



KINGDOM OF BELGIUM
MINISTRY OF FINANCE
Administration of the Treasury

Public debt



Annual report
2000

ANNUAL REPORT 2000

**MINISTRY OF FINANCE
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**FOREWORD BY DIDIER REYNDERS,
MINISTER OF FINANCE**

The presentation of the Annual Report on the Public Debt for 2000 has been modernised in order to enhance its aesthetic quality and to facilitate reading. Tables and graphs now play a more important role and highlight the continued progress in the area of managing federal public debt. They not only reveal the positive effects of a progressive reduction in the public deficit on the financing requirement, but also those resulting from the modern issuing policy adopted by the Treasury.

Within the sovereign issuers in the euro zone, the Belgian Treasury can pride itself on being one of the leaders in terms of issuing techniques. With the support of primary and recognised dealers, both Belgian and non-resident investors are continuing to invest in Belgian debt securities, while the transition of the financial markets in the euro zone to the single currency has gone hand in hand with a diversification in holdings of Belgian debt securities. It is also gratifying to note that the function of specialist in Belgian Treasury securities remains in strong demand among financial intermediaries.

These satisfying results are the fruit of a permanent motivation to innovate. A large range of initiatives have been taken in this respect and have focused on establishing an efficient primary market as well as developing a deep, liquid market. The organisation of debt management departments has also been adapted to prepare for the forthcoming large euro market. As regards 2000, I would notably like to welcome the successful set up of an electronic trading platform, MTS Belgium. This new initiative aims at reinforcing the liquidity of the secondary OLO market even further and, since March 2001, also the liquidity of the Treasury certificate market. The volume of operations handled here has regularly increased to the satisfaction of the participants and the Treasury and it now represents a quarter of transactions carried out on the regulated off-exchange market.

In compliance with the "Stability Programme 2001-2005", continuing to reduce the public debt remains a priority and the Government fully intends to allocate the resources required to reach the objective which it has set itself, i.e. a level of debt below 90 % for all public authorities in 2005.

This will create new challenges for the Debt Agency set up at the end of 1998 within the Treasury, and in particular in terms of instruments established to reshape the maturity schedule and to manage market risks. Debt will continue to be managed within the framework of the General Guidelines which I adopt each year on the basis of proposals from the Debt Strategy Committee. As such, good progress is being made in eliminating the exchange risk due to non-euro debt and this will remain a priority in the coming months. The policy of progressively increasing the share of funded debt which is reflected in duration lengths has made it possible to reduce uncertainty and to take precautions in 2000 against costs resulting from the

volatility of interest rates in general, and the rise in money market rates in particular. Debt management has thus contributed to controlling public finances and the achievement of a balanced budget in 2000, two years earlier than envisaged in the Stability Programme.

With its small but experienced and motivated team, the Debt Agency will undoubtedly be able to cope with future developments. And it has earned recognition for its expertise in Belgium and abroad. I am pleased that its intervention was planned in several recent Government initiatives involving managing financial instruments, such as the "Fonds de vieillissement-Zilverfonds" (Silver Fund) where it was decided that the Debt Agency is to manage the resources. This new task is a natural extension of its traditional activities involving sourcing the funds needed to balance the resources available to the Federal State at optimum cost and at the lowest possible risk.

The Minister of Finance,



Didier REYNDERS

The major federal debt figures (in billions of BEF or in %, on 31 December)

	1999	2000
1. Net Financing Borrowing (NFB)	147.1	22.4
2. - Exchange differences	38.8	14.7
- Capitalisation of interest	9.6	20.0
- Operations with the IMF	55.5	42.9
- Miscellaneous (correction of issue and exchange differences)	-24.6	30.1
3. Debt taken over	10.7	0
4. Effective variation in net debt (1+2+3)	237.1	130.1
5. Net exposure (a)	9 948.1	10 078.2
6. Net increase in debt in %	2.44 %	1.31 %
7. Exposure on Treasury management operations (a)	6.0	49.6
8. Gross exposure [(5)+(7)]	9 954.1	10 127.8
9. Exposure on main debt instruments		
A. In EUR/BEF:		
- Linear bonds	6 377.1	6 985.1
- Traditional issues	1 287.7	1 008.6
- State notes	198.2	246.9
- Treasury certificates (net exposure) (b)		
- 3 months	199.1	114.9
- 6 months	353.9	269.3
- 12 months	618.7	647.0
- "Belgian Treasury Bills" in EUR/BEF	34.7	15.5
- Private, interbank and miscellaneous issues	324.0	334.7
- Funded debt issued in former euro-zone currencies	85.6	93.7
- Funded debt issued in former euro-zone currencies and swapped into EUR	53.9	64.9
Total:	9 532.9	9 780.6
As a % of total debt in EUR/BEF		
- Linear bonds	66.90 %	71.42 %
- Traditional issues	13.51 %	10.31 %
- Treasury certificates	12.29 %	10.54 %
- State notes	2.08 %	2.53 %
- Others	5.22 %	5.20 %
B. In foreign currencies		
- funded (EMTN + long term)	339.5	279.5
- floating	81.7	67.7
Total:	421.2	347.2

	1999	2000
10. Distribution by currency		
A. Domestic debt	9 532.9	9 780.6
- In funded and floating EUR/BEF	9 393.4	9 622.0
- In former euro-zone currencies	139.5	158.6
B. In foreign currencies	421.2	347.2
As a % of total gross exposure		
- EUR/BEF	95.77 %	96.57 %
- In foreign currencies	4.23 %	3.43 %
11. Distribution according to maturity on issue as a % of total gross exposure		
- long and medium-term (>1 year)	84.37 %	86.06 %
- short-term (<1 year)	15.63 %	13.94 %
12. Distribution according to the rate as a % of the total gross exposure		
- Fixed rate	84.1 %	86.1 %
- Variable rate	15.9 %	13.9 %
13. - Debt duration in BEF and EUR	3.80	4.09
- Debt duration in non-euro currencies	1.98	1.44
14. Federal State interest charges (c)	586.9	592
15. Weighted average interest rate	6.3 %	6.4 %
16. GDP	9 423.3	9 915.3
17. Ratio of federal interest charges on federal expenditure in %	35.5 %	34.6 %
18. Debt ratio for all public authorities (as a % of GDP)	116.4 %	110.8 %

(a) The difference between gross and net debt exposure (i.e. BEF 49.6 billion at the end of 2000) results, on the one hand, from the deduction of temporary investments made during treasury management operations (BEF 46.2 billion on 31 December 2000) and, on the other hand, of financing allocated by the Treasury to the Securities Regulation Fund (BEF 3.4 billion on 31 December 2000) on the basis of Article 30 of the law dated 2 January 1991.

(b) Net TC exposure = difference between the nominal sum issued and the discounted interest.

(c) Excluding capitalised interest (exchanges); this sum has been corrected by issue and exchange premiums distributed pro rata temporis over the lifetime of the issues concerned.

- in 1995, it comprised a gain of BEF 115 million.
- 1996: a gain of BEF 1 089 million.
- 1997: a gain of BEF 5 095 million.
- 1998: a gain of BEF 10 223 million.
- 1999: a gain of BEF 19 123 million.
- 2000: a gain of BEF 26 578 million.

The major federal debt figures (in billions of EUR or in %, on 31 December)

	1999	2000
1. Net Financing Borrowing (NFB)	3.65	0.555
2. - Exchange differences	0.96	0.363
- Capitalisation of interest	0.239	0.497
- Operations with the IMF	1.38	1.064
- Miscellaneous (correction of issue and exchange differences)	-0.611	0.745
3. Debt taken over	0.27	0
4. Effective variation in net debt (1+2+3)	5.88	3.224
5. Net exposure (a)	246.608	249.831
6. Net increase in debt in %	2.44 %	1.31 %
7. Exposure on Treasury management operations (a)	0.148	1.230
8. Gross exposure [(5)+(7)]	246.75	251.061
9. Exposure on main debt instruments		
A. In EUR/BEF :		
- Linear bonds	158.08	173.157
- Traditional issues	31.924	25.002
- State notes	4.913	6.119
- Treasury certificates (net exposure) (b)		
- 3 months	4.935	2.848
- 6 months	8.774	6.676
- 12 months	15.338	16.040
- "Belgian Treasury Bills" in EUR/BEF	0.861	0.385
- Private, interbank and miscellaneous issues	8.037	8.297
- Funded debt issued in former euro-zone currencies	2.12	2.32
- Funded debt issued in former euro-zone currencies and swapped into EUR	1.34	1.61
Total:	236.31	242.455
As a % of total debt in EUR/BEF		
- Linear bonds	66.90 %	71.42 %
- Traditional issues	13.51 %	10.31 %
- Treasury certificates	12.29 %	10.54 %
- State notes	2.08 %	2.53 %
- Others	5.22 %	5.20 %
B. In foreign currencies		
- funded (EMTN + long term)	8.42	6.929
- floating	2.024	1.677
Total:	10.44	8.606

	1999	2000
10. Distribution by currency		
A. Domestic debt	236.32	242.455
- In funded and floating EUR/BEF	232.86	238.524
- In former euro-zone currencies	3.458	3.931
B. In foreign currencies	10.441	8.606
As a % of total gross exposure		
- EUR/BEF	95.77 %	96.57 %
- In foreign currencies	4.23 %	3.43 %
11. Distribution according to maturity on issue as a % of total gross exposure		
- long and medium-term (>1 year)	84.37 %	86.06 %
- short-term (<1 year)	15.63 %	13.94 %
12. Distribution according to the rate as a % of the total gross exposure		
- Fixed rate	84.1 %	86.1 %
- Variable rate	15.9 %	13.9 %
13. - Debt duration in BEF and EUR	3.80	4.09
- Debt duration in non-euro currencies	1.98	1.44
14. Federal State interest charges (c)	14.5	14.7
15. Weighted average interest rate	6.3 %	6.4 %
16. GDP	233.6	245.8
17. Ratio of federal interest charges on federal expenditure in %	35.5 %	34.6 %
18. Debt ratio for all public authorities (as a % of GDP)	116.4 %	110.8 %

(a) The difference between gross and net debt exposure (i.e. EUR 1230 million at the end of 2000) results, on the one hand, from the deduction of temporary investments made during treasury management operations (EUR 1147 million on 31 December 2000) and, on the other hand, of financing allocated by the Treasury to the Securities Regulation Fund (EUR 83 million on 31 December 2000) on the basis of Article 30 of the law dated 2 January 1991.

(b) Net TC exposure = difference between the nominal sum issued and the discounted interest.

(c) Excluding capitalised interest (exchanges); this sum has been corrected by issue and exchange premiums distributed pro rata temporis over the durations of the issues concerned.

- in 1995, it comprised a gain of EUR 3 million.
- 1996: a gain of EUR 27 million.
- 1997: a gain of EUR 126 million.
- 1998: a gain of EUR 253 million.
- 1999: a gain of EUR 474 million.
- 2000: a gain of EUR 659 million.

PART I

BELGIUM'S ECONOMIC AND FINANCIAL DEVELOPMENT IN 2000

1. OVERVIEW

In 2000, Belgium enjoyed economic growth which had not been matched for a decade and involved a 4% increase in Gross Domestic Product, a greater expansion than the European average. This increase in economic activity was primarily evident in the first half of the year and then lessened somewhat in the second half. It was supported, on the one hand, by the robustness of foreign demand and therefore of exports (+11.8%) encouraged by reinforced competitiveness linked to the depreciation of the euro, and the resilience of domestic demand (+3.4%) bolstered by the general climate of confidence, on the other.

Economic growth of 4%
in 2000

The current balance of payments recorded a surplus of 4.6% of GDP for the year under review. For their part, net exports made a positive contribution of 0.8 percentage points to growth in GDP.

Inflation increased appreciably in 2000: the growth in the harmonised consumer price index increased from 1.1% in 1999 to 2.7% on average for the year under review. This increase was essentially due to a rise in the cost of energy and the depreciation of the euro. However, at the end of the year, the fall in petroleum prices, continued wage restraint and the euro's recovery led to a slowdown in inflation.

Unemployment continued the downward trend noted in previous years (7% of the labour force in 2000 compared with 8.8% in 1999) under the effect of the favourable economic situation and structural measures adopted by the public authorities to reduce employer contributions and to support training.

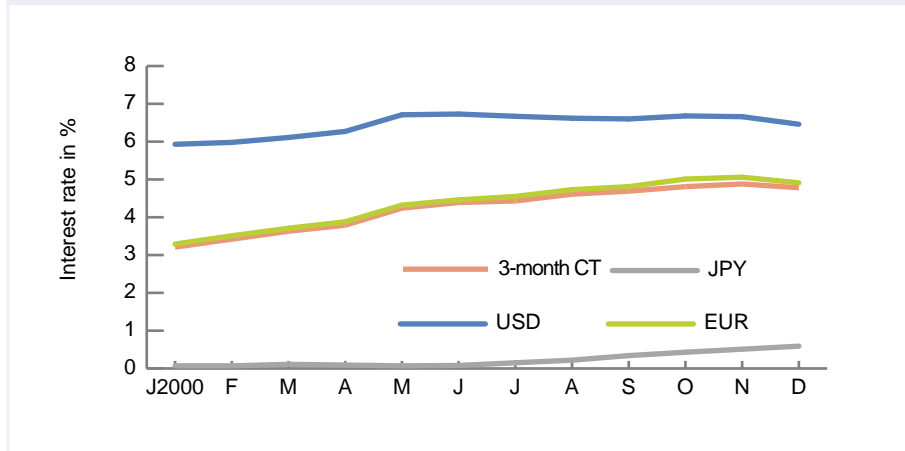
As regards Belgian interest rates in 2000, the short-term segment recorded a rising curve due to various rate increases under the money market policy operated by the European Central Bank aimed at reacting preventively to risks threatening medium-term price stability. In contrast to the previous year, long-term rates did not follow a rising curve, thereby reflecting the development of rates in the United States, continued wage restraint and a reduction in inflationist expectations following Eurosystem rate rises. The curve for Belgian rates therefore flattened out to a degree in 2000.

Short-term interest rates
up

Long-term interest rates
down

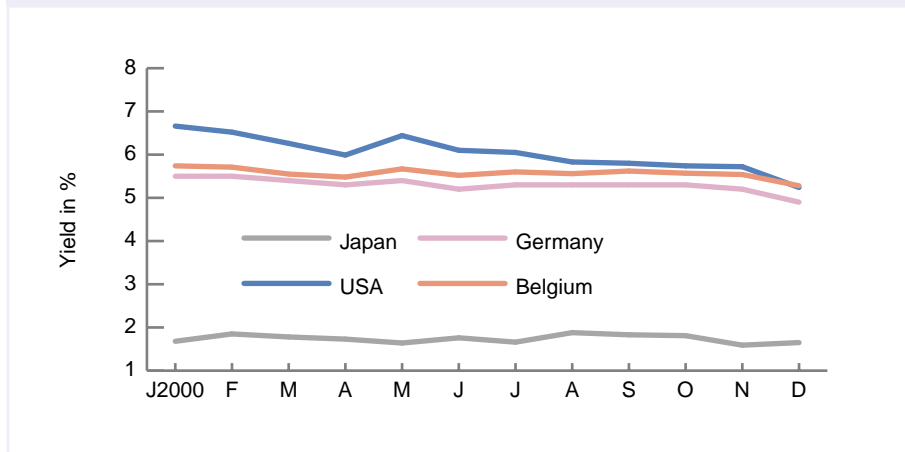
From January to December 2000, the rates for 3-month Treasury certificates rose from 3.21% to 4.78% on average with an average peak of 4.88% in November of the year under review. Throughout the year, the spreads relative to average 3-month euro yields were positive to the advantage of Belgian rates.

Graph 1: Average 3-month interest rates in 2000



For its part, the trend for long-term rates was characterised by a slight fall. Thus, from January to December 2000, the yield from the 10-year benchmark OLO dropped from 5.87% to 5.23% with an average spread relative to bunds of the same maturity of approximately 33 basis points to the advantage of the latter.

Graph 2: Average yield from 10-year reference bonds



Interest charges on the federal debt increased slightly in absolute terms in 2000 relative to 1999 by increasing from BEF 586.9 to 592 billion. This development resulted from the rise in short-term rates which occurred during the year under review whereas the full impact of the slight drop in long-term rates will only be felt later. In GDP terms, interest charges continued the downward trend begun in recent years which, in combination with the improvement in the primary surplus, made it possible to achieve equilibrium in public finances in 2000, two years ahead of the date planned in Belgium's Stability Programme.

Interest charges up slightly

2. DEVELOPMENT OF PUBLIC AUTHORITY FINANCES IN 2000

2.1. Implementation of the 2000-2003 Stability Programme

The year 2000 was a pivotal year for Belgium's public finances, as a balanced budget was achieved.

A balanced budget in 2000

As the table below shows, the objectives of the Stability Programme for 2000-2003 were more than achieved. In the Stability Programme for 2000-2003 drawn up at the end of 1999, the government committed itself to further reducing the budget deficit and to bringing it down to 1% of GDP in 2000 and 0.5% in 2001, with a view to achieving equilibrium in 2002. The results obtained are therefore two years in advance of the schedule planned in the Stability Programme for 2000-2003.

Table 1: The Stability Programme for 2000-2003. Targets and results achieved in terms of the financing balance (as a % of GDP)

	1999 Achieved	2000 Targets	2000 Estimated
Public authorities (total)			
Primary surplus	6.5	6.0	7.0
Financing balance	-0.7	-1.0	0.0
Entity I (a)			
Primary surplus	5.5	5.2	6.4
Financing balance	-1.1	-1.1	0.0
Entity II (b)			
Primary surplus	1.1	0.9	0.6
Financing balance	0.4	0.2	0.0

(a) Federal Authorities and Social Security

(b) Communities and Regions as well as local authorities

Three factors explain the result achieved in 2000. Firstly, the macro-economic environment exceeded expectations by achieving real growth in GDP of 4% in 2000, representing the strongest increase since 1988. Secondly, thanks to the budget policy implemented by the government, the positive effects of the economic situation were essentially allocated to improving the budget balance. In the Stability Programme, the government had committed itself to assigning the budget margins resulting from greater than predicted growth to further reducing the public deficit as a matter of priority. For the Federal authorities and Social Security, this commitment took form as taking account of the growth forecasts adopted during the initial budget (2.5%) and not the estimates available at the time (3.1%) when estimating receipts for the year 2000 budget audit. Finally, a third factor which influenced the year 2000 result positively was the fact that the 0.7% GDP financing deficit finally achieved in 1999 was better than the objective of 1.1% planned in the Stability Programme for 2000-2003.

In 2000, it was primarily Entity I which recorded results that were better than those predicted in the Stability Programme. The income tax and VAT transfers made by the Federal authorities to the Communities and Regions, in

compliance with the special financing law and which comprise these bodies' principle source of financing, only registered a limited rise in 2000. This was due, on the one hand, to the fact that the sums transferred in 1999 were influenced by a single regularisation and, on the other hand, to the fact that the technical parameters used to calculate these resources worked with the growth rate achieved in 1999 as their basis. This meant that the favourable effect of the economic situation on fiscal receipts was almost entirely felt at the level of the Federal authorities.

According to figures published by Eurostat, the euro zone countries recorded a financing surplus of 0.3% of GDP on average in 2000. However, for certain countries, these figures include the receipts from UMTS licences. If these receipts are excluded, an estimated deficit of 0.8% of GDP is reached for the euro zone. By achieving a balanced budget in 2000, Belgium therefore recorded a better result than the euro zone average.

Table 2: Receipts and expenditure of all public authorities (as a % of GDP)

	1999 (actual)	2000 (estimates)
Receipts (1)	50.0	49.9
Primary expenditure (2)	43.5	43.0
Primary balance (3 = 1-2)	6.5	7.0
Interest charges (4)	7.2	6.9
Financing balance (5 = 3-4)	-0.7	0.0

The improvement in the financing balance can be attributed, to a lesser extent than in 1999, to a continued reduction in interest charges which was curbed by the increase in interest rates. The enhancement was essentially due to the development of the primary balance which reached 7.0% of GDP in 2000. This represents an increase of one percentage point relative to the reference value (6%) provided for in the first Stability Programme (1999-2002). This improvement was achieved despite a limited fall in the receipts ratio. For its part, primary expenditure recorded a relatively limited real growth of 1.4%. The combination of this limited growth in primary expenditure and the high growth in GDP led to a substantial fall in primary expenditure as a percentage of GDP.

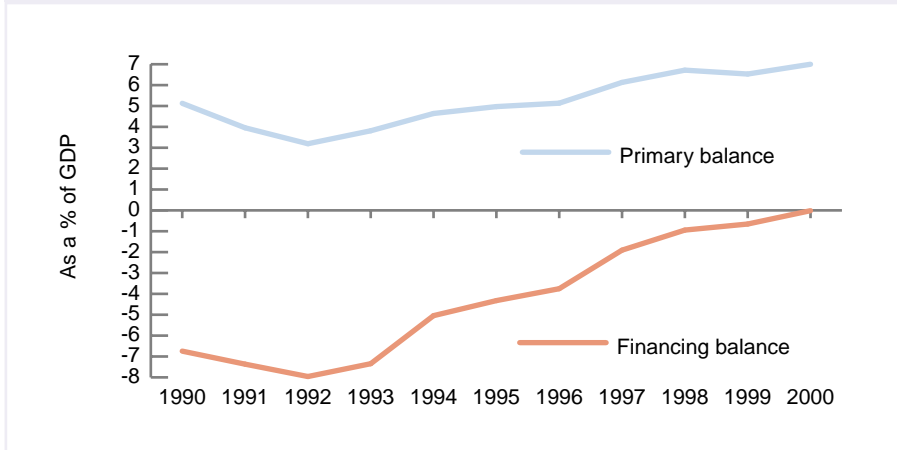
Graph 3 shows the systematic fall in the budget deficit since 1993. This is due not only to reduced interest charges, but also the achievement of a large primary balance.

The reduction in the budget deficit, the allocation of capital gains on sales of gold undertaken by the National Bank of Belgium, the use of privatisation receipts as well as efforts made to consolidate the debt within the public sector led to a fall in the debt ratio. This dropped from 138.8% of GDP in 1993 to 110.8% of GDP in 2000. Apart from a fall in the implicit rate for the

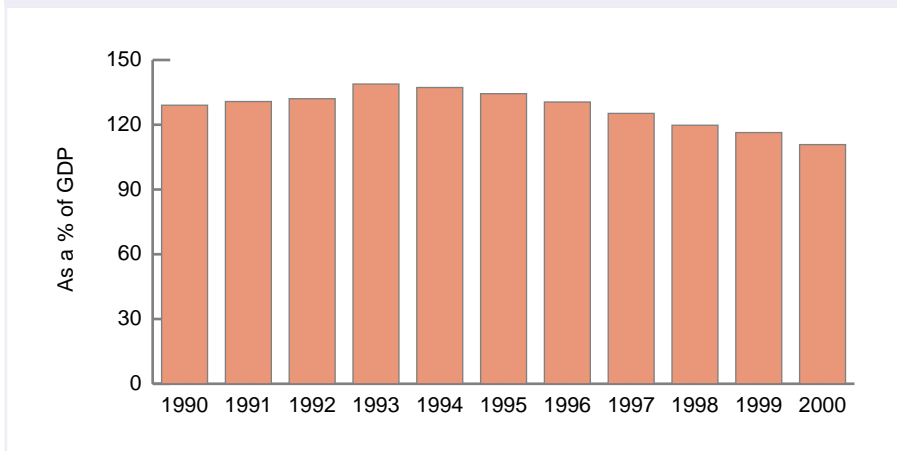
Improvement due to the level of the primary balance

public debt, the reduction in the debt rate helped to lower the interest charge ratio.

Graph 3: Development of the primary balance and the financing balance (as a % of GDP)



Graph 4: Development of the debt ratio from 1990 to 2000



2.2. The 2001-2005 Stability Programme

The federal government drew up a multi-year programme covering 2001-2005 at the same time as the 2001 budget was being prepared. This served as a basis for the Stability Programme for 2001-2005 and the government undertook to achieve a surplus of 0.7% of GDP for 2005 in it. This will make it possible to bring the debt rate under 90% in 2005. This commitment also applies if growth is lower except in the event of substantial negative differences in trend-related growth or if interest rates develop in an exceptional way.

Budget surplus for the coming years

Table 3: Interest charges and budgetary balances for the public-authority entities under the Stability Programme for 2001-2005 (as a % of GDP)

	2000 estimated	2001 targets	2002	2003	2004	2005
Public authorities (total)						
Primary surplus	7.0	6.8	6.6	6.4	6.3	6.2
Interest charges	6.9	6.6	6.3	6.0	5.7	5.5
Financing balance	0.0	0.2	0.3	0.5	0.6	0.7
Entity I						
Primary surplus	6.4	5.7	5.7	5.7	5.7	5.6
Interest charges	6.3	6.0	5.8	5.5	5.3	5.1
Financing balance	0.0	-0.3	0.0	0.2	0.4	0.5
Entity II						
Primary surplus	0.6	1.0	0.8	0.8	0.6	0.6
Interest charges	0.6	0.5	0.5	0.5	0.4	0.4
Financing balance	0.0	0.5	0.3	0.3	0.2	0.2
Gross debt ratio	110.8	105.8	101.4	97.2	92.9	88.7

Budget margins for government policy

Aside from the need to accelerate the reduction of collective public authority debt, it is also necessary to pay particular attention to our society's present and future needs. Compliance with agreed budgetary standards will enable us to have budget margins at our disposal in the coming years. In the case of Entity I, this margin should reach up to 1.3% of GDP in 2005 and help to implement the government's priorities, i.e. a general reduction in fiscal pressure and more specifically fiscal pressure on labour, an improvement in the level of employment, the injection of further investment into public transport, an increase in the resources allocated to development aid as well as improved public service performance.

Substantial resources have been earmarked for income tax reform, which will be implemented gradually from 2002. Thus, income tax should fall by 0.8% of GDP in 2005 and by 1.3% in 2006 when the reform is fully underway. Fiscal pressure will be reduced with the introduction of a repayable tax credit for the lowest earners and by the restructuring of tax scales which will be limited to 50% at the top end. Discrimination between married and unmarried couples should also be eliminated. The reform also provides for higher repayment of childminding costs as well as a whole range of measures in favour of the environment. Finally, fiscal pressure will also decrease under the effect of the gradual elimination of the supplementary recession levy.

In order to be able to cope with financing pensions after 2010 without increasing fiscal pressure or burdening the public finances with debt, the government has decided to create a "Fonds de vieillissement-Zilverfonds" (Silver Fund). This fund will be funded by budget surpluses, Social Security surpluses as well as non-fiscal receipts (such as the profits from the sale of UMTS licences and privatisation receipts, for example).

For its part, employment policy is essentially focused on improving the level of employment. After the introduction of a general reduction in social security charges in 2000, new measures will involve reducing charges in more specific sectors. It should be noted that employment grew very significantly in 2000 (+1.8%) due to various factors such as wage restraint, a lowering of social security contributions and the use of employment programmes. Thus, approximately 68,000 new jobs were created, something which had not occurred since the 1960s.

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PART II

THE TREASURY'S FINANCING STRATEGY

1. THE TREASURY'S FINANCING REQUIREMENTS IN 2000

1.1. Funding needs

Funding needs dropping

The total financing requirement for 2000 amounted to EUR 27.30 billion, representing 92% of the EUR 29.81 billion initially forecast for 2000. The main reason for the difference can be found in the major decrease in the share represented by the Federal State's budget deficit, which had been estimated at EUR 3.19 billion at the start of 2000 whereas it was actually equal to EUR 0.55 billion on 31/12/2000¹.

The total debt reaching maturity in 2000 amounted to EUR 21.65 billion (compared with the initially estimated EUR 21.82 billion), which can be broken down as follows:

- repayment of long-term debt securities reaching maturity in 2000: EUR 13.15 billion (initial forecast: EUR 14.05 billion). These sums essentially comprised three OLO lines (EUR 7 billion) and three Philippe bonds (EUR 5.4 billion);
- exchanges in 2000 of long-term EUR bonds reaching maturity in 2000: EUR 7 billion (initial forecast: EUR 6.07 billion);
- reimbursement of foreign currency debt²: EUR 1.50 billion (initial forecast: EUR 1.70 billion).

As regards foreign currency debt, the Government's policy is to repay it completely. However, implementing this repayment policy also largely depends on conditions in the financial markets, which were not very favourable due to the weakness of the euro in 2000.

1.2. Means of funding in 2000

The Treasury's total means of funding in 2000 amounted to EUR 32.69 billion, equal to 103.8% of the sum initially provided for in the budget (EUR 31.85 billion).

¹ This is the Federal State's budget deficit in the strict sense of the term and not the figure derived from the consolidated budget balance for the Federal State, Social Security, the Regions and the Communities.

² Debt in currencies other than the Belgian franc and other currencies in the euro zone.

These resources break down as follows:

- Issues of linear bonds by auctions and syndication: EUR 20.12 billion (compared with an initially budgeted 19.46 billion). This EUR 20.12 billion was issued on the basis of 63.1% via the 10-year OLO, 27.2% via the 5-year OLO and 9.7% via the 30-year OLO.
- Exchanges worth EUR 11.99 billion (initial forecast based on the hypotheses of the year 2000 budget: EUR 10.87 billion), distributed as follows:
 - EUR 6.93 billion for debt instruments reaching maturity in 2000;
 - EUR 5.06 billion for debt instruments reaching maturity in 2001.
- Issues of State notes worth a total of EUR 1.22 billion (EUR 1.16 billion was initially planned).

It should be noted that there were no issues of foreign currency debt securities, although issues worth EUR 0.36 billion had initially been planned.

No foreign currency issues in 2000

The difference between the State's funding needs and means therefore recorded a fall of EUR 5.39 billion in short-term debt (Treasury certificates, Treasury bonds and interbank borrowing).

Table 4 below summarises this data.

Table 4: Treasury financing in 2000 (billions of EUR)

	2000 budget hypotheses	Achieved on 31/12/00
I. <u>Gross financing requirements</u>		
1. Funding needs in 2000	25.01	22.21
Budget deficit (1)	3.19	0.55
Debt maturing in 2000	21.82	21.65
- Long and medium-term debt in euro	20.12	20.15
- Foreign currency debt	1.70	1.50
2. Pre-funding planned for 2001		
Exchanges of bonds maturing in 2001	4.80	5.09
Total I.	29.81	27.30
II. <u>Means of funding</u>		
1. Medium and long-term issues in euro	31.49	32.69
OLO (auctions and syndications)	19.46	20.12
Bond exchanges	10.87	11.99
Maturity 2000	6.07	6.93
Maturity 2001 (2)	4.80	5.06
State notes	1.16	1.22
Other (3)	0.00	-0.63
2. Foreign currency issues	0.36	0.00
Total II.	31.85	32.69
III. <u>Net development of short-term debt in euro</u> (4)	-2.04	-5.39

(1) Seasonal parameter: interest charges are higher during the first half year and tax revenue is higher during the second half year.

(2) Total on 1 January 2000 of medium and long-term debt reaching maturity in 2001: EUR 23.7 billion.

(3) Issue premiums included.

(4) Average exposure for short-term debt in euros in 1999: EUR 42.9 billion;
Average exposure in 2000: EUR 37.3 billion.

2. GENERAL GUIDELINES FOR 2000: OBJECTIVES AND ACHIEVEMENTS

The General Guidelines (GGs) determine the framework governing management of the following risks: the exchange rate risk, the interest rate risk and the refinancing risk. The proportion of debt in foreign currencies determines the exchange rate risk, while duration measures the interest rate risk. The structure of the debt schedule indicates the financing risk and to a certain extent decides the financing policy for the budget year in question.

2.1. Exchange rate risk

Reducing the foreign currency debt has been a Treasury objective for the past number of years. The aim of Government policy is to eliminate this debt in the longer term, either by refinancing finally maturing debt in euros or by converting existing positions in CHF, USD and JPY into euros by using derivatives.

The table below presents the distribution of the debt by currency at the end of 2000 as well as the maximum and minimum margins defined in the General Guidelines.

Table 5: Breakdown of the debt by currency. Minimum and maximum margins planned in the 2000 General Guidelines

	Minimum margin	Total %	Maximum margin
EUR	97%	96.67%	100%
CHF	0%	2.09%	2.50%
USD	0%	0.41%	1%
JPY	0%	0.74%	0.50%
Non-EUR total	0%	3.24%	3%

At the end of 2000, debt in euros accounted for 96.67% of the total. At the end of 1999, this share was equal to 96.02% of the total. Foreign currency debt therefore fell, although insufficiently to reach the margins provided for in the GGs. According to these, debt in euros was to reach at least 97% of the total. The unfavourable level of exchange rates partially explains the non-achievement of this objective.

Foreign currency debt
falling

In 2000, the proportion of the debt in USD amounted to 0.41% of the total, and was therefore within the 0 to 1% range stipulated by the GGs. The fall relative to 1999 came to 0.14%, despite this currency appreciating. This reduction was the result of currency swaps whereby USD 200 million was converted into euros.

The proportion of the debt in JPY was equal to 0.74% of the total, i.e. outside the range of 0 to 0.5% stipulated in the GGs. Nonetheless, debt in JPY dropped from 1.21% at the end of 1999 to 0.74% at the end of 2000, following refinancing in euros at the final maturity of JPY debt instruments worth an equivalent of EUR 1,266 million.

The proportion of debt in CHF represented 2.09% of the total in 2000, and was therefore within the range of 0 to 2.5% specified by the GGs.

2.2. The interest rate and refinancing risks

The table below presents the duration per currency at the end of 2000 as well as the maximum and minimum margins defined in the General Guidelines.

	Minimum margin	Actual	Maximum margin
EUR	3.50	4.09	4.50
CHF	0.75	0.57	1.25
USD	1.75	0.47	2.25
JPY	1.75	4.31	2.25
Total non EUR		1.44	

(*) This is the modified duration.

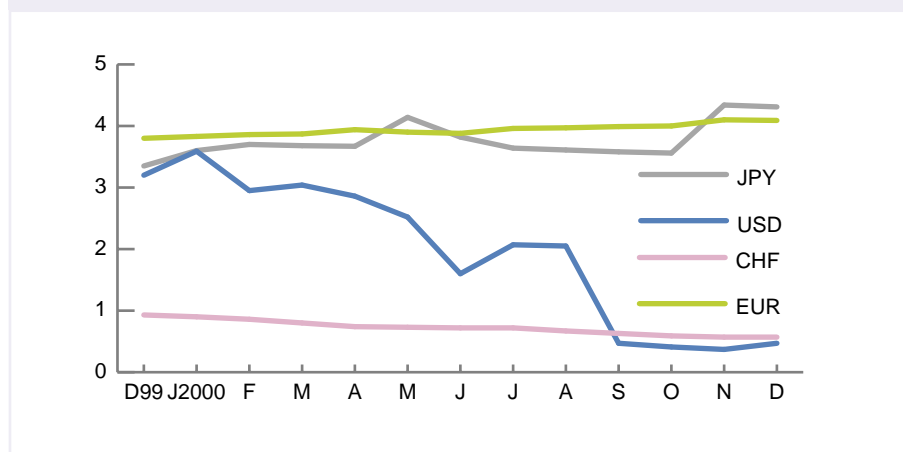
Stable duration for the euro

At the end of 2000, the duration of the debt in euros was equal to 4.09, which was well within the flexibility margin of 3.5 to 4.5 described in the General Guidelines. As graph 5 shows, the duration of the debt in euros remained stable throughout the period. This stability can be explained, on the one hand, by an unwavering issuing schedule and, on the other, by the maintenance of long-term rates at the same absolute level within this period.

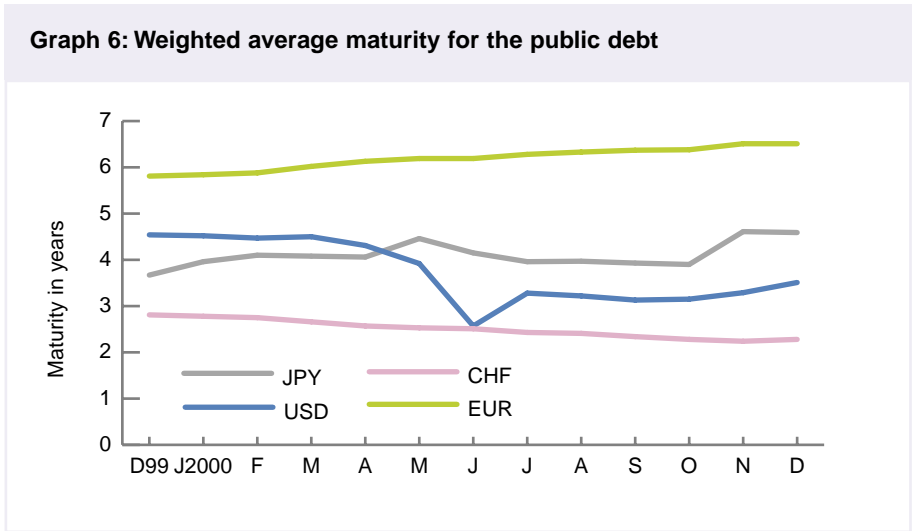
The duration of the debt in CHF fell from 0.93 to 0.57. Apart from the effect produced by rates, this result is also explained by the natural shortening of the maturity of CHF debt instruments. At a level of 0.57, the duration of CHF was slightly outside the flexibility margins of 0.75 to 1.25.

The duration of debt in USD dropped from 3.2 to 0.47 following interest rate swap operations, thus falling outside the margins of 1.75 to 2.25.

Graph 5: Duration of the public debt



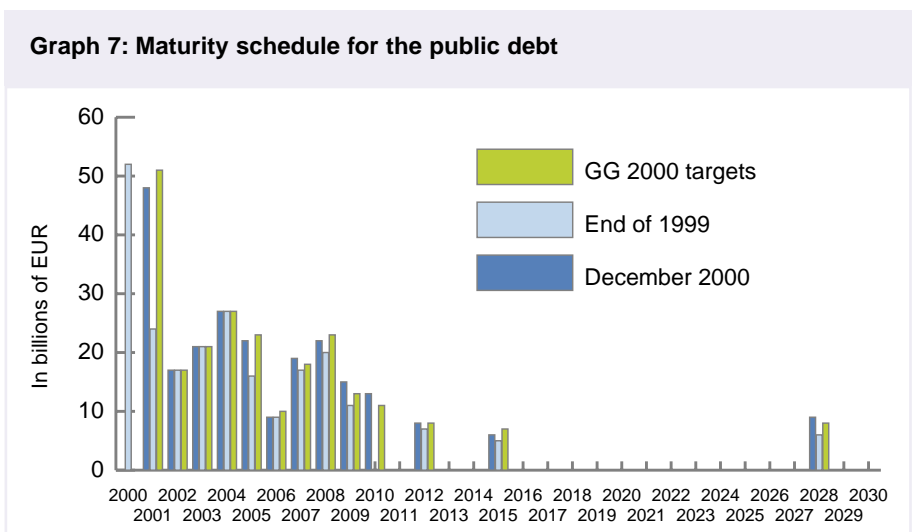
For its part, the duration of JPY debt increased from 3.35 to 4.31 following a series of repayments. Given that swapping long-term JPY positions into euros creates a significant additional expenditure, the Treasury preferred to reduce these positions by refinancing in euros at final maturity. This led to an increase in duration to 4.31, which was therefore outside the margins of 1.75 to 2.25.



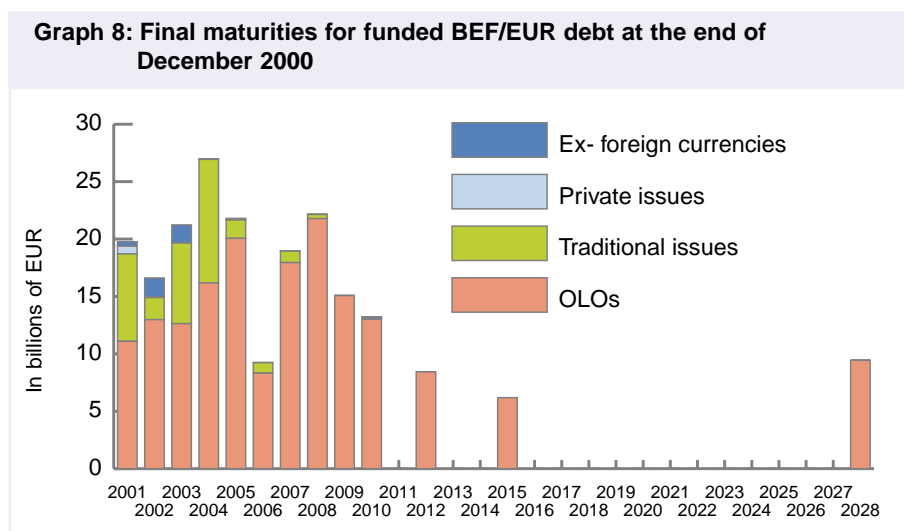
The weighted average maturity of the debt is another rate risk indicator. Although this indicator is not included in the 2000 GGs, it was monitored regularly in the year under review. Graph 6 shows the debt's weighted average maturity for 2000.

Weighted average maturity

This graph also makes it possible to understand the concept of the refinancing risk. The weighted average maturity provides an indication of the maturity of all cash account flows together. A long debt maturity protects the budget better against possible shocks in the financial markets. The Treasury's attention focused mainly on the euro debt refinancing risk on the basis of the maturity schedule presented in graph 7.



This graph enables us to visualise the impact of financing on the money market and the capital market during the period considered as well as to evaluate to what extent the objectives were reached. The main objectives were to concentrate primary issues in the 5 and 10 year segments. In addition, the Treasury endeavoured to concentrate its issues on relatively unburdened maturities.



3. MANAGEMENT OF PROFESSIONAL RESOURCES AND SYSTEMS

3.1. Debt management within the Treasury Administration

Managing the Federal State debt falls within the remit of the Treasury Administration which is part of the Ministry of Finance. In practical terms, the Debt Department in this administration comprises two closely linked departments, i.e. "The Debt Agency" and the "Public Debt Department".

Management provided by the Debt Agency

The main financial management tasks are the responsibility of the Debt Agency which takes care of operational and strategic management of public debt while the Public Debt Department essentially looks after public service supervisory functions (making globalised treasury estimates, processing operation accounts, financial servicing of debt instruments, attachment against securities, etc.).

3.2. The Debt Agency's internal organisation

The Debt Agency was set up in October 1998 to cope with the introduction of the euro at the start of 1999 and the market globalisation which accompanied it.

The Agency operates in the financial markets and it organises the issue of short, medium and long-term debt instruments and looks after the management of rate and exchange risks. While the Agency essentially aims its products at institutional investors, it also offers products intended for private individuals. Different types of issues exist, i.e. syndications, auctions, exchanges and, on a marginal basis, direct investments. For their part, treasury surpluses are invested for remuneration.

The Agency comprises three departments: a front-office, a back-office and a middle-office. The front-office operates in direct liaison with the financial markets while the back-office, following the example of what happens in financial institutions, checks, confirms, registers and settles financial transactions via the National Bank of Belgium. The third department, the middle-office, draws up management strategies, evaluates risks, interprets aspects of the budget and develops financial projects. This complete structure is reinforced by the existence of a specialist legal department and a marketing and public relations section.

The Agency also has a high-performance systems team as well as a unit responsible for supervising compliance (the internal audit department).

The most important decision-making body in the Agency is the Strategy Committee chaired by the Treasury's Administrator General and assisted by a representative of the Minister of Finance (the principal secretary or a ministerial adviser), the Director General of the Treasury and the Public Debt, the Agency's three directors as well as the Auditor General of the Public Debt department. The decisions made by the Strategy Committee are prepared by the Executive Committee, which includes the Agency's three directors as well as the Director General of the Treasury and the Public Debt among others.

3.3. The Agency's resources in terms of staff and material resources

The Agency has a staff of 40 people made up of qualified civil servants and financial, international law and IT experts from the private sector.

Qualified staff and sophisticated resources

All of the staff's workplaces are computerised and interlinked by a LAN which offers access to professional documentation and procedures.

The Agency has an automated central application for on-line registration and saving of financial operations as well as for the analysis of risks depending on market developments ("marked to market" via data downloads from financial information providers).

In terms of business continuity planning, work in cooperation with the National Bank of Belgium has continued with the result that the Debt Agency now has an alternative working site. These installations guarantee both adequate physical safety and operational security, without forgetting access to the State Cashier and the market regulator (Securities Regulation Fund) as well as access to Treasury data and its confidentiality.

Alternative operating facility at the NBB

3.4. The Debt Agency's internal audit function: efficiency and compliance

The Debt Agency's internal audit function has been assigned to a specialist department in the Agency which exercises its powers in compliance with internationally recognised standards in terms of methodology and ethics. Furthermore, this department takes all steps possible to invest the internal audit function with content prescribed by the latest definition of internal auditing by insisting in particular on maintaining quality and providing advice.

A series of measures were adopted in 2000 to improve the operation of the Agency's internal services. Particular attention was also paid to facilitating the exchange of information with the Public Debt Department as well as to improving the use of existing systems. Emphasis was placed on optimising service to counterparties as well as seeking means to reduce the costs of financing the public debt. This phase of consolidating and optimising the development of the Agency's activities was implemented very successfully and has been continued with the support of the internal audit department.

The Agency's internal audit function also deals with creating contacts and exchanging as well as exploiting know how with similar departments in counterparties, within other sovereign issuers and among supervisory authorities or professional associations.

4. THE MAJOR THRUSTS IN STRATEGY

Thanks to a coherent strategy based on transparency, liquidity, internationalisation and efficiency, the Treasury has done its utmost to position public debt instruments within the euro market.

4.1. Transparency

The OLO and Treasury certificate issues, which comprise the Treasury's main financing instruments, are organised via competitive auctions where primary dealers and recognised dealers in Belgian Treasury securities enjoy a monopoly.

At the start of each calendar year, the Treasury publishes a global financing plan including projections for the sums to be issued and the financing instruments used.

In order to promote transparency, the Treasury also publishes the issue schedules for OLOs and Treasury certificates on its website.

The schedules for these two instruments were modified in 2000 in order to derive the greatest advantage possible.

Treasury certificate issue schedule

Adapting the certificate issue schedule has a twin objective: to create lines with greater volume and to adjust the maturities of certificates to take account of the periods when major fiscal receipts are booked.

In practice, the number of maturities of Treasury certificates has been limited to two per month instead of the previous one per week. The number of lines has thus been reduced from 25 to 18. This has led to a substantial increase in the global volume issued per line, which matches the liquidity requirements in the euro market.

Two TC maturities per month

The new lines issued at 6 and 12 months are subsequently re-opened as 3-month lines.

Limiting the number of maturities offers the advantage of facilitating the management of the day cash account. Sizeable fiscal receipts which are received twice per month can thus be allocated to repaying the most burdened Treasury certificate maturities.

OLO issue schedule

The OLO issue schedule was adapted at the start of 2000 following recommendations from the primary dealers. These modifications can be summed up briefly by the formula "fewer but more".

Fewer but more

This reform involved the Treasury calling on the financial markets less frequently while issuing greater amounts at each auction. Auctions are therefore held in principle every two months instead of every month.

Because at least 2 or 3 auctions are held by sovereign issuers each week in the euro zone, less frequent issues but for greater sums are more likely to stimulate the interest of investors.

Again as part of its concern to ensure transparency, the Treasury publishes a spread for the amount being auctioned a few days before the issue. Similarly, the Treasury contacts the primary dealers before each auction to hear their opinions and recommendations concerning the market conditions and the approaching auction.

Publication of a range

Finally, the Treasury constantly endeavours to provide up to date information via different channels: publications such as "Belgian Prime News" and other brochures which are more geared to Treasury products such as the "The Belgian Treasury's Financial Products", the Public Debt's website, the publication of data in figures on auctions via Bloomberg, Reuters and Telerate as well as press releases.

Better information

4.2. Liquidity

Achieving liquidity in the primary and secondary markets, both for Treasury certificates and OLOs, comprises one of the Treasury's priority objectives. As such, liquidity exercises a positive effect on the pricing of financial instruments as well as the financial cost of the debt.

The liquidity of the secondary market is guaranteed by the group of primary dealers. The contract linking the primary dealers and the Treasury actually specifies that one of the primary dealers' main obligations is to "ensure the liquidity of Belgian Treasury securities".

Liquidity guaranteed by the primary dealers

Thus, to position itself better within the competitive euro market, the Treasury expanded the group of primary dealers to include a number of major international financial institutions at the start of 1999.

The Treasury stimulates the primary dealers' active participation in the primary and secondary markets for public debt by offering them the opportunity to buy securities at the weighted average price of the issue at each auction. Furthermore, they also act as preferential counterparties within the framework of operations carried out by the Treasury in the financial markets (a list of primary dealers with their addresses and contact persons are included in Annex 7).

Higher volume lines for TCs

The reform of the issue schedule made it possible to make the adaptations needed to create lines with greater volume within the primary market for Treasury certificates. The average exposure per line thus rose from EUR 1.6 billion in 1999 to EUR 2.6 billion in 2000.

Issue using the syndication technique

In order to create an adequate level of liquidity immediately, the Treasury issued its new 10-year reference bond, OLO 35, via a syndicate which included all the primary and recognised dealers (as had been the case in 1999).

The syndication technique made it possible to gather EUR 5 billion at the first issue with the result that liquidity was practically guaranteed in the secondary market. The line was then fed by auctions which brought the sum in circulation to EUR 13 billion at the end of 2000.

The Treasury in cooperation with the primary dealers also introduced reforms in the secondary market in order to guarantee and increase liquidity.

Creation of MTS Belgium

A public limited company named MTS Belgium was therefore created in May 2000 with all the primary dealers and the Belgian State as shareholders. MTS Belgium is actually an electronic trading platform where OLOs are traded and where Treasury certificates have also been negotiated since April 2001. It is an "inter dealer broker" system to which a selected group of professionals have access.

All of the primary dealers as well as some non-primary dealer market makers have committed themselves to quoting ask and bid prices for OLOs with a minimum maturity of 15 months on this platform. They are obliged to display prices for minimum amounts per line with a limited maximum spread for a minimum of 5 hours per day.

In addition, MTS Belgium enables users to settle all transactions automatically. This reduces the cost of transactions appreciably and stimulates turnover.

MTS Belgium has enjoyed growing success since the moment it was launched and has made a very significant contribution to increasing liquidity in the secondary OLO market.

4.3. The internationalisation and diversification of public debt holders

Before the introduction of the euro, the major proportion of public debt was held by Belgian financial institutions. This share amounted to around 90%

where OLOs were concerned. As soon as the euro was launched (and this trend continued in 2000), a large number of these institutions began to diversify their portfolios more broadly. From its side, the Treasury had anticipated this phenomenon by taking the measures required to stimulate the interest of international investors in Belgian public debt securities.

The internationalisation of the holding of Belgian public debt which had begun in 1999 continued throughout 2000. As such, the major change which had occurred in 1999 was consolidated (figures in Part III – secondary market for domestic debt).

Internationalisation of debt holding

This trend towards internationalising the holding of public debt was also confirmed by data gathered in the primary dealers' quarterly activity reports.

These figures provide information concerning the geographical distribution of OLO and Treasury certificate purchases and sales. They reveal that trading in OLOs with counterparties located in other European countries increased significantly. For its part, trading in Treasury certificates still appears to be heavily concentrated in Belgium.

These statistics also show an appreciable increase in the share of turnover represented by foreign final investors, funds and insurance companies which will lead to a stabilisation of the holding of public debt abroad.

The syndication technique used since 1999 for the issue of the 10-year benchmark bond has made a significant contribution to internationalising public debt.

Syndication: an important catalyst for internationalisation

350 investors were contacted during the marketing campaign for the syndicated bond issue in 2000. The final placement of securities broke down as follows:

- 12 % in Belgium;
- 39 % in neighbouring eurozone countries;
- 19 % in other eurozone countries;
- 25 % in Europe outside the eurozone;
- 3 % in the United States;
- 2 % in Asia.

As the figures show, interest from the United States and Asia remained very limited. The euro's continuing weakness was certainly one of the reasons for this.

The Treasury operates an active marketing policy towards Belgian and foreign investors in order to support the diversification policy.

Marketing

As in 1999, the Treasury organised different roadshows with foreign institutional investors in 2000. Roadshows to present federal public debt products comprise one of the main elements in the Treasury's marketing policy and enable it to establish personal contact with them. Their impact should not be underestimated, even for neighbouring countries.

Four countries were visited in 2000: Finland (the six largest Finnish institutional investors), the United Kingdom (notably the three largest international asset managers located in London), Italy (full road show in Rome and Milan, 9 investors visited) and France (two tours, one in Paris and the other in Strasbourg).

It is difficult to check the direct impact of marketing on the Treasury's financing costs. However, an idea of the success of these marketing operations may be given by examining the list of investors who submitted a bid for the Treasury's new 10-year reference bond issued via syndication in January 2001, and the size of this bid. We see that in the case of:

- Finland: canvassed investors accounted for 87% of offers from the country,
- France: canvassed investors (both in 2000 and 1999) represented 66 % of offers from the country;
- Italy: canvassed investors accounted for 27% of offers.

These results confirm that the Treasury's marketing activities are a key element in the internationalisation of the investor base.

4.4. Efficient management

In view of the volatility present in the financial markets, the Treasury decided to simplify and accelerate the auction procedure.

Automation of auctions

As such, the primary dealers have an exposed position during auctions between the time of submitting the offer and the publication of the auction results. The shorter this period and the lower the uncertainty, the more inclined primary dealers are to make offers at better prices or yields.

Following a market study, the Treasury opted for an electronic auction system developed by the financial information provider Bloomberg. This is a simple user-friendly system which manages all the links in the process, i.e. from the submission of offers by primary dealers, compilation of data by the Treasury, the creation of decision tables and the publication of individual results.

Since the introduction of this system, the Treasury has been able to inform bidders of results within five minutes of the end of the auction, both in the case of OLOs and Treasury certificates.

An integrated database

The Debt Agency has been able to use an integrated public-debt data management instrument developed with the help of a specialist company since 1999.

Debt management operations are entered into the system. The data is recorded so it can be used for payment instructions, day-to-day management of the cash account position, calculating market and credit risks as well as for various reports and statistics. This system is intended to increase and accelerate access to information.

The day-to-day cash account position is adapted by the online system. Only data which is not related to the debt situation still has to be entered, e.g. fiscal

and non-fiscal receipts and expenditure by other ministerial departments. This data is transmitted to the Agency by the Debt Department's "Forecasting Section".

Day-to-day management of the cash account position

The credit risk is determined by the loss which the Treasury would incur if one (or more) of its counterparties did not respect its contractual payment obligations. The Debt Strategy Committee has approved the rules for calculating credit risk as well as the rules governing the allocation of credit limits to counterparties.

Credit risk management

The Debt Agency uses several calculation methods to determine the credit risk depending on the type of transactions concerned.

Thus, the credit risk for investments is measured on the basis of the nominal value of this investment. In the case of foreign currency investments, a further margin of security is added to safeguard against possible variations in exchange rates.

Determining the credit risk

To calculate the credit risk on derivatives, account is not only taken of the current risk, measured by the "marked to market" (MTM) value or the "current net value", but also of the future risk.

The MTM is adapted to reflect market volatility: it is assigned an "add-on" which depends on the type of transaction, the maturity as well as the volatility of the foreign currencies concerned.

The Debt Agency's risk management section has allocated each counterparty a credit limit which is determined on the basis of equity and the counterparty's rating. Furthermore, depending on this rating and the type of operation concerned, this section determines the maximum maturities authorised which cannot be exceeded.

The Debt Agency has an integrated database and a computer tool which calculates risk and credit limits every day.

Monitoring and reporting

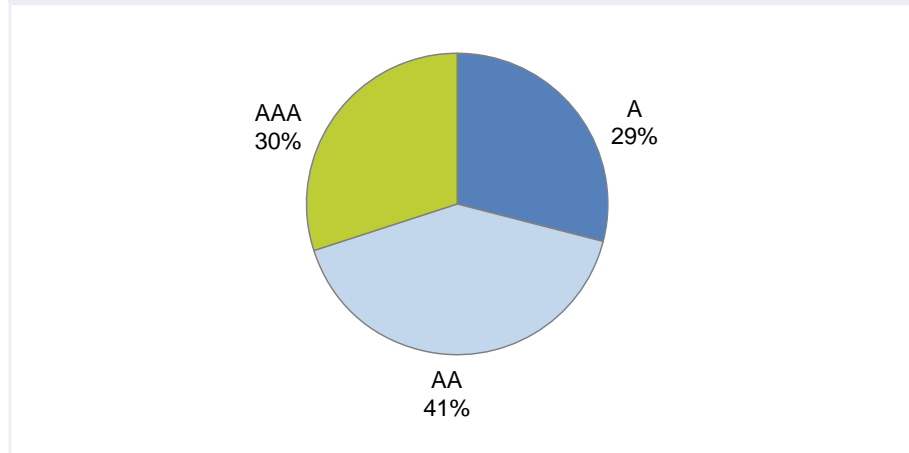
In addition, this system looks after on-line simulations and monitoring the credit risk during the conclusion of new operations when the credit line situation can be displayed at any time. The "risk management" unit presents a report to the Executive Committee and the Debt Strategy Committee each week. And it provides them with a detailed analysis of the credit risk each month.

Table 7: Credit exposure on swaps

Counterparty rating	Nber of swaps	Credit exposure	
		(in EUR)	(in %)
AAA	34	679 838 786	30%
AA	114	965 544 219	41%
A	38	656 230 830	29%
Total	186	2 301 613 835	100%

¹ The rating taken is the lowest among the long term ratings awarded by the most important rating agencies.

Graph 9: Credit exposure for swaps broken down by rating level at the end of December 2000



A lower refinancing risk

As in the past, the Treasury organised exchange operations for debt instruments with a residual maturity of 12 months maximum in 2000. These operations were undertaken once or twice per month.

The exchange schedule is published at the start of the year to ensure total transparency concerning the characteristics of the debt instruments being repurchased. This is important insofar as the primary dealers can then seek and purchase securities for exchange operations.

An exchange operation is organised using a fixed exchange price represented by the ratio between the former debt instrument and the one being issued and which remains valid for an hour and a half. In this way, the primary dealers have an opportunity to buy new long-term issues at favourable prices during certain exchanges.

The new lines being issued during exchanges are selected on the one hand, following consultation with the primary dealers and on the other, while taking account of the debt schedule's structure. This technique therefore allows the Treasury not only to limit the refinancing risk but also to reopen the non-benchmark lines regularly.

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PART III

TECHNICAL DATA

1. THE PRIMARY MARKET FOR DOMESTIC DEBT

1.1. Medium and long-term debt

At the end of 2000, the Treasury's long-term debt amounted to EUR 205.2 billion. OLOs accounted for the largest part with 84% of the total. Furthermore, this proportion is continuing to grow, given that traditional debt instruments were replaced in 1996 by State notes aimed exclusively at individuals in the primary market. However, the volume of State notes issued only comprises a fraction of the volume issued via the former traditional debt instruments.

The predominance of OLOs

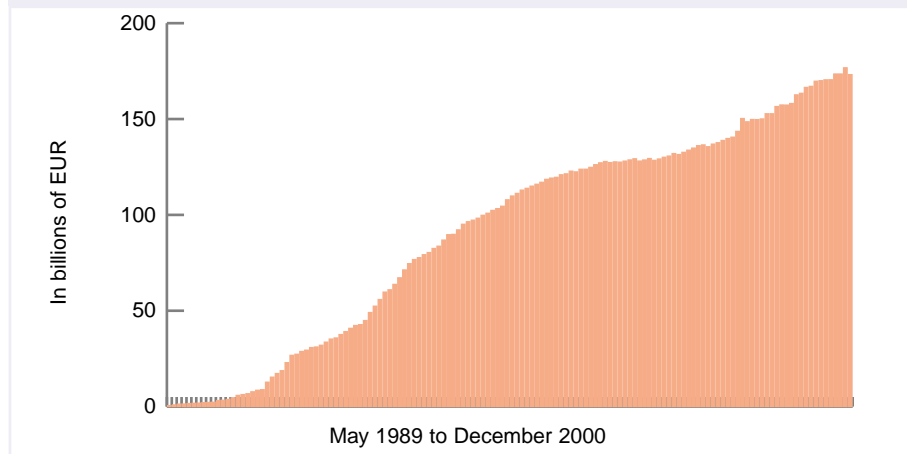
Table 8: Exposure on long term debt broken down by instrument (in EUR)

	Exposure end December 1999	Exposure end December 2000
Traditional loans	32 023 777 894	25 092 293 470
Linear bonds	158 084 661 763	173 157 286 100
Private loans	1 276 355 922	839 282 018
State notes	4 912 313 857	6 112 017 333
Total long term debt	196 297 109 436	205 200 878 921

Table 9: OLO exposure at the end of December 2000 (in thousands)

	In BEF	In EUR
OLO 25 5% - 28 March 2001 (code 285)	158 538 069.282	3 930 056.081
OLO 7 9% - 27 June 2001 (code 252)	289 302 052.360	7 171 610.548
OLO 33 FRN - 22 April 2002 (code 293)	80 679 800.000	2 000 000.000
OLO 10 8.75% - 25 June 2002 (code 259)	442 885 382.835	10 978 841.862
OLO 6 9% - 28 March 2003 (code 251)	509 323 749.642	12 625 805.955
OLO 14 7.25% - 29 April 2004 (code 265)	433 540 000.033	10 747 175.874
OLO 20 7.75% - 15 October 2004 (code 275)	219 749 475.280	5 447 447.199
OLO 19 6.50% - 31 March 2005 (code 273)	407 970 844.687	10 113 333.069
OLO 34 4.75% - 28 September 2005 (code 294)	401 119 795.650	9 943 500.000
OLO 24 7% - 15 May 2006 (code 283)	335 577 368.623	8 318 745.674
OLO 26 6.25% - 28 March 2007 (code 286)	389 127 882.129	9 646 228.229
OLO 9 8.50 % - 1 October 2007 (code 257)	335 073 877.840	8 306 264.464
OLO 28 5.75% - 28 March 2008 (code 288)	535 346 647.406	13 270 896.740
OLO 16 7.50% - 29 July 2008 (code 268)	343 129 496.304	8 505 958.029
OLO 32 3.75% - 28 March 2009 (code 292)	607 938 428.960	15 070 400.000
OLO 35 5.75% - 28 September 2010 (code 295)	525 366 687.650	13 023 500.000
OLO 12 8% - 24 December 2012 (code 262)	340 162 014.674	8 432 396.081
OLO 23 8% - 28 March 2015 (code 282)	249 352 505.811	6 181 287.158
OLO 31 5.50% - 28 March 2028 (code 291)	380 963 526.363	9 443 839.136
TOTAL:	6 985 147 605.530	173 157 286.100

Graph 10: Development of OLO exposure from May 1989 to December 2000



a. Linear bonds in 2000

A total of EUR 32.1 billion was issued on the primary OLO market in 2000.

The change in the issue schedule led to the Treasury intervening in the primary market only twice per month, the first and last Mondays of the month, either via an ordinary auction and an exchange operation or via two exchange operations.

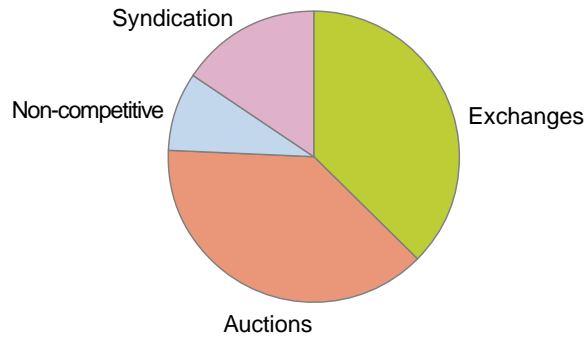
The Treasury pursued the same issue policy in 2000 as in 1999. The first issue of the new 10-year benchmark bond was organised via a syndication which enabled the Treasury to raise EUR 5 billion. The first auction of the year was cancelled following this syndication. However, the larger proportion of issues, i.e. EUR 15.1 billion (47% of the total) were undertaken via the ordinary channel of competitive auctions and non-competitive submissions. Exchange operations on debt securities which were due to mature finally within twelve months enabled the Treasury to issue OLOs worth EUR 11.98 billion (37% of the total).

Syndication, auctions and exchanges

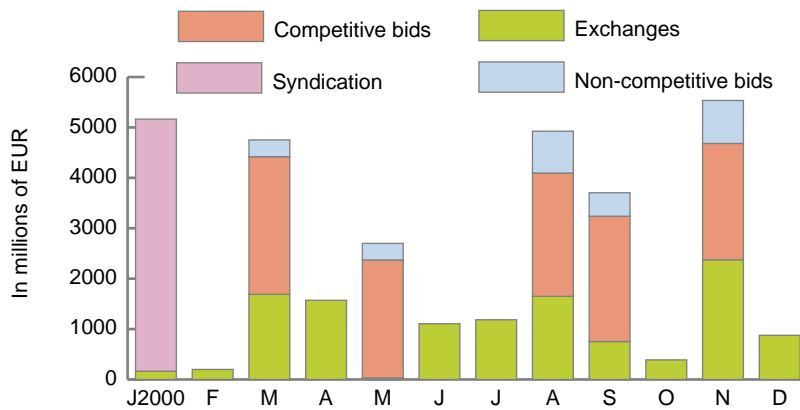
Table 10: OLO issues in 2000

Exchanges	11 986 800 000
Auctions	12 308 700 000
Non-competitive bids	2 810 900 000
Syndications	5 000 000 000
Total	32 106 400 000

Graph 11: OLO issues in 2000 broken down by category



Graph 12: OLO issues in 2000 broken down by category on a monthly basis

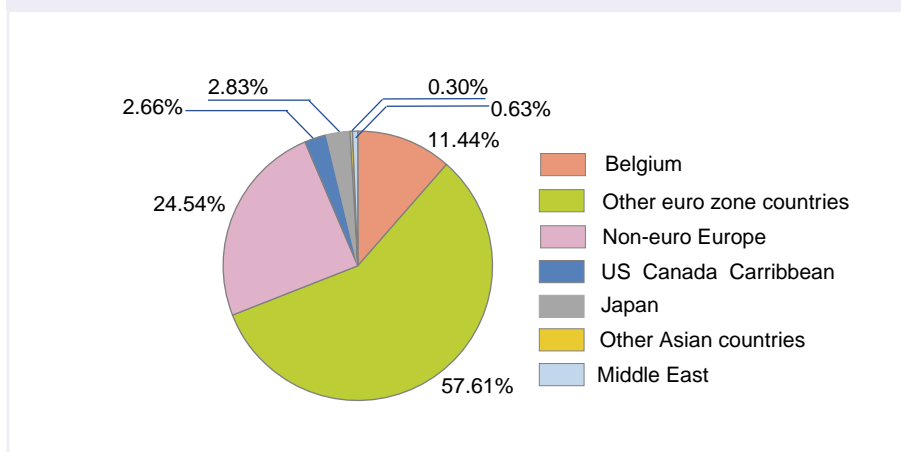


Only one new reference bond was issued during the year under review. In view of the fact that the Treasury had noted on the basis of 1999 issues that syndication offered the best means of achieving its objectives for a new line (i.e. to create a high volume line which is guaranteed to achieve immediate liquidity and continued internationalisation and diversification of the investment), it was decided to use the same technique in 2000.

One syndication in 2000

The Treasury selected three lead managers for this issue, i.e. BBL-ING, Deutsche Bank and JP Morgan, all three of whom are primary dealers. The other primary dealers and recognised dealers were associated with it as co-leads or co-managers.

Graph 13: International placement of OLO 35 via syndication



Competitive auctions

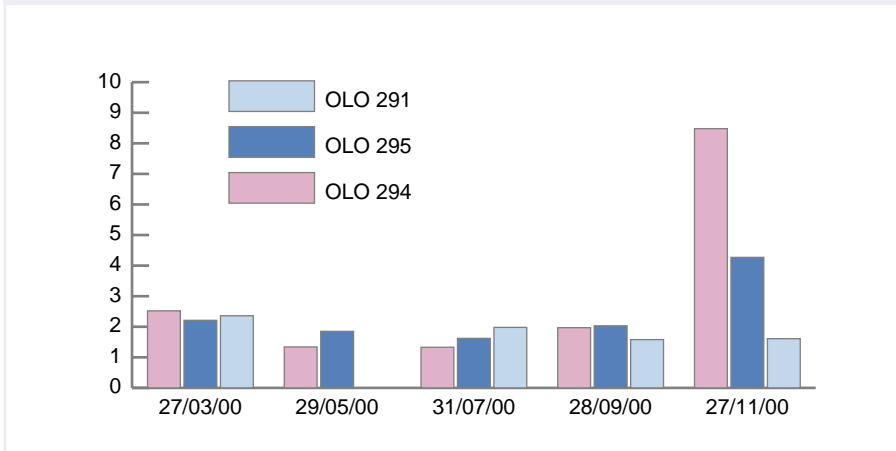
As regards the 5 OLO auctions during the year, the Treasury primarily issued the three benchmark lines following consultation with the primary dealers, i.e. OLO 34, OLO 35 and OLO 31. The average bid to cover ratio amounted to 2.45, thus indicating the high volume of offers submitted during the auctions.

A more detailed analysis of the prices offered also reveals that the limit price at which the Treasury issued had an average gap of 0.05% relative to the highest price offered. Given that between EUR 2.3 and 2.7 billion was issued per auction, we may therefore conclude that the auctions were very competitive. This is also what emerges from analysis of a breakdown of offers accepted within the group of primary dealers.

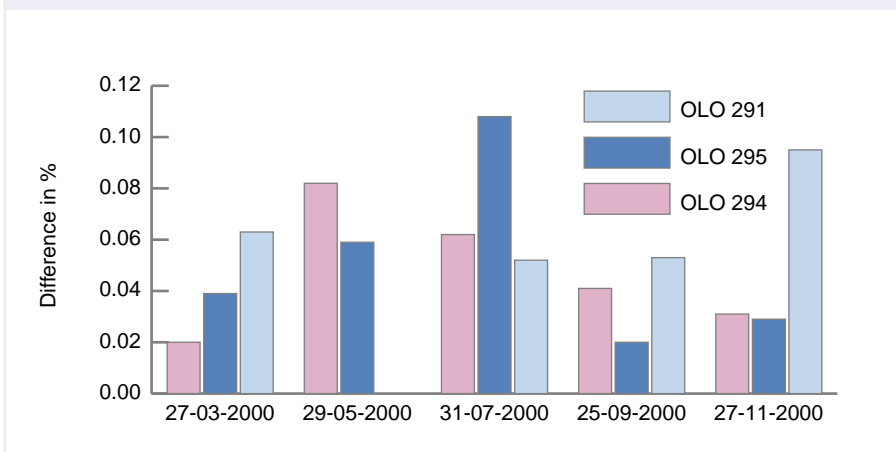
Table 11: Issues by auction in 2000

	Exposure end December 1999	Issues in 2000	Number of auctions
OLO 34 BE294 (2005)	4 204 800 000	+4 672 100 000	5
OLO 35 BE295 (2010)	0	+6 006 300 000	5
OLO 31 BE291 (2028)	6 234 339 136	+1 630 300 000	4
Total		+12 308 700 000	

Graph 14: Bid to cover ratio for auctions



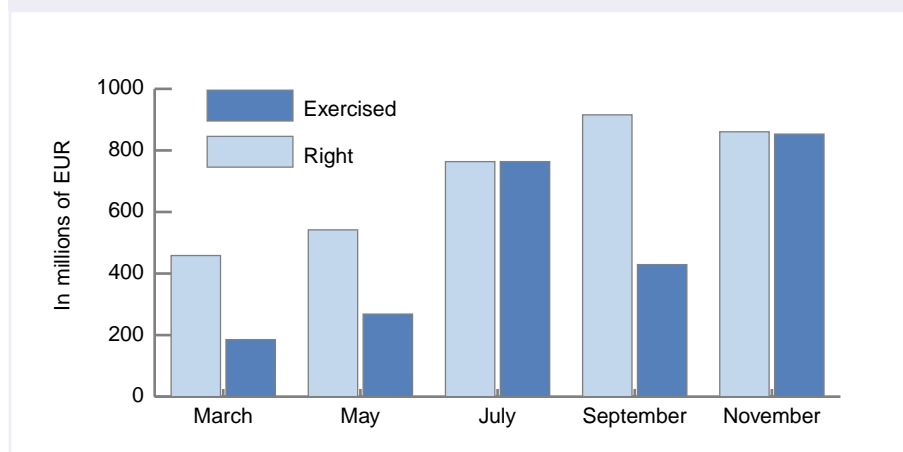
Graph 15: Differences between the limit price and the maximum price offered by auction



In return for their active participation in the primary and secondary public debt markets, the primary dealers enjoy the opportunity of making non-competitive submissions. They can thus purchase securities at the weighted average price of the auction up to a fixed percentage of their accepted offers. This right to make non-competitive bids accounted for EUR 3.54 billion for all primary dealers together, of which 79% was effectively exercised. This high percentage indicates the importance which primary dealers attach to this type of operation.

Non-competitive bids

Graph 16: Right and exercise of right to make non-competitive bids for OLOs in 2000



Exchanges

It should be noted that the Treasury organises exchange operations at predetermined prices within the framework of refinancing debt instruments arriving at final maturity within 12 months.

The 3 debt instruments arriving at final maturity in 2000 were presented for exchange 13 times in all. They therefore decreased in volume by 30% of their exposure in 1999. Large volumes (i.e. EUR 1.98 billion) were primarily exchanged during the last exchange of OLO 278 – 22 December 2001. The success of this operation was essentially due to expectations of lower yields and probably to the limiting of refinancing opportunities at the end of the year.

The 2 lines which reach final maturity in 2001 were presented for exchange 8 times in total, which made a pre-financing of EUR 4.99 billion possible.

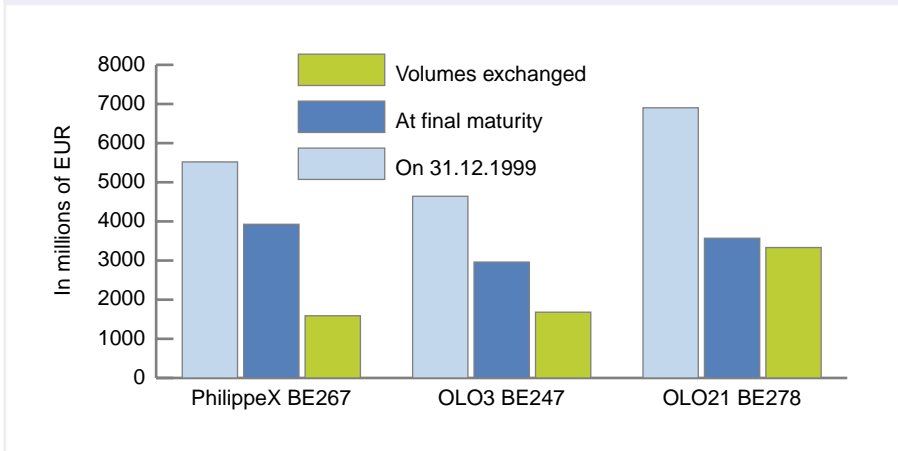
As in previous years, the Treasury presented 8 new lines at each auction. These were chosen following consultation with the primary dealers. In order to avoid all overbidding on the 10-year benchmark, the new OLO 35 was only offered for exchange operations on an exceptional basis. However, the 10-year segment was nonetheless the investors' preferred choice. In fact, almost one third of issues during exchanges concentrated on OLO 32 – 28 March 2009.

Table 12: Reduction in exposure maturing in 2000 and 2001

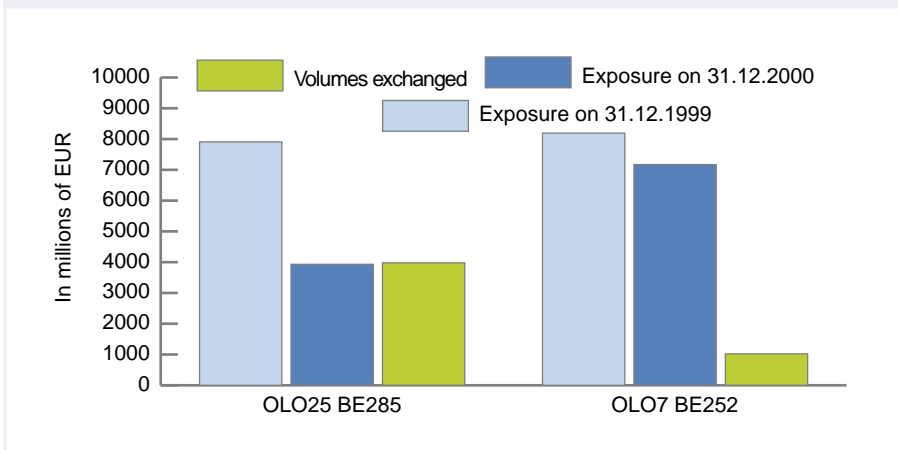
2000 lines	Exposure on 31-12-1999	Exposure at final maturity	Exchanged	% exchanged
Philippe X BE267	5 520.1	3 926.2	1 589.2 (*)	28.79%
OLO 3 BE247	4 641.6	2 961.0	1 680.6	36.21%
OLO 21 BE278	6 903.0	3 570.0	3 333.0	48.28%
2001 lines	On 31-12-1999	On 31-12-2000	Exchanged	% exchanged
OLO 25 BE285	7 907.0	3 930.0	3 977.0	50.30%
OLO 7 BE252	8 192.0	7 171.0	1 021.0	12.46%

(*) The difference comes from the sums purchased by the Redemption Fund.

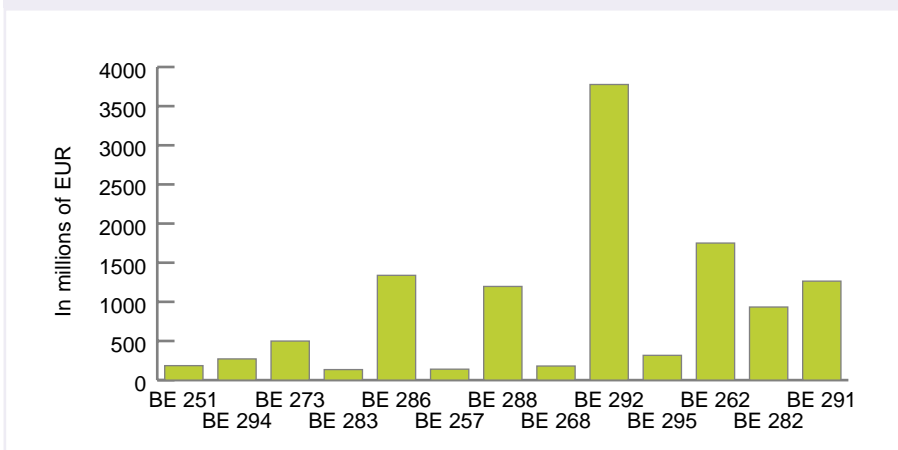
Graph 17: Reduction in exposure maturing in 2000



Graph 18: Reduction in exposure maturing in 2001



Graph 19: OLOs issued via exchanges in 2000

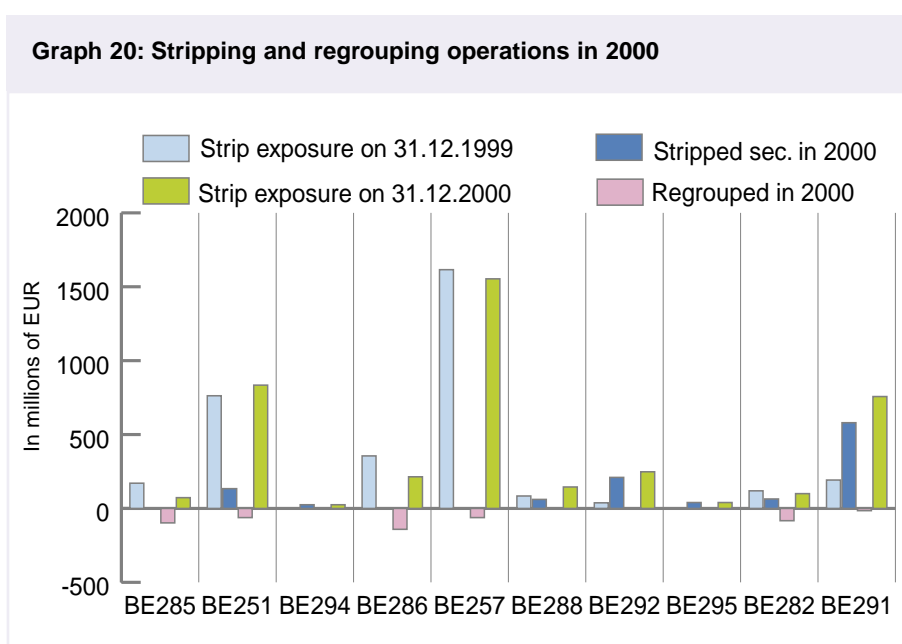


Strips

The level of long-term rates gave a new, albeit limited, impetus to OLO stripping. Two new lines were proposed for stripping, i.e. the 5-year benchmark - 28 September 2005 and the 10-year benchmark - 28 September 2010.

On 31 December 2000, the total figure for stripped securities amounted to EUR 3.99 billion, representing only 2.26% of overall exposure on the ten strippable OLO lines. While this proportion may seem low at first sight, it should be pointed out that the Belgian market is the third largest strip market in the euro zone after France and Spain.

As the following graph shows, stripping was essentially concentrated in the longest segment of the curve. More than 50% of strips were carried out on OLO 291 – 28 March 2028.



b. State notes

Besides linear bonds, the State issues a retail product, i.e. one aimed essentially at Belgian citizens. These are called State notes. Issued since June 1996, State notes are long-term fixed income debt instruments with annual coupons. They are sold via a panel of "investment institutions" approved by the Minister of Finance following a selection procedure (cf. list in annex). State notes have been exclusively issued in euros since the year under review.

The Treasury organised four State note issues in 2000, as it does every year.

The table below summaries the conditions associated with and results achieved by these issues which were all made at par with their nominal value.

A retail product

Table 13: State note issues in 2000

Code	Coupon	Denomination	Issue price	in millions of EUR
930/57(9)	5.10%	5-year State notes ext. to 7 years 4 March 2000 - 2005 - 2007	100 %	271.90
931/58(5)	5.50%	8-year State notes 4 March 2000-2008	100 %	140.60
932/59(1)	5.20%	5-year State notes ext. to 7 years 4 June 2000 - 2005 - 2007	100 %	252.50
933/60(7)	5.50%	8-year State notes 4 June 2000-2008	100 %	94.00
934/61(3)	5.25%	5-year State notes ext. to 7 years 4 September 2000 - 2005 - 2007	100 %	200.00
935/62(8)	5.45%	8-year State notes 4 September 2000-2008	100 %	53.50
936/63(4)	5.05%	5-year State notes ext. to 7 years 4 December 2000 - 2005 - 2007	100 %	141.00
937/64(0)	5.30%	8-year State notes 4 December 2000-2008	100 %	64.00
Total:				1 217.50

1.2. Short-term debt

Short-term debt amounted to EUR 33.3 billion at the end of December 2000. Treasury certificates accounted for 77% of this amount. As such, certificates comprise the Treasury's main financial instrument for solving temporary differences between State expenditure and receipts.

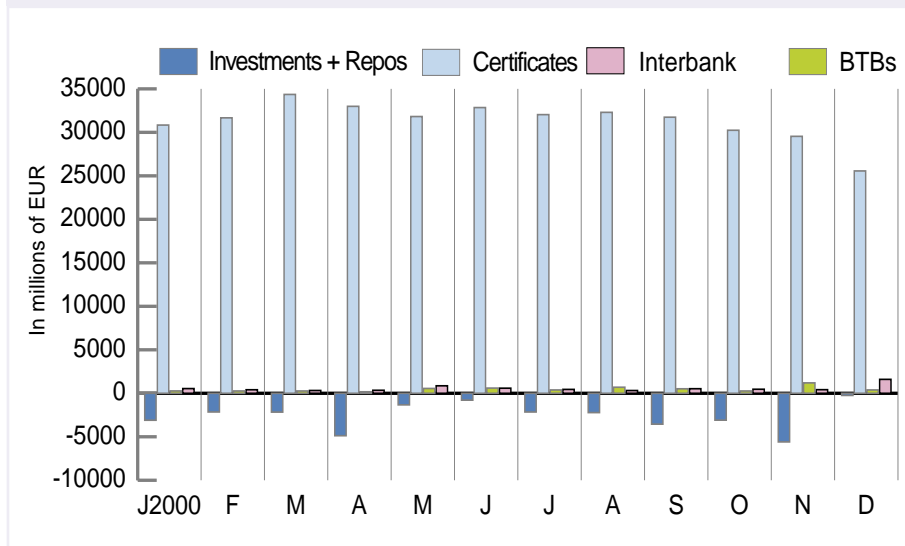
a. Treasury certificates

Exposure on certificates varied between EUR 29 and 35 billion, with an average of EUR 31 billion, excluding December. In December 2000, tax receipts were higher than estimated. The resulting extremely positive cash account position led the Treasury to cancel the three last Treasury certificate auctions of the year. It should nonetheless be noted that, in view of the principle of transparency, the Treasury always acts prudently in terms of cancelling auctions of certificates. Prior to now, this only occurred in December and again for the same reasons.

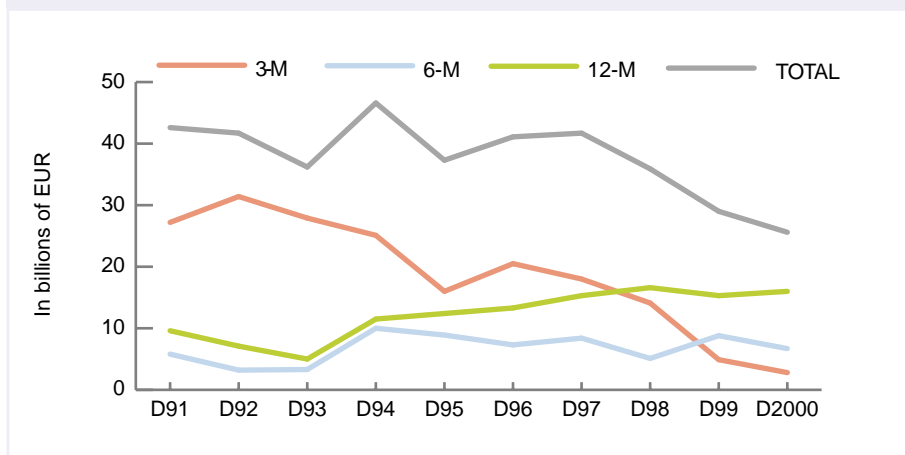
Three lines were systematically proposed during the 2000 auctions: a 3, 6 and 12 month line respectively. As in 1999, the negative development of short-term rates had little impact on the interest shown by investors. This is what is revealed among other things by the bid to cover ratio whose average amounted to 4.57 for the 3-month segment, 4.67 for the 6-month segment and finally 4.78 for the 12-month segment. Sufficient demand therefore existed at each auction, which enabled the Treasury to take account of different variables such as the lines' price, liquidity and maturity. Thus, on opening each new 6-month and 12-month line, the Treasury was able to auction sufficiently large amounts to ensure the liquidity of lines.

Competitive auctions

Graph 21: Exposure on short-term debt broken down by instrument in 2000



Graph 22: Exposure on Treasury certificates from 1991 to 2000

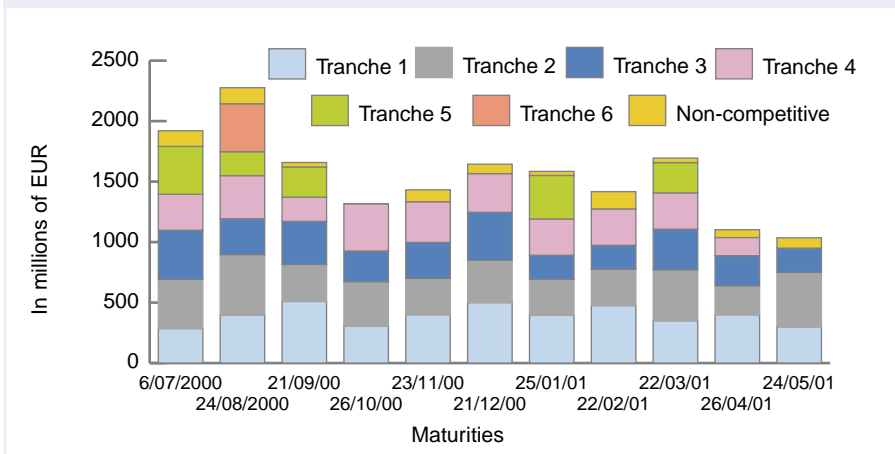


Liquidity for certificate lines from the outset

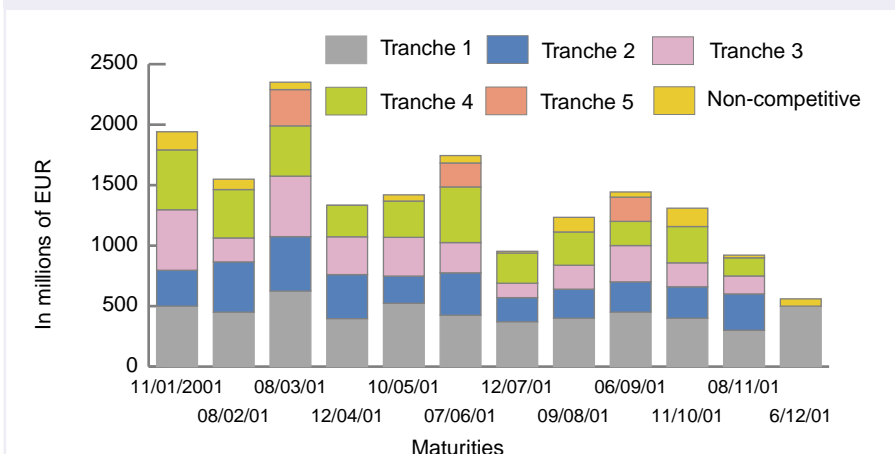
The volume of a new line after the first auction fluctuated between EUR 300 and 500 million. Even more significantly, the average exposure at the opening of a new line was equal to EUR 392 million for the 6-month segment and EUR 445 million for the 12-month segment. This clearly demonstrates the Treasury's wish to achieve adequate liquidity in the lines from the outset.

The efficient operation of the Treasury certificate market and the interest shown by investors are also reflected by the existence of a mere 2 basis points on average between the limit rate and the lowest offer rate during auctions. Despite this minimal spread in the accepted rates, 35% of primary dealers on average had their offers accepted during auctions. In the case of 3-month and 6-month lines, six primary dealers on average were served and four in the case of 12-month lines. Good distribution of allocations (particularly in the 3-month and 6-month segments) is a major factor in the successful operation of the secondary market.

Graph 23: Issues for the 6-month segment



Graph 24: Issues for the 12-month segment



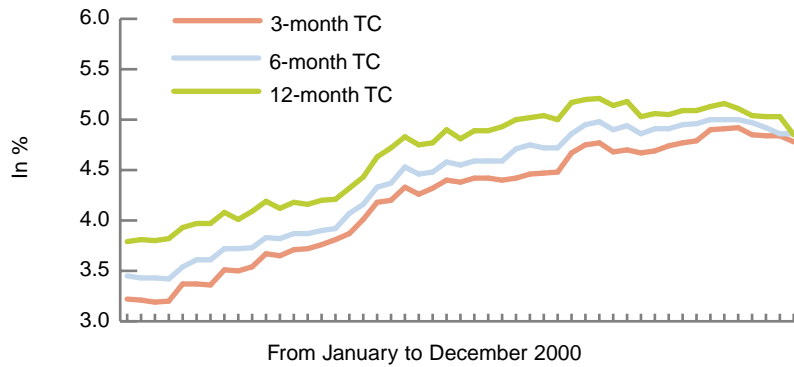
Graph 26 shows the development of the spread between the weighted average rate for Treasury certificates and Euribor at the time when the 3, 6 and 12 month lines were issued.

The spreads for the three maturities relative to Euribor did not record notable peaks, with the exception of those registered essentially for the 3-month auctions at the end of the year. The increase in these spreads must be attributed to a combination of two factors: on the one hand, investor interest in sovereign paper which would enable them to change the year and on the other hand, a reduced offer of paper due to the Treasury's cash account surplus.

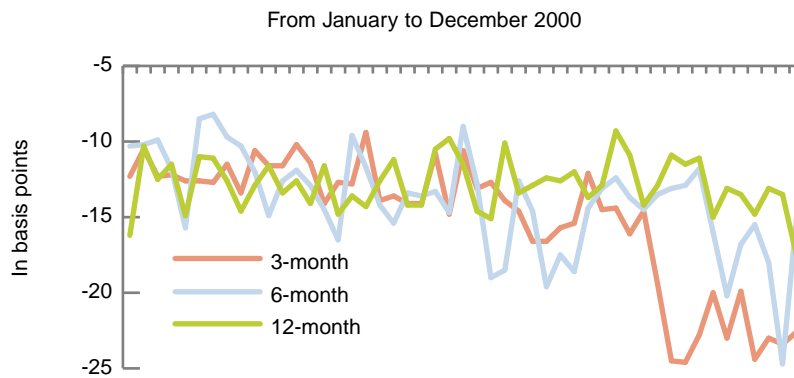
In 2000, the primary dealers only used 11% of their right to obtain Treasury certificates at the weighted average auction rate via non-competitive submissions. The reason was undoubtedly the continuous increase in rates in the short-term segment.

Non-competitive bids

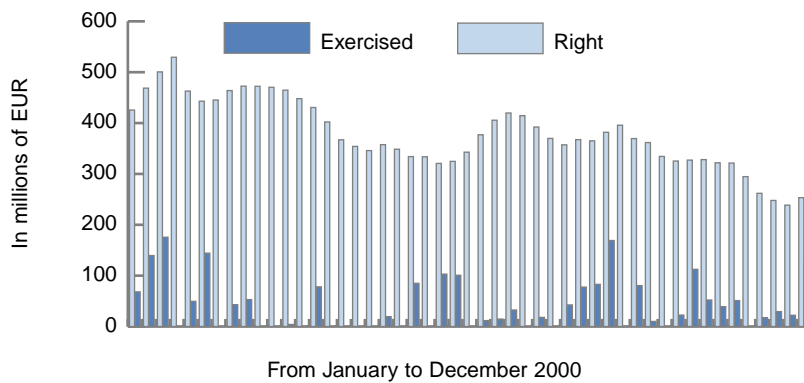
Graph 25: Weighted average interest rates on 3, 6 and 12 month Treasury certificates in 2000



Graph 26: Spread between the weighted average TC rate and Euribor at 3, 6 and 12 months in 2000



Graph 27: Right and exercise of right to make non-competitive bids for certificates in 2000



b. Belgian Treasury Bills (BTBs) and the interbank market

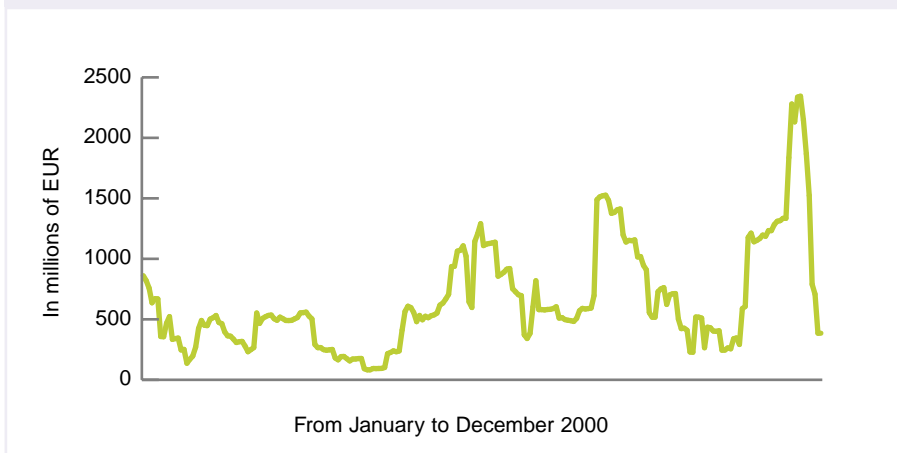
Following the example of their equivalent in foreign currencies, "Belgian Treasury Bills" ("BTBs") are issued on tap via a network of six dealers designated by the Treasury. The major proportion of BTBs in euros is placed by Belgian dealers which reflects domestic interest in this product.

As the graph below shows, BTB exposure in euros varied considerably during the year under review. The average sum per transaction amounted to EUR 17.4 million and average maturity was 18 days. A large majority of BTB operations involved below average sums with occasional large sums, which explains the variability of the sums in circulation.

Very variable BTB exposure in 2000

For their part, interbank operations are the fine-tuning instrument which enables the Treasury to balance its day account position. It should be noted that that interbank borrowing exposure increased at the end of the year. The majority of these borrowings was undertaken with public enterprises within the framework of consolidating the public sector's financial assets in order to calculate the debt ratio in compliance with the Maastricht criteria.

Graph 28: Exposure on BTBs issued in EUR in 2000



2. THE SECONDARY MARKET IN DOMESTIC DEBT IN EUROS

2.1. The secondary market in linear bonds

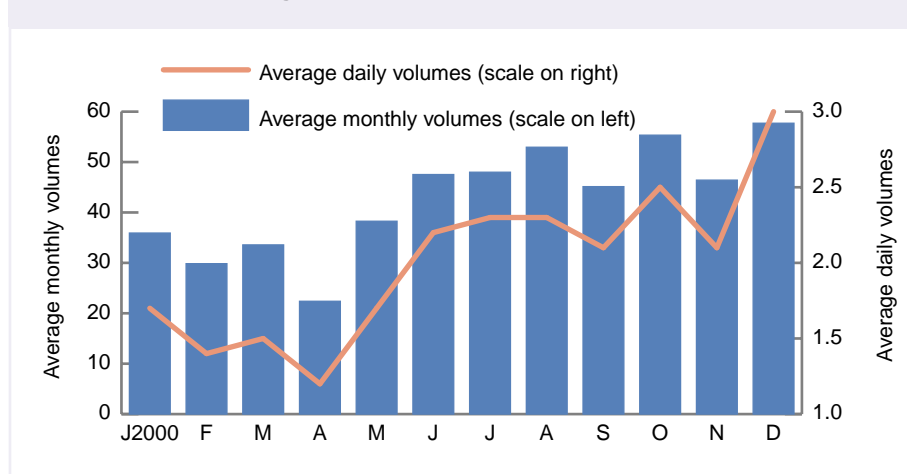
One of the Treasury's main objectives is to be able to access an effective secondary market for its financial products, which has a directly favourable impact on the issue prices of new bonds.

Depending on the financial instruments negotiated, the secondary market can be divided into two compartments: on the one hand, "sell and buy backs"¹ and repurchase agreements (repos) and on the other hand, "outright" operations (purchase and sale operations taken separately).

During 2000, the Treasury adopted an entire series of structural measures essentially dealing with trading in outright OLO operations. It should be remembered that one of these measures involved creating MTS Belgium in May of the year under review. The impact of this measure can be seen clearly from the figures published by the National Bank of Belgium on the turnover of the secondary outright OLO market which comprises a major share of all OLO transactions. Before the launch of MTS Belgium, the average daily volume per month varied within a range of EUR 1.2 to 1.7 billion. Apart from June, this same average increased to cross the EUR 2 billion threshold with a peak of EUR 3 billion in December. This increase was essentially due to MTS Belgium's activities.

Higher turnover on OLOs thanks to MTS Belgium

Graph 29: OLO trading volumes in 2000 (in billions of EUR)



The figures for 2000 stand out even further when they are compared with those for 1999 when the average daily volume per month only rose above one and a half billion EUR on two occasions, in June and September. For its part, the average daily volume for the whole of 2000 rose to EUR 2 billion, compared with 1.22 billion in 1999.

¹ A sell and buy back operation is comparable with a repurchase (repo) agreement operation with a spot sale and a simultaneous forward repurchase although, in contrast to repos, it involves two legally distinct operations.

Primary Dealers' activity in the secondary OLO market, measured by their average annual share of transaction volumes, amounted to 58.3% in 2000 compared with 57.9% in 1999. These figures also reveal the strong presence of non-primary dealers in the operations of the secondary OLO market.

The Treasury's efforts to adapt to the new environment created by the euro have translated into a major change in the holding of public debt since the end of the 1990s. These efforts focused on the harmonisation, standardisation, transparency and liquidity of the Treasury's markets and financial instruments. This led to a movement towards foreign holding of OLOs. Thus, at the end of 1998, the degree of internationalisation of OLOs measured by the proportion held outside Belgium rose from 19.9% in 1998 to 31.5% in 1999. This share is estimated at 40.2% for the year under review.

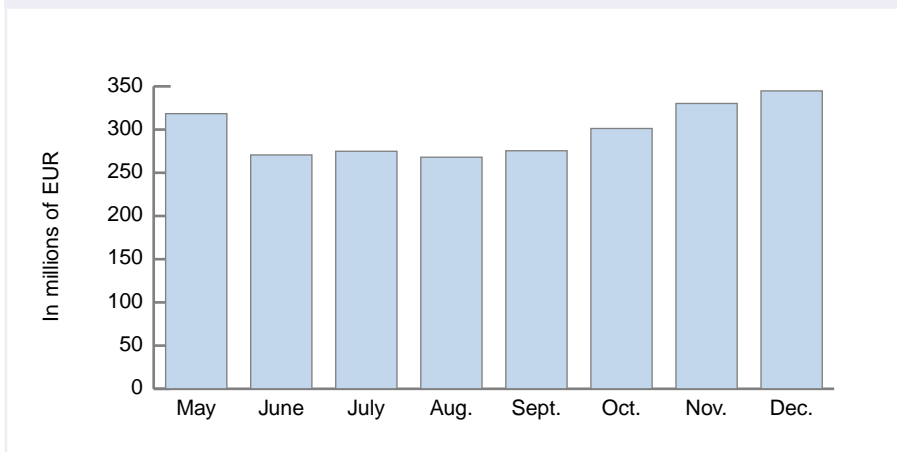
The internationalisation of OLO holdings

The impact of MTS Belgium

When MTS Belgium was being set up, its business plan forecast an average daily volume of EUR 250 million. It should be noted that this objective was greatly exceeded from the outset and that the total volume reached EUR 6.1 billion in May, which produces a daily average of EUR 318 million.

The predicted volume was reached without difficulty even in the summer months. In September, the daily average volume continued to increase and reached an average of EUR 345 million in December. A record was reached on 7 December 2000 with a sum of EUR 872.5 million.

Graph 30: OLO volumes traded via MTS Belgium. Average daily volumes per month from May to December 2000 (in millions of EUR)

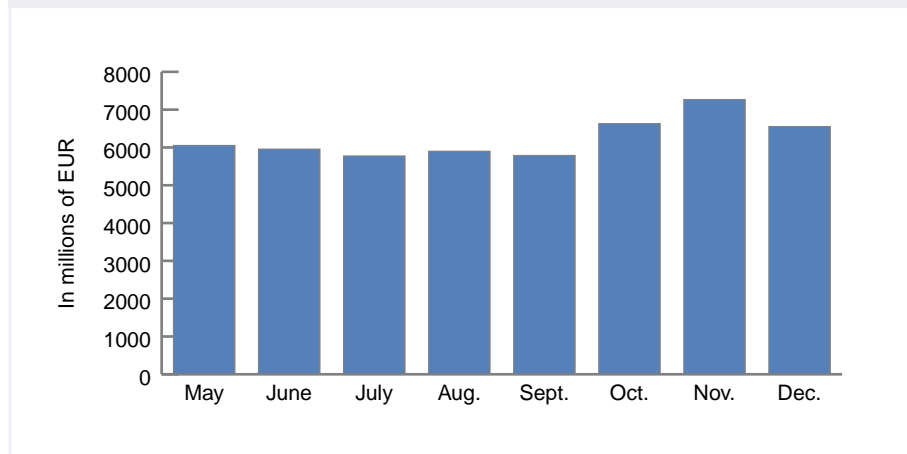


In total, the OLO volume traded during the first eight months of MTS Belgium activity amounted to EUR 49.9 billion.

This upward trend was reinforced to such an extent during the first quarter of 2001 that all previous records were broken. Thus, the volume of OLOs traded on MTS Belgium already represents 25% of the secondary market in OLOs. It is important to add to this that MTS Belgium is a wholesale market, which cannot be accessed by institutional investors such as pension funds, insurance companies and stockbrokers or by final investors.

MTS Belgium: a success

Graph 31: Monthly OLO volumes traded on MTS Belgium from May to December 2000 (in millions of EUR)



In 2000, activity essentially focused on the five benchmark OLOs. The monthly share of benchmark debt instruments in the total volume fluctuated around 65% during the third quarter of 2000 except in July and then increased to reach 68% in the fourth quarter. The exceptional percentage recorded in October 2000 (i.e. 74%) was the result of particularly intense activity on OLO 35 (EUR 4.2 billion).

Traded OLO
benchmarks

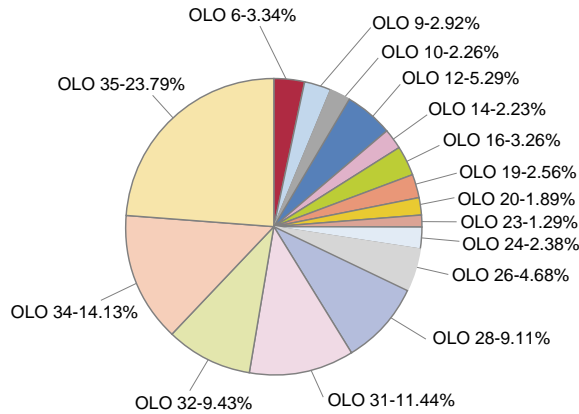
Table 14: Monthly shares held by benchmark bonds on MTS Belgium from May to December 2000 (in %)

Month	"Liquids" (*)	"Benchmarks"
May	33.31%	66.69%
June	35.10%	64.90%
July	37.07%	62.93%
August	34.92%	65.08%
September	31.11%	68.89%
October	25.99%	74.01%
November	31.17%	68.83%
December	31.64%	68.36%

(*) "liquids" are taken to mean all OLOs which are not benchmark debt instruments and which have a residual maturity of over 15 months.

OLO 35 is the most traded instrument with almost a quarter of the total activity. It is followed in the distance by OLOs 34 and 31 which have a 14.13% and 11.44% share of the market respectively.

Graph 32: Shares traded per OLO line on MTS Belgium in 2000



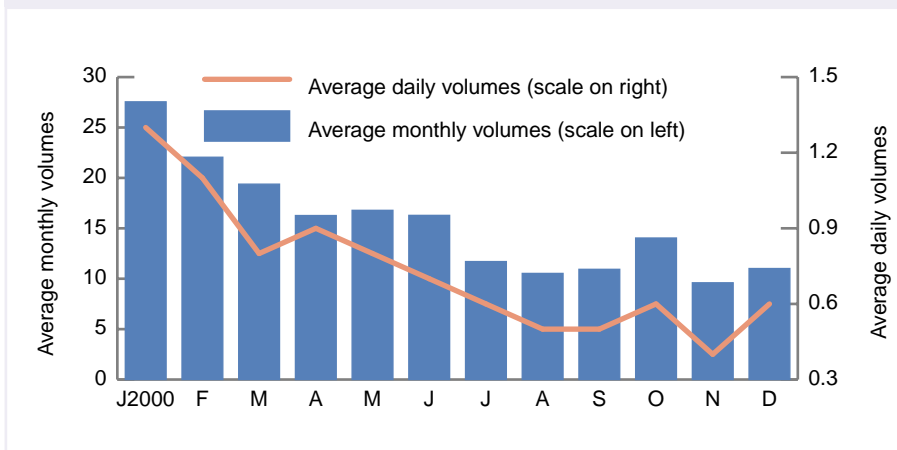
2.2. The secondary market in Treasury certificates

The year 2000 was difficult for the secondary market in Treasury certificates for two reasons. On the one hand, the certificate market suffered from upward pressures on rates which reduced the attractiveness of this instrument. On the other hand, the Treasury did not benefit from the positive effect which the transition to the year 2000 had created at the end of 1999. Nonetheless, the figures remain positive and indicate that the volumes negotiated were sufficient to influence price setting in the primary market favourably.

Lower but adequate turnover on certificates

As in the case with OLOs, the secondary market in Treasury certificates can be divided into two compartments, on the one hand "sell and buy backs" and "repos" and on the other, "outright" operations. In the latter case, the average daily volume exceeded EUR 1 billion for two months.

Graph 33: Treasury certificate trading volumes in 2000 (in billions of EUR)



In 2000, Primary Dealer activity in the secondary market in certificates accounted for 72% compared with 71.4% in 1999, confirming to a lesser extent than was the case with OLOs the presence of non-primary dealers in the secondary market for Treasury certificates.

As regards the degree of internationalisation of Treasury certificates, the share of these held in the rest of the world demonstrated greater stability than was the case for OLOs with an estimated proportion of 45% relative to the total in 2000.

2.3. The secondary market in State notes

State notes are listed on the Euronext Brussels fixing market, which consequently guarantees permanent liquidity. As such, they can be bought and sold at any time.

An increase recorded for the retail product

The overall volume of trading in State notes in this market is growing constantly: it rose from 15% in 1997 to 22% in 1998 and 31% of the total in 1999. This share reached 40% in 2000.

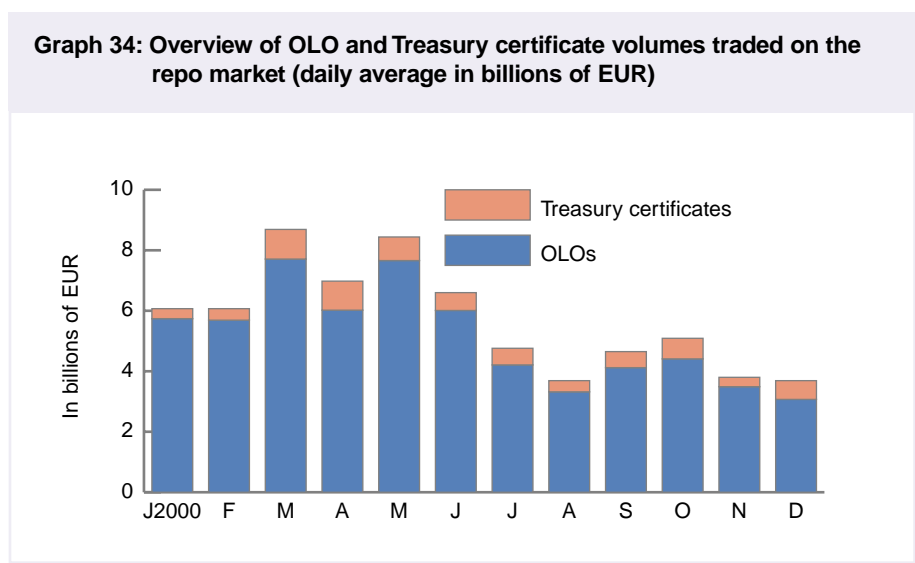
At each issue, the Securities Regulation Fund underwrites State notes in order to establish a securities portfolio that will enable it to operate as a counterparty for the sale and purchase of securities in the secondary market.

2.4. The Belgian repo market

The Treasury attaches great importance to the efficiency of the secondary market in its instruments. The repo market is one of its most important pillars. When a counterparty is short of a given security, it can cover its position temporarily by undertaking a repo operation. Furthermore, this possibility of selling or obtaining securities temporarily at cash market prices can even have an impact on primary market activity. Concluding a repo also makes it possible to invest in public debt securities for a maturity which is different from the normal maturity for these securities without running price risks.

It should be noted that the Belgian repo market is one of the top performers in the entire euro zone.

The graph below presents repo operation volumes for OLOs and Treasury certificates. These figures represent the volumes traded in the National Bank of Belgium's (BNB's) clearing system.



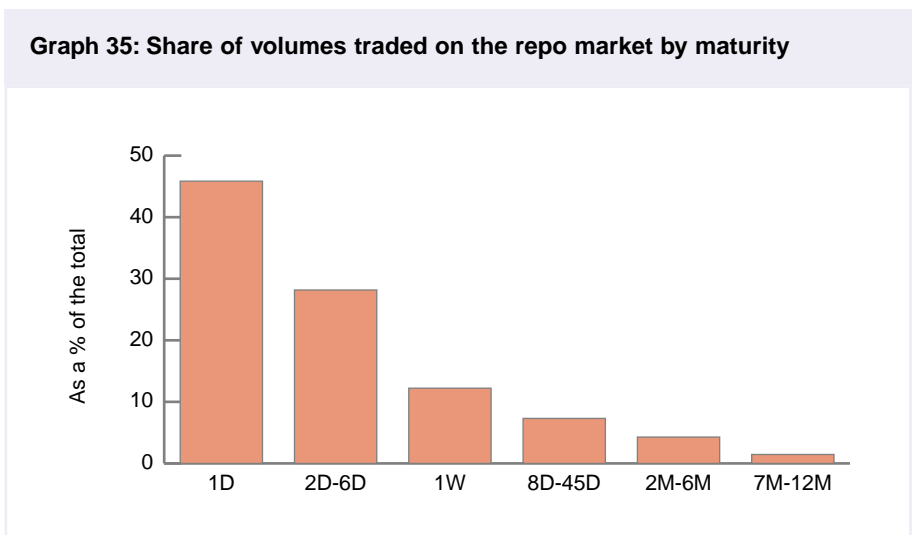
An analysis of BNB data shows that repo activity was much less intense during the second half of the year under review. This fall from July onwards was principally due to the participation by a number of dealers in a centralised counterparty system such as "LCH repoclear" for example. The counterparties which participate in a system like this only report the overall net balances of their transactions to the BNB settlement system. The internationalisation of counterparties and settlement systems is making it more difficult to obtain data on activity in the secondary market.

In comparison to 1999, activity in the repo market on Treasury certificates fell slightly. Thus, in 2000, the average monthly volume reached EUR 13 billion compared with EUR 14.5 billion in 1999. In contrast, the repo market in OLOs recorded a monthly increase of EUR 8 billion (EUR 112 billion in 2000 compared with 104 in 1999).

The slight fall recorded in the repo market in certificates which contrasted with the impressive increase for OLO repos can be traced to the mitigated interest shown by dealers in Treasury certificates as general collateral. We will therefore have to wait for some time until Treasury certificates are actually used as general collateral. A marketing campaign in this direction would undoubtedly improve the situation. The fact that banks often use Treasury certificates as collateral within the framework of their credit limits in payment systems is another factor which explains this fall.

In 2000, the repo operation maturities were very short. The repo market for Belgian public debt securities therefore followed the general trend recorded in the euro zone. Both in terms of volume and number of transactions, over 85% of repo operations were undertaken with a maximum maturity of one week.

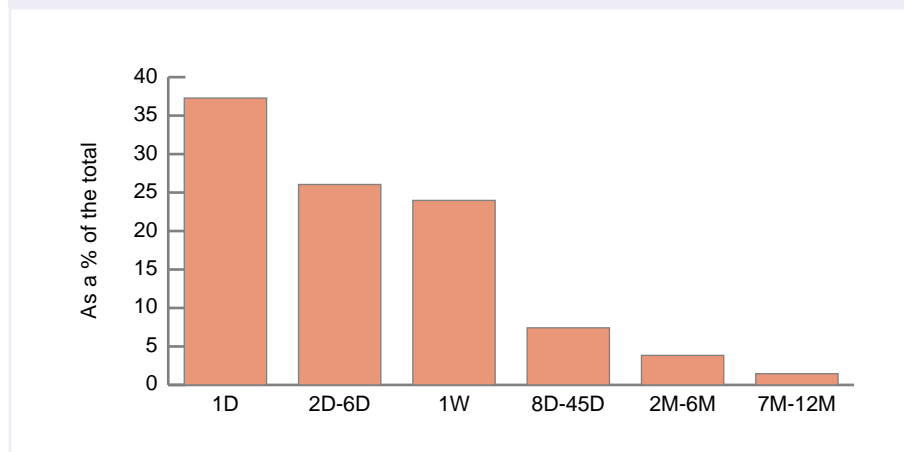
Very short repo maturities



These very short maturities were the result of exceptionally great need for liquid assets in euros on the part of some counterparties. They were therefore forced to convert their securities into cash temporarily at rates above the interbank market rates. Given that these counterparties are bound by credit

lines in the deposit market, they had to call on the repo market. In the case of longer maturities, repo operations were generally undertaken at rates with a negative spread relative to the interbank market rates.

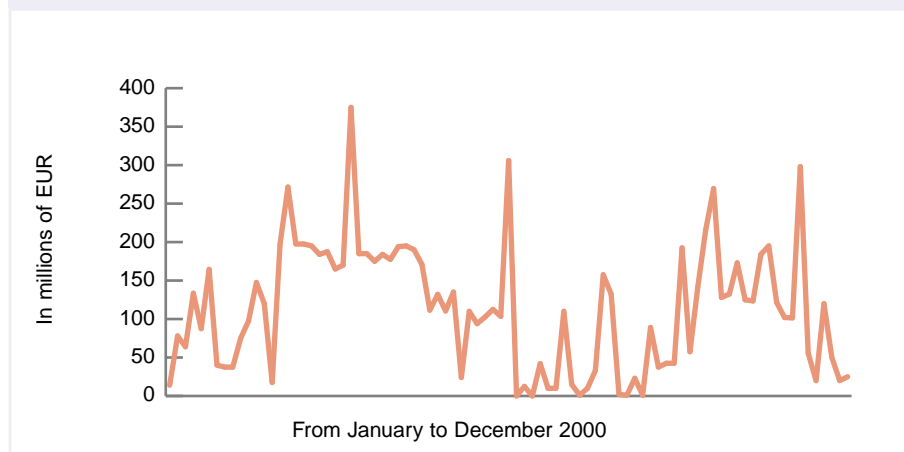
Graph 36: Share of number of repo transactions by maturity



The graph below illustrates the repo volumes dealt with during 2000 via the EuroMTS electronic trading system. The reader will note the presence of sharp variations both on a daily and monthly basis, which contrasts with the situation in the cash market which was characterised by relative stability in 2000. Demand for a given security often had an impact on turnover in the market. For its part, the maturity of repos negotiated via EuroMTS was limited to a maximum of a few days.

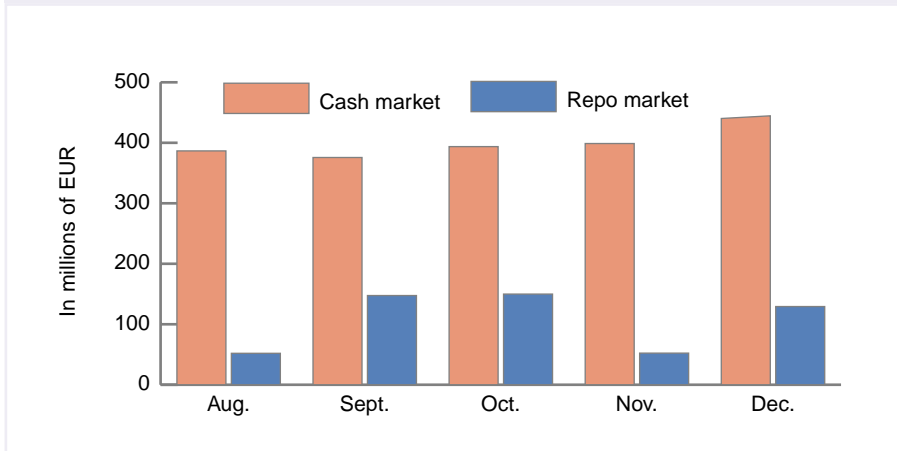
Repos negotiated via EuroMTS

Graph 37: Volumes traded on the repo market via EuroMTS



Among activities on EuroMTS, the repo share was relatively limited, at least in comparison with the cash market share. This may be explained by the fact that, in contrast to the situation in the cash market, EuroMTS participants are not obliged to quote on the repo market.

Graph 38: Comparison of the volumes traded on the repo market and the cash market via EuroMTS. Monthly averages from August to December 2000



3. AMORTISATION OF DIRECT DEBT IN BELGIAN FRANCS AND EUROS

3.1. The Redemption Fund's role

The law dated 2/8/55 relating to the abolishment of the Public Debt Redemption Fund, amended by the law dated 4/4/1995 relating to taxation and financial provisions, provided for the establishment of a new Redemption Fund. This is responsible for receiving and using amortisation allowances which, in compliance with issue laws and contracts, are intended for purchasing or repaying public debt securities, including dematerialised securities exclusively registered in accounts. It should be noted that the Redemption Fund essentially plays an accounting role.

The Redemption Fund:
playing an accounting
role

3.2. The Redemption Fund's activities

Table 15 shows the repurchases and repayments made by the Redemption Fund in 1999 and 2000. This reveals that repurchases increased by approximately 39%, which was essentially due to the volume of exchange operations which increased by 42%.

The following lines were offered on the exchange in 2000:

- line 247 - OLO 10 % - 02/08/1991-2000
- line 252 - OLO 9% -27/06/1992-2001
- line 278 - OLO 7.75% - 22/12/1994-2001
- line 285 - OLO 5 % -28/03/1996-2001
- line 267 - (traditional issue) 7% - 23/06/1993-2000

The Redemption Fund's repurchases on the stock exchange fell by 68% compared with 1999. The trend for these repurchases is shown in table 16.

Furthermore, the Redemption Fund's "Repayment" operations, which essentially comprised repayments at final maturity, increased by approximately 27% in 2000. Early repayments were also more substantial than in 1999 (EUR 5.55 million instead of EUR 1.04 million).

Table 15: Effective operations carried out by the Redemption Fund

Repurchases	1999		2000	
	NOMINAL BEF	NOMINAL EUR	NOMINAL BEF	NOMINAL EUR
Stock exch. repurchases	10 370	257.07	11 223	278.21
Repurchase of OLO 275	-	-	-	(1)
Exchanges	329 792	8 175.33	318 694	7 900.22
Total	340 162	8 432.40	329 917	8 178.43
Repayments (5)				
Drawings	334	8.28	315	7.81
Early repayments	42	1.04	42	1.04
Final repayments	385 258	9 550.30	385 320	9 551.83
Total	385 634	9 559.62	385 677	9 560.68

Repurchases	2000		2000	
	NOMINAL BEF	NOMINAL EUR	NOMINAL BEF	NOMINAL EUR
Stock exch. repurchases	3 292	81.61	3 583	88.82
Repurchase of OLO 275	403	9.99	461	11.43
Exchanges	467 990	11 601.17	458 551	11 367.18
Total	471 685	11 692.77	462 595	11 467.43
Repayments (5)				
Drawings	327	8.11	372	9.22
Early repayments	224	5.55	224	5.55
Final repayments	489 362	12 130.97	489 701	12 139.37
Total	489 913	12 144.63	490 297	12 154.15

BEF and EUR = in millions

(1) Cost = (Nominal x price) + accrued interest.

(2) The repurchase of OLO 275 on 1 June 2000 for a nominal sum of EUR 10 million.

(3) Cost = Nominal capital of the exchanged OLOs.

(4) Including exchange offers in December 1999: BEF 25,407,055,331 (expense incurred in 1999 and booked in 2000).

Excluding exchange offers in December 2000: BEF 34,846,245,009 (expense incurred in 2000 and booked in 2001).

(5) Fund repayments are made for 30 years from the maturity of the debt instruments.

Table 16: Repurchases on the stock exchange: authorised and actual amortisation from 1990 to 2000 (in millions of BEF)

Years	Amortisation authorised	Actual amortisation	Difference
1990	162 181	57 130	105 051
1991	200 230	10 801	189 429
1992	187 289	12 610	174 679
1993	131 459	31 154	100 305
1994	56 233	5 250	50 983
1995	37 974	6 070	31 904
1996	55 402	8 331	47 071
1997	81 576	5 381	76 195
1998	76 196	6 813	69 383
1999	69 386	11 223	58 163
2000	59 131	4 044	55 087

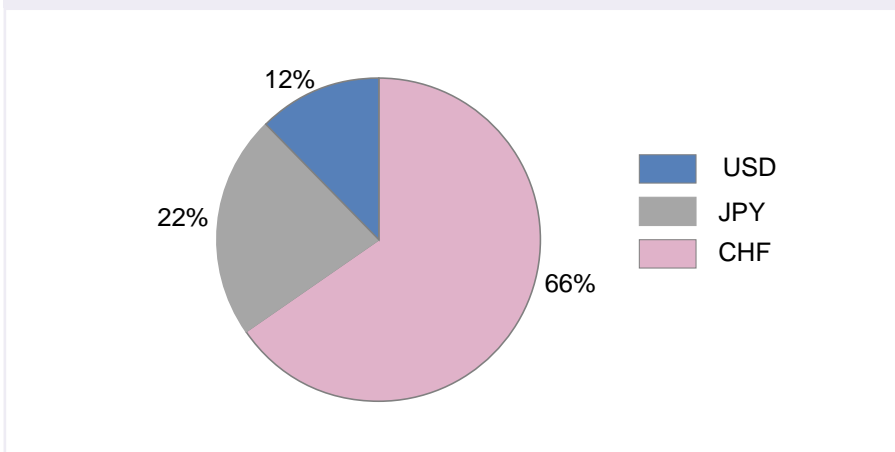
4. FOREIGN CURRENCY DEBT

On 31 December 2000, the total debt in foreign currencies amounted to the equivalent of EUR 8 billion. This debt's relative share of the total was only 3.4% at the end of 2000 compared with 4.2% at the end of 1999. This fall resulted from the Treasury's pursuit of its policy of gradually reducing foreign currency debt. Thus, a sum of almost CHF 250 million and JPY 103 billion were converted to EUR during 2000.

Medium and long-term debt in foreign currencies in 2000 was made up of public and private debt instruments and Euro Medium Term Notes. For short-term debt purposes, the Treasury called on Belgian Treasury Bills, interbank borrowings and FX-swaps.

The distribution of the foreign currency debt by currency at the end of December 2000 is presented in the graph below.

Graph 39: Foreign currency debt broken down by currency. Situation at the end of December 2000



This graph shows that the share of the debt in CHF amounted to over 60% at the end of December 2000. At the end of November in the year under review, this section still equalled more than 80%. This reduction resulted from the organisation of a euro swap worth CHF 1,357 million with repayment planned for 2001.

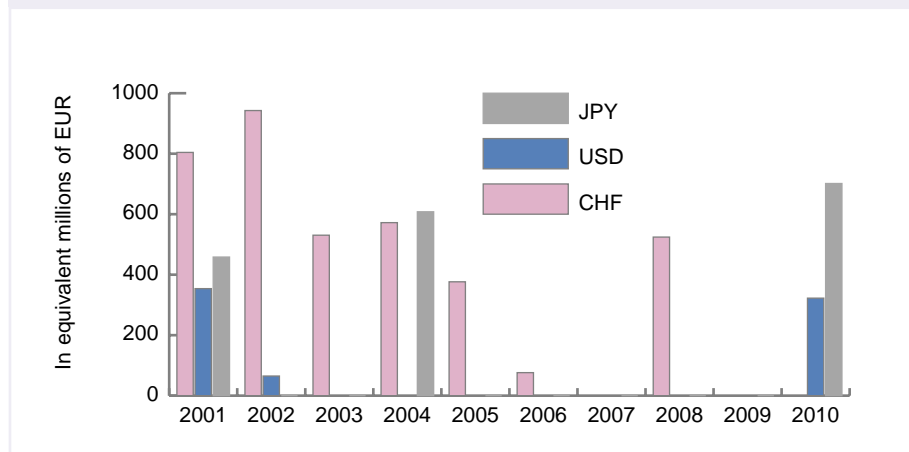
4.1. Medium and long-term debt

At the end of December 2000, the foreign currency segment of long-term debt amounted to the equivalent of EUR 6,929 million.

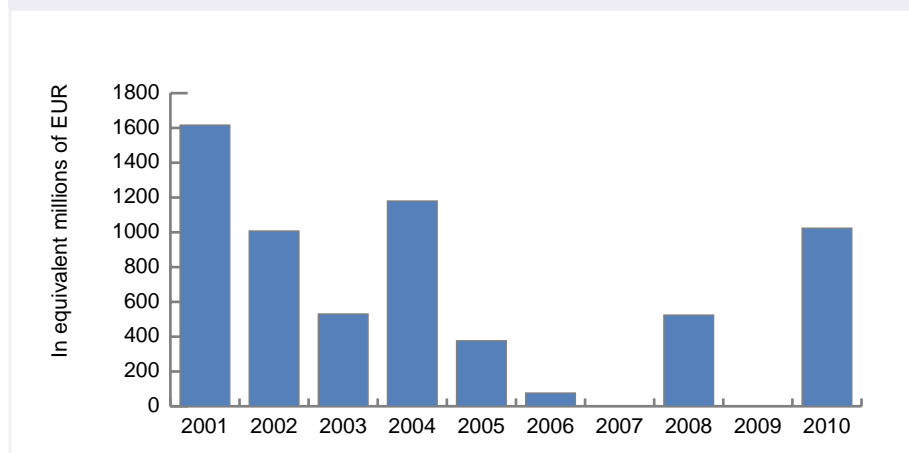
In the past, the Treasury has had recourse to 3 instruments to finance its long-term foreign currency debt, i.e. public debt instruments, private debt instruments and Euro Medium Term Notes.

In 2000, the Treasury issued no new medium and long-term foreign currency debt instrument. Long-term debt instruments were therefore refinanced, either by short-term debt instruments denominated in the same currency or by euro debt instruments. Thus, the last borrowing operation using Euro Medium Term Notes was refinanced in euros in August 2000.

Graph 40: Funded foreign-currency debt maturity schedule on 31 December 2000. Breakdown by currency



Graph 41: Funded foreign-currency debt maturity schedule on 31 December 2000



Graph 40 presents the maturity schedule for the debt in CHF, JPY and USD at the end of December 2000. It should be noted that this schedule is purely indicative as it can still be modified following Treasury management operations.

In its ruling dated 26 September 2000 (case C-478/98), the European Court of Justice condemned Belgium for impeding the free circulation of capital in view of the fact that the existence of sales restrictions prevent Belgian taxpayers from acquiring euro-bonds issued by the Belgian State. In the meantime, the euro-bond which led to this ruling reached its final maturity and in addition, the Treasury has no intention of issuing new euro-bonds. The Ministry of Finance will respect the Court's decision and is analysing the implications of this ruling on existing debt instruments and regulations with the help of a firm of lawyers.

4.2. Short-term debt

During the first quarter of 2000, the amount of short-term foreign currency debt in circulation increased before remaining stable until November. Exposure decreased appreciably from this month on. At the start of January 2000, exposure calculated at the euro exchange rate at the end of December 2000, amounted to EUR 2,069 million compared with EUR 1,885 million at the end of the year.

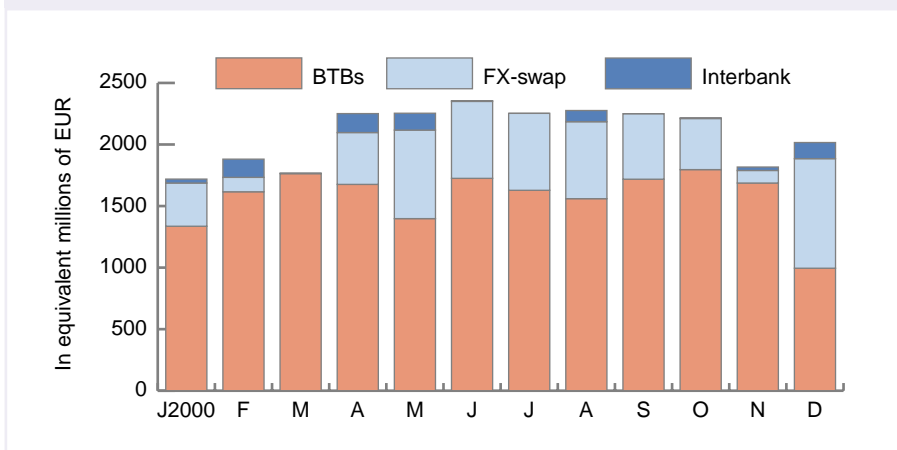
Short-term foreign
currency issues down

The upward trend for exposure during the first half of the year can be attributed to short-term refinancing of long-term debt instruments reaching final maturity.

For its part, the downward trend recorded from November until the end of the year was due to the conversion to euros of a section of the foreign currency debt. These repayments were made at maturity or following short-term refinancing using BTBs or FX-swaps.

The Treasury called on 3 financial instruments to finance its short-term foreign currency debt: interbank borrowing, BTBs and FX-swaps.

Graph 42: Distribution of short-term foreign currency debt by month and instrument in 2000



Graph 42 shows exposure on these different instruments at the end of each month.

a. Belgian Treasury Bills (BTBs)

As in previous years, short-term foreign currency debt was essentially financed by issuing BTBs.

BTB: the main short-term foreign currency instrument

In 2000, a total of 163 transactions were undertaken in BTBs, with the majority issued in USD and then swapped into CHF or JPY. The issues amounted to the equivalent of USD 48 million on average. The Treasury planned a sum of USD 50 million, which the dealers considered an easily negotiable amount in the commercial paper market.

In contrast to 1999, the Treasury almost did not use its facility to act as a dealer in 2000. Only one transaction was concluded by the Treasury in its capacity as a BTB dealer.

The weighted average maturity of USD and CHF BTBs amounted to 73 and 62 days respectively. By adopting a relatively flexible position when selecting maturities, the Treasury was able to enjoy advantageous conditions and was able to refinance itself almost entirely by issuing BTBs. In general, the instruments were issued with a spread of over 12 base points below LIBOR with this applying to both the currency in which the BTBs were issued and the post-swap yield.

b. The interbank market

The interbank market playing a minor role

As in previous years, the Treasury had little recourse to the interbank market. Both the sums dealt with and the selected maturities remained limited, at least by comparison with BTB issues. Thus, a total of 115 interbank operations were undertaken in 2000 and included maturities ranging from one day to one month. Among these, the "Spot-Next" (one-day maturity) operation was the most used. Interbank debt instruments were used to finance small balances which had remained open following the issue of BTBs or to invest receipts from BTB issues until the first maturity of long-term foreign currency debt instruments. As in 1999, the Treasury issued BTBs in advance when it enjoyed particularly advantageous conditions and when there was a real need for refinancing in the currency concerned in the near future.

c. FX-swaps

FX-swaps were used when a foreign currency bond issue reached final maturity but the time to convert the sum into euros was not considered opportune and a surplus of euros existed in the accounts. The Treasury primarily used these FX-swaps at the end of the year.

When the exchange rate was developing favourably, the Treasury also occasionally bought the currency concerned on a forward basis. In total, 64 operations of this type were concluded in 2000. In view of the scale of debt in CHF in terms of volume in comparison to the debt denominated in USD or JPY, it was CHF which was principally converted into EUR.

5. DEBUDGETISED AND GUARANTEED DEBT

5.1. Debudgetised debt

Exposure in debudgetised debt continued to fall in 2000 following periodic reimbursements.

Table 17: Development of debudgetised debt (in billions of BEF)

1995	1996	1997	1998	1999	2000
75.7	72.5	69.7	66.8	62.1	48.5

5.2. Guaranteed debt

The Central Mortgage Lending Office (OCCH) together with the Dutch company Stater created a joint subsidiary called Stater Belgium which has been entrusted with the task of managing the portfolio of mortgage borrowings. In addition, OCCH concluded a cooperation agreement with Argenta for the offer of new mortgage loans and the resulting new company has taken over the name. The existing balance sheet has remained with the former OCCH (which is now called Credibe). In compliance with the Royal Decree dated 10 August 1998, the liabilities guaranteed by the State cannot exceed BEF 148.48 billion (EUR 3.68 billion). In view of the fact that no new borrowing was undertaken with the State guarantee, an existing treasury bill programme was reactivated after the conditions were improved by a few basis points. In addition, a section of the portfolio was securitised.

OCCH

In order to stagger financial charges, a series of swap operations accompanied by high rates and arriving at final maturity in 2001 and 2002 were extended until 2010 against a lower interest rate.

La Financière TGV borrowed two sums of GBP 39.29 million (EUR 64.55 million) and GBP 70 million (EUR 109.37 million) swapped in euros. The maturity was equal to 12 and 9 years respectively. Treasury bill exposure increased from BEF 9.6 billion (EUR 237.97 million) to BEF 15.4 billion (EUR 381.75 million). The total sum in circulation covered by the State thus amounted to BEF 87.7 billion (EUR 2.17 billion). As the State guarantee could only be awarded to it free of cost up to BEF 75 billion (EUR 1.86 billion), La Financière TGV had to pay a premium of 0.25% on BEF 12.7 billion (EUR 314.82 million). A floating swap worth EUR 64.55 million was concluded as part of the risk management operations.

Financière TGV

The Public Housing Loan Amortisation Fund (FADELS) borrowed a total of EUR 250 million as refinancing. The total sum in circulation amounted to BEF 193.3 billion (EUR 4.79 billion). As of 2000, this debt forms part of the debt owed by the public authorities as a whole in compliance with the Maastricht criteria.

FADELS

Table 18: Exposure on guaranteed debt (in billions of BEF)

	1995	1996	1997	1998	1999	2000
In BEF/EUR	1085.4	925.9	738.6	693.5	707.7	667.9
In for. curr.	188.6	211.9	184.2	175.5	43.4	18.1
Total	1274.1	1137.9	922.8	869.0	751.1	686.0

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GLOSSARY

The definitions listed in this glossary are intended to provide the reader with a better understanding of the terms used in this Annual Report on the Public Debt or other terms which are found in previous reports or in literature on managing Belgian public debt. They do not have any scientific purpose.

Auction

Competitive procedure used by the Treasury to issue linear bonds and Treasury certificates. These auctions are exclusively reserved for primary dealers and recognised dealers in Treasury securities.

Belgian Treasury Bills

Treasury bill programme issued in euros or in an OECD member state currency and invested by dealers specially appointed for this purpose by the Treasury.

Clearing system

Name of the securities clearing and fiscal liquidation system organised by the National Bank of Belgium. It should be noted that this system does not provide real securities clearing due to the lack of a central counterparty.

Debudgetised debt

All borrowings contracted by the State which are not included in the official listing of the public debt. These sums are borrowed by independent public bodies or local authorities instead of the central authority to meet expenditure associated with the latter's budget.

EuroMTS

Private-sector company operating an electronic trading platform which processes various securities representing the debt of sovereign States in the euro zone and other major private issuers.

Exchange offers

Offers where an old debt instrument (OLO or traditional debt instrument) can be exchanged for other OLO securities with various residual maturities.

Floating debt

Short-term debt. Only the interest payable on this debt is registered as credit in the public debt budget, while the yield from short-term issues and their reimbursement are booked in a treasury account.

Funded debt

Long-term debt (over 1 year) where the product from the issue is transferred to the Budget for Ways and Means. This debt can lead to contractual amortisation via annual allocations registered in the public debt budget.

FX-Swap

An Fx-Swap is a spot currency purchase or sale, coupled with a simultaneous reverse forward operation. It therefore amounts to a transaction which combines a spot operation with a forward operation concluded at the same time with the same counterparty and for the same principal sum.

Law containing the Budget for Ways and Means

Law which authorises the Executive to recover taxes, to collect non-fiscal receipts and to finance by borrowing the section of the Treasury financing requirement which is not covered by taxation and non-fiscal receipts for the budget year.

Linear bonds (OLO)

Medium and long-term dematerialised securities issued by the Treasury in successive tranches to form a single line with fungible securities.

Local authority debt

Debt incurred by Regions and Communities, provinces, municipalities, intermunicipal authorities and various institutions such as C.P.A.S., church councils, etc.

MTS Belgium

Private-sector company which manages an electronic trading platform which lists linear bonds and Treasury certificates. Primary Dealers are expected to be members of this company.

Net financing requirement (NFR)

Balance of receipts and expenditure of the combined public services (i.e. the federal authorities, Regions and Communities, the social security service and local authorities) established using the SEC national accounts methodology. This balance notably includes debudgetised debt but excludes loan allocations and financial holdings. It differs from public authority financial deficits (the Treasury's Net Financing Borrowing comprises one component of these), mainly due to time differences between the dates for recording operations under the two systems and imperfect data collection.

NFB (Net Financing Borrowing)

Sum of the balance of current and capital operations as well as treasury operations (apart from debt amortisation). In theory, the Net Financing

Borrowing corresponds to the growth in public debt. In practice, a certain number of technical factors explain the difference between the Net Financing Borrowing and the nominal variation in the public debt.

Primary Dealers

Financial intermediaries linked to the Treasury by a schedule of conditions in order to activate the primary market in linear bonds and Treasury certificates, to facilitate OLO stripping, to ensure the liquidity of these securities in the secondary market and to promote Belgian debt.

Primary markets

Markets where new debt securities are issued using different techniques selected by the issuer and determined in the debt instrument issuance contracts.

Public debt

In the strict sense of the term, public debt merely comprises Belgian State debt (i.e. federal authority debt) while excluding guaranteed debt, debudgetised debt as well as debt owed by other public authorities (Communities and Regions, etc.).

Public debt ledgers

Registers listing registered securities for State bonds and the transfers of ownership of these securities. Copies of the ledgers are kept in the Audit Office.

Recognised Dealers

Financial intermediaries linked to the Treasury by a schedule of conditions. They are distinguished from the Primary Dealers by the fact that they have fewer rights and obligations given that their primary task is to promote Belgian debt abroad.

Secondary markets

Markets where there is trading in financial instruments in circulation. There are two regulated markets for the Federal authority's debt securities:

1. the stock exchange funds market ("Euronext Brussels") where notably OLOs and traditional debt instruments issued by the State or certain local authorities are listed;
2. the secondary off-exchange market in linear bonds, split securities and Treasury certificates regulated by the Royal Decree dated 22 December 1995 (Belgian Official Journal 3 January 1996).

Finally, trading in these securities can also be carried on outside any regulated market subject to receiving explicit authorisation from the investor.

Securities Regulation Fund

An independent public body with the following powers. It:

- regulates the secondary market in public funds, primarily on behalf of private individuals;

- acts as the market authority in the regulated unlisted secondary market in OLOs, Treasury certificates and split securities;
- supervises and controls establishments which hold dematerialised public debt securities on behalf of third parties;
- assists in managing the public debt.

State-guaranteed debt

All debt instruments issued by public sector organisations or institutions to cover their own financing needs and which are guaranteed by the Federal State. The State only bears the financial expenses when the issuer defaults on payment.

Treasury certificates

Short-term securities in euros issued by the Treasury via competitive auctions. They exist in three standard issue maturities: 3, 6 and 12 months.

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Annex 2

OLO issues in 2000 (in millions of EUR)

OLO	Exposure on 31-12-99	J2000	F	M	A	M	J	J	A	S	O	N	D	Total issued	Increase in 2000 by type of issue	% of total issued	Exposure on 31/12/00
OLO 6 BELG. 25128 MAR 2003	12 440.8 Exchange		50		135									185		0.58%	12 626
OLO 19 BELG. 27331 MAR 2005	9 614.3 Exchange									22	477			499		1.55%	10 113
OLO 34 BELG. 29428 SEP 2005	4 204.8 Exchange		30	97		17	107			20				271	4.7%	0.84%	9 944
	Auction		877		1 189	1 590			1 001		811			5 468	95.3%	17.03%	
OLO 24 BELG. 28315 MAY 2006	8 184.2 Exchange					70							65	135		0.42%	8 319
OLO 26 BELG. 28628 MAR 2007	8 307.6 Exchange		15	185	10		40	74	706		40	197	73	1 339		4.17%	9 646
OLO 9 BELG. 25701 OCT 2007	8 166.5 Exchange								11		10	79	40	140		0.44%	8 306
OLO 28 BELG. 28828 MAR 2008	12 074.2 Exchange	19		199	100		164	105		45	120	347	98	1 197		3.73%	13 271
OLO 16 BELG. 26829 JUL 2008	8 326.0 Exchange				759		239	662	612	416	220	306	358	180		0.56%	8 506
OLO 32 BELG. 29228 MAR 2009	11 293.9 Exchange		207		205		112							3 777		11.76%	15 070
OLO 35 BELG. 29528 SEP 2010	0.0 Exchange													317	2.4%	0.99%	13 024
	Syndication	5 000												5 000	38.4%	15.57%	
	Auction		1 798		1 479	1 356			1 479		1 595			7 707	59.2%	24.00%	
OLO 12 BELG. 26224 DEC 2012	6 681.6 Exchange	146	130	303	89		236	143	93	151	150	301	10	1 751		5.45%	8 432
OLO 23 BELG. 28228 MAR 2015	5 247.5 Exchange		222	73	274		10	10	102	13	68	60	103	934		2.91%	6 181
OLO 31 BELG. 29128 MAR 2028	6 234.3 Exchange		374	3		14	198	123	127	58	72	297		1 265	39.4%	3.94%	9 444
	Auction		388				329		473		755			1 945	60.6%	6.06%	
		5 164	1 028	3 923	1 571	2 699	1 106	4 461	1 650	3 704	701	5 223	876	32 106			
														37.33%			Exchange
														15.57%			Syndication
														47.09%			Auction

Annex 3

Auctions for OLOs in 2000											
Auction date	Min range (millions)	Max range (millions)	OLO	Offered (millions)	Accepted (millions)	Exerc. NC* (millions)	Total nominal issued (millions)	Bid to cover ratio	Weighted average price	Stop price	Weighted average yield
27-03-00	2 500	3 000	4.75%-28/09/05	1 919.00	762.00	115.00	877.00	2.52	97.691	97.68	5.238
			5.75%-28/09/10	3 491.00	1 580.00	218.20	1 798.20	2.21	101.349	101.34	5.578
			5.50%-28/03/28	916.30	388.30		388.30	2.36	95.351	95.32	5.841
Total		6 326.30		6 326.30	2 730.30	333.20	3 063.50	2.32			
29-05-00	2 000	2 500	4.75%-28/09/05	1 565.00	1 170.00	18.80	1 188.80	1.34	97.287	97.25	5.343
			5.75%-28/09/10	2 164.40	1 170.00	309.40	1 479.40	1.85	101.329	101.32	5.577
Total		3 729.40		3 729.40	2 340.00	328.20	2 668.20	1.59			
31-07-00	2 000	2 500	4.75%-28/09/05	1 655.00	1 245.00	345.30	1 590.30	1.33	97.061	97.04	5.415
			5.75%-28/09/10	1 551.00	956.00	400.20	1 356.20	1.62	101.514	101.49	5.550
			5.50%-28/03/28	484.00	244.00	85.00	329.00	1.98	96.319	96.30	5.767
Total		3 690.00		3 690.00	2 445.00	830.50	3 275.50	1.51			
25-09-00	2 000	2 500	4.75%-28/09/05	1 965.00	995.00	6.00	1 001.00	1.97	97.178	97.17	5.409
			5.75%-28/09/10	2 232.00	1 100.20	378.40	1 478.60	2.03	100.928	100.92	5.626
			5.50%-28/03/28	616.00	391.00	81.60	472.60	1.58	93.569	93.55	5.979
Total		4 813.00		4 813.00	2 486.20	466.00	2 952.20	1.94			
27-11-00	2 000	2 500	4.75%-28/09/05	4 241.00	500.10	310.50	810.60	8.48	97.802	97.79	5.273
			5.75%-28/09/10	5 130.00	1 200.10	394.40	1 594.50	4.27	101.967	101.96	5.483
			5.50%-28/03/28	977.00	607.00	148.10	755.10	1.61	95.145	95.12	5.858
Total		10 348.00		10 348.00	2 307.20	853.00	3 160.20	4.49			
Global		28 906.70		28 906.70	12 308.70	2 810.90	15 119.60	2.35			

* NC = Non-competitive

Annex 4

OLOs withdrawn during exchange operations in 2000 (in millions of EUR)

	J	F	M	A	M	J	J	A	S	O	N	D	TOTAL 2000
10% OLO-247	178.09		806.59		17.33		678.34						1 680.35
7% OLO-267			782.16	553.36		253.68							1 589.20
7.75% OLO-278		207.95	61.77		10.12		369.80		696.87		1 986.81		3 333.32
5% OLO-285				988.17		836.86		1 464.81		375.48		312.26	3 977.58
9% OLO-252							150.49				318.68	551.55	1 020.72
TOTAL	178.09	207.95	1 650.52	1 541.53	27.45	1 090.53	1 048.15	1 615.29	696.87	375.48	2 305.48	863.82	11 601.17

Annex 5

MONTHLY DISTRIBUTION OF FLOATING DEBT COMPONENTS (IN MILLIONS OF EUR)

Month	MT (1)	CCP (2)	INT ORG (3)	Interbank + miscellaneous (4)	Treasury Certificates (5)			Treasury bills in EUR	Treasury management operations (6)	Total floating debt (7)
					3 months	6 months	12 months	Total		
J99	7.4	985.5	2658.2	482.3	16318.0	5848.6	17648.8	39815.4	655.1	43665.9
F	7.4	454.1	2650.7	656.5	14271.6	5994.9	17961.5	38228.0	5271.0	37179.0
M	7.4	925.2	2552.4	723.9	12950.1	6705.6	18375.8	38031.5	1183.9	42813.0
A	5.6	1154.5	2551.3	811.2	10641.9	6747.6	19118.1	36507.6	2756.3	39762.7
M	5.6	678.4	3967.0	1149.0	10213.6	7056.0	19354.4	36624.0	1285.2	42925.9
J	5.6	660.7	4061.2	1664.5	9709.6	8339.5	19425.3	37474.4	139.3	45154.3
J	5.6	571.4	4035.5	236.8	9714.5	9367.7	19857.9	38940.1	2302.8	42326.0
A	5.6	687.4	4032.7	233.6	10088.1	10155.8	18800.5	39044.4	2893.7	43136.2
S	5.6	438.7	4009.1	1834.3	8760.9	8905.6	18844.6	36511.1	4576.1	39633.8
O	5.6	759.9	3990.0	242.0	7573.5	8732.2	18219.0	34524.7	2023.9	38535.4
N	5.6	544.0	4034.5	2537.5	6133.4	8400.8	17998.4	32532.6	771.0	39339.6
D	5.6	543.1	4001.5	2100.1	4935.3	8773.8	15337.8	29046.9	148.3	36409.7
J2000	5.6	998.5	4042.1	541.4	6012.6	8290.6	16534.0	30837.2	3205.8	33488.9
F	5.6	522.9	4040.7	406.1	6881.4	8096.5	16690.5	31668.4	2222.8	34687.3
M	5.6	701.1	4069.6	367.6	8553.9	8399.0	17405.6	34358.5	2249.2	37518.9
A	5.6	1202.4	4234.0	-104.5	7499.8	8131.4	17358.8	32990.0	4973.7	33525.9
M	5.6	515.3	4880.1	79.0	6354.7	8275.5	17188.5	31818.7	1410.0	36444.5
J	5.6	446.5	4878.5	-93.0	6195.6	9301.7	17351.9	32849.2	865.1	37819.4
J	5.6	423.7	4853.9	-233.3	6170.8	8857.1	17009.8	32037.7	2244.6	35226.1
A	5.6	535.6	5018.9	-361.0	6872.3	8321.8	17105.8	32299.9	2330.8	35864.1
S	5.6	463.5	5025.8	-51.9	6714.3	7984.9	17042.6	31741.8	3641.1	34061.2
O	5.6	626.1	5008.4	9.7	5134.7	8051.9	17053.4	30240.0	3206.2	32948.8
N	5.6	606.4	5037.4	307.3	4299.9	8034.4	17206.8	29541.1	5700	30994.2
D	5.6	565.1	4985.5	1810.6	2847.7	6676.3	16039.6	25563.6	1229.5	32086.3

(1) Medium term certificates issued by the Treasury

(2) Private citizens' assets held by CCPs

(3) Treasury bills held in the portfolios of international organisations (issued without interest)

(4) Borrowings and investments made on the interbank market

(5) Certificates issued by auction following the reform dated 29.01.91. The sum shown represents a NET exposure booked by the Treasury, i.e. having deducted discounted interest and the payments in the expired month

(6) Operations undertaken to balance the day cash account. Treasury surplus arising from tax receipts or Treasury certificate issues.

(7) Total for floating debt with (6) deducted

NB: As a result of rounding, the totals may differ slightly from the figures listed in the monthly Public Debt statements.

Annex 6

Treasury certificate auctions in 2000

Auction date	Value date	Min range	Max range	Sum at maturity	Maturity date	ISIN BE0312	Month	Exposure before auction	Sum bid	Sum accepted (C)	NC exerc.	Nominal total issued	B/C*	Weighted av. yield	Eur/ibor spread	Min/max rate	Limit rate	Successful bidders	% at lim. rate
04/01/2000	06/01/2000			2 373.1	06/04/2000	466296	3	1 387.3	3 682.5	945.0	19.1	964.1	3.90	3.22	-12.30	3.21/3.26	3.23	8	49.4000
					06/07/2000	479422	6	0.0	495.0	285.0	18.9	303.9	1.74	3.45	-10.30	3.44/3.50	3.45	6	100.0000
					07/12/2000	501647	12	832.1	1 095.0	900.0	30.1	930.1	1.22	3.79	-16.20	3.79/3.90	3.80	5	100.0000
11/01/2000	13/01/2000				06/04/2000	466296	3	2 351.4	4 306.0	604.3	34.7	639.0	7.13	3.21	-10.50	3.19/3.25	3.21	8	38.0325
					06/07/2000	479422	6	303.9	1 500.0	406.5	38.6	445.1	3.69	3.43	-10.20	3.41/3.48	3.43	4	43.6000
					11/01/2001	506695	12	0.0	1 485.0	500.0	91.3	591.3	2.97	3.81	-10.30	3.80/3.88	3.82	4	100.0000
18/01/2000	20/01/2000				20/04/2000	468318	3	1 459.9	2 575.0	675.0	66.1	741.1	3.81	3.19	-12.30	3.18/3.23	3.19	7	100.0000
					06/07/2000	479422	6	749.0	1 775.0	406.4	50.9	457.3	4.37	3.43	-9.90	3.42/3.48	3.43	5	64.8000
					11/01/2001	506695	12	591.3	740.0	286.7	58.6	355.3	2.49	3.80	-12.50	3.80/3.88	3.81	7	65.2000
25/01/2000	27/01/2000			2 602.5	20/04/2000	468318	3	2 201.0	3 210.5	603.9	0.0	603.9	5.32	3.20	-12.20	3.19/3.24	3.21	11	18.1946
					06/07/2000	479422	6	1 206.3	2 950.0	297.0	0.0	297.0	9.93	3.42	-11.80	3.41/3.45	3.43	11	16.7319
					11/01/2001	506695	12	946.6	1 710.0	500.0	0.0	500.0	3.42	3.82	-11.50	3.82/3.90	3.82	3	100.0000
01/02/2000	03/02/2000			2 533.3	11/05/2000	471346	3	1 286.9	2 002.0	518.8	28.5	547.3	3.86	3.37	-12.60	3.37/3.45	3.38	4	91.6429
					06/07/2000	479422	6	1 503.3	1 530.0	395.8	21.0	416.8	3.87	3.54	-15.70	3.54/3.60	3.55	6	30.0823
					11/01/2001	506695	12	1 446.6	1 825.0	494.8	0.0	494.8	3.69	3.93	-14.90	3.93/4.04	3.94	5	54.3778
08/02/2000	10/02/2000				11/05/2000	471346	3	1 834.2	2 691.0	621.0	46.5	667.5	4.33	3.37	-12.60	3.36/3.41	3.37	8	100.0000
					24/08/2000	486492	6	0.0	2 825.0	396.0	55.0	451.0	7.13	3.61	-8.50	3.61/3.67	3.62	3	55.9714
					08/02/2001	510739	12	0.0	2 270.0	450.0	42.7	492.7	5.04	3.97	-11.00	3.96/4.05	3.97	4	100.0000
15/02/2000	17/02/2000				18/05/2000	472351	3	1 528.1	3 774.1	443.4	25.0	468.4	8.51	3.36	-12.70	3.36/3.42	3.37	9	13.6938
					08/02/2001	510739	12	908.3	1 895.0	198.0	0.0	198.0	9.57	4.08	-12.60	4.08/4.16	4.09	5	13.0400
29/02/2000	02/03/2000			2 339.5	08/06/2000	475388	3	824.9	2 544.1	674.1	52.9	727.0	3.77	3.50	-13.40	3.50/3.54	3.51	4	100.0000
					24/08/2000	486492	6	1 273.0	3 325.0	356.2	0.0	356.2	6.53	3.72	-10.30	3.72/3.78	3.72	4	41.8941
					08/02/2001	510739	12	1 149.2	2 221.0	400.0	0.0	400.0	5.55	4.01	-14.60	4.00/4.09	4.02	4	99.5000
07/03/2000	09/03/2000				08/06/2000	475388	3	1 499.0	2 715.0	604.9	0.0	604.9	4.49	3.54	-10.60	3.53/3.58	3.54	9	63.2933
					24/08/2000	486492	6	1 682.1	2 670.0	198.0	0.0	198.0	13.48	3.73	-12.00	3.73/3.82	3.74	3	25.7632
					15/06/2000	476394	3	0.0	1 260.0	624.4	0.0	624.4	2.02	4.09	-12.90	4.08/4.20	4.10	7	52.8000
14/03/2000	16/03/2000				15/06/2000	476394	3	1 643.0	2 035.0	605.0	0.0	605.0	3.36	3.67	-11.60	3.66/3.70	3.67	9	42.0000
					24/08/2000	486492	6	1 880.1	1 865.0	396.0	0.0	396.0	4.71	3.83	-14.90	3.83/3.92	3.84	1	39.2000
					08/03/2001	514772	12	624.4	860.0	450.0	0.0	450.0	1.91	4.19	-11.60	4.18/4.24	4.20	5	100.0000
21/03/2000	23/03/2000			2 140.1	15/06/2000	476394	3	2 248.0	2 857.0	503.8	29.0	532.8	5.67	3.65	-11.60	3.65/3.68	3.65	6	64.9935
					21/09/2000	490536	6	0.0	1 770.0	509.5	0.0	509.5	3.47	3.82	-12.60	3.81/3.88	3.83	5	34.9000
					08/03/2001	514772	12	1 074.4	2 160.0	500.0	0.0	500.0	4.32	4.12	-13.40	4.12/4.19	4.12	3	100.0000
28/03/2000	30/03/2000				06/07/2000	479422	3	1 920.1	3 150.0	625.0	0.0	625.0	5.04	3.71	-10.20	3.70/3.75	3.71	3	100.0000
					21/09/2000	490536	6	538.5	2 550.0	305.6	0.0	305.6	8.34	3.87	-11.90	3.86/3.90	3.87	3	48.5263
					08/03/2001	514772	12	1 574.4	2 300.0	415.6	0.0	415.6	5.53	4.18	-12.60	4.17/4.20	4.18	5	52.6000
04/04/2000	06/04/2000			2 990.4	06/07/2000	479422	3	2 545.1	2 154.5	504.5	9.3	513.8	4.27	3.72	-11.40	3.71/3.75	3.72	8	41.1647
					21/09/2000	490536	6	844.1	1 950.0	356.0	7.7	363.7	5.48	3.87	-12.90	3.86/3.91	3.87	6	51.2000
					08/03/2001	514772	12	1 990.0	3 330.0	300.0	61.0	361.0	11.10	4.16	-14.10	4.15/4.19	4.16	2	100.0000
11/04/2000	13/04/2000				13/07/2000	480438	3	1 235.7	1 775.0	445.4	0.0	445.4	3.99	3.76	-14.10	3.76/3.85	3.77	8	30.4000
					21/09/2000	490536	6	1 207.8	2 020.0	200.0	0.0	200.0	10.10	3.90	-14.50	3.90/3.97	3.90	3	100.0000
					12/04/2001	519821	12	0.0	1 970.0	396.0	0.0	396.0	4.97	4.20	-11.60	4.20/4.28	4.21	7	39.2000
18/04/2000	20/04/2000			2 804.9	13/07/2000	480438	3	1 681.1	2 612.9	453.5	0.0	453.5	5.76	3.81	-12.70	3.81/3.85	3.81	5	100.0000
					21/09/2000	490536	6	1 407.8	1 270.0	250.0	0.0	250.0	5.08	3.92	-16.50	3.91/3.99	3.93	2	100.0000
					12/04/2001	519821	12	396.0	1 280.0	384.5	0.0	384.5	3.51	4.21	-14.80	4.20/4.27	4.21	5	79.5949
25/04/2000	27/04/2000				13/07/2000	480438	3	2 134.6	1 850.0	475.2	0.0	475.2	3.89	3.87	-12.80	3.87/3.94	3.88	5	55.9762
					26/10/2000	495584	6	0.0	1 770.0	306.1	0.0	306.1	5.78	4.07	-9.60	4.07/4.15	4.07	1	30.6100
					12/04/2001	519821	12	760.5	1 730.0	312.6	0.0	312.6	5.53	4.32	-13.60	4.32/4.39	4.32	4	48.0462

02/05/2000	04/05/2000	10/08/2000	484471	3	1 358.3	1 200.0	400.0	0.0	400.0	3.00	4.01	-9.40	4.00/4.04	4.01	6	100.0000
		26/10/2000	495584	6	306.1	660.0	365.2	0.0	365.2	1.81	4.16	-11.70	4.14/4.22	4.18	3	57.6000
		12/04/2001	519821	12	1 073.1	560.0	260.5	0.0	260.5	2.15	4.43	-14.30	4.42/4.50	4.43	6	70.1333
	2 501.7	10/08/2000	484471	3	1 758.3	1 673.2	388.2	19.4	417.6	4.20	4.18	-13.90	4.17/4.21	4.18	6	100.0000
		26/10/2000	495584	6	671.3	1 425.0	255.0	0.0	255.0	5.59	4.33	-14.20	4.30/4.36	4.33	6	84.0941
		10/05/2001	523864	12	0.0	1 300.0	523.4	0.0	523.4	2.48	4.63	-12.60	4.62/4.65	4.63	4	56.0182
	2 979.6	10/08/2000	484471	3	2 156.5	1 323.0	397.0	0.0	397.0	3.33	4.20	-13.60	4.19/4.25	4.20	5	100.0000
		26/10/2000	495584	6	926.3	940.0	390.0	0.0	390.0	2.41	4.37	-15.40	4.36/4.41	4.38	7	100.0000
		10/05/2001	523864	12	542.8	1 125.0	225.0	0.0	225.0	5.00	4.72	-11.20	4.71/4.75	4.73	4	100.0000
		24/08/2000	486492	3	2 276.1	1 409.6	297.0	22.3	319.3	4.75	4.33	-13.40	4.33/4.42	4.34	6	48.4798
		23/11/2000	499628	6	0.0	700.0	400.0	30.7	430.7	1.75	4.53	-14.10	4.53/4.58	4.54	4	50.0000
		10/05/2001	523864	12	767.8	1 380.0	320.1	31.9	352.0	4.31	4.83	-14.20	4.83/4.88	4.84	4	26.6667
		24/08/2000	486492	3	2 595.4	1 827.0	477.0	0.0	477.0	3.83	4.26	-14.10	4.25/4.31	4.26	5	100.0000
		23/11/2000	499628	6	430.7	1 370.0	300.1	0.0	300.1	4.57	4.46	-13.60	4.46/4.52	4.46	2	58.8235
		10/05/2001	523864	12	1 119.8	1 600.0	300.0	0.0	300.0	5.33	4.75	-14.20	4.75/4.81	4.75	3	50.0000
	2 103.9	07/09/2000	488514	3	1 285.3	938.0	338.0	42.8	380.8	2.78	4.32	-10.80	4.31/4.35	4.32	3	50.0000
		23/11/2000	499628	6	730.8	800.0	297.0	31.3	328.3	2.69	4.48	-13.30	4.48/4.51	4.49	6	49.0000
		07/06/2001	527907	12	0.0	1 250.0	425.0	28.9	453.9	2.94	4.77	-10.50	4.77/4.79	4.77	7	100.0000
		07/09/2000	488514	3	1 666.1	1 876.6	332.2	32.2	364.4	5.65	4.40	-14.80	4.39/4.45	4.42	8	8.1020
	2 751.8	23/11/2000	499628	6	1 059.1	1 945.0	336.4	36.2	372.6	5.78	4.58	-14.70	4.58/4.62	4.59	5	52.0000
		07/06/2001	527907	12	453.9	1 845.0	350.3	32.4	382.7	5.27	4.90	-9.80	4.89/4.93	4.90	6	47.1429
		21/09/2000	490536	3	1 657.8	1 517.0	320.1	25.0	345.1	4.74	4.38	-10.60	4.37/4.44	4.41	5	25.7143
		21/12/2000	503668	6	0.0	1 410.0	500.0	0.0	500.0	2.82	4.55	-9.00	4.54/4.61	4.56	2	100.0000
		07/06/2001	527907	12	836.6	1 660.0	250.0	0.0	250.0	6.64	4.81	-11.50	4.80/4.86	4.81	2	100.0000
		21/09/2000	490536	3	1 977.9	1 142.5	678.1	0.0	678.1	1.68	4.42	-13.10	4.42/4.47	4.43	11	75.3933
		21/12/2000	503668	6	525.0	1 460.0	350.0	0.0	350.0	4.17	4.59	-12.80	4.59/4.65	4.59	3	100.0000
		07/06/2001	527907	12	1 088.6	1 290.0	460.0	0.0	460.0	2.80	4.89	-14.60	4.87/4.93	4.89	5	100.0000
	3 058.9	12/10/2000	493563	3	1 130.6	3 660.2	700.4	14.7	715.1	5.23	4.42	-12.70	4.41/4.45	4.42	7	56.8627
		21/12/2000	503668	6	876.9	2 425.0	385.9	51.0	446.9	6.13	4.59	-19.00	4.59/4.64	4.60	8	27.1944
		07/06/2001	527907	12	1 546.6	1 680.0	198.0	0.0	198.0	10.00	4.89	-13.90	4.89/4.93	4.90	5	30.5938
	2 609.8	12/10/2000	493563	3	1 845.7	1 603.9	513.9	18.4	532.3	3.12	4.40	-13.90	4.39/4.46	4.40	6	100.0000
		21/12/2000	503668	6	1 323.8	2 170.0	320.1	14.0	334.1	6.78	4.59	-18.50	4.59/4.65	4.59	4	76.1905
		12/07/2001	532956	12	0.0	1 810.0	370.0	0.0	370.0	4.89	4.93	-10.10	4.93/4.96	4.93	4	100.0000
		12/10/2000	493563	3	2 378.0	1 815.0	495.0	0.0	495.0	3.67	4.42	-14.60	4.41/4.46	4.43	8	37.4563
		25/01/2001	508717	6	0.0	1 110.0	396.0	0.0	396.0	2.80	4.71	-12.60	4.71/4.77	4.72	5	80.0000
		12/07/2001	532956	12	384.0	960.0	200.3	0.0	200.3	4.79	5.00	-13.40	5.00/5.05	5.00	4	44.4444
		26/10/2000	485584	3	1 316.3	1 485.0	750.3	17.9	768.2	1.98	4.46	-16.60	4.45/4.53	4.47	8	23.3333
		25/01/2001	508717	6	396.0	1 035.0	297.0	0.0	297.0	3.48	4.75	-14.60	4.75/4.84	4.76	2	65.2889
		12/07/2001	532956	12	584.3	1 210.0	118.7	0.0	118.7	10.19	5.02	-12.90	5.01/5.06	5.03	6	15.0962
		26/10/2000	495584	3	2 066.6	1 585.0	600.5	0.0	600.5	2.64	4.47	-16.60	4.46/4.48	4.47	9	66.6667
		25/01/2001	508717	6	710.9	960.0	198.0	0.0	198.0	4.85	4.72	-19.60	4.72/4.77	4.73	1	98.0000
		12/07/2001	532956	12	703.0	1 600.0	250.3	0.0	250.3	6.39	5.04	-12.40	5.03/5.07	5.04	5	27.0270
	2 553.5	09/11/2000	497606	3	1 095.2	1 671.4	316.8	42.4	359.2	5.28	4.48	-15.70	4.47/4.52	4.49	10	19.4506
		25/01/2001	508717	6	908.9	1 385.0	300.0	0.0	300.0	4.62	4.72	-17.50	4.72/4.80	4.73	4	25.0000
		09/08/2001	536023	12	0.0	1 285.0	400.2	0.0	400.2	3.21	5.00	-12.60	5.00/5.04	5.01	6	24.5283
		09/11/2000	497606	3	1 454.4	1 235.0	500.2	36.3	536.5	2.47	4.67	-15.40	4.65/4.73	4.68	7	43.0769
		25/01/2001	508717	6	1 208.9	685.0	360.0	15.5	375.5	1.90	4.86	-18.60	4.85/4.92	4.87	5	100.0000
		09/08/2001	536023	12	400.2	1 185.0	240.0	25.7	265.7	4.94	5.17	-12.00	5.16/5.23	5.17	3	100.0000
	3 072.4	22/02/2001	512750	3	1 431.7	1 312.0	439.6	26.7	466.3	2.98	4.76	-12.10	4.75/4.85	4.76	7	43.5000
		09/08/2001	536023	12	0.0	890.0	475.0	20.0	495.0	1.87	4.95	-14.40	4.94/5.00	4.96	6	100.0000
		09/08/2001	536023	12	665.9	1 125.0	197.9	36.2	234.1	5.68	5.20	-13.70	5.20/5.25	5.21	3	46.5714
		23/11/2000	499628	3	1 895.0	2 542.0	700.1	39.6	739.7	3.63	4.77	-14.50	4.77/4.85	4.78	2	27.2727
		22/02/2001	512750	6	495.0	1 130.4	300.2	70.5	370.7	3.77	4.98	-13.10	4.97/5.06	4.99	7	31.5333
		09/08/2001	536023	12	900.0	960.0	275.0	59.0	334.0	3.49	5.21	-12.90	5.20/5.28	5.21	5	100.0000
	2 030.5	07/12/2000	501647	3	1 762.2	2 163.0	495.0	0.0	495.0	4.37	4.68	-14.40	4.68/4.75	4.69	4	39.1680
		22/02/2001	512750	6	865.7	1 235.0	198.0	0.0	198.0	6.24	4.90	-12.40	4.90/5.00	4.91	2	98.0000
		06/09/2001	540066	12	0.0	2 065.0	450.3	0.0	450.3	4.59	5.14	-9.30	5.12/5.18	5.14	5	64.0351
		12/09/2000	501647	3	2 257.2	2 395.0	375.0	19.8	394.8	6.39	4.70	-16.10	4.70/4.74	4.70	4	100.0000
		22/02/2001	512750	6	1 088.7	1 730.0	300.6	27.8	328.4	5.76	4.94	-13.70	4.94/5.00	4.95	9	3.7983
		06/09/2001	540066	12	450.3	1 440.0	250.3	32.9	283.2	5.75	5.18	-10.90	5.16/5.22	5.18	6	42.8571

19/09/2000	21/09/2000	900	1 100	2 865.8	21/12/2000	503668	3	1 643.9	2 215.0	400.3	10.0	410.3	5.53	4.67	-14.60	4.66/4.75	4.68	8	16.5746
					22/03/2001	516793	6	0.0	2 030.0	350.0	0.0	350.0	5.80	4.86	-14.50	4.86/4.95	4.86	3	100.0000
					06/09/2001	540066	12	733.5	1 800.0	300.0	0.0	300.0	6.00	5.03	-14.20	5.02/5.07	5.03	3	100.0000
26/09/2000	28/09/2000	900	1 100		21/12/2000	503668	3	2 044.2	837.0	304.8	0.0	304.8	2.75	4.69	-19.40	4.68/4.78	4.71	7	45.2000
					22/03/2001	516793	6	350.0	1 085.0	420.0	0.0	420.0	2.58	4.91	-13.50	4.90/4.93	4.91	4	100.0000
					06/09/2001	540066	12	1 043.5	1 225.0	200.0	0.0	200.0	6.13	5.06	-12.90	5.06/5.11	5.06	1	100.0000
03/10/2000	05/10/2000	900	1 100		11/01/2001	506695	3	1 941.4	2 155.0	390.0	22.5	412.5	5.53	4.74	-24.50	4.73/4.82	4.75	5	100.0000
					22/03/2001	516793	6	770.0	1 350.0	336.5	0.0	336.5	4.01	4.91	-13.10	4.91/4.95	4.92	7	43.7895
					06/09/2001	540066	12	1 243.5	2 535.0	200.2	0.0	200.2	12.66	5.05	-10.90	5.05/5.07	5.05	8	23.5294
10/10/2000	12/10/2000	900	1 100	2 873.0	11/01/2001	506695	3	2 353.9	1 392.5	247.3	26.9	274.2	5.63	4.77	-24.60	4.77/4.85	4.78	5	32.5867
					22/03/2001	516793	6	1 106.5	1 805.0	300.2	37.2	337.4	6.01	4.95	-12.90	4.94/5.02	4.95	5	41.6667
					11/10/2001	545115	12	0.0	2 720.0	400.0	48.4	448.4	6.80	5.09	-11.50	5.09/5.15	5.09	4	100.0000
17/10/2000	19/10/2000	900	1 100		11/01/2001	506695	3	2 628.1	1 981.0	500.4	52.1	552.5	3.96	4.79	-22.80	4.77/4.83	4.79	5	67.6819
					22/03/2001	516793	6	1 443.9	1 415.0	250.3	0.0	250.3	5.65	4.96	-11.80	4.95/5.02	4.96	5	47.6190
					11/10/2001	545115	12	448.4	1 935.0	260.0	0.0	260.0	7.44	5.09	-11.10	5.09/5.15	5.09	2	100.0000
24/10/2000	26/10/2000	900	1 100	2 867.1	25/01/2001	508717	3	1 584.4	1 141.0	310.3	64.6	374.9	3.68	4.90	-20.00	4.89/4.93	4.90	6	36.7268
					26/04/2001	521843	6	0.0	1 975.0	400.0	0.0	400.0	4.94	5.00	-16.00	5.00/5.09	5.01	1	60.0000
					11/10/2001	545115	12	760.5	1 630.0	198.0	0.0	198.0	8.23	5.13	-15.00	5.13/5.22	5.14	1	98.0000
31/10/2000	02/11/2000	900	1 100		25/01/2001	508717	3	1 894.7	1 140.0	400.0	51.0	451.0	2.85	4.91	-23.00	4.90/4.96	4.92	4	50.0000
					26/04/2001	521843	6	464.6	860.0	237.6	0.0	237.6	3.62	5.00	-20.20	5.00/5.07	5.01	3	78.4000
					11/10/2001	545115	12	958.5	1 045.0	300.0	0.0	300.0	3.48	5.16	-13.10	5.16/5.20	5.16	3	100.0000
07/11/2000	09/11/2000	800	1 000	1 990.9	08/02/2001	510739	3	1 549.2	3 387.0	250.3	0.0	250.3	13.53	4.92	-19.90	4.92/4.97	4.93	5	11.6190
					26/04/2001	521843	6	702.2	865.0	250.0	0.0	250.0	3.46	5.00	-16.80	5.00/5.06	5.01	4	50.0000
					08/11/2001	549158	12	0.0	1 960.0	300.2	0.0	300.2	6.53	5.11	-13.50	5.10/5.16	5.11	4	52.6316
14/11/2000	16/11/2000	600	800		08/02/2001	510739	3	1 799.5	3 295.0	200.0	17.4	217.4	16.48	4.85	-24.40	4.85/4.95	4.85	1	20.0000
					26/04/2001	521843	6	952.2	810.0	150.1	0.0	150.1	5.40	4.97	-15.50	4.96/5.00	4.97	6	33.7838
					08/11/2001	549158	12	300.2	2 435.0	300.6	0.0	300.6	8.10	5.04	-14.80	5.04/5.09	5.05	7	16.8067
21/11/2000	23/11/2000	600	800	2 637.7	22/02/2001	512750	3	1 417.1	2 820.0	200.2	29.3	229.5	14.09	4.84	-23.00	4.84/4.91	4.85	3	3.8462
					24/05/2001	525885	6	0.0	2 685.0	300.0	0.0	300.0	8.95	4.92	-18.00	4.92/5.01	4.93	1	40.0000
					08/11/2001	549158	12	600.8	1 255.0	148.5	0.0	148.5	8.45	5.03	-13.10	5.03/5.09	5.04	3	66.7273
28/11/2000	30/11/2000	600	800		22/02/2001	512750	3	1 617.3	1 535.0	190.2	22.1	212.3	8.07	4.84	-23.40	4.84/4.88	4.85	5	19.1489
					24/05/2001	525885	6	329.3	1 825.0	450.0	0.0	450.0	4.06	4.86	-24.70	4.85/5.00	4.90	3	50.0000
					08/11/2001	549158	12	749.3	1 550.0	150.1	0.0	150.1	10.33	5.03	-13.50	5.03/5.05	5.03	5	37.9747
05/12/2000	07/12/2000	600	800	2 652.0	08/03/2001	514772	3	2 351.0	2 270.0	100.0	26.2	126.2	22.70	4.78	-22.60	4.78/4.86	4.78	1	100.0000
					24/05/2001	525885	6	779.3	940.0	200.0	56.1	256.1	4.70	4.86	-15.10	4.86/4.90	4.86	2	100.0000
					06/12/2001	553192	12	0.0	2 390.0	500.0	60.2	560.2	4.78	4.85	-17.50	4.85/4.92	4.85	1	100.0000

* B/C = Bid to cover ratio

Annex 7

LIST OF BELGIAN TREASURY SECURITIES DEALERS

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SCHRODER SALOMON SMITH BARNEY Citigroup Centre, 33 Canada Square Canary Wharf GB - London E 14 5 LB	BROWN Philip	+44 207 986 8950 philip.brown@ssmb.com	+44 207 986 1912
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Deutsche Bank AG London:	Philip Howes Philip.howes@db.com Tel 44 207 5451048 Fax 44 207 5451172 6 Bishopsgate London EC2N 4DA
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PLACING INSTITUTIONS

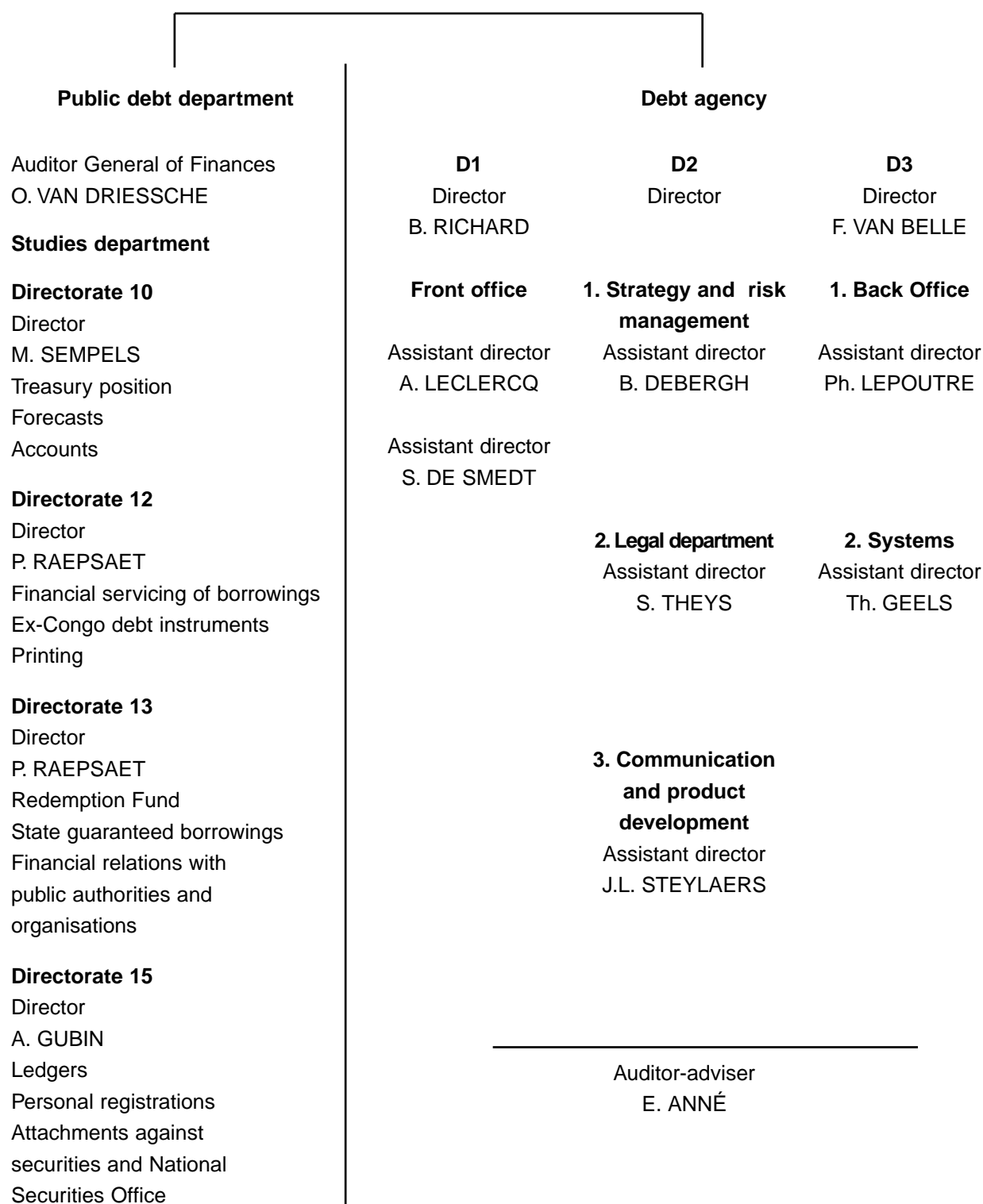
ARTESIA BANKING CORPORATION	Rue de Trèves, 25	1040 Bruxelles
BBL ING	Avenue Marnix, 24	1000 Bruxelles
AXA BANK BELGIUM	Grote Steenweg, 214	1160 Berchem
BANQUE DE LA POSTE	Rue des Colonies, 56	1000 Bruxelles
BANQUE NAGELMACKERS	Avenue de l'Astronomie, 23	1210 Bruxelles
BONNEWIJN, RENWART, VAN GOETHEM & Cie	Rue de la Loi, 78	1040 Bruxelles
DEXIA	Boulevard Pachéco, 44	1000 Bruxelles
DEUTSCHE BANK	Avenue Marnix, 17	1000 Bruxelles
CPH BANQUE	Rue Perdue, 7	7500 Tournai
DE BUCK ET CIE	Kouter 27	9000 Gent
DIERICKX, LEYS & CIE	Kasteelpleinstraat 44	2000 Antwerpen
KBC BANK	Avenue du Port, 2	1080 Bruxelles
RIGA & CIE	Rue de Nivelles, 14	1300 Wavre
LELEUX ASSOCIATED BROKERS S.A.	Rue du Bois Sauvage, 17	1000 Bruxelles
VAN DE PUT & C°	Mechelsesteenweg 203	2018 Antwerpen
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CREDIT AGRICOLE BANQUE	Boulevard Sylvain Dupuis, 251	1000 Bruxelles
OOSTVLAAMS BEROEPSKREDIET	Dr A. Rubbensstraat 45	9240 Zele
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Annex 8

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