
State budget borrowing requirements' financing plan and its background:

in September 2012

THE MOST IMPORTANT INFORMATION:

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1 T-bond auctions

Auction date	Settlement date	Series	Planned offer (PLN m)
19 SEP 2012	24 SEP 2012	Choice among: WZ0121 / DS1021 / IZ0823 depending on the market conditions	2,000-4,000

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 is entitled to organize non-competitive auctions where bonds will be sold at a minimum price of bids accepted at the sale auction.

2 T-bond switching auction

Auction / settlement date	Settlement T-bonds	Source T-bonds	Outstanding (PLN m)
6 SEP 2012* / 10 SEP 2012	WZ0117 / PS0417	OK1012	20,262
		OK0113	23,096

* auction on Thursday

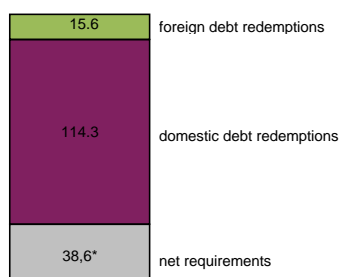
3 Offer on retail market

T-bond	Issue price	Coupon
DOS0914	100.00 PLN (99.90 PLN for rolling-over)	Fixed, 4,50%
TOZ0915	99.90 PLN	Floating (1.00 * WIBOR 6M), 5,13% in the first coupon period
COI0916	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.25%), 5.50% in the first coupon period
EDO0922	100.00 PLN	Floating (inflation rate + 2.50%), 6.00% in the first coupon period

1 Gross borrowing requirements in 2012

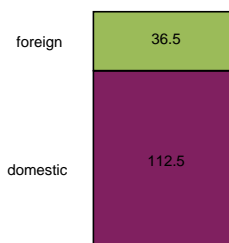
Gross borrowing requirements in 2012

Total PLN 168.5bn*, of which:



Funding in the period of I-VIII

Total PLN 149.0bn (89%)

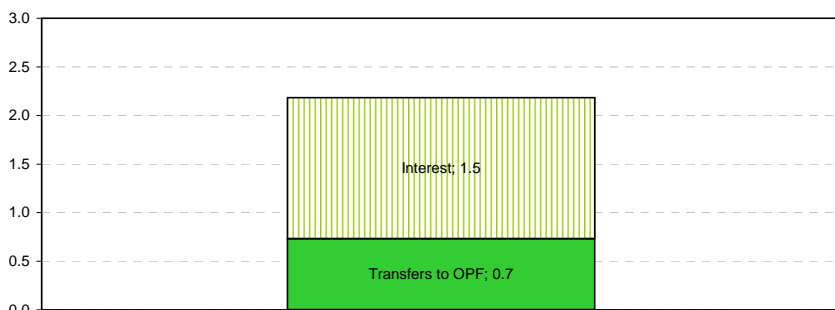


* expected execution acc. to assumptions set in the draft Budget Act for 2013

Funding of borrowing requirements was a result of:

- T-bills buyback in 2011: PLN 4.5bn,
- rolling over of T-bonds by switch auctions in 2011: PLN 15.2bn,
- T-bonds buyback on foreign markets in 2011: PLN 0.2bn,
- higher than planned financial resources at the end of 2011: PLN 11.9bn,
- T-securities sale on domestic market: PLN 92.5bn,
- T-bonds issuance on foreign markets: PLN 19.1bn,
- and loans incurred from IFIs: PLN 5.5bn.

2 Flows of funds into the market related to T-bonds and T-bills and transfers to Open Pension Funds in September 2012 (PLN bn, as of August 31, 2012)

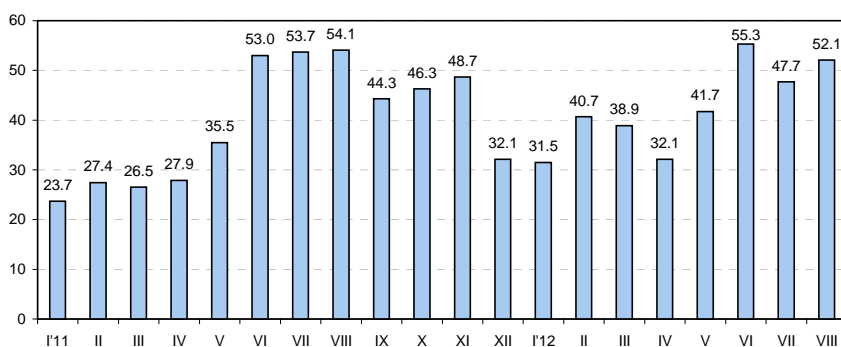


As of August 31, 2012 flow of funds due to redemptions of T-securities, interest payments and transfers from State budget to Open Pension Funds shall amount to ca. PLN 2.2bn.

3 Sale and redemption of T-bills in September 2012 (settlement date, PLN bn)

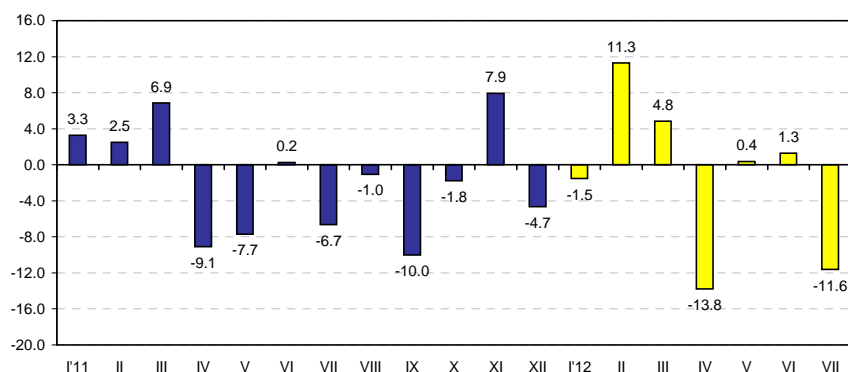
No T-bill auctions are planned in September. Simultaneously there are no such securities maturing in the given month - thus no change in T-bills outstanding. No T-bills sales result from the good actual State budget stance.

4 Funds in PLN and in foreign currency held by the MoF at the end of month (foreign currency funds include funds from debt issuance and received from the European Commission, PLN bn)



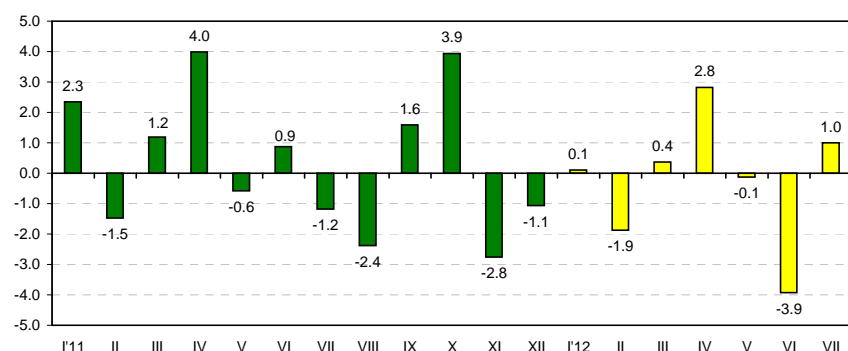
The funds ensure liquidity in borrowing needs financing.

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



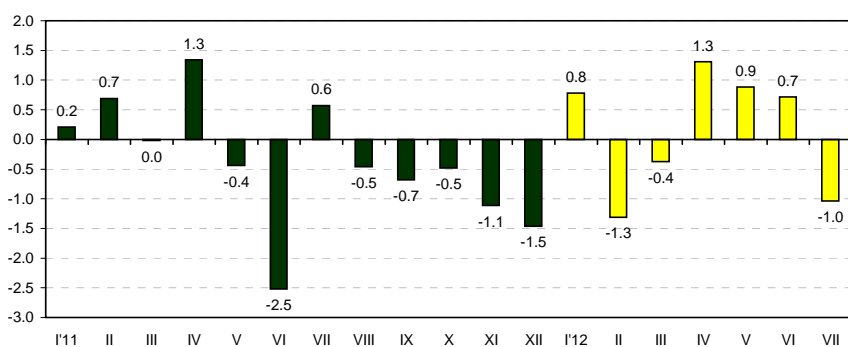
In the period of I-VII 2012 debt held by domestic banks decreased by PLN 9.1bn comparing to PLN 10.5bn decrease during the same period of 2011.

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



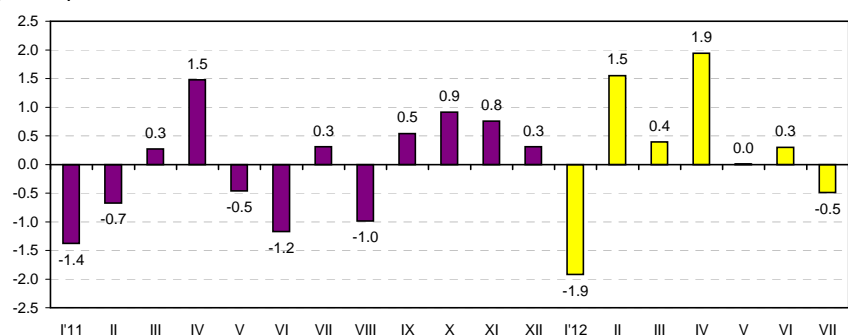
In the period of I-VII 2012 debt held by pension funds decreased by PLN 1.6bn comparing to PLN 5.2bn increase during the same period of 2011.

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



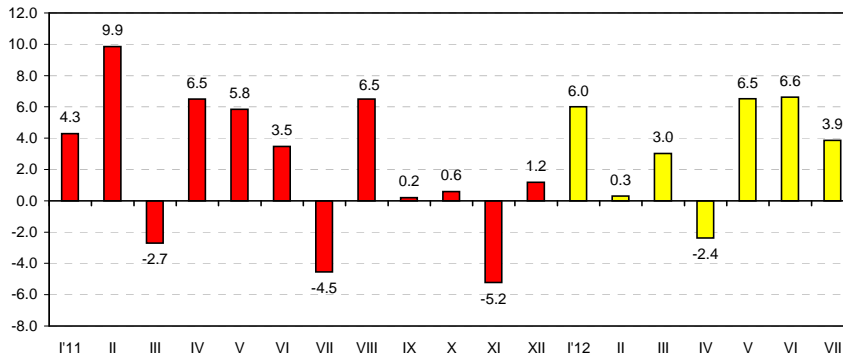
In the period of I-VII 2012 there was an increase of PLN 1.0bn in debt held by insurance companies. During the same period of 2011 there was a decrease of PLN 0.2bn.

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



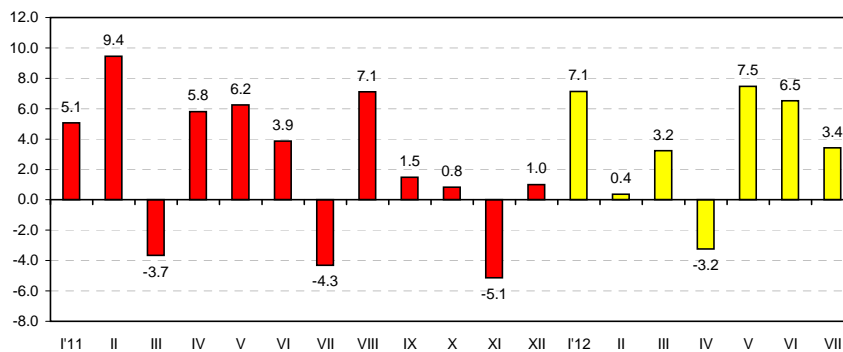
In the period of I-VII 2012 there was an increase of PLN 1.8bn in debt held by investment funds. During the same period of 2011 there was a decrease of PLN 1.6bn.

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



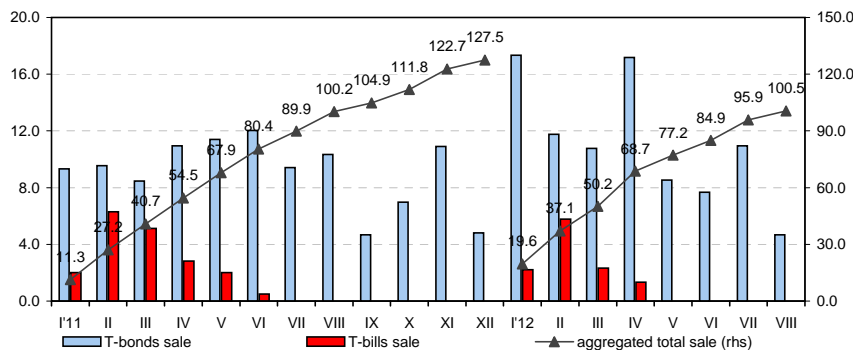
In the period of I-VII 2012 inflow of foreign capital to the domestic TS market amounted to PLN 24.0bn comparing to PLN 22.7bn increase in the same period of 2011. Foreign investors' holdings reached the record high level of PLN of 178.2bn.

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



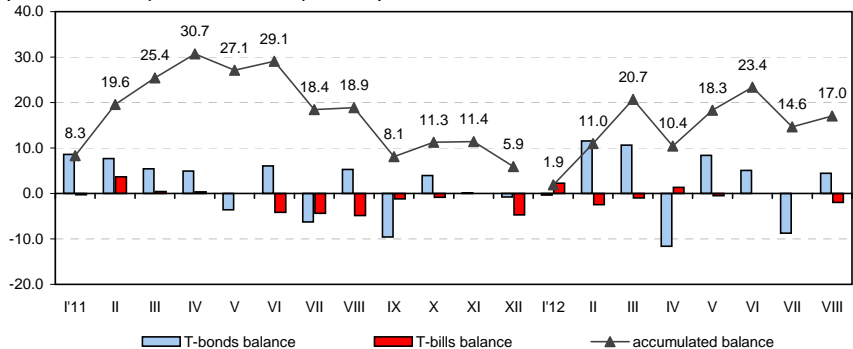
In the period of I-VII 2012 inflow of foreign capital to domestic bonds market amounted to PLN 24.9bn comparing to PLN 22.4bn increase in the same period of 2011. Foreign investors' holdings reached the record level of PLN 177.4bn.

11 Sale of T-bonds and T-bills in the period of January - August 2012 and in 2011 (settlement date, nominal amount, PLN bn)



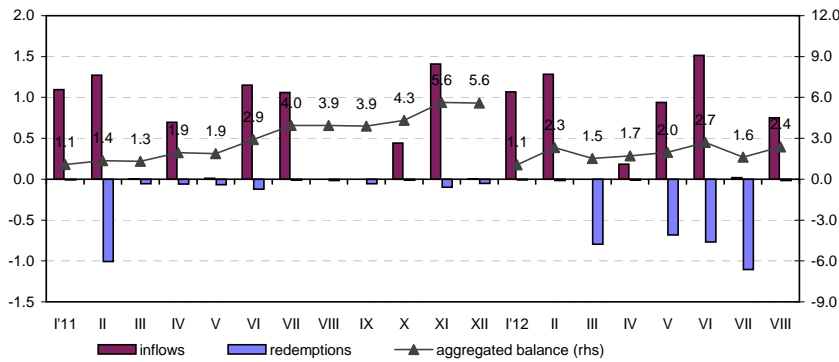
The structure of Treasury securities offered in 2012 is dominated by T-bonds (88% of total amount sold).

12 Balance of T-bonds and T-bills in the period of January - August 2012 and in 2011 (settlement date, nominal amount, PLN bn)



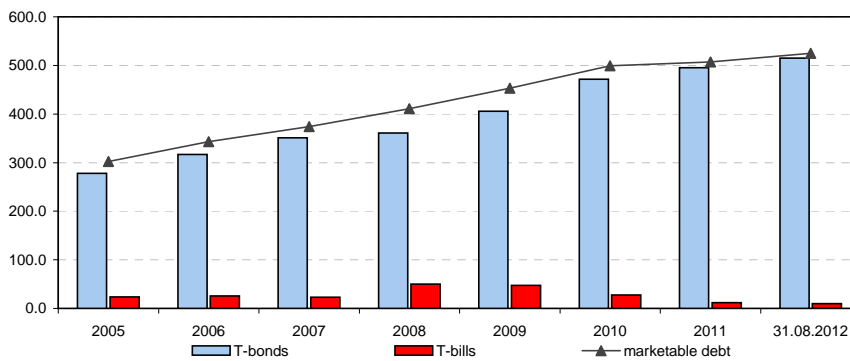
Indebtedness in T-bonds in the period of I-VIII 2012 increased by PLN 19.4bn while indebtedness in T-bills decreased by PLN 2.3bn.

13 External financing in the period of January - August 2012 and in 2011
(bonds issued on foreign markets and loans received from IFIs, settlement date, EUR bn)



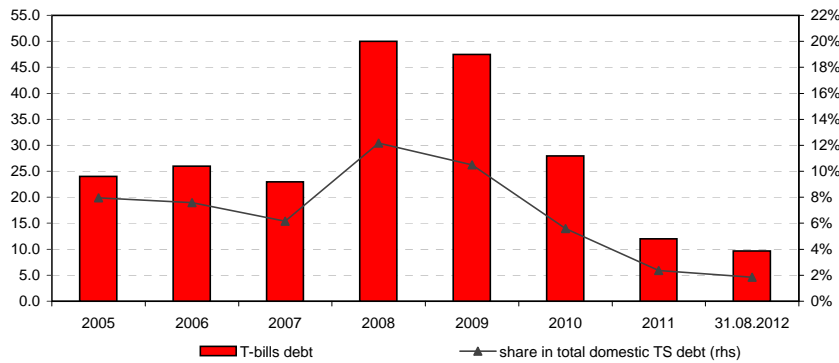
Net financing on foreign markets (bonds issuance and loans from IFIs) amounted to EUR 2.4bn. T-bonds issuance was EUR 4.5bn. Loans incurred from IFIs were at the level of EUR 1.3bn. Apart from those, EUR 2.7bn on the FX budgetary accounts was available - the money related to the foreign debt management raised and not spent in 2011.

14 Structure of marketable debt (PLN bn)



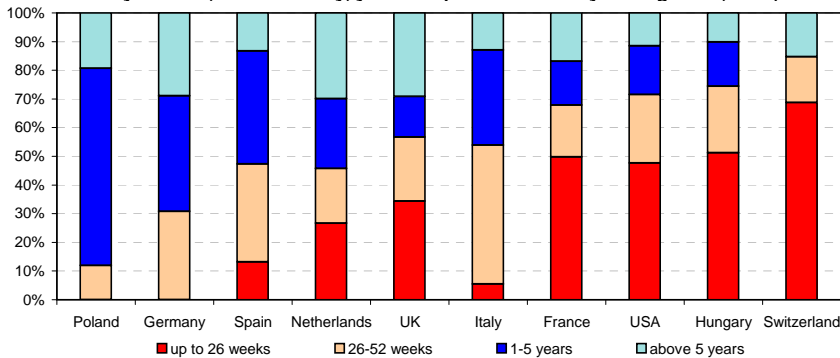
At the end of August 2012 the marketable domestic debt amounted to PLN 524.9bn comparing to PLN 507.2bn at the end of 2011.

15 T-bills outstanding (PLN bn)



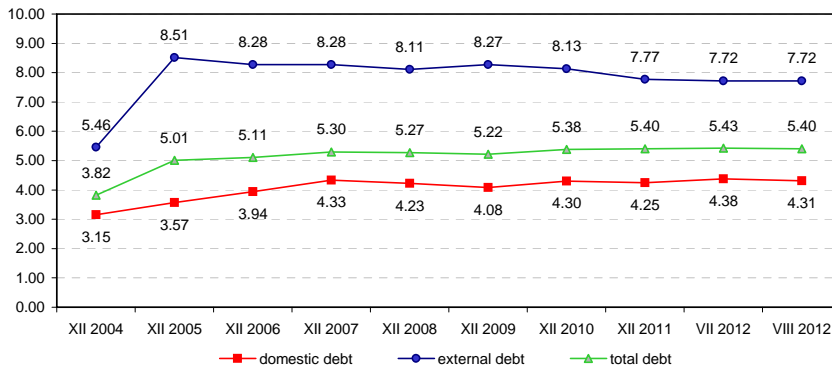
In August 2012 indebtedness in T-bills decreased by PLN 2.3bn to the level of PLN 9.7bn. T-bills share in total domestic debt amounted to 1.8% at the end of the month.

16 Maturity breakdown of T-securities in Poland and other countries
(auctions and syndicates, local currency, ytd in the period of January 1 - August 31, 2012)



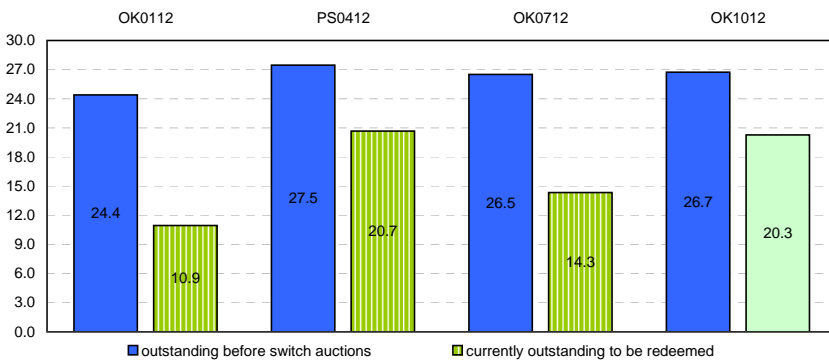
In terms of maturity, the sale of TS in Poland in 2012 is dominated by securities with maturity over 1 year.

17 Average maturity



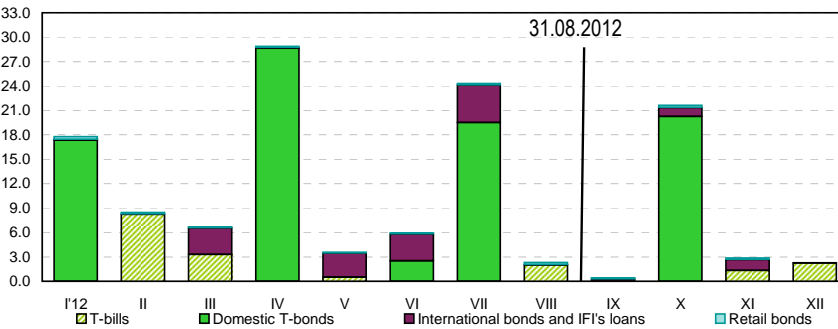
At the end of August 2012 the average maturity of domestic debt increased to 4.31 in comparison with the end-2011 figure (4.25).

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



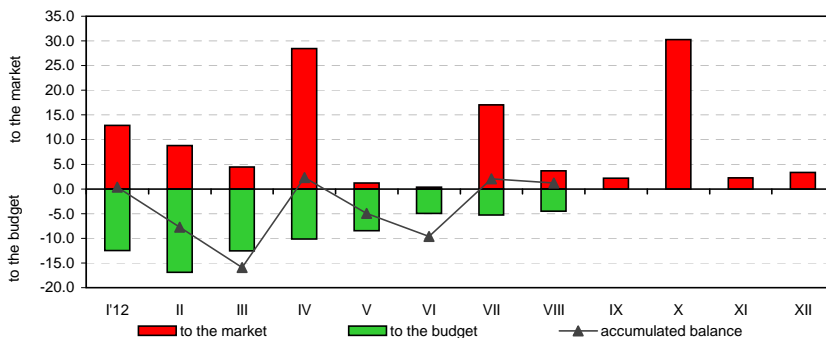
Buy-back of T-bonds maturing in 2012:
 - OK0112: PLN 13.5bn (55% of initial outstanding),
 - PS0412: PLN 6.8bn (25% of initial outstanding),
 - OK0712: PLN 12.2bn (46% of initial outstanding),
 - OK1012: PLN 6.5bn (24% of initial outstanding).

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



The nominal amount of debt to be redeemed in 2012 is equal to PLN 27.3bn, including:
 - T-bills: PLN 3.6bn,
 - T-bonds on domestic market: PLN 20.3bn,
 - T-retail bonds: PLN 0.8bn,
 - bonds and loans incurred on foreign markets: PLN 2.8bn.

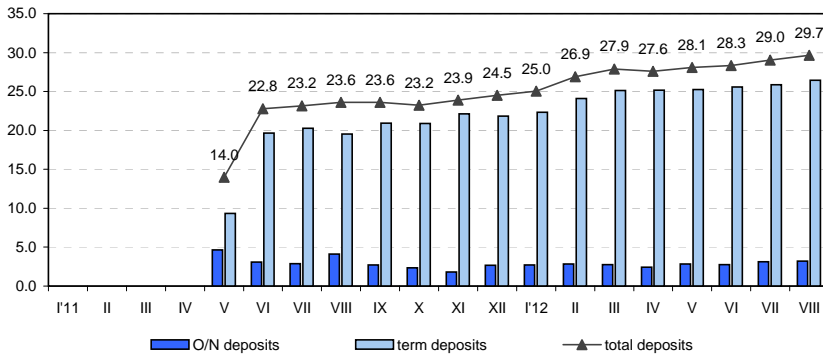
20 Flows of funds between the market and the budget* (PLN bn, as of 31 August 2012)



As of August 31, 2012 to the end of the year the proceeds from the redemptions and interest payments to the market shall amount to PLN 34.5bn. Additionally PLN 3.6bn will be transferred to the Open Pension Funds. Proceeds from the TS issuance in the above-mentioned period shall bring ca. PLN 18.0bn to the budget.

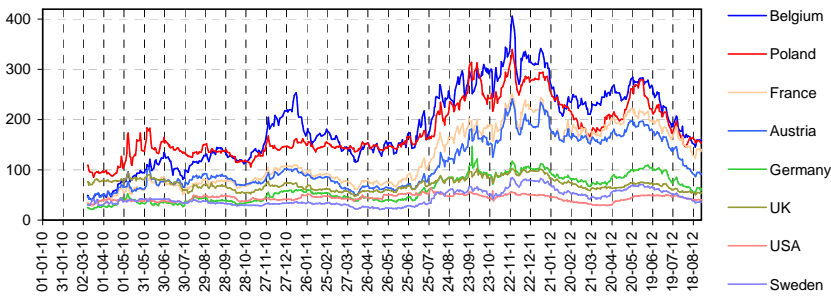
* figures include sale, redemptions and interest payments on wholesale bonds and bills and transfers to Open Pension Funds; monthly financing plans depend on market situation and feedback from investors thus the detailed schedule of monthly flows to budget in the following months is not presented.

21 Consolidation of public finances liquidity management (PLN bn)



As a result of consolidation of public finances liquidity management there were PLN 29.7bn funds accumulated at the end of August, of which PLN 26.4bn was as term deposits and PLN 3.2bn on O/N deposits.

22 CDS levels (5-year, bp)



Polish 5-year CDS contracts are traded at the slightly lower level than the Belgian CDS and at the levels close to CDS contracts of France.