Quarterly Refunding Charts

U.S. Department of the Treasury
Office of Debt Management
February 1, 2010
Estimated net marketable borrowing for Q2 and Q3 FY 2010

• Net marketable borrowing in Q2 (January-March) is expected to be $392 billion.

• Net marketable borrowing in Q3 (April-June) is expected to be $268 billion.

• These estimates do not include incremental borrowing needs that would result from a potential increase in issuance under the Supplementary Financing Program (SFP).
• Nominal coupons raised the majority of cash in the first quarter of the fiscal year.

• Supplementary Financing Program (SFP) redemptions accounted for the majority of the pay down in bills during the quarter.

<table>
<thead>
<tr>
<th>Treasury Marketable Financing</th>
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<tr>
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<table>
<thead>
<tr>
<th>Treasury Marketable Financing (in billions)</th>
<th>Q1-FY 2010</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 1, 2009 - December 31, 2009</td>
<td>October 1, 2008 - September 30, 2009</td>
</tr>
<tr>
<td>Bills (includes SFPs)</td>
<td>Issued</td>
<td>Matured</td>
</tr>
<tr>
<td></td>
<td>$1,452.4</td>
<td>$1,651.4</td>
</tr>
<tr>
<td>Nominal coupons</td>
<td>$598.9</td>
<td>$153.5</td>
</tr>
<tr>
<td>TIPS</td>
<td>$14.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Total</td>
<td>$2,065.3</td>
<td>$1,804.9</td>
</tr>
</tbody>
</table>

*Note: Negative SOMA activity represents redemptions. Positive SOMA activity represents additional issuance of securities, made possible by redemptions in maturing securities with the same settlement date; these are offsetting transactions and are net cash neutral.

• Large cash outflows on February 15 include maturing 3-, 5- and 10-year notes. May 15 outflows include maturing 3- and 5-year notes.

<table>
<thead>
<tr>
<th>Marketable Treasury Coupon Flows (including SOMA)</th>
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</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Maturing Coupon Securities</th>
<th>Coupon Payments</th>
<th>Total Outflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 15, 2010</td>
<td>57</td>
<td>27</td>
<td>84</td>
</tr>
<tr>
<td>February 28, 2010</td>
<td>29</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>March 15, 2010</td>
<td>15</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>March 31, 2010</td>
<td>32</td>
<td>5</td>
<td>37</td>
</tr>
<tr>
<td>April 15, 2010</td>
<td>47</td>
<td>2</td>
<td>49</td>
</tr>
<tr>
<td>April 30, 2010</td>
<td>33</td>
<td>5</td>
<td>38</td>
</tr>
<tr>
<td>May 15, 2010</td>
<td>38</td>
<td>21</td>
<td>59</td>
</tr>
<tr>
<td>May 31, 2010</td>
<td>32</td>
<td>5</td>
<td>37</td>
</tr>
</tbody>
</table>
Volatility in cash balances continues to pose challenges.

Elevated cash balances at the end of December 2009 were related, in part, to repayments of TARP.

Net marketable borrowing for Q1 FY 2010 was $260 billion compared to $569 billion during the same period in the prior year.

SFP bills were paid down by $160 billion in Q1 FY 2010.
- State and Local Government Series Securities were paid down by $2.4 billion in Q1 FY 2010 Q1. This was the smallest pay down since the $3.3 billion observed in Q1 FY 2008.

<table>
<thead>
<tr>
<th>Fiscal Quarter</th>
<th>State and Local Govt. Series</th>
<th>Savings Bonds</th>
<th>Foreign Series</th>
</tr>
</thead>
<tbody>
<tr>
<td>I 05</td>
<td>1.1</td>
<td>-2.2</td>
<td>-8.5</td>
</tr>
<tr>
<td>II</td>
<td>16.6</td>
<td>-6.8</td>
<td>-7.8</td>
</tr>
<tr>
<td>III</td>
<td>16.3</td>
<td>-8.5</td>
<td>-15.1</td>
</tr>
<tr>
<td>IV</td>
<td>4.1</td>
<td>-5.7</td>
<td>-17.6</td>
</tr>
<tr>
<td>106</td>
<td>15.7</td>
<td>-7.8</td>
<td>-9.1</td>
</tr>
<tr>
<td>II</td>
<td>15.7</td>
<td>-11.9</td>
<td>-9.3</td>
</tr>
<tr>
<td>III</td>
<td>21.0</td>
<td>-15.1</td>
<td>-20.3</td>
</tr>
<tr>
<td>IV</td>
<td>24.4</td>
<td>-17.6</td>
<td>-5.2</td>
</tr>
</tbody>
</table>

- Treasury has reduced reliance on bill financing over the past calendar year, moving from 84% in December 2008 to 70% in December 2009.

Note: Previous releases of Quarterly marketable issuance data were based on 4-quarter rolling averages and excluded CMBs. This data is based on actual quarterly marketable issuance through December 31, 2009, including CMBs.
• Inflation-adjusted TIPS outstanding stood at $568 billion at the end of December 2009.

• Growth in nominal coupons outstanding slowed during the past quarter.
Debt Portfolio Projections

Assumptions used in the next 3 charts:

- Net financing projections for FY 2010-2020 are based on OMB FY 2011 Budget estimates. Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical auction sizes. Excluding 30-year TIPS, initial sizes are based on announced coupon amounts as of December 31, 2009 and the outstanding level of bills on December 31, 2009. The initial size for 30-year TIPS is based on the average announced amount for 20-year TIPS in 2009.
- Projections exclude cash management bills.
- Projections assume no change to future issuance patterns.

Using the above assumptions, over the next 10 years:

- Average maturity of total outstanding and average maturity of issuance settle to approximately 68 and 79 months, respectively.
- The percent of debt with 3 years or less to maturity is projected to decline to 53%.
• Average maturity of total debt outstanding rose by 6 months between March 2009 and December 2009, from 49 months to 55 months.

• If future financing needs were spread proportionally following current issuance patterns, the proportion of debt composed of longer-term securities would increase.
The percentage of debt maturing within the next three years is at historical lows.

Maturing 2-, 3- and 5-year notes will add to near-term financing needs.
• The rate of decline in year-over-year corporate tax receipts slowed in Q1 FY 2010. In the past, changes in corporate tax receipts have led changes in individual withheld and non-withheld receipts.

• Marketable financing needs remain volatile due to uncertainty surrounding projected revenues, non-marketable debt issuance and outlays related to ongoing recovery programs.

• Treasury’s current securities offerings provide flexibility to address a wide range of borrowing scenarios.
Primary dealers currently estimate a FY 2010 deficit of $1.357 trillion, approximately $200 billion below the Administration’s projection.

Recent deficit projections have been relatively stable.

<table>
<thead>
<tr>
<th></th>
<th>Primary Dealers*</th>
<th>CBO</th>
<th>OMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010 Deficit Estimates</td>
<td>1,357</td>
<td>1,349</td>
<td>1,556</td>
</tr>
<tr>
<td>FY 2011 Deficit Estimates</td>
<td>1,121</td>
<td>980</td>
<td>1,267</td>
</tr>
<tr>
<td>FY 2010 Deficit Range</td>
<td>900-1750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2011 Deficit Range</td>
<td>750-1800</td>
<td></td>
<td></td>
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<tr>
<td>FY 2010 Marketable Borrowing Range</td>
<td>1000-1750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2011 Marketable Borrowing Range</td>
<td>750-1600</td>
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</tbody>
</table>

* Based on Primary Dealer feedback on January 28, 2010. Deficit estimates are averages.

Comparing Deficit Estimates for FY 2010 since February 2009

Office of Debt Management
The pace of decline in year-over-year corporate tax receipts has slowed.