

Ministerium
der Deutschsprachigen
Gemeinschaft Belgiens

Ostbelgien 



INVESTOR PRESENTATION 2026

GERMAN-SPEAKING COMMUNITY OF BELGIUM

OSTBELGIEN | MAY 2026

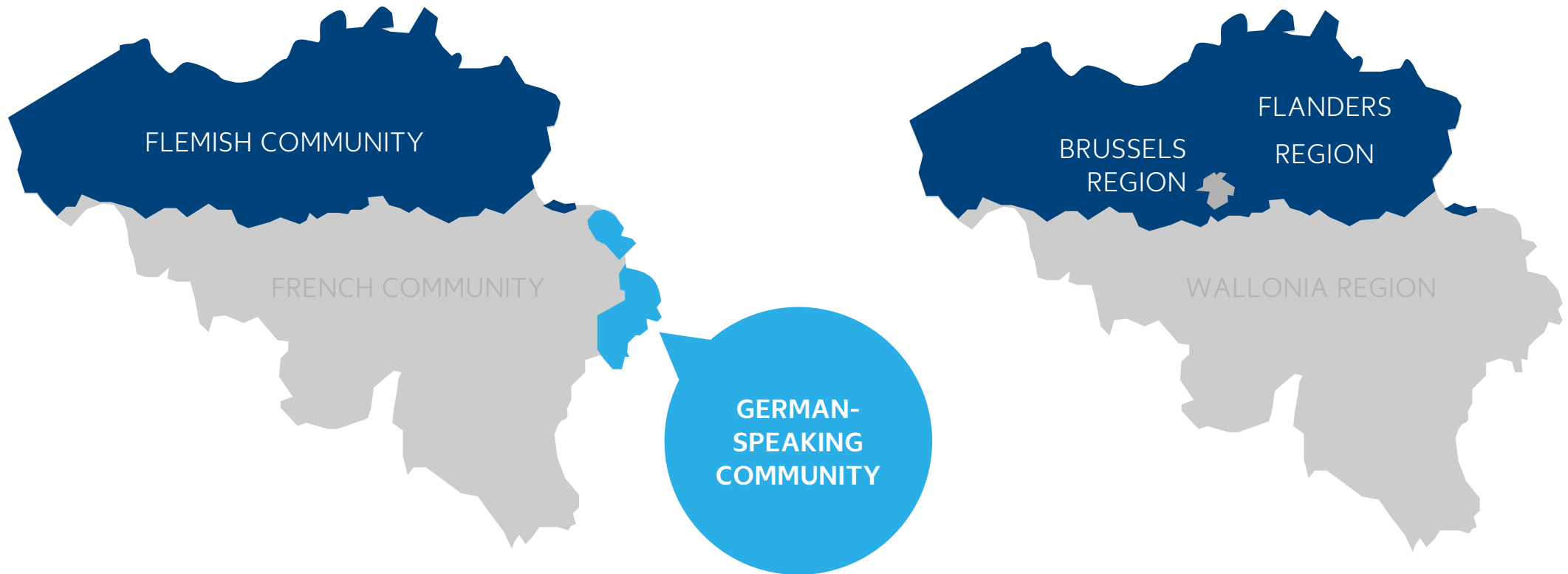
CONTENT

1. INSTITUTIONAL CONTEXT
2. PRESENTATION & ORGANIZATION
3. BUDGET & FINANCE
4. DEBT MANAGEMENT AND FINANCING STRATEGY
5. KEY INVESTMENT HIGHLIGHTS
6. USE OF PROCEEDS
7. KEY TERMS & CONDITIONS

1

INSTITUTIONAL CONTEXT

THE GERMAN-SPEAKING COMMUNITY IN BELGIUM



RESPONSIBILITIES OF THE COMMUNITIES

- Cultural matters
- Personal matters
- Education

COMPETENCIES OF THE REGIONS



Town and country
planning



Town and country
planning



Town and country
planning



Economic policy



Environment



Energy



Rural development
and nature protection



Local authorities



Housebuilding



Employment



Agriculture

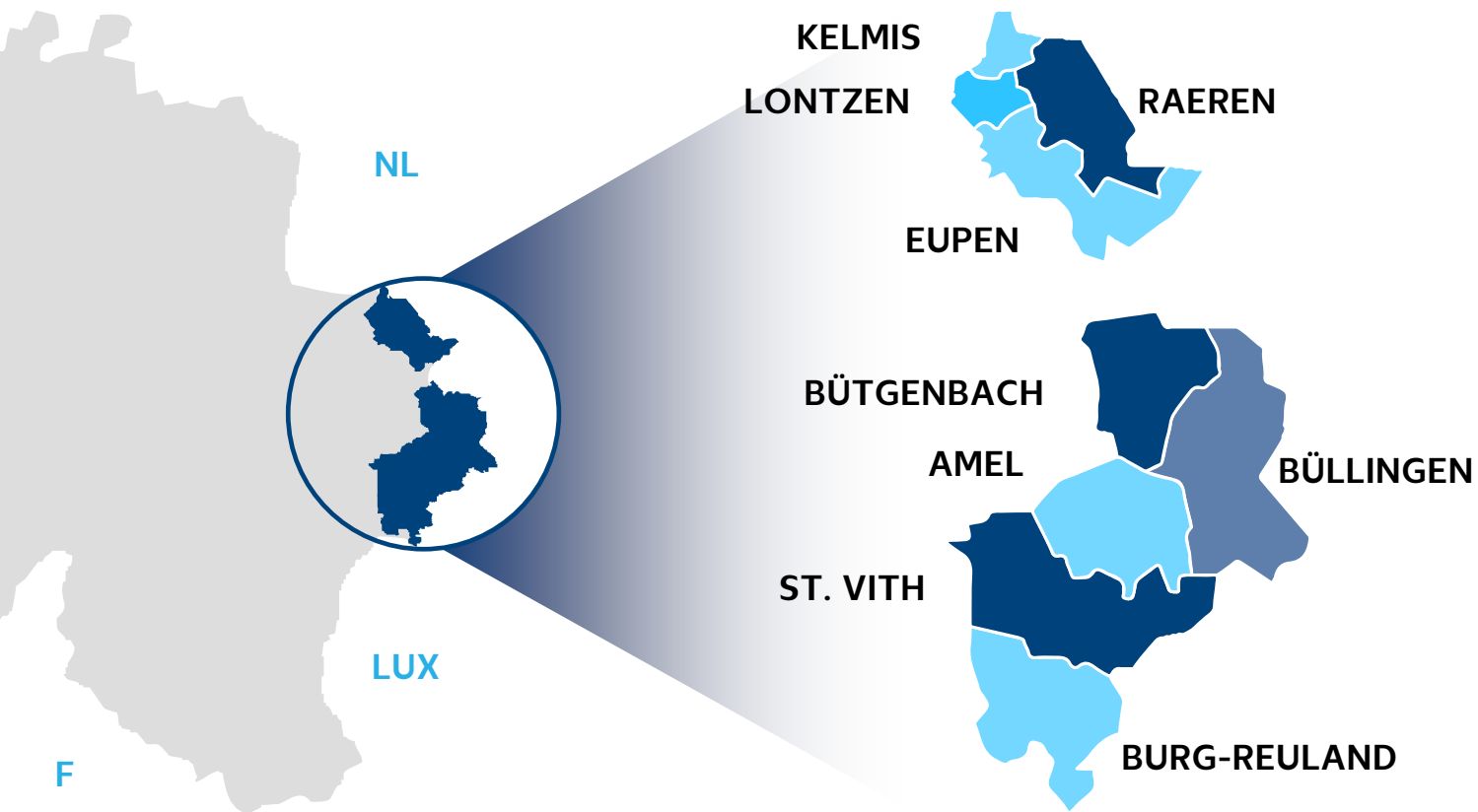


Public works
and transport



S.295 IZ KAISERBARACKE 2012_Edition E. Kirsch Studio
ADR, A. Drèze

THE GERMAN-SPEAKING COMMUNITY AS SELF-GOVERNED PART OF BELGIUM



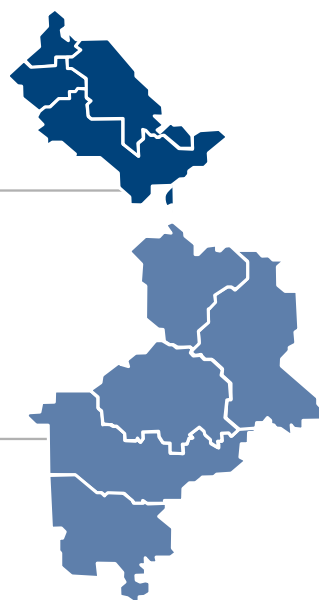
DEMOGRAPHICS

Population

Eupen canton: **48,668** (61%)

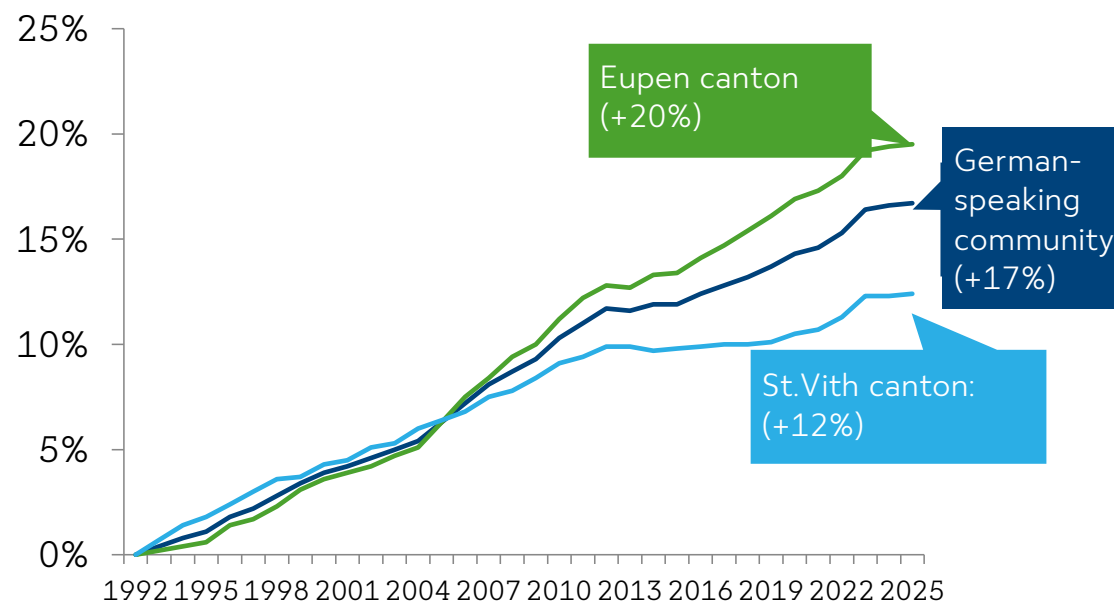
St.Vith canton: **30,869** (39%)

German-speaking community: **79,537**



POPULATION DEVELOPMENT SINCE 1992

Source: Statbel as at: 1.1.2025



Source: Statbel as at: 1.1.2025

2

PRESENTATION & ORGANISATION



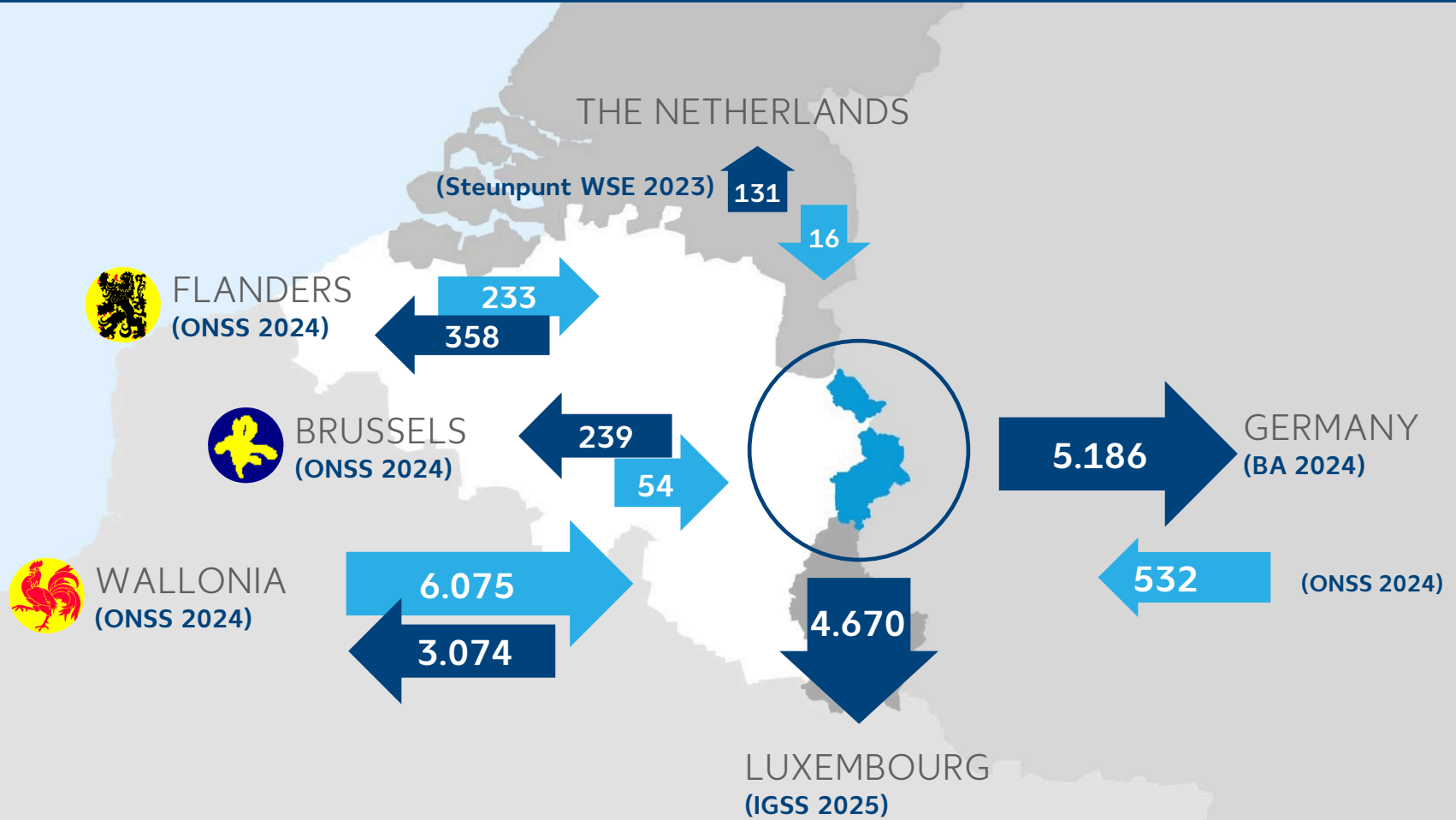
E42 Paris
Maastricht
Liège
E40

E42
Trier St. Vith
Luxembourg
Spa Verviers

Aachen
Düsseldorf
Köln

**SOVEREIGN BORDER EXPERIENCE
RESIDING, LIVING, WORKING AND DRIVING
THE ECONOMIC WITHOUT BORDERS IN THE
HEART OF EUROPE**

MOBILE WORKFORCES IN BORDER REGIONS

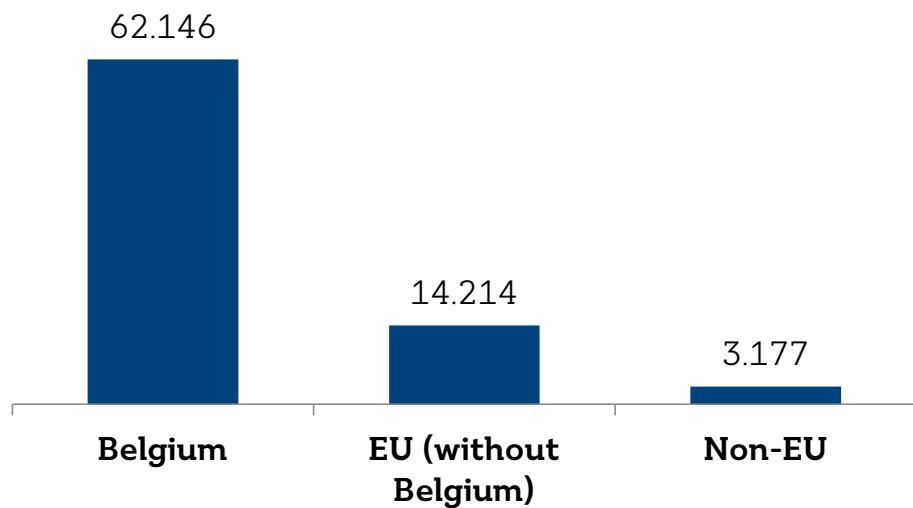


CLOSE LINKS WITH RESEARCH AND DEVELOPMENT



- RWTH Campus
- FH Aachen
- Université de Liège
- Jülich research centre
- Maastricht University
- Université de Namur
- Université Catholique de Louvain
- Katholieke Universiteit Leuven

POPULATION BY NATIONALITY



11.807 from Germany
597 from Ukraine
559 from the Netherlands
279 from Romania
265 from Poland

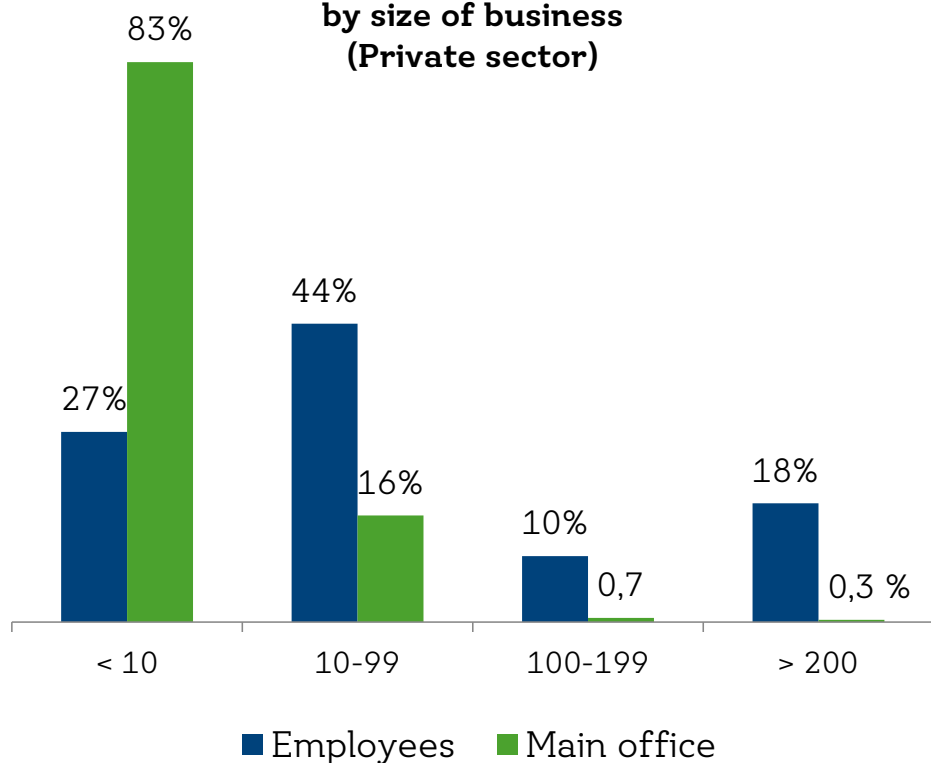


Source: Statbel / As at: January 1, 2025

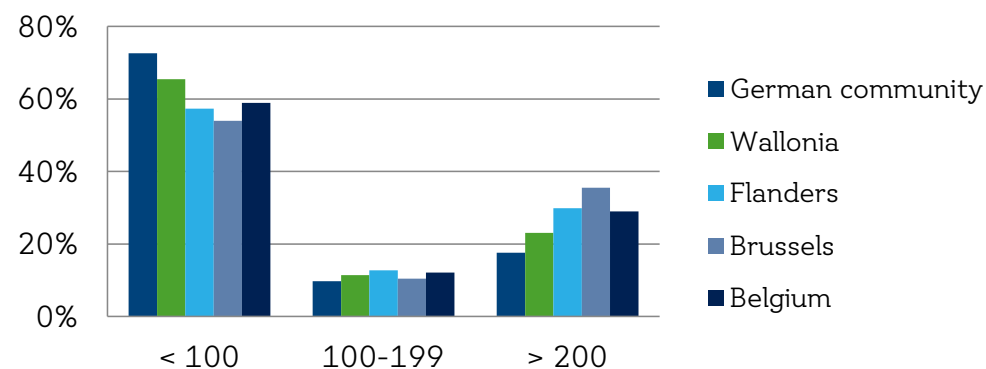
EMPLOYEES BY SIZE OF BUSINESS

PRIVATE SECTOR

Employers and employees
by size of business
(Private sector)



Employees
by size of business

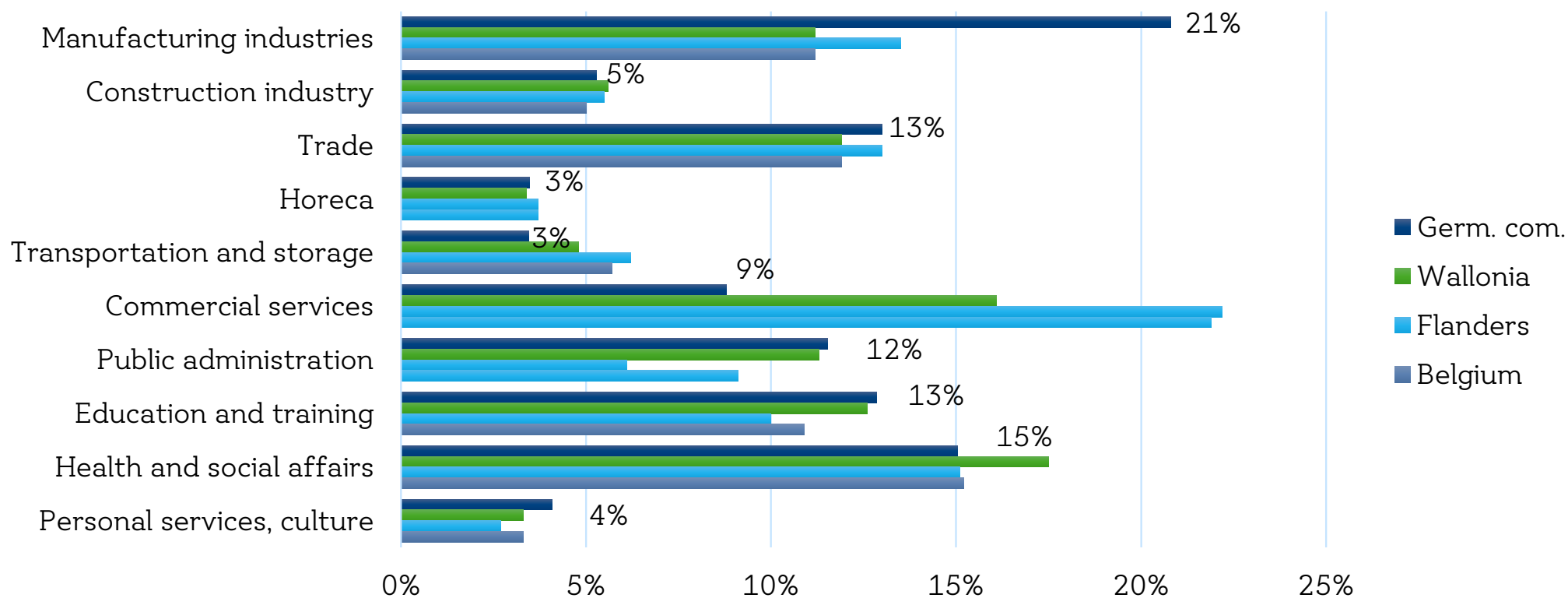


Only Germ. com.	Employees	Employers
< 10	4.653	1.604
10-99	7.305	305
100-199	1.614	12
> 200	2.907	6
Total	16.479	1.927

Source: LSS, as at: 30.6.2024

EMPLOYEES BY SECTOR

RELATIVE SIGNIFICANCE OF SECTORS BY REGION



Source: LSS, as at: 30.6.2024

RESPONSIBILITIES

CULTURAL MATTERS



- Protection and promotion of language
- Art, culture, cultural heritage and museums
- Media: Radio and television, libraries, media centres
- Youth policy
- Adult education
- Sport
- Leisure activities and cultural events
- Art training
- Professional training and further education

PERSONAL MATTERS



- Families and family allowances
- Health
- Social care
- Admission and integration of immigrants
- Disability policies
- Senior citizens' policies
- Youth welfare
- Film monitoring
- Reintegration of prisoners
- Initial legal support
- Public service halls and electronic supervision

TEACHING AND EDUCATION



- Nursery schools
- Primary and secondary schools
- Special schools
- Kaleido East Belgium
Centre for the healthy development
of children and young people
- Colleges
- Further education colleges
- Extra-curricular education
- Scientific research
- Mid-tier dual training establishments

FOREIGN RELATIONS



- Belgian domestic and international cooperation within its own areas of responsibility



- Possibility of concluding agreements and contracts
- Acceptance of international contracts

REGIONAL AUTHORISATIONS

Protection of listed monuments and sites and excavations

Supervision and financing of the nine German-speaking communities and the associated organic law

Tourism

Employment

© Hagemann

TAKES OVER ADDITIONAL REGIONAL POWERS (CURRENTLY UNDER NEGOTIATION)



INSTITUTIONS

GOVERNMENT



- Accountable to the parliament - constructive vote of no confidence possible
 - Four full- time ministers
- Legislative period 2024 -2029:
- Mr Oliver Paasch: Prime Minister, Minister for Local Authorities, Regional Planning, and Finance
 - Mr Jérôme Franssen: Minister for Education, Training, and Employment
 - Ms Lydia Klinkenberg: Minister for Family, Social Affairs, Housing, and Health
 - Mr Gregor Freches: Minister of Culture, Sports, Tourism, and Media
- Government cabinet: total of 56 personal staff of government members

MINISTRY

- Administration of the German-speaking community
- 641 members
- Preparation and implementation of political decisions
- Financing and organisation of over 700 services
- The staff maintain close contact
 - ❖ with the citizens and subsidised organisations,
 - ❖ with many national and international partners.



SERVICES WITH SEPARATE MANAGEMENT



Five services with separate management:

MEDIA CENTRE

COMMUNITY CENTRES

SERVICE AND LOGISTICS

EMPLOYEMENT OFFICE

DEPARTMENT FOR INDEPENDENT LIVING

PUBLIC SERVICE ESTABLISHMENTS

- Institute for mid-tier education and further training and training in small and medium-sized firms
- Autonomous college in the German-speaking community
- Kaleido East Belgium Centre for the healthy development of children and young people
- ZKB Centre for childcare

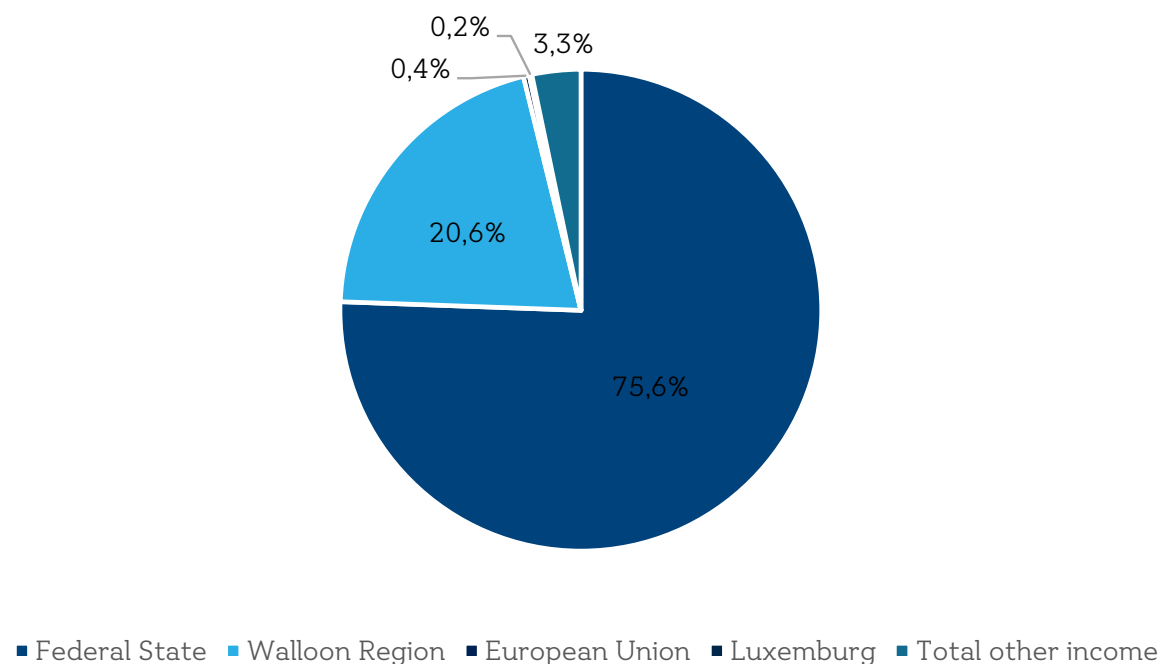
3

BUDGET AND FINANCE

THE BUDGET OF THE GERMAN-SPEAKING COMMUNITY: REALISED INCOME

Income 2025	EUR million
TRANSFERRED INCOME	441,46
Federal State	343,82
Walloon Region	93,70
European Union	1,83
Luxemburg	0,73
Other transferred Income	1,38
OTHER INCOME	13,55
Sale of goods and services	9,37
Sale of land and properties	0,01
Interest and Capital Income	3,15
Other assigned revenue	1,02
TOTAL INCOME without proceeds from borrowings	455,01
Credit reimbursements	9,20
Proceeds from borrowing	186,30
TOTAL INCOME	650,51

Total income without proceeds from borrowings

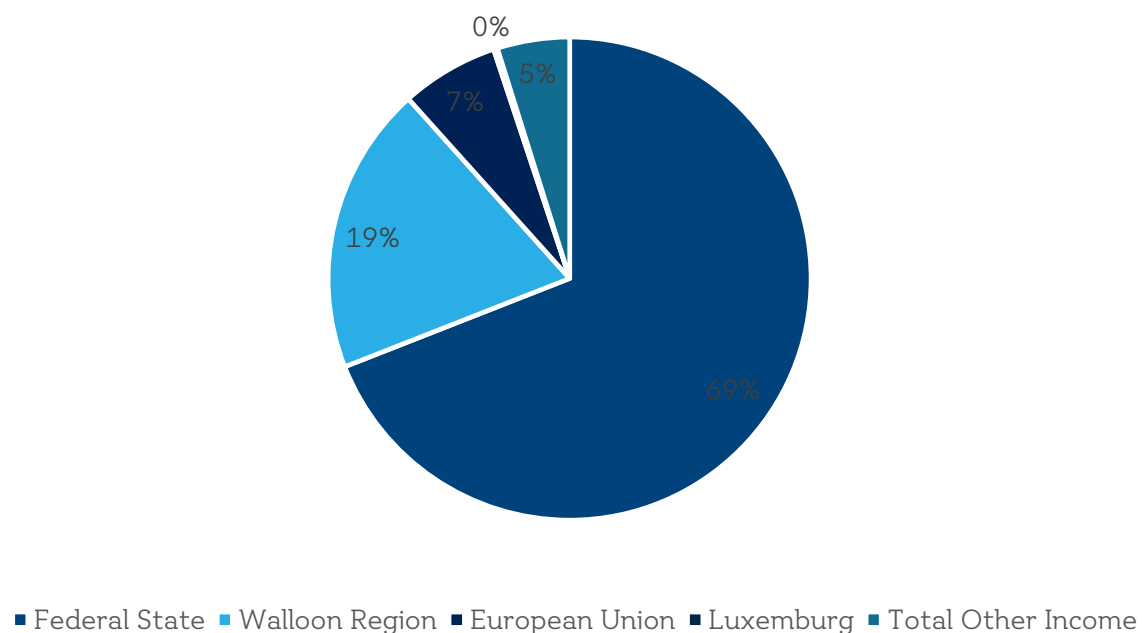


Before certification by the Court of Audit

THE BUDGET OF THE GERMAN-SPEAKING COMMUNITY: BUDGETED REVENUES

Income 2026	EUR million
TRANSFERRED INCOME	479.92
Federal State	347.18
Walloon Region	97.07
European Union	32.90
Luxemburg	1.3
Other transferred Income	1.47
OTHER INCOME	22.86
Sale of goods and services	14.36
Sale of land and properties	2.50
Interest and Capital Income	3.99
Other assigned revenue	2.01
TOTAL INCOME without proceeds from borrowings	502.78
Credit reimbursements	3.41
Proceeds from borrowing	166,44
TOTAL INCOME	672.62

Total income without proceeds from borrowings



After first adjustment subject to parliamentary approval.

INCOME - KEY FACTS

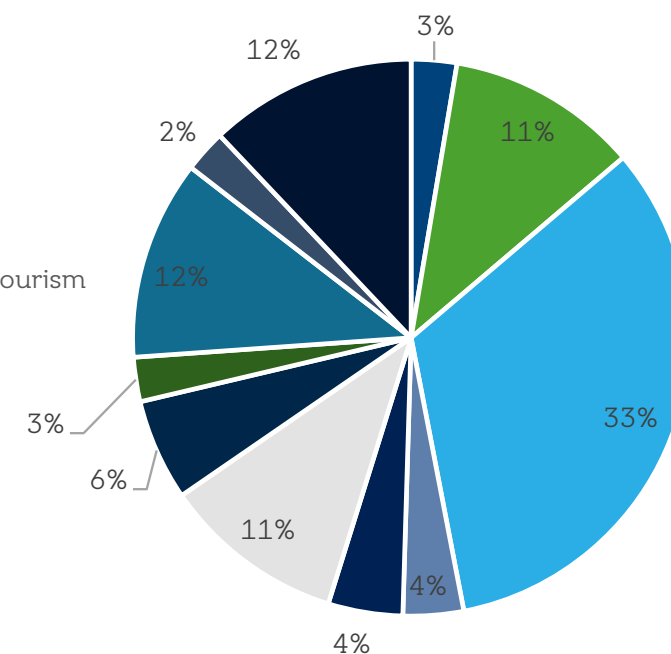
- **The federalism of the Belgian state is characterized by persistent tendencies to transfer national competences to local authorities (communities and regions). This explains why about 95% of the revenues of the German-speaking Community are generated by transfers from the federal state and the Walloon Region.**
- **The transfers from the Federal State are regulated and guaranteed by a special financing law of January 16, 1989, amended in 1993, 2001 and 2014.**
- **The transfers of the Walloon Region are regulated by agreements and laws, with the safeguard straight loans to be contracted at the expense of the Walloon Region in case of non-payment.**
- **Annual fluctuations are mainly due to:**
 - Development of the gross domestic product
 - Inflation rate
 - Population figures
- **Large increase in 2015 due to the assumption of new competences (6th state reform)**
- **Budgeted revenues are calculated and set according to the principle of prudence. In most of the previous years, budgeted revenues were realized at more than 100%.**

THE BUDGET OF THE GERMAN-SPEAKING COMMUNITY: REALISED EXPENSES

Expenditures 2025	EUR million
GENERAL EXPENSE	508,61
Parliament and Government	13,48
Ministry, EU Programmes and regional development	56,72
Education and training	168,66
Employment	17,88
Youth, Adult Education, Sport, Tourism	22,00
Health and Elderly	53,98
Social affairs	30,01
Energy and housing	13,06
Family and Childcare	58,93
Local Authorities	12,55
Infrastructure	61,35
TREASURY	140,78
Debt service	89,81
Financing and participations	14,39
Interest burden	36,58
TOTAL EXPENSE	649,40

General Expense

- Parliament and Government
- Ministry, EU Programmes and regional development
- Education and training
- Employment
- Youth, Adult Education, Sport, Tourism
- Health and Elderly
- Social affairs
- Energy and housing
- Family and Childcare
- Local Authorities
- Infrastructure



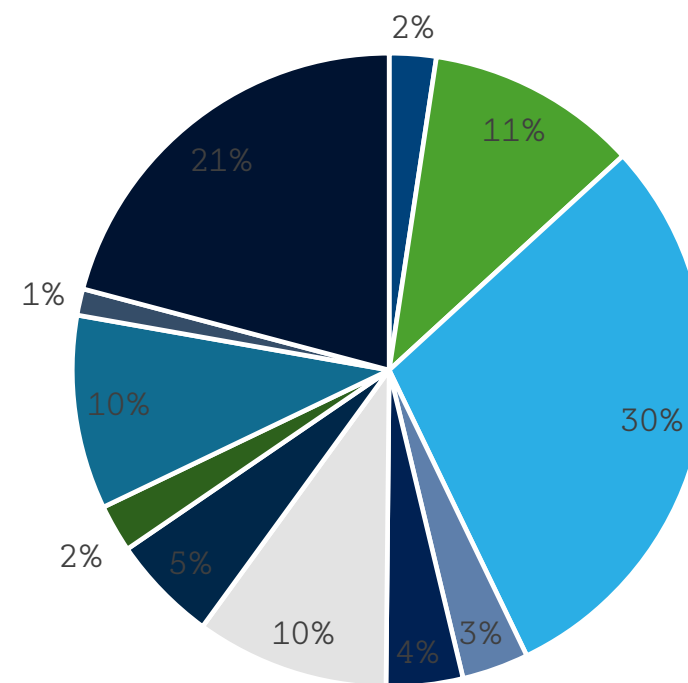
Before certification by the Court of Audit

THE BUDGET OF THE GERMAN-SPEAKING COMMUNITY: BUDGETED EXPENSES

Expenditures 2026	EUR million
GENERAL EXPENSE	582,48
Parliament and Government	13,94
Ministry, EU Programmes and regional development	62,92
Education and training	172,75
Employment	19,82
Youth, Adult Education, Sport, Tourism	22,77
Health and Elderly	57,39
Social affairs	31,68
Energy and housing	14,14
Family and Childcare	57,61
Local Authorities	7,90
Infrastructure	121,56
TREASURY	168,37
Debt service	106,78
Financing and participations	16,82
Interest burden	44,77
TOTAL EXPENSE	750,84

- Parliament and Government
- Ministry, EU Programmes and regional development
- Education and training
- Employment
- Youth, Adult Education, Sport, Tourism
- Health and Elderly
- Social affairs
- Energy and housing
- Family and Childcare

General Expense



After first adjustment subject to parliamentary approval.

EXPENSE: KEY FACTS

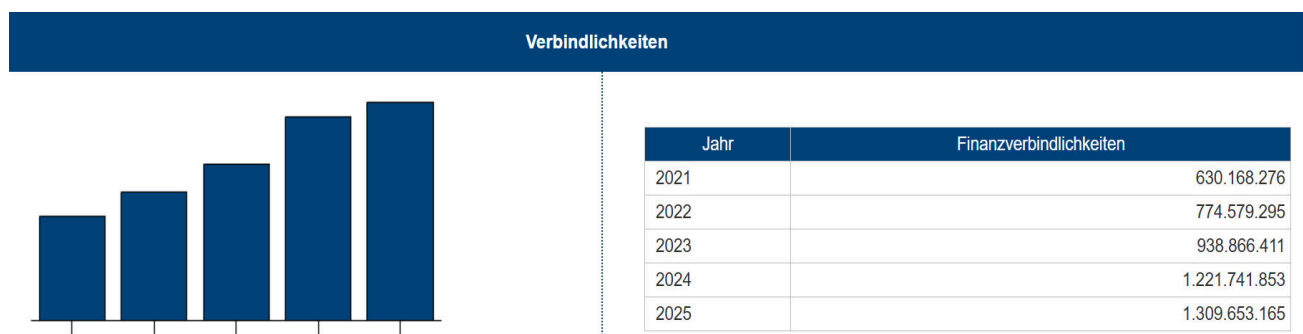
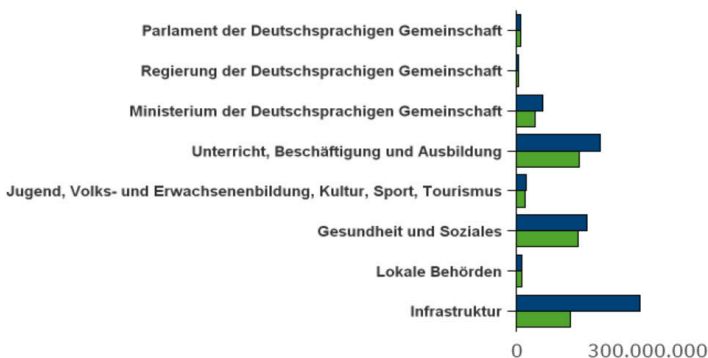
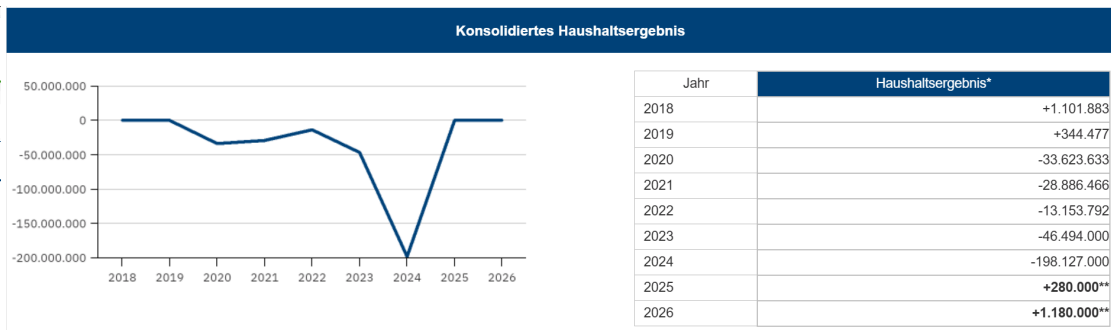
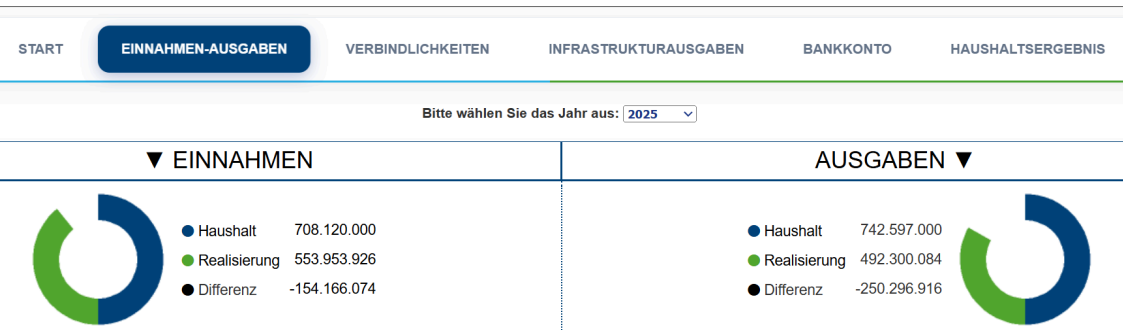
- **Budget policy in recent years driven by the goal of a balanced budget from 2018.**
- **Integration of all institutions of the German-speaking Community into the same ERP system will allow real-time monitoring of compliance with the budget policy.**
- Compliance with the expenditure budget is always guaranteed through real-time monitoring as well as automatic controls in the ERP system. The realization rate of the expenditure budget is always below 100%.
- **All institutions are audited by the Belgian Court of Audit.**
- **Long-term budget simulation (30 years) incl. sensitivity analyses**

BUDGETS 2025 - 2026

- After the Corona pandemic, we face an energy crisis and massive price increases affecting all sectors of our community. In addition, salaries in Belgium are automatically adjusted to a benchmark index, which has led to a significant increase in the mass of salaries. The exploding costs causing a cumulative deficit of about 365 million euros in 2024 and 2025.
- At the same time, investment measures are being planned to cushion the impact of the crisis and act countercyclically. This program for social investments amounts to **540 million euros**, covers the period 2020-2035 and includes investments in school and childcare construction, care for the elderly, hospital sector, social housing, digitization and the climate plan. All infrastructure investments pay attention to the "green" aspect and are planned under the highest energy-saving standards.
- Since mid-2022, the government has adopted a hiring freeze to control the explosion of personnel costs due to the automatic index adjustments. In addition, employees who leave are not automatically replaced.
- The planned result 2026 as calculated by the High Financial Council is simulated at -110.5 M €, adjusted by infrastructure investments: + 13.0 M €.
- Realised expenditures are always significantly lower than planned.
- **New goals: Structural budget equilibrium: 2025-2028; no negative budget results from 2029 onwards; reduction in average net primary expenditure by -3,09% by 2029**

REAL-TIME DATA ON THE FINANCIAL SITUATION OF THE COMMUNITY

www.ostbelgienlive.be/Finanz-Monitor



4

DEBT MANAGEMENT AND FINANCING STRATEGY

SITUATION AS OF 26/05/2026

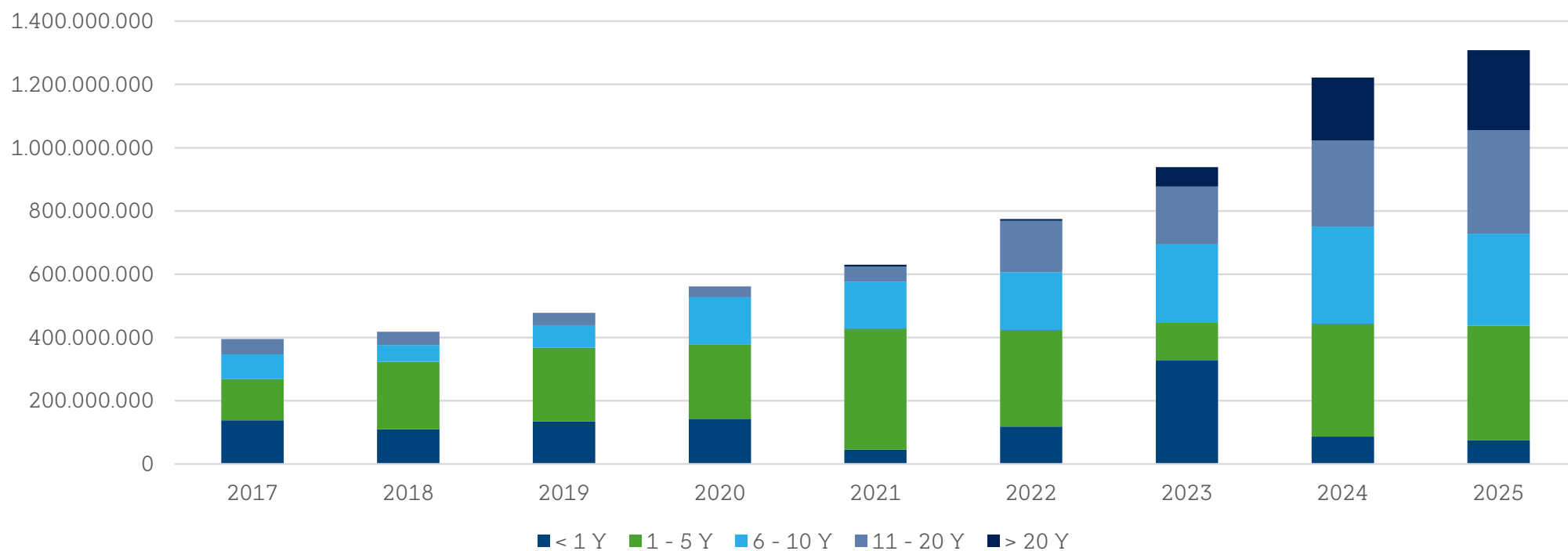
in Mio Euro	26/05/2026*	2025*
Financial liabilities		
. Notes Issued		
. CP or (E)MTN < 1 Y	55	73
. (E)MTN	1,203.00	1,128.00
. Schuldscheine	105	80
. Loans	15.61	15.98
. Leasing, PPP and alternative financing	10.24	11.53
	1,388.85	1,308.51
Other liabilities		
. Suppliers	91.05	27.38
. Taxes and salaries	15.2	19.03
. Other	19.24	19.22
	125.49	65.63
Total liabilities	1,514.34	1,374.14
Current assets	233.53	176.68
Total net liabilities	1,280.81	1,197.46

* prov. non audited figures

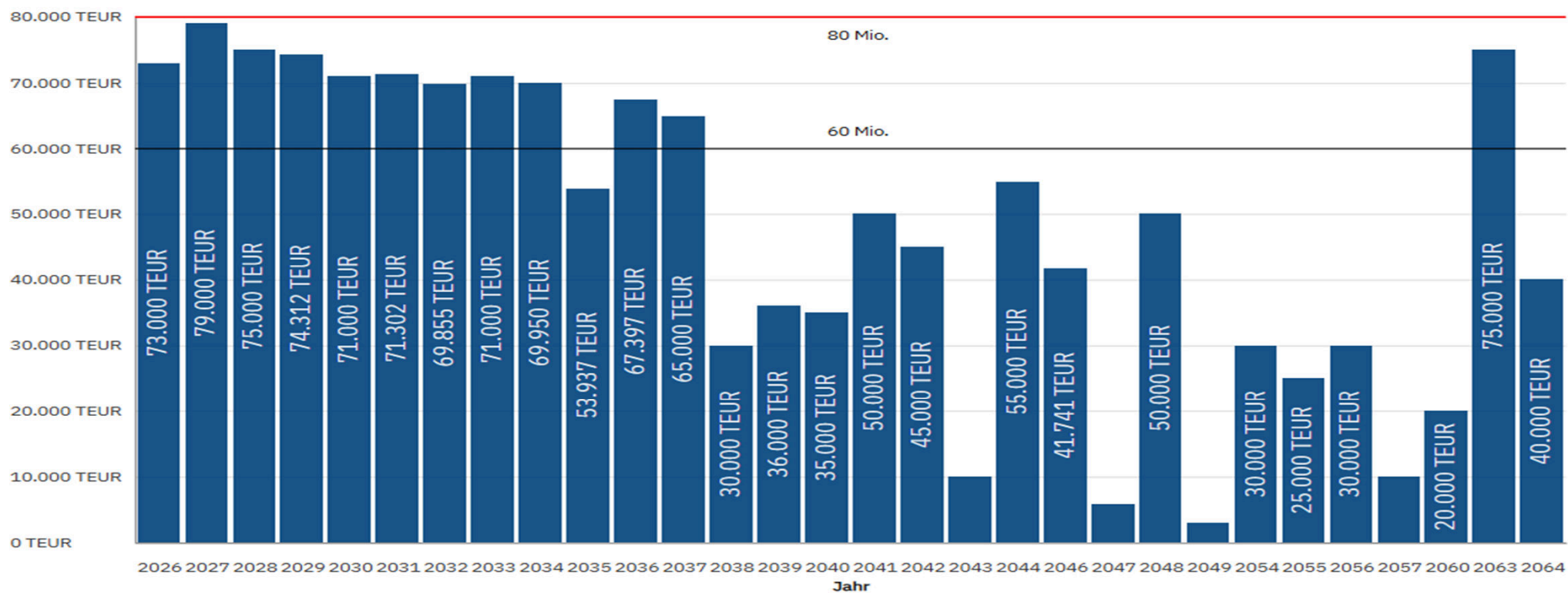
DIRECT DEBT

THE GERMAN-SPEAKING COMMUNITY OF BELGIUM

Average term of the debt (EUR)



MATURITIES



Max. 60-80 Mio. EUR p.a.

(Presentend are only CP/MTN/EMTN/SSD, without classic loans.)

ELEMENTS OF FINANCIAL STRATEGY

Key elements of the governments' financial management strategy are:

- **Centralisation of debt, no outsourcing for technical reasons in other corporate forms or complex structures. The whole dept is centrally managed.**
- **Gradual extension of the debt maturity (short-term into long-term) to hedge the interest rate risk and better plannability, but also to be able to guarantee permanent market activity.**
- **Ratio-based debt management to**
 - control the interest burden in relation to the overall budget map a theoretical repayment horizon.
- **Ensure sufficient financial sources to cope with unexpected fluctuations.**

ELEMENTS OF FINANCIAL STRATEGY

Our Financial Policy Strategy from now on:

1. We will cover our expenditures with our current revenues.
2. We will return to generating primary budget surpluses.
3. Our debt remains sustainable:
 - Debt coverage ratio: 20%
 - Interest burden: < 10%
4. We will continue our efforts to refrain from neutralising infrastructure expenditure from 2029 onwards
5. We will meet the new, stricter EU requirements — and protect our community from potential penalties.

This strategy ensures that our community remains financially resilient and capable of action at all times.

5

KEY INVESTMENT HIGHLIGHTS

MAIN ARGUMENTS

- **95% of revenues come from the Belgian Federal State (M: Aa3 / S&P: AA / F: A+, outlook stable) and the Walloon Region (M: A3, negative)**
- **Revenues: guaranteed by the financing law (Belgian Federal State) & possibility to take out a straight loan (Walloon Region) in case of non-payment of the amounts due**
- **Good revenue predictability due to macroeconomic developments (special financing law)**
- **Strict budget management**
- **Professional organization and highly efficient control instruments**
- **Healthy diversification of financing sources (type / content / interest rate risk)**
- **Well-considered approach to financial and risk management**

6

USE OF PROCEEDS

USE OF PROCEEDS

Planned issues:

Year	Type/Maturity	Amount (Mio EURO)
2021	EMTN Maturities 3-4-7-10 Y	212,89
2022	EMTN M: 6-9-10-13-15-19-20 Y	190
2023	EMTN M: 5-40 Y	211
2024	EMTN/SSD M: 3-39 Y	459,5
2025	EMTN/SSD M: 3-40 Y	200
2026	EMTN/SSD M: 5-40 Y	100-150

USE OF PROCEEDS

Intended Use:

Proceeds from new bond issues has been and will be used to consolidate and refinance current (short-term) debt, mainly to finance social infrastructure investments and to cover current deficits due to the energy and price crisis.

Special requirements in the past:

- 2023: repayment of an existing PPP (private public partnership) investment
- 2024: recalculation of the subsidy for the local authorities of the German speaking Community: advance payment of a large part of the amount until 2031 (inclusive).
- 2024: advance payment of a large part of the amount until 2031 (inclusive) for the retirement homes.

7

KEYTERMS AND CONDITIONS

KEYTERMS AND CONDITIONS

Issuer	German-speaking Community of Belgium / LEI 894500FEAHX2CLWHGX30
Rating of the issuer	Unrated
Legal Form/ Registration	Entity of the Belgian Federal State (Community), registered with the Crossroads Bank for Enterprises under number 0225.205.492
Type of Programme	EMTN dated 07 th November 2024. supplemented 21 th February 2025, unrated
Programme amount	EUR 1,500,000,000
Arranger / Paying Agent	Belfius Bank
Dealer	Belfius, ING, KBC/CBC, Morgan Stanley, LBBW, Jefferies
Notes	Fixed Rate, Floating, Zero-Coupon
Currency of the Treasury Notes	Any
Minimum issuance amount, denomination	EUR 100,000
Possible Maturities	As from 1 month - 100 years
Status of the Treasury Notes	Direct, unconditional, unsecured unsubordinated, at all times pari passu among themselves and with all other present and future unsubordinated and unsecured obligations of the Issuer
Governing law	Belgian law
Events of Default	Non-Payment, Breach of Other Obligations, Insolvency proceedings, Insolvency, Cross Default, Failure to take action, Illegality

Ministerium

der Deutschsprachigen
Gemeinschaft Belgiens

Ostbelgien 

**THANK YOU FOR YOUR ATTENTION.
SEE YOU SOON IN EAST BELGIUM !**

RENÉ MIRIBUNG

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