



MINISTRY OF FINANCE PUBLIC DEBT DEPARTMENT

MARCH 2011

State budget borrowing requirements' financing plan and its background:

in March 2011

THE MOST IMPORTANT INFORMATION:

	<i>(page)</i>
➤ Detailed issuance calendar in March.....	2
➤ Current borrowing requirements in 2011 funded in 30%.....	3
➤ Significant foreign capital inflow to the Polish debt market from the beginning of 2011.....	5

1 T-bond auctions

Auction date	Settlement date	Series	Planned offer (PLN m)
9 MAR 2011	11 MAR 2011	OK0113	2,000-4,500
16 MAR 2011	18 MAR 2011	IZ0823 / possible WZ0121	1,000-2,500

The final offer and the supply will be announced 2 days before the auction and will result from the market situation and consultations with investors.

The Minister of Finance is entitled to organize non-competitive auctions where bonds will be sold at auction average clean price.

2 T-bond switching auction

Auction/ settlement date	Settlement T-bonds	Source T-bonds	Outstanding (PLN m)
3 MAR 2011/ 7 MAR 2011	WZ0115 / PS0416	PS0511	18,864
		OK0711	19,127

3 T-bill auctions

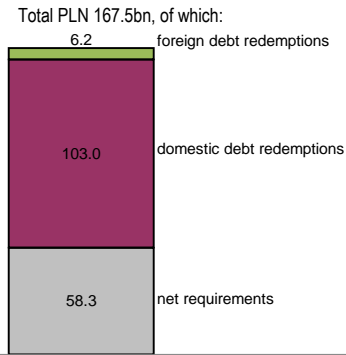
Auction date	Settlement date	T-bill	Maturity date	Planned offer (PLN m)
7 MAR 2011	9 MAR 2011	51-week	29 FEB 2012	500-1,000
14 MAR 2011	16 MAR 2011	50-week	29 FEB 2012	500-1,300
21 MAR 2011	23 MAR 2011	49-week	29 FEB 2012	500-1,500
28 MAR 2011	30 MAR 2011	52-week	28 MAR 2012	500-1,500

4 Offer on retail market

T-bond	Issue price	Coupon
DOS0313	100.00 PLN (99.90 PLN for rolling-over)	Fixed, 4.50%
TZ0214	99.90 PLN	Floating (0.95 * WIBOR 6M), 4.07% in the first coupon period
COI0315	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.50%), 5.00% in the first coupon period
EDO0321	100.00 PLN	Floating (inflation rate + 3.00%), 5.75% in the first coupon period

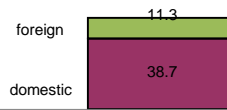
1 Gross borrowing requirements in 2011

Gross borrowing requirements in 2011



Funding in I-II 2011

Total PLN 50.0bn (30%)

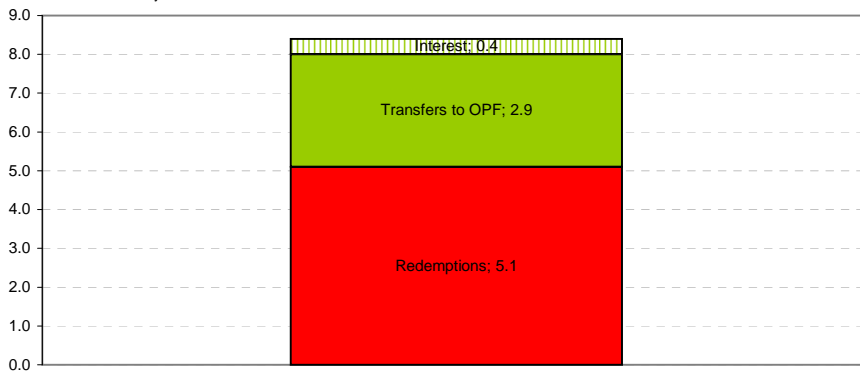


Funding of borrowing requirements of 2011 reached 30% which was a result of:

- Treasury bills buyback in 2010 maturing in 2011: PLN 5.7bn,
- rolling over of Treasury bonds maturing in 2011 by switch auctions in 2010: PLN 3.3bn,
- higher than planned financial resources at the end of 2010: PLN 6.7bn,
- Treasury securities sale on domestic market: PLN 25.1bn,
- Treasury bonds issuance on foreign markets: PLN 5.3bn,
- loans incurred from IFIs: PLN 3.9bn.

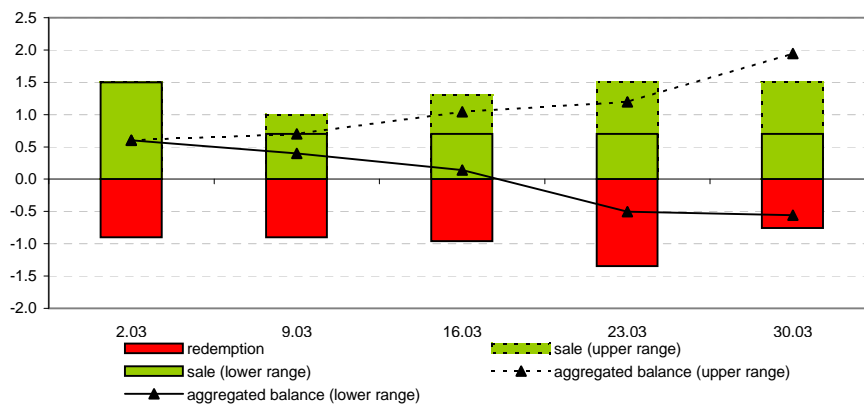
2 Flows of funds into the market related to T-securities and transfers to Open Pension Funds (PLN bn)

as of 28 February 2011



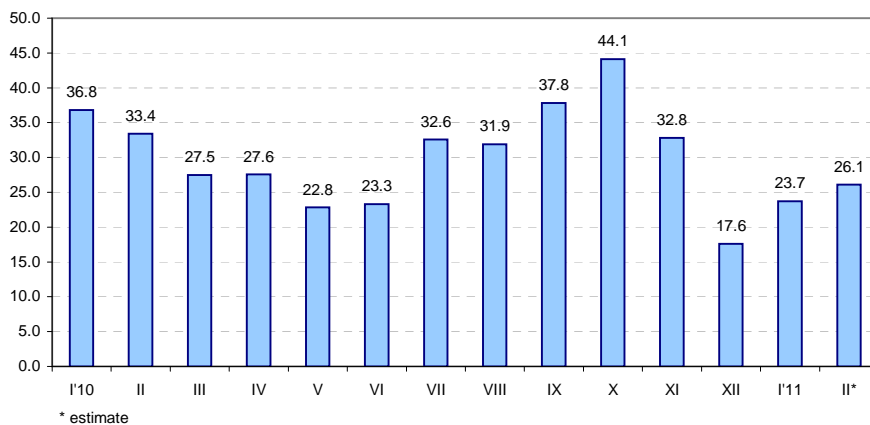
Flow of funds due to redemptions of Treasury Securities, interest payments and transfers from State budget to Open Pension Funds will amount to PLN 8.4bn.

3 Sale and redemption of T-bills in March 2011 (settlement date, PLN bn)



Assumed change of T-bills debt in March (by settlement date) will amount in range of PLN -0.6 to 1.9bn.

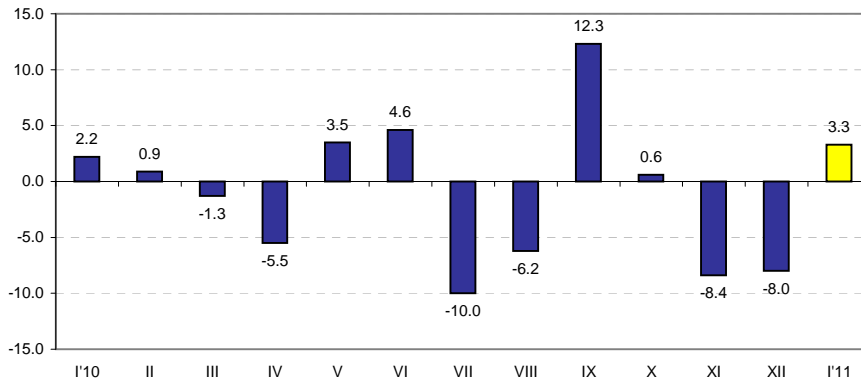
4 Funds in PLN and in foreign currency held by MoF at the end of month (foreign currency funds include funds from debt issuance and received from the European Commission, PLN bn)



The funds ensure liquidity in borrowing needs financing.

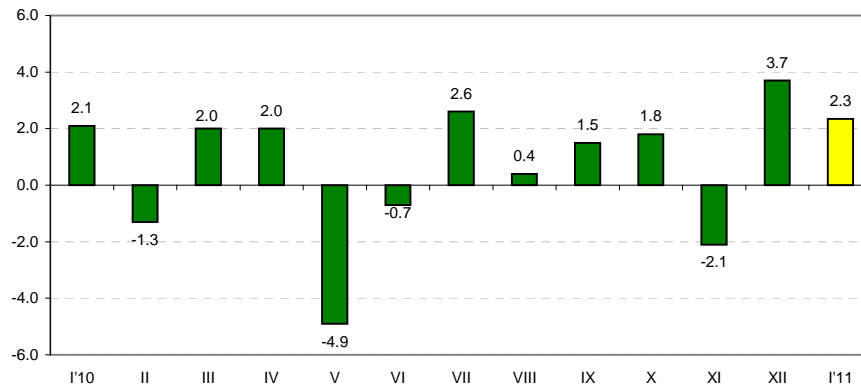
* estimate

5 Change of debt in domestic Treasury Securities held by banks (without BSB transactions with MoF; PLN bn)



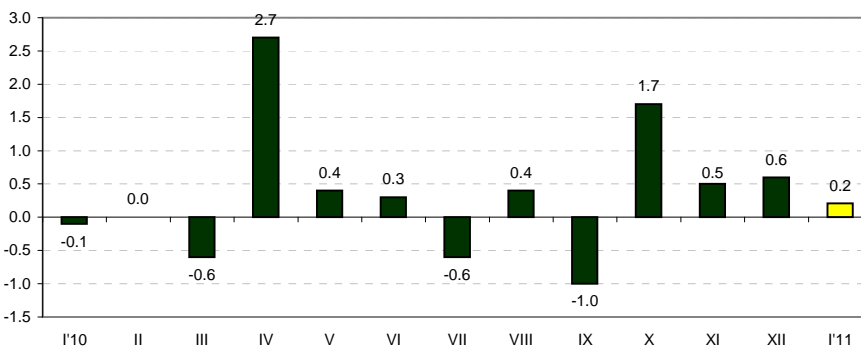
In January 2011 debt held by domestic banks increased by PLN 3.3bn comparing to PLN 2.2bn increase during the same period of 2010.

6 Change of debt in domestic Treasury securities held by pension funds (PLN bn)



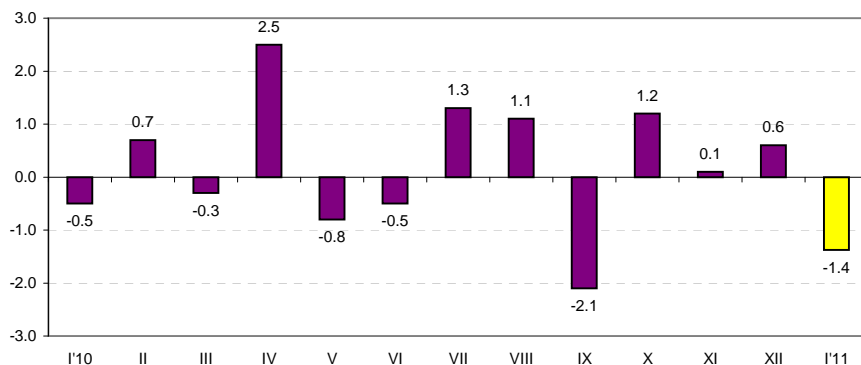
In January 2011 debt held by pension funds increased by PLN 2.3bn comparing to PLN 2.1bn increase during the same period of 2010.

7 Change of debt in domestic Treasury securities held by insurance companies (PLN bn)



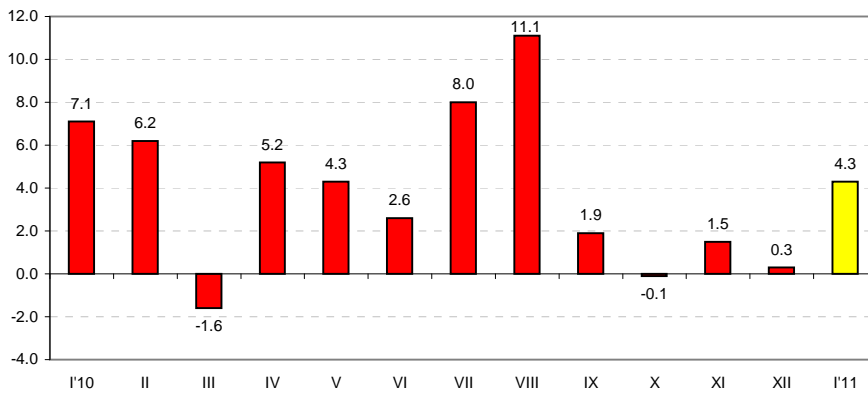
In January 2011 there was an increase of PLN 0.2bn in debt held by insurance companies. During the same period of 2010 there was a decrease of PLN 0.1bn.

8 Change of debt in domestic Treasury securities held by investment funds (PLN bn)



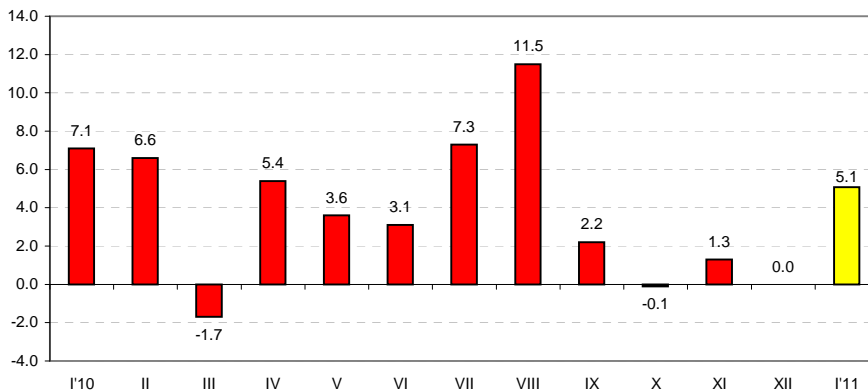
In January 2011 there was a decrease of PLN 1.4bn in debt held by investment funds. During the same period of 2010 there was a decrease of PLN 0.5 bn.

9 Change of debt in domestic Treasury securities held by foreign investors (PLN bn)



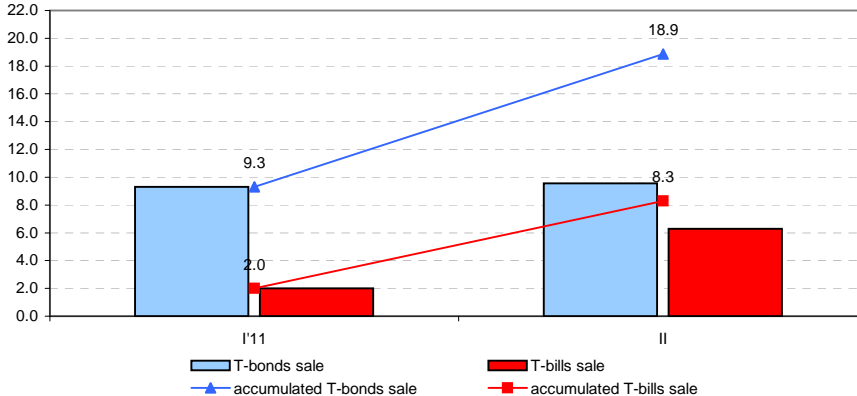
In January 2011 inflow of foreign capital to the domestic TS market amounted to PLN 4.3bn comparing to PLN 7.1bn increase in the same period of 2010. Foreign investors' holdings reached level of PLN of 129.8bn.

10 Change of debt in domestic bonds held by foreign investors (PLN bn)



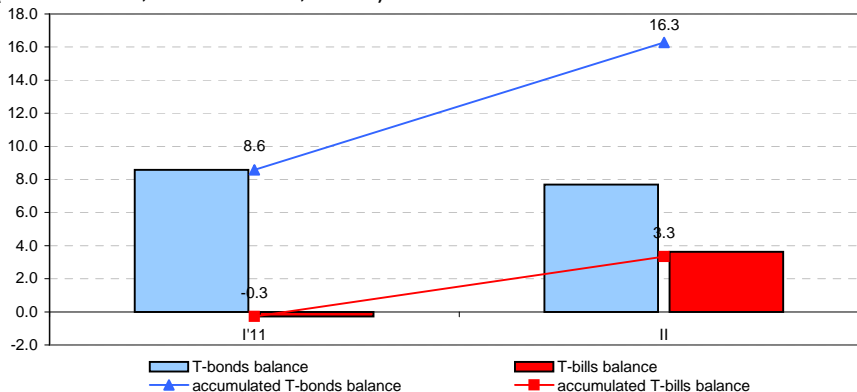
In January 2011 inflow of foreign capital to domestic bonds market amounted to PLN 5.1bn comparing to PLN 7.1bn increase in the same period of 2010. Foreign investors' holdings reached PLN 132.6bn.

11 Sale of T-bonds and T-bills in the period January - February 2011 (settlement date, nominal amount, PLN bn)



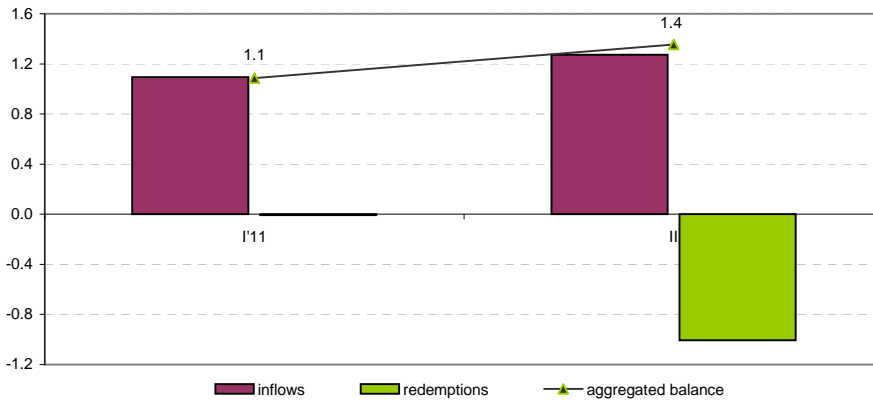
The structure of Treasury securities offered on domestic market in 2011 is dominated by T-bonds (69.5%).

12 Balance of T-bonds and T-bills in in the period January - February 2011 (settlement date, nominal amount, PLN bn)



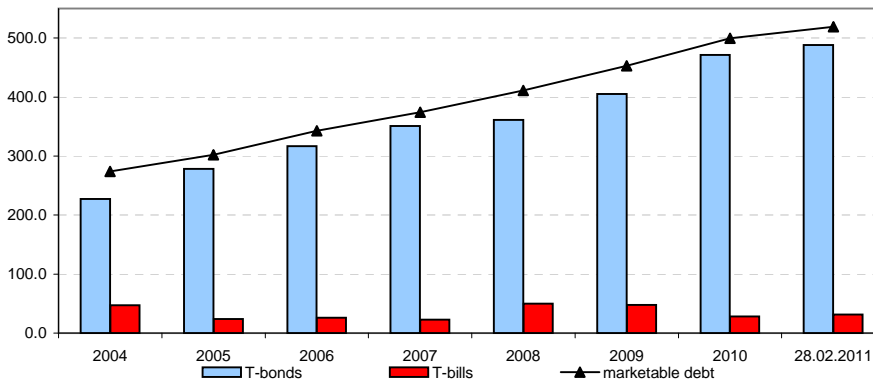
Indebtedness in T-bonds increased by PLN 16.3bn, whereas indebtedness in T-bills increased by PLN 3.3bn in 2011.

13 External financing in the period January - February 2011
(bonds issued on foreign markets and loans received from IFIs, EUR bn)



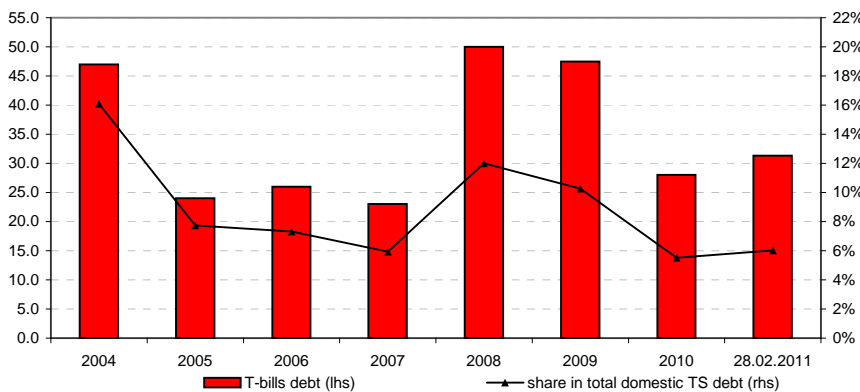
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 1.4bn. T-bonds issuance was EUR 1.4bn and EUR 1.0bn inflows from IFIs.

14 Structure of marketable debt (PLN bn)



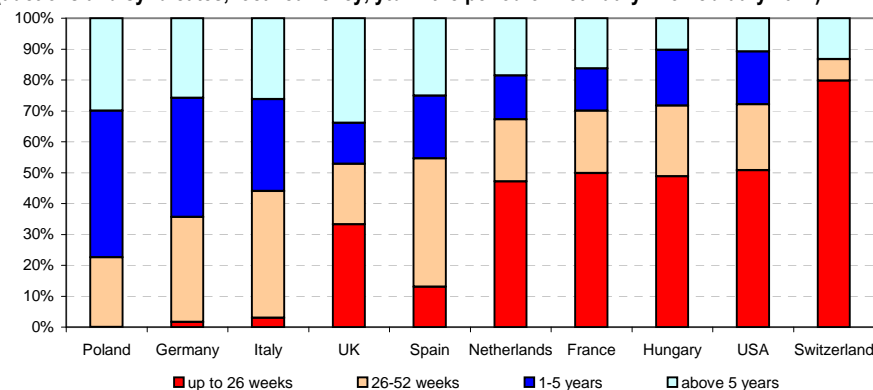
At the end of February 2011 the marketable domestic debt amounted to PLN 519.2bn comparing to PLN 499.3bn at the end of 2010.

15 T-bills outstanding (PLN bn)



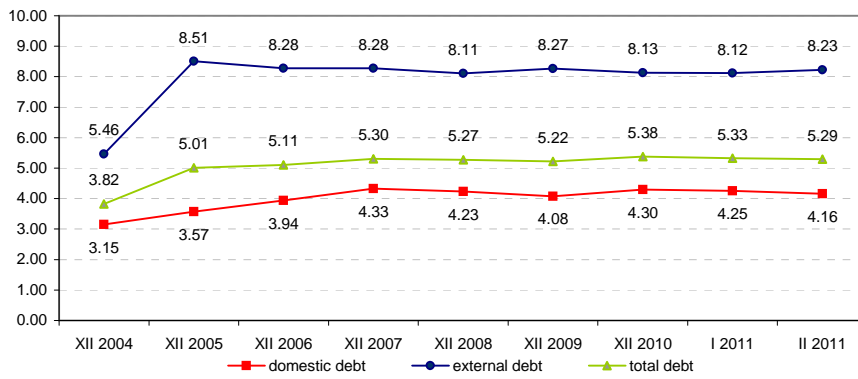
In the period of January-February 2011 indebtedness in T-bills increased by PLN 3.3bn and its share in total domestic debt amounted to 6.0%.

16 Maturity breakdown of T-securities in Poland and other countries
(auctions and syndicates, local currency, ytd in the period of 1 January - 28 February 2011)



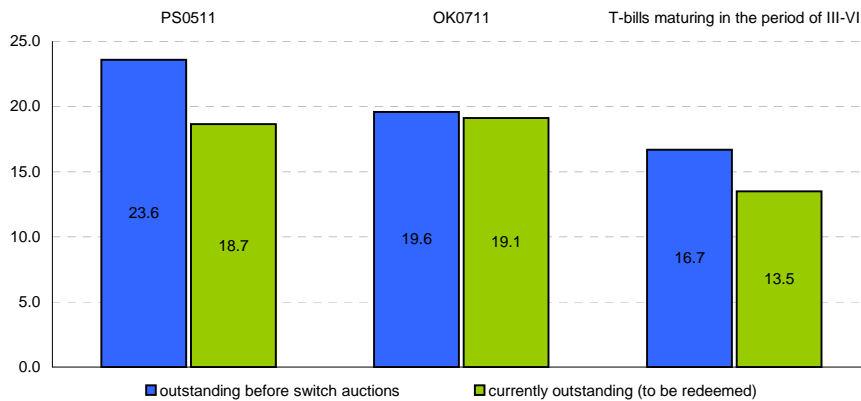
In terms of maturity, the sale of TS in Poland in 2011 is dominated by securities with maturity over 1 year.

17 Average maturity



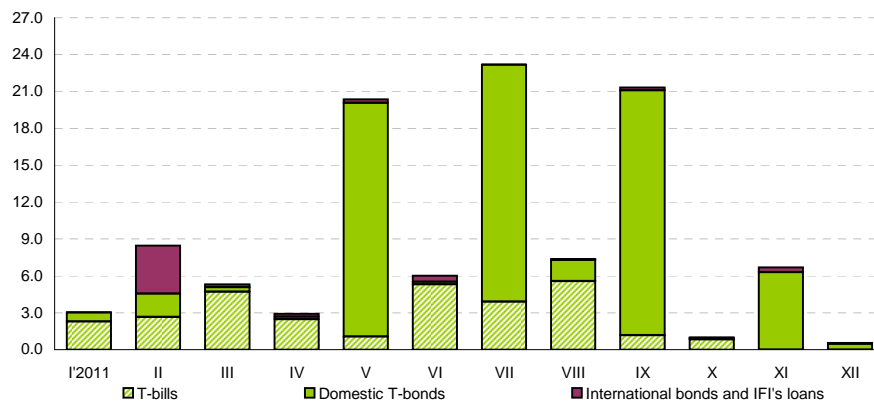
In February 2011 the average maturity of debt was at 5.29 - a slightly decrease in comparison with the amount at the end of 2010.

18 Reducing refinancing risk connected with T-bonds' redemptions maturing in 2011 (nominal amount, PLN bn, as of 28 February 2011)



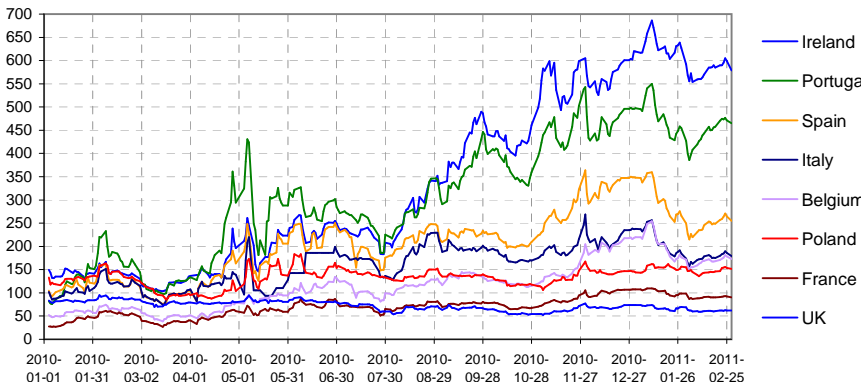
Buy-back of T-bonds maturing in 2011:
 - PS0511: PLN 4.9bn (21% of initial outstanding),
 - OK0711: PLN 0.5bn (3% of initial outstanding),
 - T-bills maturing in the period March-June: PLN 3.2bn (19% of initial outstanding).

19 State Treasury debt redemptions in 2011 (nominal amount, PLN bn, as of 28 February 2011)



The nominal amount of debt to be redeemed in 2011 is equal to PLN 94.6bn, including:
 - T-bills: PLN 25.0bn
 - T-bonds on domestic market: PLN 67.5bn
 - bonds and loans incurred in foreign markets: PLN 2.2bn.

20 CDS levels (5-year, bp)



The level of Polish 5-year CDS contracts still traded at lower level in comparison to CDS contracts of the countries suffering financial troubles, e.g. Ireland, Portugal, Spain but also Italy or Belgium.