

Bonds

At the end of 2005 there were 76 issues of bonds listed on the Exchange, including 63 issues of Treasury bonds and 13 issues of corporate bonds, of which four were issued by a foreign bank.

All bonds are quoted in the continuous trading system, the transaction unit being a single bond.

As regards the interest calculation method, bonds listed on the Exchange may be divided into three groups:

- floating interest-rate;
- fixed interest-rate;
- zero-coupon bonds.

T-bonds

Floating interest-rate bonds

At the end of 2005, thirteen three-year, thirteen ten-year, as well as one seven-year floating interest bond issues were listed on the Exchange.

For owners of three-year bonds, interest is paid every 3 or 6 months. It is calculated based on the average yield on thirteen-week Treasury bills or 6-month WIBOR (Warsaw Interbank Offered Rate).

Interest on ten-year bonds is paid once a year. It is calculated according to the average yield on 52-week Treasury bills. Interest on seven-year bonds is paid every 6 months. It is calculated based on 6-month WIBOR. The nominal value of three-year bonds is PLN 100 (except for the issue WZ0307 with nominal value of PLN 1,000) and that of the seven- and ten-year bonds is PLN 1,000.

A bond series with indexed nominal price (IZ0816) may also be considered as a floating interest instrument.

Fixed interest-rate bonds

At the end of 2005, there were 29 issues of bonds with fixed-interest rates listed on the Exchange. Their interest, depending on the maturity date, ranged from 4.5% to 9% annually. Interest is paid once a year. The nominal value of one bond, depending on its type, is either PLN 100 or PLN 1,000.

Zero-coupon bonds

There were six issues of zero-coupon bonds listed on the Exchange at the end of the year. Such bonds mature two years after the issue date. At maturity, the holder receives an amount equal to the bond's nominal value. Income from these bonds is yielded in the form of a sale discount, i.e. they are initially sold for less than their nominal value.

Corporate bonds

Among the thirteen issues of corporate bonds listed on the Exchange at the end of the year, four were issued by foreign entities. The highlight of the year was the debut of bonds quoted and cleared in US dollars, the first-ever financial instrument quoted in a foreign currency on the WSE. The bonds were issued by Citibank NA and they are convertible into shares of Bank Handlowy.

**Floating-interest bonds in 2005**

N°	Bonds	Interest rate (%)	Price		Turnover value (million PLN)	Average volume	Average number of transactions	Block trades value (million PLN)
			high (%)	low (%)				
Treasury								
1	DZ0107	1.00+c	102.15	101.45	101.45	0.55	1	0
2	DZ0108	1.00+c	103.40	102.00	102.00	6.57	12	0
3	DZ0109	1.00+c	104.40	102.45	102.80	18.20	34	1
4	DZ0110	1.00+c	105.00	103.50	103.60	50.36	92	1
5	DZ0406	1.00+c	101.60	100.55	100.60	11.97	23	0
6	DZ0407	1.00+c	102.50	102.10	102.50	0.42	1	0
7	DZ0706	1.00+c	101.89	100.60	100.70	9.09	18	0
8	DZ0707	1.00+c	102.60	102.60	102.60	0.01	0	0
9	DZ0708	1.00+c	103.30	102.40	102.40	12.91	24	0
10	DZ0709	1.00+c	104.40	103.15	103.15	16.91	32	1
11	DZ0811	c	99.96	99.05	99.60	30.33	59	1
12	DZ1006	1.00+c	102.35	100.45	100.45	16.07	32	0
13	DZ1111	c	100.50	99.10	99.50	5.96	11	0
14	DZ1205	1.00+c	101.90	100.05	100.05	19.77	41	0
15	TZ0205	0.95*b	99.98	99.85	99.86	7.15	2 526	10
16	TZ0206	0.95*b	100.80	99.70	99.85	46.67	926	8
17	TZ0207	0.99*w	100.80	99.71	100.20	11.76	232	2
18	TZ0208	1.00*w	100.40	99.93	100.11	266.28	5 871	12
19	TZ0505	0.95*b	100.00	99.63	99.85	29.55	2 017	12
20	TZ0506	0.95*b	101.20	99.80	99.95	38.23	757	7
21	TZ0507	1.00*w	100.60	100.00	100.10	21.64	424	3
22	TZ0508	0.99*w	100.40	99.80	100.08	83.10	2 593	8
23	TZ0805	0.95*b	100.25	99.60	99.91	54.95	1 983	14
24	TZ0806	0.90*w	100.60	99.40	99.80	71.96	1 418	10
25	TZ0807	1.00*w	100.65	99.80	100.07	47.11	926	6
26	TZ0808	0.98*w	100.60	99.80	100.00	77.97	3 936	9
27	TZ1105	0.95*b	100.50	99.75	99.90	58.48	1 434	10
28	TZ1106	0.98*w	100.60	99.90	100.35	14.70	289	2
29	TZ1107	1.00*w	100.50	99.90	100.20	151.48	2 973	12
30	TZ1108	0.96*w	100.22	99.91	99.97	13.43	1 858	8
31	WZ0307	h	100.44	99.80	100.05	252.17	498	12
32	WZ0911	g	100.35	99.20	100.02	48.53	95	1
Corporate								
1	MCI0B0709	p	106.50	98.00	103.39	19.98	6	0

Floating-interest bonds in 2005

N°	Bonds	Interest rate (%)	Price		Turnover value (million PLN)	Average volume	Average number of transactions	Block trades value (million PLN)
			high (%)	low (%)				
Foreign								
1	EIB0908	e	---	---	99.85	0	0	0
2	EIB0908A	f	91.00	88.40	91.00	14.28	20	0

Note:

b – average yield on 13-week Treasury bills

c – average yield on 52-week Treasury bills

e – until 14.09.2004, interest rate: 6% per annum. After this date, annual interest: 4% plus twice the difference between the 10-year and 2-year Polish zloty interest rate swaps

f – until 14.03.2004, interest rate 5% per annum. After this date, annual interest: 3.56% plus three times the difference between the 10-year and 2-year Polish zloty interest rate swaps

g – calculated for every coupon period as an average of 6M WIBOR from the consecutive three business days, where the last day of the 3-day period falls, at the latest, two business days prior to the day on which the given coupon period begins

h – calculated for every coupon period as an average of 3M WIBOR from the consecutive three business days, where the last day of the 3-day period falls, at the latest, two business days prior to the day on which the given coupon period begins

p – 6M WIBOR + premium

w – average of 6M WIBOR for the period of five the consecutive business days, where the last day of the 5-day period falls, at the latest, five business days prior to the day on which the given coupon period begins

Fixed-interest bonds in 2005

N°	Bonds	Interest rate (%)	Price		Turnover value (million PLN)	Average volume	Average number of transactions	Block trades value (million PLN)	
			high (%)	low (%)					end (%)
Treasury									
1	DS0509	6.00	105.65	98.01	103.69	136.77	256	4	88.43
2	DS1013	5.00	103.75	91.50	99.99	90.35	175	2	0
3	DS1015	6.25	114.30	101.80	109.40	24.46	44	1	0
4	DS1109	6.00	105.71	98.80	104.30	3.94	7	0	0
5	DS1110	6.00	107.00	98.50	104.50	42.74	82	1	38.38
6	IZ0816	---	105.50	97.25	102.50	6.12	12	0	0
7	OK0405	---	99.91	98.25	99.91	122.36	945	8	7.97
8	OK0406	---	98.90	92.45	98.80	563.12	1 165	14	2.58
9	OK0407	---	94.70	87.30	94.60	297.85	675	7	0
10	OK0805	---	99.96	96.26	99.95	420.04	1 413	15	68.20
11	OK0806	---	97.45	90.55	97.37	325.20	681	13	0
12	OK0807	---	93.24	89.30	93.14	368.79	1 254	13	3.93
13	OK1206	---	96.10	88.90	96.00	257.02	555	9	0
14	OK1207	---	91.90	90.45	91.60	191.54	1 401	10	0

**Fixed-interest bonds in 2005**

N°	Bonds	Interest rate (%)	Price			Turnover value (million PLN)	Average volume	Average number of transactions	Block trades value (million PLN)
			high (%)	low (%)	end (%)				
15	PS0205	8.50	100.10	100.05	100.05	4.46	103	0	0
16	PS0206	8.50	102.63	100.50	100.50	9.93	19	0	0
17	PS0310	5.75	105.65	98.10	103.10	122.31	249	3	180.26
18	PS0506	8.50	103.24	101.49	101.49	9.81	18	0	0
19	PS0507	8.50	106.99	104.30	105.30	21.80	39	1	0
20	PS0605	8.50	100.65	100.10	100.10	2.33	11	0	0
21	PS0608	5.75	104.00	97.50	102.60	74.91	143	2	49.26
22	PS1005	8.50	101.60	100.15	100.15	8.19	20	0	0
23	PS1106	8.50	105.20	103.29	103.44	71.83	134	1	0
24	SP0307	8.00	105.40	103.02	103.70	11.93	220	1	0
25	SP0308	5.00	101.60	95.85	100.90	45.06	877	1	0
26	SP0309	6.50	106.30	100.70	104.50	3.53	65	0	0
27	SP0310	5.50	103.50	99.80	100.70	26.98	657	1	0
28	SP0607	8.00	106.25	103.20	104.40	15.92	291	1	0
29	SP0608	4.50	100.40	94.00	99.40	14.39	287	1	0
30	SP0609	7.00	109.50	101.05	106.10	4.38	80	1	0
31	SP0610	5.00	102.45	98.30	100.10	81.34	2 824	3	0
32	SP0907	6.50	104.25	100.10	102.71	11.99	226	1	0
33	SP0908	4.50	100.70	93.80	99.40	4.39	88	1	0
34	SP0909	7.30	110.50	103.50	107.20	15.47	279	1	0
35	SP0910	4.40	101.00	96.00	98.97	1.13	74	0	0
36	SP1206	9.00	105.95	103.75	104.05	9.77	180	1	0
37	SP1207	5.50	102.50	97.40	101.30	39.39	760	2	0
38	SP1208	6.50	106.70	100.30	104.30	11.45	213	1	0
39	SP1209	6.50	108.00	100.70	106.50	30.05	563	1	0
40	SP1210	4.50	---	---	98.90	0.00	0	0	0
41	WS0922	5.75	113.60	98.01	107.20	16.58	30	1	0
Corporate									
1	BPHOA1205	7.00	99.99	97.00	99.99	0.14	3	0	0
2	BPHOB0106	6.75	100.00	98.00	99.80	0.16	4	0	0
3	BPHOB0205	5.20	99.69	99.59	99.68	0.27	81	2	0
4	BPHOB0305	5.30	99.69	99.62	99.69	0.55	75	1	0
5	BPHOB0306	6.00	100.00	95.00	99.50	0.29	9	0	0
6	BPHOB0405	5.30	99.85	96.11	99.79	0.21	19	0	0
7	BPHOB0406	5.00	99.50	95.01	95.01	0.06	2	0	0
8	BPHOB0605	6.50	99.85	97.52	99.50	0.43	22	0	0
9	BPHOB0705	6.25	99.85	97.33	99.84	0.51	21	0	0

Fixed-interest bonds in 2005

N°	Bonds	Interest rate (%)	Price		Turnover value (million PLN)	Average volume	Average number of transactions	Block trades value (million PLN)
			high (%)	low (%)				
10	BPHOB0706	4.40	100.72	97.00	98.00	0.06	6	0
11	BPHOB0805	7.00	100.00	97.12	100.00	0.96	33	1
12	BPHOB0905	7.00	100.88	97.01	99.90	1.84	55	1
13	BPHOB0906	7.50	100.50	98.10	100.50	0.17	3	0
14	BPHOB1005	7.00	100.00	97.02	99.50	0.72	19	0
15	BPHOB1105	7.00	100.11	97.00	99.60	1.32	33	0
16	BPHOB1108	5.30	100.00	93.50	99.00	2.59	52	0
17	BPHOB1205	5.75	---	---	100.14	0.00	0	0
18	CMROB0401	7.50	123.50	122.44	123.50	0.42	0	0
19	STCOB0409	7.30	---	---	100.00	0.00	0	0
20	TSTOB0707	7.50	---	---	100.00	0.00	0	0
21	TSTOB0807	7.50	---	---	100.00	0.00	0	0
Foreign								
1	CITIO1207	2.88	---	---	99.75	0.00	0	0
2	EIB0617	---	---	---	35.71	0.00	0	0
3	EIB1211	---	---	---	45.87	0.00	0	0

Treasury bond market calendar in 2005

First quotation		
N°	Issue	First quotation date
1	OK0407	14.01
2	PS0310	26.01
3	TZ0208	9.02
4	SP0310	15.03
5	OK0807	16.05
6	TZ0508	18.05
7	SP0610	10.06
8	TZ0808	11.08
9	SP0910	12.09
10	OK1207	14.09
11	TZ1108	9.11
12	SP1210	9.12

Last quotation		
N°	Issue	Last quotation date
1	TZ0205	20.01
2	PS0205	28.01
3	OK0405	5.04
4	TZ0505	5.05
5	PS0605	31.05
6	TZ0805	20.07
7	OK0805	5.08
8	PS1005	29.09
9	TZ1105	20.10
10	DZ1205	30.11



Corporate bond market calendar in 2005

First quotation		
N°	Issue	First quotation date
1	BPHOB1105	14.01
2	BPHOA1205	2.02
3	BPHOB0106	2.03
4	BPHOB0306	17.05
5	BPHOB0406	21.06
6	CITIO1207	3.10
7	BPHOB0706	18.10

Last quotation		
N°	Issue	Last quotation date
1	BPHOB0205	24.01
2	BPHOB0305	18.02
3	EIB0908A	28.02
4	BPHOB0405	17.03
5	BPHOB0605	19.05
6	BPHOB0705	17.06
7	BPHOB0805	22.07
8	BPHOB0905	23.08
9	BPHOB1005	23.09
10	STCOB0409	5.10
11	BPHOB1105	20.10
12	BPHOA1205	21.11
13	BPHOB1205	30.11
14	BPHOB0106	19.12

Bonds – basic figures

	2005	2004	2003	2002	2001
Bonds					
Number of listed bond issues at year-end	76	81	70	61	53
Total turnover value (million PLN)*	5 059	7 820	7 840	3 986	5 093
Average turnover value per session (million PLN)	20.0	31.0	31.0	16.0	20.0
Number of transactions per session	210	411	410	331	525
Average value of transaction (PLN)	48 052	37 287	38 130	24 222	19 386
Block trades					
Number of transactions (single-counted)	35	113	1 278	45	13
Average value of transaction (million PLN)	6.40	2.36	1.89	1.61	1.55
Total turnover value (million PLN)	448	533	4 834	145	40

* Excluding block trades