

28 Jun 2011 -12:52

Reform bond OLO stripping

Press release from the Belgian Debt Agency

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As from the June 28th, stripping of OLOs will result in the creation of one type of zerocoupons: BE-strips. BE-strips can represent both not expired coupon payments and/or the capital of stripped OLOs. BE-strips are fungible if they have the same maturity date.

The purpose of this reform is to simplify the stripping-process considerably and to enhance the liquidity of the strip market.

Belgium is the second in the Euro-zone, after France, to create fungibility by maturity date of its strips. Belgium was also in 1992 the second in Europe to provide a stripping facility on its sovereign bonds.

Currently the Belgian OLO strip market is the fifth largest in the Euro zone. In anticipation of the creation of fungibility the outstanding of strips increased with nearly 30% (from 5.8 bn to 7.5 bn) over the last 12 months.

More information can be found on:

www.debtagency.be

Belgian Debt Agency
Avenue des Arts 30
1040 Brussels
Belgium
+32 257 47082
<http://www.debtagency.be>

Jean Deboutte
Manager Strategy, Risk Management &
Investor Relations
+32 470 74 72 79
info@debtagency.be