
Typical Cash cycle (for the year 2014)



An examination of this figure reveals regular movements, although these are more volatile in the first six-month period, with movements in the second half of the year being of a more regular appearance. This distortion chiefly stems from the gap between the moment when debt redemptions are paid and the moment when they are re-borrowed.

As in 2019 and 2020, the financing of the 2021 needs was spread out and started early in the year. It amounted to a total of €250.0M which was realized during the

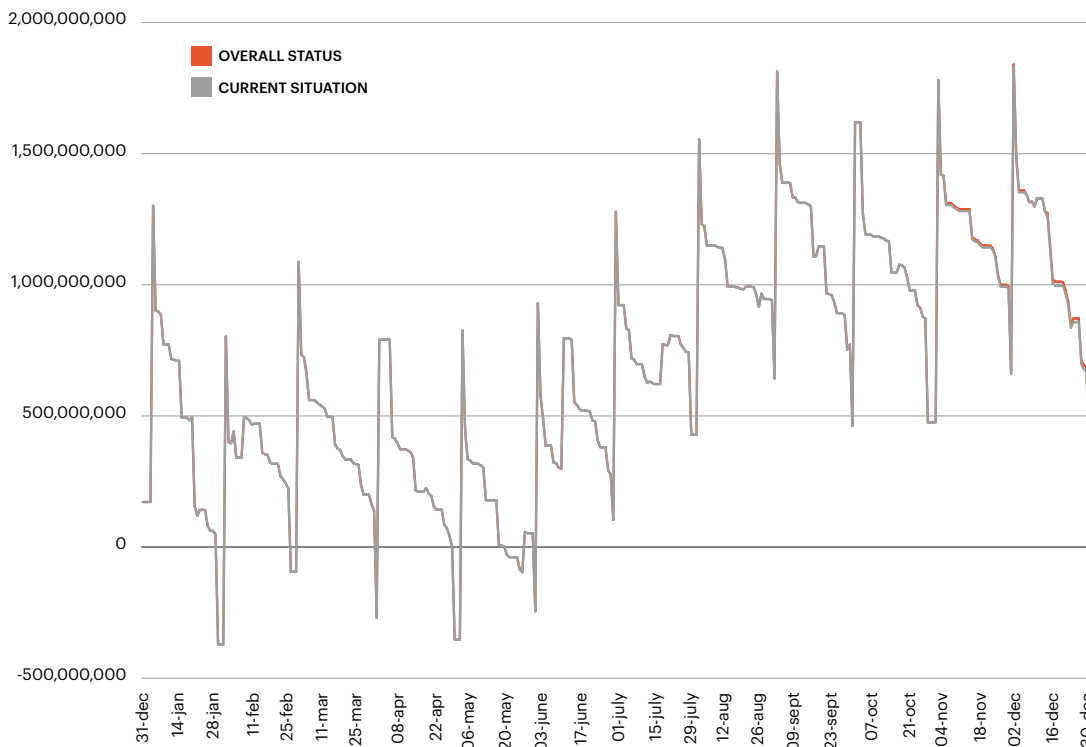
⁸ In this case, 2014, that is to say before the appearance of negative rates and, above all, before their “full” impact, notably on treasury operations.

first two months. In the second week of June, a benchmark issue credited the cash position with €500.0 million. The remainder of the financing was realized during the summer through a drawdown from the CEB and private placements. By August, all requirements had been covered. As a result, the Community's cash balance was constantly in credit from June onwards, which was not financially inconvenient given the absence of negative rates on credit balances.

In order to optimize cash management and in the context of the implementation of the WBFin 2⁹ decree, all of the FWB's financial accounts, as well as those of the organizations within the FWB's consolidation perimeter, have been grouped together in the FWB's treasury. This consolidation makes it possible to obtain a consolidated balance at any time, which makes it possible to determine the overall cash balance. This merger of accounts was completed in 2020 with the integration of the Ecureuil Fund into the FWB accounts. That same year, this integration continued and included other accounts of satellite entities such as ONE ("Office de la Naissance et de l'Enfance"). Due to the availability of these accounts, which were added to those of the FWB, the cash position was more creditworthy in 2021, particularly in the second half of the year. The evolution of these "non-Ministerial" accounts must be distinguished from the internal accounts belonging to the Ministry. While the balance of the former has increased by €533.0M since the beginning of the year, the accounts managed by the Ministry have decreased by €357.1M.

These amounts also explain the lower than estimated borrowing needs.

FIGURE 4
Cash flow for the year 2021



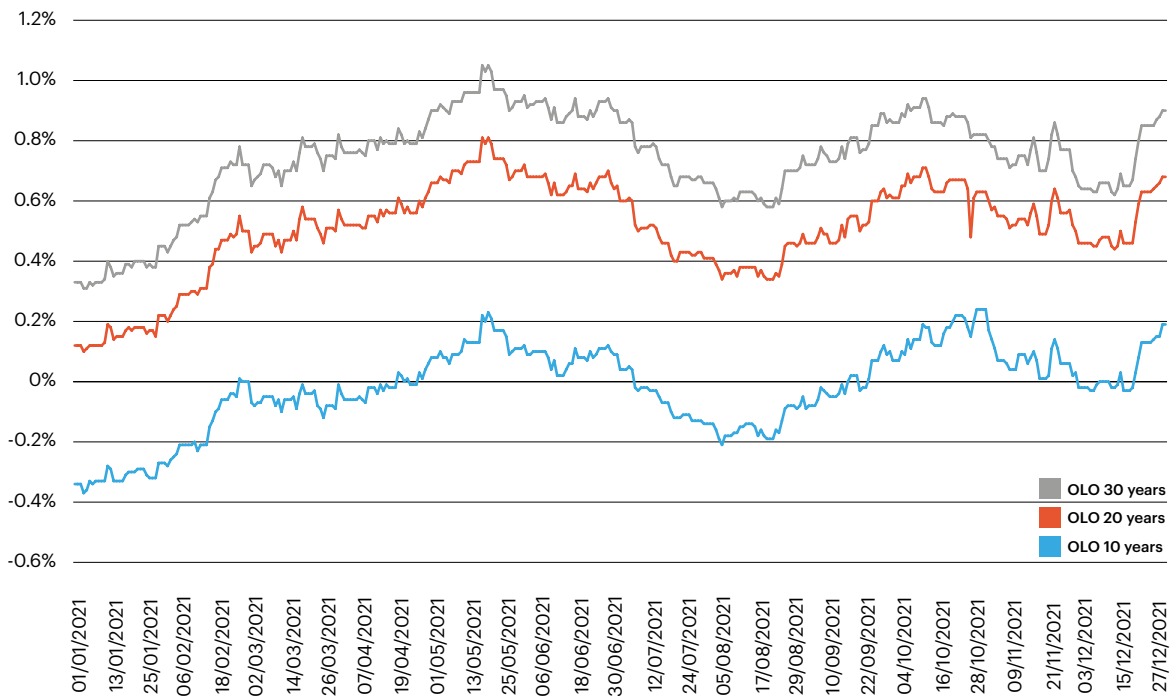
9 Decree of February 4, 2021 on the organization of the budget, accounting and reporting of public administrative bodies of the French Community (Decree WBFin 2).

B.3. Interest rate curve in 2021

Until its 2009 edition, relating to 2008 figures, the Debt Report of the Wallonia-Brussels Federation was limited to presenting an analysis of the yield curve based on the evolution of the Euribor and the IRS. This analysis made it possible to apprehend the evolution of the rates which were then those of reference for the Community financing.

Since 2009, the evolution of the OLO (Belgian government bonds) - IRS spread has been such that the analysis of the yield curve, which makes it possible to make a decision about the positioning of the debt in terms of the fixed rate / floating rate or average duration, is also linked to the evolution of the Euribor - OLO curve, corrected for the spread between OLO and FWB issuance.

FIGURE 5
Evolution of the OLO interest rate curves in 2021



Following the downward trend in the OLO yield curve that was observed in 2020, an opposite trend is observed during 2021. For rates with a maturity of more than 10 years, an increase of more than 50 bps was observed between the beginning and the end of the year. In March, Belgian 10-year government bonds moved out of negative territory for the first time. The 10-year rate remained in positive territory in May and June before turning negative again following the rise in the Covid-19 Delta variant. The upward trend gradually returned from August onwards following the acceleration of inflation and even more so in September with the announcement of the probable slowdown of the ECB's asset purchase program.

Despite the increase in bond rates, the rates remain historically low for both short and long maturity bonds. This has reinforced the FWB in the application of its principle of maintaining the variable rate portion below the 15% threshold, as decided by the Minister of Budget and Finance based on the proposal of the Treasury Board. The fixed rate portion of the fixed-floating ratio, which serves as a tool for measuring and managing overall interest rate risk exposure, stood at 88.7% on December 31, 2019 and evolved to 91.1% at the end of 2021.

B.4. Debt management tools

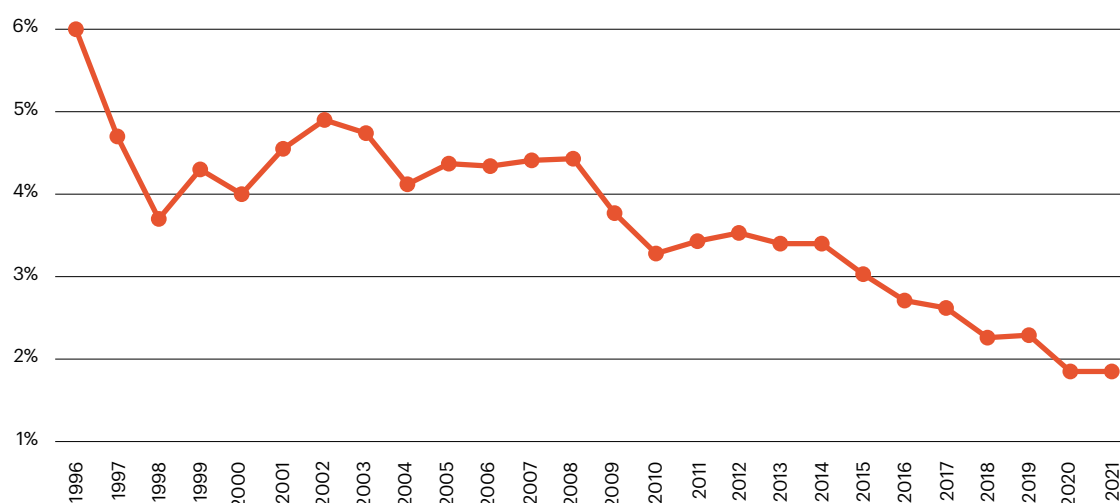
The Debt Agency uses a number of measuring instruments designed to appraise the level of risk of its debt portfolio.

The usual parameters for monitoring the portfolio are the “average life term” and “average rate”.

The results on 31 December of these five parameters have evolved as follows the past years:

Year	2016	2017	2018	2019	2020	2021
Residual term in liquidity (years)	10.25	11.84	14.45	17.42	16.62	16.52
Implied rate	2.71%	2.62%	2.26%	2.29%	1.85%	1.65%

FIGURE 6
Evolution of the implicit rate, 1996 - 2021



The movement in the average rate from one year to the next results from the level of interest rates and curve rate movements enabling a dynamic management of the debt, but also from the level of the debt stock. Since the majority of the Federation Wallonia-Brussels new issues are ultimately expressed as a fixed rate, the implicit rate measured during the budget year (n) makes reference, for that which concerns them, to operations concluded during the financial year (n-1). These results in terms of rates are thus to be linked to the average maturity reducing the liquidity and refinancing risk, as well as to the decision to position the fixed/floating ratio mainly at a fixed rate, such that the FWB's debt not only is not very costly, but above all is of a low-risk character in terms of rates and in terms of refinancing.

B.5. Repayment schedule

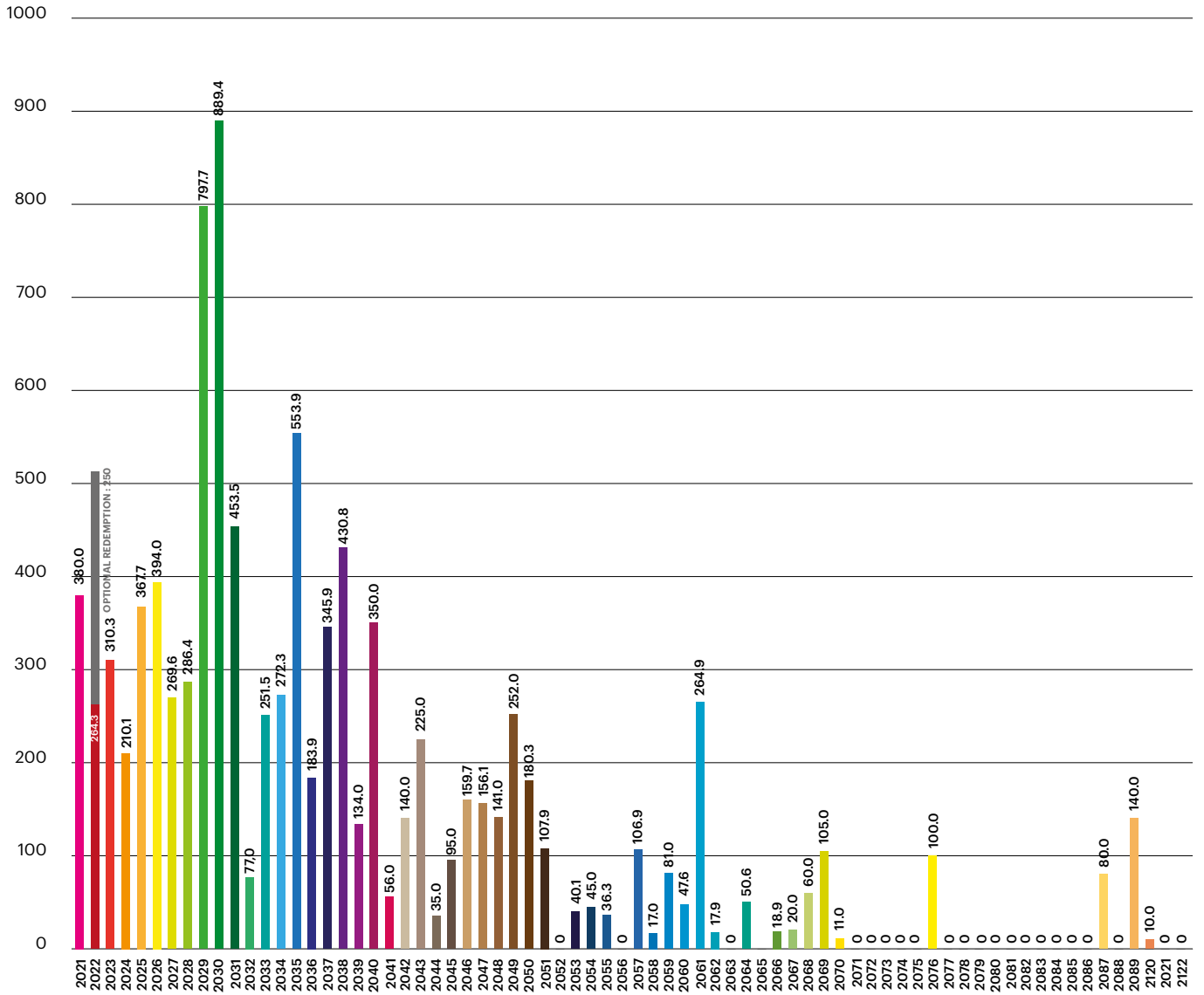
Another objective of the Federation Wallonia-Brussels with regards the management of its debt is to "smooth out" debt redemptions as much as possible in order to obviate any potential liquidity shortages on the market. The aim in particular is to avoid refinancing peaks. It should be noted that in the representation below and in order not to overload the graph, it is assumed that the Lobo of €75.0 million matures in 2022. In reality it can mature in any year up to 2058. This is the principle of prudence – choosing the least favourable option. The "optional amortization" for the year 2021 comprises the Lobo and two short-term loans (6 months) amounting to €175.0 million.

As a reminder; the objective of smoothing is since a few years formalised by two supplementary management criteria, which consist of prohibiting a twelve month refinancing risk of over 10%, and of imposing a limit of maximum 30% of the total borrowings maturing within five years.

These two ratios have been reviewed during the Treasury Council in December 2020. The decision was to limit the 1-year refinancing risk to 10% and to 33% the 5-year maturity loans. See table below for the evolution of these ratios during the past years:

Year	12 month refinancing risk	5 year refinancing risk
2013	6.2%	47.0%
2014	7.8%	42.9%
2015	15.0% → 17.4%	46.1% → 48.4%
2016	15.9%	43.1%
2017	16.6%	39.1%
2018	10.1%	26.5%
2019	7.9%	21.9%
2020	5.5%	19.2%
2021	5.1%	17.5%

FIGURE 7
Redemptions as at 31/12/2021 (in € million)



C. Debt Components

This report only covers debt that is managed by the Debt Agency of the Wallonia-Brussels Federation, i.e. the so-called “direct” and “indirect” debts (also called “university debt” for the part that is the responsibility of the FWB).

C.1. Direct debt

Originally, FWB’s direct debt consisted solely of loans contracted to meet its own needs. Since the mid-1990s, however, the refinancing of the amortization of the indirect debt (see C.2. below) has been included in the direct debt. As a result, the current evolution of the direct debt stock includes the renewal of direct debt amortizations, but also of indirect debt amortizations.

According to public accounting standards, the renewal of debt amortization does not constitute an increase in the amount of debt outstanding, since the refinancing corresponds to the repayment of an equivalent amount.

The evolution of the outstanding direct debt as of December 31 (in millions of euros) for the years 1991 to 2021 is shown in Table D in the appendix.

In **2021** the amount of maturing loans was €230.0M, to which could be added €250.0M of optional loans (commercial paper and Lobo). To this amount must be added the requirement arising from the budget deficit (the difference between revenues and expenditures, excluding underspending) to make up the gross financing requirement for the year. The financing requirement resulting from the initial deficit estimated in the 2021 budget amounted to €1,190.5M (adjusted revenue). It was therefore a total amount of minimum €1,623.0M and maximum €1,698.0M (excluding commercial paper) that FWB had to borrow for 2021, without prejudice to the evolution of macroeconomic parameters and therefore to the adjustment of the 2021 budget.

In total, 18 operations were carried out for an amount of €1,406.0M, through three six-month commercial paper issues of €175.M, two of which were concluded under the EMTN program. The remaining balance was borrowed under 13 EMTN transactions, including a €500.0M “social” benchmark (see Chapter IV), two SURE loans, a €25.0M Schuldschein loan, and a €150.0 million drawdown from the CEB. These financing forms are discussed in more detail in the chapters that follow.

The total financing for the year 2021 was carried out with a weighted average maturity of 16.66 years, almost 5 years longer than the financing of the previous year, and at a weighted average rate of 0.400% compared to 0.145% in 2020.

The Wallonia-Brussels Federation has been contracting traditional private loans since 1991 and structured private loans since 1995. These are concluded via financial institutions whose range has widened considerably over time. In 2021, 34 different counterparties were active as financial intermediaries in the financing of the FWB (compared with 9 at 31 December 2008), despite the mergers and acquisitions in the banking sector in recent years.

This diversification is also present in the formats used by FWB for its financing. These tools are composed as follows:

- Domestic commercial paper programs;
- EMTN programs;
- Borrowings in Schuldschein format;
- Bank loans (CEB - EIB).

C.1.1. Domestic commercial paper programs - Short, medium and long term

Since 1994 and until the end of 2003, the Federation had two domestic financing programs with Belfius: one dedicated to the short term for an amount of €1,100.0M and the other to the long term for €1,400.0M. These two programs have since been combined into one. This allows it to issue commercial paper with a maturity of one day to thirty years for a total amount of €2,500.0M. This local program has been updated regularly, the latest update (mainly technical) being on July 16, 2019.

Since its inception at the end of 1994, FWB has used its short-term commercial paper program both for cash management (see point C.3) and for the management of its funded debt, either for the floating portion of the latter (successive rollovers) or, for the fixed portion, as the underlying of a derivative.

In addition, on the basis of its former MTN (Medium Term Note) program, the Wallonia-Brussels Federation has issued bonds since December 1995.

Since 2000, it has also had a short, medium and long-term financing program with BNP Paribas Fortis (formerly Fortis) for an amount of €750.0M.

In 2012, only these two local financing programs (Belfius and BNP Paribas Fortis) were used. As of 2013, a third local financing program was created with ING. This third local financing program, also for an amount of €750.0M, was concluded on February 8, 2013, thereby increasing FWB's access to even broader sources of financing. This program was updated on July 8, 2015.

From 2014 onwards, the EMTN program was also used for 3-month and 6-month issues by dealers not acting via the local treasury programs, most often via the "one-day dealer¹⁰" procedure.

As of December 31, 2021, only the Belfius program was used by the Wallonia-Brussels Federation for an amount of €50.0M.

Program	Amount	Available amount
Belfius	2,500,000,000.00	2,450,000,000.00
ING	750,000,000.00	750,000,000.00
BNP Paribas Fortis	750,000,000.00	750,000,000.00

¹⁰ Procedure allowing a financial intermediary who is not a permanent dealer on the EMTN program to be appointed by the FWB as dealer for a specific issue, materialized by a Dealer Accession Letter.

As part of the diversification of its forms and sources of financing, the Federation had the opportunity to use dematerialized issues of the German “Schuldschein” type (see point C.1.2. below), and in so doing, it was able to take advantage of an attractive cost of financing compared to other proposals received at the time.

C.1.2. Loans under the Schuldschein format

In order to meet the demands of German investors, the Federation has increasingly used this type of format in recent years and has established standard documentation allowing for significant responsiveness and flexibility.

Schuldscheine are loan agreements under German law for professional investors who are thus exempted from recognizing these loans at market value. These loans are transferable in accordance with German law and are not listed on the stock exchange; moreover, they are placed through a bank which itself usually (but not necessarily) performs the functions of Paying and Calculation Agent.

In general, bonds in the Schuldschein format are concluded for long maturities and can have simple structures. This format has been used quite intensively in recent years and, since its reactivation in 2009, its absolute and relative shares in the FWB's debt portfolio have evolved as follows:

Outstanding on 31 Dec.	Absolute values (€)	Relative values (%)
2009	238,500,000.00	7.1
2010	346,500,000.00	8.4
2011	394,492,584.30	9.0
2012	504,809,822.41	10.9
2013	516,691,341.74	10.5
2014	861,881,379.22	16.8
2015	994,390,084.85	18.1
2016	1,295,972,929.18	21.1
2017	1,398,712,161.01	21.8
2018	1,563,975,959.83	23.1
2019	1,507,846,153.35	20.8
2020	1,510,827,341.73	17.3
2021	1,538,810,337.59	16.0

As a result of the relatively flexible documentation, even very long-term financial operations can be carried out within this framework in a very short period of time, an aspect particularly appreciated by potential donors.

C.1.3. EMNT financing program

The changes in the special financing law relating to certain borrowing conditions for federated entities¹¹ allowed the latter to consider a new diversification of its sources of financing, among other things, by setting up an EMTN (Euro Medium Term Notes) program on December 15, 2003. This program has been updated periodically since

¹¹ As a reminder, the most important change involves the fact that since 2001, federated entities have been able to finance themselves on the international capital markets without special authorization from the federal government. However, Article 49, § 3 of the LSF provides for a duty to inform the [federal] Minister of Finance.

then and annually since 2008, in July of each year. The annual update of the program took place on July 7, 2021.

Following a market consultation, the Federation has mandated Deutsche Bank and Belfius to set up this program. The permanent dealers as of 31/12/2021 are, in addition to the two banking institutions mentioned above, BIL, BNP Paribas Fortis, CBC Banque SA, Crédit Agricole CIB, Goldman Sachs International, HSBC France, ING, KBC Bank NV, J.P. Morgan AG, Toronto - Dominion Bank, Landesbank Baden-Württemberg and NatWest Markets N.V.

Since its annual update in 2021, the program offers FWB the possibility to issue short, medium and long term paper (from 30 days to 100 years) for a maximum amount of €10,000.0M. The issues can be both public and private, using, in particular, the reverse inquiry procedure.

Since its creation, the EMTN program has been activated on a long-term basis as follows:

Year	Total amount issues (in €M)	Number	Average rate	Weighted average maturity	Net available EMTN balance on 31/12 (in €M)
Maximum volume : 1,500.0M€ when the program was initiated on le 15/12/2003					
2004	535.00	4	4.005%	10.0 years	965.00
2005	425.00	7	4.144%	19.7 years	540.00
2006	195.00	4	3.714%	15.1 years	345.00
2007	27.00	1	4.318%	15.0 years	318.00
Maximum volume : 2,500.0M€ when the program was updated on 11/01/2008					
2008	30.00	1	3.811%	15.0 years	1,288.00
2009	488.00	9	3.268%	7.4 years	800.00
Maximum volume : 4,000.0M€ when the program was updated on 08/07/2010					
2010	547.00	12	3.245%	11.4 years	1,753.00
2011	603.50	8	3.899%	6.3 years	1,119.50
2012	396.00	6	3.316%	14.3 years	780.50
Maximum volume : 5,000.0M€ when the program was updated on 08/07/2013					
2013	493.44	13	2.717%	19.1 years	1,414.75
2014	177.00	7	2.847%	26.2 years	1,537.75
2015	351.50	12	1.140%	14.2 years	1,402.25
2016	1,005.00	22	0.621%	14.1 years	789.25
2017	654.66	16	1.321%	24.4 years	774.72
Maximum volume : 6,500.0M€ when the program was updated on 09/07/2018					
2018	1,049.64	39	1.127%	17.1 years	1,662.20
2019	676.94	29	1.394%	37.1 years	1,443.9
Maximum volume : 8,000.0M€ when the program was updated on 08/07/2020					
2020	1,783.57	22	0.199%	12.9 years	1,616.55
Maximum volume : 10,000.0M€ when the program was updated on 07/07/2021					
2021	1,095.00	13	0.452%	17.8 years	2,712.09

Outstanding long-term issues under the EMTN program as of December 31, 2021 are presented in table E in the appendix.

It should be noted that in 2021, two 6-month issues were made under the EMTN program by dealers not acting through local treasury programs, most often through the “one-day dealer” procedure.

By setting up this financing program and obtaining an excellent rating, the Federation seeks to ensure better visibility on the financial markets, which makes it easier to access financing and optimize its financing costs.

As indicated in a previous table, while the maximum authorized volume is €10,000.0M; at the time of the program update finalized on July 7, 2020, it had been decided, among other things, to use the clause to increase the program’s maximum volume to €8,000.0M compared to €6,500.0M as of July 8, 2018, and €1,500.0M when it was created in December 2003. This demonstrates the desire for increased utilization of a program that has proven to be robust and flexible in its use. The available balance that could be activated as of 12/31/2021 was therefore €2,712.1M.

The following graphs show the proportion of the total debt outstanding for the different types of borrowings as of December 31, 2020 and December 31, 2021¹².

FIGURE 8
Different types of loans total debt of €8,737.14 million as at 31/12/2020

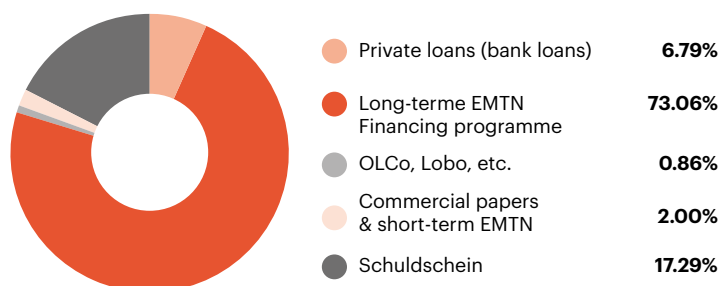
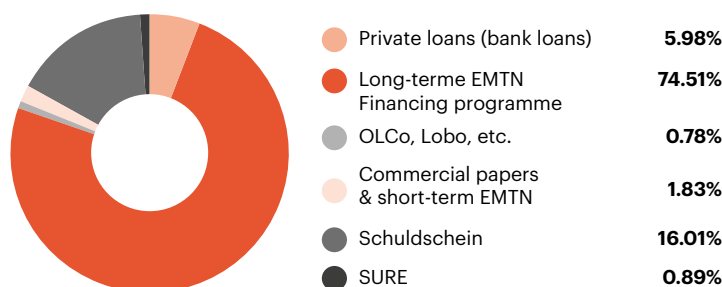


FIGURE 9
Different types of loans total debt of € 9,612.81 million as at 31/12/2021



¹² Early redemption of two bank loans for a total of 149.7M€ in December 2021.

C.1.4. Other forms of financing (EIB – CEB – SURE)

The end of 2016 marked the completion of the contract with the European Investment Bank (EIB) for €400.0M, which was realized through an initial drawdown of €130.0M for a maturity of 9 years. A second financing agreement was signed for an additional €200.0M in February 2017. The amount of 600.0M€ represents the maximum amount that can be activated in several tranches until the final availability date of May 6, 2019. This financing agreement provides FWB with a certain amount of flexibility. Indeed, the drawing of these tranches is characterized as follows:

- can be activated for maturities ranging from 3 to 20 years, in bullet or amortizing form;
- can be drawn under fixed or variable rates.

These funds are used to carry out investment projects validated by the EIB. The EIB will intervene up to a maximum of 50% of the eligible expenses related to these projects.

On December 22, 2020 and May 6, 2021, two new contracts were signed for €300.0M each.

On May 20, 2019, a framework loan agreement was signed between the Council of Europe Development Bank (CEB) and the FWB for an amount of €300.0M. A first drawdown was made on June 17, 2019 for an amount of €150.0M with a 19-year maturity. Following the June 17, 2021 Community Treasury Board and the 2021 financing plan validated by the Board in December 2020, the second and final disbursement of €150.0M was scheduled to be raised on June 22, 2021. This last tranche was raised at a rate of 0.22% for a maturity of 10 years, with repayment on June 30, 2031. As is the case for EIB financing, the CEB's intervention will be limited to 50% of the total eligible project costs. Monitoring reports are submitted annually to both banks with details of the sub-projects financed.

The creation of a European instrument of temporary support to mitigate the risks of unemployment in emergency situations (SURE) caused by the spread of Covid-19 also took place in 2020. The financial assistance takes the form of a loan granted by the Union to the Member State concerned. As such, a loan agreement between the European Union and the Federal State was concluded. The FWB was able to benefit from this aid through the Federal Debt Agency in the form of two loans. The first loan of €47.2M was issued on May 25, 2021 with a term of more than 8 years and an interest rate of 0%. The second, longer loan was also concluded from May 25, 2021 to January 4, 2047 at a rate of 0.75%.

C.2. Indirect debt – University debt

Traditionally, indirect debt refers to so-called “university” debt. The latter is included in the community debt and, for the sake of consistency, is administratively grouped together with the direct debt in the part of the budget relating to the public debt.

The university debt corresponds to loans issued by bodies outside the Wallonia-Brussels Federation and for which the financial charges are borne, in whole or in part, by the budget of the latter.

The main characteristic of the university debt is that it is being extinguished. There are three reasons for this. Firstly, this debt results solely from loans contracted in the past. Secondly, there are no longer any financial demands of this type. Finally, since amortizations are refinanced through direct debt, there is a shift in the amount outstanding between the two types of debt.

The debt of the universities was contracted by the universities to finance their real estate investments.

Two types of investments must be distinguished:

- Academic” investments, which are essentially aimed at the construction of buildings for teaching purposes (auditoriums, etc.);
- Social” investments, which involve the construction of buildings intended to receive students outside of class (student residences, university restaurants, etc.).

The financial charges (interest and amortization) of the “academic loans” are entirely borne by the Federation’s budget. On the other hand, only the part of the interest exceeding 1.25% of the “social loans” is borne by the Federation. The balance of the interest and the amortization of these loans are paid from the budgets of the universities themselves.

According to this distinction, only the academic debt of the universities is considered an integral part of the debt of the Wallonia-Brussels Federation. It is also this debt that was repaid early on 31 January 2022. The FWB was able to make this repayment thanks to a creditor cash position at the beginning of 2022, which enabled it to repay the entire university debt without having to take out new loans.

Evolution of the outstanding academic debt 1994 - 2021 (in M€)

Year	Outstanding at 01/01	Depreciation at 31/12	Outstanding at 31/12
1994	543.4	12.7	530.7
1995	530.7	14.4	516.3
1996	516.3	6.7	509.6
1997	509.6	3.8	505.9
1998	505.9	4.0	514,5 ¹³
1999	514.5	4.3	510.1
2000	510.1	4.5	505.7
2001	505.7	78.3	427.4
2002	427.4	5.1	422.3
2003	422.3	5.4	416.9
2004	416.9	130.4	286.5
2005	286.5	27.0	259.5
2006	259.5	75.9	183.6
2007	183.6	2.3	181.3
2008	181.3	2.3	179.0
2009	179.0	2.4	176.7
2010	176.7	2.4	174.2
2011	174.2	76.0	98.2
2012	98.2	2.2	96.0
2013	96.0	2.2	93.8
2014	93.8	2.3	91.5
2015	91.5	2.4	89.1
2016	89.1	75.1	14.1
2017	14.1	1.2	12.9
2018	12.9	0.8	12.1
2019	12.1	0.8	11.2
2020	11.2	0.8	10.4
2021	10.4	0.9	9.5

It is important to distinguish the academic debt from guaranteed debt.

¹³ The outstanding amount at 12/31/1998 had to be corrected to take into account a university loan (debt relating to the acquisition of land on the Plaine des Manceuvres in Etterbeek) which had not been included in the indirect debt outstanding.

C.3. Guaranteed debt

The guaranteed debt is not included in the community debt and its management is not the responsibility of the Debt Agency of the Walloon Federation. As its name indicates, this debt, contracted by satellite entities of the FWB, is guaranteed by the latter.

The financial charges (interest and amortization) related to these loans are not directly borne by the FWB.

Over the past four years, the amount guaranteed has been as follows:

Amount in €M	31-12-2018	31-12-2019	31-12-2020	31-12-2021
Guarantee fund for school buildings	674.22	716.55	722.76	731.00
Total RTBF long term	34.37	24.25	14.13	40.00
SLF - Bois St-Jean	18.36	17.49	16.58	15.63
Cinéma Le Palace	7.73	7.31	6.89	6.47
Vinci Patrimoine - HE Léonard de Vinci	1.99	1.88	1.78	1.68
Centre sportif et culturel des Fourons asbl	0.65	0.63	0.61	0.59
Total "guarantees" CFB	737.32	767.12	762.76	795.38

The purpose of the guarantee fund for school buildings¹⁴ is to provide assistance to the organizing authorities in financing their school buildings by means of a guarantee of repayment of the capital and an interest subsidy. The guarantee fund can grant, to those who request it, the guarantee for their loan and the related interest subsidies.

In addition to the guarantee fund for school buildings, which makes up the bulk of the guaranteed debt, the Leonardo da Vinci high school, the RTBF, the SLF Bois ST-Jean and the Fourons sports and cultural center have also issued loans guaranteed by the CFB. It should be noted that the financing of the RTBF was provided by the EIB.

The guaranteed debt is included in the consolidated gross debt concept (Maastricht concept) of the FWB perimeter presented in chapter 4 of this report.

14 <http://www.infrastructures.cfwb.be/index.php?id=1386>

C.4. Treasury management

C.4.1. Global treasury balance

The treasury of the Wallonia-Brussels Federation groups together all the financial accounts through which the institution's income and expenditure are carried out. In this respect, the cash flows reflect the execution of budgetary and extra-budgetary movements, such as operations on behalf of third parties and especially capital operations of the consolidated debt (amortization and re-borrowing).

Following a consultation launched in June 2018, Belfius Bank was appointed FWB's Cashier for a period of five years starting January 1, 2019. All accounts opened by the FWB with its cashier have their balances consolidated daily to determine an overall cash balance.

C.4.2 Description of revenues and expenses

* Revenues

The Federation's revenue budget (formerly: "Ways and Means" budget) is fed by three types of resources strictly listed in the LSF, which guarantees their collection by the FWB (see in this respect article 54 § 2 of the LSF as detailed in section D.1 of chapter I of this report). Thus, the budgeted revenues are fully realized from year to year, as the successive reports of the Court of Audit attest¹⁵.

The first two community financial resources are, in decreasing order of importance, the shares of the VAT and the IPP, which are paid by the federal State to the Wallonia-Brussels Federation in strict application of the provisions of the LSF¹⁶. In addition to these two transferred revenues, the federal authorities also pay an allocation for the financing of foreign university students enrolled in the FWB's educational institutions. These amounts are paid to the FWB in the form of twelfths on the first working day of each month of the year.

The Federation used to have fiscal resources through the RRTV (radio and television licence fee). From 2002 onwards, following the reform of the financing law mentioned above, the RRTV became a regional tax and was replaced by a compensatory grant calculated on a flat rate basis and indexed to the general consumer price index. In the context of the 6th State reform, the RRTV tax allowance was abolished and integrated into the allocated part of the VAT revenues for the French and Flemish Communities.

¹⁵ See in this regard, and until 2013, the reports of the Court of Accounts published in May/June of the year (t) on the prefiguration of the results of the execution of the budget for the year (t - 1). From the year 2014, via an article of the budgetary mechanism, the Court of Accounts delivers in the 4th quarter of the year (t) a document entitled «Control of the general account of the FC for the year (t - 1)». Thus, the «Audit of the General Account of the French Community for the year 2013» was delivered by the Court of Audit on October 31, 2014 and published by the Parliament of the FWB on November 5, 2014 on its website: <http://www.pfwb.be>. The one for the year 2014 was published on November 4, 2015, the one for 2015 was rendered on October 28, 2016, the one for 2016 was adopted on October 31, 2017, the one for 2017 on October 30, 2018 and the one for 2018 was submitted to the Parliament of the FWB on October 29, 2019. Similarly, the one for 2020 was rendered in October 2021. The one for fiscal year 2021 will be delivered in October 2022.

¹⁶ Up to and including 2014; that is, prior to the full implementation of the amended FLSA pursuant to the 6th State Reform.

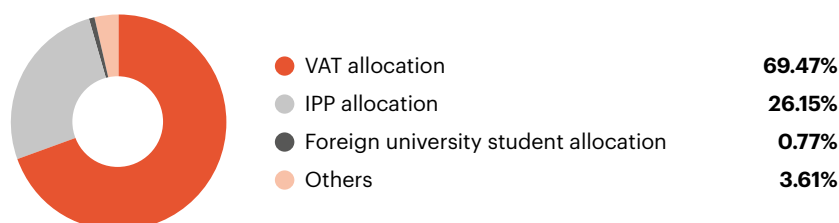
As specified in section C.5 of chapter I, the resources allocated by the LSF to the FWB were restructured in 2014 with effect from 1 January 2015 so that the Federation has four sources of funding (excluding the transition mechanism):

1. non-tax revenues;
2. allocated portions of the proceeds of taxes and levies;
3. federal allocations;
4. borrowing.

The transition mechanism for the period 2015 to 2033 ensures that the calculation method in 2015 is neutral compared with the one that prevailed until the reform of the LSF, so that the means of the FWB to finance its traditional competences are identical in 2015 with both methods.

It should be noted that in ESA1995, as in ESA2010, borrowings are only recorded in the accounts after the calculation of the financing balance; they therefore have no impact on whether or not the budgetary objectives assigned by the cooperation agreements are achieved.

FIGURE 10
Revenue 2021 excluding earmarked revenue (Actuals)



The substitution of a lump-sum grant for the community tax that was the RRTV means that, since 2002, more than 98% of the FWB's resources have been made up of grants paid and guaranteed by the federal government. This situation contributes to the almost perfect predictability and low volatility of the community institution's revenues. The RRTV allocation is, moreover, directly incorporated into the so-called VAT mass from 2015, in execution of the LSF as amended in 2014.

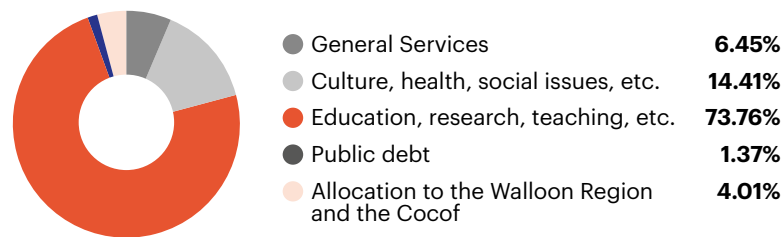
* Expenditures

The breakdown of the expenditures of the Wallonia-Brussels Federation by major groups is as follows:

- the Education, Research and Training sector represents a little more than three quarters of the general budget of FWB expenditure. For the field of Education (from kindergarten to higher education), a very important part of the expenditure is devoted to the payment of teachers' salaries;
- the expenses of the second sector in order of importance (Health, Social Affairs, Culture,...) consist essentially of grants or subsidies paid to the bodies in charge of the implementation of these subjects (RTBF, ONE, WBI, ...);
- the annual allocations paid by the FWB to Wallonia and the French Community Commission of the Brussels-Capital Region correspond to the amounts owed by the Federation in exchange for the transfer to these two entities of the exercise of some of its competences under the Saint-Quentin agreements;

- the General Services sector covers expenditure relating mainly to the operation of the institutions of the Federation;
- the Public Debt expenditure package includes all debt-related expenses (studies, fees, operations, etc.) in addition to interest charges.

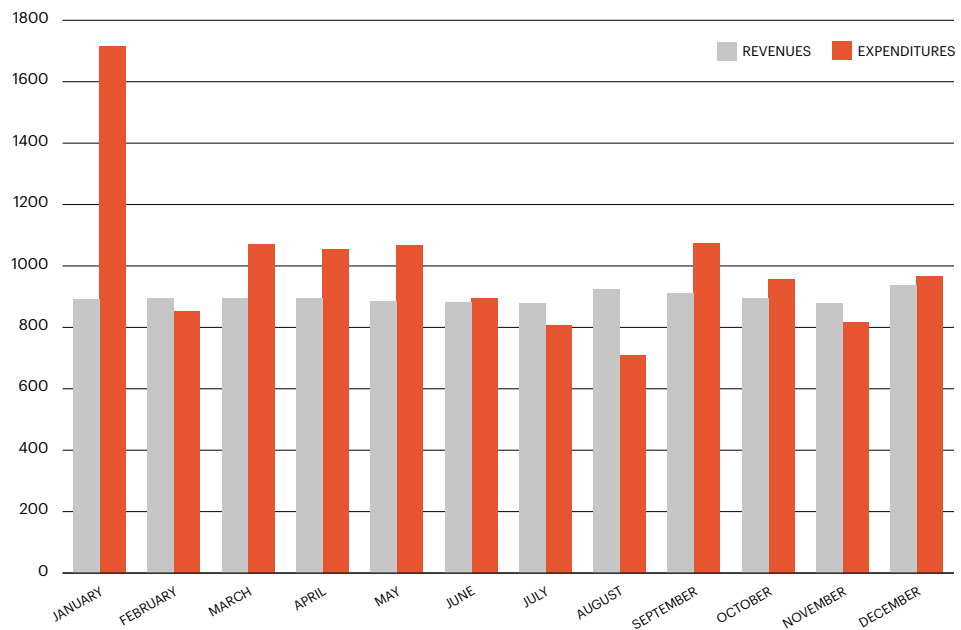
FIGURE 11
Expenditures 2021 excluding debt amortization (Actual)



C.4.3. Pace of revenue collection and expenditure disbursement

The pace of revenue collection and expenditure of the French Community during the year 2021 is illustrated by the following graph:

FIGURE 12
Pace of revenue and expenditure 2021 in €M



The graph above shows that the Federation benefits from a relatively regular rhythm of revenue collection and expenditure disbursement. This phenomenon can be explained by two elements:

- on the one hand, the majority of revenues (share of IPP and VAT, endowment for foreign students) are paid by the Federal Government in twelfths at the beginning of each month (on the first working day of each month);
- on the other hand, a large proportion of the Federation's expenses are devoted to the payment of salaries, which are also distributed evenly throughout the year at the end of each month (the last working day of each month). In addition, the allocations paid by the FWB to Wallonia and the French Community Commission (see above) under Decree II are paid in twelfths on the second working day of each month.

However, at the beginning of the year, the rate of disbursement of expenditures is affected by some allocations that are paid on an annual rather than a monthly basis. Thus, the month of January generally shows a higher amount of expenditures than during the rest of the year.

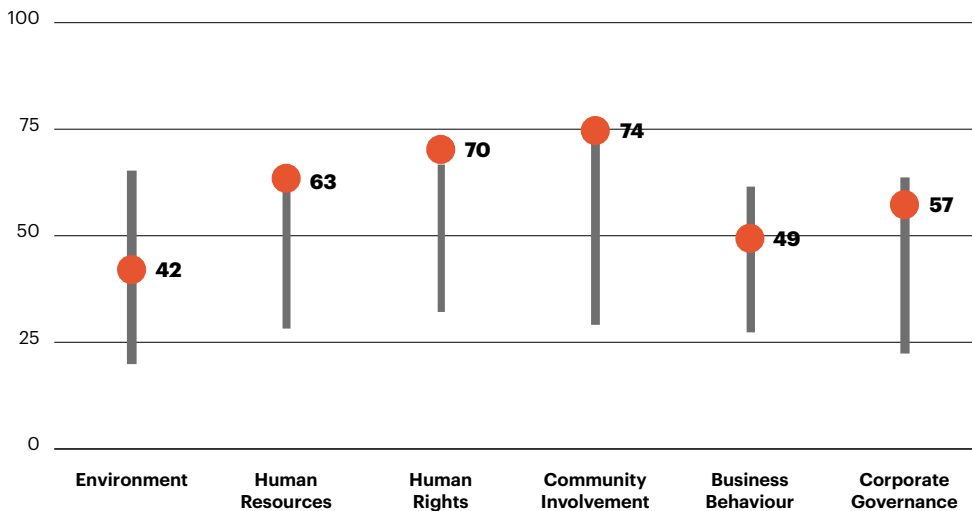
Chapter IV

**Socially Responsible
Investment (SRI)**

In order to try to broaden its investor base, the Wallonia-Brussels Federation, as a debt issuer, decided in 2010 to supplement its traditional financial rating obtained from Moody's with an extra-financial rating awarded by the Vigeo Agency; a company chosen after a public tender launched in the second half of 2010. The main objective was to demonstrate to investors that our missions, which are by definition linked to the development of the company over the long term, are carried out in a socially responsible manner and that the extra-financial risks of an investment in FWB securities are low. Vigeo carried out a CSR (Corporate Social Responsibility) analysis of the FWB and submitted its final report on 14 February 2011. This report gave the FWB one of the highest scores (54/100 - rated "+") among those attributed by the Agency, the second highest when analysing the panel of 26 comparable local authorities that it studied and/or audited in Germany, France, Italy, Spain, ..., and, for the first time, in Belgium. This has enabled the FWB to support the development of this market since the beginning of the 2010s by participating in it as a public debt issuer, thus offering a diversification opportunity to SRI (Socially Responsible Investment) investors.

The extra-financial rating exercise was renewed in 2016 – again after an appropriate bidding competition – by the above-mentioned agency, which has since become Vigeo Eiris, which delivered its analysis at the end of the year, and can be summarized as follows:

FIGURE 13
Position of the performance of the company [●] in view of the companies of the same sector (min — max)



The Agency highlighted that FWB improved on its previous good performance (to 57/100 - "Robust" social responsibility performance) and was ranked 4th in a panel of 30 comparable entities, behind two French and one German regional entity. This good extra-financial rating allows the Federation to broaden its borrowing opportunities and its investor base; in addition, all the loans it makes can continue to be qualified as SRI.

While the extra-financial rating of socially responsible issuer allowed the FWB to successfully complete a **€500.0M SRI benchmark in June 2011** - a particularly difficult period for sovereign and tethered issuers - the said rating, even if of high quality, is no longer sufficient to qualify an issue as socially responsible, or Green or Social or Sustainable. Market practices have evolved in parallel with legislation, particularly in Europe. They have become more standardized by following more specific rules.

In order to maintain its capacity to conclude Socially Responsible Investments and to keep the interest of these investors, since 2021 all FWB financing instruments can be classified under the “social” label. In order to follow the principles laid down by the ICMA and the LMA, the FWB Debt Agency has drafted a **“Social Bond Issuance Framework”**¹ validated by a “Second Party Opinion” drawn up by ISS, which is an external auditor appointed following a public tender. This “framework” provides a framework for the FWB’s so-called “social” expenditure: education, culture, sport, social inclusion, youth aid, etc., which is the bulk of the FWB’s expenditure.

A reporting system will be set up annually with a first edition to be published in July 2022.

In July 2021, the Debt Agency has proceeded to a benchmark of €500.00M of “social” type, the expenses are therefore eligible to the “framework”, for a maturity of 14 years with a coupon of 0.625%. The social aspect of the issue was important for the investors of this benchmark as 84% of them were considered “ESG Committed”.

Bonds concluded under the “social” label in 2021 are listed in the following table:

Pricing Date	Issue Amount	Maturity Date	Coupon	Market Type	ISIN
11-June-2021	€500M	11-June -2035	0.625%	Public	BE0002800812
19-July-2021	€50M	19-July-2051	1.010%	Private Placement	BE0002817980
19-July-2021	€30M	19-July-2061 (puttable note)	1.040%	Private Placement	BE6329640021
22-July-2021	€50M	22-July-2031	0.150%	Private Placement	BE6329638975

¹ <https://budget-finances.cfwb.be/en/debt-agency/sustainability/>

Chapter V

The FWB's debt in the framework of the European concept of consolidated gross debt (Maastricht concept)

For clarity and transparency purposes and also to give the reader comprehensive information, this section of the report also covers debt issued by entities (legal entities) distinct from the FWB but falling within the concept of consolidated gross debt (Maastricht concept) of the FWB's consolidation sphere.

It should be noted at the outset that the ICN¹ Act requires the National Bank of Belgium (NBB) and the National Accounts Institute (ICN) to use confidential individual data only for the purpose of compiling statistics² for which they are collected and are not transmitted to third parties except in extraordinary cases defined by law and, in exceptional cases, to Eurostat itself in the upmost secrecy. Detailed information about the consolidated gross debt (Maastricht concept) of the FWB perimeter cannot therefore be disseminated in this report.

The FWB is not responsible for the totality of the debt included in the concept of consolidated gross debt (Maastricht concept) of the FWB's consolidation sphere. To avoid any confusion, it is therefore a good idea to clarify the difference between the FWB's total consolidated Community debt presented in detail in this report, and the consolidated gross debt (Maastricht concept) of the FWB's consolidation sphere.

The difference between the two concepts stems from the inclusion in the concept of consolidated gross debt (Maastricht concept) of the FWB's consolidation sphere, of debt issued and managed under the responsibility, for those holding it, of companies consolidated with the FWB in the public administrations sector.

The complete list of economic units entitled "List of public units active in 2017" and delineating the perimeter of the public sector and the general government sector (S13) on which the statistics of public government accounts are pulled, in the framework of the preparation of the national accounts and of the notification to Eurostat of the data used for the excessive deficit procedure since May 2016 can be found at the following address: <https://inr-icn.fgov.be/fr/publications/comptes-nationaux-et-regionaux> and is updated twice a year. The figures below are those relating to and extracted from the entities on the list published on April 2019. The aforementioned list is repeated - in another presentation, but identical in content (updated in October 2018) - by the Financial Information Unit for the Walloon Government and the Government of the Wallonia-Brussels Federation (CIF), and available on: <https://cif-walcom.be/fr/missions-cif/sec-2010-et-spoc/federation-wallonie-bruxelles/>

1 The National Accounts Institute (ICN) was established by the Act of 21 December 1994, Title VIII, on social and other provisions for the reform of the Federal Statistical System and Economic Forecast by the law of 8 March 2009 (published on 30 April 2009) and by the law of 28 February 2014 (published on 4 April 2014).

2 See also Article 20 of Regulation (EC) No 223/2009 on European Statistics, which defines the statistical framework applicable to all European statistics and in which statistics on the EDP (excessive deficit procedure) are to be established.

The website of the National Bank of Belgium's (NBB) Institute of National Accounts (ICN) presents a debt stock for the FWB and all the entities enumerated on the list of companies consolidated with the FWB (i.e. the concept of gross consolidated debt (Maastricht concept) of the FWB's consolidation sphere), which is worked out as follows for the period 2017-2021:

French Community of Belgium (EUR million, end of year outstanding amounts) – Source http://stat.nbb.be/ – April 2022					
	2017	2018	2019	2020	2021
Gross consolidated debt (concept of Maastricht) [1]	7,596.8	8,105.9	8,482.1	9,923.2	10,793.3
Detention by entities in the perimeter of the French Community of debt issued by the FWB S1312 [2]	145.4	139.9 ³	14.2	12.8	14.8
Detention by the French Community (including entities in the perimeter) of debt issued by other entities of the S13 sector [3]	319.3	571.4 ⁴	493.4	33.8	29.9
Gross consolidated debt for S1312 [4] = [1] – [2]	7,451.4	7,966.1	8,467.9	9,910.4	10,778.5
Contribution of the FWB to the Maastricht debt [5] = [4] – [3]	7,132.1	7,394.7	7,974.5	9,876.6	10,748.6

By calculating the difference between the figures for the FWB's total contribution to the Maastricht debt supplied by the ICN and the figures for the consolidated Community debt excluding the FWB's cash balances presented in detail in this report, we can estimate the contribution made by the entities falling within the FWB's consolidation sphere to Belgium's Maastricht debt. This is as follows:

French Community of Belgium (EUR million, end of year outstanding amounts)					
	2017	2018	2019	2020	2021
Contribution of FWB perimeter to Maastricht debt	1,189.8	1,319.0	1,232.3	1,186.1	1,180.5

Some figures presented in the two tables above differ from those mentioned in previous reports because of the reclassification by the ICN of certain new entities in the FWB's consolidation sphere, and because of the recalculation of some contributions, notably in April 2022, partly using a new methodology: more precisely, in this case, it is an update of the financial leasing data used in the calculation of the indirect debt.

³ Of which €124M of FWB debt held by the Fonds Écureuil.

⁴ Of which €518M placed by FWB at the Federal Government.

The bringing to the fore of these two different concepts elicits a number of comments.

1. The contribution made by the entities in the FWB's consolidation sphere to the Maastricht debt is heavily linked to the evolution of the list of companies consolidated with the FWB in the public administrations sector. So if an entity holding debt is included in (removed from) this list, the amount of the contribution of the entities in the FWB's consolidation sphere to the Maastricht debt may increase (decrease), even though no debt has been taken up (repaid).
2. All the ratios, indicators and analyses appearing in this report concern only the consolidated Community debt at FWB level, and not the consolidated gross debt (Maastricht concept) of the FWB's consolidation sphere. Thus, for example, the Debt/Revenues ratio (in %) presented in this report and amounting to 89.4% at the end of 2021, compares the consolidated Community debt at FWB level with the revenues received by the Ministry of the FWB only. The calculation of a similar ratio, but in respect of the consolidated gross debt (Maastricht concept) of the FWB's consolidation sphere should take into account in the denominator the revenues of all the consolidated entities enumerated in the above list. For information purposes, in the accounts of the Public Administrations for 2021, the ICN includes the following total revenues for the FWB:

French Community of Belgium (EUR million, end of year outstanding amounts)					
	2017	2018	2019	2020	2021
Total revenue	19,280.4	19,712.9	20,129.6	19,253.1	20,694.6

Source : <https://stat.nbb.be/> - April 2022

So in terms of Debt/Revenues ratio, the evolution would be as follows:

French Community of Belgium (EUR million, outstanding end of year amounts) Ratios in %					
	2017	2018	2019	2020	2021
Contribution of the FWB to the Maastricht debt	7,132.1	7,394.7	7,974.5	9,876.6	10,748.6
Total revenue	19,280.4	19,712.9	20,129.6	19,253.1	20,694.6
Debt/revenue ratio	37.0%	37.5%	39.6%	51.3%	51.9%
Debt/revenue ratio (outside consolidation)	60.3%	61.3%	65.2%	88.9%	86.1%

- (3) As Maastricht debt is a gross debt, assets held, if they are not in the form of securities of an entity of S13, are not deducted. Consequently, the Maastricht debt of the FWB at the end of 2016 does not include cash of € +367.3 million, nor is the €30.5 million credit balance on December 31st 2017 taken into account. However, the €267 million placement with the federal Treasury is taken into account and is a part of the consolidation. On the other hand, the debit balance of € 18.3 million measured at 31/12/2018 is well taken into account; as is the case with the cash issue of € 124.2 million and the cash investment of € 518.0 million made with the Federal Treasury, even if the latter two transactions are presented separately by the ICN. This practice stayed the same in 2019: the credit balance of € 4.5 million closed on December 31, 2019 will not be taken into account for the Maastricht debt; while the net investment in the Federal Treasury of € 319.4 million is effectively deducted.

When reading this chapter, the reader will realise that when talking about the FWB's debt, at least two amounts can exist, each one correct insofar as what relates to it, but each representing different realities. It is therefore necessary to specify whether we want to ascertain:

- the debt representing the economic concept of the sum of amounts borrowed and managed by the FWB and the interest of which is payable by the FWB;
- or the debt representing the accounting concept of the contribution made by the FWB and all the companies consolidated with the FWB in the public administrations sector, to Belgium's consolidated gross debt (Maastricht concept).

APPENDIX

**TABLE A:
EVOLUTION OF THE UNCONSOLIDATED LONG-TERM COMMUNITY DEBT**

Evolution of the unconsolidated long-term community debt			
Year	Amount in €M	Change in €M	Change in %
1991	218.1		
1992	559.1	341.0	156.32
1993	744.9	185.8	33.23
1994	1,531.7	786.8	105.61
1995	1,707.2	175.5	11.46
1996	1,858.6	151.4	8.87
1997	2,022.9	164.3	8.84
1998	2,187.3	164.3	8.12
1999	2,328.5	141.2	6.46
2000	2,530.7	202.2	8.68
2001	2,741.5	210.8	8.33
2002	2,803.5	62.0	2.26
2003	2,884.6	81.1	2.89
2004	2,884.6	0.0	0.00
2005	2,890.0	5.4	0.19
2006	2,888.5	- 1.6	- 0.05
2007	2,888.4	- 0.1	- 0.00
2008	2,888.0	- 0.4	- 0.01
2009	3,364.3	476.2	16.49
2010	4,104.5	740.3	22.00
2011	4,370.6	266.1	6.48
2012	4,622.7	252.1	5.77
2013	4,904.0	281.2	6.08
2014	5,124.6	220.6	4.50
2015	5,489.9	365.4	7.13
2016	6,133.1	643.2	11.72
2017	6,407.0	273.9	4.47
2018	6,768.6	361.6	5.64
2019	7,249.8	481.2	7.11
2020	8,737.1	1,487.3	20.5
2021	9,612.8	875.7	10.0

**TABLE B:
BREAKDOWN OF LONG-TERM LOANS OUTSTANDING AS OF DECEMBER 31ST**

Year	Total debt in €M	Indirect debt in €M	Direct debt in €M	Direct debt in % of total debt
1991	218.1	0.0	218.1	100.00
1992	559.1	0.0	559.1	100.00
1993	744.9	0.0	744.9	100.00
1994	1,531.7	591.9	939.8	61.35
1995	1,707.2	574.6	1,132.6	66.34
1996	1,858.6	564.9	1,293.8	69.61
1997	2,022.9	558.0	1,464.9	72.42
1998	2,187.3	563.4	1,623.9	74.24
1999	2,328.5	555.7	1,722.8	76.13
2000	2,530.7	547.9	1,982.8	78.35
2001	2,741.5	466.1	2,275.4	83.00
2002	2,803.5	441.7	2,361.8	84.25
2003	2,884.6	432.4	2,452.2	85.01
2004	2,884.6	286.5	2,598.1	90.07
2005	2,890.0	259.5	2,630.5	91.02
2006	2,888.5	183.6	2,704.8	93.64
2007	2,888.4	181.3	2,707.0	93.72
2008	2,888.0	179.0	2,709.0	93.80
2009	3,364.3	176.7	3,187.6	94.75
2010	4,104.5	174.2	3,930.3	95.76
2011	4,370.6	98.2	4,272.4	97.75
2012	4,622.7	96.0	4,526.7	97.92
2013	4,904.0	93.8	4,810.2	98.09
2014	5,124.6	91.5	5,033.1	98.21
2015	5,489.9	89.1	5,400.8	98.38
2016	6,133.1	14.1	6,119.0	99.77
2017	6,407.0	12.9	6,394.0	99.80
2018	6,768.6	12.1	6,756.5	99.82
2019	7,249.8	11.2	7,238.5	99.84
2020	8,737.1	10.4	8,726.7	99.88
2021	9,612.8	9.5	9,603.3	99.90

**TABLE C:
BREAKDOWN OF OUTSTANDING DEBT IN THE FORM OF LONG-TERM LOANS AS OF
DECEMBER 31ST**

Year	Borrowings	Amortizations	Reborrowings (including indi- rect debt)	Outstanding at 31/12
1991	218.1	0.0	0.0	218.1
1992	345.8	4.8	0.0	559.1
1993	224.3	38.5	0.0	744.9
1994	179.2	57.8	73.5	939.8
1995	175.5	67.1	84.4	1,132.6
1996	151.4	70.2	79.9	1,293.8
1997	164.3	57.6	64.5	1,464.9
1998	151.8	46.6	53.7	1,623.9
1999	141.3	585.8	593.4	1,772.8
2000	202.1	433.5	441.4	1,982.8
2001	210.8	411.7	493.5	2,275.4
2002	62.0	189.6	214.0	2,361.8
2003	81.1	421.5	430.6	2,452.2
2004	0.0	518.1	664.0	2,598.1
2005	5.4	417.3	444.3	2,630.5
2006	0.0	120.7	195.0	2,704.8
2007	0.0	24.8	27.0	2,707.0
2008	0.0	253.0	255.0	2,709.0
2009	476.2	447.9	450.3	3,187.6
2010	740.3	125.0	127.4	3,930.3
2011	266.1	409.4	485.4	4,272.4
2012	252.1	252.0	254.2	4,526.7
2013	281.2	223.3	225.5	4,810.2
2014	220.6	300.4	302.7	5,033.1
2015	365.4	216.9	219.2	5,400.8
2016	643.2	580.6	655.7	6,119.0
2017	273.9	673.5	674.7	6,394.0
2018	361.6	1,039.9	1,040.2 ¹	6,756.5
2019	481.2	610.5	611.4	7,238.5
2020	1,487.3	494.8	495.6	8,726.7
2021	875.7	230.1	380.0	9,603.3

¹ Including €463M of revolving commercial paper that is periodically amortized in advance in order to be transformed into loans with longer maturities.

TABLE D:
OUTSTANDING SCHULDSCHEIN LOANS AS OF DECEMBER 31ST 2021

Managers or Dealers	Issue date	Maturity date	Amount (in €)	Amount (in €, including premium)	Rate after possible derivatives
Barclays	14/12/2009	12/12/2027	100.000.000.00	100.000.000.00	4.529
HSBC	15/04/2010	15/04/2025	50.000.000.00	50.000.000.00	4.08
HSBC	15/04/2010	15/04/2030	10.000.000.00	10.000.000.00	4.22
HSBC	15/04/2010	15/04/2025	18.000.000.00	18.000.000.00	4.1
HSBC	17/05/2010	17/05/2030	30.000.000.00	30.000.000.00	4.105
HSBC	14/09/2011	14/03/2029	21.000.000.00	21.000.000.00	4.5
Deutsche Bank	03/11/2011	03/11/2031	70.000.000.00	43,468,159.61	0
HSBC	16/01/2012	16/01/2032	25.000.000.00	25.000.000.00	4.66
Goldman Sachs	05/03/2012	05/03/2032	34.000.000.00	34.000.000.00	CMS
Barclays	29/08/2012	29/08/2036	25.000.000.00	25.000.000.00	3.592
Barclays	05/12/2012	05/12/2036	25.000.000.00	25.000.000.00	3.48
HSBC	19/07/2013	19/08/2033	10.500.000.00	10.500.000.00	3.5
HSBC	10/02/2014	10/02/2034	100.000.000.00	100.000.000.00	3.151
LBBW	10/04/2014	10/04/2036	10.000.000.00	10.164.400.00	3.4
CACIB	13/05/2014	13/05/2039	28.500.000.00	28.500.000.00	3.1
LBBW	25/09/2014	25/09/2034	40.000.000.00	40.000.000.00	2.42
Natixis	24/09/2014	24/09/2029	10.000.000.00	10.000.000.00	2.08
BNP Paribas Fortis	24/09/2014	24/09/2029	35.000.000.00	35.000.000.00	E3M + 50bp
Belfius	30/10/2014	30/10/2034	15.000.000.00	15.000.000.00	2.104
LBBW	24/10/2014	24/10/2035	20.000.000.00	20.000.000.00	2.185
LBBW	09/12/2014	26/06/2040	40.000.000.00	40.000.000.00	2.05
BNP Paribas Fortis	12/12/2014	12/12/2025	45.000.000.00	45.000.000.00	E3M + 31.2bp
HSBC	02/07/2015	09/12/2043	40.000.000.00	40.000.000.00	2.28
LBBW	10/07/2015	10/07/2045	10.000.000.00	10.000.000.00	2.52
Goldman Sachs	28/10/2015	28/10/2030	66.000.000.00	66.000.000.00	2.42
HSBC	29/10/2015	29/10/2036	15.000.000.00	15.000.000.00	2.024
BNP Paribas Fortis	25/01/2016	25/01/2026	70.000.000.00	70.000.000.00	E3M + 45.07bp
HSBC	29/01/2016	29/01/2035	20.000.000.00	20.000.000.00	1.922
Belfius	02/02/2016	02/02/2046	35.000.000.00	35.000.000.00	2.24
HSBC	29/01/2016	29/01/2038	5.000.000.00	5.000.000.00	2.031
HSBC	19/05/2016	28/10/2042	60.000.000.00	60.000.000.00	1.732
HSBC	20/06/2016	24/07/2043	50.000.000.00	50.000.000.00	1.475
HSBC	16/09/2016	16/09/2038	30.000.000.00	30.000.000.00	1.222
HSBC	19/09/2016	23/06/2031	10.000.000.00	10.000.000.00	0.991
Commerzbank	28/10/2016	29/10/2046	20.000.000.00	20.000.000.00	1.35
Goldman Sachs	06/03/2017	06/03/2037	75.000.000.00	54,291,777.98	0
HSBC	29/12/2017	29/01/2048	51.000.000.00	51.000.000.00	1.897
CACIB	22/02/2018	22/02/2043	90.000.000.00	90.000.000.00	1.832
LBBW	22/05/2018	22/05/2048	10.000.000.00	10.000.000.00	1.9

LBBW	08/06/2018	08/06/2026	10,000,000.00	10,000,000.00	0.66
LBBW	02/08/2018	02/08/2033	10,000,000.00	10,000,000.00	1.32
Barclays	21/12/2018	21/07/2051	42,500,000.00	42,500,000.00	2.025
LBBW	11/01/2019	11/01/2039	29,500,000.00	29,500,000.00	1.743
HSBC	08/07/2019	08/07/2089	50,000,000.00	50,000,000.00	1.689
UniCredit	19/07/2021	19/07/2061	25,000,000.00	24,886,000.00	1.03

Total amount outstanding in € : 1,586,000,000.00
 Weighted average maturity in years : 22.9
 Weighted residual maturity in years : 16.0
 Number of outstanding agreements : 45

*The average maturity and the residual maturity are calculated on the basis of the total outstanding amount
 Including premiums, or 1,538,810,337.59 €*

TABLE E
OUTSTANDING EMTNS AS OF DECEMBER 31ST 2021

ISIN	Managers or Dealers	Issue date	Maturity date	Amount (in €)	Coupon type	Rate after possible derivatives
BE6319092274	Belfius	12/02/2020	14/02/2022	15,000,000.00	Fixed Rate	Zero Coupon
BE0932601439	Belfius	28/03/2007	28/03/2022	27,000,000.00	Inflation	4.318
BE6235497466	ING	28/03/2012	28/03/2022	56,000,000.00	Inflation Linked	Inflation Linked
BE6236469480	Natixis	27/04/2012	27/04/2022	30,000,000.00	Inflation Linked	Inflation Linked
BE6326275326	Belfius	19/01/2021	19/07/2022	15,000,000.00	Fixed Rate	0
BE6202620520	HSBC	01/09/2010	01/09/2022	50,000,000.00	Fixed Rate	3.133
BE6282105947	ING	03/11/2015	03/11/2022	10,000,000.00	Fixed Rate	0.62
BE6249766567	BNP Paribas Fortis	28/02/2013	28/12/2022	21,250,000.00	FRN	2.544
BE0934134249	Belfius	18/02/2008	18/02/2023	30,000,000.00	Inflation Linked	2.42
BE6249329077	Crédit Suisse	20/02/2013	20/02/2023	20,000,000.00	Inflation Linked	Inflation Linked
BE6296575143	BNP Paribas Fortis	05/07/2017	07/04/2023	100,000,000.00	Fixed Rate	0.101
BE5958048175	BNP Paribas Fortis	14/04/2005	14/04/2023	10,000,000.00	CMS	4.145
BE6265863512	NatWest	28/04/2014	22/06/2023	30,000,000.00	Fixed rate	2.17
BE6329649113	Bred	19/07/2021	19/07/2023	50,000,000.00	Fixed Rate	0
BE6329648107	ABN Amro	26/07/2021	26/07/2023	20,000,000.00	Fixed Rate	0
BE6218338562	ING	07/04/2011	18/12/2023	20,000,000.00	Fixed Rate	4.45
BE6262041120	Société Générale	22/01/2014	22/01/2024	20,000,000.00	FRN	2.8
BE6253035271	BNP Paribas Fortis	17/05/2013	17/05/2024	20,000,000.00	FRN	2.556
BE6235350939	Goldman Sachs	23/03/2012	10/12/2024	150,000,000.00	Fixed Rate	3.85
BE5957804644	Belfius	30/03/2005	30/03/2025	200,000,000.00	Fixed Rate	4.19975
BE6271813840	BIL	23/09/2014	15/05/2025	25,000,000.00	FRN	E3M + 47bp
BE6282133253	BIL	03/11/2015	03/11/2025	10,000,000.00	FRN	E3M + 36bp
BE0001787416	BNP Paribas Fortis	10/01/2019	10/01/2026	50,000,000.00	Inflation Linked	Inflation Linked
BE6283802450	BNP Paribas Fortis	18/01/2016	18/01/2026	35,000,000.00	Fixed Rate	1.256
BE0001772269	CITI	13/02/2017	13/02/2026	10,000,000.00	Fixed Rate	0.98
BE6287072175	LBBW	27/05/2016	27/05/2026	10,000,000.00	FRN	E3M + 75bp
BE6305894212	Deutsche Bank	06/07/2018	06/07/2026	10,000,000.00	Fixed Rate	0.668
BE6288123019	BNP Paribas Fortis	15/07/2016	15/07/2026	40,000,000.00	Fixed Rate	0.548
BE0001766204	UBS	24/10/2016	24/10/2026	80,000,000.00	Fixed Rate	0.52
BE0001771253	UBS	23/11/2016	23/11/2026	40,000,000.00	Fixed Rate	0.65
BE6287071169	LBBW	27/05/2016	27/11/2026	15,000,000.00	FRN	E3M + 75bp
BE6302046535	ING	08/02/2018	08/02/2027	5,000,000.00	Fixed Rate	0.83
BE6294110711	BIL	24/03/2017	22/06/2027	15,000,000.00	Fixed Rate	1.17
BE6302866973	JPMorgan	06/03/2018	01/03/2028	160,000,000.00	Inflation Linked	Inflation Linked
BE6304935321	Société Générale	24/05/2018	22/06/2028	10,000,000.00	Fixed Rate	1.13
BE6305455675	Jefferies	22/06/2018	22/06/2028	10,000,000.00	Fixed Rate	1.13
BE6306226620	Jefferies	16/07/2018	16/07/2028	50,000,000.00	Fixed Rate	0.95

BE6302008154	LBBW	07/02/2018	07/08/2028	15,000,000.00	FRN	E3M + 40bp
BE6266088820	Crédit Agricole CIB	07/05/2014	07/05/2029	10,000,000.00	Fixed Rate	2.78
BE0002750314	Benchmark	30/11/2020	22/06/2029	600,000,000.00	Fixed Rate	0
BE6314988948	ING	11/07/2019	11/07/2029	10,000,000.00	Fixed Rate	0.1
BE6257518488	HSBC	19/09/2013	19/11/2029	35,000,000.00	Fixed Rate	3.535
BE6291369468	Jefferies	07/12/2016	07/12/2029	10,000,000.00	Fixed Rate	1.48
BE6318635552	JPM	23/01/2020	23/01/2030	750,000,000.00	Fixed Rate	0.25
BE6323680569	Royal Bank of Canada	26/08/2020	26/08/2030	15,000,000.00	Fixed Rate	0.158
BE0001789438	UniCredit	08/04/2019	08/04/2031	40,000,000.00	Fixed Rate	0.82
BE6287589491	LBBW	16/06/2016	16/06/2031	25,000,000.00	Fixed Rate	1.244
BE6329638975	Barclays	22/07/2021	22/07/2031	50,000,000.00	0,15	0.15
BE6329647091	Belfius	22/07/2021	22/07/2031	20,000,000.00	0,175	0.175
BE6301674691	CACIB	25/01/2018	25/07/2031	20,000,000.00	Inflation Linked	Inflation Linked
BE0001762161	HSBC	26/09/2016	26/09/2031	45,000,000.00	Fixed Rate	0.984
BE6253357584	ING	24/05/2013	24/05/2033	100,000,000.00	BEC8	OLO8Yr
BE6253245433	Commerzbank	27/05/2013	27/05/2033	13,000,000.00	Fixed Rate	3
BE6254548850	CITI	28/06/2013	29/06/2033	100,000,000.00	Fixed Rate	3.339
BE6246391765	Goldman Sachs	28/12/2012	28/09/2034	100,000,000.00	CMS	3.2813
BE0002800812	Consortium	11/06/2021	11/06/2035	500,000,000.00	Fixed Rate	0.625
BE0001752063	UBS	29/10/2015	29/04/2036	50,000,000.00	Fixed Rate	1.825
BE6246336216	Goldman Sachs	06/12/2012	15/11/2036	45,000,000.00	Fixed Rate	3.38
BE6292423330	Goldman Sachs	19/01/2017	19/01/2037	70,000,000.00	Zero Coupon	OLOZC 20Yr
BE6292835574	Goldman Sachs	06/02/2017	06/02/2037	77,000,000.00	Zero Coupon	OLOZC 20Yr
BE0001774281	UBS	03/07/2017	03/07/2037	50,000,000.00	Fixed Rate	1.56
BE6296867151	Natixis	20/07/2017	20/07/2037	30,000,000.00	Fixed Rate	1.745
BE0001754085	UBS	23/12/2015	23/12/2037	30,000,000.00	Fixed Rate	2.085
BE6301672679	Natixis	22/01/2018	22/01/2038	25,000,000.00	Fixed Rate	1.66
BE6301810113	Natixis	26/01/2018	26/01/2038	25,000,000.00	Fixed Rate	1.652
BE6301918221	Natixis	05/02/2018	05/02/2038	25,000,000.00	Fixed Rate	1.674
BE0001779330	CITI	22/02/2018	22/02/2038	20,000,000.00	Fixed Rate	1.76
BE6302141518	Goldman Sachs	01/03/2018	01/03/2038	142,000,000.00	Zero Coupon	OLOZC 20Yr
BE6303017543	Goldman Sachs	03/04/2018	03/04/2038	70,500,000.00	Zero Coupon	OLOZC 20Yr
BE0001761155	UBS	19/07/2016	19/07/2038	45,000,000.00	Fixed Rate	1.12
BE6298529288	Crédit Agricole CIB	25/07/2017	25/07/2038	20,000,000.00	Inflation Linked	Inflation Linked
BE6292313200	CITI	24/01/2017	24/01/2039	20,000,000.00	Fixed Rate	1.675
BE6311746539	LBBW	07/02/2019	07/02/2039	10,000,000.00	Fixed Rate	1.617
BE0001760140	HSBC	11/07/2016	11/07/2039	30,000,000.00	Fixed Rate	1.115
BE0001793471	ING	17/09/2019	17/09/2039	10,000,000.00	Fixed Rate	0.584
BE0001792465	Barclays	16/04/2019	16/04/2040	11,000,000.00	Fixed Rate	1.363
BE6253136319	Belfius	21/05/2013	21/05/2040	50,000,000.00	Fixed Rate	3.221
BE6323703791	NatWest	24/08/2020	24/08/2040	237,000,000.00	Fixed Rate	0.626
BE0002727080	UniCredit	01/09/2020	01/09/2040	12,000,000.00	Zero Coupon	0

BE6326354147	DZ Bank	22/01/2021	22/01/2041	25,000,000.00	Fixed Rate	0.392
BE0001742932	HSBC	17/06/2015	17/06/2041	31,000,000.00	Fixed Rate	2.26
BE6300063102	Goldman Sachs	30/11/2017	30/11/2042	80,000,000.00	Fixed Rate	1.14
BE0001777318	HSBC	26/01/2018	26/01/2043	15,000,000.00	Fixed Rate	1.76
BE6249397751	UBS	01/03/2013	01/03/2043	30,000,000.00	Fixed Rate	3.5
BE6265365385	Belfius	07/04/2014	07/04/2044	25,000,000.00	Fixed Rate	3.35
BE6295889073	ING	14/06/2017	14/06/2044	10,000,000.00	Fixed Rate	1.787
BE0001746974	HSBC	13/07/2015	23/01/2045	35,000,000.00	Fixed Rate	2.361
BE6275921219	Berenberg	13/02/2015	13/02/2045	20,000,000.00	Fixed Rate	1.5
BE6310106628	LBBW	10/12/2018	14/12/2045	30,000,000.00	Fixed Rate	1.917
BE6287818841	UniCredit	27/06/2016	27/06/2046	40,000,000.00	Fixed Rate	0.5
BE6290492428	Jefferies	07/11/2016	07/11/2046	26,000,000.00	Fixed Rate	1.38
BE0001794487	Deutsche Bank	07/01/2020	07/01/2047	15,000,000.00	Fixed Rate	0.961
BE6298212026	ABN Amro	20/09/2017	22/06/2047	55,000,000.00	Fixed Rate	1.6
BE6302401201	Natixis	22/02/2018	25/07/2047	35,000,000.00	Inflation Linked	Inflation Linked
BE6296989401	DZ Bank	26/07/2017	26/07/2047	25,000,000.00	Fixed Rate	2.05
BE6301481709	CITI	15/01/2018	15/01/2048	10,000,000.00	Fixed Rate	1.93
BE6302025323	Nord LB	05/02/2018	05/02/2048	20,000,000.00	Fixed Rate	1.976
BE6302244577	Royal Bank of Scotland	19/02/2018	19/02/2048	20,000,000.00	Fixed Rate	1.94
BE6306773274	CITI	08/08/2018	08/08/2048	30,000,000.00	Fixed Rate	1.92
BE0002637180	CITI	01/03/2019	01/03/2049	10,000,000.00	Fixed Rate	1.84
BE0001788422	Barclays	26/03/2019	26/03/2049	25,000,000.00	Fixed Rate	1.815
BE6312671082	JPMorgan	27/03/2019	27/03/2049	25,000,000.00	Fixed Rate	1.82
BE0001791459	Deutsche Bank	11/04/2019	11/04/2049	10,000,000.00	Fixed Rate	1.728
BE6313156083	Natixis	15/04/2019	15/04/2049	50,000,000.00	Fixed Rate	1.7
BE6313176289	Goldman Sachs	23/04/2019	23/04/2049	17,000,000.00	Fixed Rate	1.725
BE6314863661	Commerzbank	05/07/2019	05/07/2049	10,000,000.00	Fixed Rate	1.17
BE6306766203	LBBW	08/08/2018	09/08/2049	65,000,000.00	Fixed Rate	1.95
BE0002726074	UniCredit	24/08/2020	24/08/2049	20,000,000.00	Fixed Rate	0.8
BE6315765956	Daiwa	30/08/2019	30/08/2049	20,000,000.00	Fixed Rate	0.7882
BE6305377861	ING	15/06/2018	15/06/2050	10,000,000.00	Inflation Linked	Inflation Linked
BE6323705812	Commerzbank	24/08/2020	24/08/2050	10,000,000.00	Fixed Rate	0.785
BE6323696722	CACIB	25/08/2020	25/08/2050	30,000,000.00	Fixed Rate	0.771
BE6323704807	Deutsche Bank	28/08/2020	28/08/2050	10,000,000.00	Fixed Rate	0.8175
BE6324153442	Nomura	16/09/2020	16/09/2050	50,000,000.00	Fixed Rate	0.749
BE6308190865	CACIB	25/09/2018	25/09/2050	65,000,000.00	Fixed Rate	1.972
BE0002817980	Morgan Stanley	19/07/2021	19/07/2051	50,000,000.00	Fixed Rate	1.01
BE6309752960	ING	26/11/2018	26/11/2051	10,000,000.00	Inflation	Inflation
BE6250063623	UBS	12/03/2013	12/03/2053	24,000,000.00	Fixed Rate	3.5
BE6309760070	ING	26/11/2018	26/11/2053	10,000,000.00	Inflation Linked	Inflation Linked
BE6266167640	Goldman Sachs	12/05/2014	12/05/2054	35,000,000.00	Fixed Rate	3.305
BE6314762624	CACIB	01/07/2019	01/07/2054	10,000,000.00	Fixed Rate	1.34

BE5957805658	Belfius	30/03/2005	30/03/2055	20,000,000.00	Fixed Rate	4.372
BE6305378877	ING	15/06/2018	15/06/2055	10,000,000.00	Inflation Linked	Inflation Linked
BE6315906428	Commerzbank	12/09/2019	22/06/2057	90,000,000.00	Fixed Rate	0.886
BE6309761086	ING	26/11/2018	26/11/2057	10,000,000.00	Inflation Linked	Inflation Linked
BE6305379883	ING	15/06/2018	15/06/2058	10,000,000.00	Inflation Linked	Inflation Linked
BE6313233858	DZ Bank	18/04/2019	18/04/2059	50,000,000.00	Fixed Rate	1.925
BE6315116283	CACIB	18/07/2019	18/07/2059	6,000,000.00	Fixed Rate	1.397
BE6316294428	NatWest	20/09/2019	20/09/2059	15,000,000.00	Fixed Rate	1.14
BE6316649092	Daiwa	11/10/2019	11/10/2059	10,000,000.00	Fixed Rate	0.948
BE6000907020	Goldman Sachs	11/06/2010	11/06/2060	30,000,000.00	FRN	2.848
BE6309762092	ING	26/11/2018	26/11/2060	10,000,000.00	Inflation Linked	Inflation Linked
BE6326445085	Nomura	04/02/2021	04/02/2061	50,000,000.00	0,75	0.75
BE6326795679	BNP Paribas Fortis	08/02/2021	08/02/2061	160,000,000.00	0,782	0.782
BE6329640021	BNP Paribas Fortis	19/07/2021	19/07/2061	30,000,000.00	1,04	1.04
BE6305380899	ING	15/06/2018	15/06/2062	10,000,000.00	Inflation Linked	Inflation Linked
BE6263803288	Goldman Sachs	03/03/2014	03/03/2064	32,000,000.00	Fixed Rate	3.59
BE6309763108	ING	26/11/2018	26/11/2064	10,000,000.00	Inflation Linked	Inflation Linked
BE6305382911	ING	15/06/2018	15/06/2066	10,000,000.00	Inflation Linked	Inflation Linked
BE6296431644	ABN Amro	30/06/2017	30/06/2067	20,000,000.00	Fixed Rate	2.1
BE6306343821	ING	23/07/2018	23/07/2068	30,000,000.00	Fixed Rate	2.105
BE6307177434	Daiwa	17/08/2018	17/08/2068	30,000,000.00	Fixed Rate	2.177
BE6313095448	CACIB	12/04/2019	12/04/2069	35,000,000.00	Fixed Rate	2.041
BE6315170827	JPM	22/07/2019	22/07/2069	20,000,000.00	Fixed Rate	1.52
BE6316188331	Deutsche Bank	16/09/2019	16/09/2069	20,000,000.00	Fixed Rate	1.187
BE6316626835	Daiwa	08/10/2019	08/10/2069	30,000,000.00	Fixed Rate	1
BE6318536537	NatWest	20/01/2020	20/01/2070	11,000,000.00	Fixed Rate	1.367
BE0001759134	HSBC & UniCredit	14/04/2016	14/04/2076	100,000,000.00	Fixed Rate	2
BE6296694365	Goldman Sachs	06/07/2017	06/07/2087	80,000,000.00	Fixed Rate	2.5
BE6313299545	LBBW	25/04/2019	25/04/2089	90,000,000.00	Fixed Rate	2.3
BE6318647672	LBBW	23/01/2020	23/01/2120	10,000,000.00	Fixed Rate	1.581

Total amount outstanding in € : 7,213,750,000.00
 Weighted average maturity in years : 21.43
 Weighted residual maturity in years : 17.2
 Number of outstanding agreements : 151

*The average maturity and the residual maturity are calculated on the basis of the total outstanding amount
 Including premiums, or 7,162,567,162.10 €*



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