



MINISTRY OF FINANCE PUBLIC DEBT DEPARTMENT

SEPTEMBER 2011

State budget borrowing requirements' financing plan and its background:

in September 2011

THE MOST IMPORTANT INFORMATION:

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1 T-bond auction

Auction date	Settlement date	Series	Planned offer (PLN m)
22 SEP 2011*	26 SEP 2011	WS / WZ	1,000-3,000

* auction on Thursday.

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)
08 SEP 2011*/ 12 SEP 2011	PS0416 / DS1021	WZ0911	11,174
		DZ1111	4,512
		OK0112	24,406

* auction on Thursday.

3 Offer on the retail market

T-bond	Issue price	Coupon
DOS0913	100.00 PLN (99.90 PLN for rolling-over)	Fixed, 4.50%
TZ0814	99.90 PLN	Floating (0.95 * WIBOR 6M), 4.54% in the first coupon period
COI0915	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.50%), 5.00% in the first coupon period
EDO0921	100.00 PLN	Floating (inflation rate + 3.00%), 5.75% in the first coupon period

1 Gross borrowing requirements in 2011

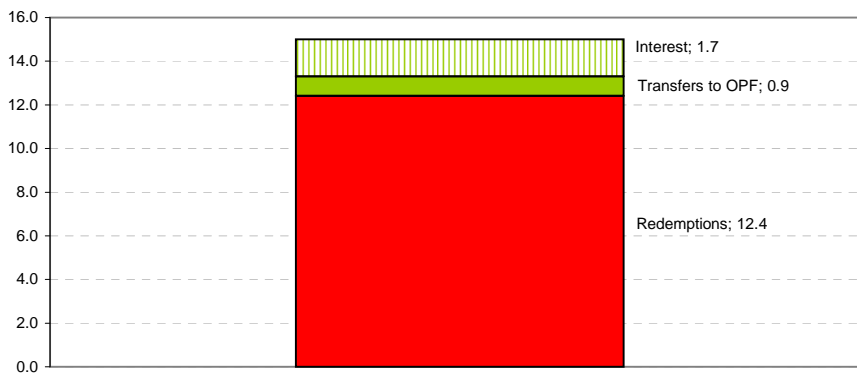


Funding of borrowing requirements of 2011 was a result of:

- Treasury bills buyback maturing in 2011: PLN 5.7bn,
- rolling over of Treasury bonds by switch auctions in 2010: PLN 3.3bn,
- higher than planned financial resources at the end of 2010: PLN 6.9bn
- Treasury securities sale on domestic market: PLN 93.6bn,
- Treasury bonds issuance on foreign markets: PLN 13.8bn
- and loans incurred from IFIs: PLN 7.0bn.

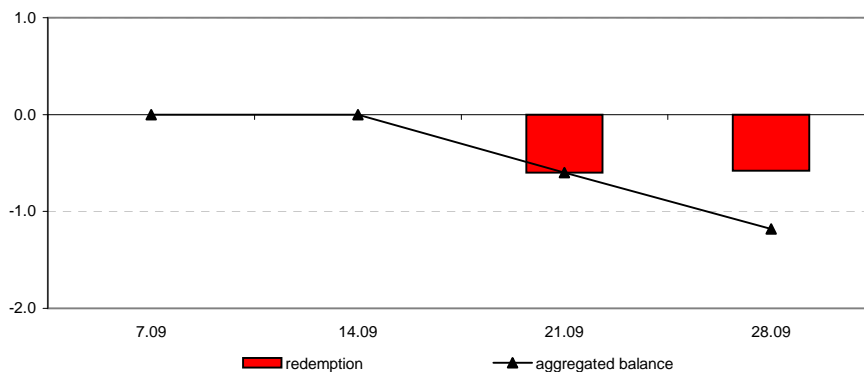
* the amount from the draft Budget Act for 2012, diminished by ca. PLN 10bn, i.e. predicted lower borrowing needs.

2 Flows of funds into the market related to T-bonds and T-bills and transfers to Open Pension Funds in September 2011 (PLN bn, as of August 31, 2011)



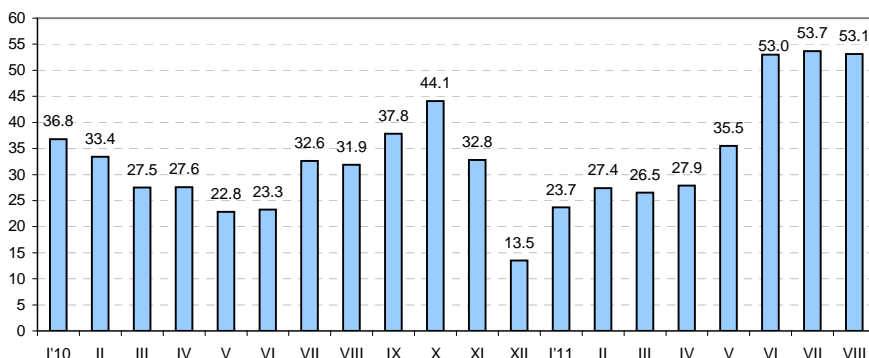
Flow of funds due to redemptions of Treasury Securities, interest payments and transfers from State budget to Open Pension Funds will amount to ca. PLN 15.0bn.

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



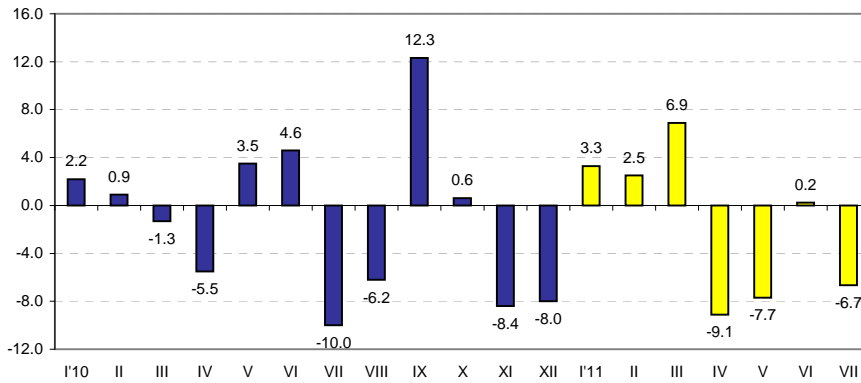
Assumed change of T-bills debt in September (by settlement date) will decrease by PLN 1.2bn.

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)



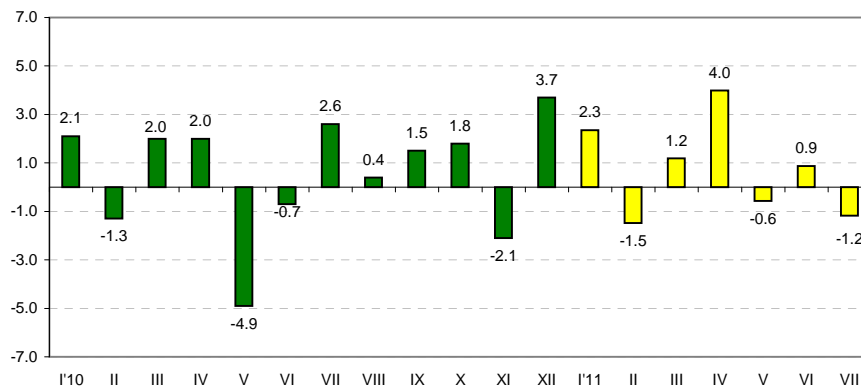
The funds ensure liquidity in borrowing needs financing.

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



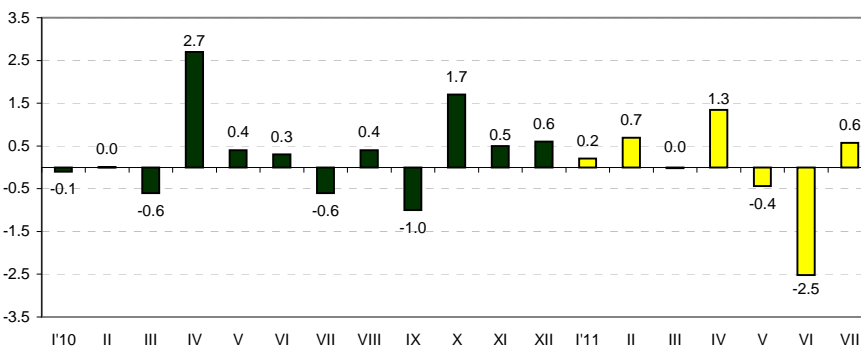
In the period of I-VII 2011 debt held by domestic banks decreased by PLN 10.5bn comparing to PLN 5.6bn decrease during the same period of 2010.

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



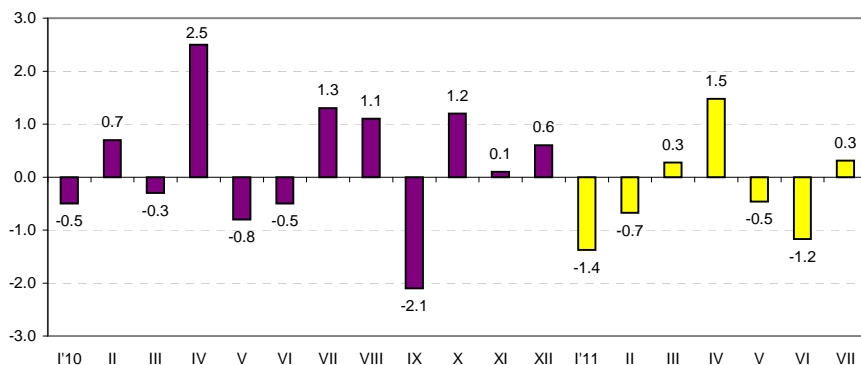
In the period of I-VII 2011 debt held by pension funds increased by PLN 5.2bn comparing to PLN 1.8bn increase during the same period of 2010.

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



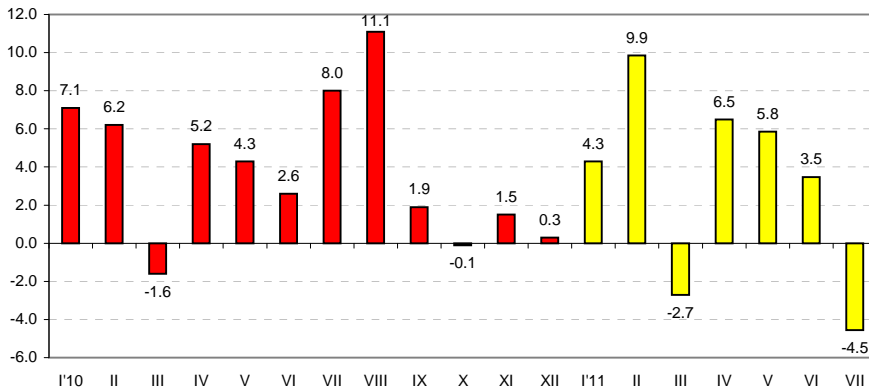
In the period of I-VII 2011 there was a decrease of PLN 0.2bn in debt held by insurance companies. During the same period of 2010 there was an increase of PLN 2.2bn.

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



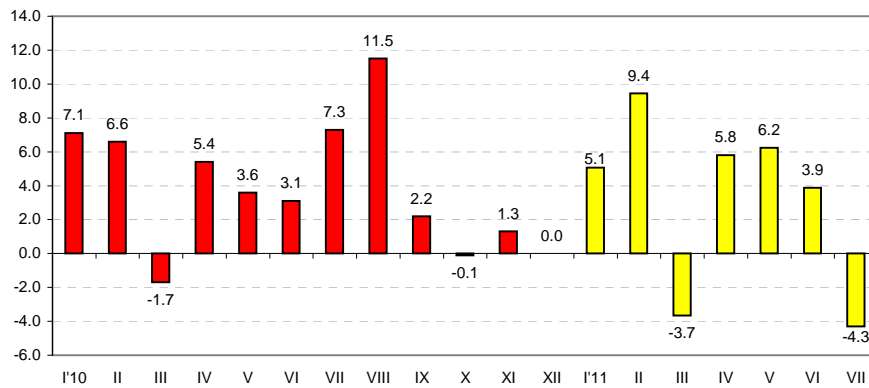
In the period of I-VII 2011 there was a decrease of PLN 1.6bn in debt held by investment funds. During the same period of 2010 there was an increase of PLN 2.4bn.

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



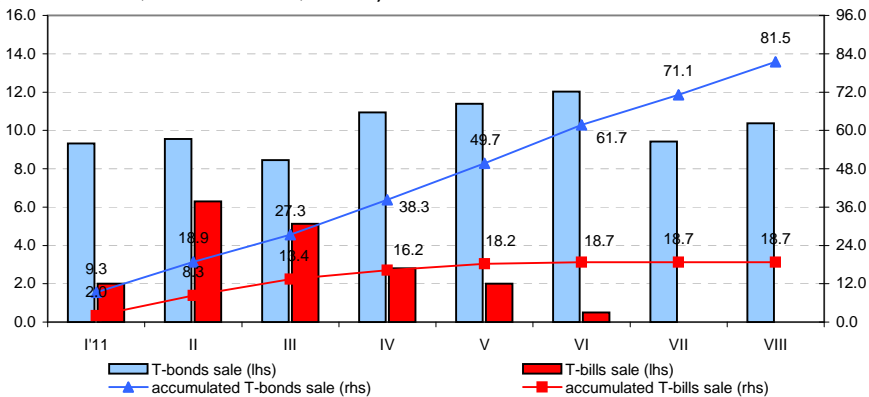
In the period of I-VII of 2011 inflow of foreign capital to the domestic TS market amounted to PLN 22.7bn comparing to PLN 31.8bn increase in the same period of 2010. Foreign investors' holdings reached the record high level of PLN of 151,0bn.

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



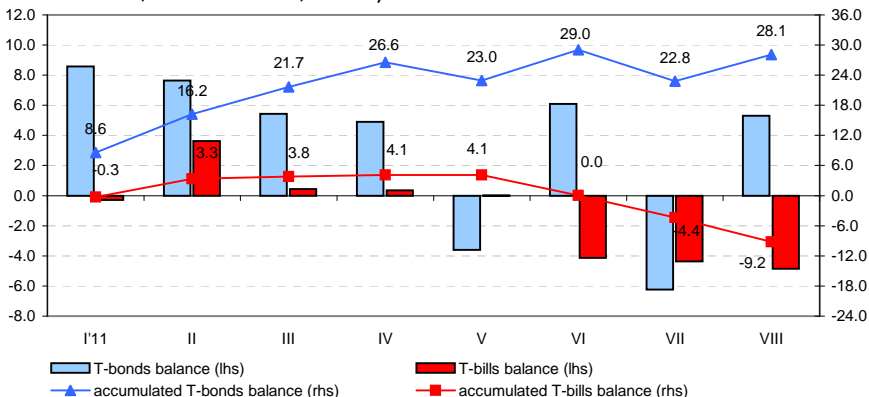
In the period of I-VII of 2011 inflow of foreign capital to domestic bonds market amounted to PLN 22.4bn comparing to PLN 31.4bn increase in the same period of 2010. Foreign investors' holdings reached the record high level of PLN 147.2bn.

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



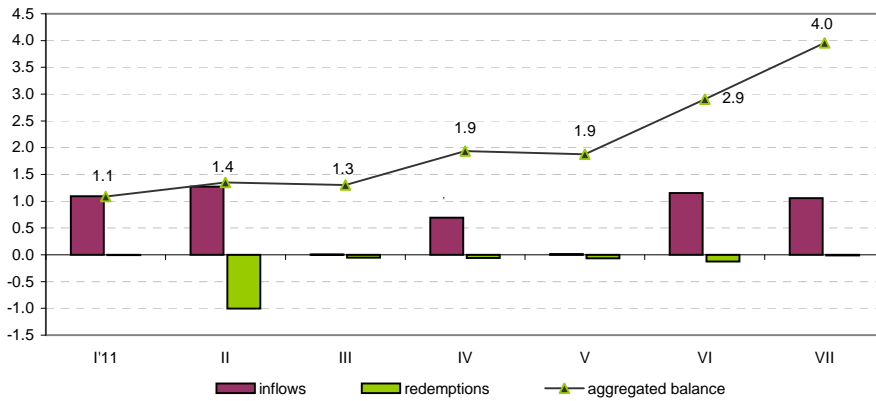
The structure of Treasury securities offered on domestic market in 2011 is dominated by T-bonds (81.3%).

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



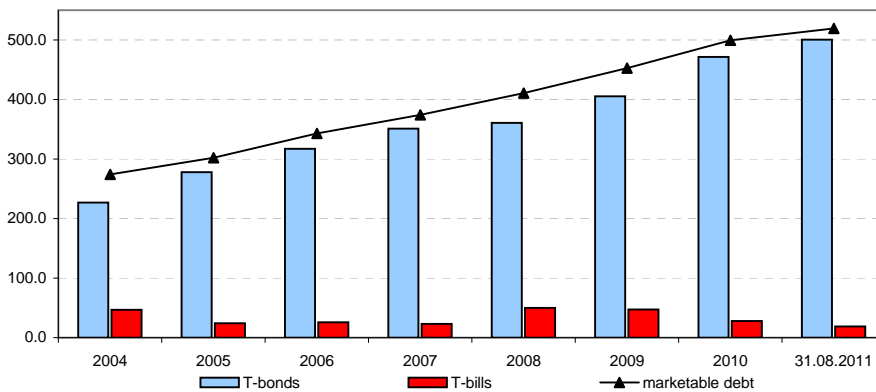
Indebtedness in T-bonds increased by PLN 28.1bn while indebtedness in T-bills decreased by PLN 9.2bn.

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



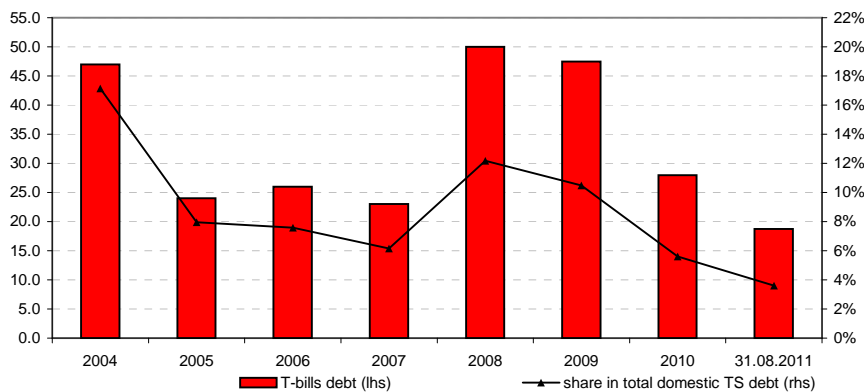
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 4.0bn. T-bonds issuance was EUR 3.5bn. Loans incurred from IFIs were at the level of EUR 1.8bn.

14 Structure of marketable debt in the years
(PLN bn)



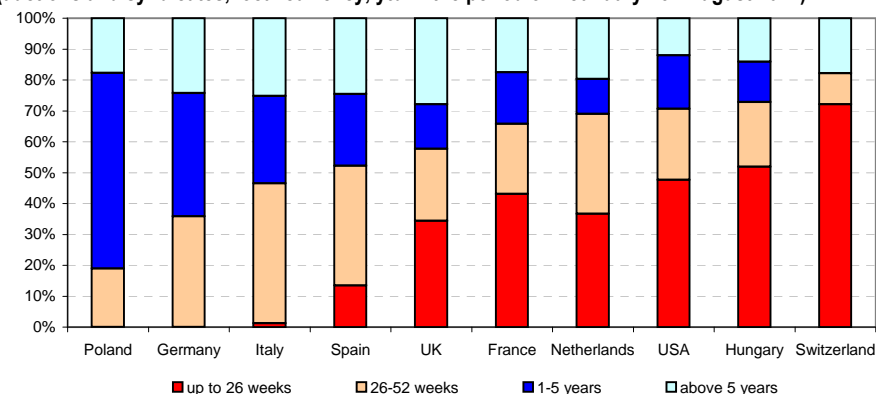
At the end of August 2011 the marketable domestic debt amounted to PLN 519.3bn comparing to PLN 499.3bn at the end of 2010.

15 T-bills outstanding
(PLN bn)



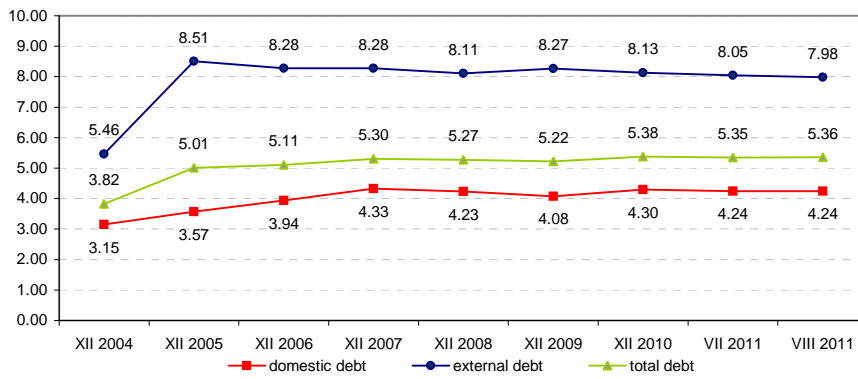
In the period of January - August 2011 indebtedness in T-bills decreased by PLN 9.2bn to the level of PLN 23.6bn. T-bills share in total domestic debt amounted to 3.6% which was historically record low level.

16 Maturity breakdown of T-securities in Poland and other countries
(auctions and syndicates, local currency, ytd in the period of 1 January - 31 August 2011)



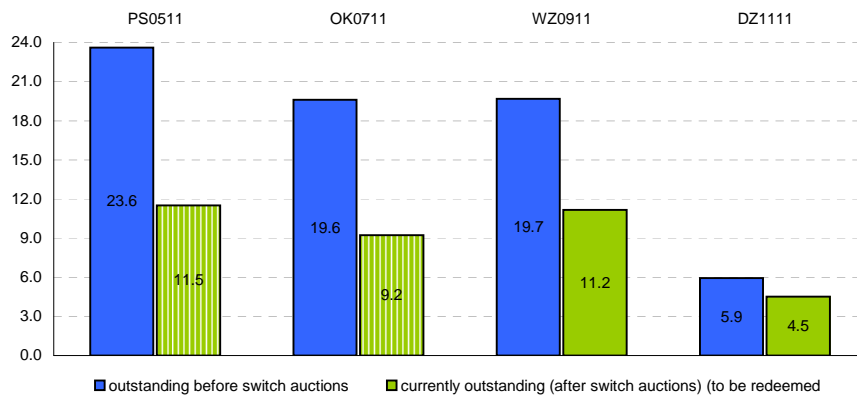
In terms of maturity, the sale of TS in Poland in 2011 is dominated by securities with maturity over 1 year.

17 Average maturity



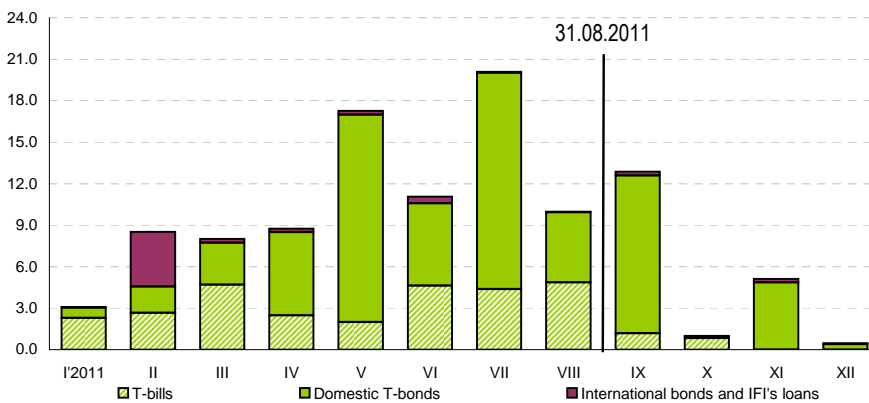
In August 2011 the average maturity of domestic debt was at 5.36, a slight decrease in comparison with the end-2010 figure.

18 Reducing refinancing risk connected with T-bonds' redemptions maturing in 2011 (switch auctions, PLN bn, as of 31 August 2011)



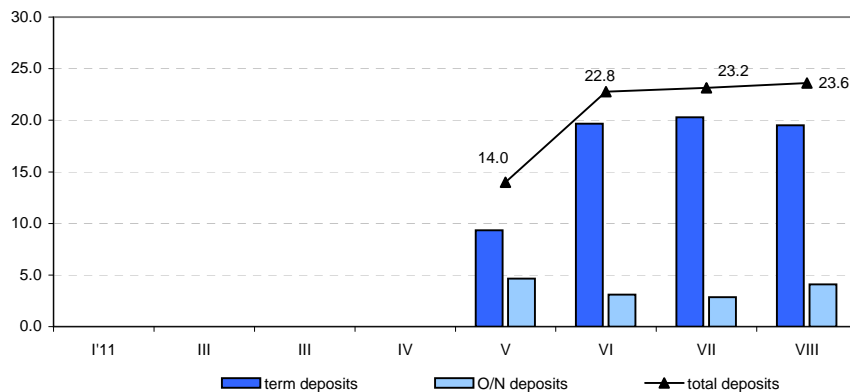
Buy-back of T-bonds maturing in 2011:
 - PS0511: PLN 12.1bn (51% of initial outstanding),
 - OK0711: PLN 10.4bn (53% of initial outstanding),
 - WZ0911: PLN 8.5bn (43% of initial outstanding)
 - DZ1111: PLN 1.4bn (24% of initial outstanding).

19 State Treasury debt redemptions in 2011 (nominal amount, PLN bn, as of 31 August 2011)



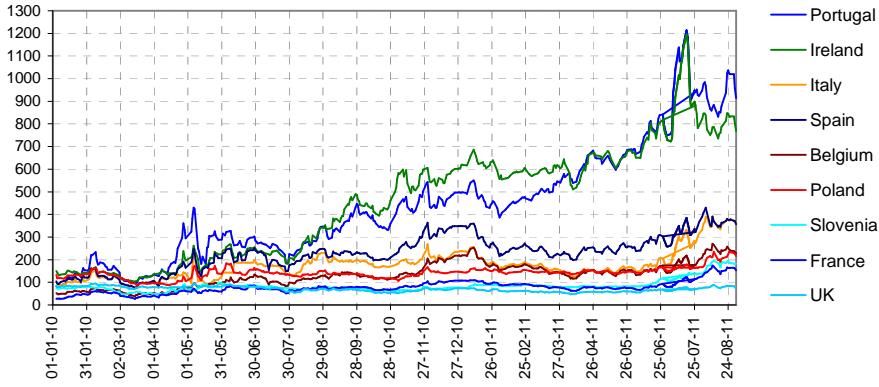
The nominal amount of debt to be redeemed in 2011 is equal to PLN 19.5bn, including:
 - T-bills: PLN 2,0bn
 - T-bonds on domestic market: PLN 16.8bn
 - bonds and loans incurred in foreign markets: PLN 0.7bn.

20 Consolidation of public finances liquidity management (PLN bn)



As a result of consolidation of public finances liquidity management there were PLN 23.6bn funds accumulated, of which PLN 19.5bn was as term deposits and PLN 4.1bn on O/N deposits.

21 CDS levels
(5-year, bp)



The level of Polish 5-year CDS contracts are traded at lower level than contracts for Spain, Italy or Belgium, close to Slovenian contracts and still significantly lower comparing to CDS contracts of the countries suffering from financial troubles, e.g. Ireland or Portugal.