

# Review 2012 2013 Outlook

*Belgian Debt Agency*







The Belgian Debt Agency is pleased to present its 2012 Review – 2013 Outlook.

It highlights the funding and debt management strategy for 2013 and gives an overview of the strategy that has been followed throughout 2012.

Please note that the forthcoming 2012 Annual Report will give a more comprehensive review of the year 2012.

On grounds of efficiency, this report is no more available in paper form.

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# 2013 Outlook

# 1. 2013 Borrowing Requirements and Funding Plan

The Treasury estimates its 2013 gross borrowing requirements to amount to EUR 39.99 billion. As such, they would be slightly lower than those of 2012.

As usual, redemptions of medium- and long-term debt form the largest part of these borrowing requirements: in 2013, they will amount to EUR 26.75 billion. The Federal State budget deficit is expected to amount to EUR 8.77 billion, which is somewhat higher than the one for 2012 that was significantly reduced by the large OLO issuance premiums in the 2nd half of 2012. Also, the Treasury plans to buy back 2014 maturities for an amount of EUR 4.22 billion.

The Treasury plans to meet the financing requirements by issuing OLOs for an amount of EUR 37.00 billion, significantly less than the 2012 OLO issuance. In addition, up to EUR 3.00 billion would be funded by EMTN-issuance and Schuldscheine. Due to the very low level of interest rates, State Notes are not expected to provide for material funding in 2013. Finally, the maturing bonds for the Silver Fund will be refinanced by the same instrument.

The outstanding amount of Treasury Certificates, which decreased by EUR 3.39 billion in 2012, is expected to further decline by EUR 1.00 billion.

(Eur billion)	Achieved as of 31.12.2012	Budget 2013 (05.12.2012 forecast)
<b>I. Gross borrowing requirements</b>	<b>40.54</b>	<b>39.99</b>
1. Federal State budget deficit	7.98	8.77
- Budget deficit (stricto sensu)	7.90	8.64
- Participation in/loans to financial institutions and sovereigns	0.07	0.13
- Transfers to the Silver Fund	0.00	0.00
2. Debt maturing during the year	25.56	26.75
- Medium- and long-term debt (EUR)	25.56	26.75
- Medium- and long-term debt (foreign currencies)	0.00	0.00
3. Planned pre-funding (bonds maturing in subsequent years)	7.00	4.22
- Buy-backs	7.00	4.22
4. Other financing requirements	0.00	0.25
<b>II. Funding resources (Medium- and long-term)</b>	<b>48.01</b>	<b>42.01</b>
1. OLOs	42.95	37.00
2. Other medium and long term funding	5.06	5.01
- Euro Medium Term Notes / Schuldscheine	3.07	3.00
- Securities for retail investors	0.14	0.50
- Treasury Bonds – Silver Fund	1.85	1.51
- Other	0.00	0.00
<b>III. Net change in short-term foreign currency debt</b>	<b>0.00</b>	<b>0.00</b>
<b>IV. Change in Treasury Certificate stock</b>	<b>-3.39</b>	<b>-1.00</b>
<b>V. Net change in other short-term debt and financial assets</b>	<b>-4.09</b>	<b>-1.02</b>

## 2. Funding and Debt Management Strategy

The main feature of the 2013 issuance strategy continues to be the combination of **predictability** and **flexibility** in order to respond adequately to changing market environments. This subtle combination can be obtained by enhanced communication.

The Treasury will remain **predictable** with regard to the number of OLO syndications and of auctions for its main financing instruments, both OLOs and TCs. Predictability will also prevail as to the size of the financing program and the size of issuance in various instruments. **Flexibility** will allow to adapting the size, instrument and the maturity to prevailing **market demand** at the moment of issuance.

In this context the forecasted issuance strategy for 2013 will be as follows.

### With regard to long term financing

- It is expected that new benchmarks will be launched through **syndicated issues** and increased in size through **auctions**.
- If sufficient demand is identified, **off-the-runs** can be reopened at regular auctions.
- The number of OLO auctions remains stable at 11 but auctions might be canceled and replaced by syndicated issues. Sufficient points of issuance will offer more flexibility as to size per auction and maturities offered.
- The Treasury provides for further flexibility with the continuation of issuance techniques introduced in 2012 :
  - **Syndicated Taps** on longer term OLO benchmarks
  - **Optional Reverse Inquiry Auctions** of off-the-run OLOs at predetermined dates.

These additional issuance possibilities will only be organized to meet genuine market demand at a particular point in time, when market liquidity should fail to fulfill that demand.

- OLO issuance can be supplemented by **alternative financing instruments**: an OLO floater, hedged foreign currency issuance and/or structured products issued under the **EMTN program**, possibly including inflation-linked notes, or other funding instruments, in particular **Schuldscheine**.

With a view of better managing the cash disbursements resulting from OLO redemption dates, the Treasury changes the redemption dates of newly issued OLOs as from 2013 onwards: the new redemption date will be **June 22th**.

### With regard to short term financing

- The **Treasury Certificate**<sup>1</sup> issuance program consists of **2 auctions per month** at which 2 fixed lines will be offered. Occasionally the Treasury will offer a supplementary line.

The regular Treasury Certificate program will be supplemented by issuance under the existing Euro-Commercial Paper Program<sup>2</sup>. This allows for on-tap issuance in various currencies but swapped into Euro.

### Debt Management Strategy

In 2013, the Treasury will continue to decrease its refinancing and refixing risks and the maximum values of these risks will be reviewed as such:

- The maximum 12-month refinancing risk will be decreased with 2.50% as from January 1, 2013 to 20.00%
- The maximum 60-month refinancing risk will be decreased with 5.00% as from July 1, 2013 to 55.00%
- The maximum 12-month refixing risk will be decreased with 2.50% as from January 1, 2013 to 22.50%
- The maximum 60-month refixing risk will be decreased with 5.00% as from January 1, 2013 to 60.00%

<sup>1</sup> Belgium's Treasury Certificates have the same features as T-bills

<sup>2</sup> Named BTB or Belgian Treasury Bills



### 3. OLO Issuance Calendar and Maturity Schedule

#### OLO Issuance Calendar

In line with previous years, the number of OLO auctions for the year 2013 will amount to 11. In principle, auctions are scheduled on the last Monday of every month, with the exception of the months of May and August due to bank holidays. During these months, auctions will be organized on the last Tuesday. Furthermore, there is no auction planned in the month of December.

	OLO Auction	ORI
January	Monday 28.01.2013	11.01.2013
February	Monday 25.02.2013	08.02.2013
March	Monday 25.03.2013	08.03.2013
April	Monday 29.04.2013	12.04.2013
May	<b>Tuesday</b> 28.05.2013	17.05.2013
June	Monday 24.06.2013	14.06.2013
July	Monday 29.07.2013	12.07.2013
August	<b>Tuesday</b> 27.08.2013	09.08.2013
September	Monday 30.09.2013	13.09.2013
October	Monday 28.10.2013	11.10.2013
November	Monday 25.11.2013	08.11.2013
December	-	13.12.2013

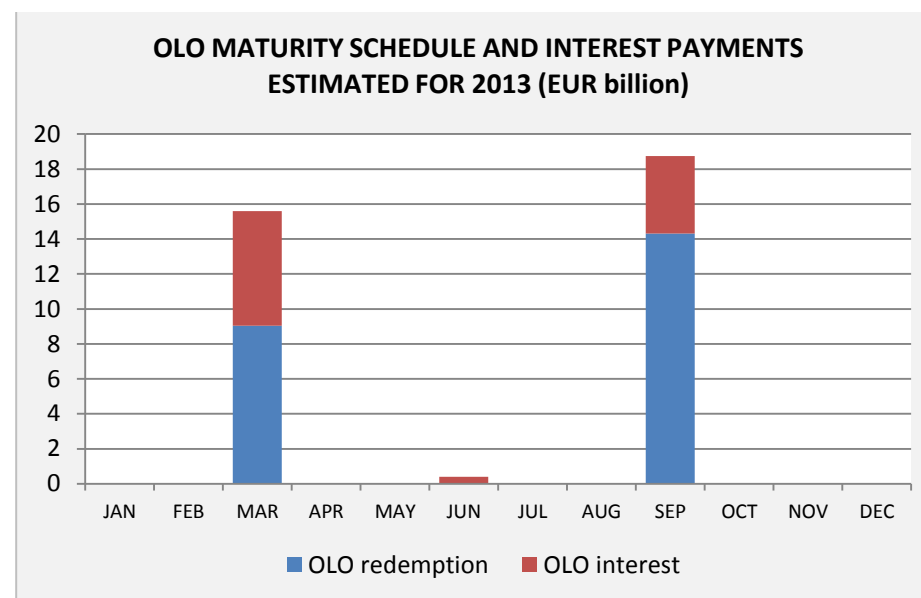
It should be noted that auctions can be replaced by syndicated issues of a new benchmark.

The size of the auction as well as the maturities offered will be chosen in line with market demand.

#### OLO Optional Reverse Inquiry (ORI) auctions

If investor demand for off-the-run OLOs cannot fully be covered by the liquidity in the secondary market, the Treasury can decide to organize an optional reverse inquiry auction. In principle, ORI auctions are scheduled on the second Friday of the month with the exception of the month of May due to bank holidays. During this month, the ORI auction is scheduled on the third Friday. If decided, the announcement will be made the day before.

#### OLO Maturity Schedule



Up to 2012, OLO maturities have been concentrated on 2 dates: 28th of March and 28th of September. In 2013, there are two OLOs coming at maturity, i.e. OLO 50 (4% - 28/03/2013) and OLO 41 (4.25% - 28/09/2013).

With a view to better managing the cash disbursements resulting from OLO redemption dates, the new redemption date for OLOs as from 2013 onwards will be June 22th.



## 4. Treasury Certificate Issuance Calendar

The issuance strategy implemented in 2005 will be continued:

- Concentration of the issuance on two auctions per month;
- During the first auction of the month, the Treasury will reopen 2 existing lines as a 6 month and a 3 month maturity. It is possible to offer the 12 month line launched in the preceding month in order to enhance the liquidity of this line or to satisfy additional demand;
- During the second auction, a new 12 month benchmark TC line will be offered together with the prevailing 3 month maturity.

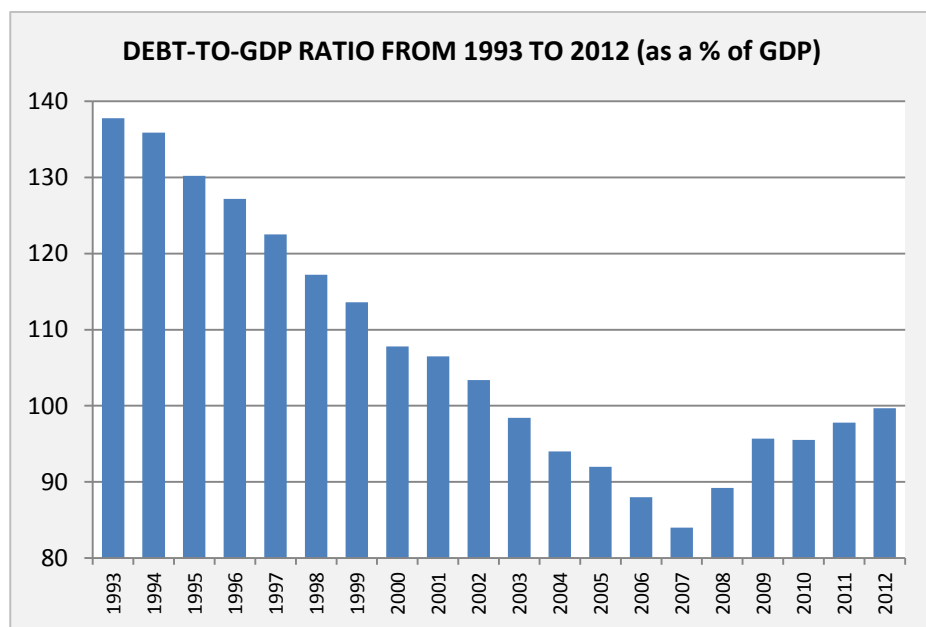
Supplementary lines at the regular auctions and additional auctions can be considered in order to cover higher cash needs resulting from OLO redemptions in March and September.

Auction	Maturity		
	3-month	6-month	12-month
<b>08/01/2013</b>	18/04/2013	20/06/2013	
<b>15/01/2013</b>	18/04/2013		16/01/2014
<b>05/02/2013</b>	16/05/2013	18/07/2013	
<b>12/02/2013</b>	16/05/2013		20/02/2014
<b>05/03/2013</b>	20/06/2013	15/08/2013	
<b>12/03/2013</b>	20/06/2013		20/03/2014
<b>02/04/2013</b>	18/07/2013	19/09/2013	
<b>16/04/2013</b>	18/07/2013		17/04/2014
<b>30/04/2013</b>	15/08/2013	17/10/2013	
<b>14/05/2013</b>	15/08/2013		15/05/2014
<b>04/06/2013</b>	19/09/2013	14/11/2013	
<b>18/06/2013</b>	19/09/2013		19/06/2014
<b>02/07/2013</b>	17/10/2013	19/12/2013	
<b>16/07/2013</b>	17/10/2013		17/07/2014
<b>30/07/2013</b>	14/11/2013	16/01/2014	
<b>13/08/2013</b>	14/11/2013		14/08/2014
<b>03/09/2013</b>	19/12/2013	20/02/2014	
<b>17/09/2013</b>	19/12/2013		18/09/2014
<b>01/10/2013</b>	16/01/2014	20/03/2014	
<b>15/10/2013</b>	16/01/2014		16/10/2014
<b>05/11/2013</b>	20/02/2014	17/04/2014	
<b>12/11/2013</b>	20/02/2014		20/11/2014
<b>03/12/2013</b>	20/03/2014	15/05/2014	
<b>17/12/2013</b>	20/03/2014		18/12/2014

# 2012 Review

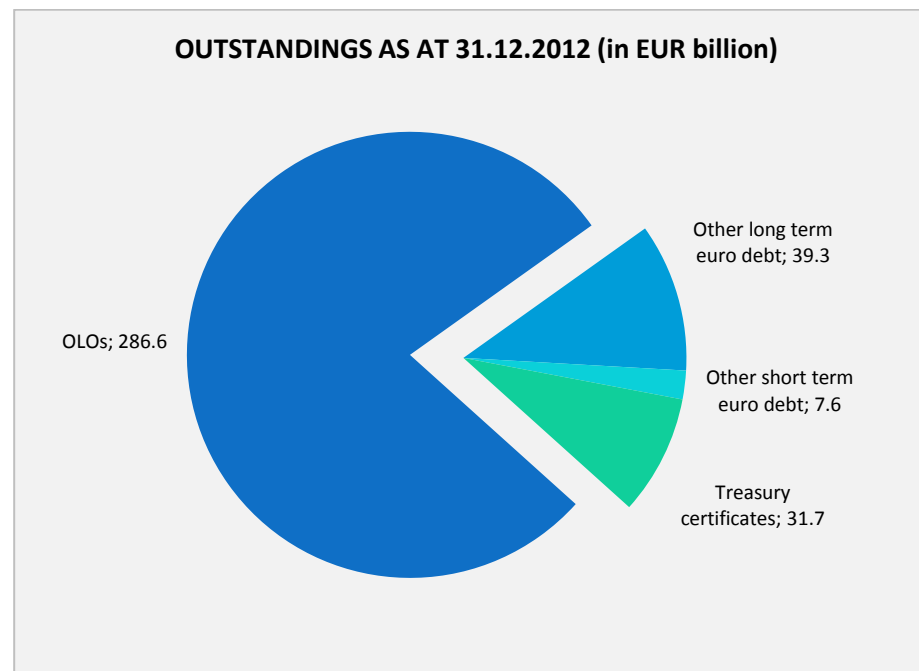
# I. Main Figures

## 1. Debt Ratio



In 2012, Belgium's debt-to-GDP ratio will have increased to an estimated 99.7% by year-end compared to 97.8% as at end 2011.

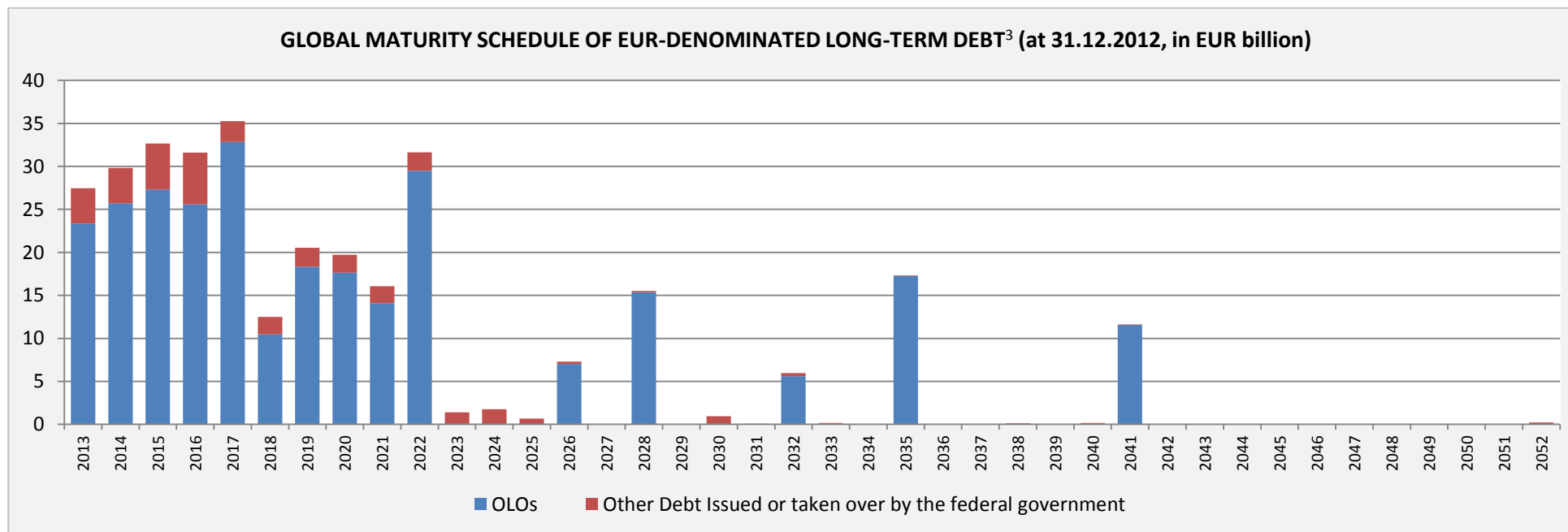
## 2. Debt Outstanding



Outstanding Gross Federal Government Debt amounted to **EUR 365.2 billion** as of 31 December 2012:

- The OLO-portfolio stood at EUR 286.6 billion, representing an increase of EUR 14.1 billion compared to December 2011 and corresponding to 78.5% of total debt.
- The outstanding amount of Treasury Certificates was EUR 31.7 billion (8.7% of total debt).

### 3. Maturity Schedule



- Long-term euro debt consists almost entirely of OLOs. There are currently 25 OLO lines outstanding of which one floating rate OLO that was issued in February 2011 for an amount of EUR 3 billion. The other 24 OLO lines have an average outstanding of more than EUR 11 billion per line. The remaining long-term debt is represented by EMTN issues, State notes for retail investors and by some private placements such as Schuldscheine as well as debts to the Silver Fund (EUR 19.2 billion).
- The maturity schedule has an annuity pattern and reflects the Treasury’ strategy of issuing large and liquid benchmarks spread over the whole curve so as to create a stable and predictable issuance per year.
- In 2013, two OLO lines are coming to maturity, i.e. OLO 50 on 28/03/2013 and OLO 41 on 28/09/2013 for a net amount of EUR 9.05 billion and EUR 14.31 billion respectively. Through the continuous buy-back program EUR 3.67 billion and EUR 1.23 billion respectively were bought back in 2012.

<sup>3</sup> OLOs which have been bought back and held in portfolio, have been deducted from the schedule.

## 4. Indicators

	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012
Debt issued or taken over by the federal government <sup>4</sup>	366.18	365.42	369.21	366.71	369.35	371.97	371.82	373.19	367.27	368.14	373.74	364.82
<b>TOTAL</b>	<b>366.18</b>	<b>365.42</b>	<b>369.21</b>	<b>366.71</b>	<b>369.35</b>	<b>371.97</b>	<b>371.82</b>	<b>373.19</b>	<b>367.27</b>	<b>368.14</b>	<b>373.74</b>	<b>364.82</b>

<b>ACCORDING TO THE TERM (in %)</b>												
Exceeding 1 year Treasury certificates without interest issued for participations in Institutions (EBRD,...) are considered as debt "exceeding 1 year"	76.97	77.41	75.29	76.93	77.29	77.53	77.65	78.43	77.23	77.16	78.09	80.35
Maturing within 12 months												
Capital market Long and medium term debt maturing within 12 months	9.26	9.29	10.56	10.64	10.52	10.39	10.38	10.03	11.28	11.10	10.93	8.87
Money market	13.77	13.30	14.15	12.43	12.19	12.08	11.97	11.54	11.49	11.74	10.98	10.78
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>ACCORDING TO THE CURRENCY (in %)</b>												
Euro	99.77	99.67	99.68	99.67	99.68	99.68	99.68	99.68	99.68	99.68	99.68	100.00
Foreign currencies	0.23	0.33	0.32	0.33	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.00
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>ACCORDING TO THE RATE (in %)</b>												
Fixed Long and medium term debt with a fixed rate+Treasury certificates without interest.	84.80	85.35	84.44	86.15	86.20	86.00	85.84	86.28	86.30	86.06	86.86	86.83
Floating Long and medium term debt with a floating rate + short term debt with interest (incl. postal giro account).	15.20	14.65	15.56	13.85	13.80	14.00	14.16	13.72	13.70	13.94	13.14	13.17
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

<sup>4</sup> Not including borrowings of certain organisations for which the federal government helps service the debt (EUR 350 million)

## Review 2012

	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012
<b>PER INSTRUMENT (in %)</b>												
EURO												
Long and medium term instruments												
OLOs	75.71	75.99	75.26	76.87	77.23	77.48	77.58	78.42	78.08	77.97	78.89	78.55
Traditional loans "Philippe" bonds + other public bonds	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
State notes	2.31	2.30	2.19	2.19	2.14	2.03	2.00	1.99	1.99	1.98	1.95	1.97
Public bonds, private placements	1.96	2.13	2.18	2.25	2.24	2.26	2.28	1.91	2.21	2.20	2.17	2.22
Others	6.23	6.27	6.20	6.25	6.18	6.14	6.15	6.13	6.22	6.09	6.00	6.47
Subtotal LT	86.23	86.70	85.85	87.57	87.81	87.92	88.03	88.46	88.51	88.26	89.02	89.22
Short term instrument												
Treasury certificates	9.16	8.98	9.36	9.44	9.51	9.51	9.82	9.66	9.64	9.63	9.44	8.69
Others	4.38	3.99	4.46	2.66	2.36	2.25	1.84	1.56	1.52	1.78	1.22	2.09
Subtotal ST	13.54	12.97	13.82	12.11	11.87	11.76	11.65	11.22	11.17	11.41	10.66	10.78
Total Euro	99.77	99.67	99.68	99.67	99.68	99.68	99.68	99.68	99.68	99.68	99.68	100.00
FOREIGN CURRENCIES	0.23	0.33	0.32	0.33	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.00
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>FINANCIAL COST AT ISSUANCE (in %)</b>												
Euro debt	3.84	3.81	3.84	3.81	3.79	3.78	3.75	3.73	3.66	3.64	3.62	3.52
<b>MODIFIED DURATION (years)</b>												
Euro debt	5.48	5.47	5.65	5.72	6.00	5.83	5.95	5.89	5.90	5.92	5.91	5.96
<b>AVERAGE TERM TO MATURITY (years)</b>												
Total Debt in Euro	6.89	6.90	7.09	7.19	7.12	7.19	7.20	7.11	7.19	7.22	7.17	7.18
Total Debt	6.87	6.88	7.08	7.17	7.10	7.17	7.18	7.09	7.17	7.21	7.15	7.16

## 5. Implementation of the 2012 Funding Plan

In spite of enhanced pre-funding of 2013 – EUR 7.0 billion of securities have been bought back instead of EUR 3.36 billion planned - the Treasury's 2012 gross borrowing requirements of EUR 40.54 billion were only modestly higher than planned. The cash budget deficit amounted to EUR 7.98 billion and while this was higher than planned because of the unexpected capitalisation of Dexia (EUR 2.915 billion), the larger than foreseen reimbursement by KBC Group and the significant OLO issuance premiums limited the effect of this capitalisation on the net borrowing requirements.

The sharp decline in interest rates resulted in a funding mix that was quite different from the one that was planned. Retail investors were indeed much less interested in State Notes compared to expectations, while demand for OLOs was strong. The Treasury issued EUR 42.95 billion of OLOs and benefited from historically low interest rates. In addition, Euro Medium Term Notes and Schuldscheine were issued for an amount of EUR 3.07 billion.

As long-term funding exceeded gross borrowing requirements, the Treasury's short term debt decreased significantly: the outstanding amount of Treasury certificates decreased by EUR 3.39 billion and the net change in other short term debt and financial assets amounted to EUR – 4.09 billion.

(Eur billion)	Budget 2012 (06.12.2011 forecast)	Achieved as of 31.12.2012
<b>I. Gross borrowing requirements</b>	<b>38.57</b>	<b>40.54</b>
1. Federal State budget deficit	7.04	7.98
- Budget deficit (stricto sensu)	7.06	7.90
- Participation in/loans to financial institutions and sovereigns	-0.02	0.07
- Transfers to the Silver Fund	0.00	0.00
2. Debt maturing during the year	27.67	25.56
- Medium- and long-term debt (EUR)	27.67	25.56
- Medium- and long-term debt (foreign currencies)	0.00	0.00
3. Planned pre-funding (bonds maturing in subsequent years)	3.36	7.00
- Buy-backs	3.36	7.00
4. Other financing requirements	0.50	0.00
<b>II. Funding resources (Medium- and long-term)</b>	<b>35.89</b>	<b>48.01</b>
1. OLOs	26.00	42.95
2. Other medium and long term funding	9.89	5.06
- Euro Medium Term Notes / Schuldscheine	2.00	3.07
- Securities for retail investors	6.03	0.14
- Treasury Bonds – Silver Fund	1.85	1.85
- Other	0.00	0.00
<b>III. Net change in short-term foreign currency debt</b>	<b>0.00</b>	<b>0.00</b>
<b>IV. Change in Treasury Certificate stock</b>	<b>2.00</b>	<b>-3.39</b>
<b>V. Net change in other short-term debt and financial assets</b>	<b>0.68</b>	<b>-4.09</b>



## II. OLOs

### 1. Syndications

#### A new 10-year benchmark in January

The Treasury decided to announce a new 10-year OLO on the back of a more positive market sentiment as the largely expected S&P euro zone downgrades had only a limited impact. This OLO 65 was the Treasury's first benchmark of the year and was in line with Belgium's traditional issuance pattern of bringing a new 10-year benchmark to the market in January.

The orderbook grew extremely quickly, reaching over EUR 5 with limited spread sensitivity. The decision was made to price a EUR 4.5 billion transaction at mid-swap + 197 basis points. The coupon of the OLO was set at 4.25%.

Over 170 investors participated in the transaction highlighting the investor interest for Belgium.

It should be noted that placement was largely concentrated in Europe which took 94.14% of the final allocated amount of the transaction.

Joint leads were Barclays, BNP Paribas Fortis, Morgan Stanley and SG CIB. The other primary dealers and the recognized dealers formed the remainder of the syndication group.

#### As the overall market sentiment improved, the Treasury met demand on the long end of the curve with a syndicated 20-year OLO in March ...

After an agreement on the Greek Private Sector Involvement (PSI), the positive market and continuous demand for longer bonds, the Belgian Treasury decided to launch a syndicated 20-year bond in March.

Due to the quality of the book and significant oversubscription, the Belgian Debt Agency decided to fix the size of the transaction at EUR 4 billion, up from the minimum benchmark target of EUR 3 billion. Eventually, the Agency issued at mid-swap + 133 basis points with a coupon of 4.00%.

Over 145 investors participated in the transaction highlighting the investor interest for Belgium. The bulk of this transaction was distributed in Europe which took more than 94% of the allocated orders.

Real money accounts strongly supported this transaction with a portion of 72% of the total allocated amount. Insurance companies and pension funds represented more than 40% of the allocation.

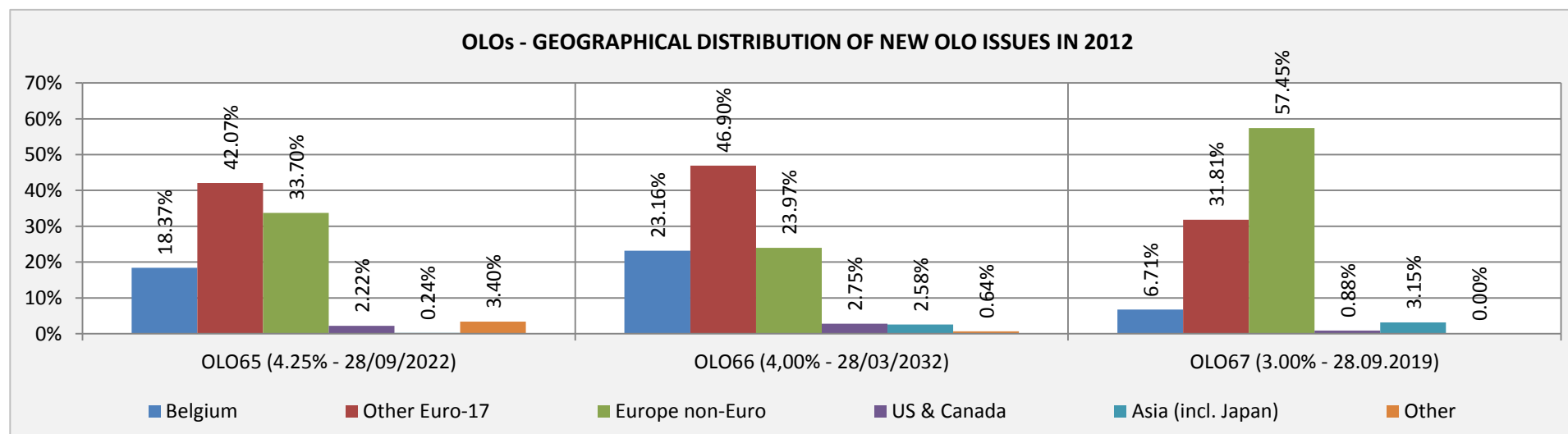
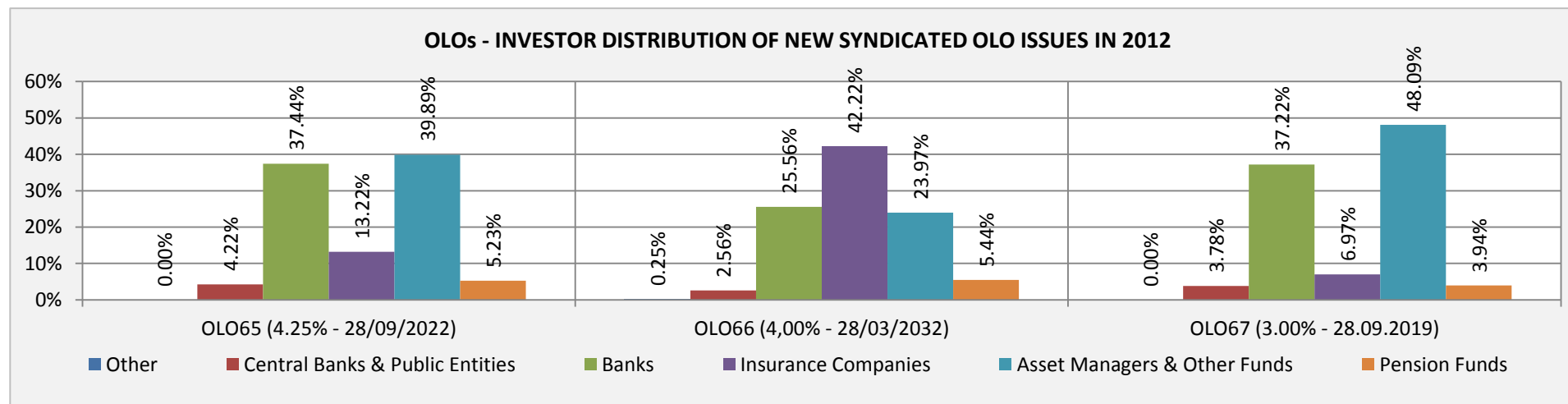
Joint leads were Barclays, BNP Paribas Fortis, Deutsche Bank and JP Morgan.

#### ... continued by a 7-year OLO in the same month

The Kingdom of Belgium decided to take advantage of the strong market backdrop with the launch of a new syndicated 7-year OLO, ahead of the Easter break. The orderbook grew quickly and approached EUR 6 billion. The Treasury finally resolved to allocate EUR 4 billion with a spread set at mid-swap + 98 basis points.

Distribution outside Belgium was strong, accounting for more than 93.29% of allocations.

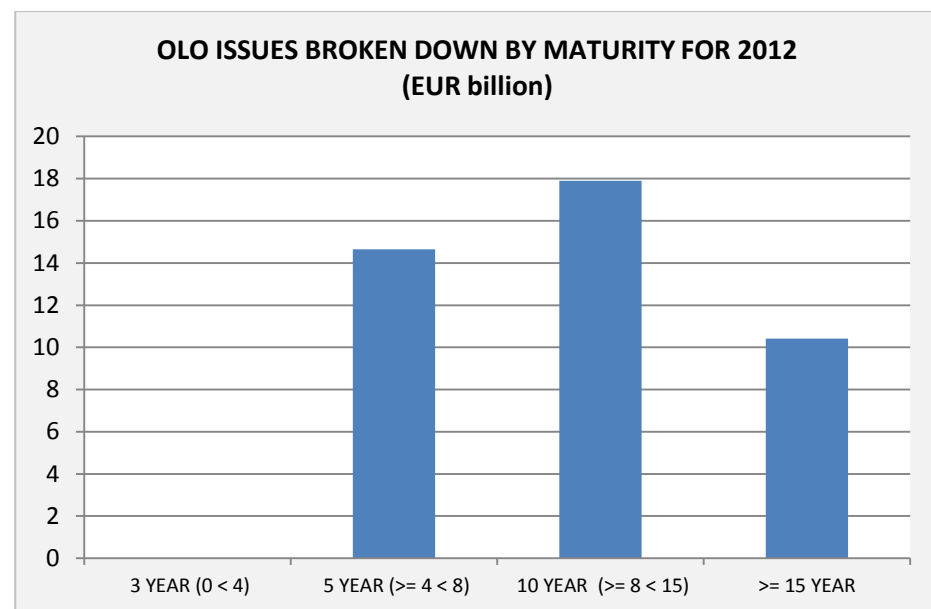
Joint leads were Crédit Agricole, ING, RBS and UBS.



## 2. Auctions

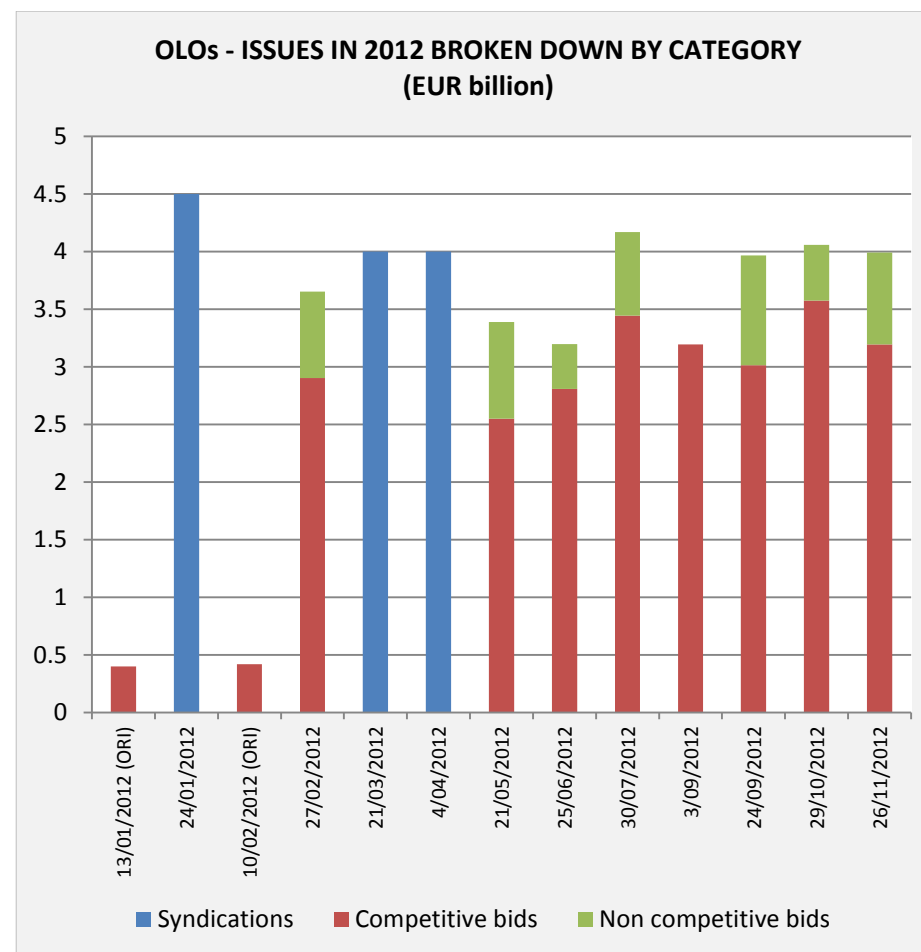
The Treasury carried out 8 of the originally planned 11 OLO regular auctions.

The auctions of January, March and April were cancelled and replaced by syndications of three new benchmarks: the first one having a 10 year maturity (OLO 65 - 4.25% - 28/09/2022), the second a 20 year maturity (OLO 66 - 4% - 28/03/2032), and the third a 7 year maturity (OLO 67 - 3% - 28/09/2019).



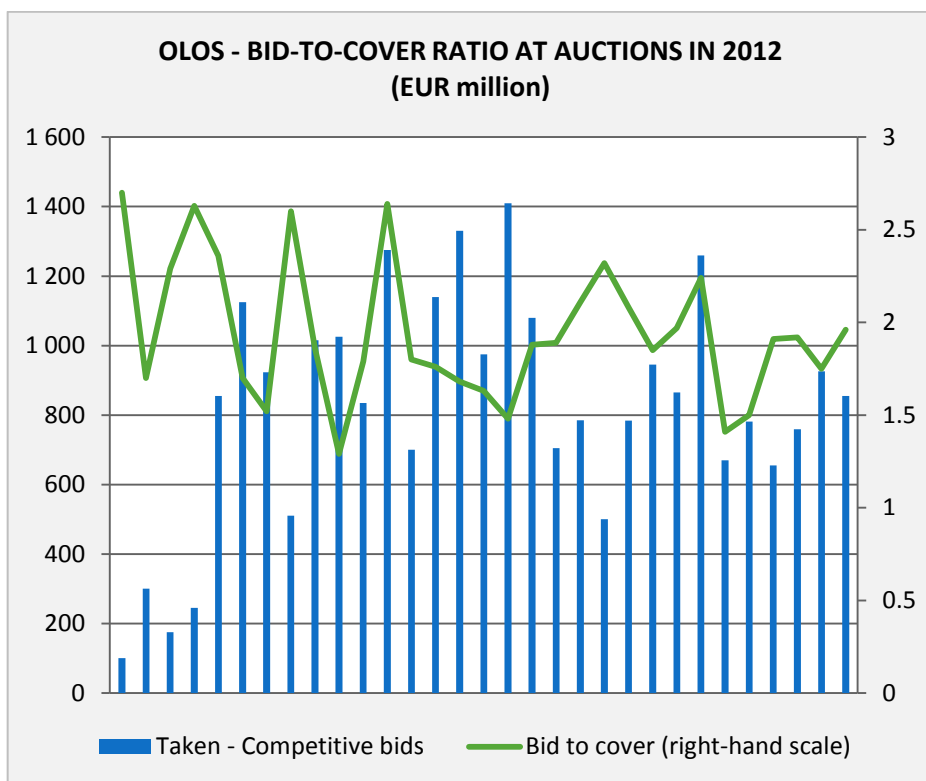
From February to November, the eight regular auctions resulted in an amount issued of EUR 30.44 billion. In general, three tenors were offered except for the auctions of September, October and November when four tenors have been offered. Lines auctioned included benchmarks as well as off-the-runs. The choice of the line offered depended on market demand.

ORI auctions, the new issuance technique launched in 2012, were organized twice, in January and February, raising 400 and 420 million respectively in off-the-run OLOs. ORI auctions are organized when market liquidity is insufficient in the off-the-runs, to cover investors' demand. The positive tone as from March restored liquidity and consequently ORI auctions were not used any more in 2012.



The bid-to-cover ratio per line and auction for the regular auctions has varied between 1.68 and 2.64 for the 10-year and 1.76 and 2.60 for the 5-year benchmarks.

On average, the bid to cover ratio of the OLO auctions (ORI auctions excluded) amounted to 1.89 and the amount taken per auction (competitive bids only) to EUR 3.08 billion.



### 3. Collective Action Clauses (CACs)

As from January 2013 Collective Action Clauses (CACs) will be included in the documentation of all new Belgian government securities, with maturity above 1 year, issued in Euro or in Foreign currencies. CACs in the bond documentation create a common legal framework for changing terms of debt within the agreement of a super majority of bondholders.

The inclusion of the CACs has been decided upon by all 17 euro area Member states and as stipulated in the "Treaty Establishing the European Stability Mechanism" of 2 February 2012.

All new benchmark bonds of 2013 and EMTN issuance will carry CACs in their documentation. Issuance through the tapping of lines launched before January 2013 will still be possible up to 45% of total financing. In former years tapping of old bonds at the auctions has never reached 45% of total issuance.

## 4. Lines and Outstanding

OLO	Maturity	Coupon	ISIN Code	Nr	Net available <sup>5</sup> (EUR)	Buy-backs in portfolio (EUR)	Strips Amount (EUR)	Strippable
2013	28/03	4	BE0000310194	50 <sup>6</sup>	9 050 500 000.00	3 667 500 000.00		X
	28/09	4.25	BE0000301102	41 <sup>6</sup>	14 313 200 000.00	1 234 000 000.00	203 320 000.00	X
2014	28/03	4	BE0000314238	54	12 895 000 000.00			X
	28/09	4.25	BE0000303124	43	12 828 915 000.00		75 150 000.00	X
2015	28/03	3.5	BE0000316258	56	9 785 000 000.00			X
	28/03	8	BE0000282880	23	6 220 187 157.66		1 946 534 409.91	X
	28/09	3.75	BE0000306150	46	11 294 000 000.00		236 989 000.00	X
2016	15/02	FRN <sup>7</sup>	BE0000322314	62	3 000 000 000.00			
	28/03	2.75	BE0000319286	59	9 594 000 000.00			X
	28/09	3.25	BE0000307166	47	12 984 000 000.00		70 330 000.00	X
2017	28/03	4	BE0000309188	49	11 176 000 000.00			X
	28/06	3.5	BE0000323320	63	13 234 000 000.00			X
	28/09	5.5	BE0000300096	40	8 437 637 800.00		241 750 000.00	X
2018	28/03	4	BE0000312216	52	10 471 000 000.00			X
2019	28/03	4	BE0000315243	55	11 129 000 000.00			X
	28/09	3	BE0000327362	67	7 199 000 000.00		8 000 000.00	X
2020	28/09	3.75	BE0000318270	58	17 634 000 000.00		11 600 000.00	X
2021	28/09	4.25	BE0000321308	61	14 085 000 000.00		59 000 000.00	X
2022	28/03	4	BE0000308172	48	14 084 000 000.00			X
	28/09	4.25	BE0000325341	65	15 417 000 000.00		30 500 000.00	X
2026	28/03	4.5	BE0000324336	64	7 010 000 000.00			X
2028	28/03	5.5	BE0000291972	31	15 353 939 136.01		2 785 836 113.70	X
2032	28/03	4	BE0000326356	66	5 612 000 000.00		237 000 000.00	X
2035	28/03	5	BE0000304130	44	17 283 692 800.00		2 637 040 000.00	X
2041	28/03	4.25	BE0000320292	60	11 558 000 000.00		1 700 700 000.00	X
					<b>281 649 071 893.67</b>	<b>4 901 500 000.00</b>		

<sup>5</sup> Available in the market (Issued amount less buy-backs) on 31.12.2012

<sup>6</sup> Buy-back possible

<sup>7</sup> Interest rate - 15/11/2012>15/02/2013 (92 days) : 0.792%

## 5. Auction and Syndication Results

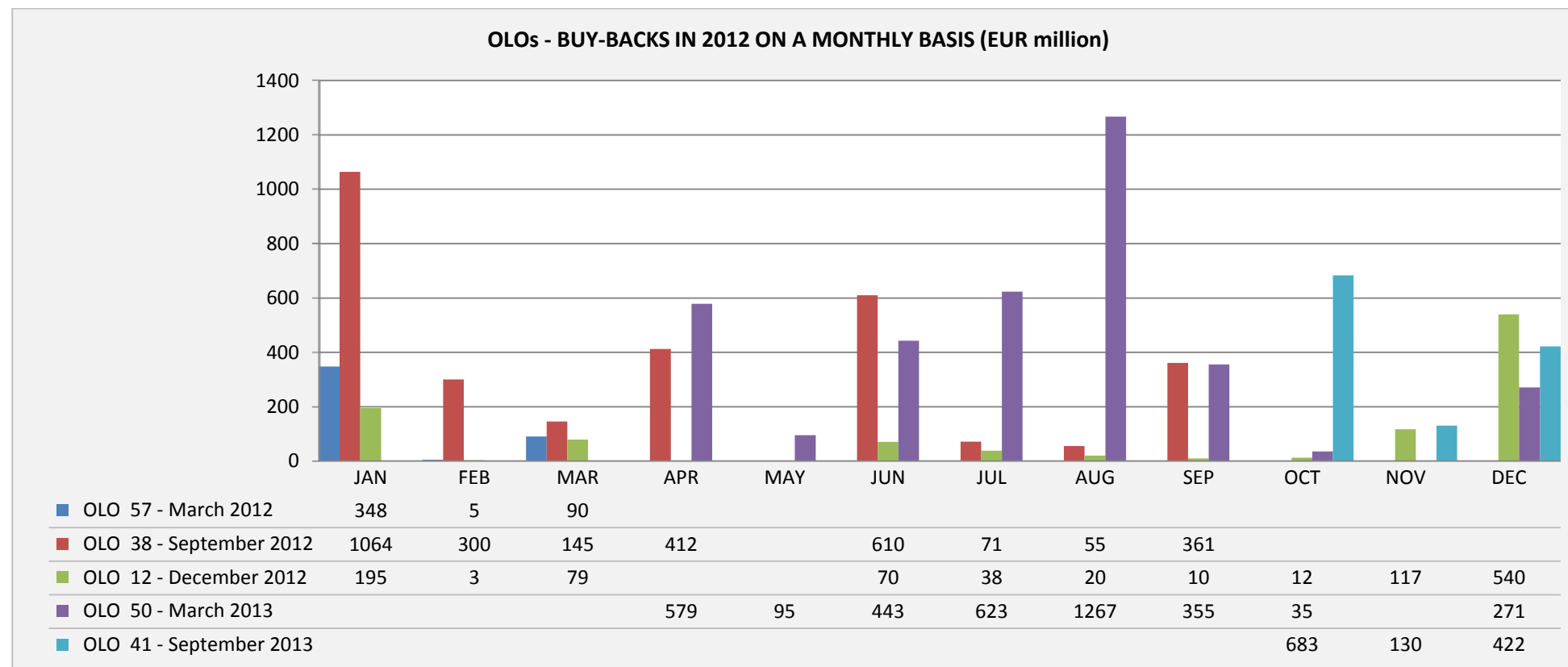
OLO Auction/ Syndication	Maturity Date	ISIN Code	Outst. Before auction	Amount Offered	Amt Accept. (Comp/ Syndication)	Exerc. Non Comp	Total accept.	Bid to Cover	W. Av. Price / Price syndication	W. Av. Yield / Yield syndication	Lo/Hi Bid	Stop Price	Re- warded Bidders
		<b>AUCTION</b>		<b>6 004.0</b>	<b>3 195.0</b>	<b>797.0</b>	<b>3 992.0</b>	<b>1.88</b>					
13/01/2012	28/03/2028	BE0000291972	15 253.9	270.0	<b>100.0</b>	0.0	<b>100.0</b>	<b>2.70</b>	114.633	<b>4.232</b>	113,55/114,68	114.50	3
	28/03/2035	BE0000304130	15 785.7	510.0	<b>300.0</b>	0.0	<b>300.0</b>	<b>1.70</b>	109.655	<b>4.330</b>	108,50/109,80	109.45	7
		<b>ORI AUCTION</b>		<b>780.0</b>	<b>400.0</b>	<b>0.0</b>	<b>400.0</b>	<b>1.95</b>					
24/01/2012	28/09/2022	BE0000325341			<b>4 500.0</b>		<b>4 500.0</b>		99.581	<b>4.302</b>			
		<b>SYNDICATION</b>		<b>0.0</b>	<b>4 500.0</b>	<b>0.0</b>	<b>4 500.0</b>	<b>0.00</b>					
10/02/2012	28/03/2022	BE0000308172	13 909.0	400.0	<b>175.0</b>	0.0	<b>175.0</b>	<b>2.29</b>	103.658	<b>3.562</b>	103,30/103,74	103.62	7
	28/03/2035	BE0000304130	16 085.7	645.0	<b>245.0</b>	0.0	<b>245.0</b>	<b>2.63</b>	112.839	<b>4.127</b>	112,00/113,00	112.75	4
		<b>ORI AUCTION</b>		<b>1 045.0</b>	<b>420.0</b>	<b>0.0</b>	<b>420.0</b>	<b>2.49</b>					
27/02/2012	28/06/2017	BE0000323320	6 709.0	2 015.0	<b>855.0</b>	157.0	<b>1 012.0</b>	<b>2.36</b>	104.306	<b>2.621</b>	103.50/104.43	104.25	7
	28/09/2022	BE0000325341	4 500.0	1 915.0	<b>1 125.0</b>	244.0	<b>1 369.0</b>	<b>1.70</b>	104.425	<b>3.737</b>	104.00/104.55	104.35	14
	28/03/2041	BE0000320292	9 580.0	1 406.0	<b>923.0</b>	350.0	<b>1 273.0</b>	<b>1.52</b>	101.525	<b>4.158</b>	100.98/101.68	101.40	15
		<b>AUCTION</b>		<b>5 336.0</b>	<b>2 903.0</b>	<b>751.0</b>	<b>3 654.0</b>	<b>1.84</b>					
21/03/2012	28/03/2032	BE0000326356			<b>4 000.0</b>		<b>4 000.0</b>		99.133	<b>4.064</b>			
		<b>SYNDICATION</b>		<b>0.0</b>	<b>4 000.0</b>	<b>0.0</b>	<b>4 000.0</b>	<b>0.00</b>					
4/04/2012	28/09/2019	BE0000327362			<b>4 000.0</b>		<b>4 000.0</b>		99.872	<b>3.021</b>			
		<b>SYNDICATION</b>		<b>0.0</b>	<b>4 000.0</b>	<b>0.0</b>	<b>4 000.0</b>	<b>0.00</b>					
21/05/2012	28/06/2017	BE0000323320	7 721.0	1 325.0	<b>510.0</b>	211.0	<b>721.0</b>	<b>2.60</b>	105.313	<b>2.379</b>	104.99/105.38	105.26	11
	28/09/2022	BE0000325341	5 869.0	1 890.0	<b>1 015.0</b>	335.0	<b>1 350.0</b>	<b>1.86</b>	106.837	<b>3.453</b>	106.30/106.90	106.77	14
	28/03/2026	BE0000324336	4 472.0	1 325.0	<b>1 025.0</b>	293.0	<b>1 318.0</b>	<b>1.29</b>	109.207	<b>3.641</b>	108.60/109.32	109.10	15
		<b>AUCTION</b>		<b>4 540.0</b>	<b>2 550.0</b>	<b>839.0</b>	<b>3 389.0</b>	<b>1.78</b>					
25/06/2012	28/06/2017	BE0000323320	8 442.0	1 496.0	<b>835.0</b>	68.0	<b>903.0</b>	<b>1.79</b>	106.460	<b>2.125</b>	106.05/106.62	106.38	15
	28/09/2022	BE0000325341	7 219.0	3 360.0	<b>1 275.0</b>	235.0	<b>1 510.0</b>	<b>2.64</b>	108.897	<b>3.217</b>	108.00/108.92	108.81	6
	28/03/2032	BE0000326356	4 000.0	1 260.0	<b>700.0</b>	86.0	<b>786.0</b>	<b>1.80</b>	103.203	<b>3.766</b>	101.50/103.28	103.06	13

## Review 2012

OLO Auction/ Syndication	Maturity Date	ISIN Code	Outst. Before auction	Amount Offered	Amt Accept. (Comp/ Syndication)	Exerc. Non Comp	Total accept.	Bid to Cover	W. Av. Price / Price syndication	W. Av. Yield / Yield syndication	Lo/Hi Bid	Stop Price	Re- warded Bidders
		<b>AUCTION</b>		<b>6 116.0</b>	<b>2 810.0</b>	<b>389.0</b>	<b>3 199.0</b>	<b>2.18</b>					
30/07/2012	28/06/2017	BE0000323320	9 345.0	2 010.0	<b>1 140.0</b>	110.0	<b>1 250.0</b>	<b>1.76</b>	110.190	<b>1.339</b>	109.75/110.31	110.10	16
	28/09/2022	BE0000325341	8 729.0	2 240.0	<b>1 330.0</b>	371.0	<b>1 701.0</b>	<b>1.68</b>	114.334	<b>2.624</b>	113.50/114.46	114.23	14
	28/03/2026	BE0000324336	5 790.0	1 590.0	<b>975.0</b>	245.0	<b>1 220.0</b>	<b>1.63</b>	115.903	<b>3.056</b>	105.80/116.11	115.70	15
		<b>AUCTION</b>		<b>5 840.0</b>	<b>3 445.0</b>	<b>726.0</b>	<b>4 171.0</b>	<b>1.70</b>					
3/09/2012	28/09/2019	BE0000327362	4 000.0	2 085.0	<b>1 410.0</b>	0.0	<b>1 410.0</b>	<b>1.48</b>	106.495	<b>2.004</b>	106.00/106.61	106.40	16
	28/09/2022	BE0000325341	10 430.0	2 034.0	<b>1 080.0</b>	0.0	<b>1 080.0</b>	<b>1.88</b>	114.598	<b>2.584</b>	114.00/114.70	114.50	12
	28/03/2041	BE0000320292	10 853.0	1 330.0	<b>705.0</b>	0.0	<b>705.0</b>	<b>1.89</b>	114.470	<b>3.445</b>	113.29/114.65	114.36	11
		<b>AUCTION</b>		<b>5 449.0</b>	<b>3 195.0</b>	<b>0.0</b>	<b>3 195.0</b>	<b>1.71</b>					
24/09/2012	28/06/2017	BE0000323320	10 595.0	1 660.0	<b>785.0</b>	194.0	<b>979.0</b>	<b>2.11</b>	110.357	<b>1.241</b>	109.75/110.45	110.30	12
	28/09/2019	BE0000327362	5 410.0	1 160.0	<b>500.0</b>	181.0	<b>681.0</b>	<b>2.32</b>	106.496	<b>1.997</b>	105.75/106.59	106.44	10
	28/09/2021	BE0000321308	13 096.0	1 634.0	<b>784.0</b>	205.0	<b>989.0</b>	<b>2.08</b>	114.917	<b>2.389</b>	114.30/115.01	114.85	14
	28/09/2022	BE0000325341	11 510.0	1 750.0	<b>945.0</b>	374.0	<b>1 319.0</b>	<b>1.85</b>	114.287	<b>2.609</b>	113.75/114.43	114.23	14
		<b>AUCTION</b>		<b>6 204.0</b>	<b>3 014.0</b>	<b>954.0</b>	<b>3 968.0</b>	<b>2.06</b>					
29/10/2012	28/06/2017	BE0000323320	11 574.0	1 707.0	<b>865.0</b>	0.0	<b>865.0</b>	<b>1.97</b>	110.927	<b>1.080</b>	110.00/111.07	110.82	14
	28/09/2022	BE0000325341	12 829.0	2 814.0	<b>1 259.0</b>	157.0	<b>1 416.0</b>	<b>2.24</b>	115.969	<b>2.418</b>	115.00/116.07	115.92	15
	28/03/2032	BE0000326356	4 786.0	945.0	<b>670.0</b>	156.0	<b>826.0</b>	<b>1.41</b>	110.812	<b>3.239</b>	110.00/110.99	110.71	13
	28/03/2035	BE0000304130	16 330.7	1 171.0	<b>781.0</b>	172.0	<b>953.0</b>	<b>1.50</b>	126.679	<b>3.296</b>	125.90/126.85	126.61	13
		<b>AUCTION</b>		<b>6 637.0</b>	<b>3 575.0</b>	<b>485.0</b>	<b>4 060.0</b>	<b>1.86</b>					
26/11/2012	28/06/2017	BE0000323320	12 439.0	1 252.0	<b>655.0</b>	140.0	<b>795.0</b>	<b>1.91</b>	111.441	<b>0.935</b>	111.00/111.57	111.35	14
	28/03/2019	BE0000315243	10 212.0	1 455.0	<b>759.0</b>	158.0	<b>917.0</b>	<b>1.92</b>	115.803	<b>1.374</b>	115.48/115.89	115.73	13
	28/09/2019	BE0000327362	6 091.0	1 622.0	<b>926.0</b>	182.0	<b>1 108.0</b>	<b>1.75</b>	109.106	<b>1.582</b>	108.50/109.21	108.98	11
	28/09/2022	BE0000325341	14 245.0	1 675.0	<b>855.0</b>	317.0	<b>1 172.0</b>	<b>1.96</b>	117.441	<b>2.252</b>	117.00/117.56	117.32	14
		<b>AUCTION</b>		<b>6 004.0</b>	<b>3 195.0</b>	<b>797.0</b>	<b>3 992.0</b>	<b>1.88</b>					
<b>REALIZED TO DATE</b>							<b>42 948.0</b>						



## 6. Buy-back program



The Treasury continued its buy-back strategy on lines coming to maturity within 12 months.

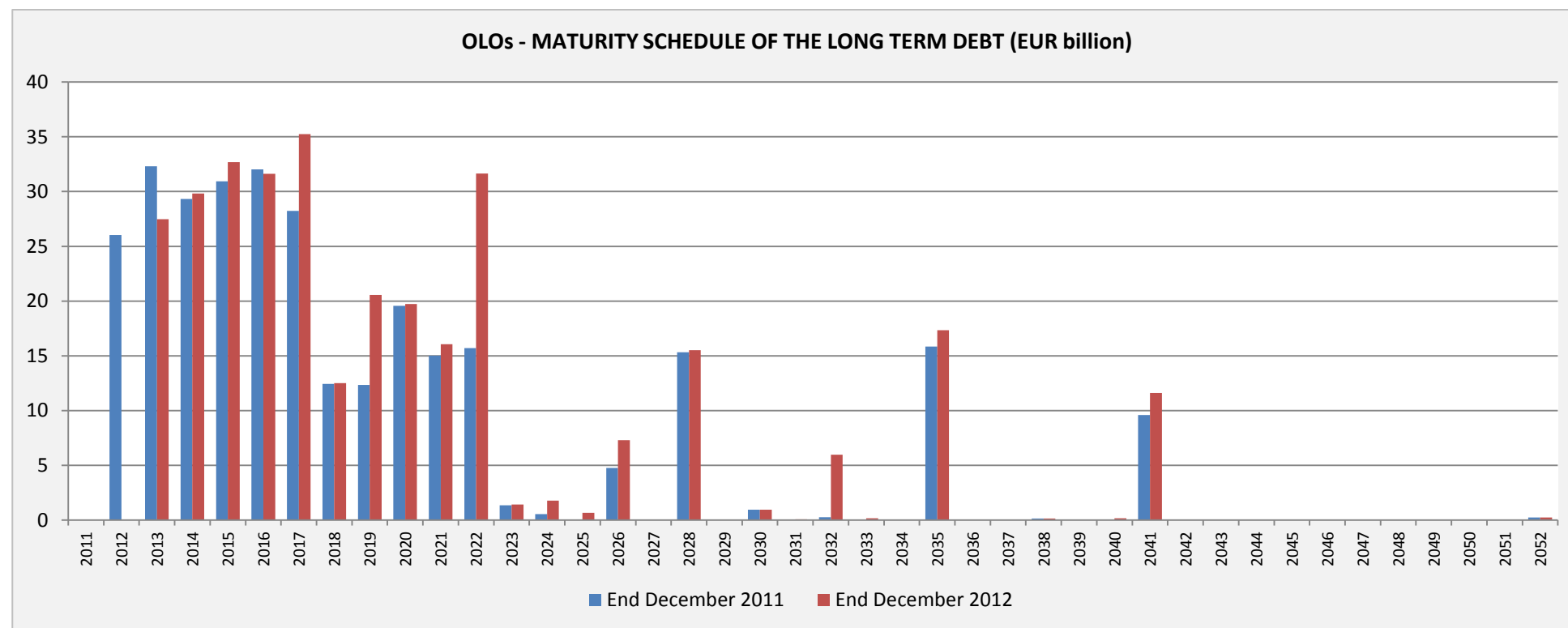
- In 2013 two OLO lines come to maturity, i.e. OLO 50 on 28th of March, 2013 and OLO 41 on 28th of September 2013.
- In 2012, EUR 3.67 billion was bought back in the first line and EUR 1.23 billion in the second line, or already 28.84% and 7.94% respectively of their total outstanding amount.

## 7. Maturity Schedule

In 2012, the Treasury again issued mainly in the longer maturities.

The most significant evolution took place in the 2022 maturity (10-year segment) and redemptions also increased in 2032, 2035 and 2041.

In the shorter segments, increased redemptions are observed for 2017 (5-year segment) and 2019 (7-year segment).

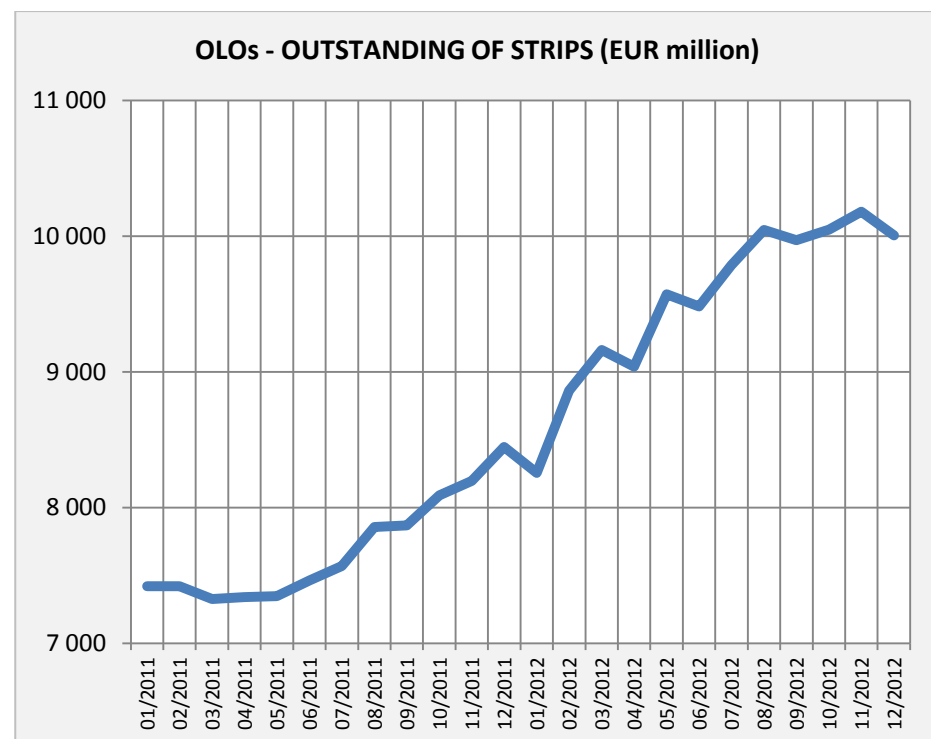


Maturities less than 5 years barely moved, but the outstanding amount of bonds redeeming in 2013 decreased considerably as a result of the buy-backs.

## 8. Fungible strips

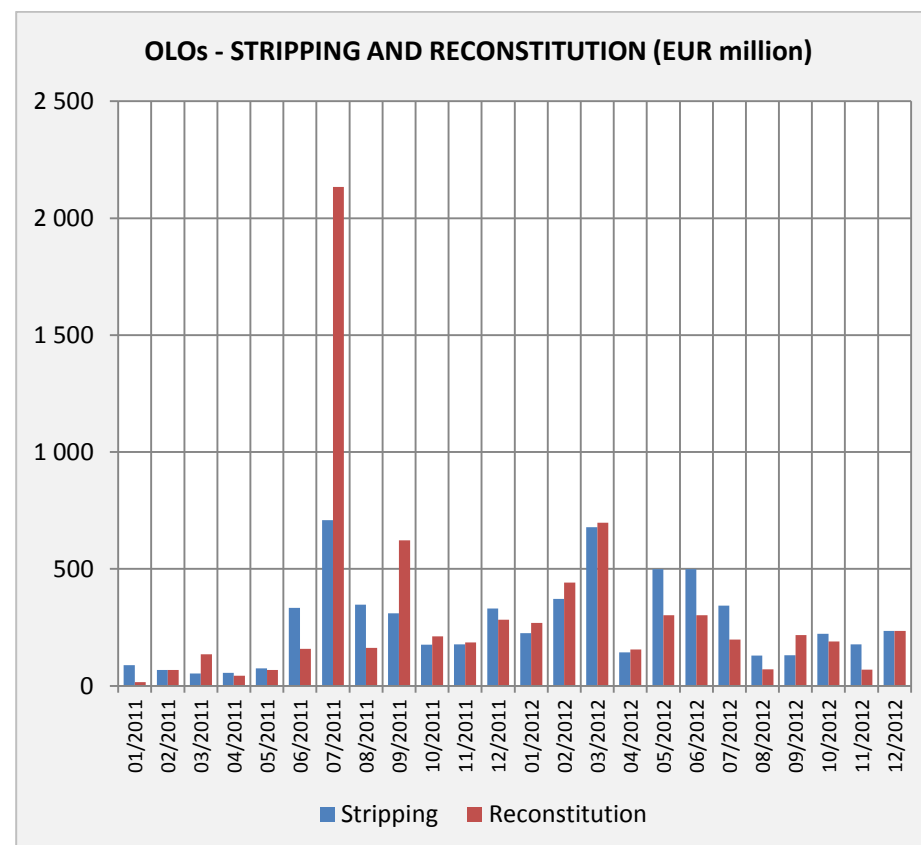
Belgium was the second country in the Euro-zone to create a fully fungible strip market in OLOs. Strips are fungible if they have the same maturity date. BE strips is the name of these fungible strips.

BE strips are also quoted on electronic platforms at tight bid offer spreads.



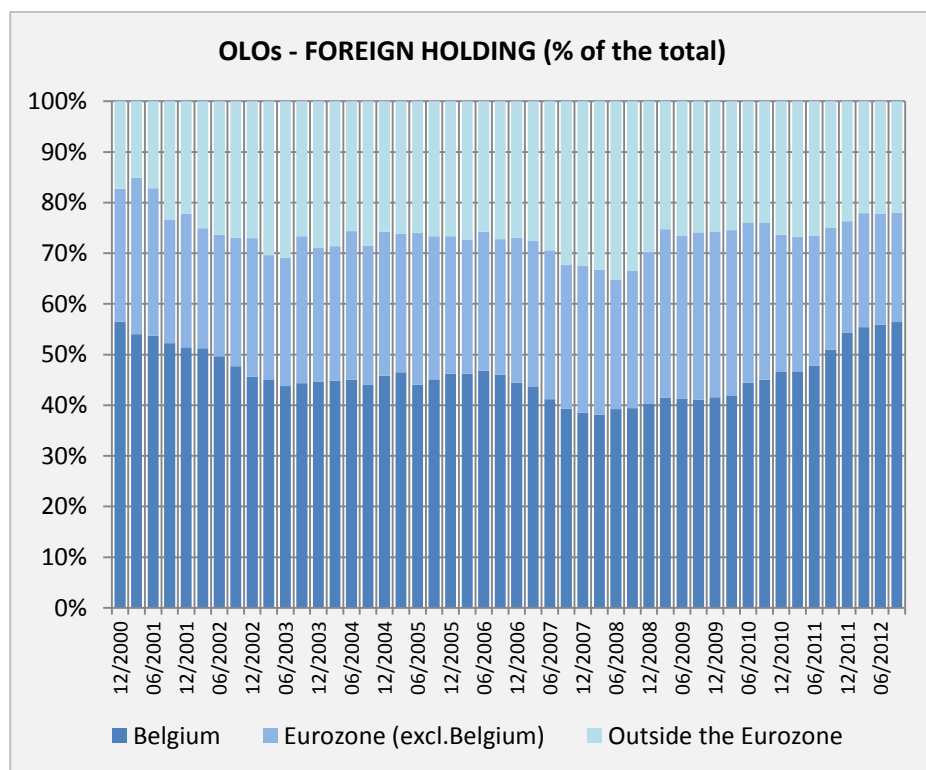
The introduction of the fungibility and the successful market making of strips on a voluntary basis has increased liquidity and created price transparency.

As from 2013, the Treasury launches June 22nd as the new coupon date for OLOs. These new OLO-lines will be strippable and fungible as from the start.



## 9. Holdership

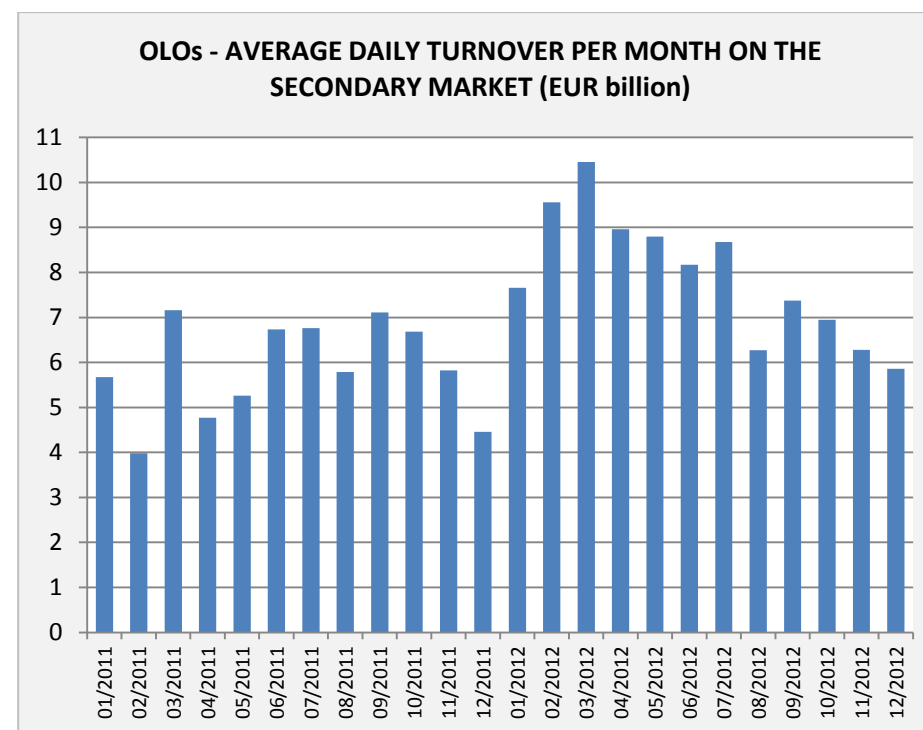
The share of OLOs held by Belgian investors further increased in 2012, yet the pace was much lower than in 2011<sup>8</sup>. By the end of the third quarter, Belgian investors owned 56.4% of total OLOs, or 2.1% more compared to year-end 2011.



<sup>8</sup> the figures for 2011 and previous years have been revised upwards as a result of the use of more precise information

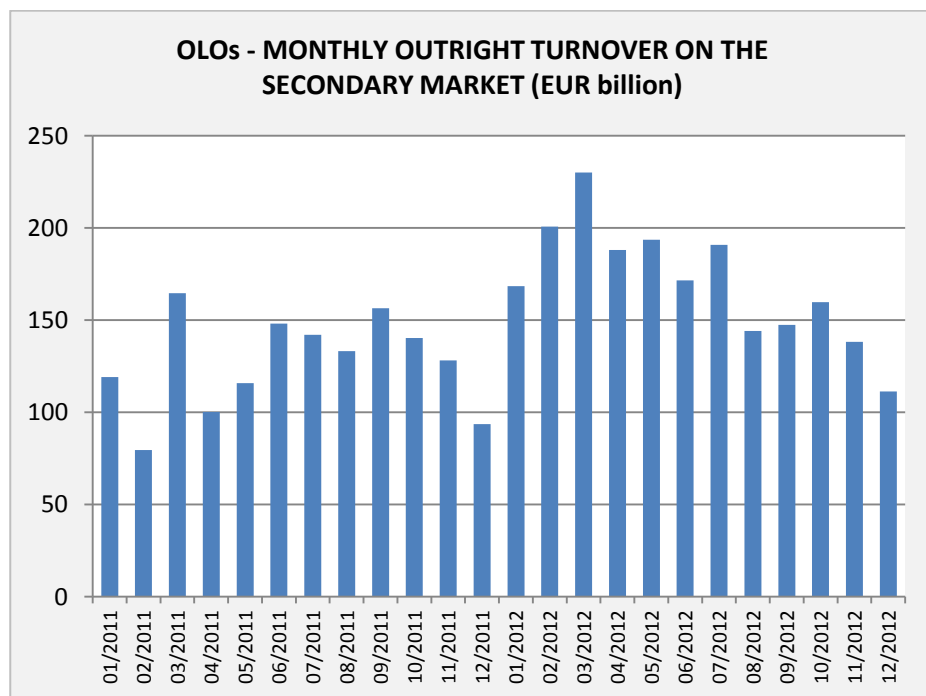
## 10. Turnover on the secondary market

The average daily turnover<sup>9</sup> on the secondary market for OLOs increased from EUR 5.85 billion in 2011 to EUR 7.92 billion in 2012.



<sup>9</sup> Figures SRF – Securities Regulation Fund

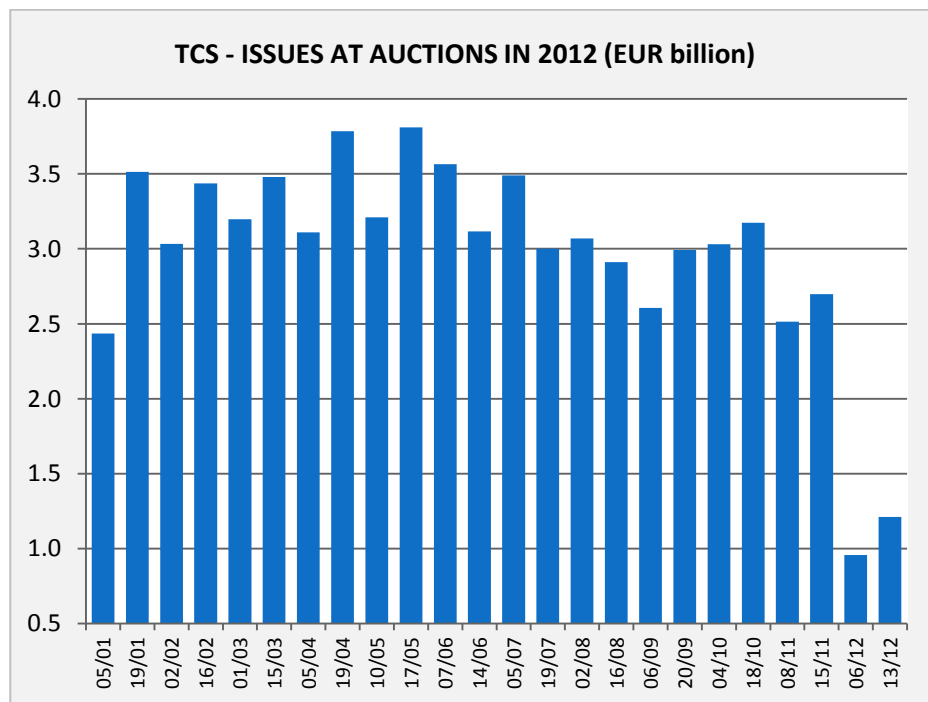
On a monthly basis, the average turnover<sup>10</sup> increased from 126.76 billion in 2011 to EUR 170.36 billion in 2012.



<sup>10</sup> Figures SRF – Securities Regulation Fund

# III. Treasury Certificates

## 1. Auctions



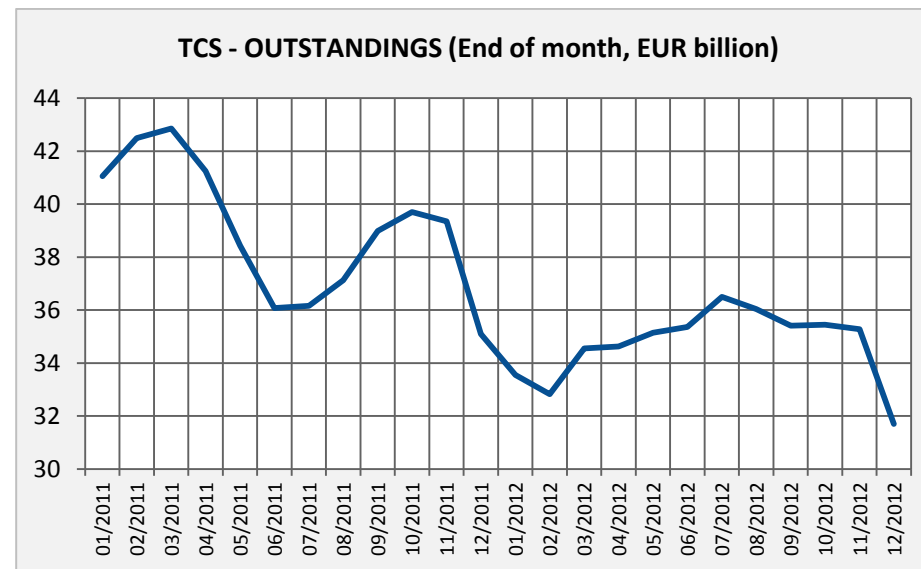
Treasury certificate Issuance in line with market demand

Treasury Certificate issuance was fairly regular over the course of the year. At the end of the year, the Treasury issued less than planned as a result of the successful issuance of linear bonds in 2012 totalling EUR 42.95 billion.

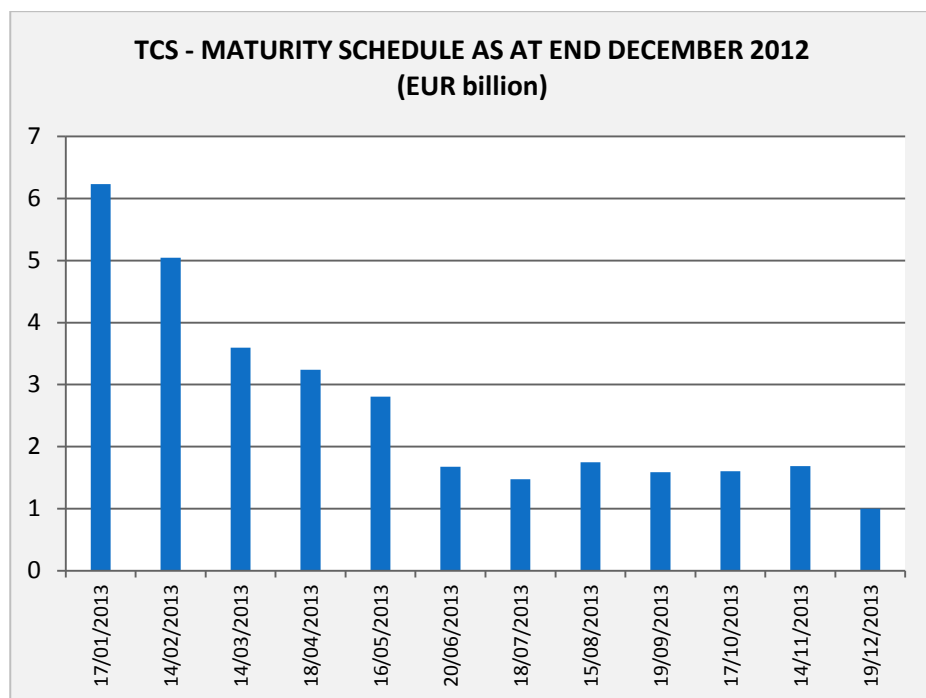
As from the auction of 17th of July, the Treasury issued the 3-month tenor at a negative weighted average yield. For the 6-month and 12-month tenors, the weighted average yields became also negative during the auctions in the month of December.

Over the whole year the average yield on the 3-month, 6-month and 12-month tenors amounted to 0.132%, 0.191% and 0.411% respectively.

## 2. Outstandings



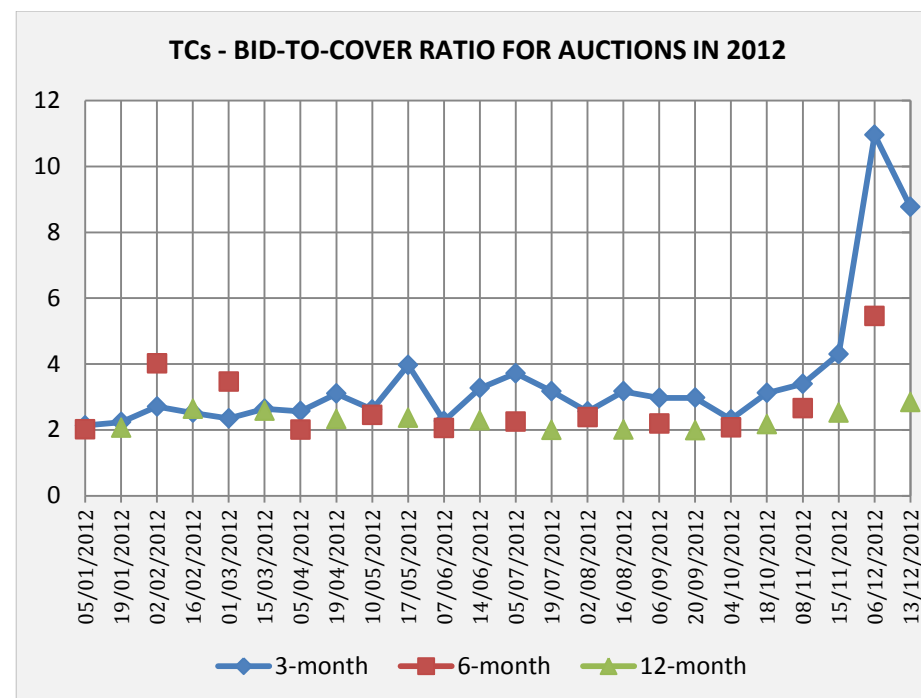
### 3. Maturity Schedule



The issuance strategy for Treasury Certificates is based on predictability and aims at the creation of large and liquid lines. The indicative issuance calendar published before the relevant year was fully realized.

The Treasury announces the range for the amounts to be auctioned on Friday before the auction. Same as in previous years, the 12-months lines are reopened with a 6-month and subsequently, a 3-month tenor, resulting in large lines per maturity.

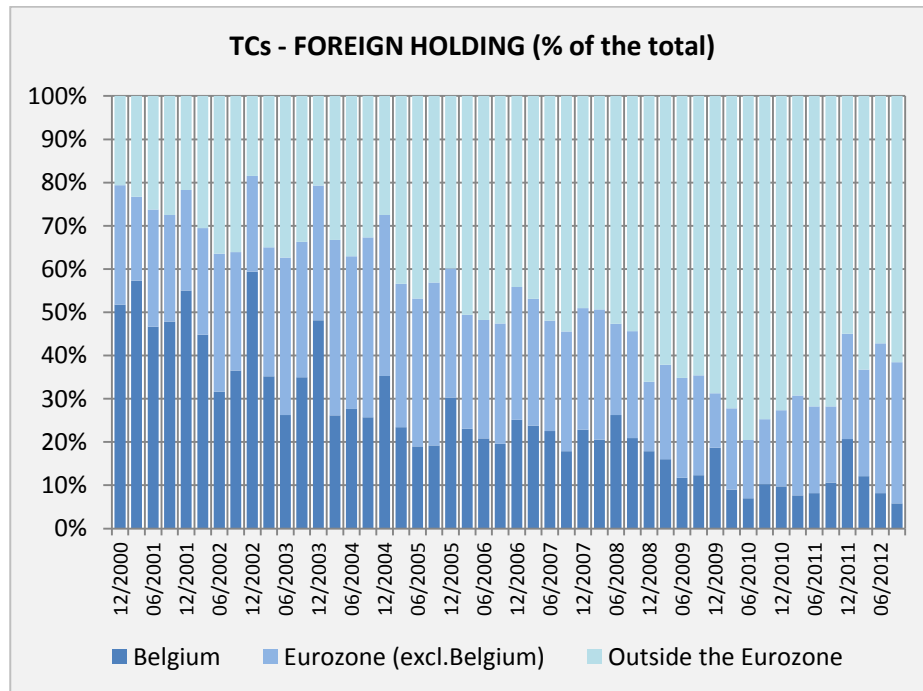
### 4. Bid-to-Cover Ratio



The bid-to-cover ratios for the 3-month tenor fluctuated between 2.13 - January - and 10.96 - December - with a strong average of 3.49 for the whole year. For the 6-month tenor the bid-to-cover ratios fluctuated between 2.00 and 5.46 with a high average of 2.75. Finally, the 12-month tenor fluctuated in a range of 1.98 and 2.84 with an average bid-to-cover of 2.31 for 2012.



## 5. Holdership



Foreign investor participation in Treasury Certificates continued to be very strong as their share of the market reached to the highest ever (94.8%) in September 2012. Euro area investors specifically increased their holdings.

## 6. Auction results

TCs Auction Date	Range Min Max	Amount maturing	Maturity Date	ISIN BE0312	Mth	Outst. Before auction	Amount Offered	Amt Acc. (Comp)	Exerc. Non Comp	Total accept.	Bid to Cover	W. Av. Yield	W. Av. Price	Spread Euribor	Lo/Hi Bid	Limit Rate/Price	Rew. Bidders	% at limit
3/01/2012	1 800 2 500		19/04/2012	678478	3	3 449.0	2 730.0	<b>1 280.0</b>	0.0	<b>1 280.0</b>	2.13	0.264	99.923	-106.90	0.240/0.450	0.280	12	100.0000
			14/06/2012	680490	6	1 745.0	2 320.0	<b>1 155.0</b>	0.0	<b>1 155.0</b>	2.01	0.364	99.837	-123.40	0.340/0.550	0.380	12	100.0000
17/01/2012	2 700 3 300	7 526.0	19/04/2012	678478	3	4 729.0	3 935.0	<b>1 760.0</b>	352.0	<b>2 112.0</b>	2.24	0.429	99.892	-78.40	0.405/0.800	0.440	16	100.0000
			17/01/2013	687560	12	0.0	2 475.0	<b>1 200.0</b>	201.0	<b>1 401.0</b>	2.06	1.162	98.838	-66.40	1.120/1.900	1.180	17	100.0000
31/01/2012	2 500 3 200		17/05/2012	679484	3	2 738.0	4 435.0	<b>1 640.0</b>	330.0	<b>1 970.0</b>	2.70	0.506	99.853	-61.90	0.485/0.900	0.515	14	100.0000
			19/07/2012	681506	6	1 070.0	3 775.0	<b>940.0</b>	123.0	<b>1 063.0</b>	4.02	0.710	99.670	-70.80	0.700/0.990	0.715	9	100.0000
14/02/2012	2 500 3 200	7 216.0	17/05/2012	679484	3	4 708.0	4 535.0	<b>1 804.0</b>	90.0	<b>1 894.0</b>	2.51	0.291	99.926	-76.00	0.270/0.440	0.300	12	91.4286
			14/02/2013	688576	12	0.0	3 710.0	<b>1 406.0</b>	136.0	<b>1 542.0</b>	2.64	0.892	99.106	-79.20	0.880/1.080	0.900	13	46.5409
28/02/2012	2 500 3 300		14/06/2012	680490	3	2 900.0	4 230.0	<b>1 804.0</b>	38.0	<b>1 842.0</b>	2.34	0.211	99.939	-78.00	0.200/0.500	0.220	16	38.7097
			16/08/2012	682512	6	1 939.0	4 175.0	<b>1 206.0</b>	149.0	<b>1 355.0</b>	3.46	0.256	99.881	-102.90	0.240/0.400	0.260	15	44.5596
13/03/2012	3 000 3 500	4 981.0	14/06/2012	680490	3	4 742.0	4 290.0	<b>1 625.0</b>	114.0	<b>1 739.0</b>	2.64	0.188	99.953	-68.80	0.175/0.250	0.195	16	15.4412
			14/03/2013	689582	12	0.0	4 205.0	<b>1 631.0</b>	110.0	<b>1 741.0</b>	2.58	0.586	99.411	-93.30	0.580/0.750	0.595	18	15.6627
3/04/2012	2 700 3 200		19/07/2012	681506	3	2 133.0	3 595.0	<b>1 403.0</b>	0.0	<b>1 403.0</b>	2.56	0.188	99.945	-58.20	0.170/0.300	0.195	13	75.0000
			20/09/2012	683528	6	1 296.0	3 416.0	<b>1 706.0</b>	0.0	<b>1 706.0</b>	2.00	0.211	99.902	-85.90	0.200/0.300	0.220	19	36.0983
17/04/2012	3 000 3 500	6 841.0	19/07/2012	681506	3	3 536.0	4 970.0	<b>1 604.0</b>	234.0	<b>1 838.0</b>	3.10	0.229	99.942	-51.70	0.220/0.400	0.235	14	39.1304
			18/04/2013	690598	12	0.0	3 820.0	<b>1 645.0</b>	303.0	<b>1 948.0</b>	2.32	0.734	99.263	-63.80	0.720/0.900	0.740	15	100.0000
8/05/2012	3 000 3 500		16/08/2012	682512	3	3 294.0	4 200.0	<b>1 605.0</b>	0.0	<b>1 605.0</b>	2.62	0.179	99.951	-51.30	0.165/0.300	0.180	16	85.7616
			18/10/2012	684534	6	1 523.0	3 930.0	<b>1 605.0</b>	67.0	<b>1 672.0</b>	2.45	0.226	99.899	-75.40	0.220/0.350	0.230	19	44.9814
15/05/2012	3 000 3 500	6 602.0	16/08/2012	682512	3	4 899.0	5 816.0	<b>1 465.0</b>	99.0	<b>1 564.0</b>	3.97	0.201	99.949	-48.60	0.190/0.350	0.205	7	100.0000
			16/05/2013	691604	12	0.0	4 550.0	<b>1 925.0</b>	322.0	<b>2 247.0</b>	2.36	0.627	99.370	-64.50	0.615/0.750	0.630	17	100.0000
5/06/2012	3 000 3 500		20/09/2012	683528	3	3 002.0	4 105.0	<b>1 810.0</b>	0.0	<b>1 810.0</b>	2.27	0.213	99.938	-45.00	0.205/0.300	0.220	15	29.7143
			15/11/2012	685549	6	945.0	3 500.0	<b>1 707.0</b>	48.0	<b>1 755.0</b>	2.05	0.266	99.881	-67.40	0.260/0.400	0.270	15	89.1429
12/06/2012	3 000 3 500	6 481.0	20/09/2012	683528	3	4 812.0	4 585.0	<b>1 405.0</b>	26.0	<b>1 431.0</b>	3.26	0.196	99.947	-46.50	0.190/0.250	0.200	13	100.0000

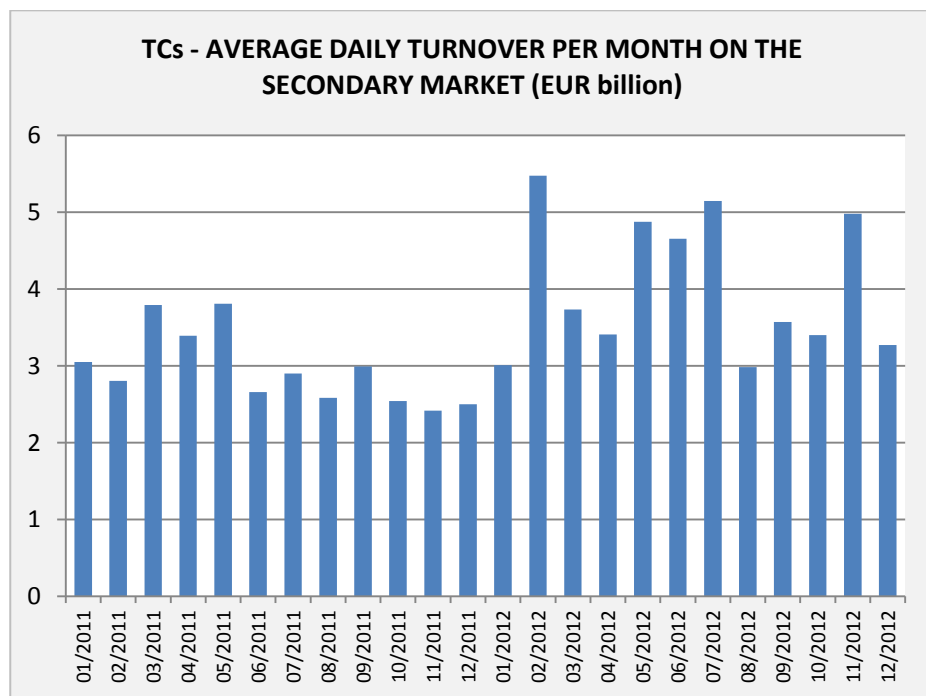
## Review 2012

TCs Auction Date	Range Min Max	Amount maturing	Maturity Date	ISIN BE0312	Mth	Outst. Before auction	Amount Offered	Amt Acc. (Comp)	Exerc. Non Comp	Total accept.	Bid to Cover	W. Av. Yield	W. Av. Price	Spread Euribor	Lo/Hi Bid	Limit Rate/Price	Rew. Bidders	% at limit
			20/06/2013	692610	12	0.0	3 775.0	1 655.0	30.0	1 685.0	2.28	0.561	99.426	-66.20	0.550/0.650	0.565	14	100.0000
3/07/2012	3 000 3 500		18/10/2012	684534	3	3 195.0	4 845.0	1 304.0	175.0	1 479.0	3.72	0.211	99.938	-43.90	0.200/0.300	0.215	14	48.7047
			13/12/2012	686554	6	1 056.0	4 005.0	1 780.0	231.0	2 011.0	2.25	0.226	99.899	-70.00	0.215/0.300	0.230	12	100.0000
17/07/2012 (*)	2 000 3 000	5 374.0	18/10/2012	684534	3	4 674.0	4 837.0	1 525.0	0.0	1 525.0	3.17	-0.016	100.004	-48.60	99.993/100.006	100.002	9	100.0000
			18/07/2013	693626	12	0.0	2 935.0	1 475.0	0.0	1 475.0	1.99	0.040	99.960	-99.60	99.921/99.980	99.954	16	75.0000
31/07/2012 (*)	2 000 3 000		15/11/2012	685549	3	2 700.0	3 855.0	1 510.0	40.0	1 550.0	2.55	-0.003	100.001	-39.20	99.990/100.002	100.000	12	100.0000
			17/01/2013	687560	6	1 401.0	3 305.0	1 385.0	135.0	1 520.0	2.39	0.002	99.999	-66.90	99.980/100.001	99.996	11	100.0000
14/08/2012 (*)	2 500 3 000	6 463.0	15/11/2012	685549	3	4 250.0	3 640.0	1 150.0	10.0	1 160.0	3.17	-0.012	100.003	-35.70	99.990/100.005	100.002	9	100.0000
			15/08/2013	694632	12	0.0	3 205.0	1 601.0	150.0	1 751.0	2.00	0.093	99.906	-80.00	99.800/99.915	99.901	16	47.8261
4/09/2012 (*)	2 400 2 800		13/12/2012	686554	3	3 067.0	3 860.0	1 300.0	0.0	1 300.0	2.97	-0.021	100.006	-29.40	99.995/100.020	100.004	7	100.0000
			14/02/2013	688576	6	1 542.0	2 855.0	1 305.0	0.0	1 305.0	2.19	0.004	99.998	-52.40	99.984/100.002	99.996	11	100.0000
18/09/2012 (*)	2 800 3 200	6 243.0	13/12/2012	686554	3	4 367.0	4 170.0	1 402.0	0.0	1 402.0	2.97	-0.023	100.005	-26.70	99.992/100.007	100.004	8	54.7445
			19/09/2013	695647	12	0.0	3 105.0	1 565.0	25.0	1 590.0	1.98	0.095	99.904	-64.00	99.860/99.990	99.893	13	100.0000
2/10/2012 (*)	2 800 3 200		17/01/2013	687560	3	2 921.0	4 070.0	1 758.0	0.0	1 758.0	2.32	-0.003	100.001	-22.30	99.980/100.004	99.999	12	28.3019
			14/03/2013	689582	6	1 741.0	2 600.0	1 254.0	19.0	1 273.0	2.07	0.017	99.993	-41.80	99.960/99.996	99.991	14	85.4167
16/10/2012 (*)	2 800 3 200	6 199.0	17/01/2013	687560	3	4 679.0	4 685.0	1 503.0	67.0	1 570.0	3.12	-0.010	100.002	-21.80	99.945/100.006	100.000	16	26.9767
			17/10/2013	696652	12	0.0	3 480.0	1 605.0	0.0	1 605.0	2.17	0.072	99.927	-57.90	99.899/99.935	99.922	16	100.0000
6/11/2012 (*)	2 300 2 700		14/02/2013	688576	3	2 847.0	4 090.0	1 205.0	0.0	1 205.0	3.39	0.004	99.999	-19.20	99.990/100.004	99.997	12	64.2202
			18/04/2013	690598	6	1 948.0	3 475.0	1 308.0	0.0	1 308.0	2.66	0.021	99.991	-35.60	99.106/99.996	99.988	13	21.4286
13/11/2012 (*)	2 400 2 800	5 410.0	14/02/2013	688576	3	4 052.0	4 335.0	1 008.0	0.0	1 008.0	4.30	-0.004	100.001	-19.60	99.990/100.003	100.000	11	24.0550
			14/11/2013	697668	12	0.0	4 070.0	1 615.0	74.0	1 689.0	2.52	0.076	99.924	-51.00	99.895/99.934	99.920	11	100.0000
4/12/2012 (*)	800 1 200		14/03/2013	689582	3	3 014.0	4 033.0	368.0	15.0	383.0	10.96	-0.029	100.008	-22.00	99.985/100.014	100.005	5	100.0000
			16/05/2013	691604	6	2 247.0	3 024.0	554.0	20.0	574.0	5.46	-0.010	100.004	-35.10	99.988/100.010	100.001	7	100.0000
11/12/2012 (*)	1 000 1 400	5 769.0	14/03/2013	689582	3	3 397.0	1 841.0	210.0	0.0	210.0	8.77	-0.032	100.008	-21.30	99.996/100.010	100.006	4	19.0476
			19/12/2013	698674	12	0.0	2 845.0	1 001.0	0.0	1 001.0	2.84	-0.004	100.004	-54.40	99.970/100.015	99.995	8	21.3333

(\*) = auction on price

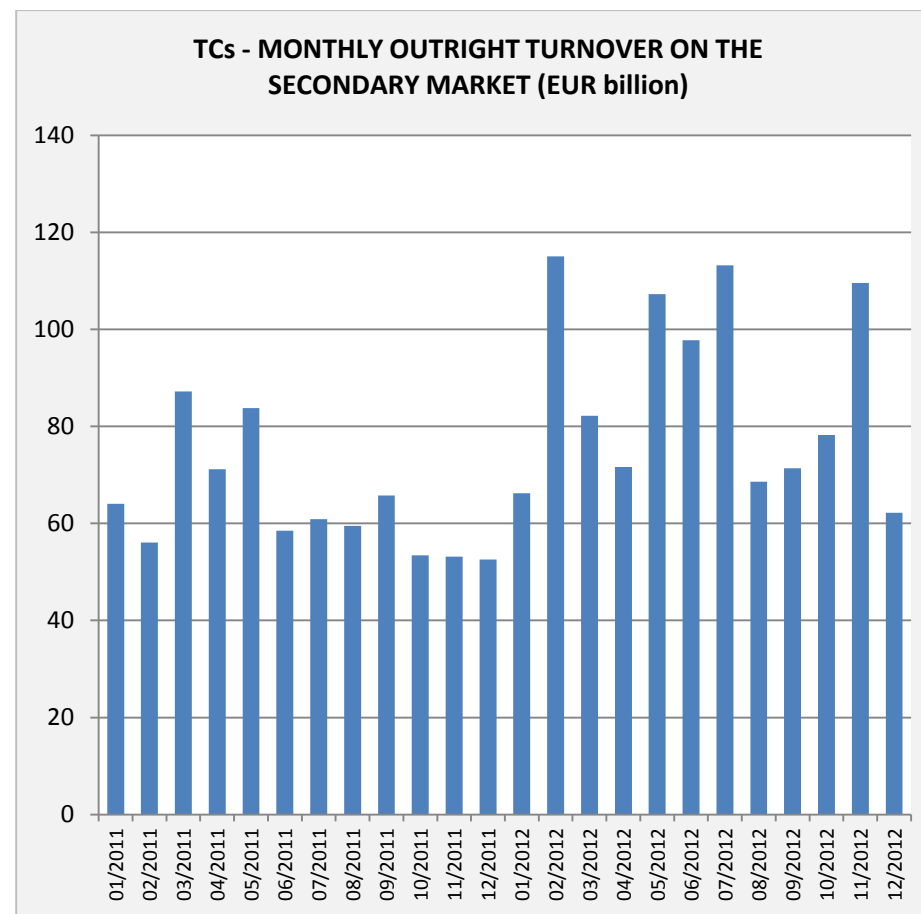
## 7. Turnover on the secondary market

The average daily turnover<sup>11</sup> on the secondary market for TCs increased from EUR 2.95 billion in 2011 to EUR 4.04 billion in 2012.



<sup>11</sup> Figures SRF – Securities Regulation Fund

On a monthly basis, the average turnover<sup>12</sup> increased from 63.85 billion in 2011 to EUR 86.95 billion in 2012.



<sup>12</sup> Figures SRF – Securities Regulation Fund

## IV. EMTN

The Euro Medium Term Note Program was established in 2008 to diversify funding sources, achieve more cost efficient financing and diversify the investor base.

The size issued in 2012 under the EMTN program was EUR 2 365 536 128, realized through 9 transactions of which one in USD.

The total amount issued since 2008 is equal to EUR 9 621 493 253.

### Overview EMTN-deals in 2012 :

Value date	Amount	EUR equivalent	Maturity	Type
01.02.2012	500 000 000 EUR	500 000 000	01.03.2015	Floating rate
28.02.2012	100 000 000 EUR	100 000 000	28.09.2017	Floating rate
06.03.2012	283 000 000 EUR	283 000 000	28.09.2017	Floating rate
30.04.2012	200 000 000 EUR	200 000 000	01.03.2015	Floating rate
28.06.2012	70 000 000 EUR	70 000 000	28.09.2022	Floating rate
28.06.2012	70 000 000 EUR	70 000 000	28.09.2022	Floating rate
28.06.2012	75 000 000 EUR	75 000 000	28.09.2022	Floating rate
23.08.2012	75 000 000 EUR	75 000 000	28.09.2022	Floating rate
14.09.2012	1 250 000 000 USD	992 536 128	14.09.2015	Fixed rate
		<b>2 365 536 128</b>		

## V. Schuldscheine

The Belgian Debt Agency (BDA) regularly investigates what kind of financial products are most attractive to bond investors. Thanks to contacts with German investors during frequent road-shows organized by the BDA, it appears that German investors have a great interest in Schuldscheine.

A Schuldschein is a loan agreement, not a security, under which the borrower undertakes to pay back a certain amount to the lender at a certain date against a certain payment. It is governed by German law providing a special accounting treatment which enables the investor to register these loan agreements with no regular revaluation (no mark-to-market valuation) and thus with no volatility generally coupled with the mark-to-market rule. These loans are transferable in a limited way and thus the product mainly interests buy-and-hold investors who wish to invest in the longer term such as insurance companies and pension funds.

Thanks to this accounting and administrative advantage and also to the possibility to tailor the features (duration, amount, payments) of the loans to specific investor needs, investors are ready to accept a lower yield. This makes this product of interest to the Belgian Treasury too. The Treasury does not aim at issuing large amounts and as such Schuldschein loans do not endanger the liquidity of the OLO market. Finally, Schuldscheine offer the advantage of broadening the essentially German investor base by attracting new investors and possibly interesting them in other financial products of the Belgian State.

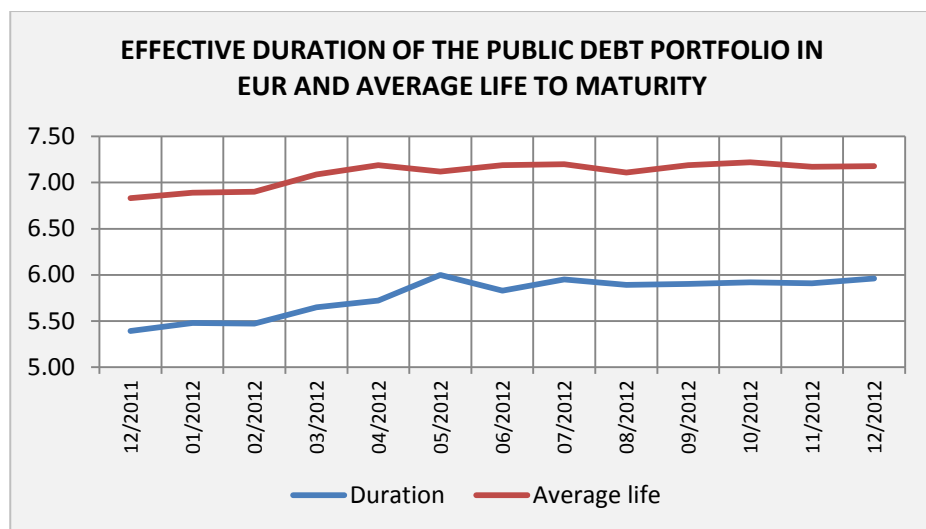
In this context, the Kingdom of Belgium launched a program of Schuldscheine in 2011. The Kingdom continued this program in 2012 and successfully placed an amount of EUR 719.5 million of longer-dated Schuldscheine that year. The total amount issued since the start of the program amounts to EUR 1002.5 million.

### 2012 Schuldschein Issues :

Value date	Amount	Maturity
12.01.2012	135 500 000 EUR	20.01.2033
12.01.2012	15 000 000 EUR	20.01.2033
02.02.2012	50 000 000 EUR	02.02.2032
06.02.2012	50 000 000 EUR	06.02.2032
23.02.2012	50 000 000 EUR	23.05.2019
29.05.2012	75 000 000 EUR	10.11.2031
12.06.2012	51 000 000 EUR	29.03.2040
13.06.2012	55 000 000 EUR	29.03.2040
05.07.2012	75 000 000 EUR	05.07.2028
10.07.2012	50 000 000 EUR	10.12.2041
05.07.2012	5 000 000 EUR	05.07.2028
05.07.2012	5 000 000 EUR	05.07.2028
05.07.2012	3 000 000 EUR	05.07.2028
05.12.2012	50 000 000 EUR	05.12.2042
14.12.2012	50 000 000 EUR	29.03.2040
	<b>719 500 000 EUR</b>	

# VI. Risk Management

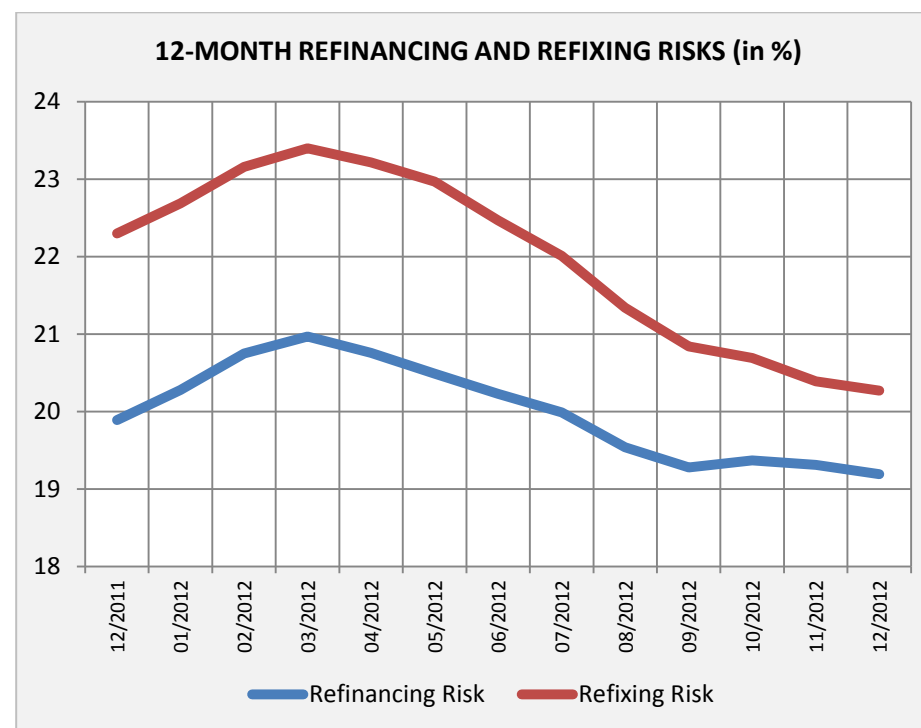
## 1. Duration and Average Life



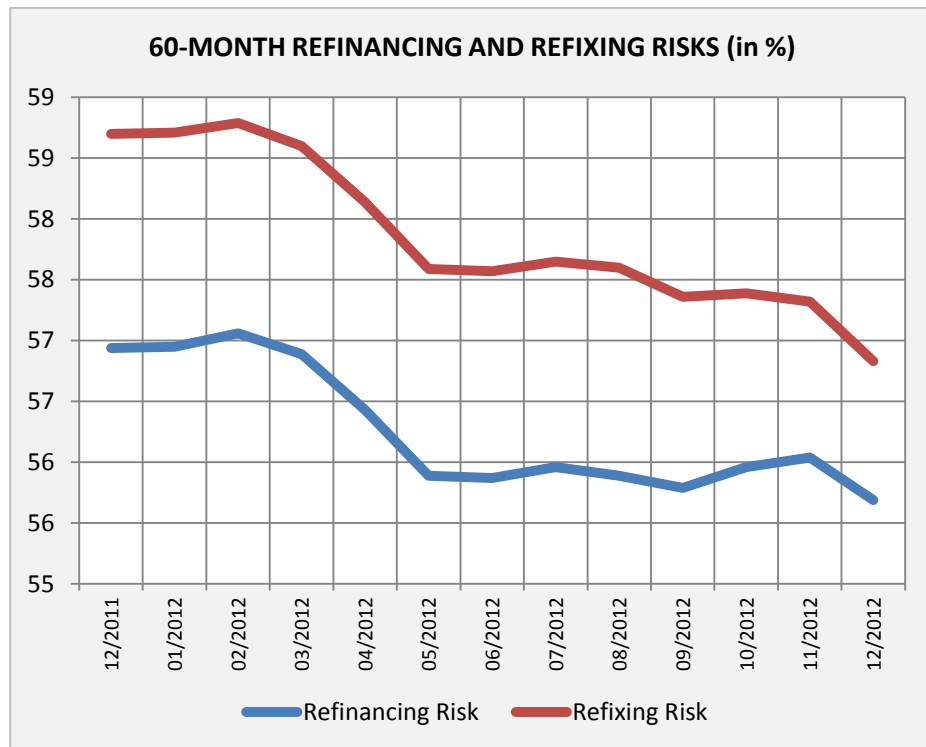
The average life of the debt portfolio increased further in 2012. By year end, it amounted to 7.18 years. The duration reached 5.96 in December 2012.

## 2. Refinancing and Refixing Risks

The refinancing and refixing risks again decreased in the course of 2012.



By year end, the 12-month refinancing risk stood at 19.19% whereas the 12-month refixing risk, which takes also into account the floating-rate character of some debt instruments and the interest rate swaps, declined to 20.27%.

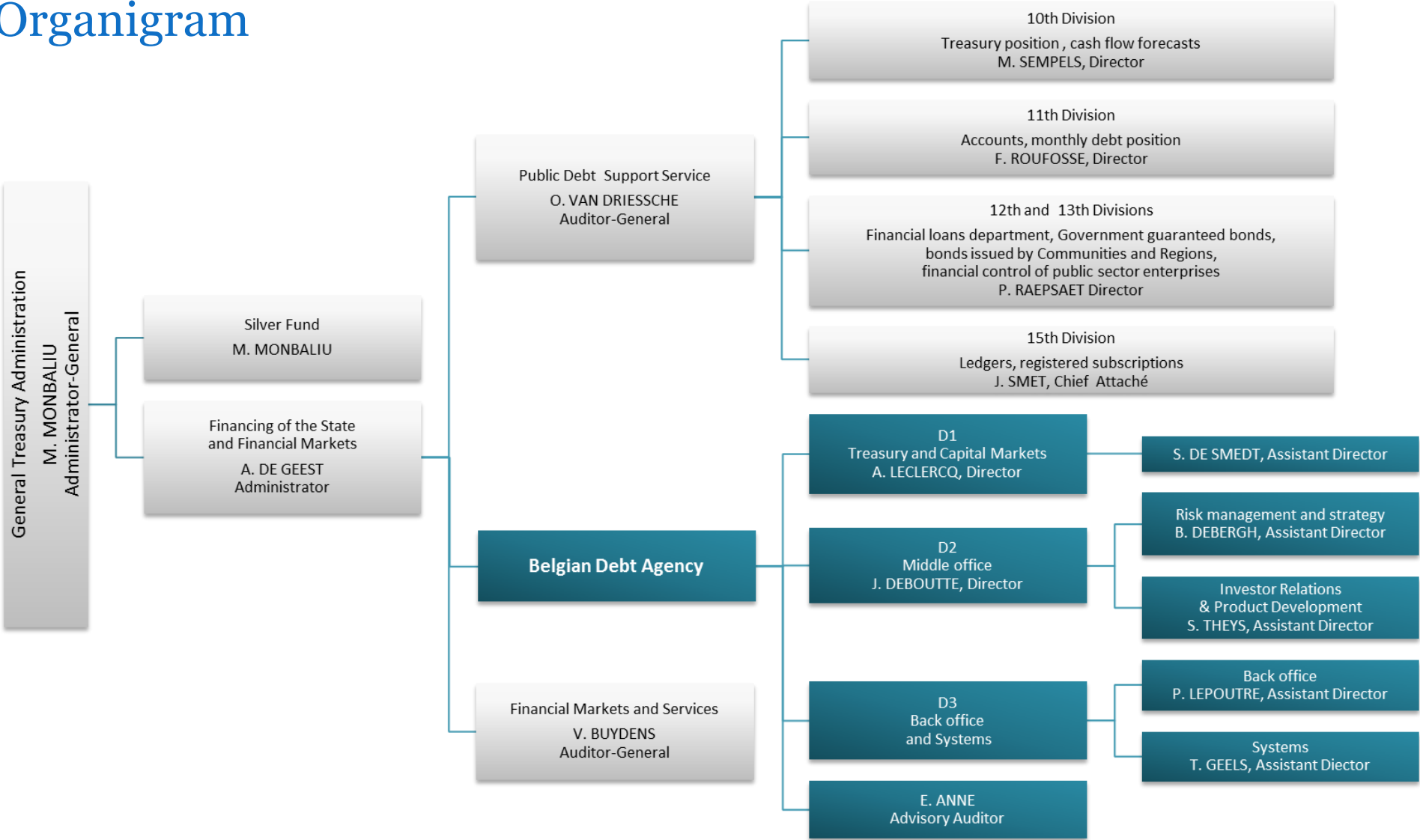


The 60-month refinancing risk (31/12/2012: 55.69%) and refixing risks (31/12/2012: 56.83%) also decreased.



# Appendices

# Organigram



# Belgian Government Securities Dealers in 2013

## Primary Dealers

<b>BANCO SANTANDER SA, Madrid</b>	Ciudad Grupo Santander - Avda. de Cantabria s/n E-28660-Boadilla del Monte (Madrid)
<b>BARCLAYS BANK PLC, London</b>	5 North Colonnade - Canary Wharf GB-London E14 4BB
<b>BNP PARIBAS FORTIS, Brussels</b>	Rue Montagne du Parc 3 B-1000-Brussels
<b>CITIGROUP GLOBAL MARKETS Ltd, London</b>	Citigroup Centre - 33 Canada Square, Canary Wharf - GB-London E14 5LB
<b>CREDIT AGRICOLE CIB, Paris</b>	Quai du Président Paul Doumer 9 F-92920-Paris La Défense Cédex
<b>DEUTSCHE BANK AG, Frankfurt</b>	Taunusanlage, 12 D-60262-Frankfurt
<b>HSBC France, Paris</b>	Avenue des Champs Elysée 109 F-75008-Paris
<b>ING Bank NV, Amsterdam</b>	Amstelveenseweg 500 NL-1081 KL Amsterdam
<b>JP MORGAN Securities Ltd, London</b>	25 Bank Street GB-London E14 5JP
<b>KBC BANK NV, Brussels</b>	Avenue du Port 12 B-1080-Brussels
<b>MORGAN STANLEY &amp; Co Int. Plc, London</b>	25 Cabot Square - Canary Wharf GB-London E14 4QA
<b>NATIXIS, Paris</b>	Avenue Pierre Mendès-France, 30 F-75013-Paris
<b>NOMURA INTERNATIONAL Plc, London</b>	1 Angel Lane GB-London EC4R 3AB
<b>RBC CAPITAL MARKETS, London</b>	Riverbank House - 2 Swan Lane GB-London EC4R 3BF
<b>ROYAL BANK OF SCOTLAND Plc, London</b>	135 Bishopsgate GB-London EC2M 3UR
<b>SOCIETE GENERALE SA, Paris</b>	Boulevard Haussmann, 29 F-75009-Paris
<b>UBS LIMITED, London</b>	100 Liverpool Street GB-London EC2M 2RH

## Recognized Dealers

<b>ABN AMRO BANK NV, Amsterdam</b>	Gustav Mahlerlaan 10 - PO Box 283 NL-1000 EA Amsterdam
<b>BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA), Bilbao</b>	Plaza de San Nicolas, 4 E-48005-Bilbao
<b>BELFIUS BANK, Brussels</b>	Boulevard Pachéco 44 B-1000 Brussels
<b>COMMERZBANK AG, Frankfurt</b>	Mainzer Landstrasse, 153 D-60327-Frankfurt a/M
<b>GOLDMAN SACHS INT. BANK, London</b>	Peterborough Court 133 Fleet Street GB-London EC4A 2BB
<b>JEFFERIES INTERNATIONAL Ltd, London</b>	Vintners Place - 68 Upper Thames Street GB-London-EC4V 3BJ
<b>NORDEA BANK FINLAND, Helsinki</b>	Aleksanterinkatu, 36 FI-00020-Helsinki, Nordea
<b>SCOTIABANK, London</b>	Bishopsgate 201, 6th Floor GB-London-EC2M 3NS

## BTB Dealers

<b>BARCLAYS BANK Plc</b>	5 North Colonnade, Canary Wharf GB-London E144BB
<b>BELFIUS BANK NV/SA</b>	Boulevard Pacheco 44 B-1000-Brussels
<b>BNP PARIBAS FORTIS</b>	Rue Montagne du Parc 3 B-1000-Brussels
<b>CITIBANK INTERNATIONAL Plc</b>	Citigroup Centre, 25-33 Canada Square, Canary Wharf, GB-London E14 5LB
<b>DEUTSCHE BANK AG (London Branch)</b>	77 London Wall, 1 Great Winchester Street GB-London EC2N 2DB
<b>GOLDMAN SACHS INTERNATIONAL</b>	120 Fleet Street, River Court GB-London EC4A 2BB
<b>KBC BANK NV</b>	Avenue du port 12 B-1080-Brussels
<b>UBS LIMITED</b>	100 Liverpool Street GB-London EC2M 2RH

# Belgian Debt Agency Contacts

## D1 Treasury and Capital Markets

<b>Anne LECLERCQ</b>	Director Treasury & Capital Markets	+32 (0)2 282 61 20	anne.leclercq@minfin.fed.be
<b>FINANCIAL MARKETS</b>			
<b>Stephaan DE SMEDT</b>	Deputy Director Front Office.	+32 (0)2 282 61 10	stephaan.desmedt@minfin.fed.be
<b>Marc COMANS</b>	New Products Manager Derivatives & Fixed Income Dealer	+32 (0)2 282 61 21	marc.comans@minfin.fed.be
<b>Georges NEUVILLE</b>	Money Market Dealer	+32 (0)2 282 61 11	georges.neuville@minfin.fed.be
<b>Jan GILIS</b>	Short Term Treasury Dealer	+32 (0)2 282 61 19	joannes.gilis@minfin.fed.be
<b>Guy VAN SYNGHEL</b>	Money Market Dealer	+32 (0)2 282 61 15	guy.vansynghel@minfin.fed.be
<b>Gert ADRIAENSENS</b>	Relationship Manager PDs Derivatives & Fixed Income Dealer	+32 (0)2 282 61 26	gert.adriaensens@minfin.fed.be

## D2 Strategy & Risk Management - Communication - Investor relations & Product development

<b>Jean DEBOUTTE</b>	Director Strategy, Risk Management & Investor Relations	+32 (0)257 47279	jean.deboutte@minfin.fed.be
<b>STRATEGY and RISK MANAGEMENT</b>			
<b>Bruno DEBERGH</b>	Deputy Director Strategy and Risk Management	+32 (0)257 47318	bruno.debergh@minfin.fed.be
<b>Hans MAERTENS</b>	Expert Risk Manager Structured Products	+32 (0)257 47197	hans.maertens@minfin.fed.be
<b>Claude LEGRAIN</b>	Senior Budget Expert	+32 (0)257 47174	claude.legrain@minfin.fed.be
<b>Fabienne LAENEN</b>	Expert Risk Management	+32 (0)257 47191	fabienne.laenen@minfin.fed.be
<b>Annemie VAN DE KERKHOVE</b>	Expert Risk Management	+32 (0)257 47351	ann.vandekerkhove@minfin.fed.be
<b>Gaëtan WAUTHIER</b>	Expert Risk Management	+32 (0)257 47975	gaetan.wauthier@minfin.fed.be
<b>INVESTOR RELATIONS and PRODUCT DEVELOPMENT</b>			
<b>Stefan THEYS</b>	Deputy Director Investor Relations & Product Development	+32 (0)257 47223	stefan.theys@minfin.fed.be
<b>Steve MOENS</b>	Expert Marketing & Communication	+32 (0)257 47419	steve.moens@minfin.fed.be
<b>Jan VANGOIDSENHOVEN</b>	Expert Marketing & Communication	+32 (0)257 47169	jan.vangoidsenhoven@minfin.fed.be
<b>Didier DELETRAIN</b>	Expert Marketing & Communication	+32 (0)257 47396	didier.deletrain@minfin.fed.be
<b>Daniel DE HERTOOG</b>	Expert Marketing & Communication	+32 (0)257 47161	daniel.dehertog@minfin.fed.be

## Appendices

### D3 Back Office & Systems

BACK OFFICE			
<b>Philippe LEPOUTRE</b>	Deputy Director Back-Office	+32 (0)257 47101	philippe.lepoutre@minfin.fed.be
<b>Gabrielle MONVILLE</b>	Assistant Deputy Director Back-Office	+32 (0)257 47407	gabrielle.monville@minfin.fed.be
<b>Dominique DALLE</b>	Expert Back-Office	+32 (0)257 47263	dominique.dalle@minfin.fed.be
<b>François LEGROS</b>	Expert Back-Office	+32 (0)257 47402	francois.legros@minfin.fed.be
<b>Louis VAN DEN DRIESSCHE</b>	Expert Back-Office	+32 (0)257 47163	louis.vandendriessche@minfin.fed.be
<b>Jos WAUTERS</b>	Expert Back-Office	+32 (0)257 47168	jos.wauters@minfin.fed.be
<b>Ghislain YANS</b>	Expert Back-Office	+32 (0)257 47227	ghislain.yans@minfin.fed.be

SYSTEMS			
<b>Thérèse GEELS</b>	Deputy Director Systems	+32 (0)257 47014	therese.geels@minfin.fed.be
<b>Els ANDRIESENS</b>	Expert Systems	+32 (0)257 47004	els.andriessens@minfin.fed.be
<b>Maurice BOLABOTO</b>	Expert Systems	+32 (0)257 47511	maurice.bolaboto@minfin.fed.be
<b>Philippe HUBERT</b>	Expert Systems	+32 (0)257 47157	philippe.hubert@minfin.fed.be
<b>Patrick MATHIEUX</b>	Expert Systems	+32 (0)257 47164	patrick.mathieux@minfin.fed.be
<b>Filip OVERMEIRE</b>	Expert Systems	+32 (0)257 47081	filip.overmeire@minfin.fed.be
<b>Marc STERCKX</b>	Expert Systems	+32 (0)257 47422	marc.sterckx@minfin.fed.be

### Audit

<b>Erik ANNE</b>	Internal Audit	+32 (0)257 47572	erik.anne@minfin.fed.be
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### Secretariat

<b>Linda DHOOGHE</b>	Executive Secretary	+32 (0)257 47082	linda.dhooghe@minfin.fed.be
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# Issue Calendar 2013



## Issue Calendar of Belgian Debt Agency

Administration of the Treasury – Federal Public Service FINANCE – Belgian Debt Agency – Av. Des Arts 30, B-1040-Brussels  
 ☎ +32(0)257 47082 - ✉ public.debt@minfin.fed.be - 🌐 www.debtagency.be

# 2013

The following auction dates are foreseen for 2013.

The Treasury may however modify this calendar at any time.

### January

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

### May

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

### September

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

### February

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

### June

M	T	W	T	F	S	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

### October

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

### March

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

### July

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

### November

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

### April

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

### August

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

### December

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

● Target2 closed    ■ OLO auctions (can be replaced by a syndicated issue)    ■ ORI auctions    ■ Treasury Certificate auctions



# Colophon

## Contact

**Federal Public Service Finance  
Administration of the Treasury  
Debt Agency  
Avenue des Arts, 30 - B-1040 Brussels**

Tel.: + 32(0)257 47082

E-mail : [public.debt@minfin.fed.be](mailto:public.debt@minfin.fed.be)

Website : [www.debtagency.be](http://www.debtagency.be)

## Responsible editor

Marc Monbaliu, Administrator-General

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