KINGDOM OF BELGIUM

MINISTRY OF FINANCE
Administration of the Treasury

Public debt

Annual report
2001

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MINISTRY OF FINANCE
Administration of the Treasury
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FOREWORD BY DIDIER REYNDERS, MINISTER OF FINANCE

This is the third time that I have had the pleasure of writing this foreword to the Treasury's annual report on public debt. This 15th annual report shows clearly the operations carried out during the year with a view to rising the financing required for the State's operations. It demonstrates above all the good results obtained by the debt managers, despite an unfavourable economic environment. After several years of strong growth, 2001 was a difficult year marked by a downturn in the world economy as a whole, which was aggravated by the terrorist attacks of 11 September. Belgium's public finances, like those of the euro zone as a whole were directly affected, notably in terms of fiscal income. Fortunately, primary expenses increased only very slightly, while the share of the public debt charges in the federal expenses as a whole once again fell. In this difficult context, important initiatives, intended to improve the quality of the public finances, were nevertheless developed and implemented.

We have therefore been able to pursue successfully our policy of putting the public finances on a healthier footing and, for the eighth consecutive year, our country's debt in relation to GDP has been reduced, and now stands at 107.6 %. In the stability programme 2002-2005, the government clearly reasserted its determination to steer the same course and, as soon as the economic situation allows, to rejoin the path that it followed previously, thereby confirming its commitment to the ongoing reduction of the public debt.

2001 was also marked by the final preparations for the changeover to the fiduciary euro on 1 January 2002, which was long awaited – albeit not without some concerns – by all the economic actors and citizens. We are delighted by the successful putting into circulation and acceptance of euro notes and coins. The Member States participating in Economic and Monetary Union had already contributed to this success by converting from January 1999 their negotiable domestic debt and issuing very rapidly securities denominated in the single currency with a view to familiarising institutional investors and private investors with them. In August 1999, I gave my agreement for future State notes to be issued exclusively in euro and I was extremely pleased when such issues were immediately given a positive welcome by the public at large.

Over the last ten years, the Treasury has endeavoured constantly to modernise the management of the public debt. The highlights during this period have included the creation in 1991 of the modern public debt securities market and the main monetary policy instruments, the establishment of a group of primary dealers, the development of effective risk evaluation and management tools, as well as the creation in 1998 within the Administration of the Treasury of a Debt Agency and finally the development of the MTSB electronic trading platform.

I welcome these different initiatives which have not only allowed us to establish progressively a consistent framework based on best practices for the Belgian public debt, but also to achieve structural economies. The success of the Treasury's day-to-day management can also be measured by the recent narrowing of spreads on benchmark issues compared with German debt for the same maturity. This phenomenon of convergence clearly concerns all the "small" sovereign issuers in the euro zone but is particularly striking in the case of Belgium.

I know that the Treasury does not intend to rest on its laurels and that it has set itself new objectives. The general guidelines on the management of the debt that I decide every year on the basis of proposals put forward by the Debt Strategy Committee operating within the Administration of the Treasury form the framework for its daily management action. This action is based on achieving the best possible balance between costs and risks in connection with the debt portfolio, more specifically the principal market risks, namely the exchange risk, interest rate risk and refinancing risk.

During 2001, the Treasury succeeded in reducing further the already fairly low level of foreign currency debt, despite the low euro exchange rate, thanks in particular to a measured use of derivative products, such as forward foreign exchange transactions or swaps. Thus, the federal State's foreign currency debt represented only 2.75% of the gross outstanding debt at the end of 2001 and, in accordance with the general guidelines of 2002, this level has been reduced even further since that date. Likewise, the Treasury has continued to manage interest rate risk in accordance with a series of criteria, including the duration of the portfolio and its average maturity. The Treasury has maintained a high value for these two criteria for the debt in euro, respectively 4 and 6.4 years with a margin of fluctuation, thanks to a policy of focusing on medium and long-term issues. Finally, the Treasury has also undertaken to change the profile of the medium-term debt, through the early refinancing of certain maturity dates, with a view to reducing the refinancing risk of the portfolio.

In conclusion, I would like to thank the Treasury team, in particular the Debt Agency for the way in which they have adapted and the flexibility that they have shown in accomplishing their tasks. I encourage them to carry on their good work which will contribute to putting our country's finances on a structurally healthy footing.

The Minister of Finance,

Didier REYNDERS

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

	2000	2001
1. Net Financing Requirements	0.555	1.855
2. - Exchange differences	0.363	0.060
- Capitalisation of interest	0.497	0.459
- Operations with the IMF	1.064	-0.554
- Miscellaneous (correction of issue and exchange differences)	0.745	0.477
3. Debt taken over	0	1.703
4. Effective change in net debt (1+2+3)	3.224	4.000
5. Net outstandings (a)	249.831	253.831
6. Net increase in debt in %	1.31 %	1.60 %
7. Treasury management operations outstandings (a)	1.230	3.332
8. Gross outstandings [(5)+(7)]	251.061	257.163
9. Main debt instruments outstandings		
A. In EUR/BEF :		
- Linear bonds	173.157	185.727
- Traditional issues	25.002	17.351
- State notes	6.119	7.122
- Treasury certificates (net outstandings) (b)		
- 3 months	2.848	4.828
- 6 months	6.676	5.317
- 12 months	16.040	16.802
- “Belgian Treasury Bills” in EUR/BEF	0.385	0.698
- Private, interbank and miscellaneous issues	8.297	8.699
- Funded debt issued in ex-“euro zone” currencies	2.32	2.215
- Funded debt issued in foreign currencies and swapped into EUR	1.61	1.325
Total:	242.455	250.084
In % of the total debt in EUR/BEF		
- Linear bonds	71.42 %	74.27 %
- Traditional issues	10.31 %	6.94 %
- Treasury certificates	10.54 %	10.77 %
- State notes	2.53 %	2.85 %
- Others	5.20 %	5.17 %
B. In foreign currencies		
- funded (long term)	6.929	5.003
- floating	1.677	2.076
Total:	8.606	7.079

	2000	2001
10. Breakdown by currencies		
A. Domestic debt	242.455	250.084
- In EUR/BEF funded and floating	238.524	246.544
- In ex-“euro zone” currencies	3.931	3.540
B. In foreign currencies	8.606	7.079
As a % of total gross outstandings		
- EUR/BEF	96.57 %	97.25 %
- In foreign currencies	3.43 %	2.75 %
11. Breakdown according to issue maturity as a % of total gross outstandings		
- long and medium-term (>1 year)	86.06 %	85.64 %
- short-term (<1 year)	13.94 %	14.36 %
12. Breakdown according to rate as a % of total gross outstandings		
- Fixed rate	86.79 %	82.77 %
- Variable rate	13.21 %	17.23 %
13. - Debt duration in BEF and EUR	4.09	3.89
- Debt duration in non-euro currencies	1.44	0.60
14. Federal State’s interest charges (c)	14.70	14.97
15. Average weighted interest rate	6.4 %	5.77 %
16. GDP	248.3	256.1
17. Ratio of federal interest charges to federal expenditure as a %	34.7 %	33.9 %
18. Debt ratio for all public authorities (as a % of GDP)	109.3 %	107.6 %

(a) The difference between gross and net debt expenditure, i.e. 3 332 million EUR at the end of 2001 results, on the one hand, from the deduction of the temporary investments made during Treasury management operations (3 272 million EUR on 31 December 2001) and, on the other hand, from the financing allocated by the Treasury to the Securities Regulation Fund (60 million EUR on 31 December 2001) pursuant to article 30 of the law of 2 January 1991.

(b) Net TC outstandings = difference between the nominal amount issued and the discounted interest.

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

- in 1995, it comprised a gain of 3 million EUR.
- in 1996: gain of 27 million EUR.
- in 1997: gain of 126 million EUR.
- in 1998: gain of 253 million EUR.
- in 1999: gain of 474 million EUR.
- in 2000: gain of 659 million EUR.
- in 2001: gain of 598 million EUR.

PART I

BELGIAN'S ECONOMIC AND FINANCIAL DEVELOPMENT IN 2001

1. OVERVIEW

Slowdown in growth in 2001

If 2001 ended on a successful note with the changeover to the euro as the common fiduciary payment instrument in twelve countries, it is an inescapable fact that the year under review was disappointing with a slowdown in the world economy which inevitably had an impact on an economy as open as the Belgian economy. The first signs of this slowdown were perceptible in the United States in the second half of 2000, with notably the collapse in technology stocks and an increase in energy prices. These economic shocks spread to Europe where the effects were compounded by the euro's depreciation and various crises in the food sector. In addition, the terrorist attacks in September had a negative psychological impact on the confidence of American consumers and producers, which spilled over into the European Union.

GDP growth of around 1% in 2001

In 2001, GDP growth in our country was thus estimated at 1% compared with 4% in 2000. It must be pointed out, however, that growth in 2000 had been exceptional. During the year under review, the economic downturn affected in particular exports (decline of 0.4%) and investments (increase of 1.2% compared with 3.3% in 2000). This explains the low level of growth in Belgium. However, as imports fell more than exports, the latter nevertheless made a net contribution (0.6%) to the increase in GDP. The balance of payments on current account recorded a surplus estimated at 5% of GDP. Private consumption also slowed (+1.7% compared with +3.8% in 2000).

Inflation down to +2.4%

Unlike the previous year, inflation fell from an average rate of 2.7% in 2000 to 2.4% in 2001. Fuelled by the euro's depreciation vis-à-vis the dollar and higher energy and food prices, inflation in May of the year under review reached 3.1% before falling subsequently to 2% in December following the deterioration in the economic situation.

Drop in the unemployment rate

Unemployment declined slightly from 7% in 2000 to 6.9% of the economically active population in 2001. As a result of the economic climate, the number of people unemployed increased in the second half of 2001, which explains the small drop in the unemployment rate.

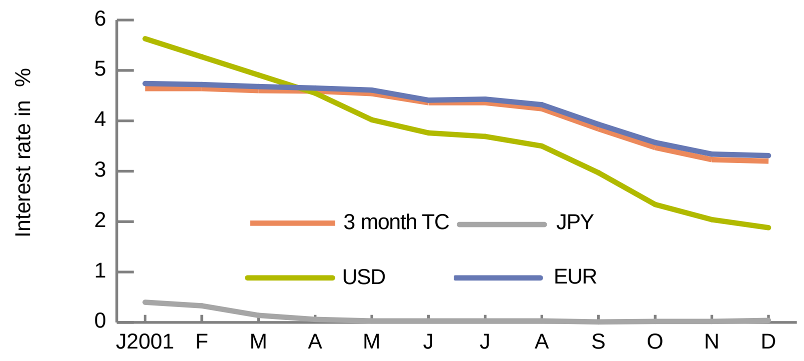
Lower short-term and long-term interest rates

As regards Belgian interest rates in 2001, short-term rates fell from May when inflationary fears eased and the European Central Bank initiated a series of rate cuts in order to react to the downturn in economic growth. On the other hand, long-term rates yo-yoed. They fell from January to March, continuing the downward trend, which started in 2000. They then increased slightly in April and May as a result of inflationary fears, before falling again up to October in response to reduced investor growth forecasts for the euro zone. At the end of the year, they started to climb again, reflecting renewed investor confidence in the economic recovery.

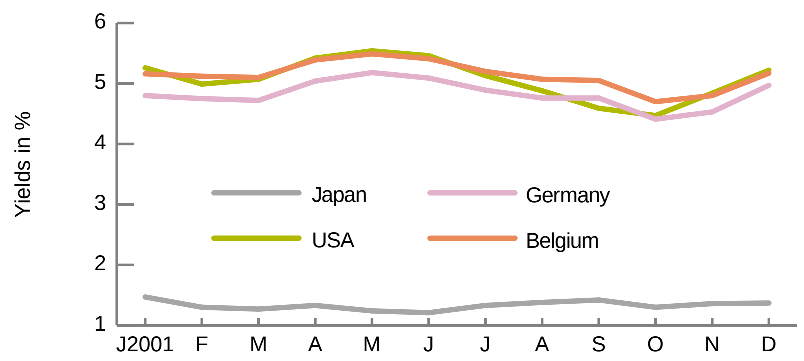
From January to December 2001, rates on 3 month Treasury certificates fell on average from 4.64% to 3.20%. During the year under review, spreads were positive to the advantage of Belgian rates relative to the average 3-month yield on euros.

Long-term rates fluctuated throughout the year around 5%. From January to December 2001, the yield on the 10-year benchmark OLO increased from 5.16% to 5.17% with an average spread relative to bunds for the same maturity date of around 31 basis points to the advantage of the latter.

Graph 1: Average 3-month interest rates in 2001



Graph 2: Average yield on 10-year benchmark bonds in 2001



Interest charges on the federal debt increased slightly in absolute terms in 2001 compared with 2000; they increased from 14.70 to 14.97 billion EUR. This increase resulted in part from certain debts taken over by the Treasury. In GDP terms, interest charges continued the downward trend begun in recent years, which, in combination with the continuing high primary surplus, made it possible to generate in 2001 a surplus of around 0.2% of GDP.

Interest charges slightly higher in absolute terms

2. DEVELOPMENT OF PUBLIC AUTHORITY FINANCES IN 2001

2.1. Implementation of the 2001-2005 stability programme

2000 was an important step in the long process of putting Belgian public finances on a healthier footing since, for the first time since 1950 there was no longer a budget deficit; on the contrary there was a slight budget surplus of 0.1% of GDP.

In the 2001-2005 Stability Programme, the budgeted financing surplus for 2001 was 0.2% of GDP. At that time the government's forecasts were based on estimated economic growth of 2.5%, but the economic downturn made it impossible to reach that target. In fact real growth was 1% of GDP in 2001. However, this slowdown had only a small effect on budgetary policy since, as is illustrated in table 1, the budget surplus amounted to 0.2% of GDP in 2001. Thus, for the second year running, the budget for all public authorities recorded a slight surplus.

Budget surplus in 2001

Table 1: The 2001-2005 Stability Programme. Targets and results achieved in terms of the financing balance (as a % of GDP)

	2000 Achieved	2001 Targets	2001 Estimates
Public authorities (total)			
Primary surplus	6.8	6.8	6.7
Financing balance	0.1	0.2	0.2
Entity I (a)			
Primary surplus	6.3	5.7	5.5
Financing balance	0.1	-0.3	-0.4
Entity II (b)			
Primary surplus	0.6	1.0	1.2
Financing balance	0.0	0.5	0.6

(a) Federal authorities and Social Security
(b) Communities and Regions as well as local authorities

When drawing up its stability programme, the government had expressly decided not to take into account income possibly generated by the sale of UMTS licences. The income from their sale (0.2% of GDP) was intended to contribute to achieving a financing balance to 0.4% of GDP. Given the downturn in the economic climate, the government therefore managed to limit the shortfall in relation to the stability programme. The assumption used in the initial budget of growth of 2.5% - and not the estimates available at the time

Prudent budgetary assumptions

of economic growth of 3.1% - allowed the Treasury to cushion, at least in part, the impact of the economic downturn. In addition, the federal authorities reacted to any risk of budgetary skid by carrying out in July a budget revision.

As table 1 shows, Entity I did not achieve its projected target, even taking into account the impact of the sale of UMTS licences. The receipts and expenditure of Entity I were in fact almost immediately affected – via tax receipts and unemployment expenditure – by the deterioration in economic situation. However, the change in the economic situation had a delayed impact on the main receipts of the sub-sectors of Entity II. It should be borne in mind that the percentage of personal income tax and VAT (constituting their main source of financing) to be transferred in 2001 to the Communities and Regions was calculated on the basis of the inflation and growth figures for 2000. Combined with an advantageous balance for 2000, this produced an important increase in the receipts of the Communities and Regions.

The results recorded for Entity II were therefore once again better than the targets set in the stability programme, on account of the results of the Communities and Regions which did not use in full the strong increase in their receipts but instead transformed in into an improvement in their financing balance.

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

	2000 (actual)	**2001 (estimates)**
Receipts (1)	49.5	49.5
Primary expenditure (2)	42.6	42.8
Primary balance (3 = 1-2)	6.8	6.7
Interest charges (4)	6.8	6.5
Financing balance (5 = 3-4)	0.1	0.2

High primary surplus

The primary balance of all public authorities fell only slightly despite the deterioration in the economic climate. The percentage of receipts stabilised in terms of GDP while the percentage of primary expenditure in GDP increased slightly (in real terms, it increased by 1%). The small fall in the primary surplus was, however, offset by the change in interest charges. The financing surplus increased to 0.2% of PIB.

According to the European Commission’s estimates, the euro zone should record a deficit of 1.1% of GDP in 2001. With an estimated surplus of 0.2% of GDP, Belgium’s performance is therefore considerably higher than the average.

Chart 3 illustrates the systematic decline in the budget deficit since 1993. This translates not only the reduction in interest charges but also the creation of an important primary surplus which reached 6% of GDP in 1997 and which subsequently has remained significantly above this historic level.

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

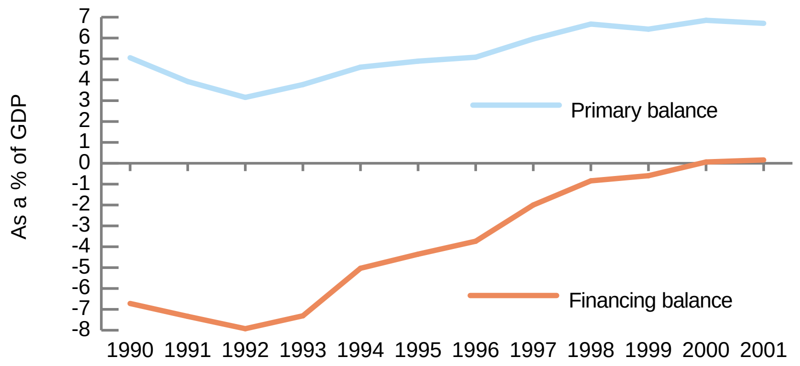
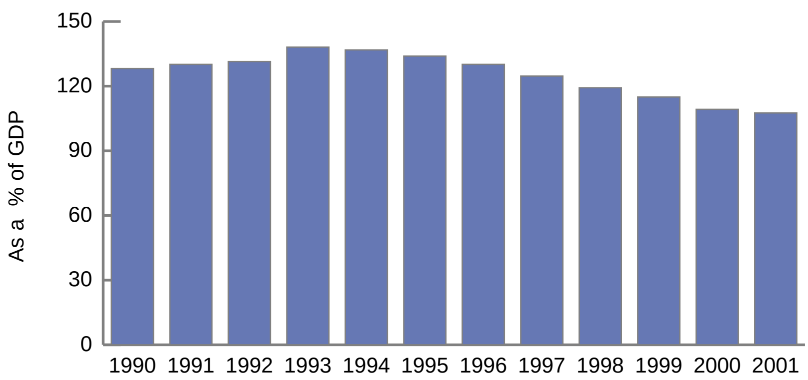


Chart 4: Development of the debt ratio from 1990 to 2001



Structural reduction of the debt ratio

The elimination of the budget deficit, the allocation of privatisation receipts as well as the efforts by the public authorities to consolidate the debt have resulted in a structural reduction in the debt ratio. Accordingly, within eight years, the debt ratio has fallen from 138.1% to 107.6% of GDP. In 2001, the reduction of the ratio was held back by two factors. Given the economic slowdown, the difference between the implicit rate and the growth rate of GDP – which determines the internal dynamism of the debt reduction – again increased so that the endogenous reduction of the debt ratio fell from 6% in 2000 to 3.5% in 2001. In addition, the integration of the OCCH debts in the public debt in accordance with the Maastricht concept led to an increase in the debt level to 1.8%. By balance, the debt ratio therefore fell by only 1.7% in 2001.

2.2. The 2002-2005 stability programme

A balanced budget and a budgetary surplus for the coming years

The 2001-2005 stability programme provided for the gradual achievement of a surplus of 0.7% of GDP for 2005 in the framework of the continuation of the underlying economic trend. A financing surplus of 0.3% of GDP was projected for 2002. The government had also committed itself to maintaining these targets even in the event of an economic slowdown, except for significant negative differences with the growth trend or exceptional interest rate changes. When the budget for 2002 and updated 2002-2005 stability programme was drawn up, the government based its targets on the assumption of economic growth of 1.1% and 1.3% for 2001 and 2002 respectively. The total difference compared with the projected growth trend is expected to amount to 2.6% for those years.

Table 3: Interest charges and budgetary balances of the different entities under the stability programme for 2002-2005 (as a % of GDP)

	2001 estimates	2002 targets	2003	2004	2005
Public authorities					
Primary surplus	6.7	6.0	6.1	5.9	5.7
Interest charges	6.5	6.0	5.6	5.3	5.0
Financing balance	0.2	0.0	0.5	0.6	0.7
Entity I					
Primary surplus	5.5	5.1	5.1	5.1	5.0
Interest charges	6.0	5.5	5.1	5.0	4.7
Financing balance	-0.4	-0.3	0.2	0.4	0.5
Entity II					
Primary surplus	1.2	0.9	0.8	0.6	0.6
Interest charges	0.6	0.5	0.5	0.4	0.4
Financing balance	0.6	0.3	0.3	0.2	0.2
Gross debt	107.6	103.3	97.7	93.0	88.6

In this unfavourable macro-economic context, the government had the delicate task of trying to ensure compliance with the budgetary targets, while following a policy that would not weight too heavily on domestic demand. Considering that healthy public finances are an essential prerequisite for confidence, the authorities chose to maintain their target of a balanced budget for 2002.

Within the available budgetary limits, the government allocated the necessary means as far as possible to stimulate the economy to counteract the economic slowdown. Thus, purchasing power was underpinned by the implementation in full of the reduction in personal income tax and the abolition of the supplementary crisis tax. The authorities also pursued their policy of reducing the burden of charges on employment via a simplification of the existing systems. In addition, the government turned its attention to reforming corporation tax.

In the medium-term, the government remains committed to creating a substantial financing surplus and expects the economy to pick-up rapidly in 2002, with stronger growth in 2003. Growth of 3% of GDP in 2003 should allow a return to the rhythm of the stability programme for 2001-2005 and contribute to a financing surplus of 0.5% of GDP.

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PART II

THE TREASURY'S FINANCING STRATEGY

1. THE TREASURY'S FINANCING REQUIREMENTS IN 2001

Lower financing requirements

The total gross financing requirement in 2001 amounted to 26.94 billion EUR, that is to say 0.39 billion (5%) less than the amount estimated at the beginning of the year at the time of budgetary control. This difference resulted from, on the one hand, a surplus of the projected net balance to be financed of 0.20 billion EUR and, on the other hand, a decrease in debt servicing expenditure of 0.59 billion EUR. The smaller than forecast repayments concern chiefly the refinancing in euro of the foreign currency debt and the pre-funding of repayments falling due in 2002.

The total amount of the medium and long-term debt reaching maturity in 2001 was 22.22 billion EUR (compared with a forecast of 21.99 billion).

This amount can be broken-down as follows:

- Repayment of 20.26 billion EUR (forecast: 20.24 billion) of medium and long-term debt in euro, including 7.24 billion by way of exchanges of securities (estimated amount: 7.23 billion EUR). These repayments concerned chiefly two OLO lines (6.35 billion EUR) and four traditional debt issues (5.15 billion EUR).

- Repayment of 1.96 billion EUR (forecast: 1.75 billion EUR) of medium and long-term foreign currency debt.

In 2001 the Treasury also bought-back on the OLO market debt-reaching maturity in June 2002 for a total amount of 2.29 billion EUR (projected amount: 3 billions). In addition, it redeemed traditional debt in the amount of 83 million EUR.

The total gross financing requirement in 2001 also included, in the amount of approximately 460 million EUR, interest accrued on securities redeemed by way of exchanges (which are capitalised in the replacement OLOs), as well as early repayment, by exercising put options, of State notes for an amount of approximately 34 million EUR.

2. THE TREASURY'S FUNDING RESOURCES IN 2001

Medium and long-term issues totalled 26.58 billion EUR, which represents 95% of the amount projected at the start of the year (27.86 billion).

OLO issues totalled 26 billion EUR (corresponding to the initial forecast): i.e. 10 billion by syndication, 8.55 billion by auction and 7.42 billion via exchange operations (projected amount: 7.68 billion). The exchange operations concerned only debt reaching maturity in 2001.

The OLO issues (auctions and syndications) can be broken down as follows: 55 % were 10-year OLOs and 45 % were 5-year OLOs.

State notes were also issued for a total of 1.04 billion EUR (1billion projected).

The means of funding table is completed by an accounting adjustment of -0.42 billion EUR relative to the prorating of issue and exchange differences.

Reduction of the foreign currency debt in 2001

The government's policy is to repay in full as soon as possible its foreign currency debt. The implementation of this policy depends, however, on financial market conditions, which were not very favourable in 2001 on account of the euro's weakness. The foreign currency debt reaching its final maturity was therefore refinanced to a large extent by short-term foreign currency borrowings, thereby increasing the latter by 0.37 billion EUR instead of the initially forecasted decrease of 1.08 billion. It should be noted that the total foreign currency debt continued to decline in 2001.

Based on the difference between the gross financing requirement and the means of funding, the short-term debt in euro fell in 2001 by 0.01 billion EUR.

The table below summarises these data.

Table 4: Treasury financing in 2001 (billion EUR)

	2001 budget Budget assumptions	Achieved 2001
I. <u>Gross financing requirements in 2001</u>		
1. Funding needs in 2001	**23.64**	**24.07**
Budget deficit (net to be financed):	1.65	1.85
Debt maturing in 2001	21.99	22.22
- Medium and long-term debt in euro (1)	20.24	20.26
- Medium and long-term foreign currency debt	1.75	1.96
2. Pre-funding (debt maturing in 2002 and after)	**3.11**	**2.37**
- Debt buy-backs (2)	3.10	2.37
- Exchange offers (1) (2)	0.00	0.00
- Call	0.01	0.00
3. Other financing requirements (3)	**0.58**	**0.49**
Total I.	**27.33**	**26.94**
II. <u>Funding resources in 2001</u>		
1. Medium and long-term issues in euro	**27.86**	**26.58**
- OLOs (auctions and syndications)	18.28	18.55
- Bond exchanges	7.68	7.42
Maturing in 2001	7.68	7.42
Maturing in 2002	0.00	0.00
- State notes	1.00	1.04
- Others (4)	0.90	-0.42
2. Medium and long-term foreign currency issues	**0.00**	**0.00**
Total II.	**27.86**	**26.58**
III. <u>Net change in short-term foreign currency debt</u>	**-1.08**	**0.37**
IV. <u>Net change in short-term debt in euro</u>	**0.56**	**-0.01**

(1) Not including interest capitalised on security exchanges.
(2) Medium and long-term debt maturing in 2002 as at 1 January 2001: 14.9 billion EUR.
(3) Including interest capitalised on security exchanges and early repayment of State notes (“put” options)
(4) Accounting adjustments relative mainly to the prorating of issue premiums.

3. GENERAL GUIDELINES FOR 2001: OBJECTIVES AND ACHIEVEMENTS

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

3.1. Exchange rate risk

Ongoing reduction of the foreign currency debt

At the end of 2001, the foreign currency debt amounted to 2.65% of the total debt compared with 3.24% at the end of 2000. This reduction has brought the foreign currency debt within the limits authorised, without however achieving the reference level. This reduction would have been greater if the euro exchange rate had developed favourably.

In 2001, debt in CHF fell from 2.09% to 1.73% of outstanding debt, following the conversion of an amount of CHF into euro, corresponding to 909 million EUR. The final outstanding amount therefore fell within the range of between 0% and 2%.

At the end of 2001, the USD debt was 0.41% of the total outstanding debt, that is to say the same percentage as at the end of 2000 and therefore within the range of between 0% and 1%.

The percentage of debt in JPY fell from 0.74% at the end of 2000 to 0.51% at the end of 2001, following the conversion into euro of an amount of JPY corresponding to 433 million EUR, that is to say just above the targeted range of 0% to 0.50%.

The table below shows the distribution of the debt by currency at the end of 2001 as well as the ranges established in the General Guidelines.

Table 5: Breakdown of the debt by currency. Ranges established in the General Guidelines for 2001

	Lower limit	Actual	Upper limit
EUR	**97%**	**97.29%**	**100%**
CHF	0%	1.73%	2%
USD	0%	0.41%	1%
JPY	0%	0.51%	0.50%
Non EUR total	**0%**	**2.65%**	**3%**

Because of rounding differences, the sum of the elements may differ from the total.

3.2. Interest rate and refinancing risks

The table below shows the duration by currency at the end of 2001 as well as the ranges defined in the General Guidelines.

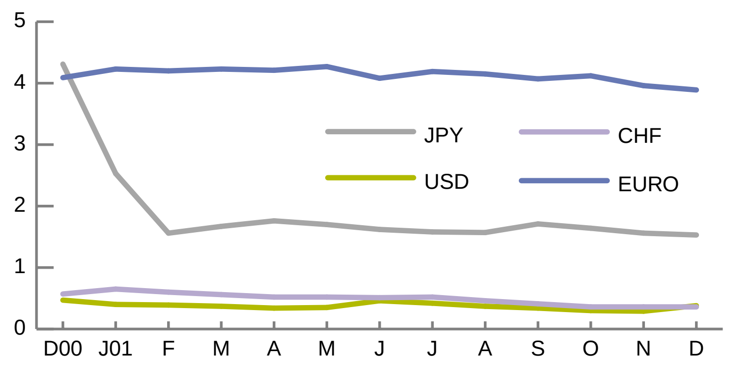
Table 6: Duration by currency. Ranges established in the General Guidelines

	Lower limit	Actual	Upper limit
EUR	**3.70**	**3.89**	**4.30**
CHF	0.25	0.36	0.75
USD	0.25	0.38	0.75
JPY	1.75	1.53	2.25
Non EUR total		**0.60**	

Duration in EUR around 4 in 2001

At the end of 2001, the duration of the debt in euro was 3.89, which was well within the set range of 3.7 to 4.3. As graph 5 shows, the duration of the debt in euro remained above 4 during the first ten months of the year under review. Given the fall in the yield curve, on the one hand, and the two new syndicated OLO issues, on the other hand, the duration was above 4.2 during the first five months of 2001. However, at the end of June, the swap of 5 billion EUR of fixed rate debt into floating rate debt lowered this level to 4.08. Then, a further 3.25 billion EUR were swapped and, as a result, the total fixed rate debt swapped into floating rate debt in 2001 amounted to 8.25 billion EUR. It was only in the last two months of 2001 that the duration fell below the level of 4 following the increase in the yield curve.

Graph 5: Duration of the public debt



The duration of the debt in CHF fell from 0.57 to 0.36. Apart from the effect produced by rates, this reduction was the result of the natural shortening of CHF debt maturities. The CHF duration of 0.36 remains well within the range fixed of 0.25 to 0.75.

The duration of the debt in USD fell slightly from 0.47 to 0.38, in part due to the natural shortening of the USD debt maturities. This duration is within the range fixed of 0.25 to 0.75.

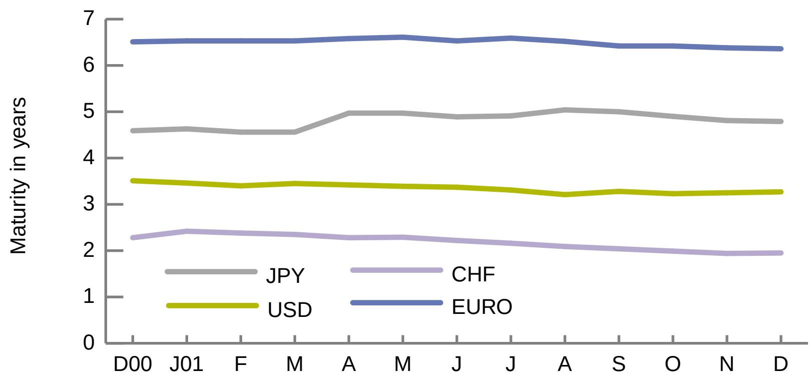
The duration of the debt in JPY fell from 4.31 to 1.53 but remained outside the range of 1.75 to 2.25 fixed in the General Guidelines. This was due mainly to the swap of 75 billion JPY of fixed rate debt into floating rate debt.

It should be noted that, given the low level of foreign currency debt, the limits for duration and weighted average maturity are given for indication purposes.

Weighted average maturity in EUR: 6.36 years in 2001

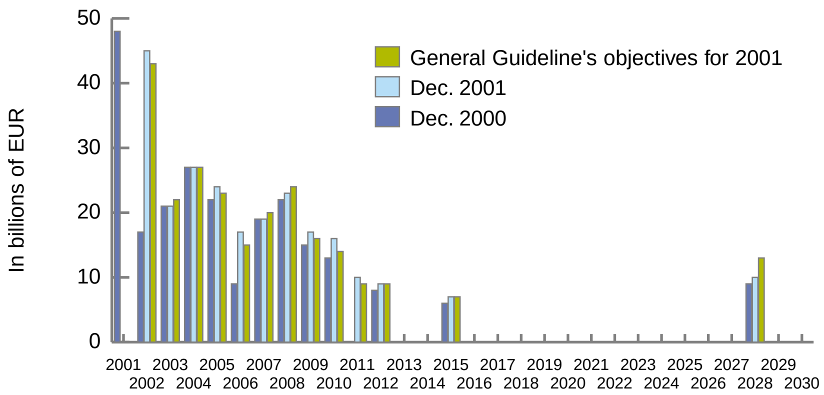
Another interest rate risk indicator is the weighted average maturity of the debt. In recent years, this indicator has been regularly monitored and has been formally integrated since 2001 in the General Guidelines. Graph 6 shows the development of the weighted average maturity during 2001. Compared with the end of 2000, the weighted average maturity of the debt in euro fell slightly from 6.51 to 6.36 years, therefore within the range of 6.30 to 6.50 years.

Graph 6: Weighted average maturity of the public debt



This graph also illustrates the refinancing risk. A high weighted average maturity reduces the refinancing risk. The Treasury has focused mainly on the refinancing risk of the debt in euro on the basis of the maturity schedule shown in graph 7.

Graph 7: Maturity schedule for the public debt



This graph illustrates the impact on the current portfolio of financing on the money and capital markets during the period under review, and also enables us to evaluate to what extent the objectives were achieved. The main objectives established in the General Guidelines were to concentrate primary issues in the 5 and 10-year segments. Graph 7 illustrates the success of these objectives.

4. THE MAIN THRUST OF THE TREASURY'S STRATEGY

The Treasury endeavoured to position the federal public debt better within the euro market by adopting a consistent strategy based on ensuring the market's efficiency, transparency and liquidity, while pursuing its efforts to build up a more international investor base.

4.1. Transparency

The OLO and Treasury certificate issues which are the Treasury's main financing instruments are placed in principle by way of competitive auctions which are the monopoly of the primary dealers and recognised dealers in Belgian public debt.

The Treasury publishes its global financing plan at the beginning of every year. It is based on the projected volumes to be issued and the instruments to be used. The auction calendar is also published on its internet site (http://treasury.fgov.be/interdette/).

*** Treasury certificates**

January 2001 saw the completion of the reforms launched in 2000 and the introduction of a new issue calendar for Treasury certificates in the framework of the Treasury's global strategy.

New TC issue calendar

The adaptation of the issue calendar for Treasury certificates had a twofold objective: on the one hand, the creation of bigger lines and, on the other hand, the adjustment of the maturity dates of certificates according to periods of high tax receipts. The main effect of these reforms is to limit the number of Treasury certificate lines to 12, which produces one maturity date per month and consequently increases the volume and liquidity.

*** Linear Bonds**

As regards OLOs, the Treasury pursued in 2001 its strategy started in 2000, that can be summed up in the formula “FEWER (OLO issues) BUT MORE (larger issues)”, which consists of tapping the financial markets less frequently while issuing larger amounts at each auction. Thus auctions are held in principle every two months instead of every month.

The aim of this reform is twofold. Every week in the euro zone there are at least 2 or 3 auctions for sovereign issuers. Less frequent issues but for larger amounts are therefore more likely to interest investors and therefore better serve the Treasury’s interests.

In the interest of transparency, the Treasury publishes, a few days before the issue, a spread for the amount to be auctioned. Equally, before every auction, the Treasury consults the primary dealers in order to obtain their views and recommendations on market conditions and the forthcoming auction.

Finally, the Treasury provides the markets with up to date information via different channels, such as “Belgian Prime News”, the “Review-Outlook” and other brochures more focused on products such as “Financial Products of the Belgian Treasury”, the Public Debt’s web site, the publication of data in figures on issues via Bloomberg, Reuters and Telerate as well as press releases.

4.2. Liquidity

*** Primary dealers**

Ensuring liquidity on secondary markets is one of the Treasuries priorities. Liquidity has a positive effect on the pricing of financial instruments and therefore on the cost of servicing the debt.

A group of primary dealers is responsible for ensuring market liquidity. The contract between 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”.

The group of primary dealers appointed in 2000 was re-appointed in 2001, subject to certain changes which are shown in the list of dealers in annex 5 of this report.

The Treasury also encourages the primary dealers to participate actively on the primary and secondary public debt markets by offering them the opportunity to buy after every auction securities at the weighted average price of the issue. In addition, they also act as its preferential counter parties in the framework of operations carried out on the financial markets.

*** Treasury certificates**

Certificates on MTSB

Since April 2001 it has been possible to trade in Treasury certificates using the MTS Belgium electronic trading platform.

This introduction was an outstanding success, and the daily volume reached 364.4 million EUR on average during the last four months of the year.

*** Linear bonds**

Use of syndication

In order to create immediately a sufficient level of liquidity, the Treasury issued in 2001, as in the previous year, its new benchmark 10-year bond, OLO 36, via a syndicate, which included all the primary and recognised dealers.

The syndication technique allowed an amount of 5 billion EUR to be raised immediately, thereby guaranteeing the necessary liquidity on the secondary market. OLO 36 was subsequently increased by ordinary auctions, and as a result the amount in circulation at the end of 2001 was 10.3 billion EUR.

In the middle of the year, the Treasury also used the syndication technique to launch a 5-year OLO, which raised initially 5 billion EUR; that amount was subsequently increased at the end of 2001 to 7.6 billion EUR via auctions.

On the secondary market too, the Treasury, in co-operation with the primary dealers, introduced reforms with a view to ensuring and increasing bond liquidity.

MTS Belgium's success was clearly confirmed in 2001, with the average daily OLO trading volume reaching 612.9 million EUR and even 732.4 million EUR during the last four months of the year.

Also on the secondary market a repo facility was introduced in April 2001, for both OLOs and Treasury certificates, thereby making an important contribution to the market's liquidity.

*** Debt buy-backs**

New OLO buy-back programme on MTSB

The Treasury decided in January 2001 that it would no longer offer benchmark bonds in the framework of its programme for the exchange of old OLO lines reaching final maturity within the next 12 months (except however for the OLO 31, maturing in 2028), with a view to creating a scarcity effect for these bonds and consequently supporting their price.

An over-the-counter buy-back programme for OLOs reaching final maturity within 12 months was also put in place in July. The technique used is that of a "window" reserved for the Treasury on the MTS Belgium platform; this over-the-counter programme allows the Treasury to buy-back bonds at the price it fixes.

Prior to setting up this programme the Treasury launched a reverse auction on the OLO 10 (maturing on 25/6/2002) for an amount of 120.9 million EUR. During the rest of the year under review, the Treasury repurchased further amounts of this OLO for 2.17 billion EUR, thereby increasing the total volume repurchased to 2.29 billion EUR.

On the other hand, because of market conditions, it was not possible to finalise in 2001 the planned programme for the repurchase of OLOs reaching their final maturity after 12 months. However, the Treasury has continued to monitor market conditions in 2002 with a view to finding a suitable window in the market. Thus, in the first quarter 2002, some 2.36 billion EUR of the traditional Philippe XVII issue that matures in 2004 was repurchased.

4.3. Internationalisation and diversification of the public debt holding

Continuing internationalisation of the public debt holding in 2001

Before the euro, the bulk of the federal public debt was held by Belgian financial institutions. This percentage corresponded to around 80% as regard OLOs. As soon as the euro was launched, and this trend continued in 2000 and 2001, an important number of these institutions started to diversify broadly their portfolios. The Treasury, however, had anticipated this phenomenon by taking the necessary measures to stimulate interest in Belgian public debt instruments among international investors.

The internationalisation of the holding of Belgian public debt continued throughout 2001 (data in figures in part III – secondary market for domestic debt).

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

These figures provide information on the geographical distribution of purchases and sales of OLOs and Treasury certificates. They show that trading in OLO with counter parties located in other European countries increased significantly. This phenomenon is similar, albeit to a lesser extent, for Treasury certificates.

These statistics also show an appreciable increase in the share of turnover represented by end investors, foreign pension funds and insurance companies. This will help to stabilise foreign holdings of public debt.

Active marketing

In order to support its diversification policy, the Treasury operates an active marketing policy aimed at Belgian and foreign investors. In this connection, it organised ten road shows abroad (Norway, Italy (twice), South-East Asia, the Middle East, Germany, Austria, Japan, Spain and the United Kingdom). This allowed 91 investors to be visited.

It is difficult to ascertain the direct impact of marketing on the Treasury's financing costs. However, an idea of the success of these marketing initiatives may be gained by examining the list of investors visited earlier by the Treasury and who submitted a bid for the new Treasury 10-year benchmark issue (OLO 36), syndicated in January 2001, and the size of their bids. For example:

- Finland: investors canvassed during the road-shows represented 87% of the bids submitted from that country;
- France: 66% of the bids submitted from that country;
- Asia excluding Japan: 60% of the bids;
- Italy: 27% of the bids;
- Spain: 39% of the bids.

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

4.4. Efficient management

*** Electronic auction system**

Automation of auctions

The Treasury uses an electronic auction system developed by the financial information provider Bloomberg. This simple, user-friendly system manages the whole process, namely the submission of bids by the primary dealers, the 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, for both OLOs and Treasury certificates.

The Treasury has also improved its integrated public debt data management tool developed with the help of a specialist company.

Debt management operations are entered into the system. The data are recorded so that they can be used for payment instructions, the day-to-day management of the cash account positions, calculating market and credit risks as well as for various reports and statistics. This system increases and accelerates access to information.

The day-to-day cash account position is adapted by the system online. Only the data that are not related to the debt position still have to be entered, such as for example tax and non-tax receipts and the expenditure of other ministerial departments. These data are transmitted to the Debt Agency by the Debt Department's "Forecasting Unit".

*** Risk management**

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

The Debt Agency uses a calculation method [1] to determine the credit risk according to the type of transactions concerned.

[1] See Annual Debt Report 2000, page 31.

Credit limits are allocated to counter parties according to the type of counter party, its rating [2] and its equity. When one of these elements changes, the Debt Agency's Risk Management unit adjusts the credit limit accordingly. As table 7 shows, the Treasury deals only with counter parties having a high rating (minimum "A"). As at 31 December 2001, 92% of the credit risk concerned counter parties with an "AA" rating or better.

Table 7: Credit risk exposure for derivative products by rating at the end of December 2001

Counter party rating (*)	N^ber of transactions	as a %	Total exposure (in EUR)	as a %
AAA	32	17.8%	593 104 265	18.5%
AA	128	71.1%	2 346 697 005	73.3%
A	20	11.1%	259 860 427	8.1%
Total	**180**	**100%**	**3 199 661 696**	**100%**

(*) rating of the counter party or its parent company.

Table 8: Credit risk exposure for derivative products by rating and by product at the end of December 2001

Counter party rating (*)	Interest Rate Swaps (IRS)	as a %	Currency Swaps (CIRS)	as a %	Others	as a %
AAA	127 095 021	8.1%	466 009 243	30.1%	0	0.0%
AA	1 298 369 562	83.2%	972 092 964	62.7%	76 234 480	85.2%
A	134 316 323	8.6%	112 314 263	7.2%	13 229 841	14.8%
Total	**1 559 780 906**	**100%**	**1 550 416 470**	**100%**	**89 464 321**	**100%**

(*) rating of the counter party or its parent company.

The Risk Management unit defines maximum maturities for transactions depending on the counter party's rating and the type of transactions. These limits must not be exceeded. Table 9 contains a breakdown of the Treasury's credit risk exposure by product according to the outstanding maturity on 31 December 2001.

2. The rating used is the lowest among the ratings awarded for long-term debt by the following rating agencies: Moody's, Standard & Poor's and Fitch Ratings.

Table 9: Breakdown of credit risk exposure by outstanding maturity at the end of December 2001

	Total	IRS	CIRS
<= 1 year	13%	5%	15%
1 à 5 years	42%	22%	63%
6 à 10 years	45%	71%	22%
> 10 years	1%	2%	0%
Total	**100%**	**100%**	**100%**

The Treasury only deals in derivative products with counter parties with which it has signed an ISDA [3] framework agreement.

The Debt Agency has an integrated database and a computer system which calculates daily the credit risks and credit limits. The Risk Management units presents to the executive and strategic committees a weekly credit risk report and a detailed analysis on a monthly basis.

* Derivative products

During 2001, the Treasury started to use interest rate swap contracts to manage its debt duration targets.

At the same time as this use of derivative products, the Treasury has also developed its foreign currency repayment strategy by using instruments such as foreign exchange derivatives.

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3. International Swaps and Derivatives Association Inc.

PART III

TECHNICAL DATA

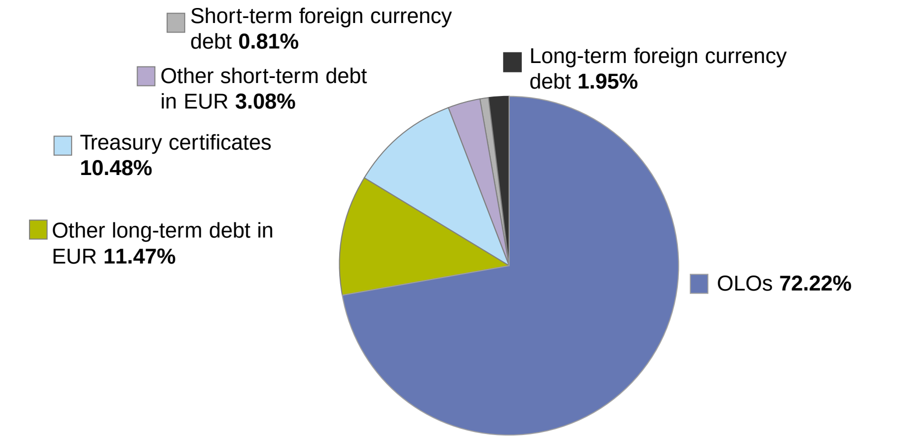
1. THE PRIMARY MARKET FOR PUBLIC DEBT

Preponderance of OLOs

At the end of 2001, the federal public debt amounted to 257.16 billion EUR, which corresponds to an increase of 6.11 billion EUR or 2.43% compared with the end of 2000. OLOs, which account for the largest part of the Treasury's debt increased from 173.16 billion EUR (68.97%) at the end of 2000 to 185.73 billion EUR (72.22%) at the end of 2001.

The percentage of Treasury certificates (10.48% of the total) also grew, but to a lesser extent, increasing from 25.6 to 26.9 billion EUR, which corresponds to an increase of 0.30% compared with the end of 2000.

Graph 8: Outstanding federal public debt at the end of 2001



1.1. Medium and long-term debt in euro

The long-term debt in euro increased from 83.30% at the end of 2000 to 83.69% of the total at the end of 2001. As in previous years, OLOs represented the most important part of this debt. Furthermore, this proportion continues to grow to the detriment of traditional debt instruments. As of 1996, these were replaced by State notes. However, the volume of State notes represents a fraction of the former traditional debt instruments given that they are accessible on the primary market only to natural persons.

The increase in the outstanding amount of private loans is due exclusively to the Social Security debt taken over by the State (see the section on guaranteed debt).

Table 10: Current outstanding long-term debt broken down by instrument (in EUR)		
	Outstanding debt at the end of 2000	**Outstanding debt at the end of 2001**
Traditional loans	25 001 787 088	17 351 450 053
Linear bonds	173 157 286 100	185 727 419 471
Private loans	839 282 018	1 408 437 618
State notes	6 119 176 498	7 122 261 442
Special loans	90 506 382	80 536 637
Long term former euro zone currencies	2 569 353 168	2 323 929 597
L.T. foreign currencies swapped into EUR	1 361 404 435	1 216 074 040
Total long-term debt	**209 138 795 689**	**215 230 108 857**

a. Linear bonds (OLOs)

Syndications, auctions and exchanges

Compared with 2000, the volumes of OLOs issued on the primary market fell by 6.14 billion EUR, from 32.10 to 25.96 billion EUR. The latter amount was issued via 2 syndications, 3 auctions and 12 exchange operations.

Every year, the Treasury publishes, for indication purposes, an issue calendar showing the scheduled OLO issues via auctions or exchanges. In 2000, this schedule was adapted to reduce the number of auctions from 12 to 6. This schedule was maintained for 2001.

Table 11: OLOs outstanding at the end of December 2001 (in EUR)

OLO n°	Coupon	Maturity	Code	Total outstanding	% Strips
33	FRN	22/04/2002	293	2 000 000 000.00	
10	8.75	25/06/2002	259	8 687 941 862.16	
6	9	28/03/2003	251	12 625 805 954.94	7.76
14	7.25	29/04/2004	265	10 747 175 873.83	
20	7.75	15/10/2004	275	5 447 447 199.43	
19	6.50	31/03/2005	273	10 178 333 069.42	
34	4.75	28/09/2005	294	11 673 100 000.00	1.27
24	7	15/05/2006	283	8 404 945 674.21	
37	4.75	28/09/2006	297	7 612 400 000.00	0.00
26	6.25	28/03/2007	286	9 731 728 228.86	3.21
9	8.50	01/10/2007	257	8 306 264 463.71	17.98
28	5.75	28/03/2008	288	13 424 096 740.11	1.31
16	7.50	29/07/2008	268	8 656 958 029.24	
32	3.75	28/03/2009	292	16 397 900 000.00	1.55
35	5.75	28/09/2010	295	15 480 200 000.00	0.28
36	5	28/09/2011	296	10 226 300 000.00	0.10
12	8	24/12/2012	262	8 699 796 081.16	
23	8	28/03/2015	282	7 227 987 157.66	1.71
31	5.5	28/03/2028	291	10 199 039 136.01	8.26
Total:				**185 727 419 470.74**	

As in 2000, the Treasury wanted to tap the market less frequently in order to influence positively the OLO-Bund spread.

However, the issue calendar was adapted in order to include the two planned syndications. The auctions of January and May were replaced by syndications which each raised 5 billion EUR. Another adaptation, which was however unplanned, was the cancellation of the last auction scheduled for November. This cancellation was the consequence of the success of the three previous auctions which raised 8.55 billion EUR, that is to say more than the amount of financing forecast via four auctions and non-competitive bids (8.28 billion EUR).

As regards exchanges, the issue schedule for 2000 had been adapted with a view to reducing the number of exchange operations; this principle was maintained for 2001. For 2001, the reduction was essentially due to the following factors:

- The decision to tap the market less frequently, that is to say to present only six times for exchange the traditional loan reaching its final maturity in December, and
- The Treasury's new strategy which consists of repurchasing, via MTS Belgium and by telephone, the only fixed rate OLO line having its final maturity date in 2002 (OLO 10 - 25 June 2002).

It should be noted that the financing of this debt contributed to the increase in the outstanding OLO benchmark lines.

Table 12: OLO issues in 2001 (in EUR)

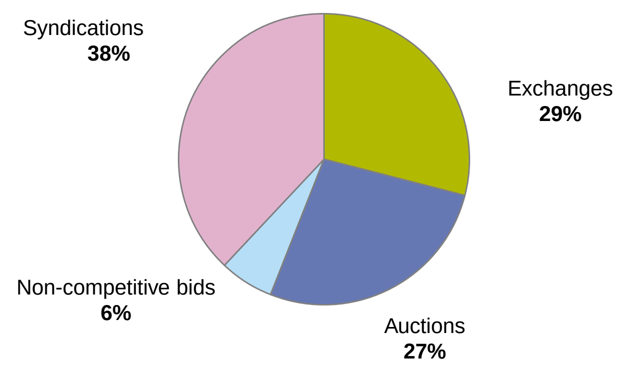
Syndications	10 000 000 000
Auctions	6 881 600 000
Non-competitive bids	1 665 900 000
Exchanges	7 415 200 000
Total	**25 962 700 000**

A 10-year syndication with OLO 36

In 2001, the Treasury launched two new benchmark issues via syndication. For the first issue in January, it was the 10-year segment, which was offered to the market. It should be noted that the Treasury opted for a syndication rather than an auction on account of the immediately liquidity available in favourable market circumstances and also to control more closely spreads through the "book building"[1] process. In addition, a syndication ensures the direct distribution of OLOs to end investors both on the domestic market and abroad, while an auction involves only a limited direct participation by investors. Finally, a syndication is always an event in itself in the euro zone and, for its previous syndications, the Treasury's strategy was highly appreciated by the market.

[1] In a syndication, the joint-lead managers, the co-lead managers and the selling group regularly report to the Treasury on the orders that they receive, indicating the volume and spreads at which investors are willing to buy. This enables the Treasury to gain a better idea of the demand and pricing of new OLOs.

Graph 9: OLO issues in 2001 broken down by type



For this 10-year syndication, the Treasury chose as joint-lead managers, ABN-AMRO, Fortis Bank and Goldman Sachs. As is the tradition, the other primary dealers and recognised dealers also participated respectively as co-lead managers and members of the selling group. This syndication, which was subscribed four times over, can be described as an overwhelming success. The issue was launched at 40 basis points above the German 10-year benchmark issue. The success of this operation was more particularly linked to the use of the new mixed pot syndication [2] system for the syndicate structure. The use of this technique improved the transparency, objectivity and efficiency of the book building process and allocation. The quality controls carried out with regard to a large part of the subscriptions also allowed duplicate subscriptions to be avoided in the case of investors working with several primary dealers. This contributed to a better allocation of orders. In addition, the Treasury was able to ensure a better debt distribution, both geographically and from the point of view of type of investors.

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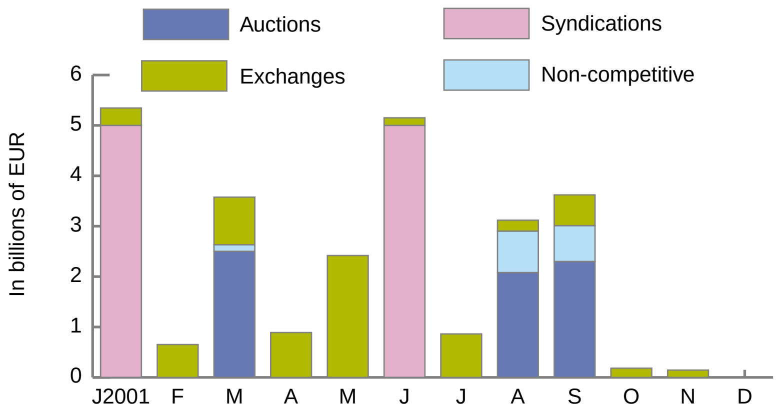
(2) In the case of mixed pot syndication as in that of normal pot syndication, the Treasury benefits from total transparency as concerns the buyer's identity. There are however two differences with the normal pot syndication which mean that there is not total control over allocation:

a) a blind retention reserved for the co-lead managers and the selling group. The allocation of this part of the OLO issue is guaranteed for them, without any obligation to communicate the buyer's identity to the joint-lead managers. The co-lead managers and the selling group are respectively the primary dealers, which did not obtain the joint-lead manager mandate, and the recognised dealers. They were granted the blind retention by the Treasury in exchange for their efforts in the distribution of OLOs and Treasury certificates during the previous year;

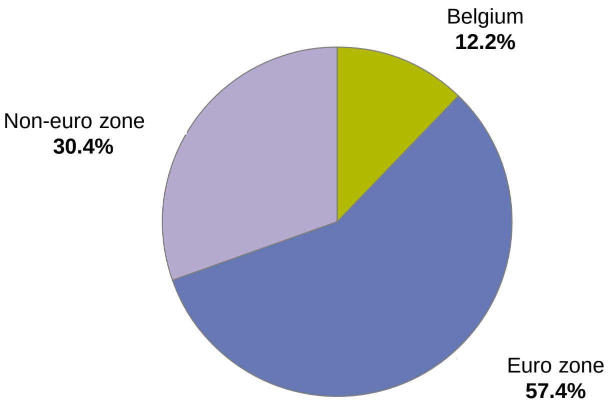
b) with a view to respecting confidentiality, the joint-lead managers must not disclose the identity of some of their clients ("X-accounts") but the volume of such undisclosed allocations is limited.

Graph 10: OLO issues in 2001 broken down by category on a monthly basis

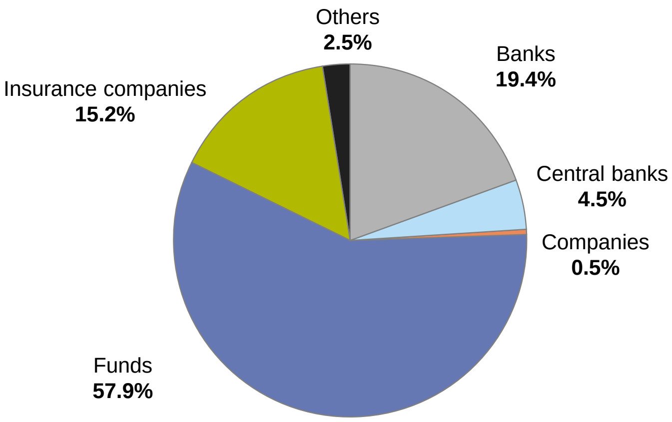


More than 87% of the bonds were placed outside Belgium, with 57% in other European Union countries, 21% in the rest of Europe and 9% in Asia and America. As regards the category of investors, it is noteworthy that a large part was placed with end investors: 58% with funds and 15% with insurance

Graph 11: International placement of OLO 36 via syndication



Graph 12: Breakdown of OLO 36 by category of investors

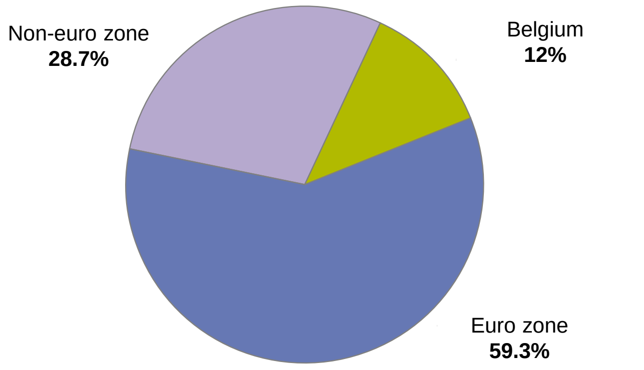


companies. Banks took up 19%, which contributed to the liquidity of the OLO line. Finally, 5% of the bonds were placed with central banks.

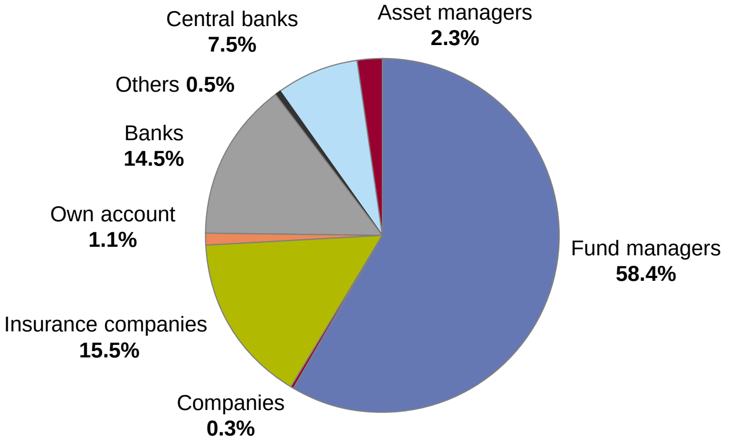
A 5-year syndication for OLO 37

In May, the Treasury issued for the second time a benchmark OLO, but this time in the 5-year segment. The lead-managers were as follows: KBC, Morgan Stanley and Société Générale. The OLO 37 was issued at 27 basis points above the German benchmark for the same maturity and had a coupon of 5%. The issue was three times over-subscribed in relation to the amount actually issued. Only 12% of this amount was placed in Belgium, 59% in the rest of the European Union, almost 20% in the rest of Europe and 9% in Asia and America. More than 60% of the issue was placed with fund and portfolio managers and 15.5% with insurance companies. Finally banks and central banks took up 14.5% and 5% respectively. The Treasury also used the mixed pot syndication technique for this issue.

Graph 13: International placement of OLO 37 via syndication



Graph 14: Distribution of OLO 37 by category of investor

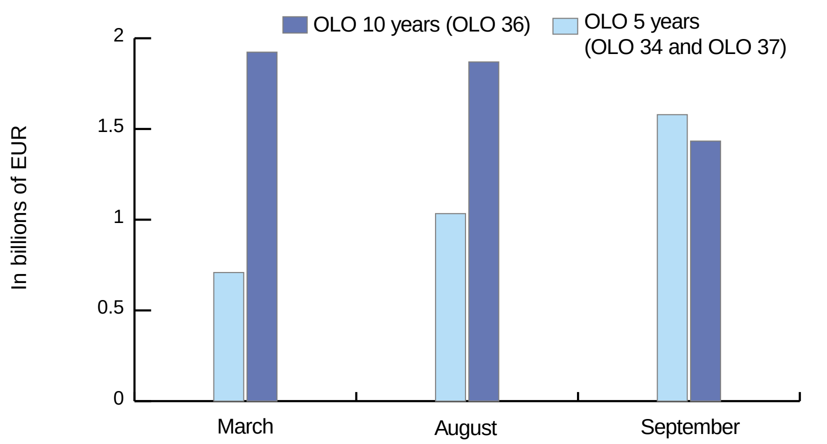


Competitive auctions

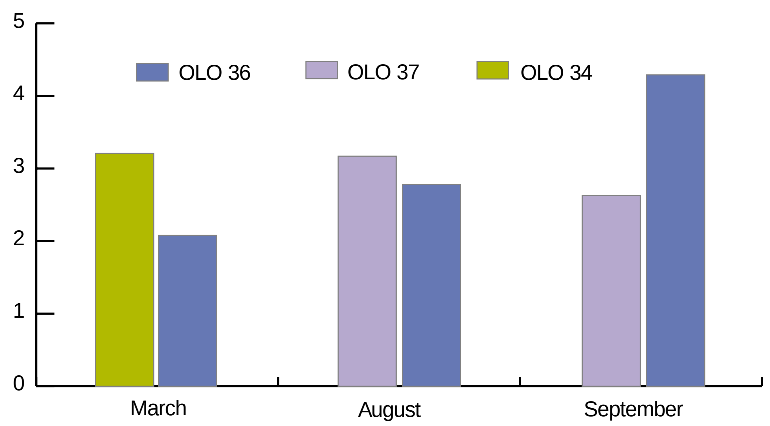
At the three OLO auctions, the Treasury issued on each occasion a 5-year (OLO 34 or OLO 37) and a 10-year (OLO 36) benchmark. This did not prevent the primary dealers from being consulted on the choice of the lines to be issued at the auctions. The average bid to cover ratio of these three auctions was 2.89, higher than that of previous years (2.45 in 2000), which reveals the importance of the bids at each auction.

In 2001, the limit price at which the Treasury issued had an average gap of only 0.033% relative to the maximum bid. In 2000, the gap was 0.05%, which was already a good performance. It should be added that the average amount of issues during the competitive round of the auctions was also down compared with the previous years: 2.29 million EUR in 2001 compared with 2.46 million in 2000. This illustrates the highly competitive nature of the OLO auctions in 2000 and 2001.

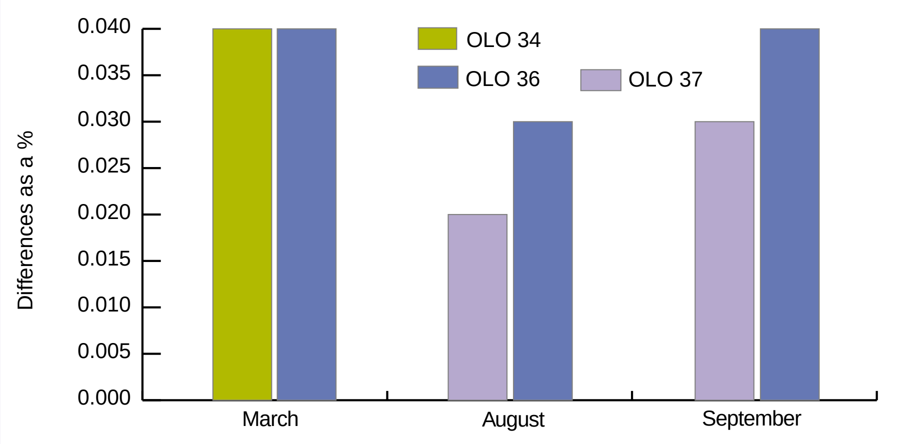
Graph 15: Breakdown of the 5 and 10-year issues at the OLO auctions in 2001



Graph 16: Bid to cover ratio for OLO auctions in 2001



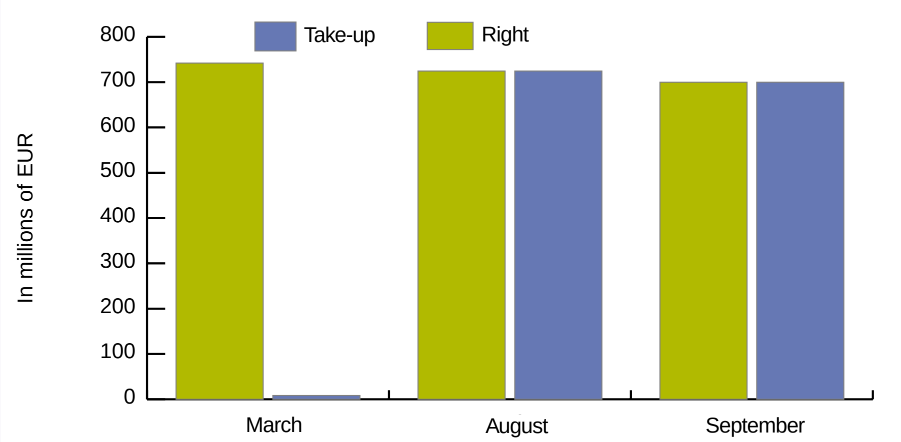
Graph 17: Differences between the limit price and the maximum price offered by auction for OLOS in 2001



In return for their active participation in the primary and secondary public debt markets, the primary dealers are given the right to take part in non-competitive submissions. They can thus purchase securities at the weighted average price of the auction up to a fixed percentage of their accepted bids. This right to submit non-competitive bids amounted to 2.17 billion EUR for all primary dealers, of which 66.13% was effectively exercised (versus 79% in 2000). These high percentages confirm the importance which primary dealers attach to this type of operation. However, when measured over the year as a whole, their interest varied considerably. For example, the year's first non-competitive bid aroused little interest on account of negative interest rate developments after the competitive round. The primary dealers only exercised their right to make non-competitive submissions to the extent of 1.12%. On the other hand, at the following two auctions, in August and September, they exercised their right in full, partly on account of the fall in interest rates.

Non-competitive submissions

Graph 18: Right and exercise of right to make non-competitive bids by line and by month for OLOs in 2001



As part of its policy of refinancing debt reaching its final maturity within 12 months, the Treasury carried out a series of exchange operations at predetermined prices.

Exchanges

A total of twelve exchange offers were made for the four public debt instruments reaching their final maturity in 2001. As it does traditionally, the Treasury proposed during the exchanges eight OLO lines having their final maturity between 2005 and 2028. These were selected after consultation with the primary dealers.

The exchange operations were each time organised at the beginning of the month, except for February when an exchange was added at the end of the month. In addition, there was no exchange in December given the lack of important traditional debt instruments maturing within twelve months.

In accordance with the 2001 financing plan, none of the OLO benchmarks were proposed for the twelve exchange operations.

The exchanges of two traditional issues and two OLO lines reaching their final maturity within the year generated new OLO issues for an amount of 7.42 billion EUR (i.e. 28.56% of the total amount issued) compared with 11.98 billion EUR (37% of the total amount issued) in 2000.

The average amount of the exchange operations was 603 million EUR with a maximum reached in May, when the amount offered at the last OLO 7 auction was more than 2.3 billion EUR. Almost half the bonds were exchanged for OLO 35 having its final maturity on 28 September 2010.

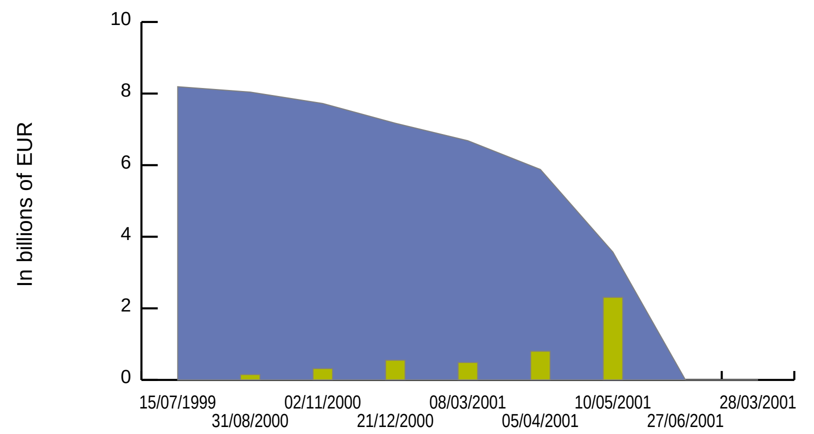
Generally, the primary dealers were mainly interested in the OLO lines reaching their final maturity in 2005 (13.77%), 2009 (17.9%), 2010 (33.13%), 2015 (14.12%) and 2028 (10.18%).

The two OLO lines (OLO 7 and 25) that reached their final maturity in 2001 were offered for exchange on five occasions, which made a pre-financing of 4.9 billion EUR possible.

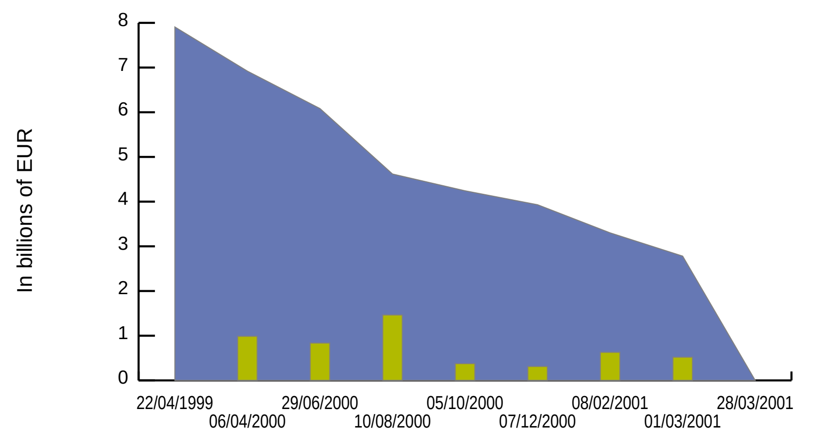
Table 13: Reduction in outstanding debt maturing in 2001 and 2002

Debt maturing in 2001	Outstanding on 31-12-00	Outstanding at final maturity	Amount exch.	Amount repurch.	% exch.	% repurch.
PH 9 BE263						
01/02/2001	1 531 114 355.76	1 216 255 962.34	314 610 500		20.55%	
OLO 25 BE285						
28/03/2001	3 930 056 080.51	2 780 663 180.51	1 149 392 900		29.25%	
OLO 7 BE252						
27/06/2001	7 171 610 548.37	3 571 680 848.37	3 599 929 700		50.20%	
PH 14 BE276						
5/12/2001	4 632 634 190.96	2 449 369 608.70	2 171 117 800		46.87%	
Debt maturing in 2002						
OLO 10						
BE259	10 978 841 862.16			2 290 900 000		20.87%

Graph 19: Impact of exchange operations on outstanding OLO 7



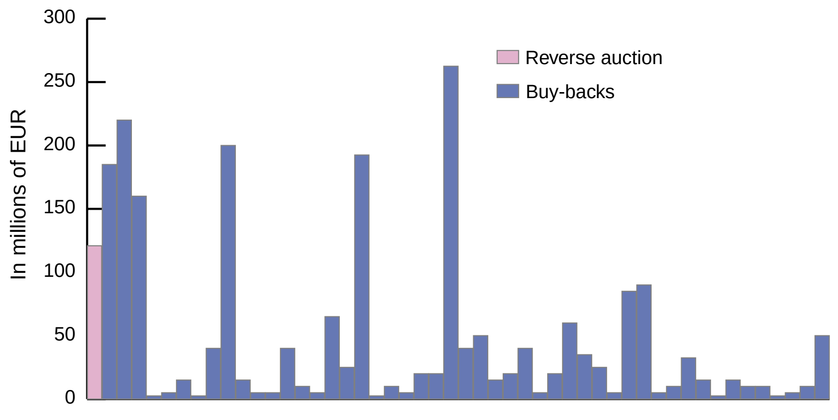
Graph 20: Impact of exchange operations on outstanding OLO 25



Debt redemption via buy-backs

In July 2001, the Treasury decided to buy-back via a reverse auction OLO 10 (25 June 2002) having an outstanding maturity of just less than 12 months. This operation allowed the Treasury to withdraw an amount of 120.9 million EUR from the market. For subsequent buy-backs of this issue, it was decided to use the MTS Belgium platform, which ensures liquidity, efficiency and transparent pricing. Such buy-backs are made via a separate segment (Belgian Buy-Backs – BBB) to which only the primary dealers and the Treasury have access. The latter can only display bid prices (minimum 4 hours a day) but can also accept the offer prices displayed by the primary dealers on this segment. In addition, the Treasury could buy-back the OLO by telephone but did not use that option until the end of the year under review. In total, it repurchased an amount of 2.29 billion EUR by reverse auction and buy-backs via MTS Belgium, that is to say 20.87% of the outstanding OLO 10.

Graph 21: OLO buy-back programme via MTS Belgium in 2001



Strips

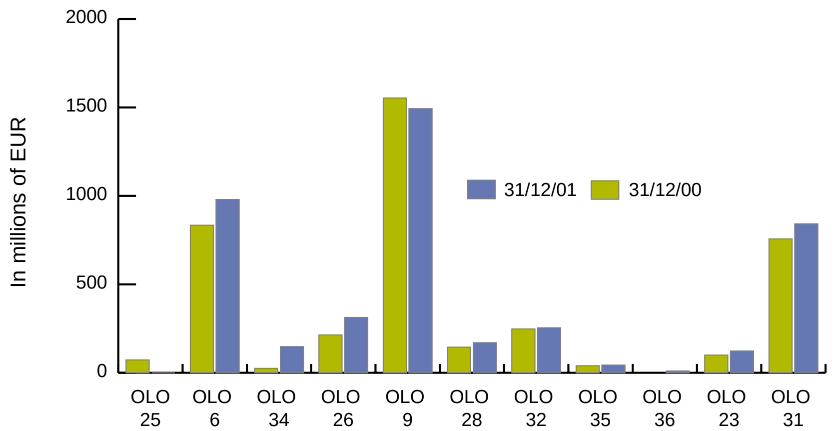
The two new OLO lines (OLO 36 and 37) launched can be stripped. No requests were made to strip OLO 37 whereas OLO 36 was stripped in the amount of 10.4 million EUR at the end of 2001.

Compared with 2000, the total figure for stripped securities increased by 387.77 million to 4.38 billion EUR, representing 3.57% of overall outstandings on the 11 strippable lines. Six of these lines had their interest payment date in March, four in September and one in October. Although the percentage stripped may seem to be low, it should be noted that the Belgian OLO strips market is the third largest in the euro zone after France and Spain.

The most important stripping activity in 2001 focused on OLO 6 (March 2003) and OLO 34 (September 2005). As graph 22 shows, it was once again OLO 9 (October 2007), which attracted the highest volume of strips.

Finally, it should be noted that in 2001, the Treasury launched a study in co-operation with the primary dealers on how to simulate the OLO strips market.

Graph 22: Outstanding OLO strips in 2001



b. State notes

Retail product

Besides linear bonds, the State issues a retail product, namely State notes aimed essentially at Belgian citizens. Issued since June 1996, the State notes are long-term fixed income debt instruments with annual coupons. They are sold via a panel of “placing institutions” approved by the Ministry of Finance following a selection procedure (see list in annex). Since mid-1999, State notes have been issued exclusively in euro.

The Treasury organised four State note issues in 2001, as it does every year.

The table below summarises the conditions associated with and the results of these issues:

Table 14: State note issues in 2001

Issue of:	Denomination	Code	Coupon	Amount issued in EUR
March 2001	5-year State notes extendible to 7 years 4 March 2001-2006-2008	938/65	4.55 %	206 500 000
	8-year State notes 4 March 2001-2009	939/66	4.75 %	68 500 000
June 2001	5-year State notes extendible to 7 years 4 June 2001-2006-2008	940/67	4.65 %	166 000 000
	8-year State notes 4 June 2001-2009	941/68	4.90 %	73 500 000
Sept. 2001	5-year State notes extendible to 7 years 4 Sept. 2001-2006-2008	942/69	4.35 %	150 000 000
	8-year State notes 4 September 2001-2009	943/70	4.75 %	122 000 000
Dec. 2001	5-year State notes extendible to 7 years 4 Dec. 2001-2006-2008	944/71	3.65 %	117 500 000
	8-year State notes 4 December 2001-2009	945/72	4.15 %	133 000 000
In total:			**EUR**	**1 037 000 000**

The State notes were issued at par in March, June and September. However, the State notes of 4 December were issued at 99% of their nominal value. The Treasury thus adapted to the increase in rates on the bond market. The actuarial yield of these State notes was increased from 3.65 to 3.874% for the State note 5/7 and from 4.15 to 4.30% for the 8-year State note.

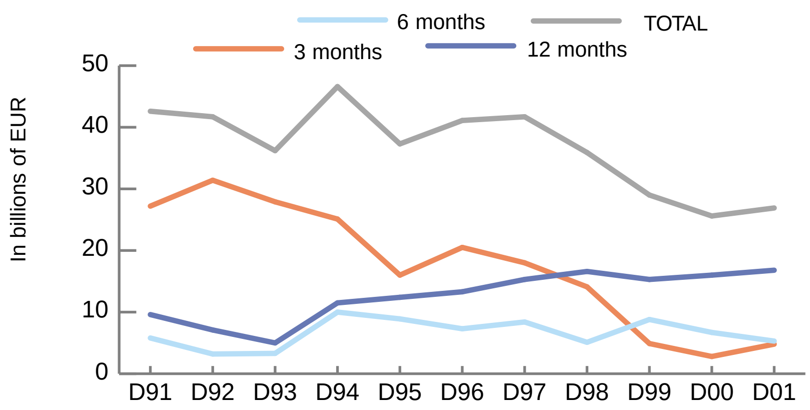
1.2. Short-term debt in euro

At the end of December 2001, short-term debt amounted to 34.8 billion EUR. Treasury certificates accounted for 77% of this amount. Treasury certificates remain the Treasury's main financial instrument for meeting temporary shortfalls between State expenditure and receipts.

a. Treasury certificates

The outstanding volume of certificates varied between 26 and 31 billion EUR, with an average of 29.3 billion EUR. It should be noted that the issue calendar for Treasury certificates for 2001 took into account, as soon as it was published, the Treasury's traditional positive cash account positions at the end of the year and therefore included no Treasury certificate auction for the second half of December. In addition, the fact that there was no auction at that time avoided increasing the already heavy workload of banks preparing for the changeover to the euro.

Graph 23: Treasury certificate issues from the end of December 1991 to the end of December 2001

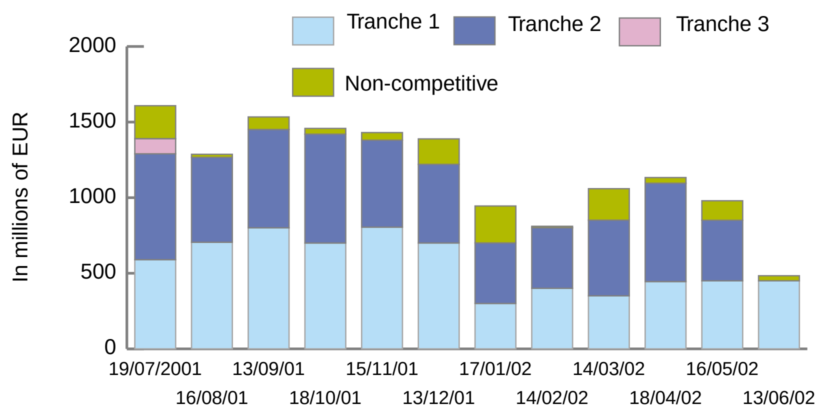


Following the change to the issue schedule, two lines instead of three were systematically proposed at the auctions in 2001: either a 3 and 6 month line, or a 3 and 12 month line, the Treasury issuing a new 12 month line and increasing it subsequently at the time of the 3 and 6 month issues throughout the year, thereby ensuring the fungibility of the three maturities.

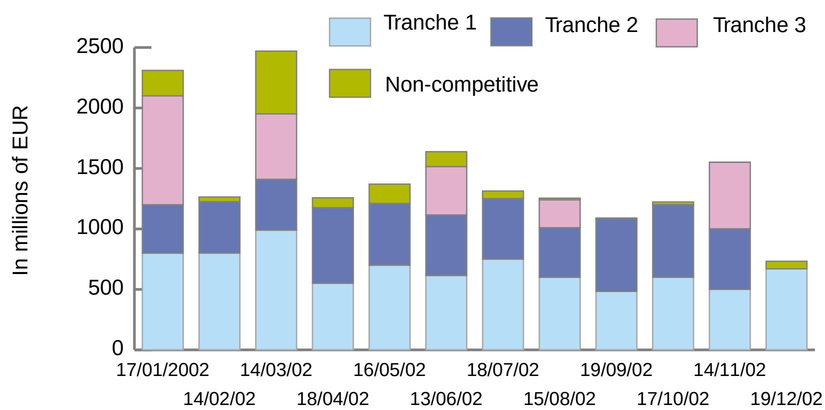
Competitive auctions

Investors continued to show an interest in the Treasury certificate auctions as is shown inter alia by the bid to cover ratio whose average was 6.55 for the 3 month segment, 4.89 for the 6 month segment and 3.76 for the 12 month segment. The lower "bid to cover" level for the 12 months segment reflects the Treasury's wish to ensure, as soon as the line is opened, a sufficient critical mass for this segment. However, the higher bid to cover ratio for the 3 month segment is the result, on the one hand, of the priority attached by the Treasury to creating a new 12 month line rather than increasing an existing 3-month line and, on the other hand, the importance of investor bids for this short-term benchmark. For the 3 and 6-month issues, the breakdown of the volumes was more balanced. Nonetheless, given the existence of sufficient demand for paper, the Treasury was able to continue to take into account different variables such as the price, maturity and liquidity of the lines. Thus, for the 12-month issues, the Treasury was able to auction sufficiently large amounts to ensure the liquidity of the lines from the outset.

Graph 24: Issues in the 6-month segment in 2001



Graph 25: Issues in the 12-month segment in 2001



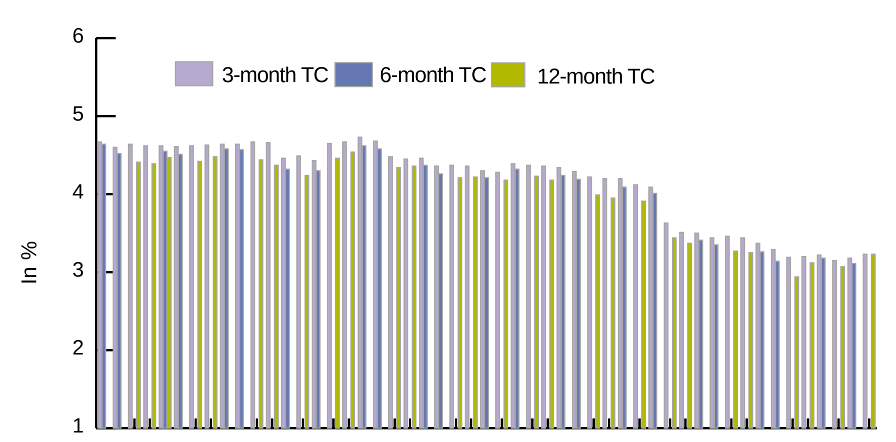
Liquidity of the Treasury certificate lines from the outset

The volume of a new 12-month line after the first auction fluctuated between 484 and 990 million EUR. Furthermore, the average issues for the 3, 6 and 12-month segments were, in 2001, 472, 515 and 557 million EUR respectively. The last figure is to be compared with that of average issues when a line is created (that is to say when a 12-month line is opened), which amounted to 672 million EUR for the year under review. This clearly demonstrates the importance attached by the Treasury to ensuring that the lines are liquid.

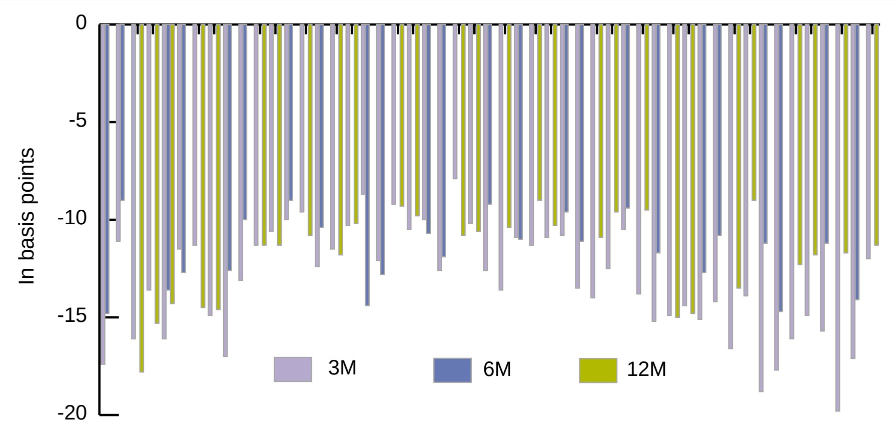
The efficient functioning of the Treasury certificate market and the interest shown by investors are also reflected in the existence of a mere 2 basis points on average between the limit rate and the lowest bid rate during auctions. Despite this minimal spread in the accepted rates, more than 50% of the participants on average had their bids accepted at the auctions, which represents an increase compared with the previous year (35%). In the case of the 3-month lines, on average 6 participants were served, while the figure was 8 for the 6-month and 12-month lines.

Graph 27 illustrates the development of the spread between the weighted average rate for Treasury certificates and Euribor at the time of issue of the 3, 6 and 12-month lines.

Graph 26: Weighted average interest rate for 3, 6 and 12-month Treasury certificates in 2001



Graph 27: Spread between the weighted average rate for Treasury certificates and Euribor for 3, 6 and 12 months in 2001

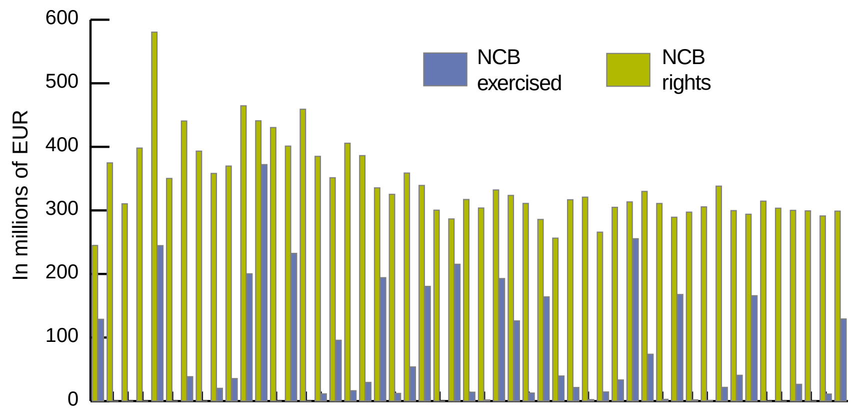


The spreads for the three maturities compared with Euribor did not record notable peaks, with the exception of those recorded essentially for the 3-month auctions at the end of the year. The increase in these spreads must be attributed to a combination of two factors: on the one hand, investor interest in sovereign paper over the year end and, on the other hand, the reduction in the supply of paper due to the Treasury's cash account surplus. Thus, the average spreads relative to Euribor were in 2001 -13.13, -11.60 and -11.84 basis points for the 3, 6 and 12-month segments respectively in favour of the Treasury.

Non-competitive submissions

In 2001, primary dealers only took up 20% of their right to obtain Treasury certificates at the weighted average auction rate via non-competitive submissions, reflecting the opportunistic aspect of participating in the non-competitive round. It is important to emphasise that investor interest in non-competitive bids depends very much on market conditions and that submissions are either very important (50 to 80% of their participation right) or almost zero.

Graph 28: Right and exercise of right to make non-competitive bids for certificates in 2001



b. Belgian Treasury Bills ("BTB") and the interbank market in euro

Following the example of their equivalent in foreign currency, Belgian Treasury Bills (BTB) in euro are issued on tap via the same dealer network (see annex). There are however marked differences between issues in euro and those in foreign currencies.

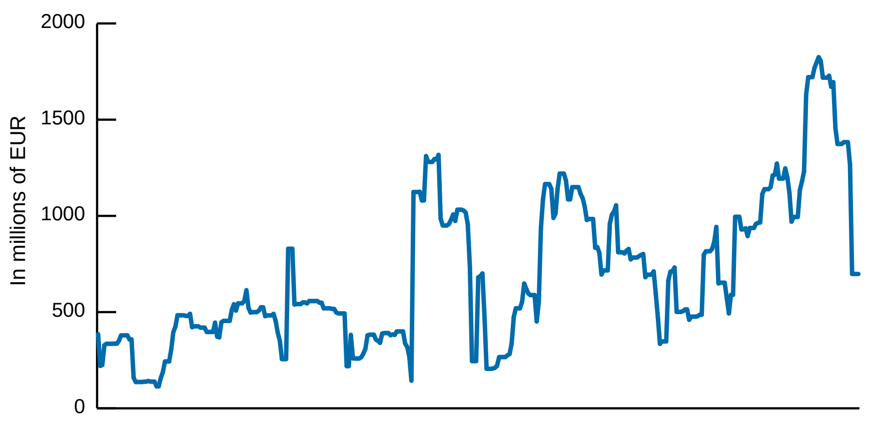
BTBs

Thus, the BTB programme is the main financing instrument for the management of the short-term foreign currency debt. The aim of the BTB programme in euro is to absorb deficits in sovereign paper for very short-term periods by providing bridge financing between the Treasury's interbank operations (which in the majority are carried out for periods of less than one week) and Treasury certificates (which in the majority have a minimum maturity of 3 months). Moreover, this explains, on the one hand, the relatively low level of the amounts issued in euro (an average of 14.3 million EUR for issues in euro compared with an average of the equivalent of 59 million EUR for foreign currency issues) and, on the other hand, the short maturities of the issues in euro since the weighted average maturity is 18 days. It should be noted, however, that there were more BTB issues in euro than in foreign currencies (956 operations in euro versus 155 in foreign currencies). The strong variations in the amounts issued in euro reflect the presence or not of large investors on the commercial paper market.

Most of the issues in euro were carried out with Belgian public institutions in the framework of the consolidation of the public sector's financial assets for the calculation of the debt ratio in accordance with the Maastricht criteria. Belgian dealers thus have, to some extent, a captive market for BTBs in euro while the BTB market in foreign currencies is dominated by dealers in London.

The Treasury can also act as a BTB dealer, which occurred four times during 2001.

Graph 29: Outstanding BTBs in EUR in 2001



For their part, interbank operations are the fine-tuning instrument, which enables the Treasury to balance its daily account position. It should be noted that interbank outstandings increased at the end of the year mainly on account of the loans concluded with public enterprises as part of the consolidation of the public sector's financial assets in order to calculate the debt ratio in compliance with the Maastricht criteria. The average amount of these loans was in the region of 80 million EUR in 2001. As regards funds lent by the Treasury on the interbank market, the average amount was around 200 million EUR. In total 250 operations were concluded on this market in 2001.

The interbank market

Since the emergence of a common currency, the Treasury has also carried out liquidity management operations with other euro zone countries when their financial situations were complementary. Thus, in 2001, the Treasury carried out 17 operations (as borrower/lender) with other European States for an amount of 11 billion EUR for maturities ranging between 1 day and 2 weeks.

2. THE SECONDARY MARKET IN PUBLIC DEBT

One of the Treasury's main objectives is to have an efficient secondary market for its financial products, which has a directly favourable impact on the prices of new issues.

Depending on the financial instruments traded, the secondary market can be divided into two compartments: on the one hand, outright operations (separate purchases and sales) and, on the other hand, sell and buy-back operations and repurchase agreements, also known as repos.

In 2001, two important changes were made to the secondary market's functioning, which had a positive effect on the two compartments: the listing of Treasury certificates on the MTS Belgium electronic platform and the introduction of a repo facility.

Introduction of Treasury certificates on MTS Belgium

After the linear bonds, it was the turn of Treasury certificates to be introduced on MTS Belgium with effect from 2 April of the year under review. The market makers operating on this electronic platform are obliged to display, for at least five hours a day, prices and rates with a maximum spread of 4 basis points for a minimum of 10 million EUR. This obligation to display quotes concerns six lines of Treasury certificates. Moreover, Belgian primary dealers act as market makers for certificates.

Repo facility

In case of delivery problems, the counter parties concerned have access to different instruments such as repos, security lending, security swaps as well as the automatic lending system operated by the National Bank of Belgium. However, the Treasury is aware that each of these instruments has its limits and, in order to facilitate the smooth functioning of its secondary markets, has decided to play a more active role, by providing, from the introduction of Treasury certificates on MTS Belgium, a repo facility for both Treasury certificates and OLOs. This new instrument is a cross between bilateral transactions (repos, loans and swaps of securities) and the BNB's automatic lending system. It should be noted that Finland, the Netherlands, Portugal and Sweden all have a repo facility, in one form or another.

The repo facility on Belgian public debt instruments has the following characteristics:

- the repo facility is only available to the primary and recognised dealers that operate as market makers on MTS Belgium;
- it operates by way of repos;
- this facility applies to all the OLO lines listed on MTS Belgium as well as all Treasury certificates except for the lines having an outstanding life equal to or less than one month;
- the minimum amount is 1 million EUR and the maximum amount is 200 million EUR except for new lines of certificates as long as they are not re-opened in another maturity segment; for these lines the maximum is 500 million EUR;
- the maximum amount made available per primary dealer is 100 million EUR both for OLOs and Treasury certificates;
- the repo facility is granted for a period of one day renewable however up to a maximum of 10 days;
- the pricing varies between EONIA -25 and -100 basis points.

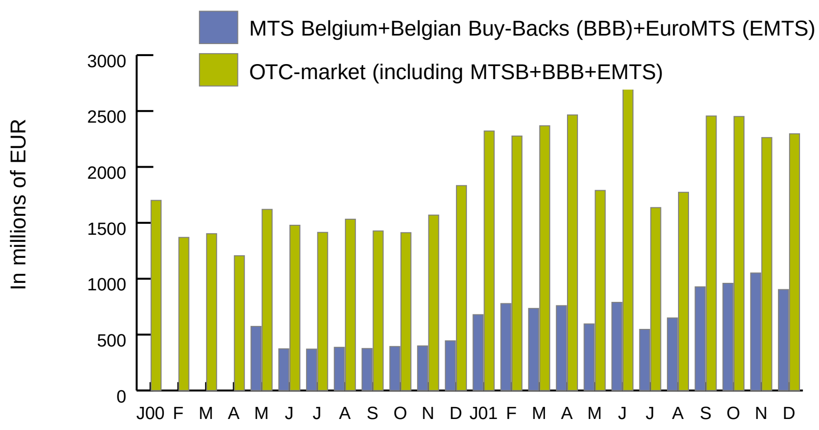
In 2001, the market used this repo facility 63 times for an average amount of 28.6 million EUR. The total amount was split in a relatively balanced way between OLOs and Treasury certificates with 848.7 and 956.5 million EUR respectively.

2.1. The secondary market in linear bonds

The increase in 2000 in the volume of outright OLO transactions on the secondary market continued in 2001, as can be seen from the data published by the National Bank of Belgium.

The average daily trading volume, which was 1.5 billion EUR in 2000, increased considerably in 2001 by 0.7 billion EUR to 2.2 billion EUR. In June, the average daily volume of outright OLO trades reached a peak of

Graph 30: Average daily OLO trading volumes per month



2.77 billion EUR, while in the same month the total amount of these trades reached 58.2 billion EUR.

It was above all the electronic trading platforms (MTS Belgium, Belgian Buy-Backs and EuroMTS) which contributed to this ongoing increase in the volume of outright trades on the secondary market. The average daily trading volume on these platforms has almost doubled, from 415 million in 2000 to 779 million EUR in 2001. In the last four months of the year under review, this volume even passed the 900 million EUR mark with a record achieved in November where the average amount was 1.03 billion EUR. The share of the MTS platforms on the secondary market thus increased from 27% in 2000 to 35% in 2001.

Increase in the turnover in OLOs thanks to the electronic platforms

Two other measures taken in 2001 by the Treasury contributed to the positive development of trading volumes on the secondary market. First of all, the repo facility which was described above, then the possibility that the Treasury has since July 2001 to buy-back linear bonds (see also the primary market). These buy-backs, which are made entirely via MTSB, amounted to 2.17 billion EUR, excluding the reverse auction held on 9 July for 120.9 million EUR which took the form of a buy-back auction via the Bloomberg auction system (BAS). The Treasury has thus become a counter party in its own right on the MTS Belgium electronic trading platform.

Primary dealers' activity in the secondary OLO market, measured by their average annual share of trading volumes, fell slightly from 58.3% in 2000 to 54.07% in 2001. These figures illustrate the strong presence of non-primary dealers on the OLO secondary market.

The Treasury's efforts to adapt to the new euro environment have resulted in a major change in the holding of public debt since the end of the 1990s, characterised by an increase in the number of foreign holders. Thus, at the end of 1998, 19.9% of OLOs were held abroad, 31.3% in 1999 and 42.4% in 2000. At the end of 2001, this percentage was once again exceeded with 45.5% of OLOs in foreign ownership.

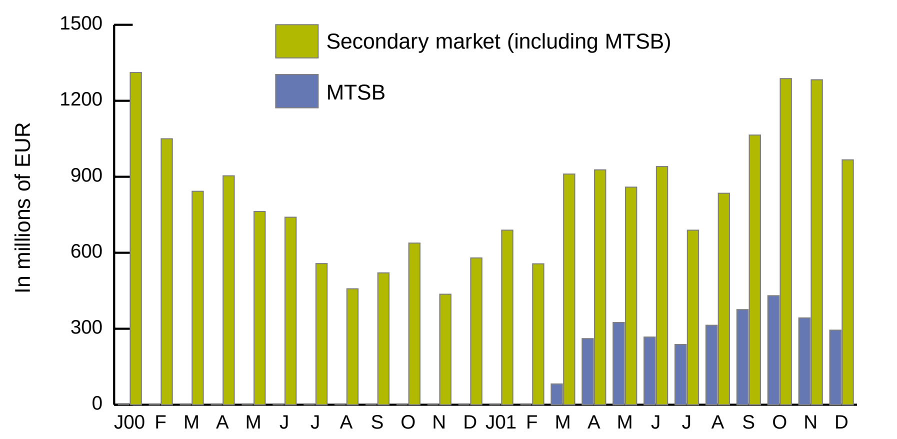
2.2. The secondary market in Treasury certificates

As in the case of OLOs, the secondary market in Treasury certificates can be divided into two compartments: on the one hand, outright transactions and, on the other hand, sell and buy-backs operations and repos.

Secondary market in Treasury certificates stimulated by MTSB

As previously mentioned as regards the first compartment, the listing of Treasury certificates on MTS Belgium since 2 April 2001 has considerably stimulated secondary market activity. The daily average of outright trades (including MTS Belgium) in certificates passed the one billion EUR mark for the first time since the beginning of 2000. In 2001, this average daily volume reached a high in October with an amount of 1 287.6 million EUR. The daily averages on MTS Belgium varied between 237.7 and 430.4 million EUR. Moreover, the MTS Belgium share in the volumes traded outright in certificates was 32.5% for its first year of activity.

Graph 31: Average daily trading volume in Treasury certificates per month in 2001



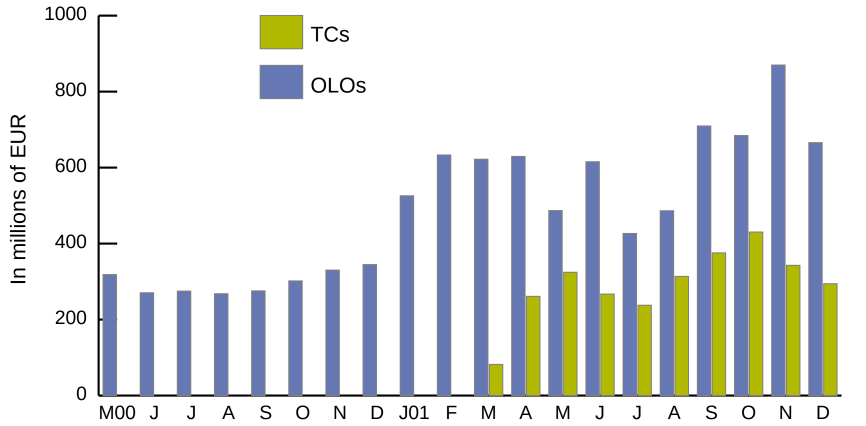
Moreover, the primary dealers' share of the outright trading volume in Treasury certificates fell from 72% in 2000 to 68% in 2001. This confirms, to a lesser degree than for the OLOs, the presence of non-primary dealers on the outright secondary market in Treasury certificates.

Finally, the percentage of Treasury certificates held by foreign investors fell from 45% in 2000 to 36.3% at the end of 2001. One of the factors behind this development lies in the increase in the volume of Treasury certificates held by Belgian public institutions as part of the consolidation of the public sector's financial assets.

2.3. MTS Belgium

Internationally the linear bonds are listed on different electronic platforms, some of which are intended to promote trading between financial intermediaries, namely dealers, while others focus more on trading between

Graph 32: Volumes of outright transactions concluded on MTS Belgium



financial intermediaries and their clients, namely investors. The first are B2B (Business to Business) type platforms and the others are B2C (Business to Customer) type platforms. The MTS Belgium platform on which OLOs and Treasury certificates must be traded is a B2B type platform. It should be noted that MTS Belgium is also the only electronic platform on which the Treasury certificates are listed.

Outstanding success of MTSB

Graph 32 illustrates perfectly the overwhelming success of the MTS Belgium electronic platform. The average daily volume of outright OLO transactions doubled from 298 million EUR in 2000 to 612.9 million EUR in 2001. Since Treasury certificates were listed on MTS Belgium in April 2001, the average volume of outright transactions has been 316.3 million EUR. The excellent performances achieved by MTS Belgium are proof of the liquidity of the secondary markets in linear bonds and Treasury certificates and are a fundamental element for the marketing and promotion of the Treasury's financial products. This success can be attributed to the efficient functioning of MTS Belgium, the transparency with regard to pricing and the volumes traded as well as the active participation of the primary dealers. Finally, this electronic platform makes it possible to unwind positions rapidly at very keen prices.

2.4. The secondary market in State notes

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

The overall volume of trading in State notes on this market is growing constantly: it has increased from 15% in 1997, to 22% in 1998, to 31% in 1999, to 40% in 2000 to reach 46% in 2001.

The Securities Regulation Fund subscribes to each issue of State notes in order to build up a portfolio that will enable it to act as a counter party for sales and purchases on the secondary market.

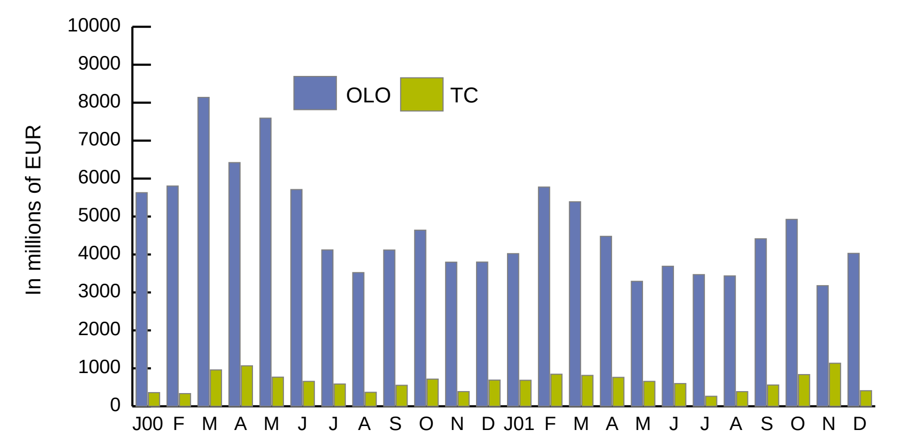
2.5. The Belgian repo market

As is known, the Treasury attaches great importance to the efficiency of the secondary market in its financial products and, in this regard, repos are one of its most important pillars. When a counter party is "short" of a specific security, it can cover its position temporarily through a repo transaction. Furthermore, this possibility of selling or obtaining securities temporarily at cash market prices can have a positive impact on primary market pricing. Concluding a repo transaction also makes it possible to invest in public debt securities for a maturity which is different from the standard maturity structure without running a price risk.

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

The graph below shows the volumes of repos in OLOs and Treasury certificates. These figures represent the volumes settled via the National Bank of Belgium's clearing system.

Graph 33: Volumes of repos traded in OLOs and Treasury certificates (daily averages)



A decline in repo volumes in OLOs

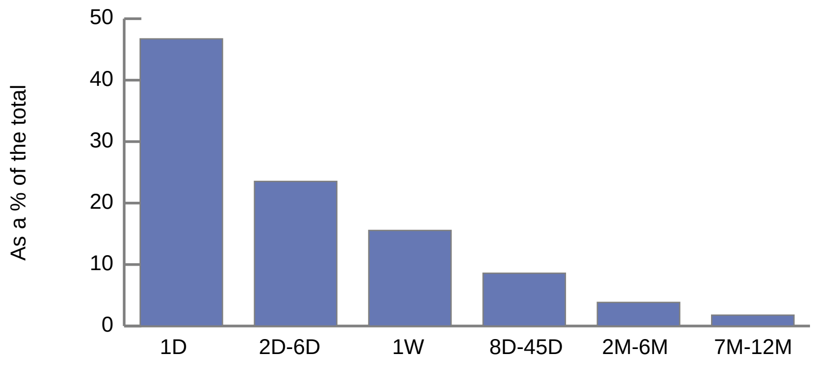
The slowdown in repo activity observed during the second half of 2000 continued throughout 2001. However, the repo market in Treasury certificates improved slightly compared with 2000. Thus, the monthly average increased by 1 billion EUR from 13 to 14 billion EUR, while the daily average increased by 42 million EUR from 621 to 663 million EUR. The decline in repo activity was due to the dropping off in OLO activity. Thus, on a monthly basis, the volume of repos in OLOs fell by 24 billion EUR (88 billion EUR in 2001 versus 112 in 2000), which reduced the daily average by 1.1 billion EUR (4.2 billion EUR in 2001 versus 5.3 billion in 2000).

Two factors underlie this decline in activity. First, Belgian banks tended to keep their Belgian public debt securities in their portfolios in order to use them as collateral for Intraday transactions with the BNB clearing system as well as for repos with the European Central Bank. Secondly, a certain number of dealers participated in another centralised system of counter parties, such as for example LCH Repoclear and these dealers communicated only the net balances of all their transactions to the BNB clearing system. Thus, the internationalisation of counter parties and the type of netting used by clearing systems make it more difficult both for the Belgian Treasury and other European Union Member States to obtain data relative to secondary market activity. Moreover, in its role as watchdog for the regulated markets in Treasury certificates, linear bonds and stripped securities, the Securities Regulation Fund decided to abolish the reporting obligation for repos. This decision, which came into force on 29 November 2001, makes the data relative to sell and buy backs and repos for December less reliable.

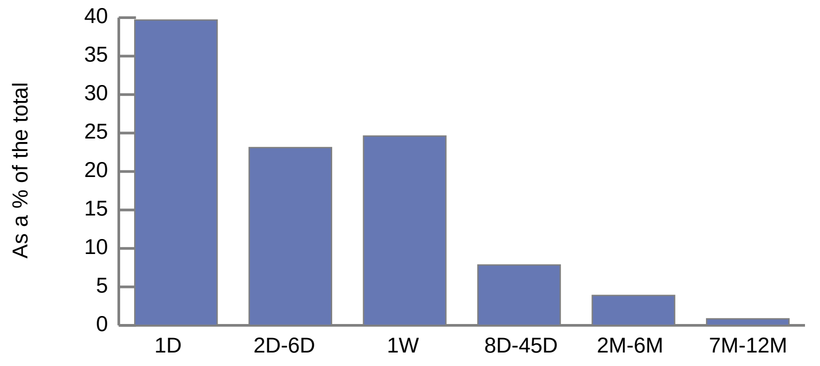
Very short repo maturities

As in 2000, the maturities of repos in OLOs, Treasury certificates, traditional debt instruments and strips were concentrated on the very short-term segment, both as regards the number of issues and the volume. In all, more than 85% of the repos were concluded with a maximum maturity of one week. This can be explained by the fact that the repo market in Belgian public sector debt is cash driven and that the counter parties make wide use of repos in Belgian public debt for their liquidity needs. They obtain with collateral better financing conditions than via the interbank market in which no collateral is required. Furthermore, the use of the repo market in Belgian public debt allows dealers to maintain their credit lines intact.

Graph 34: Percentage of repo volumes traded broken down by maturity in 2001

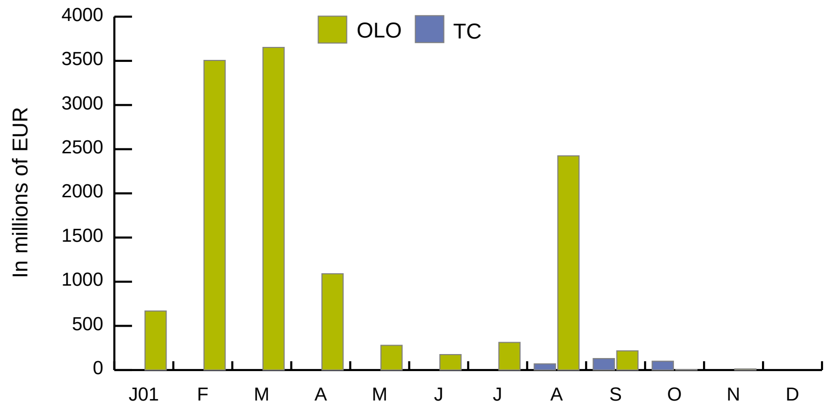


Graph 35: Percentage of the number of repo transactions broken down by maturity in 2001



It should be noted that repos are also concluded via electronic platforms, in particular Brokertec and to a lesser extent also EuroMTS.

Graph 36: Volumes traded on the repo market via EuroMTS in 2001



3. REDEMPTION OF DIRECT DEBT IN EURO

3.1. The Redemption Fund's activities

Table 15 shows the buy-backs and repayments made by the Redemption Fund in 2000 and 2001. It reveals that buy-backs fell by 18%. Buy-backs on the stock exchange fell by 2% in 2001 compared with the previous year.

From July buy-back operations were carried out (via the Debt Agency) in respect of OLO 259 (8.75% - 25.06.1992/2002) for a total amount of 2 290.9 million EUR.

During the year under review, OLO for OLO exchange operations concerned lines 252 and 285 for a total amount of 4 749.32 million EUR, which represents a decline of 53% compared with 2000.

Traditional debt instruments were also offered for exchange (code 263 (7.5% - 1993/2001) and code 276 (8% - 1994/2001)) for a total amount of 2 485.73 million EUR, which represents an increase of 56% compared with 2000.

The Redemption Fund's repayment activities fell by 10% in 2001.

Table 15: Operations carried out by the Redemption Fund

2001	NOMINAL		COST	
Buy-backs	**BEF**	**EUR**	**BEF**	**EUR**
Stock exchange buy-backs	3 238	80.26	3 564	88.35 (1)
Buy-back of OLO 259	92 415	2 290.90	97 574	2 418.79
OLO exchanges	191 587	4 749.32	226 433	5 613.14 (2)(3)
Exchanges of "Philippe"	100 274	2 485.73	100 274	2 485.73 (4)
Total	**387 514**	**9 606.21**	**427 846**	**10 606.01**
Repayments (5)				
Drawings	347	8.59	389	9.64
Early repayments	3 189	79.05	3 190	79.07
Final repayments	437 990	10 857.49	444 338	11 014.85
Total	**441 525**	**10 945.13**	**447 917**	**11 103.57**

2000	NOMINAL		COST	
Buy-backs	**BEF**	**EUR**	**BEF**	**EUR**
Stock exchange buy-backs	3 292	81.61	3 583	88.82 (1)
Buy-back of OLO 275	403	9.99	461	11.43
Exchanges	467 990	11 601.17	458 551	11 367.18 (2)(3)
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) Cost = Nominal capital of the OLOs exchanged.
(3) Including the exchange offers of December 2000: 34 846 245 009 BEF (expenditure incurred in 2000 and recorded in the accounts in 2001)
(4) Exchange auctions of traditional debt instruments (codes 263 and 276)
(5) Fund repayments are made for 30 years from the maturity of the debt instruments.

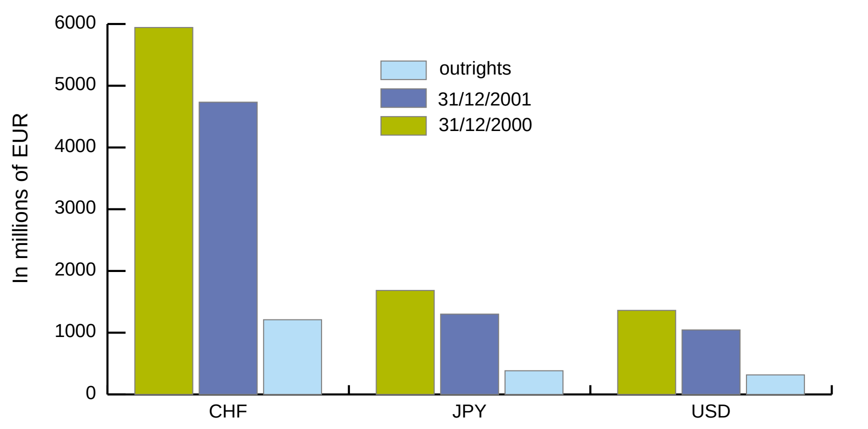
3.2. Cessation of stock exchange transactions carried out by the Redemption Fund via stockbrokers following the introduction by Euronext Brussels of a new clearing system “Clear 21”

The introduction by Euronext Brussels of a new clearing system Clear 21 no longer allows the Redemption Fund to introduce manually its stock exchange orders via its usual stockbrokers. Accordingly, since December 2001, the Fund no longer gives its daily repurchase orders to its stockbrokers. These operations are now carried out by the Redemption Fund on a monthly basis or according to the composition of its portfolio.

4. FOREIGN CURRENCY DEBT

At the end of December 2001, the total foreign currency debt amounted to the equivalent of 7 078 million EUR. This debt’s relative share therefore continued the trend downwards falling from 3.4% in 2000 to 2.75% of the total debt in 2001. During the year under review, 1 794 million CHF, 44 274 million JPY and 279 million USD were converted into EUR. It should be borne in mind that this reduction translates the Treasury’s policy to reduce foreign currency debt whenever market conditions allow.

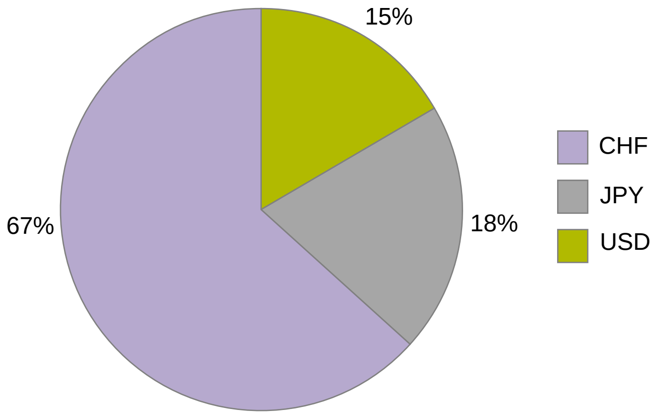
Graph 37: Reduction of the foreign currency debt in 2001



Graphs 37 and 38 show the debt reduction by currency as well as the composition of the outstanding foreign currency debt (converted into EURO at the exchange rate applying on 31 December 2001).

The following graph illustrates very clearly that at the end of 2001, more than half the foreign currency debt was in CHF.

Graph 38: Foreign currency debt broken down by currency. Situation at the end of December 2001



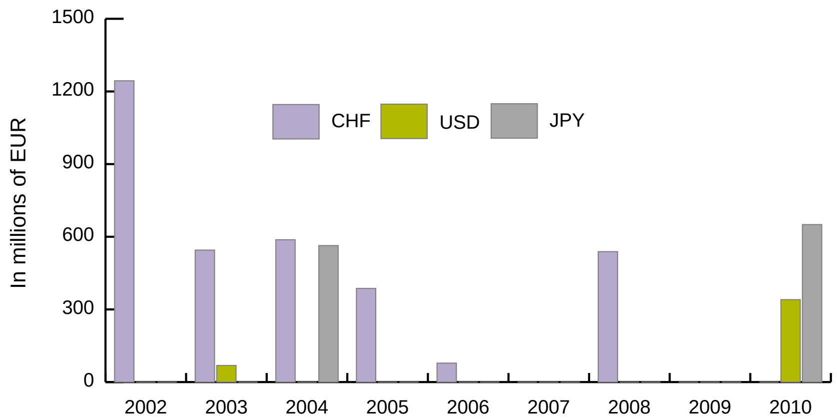
4.1. Medium and long-term foreign currency debt

At the end of December 2001, the long-term segment of foreign currency debt amounted to the equivalent of 5 002 million EUR. In 2001, as in previous years, the Treasury issued no foreign currency debt with a maturity date of more than one year. Long-term debt instruments were therefore refinanced, either by short-term foreign currency debt or by EUR borrowings.

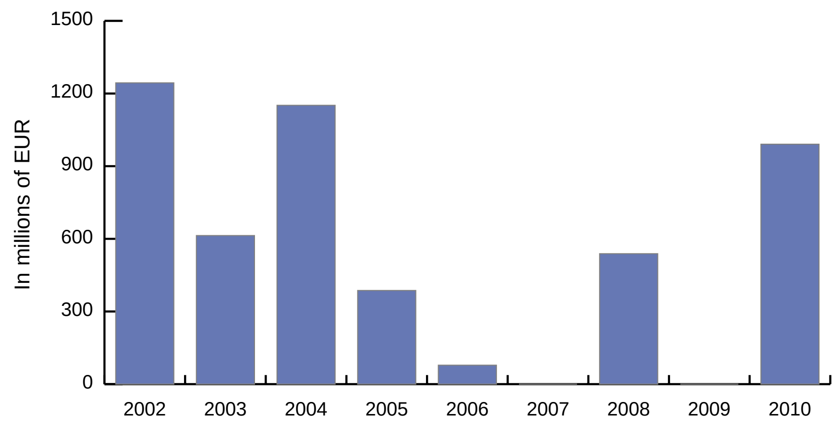
No long-term foreign currency issues

The following graphs show the maturity schedule of the foreign currency debt as a whole and by currency at the end of December 2001. It should be noted that this schedule is intended only for indication purposes since it is subject to change following Treasury management operations.

Graph 39: Maturity schedule of long-term foreign debt at the end of December 2001 (broken down by currency)



Graph 40: Maturity schedule of long-term foreign currency debt at the end of December 2001



4.2. Short-term foreign currency debt

At the end of 2001, the amount of short-term foreign currency debt amounted to the equivalent of 2 076 million EUR, which corresponds to 0.81% of the total federal public debt.

Erratic profile of outstanding short-term foreign currency debt.

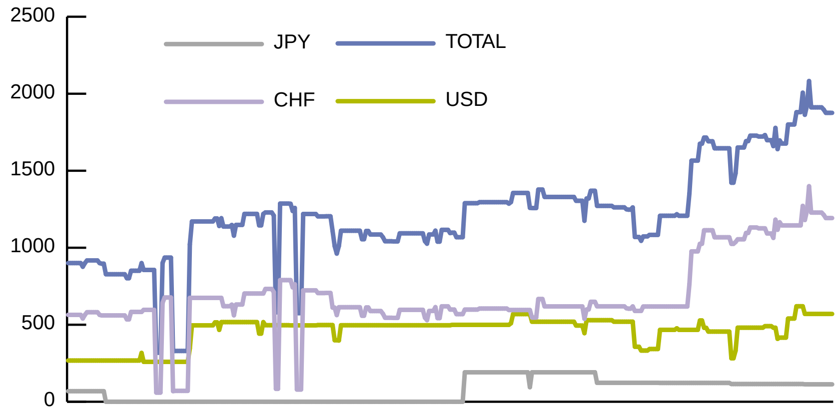
The amount of short-term foreign currency debt outstanding followed no discernible trend due, on the one hand, to the short-term refinancing of long-term debt maturing and, on the other hand, to the conversion into EUR of short-term final maturities. Thus, the short-term debt in JPY was eliminated in January, being replaced by debt refinancing in EUR. However, in July, the Treasury again borrowed short term in JPY via a BTB issue in order to refinance a long-term debt in JPY.

The Treasury used the interbank market as well as its BTB programme to finance its short-term debt.

a. Belgian Treasury Bills (BTB)

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

Graph 41: BTBs issued in foreign currency in 2001 (in millions of USD)



There were 155 issues in 2001. The majority were contracted in USD and swapped into CHF or JPY. On average the issues were for the equivalent of 50 million USD, which is considered to be the most easily negotiable amount on the commercial paper market.

BTB: main short-term foreign currency financing instrument

The weighted average maturity of foreign currency BTB issues was 2 months for USD and CHF issues and 1 month for JPY issues. As in the past, the Treasury has continued to adopt a flexible approach in its choice of maturity dates.

Unlike previous years, the Treasury issued, from the second half, at a spread of less than 12 points in relation to LIBOR, thus following the market trend influenced by unfavourable movements on the ECP market in relation to US Treasuries.

Finally, it should be noted that the Treasury did not avail itself of its possibility to act as a BTB dealer.

b. The interbank market

Minority use of the interbank market

As in previous years, the Treasury tried to restrict as far as possible its use of the interbank market, which is fairly expensive. In total, 139 foreign currency operations were concluded on the interbank market. Spot-Next operations were the most frequent type of transaction. Unlike previous years, interbank loans were used not only to finance small balances which had remained open following the issue of BTBs or to invest the proceeds from BTB issues until the first maturity date in the currency concerned. In fact, interbank loans were also contracted to refinance short-term debt in order to postpone commercial paper issues when the market conditions for such were unfavourable. That was mainly the case in the second half of 2001.

5. THE MANAGEMENT OF THE FEDERAL PUBLIC DEBT AND THE USE OF DERIVATIVE PRODUCTS

Interest rate swaps

As indicated in part II of this report, the Treasury concluded in 2001 a series of interest rate swaps in order to adapt the duration of the debt in EUR. There were 25 such swaps in total, with 5 and 10-year maturities and the Treasury took on floating rate debt against the fixed rate of the OLOs.

The aim of these swaps was also to obtain a better short and long-term interest rate risk spread.

Concerning the short-term debt, the Treasury used short-term interest rate swaps in order to cover at better interest conditions than those projected in the budget 2002, Treasury certificate auctions scheduled for 2002 (in total, 13 operations were concluded in 2001).

In anticipation of the syndication of a new 10-year OLO benchmark issue at the start of 2002, the Treasury started to hedge the interest rate risk at the end of November 2001 using swaps, which would be cancelled at the time of pricing the OLO.

FX options

As part of its policy of repaying foreign currency debt, the Treasury used in 2001 25 short-term FX options in order to hedge the risk of foreign currency debt reaching final maturity against the euro. It chiefly sold very short-term call options (approximately one month) in EUR against CHF, JPY and USD. It should be noted that the premiums received by the Treasury substantially improved the total cost of foreign currency hedging transactions.

FX-outrights

Other than the above-mentioned operations, traditional outright foreign exchange deals were also concluded when market conditions allowed it in order to purchase the foreign currencies concerned against the euro; 84 such operations were carried out in 2001.

6. DEBUDGETISED AND GUARANTEED DEBT

6.1. Debudgetised debt

Belfin's debt paid and taken over by the State

Pursuant to article 27 of the programme law of 19 July 2001 concerning the budget year 2001, the State took over, with effect from 1 July 2001, the debt contracted by the company Belfin with the State's guarantee in order to finance the State's participating interest in the capital of SABENA, in application of articles 20 to 24 of the law of 20 July 1991 containing budgetary provisions. The total outstanding amount of this debt was 246.49 million EUR.

Table 16: Change in debudgetised debt (in billions of EUR)

1996	1997	1998	1999	2000	2001
1.79	1.72	1.65	1.53	1.20	0.88

6.2. The guaranteed debt

Credibe

Given that, according to the accounting records of SEC 95, Credibe is considered as a public body and its debts are accordingly included in the total debt of the public authorities, all Credibe's refinancing debts are henceforward contracted with the Treasury.

Financière TGV

The total outstanding guaranteed debt of the company Financière TGV fell to 1.86 billion EUR (75 billion BEF), that is to say the level below which the State's guarantee is provided free of charge. However, given that the premium of 0.25% is calculated on the part of the debt which exceeds pro rata temporis 1.86 billion EUR, the Financière TGV paid, in 2001, a premium of 120 421.07 EUR. The outstanding commercial paper issued by Financière TGV also fell from 381.75 to 262.73 million EUR. Furthermore, a series of floating rate swaps were restructured as part of the risk management policy.

FADELS

The FADELS borrowed a total of 560 million EUR for refinancing purposes, bringing its total outstanding debt to 4.58 billion EUR. It should be noted that, since 2000, this debt has been part of the total public sector debt in accordance with the Maastricht criteria.

Social Security

When drawing up its budget for 2001, the government decided to take over the Social Security debts relative to the schemes covering employees and self-employed workers (ONSS, INAMI and INASTI debt) in order to reinforce on a sustainable basis the financial situation of the system as a whole. Pursuant to article 65 of the law of 2 January 2001 containing social, budgetary and other provisions, the State is authorised to take over the debts of the social security systems covering employees and self-employed workers for a total amount of 844.03 million EUR (34 billion BEF) and 582.54 million EUR (23.5 billion BEF) respectively. The royal decree of execution of 4 April 2001 provides a detailed list of such debt taken over by the State with effect from 3 January 2001. Accordingly, the debt in question has been transferred from “guaranteed debt” to “public debt”.

Table 17: Outstanding guaranteed debt (in billions of EUR)

	1996	1997	1998	1999	2000	2001
In EUR	22.95	18.30	17.19	17.54	16.55	12.79
In for. currencies	5.25	4.57	4.35	1.07	0.45	0.47
Total	28.20	22.87	21.54	18.61	17.00	13.26

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PART IV

ORGANISATIONAL DEVELOPMENTS

From the point of view of internal organisation, 2001 was characterised by the following elements.

1. Preparation for the changeover to the euro as the general means of payment in European Union countries

As a sovereign issuer and an important actor on the financial markets, the Debt Agency was already fully involved in the euro zone in 2001. Consequently, the changeover to the fiduciary euro had a relatively small impact on the management of the public debt.

2. Modernisation of the federal administration via the "Copernicus Plan"

The Administration of the Treasury comprises a wide range of activities including not only liability management, but also industrial type activities (the Belgian Royal Mint). Because of the Treasury's knowledge and experience, several of its members have been invited to sit on working groups set up in the framework of the Copernicus modernisation plan.

3. More efficient internal operations and debt management

Electronic exchanges of information (with the Debt Agency at the centre) have promoted efficiency in operational co-operation between the two public debt departments, namely the Debt Agency and the Debt Service Department, as well as with the other actors involved such as primary dealers, the Audit Office and the Securities Regulation Fund.

The same determination to ensure modern and efficient management of the public debt is reflected in the improved co-operation between the Debt Agency and the Ageing Fund and Credibe.

Moreover, the reform of the State's accounting system, in which the Debt Agency is participating actively, will lead in the long-term to greater transparency in accounting information.

4. The contribution to shaping the concept of a "standard debt management agency"

The Administration of the Treasury frequently carries out a task, which is academic in nature by providing, free of charge, its experience and know-how to other countries, which have taken the initiative to set up their own specialist debt management body or are planning to improve the structure of an existing body. These actions are organised either at bilateral level or within the framework of the OECD. The idea of a relatively autonomous debt management "agency" for sovereign issuers is now readily accepted almost everywhere in the world.

5. The development of a network of debt agencies for exchanging short-term cash surpluses

Co-operation between European debt agencies for exchanging short-term surplus cash balances did not develop as rapidly as hoped in 2001. The Kingdom of Belgium's debt agency continues, however, to participate very actively in this network with a view to gaining wider acceptance of the concept and developing it in the future.

6. Ongoing staff training courses and adaptation to new needs

Changing needs in terms of expertise require ongoing training efforts within the public debt department. The employees available have the necessary mental and intellectual capacity to assimilate and apply the changes and new techniques. In 2001, special attention was paid to training in computer skills, as well as the new markets and financial products. On the last point, the Debt Agency has strengthened its resources through the recruitment of a specialist in derivative products as well as a manager who fills a vacancy in the area of risk management and strategy.

7. Internal audit and added value

The major concern of the multi-disciplinary auditor for the Debt Agency's internal audit was the added value provided through system evaluation and the formulation of constructive recommendations.

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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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Results of OLO auctions in 2001 (in millions of EUR)

Auction date	Value date	Range Min	Range Max	Maturity date	ISIN BE0000	Outst. before auction	Amount offered	Amount accepted (Comp)	Exerc. Non comp	Total accept.	Bid to cover	Weigh aver. price	Weigh aver. yield	Bid Max/Min	Stop price	Re-warded bidders	% at stop
16/01/2001	23/01/2001			28/09/2011	296054 OLO 36	0.0		5 000.0		5 000.0		98.371					
				SYNDICATION				5 000.0		5 000.0							
26/03/2001	29/03/2001	2 000	2 500	28/09/2005	294034 OLO 34	10 137.0	2 251.0	700.5	8.3	708.8	3.21	100.933	4.510	100.85/100.96	100.92	7	84.2110
				28/09/2011	296054 OLO 36	5 000.0	3 745.0	1 800.4	123.0	1 923.4	2.08	99.910	5.012	99.76/99.94	99.90	10	84.9460
				TOTAL			5 996.0	2 500.9	131.3	2 632.2	2.40						
31/05/2001	07/06/2001			28/09/2006	297060 OLO 37	0.0		5 000.0		5 000.0		98.906					
				SYNDICATION				5 000.0		5 000.0							
30/07/2001	02/08/2001	2 000	2 500	28/09/2006	297060 OLO 37	5 000.0	2 475.0	780.0	253.5	1 033.5	3.17	100.215	4.704	100.13/100.23	100.21	7	100.0000
				28/09/2011	296054 OLO 36	6 923.4	3 610.0	1 300.4	569.2	1 869.6	2.78	98.334	5.215	98.24/98.36	98.33	11	75.3680
				TOTAL			6 085.0	2 080.4	822.7	2 903.1	2.92						
24/09/2001	27/09/2001	1 800	2 300	28/09/2006	297060 OLO 37	6 033.5	3 420.0	1 300.2	278.7	1 578.9	2.63	101.522	4.404	101.37/101.54	101.51	10	68.9190
				28/09/2011	296054 OLO 36	8 793.0	4 295.0	1 000.1	433.2	1 433.3	4.29	98.517	5.194	98.33/98.54	98.50	6	19.1670
				TOTAL			7 715.0	2 300.3	711.9	3 012.2	3.35						

Results of exchange offers in 2001 (in thousands of EUR)

Value date	Exchangeable Govern. Bonds: Code	Exchangeable Govern. Bonds: Amount exchanged	OLOs issued through exchange offers: 6.50 % 31/03/05 code 273 OLO 19	4.75% 28/09/05 code 294 OLO 34	7.00 % 15/05/06 code 283 OLO 24	6.25 % 28/03/07 code 286 OLO 26	8.50 % 01/10/07 code 257 OLO 9	5.75 % 28/03/08 code 288 OLO 28	7.50 % 29/07/08 code 268 OLO 16	3.75 % 28/03/09 code 292 OLO 32	5.75 % 28/09/10 code 295 OLO 35	8.00 % 24/12/12 code 262 OLO 12	8 .00 % 28/03/15 code 282 OLO 23	5.50 % 28/03/28 code 291 OLO 31	Total amount issued
11/01/2001	TL 263	314 610.50	0		0	0		12 500	0	192 500	138 000		2 500		345 500
08/02/2001	OLO 25	628 993.90		118 500	0	5 000		0		54 600	165 000		29 000	279 600	651 700
01/03/2001	OLO 25	520 399.00		5 000	0	0		0		0	0		382 000	65 000	452 000
08/03/2001	OLO 7	488 396.55		70 000	0	0		0		50 000	125 900		131 400	115 000	492 300
05/04/2001	OLO 7	803 160.00	65 000	0	34 000	0	0	25 000		468 000	150 000			148 000	890 000
10/05/2001	OLO 7	2 308 373.15		514 000		80 500		13 000	151 000	327 900	1 110 800	86 000	135 000		2 418 200
14/06/2001	TL 276	150 544.80		200	6 300	0		88 700		0	40 000	0	15 500		150 700
05/07/2001	TL 276	853 991.75		10 000	0	0		0			585 000	17 500	142 300	107 600	862 400
09/08/2001	TL 276	242 367.85			0			0	0	0	46 000	53 900	116 000		215 900
06/09/2001	TL 276	569 418.00	0	303 100	45 900			4 000		195 200			21 000	40 000	609 200
04/10/2001	TL 276	186 305.90	0	0	0	0		10 000		39 300	63 000	70 000			182 300
08/11/2001	TL 276	168 489.50		0	0	0		0		0	33 000	40 000	72 000		145 000
TOTAL		**7 235 050.90**	**65 000**	**1 020 800**	**86 200**	**85 500**	**0**	**153 200**	**151 000**	**1 327 500**	**2 456 700**	**267 400**	**1 046 700**	**755 200**	**7 415 200**

TL = Traditional loan
OLO = Linear bond

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

Month	MT (1)	CCP (2)	INT. ORG (3)	Interbank + miscellaneous (4)	Treasury certificates (5) 3 months	6 months	12 months	Total	Treasury bills in EUR	Treasury management operations (6)	Total floating debt (7)
J2000	5.6	998.5	4042.1	541.4	6012.6	8290.6	16534.0	30837.2	269.9	3205.8	33488.9
F	5.6	522.9	4040.7	406.1	6881.4	8096.5	16690.5	31668.4	266.4	2222.8	34687.3
M	5.6	701.1	4069.6	367.6	8553.9	8399.0	17405.6	34358.5	265.7	2249.2	37518.9
A	5.6	1202.4	4234.0	-104.5	7499.8	8131.4	17358.8	32990.0	172.1	4973.7	33525.9
M	5.6	515.3	4880.1	79.0	6354.7	8275.5	17188.5	31818.7	555.8	1410.0	36444.5
J	5.6	446.5	4878.5	-93.0	6195.6	9301.7	17351.9	32849.2	597.7	865.1	37819.4
J	5.6	423.7	4853.9	-233.3	6170.8	8857.1	17009.8	32037.7	383.1	2244.6	35226.1
A	5.6	535.6	5018.9	-361.0	6872.3	8321.8	17105.8	32299.9	695.9	2330.8	35864.1
S	5.6	463.5	5025.8	-51.9	6714.3	7984.9	17042.6	31741.8	517.5	3641.1	34061.2
O	5.6	626.1	5008.4	9.7	5134.7	8051.9	17053.4	30240.0	265.2	3206.2	32948.8
N	5.6	606.4	5037.4	307.3	4299.9	8034.4	17206.8	29541.1	1196.4	5700	30994.2
D	5.6	565.1	4985.5	1810.6	2847.7	6676.3	16039.6	25563.6	385.4	1229.5	32086.3
J2001	5.6	871.0	4828.9	401.8	3615.9	6442.7	15318.1	25376.7	157.6	2805.1	28836.5
F	5.6	462.2	4948.4	617.8	4715.8	6002.8	16101.9	26820.5	368.7	1481.9	31741.3
M	5.6	739.3	4948.3	2084.7	7004.7	6416.9	15570.8	28992.4	255.6	500.3	36525.6
A	5.6	1069.2	4994.0	804.9	7015.3	6025.3	16133.6	29174.2	219.3	2354.4	33912.8
M	5.6	1501.0	4899.8	493.3	6949.8	7155.1	16090.2	30195.1	143.9	2883.4	34355.3
J	5.6	506.2	4900.3	661.1	5216.9	8514.9	15612.5	29344.3	245.3	2635.6	33027.2
J	5.6	500.8	4682.5	578.9	5025.3	7358.8	16349.4	28733.5	553.1	4065.5	30988.9
A	5.6	761.4	4751.1	373.1	5802.7	7405.8	16159.8	29368.3	716.4	6305.5	29670.4
S	5.6	583.6	4330.0	634.9	6735.6	6374.8	16060.6	29171.0	347.5	5875.9	29196.7
O	5.6	636.2	4427.7	597.9	6494.4	5959.2	15998.3	28451.9	590	4529.6	30179.7
N	3.7	442.3	4472.0	515.8	6805.2	6200.4	16092.1	29097.7	994.5	4199.6	31326.4
D	3.7	675.4	4472.0	2058.7	4827.6	5316.7	16802.3	26946.6	698.1	3332	31522.5

(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.

Auction date	Value date	Range Min	Range Max	Amount maturing	Maturity date	ISIN BE0312	Month	Outst. before auction	Amount offered	Amount accepted (comp)	Exerc. non comp	Total accepted	Bid to cover	Weigh. aver. yield.	Spread Euribor	Bid Min/Max	Limit rate	Re-warded bidders	% at limit
02/01/2001	04/01/2001	1 200	1 400		22/03/2001	516793	3	1 694.2	5 145.0	700.2	71.7	771.9	7.35	4.67	-17.40	4.67/4.75	4.67	3	63.6360
					19/07/2001	533962	6	0.0	3 365.0	590.0	57.0	647.0	5.70	4.64	-14.80	4.62/4.72	4.65	6	100.0000
09/01/2001	11/01/2001	1 200	1 400	3 128.5	12/04/2001	519821	3	1 333.6	2 922.0	700.2	0.0	700.2	4.17	4.60	-11.10	4.59/4.66	4.60	8	39.5860
					19/07/2001	533962	6	647.0	2 015.0	700.2	0.0	700.2	2.88	4.52	-9.00	4.50/4.57	4.53	10	50.7690
16/01/2001	18/01/2001	1 200	1 400		12/04/2001	519821	3	2 033.8	3 318.7	400.1	0.0	400.1	8.29	4.64	-16.10	4.63/4.71	4.64	7	26.7860
					17/01/2002	555213	12	0.0	3 025.0	800.0	0.0	800.0	3.78	4.41	-17.80	4.41/4.50	4.41	1	80.0000
23/01/2001	25/01/2001	1 200	1 400	2 294.7	26/04/2001	521843	3	1 102.3	3 243.0	800.2	0.0	800.2	4.05	4.62	-13.60	4.62/4.67	4.62	4	63.2410
					17/01/2002	555213	12	800.0	2 545.0	400.1	0.0	400.1	6.36	4.39	-15.30	4.39/4.46	4.39	2	39.0240
30/01/2001	01/02/2001	1 200	1 400		26/04/2001	521843	3	1 902.5	2 495.0	400.2	0.0	400.2	6.23	4.62	-16.10	4.61/4.70	4.63	3	21.4290
					19/07/2001	533962	6	1 347.2	2 520.0	100.3	160.7	261.0	25.12	4.55	-13.60	4.54/4.63	4.55	4	21.4290
					17/01/2002	555213	12	1 200.1	1 475.0	900.0	210.5	1 110.5	1.64	4.47	-14.30	4.45/4.53	4.48	11	40.0000
06/02/2001	08/02/2001	1 200	1 400	2 016.9	10/05/2001	523864	3	1 419.8	3 315.0	494.7	0.0	494.7	6.70	4.61	-11.50	4.60/4.66	4.62	9	26.2930
					16/08/2001	537039	6	0.0	1 880.0	705.0	0.0	705.0	2.67	4.51	-12.70	4.48/4.57	4.51	7	100.0000
13/02/2001	15/02/2001	1 000	1 200		10/05/2001	523864	3	1 914.5	4 265.0	375.0	0.0	375.0	11.37	4.62	-11.30	4.61/4.67	4.62	6	100.0000
					14/02/2002	556229	12	0.0	2 685.0	800.6	38.4	839.0	3.35	4.42	-14.50	4.41/4.47	4.42	7	84.6150
20/02/2001	22/02/2001	1 000	1 200	1 807.5	24/05/2001	525885	3	1 035.4	3 465.0	700.1	0.0	700.1	4.95	4.63	-14.90	4.63/4.68	4.64	3	17.3910
					14/02/2002	556229	12	839.0	1 490.0	425.0	0.0	425.0	3.51	4.48	-14.60	4.48/4.53	4.49	7	40.0000
27/02/2001	01/03/2001	1 000	1 200		24/05/2001	525885	3	1 735.5	2 095.0	585.0	0.0	585.0	3.58	4.64	-17.00	4.62/4.69	4.65	4	100.0000
					16/08/2001	537039	6	705.0	2 415.0	561.7	20.1	581.8	4.30	4.58	-12.60	4.56/4.63	4.59	10	33.5350
06/03/2001	08/03/2001	1 000	1 200	2 477.2	07/06/2001	527907	3	1 744.6	2 217.0	400.3	0.0	400.3	5.54	4.64	-13.10	4.62/4.70	4.65	6	38.4440
					13/09/2001	541072	6	0.0	1 890.0	800.4	60.8	861.2	2.36	4.57	-10.00	4.55/4.61	4.58	11	32.4680
13/03/2001	15/03/2001	1 300	1 500		07/06/2001	527907	3	2 144.9	1 715.0	400.2	7.4	407.6	4.29	4.67	-11.30	4.67/4.71	4.68	9	5.5560
					14/03/2002	557235	12	0.0	1 130.0	990.2	192.9	1 183.1	1.14	4.44	-11.30	4.43/4.48	4.46	11	55.5560
20/03/2001	22/03/2001	1 300	1 500	2 466.1	21/06/2001	529929	3	0.0	2 751.0	1 000.2	170.1	1 170.3	2.75	4.66	-10.60	4.65/4.70	4.66	8	78.1740
					14/03/2002	557235	12	1 183.1	2 035.0	420.0	202.0	622.0	4.85	4.37	-11.30	4.36/4.42	4.37	4	100.0000
27/03/2001	29/03/2001	1 300	1 500		21/06/2001	529929	3	1 170.3	3 191.0	650.3	0.0	650.3	4.91	4.46	-10.00	4.45/4.49	4.46	7	54.4960
					13/09/2001	541072	6	861.2	3 025.0	650.4	22.3	672.7	4.65	4.32	-9.00	4.30/4.36	4.33	12	20.1440
03/04/2001	05/04/2001	1 100	1 300		21/06/2001	529929	3	1 820.6	2 395.0	575.0	108.3	683.3	4.17	4.49	-9.60	4.47/4.51	4.49	6	100.0000
					14/03/2002	557235	12	1 805.1	2 190.0	541.0	124.1	665.1	4.05	4.24	-10.80	4.23/4.26	4.24	11	49.2060
10/04/2001	12/04/2001	1 100	1 300	2 433.9	12/07/2001	532956	3	953.3	3 244.0	550.0	0.0	550.0	5.90	4.43	-12.40	4.43/4.48	4.43	2	100.0000
					18/10/2001	546121	6	0.0	2 570.0	700.0	0.0	700.0	3.67	4.30	-10.40	4.30/4.36	4.30	3	100.0000
17/04/2001	19/04/2001	1 100	1 300		12/07/2001	532956	3	1 503.3	2 260.0	550.2	11.4	561.6	4.11	4.65	-11.50	4.64/4.70	4.66	6	32.2580
					18/04/2002	558241	12	0.0	2 555.0	551.1	0.0	551.1	4.64	4.46	-11.80	4.45/4.51	4.47	12	28.8040

Annex 4 - Results of Treasury certificate auctions (EUR million) 69

Annex 4 - Results of Treasury certificate auctions (EUR million)

Auction date	Value date	Range Min	Range Max	Amount maturing	Maturity date	ISIN BE0312	Month	Outst. before auction	Amount offered	Amount accepted (comp)	Exerc. non comp	Total accepted	Bid to cover	Weigh. aver. yield.	Spread Euribor	Bid Min/Max	Limit rate	Re-warded bidders	% at limit
24/04/2001	26/04/2001	1 100	1 300	2 302.7	19/07/2001	533962	3	1 608.2	2 126.0	500.4	14.3	514.7	4.25	4.67	-10.30	4.66/4.72	4.68	11	37.3330
					18/04/2002	558241	12	551.1	1 595.0	625.0	81.4	706.4	2.55	4.54	-10.20	4.53/4.60	4.55	8	100.0000
02/05/2001	04/05/2001	1 100	1 300		19/07/2001	533962	3	2 122.9	2 880.0	400.2	16.3	416.5	7.20	4.73	-8.70	4.73/4.77	4.73	5	66.6670
					18/10/2001	546121	6	700.0	1 345.0	720.0	38.0	758.0	1.87	4.62	-14.40	4.58/4.68	4.64	10	80.0000
08/05/2001	10/05/2001	1 100	1 300	2 289.5	09/08/2001	536023	3	1 234.0	3 470.0	350.2	14.8	365.0	9.91	4.68	-12.10	4.68/4.74	4.68	6	83.3330
					15/11/2001	550164	6	0.0	1 980.0	805.0	40.0	845.0	2.46	4.58	-12.80	4.57/4.65	4.59	12	100.0000
15/05/2001	17/05/2001	1 000	1 200		09/08/2001	536023	3	1 599.0	2 735.0	400.4	39.1	439.5	6.83	4.48	-9.20	4.48/4.53	4.48	5	86.0220
					16/05/2002	559256	12	0.0	2 395.0	700.5	155.1	855.6	3.42	4.34	-9.30	4.33/4.39	4.34	9	82.6450
22/05/2001	24/05/2001	1 000	1 200	2 320.5	16/08/2001	537039	3	1 286.8	3 015.0	490.4	7.2	497.6	6.15	4.45	-10.50	4.45/4.51	4.46	7	33.1030
					16/05/2002	559256	12	855.6	2 220.0	510.1	4.9	515.0	4.35	4.36	-9.80	4.35/4.40	4.36	5	77.5000
29/05/2001	31/05/2001	900	1 100		16/08/2001	537039	3	1 784.4	3 700.0	325.0	43.2	372.0	11.38	4.46	-10.00	4.45/4.50	4.46	4	30.0000
					15/11/2001	550164	6	845.0	2 175.0	575.0	10.6	585.6	3.78	4.37	-10.70	4.36/4.42	4.37	7	100.0000
05/06/2001	07/06/2001	900	1 100	2 552.5	06/09/2001	540066	3	1 443.7	3 290.0	300.2	46.4	346.6	10.96	4.36	-12.60	4.36/4.44	4.36	5	54.5450
					13/12/2001	554208	6	0.0	2 565.0	700.2	134.1	834.3	3.66	4.26	-11.90	4.26/4.32	4.27	8	19.4810
12/06/2001	14/06/2001	900	1 100		06/09/2001	540066	3	1 790.3	2 565.0	324.0	0.0	324.0	7.92	4.37	-7.90	4.37/4.42	4.37	4	100.0000
					13/06/2002	560262	12	0.0	2 095.0	615.0	0.0	615.0	3.41	4.21	-10.80	4.19/4.30	4.22	8	100.0000
19/06/2001	21/06/2001	900	1 100	2 503.9	13/09/2001	541072	3	1 533.9	3 260.0	400.4	92.6	493.0	8.14	4.36	-10.20	4.36/4.40	4.36	7	36.3640
					13/06/2002	560262	12	615.0	2 585.0	500.5	122.7	623.2	5.16	4.22	-10.60	4.22/4.26	4.23	10	20.9420
26/06/2001	28/06/2001	900	1 100		13/09/2001	541072	3	2 026.9	3 486.0	390.0	5.0	395.0	8.94	4.30	-12.60	4.30/4.35	4.30	2	100.0000
					13/12/2001	554208	6	834.3	2 030.0	520.0	34.5	554.5	3.90	4.21	-9.20	4.20/4.26	4.22	12	20.0000
03/07/2001	05/07/2001	900	1 100		11/10/2001	545115	3	1 309.5	2 995.0	500.2	1.9	500.2	5.99	4.28	-13.60	4.27/4.31	4.28	8	38.0950
					13/06/2002	560262	12	1 238.2	2 505.0	400.4	0.0	400.4	6.26	4.18	-10.40	4.17/4.22	4.18	5	44.4440
10/07/2001	12/07/2001	900	1 100	2 064.9	11/10/2001	545115	3	1 811.6	2 525.0	600.4	69.1	600.4	4.21	4.39	-10.90	4.38/4.44	4.39	9	58.8960
					17/01/2002	555213	6	2 310.6	1 785.0	300.2	123.7	300.2	5.95	4.32	-11.00	4.32/4.36	4.33	9	15.1900
17/07/2001	19/07/2001	900	1 100	2 539.4	18/10/2001	546121	3	1 458.0	2 773.0	201.0	72.0	273.0	13.80	4.37	-11.30	4.36/4.41	4.37	12	12.3330
					18/07/2002	561278	12	0.0	2 590.0	750.5	54.2	804.7	3.45	4.23	-9.00	4.22/4.27	4.23	8	73.5290
24/07/2001	26/07/2001	900	1 100		18/10/2001	546121	3	1 731.0	2 405.0	400.6	4.4	405.0	6.00	4.36	-10.90	4.35/4.39	4.36	11	31.1110
					18/07/2002	561278	12	804.7	2 280.0	500.6	8.3	508.9	4.55	4.18	-10.30	4.17/4.23	4.18	9	54.3210
31/07/2001	02/08/2001	900	1 100		18/10/2001	546121	3	2 136.0	3 490.0	500.1	68.5	568.6	6.98	4.34	-10.80	4.33/4.37	4.34	6	25.5320
					17/01/2002	555213	6	2 734.5	2 765.0	400.3	120.8	521.1	6.91	4.24	-9.60	4.24/4.27	4.24	4	59.7010
07/08/2001	09/08/2001	900	1 100	2 038.5	08/11/2001	549158	3	921.5	3 941.0	500.8	39.5	540.3	7.87	4.29	-13.50	4.29/4.35	4.30	9	19.6850
					14/02/2002	556229	6	1 264.0	1 860.0	400.5	0.0	400.5	4.64	4.19	-11.10	4.18/4.22	4.19	7	84.6150
14/08/2001	16/08/2001	900	1 100	2 152.6	08/11/2001	549158	3	1 461.8	2 790.0	330.0	7.3	337.3	8.45	4.22	-14.00	4.22/4.26	4.22	5	100.0000
					15/08/2002	562284	12	0.0	1 925.0	600.3	14.1	614.4	3.21	3.99	-10.90	3.98/4.03	4.00	12	29.7620

Annex 4 - Results of Treasury certificate auctions (EUR million)

Auction date	Value date	Range Min	Range Max	Amount maturing	Maturity date	ISIN BE0312	Month	Outst. before auction	Amount offered	Amount accepted (comp)	Exerc. non comp	Total accepted	Bid to cover	Weigh. aver. yield.	Spread Euribor	Bid Min/Max	Limit rate	Re-warded bidders	% at limit
21/08/2001	23/08/2001	900	1 100		15/11/2001	550164	3	1 430.6	2 720.0	500.5	2.3	502.8	5.43	4.20	-12.50	4.19/4.24	4.20	9	37.6470
					15/08/2002	562284	12	614.4	2 070.0	410.0	0.0	410.0	5.05	3.95	-9.60	3.94/3.99	3.95	3	100.0000
28/08/2001	30/08/2001	900	1 100		15/11/2001	550164	3	1 933.4	2 605.0	500.4	4.6	505.0	5.21	4.20	-10.50	4.19/4.24	4.20	13	30.7690
					14/02/2002	556229	6	1 664.5	2 260.0	400.4	9.8	410.2	5.64	4.09	-9.40	4.09/4.13	4.10	14	7.9680
04/09/2001	06/09/2001	900	1 100	2 114.3	06/12/2001	553192	3	560.2	4 590.0	750.6	33.3	783.9	6.12	4.12	-13.80	4.12/4.18	4.13	7	18.0510
					15/08/2002	562284	12	1 024.4	1 995.0	230.0	0.0	230.0	8.67	3.91	-9.50	3.91/3.94	3.91	4	100.0000
11/09/2001	13/09/2001	900	1 100	2 421.9	06/12/2001	553192	3	1 344.1	3 314.0	590.6	152.7	743.3	5.61	4.09	-15.20	4.09/4.14	4.10	8	23.0040
					14/03/2002	557235	6	2 470.2	2 630.0	350.7	128.2	478.9	7.50	4.01	-11.70	4.01/4.05	4.01	9	42.4240
18/09/2001	20/09/2001	900	1 100		13/12/2001	554208	3	1 388.8	3 125.0	500.2	70.7	570.9	6.25	3.63	-14.90	3.62/3.67	3.63	7	63.5760
					19/09/2002	563290	12	0.0	1 765.0	483.8	3.0	486.8	3.65	3.44	-15.00	3.43/3.50	3.45	9	43.0090
25/09/2001	27/09/2001	900	1 100		13/12/2001	554208	3	1 959.7	2 770.0	400.7	0.0	400.7	6.91	3.51	-14.40	3.50/3.55	3.51	11	25.6280
					19/09/2002	563290	12	486.8	2 000.0	600.4	2.8	603.2	3.33	3.37	-14.80	3.36/3.40	3.37	11	61.5380
02/10/2001	04/10/2001	900	1 100		13/12/2001	554208	3	2 360.4	2 855.0	530.0	87.5	617.5	5.39	3.50	-15.10	3.50/3.54	3.50	2	100.0000
					14/03/2002	557235	6	2 949.1	1 565.0	500.3	80.2	580.5	3.13	3.41	-12.70	3.40/3.43	3.41	10	70.1490
09/10/2001	11/10/2001	900	1 100	2 481.1	17/01/2002	555213	3	3 255.6	2 065.0	600.3	0.0	600.3	3.44	3.44	-14.20	3.42/3.52	3.45	6	74.0740
					18/04/2002	558241	6	1 257.5	1 085.0	445.0	2.0	447.0	2.44	3.35	-10.80	3.34/3.41	3.36	8	100.0000
16/10/2001	18/10/2001	900	1 100	2 704.6	17/01/2002	555213	3	3 855.9	2 875.0	400.3	1.1	401.4	7.18	3.46	-16.60	3.45/3.50	3.46	7	63.8660
					17/10/2002	564306	12	0.0	1 575.0	600.5	0.0	600.5	2.62	3.27	-13.50	3.26/3.32	3.28	9	70.6520
23/10/2001	25/10/2001	900	1 100		17/01/2002	555213	3	4 257.3	2 930.0	450.0	100.0	550.0	6.51	3.44	-13.90	3.44/3.48	3.44	2	100.0000
					17/10/2002	564306	12	600.5	1 550.0	600.9	21.6	622.5	2.58	3.25	-9.00	3.24/3.27	3.25	12	58.6210
30/10/2001	01/11/2001	900	1 100		17/01/2002	555213	3	4 807.3	2 165.0	350.0	5.0	355.0	6.19	3.37	-18.80	3.35/3.43	3.38	5	60.0000
					18/04/2002	558241	6	1 704.5	1 850.0	650.5	35.6	686.1	2.84	3.26	-11.20	3.24/3.30	3.27	11	71.2500
06/11/2001	08/11/2001	900	1 100	1 799.1	14/02/2002	556229	3	2 074.7	2 155.0	450.2	82.5	532.7	4.79	3.29	-17.70	3.28/3.34	3.29	4	57.1430
					16/05/2002	559256	6	1 370.6	1 845.0	450.0	83.3	533.3	4.10	3.14	-14.70	3.13/3.18	3.14	5	80.0000
13/11/2001	15/11/2001	900	1 100	2 438.4	14/02/2002	556229	3	2 607.4	3 375.0	400.2	0.0	400.2	8.43	3.19	-16.10	3.19/3.24	3.19	6	37.5590
					14/11/2002	565311	12	0.0	1 280.0	500.6	0.0	500.6	2.56	2.94	-12.30	2.94/2.97	2.95	11	34.5320
20/11/2001	22/11/2001	900	1 100		14/02/2002	556229	3	3 007.6	3 000.0	400.3	0.0	400.3	7.49	3.20	-14.90	3.19/3.23	3.20	6	22.8570
					14/11/2002	565311	12	500.6	1 490.0	500.4	0.0	500.4	2.98	3.12	-11.80	3.11/3.16	3.13	7	57.3030
27/11/2001	29/11/2001	900	1 100		14/02/2002	556229	3	3 407.9	2 646.0	500.8	5.6	506.4	5.28	3.22	-15.70	3.21/3.25	3.22	5	43.3210
					16/05/2002	559256	6	1 903.9	1 525.0	400.3	46.0	446.3	3.81	3.18	-11.20	3.16/3.21	3.18	7	60.8700
04/12/2001	06/12/2001	900	1 100	2 087.4	14/03/2002	557235	3	3 529.6	2 605.0	350.2	0.0	350.2	7.44	3.15	-19.80	3.15/3.20	3.15	4	53.8460
					14/11/2002	565311	12	1 001.0	1 350.0	550.4	0.0	550.4	2.45	3.07	-11.70	3.06/3.10	3.08	10	18.3100
11/12/2001	13/12/2001	900	1 100	2 977.9	14/03/2002	557235	3	3 879.8	2 485.0	450.6	2.7	453.3	5.51	3.18	-17.10	3.18/3.22	3.19	9	29.0080
					13/06/2002	560262	6	1 638.6	1 490.0	450.0	33.6	483.6	3.31	3.11	-14.10	3.11/3.15	3.12	10	50.0000
18/12/2001	20/12/2001	900	1 100		14/03/2002	557235	3	4 333.1	1 860.0	250.3	66.8	317.1	7.43	3.23	-12.00	3.23/3.26	3.23	9	46.2960
					19/12/2002	566327	12	0.0	1 200.0	670.2	62.4	732.6	1.79	3.23	-11.30	3.22/3.26	3.24	13	47.5000

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GB - London E14 4BB

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Avenue Marnix 24
B-1000 Bruxelles

BNP PARIBAS
10 Harewood Avenue
GB - London NW1 6AA

COMMERZBANK
60 Gracechurch Street
GB - London EC3V OHR

CREDIT AGRICOLE INDOSUEZ
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F - 92920 Paris-la-Défense

DEXIA BANQUE
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B-1000 Bruxelles

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Grosse Gallustrasse 10-14
D - 60272 Frankfurt-am-Main

FORTIS BANK
Montagne du Parc 3
B-1000 Bruxelles

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GB - London EC4A 2BB

JP MORGAN SECURITIES LTD LONDON
125 London Wall
GB - London EC2Y 5AJ

KBC Bank
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B-1080 Bruxelles

MORGAN STANLEY AND CO INT.
20 Cabot Square - Canary Wharf
GB - London E14 4QW

SCHRODER SALOMON SMITH BARNEY
Citigroup Centre, 33 Canada Square
Canary Wharf
GB - London E14 5LB

SOCIÉTÉ GÉNÉRALE
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F - 92987 Paris-La Défense Cédex

UBS WARBURG
100 Liverpool street
GB - London EC2M 2RH

RECOGNIZED DEALERS

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F - 75008 PARIS

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Corso Matteotti, 6
I - MILANO - 20121

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CITIBANK
33 Canada Square
Canary Wharf
GB-London E14 5LB

DEUTSCHE BANK AG LONDON
Winchester House
1 Great Winchester Street
GB-London EC2N 2DB

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Avenue Galilée 5
B-1000 Bruxelles

FORTIS
Montagne du Parc, 3
B-1000 Bruxelles

GOLDMAN SACHS INTERNATIONAL
Peterborough Court
133 Fleet Street
GB-London EC4A 2BB

KBC BANK NV
Avenue du Port 12
B-1080 Bruxelles

UBS WARBURG
100 Liverpool Street
GB - London EC2M 2RH

PLACING INSTITUTIONS

AXA BANQUE BELGIUM	Grotesteenweg, 214	2600 (BERCHEM) ANTWERPEN
BANQUE BRUXELLES LAMBERT	Avenue Marnix, 24	1000 BRUXELLES
CRÉDIT AGRICOLE, BANQUE	Avenue Sylvain Dupuis,251	1070 BRUXELLES
BANQUE DEGROOF	Rue de l'Industrie,44	1040 BRUXELLES
BANQUE DEXIA	Boulevard Pachéco, 44	1000 BRUXELLES
DEUTSCHE BANK	Avenue Marnix, 17	1000 BRUXELLES
CPH BANQUE	Rue Perdue,7	7500 TOURNAI
DE BUCK ET CIE, BANQUIERS DE PATRIMOINE	Kouter,27	9000 GENT
DIERICKX, LEYS ET CIE, BANQUE DE TITRES	Kasteelpleinstraat,44-46	2000 ANTWERPEN
FORTIS BANQUE	Montagne du Parc, 3	1000 BRUXELLES
KBC BANQUE	Avenue du Port, 2	1080 BRUXELLES
BANQUE DE LA POSTE	Rue des Colonies, 56	1000 BRUXELLES
LELEUX ASSOCIATED BROKERS, SOCIÉTÉ DE BOURSE	Rue du Bois sauvage, 17	1000 BRUXELLES
OOSTVLAAMS BEROEPSKREDIET, C.V.	Dr A.Rubbenslaan,45	9240 ZELE
VAN DE PUT ET CIE, BANQUE DE TITRES	Mechelsesteenweg, 203	2018 ANTWERPEN
WEST-VLAAMSE BANK, C.V.	Adriaan Willaertstraat, 9	8000 BRUGGE

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E. ANNÉ

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