UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM __________TO _________

Commission file number 000-24389

VASCO DATA SECURITY INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	36-4169320
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1901 SOUTH MEYERS ROAD, SUITE 210
OAKBROOK TERRACE, ILLINOIS 60181
(Address of Principal Executive Offices)(Zip Code)

Registrant's telephone number, including area code: (630) 932-8844

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

As of October 31, 2001, 28,260,558 shares of the Company's Common Stock, $.001 par value per share ("Common Stock"), were outstanding.

VASCO DATA SECURITY INTERNATIONAL, INC.
FORM 10-Q
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001

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This report contains the following trademarks of the Company, some of which are registered: VASCO, AccessKey, VACMan Server and VACMan/CryptaPak, AuthentiCard and Digipass.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

VASCO DATA SECURITY INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2000 (Audited)	September 30, 2001 (Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash	$ 13,832,645	$ 7,836,359
Accounts receivable, net of allowance for doubtful accounts of $286,377 and $414,866 in 2000 and 2001	6,486,397	4,062,612
Inventories, net	1,111,751	2,239,583
Prepaid expenses	463,094	394,024
Deferred income taxes	83,000	83,000
Other current assets	532,081	864,110
Total current assets	22,508,968	15,479,688
Property and equipment		
Furniture and fixtures	1,350,616	1,760,545
Office equipment	4,043,015	4,571,480
	5,393,631	6,332,025
Accumulated depreciation	(1,596,102)	(2,852,604)
	3,797,529	3,479,421
Goodwill, net of accumulated amortization of $3,697,456 in 2000 and $4,182,512 in 2001	1,438,537	2,850,536
Other assets	1,568,285	1,155,204
Total assets	$ 29,313,319	$ 22,964,850
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 362,250	$ 124,804
Accounts payable	2,790,698	2,497,789
Deferred revenue	1,950,322	1,483,938
Other accrued expenses	3,098,284	2,236,985
Total current liabilities	8,201,554	6,343,516
Long-term debt, less current maturities	3,763,858	3,752,208
Minority interest	--	11,023
STOCKHOLDERS' EQUITY:		
Series C Convertible Preferred Stock, $.01 par value - 500,000 shares authorized; 150,000 shares issued and outstanding in 2000 and 2001	6,780,098	7,653,086
Common stock, $.001 par value - 75,000,000 shares authorized; 27,866,583 shares issued and outstanding in 2000 28,260,558 shares issued and outstanding in 2001	27,867	28,261
Additional paid-in capital	36,871,200	37,806,231
Accumulated deficit	(26,035,112)	(32,176,394)
Accumulated other comprehensive income (loss) - cumulative translation adjustment	(296,146)	(453,081)
Total stockholders' equity	17,347,907	12,858,103
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 29,313,319	$ 22,964,850

See accompanying notes to consolidated financial statements.

VASCO DATA SECURITY INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2000	2001	2000	2001
Net revenues	$ 5,669,766	$ 4,788,409	$ 17,746,210	$ 20,696,011
Cost of goods sold	2,314,997	2,348,403	6,551,320	8,047,306
Gross profit	3,354,769	2,440,006	11,194,890	12,648,705
Operating costs:				
Sales and marketing (exclusive of ($57,471) and ($38,854) for the three and nine months ended September 30, 2001, respectively, reported below as non-cash compensation (recovery))	2,493,742	3,651,467	6,701,638	10,580,742
Research and development	1,074,970	1,453,677	2,972,396	4,448,836
General and administrative (exclusive of ($131,580) and ($88,956) for the three and nine months ended September 30, 2001, respectively, reported below as non-cash compensation (recovery))	1,458,845	1,547,798	3,893,991	4,419,552
Non-cash compensation (recovery)	671,668	(189,051)	671,668	(127,810)
Total operating costs	5,699,225	6,463,891	14,239,693	19,321,320
Operating income (loss)	(2,344,456)	(4,023,885)	(3,044,803)	(6,672,615)
Interest income (expense), net	(63,000)	558,002	(275,764)	765,964
Other income (expense), net	160,942	61,982	(919,002)	134,532
Income (loss) before income taxes	(2,246,514)	(3,403,901)	(4,239,569)	(5,772,119)
Provision (benefit) for income taxes	55,908	175,633	73,167	369,163
Net loss	$ (2,302,422)	$ (3,579,534)	$ (4,312,736)	$ (6,141,282)
Preferred stock accretion	(290,996)	(290,996)	(290,996)	(872,988)
Net loss available to common shareholders	$ (2,593,418)	$ (3,870,530)	$ (4,603,732)	$ (7,014,270)
Basic and diluted net loss per common share	$ (0.09)	$ (0.14)	$ (0.17)	$ (0.25)
Weighted average common shares outstanding	27,477,514	28,260,558	27,180,606	28,137,691

See accompanying notes to consolidated financial statements.

VASCO DATA SECURITY INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2000	2001	2000	2001
Net loss	$(2,303,422)	$(3,579,534)	$(4,312,736)	$(6,141,282)
Other comprehensive income (loss) - cumulative translation adjustment	(343,083)	255,044	(542,559)	(156,935)
Comprehensive income (loss)	$(2,645,505)	$(3,324,490)	$(4,855,295)	$(6,298,217)

See accompanying notes to consolidated financial statements.

VASCO DATA SECURITY INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine months ended September 30, 2000	2001
Cash flows from operating activities:		
Net loss	$ (4,312,736)	(6,141,282)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	840,142	2,114,260
Interest paid in shares of common stock	78,750	-
Non-cash compensation expense (recovery)	671,668	(127,810)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	(208,417)	2,529,151
Inventories, net	5,150	(1,112,919)
Prepaid expenses	-	69,070
Other current assets	263,094	(270,700)
Accounts payable	(740,160)	(389,026)
Deferred revenue	199,941	(466,384)
Accrued expenses	152,601	(1,060,350)
Net cash used in operations	(3,049,967)	(4,855,990)
Cash flows from investing activities:		
Acquisition of Identikey, Ltd.	-	141,156
Other assets	(5,273)	(95,427)
Additions to property and equipment	(472,114)	(817,519)
Net cash used in by investing activities	(477,387)	(771,790)
Cash flows from financing activities:		
Proceeds from issuance of debt	412,749	-
Issuance of Series C Convertible Preferred Stock	15,000,000	-
Repayment of debt	(539,404)	(249,096)
Proceeds from exercise of stock options/warrants	1,607,427	32,857
Net cash provided by (used in) financing activities	16,480,772	(216,239)
Effect of exchange rate changes on cash	(542,559)	(152,267)
Net increase (decrease) in cash	12,410,859	(5,996,286)
Cash, beginning of period	2,576,494	13,832,645
Cash, end of period	$ 14,987,353	$ 7,836,359
Supplemental disclosure of cash flow information:		
Interest paid	$ 188,826	$ 211,856
Income taxes paid	$ 19,166	$ 120,535
Common stock issued in connection with acquisition	$ -	$ 1,903,366

See accompanying notes to consolidated financial statements.

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of VASCO Data Security International, Inc. and its subsidiaries (collectively, the "Company" or "VASCO") and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

In the opinion of management, the accompanying unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the results of the interim periods presented. All significant intercompany accounts and transactions have been eliminated. The operating results for the interim periods presented are not necessarily indicative of the results expected for a full year.

NOTE 2- BUSINESS COMBINATIONS

On March 29, 2001, the Company acquired Identikey Ltd., ("Identikey"), a privately held international security software company headquartered in Brisbane, Australia, with operations in the United States, Europe and Australia. Under the terms of the purchase agreement, more than 90 percent of the outstanding capital stock of Identikey was exchanged for 366,913 shares of Company common stock, with potential additional earn-out payments to be made in the form of additional shares which are based on defined performance incentives as specified in the purchase agreement.

The acquisition of Identikey Ltd. was accounted for under the purchase method of accounting, and accordingly, the acquired assets have been recorded at their estimated fair values at the date of acquisition. The allocation of the purchase price to intangible assets has not yet been completed. On a preliminary basis, all intangible assets have been included in goodwill in the accompanying consolidated balance sheet in the amount of $1,897,000 and are preliminarily being amortized over a period of 7 years.

The following summarized unaudited pro forma financial information for the three and nine months ended September 30, 2001 assumes the Identikey Ltd. acquisition occurred as of January 1, 2000.

	Three months ended September 30,		Nine months ended September 30,	
	2000	2001	2000	2001
Net revenues	$ 5,886,484	$ 4,797,831	$ 18, 082,447	$ 20,696,011
Net loss	$ (3,045,967)	$ (3,579,534)	$ (5,404,764)	$ (7,192,097)
Preferred stock accretion	-	$ (290,996)	-	$ (872,988)
Basic and diluted net loss per common share	$ (0.11)	$ (0.14)	$ (0.20)	$ (0.29)
Weighted average common shares outstanding	27,844,427	28,260,558	27,547,519	28,255,918

In accordance with SFAS No. 142, beginning January 1, 2002, intangible assets and goodwill with indefinite lives will no longer be amortized. Including the aforementioned goodwill of $1.9 million, the Company has $2.9 million of goodwill which will no longer be subject to amortization effective January 1, 2002.

The amounts are based upon certain assumptions and estimates, and do not necessarily represent results that would have occurred if the acquisition had taken place on the basis assumed above, nor are they indicative of the results of future combined operations.

NOTE 3 - EFFECT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") which supersedes APB Opinion No. 17, "Intangible Assets". SFAS 142 addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a business combination) should be accounted for in financial statements upon their acquisition. SFAS 142 also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. The provisions of SFAS 142 are required to be applied starting with fiscal years beginning after December 15, 2001. SFAS 142 is required to be applied at the beginning of an entity's fiscal year and to be applied to all goodwill and other intangible assets recognized in its financial statements at that date. Management is currently evaluating the impact that adoption of SFAS 142 will have on its consolidated financial statements.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). SFAS 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and for the associated asset retirement costs. SFAS must be applied starting with fiscal years beginning after June 15, 2002. Management is currently evaluating the impact that the adoption of SFAS 143 will have on the consolidated financial statements.

SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" it retains many of the fundamental provisions of that Statement. SFAS No. 144 also supersedes the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" for the disposal of a segment of a business. However, it retains the requirement in Opinion 30 to report separately discontinued operations and extends that reporting to a component of an entity that either has been disposed of (by sale, abandonment, or in a distribution to owners) or is classified as held for sale. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001 and interim periods within those fiscal years. The Company is in the process of evaluating the impact that adoption of SFAS No. 144 may have on the financial statements; however, such impact, if any, is not known or reasonably estimable at this time.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

VASCO designs, develops, markets and supports open standards-based hardware and software security systems which manage and secure access to data.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This Quarterly Report on Form 10-Q, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 concerning, among other things, the prospects, developments and business strategies for the Company and its operations, including the development and marketing of certain new products and the anticipated future growth in certain markets in which the Company currently markets and sells its products or anticipates selling and marketing its products in the future. These forward-looking statements (i) are identified by their use of such terms and phrases as "expected," "expects," "believe," "believes," "will," "anticipated," "emerging," "intends," "plans," "could," "may," "estimates," "should," "objective," and "goals" and (ii) are subject to risks and uncertainties and represent the Company's present expectations or beliefs concerning future events. The Company cautions that the forward-looking statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including (a) risks of general market conditions, including demand for the Company's products and services, competition and price levels and the Company's historical dependence on relatively few products, certain suppliers and certain key customers, and (b) risks inherent to the computer and network security industry, including rapidly changing technology, evolving industry standards, increasing numbers of patent infringement claims, changes in customer requirements, price competitive bidding, changing government regulations and potential competition from more established firms and others. Therefore, results actually achieved may differ materially from expected results included in, or implied by these statements.

COMPARISON OF THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2000 AND SEPTEMBER 30, 2001

The following discussion and analysis should be read in conjunction with the Company's Consolidated Financial Statements for the three and nine months ended September 30, 2000 and 2001.

Revenues

Revenues for the three months ended September 30, 2001 were $4,788,000, a decrease of $881,000, or 16%, as compared to the three months ended September 30, 2000. Lower demand of Digipass and Vacman products, particularly in the U.S., contributed to this decline. Revenues from the Digipass product line represented about 87% of our sales while revenues from the VACMAN product line represented about 13% of our sales. This compares with 85% of revenues from Digipass products versus 15% from VACMAN products in the prior year third quarter. Digipass products represented $4,173,000 of total revenues in the third quarter of 2001 versus $4,795,000 in the same period last year. Geographically, 12% of revenues in the third quarter of 2001 were from the U.S. and 88% from outside the U.S., primarily Europe. In the third quarter of 2000, 29% of revenues were from the U.S. and 71% from outside the U.S., primarily Europe.

For the nine months ended September 30, 2001, revenues were $20,696,000, an increase of $2,950,000, or 17%, as compared to the same period last year. Digipass sales accounted for 77% of revenues for the first three quarters of 2001 and VACMAN products sales comprised the remaining 23%. For the same period last year, Digipass product line totaled 72% of revenues versus 28% from the VACMAN products. Sales from the U.S. represented 25% of revenues for the first nine months of 2001, while 75% accounted primarily from Europe. This compares to 35% from U.S. and 65% from outside, for the same period last year.

Cost of Goods Sold

Cost of goods sold for the three months ended September 30, 2001 was $2,348,000, an increase of $33,000, or 1%, as compared to the three months ended September 30, 2000.

For the nine months ended September 30, 2001, cost of goods sold totaled $8,047,000, an increase of $1,496,000, or 23%, as compared to the first nine months of last year.

Gross Profit

The Company's gross profit for the three months ended September 30, 2001 was $2,440,000, a decrease of $915,000, or 27%, as compared to the three months ended September 30, 2000. The decrease in gross profit is due to lower revenue and sales mix. Gross margin in the third quarter of 2001 is 51%, compared to 59% for the same period in 2000. The decline in gross margin is due to product mix and the higher volume sales of lower margin products for the third quarter of 2001.

Gross profit for the nine months ended September 30, 2001 was $12,649,000, an increase of $1,454,000, or 13%, as compared to the nine months ended September 30, 2000. This represents a gross margin of 61% versus 63% for the same period last year. The decline in gross margin is a result of change in product mix.

Sales and Marketing Expenses

Sales and marketing expenses for the three months ended September 30, 2001 were $3,651,000, an increase of $1,158,000, or 46%, over the three months ended September 30, 2000. This increase is primarily due to headcount. At the end of this third quarter, sales and marketing headcount was 82, compared to 56 for the same period last year. Additionally, increased travel costs and development of a company-wide marketing program attributed to this variance.

For the nine months ended September 30, 2001, sales and marketing expenses were $10,581,000, an increase of $3,879,000, or 58% compared to 2000. The increase was mostly related to headcount increases and additional marketing programs and expenditures.

Research and Development

Research and development costs for the three months ended September 30, 2001 were $1,454,000, an increase of $379,000, or 35%, as compared to the three months ended September 30, 2000. This increase is due to growth in headcount from 26 to 45. This manpower increase is needed for the development of VACMAN products, as well as, ongoing product development work in the Digipass product line.

For the nine months ended September 30, 2001, research and development costs totaled $4,449,000, an increase of $1,476,000, or 50%, as compared to the same period last year. An increase in headcount required for the increased product development activities contributed to this variance.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2001 were $1,548,000, an increase of $89,000, or 6%, compared to the three months ended September 30, 2000. Headcount remained constant at 26 compared to last year.

For the nine months ended September 30, 2001, general and administrative expenses were $4,420,000, an increase of $526,000, or 13% compared to the same period last year. Increased payroll costs and legal and accounting expenses attributed to this variance.

Non-cash Compensation (Recovery)

For the three and nine months ended September 30, 2001, the differences in non-cash compensation expense (recovery) were due to fluctuations in the prices of the Company's common stock. This charge (recovery) was attributed to stock options issued to officers of the Company who are located outside the U.S. and whose services are rendered under consulting agreements.

Interest Income (Expense), Net

Net interest income for the three months ended September 30, 2001 was $558,000, compared to net interest expense of $63,000 for the same period in 2000. This change was due to a reversal of interest amounting to $568,000 accrued in 2000 associated with the restructuring of the Company's long-term debt.

For the nine months ended September 30, 2001, net interest income was $766,000, compared to net interest expense of $276,000 for the same period last year.

Income Taxes

Income tax expense of $176,000 for the three months ended September 30, 2001 and $56,000 for the three months ended September 30, 2000 relates to foreign operations, which were profitable.

For the nine months ended September 30, 2001, income tax expense was $369,000 as compared to $73,000 for the nine months ended September 30, 2000. Income tax expense for the nine-month period is entirely from foreign operations.

Net loss and earnings per share

The net loss for the three months ended September 30, 2001 was $3,580,000 and $.14 net loss per common share compared with a net loss of $2,302,000 and $.09 net loss per common share for the same period in the prior year. The net loss for the nine months ended September 30, 2001 was $6,141,000 and $.25 net loss per common share compared with a net loss of $4,313,000 and $.17 net loss per common share in the same period in the prior year for the reasons described above.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents were $7,836,000 at September 30, 2001, which is a decrease of approximately $5,996,000 from $13,833,000 at December 31, 2000. As of September 30, 2001, the Company had working capital of $9,136,000 compared with $14,307,000 at December 31, 2000.

At September 30, 2001, the Company had lines of credit from European banks totaling approximately $3,400,000 of which all were used.

Capital expenditures during the first nine months of 2001 were $818,000 and consisted primarily of computer equipment and office furniture and fixtures.

For the three months ended September 30, 2001, the Company recorded an operating loss before non-cash recovery for stock options to certain officers of the Company, of $4,213,000 and a net loss before these options of $3,769,000. However, the Company had a loss before non-cash recovery, interest, taxes, depreciation and amortization of $3,306,000.

For the nine months ended September 30, 2001, the Company recorded an operating loss before non-cash compensation for stock options of $6,800,000 and a net loss before these options of $6,269,000. The Company had a loss before non-cash compensation, interest, taxes, depreciation and amortization of $4,552,000.

The Company believes that its current cash balances and anticipated cash generated from operations, will be sufficient to meet its anticipated cash needs through the next twelve months. In October of 2001, the Company announced a significant restructuring of its operations to reduce costs and re-focus its business activities. The Company announced headcount reductions of approximately 40% of its worldwide workforce, consolidation of its research and development centers, and reductions in administrative expenses in the United States. The Company expects a related fourth quarter 2001 restructuring charge.

The Company intends to seek acquisitions of businesses, products and technologies that are complementary or additive to those of the Company. While from time to time the Company engages in discussions with respect to potential acquisitions, there can be no assurance that any such acquisitions will be made.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the Company's market risk during the nine-month period ended September 30, 2001. For additional information, refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS. None.

ITEM 2. CHANGES IN SECURITIES. None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES. None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. None

ITEM 5. OTHER INFORMATION. None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) The following exhibits are filed with this Form 10-Q or incorporated by reference as set forth below: None.

(b) Reports on Form 8-K

FORM 8-K HAS BEEN FILED BY THE REGISTRANT DURING THE QUARTER ENDED SEPTEMBER 30, 2001. THE REPORT WAS FILED ON AUGUST 9, 2001:

OTHER EVENTS.

The Registrant issued a press release dated August 9, 2001, announcing that it had signed an agreement with Artesia Bank, Brussels, Belgium, to revise the terms of the Registrant's outstanding $3.4 million convertible loan with Artesia. Under its revised terms, the loan will now be convertible into shares of VASCO common stock at the fixed conversion rate of $7.50 per share rather than a floating rate based on the market price of the VASCO common stock. The maturity date of the convertible loan is September 30, 2003, and the interest rate is 6%.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on August 13, 2001.

VASCO Data Security International, Inc.

/s/ Mario R. Houthooft

Mario R. Houthooft
Chief Executive Officer and President

/s/ Dennis D. Wilson

Dennis D. Wilson
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)