N° 152 January 2003

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monthly bulletin

Agency France Trésor

French government debt news

Mr. Francis Mer, the minister of the Economy, Finances and Industry has decided on the indicative financing programme of the State for 2003. This programme outlines the proceedings for the financing of the State during the year 2003 according to the principles laid out in the programme for debt and cash management presented to the Parliament in the draft Finance Bill 2003.

The State's medium and long term borrowing requirements will amount to EUR108.5bn in 2003, as a result of an increase in redemptions of debt coming to maturity during the year. The programmed budget deficit shows a slight improvement, indicative of the government's determination to comply with the pledges taken within the framework of the Stability pact, while taking account of the macro-economic environment. This funding requirement is also increased by a EUR15.4bn reduction in the deposits by the Treasury correspondents (postal cheque deposits, liquid assets of the FRR pension reserve fund) on the Treasury's current account as well as by a EUR5bn reconstitution of cash reserves.

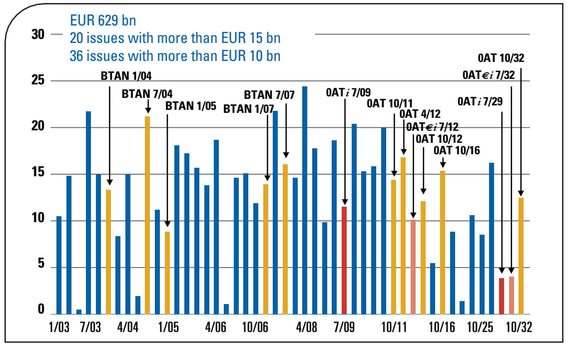
Within this framework, the total amount of medium- and long-term (OAT and BTAN) issuance for 2003 is set at EUR111.4bn, as announced in Parliament when the Finance Bill 2003 was introduced. The further EUR17.5bn funding will be covered by an increased amount of BTF outstanding, in line with what was decided in 2002, in view of developing the short-term market. Another advantage of this increase is that it will help reduce the average maturity of debt.

In order to substantiate the commitment to develop the index-linked bond segment of the market, in line with the issuance policy of 2002 and in the wake of the July 2032 OAT€*i* issuance, there will be a rise of the amounts of index-linked bond issuance, both for the French CPI- and euro zone HICP-linked bonds, so that they eventually represent at least 10% of the net issues.

Mr Mer recalls his commitment to the debt average maturity reduction policy. The swap dealing programme will be resumed as soon as market conditions make it feasible. In this respect, the aim for 2003 is to reduce the average maturity to 5.3 years.

French government long- and medium-term negotiable debt on December 31, 2002

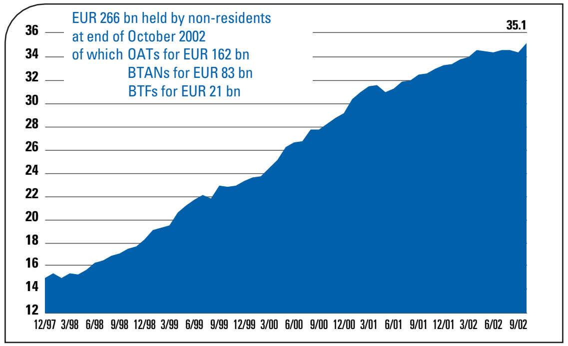
EUR billion



Source: Agency France Trésor

Non-resident holdings of French government negotiable debt securities

as a % of negotiable debt outstanding



Source: Balance of payments

MINISTÈRE DE L'ÉCONOMIE
DES FINANCES ET DE L'INDUSTRIE

Auction calendar

6/1/2003	Settlement on	9/1/2003	Settlement on	13/1/2003	Settlement on	20/1/2003	Settlement on	23/1/2003	Settlement on	27/1/2003	Settlement on
BTF	9/1/2003	OAT	14/1/2003	BTF	16/1/2003	BTF	23/1/2003	BTAN	28/1/2003	BTF	30/1/2003
13 weeks				12 weeks		13 weeks				12 weeks	
6 months or 1 year				6 months or 1 year		6 months or 1 year				6 months or 1 year	

Source: Agency France Trésor

Last auctions OATs and BTANs

EUR million

	OAT October 2012 4.75%	BTAN 2 years January 2005 3.5%	BTAN 5 years July 2007 4.75%
Auction date	**7/11/02**	**21/11/02**	**21/11/02**
Settlement date	12/11/02	26/11/02	26/11/02
Volume announced	from 2 300 to 2 800	from 3 500 to 4 000	
Amount bid	6 070	6 925	6 205
Amount served	**3 199**	**1 520**	**2 392**
Of which non competitive tenders	429	0	0
Bid-to-cover ratio	2.19	4.56	2.59
Stop price	100.67%	100.80%	104.15%
Weighted average rate	4.66%	3.10%	3.74%
Previous auctions	3/10/02	17/10/02	17/10/02
Weighted average rate	4.46%	3.49%	4.10%

Source: Agency France Trésor

Last auctions BTF

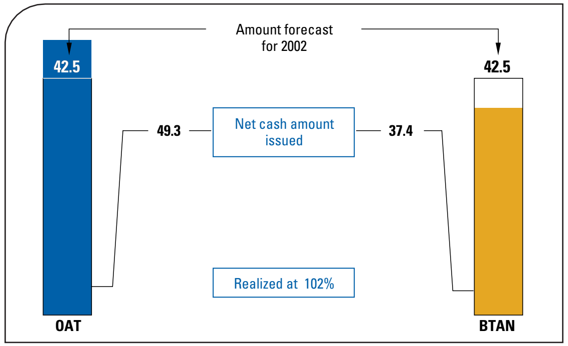
EUR million

	BTF 1 month	BTF 3 month	BTF 6 month	BTF 1 year
2/12/2002				
Amount served		3 534	2 760	
Weighted average rate		2.90%	2.85%	
9/12/2002				
Amount served		3 007		2 725
Weighted average rate		2.80%		2.78%
16/12/2002				
Amount served		2 628	3 135	
Weighted average rate		2.82%	2.74%	
23/12/2002				
Amount served		2 500	2 002	
Weighted average rate		2.78%	2.73%	
30/12/2002				
Amount served		3 009	1 512	
Weighted average rate		2.76%	2.69%	

Source: Agency France Trésor

Long- and medium-term financing over the year on December 31, 2002

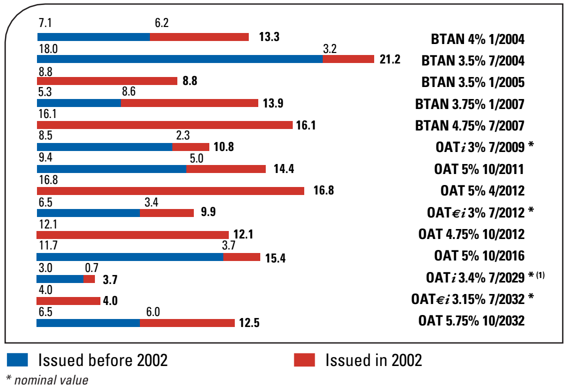
EUR billion



Source: Agency France Trésor

BTANs and OATs 2002 issues and cumulative total on December 31, 2002

EUR billion



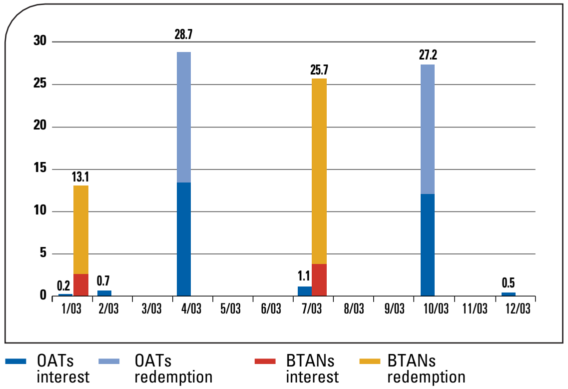
* nominal value

(1) Not including EUR 920 mln exchanged for 3.15% OAT€i July 2032 (to be taken from end 2001 amount)

Source: Agency France Trésor

OATs and BTANs: indicative repayment schedule on December 31, 2002

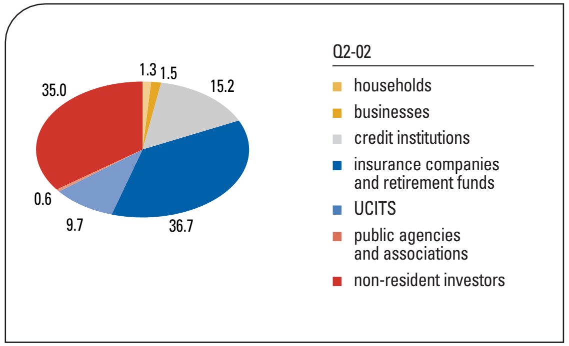
EUR billion



Source: Agency France Trésor

OAT ownership by type of holder

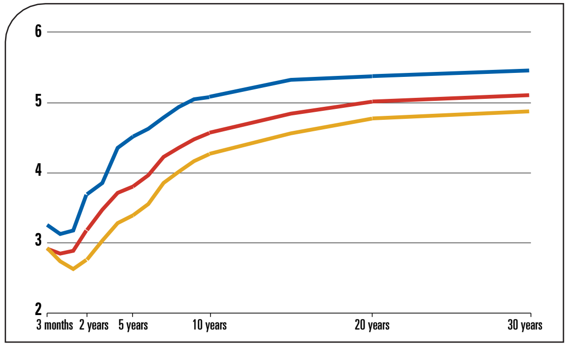
ownership structure in %



Source: These figures come from a Banque de France survey; the percentage of non-resident holdings is compatible with the more exhaustive figures coming from the balance of payments (see page 1).

French government yield curve

quote in %



31 December 2001 — 30 November 2002 — 31 December 2002

Source: Bloomberg

Breakeven inflation in France and in euro zone

daily quotes in %

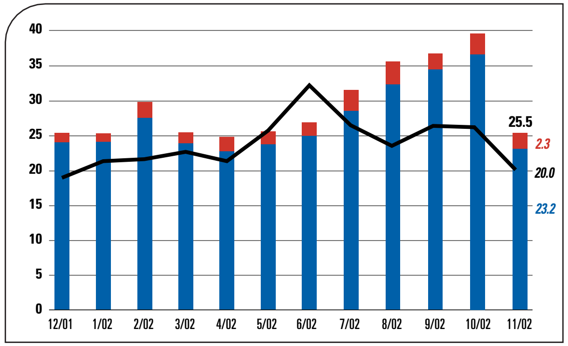
France* — Euro zone**

* difference between the yield of the OAT 4% April 2009 and the yield of the OATi 3% July 2009
** difference between the yield of the OAT 5% April 2012 and the yield of the OAT€i 3% July 2012

Source: Bloomberg

Turnover on the 5 most liquid OATs and the 4 most liquid BTANs

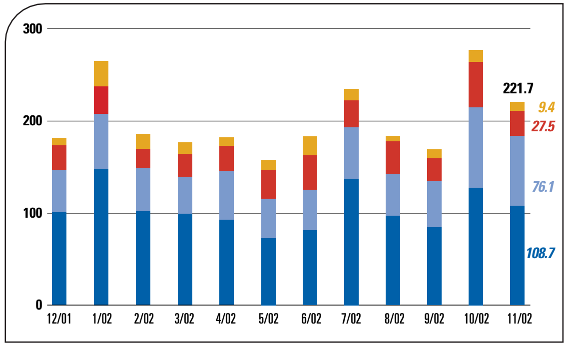
daily average (EUR billion)



OAT (Euroclear France) — OAT (Euroclear Bank) — BTAN (Euroclear France)

Primary dealers, monthly fixed-rate repo transactions

EUR billion

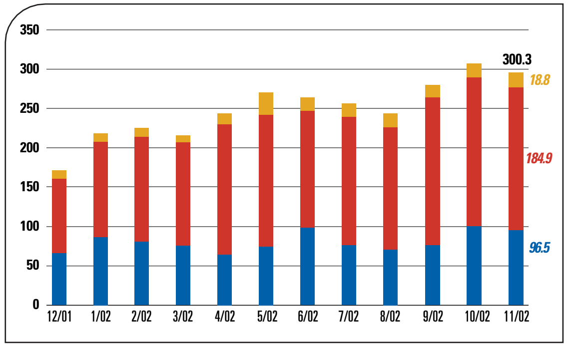


1-3 days — 4-11 days — 12-35 days — > 35 days

Source: Primary dealers

Primary dealers, repo outstanding at end of month

EUR billion



Fixed-rate repos — Floating-rate repos — Other legal categories

Source: Primary dealers

Negotiable government debt and swaps

EUR billion

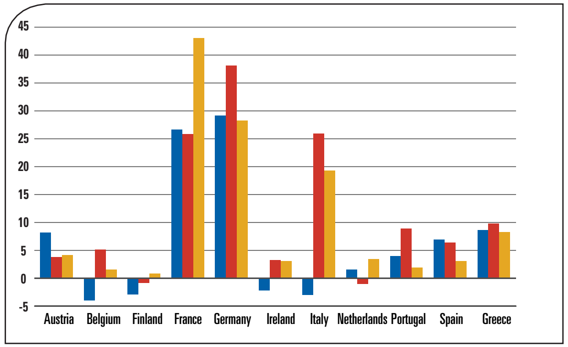
	end 1999	end 2000	end 2001	November 2002	December 2002
Negotiable Government debt outstanding	**583**	**616**	**653**	**709**	**717**
OAT	395	419	443	478	478
BTAN	154	154	158	153	151
BTF	34	43	52	79	88
Swaps outstanding	**///**	**///**	**37**	**61**	**61**
Average maturity of the negotiable debt					
before swaps	6 years 99 days	6 years 64 days	6 years 47 days	6 years 28 days	5 years 343 days
after swaps	///	///	5 years 358 days	5 years 313 days	5 years 266 days

Source: Agency France Trésor

focus

Net sovereign issuance of bonds and notes

EUR billion, estimated buy-backs included



2001 — 2002 — 2003

Source: BNP Paribas

Increasingly well managed issuance policies

Europe and the United States posted weaker-than-expected growth in 2002, and this played a major role in budgetary overruns. Consequently, borrowing requirements have been revised upwards. The euro zone's gross medium- and long-term issuance grew 14% to EUR573bn and the increase was more pronounced with respect to net issuance of Treasury Bills, up to nearly EUR55bn versus less than EUR10bn in 2001. In the United States, their growth was even more impressive with a 60% rise in long-term issuance (USD482bn) while net T-Bill issuance came in at USD40bn.

This trend will persist in 2003. Firstly, the two zones will face an increase in redemptions, up 22% in Europe and 30% in the United States. In the United States, the stimulus policy will lead to a widening in the budget deficit, which should climb to USD270bn versus USD160bn in 2002, while European budgetary situations remain shaky, with major national divergences. The room for manoeuvre is smaller because of the Stability Pact's constraints, but also because initial fiscal situations are less favourable.

Official forecasts of 2003 budget deficits are more realistic, in our opinion, in France, Spain, the Netherlands and Belgium than Germany and Portugal, where the risk of an upward revision of issuance programmes is therefore greater. All in all, medium- and long-term issuance in 2003 could come in at USD600bn in the United States, up 25%, and EUR635bn in Europe, up 11%. France is one of the European countries where the increase is stronger, i.e. up 28% from 2002, comparable to that expected in the United States. However, taking into account Treasury Bills puts this growth in perspective.

In 2002, the goal of reducing the average maturity led, *inter alia*, to an increase in the weight of Treasury Bill and short-dated issuance in France, Germany and Spain. The increase in net Treasury Bill issuance also financed major fiscal overruns, notably in France and the Netherlands – something that will not be repeated in 2003. In fact, net Treasury Bill issuance should decline this year in France and the United States – but this will not be the case in all other countries. Germany will press ahead with a conventional issuance policy while increasing the weight of short-dated issuance, Italy and Spain are also going to increase the weight of Treasury Bill issuance as well as issues denominated in foreign currencies while Portugal is going to create a Treasury Bill segment.

Such changes not only meet the need for a sustained increase in the efficiency of debt policies but also reflect the determination to curb the rise in borrowing requirements in the long-term segment. Thus, while the last two years were characterised by the will to reduce the average maturity of debt, 2003 might be characterised by a widening of the range of financing instruments. France so far finances most of its requirements on the euro medium- and long-term segment. During the last few years, supply has been diversified via inflation-indexed bonds that now account for 10% of issuance. The authorisation to issue in foreign currencies included in the 2003 budget comes as a complement to the French treasury financing strategy, although it is still too early to comment on how and when it can practically be implemented.

Dominique BARBET, Nathalie FILLET
BNP Paribas

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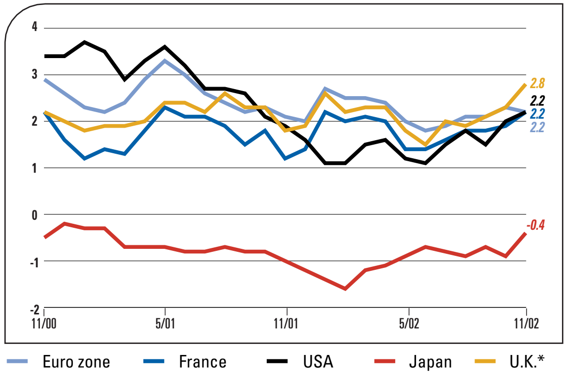
Consumer prices

year on year % change

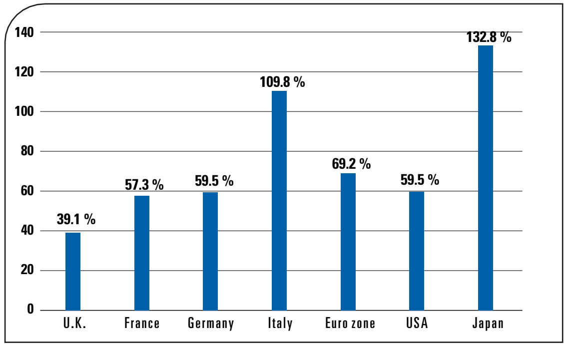


* Excluding mortgage lending

Source: Agency France Trésor

General government debt in 2001

as a % of GDP



Source: INSEE, Eurostat, OECD

Timetable for the release of French economic indicators

January 2003

7	Household confidence survey: December survey
8	Gross foreign exchange reserves in December
8	Central government budget: statement at end of November
10	Quarterly national accounts: final results Q3-2002
10	Cost-of-construction: index Q3-2002
14	Consumer prices: provisional index for December
14	Industrial output in November
14	Foreign trade in November
17	Balance of payments in November
21	Household consumption of manufactured goods in December
24	Consumer prices: final index for December
28	New building starts in December
30	Industrial trends: monthly survey for January
30	Industrial producer prices: December index
31	Job seekers in December
31	Central government budget: statement at end of December
31	Net foreign exchange reserves in December

February 2003

4	Household confidence survey: January survey
5	Industrial trends: quarterly survey for January
7	Gross foreign exchange reserves in January
12	Industrial output in December
13	Industrial investments: January survey
14	Foreign trade in December
14	Payroll employment: provisional results Q4-2002
14	Wages: provisional statistics Q4-2002
19	Balance of payments in December
21	Household consumption of manufactured goods in January
21	Quarterly national accounts: first results Q4-2002
25	Consumer prices: final index for January
25	New building starts in January
25	Sales of new dwelling units: Q4-2002
27	Industrial trends: monthly survey for February
27	Industrial producer prices: January index
28	Job seekers in January
28	Net foreign exchange reserves in January

Harmonized index of consumer prices (Eurostat) :

Index for December: January, 22

Index for January: February, 28

Macro-economic forecast

Real growth rate as a %

	2001	2002	2003
French GDP	1.8	1.2	2.5
Eurozone GDP	1.4	0.8	2.1
Household consumption	2.6	1.8	2.4
Investment	2.3	0.4	2.1
of which: business investment	*2.9*	*0.0*	*3.0*
Exports	0.5	0.7	6.0
Imports	0.1	1.5	8.1
Consumer prices, year-on-year as a %	1.4	2.1	1.6

Source: 2003 Budget bill / Economic, social and financial report

Recent economic indicators

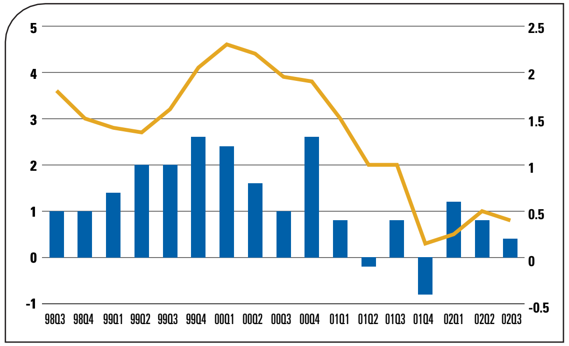
Industrial output*, year-on-year	-1.4%	10/2002
Household consumption*, year-on-year	0.8%	11/2002
Unemployment rate (ILO), in %	9.0%	11/2002
Inflation, year-on-year	2.2%	11/2002
Inflation, excl. tobacco, year-on-year	2.1%	11/2002
Seasonally-adj. FOB/FOB data (EUR bn)		
Trade balance	1.3	10/2002
" "	0.8	9/2002
Current account balance	0.2	10/2002
" "	1.5	9/2002
10-year interest rate (TEC10)	4.29%	at 31/12/2002
3-month interest rate (Euribor)	2.865%	at 31/12/2002
EUR/$	1.0487	at 31/12/2002
EUR/Yen	124.39	at 31/12/2002

Source: INSEE, Ministry of the Economy, Finance and Industry and Banque de France

* manufactured goods

Gross Domestic Product

in %

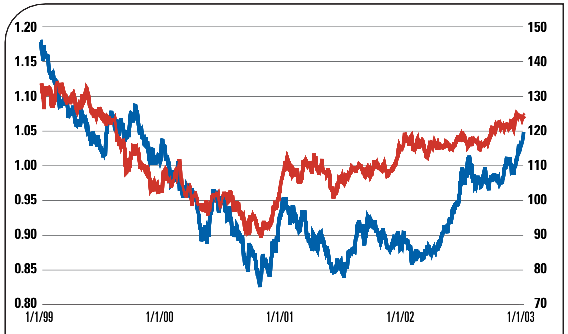


Year-on-year basis *(left-hand scale)* — Quarterly growth rate *(right-hand scale)*

Source: INSEE, Quarterly National Accounts (95 prices)

Euro exchange rate

daily quotes



Euro/dollar *(left-hand scale)* — Euro/yen *(right-hand scale)*

Source: European Central Bank

Government budget monthly position

EUR billion

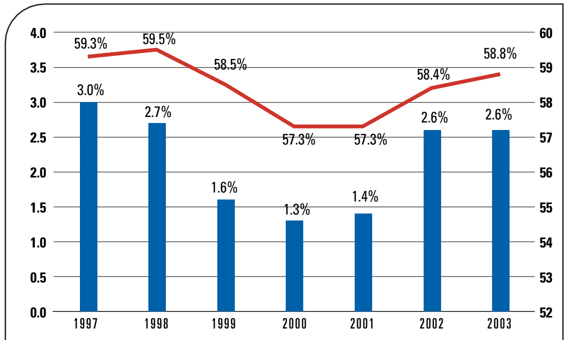
			end-of-November level		
	2000	**2001**	**2000**	**2001**	**2002**
General budget balance	-29.34	-31.63	-28.06	-33.33	-53.21
- expenditure	259.31	266.03	233.47	242.39	251.96
- revenue	229.97	234.41	205.41	209.06	198.75
Balance of special Treasury accounts	0.19	-0.42	-7.39	-3.86	-5.36
General budget Outturn	-29.15	-32.05	-35.45	-37.19	-58.57

Source: Ministry of the Economy, Finance and Industry, Budget Directorate

For more information: http://www.minefi.gouv.fr/minefi/chiffres/budget_etat/

Public finance

as a % of GDP



General government deficit *(left-hand scale)* — General government debt *(right-hand scale)*

Source: 2003 Budget bill / Economic, social and financial report

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RÉPUBLIQUE FRANÇAISE

n° 152 janvier 2003

Agence France Trésor

dette négociable de l'État
French government negotiable debt outstanding

OAT au 31 décembre 2002 / OAT at December 31, 2002

en euros

CODE ISIN *Euroclear France*		Libellé de l'emprunt/ Bond	Encours/ Outstanding		*dont encours démembrés/ Stripped bonds*
		Échéance / Maturity 2003	**30 300 797 652**		
FR000057027 7		OAT 8,50% 25 avril 2003	14 814 026 287		*2 373 020 000*
FR000057028 5		OAT 8% 25 avril 2003	498 616 500		*204 630 000*
FR000057030 1		OAT 6,75% 25 octobre 2003	14 988 154 865		*1 115 200 000*
		Échéance / Maturity 2004	**36 528 606 341**		
FR000057032 7		OAT 8,25% 27 février 2004	8 380 671 358		
FR000057036 8		OAT 5,50% 25 avril 2004	15 005 796 930		*1 011 060 000*
FR000057034 3		OAT 6% 25 avril 2004	1 953 142 500		*418 300 000*
FR000057040 0		OAT 6,75% 25 octobre 2004	11 188 995 553		*1 600 270 000*
		Échéance / Maturity 2005	**33 774 245 830**		
FR000057043 4		OAT 7,50% 25 avril 2005	18 072 406 069		*2 734 960 000*
FR000057046 7		OAT 7,75% 25 octobre 2005	15 701 839 761		*2 652 520 000*
		Échéance / Maturity 2006	**46 753 093 816**		
FR000057049 1		OAT 7,25% 25 avril 2006	18 672 039 415		*951 110 000*
FR000057050 9		OAT 7% 25 avril 2006	1 091 244 000		*420 650 000*
FR000057053 3		OAT 6,50% 25 octobre 2006	15 102 140 991		*544 110 000*
FR000057054 1	V	OAT TEC10 25 octobre 2006	11 887 669 410		
		Échéance / Maturity 2007	**36 408 826 604**		
FR000057057 4		OAT 5,50% 25 avril 2007	21 771 775 424		*312 550 000*
FR000057059 0		OAT 5,50% 25 octobre 2007	14 637 051 180		*286 930 000*
		Échéance / Maturity 2008	**42 188 093 494**		
FR000057063 2		OAT 5,25% 25 avril 2008	24 403 932 367		*203 450 000*
FR000057066 5		OAT 8,50% 25 octobre 2008	17 784 161 127		*3 235 580 000*
		Échéance / Maturity 2009	**60 405 087 073**		
FR000057067 3	V	OAT TEC10 25 janvier 2009	9 853 044 498		
FR000057143 2		OAT 4% 25 avril 2009	18 640 258 371		*47 380 000*
FR000057142 4	I	OAT*i* 3% 25 juillet 2009	11 496 728 731	(1)	
		(valeur nominale/face value)	*(10 845 049 695)*		
FR000018868 2	I	OAT*i* 3% 25 juillet 2009 août 2002	33 461	(1)	
		(valeur nominale/face value)	*(31 564)*		
FR000018874 0	I	OAT*i* 3% 25 juillet 2009 septembre 2002	300 589	(1)	
		(valeur nominale/face value)	*(283 550)*		
FR000018877 3	I	OAT*i* 3% 25 juillet 2009 octobre 2002	72 131	(1)	
		(valeur nominale/face value)	*(68 042)*		
FR000018881 5	I	OAT*i* 3% 25 juillet 2009 novembre 2002	221 259	(1)	
		(valeur nominale/face value)	*(208 717)*		
FR000018888 0	I	OAT*i* 3% 25 juillet 2009 décembre 2002	290 995	(1)	
		(valeur nominale/face value)	*(274 500)*		
FR000018619 9		OAT 4% 25 octobre 2009	20 414 137 038		*126 500 000*
		Échéance / Maturity 2010	**31 162 742 970**		
FR000018660 3		OAT 5,50% 25 avril 2010	15 311 719 352		*234 600 000*
FR000018702 3		OAT 5,50% 25 octobre 2010	15 851 023 618		*513 330 000*
		Échéance / Maturity 2011	**34 380 332 042**		
FR000057073 1		OAT 6,50% 25 avril 2011	19 972 445 710		*292 900 000*
FR000018787 4		OAT 5% 25 octobre 2011	14 407 886 332		*18 750 000*
		Échéance / Maturity 2012	**44 543 924 415**		
FR000018832 8		OAT 5% 25 avril 2012	16 663 992 175		*66 500 000*
FR000018842 7		OAT 5% 25 avril 2012 mai 2002	37 709 942		
FR000018850 0		OAT 5% 25 avril 2012 juin 2002	46 540 913		
FR000018865 8		OAT 5% 25 avril 2012 juillet 2002	37 530 068		
FR000018867 4		OAT 5% 25 avril 2012 août 2002	23 337 482		
FR000018801 3	I	OAT€*i* 3% 25 juillet 2012	10 131 688 400	(2)	
		(valeur nominale/face value)	*(9 895 000 000)*		
FR000018869 0		OAT 4,75% 25 octobre 2012	12 045 229 173		*170 000 000*
FR000018880 7		OAT 4,75% 25 octobre 2012 nov. 2002	39 161 371		
FR000018887 2		OAT 4,75% 25 octobre 2012 déc. 2002	33 037 552		
FR000057078 0		OAT 8,50% 26 décembre 2012	5 485 697 339		
		Échéance / Maturity 2016	**15 372 000 000**		
FR000018736 1		OAT 5% 25 octobre 2016	15 372 000 000		*675 980 000*
		Échéance / Maturity 2019	**8 854 126 901**		
FR000057092 1		OAT 8,50% 25 octobre 2019	8 844 392 893		*4 069 180 000*
FR000057095 4	C	ÉTAT 9,82% 31 décembre 2019	9 734 008	(3)	
		(valeur nominale/face value)	*(6 692 154)*		
		Échéance / Maturity 2022	**1 408 939 990**		
FR000057104 4		OAT 8,25% 25 avril 2022	1 408 939 990		*1 038 300 000*
		Échéance / Maturity 2023	**10 606 195 903**		
FR000057108 5		OAT 8,50% 25 avril 2023	10 606 195 903		*8 012 030 000*
		Échéance / Maturity 2025	**8 511 928 118**		
FR000057115 0		OAT 6% 25 octobre 2025	8 511 928 118		*2 640 580 000*
		Échéance / Maturity 2028	**11 456 278**		
FR000057122 6	C	OAT zéro coupon 28 mars 2028	11 456 278	(4)	
		(valeur nominale/face value)	*(46 232 603)*		
		Échéance / Maturity 2029	**20 091 194 864**		
FR000057121 8		OAT 5,50% 25 avril 2029	16 233 880 458		*2 025 140 000*
FR000018641 3	I	OAT*i* 3,40% 25 juillet 2029	3 857 314 406	(5)	
		(valeur nominale/face value)	*(3 654 144 000)*		
		Échéance / Maturity 2032	**16 485 800 000**		
FR000018879 9	I	OAT€*i* 3,15% 25 juillet 2032	4 015 800 000	(6)	
		(valeur nominale/face value)	*(4 000 000 000)*		
FR000018763 5		OAT 5,75% 25 octobre 2032	12 470 000 000		*982 400 000*

(1) valeur nominale x coefficient d'indexation au 31/12/2002 (1,06009) / face value x indexation coefficient at 31/12/2002 (1.06009)
(2) valeur nominale x coefficient d'indexation au 31/12/2002 (1,02392) / face value x indexation coefficient at 31/12/2002 (1.02392)
(3) y compris intérêts capitalisés au 31/12/2002 / including coupons capitalized at 31/12/2002 ; non offerte à la souscription / not open to the subscription
(4) valeur actualisée au 31/12/2002 / actualized value at 31/12/2002 ; non offerte à la souscription / not open to the subscription
(5) valeur nominale x coefficient d'indexation au 31/12/2002 (1,05560) / face value x indexation coefficient at 31/12/2002 (1.05560)
(6) valeur nominale x coefficient d'indexation au 31/12/2002 (1,00395) / face value x indexation coefficient at 31/12/2002 (1.00395)

1 euro = 6,55957 FRF

OAT*i*: OAT indexée sur l'indice français des prix à la consommation (hors tabac) / OAT indexed on the French consumer prices index (excluding tobacco).
OAT€*i*: OAT indexée sur l'indice des prix à la consommation harmonisé de la zone euro (hors tabac) / OAT indexed on the eurozone harmonized index of consumer prices (excluding tobacco).
TEC10 : taux de l'échéance constante à 10 ans / yield of 10-year constant maturity Treasury.

Total général	**477 787 392 291**	**EUR**
encours démembrés / stripped bonds	**38 977 910 000**	**EUR**
en % des lignes démembrables as a % of strippable bonds	**9,45 %**	

Durée de vie moyenne des obligations : 8 ans et 53 jours

Average maturity of OATs: 8 years and 53 days

MINISTÈRE DE L'ÉCONOMIE DES FINANCES ET DE L'INDUSTRIE

BTAN au 31 décembre 2002 / Treasury notes at December 31, 2002

CODE ISIN	Libellé de l'emprunt / Bond	Euros
	Échéance / Maturity 2003	**32 229 156 256**
FR0102325695	BTAN 5% 12 janvier 2003	10 487 000 000
FR0100059601	BTAN 4,50% 12 juillet 2003	21 742 156 256
	Échéance / Maturity 2004	**34 537 000 000**
FR0103536092	BTAN 4% 12 janvier 2004	13 324 000 000
FR0100802273	BTAN 3,50% 12 juillet 2004	21 213 000 000
	Échéance / Maturity 2005	**26 062 000 000**
FR0104756962	BTAN 3,5% 12 janvier 2005	8 837 000 000
FR0101659813	BTAN 5% 12 juillet 2005	17 225 000 000
	Échéance / Maturity 2006	**28 409 000 000**
FR0102626779	BTAN 5% 12 janvier 2006	13 791 000 000
FR0103230423	BTAN 4,50% 12 juillet 2006	14 618 000 000
	Échéance / Maturity 2007	**29 990 000 000**
FR0103840098	BTAN 3,75% 12 janvier 2007	13 914 000 000
FR0104446556	BTAN 4,75% 12 juillet 2007	16 076 000 000

Total général **151 227 156 256 EUR**

Durée de vie moyenne des BTAN : 2 ans et 96 jours
Average maturity of BTANs: 2 years and 96 days

BTF au 31 décembre 2002 / Treasury bills at December 31, 2002

	Échéance / Maturity	Euros
BTF	2/1/2003	4 045 000 000
BTF	9/1/2003	4 097 000 000
BTF	16/1/2003	4 010 000 000
BTF	23/1/2003	4 015 000 000
BTF	30/1/2003	4 241 000 000
BTF	6/2/2003	3 509 000 000
BTF	13/2/2003	4 146 000 000
BTF	27/2/2003	6 571 000 000
BTF	6/3/2003	3 744 000 000
BTF	13/3/2003	5 635 000 000
BTF	20/3/2003	3 873 000 000
BTF	27/3/2003	2 500 000 000
BTF	3/4/2003	4 549 000 000
BTF	30/4/2003	4 221 000 000
BTF	15/5/2003	5 964 000 000
BTF	12/6/2003	3 342 000 000
BTF	26/6/2003	5 137 000 000
BTF	10/7/2003	4 140 000 000
BTF	21/8/2003	2 762 000 000
BTF	30/10/2003	2 707 000 000
BTF	27/11/2003	4 969 000 000

Total général **88 177 000 000 EUR**

Durée de vie moyenne des BTF : 105 jours
Average maturity of BTFs: 105 days

Durée de vie moyenne totale de la dette au 31/12/2002 : 5 ans et 343 jours
Average maturity of debt at 31/12/2002:
5 years and 343 days

Total général **717 191 548 547 EUR**

1 euro = 6,55957 FRF

Source : Agence France Trésor

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2003 indicative calendar

AGENCY FRANCE TRÉSOR

Auction dates (A) and settlement dates (S)

	BTF										BTAN		OAT	
	A	S	A	S	A	S	A	S	A	S	A	S	A	S
January	6	9	13	16	20	23	27	30			23	28	9	14
February	3	6	10	13	17	20	24	27			20	25	6	11
March	3	6	10	13	17	20	24	27	31	3/4	20	25	6	11
April	7	10	14	17	22	24	28	30			17	23	3	8
May	5	7	12	15	19	22	26	28			15	20	30/4	6
June	2	5	10	12	16	19	23	26	30	3/7	19	24	5	10
July	7	10	15	17	21	24	28	31			17	22	3	8
August	4	7	11	14	18	21	25	28			no auction		no auction	
September	1	4	8	11	15	18	22	25	29	2/10	18	23	4	9
October	6	9	13	16	20	23	27	30			16	21	2	7
November	3	6	10	13	17	20	24	27			20	25	6	10
December	1	4	8	11	15	18	22	24	29	31	no auction		no auction	

anticipated or delayed auctions (bank holidays etc.)

	Auction	Settlement
BTF	Each Monday (1)	Following Thursday (1)
BTAN	3rd Thursday of the month (1)	Following Tuesday (1)
OAT	1st Thursday of the month (1) (2)	Following Tuesday (1)

(1) or the previous or following working day
(2) or the 3rd Thursday for linkers (OAT€i and OATi)

MINISTÈRE DE L'ÉCONOMIE
DES FINANCES ET DE L'INDUSTRIE

2003 indicative auction calendar

BTF each Monday	• BTF 13 or 12 weeks (one week out of two) • BTF half yearly or yearly (one week out of two)
BTAN 3rd Thursday of the month *	• One 2-year and/or one 5-year line • opening of two new 5-year lines
OAT 1st Thursday of the month *	• One or more fixed-rate (10-, 15- or 30-year) line plus possibly one variable rate line • opening of two new 10-year lines
OAT linkers 1st or 3rd Thursday of the month *	• tapping of existing lines (OAT*i* or OAT€*i*) • possible opening of new lines

** except in August and December*

The Agency France Trésor 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 State reserves the right to create new, long- or medium-term lines during the year, or to issue further tranches of previous issues in accordance with market conditions. The State also reserves the right to use banking syndicate issue procedures.

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

Reuters pages on Agency France Trésor

INDEX TRESOR **MENU : TRESORMENU**

SVT	BTF	BTAN	OAT	OAT*i*	STRIPS	PENSIONS
ABN-AMRO FIXED INCOME FRANCE	AAFIBTF	AABOAT	AABOAT/01/02	AABILB	AAFISTRIP	AAFIREPO
BANQUE LEHMAN BROTHERS S.A.	LBBTF1	LBBTAN2	LBOAT1	LBOAT2	-	LBWE
BARCLAYS CAPITAL FRANCE S.A.	BARCAPPL	BARCAPPL	BARCAPOAT1/2	BARCAPIND	BARCAPSTRIPS1-2	BZWPL
BNP PARIBAS	BNPPBTF	BNPPBTAN	BNPPOAT01-02	BNPPOAT02	BNPPSTRIP01-02-03	BNPPREPO
CDC IXIS CAPITAL MARKETS	CDCBILLS	CDCBTAN	CDCOAT1/2	CDCOAT3	CDCSTRIP1-2	CDCBILLS
CREDIT AGRICOLE INDOSUEZ	CAIEUCT01	CAIBTAN01	CAIOAT01/02/CAIVAR01	CAIVAR01	CAISTRIP01	CAIREPO
CREDIT LYONNAIS	CLBTF	CLBTAN	CLOAT01-04	CLOAT03	CLSTRIP01	CLREPO
DEUTSCHE BANK FRANCE S.A.	DBBTF	DBBTAN1	DBOAT1-2/DBILB	DBILB	0#FRSTRIP=DEBP	DBPPL
DRESDNER KLEINWORT BENSON	DRBBTF	DRBBTAN	DRBOAT1-2/DRBTEC10	DRBTEC10	DRBSTRIP1-2	DRBREPO01
GOLDMAN SACHS PARIS INC. & Cie	GSPK	GSPC	GSPD-F	GSPG	GSPH-J	GSFRREPO
HSBC CCF	HSBCCCFBTF	HSBCCCFBTAN	HSBCCCFOAT/CCFVAR	HSBCCCFVAR	HSBCCCFSTRIP	HSBCCCFREPO
J.P. MORGAN & Cie S.A.	MGPK	JPMFR01	JPMFR01-02	MGTEC	JPMSTRIPFR	MMQU
MERRILL LYNCH FINANCE S.A	MLFRONT	MLFBTAN	MLFOAT1-2/MLFTEC	MLFOATI	MLFSTRIP	MLFRONT
MORGAN STANLEY S.A.	MSFRD	MSFRB/D	MSFRB-C	MSFRC	MSFRE	MSFRR
NATEXIS BANQUES POPULAIRES	NBPGVT01	NBPGVT02	NBPGVT02-04	NBPVAR	-	NBPREPO
SALOMON BROTHERS INTERNATIONAL LTD	-	-	-	-	-	-
SOCIETE GENERALE	SGREPO01	SGOAT01	SGOAT01-02	SGOATVAR01	SGSTRIP01	SGREPO01
CIC	CICBTF	CICBTAN	CICOAT1-2/CICTEC	CICOATI	CICSTRIP	CICREPO
COMMERZBANK	-	CBGOVFR=COBA	CBGOVFR=COBA	-	-	-
UNICREDIT BANCA MOBILIARE	CRIT111-120	CRIT111-120	CRIT111-120	CRIT111-120	-	CRIT111-120
UBS FRANCE SA	WDREUR050-54	WDREUR01-15	WDREUR01-15	WDREUR01-15	WDREUROSTRIP1	-

DAILY BENCHMARKS ON TREASURY BILLS published by Banque de France SVTF-G-H

Bridge pages on Agency France Trésor

INDEX TRESOR **MENU : 20010 - 20078**

SVT	BTF	BTAN	OAT	STRIPS
BNP PARIBAS	20 106/107	20 106	20 105	-
CDC IXIS CAPITAL MARKETS	2 521	2 520	-	-
CREDIT AGRICOLE INDOSUEZ	2 528	2 532	2533/34/35	2 511
CREDIT LYONNAIS	21 891	21 888	21 885/86/87	21913/15
DRESDNER KLEINWORT BENSON	47 401	47 402	47 403/4	-
HSBC-CCF	20 082	20 081/82	20 080	20 086
J.P. MORGAN & Cie S.A	-	21 482	21483/5	21 486
SOCIETE GENERALE	42 161	42 162	42163/4	-
CIC	20 121	-	20 124/25/26	-

DAILY BENCHMARKS ON TREASURY BILLS
published by Banque de France 20018-19

Information on Agency France Trésor

INTERNET	**http://www.aft.gouv.fr**
BLOOMBERG	**TRESOR<GO>**
REUTERS	**<TRESOR>**
REUTERS WEB	**http://tresor.session.rservices.com**

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Indicative state financing programme for 2003

Mr. Francis Mer, the minister of the Economy, Finances and Industry has decided on the indicative financing programme of the State for 2003

The major elements of the 2003 State financing programme

For 2003, the financing needs of the State will represent EUR108.5bn, owing to a increase in redemptions as well as the decrease of funds deposited on the Treasury's account by correspondents (postal cheque deposits, liquid assets of the FRR pension reserve fund).

The financing resources are distributed between the net medium and long term issues, representing EUR111.4bn, an increase of the outstanding BTF (short term) issues of about EUR17.5bn (a result mainly of lower deposits by various correspondents in the State's account) and a replenishment of cash reserves, representing about EUR5bn.

In billion euros	**2002** (forecast)	**2003** (December 2002 financing programme)
Borrowing requirements	**112.3**	**108.5**
Long-term debt redemption	14.6	30.3
Medium-term debt redemption	44.7	32.6
Other government commitments	*4.0*	1.0
Budget deficit (2002 autumn Suppl. Budget - budget Initial 2003 Budget Bill)	*46.8*	44.6
Difference between budgetary basis and cash basis*	*2.2*	–
Funding sources	**112.3**	**108.5**
Medium- and long-term financing, comprising	*87.0*	111.4
• OAT	43.5	50.2
• OAT (linkers)	10.5	11.0
• BTAN	43.0	50.2
• Debt buybacks (1)	*10.0*	–
Net BTF increase	*36.2*	17.5
Change in Treasury correspondents' deposits	*-13.9*	-15.4
Change in the current account at Banque de France (2)	*+3.0*	-5.0

Numbers in italics are provisional because they are dependent on operations to be conducted till the end of the year.
* The average difference between budgetary and cash basis is null, which explains why no forecast is made for 2003.
In 2002, the difference is for the larger part due to some 2001 spending cashed out in January 2002:
– A €1.2bn settlement representing the cost, in 2002, of employment benefits incurred in 2001;
– Large subscriptions to capital increases by state-owned companies in January 2002.
(1) Buybacks made by AFT in 2002, including the OAT*i*/OAT€*i* switch – Amount for 2003 unknown.
(2) A plus sign indicates a reduction in the sums left on the Treasury's current account at Banque de France.

Long and medium-term financing in 2003

Amounts to be issued

The net issuance of medium and long term securities are brought to EUR111.4bn. In 2003 as well as in 2001 and 2002, the AFT will operate buybacks and/or switches of debt, if market conditions and financing needs warrant it.

The gross issuance will be distributed as follows: about 10% for inflation-linked bonds (i.e. EUR11bn or more in particular if buybacks or switches occur), 45% for BTANs (i.e. EUR50bn) and 45% for fixed-rate OATs or floating rate OATs (i.e. EUR50bn).

The noticeable increase of inflation-linked bond issuance substantiates the commitment to develop this segment of the market and its liquidity.

This programme does not account for possible levies in foreign currencies, if authorised by the Parliament.

Benchmark lines policy

In 2003 as in 2000, 2001 and 2002, the AFT plans to issue two new benchmarks for 5-year bonds and two new benchmarks for 10-year bonds. These lines will be tapped in order that their liquidity should be supported by a sufficient outstanding principal. Existing bonds or BTAN lines will be tapped anew in view of warranting sufficient 2-year issuance.

As regards inflation-linked bonds, the AFT will regularly tap the 2032 OAT€*i* in order to strengthen the European benchmark status of the line. The AFT, in narrow co-operation with its primary dealers, will study whether to issue new bonds on this segment of the market; it will also consider tapping again the existing OAT*i*s and OAT€*i*s.

The AFT could also resume tapping floating rate OATs. It will discuss, in liaison with the SVTs, how its policy on this market should evolve.

Auctioning schedule and methods

In order to adapt the auctions to the large increase in secondary volumes and to take account of the market seasonal variations, the reduction of the number (20) of OAT and BTAN will be maintained in 2003. As a result, the average amount allotted at each auction will reach EUR5.5bn (notwithstanding the possible effects of buybacks). After consulting the SVTs, and considering a satisfactory liquidity of the market, auctions will take place in April. Practically, the AFT will auction no OATs nor BTANs in August and December. OATs will be auctioned every first Thursday of every remaining month, and BTANs every third Thursday. Exceptionally however, the OAT auction normally to take place on Thursday, January 2 will be postponed to January 9, while the following BTAN auction will be delayed until Thursday, January 23.

As regards the lines to be auctioned, the AFT retains capacity to adjust the lines issued to the final demand as forwarded by SVTs by tapping non-benchmark lines or by auctioning one single line at any given OAT or BTAN auction.

As in 2001 and 2002, OAT*i* and OAT€*i* auctions can take place together with any auction of OATs or BTANs. The four existing lines may be tapped.

Short-term financing in 2003

In order to further develop the BTF (short term) market, as initiated in 2002, the amount of BTF outstanding will grow to EUR17.5bn. This increase will also help make up for the reduction of deposits by Treasury's correspondents (postal cheque deposits, liquid assets of the FRR pension reserve fund) that can be anticipated.

Auctions will take place every Monday and will include the issuance of 3-month BTFs, along with either 6-month or 12-month BTFs, as well as a possible complementary line according to demand and to the forecast for short term cash reserve management.

Every 3-month BTF will be tapped twice to reach an outstanding amount of EUR4bn. Every 6-month or 12-month BTF line will be tapped three to five times, also to reach an outstanding amount of about EUR4bn. The 3-month, 6-month and 12-month issues will be distributed in order to give investors the largest choice in less than 3-month maturing paper.

Managing the average maturity of debt

The minister has confirmed the policy of reducing the average maturity of the debt. The swap dealing programme will therefore be resumed as soon as market conditions enable it. In this respect, the objective for average maturity by year end 2003 is 5.3 years, representing a reduction of about 6 months from year end 2002. The AFT confirms that it will inform markets ahead of the resumption of swap operations.

AFT may also pursue the programmed average maturity reduction through buy back and/or switch operations.

2002 Summary

The gross medium and long-term borrowings for 2002 amounted to EUR97bn, including EUR43.5bn of fixed-rate OATs, EUR10.5bn of linkers (OAT*i*s and OAT€*i*s) and EUR43bn of BTANs. Moreover, some EUR10bn of various securities will have been bought back through two reverse auctions, numerous over-the-counter operations on securities maturing in 2003, and the handing in of OAT*i* for the newly-issued OAT€*i*.

For the record, the global reduction of interest rates in 2002 respective to 2001 and the substitution of newer lines resulted in a reduction in the average rate. The average rate paid on BTANs fell to an 4.15% at the end of 2002 (from 4.46% at the end of 2001), and on 10-year OATs to 4.95% from 6.17%.

The internationalisation of French debt holders also continued to grow: the proportion of non-resident holders was 33.5% at the end of December, 2001 and reached 34.3% at the end of September, 2002.

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