
State budget borrowing requirements' financing plan and its background:

in the first quarter of 2012

in January 2012

THE MOST IMPORTANT INFORMATION:

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Initial information on public debt in 2011

According to the latest MoF's estimations public debt to GDP ratio in 2011 was at the level not higher than 54%, which is below 55% threshold specified in the Public Finance Act.

1 General assumptions:

- In the first quarter of 2012 T-bond and T-bill auctions are planned to follow the announced yearly issuance calendar,
- Offer of T-bonds on the domestic market will depend on the market situation and consultations with investors,
- Offer of T-bills will result from the budgetary situation, level of issuance of T-bonds and foreign financing,
- Level of foreign financing will be determined by the situation on the international financial market,
- Auctions of bonds issued by BGK for the National Road Fund are not planned.

2 Offer of T-bonds on the domestic market:

- Sale auctions: 6 auctions, total supply PLN 18.0-29.0bn, structure of sold T-bonds will be dependent on the market situation,
- Switch auctions: T-bonds to be repurchased are securities maturing from January to July 2012. The structure of sold T-bonds will result from the market situation and the offer structure on the T-bond sale auctions in a given month.

3 Offer of T-bills:

- Possibility of holding up to 10 auctions, total supply of T-bills with term to maturity 49-52 weeks PLN 10.0-15.0bn, depending on the budgetary situation there is a possibility of issuance of T-bills with other term to maturity.

4 T-bond auctions on the domestic market:

- Sale auctions

Month	Auction date	Settlement date	Bond
January	12-01-2012*	16-01-2012	IZ0816 / PS1016 / WS0429
	19-01-2012*	25-01-2012	OK0114
February	09-02-2012*	13-02-2012	OK / PS
	16-02-2012*	20-02-2012	DS / WS / WZ / IZ
March	14-03-2012	16-03-2012	OK / PS
	21-03-2012	23-03-2012	DS / WS / WZ / IZ

* auction on Thursday

- Switch auctions

Month	Auction date	Settlement date
January	04-01-2012	09-01-2012
February	01-02-2012	03-02-2012
March	08-03-2012*	12-03-2012

* auction on Thursday

5 T-bill auctions:

Month	Auction date	Settlement date	T-bill	Maturity date
January	09-01-2012	11-01-2012	49 week	19-12-2012
	30-01-2012	01-02-2012	52 week	30-01-2013
February	06-02-2012	08-02-2012	51 week	30-01-2013
	13-02-2012	15-02-2012	50 week	30-01-2013
	20-02-2012	22-02-2012	49 week	30-01-2013
	27-02-2012	29-02-2012	52 week	27-02-2013
March	05-03-2012	07-03-2012	51 week	27-02-2013
	12-03-2012	14-03-2012	50 week	27-02-2013
	19-03-2012	21-03-2012	49 week	27-02-2013
	26-03-2012	28-03-2012	52 week	27-03-2013

6 Foreign financing:

- Loans from International Financial Institutions EUR 0.3bn,
- Possible issuance on the core international markets depending on the market situation,
- Possibility of additional financing by structured coupon bonds' issuance in the private placement system.

1 T-bond auctions

Auction date	Settlement date	Series	Planned offer (PLN m)
12 JAN 2012*	16 JAN 2012	IZ0816 / PS1016 / WS0429	1,000-4,000
19 JAN 2012*	25 JAN 2012	OK0114	3,000-6,000

* 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)
4 JAN 2012/ 9 JAN 2012	WZ0115 / WZ0121 / DS1021	OK0112	12,532
		PS0412	24,206
		OK0712	24,778

3 T-bill auctions

Auction date	Settlement date	T-bill	Maturity date	Planned offer (PLN m)
09 JAN 2012	11 JAN 2012	49 week	19 DEC 2012	1,000-2,000
30 JAN 2012	01 FEB 2012	52 week	30 JAN 2013	1,000-3,000

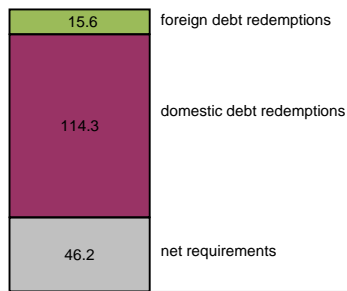
3 Offer on the retail market

T-bond	Issue price	Coupon
DOS0114	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
COI0116	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.50%), 5.00% in the first coupon period
EDO0122	100.00 PLN	Floating (inflation rate + 3.00%), 5.75% in the first coupon period

1 Gross borrowing requirements in 2012

Gross borrowing requirements in 2012

Total PLN 176.1bn, of which:



Funding in January

Total PLN 31.6bn (18%)

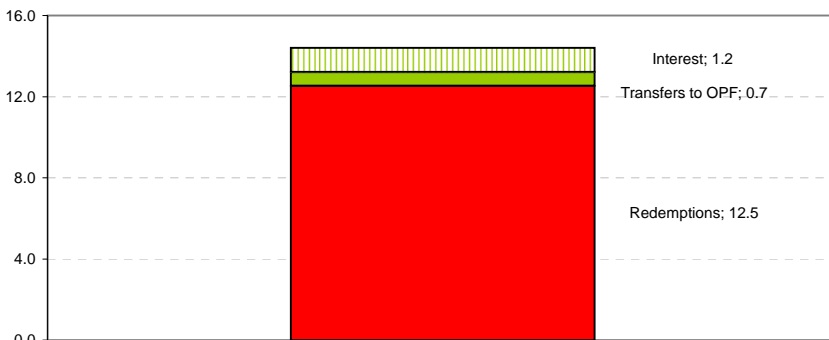


Funding of borrowing requirements was a result of:

- Treasury bills buyback maturing in 2011: PLN 4.5bn,
- Treasury bonds buyback on foreign markets in 2011: PLN 0.2bn,
- rolling over of Treasury bonds by switch auctions in 2011: PLN 15.2bn,
- higher than planned financial resources at the end of 2011: PLN 11.7bn.

2 Flows of funds into the market related to T-bonds and T-bills and transfers to Open Pension Funds in January 2012

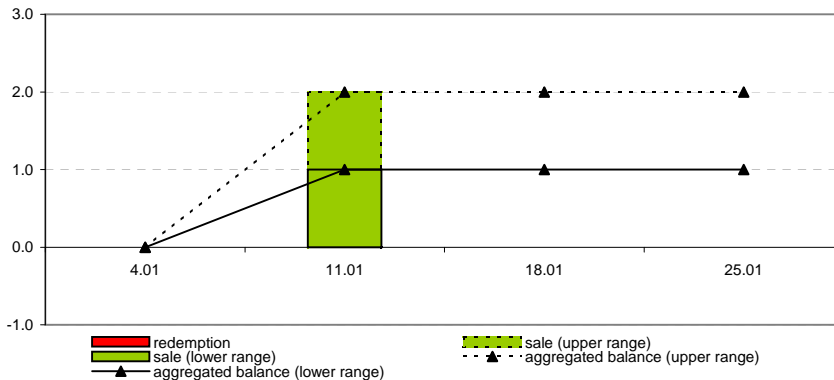
(PLN bn, as of December 31, 2011)



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 14.4bn and it shall possibly be lower due to switch auction of some T-bonds maturing in January, which is to be held on January, 4th.

3 Sale and redemption of T-bills and T-bonds in January 2012

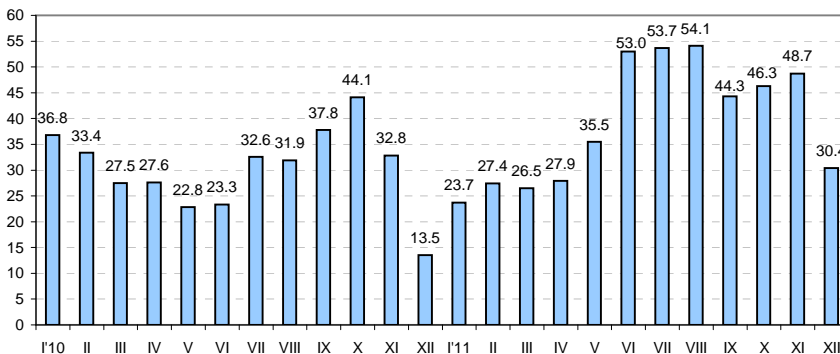
(settlement date, PLN bn)



Assumed change of T-bills debt in January (by settlement date) will increase in range of PLN 1.0 - 2.0bn.

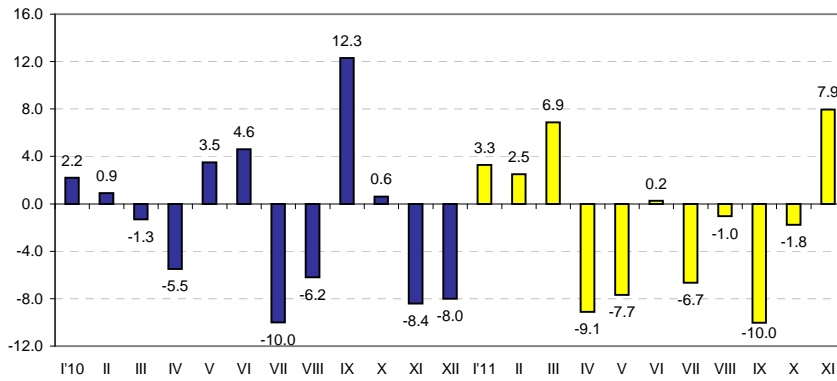
4 Funds in PLN and in foreign currency held by MoF at the end of month

(foreign currency funds include funds from debt issuance and received from the European Commission, PLN bn)



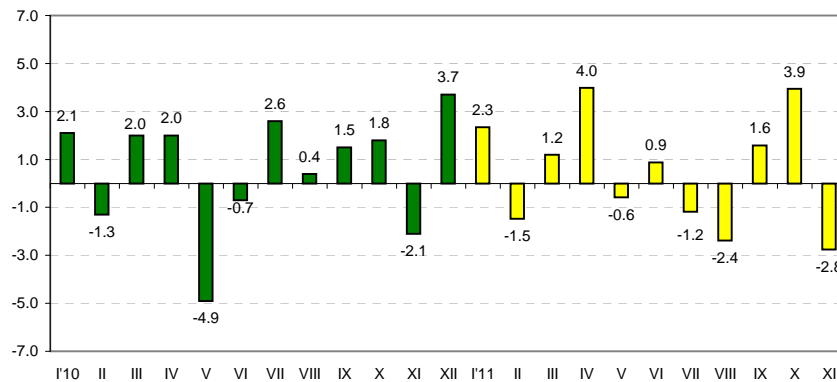
The funds ensure liquidity in borrowing needs financing.

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



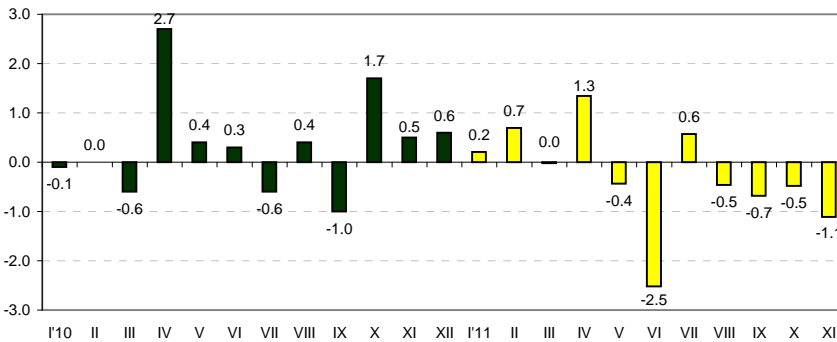
In the period of I-XI 2011 debt held by domestic banks decreased by PLN 15.4bn comparing to PLN 7.3bn decrease during the same period of 2010.

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



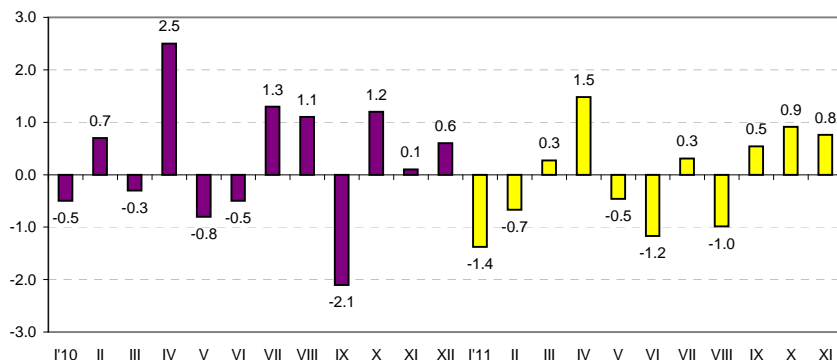
In the period of I-XI 2011 debt held by pension funds increased by PLN 5.6bn comparing to PLN 3.4bn increase during the same period of 2010.

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



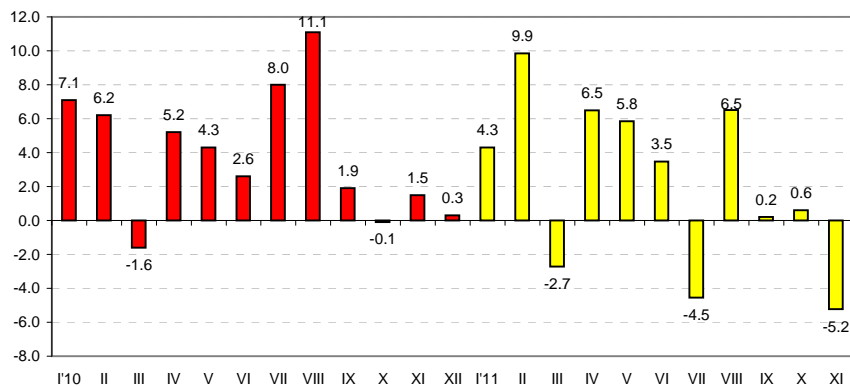
In the period of I-XI 2011 there was a decrease of PLN 2.9bn in debt held by insurance companies. During the same period of 2010 there was an increase of PLN 3.7bn.

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



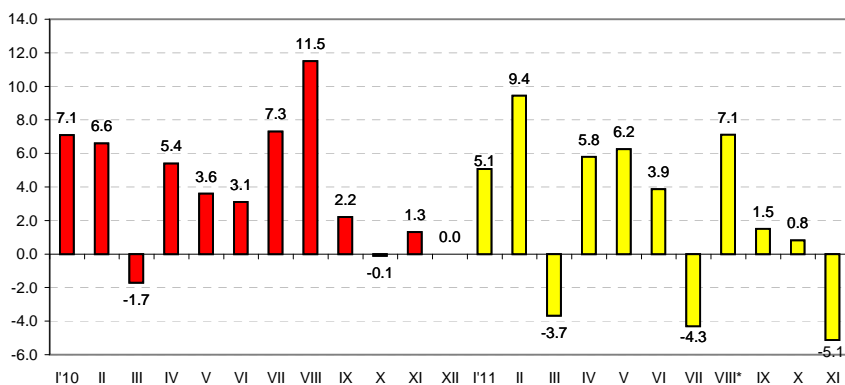
In the period of I-XI 2011 there was a decrease of PLN 0.4bn in debt held by investment funds. During the same period of 2010 there was an increase of PLN 2.7bn.

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



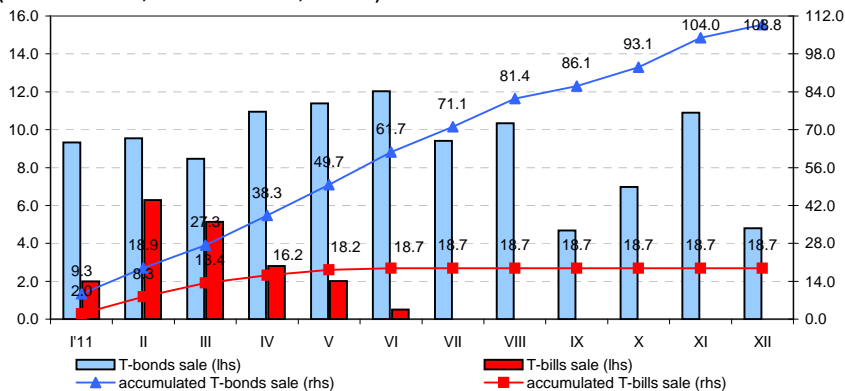
In the period of I-XI of 2011 inflow of foreign capital to the domestic TS market amounted to PLN 24.8bn comparing to PLN 46.2bn increase in the same period of 2010. Foreign investors' holdings reached the level of PLN of 153.1bn.

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



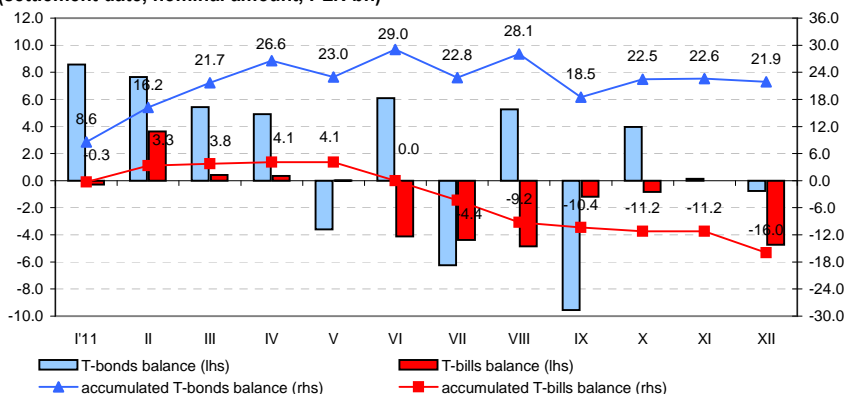
In the period of I-XI of 2011 inflow of foreign capital to domestic bonds market amounted to PLN 26.7bn comparing to PLN 46.3bn increase in the same period of 2010. Foreign investors' holdings reached the level of PLN 151.5bn.

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



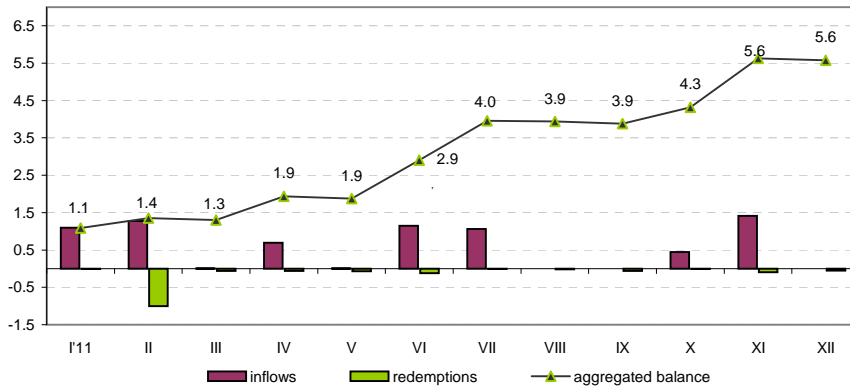
The structure of Treasury securities offered on domestic market in 2011 is dominated by T-bonds (85.3%).

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



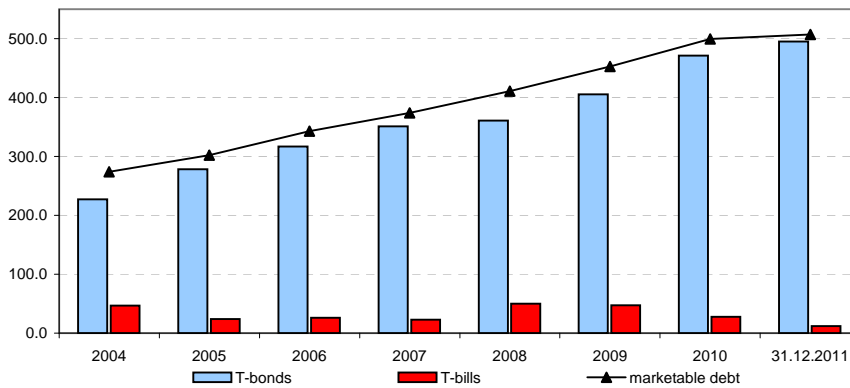
Indebtedness in T-bonds increased by PLN 21.9bn while indebtedness in T-bills decreased by PLN 16.0bn.

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



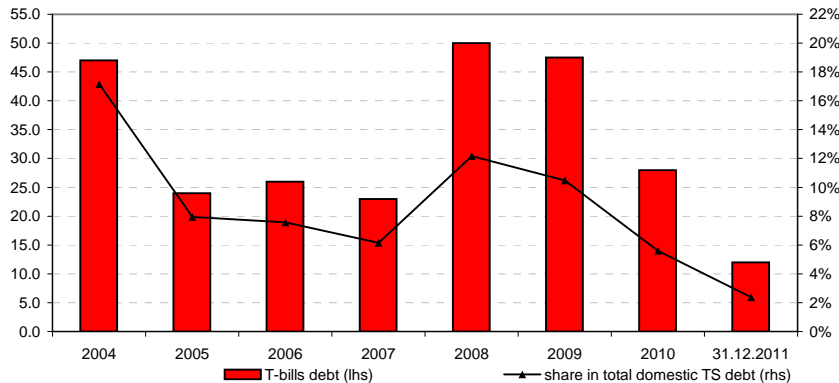
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 5.6bn. T-bonds issuance was EUR 4.9bn. Loans incurred from IFIs were at the level of EUR 2.2bn.

14 Structure of marketable debt
(PLN bn)



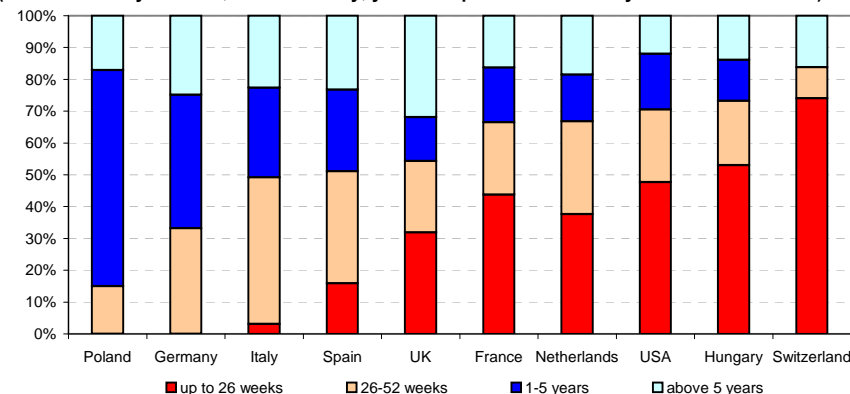
At the end of December 2011 the marketable domestic debt amounted to PLN 507.2bn comparing to PLN 499.3bn at the end of 2010.

15 T-bills outstanding
(PLN bn)



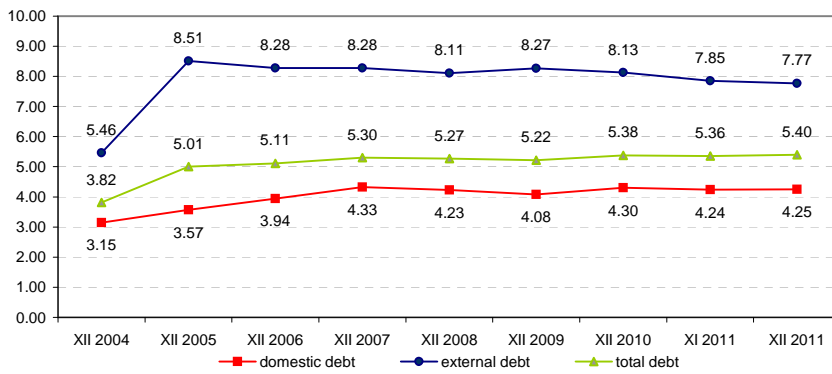
In the period of January - December 2011 indebtedness in T-bills decreased by PLN 16.0bn to the level of PLN 12.0bn. T-bills share in total domestic debt amounted to 2.4% which was historically record low level.

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



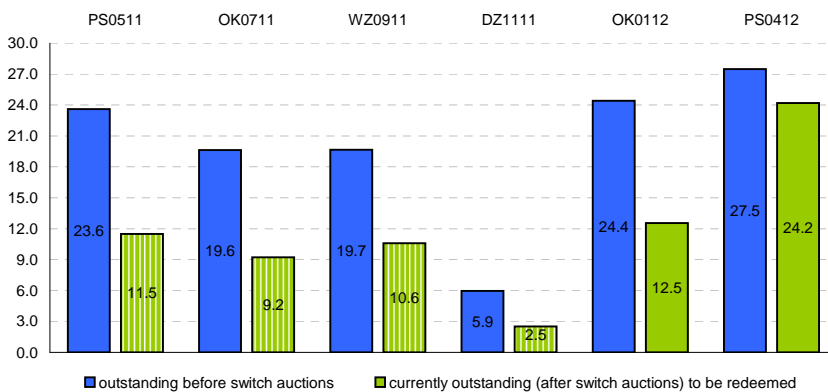
In terms of maturity, the sale of TS in Poland in 2011 is dominated by securities with maturity over 1 year.

17 Average maturity



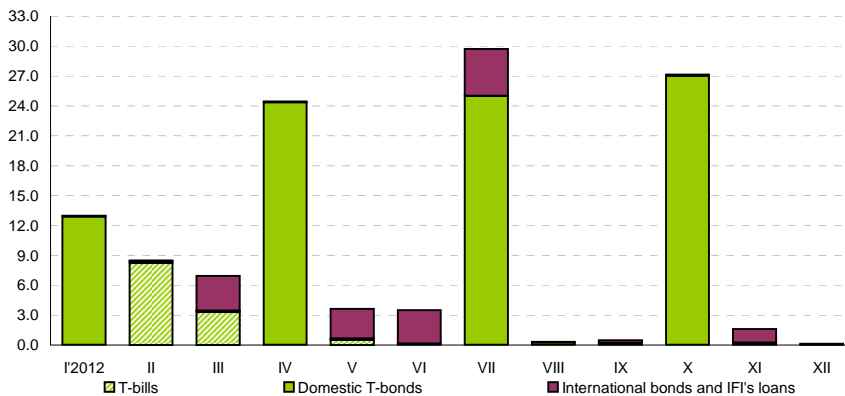
In December 2011 the average maturity of domestic debt was at 5.40 - a slight increase in comparison with the end-2010 figure.

18 Reducing refinancing risk connected with T-bonds' redemptions maturing in 2011 and 2012 (switch auctions, PLN bn, as of 31 December 2011)



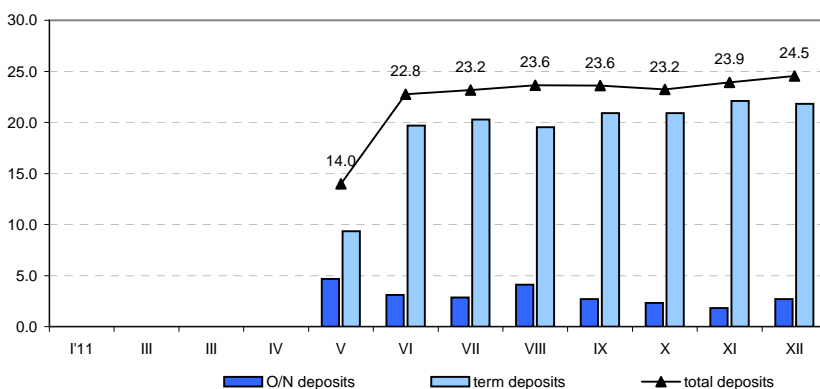
Buy-back of T-bonds maturing in 2012 and 2012:
 - PS0511: PLN 12.1bn (51% of initial outstanding),
 - OK0711: PLN 10.4bn (53% of initial outstanding),
 - WZ0911: PLN 9.1bn (46% of initial outstanding),
 - DZ1111: PLN 3.4bn (57% of initial outstanding),
 - OK0112: PLN 11.9bn (49% of initial outstanding),
 - PS0412: PLN 3.3bn (12% of initial outstanding).

19 State Treasury debt redemptions in 2012 (nominal amount, PLN bn, as of 31 December 2011)



The nominal amount of debt to be redeemed in 2012 is equal to PLN 119.5bn, including:
 - T-bills: PLN 12.0bn,
 - T-bonds on domestic market: PLN 90.7bn,
 - bonds and loans incurred in foreign markets: PLN 16.8bn.

20 Consolidation of public finances liquidity management (PLN bn)



As a result of consolidation of public finances liquidity management there were PLN 24.5bn funds accumulated at the end of December, of which PLN 21.8bn was as term deposits and PLN 2.7bn on O/N deposits.