
State budget borrowing requirements' financing plan and its background:

in December 2011

THE MOST IMPORTANT INFORMATION:

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1 Conditional T-bond switching auction

Conditional T-bond switching auction is planned on December 14, 2011 with settlement on December 16, 2011. Holding an auction and offer of T-bonds to be sold and to be bought-back is depending on current market situation.

2 T-bill buy-back auction

Holding on T-bill buy-back auction is planned on December 19, 2011 with settlement on December 21, 2011. T-bills to buy-back will be securities maturing in 2012. The face value of these T-bills amounts to PLN 16,747m.

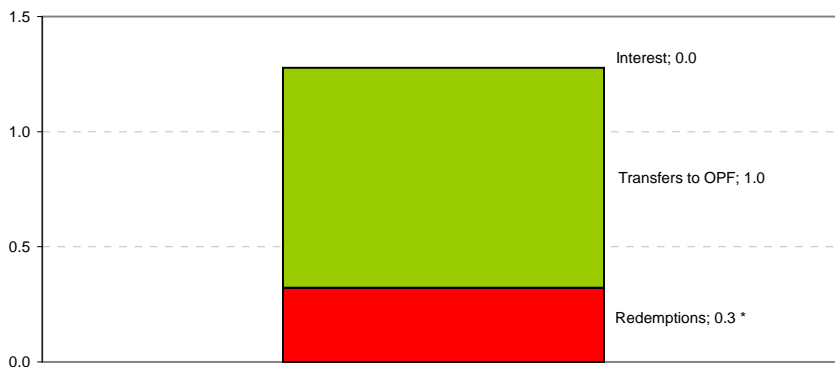
3 Offer on the retail market

T-Bond	Issue price	Coupon
DOS1213	100.00 PLN (99.90 PLN for rolling-over)	Fixed, 4.50%
TZ1114	99.90 PLN	Floating (0.95 * WIBOR 6M), 4.65% in the first coupon period
COI1215	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.50%), 5.00% in the first coupon period
EDO1221	100.00 PLN	Floating (inflation rate + 3.00%), 5.75% in the first coupon period

1 Gross borrowing requirements in 2011

Borrowing requirements of 2011 were entirely financed by October, 2011. We are currently conducting the process of prefinancing of the borrowing needs of 2012.

2 Flows of funds into the market related to T-bonds and T-bills and transfers to Open Pension Funds in December 2011 (PLN bn, as of November 30, 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 1.3bn.

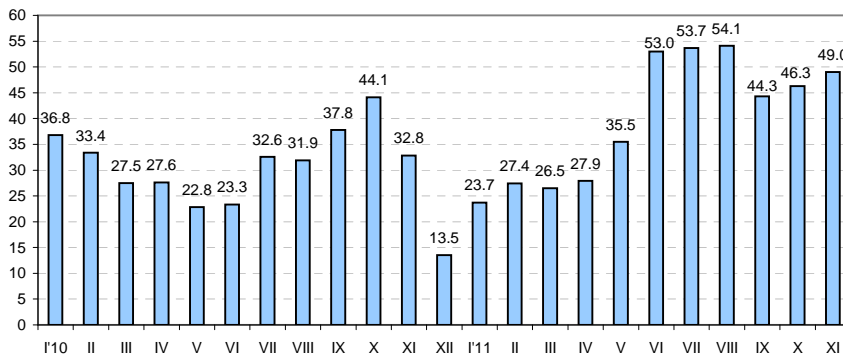
* T-bills buy-back auction is planned on Dec, 19th.

3 Sale and redemption of T-bills and T-bonds in December 2011

Neither sale of T-bills, nor T-bonds will be held in December. Simultaneously there are no T-securities maturing in the given month.

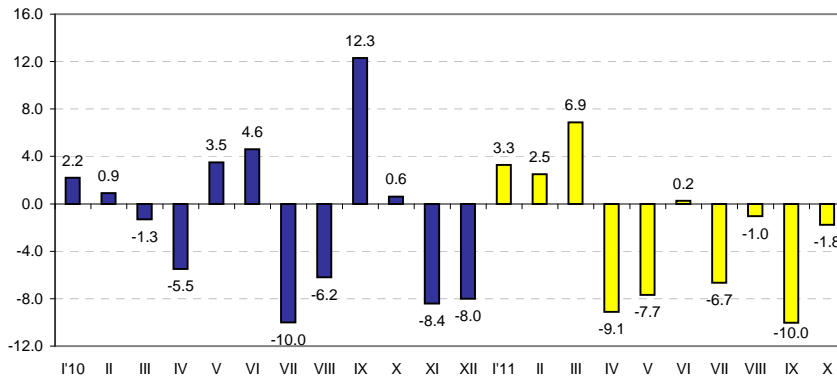
* T-bills buy-back auction is planned on Dec, 19th.

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)



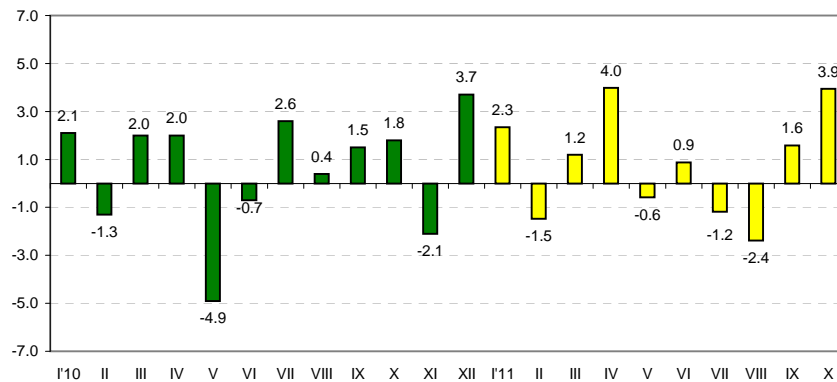
The funds ensure liquidity in borrowing needs financing.

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



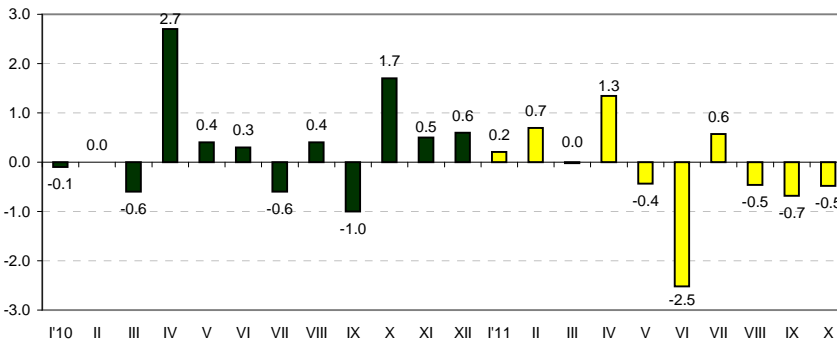
In the period of I-X 2011 debt held by domestic banks decreased by PLN 23.4bn comparing to PLN 1.1bn increase during the same period of 2010.

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



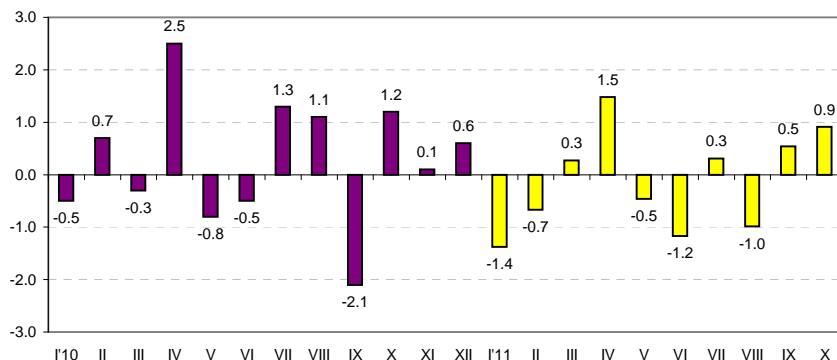
In the period of I-X 2011 debt held by pension funds increased by PLN 8.3bn comparing to PLN 5.5bn increase during the same period of 2010.

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



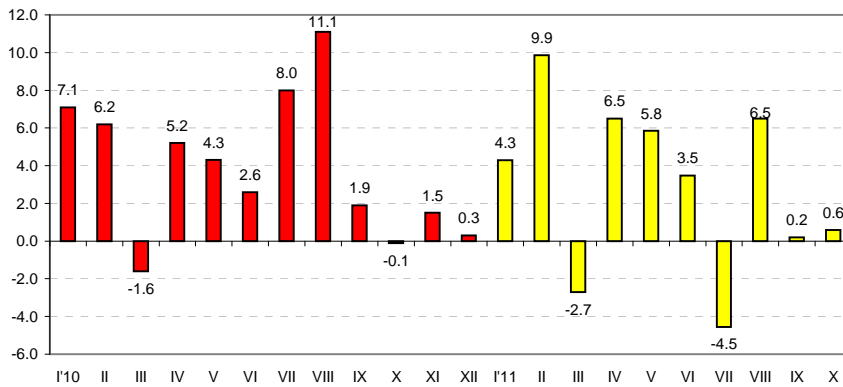
In the period of I-X 2011 there was a decrease of PLN 1.8bn in debt held by insurance companies. During the same period of 2010 there was an increase of PLN 3.3bn.

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



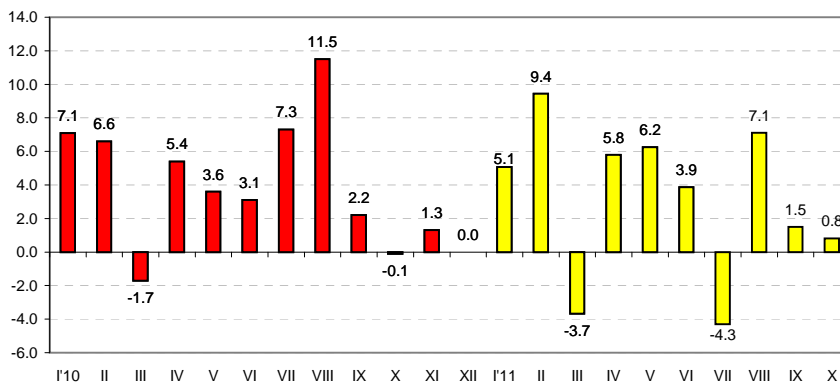
In the period of I-X 2011 there was a decrease of PLN 1.2bn in debt held by investment funds. During the same period of 2010 there was an increase of PLN 2.6bn.

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



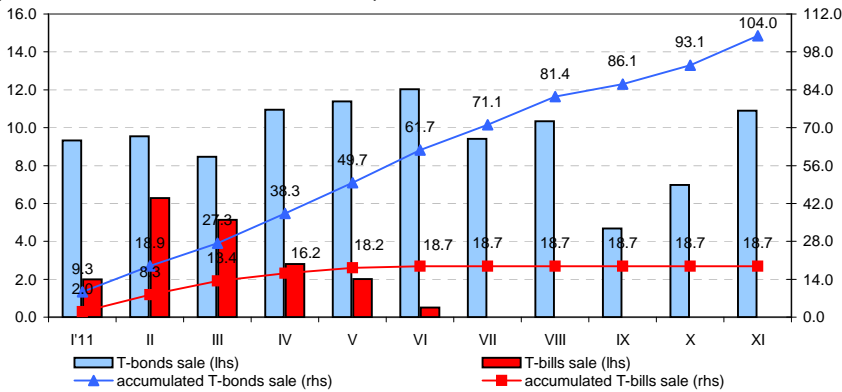
In the period of I-X of 2011 inflow of foreign capital to the domestic TS market amounted to PLN 30.0bn comparing to PLN 44.7bn increase in the same period of 2010. Foreign investors' holdings reached the record level of PLN of 158.3bn.

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



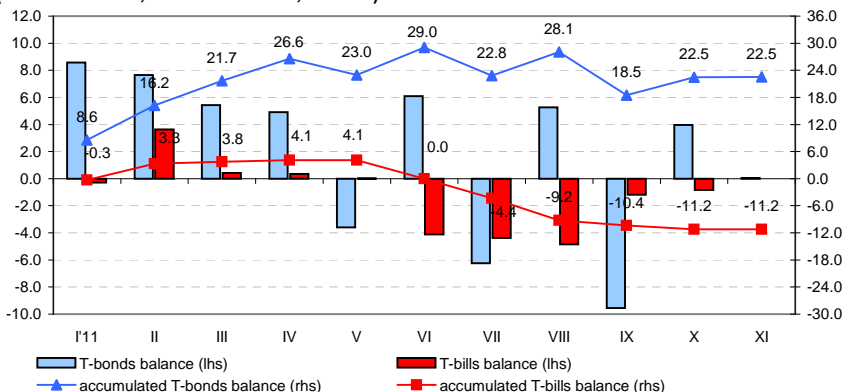
In the period of I-X of 2011 inflow of foreign capital to domestic bonds market amounted to PLN 31.9bn comparing to PLN 45.0bn increase in the same period of 2010. Foreign investors' holdings reached the record high level of PLN 156.6bn.

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



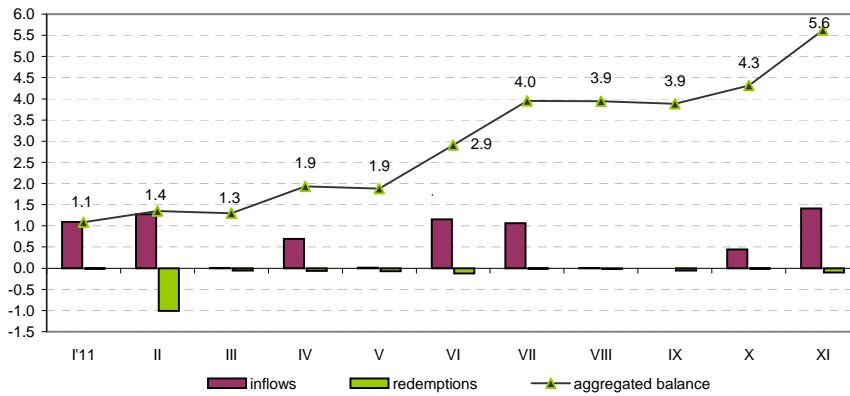
The structure of Treasury securities offered on domestic market in 2011 is dominated by T-bonds (84.7%).

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



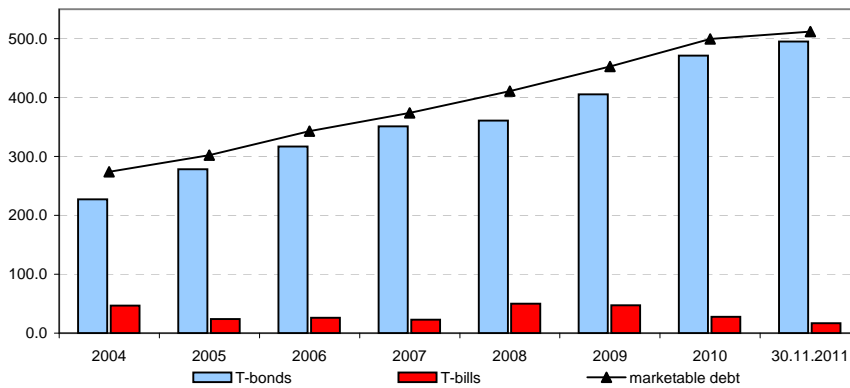
Indebtedness in T-bonds increased by PLN 22.5bn while indebtedness in T-bills decreased by PLN 11.2bn.

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



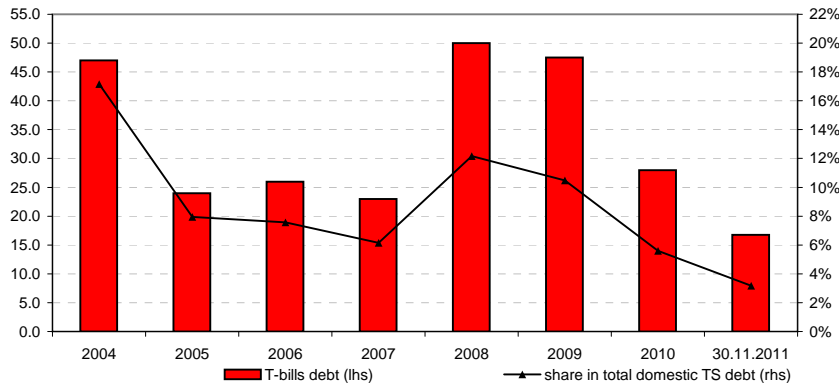
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 5.6bn. T-bonds issuance was EUR 4.9bn. Loans incurred from IFIs were at the level of EUR 2.2bn.

14 Structure of marketable debt (PLN bn)



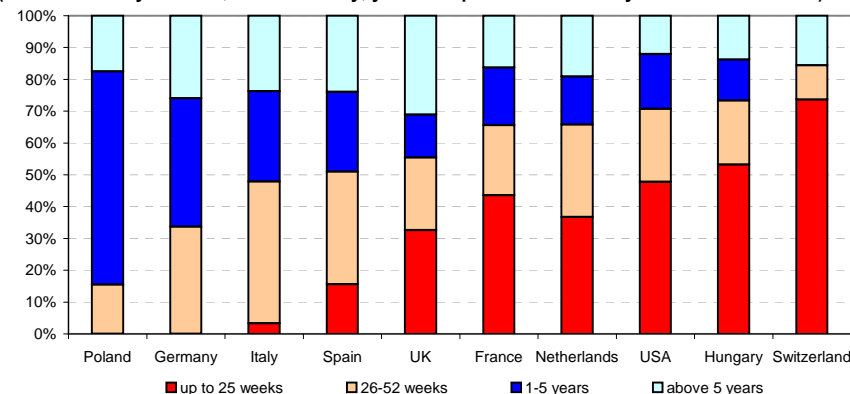
At the end of November 2011 the marketable domestic debt amounted to PLN 511.9bn comparing to PLN 499.3bn at the end of 2010.

15 T-bills outstanding (PLN bn)



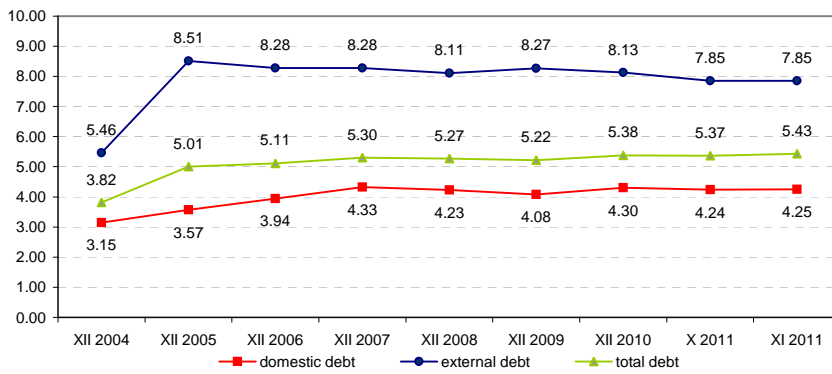
In the period of January - November 2011 indebtedness in T-bills decreased by PLN 11.2bn to the level of PLN 16.7bn. T-bills share in total domestic debt amounted to 3.2% which was historically record low level.

16 Maturity breakdown of T-securities in Poland and other countries
(auctions and syndicates, local currency, ytd in the period of 1 January - 30 November 2011)



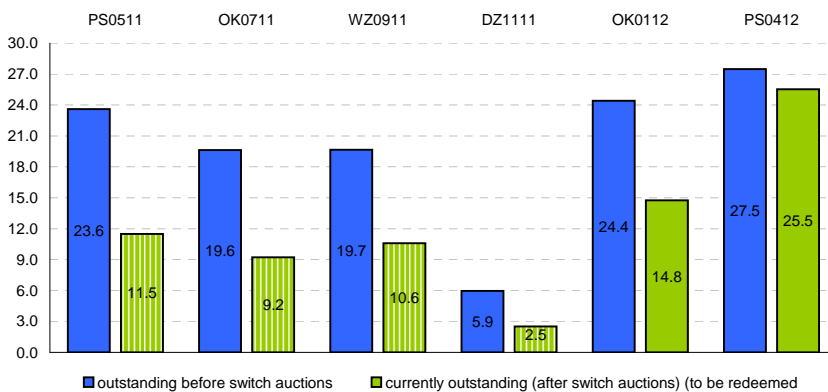
In terms of maturity, the sale of TS in Poland in 2011 is dominated by securities with maturity over 1 year.

17 Average maturity



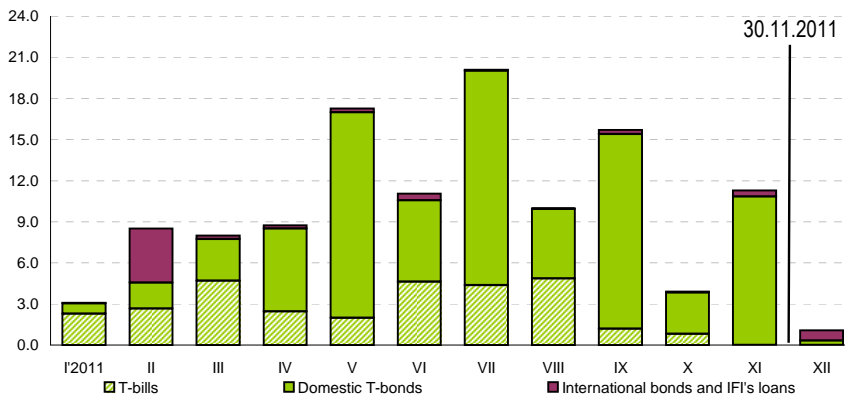
In November 2011 the average maturity of domestic debt was at 5.43 - a slight increase in comparison with the end-2010 figure.

18 Reducing refinancing risk connected with T-bonds' redemptions maturing in 2011 and 2012 (switch auctions, PLN bn, as of 30 November 2011)



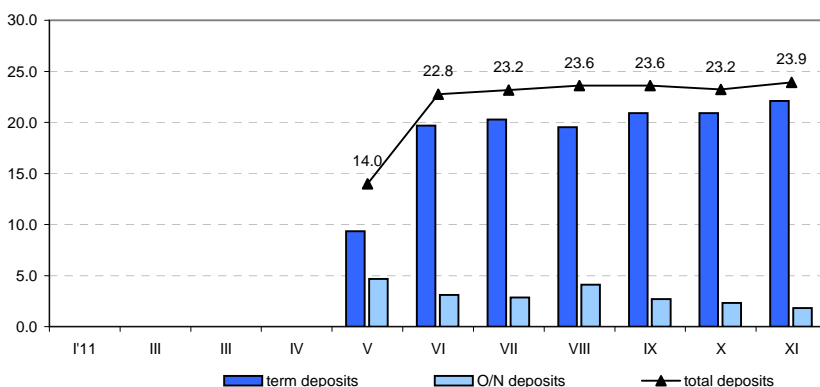
Buy-back of T-bonds maturing in 2011 and 2012:
 - PS0511: PLN 12.1bn (51% of initial outstanding),
 - OK0711: PLN 10.4bn (53% of initial outstanding),
 - WZ0911: PLN 9.1bn (46% of initial outstanding),
 - DZ1111: PLN 3.4bn (57% of initial outstanding),
 - OK0112: PLN 9.7bn (40% of initial outstanding),
 - PS0412: PLN 2.0bn (7% of initial outstanding).

19 State Treasury debt redemptions in 2011 (nominal amount, PLN bn, as of 30 November 2011)



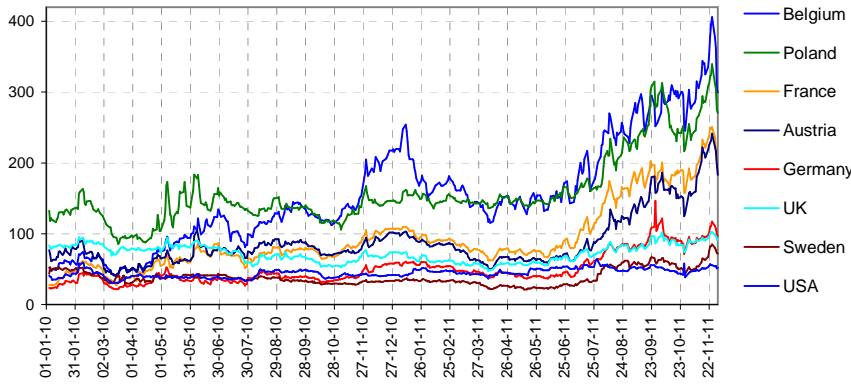
The nominal amount of debt to be redeemed in 2011 is equal to PLN 1.1bn, including:
 - T-bonds on domestic market: PLN 0.3bn
 - bonds and loans incurred in foreign markets: PLN 0.8bn.

20 Consolidation of public finances liquidity management (PLN bn)



As a result of consolidation of public finances liquidity management there were PLN 23.9bn funds accumulated at the end of November, of which PLN 22.1bn was as term deposits and PLN 1.8bn on O/N deposits.

21 CDS levels
(5-year, bp)



The level of Polish 5-year CDS contracts are traded at the lower level than contracts for Belgium but close to France.