



MINISTRY OF FINANCE PUBLIC DEBT DEPARTMENT

APRIL 2010

State budget borrowing requirements' financing plan and its background:

in May 2010

THE MOST IMPORTANT INFORMATION:

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1 T-bond auctions

Auction date	Settlement date	Series	Planned offer (PLN m)
5 MAY 2010	7 MAY 2010	OK1012	2,500-4,500
12 MAY 2010	14 MAY 2010	PS0415	1,500-3,000
19 MAY 2010	21 MAY 2010	IDS1018 (BGK)	1,500-3,000

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 and BGK are entitled to organize non-competitive auctions where bonds will be sold at auction average clean price.

2 T-bill auctions

Auction date	Settlement date	T-bill	Planned offer (PLN m)
10 MAY 2010	12 MAY 2010	52 week	400-500
17 MAY 2010	19 MAY 2010	52 week	500-1,200
24 MAY 2010	26 MAY 2010	48 week	700-1,500
31 MAY 2010	2 JUNE 2010	52 week	500-1,000

3 T-bond switching auction

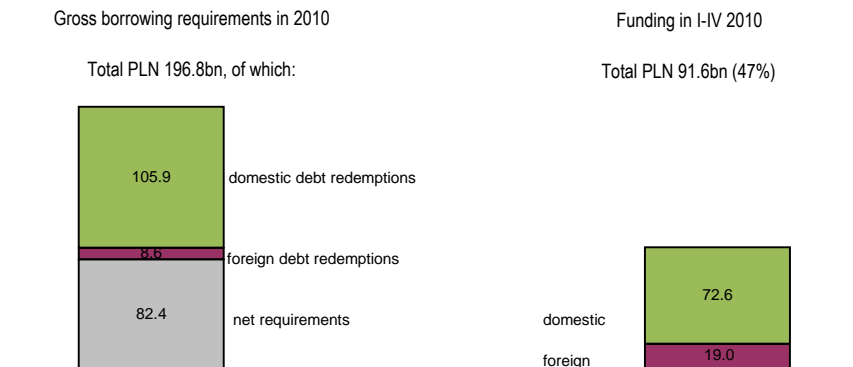
Auction/ settlement date	Settlement T-bonds	Source T-bonds	Outstanding (PLN m)
27 MAY 2010*/ 31 MAY 2010	WZ0121 and possibly IZ0823	OK0710	6.378
		DS1110	21.969

* auction on Thursday

4 Offer on the retail market

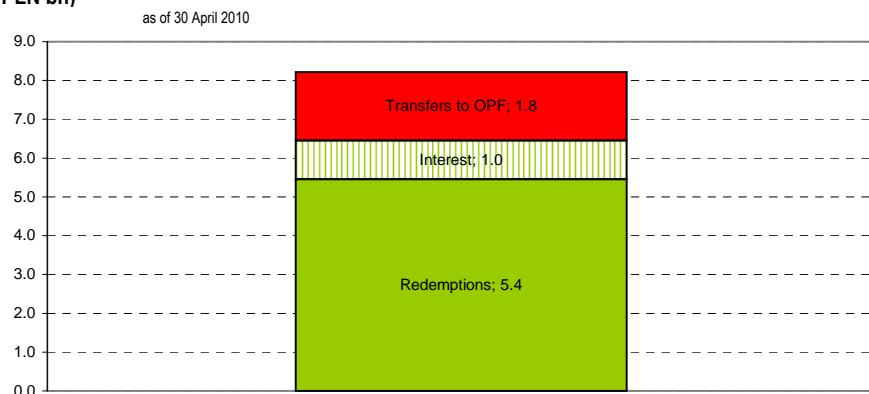
T-bond	Issue price	Coupon
DOS0512	100.00 PLN (99.90 PLN for rolling-over)	Fixed, 4.00%
TZ0513	99.90 PLN	Floating (0.95 * WIBOR 6M), 3.85% in the first coupon period
COI0514	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.50%), 4.50% in the first coupon period
EDO0520	100.00 PLN	Floating (inflation rate + 3.00%), 5.25% in the first coupon period

1 Gross borrowing requirements in 2010



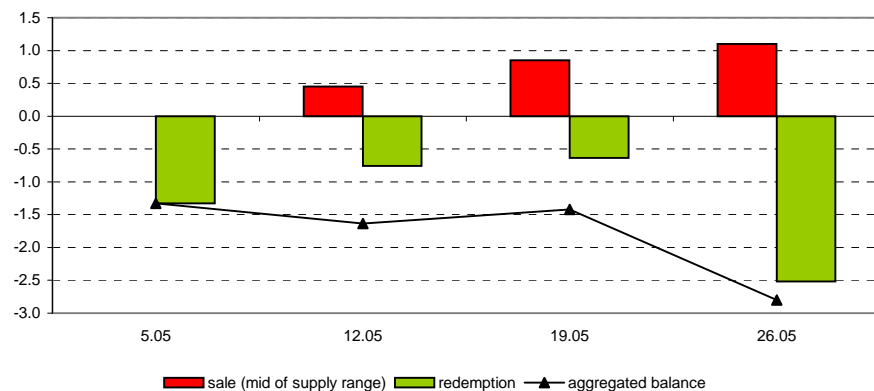
Funding of borrowing requirements after four months of 2010 reached 47% which was mainly a result of bonds issuance on the domestic and foreign markets. Drawings of loans from international financial institutions was postponed to the turn of the second and third quarter of the year.

2 Flows of funds into the market related to T-bonds and T-bills and transfers to Open Pension Funds in May 2010 (PLN bn)



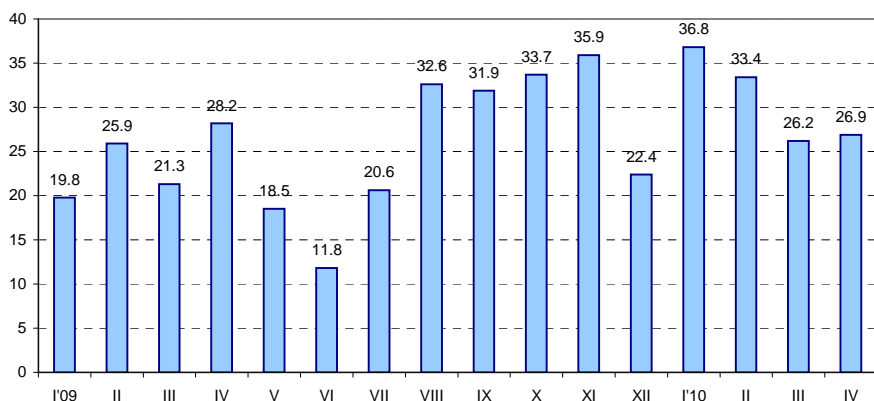
Flow of funds due to redemptions of Treasury Securities, interest payments and transfers from State budget to Open Pension Funds will amount to PLN 8.2bn.

3 Sale and redemption of T-bills in May 2010 (settlement date, PLN bn)



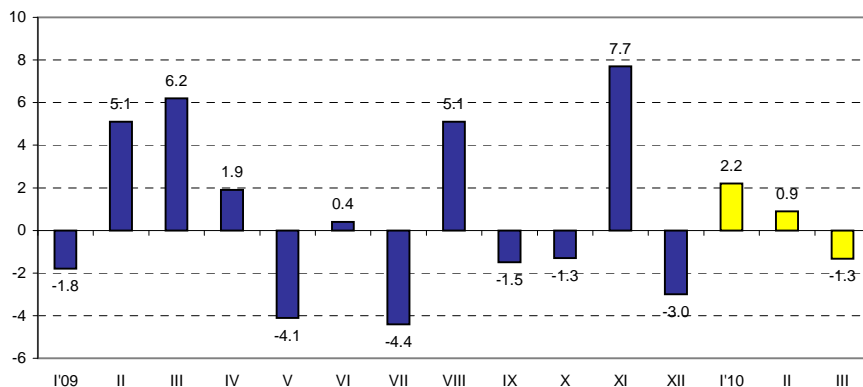
Assumed decrease of T-bills debt in May of PLN 2.0 - 3.6 bn. Supply of T-bills is adjusted to T-bonds offerings and T-bills redemptions.

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)



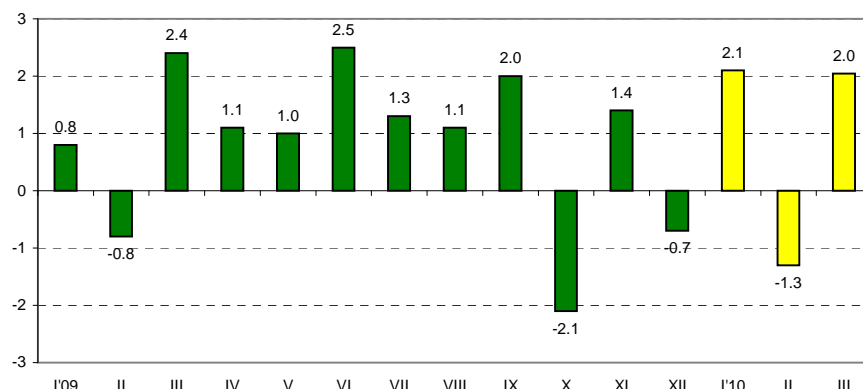
The funds ensure liquidity in borrowing needs financing.

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



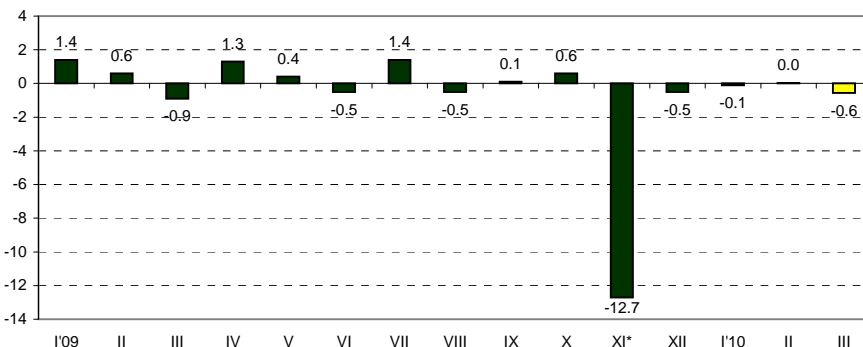
In the period of I-III debt held by domestic banks increased by PLN 1.8bn comparing to PLN 9.5bn increase during the same period of 2009.

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



In the period of I-III debt held by pension funds increased by PLN 2.8bn comparing PLN 2.4bn increase during the same period of 2009.

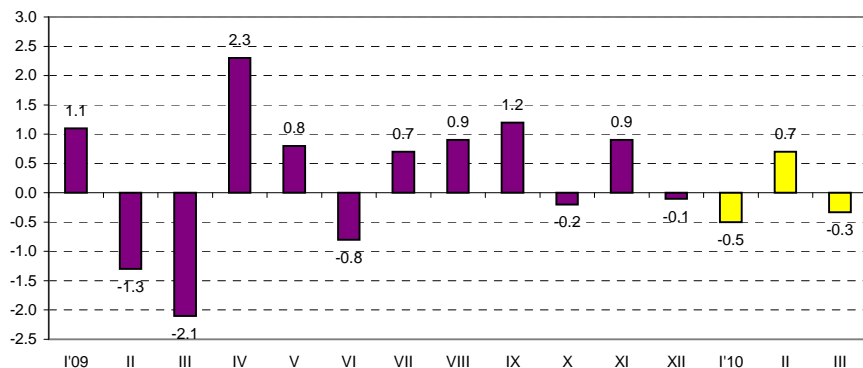
7 Change of debt in domestic Treasury securities held by insurance companies (PLN bn)



In the period of I-III there was a decrease of PLN 0.6bn in debt held by insurance companies. During the same period of 2009 there was an increase of PLN 1.1bn.

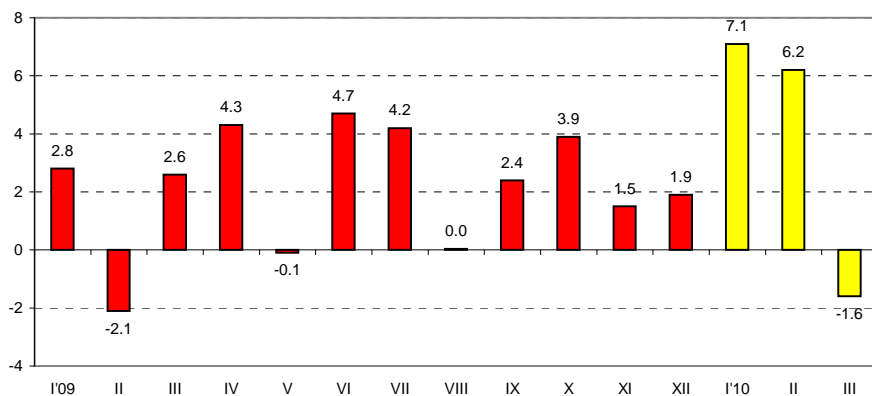
* dividend paid by PZU S.A.

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



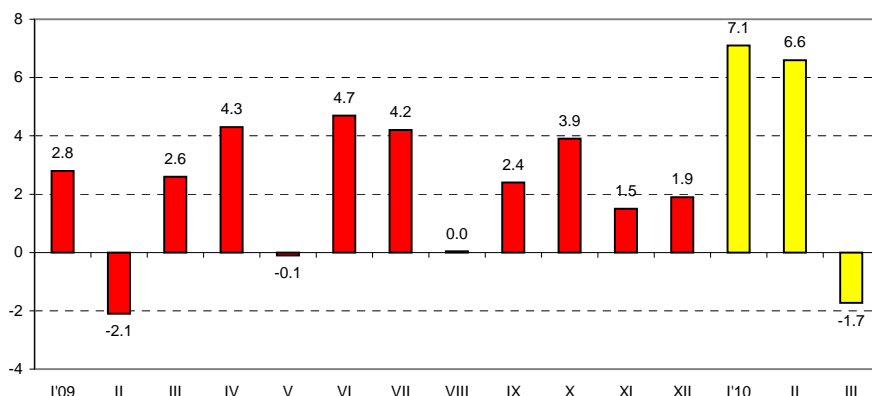
In the period of I-III there was a decrease of PLN 0.1bn in debt held by investment funds. During the same period of 2009 there was a decrease of PLN 2.3bn.

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



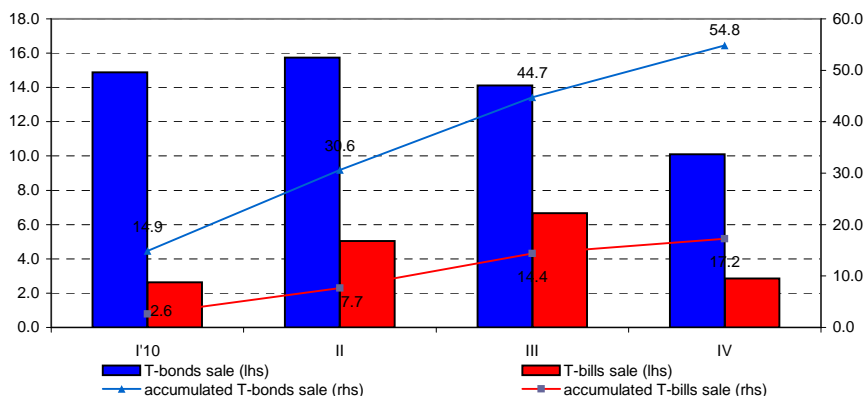
In the period of I-III of 2010 inflow of foreign capital to domestic TS market amounted to PLN 11.7bn. Foreign investors' holdings reached PLN of 93.5bn. Decrease of foreign investors exposure in March was a result of a redemption of PS0310 bonds (foreign investors held PLN 2.8bn of those bonds on the redemption date).

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



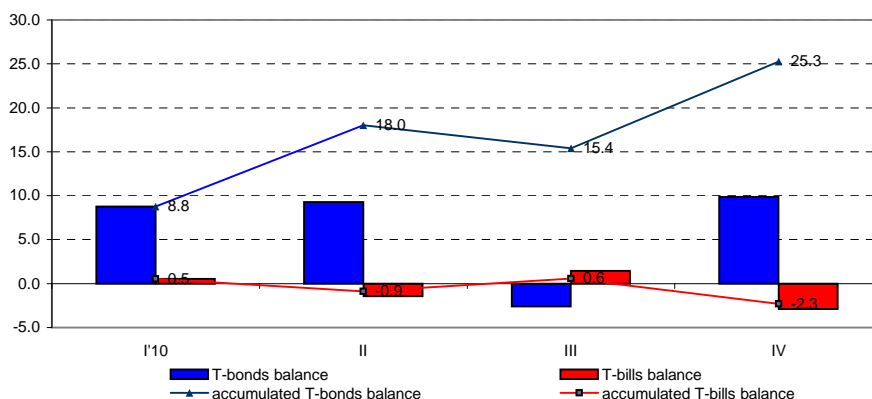
In the period of I-III of 2010 inflow of foreign capital to domestic bonds market amounted to PLN 12.0bn. Foreign investors' holdings reached PLN 90.5bn.

11 Sale of T-bonds and T-bills in the period January - April 2010 (settlement date, nominal amount, PLN bn)



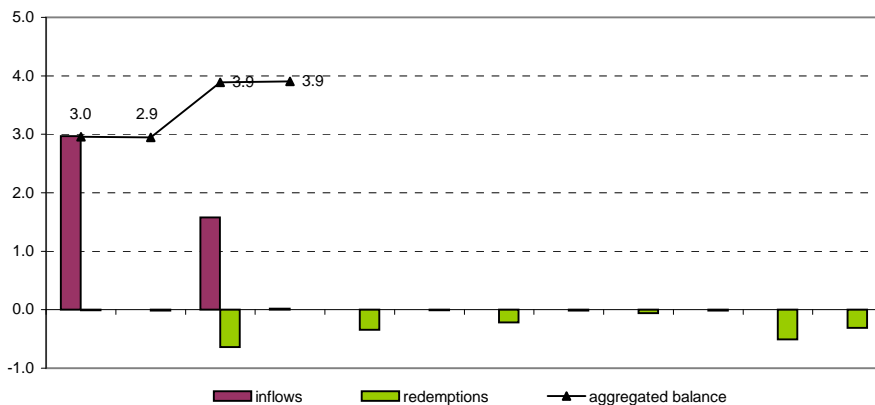
The structure of Treasury securities offered dominated by T-bonds (76% of total amount sold).

12 Balance of T-bonds and T-bills in the period January - April 2010 (settlement date, nominal amount, PLN bn)



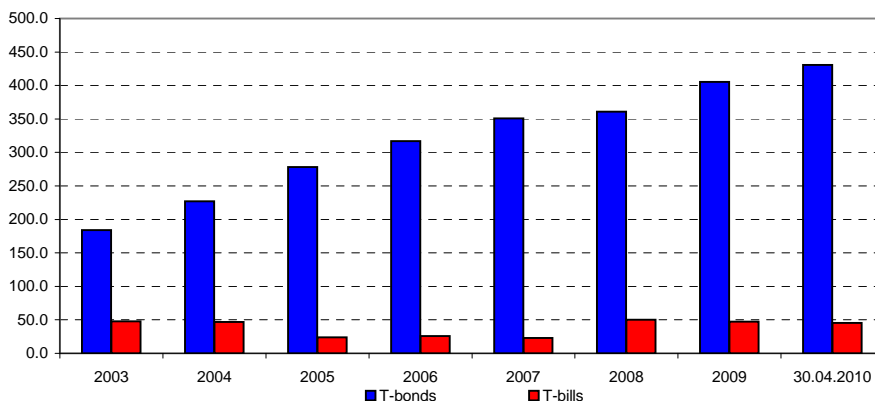
Indebtedness in T-bonds increased by PLN 25.3bn, whereas indebtedness in T-bills decreased by PLN 2.3bn.

13 External financing in January - April 2010
(bonds issued on foreign markets and loans received from IFIs, EUR bn)



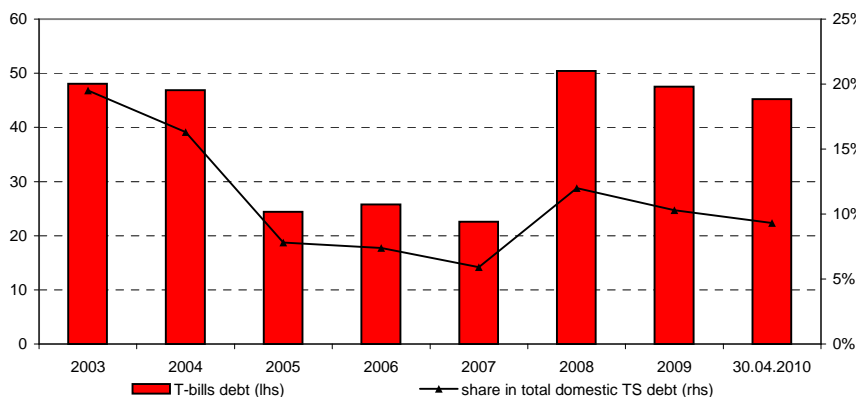
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 3.9bn.

14 Structure of marketable debt in the years 2003-2010
(PLN bn)



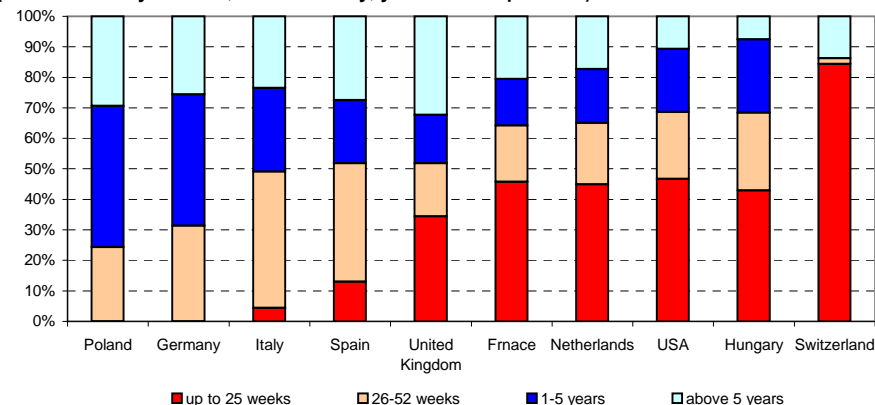
In April 2010 there was an increase in marketable domestic debt of PLN 7.0bn to PLN 475.9bn. At the end of March indebtedness in T-bills stayed at the levels observed in 2003-2004. In the same period indebtedness in T-bonds increased more than twice.

15 T-bills outstanding in the years 2003-2010
(PLN bn)



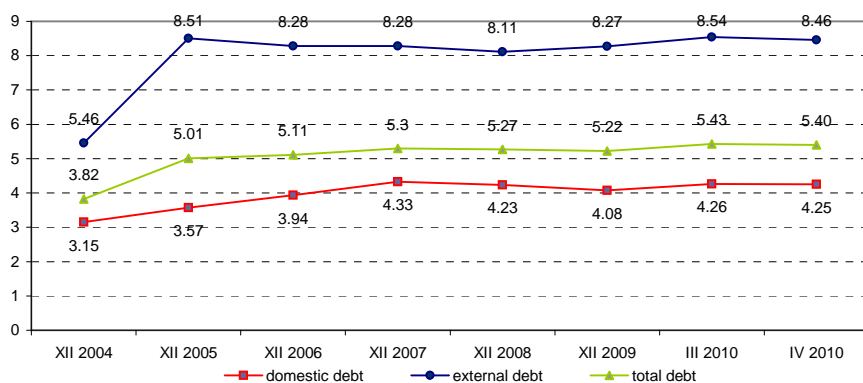
In the period of January - April indebtedness in T-bills decreased by PLN 2.3bn and its share in total domestic debt decreased by 1 percentage points to 9.3%.

16 Maturity breakdown of T-securities sold in 2009 in Poland and other countries
(auctions and syndicates, local currency, ytd as of 28 April 2010)



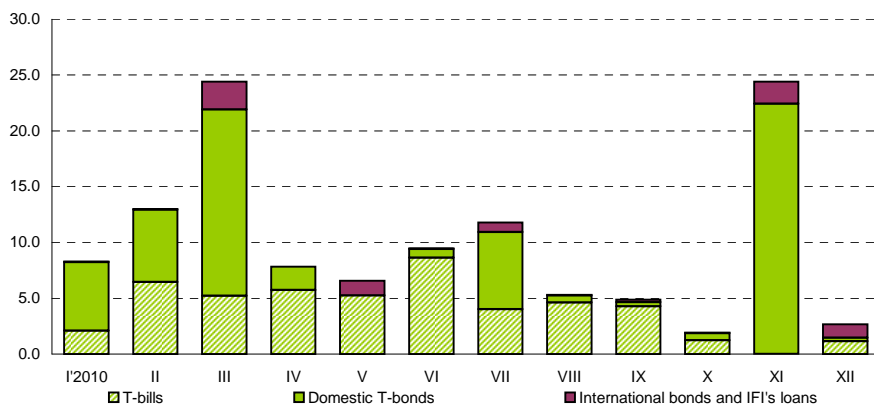
In terms of maturity, the sale of TS in Poland is dominated by securities with maturity over 1 year.

17 Average maturity



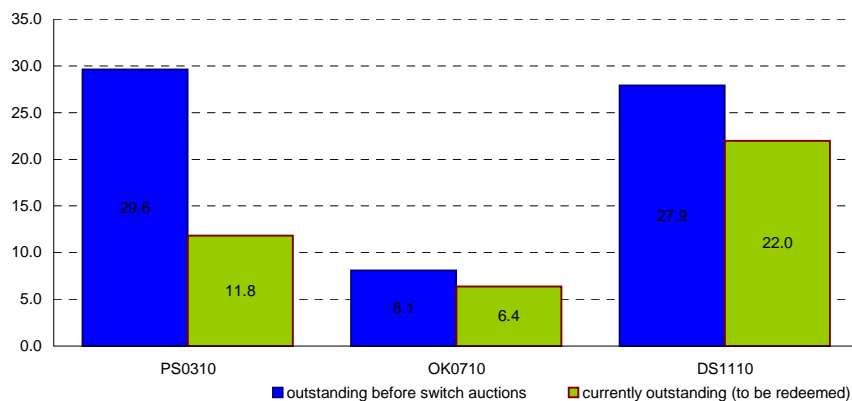
In April the average maturity of domestic debt was at the historic highest level (5.50 in January 2009).

18 State Treasury debt redemptions in 2010 (nominal amount, PLN bn)



After the switch auction held on April 29th (settled on May 4th) the nominal amount of debt to be redeemed in 2010 is equal to PLN 67.0bn (56% of total redemptions in 2010).

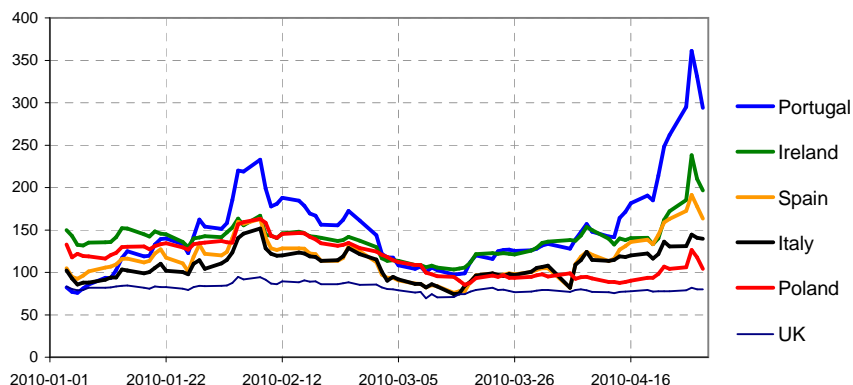
19 Reducing refinancing risk connected with T-bonds' redemptions (switch auctions, PLN bn)



Buy-back of T-bonds maturing in 2010 via switch auctions was as follows:

- PS0310: PLN 17.8bn (60% of initial outstanding),
- OK0710: PLN 1.7bn (21%),
- DS1110: PLN 5.9bn (21%).

20 CDS levels (5-year, bp)



Currently 5-year CDS contracts for Poland are traded at lower level than contracts for e.g. Portugal, Spain, Italy or Ireland.

21 Poland's rating

Rating agency	FC		LC		Outlook / Wqтч
	Long-term	Short-term	Long-term	Short-term	
Fitch	A-	F2	A	no	stable
Moody's	A2	P-1*	A2	no	stable
Standard & Poor's	A-	A-2	A	A-1	stable

* country ceiling
no – not rated

Poland's rating was last changed in 2007 (upgrades by Standard&Poor's and Fitch) and in 2002 (upgrade by Moody's).
Current information on Poland's rating and its historical changes are available on the Ministry's webpage:
www.mf.gov.pl -> [English version] -> Ministry of Finance -> Public debt -> Rating

22 New instrument of state budget liquidity management

- An agreement with Slovak Debt and Liquidity Management Agency (Ardal) on deposit facility denominated in EUR:
 - increasing the efficiency of investing foreign currency funds with limited credit risk,
 - possibility of placing short-term deposits in EUR on attractive conditions.
- Possibility of expanding cooperation in this area with other EU countries.