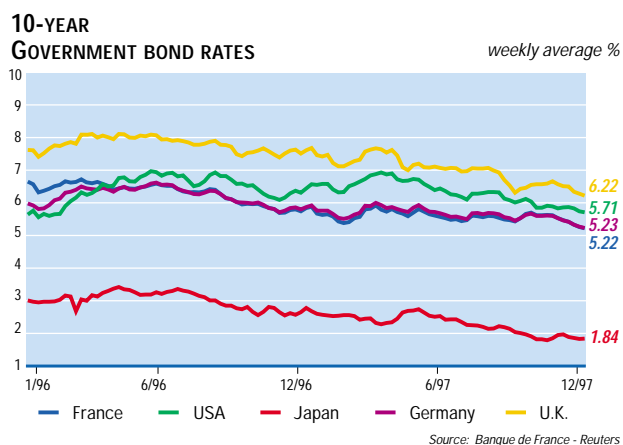
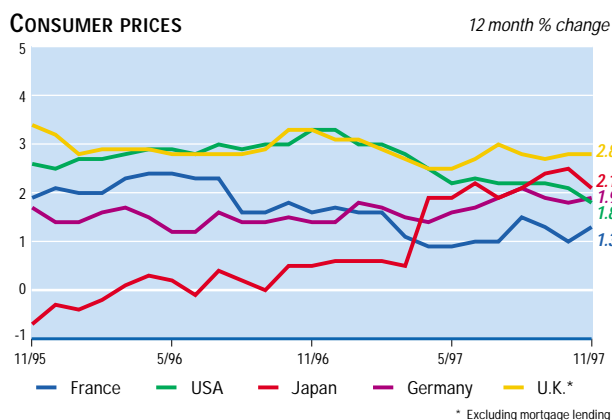


# FRENCH GOVERNMENT SECURITIES



## TIMETABLE FOR THE RELEASE OF FRENCH ECONOMIC INDICATORS

Indicator	January 1998	February 1998	March 1998	Last published result
Consumer prices	December 97 Provisional: 12/1 Definitive: 26/1	January 98 Provisional: - Definitive: 25/2	February 98 Provisional: 13/3 Definitive: 25/3	November 97 Definitive: 1.3% y.o.y.
Industrial output	November 97: 22/1	December 97: 20/2	January 98: 24/3	October 97: 104.4 (s.a.)
Industrial trends: monthly index quarterly index	January 98: 29/1 —	February 98: 26/2 January 98: 6/2	March 98: 30/3 —	December 97: 30/12 October 97: 6/11
Industrial investment	—	January 98: 19/2	—	Year 1997 Forecast: + 3% (nominal)
National accounts	Detailed results Third quarter 97: 16/1	First results Fourth quarter 97: 27/2	—	First results Third quarter 97: 4/12
Household consumption of manufactured goods	December 97: 27/1	January 98: 26/2	February 98: 26/3	Provisional result November 97: - 0.4%
Consumer confidence survey	December 97: 8/1	January 98: 10/2	February 98: 10/3	December 97: - 22
Industrial sales prices	—	December 97: 3/2	January 98: 3/3	November 97: 29/12
Number of unemployed	December 97: 30/1	January 98: 27/2	February 98: 31/3	November 97: 12.4%
Salaried employment	—	Fourth quarter 97 Provisional: 13/2	Fourth quarter 97 Definitive: 12/3	Definitive results Third quarter 97: + 0.2%
Wages and salaries: quarterly statistics	—	Fourth quarter 97 Provisional: 13/2	Fourth quarter 97 Definitive: 20/3	Third quarter 97 Provisional: 14/12
Foreign trade	November 97: 27/1	December 97: 24/2	January 98: 27/3	Provisional result October 97: + 18.4 FF bn
Balance of payments	October 97: 14/1	November 97: 13/2	December 97: 13/3	September 97: + 17.5 FF bn
Foreign exchange reserves	December 97: 9/1	January 98: 13/2	February 98: 13/3	December 97: 9/1
New construction	December 97: 27/1	January 98: 24/2	February 98: 24/3	November 97: 23/12
Sales of new residential units	—	Fourth quarter 97: 24/2	—	Third quarter 97: 25/11

All figures are released at 8:45 am, Paris time.

Source: INSEE

**NATIONAL INCOME ACCOUNTS**

real gross rate %

	1995	1996	acquired 1997	1996 3 <sup>rd</sup> Q	1996 4 <sup>th</sup> Q	1997 1 <sup>st</sup> Q	1997 2 <sup>nd</sup> Q	1997 3 <sup>rd</sup> Q
Real GDP	2.1	1.5	2.3	0.8	0.3	0.3	1.1	0.9
Imports	5.1	2.8	6.4	2.7	1.2	-0.1	3.4	3.7
Total resources	2.7	1.8	3.2	1.3	0.5	0.2	1.6	1.5
Final private consumption	1.7	2.1	0.7	0.9	-0.5	0.2	0.1	1.1
Final government consumption	0.0	1.7	1.5	0.5	0.5	0.4	0.3	0.3
Gross fixed investment	2.5	-0.5	0.7	1.5	0.2	-1.3	0.5	1.7
Exports	6.3	4.8	10.4	3.3	2.0	2.2	5.3	2.4
Variation in inventories (FF billion)	14.3	-5.5	-1.9	0.6	-2.4	0.2	1.8	
Total domestic demand	1.8	1.0	1.0	0.7	0.1	-0.4	0.5	1.2

Source: INSEE

**TRADE BALANCE**

seasonally adjusted Fob/Fob data FF billion

	Trade balance	Current account balance
1995	+ 97.8	+ 55.8
1996	+ 87.0	+ 105.0
September 1997	+ 18.9	+ 17.5
Cumulative through 30/9/97	+ 130.2	+ 165.8
October 1997	+ 18.4	-
Cumulative through 31/10/97	+ 148.6	-
September 1996	+ 6.7	+ 17.3
Cumulative through 30/9/96	+ 62.0	+ 73.8
October 1996	+ 11.3	+ 14.8
Cumulative through 31/10/96	+ 73.3	+ 88.6

Source: Douanes

**GOVERNMENT DEBT**

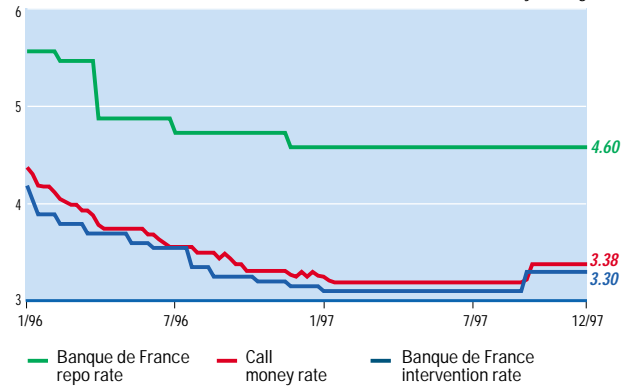
FF billion

	1993	1994	1995	1996
Finance act. Budget outcome	- 315.7	- 299.1	- 323.0	- 295.4
% of GDP	- 4.4	- 4.0	- 4.4	- 3.7
Negotiable debt excluding FSR	2 134	2 480	2 826	3 112
Long-term debt	1 353	1 559	1 774	2 022
of which OAT	1 215	1 421	1 655	1 900
Short & medium-term Treasury notes	781	921	1 052	1 090
of which BTF	189	239	292	271
of which BTAN	592	682	760	819
Non-negotiable debt	328	424	425	413
Total Government debt	2 462	2 904	3 251	3 525
% of GDP excluding securities issued on behalf of the FSR	34.7%	39.3%	42.4%	44.7%
Average life of negotiable debt	6 years 187 days	6 years 176 days	6 years 95 days	6 years 47 days

Source: SROT on 31/12/93, 94, 95 and 96

**CALL MONEY RATES**

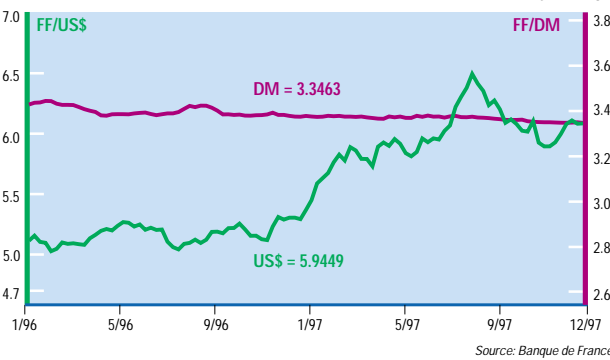
weekly average %



Source: Banque de France

**SPOT EXCHANGE RATES**

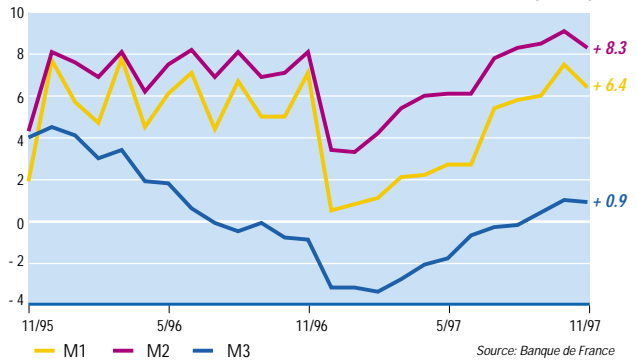
Indicative quotes (ex-fixing) weekly average



Source: Banque de France

**MONETARY AGGREGATES**

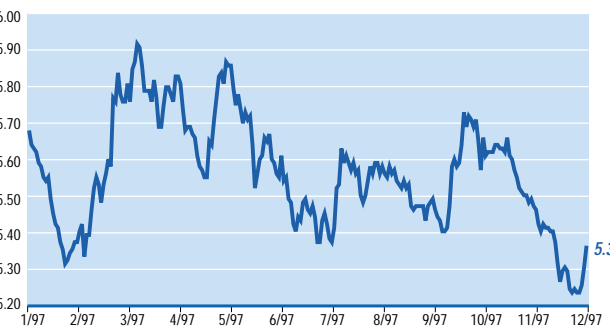
Gross figures annual moving average %



Source: Banque de France

**10-YEAR CONSTANT MATURITY TREASURY (TEC 10)**

daily prices in %



Source: French Treasury

**TEC 10**

December 1997 daily prices in %

December 1/97	5.46	December 15/97	5.26	December 29/97	5.25
December 2/97	5.42	December 16/97	5.29	December 30/97	5.30
December 3/97	5.40	December 17/97	5.30	December 31/97	5.36
December 4/97	5.42	December 18/97	5.29		
December 5/97	5.41	December 19/97	5.24		
December 8/97	5.41	December 22/97	5.23		
December 9/97	5.40	December 23/97	5.24		
December 10/97	5.40	December 24/97	5.23		
December 11/97	5.37				
December 12/97	5.31	December 26/97	5.23		

## AUCTION CALENDAR

5/1/98	Settlement on	8/1/98	Settlement on	12/1/98	Settlement on	19/1/98	Settlement on	22/1/98	Settlement on	26/1/98	Settlement on
<b>BTF</b> 13 w.	8/1/98	<b>OAT</b>	15/1/98	<b>BTF</b> 13 w.	15/1/98	<b>BTF</b> 13 w.	22/1/98	<b>BTAN</b> 2 years	29/1/98	<b>BTF</b> 13 w.	29/1/98
<b>BTF</b> 26 w.	8/1/98			<b>BTF</b> 46 w.	15/1/98	<b>BTF</b> 28 w.	22/1/98	<b>BTAN</b> 5 years	29/1/98	<b>BTF</b> 44 w.	29/1/98

## LAST AUCTION OAT

	ECU million		FF million
	OAT ECU	OAT	OAT
Auction date	January 8/98 April 2008 5.25%	January 8/98 April 2008 5.25%	January 8/98 October 2025 6.00%
Issued volume announced	from 500 to 700		from 21 000 to 23 000
Amount bid	2 564	41 215	13 637
Amount served	779	21 042	5 206
incl. non-competitive bids	121	2 792	1 606
Stop price	99.22%	100.36%	104.00%
Weighted average rate	5.34%	5.20%	5.71%
Previous auction	December 4/97	December 4/97	October 2/97
Weighted average rate	5.56%	5.43%	6.07%

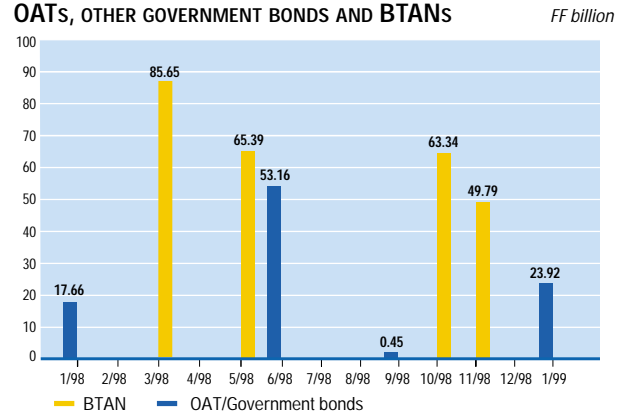
## LAST AUCTION BTAN

	FF million	
	BTAN 2 years	BTAN 5 years
Auction date	Dec. 18/97 January 2000 4.00%	Dec.18/97 July 2002 4.50%
Issued volume announced	from 16 000 to 18 000	
Amount bid	30 700	31 496
Amount served	8 770	10 869
incl. non-competitive bids	990	1 569
Stop price	99.43%	98.81%
Weighted average rate	4.29%	4.79%
Previous auction	Nov. 20/97	Nov. 20/97
Weighted average rate	4.43%	4.97%

## LAST AUCTION BTF

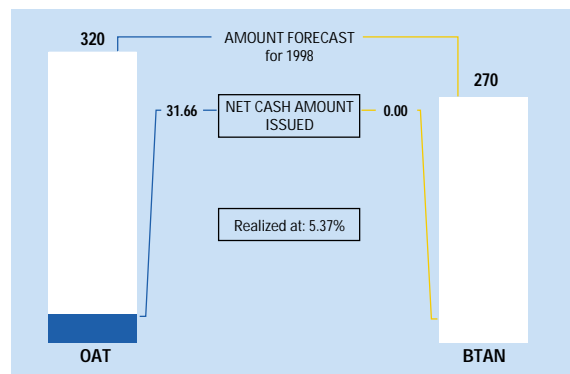
	FF million			
	BTF 4 to 6 w.	BTF 13 w.	BTF 24 to 29 w.	BTF 40 to 52 w.
December 1/97				
Average amount	5 000	13 005		5 212
Weighted average rate	3.35%	3.47%		3.91%
December 8/97				
Average amount	8 028	15 059	3 298	
Weighted average rate	3.36%	3.47%	3.67%	
December 15/97				
Average amount		8 011		3 031
Weighted average rate		3.47%		3.79%
December 22/97				
Average amount		5 000	5 008	
Weighted average rate		3.41%	3.53%	

## MONTHLY REDEMPTION OATs, OTHER GOVERNMENT BONDS AND BTANs



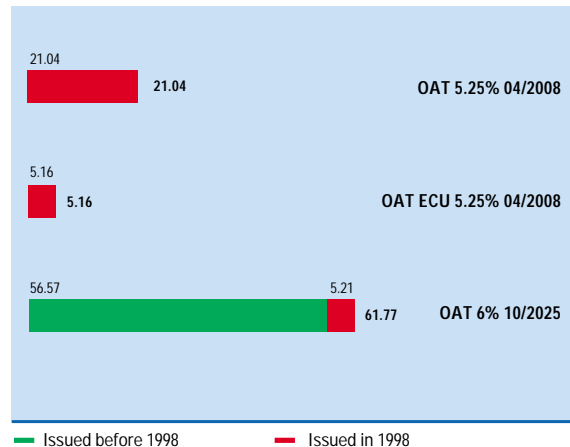
## LONG AND MEDIUM TERM FINANCING FOR 1998

January 8, 1998  
FF billion



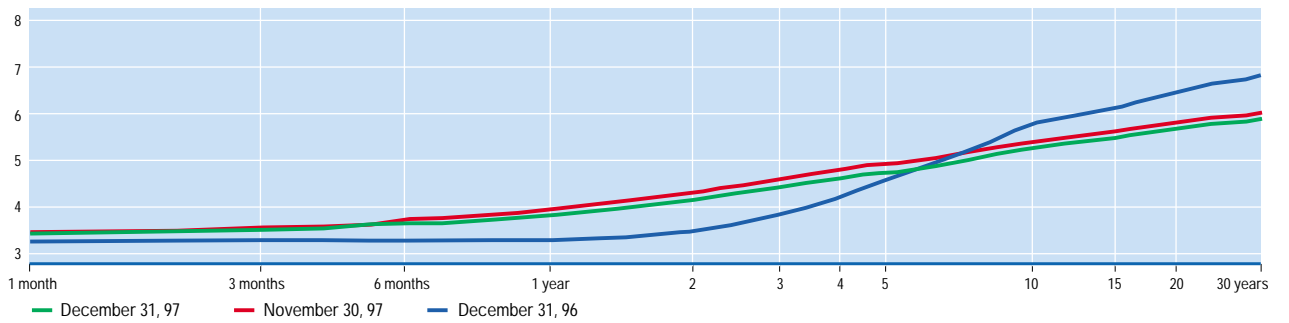
## 1998 ISSUES AND CUMULATIVE

January 8, 1998  
FF billion

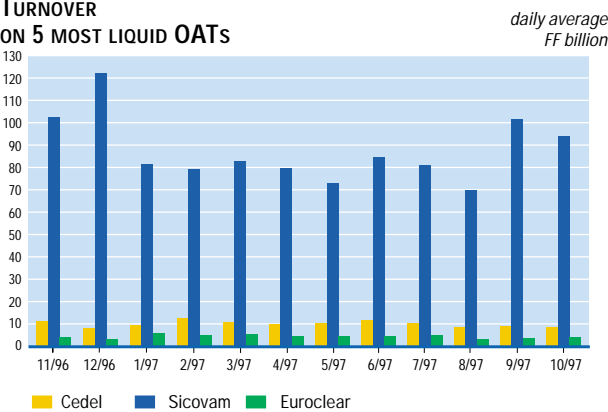


# GOVERNMENT BOND MARKET

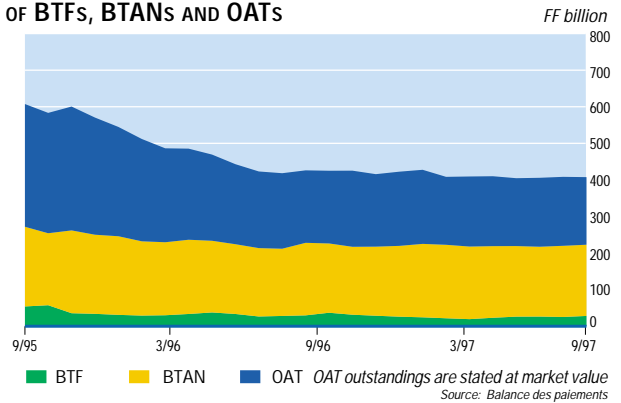
## YIELDS



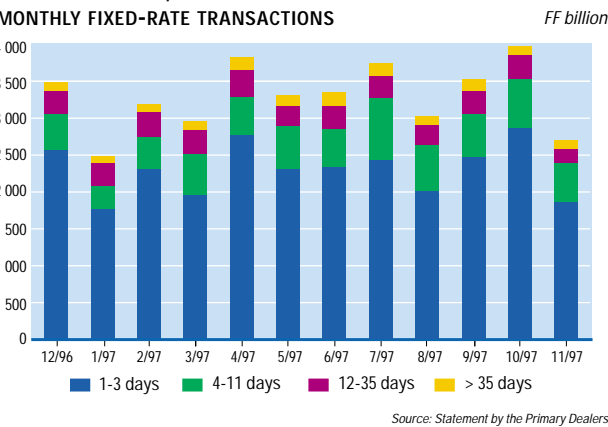
## TURNOVER ON 5 MOST LIQUID OATs



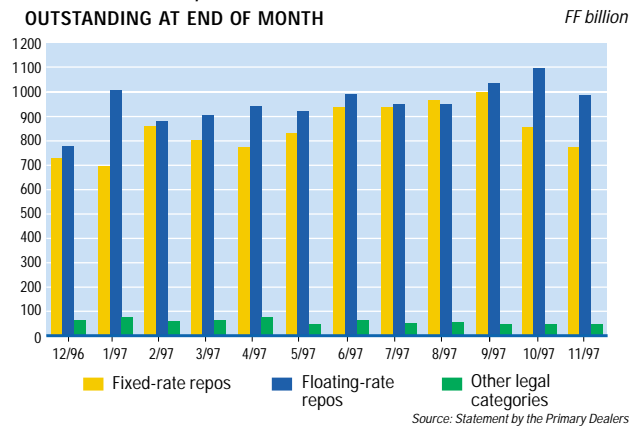
## NON-RESIDENT HOLDINGS OF BTFs, BTANs AND OATs



## PRIMARY DEALERS, MONTHLY FIXED-RATE TRANSACTIONS

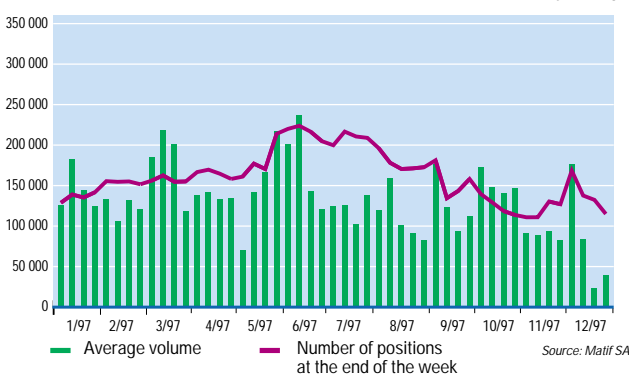


## PRIMARY DEALERS, OUTSTANDING AT END OF MONTH



# FUTURES MARKET

## 10 YEAR NOTIONAL



## KEY FIGURES

	Notional	Matif 5 years	ECU	Option on notional
Number of daily contracts monthly average	102 295	23 801	939	18 158
Change from previous month	40.5%	34.1%	64.7%	- 9.2%
Number of open positions at month end	115 989	62 403	6 077	157 655
Prices on most liquid issue:	March 98	March 98	March 98	
• high	101.80	98.76	100.96	
• low	99.68	97.29	99.10	
• last	100.86	98.27	100.12	
Compensation volatility				
• last day of the month				5.05% over March

Source: Matif SA/FMA

# DETTE NÉGOCIABLE DE L'ÉTAT - Encours au 31 décembre 1997

## NEGOTIABLE GOVERNMENT DEBT OUTSTANDING - December 31, 1997

### OAT ET EMPRUNTS À MOYEN ET LONG TERME OAT AND LONG AND MEDIUM TERM DEBT

N°	Libellé de l'emprunt/Bond	ECU 000	FF 000	N°	Libellé de l'emprunt/Bond	ECU 000	FF 000
11050	<b>ÉCHÉANCE/MATURITY 1998</b> OAT TME 01-1998		71 266 MF		<b>ÉCHÉANCE/MATURITY 2006</b> OAT 7,25% 04-2006	2 879 MECU	288 122 MF
11048	OAT 9,5% 06-1998		17 657 000		<i>encours démembrés/stripped bonds</i>		111 080 018
4326	OAT TRA 09-1998		53 162 534				(7 679 000)
			446 520	19783	OAT ECU 7% 04-2006	2 879 000	
					<i>encours démembrés/stripped bonds</i>	(112 400)	
10249	<b>ÉCHÉANCE/MATURITY 1999</b> OAT TMB 01-1999		84 307 MF	19775	OAT 6,50% 10-2006		99 063 552
11994	OAT 11% 02-1985 prorogé		23 920 834		<i>encours démembrés/stripped bonds</i>		(3 254 000)
11348	OAT 8,125% 05-1999		6 121 904	19780	OAT TEC 10 10-2006		77 978 000
			54 264 072				
11641	<b>ÉCHÉANCE/MATURITY 2000</b> OAT 8,5% 03-2000	2 124 MECU	98 522 MF		<b>ÉCHÉANCE/MATURITY 2007</b> OAT 5,50% 04-2007	4 834 MECU	211 643 MF
11720	OAT ECU 9,5% 04-2000	2 123 944	57 645 000		<i>encours démembrés/stripped bonds</i>		109 219 170
	réserve FSR	50 000					(1 539 000)
	<i>encours démembrés/stripped bonds</i>	(79 120)		22105	OAT 5,50% 04-2007 Particuliers mai		944 526
4266	OAT 10% 05-2000		19 827 654	22108	OAT 5,50% 04-2007 Particuliers juin		940 828
4097	OAT 6,57% 07-84		2 649 030	20757	OAT ECU 5,50% 04-2007	4 834 000	
4267	OAT TRA 09-2000		18 399 974		réserve FSR	50 000	
					<i>encours démembrés/stripped bonds</i>	(111 380)	
11350	<b>ÉCHÉANCE/MATURITY 2001</b> OAT TME 01-2001	1 033 MECU	106 554 MF	20798	OAT 5,50% 10-2007		99 048 614
11878	OAT 9,5% 01-2001		24 654 000		<i>encours démembrés/stripped bonds</i>		(394 000)
11860	OAT ECU 10% 02-2001	1 033 122	64 290 000	22116	OAT 5,50% 10-2007 Particuliers nov.		812 276
	réserve FSR	50 000		22119	OAT 5,50% 10-2007 Particuliers déc.		677 978
10145	OAT 7,5% 07-2001		17 610 462				
11930	<b>ÉCHÉANCE/MATURITY 2002</b> OAT ECU 8,5% 03-2002	4 641 MECU	103 709 MF		<b>ÉCHÉANCE/MATURITY 2008</b> OAT 8,5% 10-2008		83 018 MF
	réserve FSR	1 938 179			<i>encours démembrés/stripped bonds</i>		83 018 272
		50 000					(20 214 200)
19600	OAT ECU 6,75% 04-2002	2 702 501			<b>ÉCHÉANCE/MATURITY 2009</b> OAT TEC 10 01-2009		31 820 MF
	<i>encours démembrés/stripped bonds</i>	(47 910)		20765			31 820 000
10247	OAT 8,5% 11-2002		103 708 946		<b>ÉCHÉANCE/MATURITY 2011</b> OAT 6,5% 04-2011		46 147 MF
					<i>encours démembrés/stripped bonds</i>		46 147 000
19385	<b>ÉCHÉANCE/MATURITY 2003</b> OAT 8,5% 04-2003	1 210 MECU	200 809 MF				(2 876 000)
	<i>encours démembrés/stripped bonds</i>		101 706 306	19759	OAT 6,5% 04-2011		35 984 MF
			(11 078 670)		<i>encours démembrés/stripped bonds</i>		35 983 816
19440	OAT ECU 8% 04-2003	1 210 000		10248	<b>ÉCHÉANCE/MATURITY 2012</b> OAT 8,5% 12-2012		62 425 MF
	réserve FSR	50 000					61 327 998
	<i>encours démembrés/stripped bonds</i>	(23 660)			<i>encours démembrés/stripped bonds</i>		(41 919 450)
19465	OAT 6,75% 10-2003		99 103 000	11349	<b>ÉCHÉANCE/MATURITY 2019</b> OAT 8,5% 10-2019		61 327 998
	<i>encours démembrés/stripped bonds</i>		(3 320 500)		<i>encours démembrés/stripped bonds</i>		(41 919 450)
11351	<b>ÉCHÉANCE/MATURITY 2004</b> OAT 8,25% 02-2004	3 236 MECU	233 773 MF	11703	OAT 9,82% 12-2019		1 097 043
19537	OAT 5,5% 04-2004		59 257 000				
	<i>encours démembrés/stripped bonds</i>		101 121 000	19328	<b>ÉCHÉANCE/MATURITY 2022</b> OAT ECU 8,25% 04-2022	1 500 MECU	0 MF
			(2 105 000)		réserve FSR	50 000	
19520	OAT ECU 6% 04-2004	3 235 500			<i>encours démembrés/stripped bonds</i>	(317 600)	
	réserve FSR	50 000		19313	<b>ÉCHÉANCE/MATURITY 2023</b> OAT 8,5% 04-2023		87 952 MF
	<i>encours démembrés/stripped bonds</i>	(20 900)			<i>encours démembrés/stripped bonds</i>		87 952 000
19603	OAT 6,75% 10-2004		73 395 000				(56 245 500)
	<i>encours démembrés/stripped bonds</i>		(8 552 500)		<b>ÉCHÉANCE/MATURITY 2025</b> OAT 6% 10-2025		56 565 MF
19643	<b>ÉCHÉANCE/MATURITY 2005</b> OAT 7,5% 04-2005	2 131 MECU	211 154 MF	19579	<i>encours démembrés/stripped bonds</i>		56 565 000
	<i>encours démembrés/stripped bonds</i>		108 156 858				(14 642 960)
			(16 024 350)				
19719	OAT ECU 7,5% 04-2005	2 131 000					
	réserve FSR	50 000					
	<i>encours démembrés/stripped bonds</i>	(77 010)					
19699	OAT 7,75% 10-2005		102 997 318				
	<i>encours démembrés/stripped bonds</i>		(16 182 000)				

<b>TOTAL *</b>	<b>23 587 MECU</b>	<b>2 013 771 MF</b>
réserve FSR	400 MECU	0 MF
encours démembrés stripped bonds	790 MECU	205 633 MF

Durée de vie moyenne des obligations : 8 ans et 226 jours

Average maturity of OATs: 8 years and 226 days

**TMB:** moyenne arithmétique des taux de rendement moyens mensuels de BTF à 13 semaines constatés au cours de l'année précédant la date de mise en paiement du coupon.  
**TRA:** taux révisable, en fonction des taux de rendement des emprunts d'État à taux fixe d'échéance supérieure à 7 ans, publiés par la Caisse des Dépôts et Consignations.  
**TME:** moyenne arithmétique des taux de rendement moyens mensuels des emprunts d'État à taux fixe d'échéance supérieure à 7 ans sur l'année précédant la date de mise en paiement du coupon.  
**TEC 10:** taux de l'échéance constante à 10 ans.

**TMB:** the coupon rate on payment date is the arithmetic mean of the monthly average of the 13-week T-Bill auctioned weekly throughout the previous calendar year.  
**TRA:** variable rate based on the yields of all fixed-rate French Government bonds (EE and OATs included) with maturities greater than 7 years, as published by the CDC.  
**TME:** the coupon rate is the arithmetic mean of the monthly average of all fixed-rate French Government bonds (EE and OATs included) with maturities greater than 7 years. The coupon rate is fixed every January based on the previous calendar year.  
**TEC 10:** 10-year constant maturity Treasury.

\* Hors FSR, Excluding FSR

1 ECU = 6,6135 FF, sur la base du cours indicatif de la BDF au 31/12/97  
based on BDF guideline rate on 31/12/97.

Source : Ministère de l'Economie, des Finances et de l'Industrie

**BTAN - Au 31 DÉCEMBRE 1997**  
TREASURY NOTES - DECEMBER 31, 1997

	Échéance / Maturity J/M/A . D/M/Y	Coupon nominal / rate	ECU 000	FF 000
<b>ÉCHÉANCE/MATURITY 1998</b>				
BTAN	12/03/98	5,75%	2 631 MECU	246 773 MF
BTAN ECU	16/03/98	7,25%	2 631 000	68 253 000
réserve FSR			50 000	
BTAN	12/05/98	8,00%		65 392 000
BTAN	12/10/98	4,50%		63 337 000
BTAN	12/11/98	5,75%		49 791 000
<b>ÉCHÉANCE/MATURITY 1999</b>				
BTAN ECU	16/03/99	5,00%	2 283 MECU	182 854 MF
réserve FSR			2 283 000	
BTAN	12/04/99	4,75%		124 152 000
BTAN	12/11/99	7,00%		58 702 000
<b>ÉCHÉANCE/MATURITY 2000</b>				
BTAN	12/01/00	4,00%		166 652 MF
BTAN	12/04/00	7,75%		47 620 000
BTAN	12/10/00	7,00%		63 514 000
				55 518 000
<b>ÉCHÉANCE/MATURITY 2001</b>				
BTAN	12/03/01	5,75%	1 925 MECU	148 752 MF
BTAN ECU	16/03/01	6,00%	1 925 000	69 198 000
réserve FSR			50 000	
BTAN	12/10/01	5,50%		79 554 000
<b>ÉCHÉANCE/MATURITY 2002</b>				
BTAN	12/03/02	4,75%	1 341 MECU	137 621 MF
BTAN	12/07/02	4,50%		74 651 000
BTAN ECU	12/07/02	4,50%	1 341 000	62 970 000
réserve FSR			100 000	

**Durée de vie moyenne des BTAN : 2 ans et 56 jours**  
Average maturity of BTANs: 2 years and 56 days

TOTAL\* (a)

**8 180 MECU**

**882 652 MF**

réserve FSR

**250 MECU**

**0 MF**

**BTF - Au 31 DÉCEMBRE 1997**  
TREASURY BILLS - DECEMBER 31, 1997

	Échéance / Maturity J/M/A . D/M/Y	FF 000
BTF	08/01/98	20 922 000
BTF	15/01/98	12 745 000
BTF	22/01/98	10 061 000
BTF	29/01/98	10 197 000
BTF	05/02/98	17 478 000
BTF	12/02/98	8 004 000
BTF	19/02/98	6 093 000
BTF	26/02/98	31 856 000
BTF	05/03/98	13 005 000
BTF	12/03/98	27 342 000
BTF	19/03/98	8 011 000
BTF	26/03/98	5 000 000
BTF	02/04/98	10 005 000
BTF	09/04/98	8 232 000
BTF	07/05/98	8 457 000
BTF	28/05/98	20 830 000
BTF	11/06/98	13 845 000
BTF	09/07/98	5 008 000
BTF	03/09/98	21 136 000
BTF	03/12/98	12 251 000

**Durée de vie moyenne des BTF : 97 jours**  
Average maturity of BTFs: 97 days

TOTAL

**270 478 MF**

**Durée de vie moyenne totale de la dette  
au 31/12/97 : 6 ans et 57 jours**  
Average maturity of debt at 31/12/97:  
6 years and 57 days

Total\* (a)

**31 767 MECU**

**3 166 901 MF**

**Total général  
de la dette négociable\***

**3 376 993 MF**

réserve FSR

**650 MECU**

**0 MF**

\* Hors FSR, Excluding FSR

(a) 1 ECU = 6,6135 FF, sur la base du cours indicatif de la BDF au 31/12/97  
based on BDF guideline rate on 31/12/97.

Source : Ministère de l'Economie, des Finances et de l'Industrie

# FRENCH GOVERNMENT SECURITIES

## Auction and settlement dates First quarter 1998

Dates	BTF			BTAN*		OAT*
	BTF 13 w.	BTF semestrial	BTF annual	2 years 4.00% Jan. 12/2000	5 years 4.50% July 12/2002	
Monday 05/01 Thursday 08/01						
Monday 12/01 Thursday 15/01						
Monday 19/01 Thursday 22/01						
Monday 26/01 Thursday 29/01						
Monday 02/02 Thursday 05/02						
Monday 09/02 Thursday 12/02						
Monday 16/02 Thursday 19/02						
Monday 23/02 Thursday 26/02						
Monday 02/03 Thursday 05/03						
Monday 09/03 Thursday 12/03						
Monday 16/03 Thursday 19/03						
Monday 23/03 Thursday 26/03						
Monday 30/03						
Settlement on	02/04/1998		02/04/1998			

	Auction		Settlement
BTF	13 weeks		Each Monday **
	semester		Generally 1 or 2 Mondays per month **
	1 year		Generally 1 or 2 Mondays per month **
BTAN*	Jan. 12/2000		3 <sup>rd</sup> working Thursday of the month
	July 12/2002		3 <sup>rd</sup> working Thursday of the month
OAT*			1 <sup>st</sup> working Thursday of the month **

\* Auction of lines in French francs or ECU  
 \*\* or the previous or following working day  
 (1) New line, coupon to be determined, maturity July 12, 2003

# FRENCH GOVERNMENT SECURITIES

## 1998 auction calendar

<b>OAT AUCTION CALENDAR FOR THE YEAR</b>	OAT in French francs or ECU 1 <sup>st</sup> Thursday of the month	A fixed-rate 10-year line, of either the existing 5.25% April 2008 OAT or another OAT line to be opened, dated; if market conditions permit, other fixed-rate or floating-rate lines, either existing or to be opened, or indexed
<b>SEMESTERLY AUCTION CALENDAR</b>	BTAN in French francs or ECU 3 <sup>rd</sup> Thursday of the month	Lines auctioned during the first half-year of 1998 • BTAN 4.00% Jan. 12/2000 • BTAN 4.50% July 12/2002 • BTAN July 12/2003, to be determined
<b>BTF QUARTERLY CALENDAR</b>	Each Monday	BTF 13 weeks, semester, or 1 year according to the calendar on the other side.

The Treasury reserves the right to cancel an auction listed on the calendar if exceptional market conditions warrant it or to hold an extra auction according to its borrowing needs and market trends.

Furthermore, the Treasury reserves the right to create new, long- or medium-term French franc or ECU issues during the year, or to issue further tranches of previous issues in accordance with market conditions. The Treasury also reserves the right to use banking syndicate issue procedures.

The exact nature of the Treasury issues will be communicated to the market in the days preceding each auction with information on the volume of the issues.

## Reuters pages on French Government Securities

INDEX TRESOR	MENU: TRESORMENU					
SVT and CGS	BTF	BTAN	OAT FF	OAT/BTAN ECU	STRIPS	REPO
B.ESCOMPTE	BEPG	BEPG	BEPF	BEPV		BEPS
BNP FINANCE	TBNS	TBNQ/S	OBNG/P	BNBB/C	OBNE/F	OBNQ
PARIBAS	PBAM	PBAA/B	PBAG/H	PBEA	PBPH/I	
CDC	CDCFRF	CDCBTAN	CDCOAT1	CDCCEU1	CDCSTRIP1	CDCFRF
CAI	INDOBT	INDOBTAN	INDOAT1/2/3	INDOATXEU	INDOSTRIP1/2/3	CAIREPO
CFUECIC	CICBTF	CICBTAN	CICOAT1/2	CICECU	CICSTRIP	CICREPO
CPRI	CPRL	CPRF	CPRA/B	CPRE	CPRSTRIP	CPRL
CCF	MCCD	MCCD/F/G	OCCF/G	OCCIX	OCCBL/M	MCCH
C.LYONNAIS	CLBTF	CLBTAN	CLOAT1-5	CLOAT05	CLSTRIP01/02	CLREPO
DEUTSCHE BANK SNC	DBV	DBBTAN1	DBOAT1		DBVOR	DBPPL
JP MORGAN et Cie	MGPK	MGPA	MGPB/C	XECU/V	MGTOP	MMQU
LOUIS-DREYFUS FIN.	LDCT	LDCQ	LDCP/B	LDCV	LDCY/Z	LDCT
MORGAN STANLEY S.A.	MSFRD	MSFRB/D	MSFRB/C	MSFRH	MSFRE	MSFRD
SOCIETE GENERALE	SGFR01	SGFR02	SGFR03/04	SGXE01	SGFR05	BSGY
UBS FRANCE	UBKS/P	UBKT	UBKU/V	UBKW		
GOLDMAN SACHS	GSPK	GSPC/B	GSPD/E/F	GECU	GSPH/I/J	GSFRREPO
DRESNER KLEINWORT BENSON	DRBTF	DRBTAN	DRBOAT1/2	DRBECU	DRBSTRIP1/2	DRBREPO
LEHMAN BROTHERS	LBBTF1	LBBTAN1/2	LBOAT1/2	LBEU1/2		LBWE
MERRILL LYNCH FINANCE S.A.	MLFRONT	MLFBTAN	MLFOAT	MLFEUC	MLFSTRIP	MLFRONT
COMPAGNIE FINANCIERE BZW	BZWPL	BZWT	BZWU/V	BZWT	BZWTR/S	BZWPL
ABN AMRO FINANCE	AAFIBTF	AAFIBTAN	AAFIOAT	AAFIECU	AAFISTRIP	AAFIREPO

Daily bench-marks on Treasury bills published by Banque de France SVTF-G-H

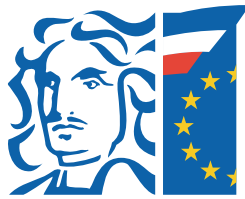
## Telerate pages on French Government Securities

INDEX TRESOR	MENU: 20010 - 20078				
SVT and CGS	BTF	BTAN	OAT FF	OAT/BTAN ECU	STRIPS
B.ESCOMPTE	2 542	2 542	2 541		
BNP FINANCE	41 414	41 414	41411/12	41424/25	41415/16
PARIBAS	20 106/107	20 106	20 105	21 152	
CDC	2 521	2 520			
CAI	2 528	2 532	2 533/34/35	2 510	2 511
CFUECIC	20 121		20 124/25/26		
CPRI		8 321	8 320		
CCF	20 082	20 081/82	20 080	3 239/40	20 086
C.LYONNAIS		21 888	21 885/86/87	21 906/07	21 902
JP MORGAN et Cie		21 487	21 485	21494/95	21 486
LOUIS-DREYFUS FIN.	20 099	20 097	20 095/96	20 094	20 098
SOCIETE GENERALE	42 161	42 162	42 163/4		
UBS FRANCE		38 542	38 540/41	38 543	
LEHMAN BROTHERS	22 562	22 562/3	22 560/61	22 584/85/86	
DRESNER KLEINWORT BENSON	47 401	47 402	47 403/4	47 405	

Daily bench-marks on Treasury bills published by Banque de France 20018-19

## INTERNET ADDRESS

<http://www.oat.finances.gouv.fr>



# FRENCH GOVERNMENT SECURITIES

## FRENCH GOVERNMENT INDICATIVE FINANCING PROGRAMME FOR 1998

Mr Dominique Strauss-Kahn, Minister of the Economy, Finance and Industry,  
has approved the outline of the government funding programme for 1998.  
In contrast with recent years, government borrowing volume will be significantly down on the year before.

1) Following the repurchases on the Secondary Market, the medium- and long-term funding programme for 1997 was fully completed (103.1%). Obligations Assimilables du Trésor (OATs) accounted for FRF 333 billion while Bons du Trésor à Intérêts Annuels (BTANs) accounted for FRF 286 billion. FRF 11.7 billion of securities with maturity in 1998 were repurchased on the Secondary Market.

The general decrease in interest rates made it possible to obtain more favorable borrowing terms than in 1996. Thus, the average borrowing rate came down to 4.36% for BTANs (against 5.33% in 1996) and 5.66% for 10-year OATs (against 6.36% in 1996). On 31 December 1997, the average maturity of French Treasury negotiable debt stood around 6 years and 80 days, against 6 years and 47 days on 31<sup>st</sup> December 1996. The objective to stabilize the average maturity of negotiable debt between 6 and 6 and a half years was therefore reached and will be maintained in 1998.

2) In 1998, the volume of medium- and long-term issues necessary to meet the government borrowing requirement will be approximately FRF 590 bn, less than in 1997, notably due to the government measures to reduce the budgetary deficit. This volume should be covered by about FRF 320 billion worth of OAT issues and about FRF 270 billion worth of BTAN issues.

For each type of security, these targets correspond to cash revenue net of the value of securities, if any, exchanged for new issues or repurchased during the same year.

<b>Borrowing requirement (FRF bn)</b>		
	<b>1997</b>	<b>1998</b>
Budget deficit <sup>(1)</sup>	270.7	257.8
Government commitment	37	15.4
Long-term debt redemption	185.8 <sup>(1)</sup>	71.2 <sup>(1)</sup>
Medium-term debt redemption	167.5 <sup>(1)</sup>	263.6 <sup>(1)</sup>
<b>TOTAL</b>	<b>661</b>	<b>608</b>
<b>Funding sources (FRF bn)</b>		
	<b>1997</b>	<b>1998</b>
OAT	333.2 <sup>(2)</sup>	320
BTAN	285.7 <sup>(2)</sup>	270
Net change in BTF	- 0.2	18
Miscellaneous <sup>(*)</sup>	37.5	-
Change in Treasury account	4.8	-
<b>TOTAL</b>	<b>661</b>	<b>608</b>

\* Budget Act forecasts.

\*\* France Télécom payment.

(1) After impact of repurchase of securities on the Secondary Market.

(2) Cash issues net of repurchases.

(provisional data)

3) OAT sales to retail investors will continue throughout the year. This standard savings product is part of the range of instruments available to individuals. Thus, the OATs placed in 1998 will be charged to the total objective of FRF 320 billion.

4) The Treasury issuing policy for 1998 is to be seen in the context of the introduction of the euro on 1<sup>st</sup> January 1999. From this date, government securities will be issued in euros and the entire outstanding debt will be redenominated into euros on the terms indicated in September 1997. Moreover, the following changes will occur:

- the government will remain open to suggestions from investors in order to satisfy their expectations as best as possible. Accordingly, it will issue liquid securities to remain positioned on the entire yield curve, including the long part. Market conditions permitting, the government will therefore enrich its range of long-term bonds in the first half of 1998 with a new 2029 bond, set to become the 30-year euro-denominated benchmark;

- as Mr Dominique Strauss-Kahn announced during the symposium on "Government Securities and the Euro" held on 3<sup>rd</sup> December 1997, France will issue a new type of bond in the first half of 1998, linked to inflation. The exact characteristics of this bond and its launch procedure are currently being prepared in collaboration with the French Primary Dealers (SVT);

- the French government will maintain its ECU issuing policy, which it will align even more closely with its franc issuing policy in order to make these two markets entirely fungible with the euro market. Accordingly, the government will not only systematically issue franc and ECU-denominated securities with the same characteristics in order to ensure their fungibility on 1<sup>st</sup> January 1999, but may also engage in active ECU-denominated debt management, including repurchases, exchange offers and reverse auctions, in order to optimize the liquidity of ECU-denominated securities in 1998 and after.

OAT: Treasury bond    BTAN: fixed-rate Treasury note    BTF (Bon du Trésor à Taux Fixe et à Intérêt Précompté): fixed-rate Treasury bill