

# Indices

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## Methodology

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The selection of stocks is a four-steps approach :

Step 1: Belgian All Shares (BAS) index eligible stocks selection.

The first step consists of excluding low liquid Domestic stocks by eliminating stocks with a free float equal to or lower than 5%.

Step 2 : Belgian Continuous Index eligible stocks selection

Out of the BAS sample, all Belgian stocks traded continuously on the regulated market

Step 3 : BEL 20 index eligible stocks selection

Minimum 10 and maximum 20 most liquid Domestic stocks out of the largest free-float adapted market capitalizations

Step 4 : BEL Mid and BEL Small index eligible stocks selection:

BEL Mid index includes all Domestic companies with a free float market capitalization higher than 50,000 times the BEL 20 index level but not included in the BEL 20 index

BEL Small index includes all Domestic companies with a free float market capitalization > than 5,000 times but < 50,000 times the BEL 20 index level.

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## Description

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### **Belgian All Shares Index (BAS) – price + return index**

**Base value 1,000 at 01/01/1980**

This index includes all Domestic stocks traded on the regulated market with the exception of all companies with a free float of < or = to 5%. This index is the benchmark for the Belgian companies.

### **Belgian Continuous Index – return index**

**Base value 1,000 at 01/01/1980**

This index includes all Belgian shares traded continuously on the regulated market. The components are weighted on their total market capitalization. Minimum free float is 5 %.

### **BEL 20Index – price + return index**

**Base value 1,000 at 31/12/1990**

Minimum 10 and maximum 20 components taken from the most liquid stocks listed on the regulated market. The free-float market capitalization has to be 500,000 times the BEL 20 index level.

2 return indices are calculated.

The BEL 20 return private index where the net dividend is added to the index basket and the BEL 20 return institutional index takes the gross dividend into account.

See also composition & historical date

### **BEL Mid index – price + return index**

**Base value 2631,03at 31/12/2004**

The BEL Mid index consists of the next largest capitalizations following the maximum biggest that make up the BEL 20 Index (horse tailing).

As such the components of the BEL Mid index also have a free float market capitalization higher than 50,000 times the BEL 20 index level with a minimum annual free float velocity of 10 %. The weight of individual stocks is capped at 10%.

### **BEL Small index – price + return index** **Base value 4999,83 at 31/12/2004**

This index is made up of stocks whose free float market capitalization is in between the level of the BEL 20 index level multiplied by 5,000 and 50,000. Free float velocity is to be at least 10% and the weight of each stock is capped at 10 %.

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## **Supervision**

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The Index Steering Committee (ISC) supervises the Euronext Brussels indices. The ISC is tasked with managing the index samples and making sure the indices are reliable and representative.

The ISC comprises following members :

- Hugo Clemeur
- Roland Gillet
- Betty Pestiaux

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## **Reviews**

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This committee meets two times a year. Its decisions on rule adjustments are disclosed in press releases published after Committee meetings. However, the decisions do not effect for at least 2 months. The ISC may convene an extraordinary meeting if circumstances so require, notably in the case of exceptional events affecting component stocks.

Review procedures depend on the type of index. Euronext uses two index types:

- tradable index : BEL 20 Index
- benchmark indices: BAS, Belgian Continuous, BEL Mid and BEL Small

Tradable indices are reviewed annually, with component stocks examined in terms of eligibility and selection criteria. Benchmark indices are reviewed quarterly with stocks deleted from the indices following corporate actions are replaced by the compiler at its quarterly meetings.

ISIN	Return	Components	Launch	Free	Cap	Calculation	Base	Base	Historical
BE0389555039	BEL 20	Min. 10 - Max. 20	30/12/1990	Yes*	15%	Continuous	1,000	30/12/1990	30/12/1990
BE0389856130	BEL Mid	open	01/01/1995	Yes*	10%	Continuous	1,000	01/01/1995	01/01/1995
BE0389857146	BEL Small	open	01/01/1994	Yes*	10%	Continuous	1,000	01/01/1994	01/01/1994
BE0389552978	Belgian Continuous	+/- 100	01/01/1980	Yes	-	Close	1,000	01/01/1980	01/01/1980
BE0389550956	BAS	open	01/01/1980	Yes	-	Close	1,000	01/01/1980	01/01/1980

\* Change relatively to the current methodology

## BEL 20<sup>®</sup>

<b>Eligible stocks</b>	the most liquid Domestic stocks out of the largest Free float adapted market capitalizations listed on Euronext Brussels
<b>Selection</b>	the list of candidate stocks is made up of the most representative stocks in terms of free float adapted market capitalization and with a minimum trading free float velocity of 30%. Free float Market cap must be higher than 500,000 times the BEL 20 index – grandfather clause for 2004 components till 2006
<b>Number of stocks</b>	variable: min 10 - max 20
<b>Weighting</b>	free-float capitalization. The free float is rounded up to the next multiple of 5%
<b>Capping</b>	yes (15% on individual shares)
<b>Reviewed</b>	annually
<b>Free-float review</b>	annual review at end-December. Revised figures are announced at beginning of January and take effect on the second business day in March
<b>Capping review</b>	annual (as for the free float), barring exceptional circumstances
<b>Calculated</b>	every 15 seconds
<b>Base value</b>	1,000 at 31/12/1990
<b>Data available</b>	since 31/12/1990
<b>Return index</b>	private and institutional re-investment indices
<b>Interconnection</b>	the BEL 20 shares are included in the BAS (Belgian All Shares) and Belgian Continuous Index
<b>Derivatives</b>	futures, warrants and trackers
<b>ISIN code</b>	BE0389555039

# BAS

<b>Eligible stocks</b>	all domestic stocks listed on Euronext Brussels
<b>Selection</b>	free float > 5%
<b>Number of stocks</b>	+/- 140
<b>Weighting</b>	daily capitalization
<b>Capping</b>	no
<b>Reviewed</b>	daily adjustments following corporate actions
<b>Free-float review</b>	stocks with free float = or < 5% are excluded
<b>Capping review</b>	no
<b>Calculated</b>	daily – closing prices – 5:40 p.m.
<b>Base value</b>	1,000 at 01/01/1980
<b>Data available</b>	since 01/01/1980
<b>Return index</b>	the Brussels All Shares re-investment Index (BE0389550956)
<b>Interconnection</b>	no
<b>Derivatives</b>	no
<b>ISIN code</b>	BE0389549941

## BEL Mid

<b>Eligible stocks</b>	Companies with a free float market cap which is higher than 50,000 times the BEL 20 index level and which are not components of the BEL 20 index
<b>Selection</b>	free float market capitalization with minimum velocity of 10%
<b>Number of stocks</b>	variable
<b>Weighting</b>	free-float capitalization
<b>Capping</b>	10% on individual shares
<b>Reviewed</b>	quarterly
<b>Free-float review</b>	quarterly
<b>Capping review -</b>	quarterly
<b>Calculated</b>	every 15 seconds
<b>Base value</b>	price index: value of the Brussels Mid Cap Index (2631,03) on 31/12/04 continuation of existing Brussels Mid Cap Index for the re-investment index
<b>Data available</b>	BEL Mid: from 1/1/1995 (base 1000) (re-investment index) price index starts at 31/12/04
<b>Return index</b>	the BEL Mid re-investment index with net dividends
<b>Interconnection</b>	the BEL Mid index shares are included in the Belgian All Shares index (BAS)
<b>Derivatives</b>	no
<b>ISIN code</b>	BE0389856130

## BEL Small

<b>Eligible stocks</b> times	Companies with a free float market cap which is higher than 5,000 times the BEL 20 index but lower than 50,000 times the BEL 20 index
<b>Selection</b>	free float market capitalization with minimum velocity of 10%
<b>Number of stocks</b>	variable
<b>Weighting</b>	free-float capitalization
<b>Capping</b>	10% on individual shares
<b>Reviewed</b>	quarterly
<b>Free-float review</b>	quarterly
<b>Capping review -</b>	quarterly
<b>Calculated</b>	every 15 seconds
<b>Base value</b> (4999,83) investmentindex	price index: value of the Brussels Small Cap index on 31/12/04 continuation of existing Brussels Small Cap index for the re-
<b>Data available</b>	Small Cap: re-investment index from 1/1/1994 (base 1000), price index starts at 31/12/04
<b>Return index</b>	BEL Small re-investment index with net dividends
<b>Interconnection</b>	the BEL Small index shares are included in the Belgian All Shares index (BAS)
<b>Derivatives</b>	no
<b>ISIN code</b>	BE0389857146

## Belgian Continuous Return Index

<b>Eligible stocks</b>	all Belgian shares traded on Continuous segment
<b>Selection</b>	minimum free float of 5%
<b>Number of stocks</b>	approx. 100
<b>Weighting</b>	full market capitalization
<b>Capping</b>	no
<b>Reviewed</b>	at every change of segment (fixing ↔ continuous)
<b>Free-float review</b>	no but stocks with free float = or < 5% are excluded
<b>Capping review -</b>	no
<b>Calculated</b>	daily at closing 5:40 p.m.
<b>Base value</b>	1,000 at 01/01/1980
<b>Data available</b>	since 01/01/1980
<b>Return index</b>	net re-investment index; no price index available
<b>Interconnection</b>	The Bel Continuous index is included in the Belgian All Shares index (BAS)
<b>Derivatives</b>	no
<b>ISIN Code</b>	BE0389552978

# Publications

- **Guide to Euronext's Belgian market Indices:  
The Indices Guide**  
The guide presents the new family of Euronext Brussels indices and their selection methodology. It also describes the indices management and calculation.
- **The rules for the BEL 20® Index :**  
Implementation on March 2005  
\\BOURSE\_NT\_01\E\_ON\_NT\BOURSE\Stat&Ind\BEL20\Rules\BEL20version3.2.doc
  - **The indices composition**  
The final composition of the new indices is based on available information at 30 December 2004 for the implementation on 1 March 2005.
- **Rules for the BAS index**  
\\BOURSE\_NT\_01\E\_ON\_NT\BOURSE\Stat&Ind\BXSIindices\Rules&Changes\BAS VERSION 2.0.doc
- **Historical Data**  
The back history of new indices (January 2002 – December 2004).

# Contact

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For more information, please contact  
[info.be@euronext.com](mailto:info.be@euronext.com)