

# MINISTRY OF FINANCE

## ANNEX TO ANNUAL REPORT 2012 PUBLIC DEBT

## CONTENTS

1.	LEGAL FRAMEWORK OF THE ISSUANCE OF TREASURY SECURITIES (TS).....	3
1.1.	The Constitution of the Republic of Poland.....	3
1.2.	The Public Finance Act.....	3
1.3.	The Ordinances of the Minister of Finance on general terms of issuing specific types of the TS.....	3
1.4.	The Letters of Issue.....	3
2.	PRIMARY MARKET OF TS.....	3
2.1.	Sale of TS on the domestic market.....	3
2.1.1.	System of Treasury Securities Dealers (TSDs), a.k.a. Primary Dealers (PDs).....	3
2.1.1.1.	Electronic TS Market – Treasury BondSpot Poland.....	4
2.1.2.	Sale of TS at auctions.....	5
2.1.3.	Treasury bond switching auctions.....	6
2.1.4.	TS buy-back auctions.....	7
2.2.	Sales of TS in retail network.....	8
2.3.	Sales of TS on foreign markets.....	9
2.3.1.	Classic issues of TS on foreign markets.....	9
2.3.2.	TS issued on foreign markets buy-back auctions.....	11
2.3.3.	Polish Brady Bonds.....	12
3.	SECONDARY MARKET OF TS.....	12
3.1.	Secondary market of Treasury bills.....	12
3.2.	Secondary market of Treasury bonds.....	12
3.3.	Secondary market for TS issued on foreign markets.....	14
4.	STATE TREASURY DEBT.....	14
5.	INSTITUTIONAL STRUCTURE OF THE TS MARKET.....	18
5.1.	Useful addresses.....	19

## LIST OF TABLES

Table 1.	Candidates for TSD for 2012, TSDs for 2012, candidates for TSD for 2013, TSDs for 2013, candidates for TSD for 2014.....	4
Table 2.	Characteristic of wholesale TS.....	5
Table 3.	Schedule of TS sale and non-competitive auction in day T (starting January 1 <sup>st</sup> , 2013).....	5
Table 4.	Results of T-bonds auctions in 2012 (PLN million).....	6
Table 5.	Results of Treasury bills auctions in 2012 (PLN million).....	6
Table 6.	Schedule of T-bonds switching auction in day T (starting January 1 <sup>st</sup> , 2013).....	7
Table 7.	Results of switching auctions in 2012 (PLN million).....	7
Table 8.	Schedule of TS buy-back auction in day T (starting January 1 <sup>st</sup> , 2013).....	7
Table 9.	Sales of retail bonds in 2012 (PLN million).....	8
Table 10.	Sales of floating rate retail bonds in 2012 (PLN million).....	8
Table 11.	Sales of fixed rate retail bonds in 2012 (PLN million).....	9
Table 12.	Bonds issued on foreign markets as at the end of 2012.....	9
Table 13.	Schedule of the first repurchase tender of bonds issued on foreign market in day „T”.....	11
Table 14.	Polish Brady Bonds.....	12
Table 15.	Total value and number of transactions concluded on T-bills secondary market in 2012 (PLN million).....	12
Table 16.	Total value and number of transactions concluded on T-bonds secondary market in 2012 (PLN million).....	13
Table 17.	Total value and number of transactions on fixed coupon T-bonds secondary market in 2012 (PLN million).....	13
Table 18.	State Treasury debt by place of issue and by instrument (PLN million, eop).....	14
Table 19.	State Treasury debt by holder (PLN million; eop).....	15
Table 20.	State Treasury debt according to the place of issue criterion and residual maturity (PLN million; eop).....	16
Table 21.	Public Debt according to the place of issue criterion - after consolidation (PLN million, at nominal value, eop).....	17
Table 22.	Public Debt according to the residency criterion - after consolidation (PLN million, at nominal value, eop).....	17
Table 23.	Public Debt - before consolidation (PLN million, at nominal value, eop).....	17
Table 24.	Public Debt - after consolidation (PLN million, at nominal value, eop).....	18
Table 25.	Public Debt at nominal value (m PLN, eop) and it's ratio to GDP.....	18
Table 26.	Differences between public debt (according to domestic methodology) and general government debt.....	18

## LIST OF CHARTS

Chart 1.	Total value and number of transaction concluded on T-bills secondary market in 2012 (PLN million).....	12
Chart 2.	Total value and number of transactions on T-bonds secondary market in 2012 (PLN million).....	13
Chart 3.	Total value and number of transactions on fixed coupon T- bonds secondary market in 2012 (PLN million).....	14
Chart 4.	Fixed coupon T-bonds yield on secondary market in 2012 (bid yield, eom).....	14

## 1. LEGAL FRAMEWORK OF THE ISSUANCE OF TREASURY SECURITIES (TS).

### 1.1. The Constitution of the Republic of Poland.

The Constitution of the Republic of Poland of April 2<sup>nd</sup>, 1997 (Journal of Laws 1997 No 78, item 483) includes:

- a) ban on incurring loans and granting financial guarantees which would cause public debt to exceed 60% of GDP,
- b) ban on financing budget deficit by the central bank.

### 1.2. The Public Finance Act.

The Public Finance Act of August 27<sup>th</sup>, 2009 (Journal of Laws 2009 No 157, item 1240) constitutes the basic act governing the terms of issuing TS and includes:

- a) detailed prudential and remedial procedures if public debt to GDP ratio exceeds 50%, 55% and 60%,
- b) obligation by the Minister of Finance to present a 4-year public finance sector debt management strategy,
- c) authorization for the Minister of Finance to issue monetary-type TS – other instruments (equity-type) may be issued by the Minister of Treasury in consultation with the Minister of Finance,
- d) classification of TS according to their maturity:
  - short-term securities – Treasury bills offered for sale on the domestic market at a discount and redeemed at their face value – with maturity up to 364 days (inclusive),
  - long-term securities – Treasury bonds offered for sale on the domestic and foreign markets, carrying a discount or/and interest – with maturity of at least one year (365 days).

### 1.3. The Ordinances of the Minister of Finance on general terms of issuing specific types of the TS.

Basing on the Public Finance Act delegation the Minister of Finance has issued the following ordinances determining the rules for TS issuance:

- a) Ordinance of the Minister of Finance of December 20<sup>th</sup>, 2010 on the terms of issuing Treasury bonds offered through wholesale sales (Journal of Laws 2010 No 250, item 1680),
- b) Ordinance of the Minister of Finance of December 20<sup>th</sup>, 2010 on the terms of issuing Treasury bills (Journal of Laws 2010 No 250, item 1679),
- c) Ordinance of the Minister of Finance of December 15<sup>th</sup>, 2010 on the terms of issuing Treasury bonds on the foreign markets (Journal of Laws 2010 No 244, item 1630),
- d) Ordinance of the Minister of Finance of December 3<sup>rd</sup>, 2010 on the terms of issuing Treasury bonds offered in the retail network (Journal of Laws 2010 No 237, item 1573),
- e) Ordinance of the Minister of Finance of December 3<sup>rd</sup>, 2010 on the terms of issuing Treasury bonds designated for the conversion of the State Treasury debt (Journal of Laws 2010 No 237, item 1574).

The above listed ordinances determined the Minister of Finance's rights to define detailed terms of TS issue in given segments of the financial market. They set forth general terms of securities' design, sales procedures and terms of their service and redemption (including buy-back and early redemption) as well as groups of investors to which TS may be offered.

### 1.4. The Letters of Issue.

Detailed conditions of a particular TS issue i.e.: maturity date, type of coupon, maximum value of the issue and its currency are determined in the Letters of Issue published by the Minister of Finance. Announcement of the Letter of Issue to the public on the Ministry of Finance Internet web site constitutes the condition under which the issue is effective.

## 2. PRIMARY MARKET OF TS

### 2.1. Sale of TS on the domestic market

Sale of the TS on the domestic market is performed by issue agents acting under separate agreements concluded with the Minister of Finance. The National Bank of Poland is in charge of sales of TS – Treasury bonds and Treasury bills offered at auctions - to institutional investors. Issuance of securities dedicated for individual investors – retail and savings T-bonds is performed by the PKO Bank Polski S.A.

#### 2.1.1. System of Treasury Securities Dealers (TSDs), a.k.a. Primary Dealers (PDs)

The System of Treasury Securities Dealers (TSDs) was introduced at the beginning of 2003. It limited the access to the Treasury Securities (TS) primary market to entities with the status of TSD. The System of TSDs was implemented in order to ensure financing of the borrowing requirements of the State budget and to improve liquidity, transparency and effectiveness of the TS market.

#### System participants

Participation in the competition for TSD for 2012 (that was held from October 1, 2010 to September 30, 2011) was limited to Polish and foreign banks and other financial institutions, which met requirements stated in [The Rules and Regulations Governing the Activities of the TSD as of August 24th, 2010](#). The document set forth competition's rules and criteria for TSDs selection. Minister of Finance granted the status of TSD for 2012 to 14 banks. From October 1, 2011 to September 30, 2012 the competition for TSD for 2013 took place as set forth in [The Rules and Regulations Governing the Activities of the TSD as of September 13th, 2011](#). The competition for TSD for 2014 has started on October 1, 2012. The competition's rules and criteria for TSDs selection are described in [The Rules and Regulations Governing the Activities of the TSD as of September 3rd, 2012](#).

Table 1. Candidates for TSD for 2012, TSDs for 2012, candidates for TSD for 2013, TSDs for 2013, candidates for TSD for 2014

Name of entity	Candidate for TSD for 2012	TSDs for 2012	Candidate for TSD for 2013	TSDs for 2013	Candidate for TSD for 2014
Banco Espirito Santo de Investimento S.A. Oddział w Polsce	✓				
Bank BPH S.A.	✓		✓		
Bank Gospodarki Żywnościowej S.A.	✓	✓	✓		✓
Bank Handlowy w Warszawie S.A.	✓	✓	✓	✓	✓
Bank Millennium S.A.	✓	✓	✓	✓	✓
Bank PEKAO S.A.	✓	✓	✓	✓	✓
Bank Zachodni WBK S.A.	✓		✓	✓	✓
Barclays Bank plc	✓	✓	✓	✓	✓
BNP Paribas S.A.			✓	✓	✓
BRE Bank S.A.	✓	✓	✓	✓	✓
Deutsche Bank AG <sup>1)</sup>	✓	✓	✓	✓	✓
Erste Group Bank AG	✓	✓	✓	✓	✓
Goldman Sachs International	✓	✓	✓	✓	✓
HSBC Bank plc	✓	✓	✓	✓	✓
ING Bank Śląski S.A.	✓	✓	✓	✓	✓
Kredyt Bank S.A. <sup>2)</sup>	✓	✓	✓		
PKO BP S.A.	✓	✓	✓	✓	✓
Raiffeisen Bank Polska S.A.	✓		✓		✓
Société Générale S.A. Oddział w Polsce		✓	✓	✓	✓
The Royal Bank of Scotland plc	✓		✓	✓	✓
UBS Limited	✓		✓		

<sup>1)</sup> Till December 31st, 2012 - Deutsche Bank Polska S.A. (candidate for PD in 2014), Since January, 1st 2013 Deutsche Bank AG (PD for 2013) - according to the decision of the Minister of Finance as of December 19th, 2012.

<sup>2)</sup> Since January 4th, 2013 merged with Bank Zachodni BZ WBK S.A.

#### TSDs selection criteria for 2013:

1. activity on the primary market, i.e. percentage share of total weighted face value of TS sold at auctions, non-competitive auctions, switching auctions and Treasury bill auctions within a Competition period (weight 40%);
2. activity on the secondary market, i.e. quality of TS quotation on Electronic market (weight of 40%);
3. co-operation with the Minister (weight 20%), in particular in the following areas:
  - a) consultation on issuance policy, in particular consultation on general supply at the particular auctions,
  - b) consultation on current financial markets situation,
  - c) quality of quotations of TS and other financial instrument at a request of the Minister,
  - d) other activities, especially performed in order to fulfill the duties specified in §6.1 of the Rules and Regulations.

#### TSDs duties in 2012:

1. participation in auctions of Treasury bonds;
2. purchasing each quarter no less than, defined for a given calendar year, the minimum required share expressed as a percentage of the total, weighted face value of TS sold at auctions, non-competitive auctions, switching auctions and Treasury bill auctions within a given Competition period (the weights: for TS with maturity less than 4 years – 0.5, for TS with maturity equal or above 4 years – 1.5);
3. submitting quotations of bid and offer prices for benchmark TS, defined by the Minister of Finance, on the Electronic market for at least 5 hours per day;
4. participation in fixing sessions of TS, arranged by the NBP through Electronic market organizer (BondSpot S.A.), in order to set the fixing and informational rates for TS in accordance with the TS Fixing Regulations;
5. quoting bid/offer TS prices at any request of the Minister of Finance;
6. co-operation with the Minister towards further development of the transparent, liquid and efficient TS market;
7. undertaking actions aimed at widening of the investor base;
8. promoting the TS market;
9. duly fulfilling duties resulting from the participation in the depository-settling systems.

#### TSDs in 2012 were entitled to:

1. exclusive submission of bids at auctions of TS;
2. exclusive rights or preferences in concluding individual transactions with the Minister of Finance (repo and buy-sell back transactions, hedging transactions, private placement transactions, securities issues on foreign markets, other financial transactions defined by the Minister);
3. regular meetings with representatives of the Minister of Finance in order to discuss issuance policy, plans for financing state budget borrowing needs and financial market conditions and to solve material, organisational and technical problems connected with organisation and functioning of the TS market;
4. exclusive right to use the title of a Treasury Securities Dealer, during the term of the Agreement on fulfilling the function of the TSD.

#### 2.1.1.1. Electronic TS Market – Treasury BondSpot Poland

Since March 1, 2002 Centralna Tabla Ofert S.A. under the agreement signed with the Ministry of Finance has become an organizer of the secondary market on the electronic platform. Since November 2004, as a result of a strategic alliance with MTS Group, the Electronic Treasury Securities Market has been continuing its operations, based on Telematico technology (currently TradeImpact), under the name "MTS Poland". This enabled foreign banks to conduct transactions on electronic market. After withdrawal of MTS SpA in 2009, Warsaw Stock Exchange is the major shareholder

in the company. Since September 2009 the company is operating under the name BondSpot S.A. and the electronic market for TS has been re-branded at the beginning of 2010 to Treasury BondSpot Poland.

On December 31st, 2012 there were 33 entities acting on the Treasury BondSpot Poland: 27 as Market Makers, 3 as Market Takers and 3 as Institutional Investors.

### 2.1.2. Sale of TS at auctions.

TS (T-bonds and T-bills) offered at auctions held by the National Bank of Poland are dedicated for the institutional investor groups and are commonly called "wholesale" instruments. They fulfil the basic role in meeting the State Budget borrowing requirements. Relatively high face value of the securities offered at auctions (PLN 1,000 for a T-bond and PLN 10,000 for a T-bill) is a feature of the wholesale market of the TS. The direct access to auctions is limited to PDs and Bank Gospodarstwa Krajowego (state owned bank). Investors that have no such status can place their bids through an entity that is a direct participant of an auction. Basic characteristic of wholesale TS is presented in the table below.

Table 2. Characteristic of wholesale TS.

	T-bonds	T-bills
<b>Issue type</b>	Issued in a dematerialized form and deposited as magnetic entries (bearer form)	
<b>Depository</b>	National Depository for Securities S.A.	Securities Register run by the National Bank of Poland.
<b>Face value</b>	1.000 PLN	10.000 PLN
<b>Maturity</b>	From 2 to 30 years <sup>1)</sup>	From 1 to 52 weeks and from 1 to 90 days <sup>2)</sup>
<b>Access to primary market</b>	PDs + BGK	
<b>Turnover regulations</b>	Residents and non-residents being legal entities, individuals and entities without legal status, may invest in wholesale TS that may be freely traded among all those investors, as long as the foreign exchange regulations and laws on public trading of securities are observed.	
<b>Secondary market</b>	Interbank non-regulated market, electronic platform Treasury BondSpot Poland, Warsaw Stock Exchange, Regulated Market organized by BondSpot Poland	Interbank non-regulated market, electronic platform Treasury BondSpot Poland.

1) In 2012 following T-bonds were offered on auctions: 2-year zerocoupon bonds; 5-, 10- and 20-year fixed-rate bonds; 4- and 10-year floating-rate bonds and 15-year inflation-linked bonds.  
2) T-bills with maturities expressed in days are issued seldom in order to secure short-term budget liquidity.

At the beginning of each year Minister of Finance publishes preliminary yearly calendar containing series of offered securities and dates of auctions. Auction calendars and information on TS auction details are published on the Ministry of Finance website [www.finanse.mf.gov.pl](http://www.finanse.mf.gov.pl), in REUTERS [PLMINFIN] and BLOOMBERG [PLMF]. Moreover Minister of Finance announces quarterly and monthly TS auction plans including maturity dates of offered securities, auctions' settlement dates and projected sales value range of specific types of securities. The final announcement on forthcoming auction is published two working days before T-bonds auction and one working day before T-bills auction date.

Bids are submitted by PDs to the National Bank of Poland by 11:00 a.m. on the auction date. Upon receipt a bid summary from the NBP the Minister of Finance takes a decision on accepted minimum price for TS with given maturity.

The Minister of Finance may, no later than the on the following day, organize a non-competitive auction of TS with offer not exceeding 20% of initial auction offer. All PDs and BGK may participate in non-competitive auction. Bids of non-competitive auction participants, who did not purchased TS on sale auction, are accepted in the second instance after full satisfaction of the demand of bidders who bought TS on sale auction.

Starting from January 2012 all T-bond and T-bill sale auctions are carried out in uniform price formula.

In the case of uniform price auction all successful bidders pay for purchased securities the uniform price equal to the minimum accepted price. Bids with prices higher than the minimum price are accepted in whole while bids presenting price equal to the minimum price may be accepted with a reduction or in whole.

The change applies to Treasury Securities' sale auctions only - switching and buy-back auctions are conducted according to previous rules. At non-competitive auctions TS are sold at minimum price determined at sale auction.

The introduction of new formula results from developed countries debt markets' experiences and outcome of scientific research on theory of efficient auctioning. The uniform price auctions are used by growing number of government debt issuers – for the time being this format is used, among others, in the United States of America, Great Britain, Italy, Canada, Finland, Norway, Holland, Denmark, Czech Republic, Slovakia, Mexico, New Zealand and Argentina.

The another modification that came into force on January 2012 is the introduction of non-competitive bids for T-bond and T-bill sale auctions. Non-competitive bids are the purchase declarations where investors only determine the number of securities they intend to buy without giving their price. Investors placing this kind of bids pay for the purchased securities price equal to the minimum price set at the given auction. The share of non-competitive bids in the total sales value on a given auction could not exceed 5% (from April 2013 the share of non-competitive bids was increased to 15%).

Schedule of TS sale and non-competitive auction is presented in the table below.

Table 3. Schedule of TS sale and non-competitive auction in day T (starting January 1<sup>st</sup>, 2013).

	T-bonds	T-bills
	<b>SALE AUCTION</b>	
<b>Issue agent</b>	National Bank of Poland	
<b>Auction participants</b>	PDs + BGK	
<b>Auction format</b>	Uniform-price auction - each of the bidders buys securities at a minimum price accepted at auction	
<b>Publication of information on auction</b>	Day „T-2”, time 15:00	Day „T-1”, time 15:00
<b>Deadline for placing bids<sup>1)</sup></b>	Day „T”, time 11:00	Day „T”, time 11:00
<b>Minimum bid face value</b>	1.000.000 PLN	100.000 PLN
<b>Publication of information on auction results</b>	Day „T”, time 11:30	Day „T”, time 11:30
<b>Auction settlement<sup>2)</sup></b>	Day „T+2”, time 12:30	Day „T+2”, time 14:00

	T-bonds	T-bills
	<b>NON-COMPETITIVE AUCTION</b>	
Issue agent	National Bank of Poland	
Auction participants <sup>3)</sup>	PDs + BGK	
Auction format	Uniform-price auction - each of the bidders buys TS at minimum price determined at sale auction	
Publication of information on auction	Day „T”, time 12:30	Day „T”, time 12:30
Deadline for placing bids	Day „T”, time 13:30	Day „T”, time 13:30
Publication of information on auction results	Day „T”, time 13:45	Day „T”, time 13:45
Auction settlement <sup>2)</sup>	Day „T+2”, time 12:30	Day „T+2”, time 14:00

1) T-bonds auctions are usually held on Wednesdays or Thursdays, T-bills auction on Mondays but under reasonable circumstances may be set on another day.  
2) Payment for the TS sold through auction is usually made two days after an auction but under reasonable circumstances may be set on another day.  
3) Bids of non-competitive auction participants, who did not purchased TS on sale auction, are accepted in the second instance after full satisfaction of the demand of bidders who bought TS on sale auction.

Table 4. Results of T-bonds auctions in 2012 (PLN million)

Auction date	Settlement date	Series	Maturity date	Coupon	Offer		Demand	Sales	Yield	Non-competitive auction			Total sales
					Min.	Max.				Offer	Demand	Sales	
01/12/2012	IZ0816	15-year inflation linked	08/24/2016	3.00%			1,575	657	2.495%	not organized			657
01/12/2012	PS1016	5-year fixed rate	10/25/2016	4.75%	1,500	3,500	4,508	2,268	5.246%	500	1165	500	2,768
01/12/2012	WS0429	20-year fixed rate	04/25/2029	5.75%			730	542	5.931%	100	340	100	642
01/19/2012	OK0114	2-year zero coupon	01/25/2014	0.00%	4,000	6,000	16,486	6,753	4.724%	not organized			6,753
02/01/2012	DS1021	10-year fixed rate	10/25/2021	5.75%	1,000	3,000	4,786	2,937	5.511%	not organized			2,937
02/09/2012	OK0114	2-year zero coupon	01/25/2014	0.00%			2,757	2,522	4.688%	not organized			2,522
02/09/2012	PS1016	5-year fixed rate	10/25/2016	4.75%	3,500	5,500	3,025	2,526	5.020%	not organized			2,526
02/16/2012	WZ0117	4-year floating rate	01/25/2017	-	1,000	3,000	8,430	2,918	-	600	1825	600	3,518
03/08/2012	PS1016	5-year fixed rate	10/25/2016	4.75%	1,500	3,000	8,705	4,080	4.837%	not organized			4,080
03/14/2012	OK0114	2-year zero coupon	01/25/2014	0.00%	2,000	4,000	7,150	3,995	4.535%	800	300	300	4,295
03/21/2012	DS1021	10-year fixed rate	10/25/2021	5.75%	1,000	2,500	3,474	2,185	5.478%	not organized			2,185
04/19/2012	OK0714	2-year zero coupon	07/25/2014	0.00%			4,535	1,437	4.759%	300	460	300	1,737
04/19/2012	PS1016	5-year fixed rate	10/25/2016	4.75%			10,784	6,075	5.004%	1200	1845	1200	7,275
05/10/2012	DS1021	10-year fixed rate	10/25/2021	5.75%			5,363	3,458	5.349%	not organized			3,458
05/10/2012	WS0429	20-year fixed rate	04/25/2029	5.75%	2,000	4,000	1,239	634	5.563%	not organized			634
05/16/2012	PS0417	5-year fixed rate	04/25/2017	4.75%	2,000	3,500	7,199	3,548	5.047%	700	1452	700	4,248
06/20/2012	PS0417	5-year fixed rate	04/25/2017	4.75%	2,000	4,000	8,868	4,174	4.784%	800	2705.08	800	4,974
07/19/2012	OK0714	2-year zero coupon	07/25/2014	0.00%	3,000	5,000	11,361	4,842	4.361%	1,000	1280	1000	5,842
08/01/2012	PS0417	5-year fixed rate	04/25/2017	4.75%	2,000	4,000	7,000	4,411	4.361%	not organized			4,411
09/19/2012	WZ0121	10-year floating rate	01/25/2021	-			2,889	2,033	-	not organized			2,033
09/19/2012	DS1021	10-year fixed rate	10/25/2021	5.75%	2,000	3,000	1,211	916	4.944%	not organized			916
09/19/2012	IZ0823	15-year inflation linked	08/25/2023	2.75%			2,539	100	2.640%	500	870	500	600
10/04/2012	WZ0117	4-year floating rate	01/25/2017	-			5,360	2,324	-	800	775	775	3,099
10/04/2012	PS0417	5-year fixed rate	04/25/2017	4.75%	3,000	5,000	2,681	1,137	4.224%	100	285	100	1,237
10/04/2012	WZ0121	10-year floating rate	01/25/2021	-			2,123	1,493	-	100	72	72	1,565
10/23/2012	OK0714	2-year zero coupon	07/25/2014	0.00%			3,531	2,708	3.856%	not organized			2,708
10/23/2012	DS1023	10-year fixed rate	10/25/2023	4.00%	6,000	9,000	6,539	5,132	4.496%	not organized			5,132
11/08/2012	PS0418	5-year fixed rate	04/25/2018	3.75%	2,000	4,000	5,996	4,526	3.900%	not organized			4,526
TOTAL:	2-year zero coupon						45,821	22,257		2,100	2,040	1,600	23,857
	4-year floating rate						13,790	5,242		1,400	2,600	1,375	6,617
	5-year fixed rate						58,765	32,745		3,300	7,452	3,300	36,045
	10-year fixed rate						21,372	14,628		0	0	0	14,628
	10-year floating rate						5,012	3,526		100	72	72	3,598
	15-year inflation linked						4,114	757		500	870	500	1,257
20-year fixed rate						1,969	1,176		100	340	100	1,276	
TOTAL:					44,500	79,500	150,844	80,332		7,500	13,374	6,947	87,279

File containing results of all auctions of Treasury bonds and the issue of bonds arising from the conversion of Social Insurance Institution liabilities to open pension funds, the conversion of the health care debts and liabilities to trade unions and social organizations may be found on the Ministry of Finance website: [www.finance.mf.gov.pl/en/public-debt/t-bills-and-t-bonds/transactions-database](http://www.finance.mf.gov.pl/en/public-debt/t-bills-and-t-bonds/transactions-database)

Table 5. Results of Treasury bills auctions in 2012 (PLN million)

Auction date	Bill type	Redemption date	Offer		Demand	Sales	Yield
			Min.	Max.			
01/09/2012	49W	08/03/2011	1,000	2,000	5,401.90	2,222.90	4.520%
01/30/2012	30W	08/03/2011	1,000	2,000	3,249.00	1,996.84	4.500%
01/30/2012	52W	02/01/2012	1,000	2,000	4,225.50	1,591.58	4.510%
02/27/2012	52W	02/01/2012	1,000	2,000	6,710.48	2,189.87	4.480%
03/26/2012	52W	02/01/2012	1,000	3,000	4,884.92	2,328.92	4.470%
04/23/2012	31W	02/01/2012	1,000	1,500	3,116.50	1,332.11	4.540%
TOTAL:			6,000	12,500	27,588.30	11,662.22	

File containing results of all auctions of Treasury bills since 1991 may be found on the Ministry of Finance website: [www.finance.mf.gov.pl/en/public-debt/t-bills-and-t-bonds/transactions-database](http://www.finance.mf.gov.pl/en/public-debt/t-bills-and-t-bonds/transactions-database)

### 2.1.3. Treasury bond switching auctions

At switching auction the Minister of Finance buys back bonds with near redemption dates before their maturity date, while the settlement of the transaction is effected by giving the bondholder new bonds of a different series. Bought-back securities are cancelled. The operation is conducted without cash flows. The Minister's of Finance goals of such an operation include:



- reduction of debt refinancing risk,
- increase in the value of benchmark issues of bonds,
- closing of small and with low liquidity issues of marketable and non-marketable bonds,
- managing the interest rate risk.

Following the positive experiences arising from introduction of uniform price formula on sale auctions, it is planned to expand its application on switching auctions. Modifications will also include the possibility of placing non-competitive bids and cash purchase option after switching auction. In case of cash purchase auction participants who have purchased bonds on switching auction will be entitled to purchase additional bonds in number representing the difference between the sum of the purchased securities of a given series and the nearest from the top multiplicity of 1000.

Schedule of T-bonds switching auction is presented in the table below.

Table 6. Schedule of T-bonds switching auction in day T (starting January 1<sup>st</sup>, 2013).

<b>Issue agent</b>	National Bank of Poland
<b>Auction participants</b>	PDs + BGK
<b>Auction format</b>	Multiple-price auction - each of the bidders exchanges securities at a price submitted in his bid.
<b>Publication of information auction</b>	Day „T-2”, time 15:00
<b>Publication of information on switching prices</b>	Day „T-1”, time 15:00
<b>Deadline for placing bids<sup>1)</sup></b>	Day „T”, time 11:00
<b>Minimum bid face value</b>	1.000.000 PLN
<b>Publication of information on auction results</b>	Day „T”, time 12:00
<b>Auction settlement<sup>2)</sup></b>	Day „T+2”, time 12:30

1) T-bonds switching auctions are usually held on Wednesdays or Thursdays but under reasonable circumstances may be set on another day.  
2) Auction settlement is usually made two days after an auction but under reasonable circumstances may be set on another day.

Table 7. Results of switching auctions in 2012 (PLN million)

Auction date	Buy-back bonds			Settlement bonds		
	Series	Maturity date	Buy-back (face value)	Series	Maturity date	Sales (face value)
01/04/2012	OK0112	01/25/2012	1.586	WZ0115	01/25/2015	3.167
	PS0412	04/25/2012	1.135	WZ0121	01/25/2021	36
	OK0712	07/25/2012	3.687	DS1021	10/25/2021	3.106
	<b>Total:</b>		<b>6.409</b>	<b>Total:</b>		<b>6.309</b>
04/05/2012	PS0412	04/25/2012	2.408	WZ0117	01/25/2017	5.600
	OK0712	07/25/2012	1.395	WZ0121	01/25/2021	2.366
	OK1012	10/25/2012	4.163	-	-	-
	<b>Total:</b>		<b>7.966</b>	<b>Total:</b>		<b>7.966</b>
06/14/2012	OK0712	07/25/2012	1.796	WZ0117	01/25/2017	1.204
	OK1012	10/25/2012	714	WZ0121	01/25/2021	1.091
	-	-	-	IZ0823	08/25/2023	164
	<b>Total:</b>		<b>2.509</b>	<b>Total:</b>		<b>2.459</b>
07/05/2012	OK0712	07/25/2012	3.558	PS0417	04/25/2017	2.614
	OK1012	10/25/2012	1.611	DS1021	10/25/2021	2.294
	<b>Total:</b>		<b>5.169</b>	<b>Total:</b>		<b>4.908</b>
09/06/2012	OK1012	10/25/2012	3.823	WZ0117	01/25/2017	2.998
	OK0113	01/25/2013	1.957	PS0417	04/25/2017	2.614
	<b>Total:</b>		<b>5.781</b>	<b>Total:</b>		<b>5.613</b>
11/21/2012	OK0113	01/25/2013	9.930	WZ0117	01/25/2017	4.358
	PS0413	04/25/2013	422	WZ0121	01/25/2021	4.421
	-	-	-	DS1023	10/25/2023	1.458
	<b>Total:</b>		<b>10.352</b>	<b>Total:</b>		<b>10.236</b>
12/06/2012	OK0113	01/25/2013	1.207	WS0922	09/23/2022	737
	PS0413	04/25/2013	917	WS0429	04/25/2029	1.071
	<b>Total:</b>		<b>2.124</b>	<b>Total:</b>		<b>1.808</b>
<b>TOTAL:</b>		<b>40.311</b>			<b>39.298</b>	

Series	Maturity date	Face value
<b>BUY-BACK BONDS</b>		
OK0112	01/25/2012	1.586
PS0412	04/25/2012	3.544
OK0712	07/25/2012	10.437
OK1012	10/25/2012	10.311
OK0113	01/25/2013	13.095
PS0413	04/25/2013	1.339
<b>Total:</b>		<b>40.311</b>
<b>SETTLEMENT BONDS</b>		
WZ0115	01/25/2015	3.167
WZ0117	01/25/2017	14.160
PS0417	04/25/2017	5.229
WZ0121	01/25/2021	7.913
DS1021	10/25/2021	5.400
WS0922	09/23/2022	737
IZ0823	08/25/2023	164
DS1023	10/25/2023	1.458
WS0429	04/25/2029	1.071
<b>Total:</b>		<b>39.298</b>

#### 2.1.4. TS buy-back auctions

At a buy-back auction, Minister of Finance buys back for cash, wholesale TS before their maturity date. Such an operation is held rather seldom in the situation of temporary surplus in budget current account. The Minister's of Finance goal of such an operation is reduction of debt refinancing risk. In 2012 Minister of Finance not organized buy-back auction for T-bills and T-bonds. Schedule of TS buy-back auction is presented in the table below

Table 8. Schedule of TS buy-back auction in day T (starting January 1<sup>st</sup>, 2013).

	T-bonds	T-bills
	<b>Issue agent</b>	National Bank of Poland
<b>Auction participants</b>	PDs + BGK	
<b>Auction format</b>	Multiple-price auction - each of the bidders sells securities at a price submitted in his bid.	
<b>Publication of information on auction</b>	Day „T-2”, time 15:00	Day „T-1”, time 15:00
<b>Deadline for placing bids</b>	Day „T”, time 11:00	Day „T”, time 11:00
<b>Minimum bid face value</b>	1.000.000 PLN	100.000 PLN

	T-bonds	T-bills
Publication of information on auction results	Day „T”, time 11:30	Day „T”, time 11:30
Auction settlement <sup>1)</sup>	Day „T+2”, time 12:30	Day „T+2”, time 14:00

<sup>1)</sup>Payment for the TS repurchased on auction is usually made two days after an auction but under reasonable circumstances may be set on another day.

## 2.2. Sales of TS in retail network

In 2012 the Minister of Finance offered the following instruments to individual investors:

- 2-year fixed rate savings bonds (DOS series)
- 3-year floating rate bonds (TZ series)
- 3-year floating rate savings bonds (TOZ series)
- 4-year inflation rate indexed savings bonds (COI series)
- 10-year inflation rate indexed saving bonds (EDO series).

The face value of Treasury bonds offered to individuals is PLN 100 and provides an opportunity for investing in Treasury Securities by people with relatively low income.

Retail bonds are sold by issue agent (PKO Bank Polski S.A) in over 1000 Customer Service Outlets but also can be purchased through internet, “Inteligo” account and telephone.

Current information about T-bonds for individual investors can be found at: [www.obligacjeskarbowe.pl](http://www.obligacjeskarbowe.pl) and [www.finance.mf.gov.pl/en/public-debt/retail-bonds](http://www.finance.mf.gov.pl/en/public-debt/retail-bonds).

The savings bonds (DOS, TOZ, COI and EDO series) could have been purchased by resident and non-resident individuals, also associations, foundations and another social organisations have this right. Those instruments are not a subject of turnover on the secondary market, however they may be offered to the issuer for redemption before their maturity date.

Interests on DOS, EDO accrue annually and are put at the investor's disposal at the redemption date (or pre-maturity redemption), in case of TOZ series is paid semiannually, and in case of COI series is paid annually. Sale of each series lasts for one month. The savings bonds can be purchased as part of the Individual Retirement Account system, which provides for capital gains tax exemption.

3-year floating rate bonds (TZ series) have been retired of offer in May 2012. In exchange, 3-year saving bonds series TOZ have been put into sale. TZ series are available on the secondary market at the WSE and BondSpot. They could be purchased by natural and legal person, excluding: banks, insurance companies, investment trust, pension funds, brokerage houses, limited liability companies and joint-stock companies. Interest rate is based on 6M WIBOR and the coupons are paid semiannually.

The file containing sale results of Treasury bonds offered in the retail network may be found on the Ministry of Finance website: [www.finance.mf.gov.pl/en/public-debt/retail-bonds/transactions-database](http://www.finance.mf.gov.pl/en/public-debt/retail-bonds/transactions-database).

Table 9. Sales of retail bonds in 2012 (PLN million)

Bond type	Offer	Sales
2-year savings bonds	12,000	765
3-year floating rate bonds	2,000	154
4-year savings bonds	6,000	728
10-year saving bonds	6,000	804
<b>TOTAL:</b>	<b>26,000</b>	<b>2,451</b>

Table 10. Sales of floating rate retail bonds in 2012 (PLN million)

Bond	Sales period		Offer	Sales	Price (PLN)
	Beginning	End			
TZ1114	11/2/2011	1/31/2012	500	2*	99.90/99.80
TZ0215	2/1/2012	4/30/2012	500	71	99.90/99.80
TOZ0515	5/2/2012	5/31/2012	500	13	100.00
TOZ0615	6/1/2012	6/30/2012	500	6	100.00/99.90
TOZ0715	7/1/2012	7/31/2012	500	7	100.00/99.90
TOZ0815	8/1/2012	8/31/2012	500	17	100.00/99.90
TOZ0915	9/1/2012	9/30/2012	500	9	100.00/99.90
TOZ1015	10/1/2012	10/31/2012	500	8	100.00/99.90
TOZ1115	11/1/2012	11/30/2012	500	17	100.00/99.90
TOZ1215	12/1/2012	12/31/2012	500	5	100.00/99.90
<b>TOTAL:</b>			<b>2,500</b>	<b>154</b>	-
COI0116	1/1/2012	1/31/2012	500	46	100.00/99.90
COI0216	2/1/2012	2/28/2012	500	40	100.00/99.90
COI0316	3/1/2012	3/31/2012	500	48	100.00/99.90
COI0416	4/1/2012	4/30/2012	500	53	100.00/99.90
COI0516	5/1/2012	5/31/2012	500	59	100.00/99.90
COI0616	6/1/2012	6/30/2012	500	39	100.00/99.90
COI0716	7/1/2012	7/31/2012	500	81	100.00/99.90
COI0816	8/1/2012	8/31/2012	500	74	100.00/99.90
COI0916	9/1/2012	9/30/2012	500	61	100.00/99.90
COI1016	10/1/2012	10/31/2012	500	112	100.00/99.90
COI1116	11/1/2012	11/30/2012	500	54	100.00/99.90
COI1216	12/1/2012	12/31/2012	500	62	100.00/99.90
<b>TOTAL:</b>			<b>6,000</b>	<b>728</b>	-



Bond	Sales period		Offer	Sales	Price (PLN)
	Beginning	End			
EDO0122	1/1/2012	1/31/2012	500	44	100.00
EDO0222	2/1/2012	2/28/2012	500	92	100.00
EDO0322	3/1/2012	3/31/2012	500	82	100.00
EDO0422	4/1/2012	4/30/2012	500	71	100.00
EDO0522	5/1/2012	5/31/2012	500	82	100.00
EDO0622	6/1/2012	6/30/2012	500	160	100.00
EDO0722	7/1/2012	7/31/2012	500	44	100.00
EDO0822	8/1/2012	8/31/2012	500	46	100.00
EDO0922	9/1/2012	9/30/2012	500	48	100.00
EDO1022	10/1/2012	10/31/2012	500	57	100.00
EDO1122	11/1/2012	11/30/2012	500	41	100.00
EDO1222	12/1/2012	12/31/2012	500	36	100.00
TOTAL:			6,000	804	-

\*sales in period from January 1, 2012

Table 11. Sales of fixed rate retail bonds in 2012 (PLN million)

Bond	Sales period		Offer	Sales	Price (PLN)	Coupon
	beginning	end				
DOS0114	1/1/2012	1/31/2012	1,000	123	100.00/99.90	4.00%
DOS0214	2/1/2012	2/28/2012	1,000	69	100.00/99.90	4.75%
DOS0314	3/1/2012	3/31/2012	1,000	77	100.00/99.90	4.75%
DOS0414	4/1/2012	4/30/2012	1,000	50	100.00/99.90	4.75%
DOS0514	5/1/2012	5/31/2012	1,000	42	100.00/99.90	4.75%
DOS0614	6/1/2012	6/30/2012	1,000	45	100.00/99.90	4.75%
DOS0714	7/1/2012	7/31/2012	1,000	75	100.00/99.90	4.75%
DOS0814	8/1/2012	8/31/2012	1,000	76	100.00/99.90	4.75%
DOS0914	9/1/2012	9/30/2012	1,000	60	100.00/99.90	4.50%
DOS1014	10/1/2012	10/31/2012	1,000	60	100.00/99.90	4.30%
DOS1114	11/1/2012	11/30/2012	1,000	50	100.00/99.90	4.00%
DOS1214	12/1/2012	12/31/2012	1,000	37	100.00/99.90	3.90%
TOTAL:			12,000	765		

### 2.3. Sales of TS on foreign markets

The basic objective of the sale of Polish securities on foreign markets is strengthening of Poland's position as a trustworthy issuer on the international financial market. Those issues are also significant for financing the State Budget borrowing requirements.

Poland's presence on the international market enables to diversify the sources of financing the State Budget borrowing requirements and provides access to foreign institutional investors with substantial financial resources. Moreover, foreign issues of Polish Treasury securities serve as a benchmark for Polish banks and enterprises that issue their own debt securities on foreign markets.

#### 2.3.1. Classic issues of TS on foreign markets

Issues of foreign bonds are arranged by reputable investment banks active on the international market. The Minister of Finance appoints a lead manager (or lead managers) whose basic duty is to place the bonds on the market. Lead manager(s) collects orders, by contacting directly with potential investors, for bonds of a given issue. On that basis the bonds are priced i.e. the spread above the benchmark yield (or swap rate) is fixed. The spread reflects the level of risk connected with investing in securities of a given issuer.

In 2012 the Minister of Finance placed 12 issues of bonds on foreign markets. The following table presents details of all outstanding bonds as at the end of 2012.

Table 12. Bonds issued on foreign markets as at the end of 2012

ISIN	Issue date	Maturity	Nominal value	Currency	Issue price (%)	Coupon p.a. (%)	Interest payment frequency	Yield (%)	Market	Registration	Lead Manager(s)
US731011AL69	03/07/1997	01/07/2017	100 million	USD	99.299	7.750	semi-annually	7.820	Yankee	SEC	JP Morgan
XS0162316490	02/05/2003 / 02/05/2003*** / 05/23/2003* / 03/23/2004	05/02/2013	2,779.5 million (1,250+250***+800* + 700* - 220.5****)	EUR	98.993 / 98.744*** / 99.733* / 100.827*	4.500	annually	4.628 / 4.660*** / 4.532* / 4.384*	Euro	Luxembourg Stock Exchange	Deutsche Bank, JP Morgan
US731011AN26	10/29/2003	01/15/2014	1,000 million	USD	99.871	5.250	semi-annually	5.264	Global	SEC + Luxembourg Stock Exchange	Citigroup, Morgan Stanley
XS0189021099	03/29/2004	03/29/2034	6,800 million	JPY	100.000	2.6475	semi-annually	2.6475	Private placement		Mizuho
XS0197118465	08/04/2004	08/04/2034	16,800 million	JPY	100.000	3.220	semi-annually	3.220	Private placement		Mizuho
XS0210314299	01/18/2005 / 04/06/2005* / 05/24/2005*	04/15/2020	5,250 million (3000 + 1500* + 750*)	EUR	99.375 / 99.221* / 102.643*	4.200	annually	4.250 / 4.262* / 3.961*	Euro	Luxembourg Stock Exchange	BNP Paribas, Citigroup, DrKW
XS0211389753	02/04/2005	02/02/2035	500 million	EUR	99.364	4.450	annually	4.489	Private	Luxembourg	ABN Amro

ISIN	Issue date	Maturity	Nominal value	Currency	Issue price (%)	Coupon p.a. (%)	Interest payment frequency	Yield (%)	Market	Registration	Lead Manager(s)
									placement	Stock Exchange	
CH0021260978	05/12/2005 / 05/12/2005** / 07/07/2005*	05/12/2015	1,500 million (600 + 500** + 400*)	CHF	100.830 / 101.845** / 102.409*	2.625	annually	2.6158 / 2.500** / 2.433*	Euro	Swiss Stock Exchange	UBS
XS0224427160	07/20/2005	07/20/2055	500 million	EUR	98.999	4.250	annually	4.299	Private placement	Luxembourg Stock Exchange	Dexia, HSBC
XS0230703679	09/23/2005	09/23/2015	81.81 million	USD	100.000	3M USD Libor + 0.115	quarterly	-	Private placement	Luxembourg Stock Exchange	Depfa
US731011AP73	10/19/2005	10/19/2015	1,000 million	USD	99.899	5.000	semi-annually	5.013	Global	SEC + Luxembourg Stock Exchange	JP Morgan, Lehman Brothers
US731011AQ56	10/19/2005	10/19/2035	100 million	USD	100.000	5.408	semi-annually	5.408	Global	SEC + Luxembourg Stock Exchange	JP Morgan, Lehman Brothers
JP561600A5B9	11/18/2005	02/18/2021	50,000 million	JPY	100.000	2.240	semi-annually	2.240	Samurai		Daiwa, Mizuho
XS0242491230	02/01/2006	02/01/2016	3,000 million	EUR	99.383	3.625	annually	3.700	Euro	Luxembourg Stock Exchange	Credit Suisse, Deutsche Bank, JP Morgan
JP561600A6B7	11/14/2006	11/14/2016	25,000 million	JPY	100.000	2.060	semi-annually	2.060	Samurai		Daiwa, Nomura
JP561600B6B6	11/14/2006	11/13/2026	60,000 million	JPY	100.000	2.620	semi-annually	2.620	Samurai		Daiwa, Nomura
XS0282701514	01/18/2007	01/18/2022	1,500 million	EUR	99.700	4.500	annually	4.528	Euro	Luxembourg Stock Exchange	Deutsche Bank, Societe Generale, UBS
CH0030644030	05/15/2007	05/15/2019	1,000 million	CHF	101.262	3.250	annually	3.203	Euro	Swiss Stock Exchange	Credit Suisse, Unicredit
JP561600A7B5	11/16/2007	11/16/2037	50,000 million	JPY	100.000	2.810	semi-annually	2.810	Samurai		Daiwa, Mitsubishi UFJ
CH0039077687	04/21/2008	04/21/2017	250 million	CHF	101.310	3.625	annually	3.690	Euro	Swiss Stock Exchange	Credit Suisse, Unicredit
XS0370378936	06/16/2008	06/16/2038	25,000 million	JPY	100.000	3.300	semi-annually	3.300	Private placement		Daiwa
XS0371500611	06/20/2008	06/20/2018	2,000 million	EUR	99.865	5.625	annually	5.643	Euro	Luxembourg Stock Exchange	ABN Amro, Citigroup, HSBC
XS0410961014	02/02/2009 / 05/14/2009*	02/03/2014	1,750 million (1,000+750*)	EUR	99.725 / 101.279*	5.875	annually	5.940 / 5.552*	Euro	Luxembourg Stock Exchange	Citigroup, ING, Societe Generale
US731011AR30	07/15/2009 / 07/27/2009*	07/15/2019	3,500 million (2,000+1,500*)	USD	99.788 / 99.786*	6.375	semi-annually	6.404	Global	SEC + Luxembourg Stock Exchange	Barclays, Citigroup, HSBC
CH0104007692	09/23/2009	09/23/2014	750 million	CHF	100.504	3.000	annually	3.010	Euro	Swiss Stock Exchange	Credit Suisse, UBS
XS0458008496	10/15/2009	10/15/2019	500 million	EUR	98.925	4.675	annually	4.813	Private placement	Luxembourg Stock Exchange	Deutsche Bank
	10/15/2009	10/15/2024	410 million	EUR	99.090	5.125	annually	5.313	Registered bond		Deutsche Bank
JP561600A9B1	11/13/2009	11/13/2012	23,300 million	JPY	100.000	1.920	semi-annually	1.920	Samurai		Daiwa, Mizuho, Nomura
JP561600B9B0	11/13/2009	11/13/2014	21,500 million	JPY	100.000	2.340	semi-annually	2.340	Samurai		Daiwa, Mizuho, Nomura
XS0479333311	01/20/2010	01/20/2025	3,000 million	EUR	98.795	5.250	annually	5.369	Euro	Luxembourg Stock Exchange	HSBC, ING, Societe Generale, UniCredit
XS0498285351	03/29/2010 / 01/17/2012*	03/29/2017	2,000 million (1,250 + 750*)	EUR	99.384 / 98.84*	3.750	annually	3.852 / 4.121*	Euro	Luxembourg Stock Exchange	Barclays, Citigroup, HSBC
CH0110741136	03/31/2010 / 08/03/2010*	03/31/2014	625 million (475 + 150*)	CHF	100.292 / 100.385*	2.125	annually	2.193 / 2.171*	Euro	Swiss Stock Exchange	RBS, UBS
US731011AS13	07/16/2010	07/16/2015	1,500 million	USD	99.703	3.875	semi-annually	3.941	Global	SEC + Luxembourg Stock Exchange	Barclays, HSBC, Nomura

ISIN	Issue date	Maturity	Nominal value	Currency	Issue price (%)	Coupon p.a. (%)	Interest payment frequency	Yield (%)	Market	Registration	Lead Manager(s)
XS0543882095	09/23/2010 / 01/20/2011*	03/23/2021	2,000 million (1,000 + 1,000*)	EUR	99.884 / 93.281*	4.000	annually	4.016/4.853*	Euro	Luxembourg Stock Exchange	Barclays, ING, Societe Generale, UniCredit
XS0581232187	01/26/2011 / 07/26/2011*	01/26/2026	28,000 million (18,000 + 10,000*)	JPY	100.000	3.000	semi-annually	3.000	Private placement		Nomura
CH0124656056	02/02/2011	02/25/2016	350 million	CHF	100.076	2.750	annually	2.853	Euro	Swiss Stock Exchange	BNP Paribas, Credit Suisse
US857524AA08	04/21/2011 / 06/14/2011*	04/21/2021	2,000 million (1,000+1,000*)	USD	98.831 / 103.211*	5.125	semi-annually	5.277/4.713*	Global	SEC + Luxembourg Stock Exchange	Citigroup, Goldman Sachs, RBS
	06/08/2011	06/08/2026	460 million	EUR	100.000	5.361	annually	5.361	Registered bond		Commerzbank
JP561600AB75	07/29/2011	07/29/2015	25,000 million	JPY	100.000	1.250	semi-annually	1.250	Samurai retail		Daiwa
US857524AB80	11/03/2011 / 02/02/2012*	03/23/2022	3,000 million (2,000 + 1,000*)	USD	98.605 / 100.781*	5.000	semi-annually	5.176 / 4.901*	Global	SEC + Luxembourg Stock Exchange	Citigroup, Deutsche Bank, HSBC
	02/24/2012	02/24/2022	527 million	EUR	100.000	4.814	annually	4.814	Registered bond		HSBC
CH0184250253	05/15/2012	08/14/2015	375 million	CHF	100.000	3ML+1.250	quarterly	-	Euro	Swiss Stock Exchange	Credit Suisse, Deutsche Bank
CH0184250261	05/15/2012	05/15/2018	450 million	CHF	100.217	2.250	annually	2.310	Euro	Swiss Stock Exchange	Credit Suisse, Deutsche Bank
JP561600AC58	05/30/2012	05/30/2017	25,000 million	JPY	100.000	1.490	semi-annually	1.490	Samurai		Daiwa
XS0794399674	06/18/2012	01/19/2023	1,500 million	EUR	99.810	3.750	annually	3.774	Euro	Luxembourg Stock Exchange	Barclays, Citi, Erste, ING
US731011AT95	09/17/2012	03/17/2023	2,000 million	USD	98.448	3.000	semi-annually	3.175	Global	SEC + Luxembourg Stock Exchange	Deutsche Bank, Goldman Sachs, HSBC
XS0841073793	10/09/2012 / 11/26/2012*	07/09/2024	2,500 million (1,750 + 750*)	EUR	99.915 / 101.583*	3.375	annually	3.385 / 3.210*	Euro	Luxembourg Stock Exchange	Commerzbank, HSBC, ING, Societe Generale
JP561600ACB6	11/08/2012	11/08/2017	56,000 million	JPY	100.000	1.050	semi-annually	1.050	Samurai		Nomura, SMBC Nikko
JP561600BCB4	11/08/2012	11/08/2027	10,000 million	JPY	100.000	2.500	semi-annually	2.500	Samurai		Nomura

\* reopening of the previous issue

\*\* only for the first tranche

\*\*\* tranche's pricing date different from the pricing date of initial tranche (the same issue date)

\*\*\*\* bonds repurchased before their maturity date

File presents details of issued international bonds may be found on the Ministry of Finance website:

[www.finanse.mf.gov.pl/en/public-debt/international-bonds/transactions-database](http://www.finanse.mf.gov.pl/en/public-debt/international-bonds/transactions-database)

### 2.3.2. TS issued on foreign markets buy-back auctions

In December 17, 2012 the first repurchase tender of bonds issued on foreign market was organized. Via this operation Minister of Finance bought back for cash Eurobonds before their maturity date. The repurchase tender's formula is similar as in case of the domestic treasury securities. This instrument will be used for managing of the State Treasury debt. Its aim will be a reduction of refinancing risk as well as more efficient use of currency deposits used in conjunction with management of this risk.

Table 13. Schedule of the first repurchase tender of bonds issued on foreign market in day „T”

Auction agent	National Bank of Poland
Auction participants	PDs + BGK
Auction format	Multiple-price auction - each of the bidders sells securities at a price submitted in his bid.
Statements' submitting by the tender participants (a commitment to the provisions of Regulations of repurchase tenders and data necessary for the preparation of the settlement instructions)	Day „T-1”, time 12:00
Publication of information about auction	In day „T” at the latest
Deadline for placing bids	Day „T”
Minimum bid face value	1,000,000 EUR
Auction results' publication	Day „T”
Settlement instruction's transfer to a fiscal agent	Day „T”
Auction settlement	Day „T+2”

Auction results (EUR million):

Auction date	Settlement date	Maturity date	Coupon	Offer	Demand	Buyback	Average yield
12/17/2012	EUR20130205	02/05/2013	4.500%	200.000	223.500	220.500	0.109%

### 2.3.3. Polish Brady Bonds

The Polish Brady Bonds were issued subject to the agreement with London Club banks. The bonds were issued on October 27th, 1994 and included six various securities with specific terms. Total amount of issuance reached USD 8.0 billion. In 2012 Ministry of Finance conducted the early repurchase of the whole remaining Brady Bonds. As a result of such operation the notional amount of the Brady Bonds was paid off entirely.

Table 14. Polish Brady Bonds

	Collateralized Discount Bonds	Collateralized Par Bonds	Collateralized RSTA Bonds	PDI Bonds	DCB Bonds	New Money Bonds
Issue date	10/27/1994					
Issue value	USD 2,968.2 million	USD 934.7 million	USD 894.4 million	USD 2,673.6 million	USD 393.0 million	USD 137.6 million
Bond's abbreviated name	Discount	Par	RSTA	PDI	DCB	NMB
Coupon rate	6-month LIBOR + spread 13/16%	increasing from 2.75% to 5%; at the end of 2011 4%	increasing from 2.75% to 5%; at the end of 2011 4.75%	increasing from 3.25% to 7%	increasing from 4.5% to 7.5%	6-month LIBOR + spread 13/16%
Final maturity	30 years			20 years	25 years	15 years
Principal payment	bullet payment			in 27 step-up installments with 7-year grace period	in 11 step-up installments with 20-year grace period	in 11 equal installments with 10-year grace period
Final redemption date	10/27/2024			10/27/2014 (final installment)	10/27/2019 (final installment)	10/27/2009 (final installment)
Interest payments frequency	semi-annually					
Outstanding debt at the end of 2012	0*					
Secondary market registration	Luxemburg Stock Exchange					

\* Early redemption of the bonds

## 3. SECONDARY MARKET OF TS

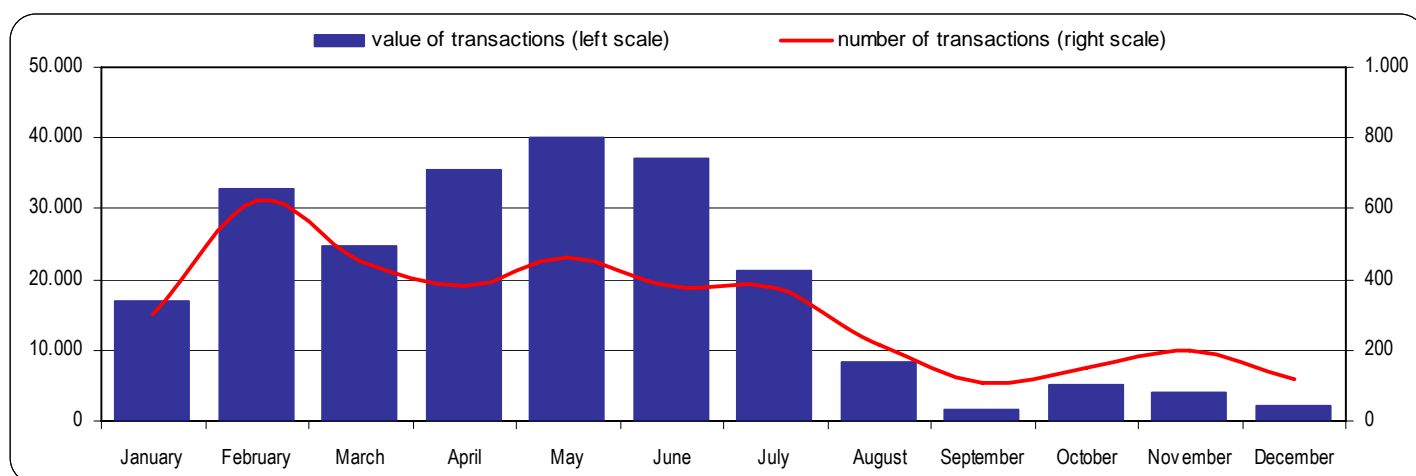
### 3.1. Secondary market of Treasury bills

Secondary trading of T-bills is effected on the non-regulated OTC market and on the Treasury BondSpot Poland electronic platform (former MTS Poland) operated by BondSpot S.A. (former MTS-CeTO S.A.). Transactions register and their settlement are handled by the NBP Registry of Securities (RPW). 3,766 transactions of total face value PLN 229,345 million were concluded on the secondary market in 2012.

Table 15. Total value and number of transactions concluded on T-bills secondary market in 2012 (PLN million)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Value of transactions	17,021	32,791	24,739	35,372	40,092	37,208	21,162	8,248	1,647	5,024	3,938	2,104	229,345
Number of transactions	303	621	452	380	462	383	374	215	105	152	199	120	3,766

Chart 1. Total value and number of transaction concluded on T-bills secondary market in 2012 (PLN million)



### 3.2. Secondary market of Treasury bonds

Trading on the secondary market for Treasury bonds is performed on the markets: non-regulated OTC market, the Treasury BondSpot Poland electronic platform (former MTS Poland) and on regulated markets of Warsaw Stock Exchange and BondSpot S.A. (former MTS-CeTO S.A.). In

2012 the trading focused on the non-regulated OTC market (90.4%). Turnover on the electronic platform amounted to 9.6%, while trading at WSE did not exceed 0.005%.

Table 16. Total value and number of transactions concluded on T-bonds secondary market in 2012 (PLN million)

		January	February	March	April	May	June	July	August	September	October	November	December	Total
TOTAL	Value	735,835	713,436	926,644	880,746	921,007	880,683	972,982	1017,824	897,396	1145,732	924,273	664,692	10,681,250
	Number	29,540	28,673	35,350	32,065	33,648	31,473	35,481	34,773	34,472	42,060	33,903	27,778	399,216
OTC market	Value	651,607	638,881	830,367	796,514	834,840	804,970	884,242	927,251	797,886	1038,580	843,148	606,740	9,655,025
	Number	23,379	23,640	29,174	27,334	28,167	26,765	30,151	29,494	28,945	36,830	29,272	24,385	337,536
TBS Poland	Value	84,228	74,555	96,278	84,233	86,168	75,713	88,740	90,573	99,510	107,153	81,125	57,953	1,026,225
	Number	6,161	5,033	6,176	4,731	5,481	4,708	5,330	5,279	5,527	5,230	4,631	3,393	61,680

Chart 2. Total value and number of transactions on T-bonds secondary market in 2012 (PLN million)

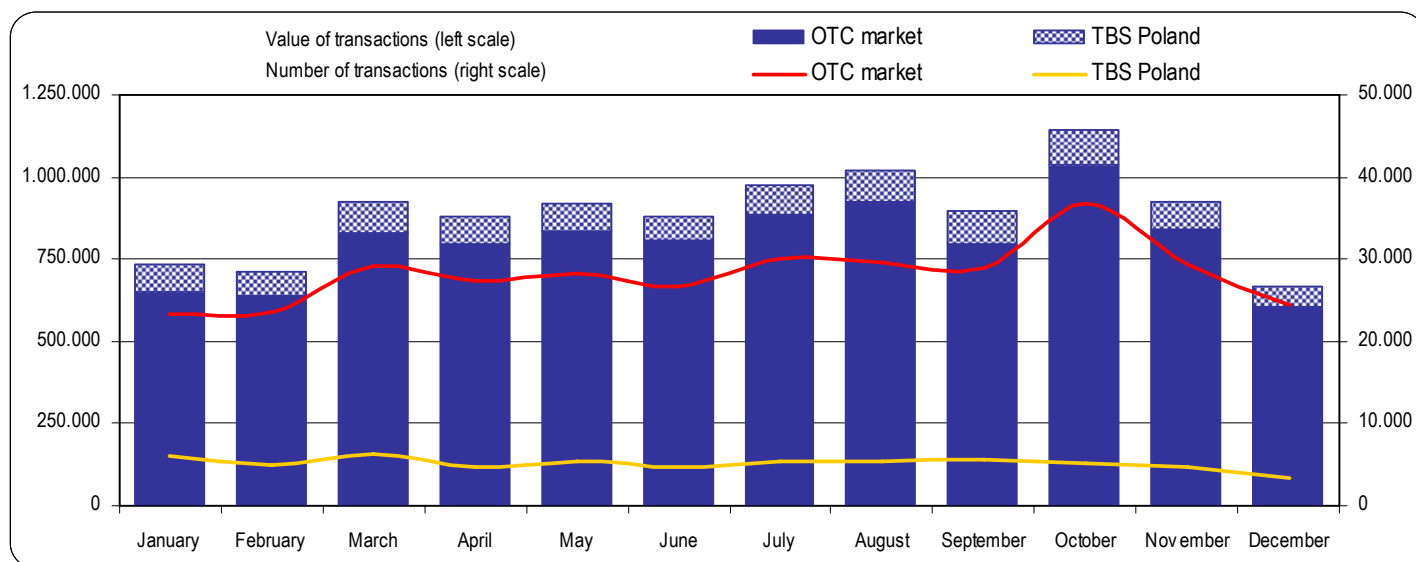


Table 17. Total value and number of transactions on fixed coupon T-bonds secondary market in 2012 (PLN million)

Bond type			January	February	March	April	May	June	July	August	September	October	November	December	Total
2-year	OTC market	Value	152,707	114,680	172,595	134,684	126,564	115,085	112,955	193,973	133,623	145,508	83,899	61,237	1,547,510
		Number	4,651	3,972	4,570	4,152	4,230	3,934	4,045	4,070	3,441	5,116	3,093	2,817	48,091
	TBS Poland	Value	18,370	11,153	22,395	15,034	13,537	8,610	10,893	15,935	13,500	10,990	8,593	4,555	153,563
		Number	977	610	692	489	523	310	427	693	359	390	328	187	5,985
	TOTAL	Value	171,077	125,832	194,990	149,718	140,100	123,695	123,847	209,908	147,123	156,498	92,492	65,792	1,701,072
Number	5,628	4,582	5,262	4,641	4,753	4,244	4,472	4,763	3,800	5,506	3,421	3,004	54,076		
5-year	OTC market	Value	128,529	168,300	251,071	211,944	214,243	214,017	284,371	305,080	267,953	323,774	240,166	195,644	2,805,093
		Number	5,687	6,794	8,335	8,304	7,397	7,224	8,731	8,984	9,038	9,302	7,875	6,409	94,080
	TBS Poland	Value	17,600	22,703	29,050	25,303	23,288	23,653	30,030	34,663	34,168	34,605	25,215	15,278	315,553
		Number	1,210	1,423	1,713	1,269	1,561	1,376	1,524	1,810	1,722	1,372	1,249	822	17,051
	TOTAL	Value	146,129	191,002	280,121	237,247	237,531	237,670	314,401	339,742	302,121	358,379	265,381	210,921	3,120,645
Number	6,897	8,217	10,048	9,573	8,958	8,600	10,255	10,794	10,760	10,674	9,124	7,231	111,131		
10-year	OTC market	Value	149,631	119,844	153,171	142,168	202,746	175,098	218,639	194,525	171,305	201,652	199,993	153,019	2,081,792
		Number	8,158	7,788	10,109	8,260	9,260	8,019	9,107	8,977	8,650	11,057	9,232	8,248	106,865
	TBS Poland	Value	31,925	26,715	34,460	32,292	36,986	32,203	34,688	29,563	33,555	33,120	25,628	21,340	372,473
		Number	2,859	2,167	2,849	2,089	2,379	1,979	2,107	1,839	2,030	1,811	1,742	1,335	25,186
	TOTAL	Value	181,556	146,559	187,631	174,460	239,732	207,301	253,327	224,088	204,860	234,772	225,621	174,359	2,454,265
Number	11,017	9,955	12,958	10,349	11,639	9,998	11,214	10,816	10,680	12,868	10,974	9,583	132,051		

Chart 3. Total value and number of transactions on fixed coupon T- bonds secondary market in 2012 (PLN million)

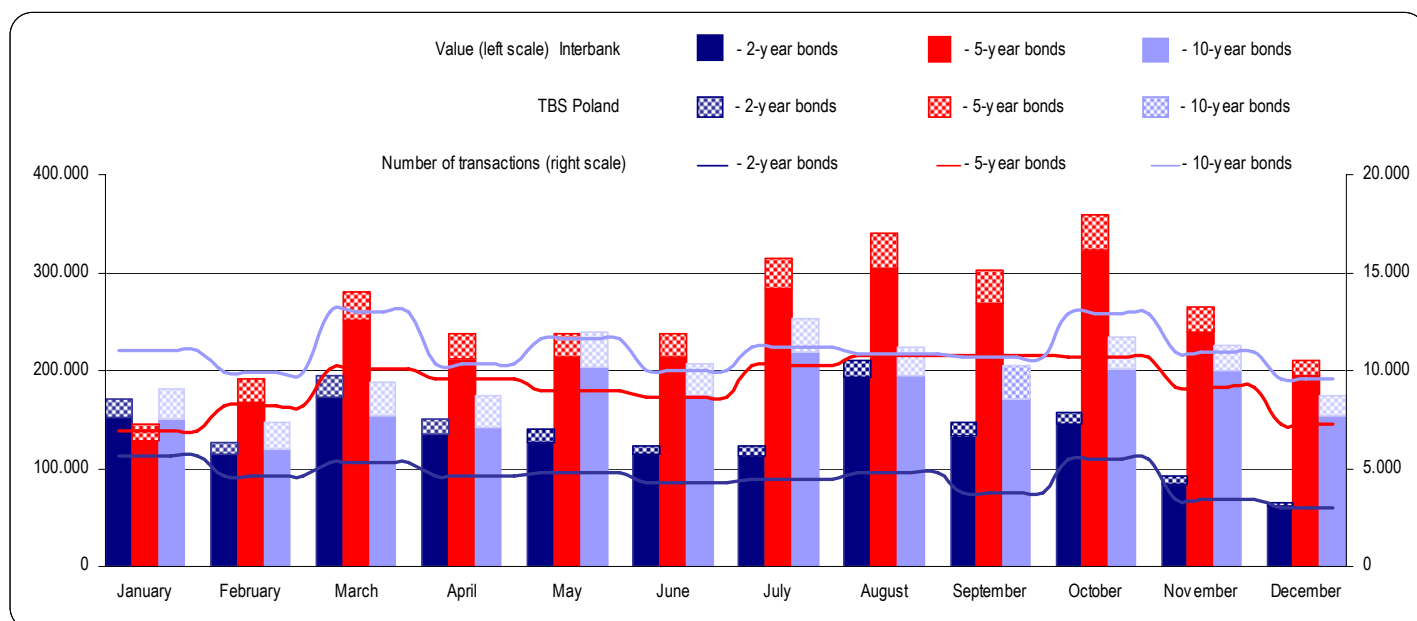
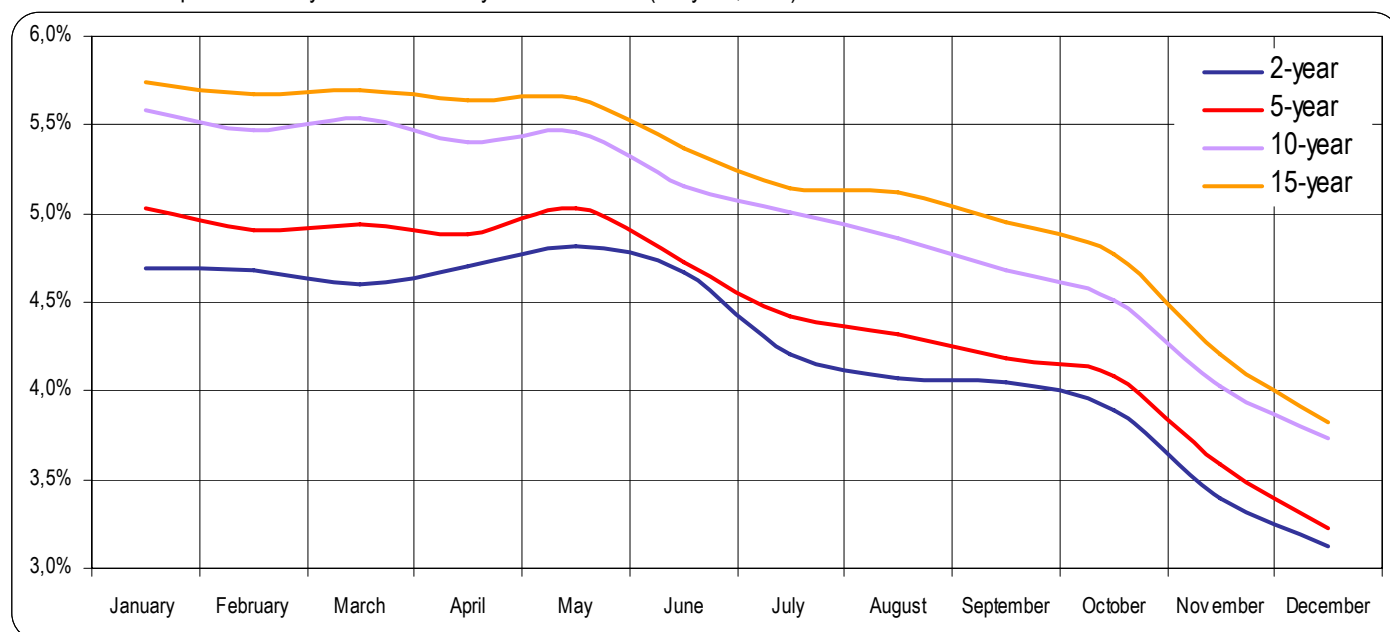


Chart 4. Fixed coupon T-bonds yield on secondary market in 2012 (bid yield, eom)



### 3.3. Secondary market for TS issued on foreign markets

The foreign bonds issued by the State Treasury in 1995 – 2012 are registered on the foreign stock exchanges. However, trading of those securities is concentrated on non-regulated interbank markets that are characterized by a significant level of deregulation and decentralization and also by a large number of institutions actively participating in transactions. Those features of the interbank market make it difficult to monitor and, in practice, the only bond parameter that can be observed and can be used to describe a bond's performance is the spread above the benchmark yields, i.e. a yield of the bond with a similar maturity considered to be the safest (relatively the spread over adequate swap rate).

Settlements of foreign bonds transactions are effected by: Euroclear and Clearstream, the Depository Trust Company or Japan Securities Depository Centre.

## 4. STATE TREASURY DEBT

Table 18. State Treasury debt by place of issue and by instrument (PLN million, eop)

Item	December 2010	December 2011	December 2012
State Treasury debt	701,851	771,128	793,854
I. State Treasury domestic debt	507,011	524,690	542,970
1. Treasury Securities	506,984	514,285	533,477
1.1. Marketable Treasury Securities	499,258	507,225	526,110
fixed-rate - non-index-linked	418,964	422,927	404,026
Treasury bills	27,966	12,014	6,110
OK bonds	105,527	108,785	55,489



Item	December 2010	December 2011	December 2012
PS bonds	131,891	135,562	151,290
DS bonds	120,585	133,151	154,636
WS bonds	32,994	33,415	36,499
fixed-rate - index-linked	14,912	20,674	23,100
IZ bonds	14,912	20,674	23,100
floating-rate	65,383	63,624	98,984
TZ bonds	1,048	590	495
WZ bonds	56,350	62,284	97,739
DZ bonds	7,234	-	-
PP bonds	750	750	750
1. 2. Savings bonds	7,618	7,060	7,368
fixed-rate	3,419	2,313	1,784
DOS bonds	3,419	2,313	1,784
floating-rate	4,199	4,747	5,584
TOZ bonds	-	-	81
COI bonds	1,563	1,798	1,832
EDO bonds	2,636	2,949	3,672
1.3. Non-marketable bonds	108	0	0
floating-rate	108	0	0
bonds issued for Bank BGŻ S.A.	108	-	-
2. Other State Treasury debt	26	10,404	9,492
deposits of public finance sector entities	-	10,392	9,438
matured payables	22	9	51
other liabilities	4	3	4
<b>II. State Treasury foreign debt</b>	<b>194,840</b>	<b>246,438</b>	<b>250,884</b>
1. Treasury Securities	155,468	195,271	199,955
1.1. Marketable Treasury Securities	155,468	195,271	199,955
fixed-rate	155,226	194,992	198,431
EUR	100,631	114,236	123,368
USD	26,372	43,947	44,014
CHF	15,345	18,893	16,680
JPY	12,878	17,915	14,370
floating-rate	242	280	1,524
USD	242	280	254
CHF	-	-	1,270
2. Loans	39,371	51,167	50,929
fixed-rate	18,479	23,875	21,496
EUR	17,971	23,416	21,252
USD	11	9	4
JPY	496	450	240
floating-rate	20,892	27,292	29,433
EUR	20,665	27,158	29,428
USD	227	133	4
3. Other State Treasury debt	1	0	0

Table 19. State Treasury debt by holder (PLN million; eop)

	Domestic banking sector			Domestic non-banking sector			Foreign investors			TOTAL		
	December 2010	December 2011	December 2012	December 2010	December 2011	December 2012	December 2010	December 2011	December 2012	December 2010	December 2011	December 2012
State Treasury debt	137,611	120,229	98,564	251,178	261,906	262,914	313,062	388,992	432,375	701,851	771,128	793,854
1. Domestic securities	130,526	110,348	91,526	248,202	249,711	251,472	128,256	154,227	190,479	506,984	514,285	533,477
1.1. Marketable securities	130,418	110,348	91,526	240,602	242,670	244,122	128,238	154,208	190,461	499,258	507,225	526,110
Treasury bills	15,871	7,044	3,770	8,595	3,235	1,751	3,501	1,734	590	27,966	12,014	6,110
OK bonds	34,623	22,700	7,115	47,636	42,101	15,931	23,269	43,984	32,443	105,527	108,785	55,489
PS bonds	28,694	25,900	24,412	56,339	63,748	70,631	46,859	45,914	56,248	131,891	135,562	151,290
DS bonds	19,585	24,108	19,845	63,382	66,036	71,812	37,618	43,007	62,979	120,585	133,151	154,636
WS bonds	1,447	1,054	1,390	20,890	18,087	16,279	10,657	14,274	18,831	32,994	33,415	36,499
IZ bonds	540	637	581	9,922	14,995	12,961	4,450	5,041	9,558	14,912	20,674	23,100
TZ bonds	8	1	1	1,037	587	492	3	2	2	1,048	590	495
WZ bonds	27,105	28,888	34,398	27,513	33,145	53,531	1,732	251	9,810	56,350	62,284	97,739
DZ bonds	2,530	-	-	4,554	-	-	150	-	-	7,234	0	-
PP bonds	15	15	15	735	735	735	0	0	0	750	750	750
1.2. Savings bonds	0	0	0	7,599	7,041	7,350	19	19	18	7,618	7,060	7,368
DOS bonds	-	-	-	3,414	2,309	1,782	5	4	2	3,419	2,313	1,784
TOZ bonds	-	-	-	-	-	80	-	-	0	-	-	81
COI bonds	-	-	-	1,553	1,787	1,821	10	11	11	1,563	1,798	1,832
EDO bonds	-	-	-	2,632	2,945	3,667	4	4	5	2,636	2,949	3,672
1.3. None-marketable securities	108	0	0	0	0	0	0	0	0	108	0	0
bonds issued for Bank BGŻ S.A.	108	-	-	0	-	-	0	-	-	108	-	-
2. Foreign securities	7,084	9,882	7,038	2,950	1,791	1,949	145,434	183,599	190,968	155,468	195,271	199,955
3. Foreign loans	0	0	0	0	0	0	39,371	51,167	50,929	39,371	51,167	50,929

	Domestic banking sector			Domestic non-banking sector			Foreign investors			TOTAL		
	December 2010	December 2011	December 2012	December 2010	December 2011	December 2012	December 2010	December 2011	December 2012	December 2010	December 2011	December 2012
International Financial Institutions	-	-	-	-	-	-	38,875	50,717	50,688	38,875	50,717	50,688
Paris Club	-	-	-	-	-	-	307	272	136	307	272	136
other loans	-	-	-	-	-	-	190	178	104	190	178	104
<b>4. Other State Treasury debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>10,404</b>	<b>9,492</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>10,404</b>	<b>9,493</b>
deposits of public finance sector entities	-	-	-	-	10,392	9,438	-	-	-	0	10,392	9,438
matured payables	0	0	0	22	9	51	1	0	0	23	9	51
other liabilities	0	0	0	4	3	4	0	0	0	4	3	4

Table 20. State Treasury debt according to the place of issue criterion and residual maturity (PLN million; eop)

	December 2010	December 2011	December 2012
<b>Total</b>	<b>701,851</b>	<b>771,128</b>	<b>793,854</b>
up to one year (inc.)	104,058	129,600	99,703
above 1 and up to 3 years (inc.)	191,680	159,305	176,574
above 3 and up to 5 years (inc.)	118,218	158,014	165,114
above 5 and up to 10 years (inc.)	193,519	223,510	261,639
above 10 years	94,375	100,698	90,824
<b>I. Domestic debt</b>	<b>507,011</b>	<b>524,690</b>	<b>542,970</b>
up to one year (inc.)	97,828	112,784	85,243
above 1 and up to 3 years (inc.)	162,128	122,516	142,502
above 3 and up to 5 years (inc.)	86,407	120,900	130,945
above 5 and up to 10 years (inc.)	113,793	128,485	159,531
above 10 years	46,854	40,004	24,748
<b>1.1. Marketable securities</b>	<b>499,258</b>	<b>507,225</b>	<b>526,110</b>
<b>fixed-rate</b>	<b>418,964</b>	<b>422,927</b>	<b>404,026</b>
up to one year (inc.)	67,807	100,278	73,395
above 1 and up to 3 years (inc.)	158,611	119,528	118,124
above 3 and up to 5 years (inc.)	86,028	87,059	93,751
above 5 and up to 10 years (inc.)	73,523	82,647	101,701
above 10 years	32,994	33,415	17,054
<b>index-linked</b>	<b>14,912</b>	<b>20,674</b>	<b>23,100</b>
above 3 and up to 5 years (inc.)	0	14,085	15,406
above 5 and up to 10 years (inc.)	10,760	0	0
above 10 years	4,152	6,589	7,694
<b>floating-rate</b>	<b>65,383</b>	<b>63,624</b>	<b>98,984</b>
up to one year (inc.)	27,651	169	884
above 1 and up to 3 years (inc.)	1,052	1,172	22,783
above 3 and up to 5 years (inc.)	0	19,255	20,777
above 5 and up to 10 years (inc.)	26,972	43,029	54,540
above 10 years	9,708	0	0
<b>1.2. Savings bonds</b>	<b>7,618</b>	<b>7,060</b>	<b>7,368</b>
<b>fixed-rate</b>	<b>3,419</b>	<b>2,313</b>	<b>1,784</b>
up to one year (inc.)	2,113	1,264	1,028
above 1 and up to 3 years (inc.)	1,307	1,049	756
<b>floating-rate</b>	<b>4,199</b>	<b>4,747</b>	<b>5,584</b>
up to one year (inc.)	123	669	443
above 1 and up to 3 years (inc.)	1,158	768	840
above 3 and up to 5 years (inc.)	379	501	1,010
above 5 and up to 10 years (inc.)	2,539	2,809	3,290
<b>1.3. Non-marketable bonds</b>	<b>108</b>	<b>0</b>	<b>0</b>
<b>floating-rate</b>	<b>108</b>	<b>0</b>	<b>0</b>
up to one year (inc.)	108	0	0
above 1 and up to 3 years (inc.)	0	0	0
<b>2. Other State Treasury debt</b>	<b>26</b>	<b>10,404</b>	<b>9,492</b>
up to one year (inc.)	26	10,404	9,492
<b>II. Foreign debt</b>	<b>194,840</b>	<b>246,438</b>	<b>250,884</b>
up to one year (inc.)	6,230	16,816	14,459
above 1 and up to 3 years (inc.)	29,552	36,790	34,072
above 3 and up to 5 years (inc.)	31,811	37,114	34,169
above 5 and up to 10 years (inc.)	79,726	95,025	102,107
above 10 years	47,521	60,693	66,076
<b>1. Foreign securities</b>	<b>155,468</b>	<b>195,271</b>	<b>199,955</b>
<b>fixed-rate</b>	<b>155,226</b>	<b>194,992</b>	<b>198,431</b>
up to one year (inc.)	3,960	14,911	11,363
above 1 and up to 3 years (inc.)	24,877	30,341	29,414
above 3 and up to 5 years (inc.)	27,185	30,720	26,600
above 5 and up to 10 years (inc.)	63,060	74,468	81,204
above 10 years	36,144	44,552	49,850

	December 2010	December 2011	December 2012
<b>floating-rate</b>	242	280	1,524
up to one year (inc.)	0	0	0
above 3 and up to 5 years (inc.)	242	280	1,524
above 5 and up to 10 years (inc.)	0	0	0
<b>2. Foreign loans</b>	<b>39,371</b>	<b>51,167</b>	<b>50,929</b>
<b>fixed-rate</b>	<b>18,479</b>	<b>23,875</b>	<b>21,496</b>
up to one year (inc.)	1,131	1,410	2,798
above 1 and up to 3 years (inc.)	3,963	4,504	2,649
above 3 and up to 5 years (inc.)	2,468	5,149	4,994
above 5 and up to 10 years (inc.)	8,202	8,459	7,520
above 10 years	2,715	4,352	3,535
<b>floating-rate</b>	<b>20,892</b>	<b>27,292</b>	<b>29,433</b>
up to one year (inc.)	1,138	495	298
above 1 and up to 3 years (inc.)	713	1,945	2,009
above 3 and up to 5 years (inc.)	1,916	966	1,052
above 5 and up to 10 years (inc.)	8,464	12,098	13,383
above 10 years	8,661	11,789	12,691
<b>3. Other State Treasury debt</b>	<b>1</b>	<b>0</b>	<b>0</b>
up to one year (inc.)	1	0	0

Table 21. Public Debt according to the place of issue criterion - after consolidation (PLN million, at nominal value, eop)

	December 2010	December 2011	December 2012
<b>Public debt</b>	<b>747,899</b>	<b>815,346</b>	<b>840,491</b>
<b>Domestic debt</b>	<b>543,388</b>	<b>557,074</b>	<b>576,440</b>
1. Debt securities	499,599	504,816	521,934
2. Loans	39,934	48,759	50,891
3. Other domestic liabilities	3,855	3,499	3,615
<b>Foreign debt</b>	<b>204,511</b>	<b>258,271</b>	<b>264,051</b>
1. Debt securities	156,585	196,517	201,108
2. Loans	47,918	61,746	62,934
3. Other foreign liabilities	9	9	9

Table 22. Public Debt according to the residency criterion - after consolidation (PLN million, at nominal value, eop)

	December 2010	December 2011	December 2012
<b>Public debt</b>	<b>747,899</b>	<b>815,346</b>	<b>840,491</b>
<b>Domestic debt</b>	<b>425,166</b>	<b>414,520</b>	<b>394,948</b>
1. Debt securities	381,377	362,262	340,442
2. Loans	39,934	48,759	50,891
3. Other domestic liabilities	3,855	3,499	3,615
<b>Foreign debt</b>	<b>322,733</b>	<b>400,826</b>	<b>445,542</b>
1. Debt securities	274,807	339,071	382,599
2. Loans	47,918	61,746	62,934
3. Other foreign liabilities	9	9	9

Table 23. Public Debt - before consolidation (PLN million, at nominal value, eop)

	December 2010	December 2011	December 2012
<b>Public debt</b>	<b>778,682</b>	<b>861,244</b>	<b>889,667</b>
<b>1. Central government sector debt</b>	<b>705,902</b>	<b>772,639</b>	<b>795,706</b>
1.1. State Treasury	701,851	771,128	793,854
1.2. Earmarked State funds	0	0	0
1.3. State institutions of higher education	291	351	518
1.4. Independent public health-care units	977	1,122	1,298
1.5. State institutions of culture	45	23	17
1.6. Polish Academy of Science and units established by it	10	9	8
1.7. Other central government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	2,728	5	12
<b>2. Local government sector debt</b>	<b>59,883</b>	<b>70,448</b>	<b>72,824</b>
2.1. Local government units and their unions	55,479	66,106	68,217
2.2. Earmarked local government funds	0	-	-
2.3. Independent public health-care units	4,202	4,119	4,394
2.4. Local institutions of culture	91	110	99
2.5. Other local government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	110	113	114
<b>3. Social Security Sector debt</b>	<b>12,897</b>	<b>18,157</b>	<b>21,137</b>
3.1. Social Insurance Institution	0	0	0
3.2. Funds managed by Social Insurance Institution	12,897	18,157	21,137
3.3. Agricultural Social Insurance Fund	0	0	0
3.4. National Health Fund	0	0	0

Table 24. Public Debt - after consolidation (PLN million, at nominal value, eop)

	December 2010	December 2011	December 2012
<b>Public debt</b>	<b>747,899</b>	<b>815,346</b>	<b>840,491</b>
<b>1. Central government sector debt</b>	<b>692,360</b>	<b>748,806</b>	<b>770,822</b>
1.1. State Treasury	691,210	747,504	769,129
1.2. Earmarked State funds	0	0	0
1.3. State institutions of higher education	274	332	486
1.4. Independent public health-care units	832	951	1,192
1.5. State institutions of culture	33	8	3
1.6. Polish Academy of Science and units established by it	7	6	5
1.7. Other central government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	5	4	8
<b>2. Local government sector debt</b>	<b>53,519</b>	<b>64,261</b>	<b>67,409</b>
2.1. Local government units and their unions	50,568	61,189	64,031
2.2. Earmarked local government funds	0	-	-
2.3. Independent public health-care units	2,869	3,000	3,315
2.4. Local institutions of culture	62	63	58
2.5. Other local government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	20	8	6
<b>3. Social Security Sector debt</b>	<b>2,019</b>	<b>2,279</b>	<b>2,259</b>
3.1. Social Insurance Institution	0	0	0
3.2. Funds managed by Social Insurance Institution	2,019	2,279	2,259
3.3. Agricultural Social Insurance Fund	0	0	0
3.4. National Health Fund	0	0	0

Table 25. Public Debt at nominal value (m PLN, eop) and its ratio to GDP

Item	2004		2005		2006		2007		2008		2009		2010		2011		2012	
	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)	Value in m PLN	Ratio to GDP (%)
State Treasury debt	402,860	43.6%	440,167	44.8%	478,526	45.1%	501,531	42.6%	569,946	44.7%	631,506	47.0%	701,851	49.5%	771,128	50.5%	793,854	49.8%
Public debt	431,434	46.7%	466,591	47.5%	506,264	47.8%	527,442	44.8%	597,764	46.9%	669,876	49.8%	747,899	52.8%	815,346	53.4%	840,491	52.7%
General Government debt*	422,385	45.7%	463,018	47.1%	506,036	47.7%	529,370	45.0%	600,829	47.1%	684,082	50.9%	776,825	54.8%	859,079	56.2%	886,786	55.6%
GDP	924,538		983,302		1,060,031		1,176,737		1,275,508		1,344,505		1,416,585		1,528,127		1,595,264	

\* General Government (GG)- ESA95 definition

Table 26. Differences between public debt (according to domestic methodology) and general government debt

	December 2010	December 2011	December 2012
<b>Public debt</b>	<b>747,899</b>	<b>815,346</b>	<b>840,491</b>
1) Adjustments concerning the scope of the sector	32,772	47,228	49,913
Debt of National Road Fund	24,798	36,413	41,197
T-Securities held by funds managed by Bank Gospodarstwa Krajowego	-233	-364	-3,039
National Road Fund (aquisition of infrastructure assets)*	8,197	11,076	11,572
Przedsiębiorstwa publiczne zaliczone do sektora instytucji rządowych i samorządowych	8.9	103.7	182.4
2) Differences concerning debt instruments	-3,845	-3,494	-3,618
matured payables	-3,860	-3,504	-3,621
debt assumption - activation of a guarantee	15	10	3
<b>General government debt</b>	<b>776,825</b>	<b>859,079</b>	<b>886,786</b>

\* in compliance with Eurostat guidelines on sector classification of some motorway projects, general government debt figures include capital expenditures of the projects in question

Monthly data on the [State Treasury debt](#) and [quarterly data on public finance sector debt](#) are available on the Ministry of Finance website.

## 5. INSTITUTIONAL STRUCTURE OF THE TS MARKET

The legal operational basis of the main institutions of the capital market are:

1. The Law of July 29<sup>th</sup>, 2005 on public offer, the rules of introducing financial instruments for public trading and public companies;
2. The Law of July 29<sup>th</sup>, 2005 on turnover of financial instruments;
3. The Law of July 29<sup>th</sup>, 2005 on supervision of the capital market.

The following entities are organizationally involved in the Polish TS market:

- a) The Minister of Finance acting on behalf of the State Treasury – the issuer of TS, managing of public debt,
- b) The National Bank of Poland – the issue agent of TS offered on the domestic wholesale market. The NBP also keeps the accounts of the state budget (treasury),
- c) Polish Financial Supervision Authority (PFSA) – responsible for the supervision of the public securities market and its participants,
- d) The National Depository for Securities (NDS) - Depository and settlements institution for securities including Treasury bonds,
- e) The Warsaw Stock Exchange S.A. (WSE) – institution running the regulated secondary market of Treasury bonds,
- f) Primary Dealers – entities participating in the primary TS market
- g) The Central Brokerage House PeKaO S.A. (CBH Pekao S.A.) – issue agent of retail bonds till July 31, 2003,
- h) Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP S.A.) – issue agent of retail bonds from August 1, 2003,
- i) BondSpot S.A. – organizer of secondary market Treasury BondSpot Poland for T-bills and T-bonds offered at auctions,
- j) Bank Gospodarstwa Krajowego – payment agent of a part of the State Treasury foreign debt (including T-bonds) ,

- k) Domestic banks – major participants of the TS market,
- l) Brokerage houses – intermediaries on the primary and secondary markets for securities,
- m) Institutions participating in foreign bond issues.

### 5.1. Useful addresses

Ministry of Finance  
12 Świętokrzyska St.,  
00 - 916 Warszawa  
tel: (4822) 694-55-55  
[www.finanse.mf.gov.pl](http://www.finanse.mf.gov.pl)

National Bank of Poland  
11/21 Świętokrzyska St.,  
00 - 049 Warszawa  
tel: (4822) 653-10-00  
[www.nbp.pl](http://www.nbp.pl)

REUTERS – page [PLMINFIN](#)

BLOOMBERG – page [PLMF](#)

Warsaw Stock Exchange  
4 Książęca St.  
00 - 498 Warszawa  
tel: (4822) 628-32-32  
[www.gpw.pl](http://www.gpw.pl)

National Depository for Securities  
4 Książęca St.,  
00-498 Warszawa  
tel: (4822) 537-93-43  
[www.kdpw.com.pl](http://www.kdpw.com.pl)

Page about T-bonds destined for individual investors (in Polish only)  
[www.obligacjeskarbowe.pl](http://www.obligacjeskarbowe.pl)

Financial Supervision Authority  
1 Plac Powstańców Warszawy  
00 - 950 Warszawa  
tel: (4822) 262-50-00  
[www.knf.gov.pl](http://www.knf.gov.pl)

Powszechna Kasa Oszczędności Bank Polski S.A.  
15 Puławska St,  
02-515 Warszawa  
tel. 0-801 302-302 (hotline)  
tel. (4881) 535-65-65  
[www.pkobp.pl](http://www.pkobp.pl)

BondSpot S.A.  
26 Armii Ludowej Ave,  
00-609 Warszawa  
tel. (4822) 579-81-00  
[www.bondspot.pl](http://www.bondspot.pl)

Central Brokerage House PeKao SA  
18 Wołoska St.,  
02 - 675 Warszawa  
tel: (4822) 821-88-70  
[www.cdmpekao.com.pl](http://www.cdmpekao.com.pl)