



MINISTRY OF FINANCE PUBLIC DEBT DEPARTMENT

NOVEMBER 2010

State budget borrowing requirements' financing plan and its background:

in November 2010

THE MOST IMPORTANT INFORMATION:

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1 T-bond auctions

Auction date	Settlement date	Series	Planned offer (PLN m)
17 NOV 2010	19 NOV 2010	DS1020	1,500-3,500

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)
10 NOV 2010/ 15 NOV 2010	The structure of sold bonds will result from the market situation	DS1110	12,539
		PS0511	23,243

3 T-bill auctions

T-bill auctions are not planned.

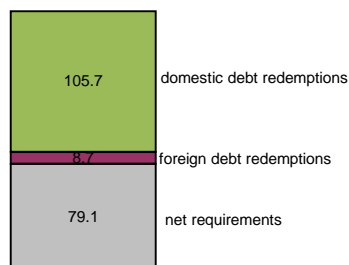
4 Offer on the retail market

T-bond	Issue price	Coupon
DOS1112	100.00 PLN (99.90 PLN for rolling-over)	Fixed, 4.00%
TZ1113	99.90 PLN	Floating (0.95 * WIBOR 6M), 3.85% in the first coupon period
COI1114	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.50%), 4.50% in the first coupon period
EDO1120	100.00 PLN	Floating (inflation rate + 3.00%), 5.25% in the first coupon period

1 Gross borrowing requirements in 2010

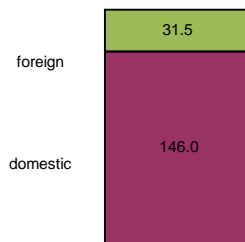
Gross borrowing requirements in 2010

Total PLN 193.5bn, of which:



Funding in I-X 2010 r.

Total PLN 177.5bn (92%)



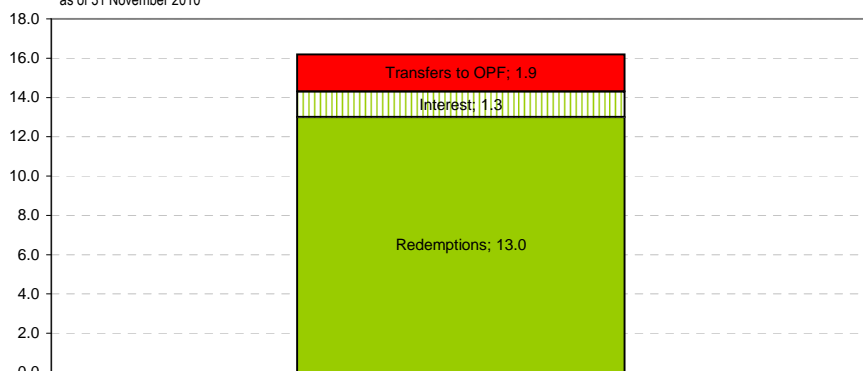
Funding of borrowing requirements after ten months of 2010 reached 92% which was mainly a result of:

- Treasury Securities issuance on the domestic market: PLN 141.4bn
- bonds issuance on the foreign market: PLN 27.2bn
- loans incurred from international financial institutions: PLN 4.3bn
- funds of 2009: PLN 4.6bn.

2 Flows of funds into the market related to T-bonds and T-bills and transfers to Open Pension Funds in November

(PLN bn)

as of 31 November 2010

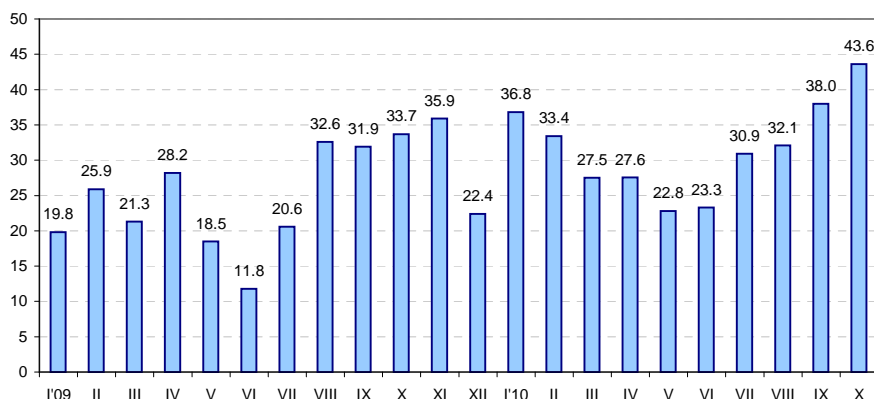


Flow of funds due to redemptions of Treasury Securities, interest payments and transfers from State budget to Open Pension Funds will amount to PLN 16.2bn. However this amount may be lower depending on the switch auction result in November 10, 2010.

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

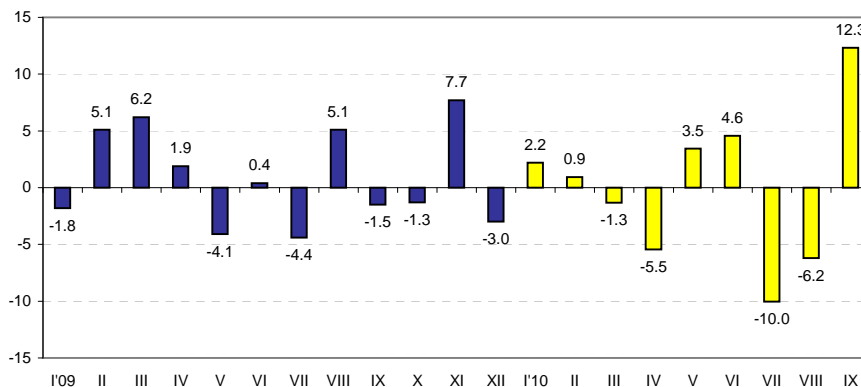
In November there are no T-bills redemptions. Simultaneously their sales are not planned either. That means there will be no change in T-bills outstanding. Current good state budget situation is the cause.

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)



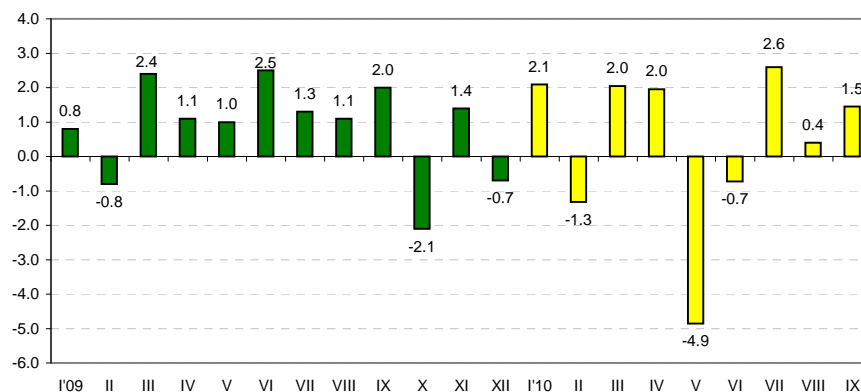
The funds ensure liquidity in borrowing needs financing.

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



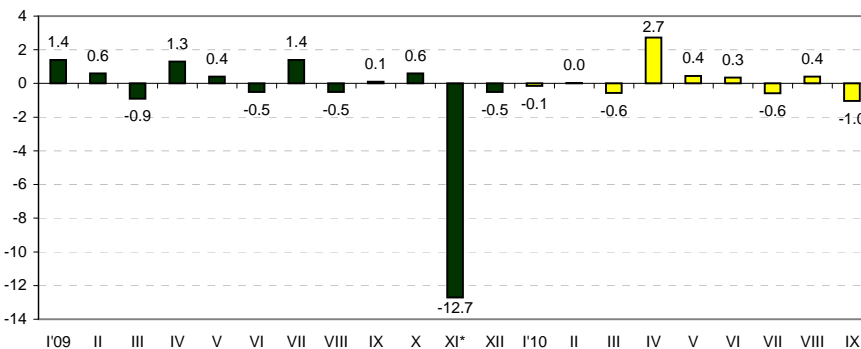
In the period of I-IX debt held by domestic banks decreased by PLN 0.5bn comparing to PLN 6.9bn increase during the same period of 2009.

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



In the period of I-IX debt held by pension funds increased by PLN 3.6bn comparing PLN 11.4bn increase during the same period of 2009.

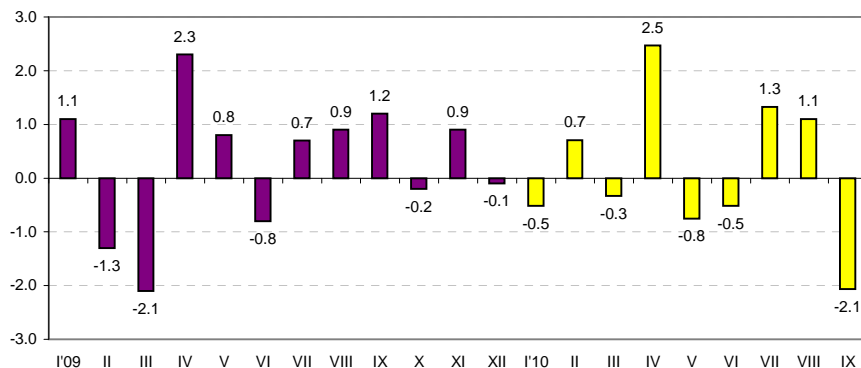
7 Change of debt in domestic Treasury securities held by insurance companies (PLN bn)



In the period of I-IX there was an increase of PLN 1.6bn in debt held by insurance companies. During the same period of 2009 there was an increase of PLN 3.3bn.

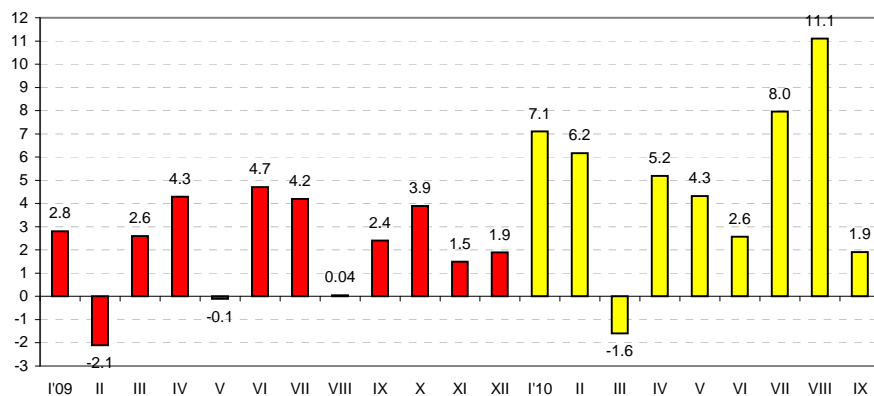
* dividend paid by PZU S.A.

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



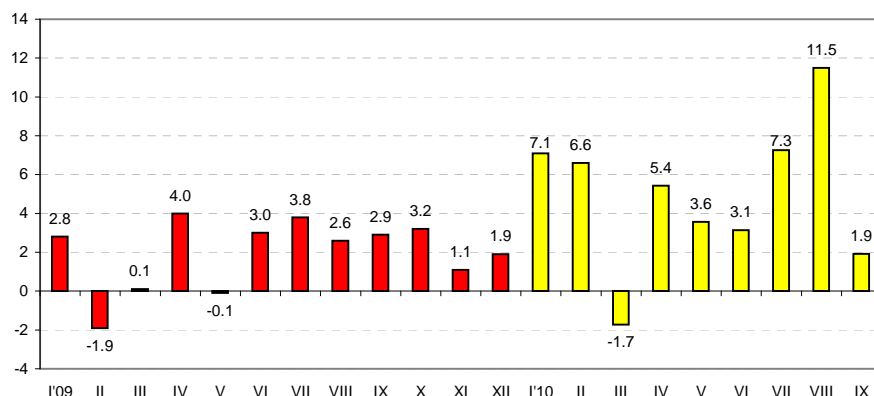
In the period of I-IX there was an increase of PLN 1.4bn in debt held by investment funds. During the same period of 2009 there was an increase of PLN 2.8bn.

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



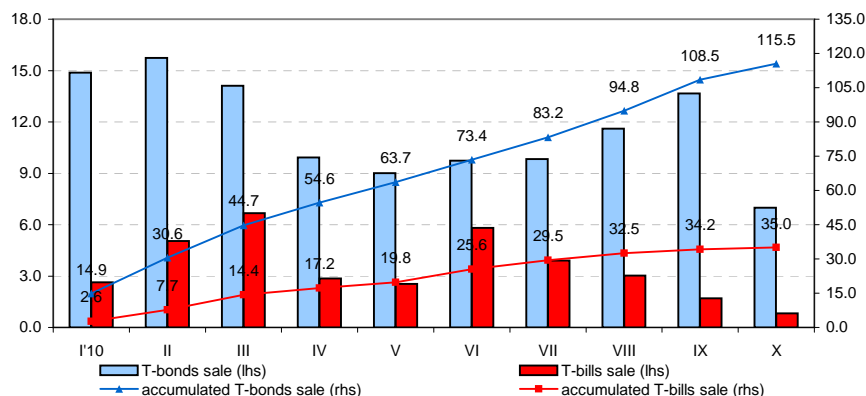
In the period of I-IX of 2010 inflow of foreign capital to the domestic TS market amounted to PLN 44.7bn comparing to PLN 18.8bn increase in the same period of 2009. Foreign investors' holdings reached record level of PLN of 126.5bn.

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



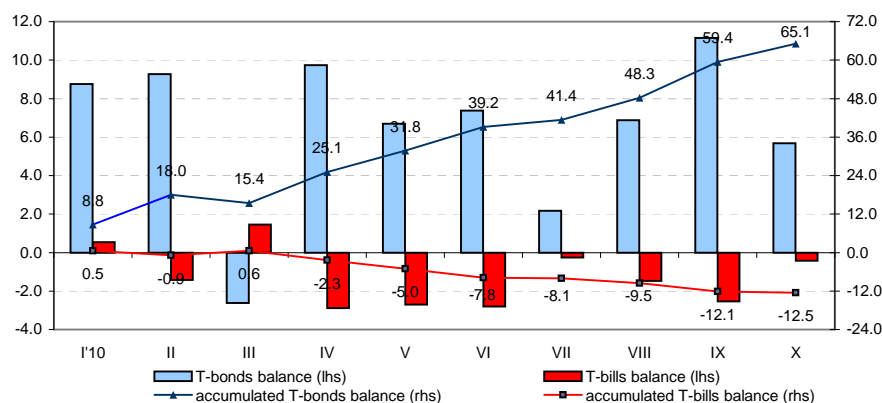
In the period of I-IX of 2010 inflow of foreign capital to domestic bonds market amounted to PLN 44.8bn comparing to PLN 17.2bn increase in the same period of 2009. Foreign investors' holdings reached PLN 123.6bn.

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



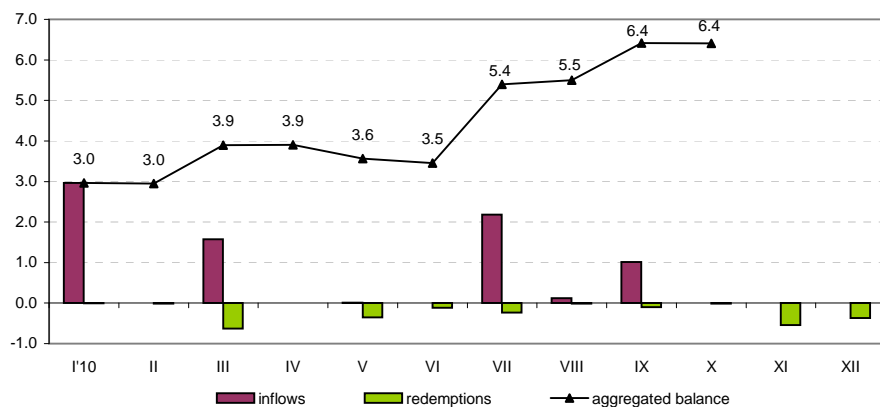
The structure of Treasury securities offered dominated by T-bonds (76.7% of total amount sold).

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



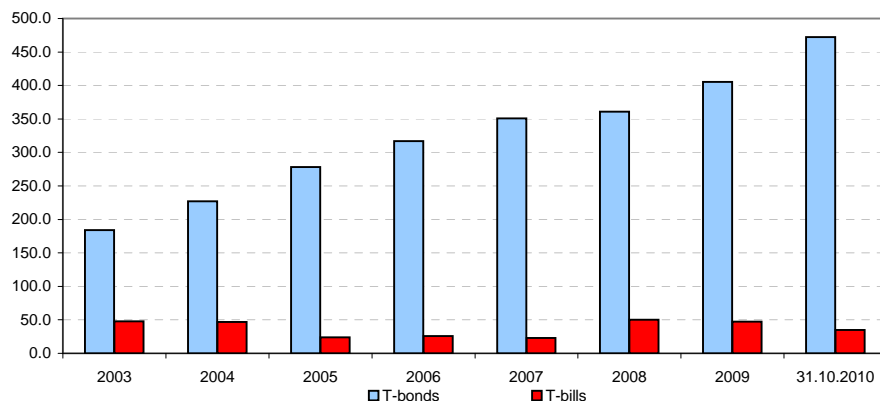
Indebtedness in T-bonds increased by PLN 65.1, whereas indebtedness in T-bills decreased by PLN 12.5bn.

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



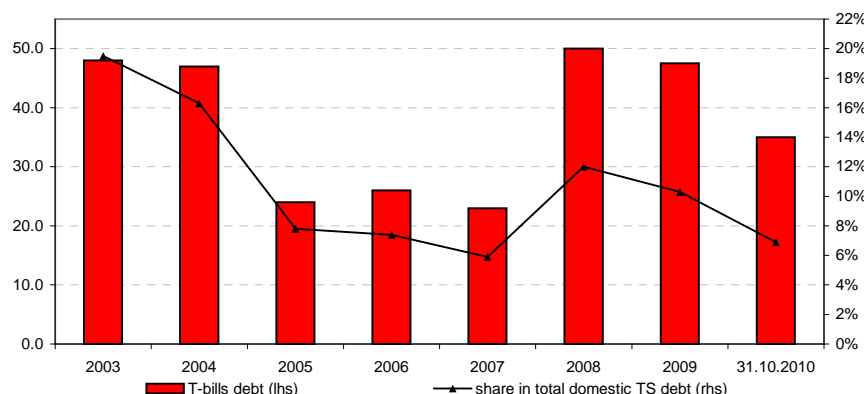
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 6.4bn. T-bonds issuance was EUR 6.8bn and EUR 1.1bn inflows from IFIs.

14 Structure of marketable debt
(PLN bn)



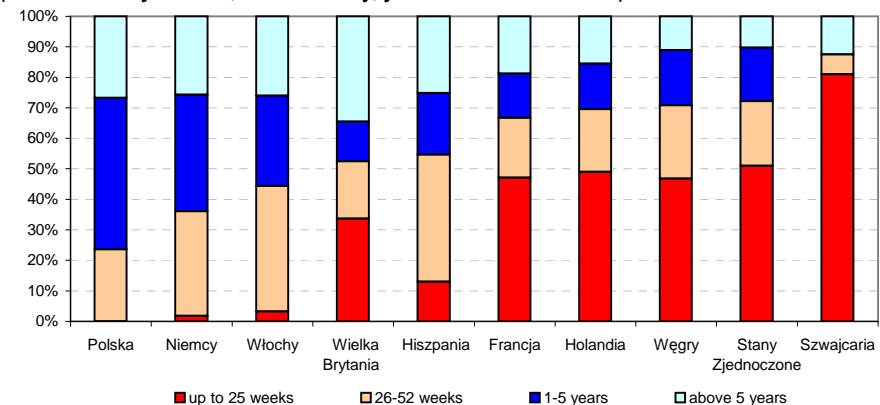
In November 2010 the marketable domestic debt amounted to PLN 507.1bn which was higher by PLN 5.5bn comparing to the previous month and by PLN 54.2bn from the beginning of the year. There is distinct T-bonds lead in the structure (93.1%).

15 T-bills outstanding
(PLN bn)



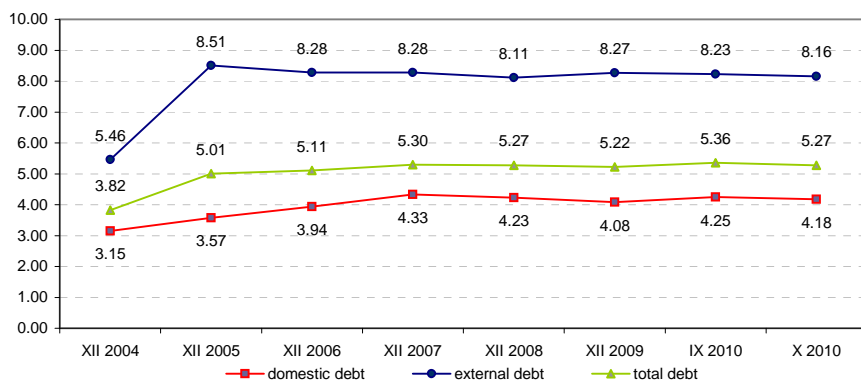
In the period of January - October indebtedness in T-bills decreased by PLN 12.5bn and its share in total domestic debt amounted to 6.9% at the end of October.

16 Maturity breakdown of T-securities in Poland and other countries
(auctions and syndicates, local currency, ytd as of 31 October 2010)



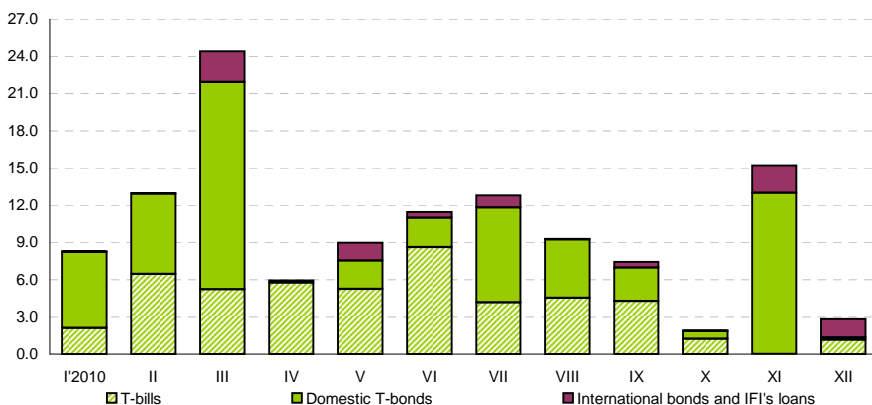
In terms of maturity, the sale of TS in Poland is dominated by securities with maturity over 1 year.

17 Average maturity



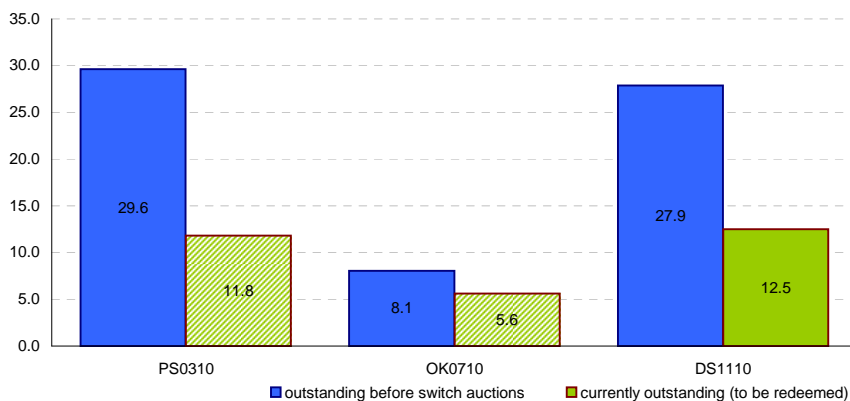
In October the average maturity of domestic debt was at 5.27.

18 State Treasury debt redemptions in 2010 (nominal amount, PLN bn, as of 31 October 2010)



The nominal amount of debt to be redeemed in 2010 is equal to PLN 18bn which makes up 14.8% of redemption of 2010. In 4th quarter there are T-bills of PLN 1.2bn only to be redeemed (2.5% of total T-bills redemption).

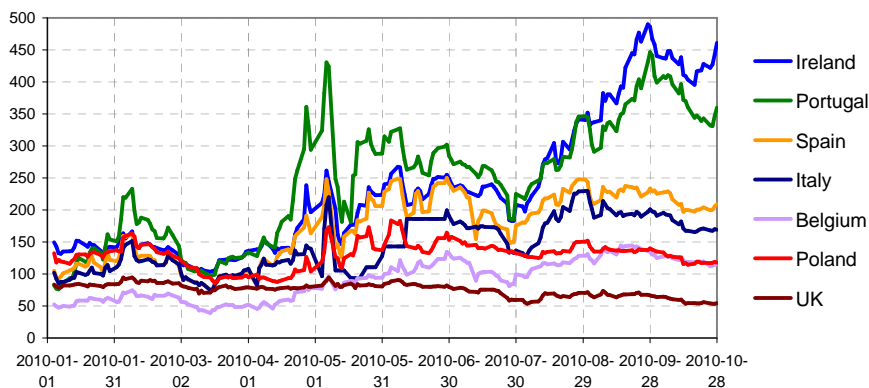
19 Reducing refinancing risk connected with T-bonds' redemptions maturing in 2010 (switch auctions, PLN bn)



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

- PS0310: PLN 17.8bn (60% of initial outstanding),
- OK0710: PLN 2.5bn (31%),
- DS1110: PLN 15.4bn (55%).

20 CDS levels (5-year, bp)



Currently 5-year CDS contracts for Poland are traded at clearly lower level than contracts for, among others, Portugal, Spain or Italy. Decreasing level of Polish contracts is approaching the Belgian CDS level and simultaneously it causes bigger and bigger difference in comparison to CDS contracts of the countries which are suffering financial troubles.