Cash, Debt and Guarantee Management

Report 2025

Financial Operations Unit

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Direct debt	33,075.25	42,396.55
Debt instruments used		
Long term		
EMTN	28,060.50	37,712.00
EU SURE	1,195.38	1,195.38
EIB loans	500.00	900.00
Schuldschein	37.50	37.50
Acquired bank loans	292.30	259.44
Other	29.34	20.62
Short term		
BCP/Short-term loans	1,895.00	1,985.00
Current accounts	1,065.23	286.61
Characteristics of the Flemish debt		
Rating awarded by credit rating agency Fitch		
Long-term rating	AA	AA-
Outlook	Negative	Stable
Net financing requirement	6,978.54	9,289.75
Debt-to-GRP ratio	11.51%	13.34%[1]
Debt to national GDP ratio	6.74%	7.81%
Debt ratio	71.29%	82.67%
Key figures of the direct debt portfolio		
Fixed interest rate	90.56%	94.27%
Floating interest rate	9.44%	5.73%
Average interest rate	2.03%	2.33%
Average remaining time to maturity	12y	11y 9m

[1] Debt in relation to GRP (Gross Regional Product): this is a preliminary figure; the actual figure will be available in July 2026.

In implementation of Article 104 of the Decree of 29 March 2019 on the Flemish Public Finance Codex, this report provides an overview of the cash, debt and guarantee management of the Flemish Government in 2025. The report was drawn up in May 2026.

2025 was another **very challenging year**. In total, more than 10 billion euros were raised on the capital market through the issue of bonds. This required constant monitoring of both the cash position and the financial markets. The capital raised serves to finance the budget deficit, social housing, the Oosterweel project and the equity participation in Brussels Airport Company.

1. THE NET FINANCING REQUIREMENT (NFR)

9.290 billion euros NFR in 2025

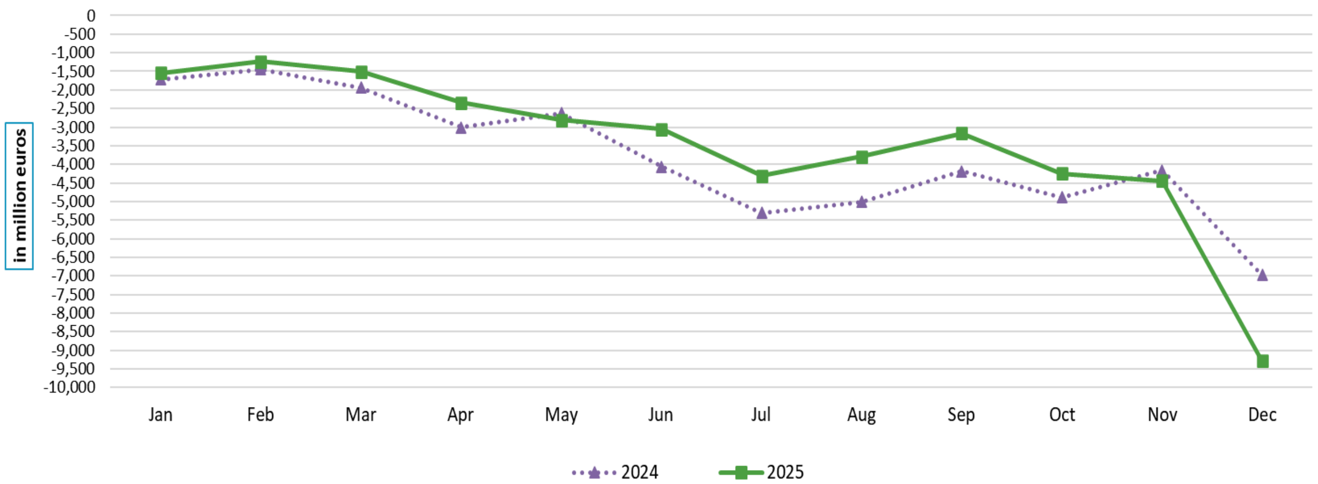
The Net Financing Requirement (NFR) amounted to 9.290 billion euros in 2025, which is 2.311 billion euros more negative than in 2024. The main reason for this evolution is the increase in:

- Direct financing of VMSW (Flemish Social Housing Company), VWF (Flemish Housing Fund) and Lantis
- Equity participations

Figure 1 shows the monthly evolution of the cumulative NFR for each year in the period from 2024 to 2025. It illustrates the cumulative cash surplus/deficit of cash receipts on cash expenditures, with the starting position being reset to zero each year for the sake of comparability.

In 2025, **the NFR was again at its lowest point in December**, mainly as a result of the equity participation in Brussels Airport Company**.**

Figure 1. Monthly evolution of cumulative NFR per year for the period 2024-2025 (in million euros)



The collection and transfer of property tax (PIT) only had a negative impact on the cash balance in December 2025, and a positive impact in the remaining months.

The treasury operations relating to PIT surcharges consist of two main parts:

- The actual revenues generated by these surcharges
- The transfer of budgeted revenue to municipalities and provinces

This transfer is carried out according to a fixed schedule, in six monthly fixed instalments of equal amount during the second half of the year. The difference between budgeted and actual revenue is supplemented or refunded in the year following the registration. This method does not affect the Flemish treasury in the long term, but it does have an impact on the treasury result in the year of collection. With this approach, the Flemish Community has consciously assumed the financial risk of collecting these taxes on behalf of the local authorities.

2. DEBT MANAGEMENT IN 2025

2.1 Contribution to consolidated gross debt (Maastricht debt)

8.383 billion euro increase

In its notification of April 2026, the INA reported that **the Flemish contribution to the consolidated gross debt amounted to 50.172 billion euros** at the end of 2025. This means an **increase of 8.383 billion euros** compared to the end of 2024.

Table 1 shows the different components that constitute the Flemish contribution to the consolidated gross debt (Maastricht debt) in the period 2024-2025.

Table 1. Consolidated gross debt (concept 'contribution to the Maastricht debt') in the period 2024-2025 (status at 31 December 2025, in million euros)

	2024	2025
Direct debt	33,075.25	42,396.55
Financial debts of Flemish consolidated institutions S.1312	13,179.50	15,114.70
Consolidated PPP debt	682.17	657.54
Green electricity certificates	553.16	553.16
Long-term trade payables	2.40	-
Correction debts held by Fl. Comm. issued by Flemish and other S.1312 entities	-4,948.47	-7,967.34
Correction debts held by Fl. Comm. issued by other S.13 sectors	-755.40	-582.68
Fl. Comm. - contribution to the consolidated gross debt	41,788.61	50,171.92

More moderate increase in consolidated gross debt compared to direct debt

Direct debt increased by 9.321 billion euros in 2025 and the financial debts of Flemish consolidated institutions (S.1312) rose by 1.935 billion euros. The latter increase is mainly due to the **rising debt of the Flemish Housing Fund (VWF) and Lantis (BAM)**. For the Flemish Housing Fund and Lantis, this increase in debt is fully offset by a corresponding increase in the intrasectoral correction, meaning that it has no impact on the contribution to the consolidated gross debt.

Corrections to consolidated gross debt

The contribution to the Maastricht debt corresponds to the consolidated gross debt of an entity minus the financial assets held of:

- **Other government subsectors** (intersectoral consolidation): 582.68 million euros
- **Other entities belonging to the same subsector** (intrasectoral consolidation): 7.967 billion euros

At the end of 2025, intrasectoral correction was considerably higher than at the end of 2024. **Particularly for the Flemish Housing Fund and Lantis (BAM), the amounts held by the Flemish government continued to increase in 2025**, as mentioned above**.** The amount of **Flemish EMTN bonds and BCP held by Flemish entities also rose further in 2025**. The Flemish entities having Flemish EMTN bonds or BCP in their investment portfolio at the end of that year were:

- KU Leuven: 591.6 million euros
- Flemish Parliament: 29.5 million euros
- Flemish Social Protection Agency: 4.3 million euros
- child benefit fund Parentia Vlaanderen (non-profit organization): 2 million euros

Additional corrections to consolidated gross debt

The consolidated gross debt (contribution to Maastricht debt) reported by the INA can be further corrected on certain points.

Table 2 explains **these corrections (totalling 1,044.29 million euros)** in detail. This difference is due to the fact that:

- The INA also makes corrections for the debt held that was issued by other S.13 sectors (local authorities, federal government) (582.68 million euros)
- More recent and accurate data are available in the meantime (461.61 million euros)

Table 2. Overview of corrections to the consolidated gross debt at year-end 2025 (in million euros)

Fl. Comm. - Contribution to consolidated gross debt	(1)	50,171.92
Debts held issued by other S.13 sectors	(2)	582.68
Use of more recent and accurate data	(3)	461.61
Total corrections	(4) = (2)+(3)	1,044.29
TOTAL	(5) = (1)+(4)	51,216.21

2.2 Overview and evolution of Belgian consolidated gross debt

Table 3 and Table 4 show the contribution of the different Belgian authorities to the consolidated gross debt for the period 2024 to 2025.

Table 3. Contribution to the Belgian consolidated gross debt in the period 2024-2025 (in million euros)[2]

	2024	2025
Federal government & social security	504,705	537,530
Communities & regions	112,957	127,565
Local authorities	26,538	27,366
TOTAL	644,199	692,461

Table 4. Contribution to the Belgian consolidated gross debt of the communities & regions in the period 2024-2025, subdivided by federated entity (in million euros)[3]

	2024	2025
Walloon Region	38,254	40,820
Brussels-Capital Region	14,134	16,339
Flemish Community	41,789	50,172
French Community	13,855	15,433
German-speaking Community	1,180	1,257
Joint Community Commission	9	8
French Community Commission	184	182
Flemish Community Commission	20	50
Interregional entities	3,532	3,303
TOTAL	112,957	127,565

Flemish share remains limited

At the end of 2025, the Flemish share in total Belgian debt was **7.25%**, compared to 6.49% at the end of 2024, and thus remains limited.

[2] Source: National Bank of Belgium

[3] Source: National Bank of Belgium

2.3 Direct debt

9.321 billion euro increase in direct debt

Direct debt amounted to 42.397 billion euros at the end of 2025. This means an **increase of 9.321 billion euros – or 28.18%** in relative terms – compared to the outstanding direct debt at the end of 2024.

Table 5 provides a detailed overview of the Flemish outstanding direct debt at the end of the year for the period 2024 to 2025.

Table 5. Evolution of the outstanding direct debt of the Flemish Community at the end of the year for the period 2024-2025 (in million euros)

	31/12/2024	31/12/2025
EMTN	28,060.50	37,712.00
EU SURE	1,195.38	1,195.38
Schuldschein	37.50	37.50
EIB loans	500.00	900.00
Municipal loans	266.80	234.10
Bank loans Ostend fish market	0.50	0.34
Bank loans Municipal Holding	25.00	25.00
Leaseholds	16.33	14.71
Amoras	13.01	5.91
BCP/Short-term loans	1,895.00	1,985.00
Correction central cash management account[1]	1.36	0.71
Negative balance MFC accounts	1,063.87	285.90
TOTAL	33,075.25	42,396.55

[1] *Correction for non-S.1312 entities affiliated to the central cash management for Flemish legal entities. On 31/12/2025 these were Ghent University Hospital, public psychiatric hospitals Rekem and Geel.*

The main underlying reasons for this increase in direct debt in 2025 are:

- **Direct financing** of Flemish Social Housing Company, Flemish Housing Fund and Lantis (incl. repayments): 3.319 billion euros
- The **budget deficit**[4]: 2.890 billion euros
- The **'Flemish Resilience' recovery plan**: 263.8 million euros
- The **equity participation in Brussels Airport Company**: 2.77 billion euros

3.678 billion euros of new direct financing

In 2025, the Flemish Community provided **3.678 billion euros of new direct financing** to the Flemish Social Housing Company (VMSW), Flemish Housing Fund (VWF) and Lantis, resulting in a total of 17.464 billion euros at the end of 2025.

[4] *Excluding recovery plan and construction costs Oosterweel*

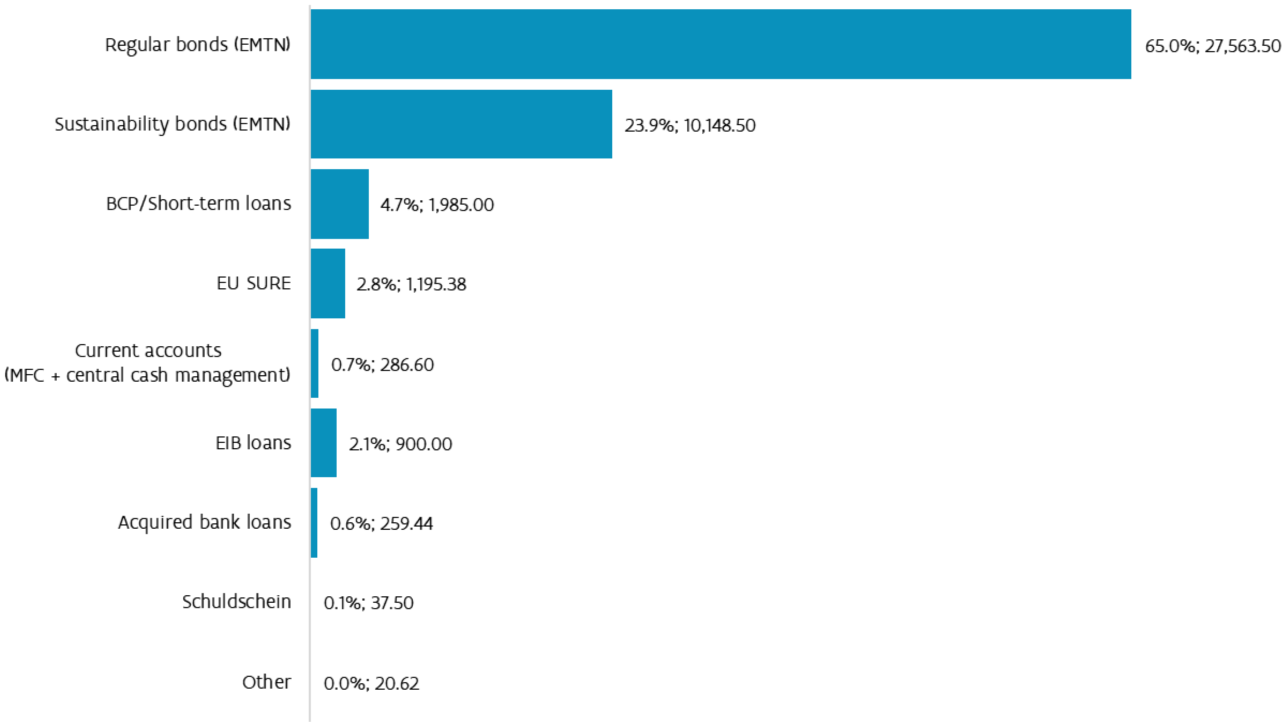
Table 6. Direct financing in 2025 and total outstanding amounts (status at 31/12/2025; in million euros)

	Direct financing 2025	Total outstanding amount
VMSW	1,000.00	6,904.20
VWF	1,550.00	7,197.83
School Invest	-	931.36
Lantis	1,128.00	2,401.25
Diestsepoort	-	29.60
TOTAL	3,678.00	17,464.25

EMTN programme as the most important debt instrument

The EMTN programme clearly remains the most important debt instrument to finance direct debt, with a **relative share of 89%.** Figure 2 also shows the different components of the EMTN programme. Regular benchmark bonds remain by far the main source of funding, but sustainability bonds also have their place in the Flemish government's funding mix, with a relative share of 23.9% at the end of 2025.

Figure 2. Relative importance of the various debt instruments used to finance direct debt (status at 31/12/2025, amounts in million euros)



10.278 billion euros of EMTN issues

In 2025, the Flemish Community raised 10.278 billion euros on the capital market under its EMTN programme by means of:

- A regular benchmark issue in March: 1.5 billion euros
- Tap of a regular benchmark issue in June: 548.5 million euros
- Tap of a sustainable benchmark issue in June: 203.5 million euros
- Three private placements in June: 275 million euros
- A regular benchmark issue in July: 2 billion euros
- A sustainable benchmark issue in October: 1.5 billion euros
- A so-called dual tranche benchmark issue in November, including:
    - A regular benchmark issue: 1.75 billion euros
    - A regular benchmark issue: 1.75 billion euros
- Tap of a regular benchmark issue in December: 741 million euros
- A private placement in December: 10 million euros

The capital raised mainly serves to finance the budget deficit and to cover the direct financing of the Flemish Social Housing Company (VMSW), Flemish Housing Fund (VWF) and Lantis. The dual tranche issue in November mainly serves to finance the equity participation in Brussels Airport Company.

As in previous years, **long-term financing with a fixed interest rate** was the preferred option **for benchmark issues**. The **maturity periods** were approximately **3, 10, 12, 15 and 25 years**, with a weighted average maturity of 12.63 years. There are two reasons for this choice:

- Direct financing also takes place in the very long term.
- Most of the capital raised in 2025 will be used to finance the budget deficit and the equity participation in Brussels Airport Company, for which no neutralization is to be expected in the short term. Long-term financing reduces the refinancing risk.

The **maturity periods** for **private placements** approximately ranged from **5 to 30 years**, with a weighted average maturity of 14.54 years. The Flemish Community opted for a **fixed interest rate** for all private placements.

Sustainability bonds

On 8 October 2025, the Flemish Community issued its eighth sustainability bond, thus raising 1.5 billion euros with institutional investors. This bond, with an approximate **maturity of 25 years,** is set to mature on 22 June 2050.

The bond had a coupon rate of 4.250% and a yield of 4.290%, which corresponds to a margin of 19 basis points above the OLO rate.

This benchmark issue mainly serves to finance the expenditure of the Flemish Social Housing Company (VMSW) and Flemish Housing Fund (VWF).

EIB loans

In 2025, the European Investment Bank (EIB) also granted **another loan of 400 million euros** to the Flemish Community, which brought the **total outstanding amount** of EIB loans to **900 million euros**. These loans will be used to finance the **Oosterweel project.**

Acquired bank loans

The Flemish Community had **259.44 million euros** of outstanding **acquired bank loans** at the end of 2025. In that year, 32.86 million euros of capital was repaid. The interest payments in 2025 totalled 11.02 million euros. In that same year, early repayments without additional costs were made for seven municipal loans with floating interest rates.

Table 7 provides an overview of the outstanding acquired bank loans on 31 December 2025.

Table 7. Outstanding acquired bank loans (status at 31/12/2025; amounts in euro)

	Outstanding amount	Average interest rate	Average remaining maturity
Municipal loans	234,102,625.36	3.95%	6 years and 3 months
Municipal Holding	25,000,000.00	4.46%	8 months
Ostend fish market	335,588.49	5.47%	1 year and 2 months
TOTAL	259,438,213.85		

In the past, the Flemish government has taken over several bank loans for various reasons. These include bank loans of:

- municipalities that opted for a voluntary merger
- the Municipal Holding which went into voluntary liquidation
- the city of Ostend for its fish market

To date, certain acquired loans still show an outstanding balance, which means that capital repayments and interest are due on a periodic basis.

1.5 billion euros of BCP

The Flemish Community made **maximum use of its BCP programme in 2025**. In January it issued 1.5 billion euros of BCP with a 3-month maturity. Throughout 2025, this BCP was constantly renewed at maturity for the same term.

485 million euros of short-term loans

The Flemish Community can also issue short-term loans outside the scope of its BCP programme. This resulted in **485 million euros** of outstanding **short-term loans** at the end of 2025. In that year, 23 short-term loans were contracted with a nominal amount varying from 10 to 100 million euros and a maturity of 3, 6 or 12 months.

286.6 million euros on credit line MFC

At the end of 2025, the balance of the **Ministry's current account** stood at **-286.6 million euros**.

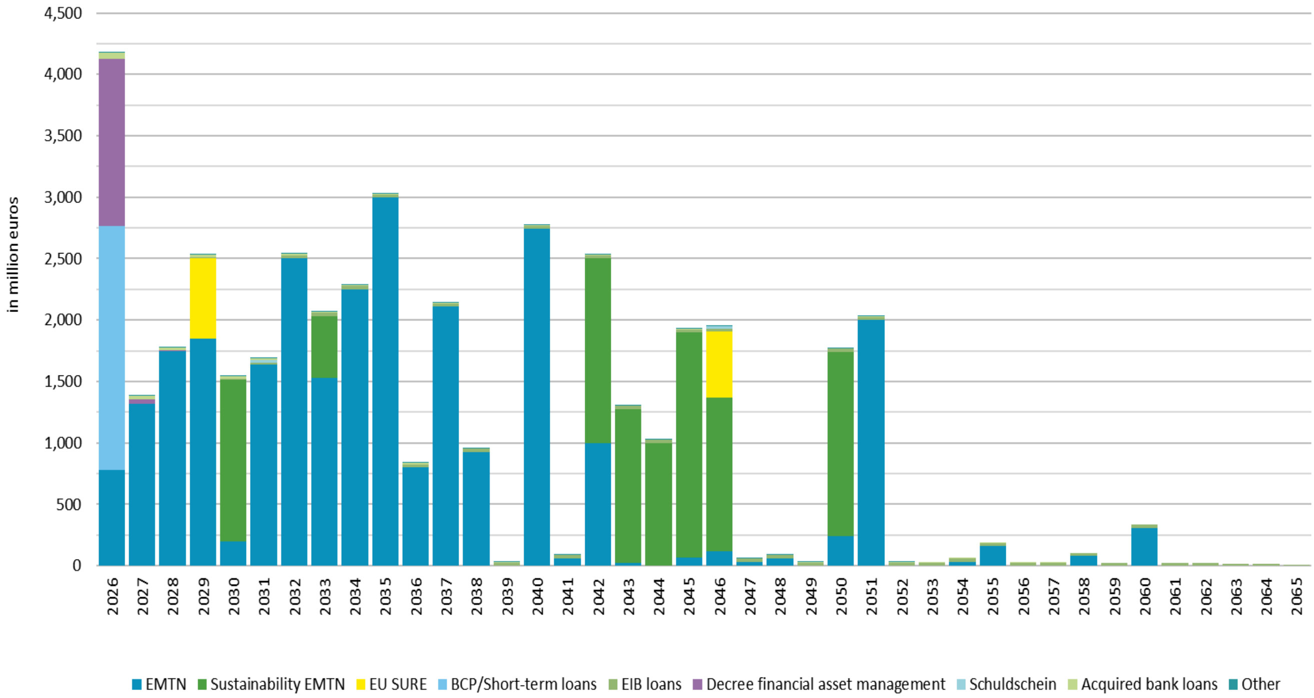
Repayment schedule

On 31 December 2025, **the repayments for 2026 totalled 4.184 billion euros**:

- BCP: 1.5 billion euros
- Decree on financial asset management: 1.358 billion euros
- 2 EMTN loans (from 2016 and 2023): 780 million euros
- Short-term loans: 485 million euros
- Acquired bank loans: 53.42 million euros
- Other (leaseholds and Amoras): 7.58 million euros

Figure 3 shows the full repayment schedule of the outstanding direct debt on 31 December 2025, including debt related to the Decree on the optimisation of the financial asset management of Flemish government entities. The outstanding 'debt' on current accounts (286.6 million euros) is not taken into consideration.

Figure 3. Repayment schedule outstanding direct debt (in million euros; status at 31/12/2025)



Slightly lower share of floating debt

In 2025, the share of floating debt dropped to 5.73% of the total debt mix, a **decrease of 3.71 percentage points** compared with the end of 2024. This decrease is mainly caused by a lower use of the credit line (-778.63 million euros compared with the end of 2024).

Table 8 provides a detailed overview of the interest rate structure of the Flemish debt portfolio at the end of 2024 and 2025.

Table 8. Interest rate structure of the debt portfolio at the end of 2024 and 2025 (amounts in million euros)

		31/12/2024		31/12/2025	
Instrument	Structure	Outstanding amount	%	Outstanding amount	%
EMTN	Fixed	27,910.50	84.38%	37,562.00	88.60%
EU SURE	Fixed	1,195.38	3.61%	1,195.38	2.82%
EIB loans	Fixed	500.00	1.51%	900.00	2.12%
Acquired bank loans	Fixed	279.99	0.85%	251.77	0.59%
Schuldschein	Fixed	37.50	0.11%	37.50	0.09%
Other	Fixed	29.34	0.09%	20.63	0.05%
TOTAL	Fixed	29,952.71	90.56%	39,967.27	94.27%
BCP/Short-term loans	Floating	1,895.00	5.73%	1,985.00	4.68%
Current accounts	Floating	1,065.23	3.22%	286.60	0.68%
EMTN	Floating	150.00	0.45%	150.00	0.35%
Acquired bank loans	Floating	12.31	0.04%	7.67	0.02%
TOTAL	Floating	3,122.54	9.44%	2,429.27	5.73%
TOTAL OUTSTANDING		33,075.25		42,396.55	

Interest rate sensitivity of the debt

The **average interest rate** of the direct debt (without investments under the decree on financial asset management) stood at **2.33%** at the end of 2025. If investments under the decree on financial asset management are not taken into consideration, **the average remaining time to maturity** of the direct debt amounted to **11 years and 9 months** at the end of 2025.

Table 9. Summary of key figures direct debt at the end of 2025 (EMTN, EU SURE, EIB loans, Schuldschein, BCP, short-term loans and bank loans; amounts in million euros)

Remaining debt balance[1]	Average interest rate	Average remaining time to maturity
42,089.32	2.33%	11 years and 9 months

[1] Excluding current accounts, leaseholds & Amoras.

3. GUARANTEE MANAGEMENT IN 2025

518.44 million euro decrease in guaranteed debt

Total guaranteed debt amounted to 9.817 billion euros at the end of 2025. As in previous years, guaranteed debt continued to decline. In 2025, total guaranteed debt decreased by 518.44 million euros compared with the end of 2024. A further decline is also expected in the following years.

Table 10. Summary overview of outstanding guarantees for the period 2024-2025 (in million euros; status at 31/12/2025)

	2024	2025
Guarantees to (local) authorities	166.01	152.10
Guarantees covered by assets	8,566.66	7,896.84
Economic guarantees	1,603.17	1,768.46
TOTAL	10,335.84	9,817.40

Strongest decrease for VWF, VMSW, VIPA, authorised credit institutions, loans Indemnity Decree and Schools of Tomorrow

This decrease in total guaranteed debt during 2025 is primarily due to the reduced guaranteed debt of 4 different entities, the authorised credit institutions and the reduction in guarantees provided for loans:

- **Flemish Housing Fund (VWF) (-296 million euros) and Flemish Social Housing Company (VMSW) (-119,79 million euros)**: in 2025, the guaranteed debt of the Flemish Housing Fund further decreased to 2.3 billion euros, and that of the Flemish Social Housing Company to 1.663 billion euros. These entities no longer take out guaranteed loans from banks or insurance companies but use direct financing by the Flemish Community since mid-2015.
- **Flemish Infrastructure Fund for Person-related Matters (VIPA) (-131.24 million euros)**: the guaranteed debt of the Flemish Infrastructure Fund for Person-related Matters further dropped to 1.243 billion euros in 2025.
- **Authorised credit institutions (-70.17 million euros)**: the guaranteed debt of the authorised credit institutions declined to 629.03 million euros in 2025 as a logical consequence of the abolished double guarantee scheme.
- **Loans Indemnity Decree (-51.05 million euros)**: the guarantees on incoming loans for temporary exhibitions decreased to 144.60 million in 2025.
- **Schools of Tomorrow (-47.36 million euros)**: the guaranteed debt of Schools of Tomorrow declined to 1.344 billion euros in 2025, since all construction projects have now been completed.

Increase only for Gigarant NV, PMV/z Guarantees and AGION

While the guaranteed debt of most entities further declined in 2025, there were three exceptions: Gigarant NV, PMV/z Guarantees and AGION were the only ones to record an increase.

- Gigarant NV (+151.51 million euros): the guaranteed debt of Gigarant NV rose to 652.72 million euros in 2025.
- PMV/z Guarantees (+66.78 million euros): the guaranteed debt of PMV/z Guarantees increased to 955.52 million euros in 2025.
- AGION (+6.67 million euros): AGION saw its guaranteed debt rise to 455.84 million euros.

Most of the guaranteed debt is consolidated debt

In 2025, 7.568 billion euros of the guaranteed debt was consolidated[5]. The non-consolidated guaranteed debt amounted to 2.250 billion euros. Only a limited part of the total guaranteed debt can be considered guaranteed debt in the narrow sense. The largest part thereof concerns economic guarantees, for a total of 1.768 billion euros.

Table 11 and Table 12 provide a detailed overview of the consolidated and non-consolidated guaranteed debt by entity.

Table 11. Detailed overview of consolidated guaranteed debt in the period 2024-2025 (in million euro; status at 31/12/2025)

	2024	2025
Guarantees to (local) authorities	31.65	28.22
Universities (social sector)	1.40	1.12
Ghent University Hospital	30.25	27.10
Guarantees covered by assets	8,178.40	7,539.38
Authorised credit institutions	699.20	629.03
EAA VMSW (Flemish Social Housing Company)	1,782.40	1,662.61
Flemish Housing Fund CVBA	2,596.00	2,300.00
IAA AGION (Agency for Infrastructure in Education)	449.17	455.84
IAA VIPA (Flemish Infrastructure Fund for Person-related Matters)	1,147.10	1,046.66
Lantis (Beheersmaatschappij Antwerpen Mobiel NV)	13.05	5.00
Project Brabo 1 NV	99.87	95.99
Schools of Tomorrow	1,391.61	1,344.25
Economic guarantees	0.00	0.00
VIB (Flanders Institute for Biotechnology)	0.00	0.00
TOTAL	8,210.05	7,567.60

[5] The consolidated guaranteed debt is included in the consolidated gross debt under the categories ‘financial debts of Flemish consolidated institutions S.1312’ and ‘consolidated PPP debt’.

Table 12. Detailed overview of non-consolidated guaranteed debt in the period 2024-2025 (in million euros; status at 31/12/2025)

	2024	2025
Guarantees to (local) authorities	134.36	123.88
De Watergroep (Flemish Water Supply Company)	98.40	90.35
Church Wardens Saint Bavo's Cathedral	21.92	20.04
Antwerp Maritime Academy	14.04	13.49
Guarantees covered by assets	388.26	357.46
IAA VIPA (Flemish Infrastructure Fund for Person-related Matters)	227.17	196.37
Deurganck Dock Lock	161.09	161.09
Economic guarantees	1,603.17	1,768.46
PMV/z Guarantees	888.74	955.52
Gigarant NV	501.21	652.72
VLIF (Flemish Agricultural Investment Fund)	1.46	1.18
IMEC	7.31	5.64
Jansen Pharmaceutica NV	8.80	8.80
Masterpieces cultural exhibitions (loans Indemnity Decree)	195.65	144.60
TOTAL	2,125.79	2,249.80

In 2025, the consolidated guaranteed debt decreased by 642.45 million euros, while the non-consolidated guaranteed debt increased by 124.01 million euros as a result of some new guarantees issued by Gigarant NV and PMV/z Guarantees.

Enforcements and recoveries

Table 13 illustrates that **enforcements in 2025** amounted to **25.73 million euros**, an increase of 8.98 million euros compared with 2024. Guarantee fees received in 2025 amounted to 22.90 million euros. Two entities also received recoveries, for a total of 7.94 million euros. **Overall, guarantee provision generated 5.11 million euros in 2025.** Just as in the four previous years, this activity turned out to be profitable.

Table 13. Overview of the cost of guarantees in 2024 and 2025 (in million euros)

	Fees		Enforcements		Recoveries		Balance	
	2024	2025	2024	2025	2024	2025	2024	2025
Authorised credit institutions	0.00	0.00	0.23	0.00	0.00	0.00	-0.23	0.00
Lantis (BAM NV)	0.29	0.29	0.00	0.00	0.00	0.00	0.29	0.29
AGION	0.32	0.45	0.00	0.00	0.02	0.02	0.34	0.47
VLIF	0.00	0.00	0.01	0.00	0.00	0.00	-0.01	0.00
PMV/z Guarantees	6.55	8.01	16.04	24.71	6.55	7.92	-2.94	-8.78
Gigarant NV	11.05	14.15	0.48	1.02	0.00	0.00	10.57	13.13
TOTAL	18.21	22.90	16.76	25.73	6.57	7.94	8.02	5.11

Gigarant NV strongly positive, PMV/z Guarantees negative

Gigarant NV received 14.15 million euros of guarantee fees in 2025, while the enforcements only amounted to 1.02 million euros. This resulted in a **strongly positive balance of 13.13 million euros**.

PMV/z Guarantees received 8.01 million euros of guarantee fees and 7.92 million euros of recoveries in 2025. The sum of both amounts was, however, not sufficient to compensate for the enforcements amounting to 24.71 million euros. For PMV/z Guarantees, **the cost of guarantee provision came to 8.78 million euros** in 2025.

Enforcements mostly concern PMV/z Guarantees

In 2025, **enforcements (25.73 million euros)** accounted for **only 0.26%** of the outstanding guarantees and **mainly concerned PMV/z Guarantees**, where 24.71 million euros of guarantees had been claimed. The government budget however does contain an annual provision for expected enforcements, based on standardised provision of guarantees.

Since it is not always easy for Flemish companies to obtain a bank loan, even with a good track record, PMV (Flanders Holding Company) decided to set up PMV/z Guarantees and Gigarant NV, whose role is to provide guarantees. These guarantees reduce the risk for banks and create more credit facilities for companies.

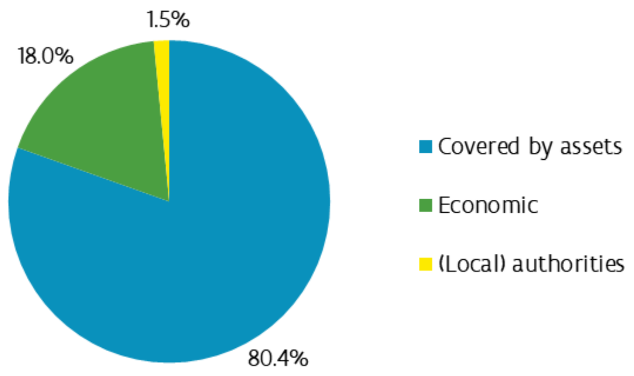
Even after careful screening by PMV/z Guarantees and Gigarant NV, it still happens that some guarantees are enforced. This was not only the case for PMV/z Guarantees but also for Gigarant NV, where 1.02 million euros of guarantees had been claimed in 2025.

The risk is limited

It should however be noted that **in 2025 all enforcements were related to economic guarantees**, which accounted for only 18% of the total Flemish guaranteed debt.

Figure 4. illustrates that most of the guaranteed debt (80.4%) is covered by assets. **The risk is therefore rather limited.**

Figure 4. Relative importance of the various types of guarantees (status at 31/12/2025)



4. RATING OF THE FLEMISH COMMUNITY

On Friday **6 June 2025,** Fitch confirmed **Flanders' AA rating.** The outlook remained negative.

On Friday **20 June 2025,** Fitch downgraded **Flanders' rating to AA-.** The outlook was revised to stable.

This credit rating cut follows the downgrade of Belgium's rating to A+ from AA- on 13 June 2025. Fitch states that Flanders cannot be rated at more than one notch above Belgium. Table 14 provides a detailed overview of the ratings of Flanders in the last two years.

Table 14. Overview ratings of Flanders in the period 2024-2025

Rating agency	Date	Rating	Outlook
Fitch	7/06/2024	AA	Negative
Fitch	20/06/2025	AA-	Stable

Fitch's reports of 6 June 2025 and 20 June 2025 prove that Flanders has a solid economy with indicators above the Belgian and European average. **Five out of the six Key Risk Factors (KRFs)** were assessed as **'stronger'**:

- Revenue robustness
- Revenue adjustability
- Expenditure sustainability
- Liabilities and liquidity robustness
- Liabilities and liquidity flexibility

Fitch assesses Flanders' expenditure adjustability as 'midrange'.

Highest rating in Belgium

Flanders’ rating is the highest of all Belgian regions and communities and is even **one notch above Fitch’s credit rating for Belgium.** Flanders thus remains one of the few European regions to which Fitch assigned a rating higher than that of the sovereign. Table 15 compares the ratings of Belgium and its regions and communities at the end of 2025.

Table 15. Comparison of the ratings assigned to Belgium and its regions and communities at the end of 2025

		Fitch Ratings	Moody's		Standard & Poor's
		AAA	Aaa		AAA
		AA+	Aa1		AA+
Kingdom of Belgium		AA	Aa2		AA
Kingdom of Belgium	Flemish Community	AA-	Aa3	Aa3	AA-
Kingdom of Belgium		A+	A1		A+
Brussels-Capital Region	French Community	A	A2		A
Walloon Region		A-	A3		A-
		BBB+	Baa1		BBB+
		BBB	Baa2		BBB
		BBB-	Baa3		BBB-