

# State Treasury Debt

## Monthly newsletter

Warsaw, November 20, 2015

# September 2015

At the end of September 2015 State Treasury (ST) debt amounted to **PLN 837,652.5 million** which meant:

- increase by PLN 18,489.4m (2.3%) in September 2015,
- increase by PLN 57,714.1m (7.4%) in comparison to the end of 2014.

Increase in debt in September 2015 resulted mainly from:

- increase in budget accounts balance (PLN +11.7bn) mainly as a result of positive balance of bond issuance and drawing of loans from WB (EUR +0.9bn) and EBI (EUR +0.1bn),
- financing of State budget deficit (PLN +5.3bn),
- early repayment of FMF loan<sup>3)</sup>.

Increase in debt since the end of 2015 resulted mainly from:

- financing of State budget deficit (PLN +31.1bn),
- increase in budget accounts balance (PLN +14.5bn),
- FX rates movements (PLN +5.4bn).

Increase in the balance of deposits from public finance sector entities (pfse) and court deposits, related with an implementation of the 2<sup>nd</sup> stage of liquidity management consolidation, contributed to lowering of borrowing requirements (by PLN 10.7bn since the end of 2014) and simultaneously caused an increase in ST debt due to deposits from pfse<sup>5)</sup> and court deposits<sup>6)</sup> (by PLN 10.5bn). In total, consolidation facilitates lower ST debt by PLN 0.2bn and public debt by PLN 6.6bn (after excluding mutual obligations of pfse).

**Table 1. Factors affecting change in the State Treasury debt (PLN billion)**

	Sep 2015 – Aug 2015	Sep 2015 – Dec 2014
<b>Change in the State Treasury debt</b>	<b>18.5</b>	<b>57.7</b>
<b>1. State budget borrowing requirements (1.1 – 1.2 + 1.3 + 1.4 + 1.5 + 1.6 + 1.7):</b>	<b>4.5</b>	<b>24.6</b>
1.1. State budget deficit	5.3	31.1
1.2. European Union funds budget balance	0.0	0.0
1.3. Pension reform costs <sup>1)</sup>	0.2	2.3
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from pfse and court deposits balance	-0.1	-10.7
1.6. Granted loans balance	0.0	3.4
1.7. Other borrowing requirements <sup>2)</sup>	-0.8	-1.5
<b>2. Changes not resulting from State budget borrowing requirements:</b>	<b>13.8</b>	<b>22.6</b>
2.1. FX rates movements	0.1	5.4
2.2. Changes in budget accounts balance	11.7	14.5
2.3. Early repayment of FMF loan <sup>3)</sup>	1.6	1.6
2.4. Other factors <sup>4)</sup>	0.4	1.0
<b>3. Change in other State Treasury debt:</b>	<b>0.2</b>	<b>10.5</b>
3.1. Deposits from pfse <sup>5)</sup>	0.3	6.4
3.2. Court deposits <sup>6)</sup>	-0.1	4.1
3.3. Other ST debt	0.0	0.0

<sup>1)</sup> Funds transferred to Social Security Fund (FUS) as compensation for contributions transferred to open pension funds (OFE)

<sup>2)</sup> Mainly: changes in pre-financing balance

<sup>3)</sup> Loan associated with financing of programme of F-16 planes purchase

<sup>4)</sup> TS discount, TS indexation, sell-buy-back transactions

<sup>5)</sup> Deposits received from pfse with legal personality

<sup>6)</sup> Court deposits from pfse with legal personality and entities from outside pfs

**Table 2. State Treasury debt by instrument (PLN million)**

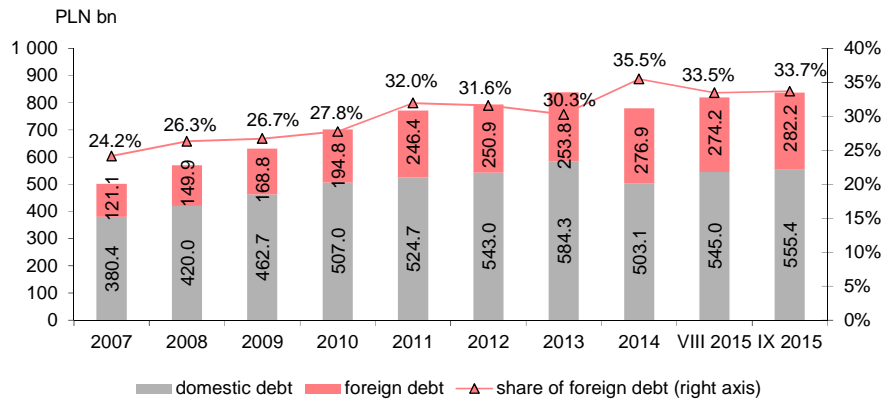
	Dec 2014	structure Dec 2014 %	Aug 2015	structure Aug 2015 %	Sep 2015	structure Sep 2015 %	change Sep 2015 – Aug 2015		change Sep 2015 – Dec 2014	
							PLN m	%	PLN m	%
<b>State Treasury debt</b>	<b>779,938.4</b>	<b>100.0</b>	<b>819,163.1</b>	<b>100.0</b>	<b>837,652.5</b>	<b>100.0</b>	<b>18,489.4</b>	<b>2.3</b>	<b>57,714.1</b>	<b>7.4</b>
<b>I. Domestic ST debt</b>	<b>503,079.0</b>	<b>64.5</b>	<b>544,992.3</b>	<b>66.5</b>	<b>555,441.4</b>	<b>66.3</b>	<b>10,449.1</b>	<b>1.9</b>	<b>52,362.4</b>	<b>10.4</b>
1. Treasury securities (TS)	491,841.3	63.1	523,451.4	63.9	533,708.2	63.7	10,256.9	2.0	41,867.0	8.5
1.1. Marketable TS	482,942.8	61.9	514,209.8	62.8	524,393.8	62.6	10,184.0	2.0	41,451.0	8.6
- Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	482,942.8	61.9	514,209.8	62.8	524,393.8	62.6	10,184.0	2.0	41,451.0	8.6
1.2. Savings bonds	8,898.5	1.1	9,241.6	1.1	9,314.4	1.1	72.9	0.8	416.0	4.7
2. Other ST debt	11,237.8	1.4	21,540.9	2.6	21,733.1	2.6	192.2	0.9	10,495.4	93.4
<b>II. Foreign ST debt</b>	<b>276,859.4</b>	<b>35.5</b>	<b>274,170.9</b>	<b>33.5</b>	<b>282,211.1</b>	<b>33.7</b>	<b>8,040.2</b>	<b>2.9</b>	<b>5,351.7</b>	<b>1.9</b>
1. TS issued in foreign markets	208,420.1	26.7	207,357.4	25.3	211,336.9	25.2	3,979.5	1.9	2,916.7	1.4
2. Loans	68,439.2	8.8	66,810.2	8.2	70,874.2	8.5	4,064.0	6.1	2,435.0	3.6
3. Other ST debt	0.0	0.0	3.3	0.0	0.0	0.0	-3.3	-99.9	0.0	-

**Table 3. State Treasury debt by holder (PLN million)**

	Dec 2014	structure Dec 2014 %	Aug 2015	structure Aug 2015 %	Sep 2015	structure Sep 2015 %	change Sep 2015 – Aug 2015		change Sep 2015 – Dec 2014	
							PLN m	%	PLN m	%
<b>State Treasury debt</b>	<b>779,938.4</b>	<b>100.0</b>	<b>819,163.1</b>	<b>100.0</b>	<b>837,652.5</b>	<b>100.0</b>	<b>18,489.4</b>	<b>2.3</b>	<b>57,714.1</b>	<b>7.4</b>
<b>I. State Treasury debt towards residents</b>	<b>323,045.9</b>	<b>41.4</b>	<b>353,938.9</b>	<b>43.2</b>	<b>363,028.0</b>	<b>43.3</b>	<b>9,089.1</b>	<b>2.6</b>	<b>39,982.1</b>	<b>12.4</b>
<b>Domestic banking sector</b>	<b>165,722.6</b>	<b>21.2</b>	<b>183,485.7</b>	<b>22.4</b>	<b>191,358.0</b>	<b>22.8</b>	<b>7,872.3</b>	<b>4.3</b>	<b>25,635.4</b>	<b>15.5</b>
- domestic instruments	150,800.1	19.3	169,960.9	20.7	176,672.0	21.1	6,711.1	3.9	25,871.9	17.2
- foreign instruments	14,922.6	1.9	13,524.8	1.7	14,686.0	1.8	1,161.3	8.6	-236.5	-1.6
<b>Domestic non-banking sector</b>	<b>157,323.2</b>	<b>20.2</b>	<b>170,453.2</b>	<b>20.8</b>	<b>171,669.9</b>	<b>20.5</b>	<b>1,216.7</b>	<b>0.7</b>	<b>14,346.7</b>	<b>9.1</b>
- domestic instruments	156,293.0	20.0	169,394.8	20.7	170,596.8	20.4	1,202.0	0.7	14,303.8	9.2
- foreign instruments	1,030.2	0.1	1,058.4	0.1	1,073.2	0.1	14.7	1.4	43.0	4.2
<b>II. State Treasury debt towards non-residents</b>	<b>456,892.6</b>	<b>58.6</b>	<b>465,224.2</b>	<b>56.8</b>	<b>474,624.5</b>	<b>56.7</b>	<b>9,400.3</b>	<b>2.0</b>	<b>17,732.0</b>	<b>3.9</b>
- domestic instruments	195,986.0	25.1	205,636.6	25.1	208,172.6	24.9	2,536.0	1.2	12,186.7	6.2
- foreign instruments	260,906.6	33.5	259,587.6	31.7	266,451.9	31.8	6,864.3	2.6	5,545.3	2.1

## ST debt according to the place of issue criterion

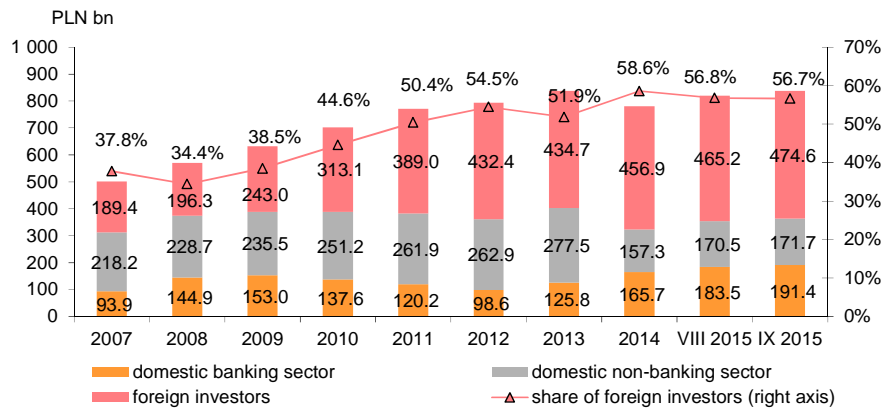
In September 2015 the share of debt in foreign currencies in total ST amounted to 33.7%, i.e. increased by 0.2 pp m/m and simultaneously decreased by 1.8 pp compared to the end of 2014. The share increase in September resulted mainly from issuance bond denominated in EUR (EUR 1bn) and drawing of loans in WB (EUR 0.9bn) and EBI (EUR 0.1bn). The debt management strategy assumes reduction in foreign debt share in total debt below 30% level.



## ST debt by holder

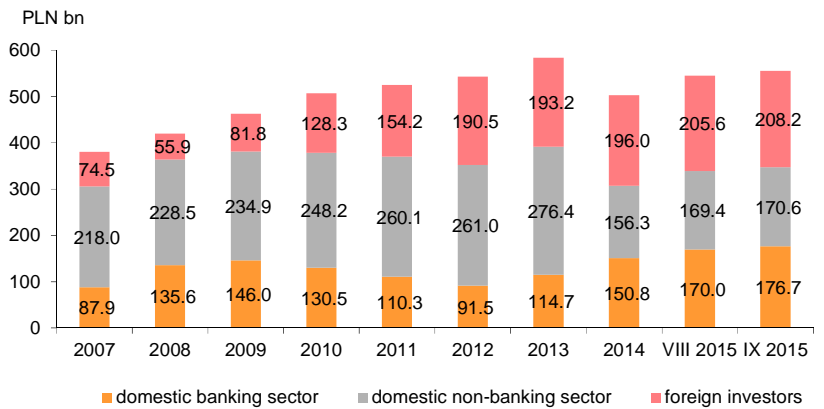
In September 2015 the share of foreign investors in total ST debt amounted to 56.7%, decreasing by 0.1 pp m/m and by 1.9 pp compared to the end of 2014. Decline in the share in September resulted mainly from:

- lower, compared to residents, increase in non-residents domestic debt holdings which along with lower level of domestic debt held by these investors had significant impact on decrease in non-residents share in total ST debt.
- high (compared to the debt level) increase in residents' holdings of debt in foreign currencies – by PLN 1.2bn (to PLN 15.8bn), in case of non-residents an increase amounted to PLN 6.9bn (to the level of PLN 266.5bn).



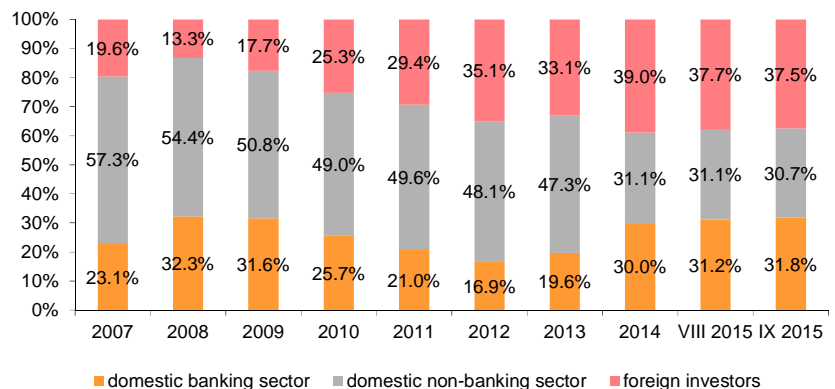
## Domestic ST debt by holder

In September 2015 residents increased their domestic ST debt holdings by PLN 7.9bn – growth primarily applied to banking sector (PLN +6.7bn), to a lesser extent to non-banking sector (PLN +1.2bn). In September 2015 non-residents increased their portfolios by PLN 2.5bn. Since the beginning of 2015 the largest increase in domestic debt holdings was recorded by domestic investors – banking sector (PLN 25.9bn) and than non-banking sector (PLN +14.3bn). Compared to the end of 2014 an increase in non-residents holdings amounted to PLN 12.2bn.



## Structure of domestic ST debt by holder

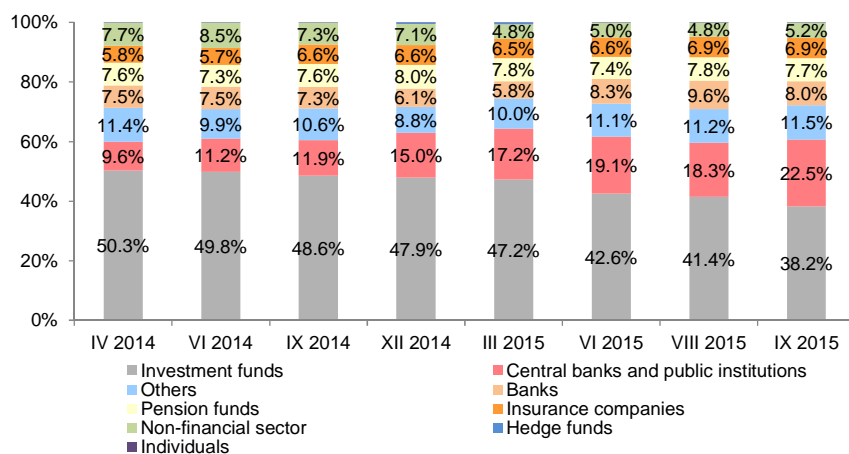
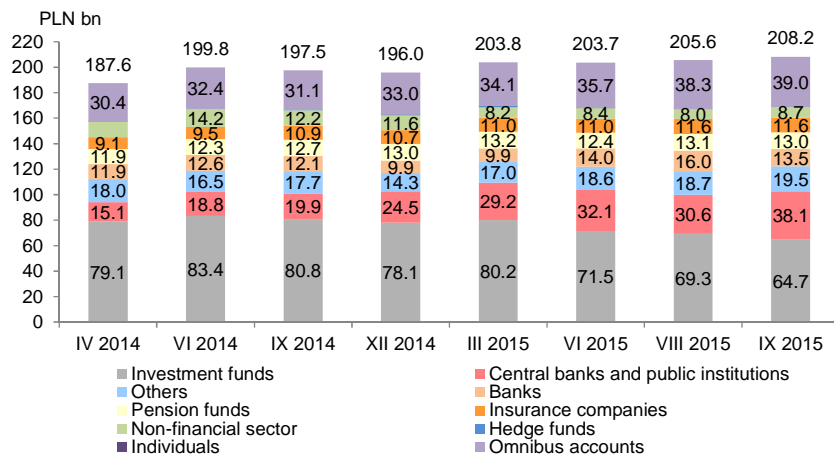
In September 2015, both m/m and compared to the end of 2014, increase in the share of domestic banking sector was recorded – to 31.8% (by 0.6 pp and by 1.8 pp, respectively), whereas the share of other two main groups of investors decreased – in case of domestic non-banking sector to 30.7% (by 0.4 pp m/m and compared to the end of 2014 as well) and in case of foreign investors to 37.5% (by 0.3 pp and by 1.5 pp, respectively).



### Domestic TS debt towards non-residents by holder in nominal value and structure\*

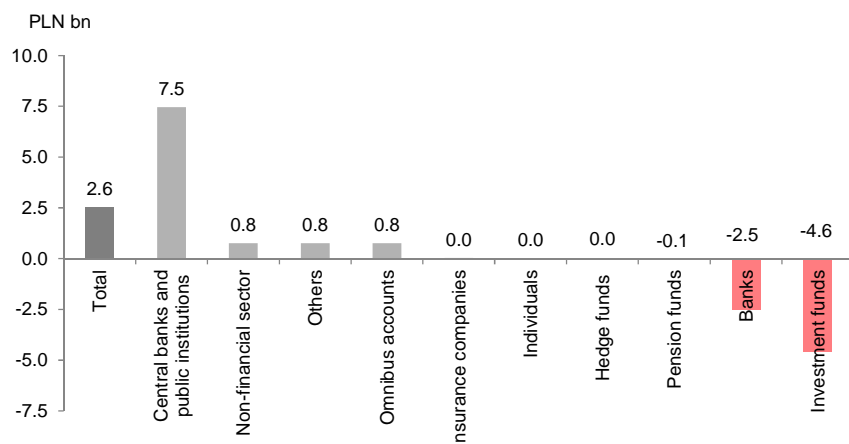
Structure of non-residents holding domestic TS in their portfolios is well-diversified, with dominant role of stable institutional investors, including investment funds (38.2%), pension funds (7.7%) and insurance companies (6.9%). The second the largest share in debt (22.5%) was held by central banks and public institutions, i.e. investors with the most stable, long-term investment policy. In September 2015 into group of central banks and public institutions was included fund investing on behalf of Thai central bank which was early classified as an investment fund. This change was the main factor which implied increase in the share of central banks and public institutions (by 4.2 pp) and caused decrease in the share of investment funds (by 3.2 pp) as well. Considerable part of domestic TS debt is registered on omnibus accounts (PLN 39.0bn), which enable investors not having separate account in Poland to buy TS.

\*) Percentage structure does not include omnibus accounts.



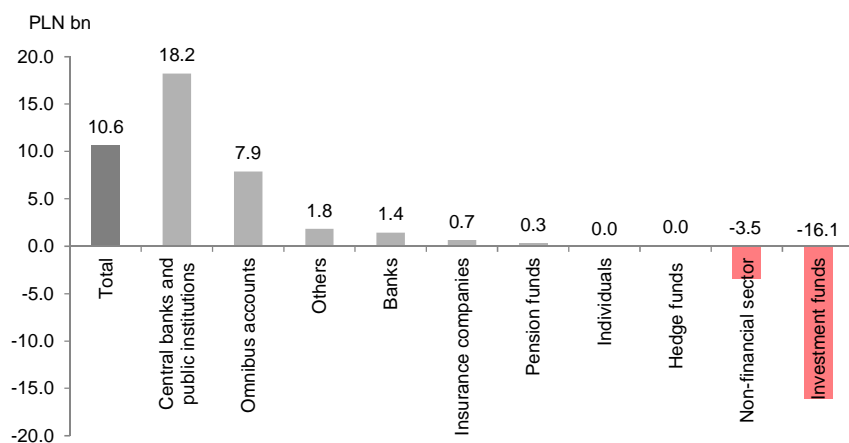
### Changes in domestic TS debt towards non-residents by holder in September 2015 m/m

In September 2015 domestic TS debt held by foreign investors increased by PLN 2.6bn. Increase in domestic TS portfolios was recorded mainly by central banks and public institutions (PLN +7.5bn), whereas decline – by investment funds (PLN -4.6bn). After excluding the effect of change in classification of fund from Thailand, central banks and public institutions increased their holdings by PLN 0.2bn, whereas investment funds recorded the greatest increase in domestic TS portfolios of all TS holders – by PLN 2.7bn.



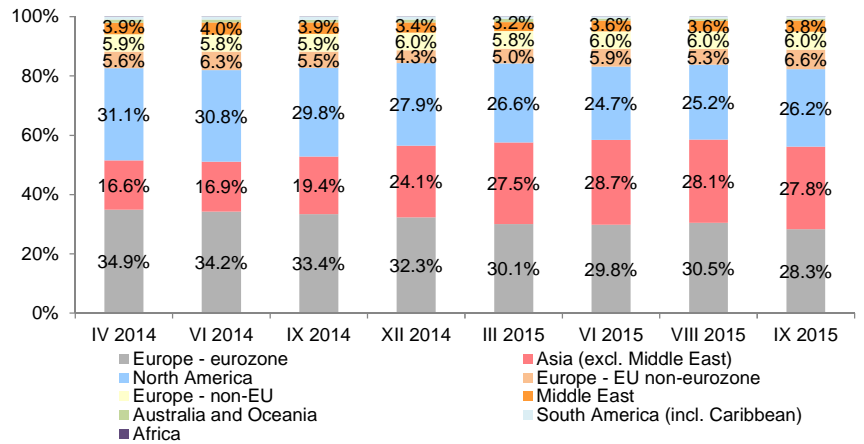
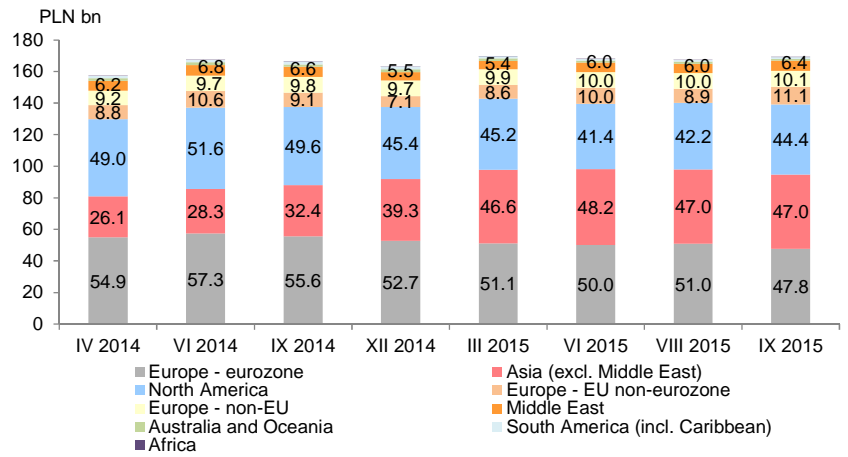
### Changes in domestic TS debt towards non-residents by holder in September 2015 y/y

From September 2014 to September 2015 the greatest increase in domestic TS portfolios recorded among central banks and public institutions (PLN +18.2bn; after excluding effect of change in classification of fund from Thailand PLN +10.9bn) and on omnibus accounts (PLN +7.9bn). Comparing to September 2014 the largest decline in TS portfolios applied to investment funds (PLN -16.1bn; after excluding effect of reclassification of fund from Thailand PLN -8.8bn).



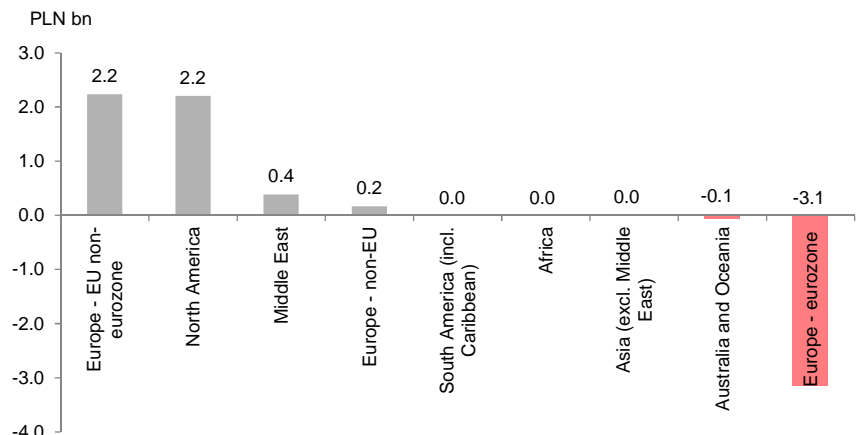
### Domestic TS debt towards non-residents by region\* in nominal value and structure

Geographical structure of domestic TS held by foreign investors is well-diversified. In September 2015 the largest TS portfolios were held by entities from Eurozone (28.3% – decrease by 2.2 pp m/m and by 4.1 pp compared to the end of 2014), Asia (27.8% – decrease by 0.3 pp m/m and increase by 3.7 pp since the end of 2014) and North America (26.2% – increase by 1.0 pp m/m and decline by 1.6 pp since the beginning of 2015). Investors from other regions held 17.7% of non-residents' domestic TS debt.



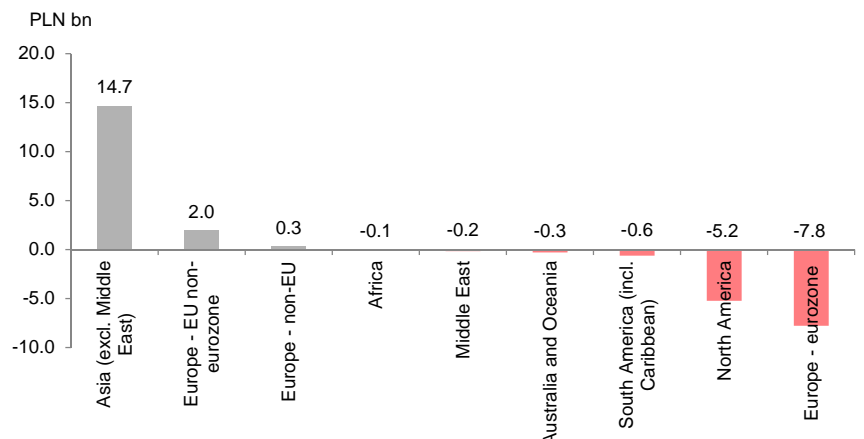
### Changes in domestic TS debt towards non-residents by region\* in September 2015 m/m

In September 2015 an increase in TS holdings mainly applied to EU non-Eurozone countries (PLN +2.2bn, mainly from the United Kingdom) and North America (PLN +2.2bn; almost exclusively from the US). Outflow of capital from domestic TS market was mainly recorded among investors from Eurozone (PLN -3.1bn, mainly from Austria and France).



### Changes in domestic ST debt towards non-residents by region\* in September 2015 y/y

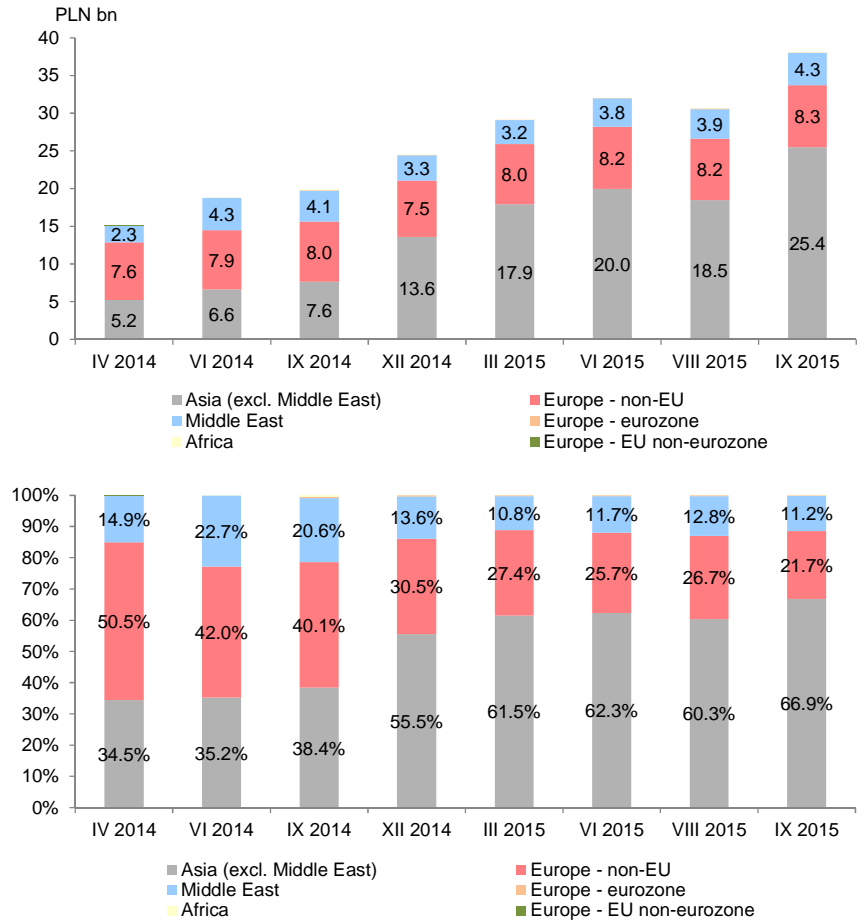
From September 2014 to September 2015 Asian investors definitely dominated among TS foreign buyers (growth in holdings by PLN +14.7bn). The greatest decrease in TS holdings applied to non-residents from Eurozone (PLN -7.8bn) and North America (PLN -5.2bn).



\*) Excluding omnibus accounts.

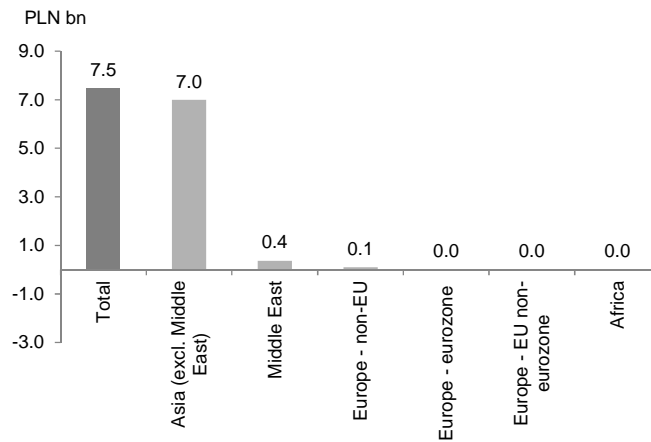
**Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure**

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in September 2015 their share amounted to 66.9%. Relatively high increase in this share (by 6.5 pp) in September resulted from including into group of central banks and public institutions the fund investing on behalf of Thai central bank. Simultaneously, this reclassification implied decrease in the share of central banks and public institutions from European non-EU countries (by 5.0 pp, to 21.7%) and Middle East (by 1.5 pp, to 11.2%), despite increase in their TS holdings (by PLN 0.1bn and PLN 0.4bn, respectively).



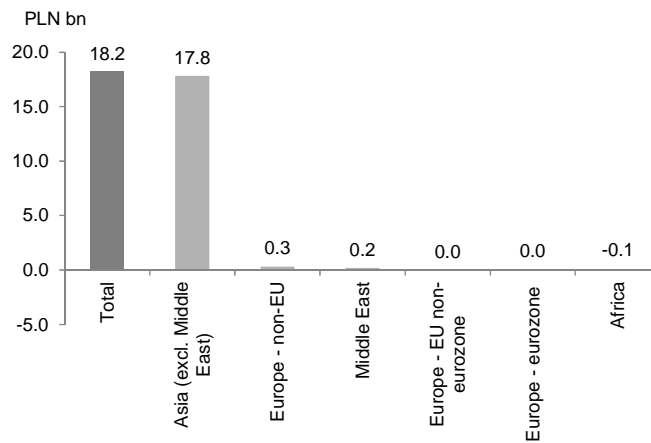
**Changes in domestic TS debt towards foreign central banks and public institutions by region in September 2015 m/m**

In September 2015 domestic TS debt held by foreign central banks and public institutions increased by PLN 7.5bn. After excluding the effect of reclassification of fund from Thailand, TS holdings of these entities increased PLN 0.2bn which resulted mainly from the increase in portfolios of investors from Middle East (PLN +0.4bn).



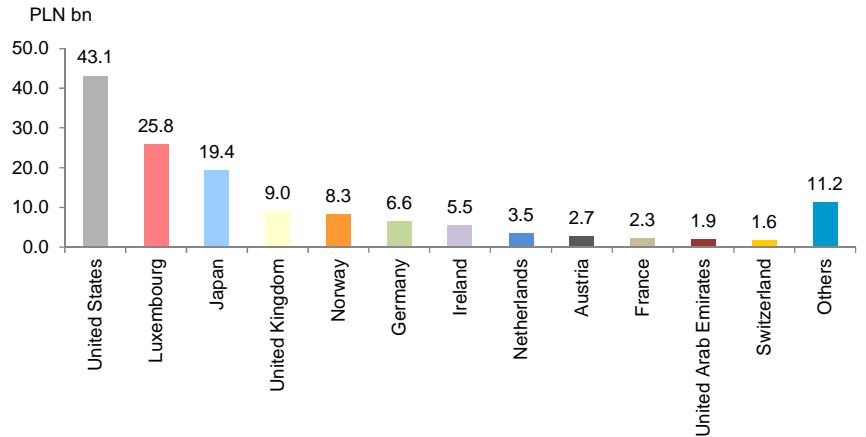
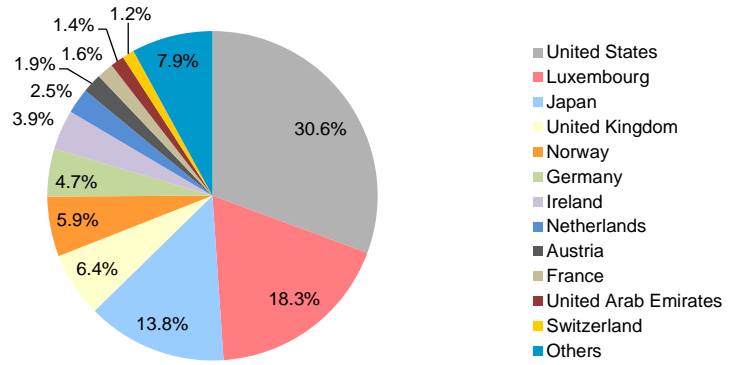
**Changes in domestic TS debt towards foreign central banks and public institutions by region in September 2015 y/y**

From September 2014 to September 2015 the inflow of foreign central banks and public institutions capital on domestic TS market amounted to PLN 18.2bn in total (excluding Thai fund PLN 10.9bn). Growth in TS holdings was primarily driven by Asian capital (PLN +17.8bn; excluding Thai fund PLN +10.5bn).



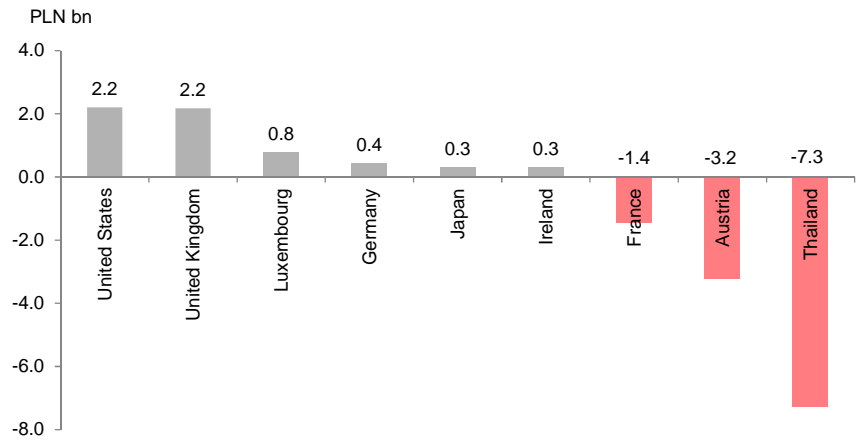
**Domestic TS debt towards non-residents by country\* structure and in nominal value in September 2015**

In September 2015 domestic TS were held by investors from 59 countries, which confirms high diversification of non-residents structure. The largest TS portfolios were held by entities registered in the US (30.6%), Luxembourg (18.3%), Japan (13.8%), the United Kingdom (6.4%), Norway (5.9%), Germany (4.7%) and Ireland (3.9%).



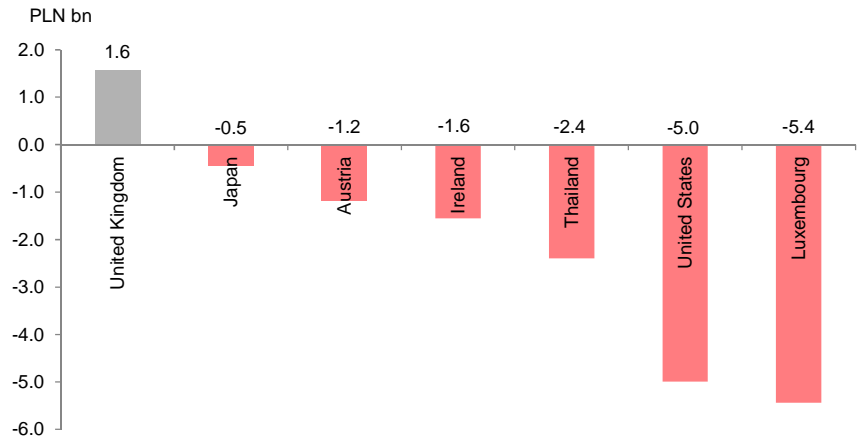
**Changes in domestic TS debt towards non-residents by country\* in September 2015\*\* m/m**

In September 2015 an increase in domestic TS portfolios was primarily recorded by non-residents from the US (PLN +2.2bn; mainly investment funds and non-financial entities) and the United Kingdom (PLN +2.2bn; primarily commercial banks). The largest decrease in domestic TS holdings applied to investors from Austria (PLN -3.2bn; commercial banks exclusively) and France (PLN -1.4bn; commercial banks almost exclusively). Decrease in holdings of entities from Thailand was a statistic effect of reclassification of fund from this country.



**Changes in domestic ST debt towards non-residents by country\* in September 2015\*\*\* y/y**

From September 2014 to September 2015 among non-residents the increase in TS portfolios was recorded mainly by investors from the United Kingdom (PLN +1.6bn), whereas decrease primarily applied to investors from Luxembourg (PLN -5.4bn) and the US (PLN -5.0bn).



\*) Excluding omnibus accounts.

\*\*) Chart shows countries with change in debt amounting to at least PLN 0.2bn.

\*\*\*) Chart shows countries with change in debt amounting to at least PLN 0.5bn. Data excludes Norway where change in TS holdings was statistical effect – shift in classification of investment fund acting on behalf of Norway central bank.

### ST debt by type of interest rate and type of indexation

The majority of ST debt comprised fixed rate instruments – their share in September 2015 amounted to 78.6%. The share of floating rate instruments stood at 21.4%, increasing by 0.2 pp m/m and by 0.5 pp compared to the end of 2014. Growth in the share in September resulted mainly from drawing floating rate loans from international financial institutions (IFIs). Increase in the share of floating rate instruments from 2010 to 2014 was associated with downward trend of interest rates on financial markets and facilitated lowering debt servicing costs with positive impact on average debt maturity.

### Domestic ST debt by type of interest rate and type of indexation

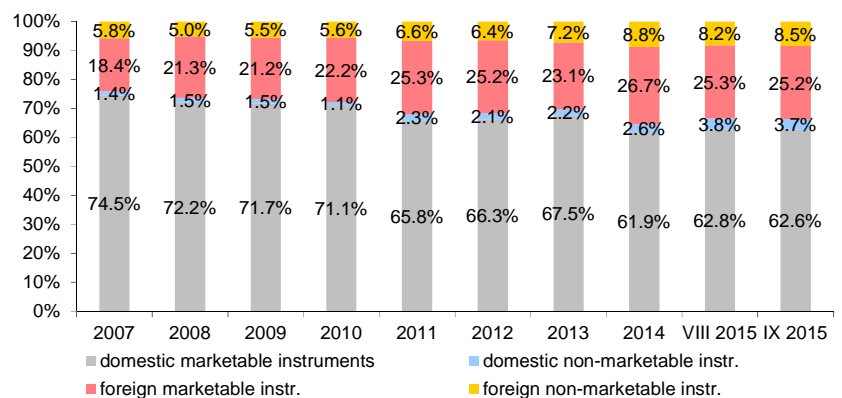
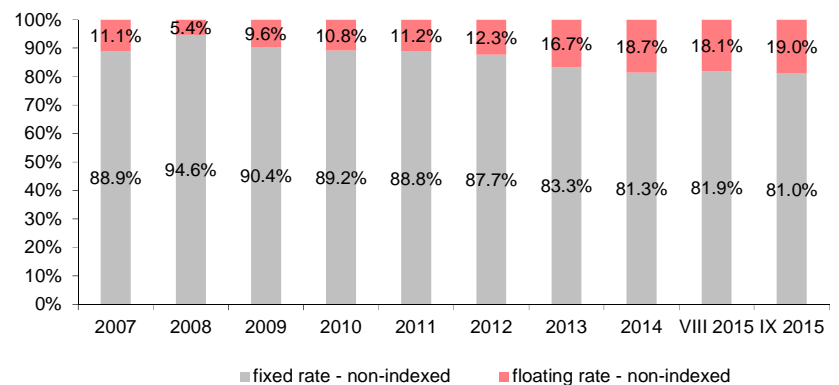
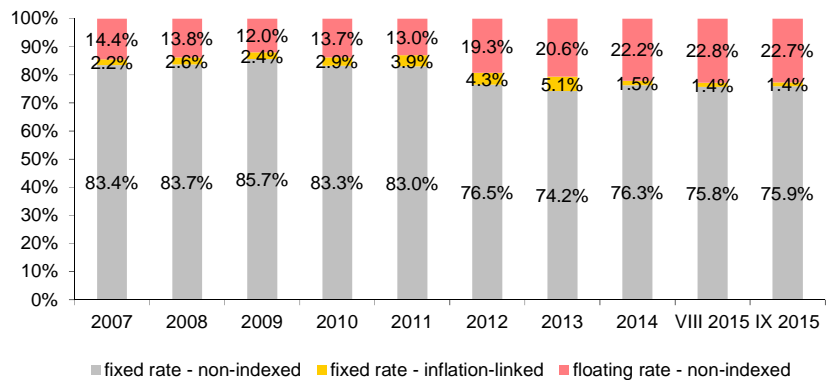
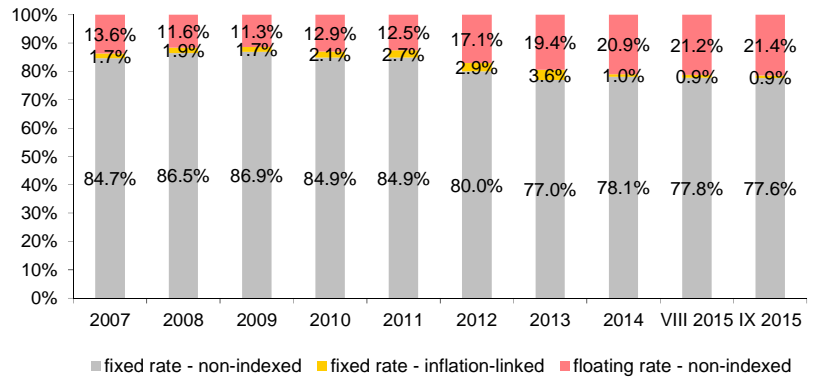
In September 2015 the share of floating rate instruments in domestic ST debt amounted to 22.7%, i.e. decreased by 0.1 pp m/m and increased by 0.5 pp compared to the end of 2014. The decline in the share in September resulted primarily from significant share of fixed rate instruments in new issued marketable TS.

### Foreign ST debt by type of interest rate and type of indexation

In September 2015 the share of floating rate instruments in foreign ST debt amounted to 19.0%, increasing by 0.9 pp m/m and by 0.3 pp compared to the end of 2014. In September 2015 fixed rate debt increased by PLN 4.1bn (mainly as a result of EUR0925 bond issuance) and floating rate debt increased by PLN 4.0bn (mainly a resultant of drawing two loans from IFIs and redemption of USD0915 bond). Similar growth in debt of both debt categories (in absolute value) and significantly lower nominal value of floating rate debt implied substantial increase in the share of floating rate instruments. Since September 2015 total floating rate foreign debt has comprised loans from IFIs, utilized due to attractive financial conditions.

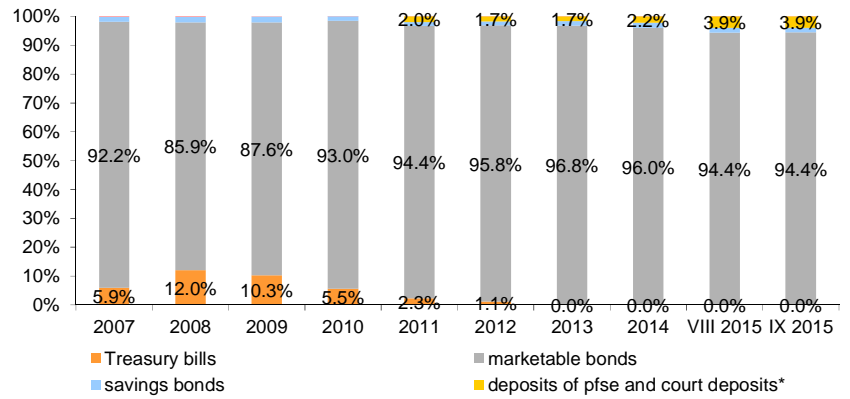
### ST debt by type of instrument

Dominant share in ST debt comprised marketable TS (87.8% in September 2015), including mostly instruments issued on domestic TS market (62.6%). Supplementary sources of financing the State budget borrowing requirements were non-marketable instruments, i.e. loans from IFIs, domestic saving bonds, deposits from public finance sector entities (pfse) with legal personality and court deposits (from pfse with legal personality and entities from outside pfs).



## Domestic ST debt by type of instrument

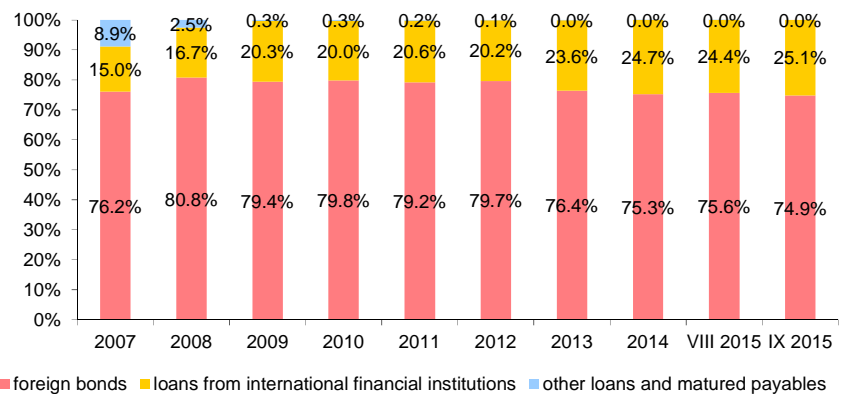
The vast majority of domestic ST debt constituted marketable bonds (94.4% in September 2015). Supplementary and stable sources of financing are saving bonds, as well as deposits from pfse and courts deposits\*, which total share remained at the level of 3.9%. Since the end of August 2013 there were no T-bills outstanding.



## Foreign ST debt by type of instrument

In ST debt denominated in foreign currencies dominant share accounted for international bonds (74.9% in September 2015), share of low-interest loans from IFIs is significant as well (25.1%). In September 2015 a decrease in the share of international bonds in favor of loans (by 0.7 pp) took place which resulted mainly from significant share of loans from IFIs (from World Bank – WB and European Investment Bank – EIB) in the structure of incurred debt in foreign currencies in this month.

\*) Deposits received from pfse with legal personality and court deposits from pfse with legal personality and entities from outside pfse

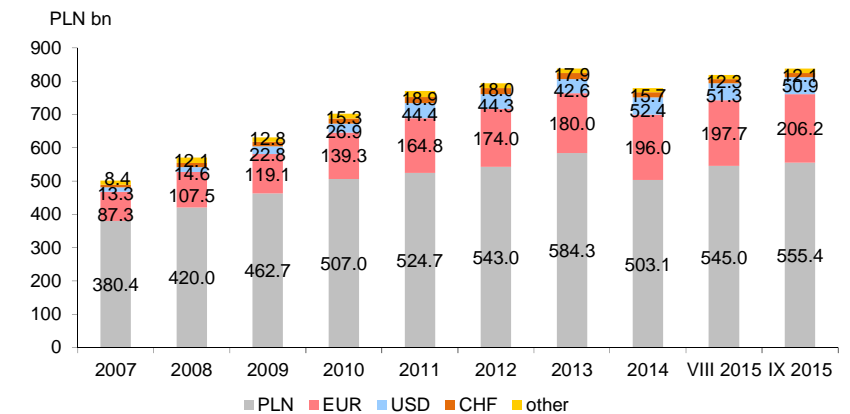


## ST debt by currency

In September 2015 ST debt denominated in PLN increased by PLN 10.4bn, which was mainly a result of the balance of domestic marketable TS issuance (PLN +10.2bn). Debt denominated in foreign currencies increased by PLN 8.0bn, which was mainly a resultant of:

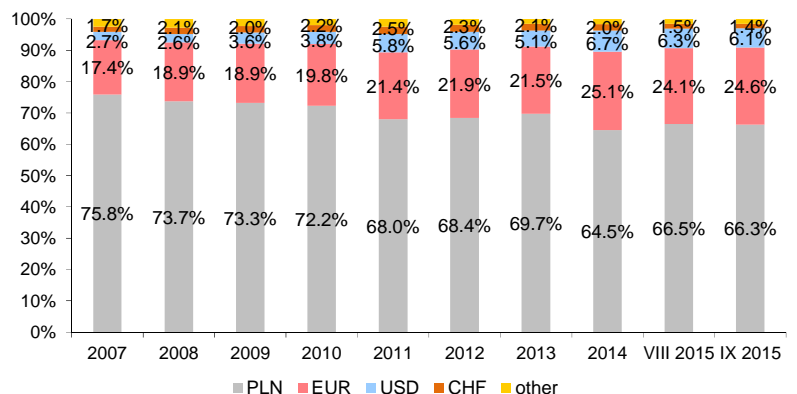
- issuance of EUR0925 bond (EUR +1.0bn),
- drawing of loan from WB (EUR +0.9bn),
- drawing of loan from EIB (EUR +0.1bn),
- repayment of instalments of loans from IFIs (EUR -0.1bn),
- redemption of USD0915 bond (USD -0.1bn),
- FX rates movements (PLN +0.1bn).

Since the beginning of 2015 debt denominated in PLN increased by PLN 52.4bn and debt denominated in foreign currencies by PLN 5.4bn (resultant of changes in debt denominated in EUR by PLN +10.2bn, in USD by PLN -1.4bn, in CHF by PLN -3.5bn and in JPY by PLN +0.1bn).



## Structure of ST debt by currency

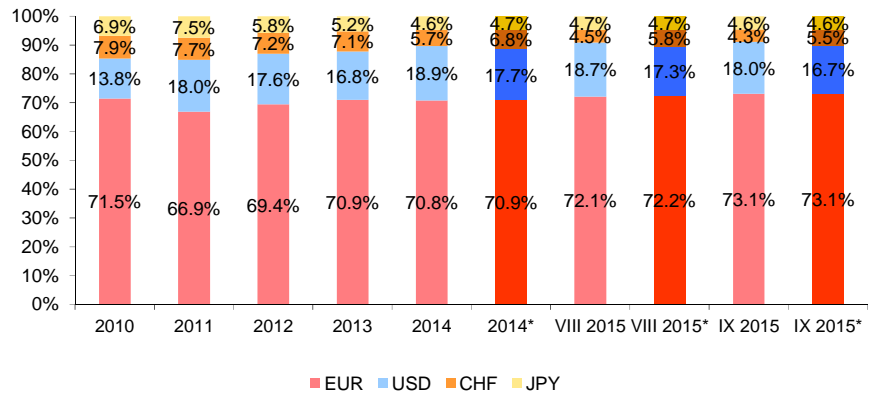
In accordance with the debt management strategy, State budget borrowing requirements are mostly financed on domestic market – in September 2015 debt denominated in PLN accounted for 66.3% of total ST debt. The share of debt denominated in EUR amounted to 24.6% (increase in the share by 0.5 pp/m, mainly as a result of significant scale of incurred debt in this currency). USD-denominated debt comprised 6.1%.





### Structure of foreign ST debt by currency

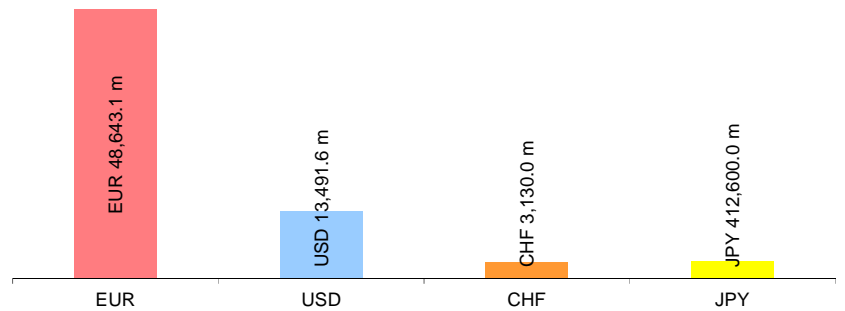
In September 2015 the share of EUR-denominated debt in foreign ST debt amounted to 73.1%, i.e. above minimum level of 70% assumed in debt management strategy. The share of EUR increased by 0.9 pp m/m, mainly as a result of significant increase in debt denominated in this currency.



\*) After SWAP transactions.

### Foreign ST debt in original currency\*

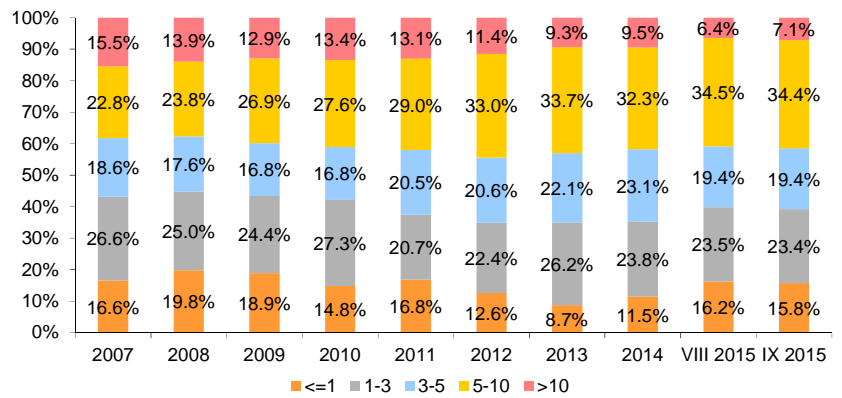
At the end of September 2015 nominal value of ST debt denominated in EUR amounted to EUR 48.6bn, increasing by EUR 1.9bn m/m. Debt denominated in USD decreased by USD 0.1bn, to USD 13.5bn. Nominal value of CHF- and JPY-denominated debt remained unchanged compared to August 2015 and amounted to CHF 3.1bn and JPY 412.6bn, respectively.



\*) The height of columns reflects level of debt converted to EUR

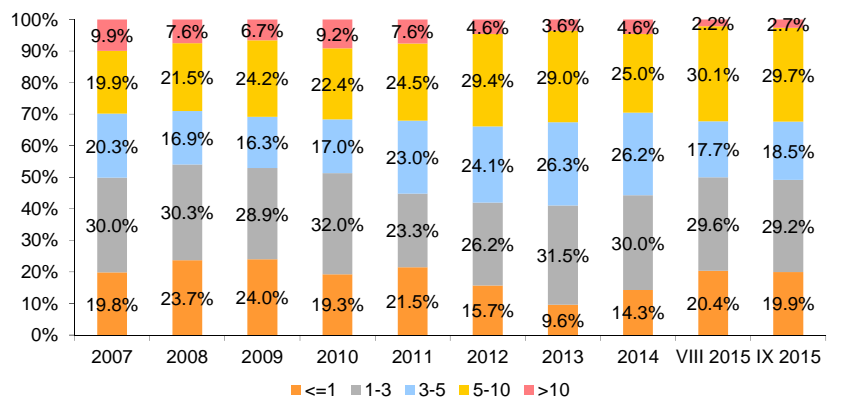
### ST debt by residual maturity (in years)

In September 2015 debt with the longest residual maturity (i.e. above 5 years) comprised 41.5% of total ST debt, i.e. increased by 0.6 pp m/m (mainly as a result of significant share of instruments with long maturity in new issued debt: EUR0925, WZ0126 and DS0726 bonds and loans from IFIs) and simultaneously declined by 0.2 pp compared to the end of 2014. Debt with residual maturity of up to 1 year constituted 15.8% of ST debt and decreased by 0.5 pp m/m (mainly as a result of redemption of USD0915 bond and changes in domestic debt structure) and increased by 4.3 pp compared to the end of 2014.



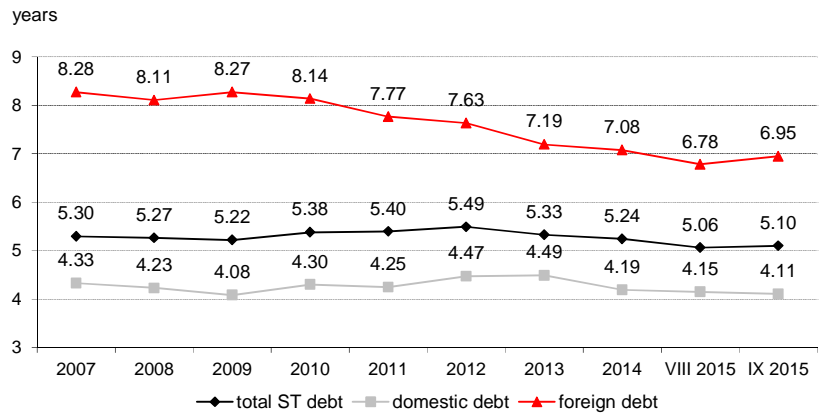
### Domestic ST debt by residual maturity (in years)

In September 2015 domestic debt with residual maturity above 5 years accounted for 32.4%, i.e. increased by 0.1 pp m/m and by 2.8 pp compared to the end of 2014. The share of debt with residual maturity of up to 1 year amounted to 19.9% and decreased by 0.5 pp m/m (primarily as a result of sell-buy-back transactions on OK0116 bond and increase in deposits balance by PLN 0.2bn) and increased by 5.6 pp compared to the end of 2014 (result of debt aging and increase in deposits by PLN 10.5bn).



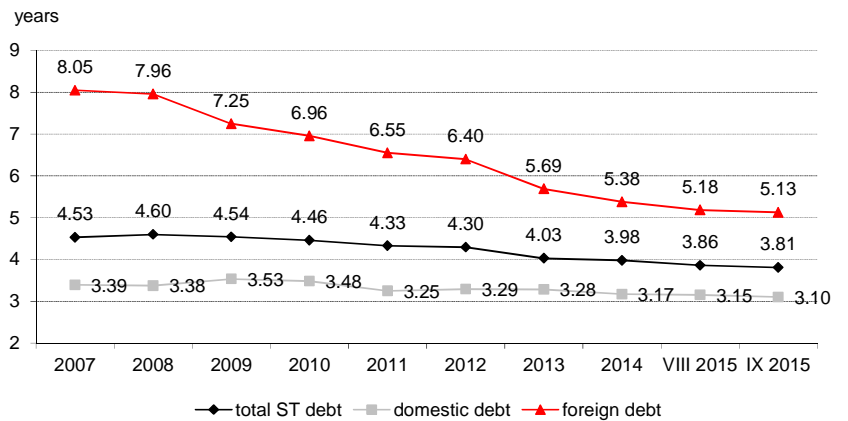
### ATM of ST debt

In September 2015 average time to maturity (ATM) of ST debt amounted to 5.10 years (increase by 0.04 years m/m and decrease by 0.14 years compared to the end of 2014), remaining in line with debt management strategy approved in September 2015, i.e. close to 5 years. ATM of domestic ST debt decreased by 0.04 years, to 4.11 years, which was a result of debt aging and issuance of marketable debt with maturity below or close to ATM of domestic debt. According to debt management strategy approved in September 2015 it is assumed to remain ATM of domestic debt at least at the level of 4 years and ultimately lengthening it to 4,5 years. In September 2015 ATM of foreign ST debt increased by 0.17 years (primarily as a result of incurred debt with relatively long maturity), remaining at the safe level of 6.95 years.



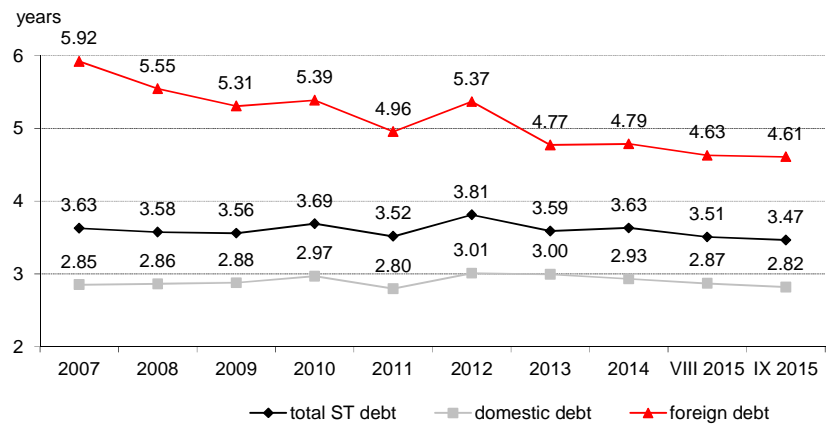
### ATR of ST debt

In September 2015 average time to refixing (ATR) of ST debt amounted to 3.81 years, i.e. decreased by 0.05 years m/m and by 0.17 years compared to the end of 2014. Changes in September resulted from shortening of ATR of both domestic debt (by 0.05 years, to 3.10 years) and foreign debt (by 0.06 years, to 5.13 years). Shortening of ATR in case of domestic debt resulted mainly from decrease in ATM and in case of foreign debt – from relatively high share of floating rate instruments in new incurred debt. In September 2015 ATR of domestic ST debt remained in line with debt management strategy, i.e. in the range 2.8-3.8 years.



### Duration of ST debt\*

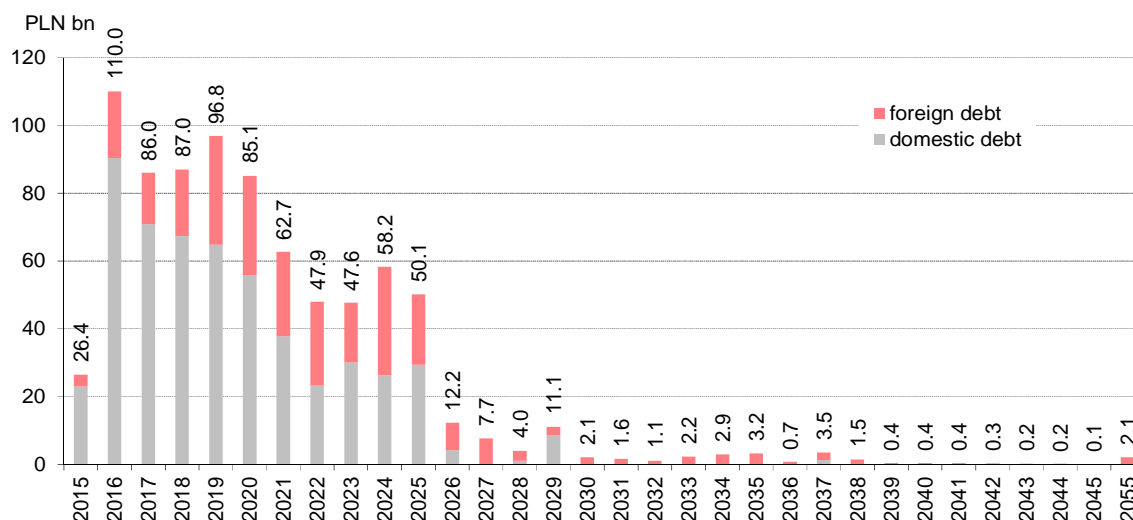
In September 2015 duration of ST debt amounted to 3.47 years, decreasing by 0.06 years m/m and by 0.17 years compared to the end of 2014. It resulted from decrease in duration of both domestic debt (by 0.05 years, to 2.82 years) and foreign debt (by 0.07 years, to 4.61 years). In both cases, decrease in duration resulted mainly from shortening of ATR.



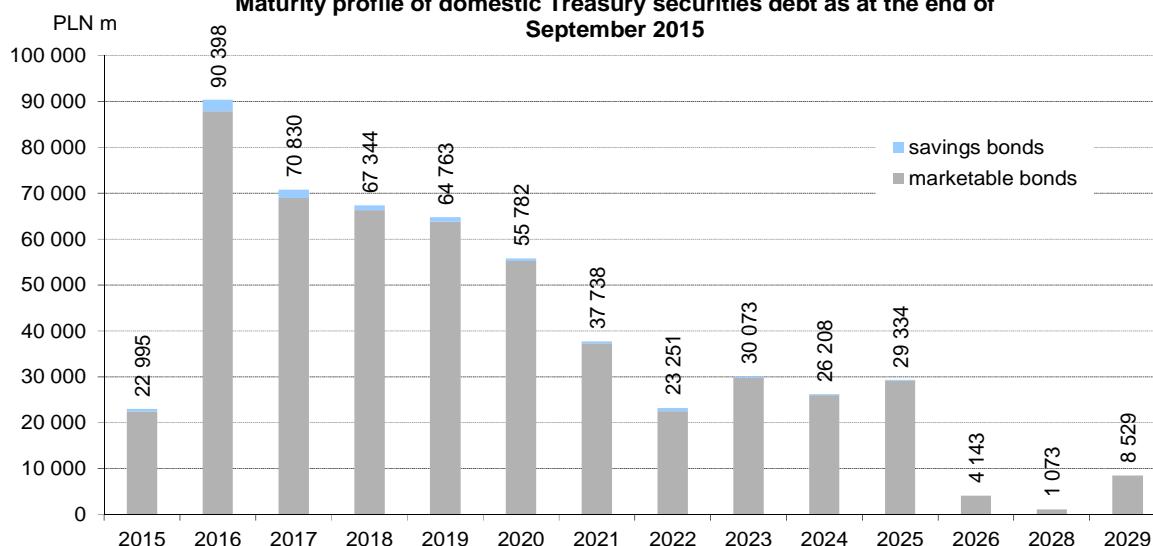
\*) excluding inflation-linked bonds

ATR as well as duration, indicated that in 2015 interest rate risk of ST debt remained stable.

**Maturity profile of ST debt (Treasury securities and loans) as at the end of September 2015**

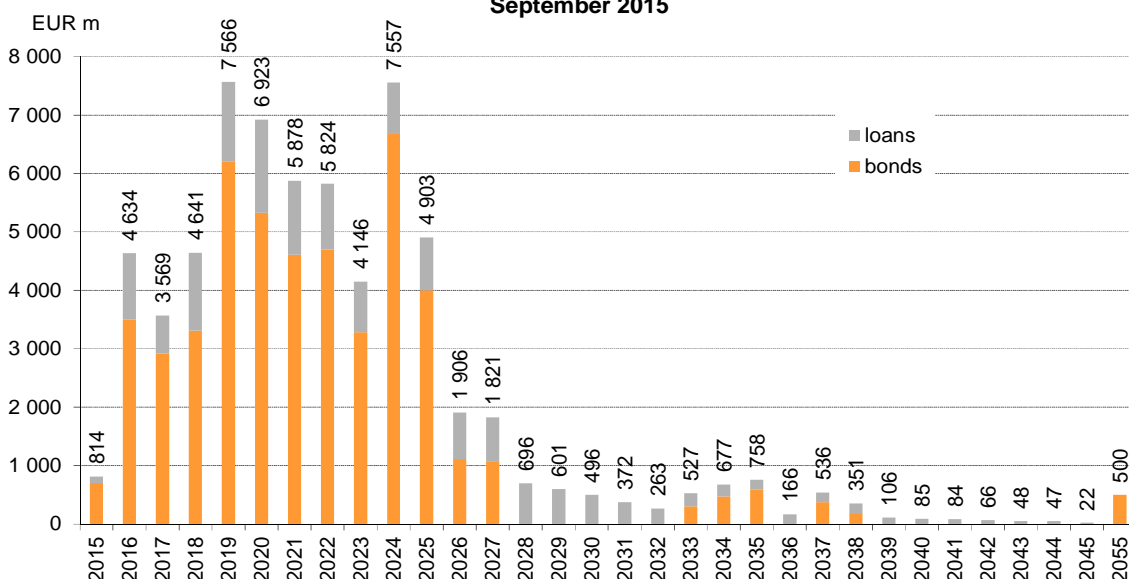


**Maturity profile of domestic Treasury securities debt as at the end of September 2015**



\*) Data do not include a part of short-term domestic debt: (a) maturing in 2015 – other ST debt (PLN 20,278m – mainly deposits and matured payables) and (b) maturing in 2016 – deposits (PLN 1,455m).

**Maturity profile of foreign debt (Treasury securities and loans) as at the end of September 2015**



\*) Data do not include a part of short-term foreign debt maturing in 2015 – matured payables (PLN 2.4k)

**Table 4. State Treasury debt by instrument according to the place of issue criterion (PLN million)**

	Dec 2014	structure Dec 2014 %	Aug 2015	structure Aug 2015 %	Sep 2015	structure Sep 2015 %	change		change	
							Sep 2015 – Aug 2015		Sep 2015 – Dec 2014	
							PLN m	%	PLN m	%
<b>State Treasury Debt</b>	<b>779,938.4</b>	<b>100.0</b>	<b>819,163.1</b>	<b>100.0</b>	<b>837,652.5</b>	<b>100.0</b>	<b>18,489.4</b>	<b>2.3</b>	<b>57,714.1</b>	<b>7.4</b>
<b>I. Domestic debt</b>	<b>503,079.0</b>	<b>64.5</b>	<b>544,992.3</b>	<b>66.5</b>	<b>555,441.4</b>	<b>66.3</b>	<b>10,449.1</b>	<b>1.9</b>	<b>52,362.4</b>	<b>10.4</b>
1. Treasury securities issued in domestic market	491,841.3	63.1	523,451.4	63.9	533,708.2	63.7	10,256.9	2.0	41,867.0	8.5
1.1. Marketable securities	482,942.8	61.9	514,209.8	62.8	524,393.8	62.6	10,184.0	2.0	41,451.0	8.6
fixed rate	369,850.0	47.4	388,360.3	47.4	396,923.8	47.4	8,563.5	2.2	27,073.8	7.3
OK bonds	47,075.7	6.0	47,131.8	5.8	47,312.3	5.6	180.5	0.4	236.6	0.5
PS bonds	149,302.1	19.1	154,404.7	18.8	160,675.7	19.2	6,271.0	4.1	11,373.6	7.6
DS bonds	140,568.2	18.0	153,446.1	18.7	155,558.1	18.6	2,112.0	1.4	14,989.9	10.7
WS bonds	32,904.0	4.2	33,377.6	4.1	33,377.6	4.0	0.0	0.0	473.7	1.4
fixed rate - inflation-linked	7,779.0	1.0	7,731.4	0.9	7,723.9	0.9	-7.5	-0.1	-55.1	-0.7
IZ bonds	7,779.0	1.0	7,731.4	0.9	7,723.9	0.9	-7.5	-0.1	-55.1	-0.7
floating rate	105,313.8	13.5	118,118.1	14.4	119,746.1	14.3	1,628.0	1.4	14,432.3	13.7
TZ bonds	70.6	0.0	0.0	0.0	0.0	0.0	0.0	-	-70.6	-100.0
WZ bonds	105,243.1	13.5	118,118.1	14.4	119,746.1	14.3	1,628.0	1.4	14,503.0	13.8
1.2. Savings bonds	8,898.5	1.1	9,241.6	1.1	9,314.4	1.1	72.9	0.8	416.0	4.7
fixed rate	2,719.6	0.3	3,066.5	0.4	3,152.8	0.4	86.3	2.8	433.2	15.9
KOS bonds	485.4	0.1	480.3	0.1	479.8	0.1	-0.6	-0.1	-5.7	-1.2
DOS bonds	2,234.2	0.3	2,586.1	0.3	2,673.1	0.3	86.9	3.4	438.9	19.6
floating rate	6,178.9	0.8	6,175.1	0.8	6,161.6	0.7	-13.5	-0.2	-17.2	-0.3
TOZ bonds	456.4	0.1	527.1	0.1	529.8	0.1	2.7	0.5	73.4	16.1
COI bonds	1,807.4	0.2	1,707.1	0.2	1,675.5	0.2	-31.6	-1.9	-131.9	-7.3
EDO bonds	3,915.0	0.5	3,940.9	0.5	3,956.3	0.5	15.4	0.4	41.3	1.1
2. Other domestic debt	11,237.8	1.4	21,540.9	2.6	21,733.1	2.6	192.2	0.9	10,495.4	93.4
deposits of pfse*	11,218.6	1.4	17,375.2	2.1	17,637.7	2.1	262.5	1.5	6,419.1	57.2
court deposits**	0.0	0.0	4,150.3	0.5	4,079.9	0.5	-70.4	-1.7	4,079.9	-
matured payables	15.7	0.0	11.8	0.0	12.0	0.0	0.2	1.6	-3.6	-23.2
other	3.5	0.0	3.5	0.0	3.5	0.0	0.0	-0.9	-0.1	-1.7
<b>II. Foreign debt</b>	<b>276,859.4</b>	<b>35.5</b>	<b>274,170.9</b>	<b>33.5</b>	<b>282,211.1</b>	<b>33.7</b>	<b>8,040.2</b>	<b>2.9</b>	<b>5,351.7</b>	<b>1.9</b>
1. Treasury securities issued in international markets	208,420.1	26.7	207,357.4	25.3	211,336.9	25.2	3,979.5	1.9	2,916.7	1.4
1.1. Marketable securities	208,420.1	26.7	207,357.4	25.3	211,336.9	25.2	3,979.5	1.9	2,916.7	1.4
fixed rate	206,803.9	26.5	207,048.3	25.3	211,336.9	25.2	4,288.6	2.1	4,532.9	2.2
EUR	127,536.5	16.4	130,936.1	16.0	135,304.6	16.2	4,368.5	3.3	7,768.0	6.1
USD	52,066.5	6.7	50,971.2	6.2	50,936.1	6.1	-35.1	-0.1	-1,130.4	-2.2
CHF	14,356.0	1.8	12,281.5	1.5	12,139.7	1.4	-141.8	-1.2	-2,216.3	-15.4
JPY	12,844.9	1.6	12,859.5	1.6	12,956.5	1.5	97.0	0.8	111.6	0.9
floating rate	1,616.2	0.2	309.1	0.0	0.0	0.0	-309.1	-100.0	-1,616.2	-100.0
USD	286.9	0.0	309.1	0.0	0.0	0.0	-309.1	-100.0	-286.9	-100.0
CHF	1,329.3	0.2	0.0	0.0	0.0	0.0	0.0	-	-1,329.3	-100.0
2. Loans	68,439.2	8.8	66,810.2	8.2	70,874.2	8.5	4,064.0	6.1	2,435.0	3.6
fixed rate	18,400.6	2.4	17,501.6	2.1	17,276.5	2.1	-225.0	-1.3	-1,124.1	-6.1
EUR	18,383.6	2.4	17,501.6	2.1	17,276.5	2.1	-225.0	-1.3	-1,107.1	-6.0
JPY	17.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-17.0	-100.0
floating rate	50,038.7	6.4	49,308.6	6.0	53,597.7	6.4	4,289.1	8.7	3,559.0	7.1
EUR	50,038.7	6.4	49,308.6	6.0	53,597.7	6.4	4,289.1	8.7	3,559.0	7.1
3. Other foreign debt	0.0	0.0	3.3	0.0	0.0	0.0	-3.3	-99.9	0.0	-

\*) Deposits received from pfse with legal personality

\*\*) Court deposits from pfse with legal personality and entities from outside pfs.





**Table 7. State Treasury debt by instrument according to the place of issue criterion in EUR million**

	Dec 2014	Aug 2015	Sep 2015	change		change	
				Sep 2015 – Aug 2015		Sep 2015 – Dec 2014	
				EUR m	%	EUR m	%
<b>State Treasury debt</b>	<b>182,985.3</b>	<b>193,454.4</b>	<b>197,624.8</b>	<b>4,170.4</b>	<b>2.2</b>	<b>14,639.5</b>	<b>8.0</b>
<b>I. Domestic debt</b>	<b>118,029.9</b>	<b>128,705.9</b>	<b>131,043.6</b>	<b>2,337.7</b>	<b>1.8</b>	<b>13,013.7</b>	<b>11.0</b>
1. Treasury securities issued in domestic market	115,393.4	123,618.8	125,916.2	2,297.4	1.9	10,522.8	9.1
1.1. Marketable TS	113,305.7	121,436.3	123,718.6	2,282.4	1.9	10,413.0	9.2
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	113,305.7	121,436.3	123,718.6	2,282.4	1.9	10,413.0	9.2
1.2. Savings bonds	2,087.7	2,182.5	2,197.5	15.0	0.7	109.8	5.3
2. Other ST debt	2,636.6	5,087.1	5,127.4	40.3	0.8	2,490.9	94.5
<b>II. Foreign debt</b>	<b>64,955.4</b>	<b>64,748.5</b>	<b>66,581.2</b>	<b>1,832.7</b>	<b>2.8</b>	<b>1,625.8</b>	<b>2.5</b>
1. Treasury securities issued in foreign markets	48,898.5	48,969.7	49,860.1	890.3	1.8	961.6	2.0
2. Loans	16,056.9	15,778.0	16,721.1	943.2	6.0	664.3	4.1
1.1. International financial institutions	16,052.9	15,778.0	16,721.1	943.2	6.0	668.2	4.2
- World Bank	6,399.4	6,343.7	7,256.4	912.7	14.4	857.0	13.4
- European Investment Bank	9,465.4	9,213.7	9,244.2	30.5	0.3	-221.1	-2.3
- Council of Europe Development Bank	188.2	220.5	220.5	0.0	0.0	32.4	17.2
1.2. other loans	4.0	0.0	0.0	0.0	-	-4.0	-100.0
3. Other ST debt	0.0	0.8	0.0	-0.8	-99.9	0.0	-
<i>FX rate (EUR/PLN)</i>	<i>4.2623</i>	<i>4.2344</i>	<i>4.2386</i>	<i>0.0042</i>	<i>0.1</i>	<i>-0.0237</i>	<i>-0.6</i>

**Table 8. State Treasury debt by instrument according to the place of issue criterion in USD million**

	Dec 2014	Aug 2015	Sep 2015	change		change	
				Sep 2015 – Aug 2015		Sep 2015 – Dec 2014	
				USD m	%	USD m	%
<b>State Treasury debt</b>	<b>222,382.1</b>	<b>216,824.5</b>	<b>221,871.2</b>	<b>5,046.6</b>	<b>2.3</b>	<b>-510.9</b>	<b>-0.2</b>
<b>I. Domestic debt</b>	<b>143,441.8</b>	<b>144,254.2</b>	<b>147,121.2</b>	<b>2,867.0</b>	<b>2.0</b>	<b>3,679.4</b>	<b>2.6</b>
1. Treasury securities issued in domestic market	140,237.6	138,552.5	141,364.7	2,812.2	2.0	1,127.1	0.8
1.1. Marketable TS	137,700.4	136,106.4	138,897.5	2,791.2	2.1	1,197.2	0.9
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	137,700.4	136,106.4	138,897.5	2,791.2	2.1	1,197.2	0.9
1.2. Savings bonds	2,537.2	2,446.2	2,467.1	21.0	0.9	-70.1	-2.8
2. Other ST debt	3,204.2	5,701.7	5,756.5	54.8	1.0	2,552.3	79.7
<b>II. Foreign debt</b>	<b>78,940.3</b>	<b>72,570.4</b>	<b>74,750.0</b>	<b>2,179.6</b>	<b>3.0</b>	<b>-4,190.3</b>	<b>-5.3</b>
1. Treasury securities issued in foreign markets	59,426.4	54,885.5	55,977.3	1,091.9	2.0	-3,449.0	-5.8
2. Loans	19,513.9	17,684.0	18,772.6	1,088.6	6.2	-741.3	-3.8
1.1. International financial institutions	19,509.1	17,684.0	18,772.6	1,088.6	6.2	-736.5	-3.8
- World Bank	7,777.2	7,110.0	8,146.7	1,036.6	14.6	369.5	4.8
- European Investment Bank	11,503.2	10,326.8	10,378.4	51.6	0.5	-1,124.9	-9.8
- Council of Europe Development Bank	228.7	247.2	247.6	0.4	0.2	18.9	8.3
1.2. other loans	4.8	0.0	0.0	0.0	-	-4.8	-100.0
3. Other ST debt	0.0	0.9	0.0	-0.9	-99.9	0.0	-
<i>FX rate (USD/PLN)</i>	<i>3.5072</i>	<i>3.7780</i>	<i>3.7754</i>	<i>-0.0026</i>	<i>-0.1</i>	<i>0.2682</i>	<i>7.6</i>

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