

MINISTRY OF FINANCE

ANNEX TO ANNUAL REPORT 2002 PUBLIC DEBT

WARSAW
AUGUST 2003

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

The basic act governing the conditions of issuing Treasury Securities is the Public Finance Act of November 26th, 1998 (Journal of Laws No. 155, item 1014 as subsequently amended). Under this Act, only the Minister of Finance is authorized to issue Treasury Securities providing cash benefits - other TS can be issued by the Minister of Treasury in consultation with the Minister of Finance.

Treasury Securities are classified according 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 – maturity of those is 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 – maturity of those is not shorter than one year (365 days).

Under the delegation laid down in Art. 55 of the Public Finance Act, the Minister of Finance issued in 1999 five ordinances governing the general conditions of issuing specific types of the Treasury Securities:

- a) Ordinance of the Minister of Finance of April 26th, 1999 on the general conditions of issuing of Treasury bonds offered at auctions (Journal of Laws No. 38, item 368, as subsequently amended);
- b) Ordinance of the Minister of Finance of April 26th, 1999 on the general conditions of issuing of Treasury bonds offered in the retail network (Journal of Laws No. 38, item 369, as subsequently amended);
- c) Ordinance of the Minister of Finance of August 26th, 1999 on the conditions of issuing of Treasury bills (Journal of Laws No. 74, item 831, as subsequently amended);
- d) Ordinance of the Minister of Finance of September 7th, 1999 on the conditions of issuing of Treasury bonds on the foreign markets (Journal of Laws No. 75, item 845, as subsequently amended);
- e) Ordinance of the Minister of Finance of September 8th, 1999 on the conditions of issuing of Treasury bonds designated for the conversion of the State Treasury debt (Journal of Laws No. 74, item 834, as subsequently amended).

The ordinances determine the Minister of Finance rights to define detailed conditions of the Treasury Securities issue. They set forth general conditions of instruments' 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, in the national press or 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 Treasury Securities on the domestic market

Sale of the Treasury Securities on the domestic market is effected by issue agents acting under separate agreements concluded with the Minister of Finance. The National Bank of Poland is in charge of the auction sale of TS – Treasury bills and Treasury bonds - for institutional investors. Issues of instruments dedicated for individual investors – retail and savings T-bonds belonged to the Central Brokerage House PeKaO S.A. and starting from August 1, 2002 is effected by PKO Bank Polski S.A.

2.1.1. Sale of Treasury Securities 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 and they fulfill basic role meeting the State Budget borrowing needs. Relatively high face value of offered instruments of PLN 10,000 for a T-bill and PLN 1,000 for a T-bond issued at auctions is a characteristic feature of the wholesale market of the Treasury Securities. In 2002 direct access to auctions was granted to entities which had the status of a direct participant of the Treasury bills auctions and which were direct participants of the National Depository for Securities.

There were altogether 80 auctions of TS in 2002 (49 auctions of Treasury bills and 31 of Treasury bonds). Total value of offered securities amounted to PLN 100.8 billion (T-bills PLN 47.5 billion; T-bonds PLN 53.3 billion), value of declared demand reached PLN 284.3 billion (PLN 150.1 billion and PLN 134.2 billion respectively) and total face value of the sale amounted at PLN 99.9 billion (PLN 48.0 billion and PLN 51.9 billion)¹.

The following types of Treasury Securities were issued at auctions in 2002:

- a) Treasury bills,
- b) 2-year zero coupon bonds,
- c) 5-year fixed rate bonds,
- d) 10-year fixed rate bonds,
- e) 10-year floating rate bonds,
- f) 20-year fixed rate bonds.

2.1.1.1. System of Treasury Securities Dealers (TSD)

In 2002 first competition period was carried out in order to select Treasury Securities Dealers (TSD) for the year 2003. The implementation of the System of Treasury Securities Dealers (Primary Dealers), results from Debt Management Strategy in the years 2002-2004 for public finance sector, aiming to minimize debt servicing costs.

¹ Total value include T-bills sold at auction held on December 27, 2001 – its settlement day was on January 2, 2002.

System presumptions

The TDS system has been elaborated in order to ensure financing for borrowing needs of state budget, improve liquidity, transparency and effectiveness of Treasury Securities market. The system involves auctioned instruments (T-bills and T-bonds) offered to institutional investors at the domestic market.

System participants

Participation in the TSD system is limited to banks, which participate in the system of mandatory reserve, are subject to domestic supervision of Commission of Banking Supervision and have appropriate financial potential. Furthermore banks must operate in Poland and have accounts with National Bank of Poland – current account and T-bills depository account and with National Depository for Securities (KDPW) – T-bonds depository account.

TSD selection

The selection of TSD is conducted once a year and the competition period is based on the procedures stated in Regulations of fulfilling the functions of TSD.

Banks, which did not obtain the TSD status may enter the TSD competition period for the upcoming year.

According to Ordinances of Minister of Finance of December 4, 2002 regulating conditions of purchasing auctioned instruments (T-bills and T-bonds), since the beginning of 2003 purchasing rights are limited to banks with TSD status and state-owned banks (presently only National Economy Bank)

Minister of Finance has chosen 12 banks in the first competition period held from April 26 till September 30 out of 16 banks which accessed it. Minister of Finance signed agreement with each bank receiving the TSD status regulating mutual rights and obligations resulting from Regulations of fulfilling the functions of TSD. The Regulations may be found at the link below:

http://mf.gov.pl/files/_dlug_publiczny/obligacje_hurtowe/dealerzy_skarbowych_papierow/regulations_tsd_final.pdf

TSD selection criteria:

1. share in primary market transactions (share in the gross amount, T-bonds and T-bills separately)
2. share in secondary market transactions, including electronic platform (T-bonds and T-bills separately)
3. share in the turnover with non-banking sector entities (T-bonds and T-bills separately)
4. settlement potential (amount of monthly turnover with the current account with NBP)
5. timely and sound fulfillment of reporting duties to the Issuer and NBP,
6. cooperation with the Issuer and NBP (especially concerning actions leading to development of transparent and effective TS market and advisory regarding issuing policies)

Duties and rights of the issuer:

TSD duties in the year 2003:

1. TSD are obliged to participate in all auctions of TS arranged by the NBP on behalf of the Issuer
2. TSD are obliged to purchase during each quarter of a year no less than:
 - a. 2 % of the nominal value of T-bonds sold during a quarter of a year,
 - b. 2 % of the nominal value of T-bills sold during a quarter of the year,
3. constant quotations of sell and price for TS on the organised electronic secondary market
4. TSD are obliged to participate in everyday fixing sessions of TS at 15:30 arranged by the NBP through CeTO S.A. – electronic platform organizer, in order to set the fixing and informational rates for TS in accordance with the TS Fixing Regulations
5. act for wider participation of the non-banking domestic investors
6. co-operate with the Issuer towards development of the transparent and effective market for TS
7. submitting to the Issuer through NBP and KDPW on a bank's activity on financial markets
8. submit themselves to once a year and temporary 3 month (quarter)
9. promote the TS market and other debt instruments

TSD are entitled to:

1. exclusive submission of bids at all auctions of TS arranged by the NBP
2. purchase the day after auction the unsold or additional TS for average price (additional offer may not exceed 20% of the offer at regular auction, if gross amount of bid offers exceed Issuer offer bid offers are submitted to reduction.
3. using the title Treasury Securities Dealer
4. regular participation in the meetings with representatives of the Issuer in order to solve subject-matter, organisational and technical problems connected with organisation and functioning of the TS market, discuss issuing policy, plans for financing state budget borrowing needs and financial market conditions,
5. Conducting of individual operations with the Issuer, in particular concluding transactions such as repo, buy-sell-back and other
6. using the title Treasury Securities Dealer

2.1.1.1.1. Treasury Securities Electronic Platform (TSEP)

The electronic platform for secondary market transactions is a relevant component of new TS market architecture. According to the agreement of March 1, 2002 between Minister of Finance and Centralna Tabla Ofert S.A. the latter is responsible for organizing the non-regulated market which guarantees:

1. equality of investors
2. anonymity
3. automatic transaction matching
4. automatic settlement system

Thanks to market-making role of banks-candidates for TSD electronic platform helps to develop liquid, transparent and effective secondary TS market.

Along with the start of first TSD competition period electronic platform enabled T-bond trading. In October the available range of instruments was widened by T-bills and T-bonds of series TK1202,CK0403, PK0704, DK0809.

Minister of Finance granted the status of Treasury Securities Dealer for the year 2003 to the following banks:

- 1) ABN Amro Bank (Polska) S.A.,
- 2) Bank Handlowy w Warszawie S.A.,
- 3) Bank Polska Kasa Opieki S.A.,
- 4) Bank Przemysłowo-Handlowy PBK S.A.,
- 5) Bank Zachodni WBK S.A.,
- 6) Bank Millennium S.A.,
- 7) BRE Bank S.A.,
- 8) Deutsche Bank Polska S.A.,
- 9) ING Bank Śląski S.A.,
- 10) Kredyt Bank S.A.,
- 11) Powszechna Kasa Oszczędności Bank Państwowy S.A.,
- 12) Societe Generale S.A. Oddział w Polsce.

2.1.1.2. Sale of Treasury bills.

Treasury bills are issued as bearers securities, the face value of one bill amounts at PLN 10,000 and its maturity may vary from 1 to 52 weeks. Treasury bills are issued in a dematerialized form and, as magnetic entries, deposited with the Central Register of Treasury bills 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.

Residents and non-residents being legal entities, individuals and entities without legal status, could purchase Treasury bills in the year 2002. Those instruments may become objects of a free turnover among all mentioned investor groups but observing terms and conditions governing foreign exchange turnover and public turnover of securities.

Secondary turnover is effected on the interbank market arranged by about 15 biggest domestic banks and from October 7, 2002 on the TSEP.

Number of direct participants, due to the wholesale character of that market, was limited to those with significant financial potential. The group included entities that purchased at least 0.2% of total face value of all Treasury bills sold on the primary market in the last quarter. Verification of eligible entities, according to that criterion was held after completion of each quarter.

About 40 entities enjoyed the status of a direct participant. The group included practically all banks of importance on the domestic financial market and few institutions from a non-banking sector. Investors that have no such a status could place their bids through an entity that was a direct participant of an auction. From the beginning of second quarter of 2003 in order to purchase T-bills on primary market brokerage of a bank with TSD status is needed.

Treasury bills auctions are held on Mondays, but in some reasoned cases the Minister of Finance is entitled to arrange an auction on some other day. An announcement of a forthcoming auction is published seven days before the auction date in the Ministry of Finance WWW pages (<http://www.mf.gov.pl/>), in REUTERS – at PLMF01[Enter] and on the Polish TV teletext page 705. At the beginning of a month, along with publication of the Letter of Issue for a given month, the Ministry of Finance announces monthly plan of Treasury bills sale including auction dates, projected sales value of specific types of securities and payment days for purchased bills.

Bids are submitted by direct participants of an auction to the National Bank of Poland by 11:00 hours 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 accepted minimum price of bills 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.

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 13:00 in Internet, Reuters and in the TV teletext.

Payment for the Treasury bills is usually effected two days after an auction but in some cases may be effected on another day.

There were 49 auctions of Treasury bills in 2002 offering securities of total face value at PLN 47,500.0 mn. The bids reached the amount of PLN 150,066.2 mn and the sale of bills at their face value amounted to PLN 48,017.3 mn. Revenues on the sale of Treasury bills amounted to PLN 44,509.0 mn and in a break down according to a particular T-bill type were as follows:

Table 1. Sale of Treasury bills in 2002 (PLN mn)²

Type of a bill	Offer	Demand	Sale, face value	Sale, principal
13-week	1,900.00	7,715.89	1,897.52	1,856.77
26-week	2,400.00	7,039.37	2,397.33	2,282.67
39-week	2,800.00	5,424.02	2,858.69	2,659.24
52-week	40,400.00	129,886.94	40,863.75	37,710.30
TOTAL:	47,500.00	150,066.22	48,017.29	44,508.97

² Total value include T-bills sold at auction held on December 27, 2001 – its settlement day was on January 2, 2002.

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.exe

Table 2. Results of Treasury bills auctions in 2002 (PLN mn)

Auction date	Bill type	Redemption date	Offer	Demand	Sale	Min. price	Average price	Max. yield	Average yield	Auction date	Bill type	Redemption date	Offer	Demand	Sale	Min. price	Average price	Max. yield	Average yield
12/27/2001*	13	04/03/2002	100.00	135.33	100.00	9718.73	9725.26	11.449%	11.176%	06/03/2002	52	06/04/2003	600.00	2,809.09	600.00	9162.54	9167.25	9.040%	8.984%
	26	07/03/2002	100.00	173.13	97.33	9459.00	9463.06	11.313%	11.223%	06/10/2002	52	06/11/2003	500.00	2,280.39	500.00	9200.41	9202.10	8.595%	8.576%
	39	10/02/2002	1,500.00	3,996.76	2,091.63	9236.55	9236.67	10.900%	10.898%	06/17/2002	52	06/18/2003	900.00	2,583.84	900.00	9204.02	9206.99	8.553%	8.518%
01/07/2002	13	04/10/2002	100.00	547.00	100.00	9743.87	9745.39	10.399%	10.336%	06/24/2002	13	09/25/2002	100.00	367.76	100.00	9783.61	9784.89	8.750%	8.697%
	52	01/08/2003	1,200.00	5,970.71	1,200.00	9103.51	9108.85	9.740%	9.676%		52	06/25/2003	900.00	2,173.76	900.00	9209.69	9212.95	8.487%	8.449%
01/14/2002	13	04/17/2002	100.00	461.94	100.00	9747.45	9749.53	10.250%	10.163%	07/01/2002	13	10/02/2002	100.00	215.55	100.00	9786.03	9786.75	8.650%	8.620%
	52	01/15/2003	1,200.00	3,953.02	1,200.00	9103.50	9109.38	9.740%	9.670%		52	07/02/2003	500.00	1,951.65	500.00	9222.76	9225.73	8.335%	8.300%
01/21/2002	13	04/24/2002	100.00	453.82	100.00	9750.01	9755.59	10.143%	9.911%	07/08/2002	13	10/09/2002	100.00	349.64	100.00	9787.25	9788.75	8.599%	8.537%
	52	01/22/2003	1,300.00	3,297.50	1,300.00	9110.21	9116.94	9.660%	9.579%		52	07/09/2003	500.00	1,887.99	500.00	9213.03	9218.51	8.448%	8.384%
01/28/2002	26	07/31/2002	100.00	557.23	100.00	9523.41	9525.31	9.899%	9.857%	07/15/2002	13	10/16/2002	100.00	598.02	100.00	9789.66	9791.66	8.500%	8.417%
	52	01/29/2003	1,300.00	2,856.20	1,300.00	9106.86	9115.22	9.700%	9.600%		52	07/16/2003	500.00	1,518.18	500.00	9213.75	9217.31	8.440%	8.398%
02/04/2002	26	08/07/2002	300.00	593.86	300.00	9515.30	9520.21	10.076%	9.969%	07/22/2002	52	07/23/2003	600.00	2,074.88	600.00	9217.02	9217.62	8.402%	8.395%
	52	02/05/2003	900.00	1,694.20	900.00	9095.01	9105.77	9.841%	9.713%		52	07/29/2002	52	07/30/2003	600.00	3,606.41	600.00	9230.08	9230.73
02/11/2002	26	08/14/2002	300.00	839.01	300.00	9516.03	9516.97	10.060%	10.039%	08/05/2002	52	08/06/2003	600.00	3,255.52	600.00	9252.54	9257.52	7.990%	7.932%
	52	02/12/2003	500.00	1,793.27	500.00	9098.45	9102.67	9.800%	9.750%		52	08/13/2003	400.00	2,396.89	400.00	9266.40	9268.63	7.830%	7.804%
02/18/2002	26	08/21/2002	300.00	876.05	300.00	9517.86	9520.71	10.020%	9.958%	08/19/2002	52	08/20/2003	700.00	2,354.67	700.00	9268.91	9269.92	7.801%	7.789%
	52	02/19/2003	1,000.00	2,279.38	1,000.00	9099.37	9106.41	9.789%	9.705%		52	08/26/2002	52	08/27/2003	700.00	2,825.93	700.00	9270.72	9273.77
02/25/2002	26	08/28/2002	300.00	1,044.96	300.00	9521.06	9523.59	9.950%	9.895%	09/02/2002	52	09/03/2003	800.00	4,409.74	800.00	9287.32	9288.79	7.589%	7.573%
	52	02/26/2003	1,300.00	2,532.43	1,296.97	9105.00	9109.65	9.722%	9.666%		13	12/11/2002	100.00	850.42	100.00	9814.22	9815.38	7.489%	7.441%
03/04/2002	26	09/04/2002	400.00	1,151.77	400.00	9523.38	9524.48	9.899%	9.875%	09/09/2002	52	09/10/2003	700.00	3,570.86	700.00	9312.66	9315.29	7.300%	7.270%
	52	03/05/2003	800.00	1,706.93	800.00	9107.00	9109.39	9.698%	9.669%		13	12/18/2002	100.00	743.36	100.00	9817.02	9818.27	7.374%	7.322%
03/11/2002	26	09/11/2002	300.00	781.18	300.00	9527.48	9529.57	9.810%	9.765%	09/16/2002	52	09/17/2003	700.00	2,955.92	700.00	9317.45	9320.02	7.245%	7.216%
	52	03/12/2003	900.00	2,340.39	900.00	9106.92	9112.03	9.699%	9.638%		52	09/24/2003	800.00	2,353.89	800.00	9320.61	9322.69	7.209%	7.185%
03/18/2002	26	09/18/2002	200.00	595.80	200.00	9528.42	9532.15	9.790%	9.708%	09/30/2002	39	07/02/2003	1,300.00	1,427.26	767.06	9477.53	9481.26	7.270%	7.215%
	52	03/19/2003	1,000.00	2,249.16	1,000.00	9103.47	9109.65	9.740%	9.666%		52	10/01/2003	1,300.00	4,214.16	1,766.92	9327.59	9329.04	7.130%	7.113%
03/25/2002	13	06/26/2002	100.00	289.00	100.00	9760.67	9761.21	9.700%	9.678%	10/07/2002	13	01/08/2003	100.00	579.60	100.00	9822.73	9822.98	7.139%	7.129%
	52	03/26/2003	1,300.00	2,655.00	1,300.00	9106.01	9106.79	9.710%	9.700%		52	10/08/2003	800.00	2,551.29	800.00	9334.63	9336.69	7.050%	7.026%
03/29/2002	13	07/03/2002	100.00	167.02	97.52	9756.00	9760.56	9.894%	9.705%	10/14/2002	13	01/15/2003	100.00	562.40	100.00	9826.18	9826.94	6.998%	6.967%
	52	04/02/2003	1,000.00	2,010.27	1,000.00	9103.01	9103.62	9.745%	9.738%		52	01/15/2003	800.00	3,409.72	800.00	9349.66	9351.61	6.879%	6.857%
04/08/2002	13	07/10/2002	100.00	303.04	100.00	9759.49	9760.47	9.749%	9.708%	10/21/2002	52	10/22/2003	800.00	2,529.36	800.00	9359.33	9361.92	6.770%	6.741%
	52	04/09/2003	600.00	1,389.55	600.00	9099.01	9104.06	9.793%	9.733%		52	10/29/2003	800.00	3,828.30	800.00	9392.26	9392.32	6.400%	6.399%
04/15/2002	13	07/17/2002	100.00	260.93	100.00	9760.20	9762.33	9.720%	9.631%	11/04/2002	52	11/05/2003	800.00	1,741.56	800.00	9402.06	9404.32	6.290%	6.265%
	52	04/16/2003	700.00	3,129.75	700.00	9111.88	9113.64	9.640%	9.619%		52	11/12/2003	800.00	2,283.08	800.00	9420.02	9425.01	6.089%	6.034%
04/22/2002	26	10/23/2002	100.00	426.38	100.00	9534.84	9535.79	9.650%	9.629%	11/18/2002	52	11/19/2003	800.00	2,868.58	800.00	9442.89	9445.50	5.835%	5.806%
	52	04/23/2003	1,100.00	3,195.94	1,100.00	9122.06	9125.79	9.519%	9.474%		52	11/26/2003	800.00	2,599.11	800.00	9453.31	9456.18	5.720%	5.688%
05/06/2002	13	08/07/2002	100.00	361.66	100.00	9765.00	9767.04	9.520%	9.436%	12/02/2002	52	12/03/2003	1,000.00	2,859.73	1,000.00	9437.05	9441.82	5.900%	5.847%
	52	05/07/2003	600.00	1,598.49	599.86	9123.67	9127.39	9.499%	9.455%		13	03/12/2003	100.00	279.26	100.00	9846.95	9849.02	6.149%	6.064%
05/13/2002	52	05/14/2003	600.00	2,109.19	600.00	9130.38	9132.79	9.420%	9.391%	52	12/10/2003	700.00	2,705.34	700.00	9452.60	9454.75	5.727%	5.704%	
05/20/2002	52	05/21/2003	700.00	1,801.13	700.00	9132.05	9136.68	9.400%	9.345%	13	03/19/2003	100.00	190.14	100.00	9844.50	9846.96	6.249%	6.148%	
05/27/2002	52	05/28/2003	800.00	2,231.36	800.00	9140.51	9143.80	9.300%	9.261%	12/16/2002	52	12/17/2003	1,200.00	2,493.23	1,200.00	9450.58	9455.70	5.750%	5.693%

* - January 2, 2002 was the payment date for T-bills sold at an auction of December 27, 2001 and that is why that auction sale is included in the sale of 2002.

2.1.1.3. Sale of Treasury bonds

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.

Entities enjoying the status of a direct participant of the National Depository of Securities S.A. (NDS) could enter an auction (about 80 institutions). Other investors, without that status but willing to purchase T-bonds at auction had to use NDS participants' intermediary services. Starting from the beginning of 2003 purchasing T-bonds is possible through TSD brokerage services. Secondary turnover of wholesale bonds is concentrated on the interbank non-regulated market and from April 27, 2002 on the TSEP. Moreover, all bonds traded at auctions are listed on the Warsaw Stock Exchange (WSE).

Dates of auctions are specified in the Letter of Issue. Auctions are organized and handled, as in the case of T-bills by the National Bank of Poland. Preliminary information on bond auctions planned for a given year and containing series of offered securities, dates of auctions and payment dates for purchased bonds is published by the Ministry of Finance in Internet and in Reuters at PLNFO7[Enter].

Auction announcement - containing in particular the supply amount of bonds - is given to public at 12:00 hours on two working days before the auction.

Bids are submitted by auction participants to the NBP by 11:00 hours on the auction day. Minimum value of a bid is PLN 1 mn.

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 about 13:00 hours in Internet and in REUTERS. Settlement of bonds auction is held on the date shown in the auction announcement.

There were 31 T-bonds auctions in 2002 at which securities of total face value of PLN 53,300.0 mn were offered. Declared demand amount reached PLN 124,153.4 mn while bonds sale at par value was PLN 51,874.1 mn. The revenues on the sale of T-bonds at auctions in 2002 totaled PLN 47,385.1 mn.

Table 3. Sale of Treasury bonds at auctions in 2002 (PLN mn)

Bond type	Offer	Demand	Sale, face value	Sale, principal
2-year zero coupon	27,000.00	61,666.98	25,578.56	22,129.33
5-year fixed rate	19,000.00	51,775.38	19,000.00	18,730.33
10-year fixed rate	5,400.00	14,607.38	5,400.00	4,746.99
10-year floating rate	500.00	1,120.50	495.50	493.77
20-year fixed rate	1,400.00	4,983.20	1,400.00	1,284.63
TOTAL:	53,300.00	134,153.44	51,874.06	47,385.05

File containing results of all auctions of Treasury bonds and the issue of bonds arising from 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.exe

2.1.1.3.1. Sale of 2-year zero coupon bonds in 2002

Auctions of 2-year zero coupon bonds (OK series) were held on the first working Wednesday of a month. Till November 2002 they were held together with auction of 5-year fixed rate bonds. Issue of each series lasted for four subsequent months and started in April, August and December. Zero coupon bonds similarly to T-bills do not bring an owner any coupon revenue - yield is the difference between a face value paid at the redemption date and the purchase price.

Table 4. Auction results of zero coupon 2-year bonds in 2002 (PLN mn)

Auction date	Series	Settlement date	Demand	Supply	Sale	Minimum	Average	Maximum
						yield	yield	yield
01/09/2002	OK1203	01/12/2002	2,800.00	5,215.00	2,800.00	8.938%	9.050%	9.131%
02/06/2002	OK1203	02/12/2002	2,000.00	3,733.00	2,000.00	9.081%	9.307%	9.500%
03/06/2002	OK1203	03/12/2002	2,000.00	4,462.65	2,000.00	9.202%	9.273%	9.347%
04/03/2002	OK0404	04/12/2002	2,500.00	2,025.70	1,756.50	9.334%	9.446%	9.496%
05/08/2002	OK0404	05/12/2002	1,500.00	3,433.81	1,500.00	9.077%	9.170%	9.204%
06/05/2002	OK0404	06/12/2002	1,000.00	2,781.50	1,000.00	8.574%	8.574%	8.574%
07/03/2002	OK0404	07/12/2002	2,600.00	6,381.06	1,922.06	8.172%	8.342%	8.385%
08/07/2002	OK0804	08/12/2002	2,500.00	6,822.36	2,500.00	7.538%	7.664%	7.709%
09/04/2002	OK0804	09/12/2002	2,500.00	7,398.32	2,500.00	7.302%	7.336%	7.384%
10/02/2002	OK0804	10/12/2002	2,800.00	6,315.50	2,800.00	6.749%	6.797%	6.872%
11/06/2002	OK0804	11/12/2002	1,800.00	5,457.76	1,800.00	6.041%	6.123%	6.147%
12/04/2002	OK1204	12/12/2002	3,000.00	7,640.35	3,000.00	5.695%	5.841%	5.873%
TOTAL	-	-	27,000.00	61,666.98	25,578.56	-	-	-

Chart 1. Supply, demand and sale of zero coupon bonds at auctions in 2002 (PLN mn)

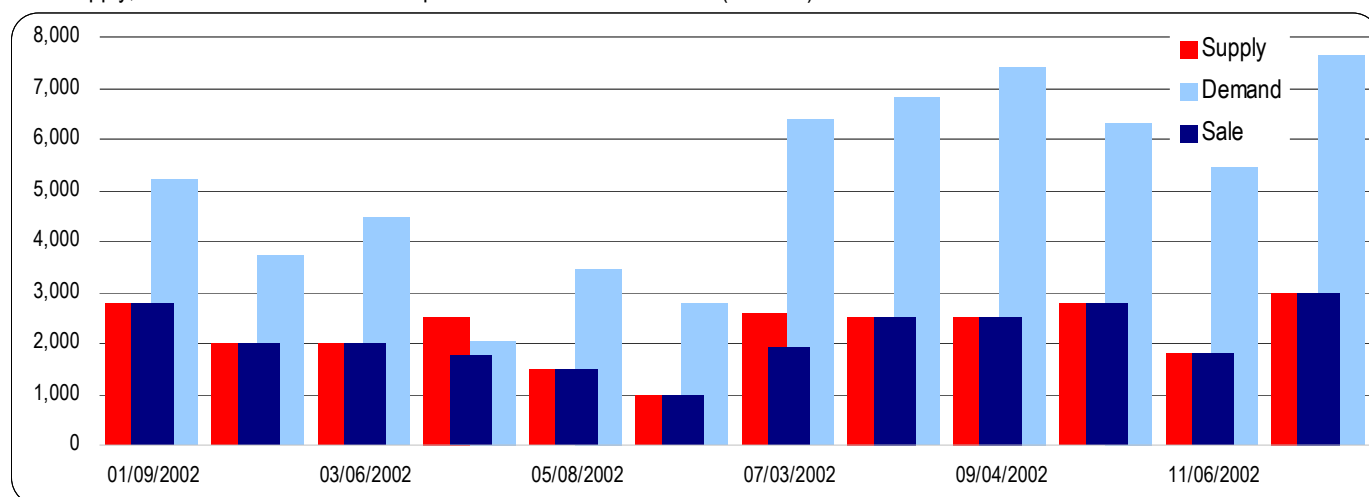
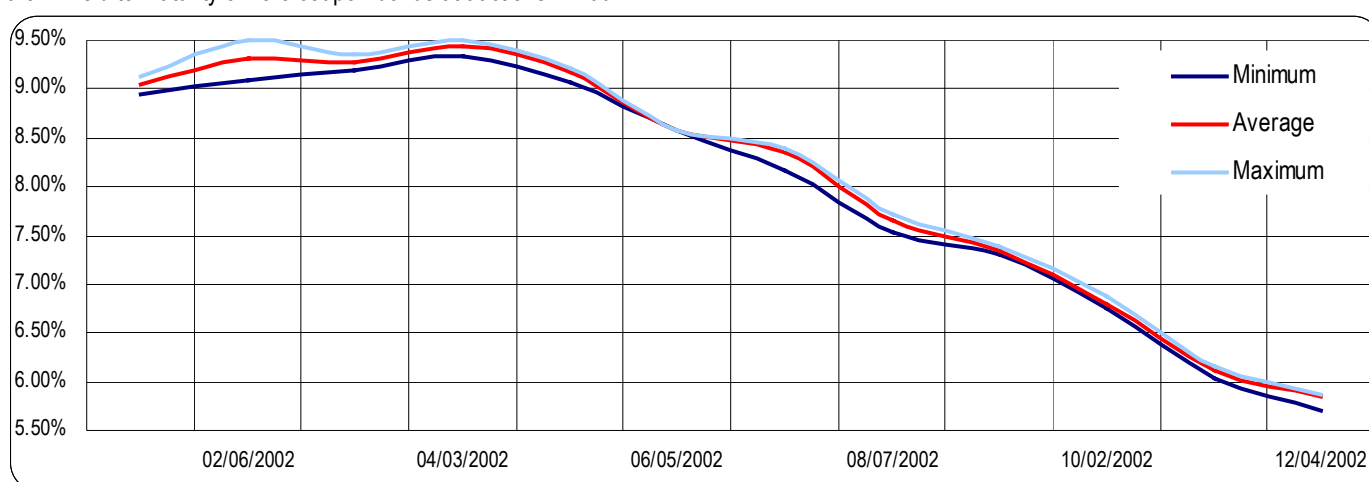


Chart 2. Yield to maturity of zero coupon bonds at auctions in 2002



2.1.1.3.2. Sale of 5-year fixed rate bonds in 2002

Till November 2002 auctions of 5-year fixed rate bonds (PS series) were held on the first working Wednesday of a month along with auctions of zero coupon bonds. In November the issuing scheme was changed – auctions of OK and PS series were separated and auctions of 5-year bonds were moved to third working Wednesday of the month. PS1106 and PS0507 series were issued with 8,50% coupon, while the following PS0608 series had interest rates 5,75%. Aiming to significantly increase liquidity for each series at domestic secondary market and meet EU financial markets' standards Ministry of Finance will continue the selling process until value of an issue will reach approximately 5 billion Euro.

Table 5. Results of 5-year fixed rate bonds auctions in 2002 (PLN mn)

Auction date	Series	Coupon	Settlement date	Demand	Supply	Sale	Minimum yield	Average yield	Maximum yield
01/09/2002	PS1106	8.50%	01/12/2002	1,900.00	3,629.00	1,900.00	8.845%	8.972%	9.021%
02/06/2002	PS1106		02/12/2002	2,900.00	6,807.07	2,900.00	9.170%	9.327%	9.407%
03/06/2002	PS1106		03/12/2002	1,800.00	6,177.19	1,800.00	9.112%	9.182%	9.206%
04/03/2002	PS1106		04/12/2002	1,200.00	1,929.00	1,200.00	9.144%	9.204%	9.231%
05/08/2002	PS0507	8.50%	05/12/2002	2,400.00	5,215.00	2,400.00	8.931%	8.981%	9.006%
06/05/2002	PS0507		06/12/2002	2,800.00	7,841.50	2,800.00	8.599%	8.625%	8.637%
08/07/2002	PS0507		08/12/2002	1,000.00	3,425.17	1,000.00	7.450%	7.596%	7.610%
09/04/2002	PS0507		09/12/2002	1,000.00	6,921.50	1,000.00	7.243%	7.318%	7.330%
10/02/2002	PS0507		10/12/2002	1,000.00	2,215.46	1,000.00	6.663%	6.701%	6.716%
11/20/2002	PS0608	5.75%	11/24/2002	3,000.00	7,614.50	3,000.00	5.694%	5.764%	5.787%
TOTAL	-	-	-	19,000.00	51,775.38	19,000.00	-	-	-

Chart 3. Supply, demand and sale of 5-year fixed rate at auctions in 2002 (PLN mn)

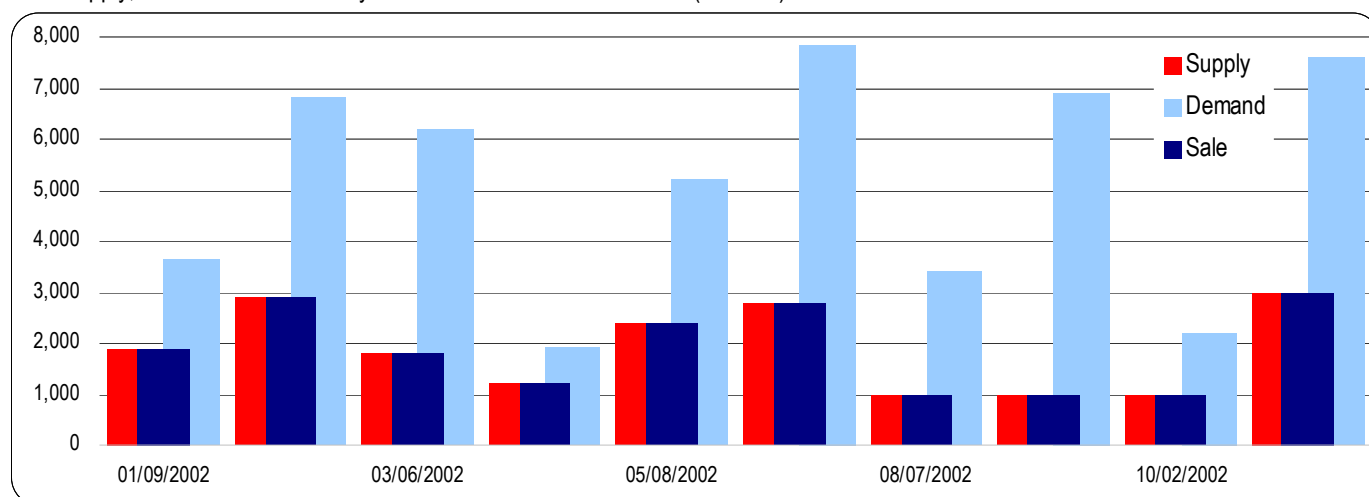
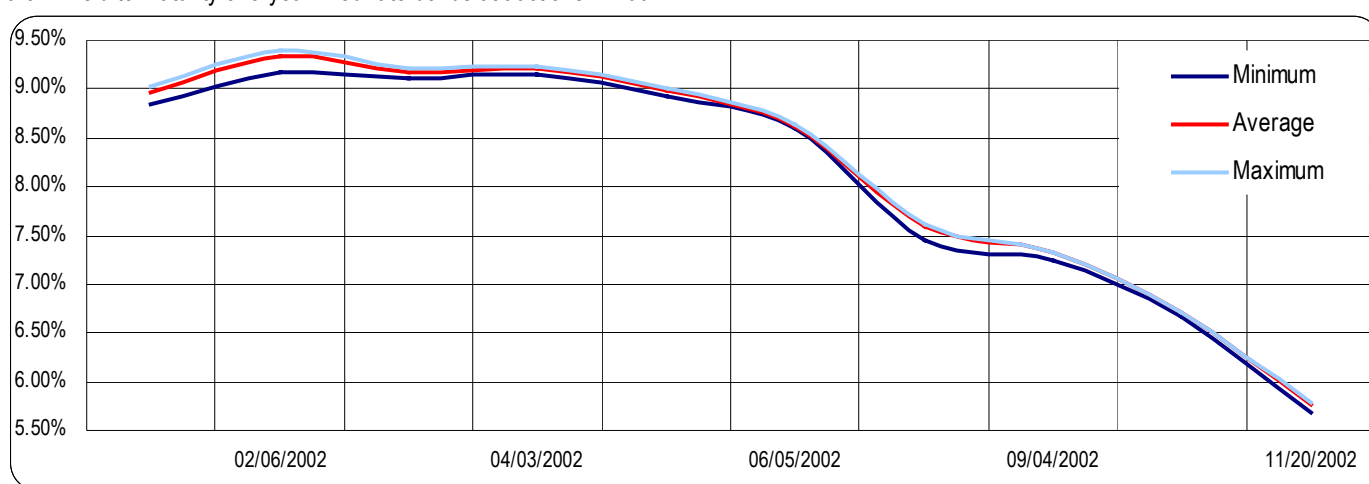


Chart 4. Yield to maturity of 5-year fixed rate bonds at auctions in 2002



2.1.1.3.3. Sale of 10-year fixed rate bonds in 2002

Four auctions of 10-year fixed rate bonds (DS series) were held in the year 2002. Till July the Ministry of Finance continued auctions of DS1110, which sale began in the year 2001. Sale of a new series DS1013 with yearly coupon at 5,00% began in September and will continue. As in case of 5-year fixed rate bonds the offering of one series should last till an issue reaches level of 5 billion Euro.

Table 6. Results of 10-year fixed rate bonds auctions in 2002 (PLN mn)

Auction date	Series	Coupon	Settlement date	Demand	Supply	Sale	Minimum yield	Average yield	Maximum yield
01/16/2002	DS1110	6.00%	01/24/2002	1,800.00	3,868.80	1,800.00	8.184%	8.215%	8.260%
03/20/2002	DS1110		03/24/2002	1,400.00	3,442.70	1,400.00	8.305%	8.344%	8.373%
07/17/2002	DS1110		07/24/2002	700.00	1,945.38	700.00	7.535%	7.560%	7.580%
10/09/2002	DS1013	5.00%	10/24/2002	1,500.00	5,350.50	1,500.00	6.197%	6.224%	6.225%
TOTAL	-	-	-	5,400.00	14,607.38	5,400.00	-	-	-

Chart 5. Supply, demand and sale of 10-year fixed rate bonds in 2002 (PLN mn)

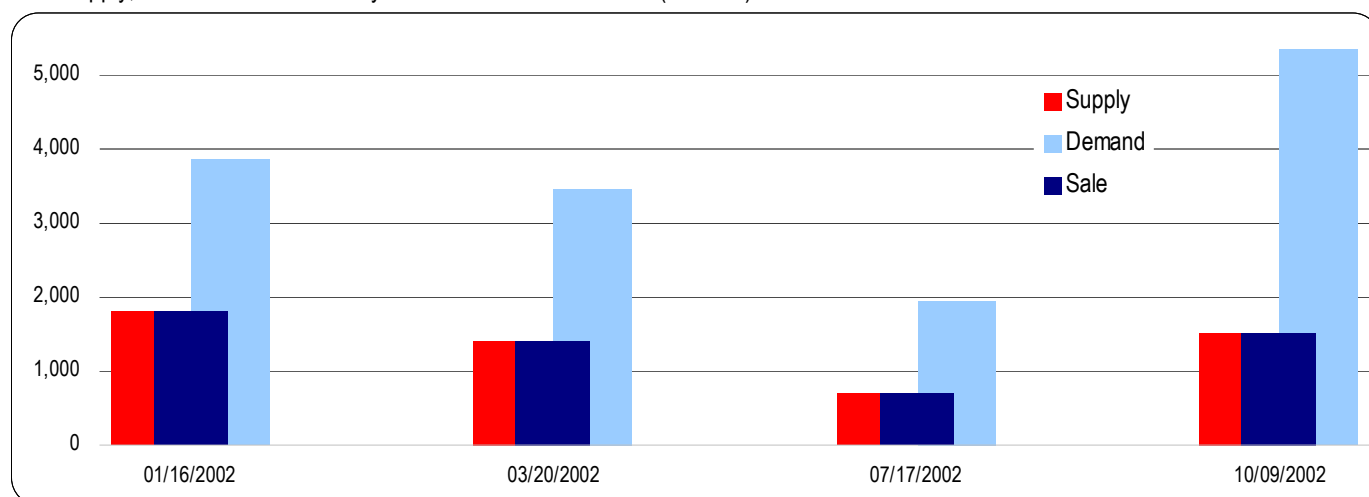
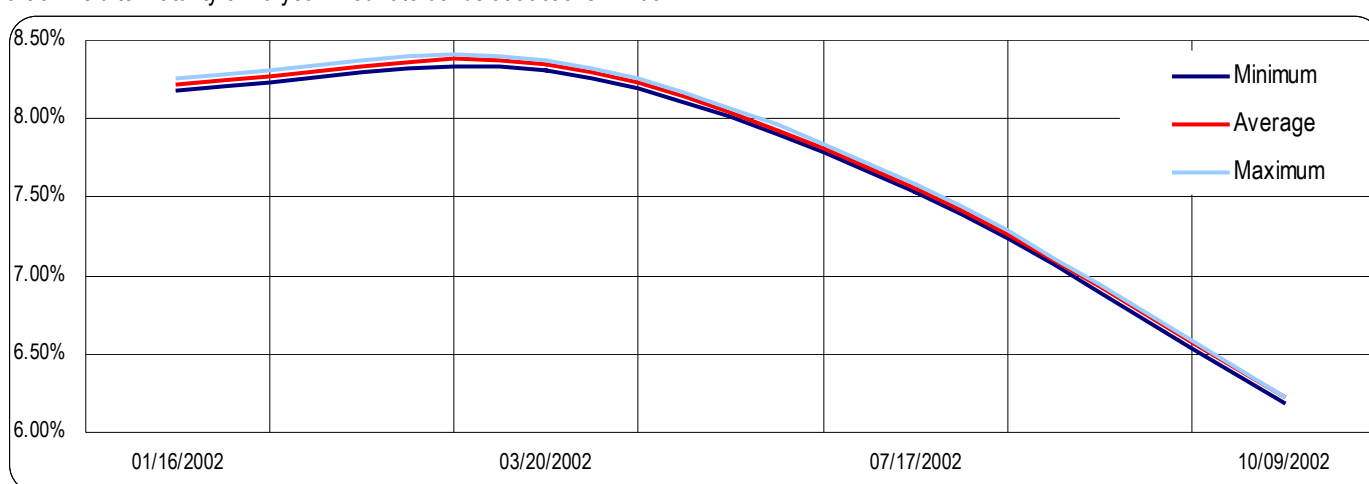


Chart 6. Yield to maturity of 10-year fixed rate bonds at auctions in 2002



2.1.1.3.4. Sale of 10-year floating rate bonds in 2002

In 2002 the Ministry of Finance held only one auction of 10-year floating rate bonds (DZ series). In April Minister of Finance suspended sale of DZ series at auctions. It was an outcome of an overflow of instruments with similar construction and value of 7,8 billion PLN issued by NBP designed for domestic banks to switch purchased bonds resulting from lowering mandatory reserve. DZ series coupon interest rate changes every year and depends on the yield of 52-week T-bills sold at auctions within the period of two months that directly precede the month commencing the yearly interest period of a given series.

Table 7. Results of 10-year floating rate bonds auctions in 2002 (PLN mn)

Auction date	Series	Settlement date	Supply	Demand	Sale	Current rate of return minimum	Current rate of return average	Current rate of return maximum
02/13/2002	DZ0811	2002-02-18	500.00	1,120.50	495.50	15.286%	15.494%	15.564%
TOTAL	-	-	500.00	1,120.50	495.50	-	-	-

Sale of 20-year fixed rate bonds in 2002

In 2002 the Ministry of Finance began sale of 20-year fixed rate bond (WS0922 series). New long term bond issue resulted from market demand (claimed especially by insurance sector) and need to set up benchmark for long term interest rates on domestic market. Similarly as in case of 5- and 10-year fixed rate bonds auctions of WS0922 will continue until total value of the issue reaches equivalency of 5 billion Euro.

Tabela 8. Results of 20-year fixed rate bonds auctions in 2002 (PLN mn)

Auction date	Series	Coupon	Settlement date	Demand	Supply	Sale	Minimum yield	Average yield	Maximum yield
04/17/2002	WS0922	5.75%	04/22/2002	400.00	2,651.00	400.00	7.182%	7.215%	7.432%
09/11/2002	WS0922		09/23/2002	1,000.00	2,332.20	1,000.00	6.160%	6.219%	6.257%
TOTAL	-	-	-	1,400.00	4,983.20	1,400.00	-	-	-

Chart 7. Supply, demand and sale of 20-year fixed rate bonds at auctions in 2002 (PLN mn)

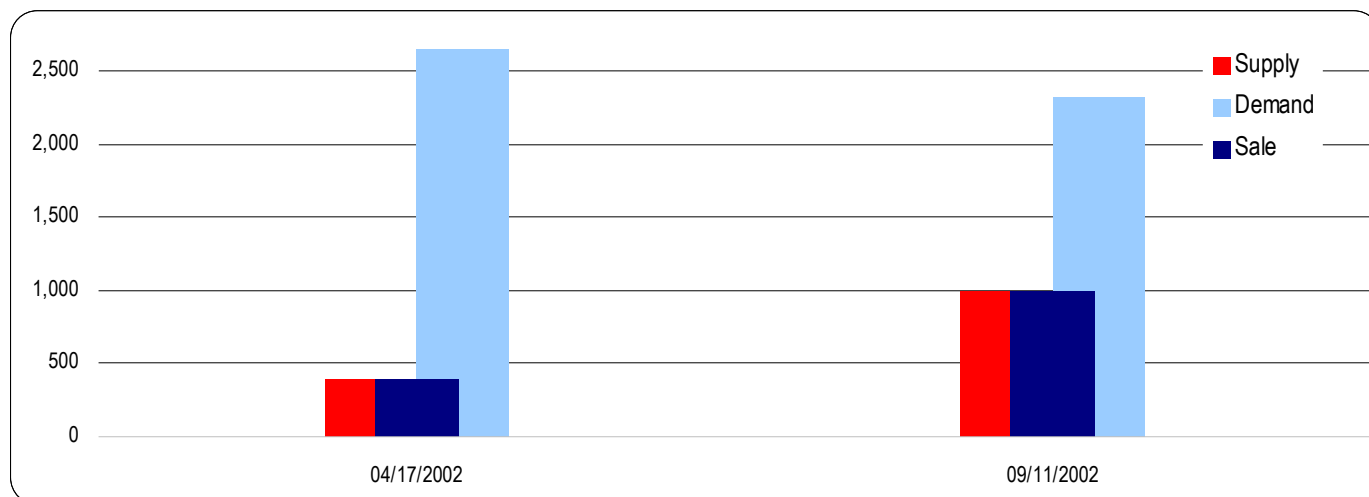
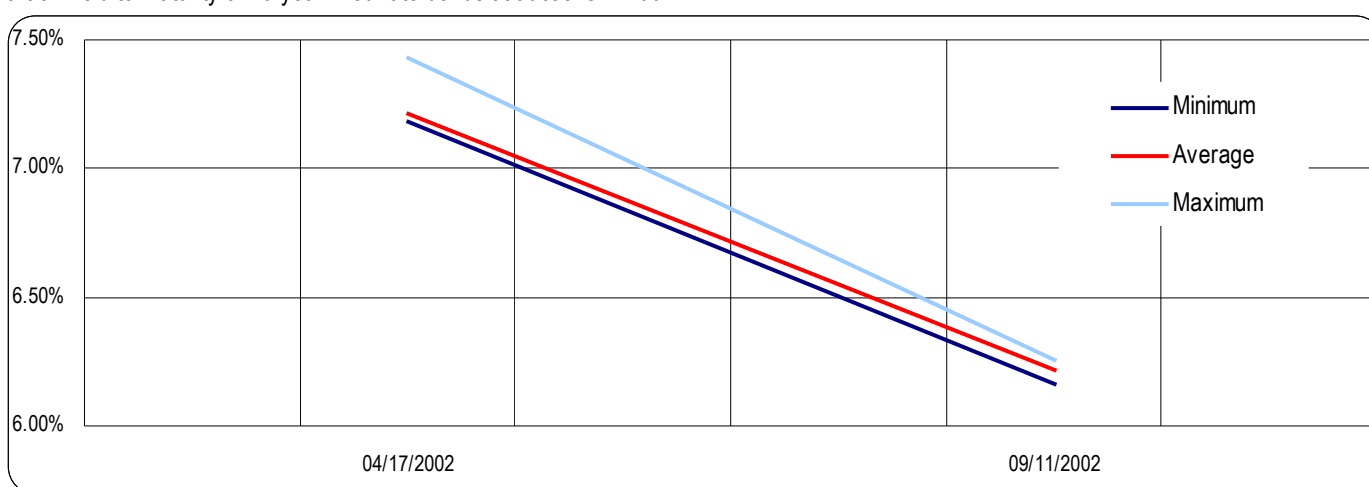


Chart 8. Yield to maturity of 20-year fixed rate bonds at auctions in 2002



2.1.1.4. Treasury bonds switching auctions

In 2002 the Ministry of Finance continued T-bonds switching auctions, which started in November 2001 - i.e., redemption of a bond series before its maturity date while settlement of the transaction is effected by giving the holder another series of bonds – bought-back securities are cancelled. 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 issues and also managing the interest rate risk.

Switching auctions are arranged and handled by the National Bank of Poland. Direct participants of the National Depository of Securities are allowed to auction. Other investors intending to switch bonds must use intermediation of the NDS participants. Starting from the beginning of 2002 participation in switching auctions is limited to TSD.

Switching auctions are held on dates specified in monthly schedules of the auctions that are published on the Ministry of Finance website. Two days before an auction, at about 12:00 hours, the Ministry of Finance releases a detailed communiqué on the auction to be held with following information:

- auction date,
- auction settlement date,
- face value of bonds to be redeemed,
- redemption date, abbreviated name, ISIN code and value of accrued interest of bonds redeemed at auction settlement date,
- redemption date, abbreviated name, ISIN code and value of accrued interest of bonds sold at auction settlement date,
- way and place of announcement by the Ministry of Finance of a "clean" price of a redeemed or sold bond – according to chosen variant of an auction.

The day before a switching auction, at about 15:00 hours the Minister of Finance informs the market about the "clean" prices of redeemed or sold bonds.

Bids are submitted to the NBP by 11:00 hours 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 about 13:30 hours on the day of an auction.

Table 9. Results of switching auctions in 2002 (PLN mn)

Auction date	Buy-back bonds					Settlement bonds			Auction date	Buy-back bonds					Settlement bonds		
	Series	Redemption date	Supply	Demand	Buy-back	Series	Redemption date	Sale		Series	Redemption date	Supply	Demand	Buy-back	Series	Redemption date	Sale
01/15/2002	OK0402	04/21/2002	1000-1500	55.000	35.000	PS1004	10/12/2004	33.850	08/27/2002	OS1002	10/12/2002	1000.000	14.935	-	OK0804	08/21/2004	-
	OK0402	04/21/2002	1000-1500	56.764	25.000	PS1106	11/12/2006	24.367		OS1002	10/12/2002	1000.000	361.638	29.238	PS0507	05/12/2007	30.626
	KO0402	04/29/2002	1000-1500	127.322	19.990	PS1004	10/12/2004	19.287		OK1202	12/21/2002	1000.000	322.615	124.645	PS0507	05/12/2007	114.843
	KO0402	04/29/2002	1000-1500	50.114	-	PS1106	11/12/2006	-		OK1202	12/21/2002	1000.000	258.500	-	DS1110	11/24/2010	-
	OS0202	02/12/2002	1000-1500	474.205	441.822	PS1106	11/12/2006	491.669		TK1202	12/22/2002	1000.000	25.789	-	PS0507	05/12/2007	-
01/22/2002	OK0402	04/21/2002	1000-1500	33.300	32.000	PS1004	10/12/2004	30.964	TK1202	12/22/2002	1000.000	15.571	2.071	DS1110	11/24/2010	2.300	
	OK0402	04/21/2002	1000-1500	271.246	180.644	PS1106	11/12/2006	176.157	OS0203	02/12/2003	1000.000	36.000	-	PS0507	05/12/2007	-	
	KO0402	04/29/2002	1000-1500	81.115	57.105	PS1004	10/12/2004	55.190	OS0203	02/12/2003	1000.000	2.900	-	DS1110	11/24/2010	-	
	KO0402	04/29/2002	1000-1500	120.385	28.528	PS1106	11/12/2006	27.749	OS1002	10/12/2002	1000.000	30.186	26.649	OK0804	08/21/2004	33.925	
	OS0202	02/12/2002	1000-1500	153.429	130.000	PS1106	11/12/2006	144.688	OS1002	10/12/2002	1000.000	416.239	291.239	PS0507	05/12/2007	299.585	
01/29/2002	OK0402	04/21/2002	1000-1500	97.923	57.923	PS1004	10/12/2004	56.134	OK1202	12/21/2002	1000.000	224.353	162.251	PS0507	05/12/2007	146.863	
	OK0402	04/21/2002	1000-1500	269.217	-	PS1106	11/12/2006	-	OK1202	12/21/2002	1000.000	142.683	80.598	DS1110	11/24/2010	79.162	
	KO0402	04/29/2002	1000-1500	36.229	1.034	PS1004	10/12/2004	1.000	TK1202	12/22/2002	1000.000	79.064	54.064	PS0507	05/12/2007	53.828	
	KO0402	04/29/2002	1000-1500	198.769	-	PS1106	11/12/2006	-	TK1202	12/22/2002	1000.000	63.129	54.629	DS1110	11/24/2010	59.003	
	DZ0107	01/18/2007	193.261	-	-	DZ0110	01/18/2010	-	OS0203	02/12/2003	1000.000	71.000	60.000	PS0507	05/12/2007	60.178	
01/29/2002	DZ0407	04/18/2007	3.500	-	-	DZ0110	01/18/2010	-	OS0203	02/12/2003	1000.000	16.000	-	DS1110	11/24/2010	-	
	DZ0707	07/18/2007	75.000	-	-	DZ0110	01/18/2010	-	OK1202	12/21/2002	1000.000	272.570	117.166	PS0507	05/12/2007	106.136	
	DZ0108	01/18/2008	279.000	13.972	-	DZ0110	01/18/2010	-	OK1202	12/21/2002	1000.000	323.415	-	DS1110	11/24/2010	-	
	OK0402	04/21/2002	1500.000	939.330	789.342	PS0205	02/12/2005	796.701	TK1202	12/22/2002	1000.000	117.306	2.306	PS0507	05/12/2007	2.297	
	OK0402	04/21/2002	1500.000	567.481	500.000	PS0205	02/12/2005	503.525	TK1202	12/22/2002	1000.000	55.000	-	DS1110	11/24/2010	-	
02/12/2002	KO0402	04/29/2002	1500.000	25.206	2.036	PS1005	10/12/2005	2.000	OS0203	02/12/2003	1000.000	56.886	41.958	PS0507	05/12/2007	42.134	
	OK0402	04/21/2002	1500.000	133.000	5.500	PS0205	02/12/2005	5.522	OS0203	02/12/2003	1000.000	32.763	-	DS1110	11/24/2010	-	
	OK0402	04/21/2002	1500.000	128.300	-	PS1005	10/12/2005	-	OS1004	10/12/2004	856.000	74.000	-	PS1004	10/12/2004	-	
	KO0402	04/29/2002	1268.362	59.884	14.000	PS0205	02/12/2005	14.025	OK1202	12/21/2002	1000.000	10.726	5.605	PS0507	05/12/2007	5.000	
	KO0402	04/29/2002	1268.362	11.424	10.400	PS1005	10/12/2005	10.153	OK1202	12/21/2002	1000.000	118.195	47.195	DS1110	11/24/2010	45.040	
02/19/2002	OS0602	06/12/2002	1500.000	48.552	-	PS0205	02/12/2005	-	TK1202	12/22/2002	1000.000	10.000	-	PS0507	05/12/2007	-	
	OS0602	06/12/2002	1500.000	218.605	-	PS1005	10/12/2005	-	TK1202	12/22/2002	1000.000	30.000	-	DS1110	11/24/2010	-	
	OK0402	04/21/2002	1500.000	178.620	50.473	PS1004	10/12/2004	49.318	OS0203	02/12/2003	1000.000	91.297	76.295	DS1110	11/24/2010	80.728	
	OK0402	04/29/2002	1243.962	91.102	4.697	PS1004	10/12/2004	4.578	OS1004	10/12/2004	856.000	197.000	153.000	PS1004	10/12/2004	156.985	
	OS0602	06/12/2002	1500.000	206.970	20.000	PS1106	11/12/2006	21.854	OK1202	12/21/2002	1000.000	26.108	20.000	PS0506	05/12/2006	18.028	
03/12/2002	OK0402	04/21/2002	1500.000	145.000	84.500	PS1004	10/12/2004	82.552	OK1202	12/21/2002	1000.000	49.000	-	DS1110	11/24/2010	-	
	KO0402	04/29/2002	1239.265	95.895	27.643	PS1004	10/12/2004	26.95	OK0403	04/21/2003	1000.000	606.700	332.000	PS0506	05/12/2006	292.701	
	OS0602	06/12/2002	1500.000	463.659	323.513	PS1106	11/12/2006	352.47	OK0403	04/21/2003	1000.000	205.894	44.000	DS1110	11/24/2010	40.848	
	OS0602	06/12/2002	1500.000	387.617	94.984	DS1110	11/24/2010	118.805	CK0403	04/22/2003	1000.000	276.230	236.230	PS0506	05/12/2006	229.006	
	OS0602	06/12/2002	1000.000	80.592	32.500	PS1004	10/12/2004	35.159	CK0403	04/22/2003	1000.000	34.380	-	DS1110	11/24/2010	-	
03/26/2002	OS0602	06/12/2002	1000.000	196.180	-	PS0506	05/12/2006	-	TK1202	12/22/2002	1000.000	125.000	-	PS0507	05/12/2007	-	
	OK0802	08/21/2002	1000.000	135.276	125.276	PS1004	10/12/2004	118.772	TK1202	12/22/2002	1000.000	55.786	-	DS1110	11/24/2010	-	
	OK0802	08/21/2002	1000.000	55.453	-	PS0506	05/12/2006	-	OS0203	02/12/2003	1000.000	-	-	PS0507	05/12/2007	-	
	OS0602	06/12/2002	1000.000	102.061	-	PS1004	10/12/2004	-	OS0203	02/12/2003	1000.000	2.160	-	DS1110	11/24/2010	-	
	OS0602	06/12/2002	1000.000	50.029	9.612	PS0506	05/12/2006	10.000	OK0403	04/21/2003	1000.000	695.723	114.264	PS0507	05/12/2007	98.464	
04/09/2002	OK0802	08/21/2002	1000.000	149.057	10.000	PS1004	10/12/2004	9.434	OK0403	04/21/2003	1000.000	109.837	-	DS1110	11/24/2010	-	
	OK0802	08/21/2002	1000.000	1.000	-	PS0506	05/12/2006	-	CK0403	04/22/2003	1000.000	199.790	-	PS0507	05/12/2007	-	
	OS0602	06/12/2002	1000.000	128.684	100.934	OK0404	04/21/2004	132.923	CK0403	04/22/2003	1000.000	-	-	DS1110	11/24/2010	-	
	OS0602	06/12/2002	1000.000	294.756	101.554	PS1106	11/12/2006	110.386	OK1202	12/21/2002	1000.000	328.227	-	PS0507	05/12/2007	-	
	OS0602	06/12/2002	1000.000	216.962	52.231	DS1110	11/24/2010	64.388	OK1202	12/21/2002	1000.000	72.675	-	DS1110	11/24/2010	-	
04/23/2002	OK0802	08/21/2002	1000.000	164.821	10.603	PS1004	10/12/2004	10.000	TK1202	12/22/2002	1000.000	170.000	-	PS0507	05/12/2007	-	
	OK0802	08/21/2002	1000.000	97.000	77.000	PS1106	11/12/2006	73.427	TK1202	12/22/2002	1000.000	56.286	50.000	DS1110	11/24/2010	51.642	
	OK0802	08/21/2002	1000.000	165.445	143.350	DS1110	11/24/2010	155.040	OS0203	02/12/2003	1000.000	56.520	-	PS0507	05/12/2007	-	
	OS0602	06/12/2002	1000.000	65.634	55.634	OK0404	04/21/2004	73.000	OS0203	02/12/2003	1000.000	-	-	DS1110	11/24/2010	-	
	OS0602	06/12/2002	1000.000	480.612	169.345	PS1106	11/12/2006	183.194	OK0403	04/21/2003	1000.000	386.023	-	PS0507	05/12/2007	-	
05/14/2002	OS0602	06/12/2002	1000.000	234.251	211.075	DS1110	11/24/2010	259.257	OK0403	04/21/2003	1000.000	173.874	10.874	DS1110	11/24/2010	10.000	
	OK0802	08/21/2002	1000.000	404.876	404.876	PS1004	10/12/2004	380.625	CK0403	04/22/2003	1000.000	176.354	-	PS0507	05/12/2007	-	
	OK0802	08/21/2002	1000.000	28.910	8.910	PS1106	11/12/2006	8.445	CK0403	04/22/2003	1000.000	-	-	DS1110	11/24/2010	-	
	OK0802	08/21/2002	1000.000	66.612	21.612	DS1110	11/24/2010	23.264	OK1202	12/21/2002	1000.000	40.000	10.000	PS0507	05/12/2007	8.663	
	OK0802	08/21/2002	1000.000	3.300	3.300	OK0404	04/21/2004	3.774	OK1202	12/21/2002	1000.000	-	-	DS1109	11/24/2009	-	
05/21/2002	OK0802	08/21/2002	1000.000	60.000	-	PS0507	05/12/2007	-	TK1202	12/22/2002	1000.000	115.000	100.000	PS0507	05/12/2007	95.270	
	OK0802	08/21/2002	1000.000	40.000	20.000	DS1110	11/24/2010	21.145	TK1202	12/22/2002	1000.000	100.000	100.000	DS1109	11/24/2009	108.548	
	OS1002	10															

2.1.1.5. Treasury bonds buy-back auctions

Minister of Finance held first ever T-bond buy-back auction on August 8, 2002. Previously only T-bills buy-back auctions were organized. Such an operation may be held in 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.

Table 10 . Results of buy-back bond auction in 2002 (mln PLN)

Auction date	Series	Settlement date	Offer	Demand	Buy-back	Minimum yield	Average yield	Maximum yield
08/08/2002	OK1202	08/12/2002	1000.000	342.197	10.986	8.390%	8.394%	8.399%
08/08/2002	TK1202	08/12/2002	1000.000	134.734	47.234	8.382%	8.412%	8.551%
TOTAL	-	-	-	476.931	58.220	-	-	-

2.2. Sale of Treasury Securities in retail network

Apart from the "wholesale" bonds, the Ministry of Finance offers securities dedicated for individual investors commonly referred to as "retail bonds". In 2002 the Ministry of Finance that group of instruments offer included the following securities:

- 2-year fixed rate savings bonds (DOS series)
- 3-year floating rate bonds (TZ series)
- 4-year inflation rate indexed savings bonds (COI series)
- 5-year fixed rate bonds (SP series)

The face value of Treasury bonds destined for individuals is PLN 100 and provides a possibility of an investment in Treasury Securities to persons with relatively low funds.

The sale of retail bonds was effected by about 550 units of Customer Service Outlets (CSOs) functioning in the branches of brokerage houses belonging to a consortium dealing with the sale of retail bonds. Till August 1, 2003 the Central Brokerage House PeKaO S.A. was in charge of efficient functioning of the consortium. From August 1, 2003 PKO Bank Polski S.A. became issue agent and is be responsible for all newly issued series. Servicing of bonds issued before August 1, 2003 is left to former agent - Central Brokerage House PeKaO S.A. Retail net objective is to set up 1200 Customer Service Outlets and enable transactions through internet, telephone and cash machine.

Savings bonds (DOS and COI series) can be purchased only by individuals domiciled in Poland. 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. Interest on those securities accrue annually and is put at the investor's disposal at the redemption date (or pre-maturity redemption). The sale of each series of savings bonds lasts for one month.

3-year floating rate bonds (TZ series) give their holder a yield in a form of coupon paid every 3 months, interest rate of particular coupons changes and depends on the yield of 13-week T-bills.

5-year fixed rate bonds (SP series) give their holder a fixed annual income. Sale of new TZ and SP series last for three months and as distinct from savings bonds, they can be traded at the WSE.

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_hurtowe/pliki_do_pobrania/obligacjedetaliczne.exe

Table 11. Sale of retail bonds in 2002 (PLN mn)

Bond type	Supply	Sale, face value	Revenues
2-year savings bonds	6,000.00	2,661.33	2,661.33
3-year floating rate bonds	4,000.00	1,702.42	1,694.59
4-year savings bonds	1,800.00	173.13	173.13
5-year fixed rate bonds	2,500.00	1,377.86	1,358.14
TOTAL:	14,300.00	5,914.74	5,887.19

Table 12. Sale of floating rate retail bonds in 2002 (PLN mn)

Bond	Sale period		Supply	Sale		Price (PLN)	
	beginning	end		exchange	network	exchange	issue
TZ0205	02/01/2002	04/19/2002	1,000	180.03	282.60	99.80	100.00
TZ0505	05/06/2002	07/19/2002	1,000	190.93	302.48	99.30	99.80
TZ0805	08/01/2002	10/25/2002	1,000	218.91	259.08	99.00	99.50
TZ1105*	11/04/2002	01/24/2003	1,000	139.34	129.05	99.00	99.50
TOTAL	-	-	4,000	729.21	973.20	-	-
COI0106	01/02/2002	01/31/2002	150	-	24.26	-	100.00
COI0206	02/01/2002	02/28/2002	150	-	26.22	-	100.00
COI0306	03/01/2002	03/29/2002	150	-	25.64	-	100.00
COI0406	04/02/2002	04/30/2002	150	-	21.69	-	100.00
COI0506	05/06/2002	05/31/2002	150	-	12.96	-	100.00
COI0606	06/03/2002	06/28/2002	150	-	10.91	-	100.00
COI0706	07/01/2002	07/31/2002	150	-	13.01	-	100.00
COI0806	08/01/2002	08/30/2002	150	-	6.18	-	100.00
COI0906	09/02/2002	09/30/2002	150	-	2.69	-	100.00
COI1006	10/01/2002	10/31/2002	150	-	4.61	-	100.00
COI1106	11/04/2002	11/29/2002	150	-	16.11	-	100.00
COI1206	12/02/2002	12/31/2002	150	-	8.86	-	100.00
TOTAL	-	-	1,800	-	173.13	-	-

*sale in period from November 4, 2002 to December 31, 2002

Table 13. Sale of fixed rate retail bonds in 2002 (PLN mn)

Bond	Sale period		Supply	Sale	Issue price (PLN)			Oprocentowanie
	beginning	end			1 st month of sale	2 nd month of sale	3 rd month of sale	
DOS0104	01/02/2002	01/31/2002	500	302.06	100.00			10.0%
DOS0204	02/01/2002	02/28/2002	500	174.68	100.00			9.0%
DOS0304	03/01/2002	03/29/2002	500	178.67	100.00			9.0%
DOS0404	04/02/2002	04/30/2002	500	112.60	100.00			8.5%
DOS0504	05/06/2002	05/31/2002	500	142.64	100.00			8.5%
DOS0604	06/03/2002	06/28/2002	500	187.78	100.00			8.5%
DOS0704	07/01/2002	07/31/2002	500	275.50	100.00			7.9%
DOS0804	08/01/2002	08/30/2002	500	291.03	100.00			7.9%
DOS0904	09/02/2002	09/30/2002	500	216.98	100.00			7.5%
DOS1004	10/01/2002	10/31/2002	500	191.66	100.00			7.0%
DOS1104	11/04/2002	11/29/2002	500	374.24	100.00			6.5%
DOS1204	12/02/2002	12/31/2002	500	213.50	100.00			6.0%
TOTAL	-	-	6,000	2,661.34	-			-
					1 st month of sale	2 nd month of sale	3 rd month of sale	
SP1206*	12/03/2001	02/28/2002	500	115.24	96.00	97.50	-	9.0%
SP0307	03/01/2002	05/31/2002	500	187.49	96.50	96.50	96.50	8.0%
SP0607	06/03/2002	08/30/2002	500	498.63	97.00	100.00	100.50	8.0%
SP0907	09/02/2002	11/29/2002	500	500.00	97.00	98.50	101.00	6.5%
SP1207**	12/02/2002	02/28/2003	500	76.50	99.50	100.00	100.50	5.5%
TOTAL	-	-	2,500	1,377.864	-	-	-	-

*sale in period from January 1, 2002 to January 31, 2002

** sale in period from December 2, 2002 to December 31, 2002

2.3. Sale of Treasury Securities on foreign markets

The basic objective of the sale of Polish securities on foreign markets is consolidation of Poland's position as a trustworthy issuer on international financial market. Significance of those issues for financing borrowing needs of the State Budget is of high importance.

Presence of Poland on international market allows to diversify the sources of the State Budget borrowing needs financing and provides access to foreign institutional investors disposing of substantial financial resources. Moreover, foreign issues of Polish governmental securities serve as a benchmark for Polish banks and enterprises that place their own issues of debt instruments on international markets.

2.3.1. Classic issues of Treasury Securities on international market

Issues of bonds destined for foreign markets are arranged by consortia of foreign financial institutions consisting of reputable investment banks active on international market. The Minister of Finance appoints, in a formal competitive process, a lead manager whose basic duty is to place the bonds on the market. Consortium members underwrite the sale of securities – their task is to collect orders, by means of direct contact with potential investors, for bonds of a given issue. On that basis the bonds are priced i.e. the spread is fixed above the benchmark yield of the bonds issued by the Treasury of the State, in whose the issue is effected. The spread reflects the level of risk connected with investment in securities of a given issuer.

In 2002 the Ministry of Finance effected four issues of bonds on the foreign markets (among them reopening of USD issue). The offered securities included: bonds denominated in

- EUR with maturity date March 12, 2012 and annual coupon rate of 5.50%,
- GBP with maturity date November 18, 2010 and annual coupon rate of 5.625% and
- USD which totaled 1.4 billion was placed in two tranches: securities with face value of USD 1000 mn were issued on July 2, 2002 and on September 12, 2002 further USD 400 mn were placed as a supplementary issue.

Table 14. Bonds issued for international market by 2002

	7.75% bond denominated in USD, maturing in 2000	6.125% bond denominated in DEM maturing in 2001	7.125% bond denominated in USD maturing in 2004	7.75% bond denominated in USD maturing in 2017	6% bond denominated in EUR maturing in 2010	5.5% bond denominated in EUR maturing in 2011	5.5% bond denominated in EUR maturing in 2012	6.25% bond denominated in USD maturing in 2012	5.625% bond denominated in GBP maturing in 2010
Issue date	07/13/1995	07/31/1996	07/01/1997	07/01/1997	03/22/2000	01/29/2001	03/12/2002	07/02/2002	11/18/2002
Issue Consortium Lead Manager	JP Morgan	Deutsche Morgan Grenfell, Credit Suisse First Boston	J.P. Morgan	J.P. Morgan	BNP Paribas, Credi t Suisse, First Boston	Deutsche Bank AG Merrill Lynch* International	CSFB SSSB	JP Morgan SSSB	UBS Warburg
Issue value/debt value at the end of 2001	USD 250 mn/redeemed in July 2000	DEM 250 mn/redeemed in July 2000	USD 300 mn	USD 100 mn	EUR 600 mn	EUR 1,000 mn (750 + 250**)	EUR 750 mn	USD 1400 mn (1000+400)	400 mn
Interest rate annually (%)	fixed 7.75%	Fixed 6.125%	fixed 7.125%	fixed 7.75%	fixed 6.0%	fixed 5.5%	fixed 5.5%	fixed 6.25%	fixed 5.625%
Maturity	5 years	5 years	7 years	20 years	10 years	10 years	10 years	10 years	8 years
Spread over underlying assets' quotation as of the issue date	185 bp	65 bp	75 bp	100 bp	82 bp	80 bp / 74 bp	75 bp	158 bp / 150.3 bp	115 bp
Issue price (%)	99.967	101.777	99.491	99.299	98.300	98.950 / 100.902	98.320	99.209 / 106.00	99.060
Redemption date	07/13/2000	07/31/2001	07/01/2004	07/01/2017	03/22/2010	02/14/2012	03/12/2012	07/03/2012	11/18/2010
Interest payments	semiannually	annually	semiannually	annually	annually	annually	Annually	semiannually	Annually
Placement market	Euro+144a	Euro	Yankee	Yankee	Euro	Euro	Euro	Global	Euro
Registration	Luxemburg Stock Exchange	Frankfurt am Main Stock Exchange	U.S. Securities and Exchange Commission	U.S. Securities and Exchange Commission	Luxemburg Stock Exchange	- Luxemburg and Frankfurt am Main Stock Exchanges	Luxemburg Stock Exchange	U.S. Securities and Exchange Commission + Luxemburg Stock Exchange	Luxemburg Stock Exchange

* basic issue 750 mn consortium lead managers only

** reopening

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 covered six instrument types differing in design details. The total value of the issue amounted to USD 8.0 billion. At the end of 2002, the debt in respect of Brady bonds amounted to USD 2,698.3 mn.

Table 15. 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 mn	USD 934.7 mn	USD 894.4 mn	USD 2,673.6 mn	USD 393.0 mn	USD 137.6 mn
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 2001 3,75%	increasing from 2,75% to 5%; at the end of 2001 4,5%	increasing from 3,25% to 7%; at the end of 2001 6,0%	increasing from 4,5% to 7,5%; at the end of 2001 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	10/27/2019	10/27/2009
Interest paid	semiannually	semiannually	semiannually	semiannually	semiannually	semiannually
Outstanding debt at the end of 2002	0*	USD 744.7 mn	USD 448.6 mn	USD 1,112.1 mn	USD 393.0 mn	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 mn.

The securities characteristics is presented below:

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

"Conversion" bonds were used by the NBP for open market operations aiming at permanent limitation of excessive liquidity of banking system in a long-term perspective. Total value conversion securities sold by the central bank to participants of financial market in 2000-2001 is presented in the table below.

On December 31st, 2001 the Minister of Finance concluded an agreement with the NBP pursuant to which securities KO0402 held in the central bank's portfolio with face value of PLN 1,948.9 mn were converted into KK1002 series bonds with maturity date October 12th, 2002. Value of new series of bonds transferred to the NBP amounted to PLN 1,820.8 mn. On January 9th, 2002 those securities were funged with market bond OS1002 of identical maturity and coupon. Due to the above described operations the value of T-bonds resulting from the conversion and hold by the NBP at the end of 2002 amounted to PLN 1,237.53 mn.

Table 16. Value of "conversion" bonds sold by the NBP at an outright auctions (PLN mn)

Series	KO0402	OS1002	TK1202	CK0403	PK0704	DK0809	TOTAL
Year							
2000	853.00	0.00	354.00	343.00	171.00	501.00	2,222.00
2001	1,332.00	0.00	1,938.00	1,370.00	519.00	1,211.00	6,370.00
2002	0.00	639.00	784.27	1,363.27	1,475.00	1,038.00	5,299.53
TOTAL:	2,185.00	639.00	3,076.27	3,076.27	2,165.00	2,750.00	13,891.53

2.4.2. Issue of Treasury bonds for the conversion of the debt incurred by the health care units

In December 2001 an operation, lasting since September 1999, of servicing the State Treasury debts resulting from due debts of the health care units was completed. The debts of the State Treasury that arose before December 31st, 1998 and were incurred by voivod and other public offices and also by state healthcare units before they obtained their administrative independence.

The registration of debts, conversion of debts into Treasury bonds and cash buy-out operations were held by Bank Handlowy in Warsaw S.A. acting under an agreement concluded with the Minister of Finance on April 1st, 1999.

The conversion of different debt types was carried out using three methods:

- through direct cash buy-outs of debts owned to direct suppliers of goods and services to health care units;
- in auctions for buy-out of debts owned to direct suppliers of goods and services to health care units;
- through organization of auctions for conversion of debts hold by banking sector into securities.

Until the end of 2001, health care units debt taken over by the State Treasury and totaling PLN 8.4 billion was paid for (including the banking sector debt totaling PLN 0.8 billion paid for in September 2000 from budget funds). The total face value of T-bonds issued for above purpose amounted to PLN 8.5 billion.

In 2002 operations connected with debt conversion were limited to final verification and appropriate allocation papers in securities accounts.

Table 17. Bonds for conversion of the health care liabilities issued in 1999-2002 (PLN mn)

Conversion date	Series	Maturity	Face value	Conversion date	Series	Maturity	Face value
09/24/1999	DS0509	05/24/2009	34.005	11/21/2000	PS1005	10/12/2005	153.040
10/24/1999	DS0509	05/24/2009	80.535	12/15/2000	PS1005	10/12/2005	134.058
11/24/1999	OK1201	12/21/2001	100.825	01/23/2001	PS1005	10/12/2005	89.299
12/12/1999	OK1201	12/21/2001	80.414	02/23/2001	PS0206	02/12/2006	46.554
01/24/2000	DS1109	11/24/2009	123.862	03/23/2001	PS0206	02/12/2006	28.147
02/15/2000	OS0202	02/12/2002	251.452	04/23/2001	PS0206	02/12/2006	34.431
02/15/2000	OS0203	02/12/2003	65.561	05/25/2001	PS0506	05/12/2006	28.178
02/15/2000	OS0204	02/12/2004	15.874	05/29/2001	OS0202	02/12/2002	0.004
02/21/2000	PS0205	02/12/2005	59.307	05/29/2001	OS0204	02/12/2004	0.001
03/16/2000	PS0205	02/12/2005	73.527	06/25/2001	PS0506	05/12/2006	23.305
03/31/2000	OS0202	02/12/2002	732.274	06/28/2001	OS0604	06/12/2004	0.003
03/31/2000	OS0203	02/12/2003	140.057	07/25/2001	PS0506	05/12/2006	41.437
03/31/2000	OS0204	02/12/2004	411.186	07/26/2001	OS0202	02/12/2002	0.061
04/18/2000	PS0205	02/12/2005	70.220	07/26/2001	OS0602	06/12/2002	0.025
04/28/2000	OS0202	02/12/2002	314.015	08/24/2001	PS0506	05/12/2006	14.949
04/28/2000	OS0204	02/12/2004	113.194	08/30/2001	OS0202	02/12/2002	0.145
05/24/2000	DS1109	11/24/2009	149.854	08/30/2001	OS0604	06/12/2004	0.754
05/31/2000	OS0202	02/12/2002	1,226.053	09/21/2001	PS0506	05/12/2006	10.301
05/31/2000	OS0203	02/12/2003	32.212	10/19/2001	PS0506	05/12/2006	11.817
05/31/2000	OS0204	02/12/2004	94.340	10/25/2001	OS0202	02/12/2002	0.844
06/21/2000	PS0605	06/12/2005	92.455	10/25/2001	OS0602	06/12/2002	0.139
06/30/2000	OS0602	06/12/2002	184.492	10/25/2001	OS0603	06/12/2003	0.028
06/30/2000	OS0603	06/12/2003	42.091	11/23/2001	PS1106	11/12/2006	24.472
07/21/2000	PS0605	06/12/2005	197.015	12/21/2001	PS1106	11/12/2006	29.796
07/31/2000	OS0602	06/12/2002	331.240	02/06/2002	OS0202	02/12/2002	-1.545
07/31/2000	OS0603	06/12/2003	419.324	04/25/2002	OS0603	06/12/2003	0.064
08/22/2000	PS0605	06/12/2005	109.103	04/25/2002	OS0604	06/12/2004	0.257
08/31/2000	OS0602	06/12/2002	41.308	06/07/2002	OS0602	06/12/2002	-0.050
08/31/2000	OS0603	06/12/2003	383.017	08/08/2002	OS0604	06/12/2004	0.001
09/19/2000	PS0605	06/12/2005	98.370		in 1999		295.779
09/29/2000	OS0602	06/12/2002	286.384		In 2000		7,845.845
09/29/2000	OS0603	06/12/2003	457.617		in 2001		384.690
09/29/2000	OS0604	06/12/2004	889.864		In 2002.		-1.273
10/17/2000	PS1005	10/12/2005	153.479		TOTAL:		8,525.041

2.4.3. Issue of Treasury bonds for conversion of the debt towards trade unions

On August 13th, 2001, acting pursuant to the Act of March 29th, 2001 on principles and forms of setting the State Treasury Debt arising due to decisions of the Social Re-vindication Commission (Journal of Laws No. 42, item 470), the Minister of Finance issued 2-year zero coupon bonds KO0802 to compensate the assets lost by the trade unions and social organizations during the martial law. Organizations indebted to the State Treasury according to the decision of the Social Re-vindication Commission spoken about in Art.5 of the Law of October 25th, 1990 become entitled to those securities. A characteristic of the KO0802 was identical to the OK0802 bonds sold at auctions. Both series were funged and since August 15th, 2001 they functioned under the code OK0802. Total value of the securities issued for social organizations within the subject matter conversion amounted to PLN 190.9 mn. This process continued in 2002 based on the same rules. Social organizations were granted with KO0803 series bond of total value 118.4 mn PLN.

Table 18. Bonds for conversion of the debt towards trade unions 2001-2002 (PLN mn)

Conversion date	Series	Maturity	Face value
08/13/2001	OK0803	08/21/2003	187.176
11/12/2001	OK0803	08/21/2003	3.703
04/12/2002	OK0404	04/21/2004	117.709
10/09/2002	OK0404	04/21/2004	0.566
11/27/2002	OK0404	04/21/2004	0.079

2.4.4. USD bond for NBP 2001 issue

2-year USD denominated bond was issued on November 13, 2001, with total value 2,140 mn USD. The issue was devoted for state budget liabilities conversion in NBP. Face value of one bond equals 1 mn USD and decreases in case of payment of capital installments or early redemption. Bonds are bearing floating rate coupon (USD 6M LIBOR + 1/8 pp) paid semiannually. In 2002 Minister of Finance twice decided for early redemption. Capital installments were paid in the amount of 1,070 mn USD (4,365.2 mn PLN) and interest rates 35.8 mn USD (142.9 PLN)

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 three types of such issues at the end of 2002. their characteristic is presented in the table below.

Table 19. Non-marketable Treasury Securities serviced on the domestic market in 2002.

	USD-denominated bonds	Restructuring Bonds	Bonds to increase BGŻ S.A. own funds *
Issue date	01/01/1991	Series A – 07/30/1993 Series B – 12/16/1993 Series C – 12/29/1993 Series D – 11/21/1994	I tranche 09/23/1996
Issue face value	5,453 USD million	Series A – PLN 1,100 mn Series B – PLN 573.4 mn Series C – PLN 426.6 mn Series D – PLN 1,900 mn each of the series is made up of 28 principal installments	I tranche: PLN 600 mn each of the tranches is made up of 28 principal installments
Face value of one bond	USD 1 mn and 10 mn, in 25 series	1,000 PLN	1,000 PLN
Maturity	From 1 to 13 years depending on the series number	From 1.5 to 15.5 years depending on the number of the principal installment	From 1.5 to 15.5 years depending on the number of the principal installment
Redemption date	from 1/04/1992 to 1/04/2004	A - from 01/31/1995 to 07/31/2008* B - from 06/17/1995 to 12/17/2008 C - from 06/30/1995 to 12/30/2008 D - from 05/22/1996 to 11/22/2009	I tranche from 03/24/1998 to 09/24/2011
Principal and interest paid	Semiannually	Semiannually	Semiannually
Interest form	Floating: reference rate (arithmetic average 6-month for USD credits in a given semi-annual interest period) + margin (2pp in 1991-1995 and 0.5 pp since 1996)	Floating: arithmetic average of NBP rediscount rate for a semi-annual interest period; paid interest – 5% buy-back principal, remaining accrued interest increases every time the principal subject to redemption (capitalization of interest)	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)
Issue form	paper (material), bearer	batch slip for an issue of a given series; registered within first 3 years since issue date, bearer afterwards	batch slip, registered within first 3 years since issue date, bearer afterwards
Availability to secondary market investors	No limitations, secondary market does not virtually exist	Available for purchase only for domestic banks and financial institutions and also to the State Treasury; secondary market does not exist virtually	Available for purchase only for domestic banks and financial institutions and also to the State Treasury; secondary market does not exist virtually
Debt value (nominal) at the end of 2002.	USD 655 mn (PLN 2,514.4 mn)	PLN 5,486.2.0 mn	PLN 795.2 mn

* Early redemption on August 30, 2002 of bonds Series A – face value 220 mn, interest rates 1.808 mn

3. SECONDARY MARKET OF TREASURY SECURITIES

3.1. Secondary market of Treasury bills

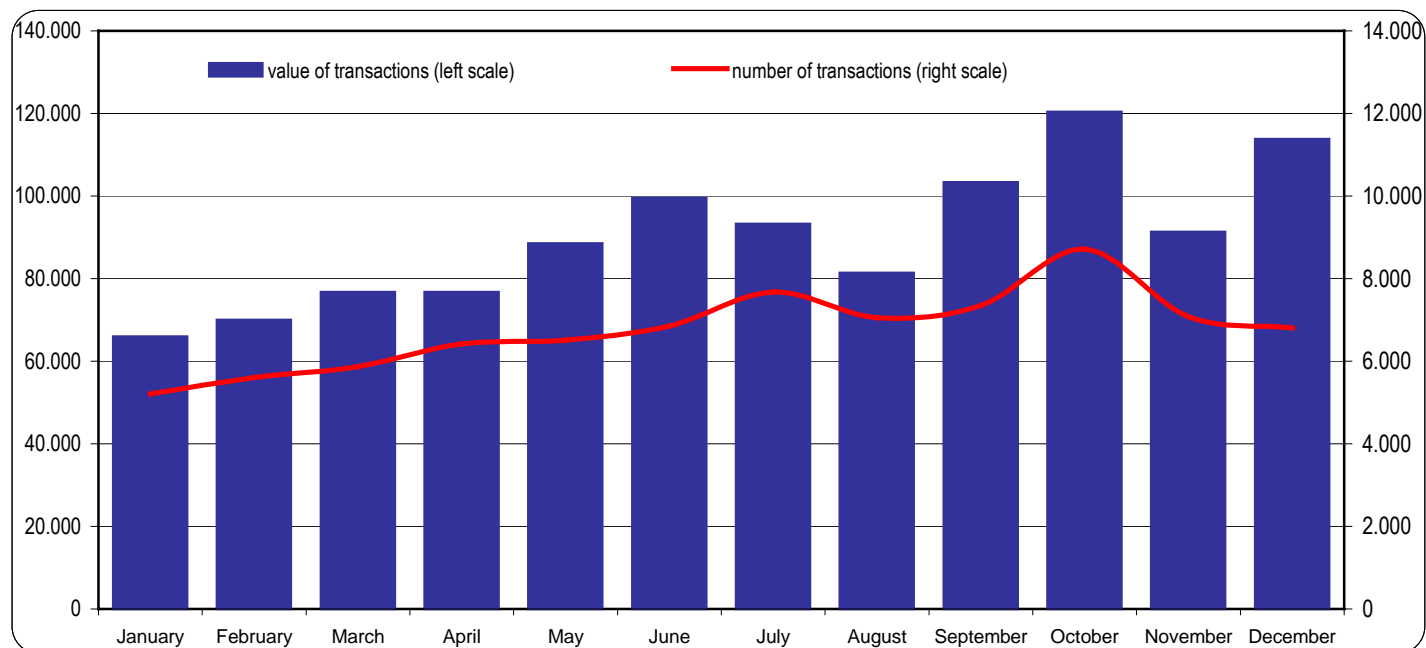
Secondary trading of T-bills is effected only on the non-regulated interbank market and on TSEP. Transactions register and their settlement are handled by the NBP Central Registry of Treasury bills (CRTB).

81,129 transactions of total face value PLN 1,081,079 mn were concluded on the secondary market in 2002.

Table 20. Value of transactions concluded on the T-bills secondary market in 2002 (PLN mn)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Value of transactions	65,937.4	70,025.9	76,755.3	76,773.8	88,565.0	99,535.7	93,269.6	81,368.2	103,357.2	120,409.5	91,317.2	113,763.9	1,081,078.7
Number of transactions	5,207	5,606	5,866	6,421	6,510	6,850	7,673	7,052	7,351	8,713	7,075	6,805	81,129

Chart 9. Value of transaction concluded on the T-bills secondary market in 2002(PLN mn)



3.2. Secondary market of Treasury bonds

Trading on the secondary market for Treasury bonds is performed on three markets: non-regulated interbank market, TSEP and on regulated market of Warsaw Stock Exchange. Majority of the trading takes place on the non-regulated interbank market (over 95%). 5-year fixed rate bonds are objects of the majority of transactions. Turnover on TSEP amounts between 2% and 5%, while trading at WSE does not exceed 0.5%.

Table 21. Value and number of transactions concluded on the Treasury bonds secondary market in 2002 (PLN mn)

		January	February	March	April	May	June	July	August	September	October	November	December	Total
Interbank	Value	65,166.1	67,114.6	59,240.3	66,672.6	68,181.3	98,171.0	121,223.4	76,266.6	93,527.6	144,736.7	107,772.7	123,266.7	1,091,339.7
	Number	7,778	7,604	6,547	7,657	7,525	9,670	13,327	8,529	9,711	14,794	11,011	11,952	116,105
TSEP	Value	-	-	-	110	4145	6420	7225	6035	8735	7,805	4540	2930	47945
	Number	-	-	-	17	757	1093	1283	968	1421	1,209	770	491	8009
TOTAL	Value	65,166.1	67,114.6	59,240.3	66,782.6	72,326.3	104,591.0	128,448.4	82,301.6	102,262.6	152,541.7	112,312.7	126,196.7	1,139,284.7
	Number	7,778	7,604	6,547	7,674	8,282	10,763	14,610	9,497	11,132	16,003	11,781	12,443	124,114

Chart 10. Total value of transactions on the Treasury bonds secondary market in 2002 (PLN mn)

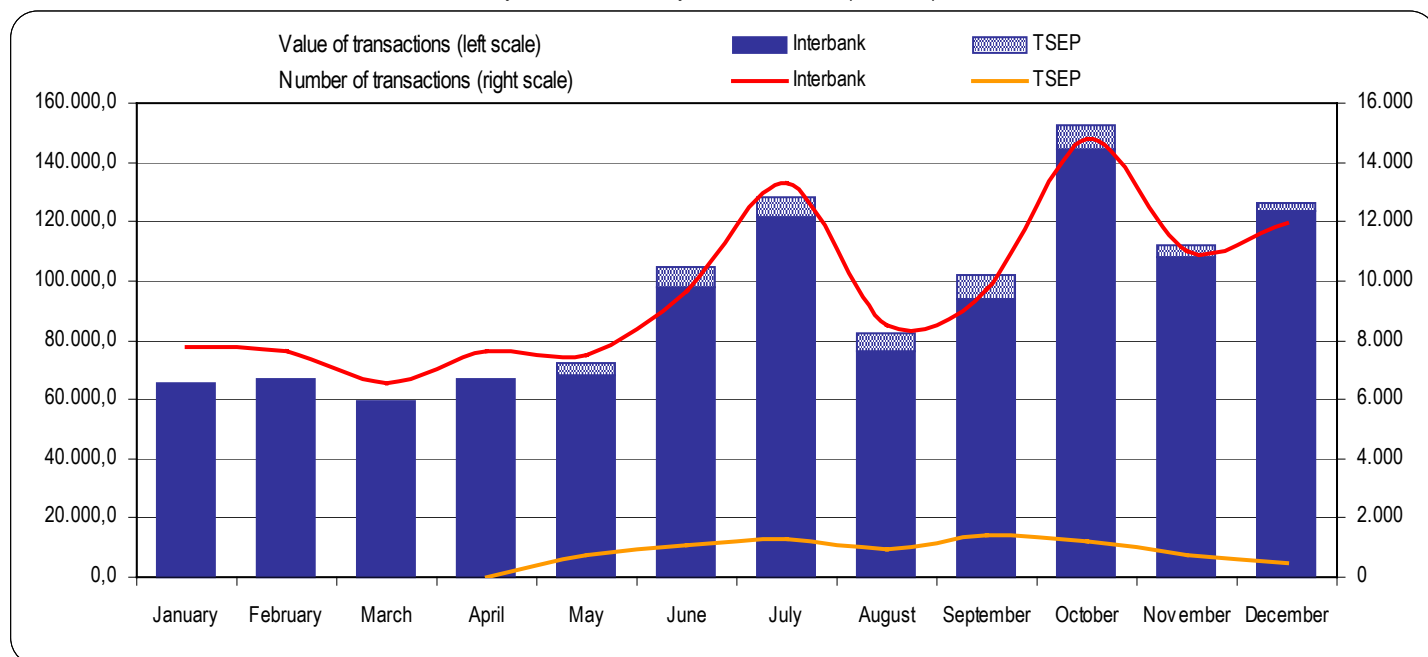


Table 22. Value and number of transactions on the fixed coupon Treasury bonds secondary market in 2002 (PLN mn)

Bond type		January	February	March	April	May	June	July	August	September	October	November	December	Total	
2-year	Interbank	Value	9,848.12	14,076.46	8,897.27	13,505.84	15,663.91	12,025.32	15,805.47	12,474.03	17,770.77	24,280.09	25,332.15	29,332.53	199,011.97
		Number	1,220	1,181	847	1,511	1,697	1,637	1,761	1,764	1,993	2,537	2,824	4,340	23,312
	TSEP	Value	-	-	-	30.00	1,595.00	1,430.00	1,375.00	1,810.00	2,425.00	1,675.00	1,390.00	890.00	12,620.00
		Number	-	-	-	5	278	232	234	264	314	247	216	137	1,927
	TOTAL	Value	9,848.12	14,076.46	8,897.27	13,535.84	17,258.91	13,455.32	17,180.47	14,284.03	20,195.77	25,955.09	26,722.15	30,222.53	211,631.97
		Number	1,220	1,181	847	1,516	1,975	1,869	1,995	2,028	2,307	2,784	3,040	4,477	25,239
5-year	Interbank	Value	39,389.15	43,077.10	35,347.94	37,251.37	39,254.25	65,898.46	87,190.35	48,299.99	52,481.70	87,396.30	58,592.33	73,349.38	667,528.31
		Number	5,395	5,566	4,548	4,887	4,698	6,343	9,525	5,084	5,403	8,432	5,978	5,976	71,835
	TSEP	Value	-	-	-	80.00	2,235.00	4,295.00	5,285.00	3,650.00	4,945.00	4,940.00	2,765.00	1,775.00	29,970.00
		Number	-	-	-	12	420	728	953	598	862	824	488	313	5,198
	TOTAL	Value	39,389.15	43,077.10	35,347.94	37,331.37	41,489.25	70,193.46	92,475.35	51,949.99	57,426.70	92,336.30	61,357.33	75,124.38	697,498.31
		Number	5,395	5,566	4,548	4,899	5,118	7,071	10,478	5,682	6,265	9,256	6,466	6,289	77,033
10-year	Interbank	Value	6,828.00	4,960.57	7,285.91	5,401.98	3,981.31	8,098.00	10,869.36	8,834.11	11,666.10	17,871.23	12,812.00	10,896.50	109,505.05
		Number	641	511	684	650	529	1,046	1,327	1,064	1,441	1,910	1,213	921	11,937
	TSEP	Value	-	-	-	-	295.00	690.00	565.00	575.00	1,345.00	970.00	290.00	210.00	4,940.00
		Number	-	-	-	-	55	132	96	106	241	133	55	34	852
	TOTAL	Value	6,828.00	4,960.57	7,285.91	5,401.98	4,276.31	8,788.00	11,434.36	9,409.11	13,011.10	18,841.23	13,102.00	11,106.50	114,445.05
		Number	641	511	684	650	584	1,178	1,423	1,170	1,682	2,043	1,268	955	12,789

Chart 11. Value of transactions on the fixed coupon Treasury bonds in 2002 (PLN mn)

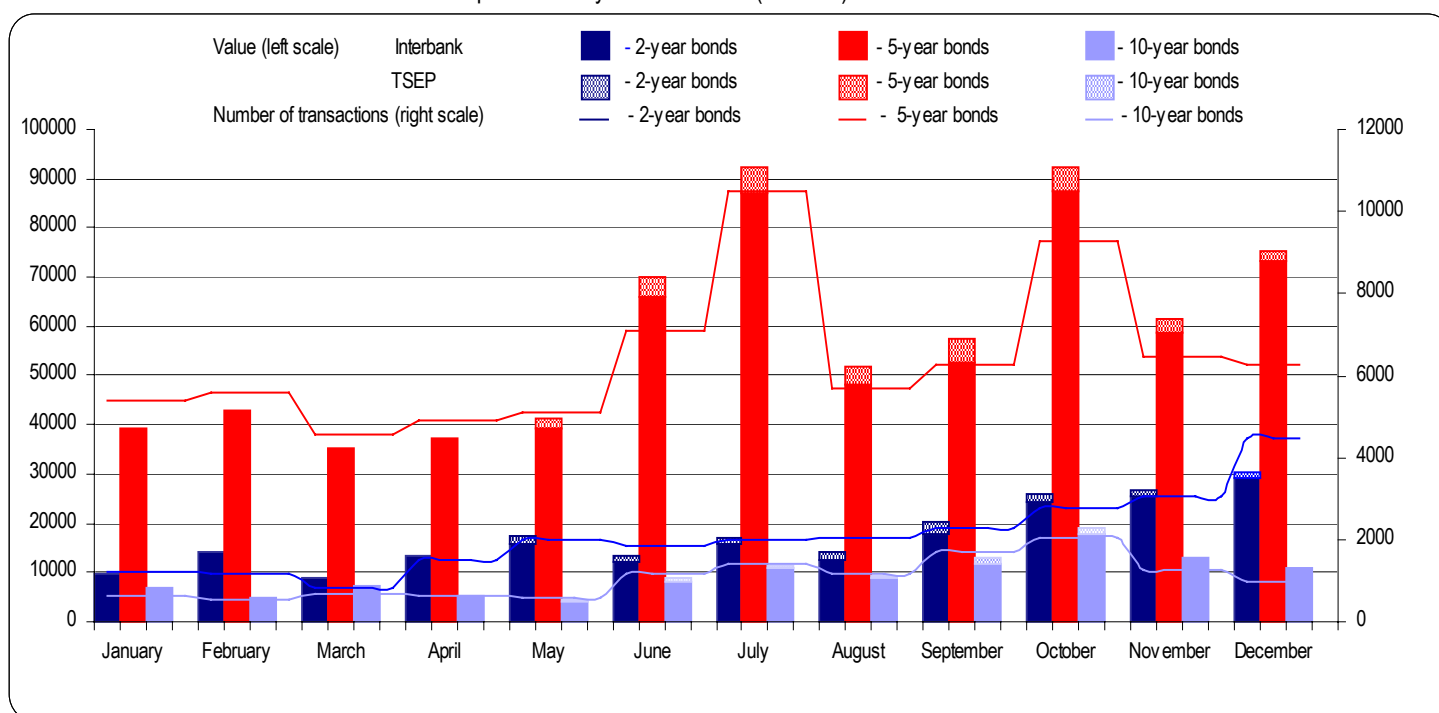
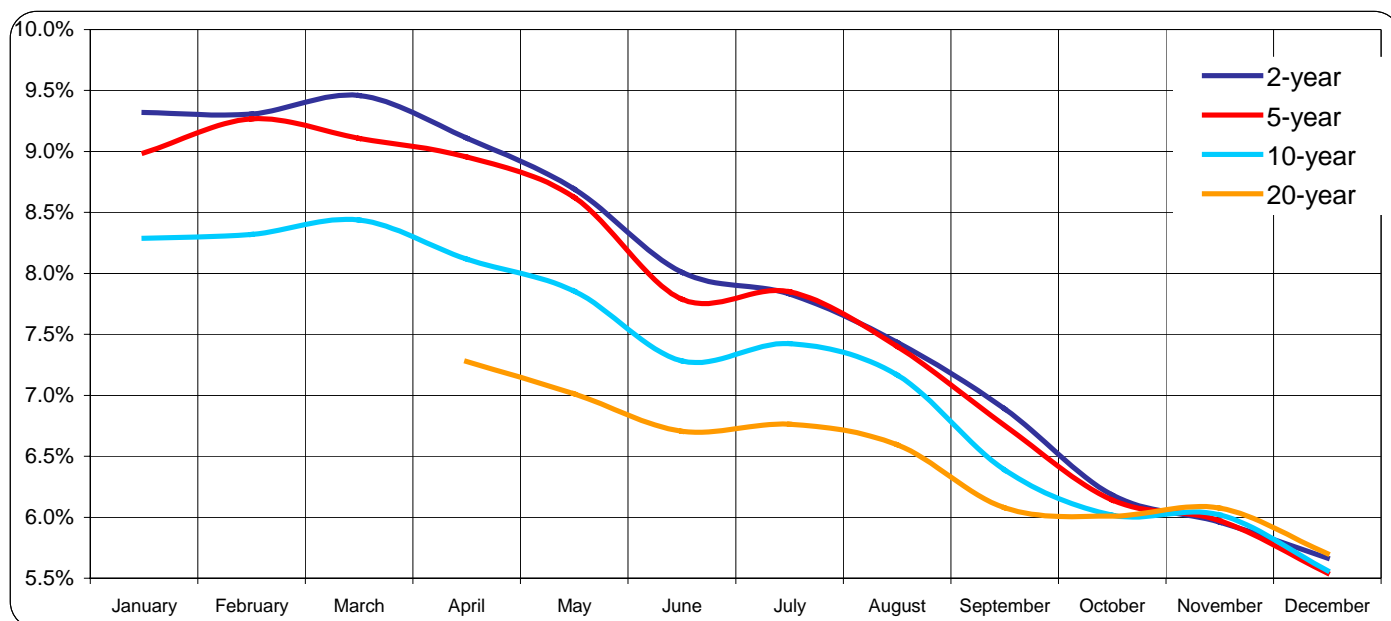


Chart 12. Yield on fixed coupon Treasury bonds on the secondary market in 2002 (bid yield, eom)



3.3. Secondary market for Treasury Securities issued on the international market

The foreign bonds issued by the State Treasury in 1995 –2002 as well as the Polish Brady Bonds are registered at the foreign stock exchanges. However, trading of those securities is concentrated on non-regulated interbank markets that are characterized by significant level of deregulation and decentralization and also by a big number of institutions actively participating in transactions. Those features of the interbank market makes 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 margin (so-called spread) above the base i.e., the yield of bonds of similar maturity as considered to be the safest.

Settlements of the Foreign Bonds transactions are effected in two systems: for the US investors by a specialized financial institution, the Depository Trust Company and in the case of investors from outside the US by two European clearing institutions: Euroclear and Clearstream.

4. STATE TREASURY DEBT³

Table 23. State Treasury debt by place of issue (PLN mn)

Item	December 2000	December 2001	December 2002
State Treasury debt	266,816.8	283,937.5	327,923.8
I. Domestic debt of State Treasury	145,981.6	185,028.4	219,366.7
1. Debt from TS	132,984.4	176,048.4	212,371.3
1.1. Marketable TS	117,505.2	158,689.9	195,887.5
1.1.1. Treasury bills	23,442.3	35,215.6	42,030.8
1.1.2. Treasury bonds issued on the domestic market	94,062.8	123,474.3	153,856.7
1.2. Saving bonds	1,953.4	6,058.3	7,718.2
1.3. Non-marketable TS	13,525.8	11,300.1	8,765.7
2. Other State Treasury debt	12,997.2	8,980.0	6,995.4
II. Foreign debt of the State Treasury	120,835.2	98,909.1	108,557.2
1. Debt from TS	22,536.9	23,366.4	29,187.7
2. Debt from loans	98,298.2	75,542.7	79,369.4

Table 24. State Treasury debt by resident (PLN mn)

Item	December 2000	December 2001	December 2002
State Treasury debt	266,816.8	283,937.5	327,923.8
I. Domestic debt of State Treasury	130,313.9	167,124.7	190,347.9
1. Debt from TS	117,316.6	158,146.0	183,383.2
1.1. Marketable TS	101,837.4	140,787.6	166,899.4
1.1.1. T-bills	22,786.2	34,283.0	40,975.3
1.1.2. Treasury bonds issued on the domestic market	76,966.9	103,663.8	123,519.1
1.1.3. Brady Bonds issued on the foreign market	2,084.2	2,840.8	2,405.0
1.2. Savings bonds	1,953.4	6,058.3	7,718.2
1.3. Non-marketable bonds	13,525.8	11,300.1	8,765.7
2. Other State Treasury debt	12,997.2	8,978.7	6,964.7
II. Foreign debt of the State Treasury	136,503.0	116,812.8	137,575.9
1. Debt from TS	38,204.7	41,268.7	58,175.8
1.1. Marketable TS	38,204.7	41,268.7	58,175.8
1.1.1. T-bills	656.1	932.6	1,055.5
1.1.2. Treasury bonds issued on the domestic market	17,095.9	19,810.5	30,337.6
1.1.3. Brady Bonds issued on the foreign market	20,452.7	20,525.6	26,782.8
2. Debt from loans	98,298.2	75,542.7	79,369.4
3. Other debt	0.0	1.4	30.7

³ Data as of May 31, 2003

Table 25. State Treasury debt by place of issue and by instrument (nominal, PLN mn)

Item	December 2000	December 2001	December 2002
State Treasury debt	266,816.8	283,937.5	327,923.8
I. State Treasury Domestic debt	145,981.6	185,028.4	219,366.7
1. Debt from TS	132,984.4	176,048.4	212,371.3
1.1. Marketable TS	117,505.2	158,689.9	195,887.5
Treasury bills	23,442.3	35,215.6	42,030.8
Treasury bonds	94,062.8	123,474.3	153,856.7
Fixed-rate marketable bonds	75,411.8	97,526.0	133,763.5
1-year fixed rate bonds	0.0	0.0	0.0
2-year zero coupon bonds	11,711.6890	21,973.8	37,740.4
fixed rate bonds up to 5-year	42,111.6	51,935.9	67,772.8
5-year fixed rate retail bonds	0.0	384.8	1,762.6
10-year fixed rate bonds	5,149.5	9,049.5	16,375.1
20-year fixed rate bonds	0.0	0.0	1,400.0
60% internal state loan bonds	0.0	0.0	0.0
2-year zero coupon bonds – converted ¹⁾	4,133.9	1,877.1	0.0
3-year fixed rate bonds - converted ¹⁾	3,076.3	3,076.3	0.0
4-year fixed rate bonds - converted ¹⁾	3,076.3	3,076.3	2,560.0
5-year fixed rate bonds - converted ¹⁾	3,076.3	3,076.3	3,076.3
10-year fixed rate bonds – converted ¹⁾	3,076.3	3,076.3	3,076.3
Floating-rate marketable bonds	18,651.1	25,948.3	20,093.2128
1-year floating rate bonds	0.0	0.0	0.0
3-year floating rate bonds	10,684.9	8,061.5	6,134.08
floating rate bonds up to 10-year	7,966.1	9,356.1	9,851.6
so-called exchangeable for shares bonds ²⁾	0.1	0.0	0.0
USD-denominated bonds '01 ³⁾	0.0	8,530.7	4,107.5
1. 2. Saving bonds	1,953.4	6,058.3	7,718.2
2-year savings bonds	1,460.9	5,168.7	6,670.4
4-year savings bonds	492.6	889.6	1,047.8
1.3. Non-marketable bonds	13,525.8	11,300.1	8,765.7
restructuring bond ⁴⁾	6,402.6	6,148.0	5,486.2
bonds to increase BGŻ bank's own funds	788.3	795.2	765.1
USD-denominated bonds '91	6,335.0	4,357.0	2,514.4
2. Other State Treasury debt	12,997.2	8,980.0	6,995.4
current settlements with banks ⁴⁾	41.4	0.0	0.0
advances on cars	3.7	3.6	3.4
due debts	2,484.1	728.0	426.2
debt from freezing of salaries in public sector	9,564.5	7,337.0	4,761.2
debts to trade unions ⁵⁾	158.4	7.1	4.637
Labor Fund debt ⁶⁾	745.1	904.3	1,800.0
II. Foreign debt of the State Treasury	120,835.185	98,909.1	108,557.2
1. Debt from TS	22,536.9	23,366.4	29,187.7
Brady Bonds	18,074.3	16,136.8	10,358.3
International Bonds	4,462.6	7,229.6	18,829.4
2. Debt from loans	98,298.2	75,542.7	79,369.4
Paris Club creditors	87,724.8	64,987.7	65,960.5
International Financial Institutions, of which:	9,572.9	9,795.9	11,538.2
the World Bank	7,260.1	6,934.0	7,215.3
Other creditors	1,000.6	759.1	1,870.7
Exchange rate used for calculations (1PLN/1USD) (fixing NBP)	4.1432	3.9863	3.8388
Exchange rate used for calculations (1PLN/1EUR) (fixing NBP)			4.0202

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

2) Servicing of exchangeable for shares bonds ended December 31, 2000

3) Bonds issued (USD 2,140 mn) for premature redemption of Polish debt towards Brazil

4) Starting March 2001 r. State Treasury debt resulting from current settlements with banks is presented in "due debts" position;

5) Debt to trade unions and social organizations arising from compensation of possessions lost due to imposition of martial law;

6) For loan raised with commercial banks.

Table 26. State Treasury domestic debt by place of issue by holder (nominal, PLN mn)

Item	National Bank of Poland			Domestic commercial banks			Non-banking domestic sector			Foreign investors			TOTAL		
	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2000	Dec. 2001	Dec. 2002
Domestic debt of State Treasury	16,781.6	18,159.0	6,728.4	49,901.8	59,154.1	71,882.1	61,546.2	86,972.2	109,363.0	17,752.0	20,743.1	31,393.2	145,981.6	185,028.4	219,366.7
1. Debt from TS	16,781.6	18,159.0	6,728.4	48,371.3	58,249.1	70,081.9	50,079.6	78,897.2	104,167.9	17,752.0	20,743.1	31,393.2	132,984.4	176,048.4	212,371.3
1.1 Marketable TS	14,217.0	16,249.6	5,553.7	37,410.1	48,858.3	62,490.9	48,126.1	72,838.9	96,449.8	17,752.0	20,743.1	31,393.1	117,505.2	158,689.9	195,887.5
Treasury bills				11,838.9	19,722.8	23,690.5	10,947.3	14,560.3	17,284.8	656.1	932.6	1,055.5	23,442.3	35,215.6	42,030.8
1-year fixed rate bonds													0.0	0.0	0.0
1-year floating rate bonds													0.0	0.0	0.0
2-year zero coupon bonds				1,761.3	898.9	185.6	8,888.5	7,128.6	5,917.7	35.1	34.0	30.7	10,684.9	8,061.5	6,134.1
3-year floating rate bonds				4,159.3	7,729.0	15,584.2	3,484.5	9,821.9	14,304.3	4,067.9	4,422.9	7,851.9	11,711.7	21,973.8	37,740.4
fixed rate bonds up to 5-year		1,820.8		16,361.9	14,729.1	15,878.8	14,445.7	22,464.5	33,783.5	11,304.1	12,921.4	18,110.6	42,111.7	51,935.9	67,772.8
5-year fixed rate retail bonds				22.4	3.6			362.3	1,757.5		0.1	1.5	0.0	384.8	1,762.6
10-year fixed rate bonds				166.5	254.3	889.5	3,294.9	6,617.8	11,217.0	1,688.1	2,177.3	4,268.6	5,149.5	9,049.5	16,375.1
Floating rate bonds up to 10-year				2,247.2	1,923.0	2,881.8	5,718.2	7,178.4	6,957.0	0.8	254.7	12.8	7,966.1	9,356.1	9,851.6
20-year fixed rate bonds									1,338.4			61.6	0.0	0.0	1,400.0
2-year zero coupon bonds – converted	3,280.9	0.0	0.0	460.5	1,176.2		392.5	700.8	0.0				4,133.9	1,877.1	0.0
3-year fixed rate bonds - converted	2,722.3	784.3	0.0	194.0	1,539.7		160.0	752.3	0.0				3,076.3	3,076.3	0.0
4-year fixed rate bonds - converted	2,733.3	1,363.3	208.4	205.4	752.6	1,806.8	137.6	960.4	544.8				3,076.3	3,076.3	2,560.0
5-year fixed rate bonds - converted	2,905.3	2,386.3	911.3	15.0	80.4	1,253.1	156.0	609.6	911.9				3,076.3	3,076.3	3,076.3
10-year fixed rate bonds - converted	2,575.3	1,364.3	326.6	0.0	30.1	316.9	501.0	1,681.9	2,432.8				3,076.3	3,076.3	3,076.3
60% internal state loan bonds													0.0	0.0	0.0
so-called exchangeable for shares bonds							0.1						0.1	0.0	0.0
USD-denominated bonds '01		8,530.7	4,107.5										0.0	8,530.7	4,107.5
1.2 Savings bonds	0.0	0.0					1,953.4	6,058.3	7,718.1				0.1	1,953.4	6,058.3
2-year savings bonds							1,460.9	5,168.7	6,670.3				0.1	1,460.9	5,168.7
4-year savings bonds							492.6	889.6	1,047.7				0.0	492.6	889.6
1.3 Non-marketable TS	2,564.6	1,909.4	1,174.7	10,961.2	9,390.7	7,591.0							13,525.8	11,300.1	8,765.7
USD-denominated bonds '91				6,402.6	6,148.0	5,486.2							6,402.6	6,148.0	5,486.2
bonds to increase BGŻ bank's own funds				788.3	795.2	765.1							788.3	795.2	765.1
restructuring bond	2,564.6	1,909.4	1,174.7	3,770.3	2,447.6	1,339.7							6,335.0	4,357.0	2,514.4
2. Other State Treasury debt	0.0	0.0	0.0	1,530.5	905.0	1,800.3	11,466.7	8,075.0	5,195.1				12,997.2	8,980.0	6,995.4
Current settlements with banks				41.4	0.0	0.0							41.4	0.0	0.0
advances on cars							3.7	3.6	3.4				3.7	3.6	3.4
due debts				744.1	0.7	0.3	1,740.0	727.3	425.9				2,484.1	728.0	426.2
debt from freezing of salaries in public sector							9,564.5	7,337.0	4,761.2				9,564.5	7,337.0	4,761.2
debts to trade unions							158.4	7.1	4.6				158.4	7.1	4.6
Labor Fund debt				745.1	904.3	1,800.0							745.1	904.3	1,800.0

Table 27. State Treasury debt servicing costs by instrument (PLN mn)

Item	2000		2001		2002	
	PLN mn	%	PLN mn	%	PLN mn	%
Debt Servicing in Total	18,023.1	100.0%	20,906.2	100.0%	24,048.3	100.0%
Domestic Debt	13,726.5	76.2%	17,112.4	81.9%	20,323.9	84.5%
I. Treasury Securities	13,415.7	74.4%	16,982.4	81.2%	20,193.9	84.0%
T-bills	3,088.7	17.1%	4,075.5	19.5%	4,686.8	19.5%
Marketable T-bonds	8,514.7	47.2%	9,628.5	46.1%	13,310.8	55.4%
bonds converted at NBP	854.2	4.7%	1,568.4	7.5%	1,563.5	6.5%
bonds converted for health care units debt	0.0	0.0%	913.3	4.4%	0.0	0.0%
USD denominated bond from 2001	0.0	0.0%	0.0	0.0%	142.9	0.6%
non-marketable bonds	958.1	5.3%	796.8	3.8%	489.9	2.0%
II. Settlement of granted guarantees	310.8	1.7%	122.3	0.6%	130.0	0.5%
Foreign Debt	4,296.6	23.8%	3,793.8	18.1%	3,724.4	15.5%
I. Loans	2,781.2	15.4%	2,522.2	12.1%	2,069.2	8.6%
Paris Club	2,281.5	12.7%	2,030.3	9.7%	1,537.8	6.4%
World Bank	384.5	2.1%	363.0	1.7%	320.9	1.3%
European Investment Bank	74.5	0.4%	100.1	0.5%	135.3	0.6%
Council of Europe Development Bank	8.5	0.0%	16.8	0.1%	50.8	0.2%
Other loans	32.2	0.2%	12.0	0.1%	24.4	0.1%
II. Treasury Securities	1,514.8	8.4%	1,194.8	5.7%	1,563.2	6.5%
Brady Bonds	1,338.6	7.4%	914.3	4.4%	888.6	3.7%
International Bonds	176.2	1.0%	280.5	1.3%	674.6	2.8%
III. Settlement of granted guarantees	0.6	0.0%	76.8	0.4%	92.0	0.4%

Table 28. State Treasury debt by place of issue and by maturity (nominal, PLN mn)

Item	December 2000	December 2001	December 2002
Treasury Securities	132,984.41	176,048.39	212,371.31
up to 1 year (included)	44,789.50	66,459.64	80,775.78
from 1 to 3 years (included)	40,009.26	55,276.74	57,131.37
from 3 to 5 years (included)	29,415.86	32,883.83	41,214.88
over 5 years	18,769.79	21,428.17	33,249.29
T-bills up to one year	23,442.32	35,215.64	42,030.81
Marketable bonds	94,062.84	123,474.30	153,856.67
Fixed rate bonds	75,411.77	97,526.04	133,763.46
up to 1 year (included)	13,083.97	23,886.09	26,220.70
from 1 to 3 years (included)	28,222.04	33,349.25	46,086.19
from 3 to 5 years (included)	25,880.03	28,164.98	36,910.87
over 5 years	8,225.73	12,125.73	24,545.70
Floating rate bonds	18,651.07	25,948.26	20,093.21
up to 1 year (included)	5,288.76	3,629.80	5,873.90
from 1 to 3 years (included)	5,396.18	12,962.35	4,867.69
from 3 to 5 years (included)	500.00	2,516.86	2,288.63
over 5 years	7,466.12	6,839.25	7,062.99
Saving bonds	1,953.44	6,058.30	7,718.16
up to 1 year (included)	345.43	1,094.10	4,050.68
from 1 to 3 years (included)	1,133.00	4,554.17	3,496.36
from 3 to 5 years (included)	475.01	410.02	171.12
Non-marketable bonds	13,525.82	11,300.15	8,765.68
up to 1 year (included)	2,629.02	2,634.01	2,599.69
from 1 to 3 years (included)	5,258.04	4,410.97	2,681.12
from 3 to 5 years (included)	2,560.81	1,791.97	1,844.27
over 5 years	3,077.95	2,463.19	1,640.60

On Ministry of Finance website you may find data on State Treasury debt in following files:

State budget debt, by place of issue by instrument:

http://www.mf.gov.pl/files/english/public_dept/state_budget_debt/st_debt_by_instrument.xls

Domestic debt, by place of issue by holder:

http://www.mf.gov.pl/files/english/public_dept/state_budget_debt/domestic_debt_by_holder1.xls

State budget debt, by resident:

http://www.mf.gov.pl/files/english/public_dept/state_budget_debt/st_debt_by_resident.xls

Domestic debt of the State Treasury in Treasury Securities - by instrument:

http://www.mf.gov.pl/files/english/public_dept/state_budget_debt/domestic_debt_of_the_st_in_tss_by_instrument.xls

Domestic debt of the State Treasury in Treasury Securities - by holder:

http://www.mf.gov.pl/files/english/public_dept/state_budget_debt/domestic_debt_of_the_st_in_tss_by_holder1.xls

5. INSTITUTIONAL STRUCTURE OF THE TREASURY SECURITIES MARKET

The legal operational basis of the main institutions of the public capital market and mainly the regulated market in Poland is the Law on Public Trading of Securities binding since 1998. The Law regulates public turnover of securities and other instruments introduced for public trading and also provides the rules of establishing, organization and supervision of entities active in trading. In case of the non-regulated market the standards in force are those generally recognized by the institutions creating that market. The following entities are organizationally involved in the Polish Treasury Securities Market:

The Minister of Finance acting on behalf of the State Treasury – the issuer of Treasury Securities,

- a) The National Bank of Poland – the issue agent of Treasury Securities offered on the domestic wholesale market, providing also cash service of the state budget,
- b) The Polish Securities and Exchange Commission (PSEC) – institution responsible for control and supervision of the public securities markets and its institutions,
- c) The National Depository for Securities (NDS) - Depository and settlements institution for securities including Treasury bonds,
- d) 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,
- e) 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,
- f) Bank Handlowy in Warsaw S.A. (BH) – payment agent of a part of the State Treasury foreign debt (including T-bonds) and agent servicing State Treasury debt arising from outstanding liabilities of health care units,
- g) Domestic banks – main participants of the Treasury Securities market,
- h) Brokerage houses – entities intermediating on primary and secondary markets for securities,
- i) Institutions participating in foreign bond issues,
- j) The Warsaw Stock Exchange S.A. (WSE) – institution organizing regulated secondary market of Treasury bonds,
- k) The Polish Financial Exchange S.A. (PFE) – organizer of a free non-regulated secondary market for trading fixed rate Treasury bills and Bonds of selected series,
- l) Centralna Tabela Ofert S.A. (CeTO) – organizer of secondary market (TSEP) for T-bills and T-bonds offered at auctions.

5.1. Useful addresses

Ministry of Finance
12 Świętokrzyska St.,
00 - 916 Warszawa
tel: (4822) 694-55-55
www.mofnet.gov.pl

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

Polish Securities and Exchange Commission
1 Plac Powstańców Warszawy
00 - 009 Warszawa
tel: (4822) 826-10-31
www.kpwig.gov.pl

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

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

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

Centralna Tabela Ofert S.A.
14 Leszno St,
01-192 Warszawa
tel. (4822) 535-69-00
www.ceto.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

Page dedicated for T-bonds individual investors
(in Polish only)
<http://www.obligacjeskarbowe.pl>