



## Investors

The number of investment accounts in brokerage houses totalled 853,000 at the end of 2005. Compared to the end of 2004 the number was somewhat higher.

11.5 million of adult Poles invest on the Exchange indirectly through pension funds and investment funds. They hold shares of PLN 22 billion in value.

An investor compensation scheme managed by the NDS and supervised by the PSEC guarantees the safety of funds held in accounts with brokerage firms. In the case of a brokerage bankruptcy the system guarantees that, up to a level determined by law, investors will be paid back the funds they have accumulated. This law is in line with regulations in force in the EU.

Brokerage houses make annual contributions to the compensation scheme according to the system's rules. Participation in the scheme is obligatory for all brokerage houses.

### Taxes

Capital gains made by domestic individuals are subject to a uniform 19% tax rate. The same rate also applies to corporations.

Foreign investors are generally subject to the same regulations as domestic investors. However, the tax obligations of foreign investors deriving income in Poland are additionally regulated by intergovernmental agreements on the avoidance of double taxation. Under such agreements, income realized on the Exchange in Poland is to be taxed in the country of residence (domici-

le). This is, however, conditional upon the presentation of a relevant certificate of residence by the investor. Otherwise, the income will be taxed in Poland at 19%.

As a rule there are no restrictions concerning transfer of capital gains by foreign investors.

### Investor structure

The Exchange carries out surveys of investor participation on an annual basis. Data gathered for 2005 show an increase in activity of all investor groups. As a result, turnover rose by 75% compared to the year 2004.

Foreign investors accounted for the largest part of the equity trading. Their share for the first time exceeded 40%. This increase occurred with the downward trend in participation by individual investors, whose share in the equity trading dropped to 26% (the lowest ever). This category of investors slightly increased their share in futures and options turnover.

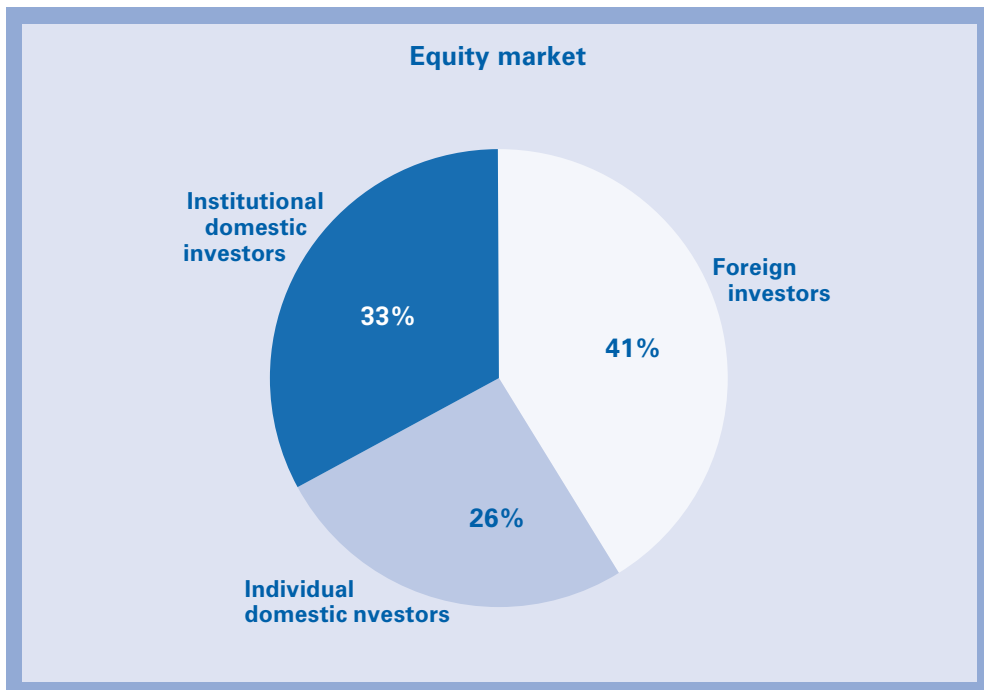
Share of domestic institutional investors in equity trading rose slightly (by 1%) reaching 33%.

The proportion of trading taking place through the Internet increased significantly. In 2005, internet accounts constituted 13% of all the accounts. Some 50% of orders on the equity market were placed by the Internet, and for the options market the figure was even higher 70%.

### Investor structure (% share in trading)

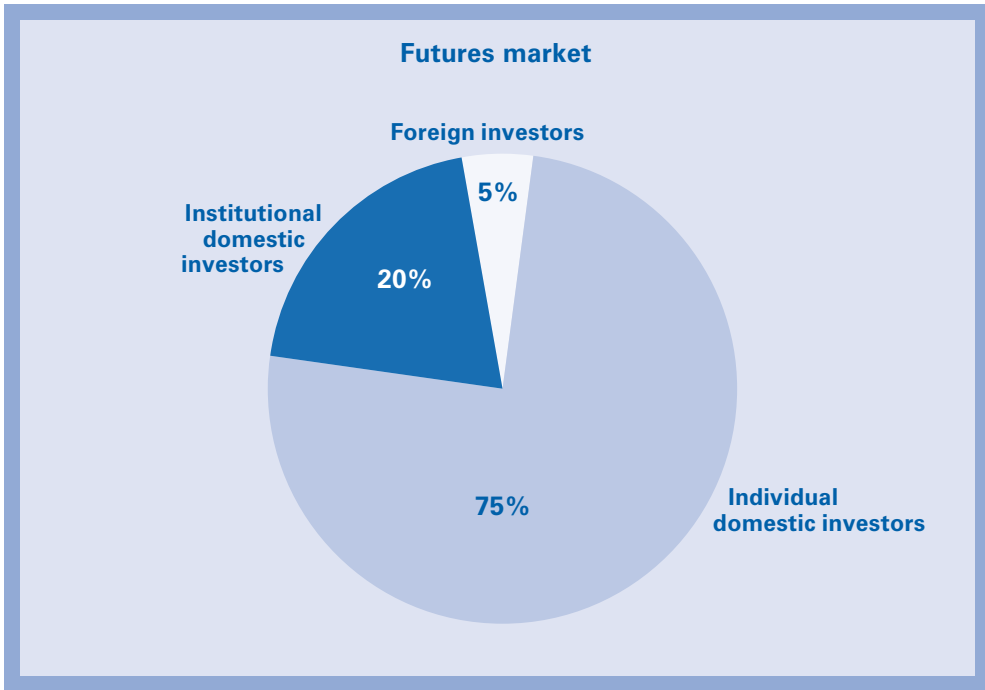
Investors	Instruments	2005	2004	2003	2002	2001
Foreign investors	shares	41	33	32	35	34
	futures contracts	5	4	2	2	2
	options	1	6	---	---	---
Individual domestic investors	shares	26	35	29	29	37
	futures contracts	75	74	74	79	83
	options	75	74	---	---	---
Institutional domestic investors	shares	33	32	39	36	29
	futures contracts	20	22	24	19	15
	options	24	20	---	---	---

### Investor structure





### Investor structure



### Investor structure

