

MINISTRY OF FINANCE

ANNEX TO ANNUAL REPORT 2009 PUBLIC DEBT

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

The basic act governing the terms of issuing Treasury Securities in 2009 was the Public Finance Act of June 30th, 2005 (Journal of Laws No. 249, item 2104 as subsequently amended).

Under this Act, only the Minister of Finance was authorized to issue monetary-type TS (i.e. T-bonds and T-bills). Other TS (equity-type) can be issued by the Minister of Treasury in consultation with the Minister of Finance.

TS are classified according to their maturity as follows:

- a) 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);
- b) 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).

The general terms of issuing specific types of the Treasury Securities in 2006 were determined in five ordinances :

- a) Ordinance of the Minister of Finance of June 26th, 2006 on the general terms of issuing of Treasury bills (Journal of Laws No. 113, item 771);
- b) Ordinance of the Minister of Finance of June 26th, 2006 on the general terms of issuing of Treasury bonds offered at auctions (Journal of Laws No. 113, item 772);
- c) Ordinance of the Minister of Finance of June 26th, 2006 on the terms of issuing of Treasury bonds on the foreign markets (Journal of Laws No. 113, item 773);
- d) Ordinance of the Minister of Finance of June 26th, 2006 on the terms of issuing of Treasury bonds offered in the retail network (Journal of Laws No. 113, item 774);
- e) Ordinance of the Minister of Finance of June 26th, 2006 on the terms of issuing of Treasury bonds designated for the conversion of the State Treasury debt (Journal of Laws No. 113, item 775).

The ordinances determined the Minister of Finance's rights to define detailed terms of the TS issue. They set forth general terms of securities' design, sales procedures, investor groups to which Treasury Securities are offered and terms of their service and redemption (including buy-back and early redemption).

Detailed conditions of a particular issue of the Treasury Securities 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 TREASURY SECURITIES.

2.1. Sale of TS on the domestic market

Sale of the Treasury Securities 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 the auction sales of TS – Treasury bills and Treasury bonds - 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. Sale of TS at auctions.

TS 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 10,000 for a T-bill and PLN 1,000 for a T-bond) is a feature of the wholesale market of the Treasury Securities. The direct access to auctions is limited to Treasury Securities Dealers and Bank Gospodarstwa Krajowego (state owned bank).

There were altogether 82 auctions of TS in 2009: 42 auctions of Treasury bills and 40 of Treasury bonds (including 15 non-competitive auctions). Total value of securities offered amounted to PLN 128,21 billion (T-bills - PLN 57,10 billion and T-bonds - PLN 71,11 billion), the value of declared demand reached PLN 298,18 billion (PLN 159,52 billion and PLN 138,66 billion respectively) and the total face value of sale amounted to PLN 122,11 billion (PLN 55,58 billion and PLN 66,53 billion respectively).

The following types of TS were offered at auctions in 2009:

- a) T-bills,
- b) 2-year zero coupon T-bonds,
- c) 5-year fixed rate T-bonds,
- d) 10-year fixed rate T-bonds,
- e) 20-year fixed rate T-bonds,

2.1.1.1. System of Treasury Securities Dealers (TSD)

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 2009 (that was held from October 1, 2007 to September 30, 2008) was limited to Polish and foreign banks, which met requirements stated in [Rules and Regulations Governing the Activities of the TSD as of September 21st, 2007](#). The document set forth competition's rules and criteria for TSDs selection. Minister of Finance granted the status of TSD for 2009 to 11 banks. From October 1, 2008 to September 30, 2009 the competition for TSD for 2010 took place as set forth in [Rules and Regulations Governing the](#)

Activities of the TSD as of September 23rd, 2008. The competition for TSD for 2011 has started on October 1, 2009. The competition's rules and criteria for TSDs selection are described in Rules and Regulations Governing the Activities of the TSD as of August 27th, 2009

Candidates for TSD for 2009, TDS for 2009, candidates for TSD for 2010, TDS for 2010, candidates for TSD for 2011

Name of entity	Candidate for TSD for 2009	TSD for 2009	Candidate for TSD for 2010	TSD for 2010	Candidate for TSD for 2011
ABN Amro Bank (Polska) S.A.	✓				
Bank BPH S.A.	✓		✓		✓
Bank Gospodarki Żywnościowej S.A.	✓		✓		✓
Bank Handlowy w Warszawie S.A.	✓	✓	✓	✓	✓
Bank Millennium S.A.	✓	✓	✓	✓	✓
Bank PEKAO S.A.	✓	✓	✓	✓	✓
Barclays Bank plc.	✓	✓	✓	✓	✓
BRE Bank S.A.	✓	✓	✓	✓	✓
Calyon Corporate and Investment Bank	✓				
Deutsche Bank AG*		✓	✓		
Deutsche Bank Polska S.A.*	✓				✓
EFG Eurobank Ergasias S.A.	✓				✓
Erste Group Bank AG					✓
Goldman Sachs International					✓
HSBC Bank plc.	✓	✓	✓	✓	✓
ING Bank Śląski S.A.	✓	✓	✓	✓	✓
Kredyt Bank S.A.	✓	✓	✓	✓	✓
Lehman Brothers International (Europe)	✓				
Morgan Stanley & Co. International Ltd.			✓		✓
Nomura International plc.	✓				
PKO BP S.A.	✓	✓	✓	✓	✓
Raiffeisen Bank Polska S.A.	✓		✓	✓	✓
Société Générale S.A. Oddział w Polsce	✓	✓	✓	✓	✓
The Royal Bank of Scotland plc.			✓	✓	✓
UBS Limited					✓

* Before October 1st, 2008 - Deutsche Bank Polska S.A. (candidate for TSD for 2009), since October 1st, 2008 - Deutsche Bank AG (TSD for 2009) - according to the decision of the Minister of Finance as of July 11th, 2008.

TSDs selection criteria for 2010:

- share in outright transactions on Electronic market (calculated for own price and another entity's price separately),
- share in OTC outright inter-bank transactions on TS,
- share in OTC outright transactions on TS with non-banking clients,
- share in repo, sell-buy back and buy-sell back transactions on TS,
- share in the turnover on FRA (Forward Rate Agreement) and IRS (Interest Rate Swap) market ,
- share in transactions on Polish government securities on NewEuroMTS,
- place of dealing activity,
- quality of TS quotations submitted at the request of the Minister of Finance,
- cooperation with the Minister of Finance with regard to issuance policy and financial market functioning.

TSDs duties in 2009:

- participate in auctions of Treasury bonds,
- purchase each quarter no less than 5% of the weighted face value of TS sold at auctions (the weights: for TS with maturity less than 4 years – 0.5, for TS with maturity equal or above 4 years – 1.5),
- submit quotations of bid and offer prices for benchmark TS, defined by the Minister of Finance, on the electronic market MTS Poland for at least 5 hours per day,
- participate in everyday 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,
- quote bid/offer TS prices at any request of the Minister of Finance,
- co-operate with the Minister towards further development of the transparent, liquid and efficient TS market,
- undertake action aimed at widening of the investor base,
- promote the TS market,
- duly fulfil duties resulting from the participation in the depository-settling systems.

TSDs in 2009 were entitled to:

- exclusive submission of bids at all auctions of TS arranged by the NBP,
- purchasing TS at non-competitive auctions in accordance with the rules defined in the Ordinance of the Minister of Finance as of June 26th, 2006 on the general terms of issuing of Treasury bonds offered at auctions (Journal of Laws of 2006 No 113 item 772),
- 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),

4. 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,
5. exclusive right to use the title of a Treasury Securities Dealer, during the term of the Agreement on fulfilling the function of the TSD.

2.1.1.1.1. 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, 2009 there were 32 entities acting on the MTS Poland: 19 as Market Makers, 12 as Market Takers and 1 Institutional Investor.

2.1.1.1.2. Sales of Treasury bills.

Treasury bills are issued as bearers securities, the face value of one bill amounts to PLN 10,000 and its maturity may vary from 1 to 52 weeks or 1 to 90 days.. Treasury bills are issued in a dematerialized form and deposited in the electronic form with the Securities Register run by the National Bank of Poland.

Treasury bills are sold at a discount (purchase price is lower than face value) and an investor receives T-bill's face value on a redemption date – the difference between face value and purchase price is an investor's yield.

Direct access to auction is limited to Treasury Securities Dealers. Investors that have no such status can place their bids through an entity that is a direct participant of an auction. Residents and non-residents being legal entities, individuals and entities without legal status, may invest in Treasury bills. T-bills may be freely traded among all those investors, as long as the foreign exchange regulations and laws on public trading of securities are observed.

Secondary trading is performed on the interbank market arranged by biggest domestic banks and on the ETSM run by MTS- CeTO S.A.

Preliminary information on dates of planned auctions for a given year is published on the Ministry of Finance website, in REUTERS and BLOOMBERG. At the beginning of a month, the Ministry of Finance announces monthly plan including auction dates, projected sales value of specific types of securities and payment dates for purchased bills.

Treasury bills auctions are held on Mondays, but under some reasonable circumstances the Minister of Finance is entitled to arrange an auction on some other days. An announcement of a forthcoming auction is published one working day before the auction date on the Ministry of Finance website, in REUTERS and BLOOMBERG .

Bids are submitted by direct participants of an auction to the National Bank of Poland by 11:00 a.m. on the auction date – minimum face value of a bid is PLN 100,000. Upon receipt a bid summary from the NBP the Minister of Finance takes a decision on the minimum price of bills accepted for each maturity. Bids with higher price are accepted in whole while bids presenting accepted minimum price can be accepted with a reduction or in whole.

Auctions of Treasury bills are held in the multi-price auction system i.e., each of the bidders buys securities at a price submitted in his bid. Results of a Treasury bills auction are announced on the day of the auction at about 12:00 a.m. in the Internet on the Ministry of Finance website, in REUTERS and BLOOMBERG.

The Minister of Finance may not later than on the following day organize non-competitive auction of T-bills with offer not exceeding 20% of initial auction offer. Participation in non-competitive auction is limited to successful bidders at the auction. During a non-competitive auction T-bills are sold at average auction price. Auction participants purchase T-bills in proportion to the amount of T-bills purchased at normal auction. The Minister of Finance has not used this possibility so far. The payment for the T-bills is usually made on Wednesday, two days after an auction but in some cases may be made on another day.

There were 42 auctions of Treasury bills in 2009 offering securities of total face value at PLN 57,100 million. The bids reached the amount of PLN 159,517 million and the sale of T-bills at their face value amounted to PLN 55,580 million. Revenues from the sale of T-bills amounted to PLN 53,242 million and in a break down according to a particular T-bill type were as follows:

Table 1. Sales of Treasury bills in 2009 (PLN million)

Type of a bill	Demand	Sales, face value	Sales, principal
25-week	2,239	1,294	1,267
26-week	21,242	5,741	5,617
28-week	866	500	489
39-week	2,585	500	481
49-week	2,896	998	959
52-week	129,689	46,547	44,429
TOTAL:	159,517	55,580	53,242

File containing results of all auctions of Treasury bills since 1991 can be found on the Ministry of Finance website: http://www.mf.gov.pl/files/_dlug_publiczny/obligacje_hurtowe/pliki_do_pobrania/bonyskarbowe.xls

Table 2. Results of Treasury bills auctions in 2009 (PLN million)

Auction date	Bill type	Redemption date	Offer		Demand	Sales	Average yield
			Min.	Max.			
01/05/2009	39	10/07/2009	500	600	2,584.75	500.00	5.150%
01/12/2009	52	01/13/2010	500	600	4,140.70	505.00	4.885%
01/19/2009	52	01/20/2010	500	600	2,627.10	500.00	4.748%
01/26/2009	52	01/27/2010	1,000	1,100	3,088.67	1,100.00	4.630%
02/02/2009	52	02/03/2010	900	1,000	764.15	733.15	4.436%
02/09/2009	52	02/10/2010	1,500	2,000	4,020.45	1,996.80	4.880%
02/16/2009	52	02/17/2010	1,300	1,800	2,142.20	1,337.20	5.176%
02/23/2009	52	02/24/2010	1,300	1,800	6,960.70	2,395.20	5.177%
03/02/2009	26	09/02/2009	300	500	1,915.10	677.00	4.682%
03/02/2009	52	03/03/2010	700	1,000	2,953.75	1,160.00	4.997%
03/09/2009	26	09/09/2009	1,100	1,400	7,932.14	1,400.00	4.385%
03/09/2009	52	03/10/2010	1,500	1,800	3,007.72	1,854.72	4.941%
03/16/2009	26	09/16/2009	1,100	1,400	4,490.20	1,554.62	4.357%
03/16/2009	52	03/17/2010	900	1,200	3,200.79	1,181.08	4.827%
03/23/2009	26	09/23/2009	1,300	1,600	4,533.50	1,609.82	4.319%
03/30/2009	26	09/30/2009	300	500	2,371.15	500.00	4.242%
03/30/2009	52	03/31/2010	800	1,000	2,382.77	1,012.77	4.857%
04/06/2009	52	04/07/2010	800	1,000	2,832.50	1,077.40	4.836%
04/09/2009	28	10/28/2009	800	1,000	866.35	500.15	4.299%
04/09/2009	52	04/14/2010	1,000	1,500	5,065.17	1,961.37	4.822%
04/20/2009	52	04/21/2010	1,000	1,500	3,239.57	1,492.38	4.837%
04/27/2009	52	04/28/2010	1,000	1,500	2,365.08	1,215.08	4.957%
05/04/2009	25	10/28/2009	2,200	2,700	2,239.17	1,294.17	4.456%
05/04/2009	52	05/05/2010			3,231.06	1,328.06	5.041%
05/11/2009	52	05/12/2010	600	800	1,563.01	758.51	5.055%
05/18/2009	52	05/19/2010	600	800	1,359.40	633.10	5.107%
05/25/2009	52	05/26/2010	2,000	2,500	8,378.21	2,515.26	5.074%
06/01/2009	52	06/02/2010	1,500	2,000	9,419.31	2,125.00	4.872%
06/08/2009	52	06/09/2010	1,200	1,600	5,932.95	1,600.00	4.749%
06/15/2009	52	06/16/2010	1,200	1,600	3,177.76	1,615.86	4.752%
06/22/2009	52	06/23/2010	800	1,000	4,690.65	1,083.00	4.663%
06/29/2009	52	06/30/2010	1,000	1,200	4,663.86	1,200.00	4.495%
07/06/2009	52	07/07/2010	1,000	1,200	3,254.65	1,255.95	4.455%
07/13/2009	52	07/14/2010	1,000	1,300	3,065.87	1,317.37	4.387%
07/20/2009	49	06/30/2010	800	1,000	2,896.38	997.98	4.276%
07/27/2009	52	07/28/2010	1,200	1,500	2,311.49	1,454.79	4.282%
08/03/2009	52	08/04/2010	1,000	1,500	3,153.56	1,512.00	4.220%
08/10/2009	52	08/11/2010	1,000	1,300	4,218.53	1,420.00	4.168%
08/17/2009	52	08/18/2010	800	1,000	2,213.64	835.20	4.245%
08/24/2009	52	08/25/2010	800	1,000	3,365.05	860.00	4.233%
08/31/2009	52	09/01/2010	800	1,000	2,173.60	812.10	4.274%
09/07/2009	52	09/08/2010	800	1,000	1,540.50	806.50	4.388%
09/14/2009	52	09/15/2010	800	1,000	1,495.18	803.18	4.468%
09/21/2009	52	09/22/2010	800	1,000	3,658.33	1,000.00	4.411%
09/28/2009	52	09/29/2010	800	1,000	2,485.21	848.06	4.397%
10/12/2009	52	10/13/2010	400	600	1,962.10	408.65	4.296%
10/19/2009	52	10/20/2010	400	600	1,824.55	400.40	4.260%
10/26/2009	52	10/27/2010	400	500	1,758.78	431.48	4.223%
TOTAL:					159,517.31	55,580.36	

2.1.1.3. Treasury bills buy-back auctions

Such an operation is held rather seldom in the situation of temporary surplus in budget current account. Minister of Finance may offer to buyback existing bills what will result in lowering debt servicing costs. In 2009 the Ministry of Finance held 4 buy-back auction.

Table 3. Results of Treasury bills buy-back auctions in 2009 (PLN million)

Auction date	Redemption date	Demand	Buyback	Average yield
08/19/2009	09/02/2009	80.20	0.20	3.099%
08/19/2009	09/09/2009	1,039.00	1,000.00	3.274%
08/19/2009	09/16/2009	688.95	540.00	3.274%
08/19/2009	09/23/2009	754.00	564.00	3.275%
08/19/2009	09/30/2009	334.00	0.00	-
08/19/2009	10/07/2009	313.63	0.00	-
09/16/2009	10/07/2009	499.97	11.97	3.249%
09/16/2009	10/14/2009	46.90	16.90	3.250%
09/16/2009	10/21/2009	46.10	0.39	3.251%

Auction date	Redemption date	Demand	Buyback	Average yield
09/16/2009	10/28/2009	97.88	0.00	-
09/16/2009	11/04/2009	308.69	15.20	3.296%
10/05/2009	10/14/2009	0.00	0.00	-
10/05/2009	10/21/2009	0.00	0.00	-
10/05/2009	10/28/2009	850.00	850.00	3.339%
10/05/2009	11/04/2009	0.00	0.00	-
10/05/2009	11/18/2009	35.00	35.00	3.400%
10/05/2009	11/25/2009	70.00	0.00	-
10/05/2009	12/02/2009	225.74	0.00	-
10/05/2009	12/09/2009	1.45	0.00	-
10/05/2009	12/16/2009	382.05	325.00	3.500%
11/23/2009	12/02/2009	90.24	45.00	2.954%
11/23/2009	12/09/2009	1.45	0.00	-
11/23/2009	12/16/2009	179.92	53.10	3.270%
TOTAL:		6,045.17	3,456.76	

2.1.1.4. Sales of Treasury bonds at auctions

Treasury bonds offered at auctions are issued as bearer securities, and the face value of one T-bond is PLN 1,000. Bonds are issued in a dematerialized form and deposited in as magnetic entries in the National Depository for Securities S.A. T-bonds may be sold at a discount, at par value or above par. Purchase price of one bond includes the bid price for its face value and accrued interest bought out on the auction payment date. Residents and non-residents being legal entities, individuals and entities without legal status, can purchase T- bonds. Those instruments may be entered into a free turnover among all mentioned investor groups subject to terms and conditions governing foreign exchange turnover and public turnover of securities.

Direct access to auction is limited to Treasury Securities Dealers. Investors that have no such status can place their bids through an entity that is a direct participant of an auction.

Secondary turnover of wholesale bonds is concentrated on the interbank non-regulated market and on the ETSM. Moreover, all bonds traded at auctions are listed on the Warsaw Stock Exchange (WSE).

Auction dates, as well as their value dates are specified in the Issue Letters. Auctions are organized and handled, as in the case of T-bills by the National Bank of Poland. Treasury bond auctions are held on business Wednesdays. Preliminary information on bond auctions planned for a given year and containing series of offered securities and dates of auctions is published on the Ministry of Finance website, in REUTERS and BLOOMBERG. Moreover Ministry of Finance announces quarterly financing plan and monthly plan of T-bonds including projected sales value of specific types of securities and payment dates for purchased bonds.

Auction announcement, containing in particular the supply amount of bonds is released to the public at noon, on two working days before the auction.

Bids are submitted by auction participants to the NBP by 11:00 a.m. on the auction day. Minimum value of a bid is PLN 1 million. Upon receipt a bid summary from the NBP, the Minister of Finance takes a decision on accepted minimum price of a T-bond with a given maturity. Bids with higher price are accepted in whole while bids presenting accepted minimum price can be accepted with reduction or in whole. As it is in case of T-bills, auctions of Treasury bonds are held in the multi-price auction system i.e., each of the bidders buys securities at a price submitted in the bid. Auction results are published on the day of the auction at noon on the Ministry of Finance www pages, in REUTERS and BLOOMBERG. Settlement of bonds auction is held on the date specified in the auction announcement.

The Minister of Finance may, no later than the on the following day, organize a non-competitive auction of T-bonds with offer not exceeding 20% of initial auction offer. Participation in the non-competitive auction is limited to successful bidders at the auction. During such non-competitive auctions T-bonds are sold at average auction price. Auction participants purchase T-bonds in proportion to amount of T-bonds purchased at normal auction. Since August 2004 non-competitive auctions have been organized on the same day as regular auctions. Auction announcement is released to the public at 1:00 p.m., and bids are submitted by 2:00 p.m. Auction results are published at 2:15 p.m. on the Ministry of Finance website, in REUTERS and BLOOMBERG.

In 2009 there were altogether 40 T-bonds auctions (including 15 non-competitive tenders). The total face value of papers offered reached PLN 71,110 million. Declared demand amount reached PLN 138,658 million while bonds sales at face value were PLN 66,532 million. The revenues on T-bonds sold at auctions in 2009 totalled PLN 61,010 million.

Table 4. Sales of Treasury bonds at auctions in 2009 (PLN million)

Bond type	Demand	Sales, face value	Sales, principal
2-year zero coupon	91,106	42,834	37,745
5-year fixed rate	27,905	15,544	15,460
10-year fixed rate	8,310	3,569	3,360
20-year fixed rate	11,337	4,586	4,445
TOTAL:	138,658	66,532	61,010

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 can be found on the Ministry of Finance website: http://www.mf.gov.pl/files/dlug_publiczny/obligacje_hurtowe/pliki_do_pobrania/obligacjehurtowe.xls

Table 5. Results of T-bonds auctions in 2009 (PLN million)

Auction date	Settlement date	Series	Maturity date	Coupon	Auction					Non-competitive auction			Total sales
					Offer		Demand	Sales	Average yield	Offer	Demand	Sales	
					Min.	Max.							
01/07/2009	OK0711	2-year zero coupon	07/25/2011	0.00%	3,200	3,500	10,495	3,596	5.054%	700	2,860	700	4,296
01/14/2009	WS0429	20-year fixed rate	04/25/2029	5.75%	1,000	1,500	4,123	1,500	5.381%	300	1,190	300	1,800
02/04/2009	OK0711	2-year zero coupon	07/25/2011	0.00%	1,700	2,200	1,065	722	5.022%	not organized			722
02/04/2009	PS0414	5-year fixed rate	04/25/2014	5.75%	1,100	1,600	1,376	1,186	5.307%	not organized			1,186
03/04/2009	OK0711	2-year zero coupon	07/25/2011	0.00%	1,500	2,300	3,200	2,090	5.804%	460	1,917	460	2,550
03/04/2009	PS0414	5-year fixed rate	04/25/2014	5.75%	1,000	1,500	1,305	640	6.053%	not organized			640
04/01/2009	OK0711	2-year zero coupon	07/25/2011	0.00%	1,500	2,000	4,834	2,144	5.615%	400	2,146	400	2,544
04/01/2009	PS0414	5-year fixed rate	04/25/2014	5.75%	1,000	1,500	2,427	1,514	6.039%	300	1,411	300	1,814
04/08/2009	DS1019	10-year fixed rate	10/25/2019	5.50%	1,000	1,500	4,846	1,820	6.224%	300	400	300	2,120
05/13/2009	OK0711	2-year zero coupon	07/25/2011	0.00%	2,300	2,800	4,982	2,974	5.669%	350	340	340	3,314
05/20/2009	DS1019	10-year fixed rate	10/25/2019	5.50%	1,000	1,800	3,064	1,449	6.335%	not organized			1,449
05/20/2009	WS0429	20-year fixed rate	04/25/2029	5.75%			912	386	6.341%	not organized			386
06/03/2009	OK0112	2-year zero coupon	01/25/2012	0.00%	3,000	5,000	6,658	4,018	5.456%	700	341	341	4,359
06/03/2009	PS0414	5-year fixed rate	04/25/2014	5.75%			1,615	972	5.783%	300	150	150	1,122
07/01/2009	OK0112	2-year zero coupon	01/25/2012	0.00%	3,000	4,500	4,431	4,006	5.410%	not organized			4,006
07/15/2009	PS0414	5-year fixed rate	04/25/2014	5.75%	1,000	2,000	6,348	2,011	5.549%	400	250	250	2,261
08/05/2009	OK0112	2-year zero coupon	01/25/2012	0.00%	3,000	4,500	11,232	4,502	4.974%	900	1,900	900	5,402
08/12/2009	PS0414	5-year fixed rate	04/25/2014	5.75%	2,000	3,500	4,967	3,500	5.550%	not organized			3,500
09/02/2009	OK0112	2-year zero coupon	01/25/2012	0.00%	2,500	3,500	6,070	3,500	5.130%	not organized			3,500
09/09/2009	PS0414	5-year fixed rate	04/25/2014	5.75%	1,000	2,000	2,160	1,109	5.736%	not organized			1,109
09/23/2009	WS0922	20-year fixed rate	09/23/2022	5.75%	1,000	2,000	3,931	2,000	6.299%	400	1,181	400	2,400
10/07/2009	OK0112	2-year zero coupon	01/25/2012	0.00%	3,000	4,500	11,891	4,500	5.115%	900	2,101	900	5,400
11/10/2009	OK0712	2-year zero coupon	07/25/2012	0.00%	3,500	5,000	8,759	5,000	5.028%	not organized			5,000
12/02/2009	OK0712	2-year zero coupon	07/25/2012	0.00%	3,000	5,000	5,473	1,440	5.099%	300	412	300	1,740
12/02/2009	PS0415	5-year fixed rate	04/25/2015	5.50%			5,615	3,630	5.778%	700	282	282	3,912
TOTAL:	2-year zero coupon						79,089	38,493		4,710	12,017	4,341	42,834
	5-year fixed rate						25,812	14,562		1,700	2,093	982	15,544
	10-year fixed rate						7,910	3,269		300	400	300	3,569
	20-year fixed rate						8,966	3,886		700	2,371	700	4,586
TOTAL:					63,700	121,777	60,210		7,410	16,881	6,323	66,532	

2.1.1.5. Treasury bond switching auctions

At switching auction the Ministry 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. Operation is conducted without cash flows. The Ministry'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 and also managing the interest rate risk.

Switching auctions are arranged and handled by the National Bank of Poland. Direct participation in switching auctions is limited to TSD. Other investors intending to switch bonds must use intermediation of the TSD. Two days prior to the auction, at 12:00 a.m., the Ministry of Finance releases a detailed communiqué about an auction on Ministry of Finance website, in REUTERS and BLOOMBERG.

The day before a switching auction, at 3:00 p.m. the Minister of Finance informs the market about the "clean" prices of redeemed or sold bonds. Bids are submitted to the NBP by 11 a.m. on the auction day. After the submission term expires the Minister of Finance determines accepted bid price for bonds with given maturity. Auction results are published at 12:30 p.m. on the day of an auction.

In 2009 the Ministry of Finance held 10 T-bonds switching auctions.

Table 6. Results of switching auctions in 2009 (PLN million)

Auction date	Buy-back bonds			Settlement bonds		
	Series	Maturity date	Buy-back (face value)	Series	Maturity date	Sales (face value)
01/21/2009	DS0509	05/24/2009	4,143	PS0414	04/25/2014	2,801
				DS1019	10/25/2019	1,263
	Total:		4,143	Total:		4,064
01/22/2009	IZ0816	08/24/2016	200	DS1019	10/25/2019	473
	WZ0118	01/25/2018	300			
	Total:		500	Total:		473
03/11/2009	DS0509	05/24/2009	3,516	OK0711	01/25/2012	2,759
	OK0709	07/25/2009	601	PS0414	04/25/2014	1,809
	Total:		4,117	Total:		4,568
04/15/2009	DS0509	05/24/2009	5,190	PS0414	04/25/2014	1,437
	OK0709	07/25/2009	240	DS1019	10/25/2019	3,129
				WS0922	09/23/2022	1,158
	Total:		5,429	Total:		5,725
05/06/2009	DS0509	05/24/2009	2,125	DS1013	10/24/2013	766
	OK0709	07/25/2009	187	DS1015	10/24/2015	2,505
	DK0809	08/22/2009	916			
	Total:		3,228	Total:		3,271
06/17/2009	OK0709	07/25/2009	3,213	OK0112	01/25/2012	1,739
	DK0809	08/22/2009	406	PS0414	04/25/2014	2,108
	Total:		3,619	Total:		3,847
07/08/2009	OK0709	07/25/2009	1,231	DS1019	10/25/2019	1,983
	DK0809	08/22/2009	272			
	DS1109	24.11.2009	407			
	Total:		1,910	Total:		1,983
10/29/2009	DS1109	11/24/2009	286	PS0413	04/25/2013	1,573
	DZ0110	01/18/2010	321	PS0414	04/25/2014	1,754
	PS0310	24.03.2010	3,843	DS1019	25.10.2019	1,290
	Total:		4,450	Total:		4,616
11/26/2009	DZ0110	01/18/2010	432	OK0712	07/25/2012	1,121
	PS0310	03/24/2010	2,726	PS0414	04/25/2014	2,244
	Total:		3,158	Total:		3,365
12/16/2009	DZ0110	01/18/2010	177	PS0415	04/25/2015	1,725
	PS0310	03/24/2010	1,495			
	Total:		1,672	Total:		1,725
TOTAL:			32,226			33,638

Series	Maturity date	Face value	Principal
BUY-BACK BONDS			
DS0509	05/24/2009	14,973	14,187
OK0709	07/25/2009	5,472	4,955
DK0809	08/22/2009	1,593	1,593
DS1109	11/24/2009	693	480
DZ0110	01/18/2010	930	919
PS0310	03/24/2010	8,064	8,043
IZ0816	08/24/2016	200	203
WZ0118	01/25/2018	300	300
Total:		32,226	30,680
SETTLEMENT BONDS			
OK0711	01/25/2012	2,759	2,415
OK0112	01/25/2012	1,739	1,516
OK0712	07/25/2012	1,121	983
PS0413	04/25/2013	1,573	1,570
DS1013	10/24/2013	766	742
PS0414	04/25/2014	12,153	12,106
PS0415	04/25/2015	1,725	1,695
DS1015	10/24/2015	2,505	2,505
DS1019	10/25/2019	8,139	7,801
WS0922	09/23/2022	1,158	1,114
Total:		33,638	32,446

2.1.1.6. Treasury bond buy-back auctions

Such an operation is held rather seldom in the situation of temporary surplus in budget current account. Minister of Finance may offer to buyback existing bonds what will result in lowering debt servicing costs.

2.2. Sales of Treasury Securities in retail network

In 2009 the Ministry of Finance offered the following instruments to individual investors:

- 2-year fixed rate savings bonds (DOS series)
- 3-year floating rate bonds (TZ 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 <http://www.obligacjeskarbowe.pl> and <http://www.mf.gov.pl/> in section Public Debt (Polish language only).

Until September 2006 the savings bonds (DOS, COI and EDO series) could have been purchased by resident and non-resident individuals, since then also associations, foundations and another social organisations have this right. Those instruments are not listed on the regulated secondary market i.e., the Stock Exchange in Warsaw but 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 COI series is paid annually. Sale of each series lasts for one month. EDO series can be purchased as part of the Individual Retirement Account system, which provides for capital gains tax exemption.

On the primary market, 3-year floating rate bonds (TZ series) could have been 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. Sales of new TZ series lasts for three consecutive months and as distinct from savings bonds, they can be traded at the WSE and MTS CeTO.

The file containing sale results of Treasury bonds offered in the retail network may be found on the Ministry of Finance website:

http://www.mf.gov.pl/files/_dlug_publiczny/obligacje_detaliczne/dane/dane_dotyczace_sprzedazy_obligacji_detalicznych.xls

Table 7. Sales of retail bonds in 2009 (PLN million)

Bond type	Offer	Sales, face value	Sales, principal
2-year savings bonds	12,000.00	2,183.31	2,182.46
3-year floating rate bonds	2,000.00	183.03	182.76
4-year savings bonds	6,000.00	495.15	495.12
10-year saving bonds	6,000.00	972.47	972.47
TOTAL:	26,000.00	3,833.96	3,832.81

Table 8. Sales of floating rate retail bonds in 2009 (PLN million)

Bond	Sales period		Offer	Sales, face value	Price (PLN)
	Beginning	end			
TZ1111	11/02/2008	01/31/2009	500	15*	100,00/99,90
TZ0212	02/01/2009	04/30/2009	500	65	99,90/99,80
TZ0512	05/02/2009	07/31/2009	500	34	99,90/99,80
TZ0812	08/01/2009	10/31/2009	500	35	99,90/99,80
TZ1112	11/02/2009	01/31/2010	500	33**	99,90/99,80
TOTAL			2,500	183	-
COI0113	01/01/2009	01/31/2009	500	24	100,00/99,90
COI0213	02/01/2009	02/28/2009	500	25	100,00/99,90
COI0313	03/01/2009	03/31/2009	500	67	100,00/99,90
COI0413	04/01/2009	04/30/2009	500	46	100,00/99,90
COI0513	05/01/2009	05/31/2009	500	52	100,00/99,90
COI0613	06/01/2009	06/30/2009	500	61	100,00/99,90
COI0713	07/01/2009	07/31/2009	500	39	100,00/99,90
COI0813	08/01/2009	08/31/2009	500	26	100,00/99,90
COI0913	09/01/2009	09/30/2009	500	42	100,00/99,90
COI1013	10/01/2009	10/31/2009	500	34	100,00/99,90
COI1113	11/01/2009	11/30/2009	500	33	100,00/99,90
COI1213	12/01/2009	12/31/2009	500	46	100,00/99,90
TOTAL			6,000	495	-
EDO0119	01/01/2009	01/31/2009	500	72	100.00
EDO0219	02/01/2009	02/28/2009	500	38	100.00
EDO0319	03/01/2009	03/31/2009	500	93	100.00
EDO0419	04/01/2009	04/30/2009	500	65	100.00
EDO0519	05/01/2009	05/31/2009	500	69	100.00
EDO0619	06/01/2009	06/30/2009	500	86	100.00
EDO0719	07/01/2009	07/31/2009	500	109	100.00
EDO0819	08/01/2009	08/31/2009	500	64	100.00
EDO0919	09/01/2009	09/30/2009	500	92	100.00
EDO1019	10/01/2009	10/31/2009	500	110	100.00
EDO1119	11/01/2009	11/30/2009	500	70	100.00
EDO1219	12/01/2009	12/31/2009	500	105	100.00
TOTAL			6,000	972	-

*sales in period from January 1, 2009

**sales in period to December 31, 2009

Table 9. Sales of fixed rate retail bonds in 2009 (PLN million)

Bond	Sales period		Offer	Sales	Sales, face value)	Coupon
	beginning	end				
DOS0111	01/01/2009	01/31/2009	1,000	239	100.00/99.90	5.75%
DOS0211	02/01/2009	02/28/2009	1,000	157	100.00/99.90	5.25%
DOS0311	03/01/2009	03/31/2009	1,000	306	100.00/99.90	5.50%
DOS0411	04/01/2009	04/30/2009	1,000	188	100.00/99.90	5.50%
DOS0511	05/01/2009	05/31/2009	1,000	200	100.00/99.90	5.50%
DOS0611	06/01/2009	06/30/2009	1,000	191	100.00/99.90	5.50%
DOS0711	07/01/2009	07/31/2009	1,000	113	100.00/99.90	5.00%
DOS0811	08/01/2009	08/31/2009	1,000	105	100.00/99.90	4.75%
DOS0911	09/01/2009	09/30/2009	1,000	160	100.00/99.90	4.75%
DOS1011	10/01/2009	10/31/2009	1,000	98	100.00/99.90	4.75%
DOS1111	11/01/2009	11/30/2009	1,000	151	100.00/99.90	4.75%
DOS1211	12/01/2009	12/31/2009	1,000	274	100.00/99.90	4.75%
TOTAL			12,000	2,183		

2.3. Sales of Treasury Securities 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 Treasury Securities 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 2009 the Ministry of Finance placed 9 issues of bonds on foreign markets. The following table presents the details.

Table 10. Bonds issued for international market in 2009

	Issue date	Maturity	Nominal value	Issue price (%)	Coupon p.a. (%)	Interest payments frequency	Yield (%)	Market	Registration	Lead Manager(s)
5,875% bond denominated in EUR maturing in 2014 XS0410961014	02/02/2009/05/14/2009*	02/03/2014	1,750 mln EUR	99.725 / 101.279 *	5.875	annually	5.940 / 5.552*	Euro	Luxembourg Stock Exchange	Citigroup, ING, Societe Generale
6,375% bond denominated in USD maturing in 2019 US731011AR30	07/15/2009/07/27/2009*	07/15/2019	3500 mln EUR	99.788 / 99.786*	6.375	semi-annually	6.404	Global	SEC + Luxembourg Stock Exchange	Barclays, Citigroup, HSBC
3,0% bond denominated in CHF maturing in 2014 CH0104007692	09/23/2009	09/23/2014	750 mln CHF	100.504	3.000	annually	3.010	Euro	Swiss Stock Exchange	Credit Suisse, UBS
4,675% bond denominated in EUR maturing in 2019 XS0458008496	10/15/2009	10/15/2019	500 mln EUR	98.925	4.675	annually	4.813	Private placement	Luxembourg Stock Exchange	Deutsche Bank
5,125% bond denominated in EUR maturing in 2024 XF000NS5EU2	10/15/2009	10/15/2024	410 mln EUR	99.090	5.125	annually	5.313	Registered bond		Deutsche Bank
1,92% bond denominated in JPY maturing in 2012 JP561600A9B1	11/13/2009	11/13/2012	23,300 mln JPY	100.000	1.920	semi-annually	1.920	Samurai		Daiwa, Mizuho, Nomura
2,34% bond denominated in JPY maturing in 2038 JP561600B9B0	11/13/2009	11/13/2014	21,500 mln JPY	100.000	2.340	semi-annually	2.340	Samurai		Daiwa, Mizuho, Nomura

* reopening of the previous issue

Table 11. Bonds issued for international market till the end of 2008

	Issue date	Maturity	Nominal value	Issue price (%)	Coupon p.a. (%)	Interest payment frequency	Yield (%)	Market	Registration	Lead Manager(s)
7.75% bond denominated in USD maturing in 2017 US731011AL69	03/07/1997	01/07/2017	100 million USD	99.299	7.750	semi-annually	7.820	Yankee	SEC	JP Morgan
6% bond denominated in EUR maturing in 2010 XS0109070986	03/22/2000	03/22/2010	600 million EUR	98.300	6.000	annually	6.234	Euro	Luxembourg Stock Exchange	BNP Paribas, CSFB
5.5% bond denominated in EUR maturing in 2011 DE0006101652	02/12/2001 / 12/14/2001*	02/14/2011	1,000 million EUR (750 + 250*)	98.950 / 100.902*	5.500	annually	5.640 / 5.370*	Euro	Frankfurt Stock Exchange, Luxembourg Stock Exchange	Deutsche Bank, Merrill Lynch**
5.5% bond denominated in EUR maturing in 2012 XS0144238002	03/12/2002	03/12/2012	750 million EUR	98.320	5.500	annually	5.725	Euro	Luxembourg Stock Exchange	CSFB, SSSB
6.25% bond denominated in USD maturing in 2012 US731011AM43	07/02/2002 / 09/12/2002*	03/07/2012	1,400 million USD (1,000+400*)	99.209 / 106.000*	6.250	semi-annually	6.358 / 5.451*	Global	SEC + Luxembourg Stock Exchange	JP Morgan, SSSB
5.625% bond denominated in GBP maturing in 2010 XS0157642793	11/18/2002	11/18/2010	400 million	99.060	5.625	annually	5.775	Euro	Luxembourg Stock Exchange	UBS Warburg
4.5% bond denominated in EUR maturing in w 2013 XS0162316490	02/05/2003 / 02/05/2003*** / 05/23/2003* / 03/23/2004	05/02/2013	3,000 million EUR (1,250 + 250*** + 800* + 700*)	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
0.84% bond denominated in JPY maturing in w 2010 JP561600A376	07/09/2003	07/09/2010	25,000 million JPY	100.000	0.840%	semi-annually	0.840	Samurai		Daiwa, Mizuho
3M Euribor + 0.125% bond denominated in EUR maturing in 2006 XS0176094836	09/18/2003	09/18/2006	500 million EUR/ matured in September 2006	99.868	3M Euribor + 0.125%	quarterly	-	Euro	Luxembourg Stock Exchange	Dresdner Kleinwort Wasserstein
5.25% bond denominated in USD maturing in 2014 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
6M USD Libor + 0.325% bond denominated in USD maturing in 2010. XS0182802214	12/18/2003	12/18/2010	400 million USD	99.730	6M USD Libor + 0.325	semi-annually	-	Private placement	Luxembourg Stock Exchange	PEKAO SA
3.875% bond denominated in EUR maturing in 2009 XS0183959914	01/15/2004	01/15/2009	1,500 million EUR	99.721	3.875	annually	3.9375	Euro	Luxembourg Stock Exchange	CSFB, DrKW
2.125% bond denominated in CHF maturing in 2009 CH0018041530	03/25/2004	03/25/2009	400 million CHF	100.380	2.125	annually	2.160	Euro	Swiss Stock Exchange	UBS
2.6475% bond denominated in JPY maturing in 2034 XS0189021099	03/29/2004	03/29/2034	6,800 million JPY	100.000	2.6475	semi-annually	2.6475	Private placement		Mizuho
1.02% bond denominated in JPY maturing in 2009 JP561600A467	06/09/2004	06/09/2009	50,000 million JPY	100.000	1.020	semi-annually	1.020	Samurai		Daiwa, NikkoCiti
3.22% bond denominated in JPY maturing in 2034 XS0197118465	08/04/2004	08/04/2034	16,800 million JPY	100.000	3.220	semi-annually	3.220	Private placement		Mizuho
4.2% bond denominated in EUR maturing in 2020 XS0210314299	01/18/2005 / 04/06/2005* / 05/24/2005*	04/15/2020	5,250 million EUR (3000 + 1500* + 750*)	99.375 / 99.221* / 102.643*	4.200	annually	4.250 / 4.262* / 3.961*	Euro	Luxembourg Stock Exchange	BNP Paribas, Citigroup, DrKW
4.45% bond denominated in EUR maturing in 2035 XS0211389753	02/04/2005	02/02/2035	500 million EUR	99.364	4.450	annually	4.489	Private placement	Luxembourg Stock Exchange	ABN Amro
1.875% bond denominated in CHF maturing in 2010 CH0021260952	05/12/2005	05/12/2010	400 million CHF	100.270	1.875	annually	1.934	Euro	Swiss Stock Exchange	UBS
2.625% bond denominated in CHF maturing in 2015 CH0021260978	05/12/2005 / 05/12/2005** / 07/07/2005*	05/12/2015	1,500 million CHF (600 + 500** + 400*)	100.830 / 101.845** / 102.409*	2.625	annually	2.6158 / 2.500** / 2.433*	Euro	Swiss Stock Exchange	UBS
1.00% bond denominated in JPY maturing in 2012 JP561600A566	06/20/2005	06/20/2012	75,000 million JPY	100.000	1.000	semi-annually	1.000	Samurai		Daiwa, Nomura

	Issue date	Maturity	Nominal value	Issue price (%)	Coupon p.a. (%)	Interest payment frequency	Yield (%)	Market	Registration	Lead Manager(s)
4.25% bond denominated in EUR maturing in 2055 XS0224427160	07/20/2005	07/20/2055	500 million EUR	98.999	4.250	annually	4.299	Private placement	Luxembourg Stock Exchange	Dexia, HSBC
3M USD Libor + 0.115% bond denominated in USD maturing in 2015 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
5.00% bond denominated in USD maturing in 2015 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
5.408% bond denominated in USD maturing in 2035 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
2.24% bond denominated in JPY maturing in 2021 JP561600A5B9	11/18/2005	02/18/2021	50,000 million JPY	100.000	2.240	semi-annually	2.240	Samurai		Daiwa, Mizuho
3.625% bond denominated in EUR maturing in 2016 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
2.06% bond denominated in JPY maturing in 2016 JP561600A6B7	11/14/2006	11/14/2016	25,000 million JPY	100.000	2.060	semi-annually	2.060	Samurai		Daiwa, Nomura
2.62% bond denominated in JPY maturing in 2026 JP561600B6B6	11/14/2006	11/13/2026	60,000 million JPY	100.000	2.620	semi-annually	2.620	Samurai		Daiwa, Nomura
4.5% bond denominated in EUR maturing in 2022 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
2.875% bond denominated in CHF maturing in 2012 CH0030644014	05/15/2007 / 04/21/2008 *	05/15/2012	500 million CHF	100.632 / 99.423*	2.875 / 3.189*	annually	2.868	Euro	Swiss Stock Exchange	Credit Suisse, Unicredit
3.250% bond denominated in CHF maturing in 2019 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
2.81% bond denominated in JPY maturing in 2037 JP561600A7B5	11/16/2007	11/16/2037	50,000 million JPY	100.000	2.810	semi-annually	2.810	Samurai		Daiwa, Mitsubishi UFJ
3.625% bond denominated in CHF maturing in 2017 CH0039077687	04/21/2008	04/21/2017	250 million CHF	101.310	3.625	annually	3.690	Euro	Swiss Stock Exchange	Credit Suisse, Unicredit
3.3% bond denominated in JPY maturing in 2038 XS0370378936	06/16/2008	06/16/2038	25,000 million JPY	100.000	3.300	semi-annually	3.300	Private placement		Daiwa
5.625% bond denominated in EUR maturing in 2018 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

* 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)

2.3.2. 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. At the end of 2009, the outstanding Brady bonds amounted to USD 297 million.

Table 12. Polish Brady Bonds

	Collateralized Discount Bonds	Collateralized Par Bonds	Collateralized RSTA Bonds	PDI Bonds	DCB Bonds	New Money Bonds
Issue date	10/27/1994	10/27/1994	10/27/1994	10/27/1994	10/27/1994	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 2005 r. 4%	increasing from 2.75% to 5%; at the end of 2005 4.75%	increasing from 3.25% to 7%; at the end of 2001 r. 6.0%	increasing from 4.5% to 7.5%; at the end of 2001 r. 6.0%	6-month LIBOR + spread 13/16%
Final maturity	30 years	30 years	30 years	20 years	25 years	15 years
Principal payment	bullet payment	bullet 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	10/27/2024	10/27/2024	10/27/2014 (final installment)	10/27/2019 (final installment)	10/27/2009 (final installment)

	Collateralized Discount Bonds	Collateralized Par Bonds	Collateralized RSTA Bonds	PDI Bonds	DCB Bonds	New Money Bonds
Interest payments frequency	semi-annually	semi-annually	semi-annually	semi-annually	semi-annually	semi-annually
Outstanding debt at the end of 2009	0*	USD 178,5 million	USD 118,5 million	0*	0*	0*
Secondary market registration	Luxemburg Stock Exchange	Luxemburg Stock Exchange	Luxemburg Stock Exchange	Luxemburg Stock Exchange	Luxemburg Stock Exchange	Luxemburg Stock Exchange

* Early redemption of the bonds

2.4. Special issues of Treasury Securities

Apart from the above-described types of securities The Minister of Finance issues also debt instruments for conversion of outstanding debts. The issues are characterized with a particular feature – they do not have primary market and its role is played by original allocation.

2.4.1. Issue of Treasury Securities designated for conversion of State Treasury Debt to the NBP

On July 18th, 1999 an agreement between the National Bank of Poland and the Minister of Finance was signed on conversion of a non-marketable debt in the central bank's portfolio into marketable Treasury Securities. As a result, the NBP became a holder of five types of bonds with parameters comparable with other TS issues present on the domestic market. Total face value of securities issued for conversion of the debt to NBP amounted to PLN 16,439 million.

The securities characteristics are presented below:

- KO0402 – maturing on 04/29/2002; total face value PLN 4,133.9 million; zerocoupon bond,
- TK1202 – maturing on 12/22/2002; total face value PLN 3,076.3 million; annual coupon 10.0%;
- CK0403 – maturing on 04/22/2003; total face value PLN 3,076.3 million; annual coupon 10.0%;
- PK0704 – maturing on 07/22/2004; total face value PLN 3,076.3 million; annual coupon 8.5%;
- DK0809 – maturing on 08/22/2009; total face value PLN 3,076.3 million; annual coupon 6.0%.

Till the end of 2003 NBP sold all “conversion” bonds to banks therefore eliminating the debt towards the NBP. As of the end of 2009 all the bonds issued in this operation matured.

2.5. Issue of non-marketable Treasury Securities

The issues of non-marketable Treasury securities are the issues designed to cover existing debts of the State Treasury and to enable the State Treasury to raise new debts outside the financial market. The State Treasury serviced one type of such issues. Their characteristic is presented in the table below.

Table 13. Non-marketable Treasury Securities serviced on the domestic market in 2009

	Bonds to increase BGŻ S.A. own funds
Issue date	I tranche 09/23/1996
Issue face value	I tranche: PLN 600 million
Face value of one bond	each of the tranches is made up of 28 principal installments
Maturity	1,000 PLN
Redemption date	From 1.5 to 15.5 years depending on the number of the principal installment
Principal and interest payments frequency	I tranche from 03/24/1998 to 09/24/2011
Interest form	Semiannually
Issue form	Floating: arithmetic average of NBP rediscount rate for 6-month interest period; paid interest – ½ of the rate of accrued interest, remaining accrued interest increase every time the principal subject to redemption (capitalization of interest)
Availability to secondary market investors	batch slip, registered within first 3 years since issue date, bearer afterwards
Debt value (nominal) at the end of 2009	Available for purchase only for domestic banks and financial institutions and also to the State Treasury; secondary market does not exist
	PLN 210.5 million

3. SECONDARY MARKET OF TREASURY SECURITIES

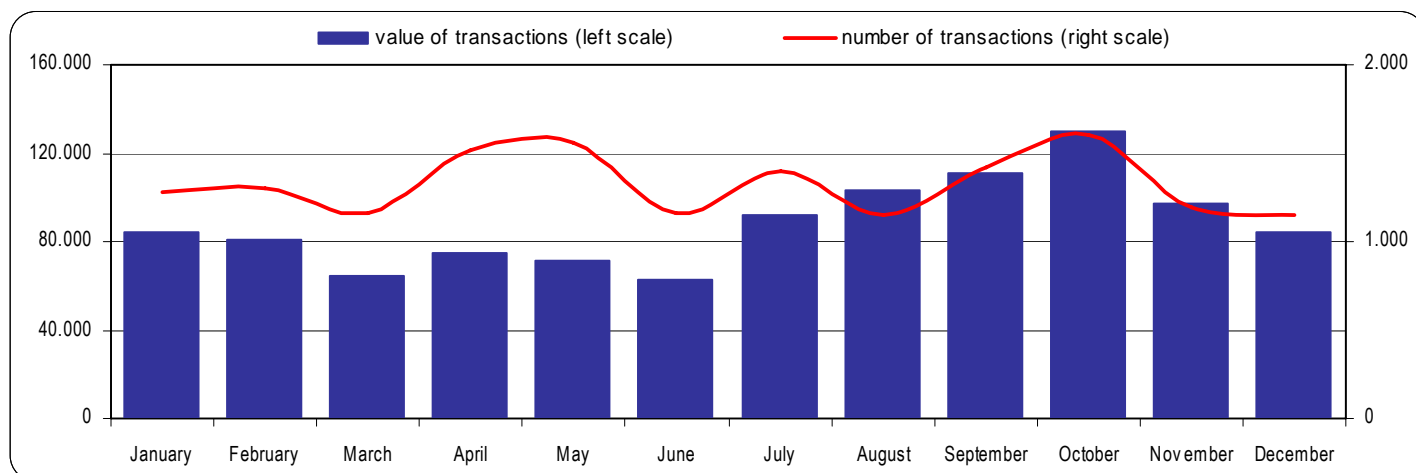
3.1. Secondary market of Treasury bills

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). 15,884 transactions of total face value PLN 1,055,291 million were concluded on the secondary market in 2009.

Table 14. Total value and number of transactions concluded on T-bills secondary market in 2009 (PLN million)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Value of transactions	84,093	80,652	64,209	75,044	71,095	63,009	92,375	103,199	110,826	129,672	97,212	83,905	1,055,291
Number of transactions	1,275	1,300	1,160	1,519	1,558	1,159	1,402	1,146	1,423	1,598	1,196	1,148	15,884

Chart 1. Total value and number of transaction concluded on T-bills secondary market in 2009 (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.). Turnover on the electronic platform amounted to 2.0%, while trading at WSE did not exceed 0.1%. In 2009 the trading focused on the non-regulated OTC market (98.0%).

Table 15. Total value and number of transactions concluded on T-bonds secondary market in 2009 (PLN million)

		January	February	March	April	May	June	July	August	September	October	November	December	Total
TOTAL	Value	471,406	453,010	342,729	403,290	367,806	386,563	415,024	422,324	454,196	547,359	434,874	405,506	5,104,086
	Number	14,823	15,773	14,446	16,340	12,294	13,861	14,168	12,394	13,681	15,430	12,045	12,777	168,032
Interbank	Value	465,083	449,132	338,319	398,103	360,164	379,515	406,386	409,334	441,388	535,884	425,954	393,973	5,003,236
	Number	14,405	15,526	14,198	16,028	11,964	13,479	13,662	11,974	13,268	15,001	11,710	12,530	163,745
MTS Poland	Value	6,323	3,878	4,410	5,188	7,643	7,048	8,638	12,990	12,808	11,475	8,920	11,533	100,850
	Number	418	247	248	312	330	382	506	420	413	429	335	247	4,287

Chart 2. Total value and number of transactions on T-bonds secondary market in 2009 (PLN million)

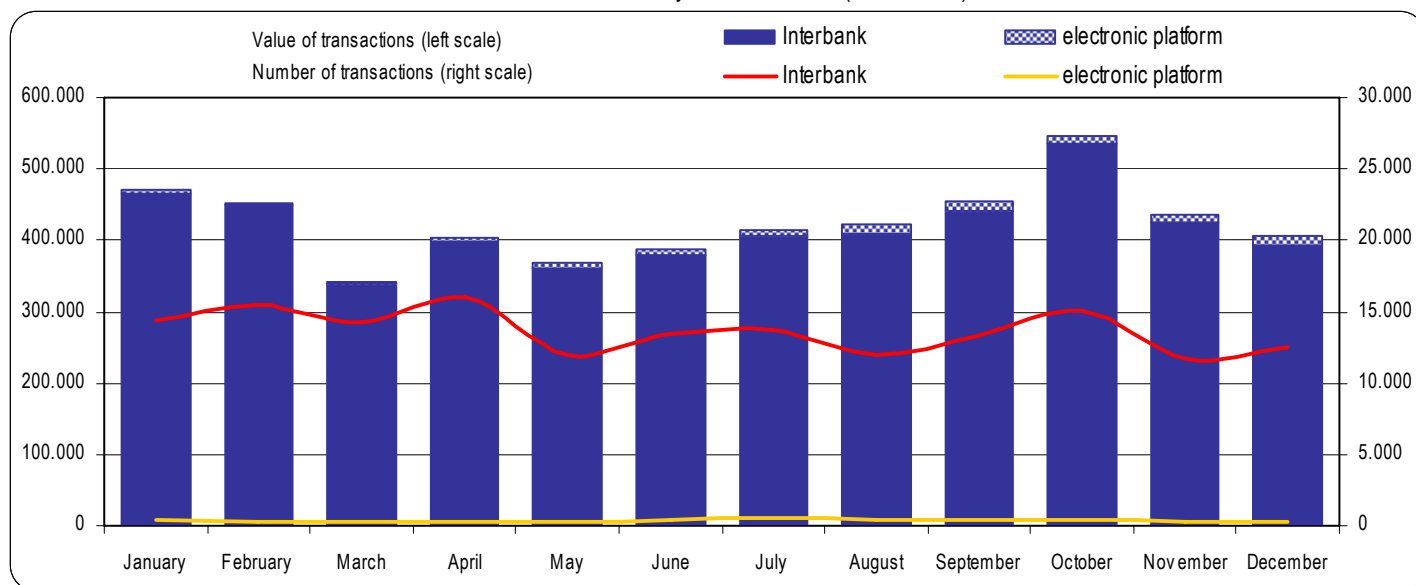


Table 16. Total value and number of transactions on fixed coupon T-bonds secondary market in 2009 (PLN million)

Bond type		January	February	March	April	May	June	July	August	September	October	November	December	Total	
2-year	Interbank	Value	41,733	57,569	69,492	55,874	56,417	94,510	84,634	97,664	79,546	106,810	123,165	107,752	975,166
		Number	1,421	1,616	2,063	1,759	1,615	2,969	3,285	2,341	2,384	2,455	2,917	2,898	27,723
	MTS Poland	Value	303	595	568	573	713	1,768	2,223	3,833	1,285	1,808	1,148	2,658	17,470
		Number	23	37	33	29	41	80	117	86	41	86	65	45	683
	TOTAL	Value	42,036	58,164	70,059	56,446	57,130	96,277	86,856	101,497	80,831	108,617	124,313	110,409	992,636
		Number	1,444	1,653	2,096	1,788	1,656	3,049	3,402	2,427	2,425	2,541	2,982	2,943	28,406
5-year	Interbank	Value	129,057	133,289	79,621	105,234	118,964	86,413	96,085	109,647	121,609	136,815	117,650	115,779	1,350,163
		Number	4,701	4,638	3,631	4,907	3,865	4,223	3,865	3,670	3,684	4,566	3,632	4,138	49,520
	MTS Poland	Value	3,695	1,388	1,085	1,985	1,938	2,140	3,465	5,940	4,383	4,160	3,370	3,870	37,418
		Number	228	80	63	106	112	152	153	150	138	128	125	75	1,510
	TOTAL	Value	132,752	134,677	80,706	107,219	120,901	88,553	99,550	115,587	125,991	140,975	121,020	119,649	1,387,581
		Number	4,929	4,718	3,694	5,013	3,977	4,375	4,018	3,820	3,822	4,694	3,757	4,213	51,030
10-year	Interbank	Value	117,958	125,696	91,008	118,034	73,244	61,779	74,866	77,852	115,504	102,626	100,370	92,926	1,151,862
		Number	4,688	5,575	4,665	5,908	3,583	3,294	3,915	3,612	3,992	4,903	3,347	3,568	51,050
	MTS Poland	Value	2,015	1,495	2,093	2,295	4,533	2,783	2,398	2,823	6,165	4,920	3,880	4,218	39,615
		Number	135	92	131	143	133	120	186	140	169	177	109	90	1,625
	TOTAL	Value	119,973	127,191	93,101	120,329	77,776	64,561	77,264	80,675	121,669	107,546	104,250	97,144	1,191,477
		Number	4,823	5,667	4,796	6,051	3,716	3,414	4,101	3,752	4,161	5,080	3,456	3,658	52,675

Chart 3. Total value and number of transactions on fixed coupon T-bonds secondary market in 2009 (PLN million)

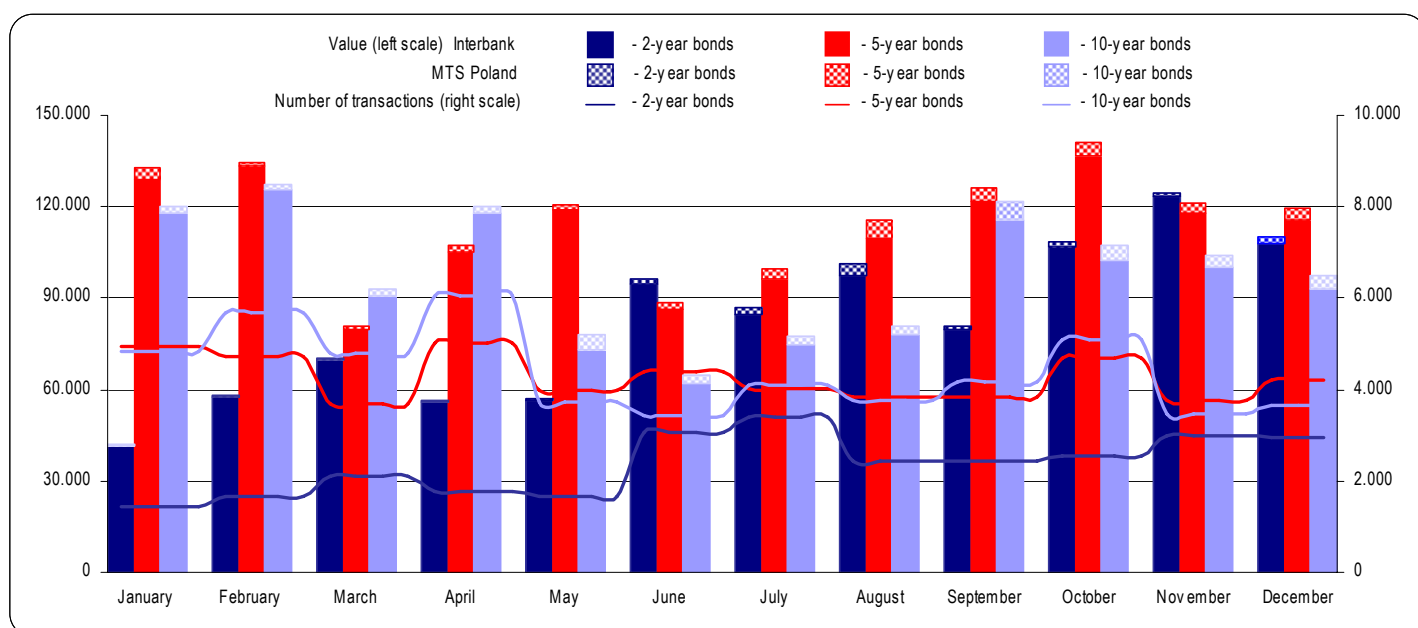
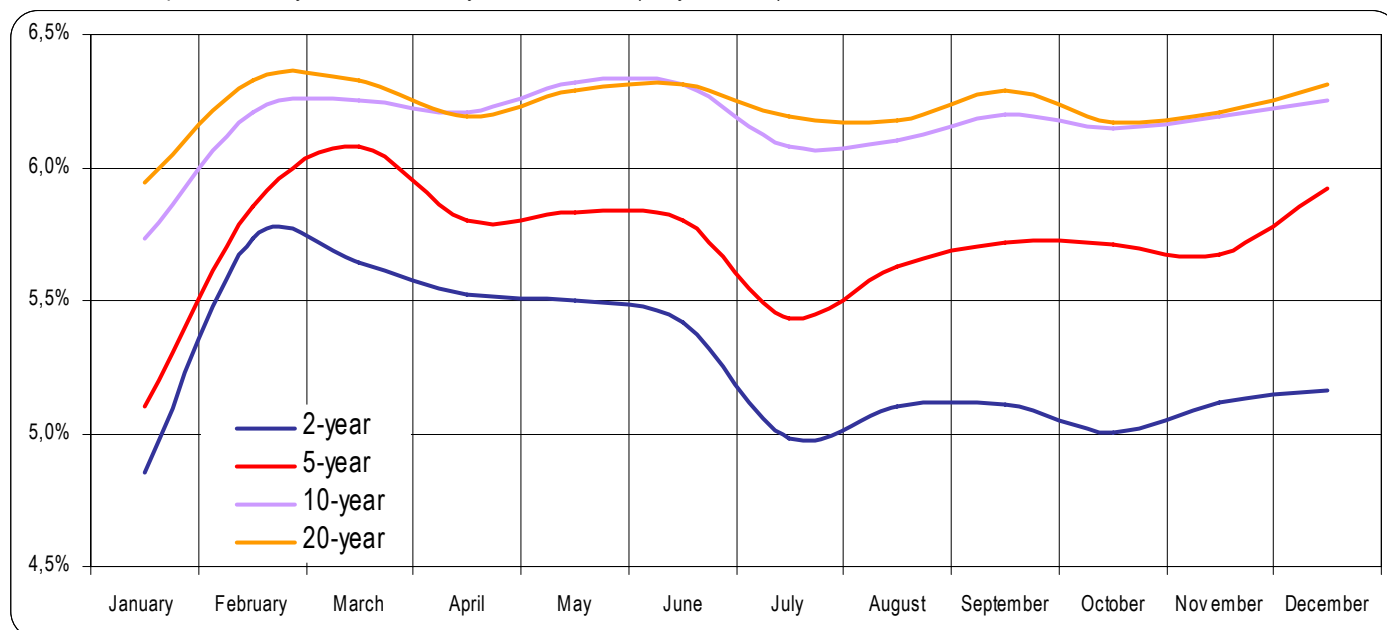


Chart 4. Fixed coupon T-bonds yield on secondary market in 2009 (bid yield, eom)



3.3. Secondary market for Treasury Securities issued on foreign markets

The foreign bonds issued by the State Treasury in 1995 – 2009 as well as the Polish Brady Bonds 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 17. State Treasury debt according to the place of issue criterion (PLN million)

	December 2007	December 2008	December 2009
State Treasury debt	501,531	569,946	631,506
I. State Treasury domestic debt	380,409	420,202	462,734
1. Treasury Securities	380,169	419,423	462,484
1.1. Marketable Treasury Securities	373,455	411,219	452,956
- Treasury bills	22,586	50,403	47,545
- Treasury bonds issued on the domestic market	350,868	360,815	405,412
1.2. Saving bonds	6,319	7,897	9,317
1.3. Non-marketable TS	396	307	211
2. Other State Treasury debt	240	779	250
II. State Treasury foreign debt	121,122	149,744	168,773
1. Treasury Securities	92,254	121,156	134,065
2. Loans	28,868	28,588	34,708

Table 18. State Treasury debt according to the residency criterion (PLN million)

	December 2007	December 2008	December 2009
State Treasury debt	501,531	569,946	631,506
I. State Treasury domestic debt	312,138	373,545	388,935
1. Treasury Securities	311,916	372,948	388,685
1.1. Marketable Treasury Securities	305,207	364,759	379,178
- T-bills	22,570	49,784	44,283
- Treasury bonds issued on the domestic market	276,407	305,576	326,880
- Brady Bonds and treasury bonds issued on the foreign market	6,230	9,400	8,015
1.2. Savings bonds	6,313	7,882	9,297
1.3. Non-marketable bonds	396	307	211
2. Other State Treasury debt	223	597	250
II. State Treasury foreign debt	189,393	196,401	242,572
1. Treasury Securities	160,507	167,631	207,863
1.1. Marketable Treasury Securities	160,502	167,616	207,843
- T-bills	16	620	3,262
- Treasury bonds issued on the domestic market	74,462	55,240	78,531
- Brady Bonds and treasury bonds issued on the foreign market	86,024	111,756	126,050
1.2. Savings bonds	6	16	20
2. Loans	28,868	28,588	34,708
3. Other debt	18	182	0

Table 19. State Treasury debt by place of issue and by instrument (PLN million)

	December 2007	December 2008	December 2009
State Treasury debt	501,531	569,946	631,506
I. State Treasury domestic debt	380,409	420,202	462,734
1. Treasury Securities ¹⁾	380,169	419,423	462,484
1.1. Marketable Treasury Securities	373,455	411,219	452,956
Treasury bills	22,586	50,403	47,545
Fixed-rate marketable bonds	289,326	294,952	342,883
2-year zero coupon bonds	38,289	24,816	59,942
5-year fixed rate bonds	105,338	105,910	128,841
5-year fixed rate retail bonds	1,405	1,111	624
10-year fixed rate bonds	122,351	135,881	123,066
20-year fixed rate bonds	18,374	23,279	29,023
30-year fixed rate bonds	1,000	1,387	1,387
10-year fixed rate bonds - converted ²⁾	2,568	2,568	0
Floating-rate marketable bonds	53,347	55,073	51,595
3-year floating rate retail bonds	2,349	1,307	1,235
7-year floating rate bonds	19,670	19,670	19,670
10-year floating rate bonds (WZ)	18,454	22,082	21,782
10-year floating rate bonds (DZ)	12,124	11,264	8,158
private placements	750	750	750
Index-linked bonds	8,195	10,790	10,933
12-year inflation linked bonds	8,195	10,337	10,465
15-year inflation linked bonds	-	-	469
1. 2. Savings bonds	6,319	7,897	9,317
2-year savings bonds	5,234	5,484	5,706
4-year savings bonds	552	1,131	1,461
10-year savings bonds	532	1,282	2,149
1.3. Non-marketable bonds	396	307	211
bonds to increase BGŻ bank's own funds	396	307	211
2. Other State Treasury debt	240	779	250
II. State Treasury foreign debt	121,122	149,744	168,773
1. Treasury Securities	92,254	121,156	134,065
International Bonds	90,935	120,148	133,218
Brady Bonds	1,319	1,009	847
2. Loans	28,868	28,588	34,708
Paris Club creditors	10,526	3,173	326
International Financial Institutions,	18,153	24,997	34,186
of which the European Investment Bank	13,042	19,266	20,846
Other creditors	188	418	196
<i>Exchange rate used for calculations (PLN/USD) (fixing NBP)</i>	<i>2.4350</i>	<i>2.9618</i>	<i>2.8503</i>
<i>Exchange rate used for calculations (PLN/EUR) (fixing NBP)</i>	<i>3.5820</i>	<i>4.1724</i>	<i>4.1082</i>

1) original maturity

2) Resulting from conversion of non-marketable liabilities of Polish State Budget to NBP into marketable bonds, converted in September 1999 and December 1999.

Table 20. State Treasury domestic debt by holder (PLN million)

	domestic banking sector			domestic non-banking sector			Foreign investors			TOTAL		
	December 2007	December 2008	December 2009	December 2007	December 2008	December 2009	December 2007	December 2008	December 2009	December 2007	December 2008	December 2009
Domestic debt of State Treasury	87,862	135,604	146,018	218,063	228,723	234,902	74,484	55,875	81,813	380,409	420,202	462,734
1. Treasury Securities	87,862	135,604	146,018	217,823	227,944	234,652	74,484	55,875	81,813	380,169	419,423	462,484
1.1 Marketable Treasury Securities	87,466	135,297	145,808	211,510	220,062	225,355	74,478	55,860	81,793	373,455	411,219	452,956
Treasury bills	11,468	38,098	32,742	11,102	11,685	11,540	16	620	3,262	22,586	50,403	47,545
2-year zero coupon bonds	9,088	7,475	24,174	27,338	15,437	29,776	1,863	1,904	5,992	38,289	24,816	59,942
3-year floating rate retail bonds	512	5	5	1,832	1,300	1,228	5	2	2	2,349	1,307	1,235
fixed rate bonds up to 5-year	23,499	31,024	36,804	59,448	59,483	59,930	22,391	15,403	32,107	105,338	105,910	128,841
5-year fixed rate retail bonds	4	11	7	1,396	1,095	613	5	4	4	1,405	1,111	624
7-year floating rate bonds	9,911	11,588	12,260	8,921	7,353	6,644	838	730	766	19,670	19,670	19,670
10-year floating rate bonds (WZ)	4,978	10,734	10,588	13,437	11,303	11,174	39	45	20	18,454	22,082	21,782
10-year floating rate bonds (DZ)	3,219	2,968	2,074	8,694	8,084	5,924	211	211	161	12,124	11,264	8,158
10-year fixed rate bonds	22,255	31,554	24,544	63,367	77,980	69,655	36,729	26,346	28,866	122,351	135,881	123,066
10-year fixed rate bonds - converted	189	244	0	2,379	2,325	0	0	0	0	2,568	2,568	0
private placements	15	15	15	735	735	735	0	0	0	750	750	750
12-year inflation linked	634	862	1,082	3,826	6,103	7,014	3,736	3,372	2,368	8,195	10,337	10,465
15-year inflation linked	0	15	16	0	416	431	0	22	22	-	453	469
20-year fixed rate bonds	1,634	618	1,221	8,476	15,654	19,695	8,264	7,007	8,107	18,374	23,279	29,023
30-year fixed rate bonds	60	86	275	560	1,108	996	380	193	116	1,000	1,387	1,387
1.2. Savings bonds	0	0	0	6,313	7,882	9,297	6	16	20	6,319	7,897	9,317
2-year savings bonds	0	0	0	5,229	5,470	5,698	5	13	8	5,234	5,484	5,706
4-year savings bonds	0	0	0	552	1,130	1,453	1	2	9	552	1,131	1,461
10-year savings bonds	0	0	0	532	1,282	2,146	0	1	3	532	1,282	2,149
1.3 Non-marketable TS	396	307	211	0	0	0	0	0	0	396	307	211
bonds to increase BGZ bank's own funds	396	307	211	0	0	0	0	0	0	396	307	211
2. Other State Treasury debt	0	0	0	240	779	250	0	0	0	240	779	250

Table 21. Residual maturity of Treasury Securities issued on the domestic market (PLN million)

	December 2007	December 2008	December 2009
Treasury Securities	380,169	419,423	462,484
up to 1 year (included)	77,784	99,039	110,688
1 to 3 years (included)	111,424	127,151	133,898
3 to 5 years (included)	77,343	71,006	75,196
over 5 years	113,617	122,226	142,702
T-bills	22,586	50,403	47,545
Marketable bonds	350,868	360,815	405,412
Fixed rate bonds	289,326	294,952	342,883
up to 1 year (included)	48,591	44,212	58,115
1 to 3 years (included)	103,962	93,190	102,969
3 to 5 years (included)	51,087	69,478	73,918
over 5 years	85,686	88,072	107,881
Floating rate bonds	53,347	55,073	51,595
up to 1 year (included)	3,095	2,431	1,245
1 to 3 years (included)	5,032	29,810	27,819
3 to 5 years (included)	26,017	750	750
over 5 years	19,204	22,082	21,782
Index-linked bonds	8,195	10,790	10,933
over 5 years	8,195	10,790	10,933
Savings bonds	6,319	7,897	9,317
up to 1 year (included)	3,413	1,890	3,678
1 to 3 years (included)	2,233	3,946	3,005
3 to 5 years (included)	141	778	528
over 5 years	532	1,282	2,106
Non-marketable bonds	396	307	211
up to 1 year (included)	99	102	105
1 to 3 years (included)	198	204	105
3 to 5 years (included)	99	0	0
over 5 years	0	0	0

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

	December 2007	December 2008	December 2009
Public debt	527,442	597,764	669,881
Domestic debt	403,299	443,630	493,822
1. Debt securities	381,787	417,957	457,652
2. Loans	16,714	20,415	31,340
3. Other domestic liabilities	4,798	5,259	4,831
Foreign debt	124,143	154,134	176,059
1. Debt securities	92,254	121,156	135,223
2. Loans	31,879	32,956	40,824
3. Other foreign liabilities	10	22	12

Table 23. Public Debt according to the residency criterion - after consolidation (PLN million, at nominal value, eop)

	December 2007	December 2008	December 2009
Public debt	527,442	597,764	669,881
Domestic debt	335,028	396,973	420,024
1. Debt securities	313,534	371,482	383,853
2. Loans	16,714	20,415	31,340
3. Other domestic liabilities	4,781	5,077	4,831
Foreign debt	192,414	200,791	249,858
1. Debt securities	160,507	167,631	209,022
2. Loans	31,879	32,956	40,824
3. Other foreign liabilities	28	204	12

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

	December 2007	December 2008	December 2009
Public debt	537,432	609,368	693,613
1. Central government sector debt	503,600	572,696	635,870
1.1. State Treasury	501,531	569,946	631,506
1.2. National Health Fund	0	0	0
1.3. Earmarked State funds	1	0	0
1.4. State institutions of higher education	279	319	254
1.5. Research and development units	314	353	436
1.6. Independent public health-care units	1,049	1,132	902
1.7. State institutions of culture	60	39	26
1.8. Polish Academy of Science and units established by it	9	9	11
1.9. 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	356	898	2,734
2. Local government sector debt	31,088	33,897	45,283
2.1. Local government units and their unions	25,989	29,029	40,727
2.2. Earmarked local government funds	147	130	82
2.3. Independent public health-care units	4,872	4,677	4,427
2.4. Local institutions of culture	63	45	37
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	17	17	10
3. Social Security Sector debt	2,745	2,775	12,460
3.1. Social Insurance Institution	0	0	0
3.2. Funds managed by Social Insurance Institution	2,745	2,775	12,460
3.3. Agricultural Social Insurance Fund	0	0	0

Table 25. Public Debt - after consolidation (PLN million, at nominal value, eop)

	December 2007	December 2008	December 2009
Public debt	527,442	597,764	669,881
1. Central government sector debt	500,214	566,883	623,596
1.1. State Treasury	498,963	565,462	622,390
1.2. National Health Fund	0	0	0
1.3. Earmarked State funds	0	0	0
1.4. State institutions of higher education	247	298	239
1.5. Research and development units	204	242	238
1.6. Independent public health-care units	734	775	700
1.7. State institutions of culture	53	20	15
1.8. Polish Academy of Science and units established by it	5	5	6
1.9. 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	8	80	8
2. Local government sector debt	24,483	28,107	39,326
2.1. Local government units and their unions	21,203	24,967	36,371
2.2. Earmarked local government funds	14	14	0
2.3. Independent public health-care units	3,203	3,088	2,917
2.4. Local institutions of culture	48	24	27
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	14	14	10
3. Social Security Sector debt	2,745	2,775	6,960
3.1. Social Insurance Institution	0	0	0
3.2. Funds managed by Social Insurance Institution	2,745	2,775	6,960
3.3. Agricultural Social Insurance Fund	0	0	0

Table 26. Public Debt at nominal value (PLN million, eop) and its ratio to GDP

Item	2004		2005		2006		2007		2008		2009	
	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%
Public debt	431,434	46.7%	466,591	47.5%	506,264	47.8%	527,442	44.8%	597,764	46.9%	669,881	49.8%
General Government debt *	422,385	45.7%	463,018	47.1%	506,036	47.7%	529,370	45.0%	600,829	47.1%	684,266	50.9%
GDP	924,538		983,302		1,060,031		1,176,737		1,275,432		1,344,037	

* General Government (GG)- ESA95 definition

Monthly data on the State Treasury debt and quarterly data on public finance sector debt are available on the Ministry of Finance website:

http://www.mf.gov.pl/files/_dlug_publiczny/zadluzenie/szeregi/state_treasury_debt.exe

http://www.mf.gov.pl/files/_english/public_dept/public_finance_sector_debt/public_debt.exe

5. INSTITUTIONAL STRUCTURE OF THE TREASURY SECURITIES MARKET

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

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

The following entities are organizationally involved in the Polish Treasury Securities market:

- a) The Minister of Finance acting on behalf of the State Treasury – the issuer of Treasury Securities, managing of public debt,
- b) The National Bank of Poland – the issue agent of Treasury Securities 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) Treasury Securities 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 sold in the retail net till July 31, 2003,
- h) Powszechna Kasa Oszczędności Bank Polski S.A (PKO BP S.A.) – issue agent of retail bonds sold in the retail net from August 1, 2003,
- i) MTS-CeTO S.A) – organizer of secondary market (ETSM) 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 Treasury Securities 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.mf.gov.pl

National Bank of Poland
11/21 Świętokrzyska St.,
00 - 049 Warszawa
tel: (4822) 653-10-00
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

National Depository for Securities
4 Książęca St.,
00-498 Warszawa
tel: (4822) 537-95-88
www.kdpw.com.pl

Page about T-bonds destined for individual investors (in Polish only)
www.obligacjeskarbowe.pl

Financial Supervision Authority
1 Plac Powstańców Warszawy
00 - 950 Warszawa
tel: (4822) 332-66-00
www.knf.gov.pl

Powszechna Kasa Oszczędności Bank Polski S.A.
15 Puławska St,
02-515 Warszawa
tel. 0-800 120-139 (hotline)
tel. 0-801 124-365 (hotline)
tel. (4822) 639-66-00
www.pkobp.pl

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

Central Brokerage House PeKao SA
18 Wołoska St.,
02 - 675 Warszawa
tel: (4822) 640-28-40, 640-26-40
www.cdmpekao.com.pl