

State Treasury Debt

September 2016

Monthly newsletter

At the end of September 2016 State Treasury (ST) debt amounted to **PLN 902,709.5 million**, i.e.:

- increased by PLN 3,508.6m (0.4%) in September 2016,
- increased by PLN 68,158.9m (8.2%) compared to the end of 2015.

Increase in debt in September 2016 was mainly a resultant of:

- financing of State budget deficit (PLN +5.7bn);
- FX rates movements (PLN -2.8bn) – appreciation of zloty against EUR (by 1.0%), USD (by 1.3%) and CNY (by 1.2%), and depreciation against CHF (by 0.1%) and JPY (by 0.7%).

Increase in debt since the beginning of 2016 was mainly a result of:

- financing of State budget deficit (PLN +20.6bn) and European Union budget deficit (PLN +6.6bn);
- increase in budget accounts balance (PLN +38.0bn), associated with collection of funds for financing borrowing requirements;
- FX rates movements (PLN +5.0bn) – depreciation of zloty against EUR (by 1.2%), CHF (by 1.0%) and JPY (by 17.8%), and appreciation against USD (by 1.2%).

In September 2016 domestic ST debt (according to the place of issue criterion) increased by PLN 6.4bn which was mainly a result of positive balance of issuance of marketable Treasury securities (TS; PLN +5.9bn):

Instrument	Sale (PLN bn)	Repurchase/redemption (PLN bn)
OK1018	1.7	
WZ0120	2.8	
PS0721	5.9	
WZ1122	2.5	
WZ0126	4.0	
DS0726	3.3	
PS1016		7.2
WZ0117		4.2
PS0417		0.7
BS20160928		2.4

In September 2016 ST debt in foreign currency decreased by PLN 2.9bn which was a result of:

- negative balance of debt issuance (PLN -0.1bn):

Instrument	Sale/drawing	Repurchase/redemption/repayment
loans from IFIs*		EUR 0.02bn

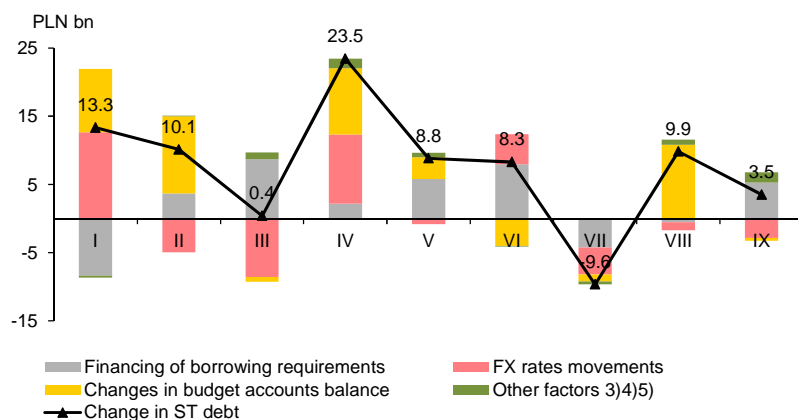
*) IFIs – international financial institutions

- FX rates movements (PLN -2.8bn).

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

	Sep 2016 – Aug 2016	Sep 2016 – Dec 2015
Change in the State Treasury debt	3.5	68.2
1. State budget borrowing requirements:	5.3	20.6
1.1. State budget deficit	5.7	20.6
1.2. European Union funds budget deficit	0.0	6.6
1.3. Pension reform costs ¹⁾	0.3	2.4
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from pfse and court deposits balance	-0.6	-3.9
1.6. European funds management	-0.1	-4.9
1.7. Granted loans balance	0.0	0.0
1.8. Other borrowing requirements ²⁾	0.0	-0.3
2. Changes not resulting from State budget borrowing requirements:	-2.2	45.3
2.1. FX rates movements	-2.8	5.0
2.2. Changes in budget accounts balance	-0.4	38.0
2.3. Other factors ³⁾	1.0	2.3
3. Change in other State Treasury debt:	0.4	2.3
3.1. Deposits from pfse ⁴⁾	0.4	2.2
3.2. Court deposits ⁵⁾	0.0	0.0
3.3. Other ST debt	0.0	0.1

Factors affecting changes in ST debt in I-IX 2016



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

²⁾ Balance of pre-financing of tasks carried out with utilization of funds from EU budget, shares in international financial institutions and other domestic and foreign settlements

³⁾ TS discount, TS indexation, sell-buy-back transactions

⁴⁾ Deposits received from public finance sector entities (pfse) with legal personality

⁵⁾ Court deposits from pfse with legal personality and entities from outside pfs

Since the beginning of 2016 domestic ST debt increased by PLN 59.4bn. At the same time **foreign currency debt** increased by PLN 8.8bn which was a resultant of:

- decrease in debt denominated in EUR (EUR -0.7bn) and CHF (CHF -0.4bn),
- increase in USD- and CNY-denominated debt (USD +1.8bn and CNY +3.0bn, respectively),
- FX rates movements (PLN +5.0bn).

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

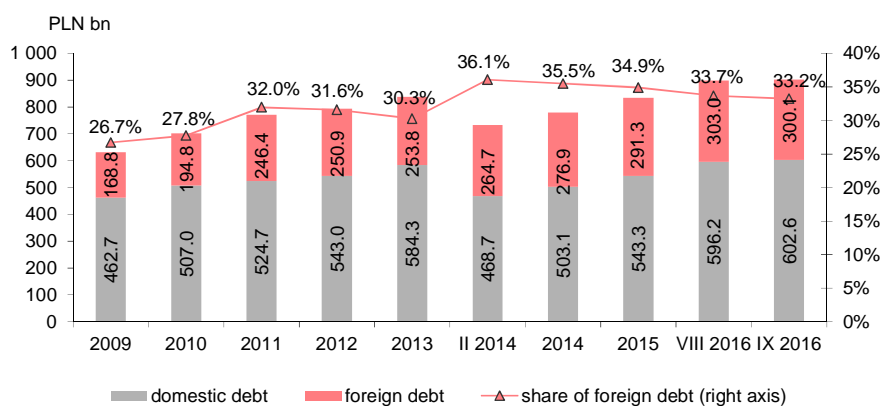
	Dec 2015	structure Dec 2015 %	Aug 2016	structure Aug 2016 %	Sep 2016	structure Sep 2016 %	change Sep 2016 – Aug 2016		change Sep 2016 – Dec 2015	
							PLN m	%	PLN m	%
State Treasury debt	834,550.6	100.0	899,200.8	100.0	902,709.5	100.0	3,508.6	0.4	68,158.9	8.2
I. Domestic ST debt	543,262.2	65.1	596,203.1	66.3	602,632.0	66.8	6,428.9	1.1	59,369.8	10.9
1. Treasury securities (TS)	523,695.5	62.8	574,887.1	63.9	580,878.4	64.3	5,991.2	1.0	57,182.9	10.9
1.1. Marketable TS	513,385.1	61.5	563,680.5	62.7	569,575.1	63.1	5,894.7	1.0	56,190.0	10.9
- Treasury bills	0.0	0.0	4,082.0	0.5	1,692.0	0.2	-2,390.0	-58.5	1,692.0	-
- bonds issued in domestic market	513,385.1	61.5	559,598.5	62.2	567,883.1	62.9	8,284.7	1.5	54,498.0	10.6
1.2. Savings bonds	10,310.4	1.2	11,206.7	1.2	11,303.2	1.3	96.6	0.9	992.9	9.6
2. Other ST debt	19,566.7	2.3	21,316.0	2.4	21,753.7	2.4	437.7	2.1	2,187.0	11.2
II. Foreign ST debt	291,288.4	34.9	302,997.7	33.7	300,077.4	33.2	-2,920.3	-1.0	8,789.0	3.0
1. TS issued in foreign markets	215,629.4	25.8	229,393.7	25.5	227,301.4	25.2	-2,092.3	-0.9	11,672.0	5.4
2. Loans	75,652.5	9.1	73,482.5	8.2	72,660.0	8.0	-822.5	-1.1	-2,992.5	-4.0
3. Other ST debt	6.5	0.0	121.5	0.0	116.1	0.0	-5.4	-4.4	109.6	1,682.9

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

	Dec 2015	structure Dec 2015 %	Aug 2016	structure Aug 2016 %	Sep 2016	structure Sep 2016 %	change Sep 2016 – Aug 2016		change Sep 2016 – Dec 2015	
							PLN m	%	PLN m	%
State Treasury debt	834,550.6	100.0	899,200.8	100.0	902,709.5	100.0	3,508.6	0.4	68,158.9	8.2
I. State Treasury debt towards residents	350,092.5	41.9	416,833.6	46.4	418,306.8	46.3	1,473.2	0.4	68,214.2	19.5
Domestic banking sector	184,177.6	22.1	241,754.3	26.9	240,047.5	26.6	-1,706.7	-0.7	55,869.9	30.3
- domestic instruments	171,499.8	20.5	225,682.1	25.1	224,838.4	24.9	-843.6	-0.4	53,338.7	31.1
- foreign instruments	12,677.8	1.5	16,072.2	1.8	15,209.1	1.7	-863.1	-5.4	2,531.3	20.0
Domestic non-banking sector	165,914.9	19.9	175,079.3	19.5	178,259.2	19.7	3,179.9	1.8	12,344.3	7.4
- domestic instruments	164,990.4	19.8	174,060.3	19.4	177,208.6	19.6	3,148.2	1.8	12,218.2	7.4
- foreign instruments	924.6	0.1	1,019.0	0.1	1,050.7	0.1	31.7	3.1	126.1	13.6
II. State Treasury debt towards non-residents	484,458.1	58.1	482,367.3	53.6	484,402.7	53.7	2,035.5	0.4	-55.4	0.0
- domestic instruments	206,772.1	24.8	196,460.7	21.8	200,585.0	22.2	4,124.3	2.1	-6,187.0	-3.0
- foreign instruments	277,686.0	33.3	285,906.5	31.8	283,817.7	31.4	-2,088.8	-0.7	6,131.7	2.2

ST debt according to the place of issue criterion

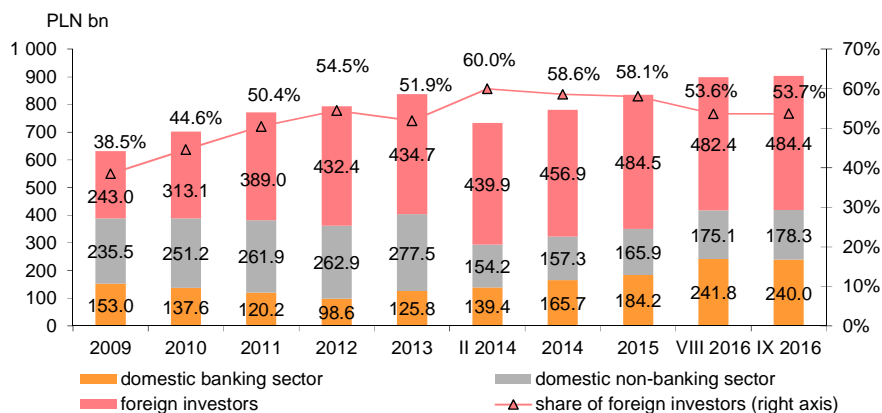
In September 2016 the share of foreign currency debt in total ST debt amounted to 33.2%, i.e. decreased by 0.5 pp m/m and by 1.7 pp compared to the end of 2015. The decrease in the share in September resulted mainly from positive balance of TS issuance on domestic market and appreciation of zloty against EUR and USD. The debt management strategy assumes reduction in the share of foreign currency debt in total ST debt – ultimately below 30% level.



ST debt by holder

In September 2016 the share of foreign investors in total ST debt amounted to 53.7%, i.e. increased slightly compared to the previous month (by 0.02 pp) and simultaneously decreased by 4.4 pp compared to the end of 2015. Increase in the share in September was a resultant of:

- predominance of non-residents among domestic TS buyers in September;
- decrease in PLN equivalent of foreign currency debt (of which ca. 95% is held by foreign investors).

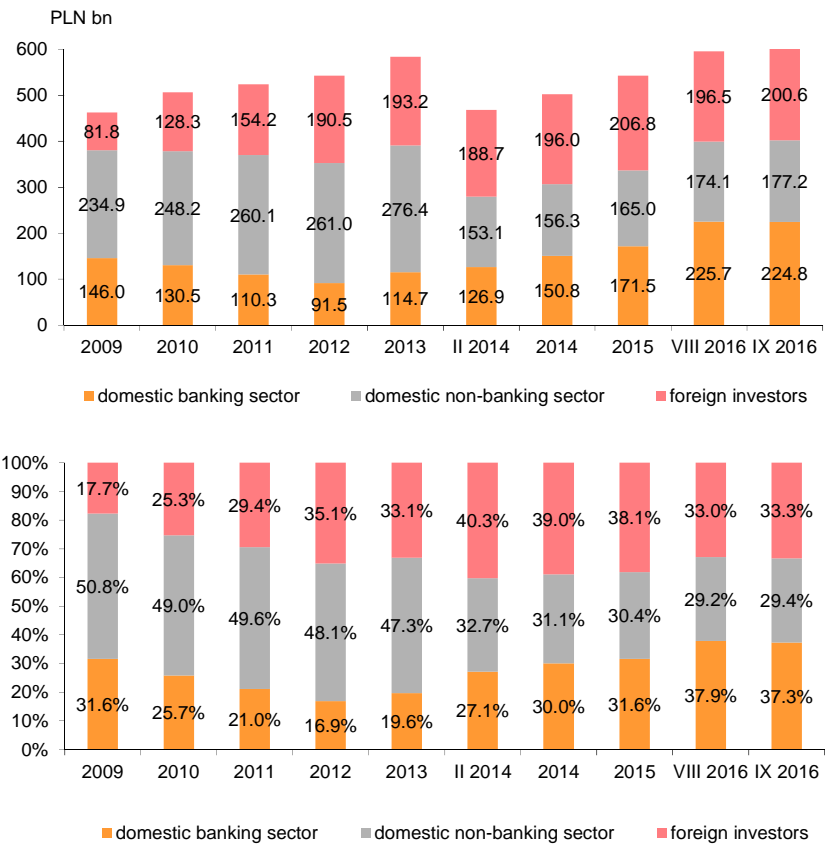


Domestic ST debt by holder in nominal value and structure

In September 2016 residents increased their domestic ST debt portfolios by PLN 2.3bn in total, which was a resultant of the increase in holdings of non-banking sector (PLN +3.1bn, including PLN +0.4bn due to growth in deposits) and decrease in portfolios held by banks (PLN -0.8bn). In case of foreign investors increase in portfolios by PLN 4.1bn was observed.

Since the beginning of 2016 changes in holdings of domestic debt by type of investor have amounted to as follows:

- domestic banking sector: PLN +53.3bn,
- domestic non-banking sector: PLN +12.2bn,
- foreign investors: PLN -6.2bn.

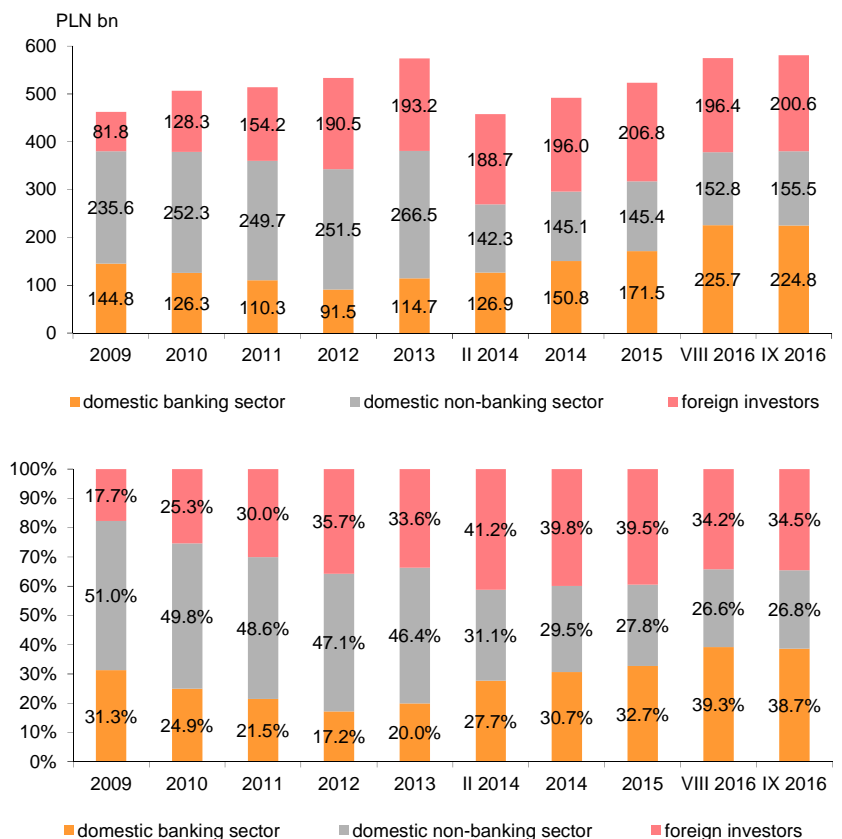


Domestic TS debt by holder in nominal value and structure

In September 2016 residents increased domestic TS portfolios by PLN 1.9bn in total – growth applied to non-banking investors exclusively (PLN +2.7bn), banks decreased their holdings by PLN 0.8bn. In case of foreign investors increase in portfolios by PLN 4.1bn was recorded.

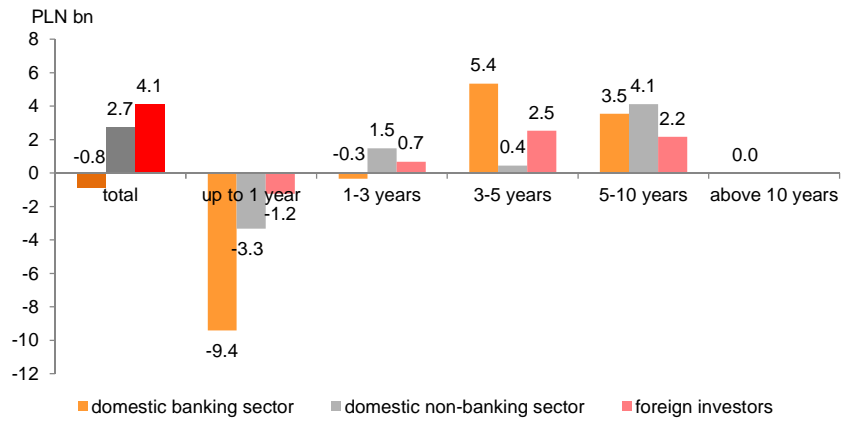
Since the beginning of 2016 changes in holdings of domestic debt by type of investor have amounted to as follows:

- domestic banking sector: PLN +53.3bn,
- domestic non-banking sector: PLN +10.0bn,
- foreign investors: PLN -6.2bn.



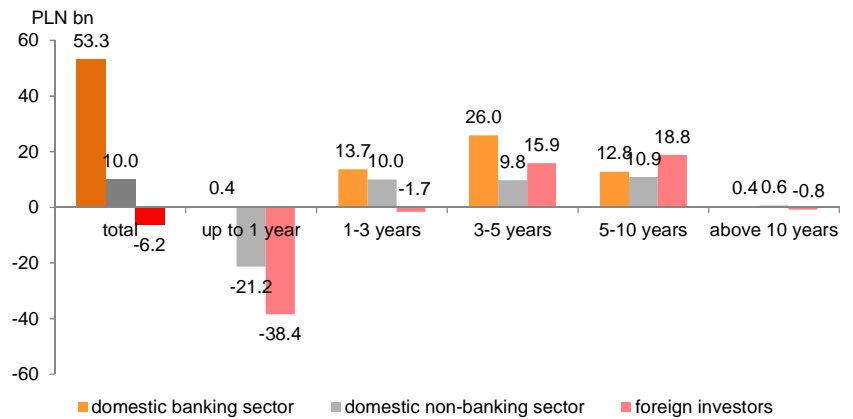
Changes in domestic TS debt according to residual maturity by type of investor in September 2016 m/m*

In September 2016 all groups of investors decreased their portfolios of instruments with maturity below 1 year, which resulted mainly from repurchase of debt on switching auction and redemption of one Treasury bills series. In addition, significant increase in investors' TS holdings with longer maturity was observed, especially from 5-10 years maturity segment.



Changes in domestic TS debt according to residual maturity by type of investor in 2016*

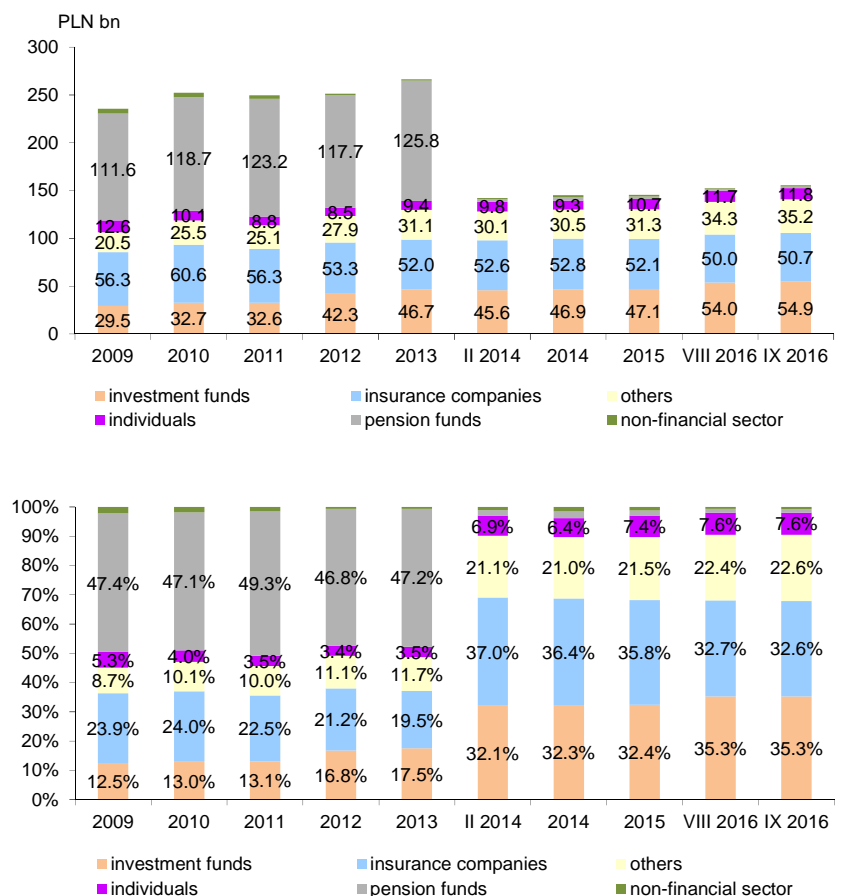
From January 2016 to September 2016 strong demand from domestic banks for TS with maturity from 1 to 10 years was observed. Likewise, domestic non-banking investors increased their holdings mostly of TS from this maturity segment, and simultaneously reduced their portfolios of the shortest instruments. Significant reduction in TS holdings with maturity below 1 year was recorded by foreign investors as well. Whereas non-residents were particularly interested in instruments with residual maturity from 3 to 10 years.



Domestic TS debt towards domestic non-banking sector by holder – in nominal value and structure

The main holders of domestic TS among domestic non-banking entities are investment funds (35.3% share in September 2016), insurance companies (32.6%), and so called other entities (22.6%, this category includes, among others, Bank Guarantee Fund and Demographic Reserve Fund). Significant share of domestic TS is held by individuals as well (7.6%).

In September 2016 domestic TS holdings of non-banking sector increased by PLN 2.7bn m/m and by PLN 10.0bn compared to the end of 2015. Increase in September resulted mainly from increase in TS portfolios of investment funds (PLN +1.0bn), other entities (PLN +0.9bn) and insurance companies (PLN +0.7bn). The increase since the beginning of 2016 was primarily a resultant of increase in TS holdings held by investment funds (PLN +7.8bn) and other entities (PLN +3.8bn), and decrease in holdings of insurance companies (PLN -1.1bn).

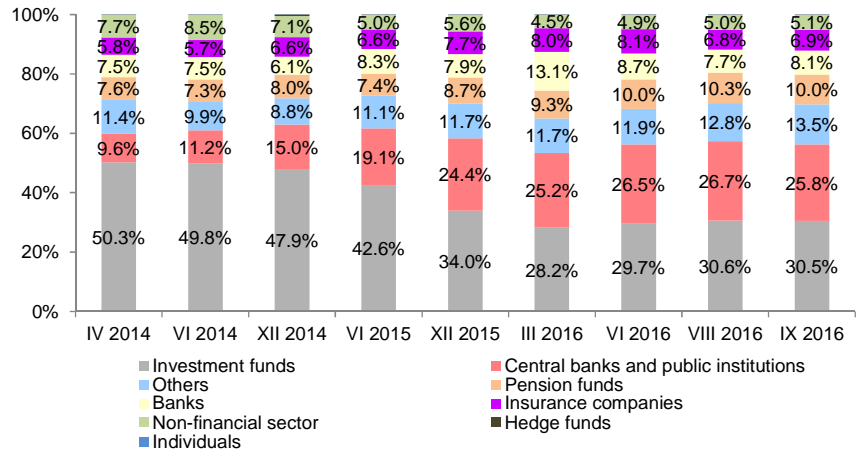
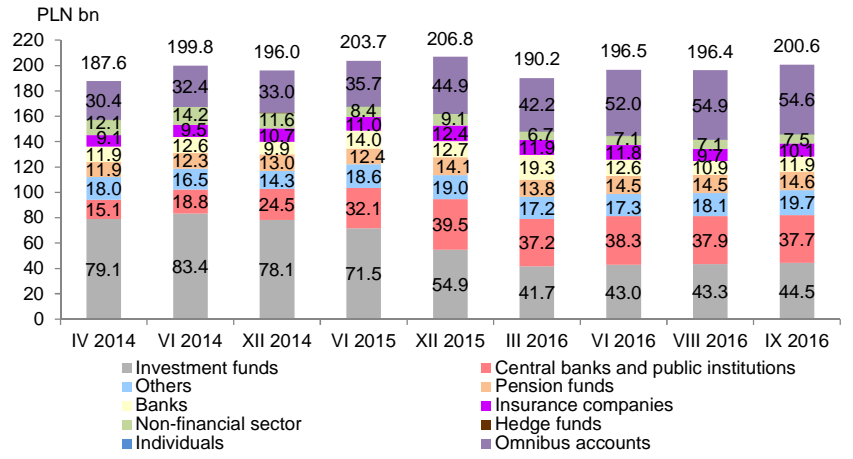


*) Changes resulting only from cash flows, i.e. excluding statistical changes from the shift in classification of the security to next segment of residual maturity.

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

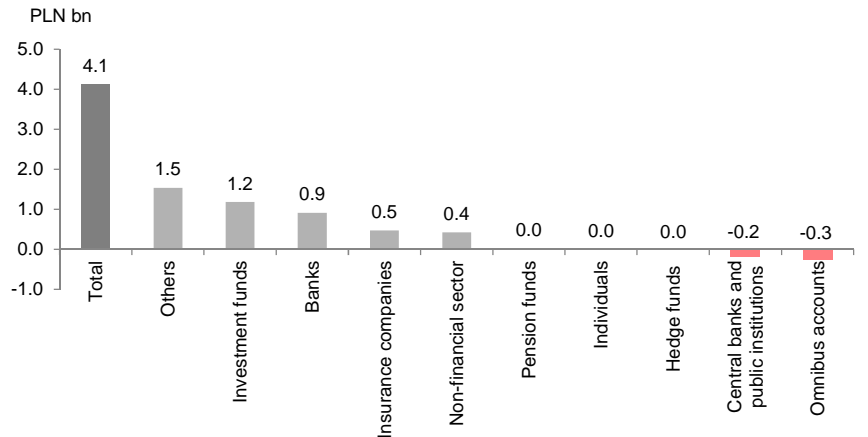
Structure of non-residents holding domestic TS in their portfolios is well-diversified, with dominant role of stable institutional investors: investment funds (30.5% share in September 2016), central banks and public institutions (25.8% in total), pension funds (10.0%) and insurance companies (6.9%). Significant part of domestic TS debt is registered on omnibus accounts (PLN 54.6bn), which enable investors to buy TS without having separate account in Poland.

*) Percentage structure does not include omnibus accounts.



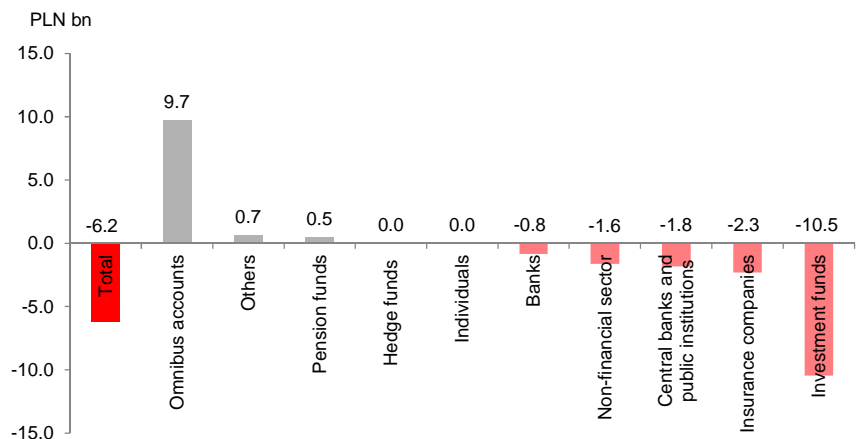
Changes in domestic TS debt towards non-residents by holder in September 2016 m/m

In September 2016 domestic TS debt held by foreign investors increased by PLN 4.1bn. Increase in portfolios was mainly recorded by other entities (PLN +1.5bn, including from Luxembourg: PLN +0.8bn and the UK: PLN +0.5bn), investment funds (PLN +1.2bn, including from Ireland: PLN +0.8bn) and banks (PLN +0.9bn, including from Austria: PLN +0.6bn).



Changes in domestic TS debt towards non-residents by holder in 2016

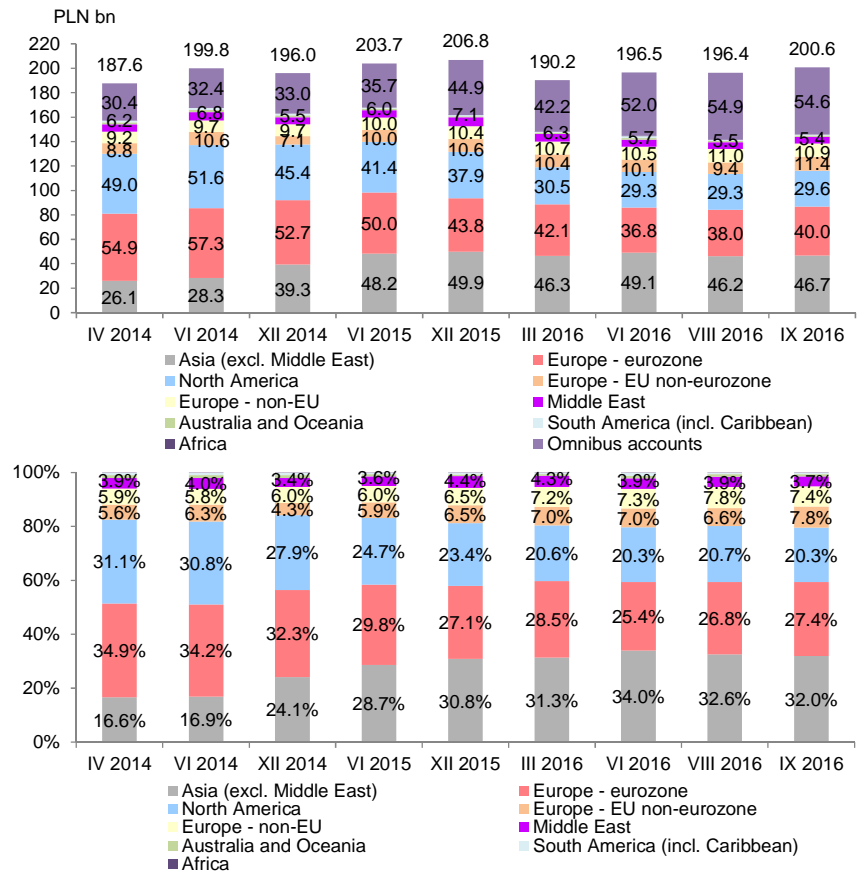
From January 2016 to September 2016 domestic TS held by non-residents decreased by PLN 6.2bn. The decline in portfolios was mainly observed among investment funds (PLN -10.5bn, primarily from Luxembourg and the US). The increase in TS holdings almost exclusively applied to omnibus accounts (PLN +9.7bn).



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

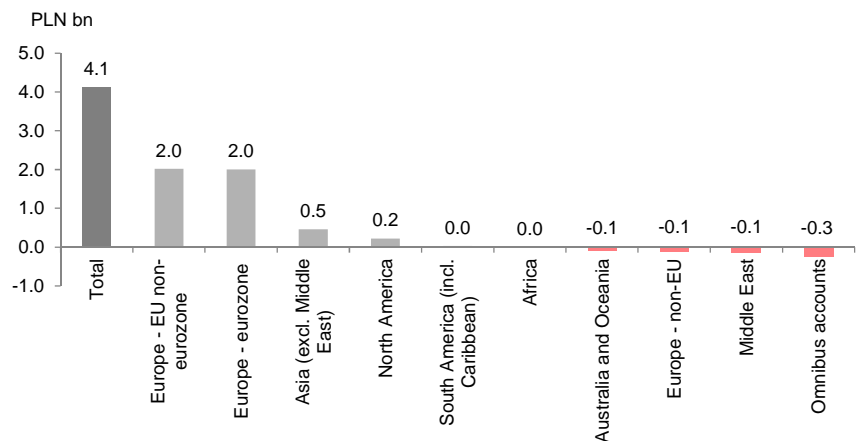
Geographical structure of domestic TS held by foreign investors is well-diversified. In September 2016 the largest TS portfolios were held by entities from Asia – 32.0%, representing debt in the amount of PLN 46.7bn, of which PLN 25.5bn was held by Asian central banks and PLN 18.9bn by investors from Japan. The second largest group of holders of TS were investors from eurozone countries – 27.4% (PLN 40.0bn, including non-residents from Luxembourg: PLN 17.3bn, Ireland: PLN 6.5bn, Germany: PLN 5.2bn). Non-residents from North America held significant TS portfolios as well (20.3%, representing debt in the amount of PLN 29.6bn, of which PLN 28.8bn were held by investors from the USA). The share of investors from other regions amounted to 20.4%.

*³⁾ Percentage structure does not include omnibus accounts.



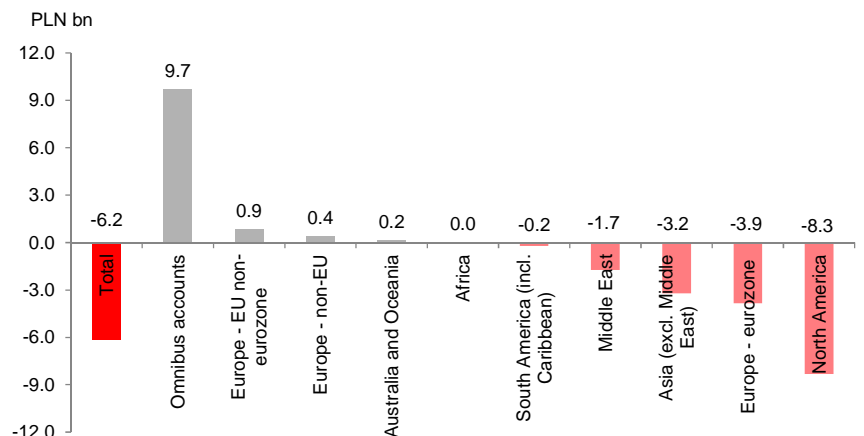
Changes in domestic TS debt towards non-residents by region in September 2016 m/m

In September 2016 increase in domestic TS debt held by non-residents resulted mainly from increase in portfolios of investors from EU countries (PLN +4.0bn in total, including from the UK: PLN +1.5bn, Ireland: PLN +1.0bn, Austria: PLN +0.6bn and Denmark: PLN +0.5bn).



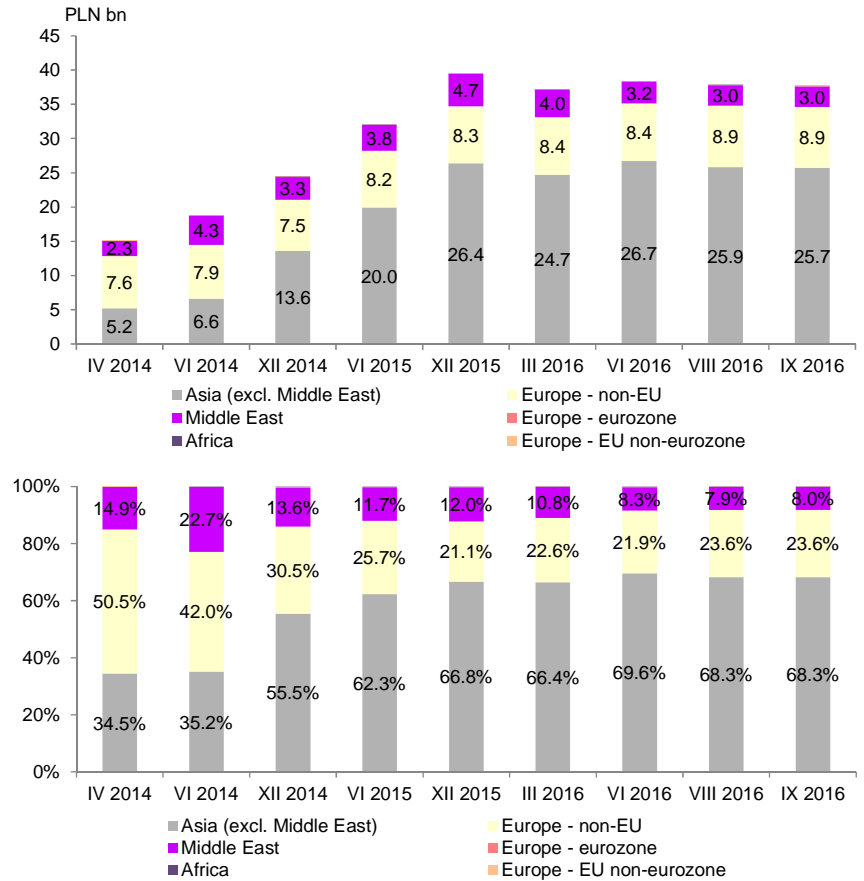
Changes in domestic ST debt towards non-residents by region in 2016

From January 2016 to September 2016 decline in non-residents holdings of domestic TS resulted mainly from decrease in portfolios of investors from North America (PLN -8.3bn, including from the USA: PLN -8.1bn) and eurozone countries (PLN -3.9bn, including from Luxembourg: PLN -4.8bn, Germany: PLN -1.6bn). The increase in TS holdings almost exclusively applied to omnibus accounts (PLN +9.7bn).



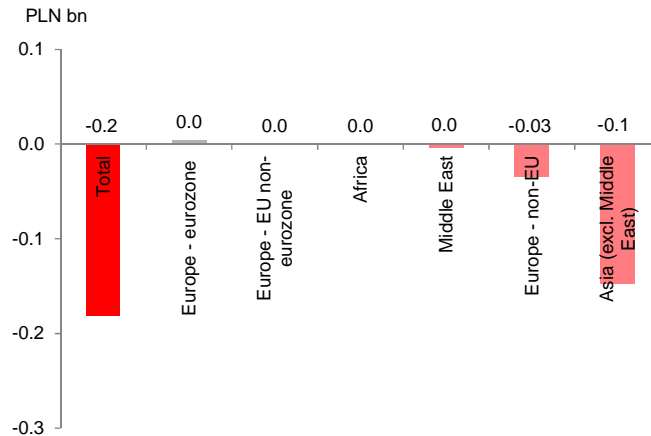
Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in September 2016 their share amounted to 68.3%. Among central banks and public institutions considerable TS portfolios were held by entities from European non-EU countries (23.6% share with stable TS portfolios amounting to ca. PLN 8-9bn) and Middle East (8.0%).



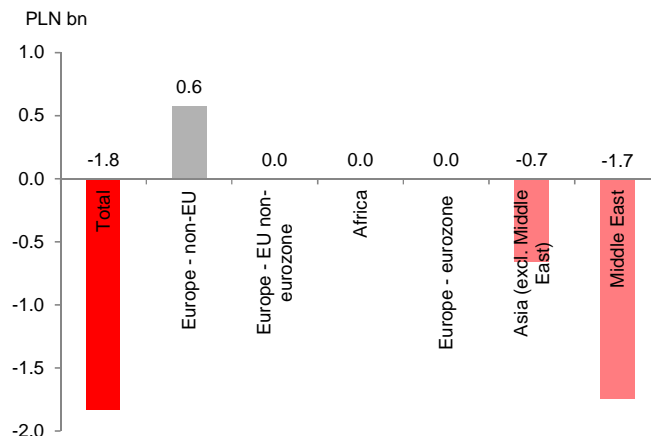
Changes in domestic TS debt towards foreign central banks and public institutions by region in September 2016 m/m

In September 2016 domestic TS debt held by foreign central banks and public institutions decreased by PLN 0.2bn, which resulted mainly from decline in portfolios of Asian investors (PLN -0.1bn).



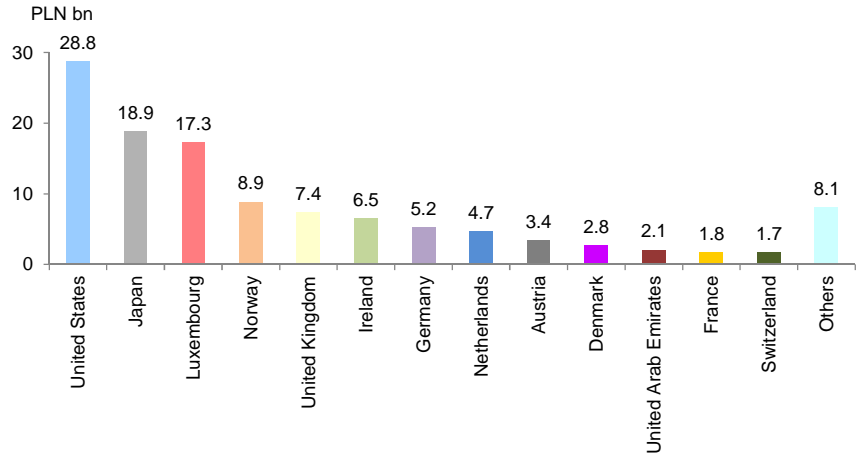
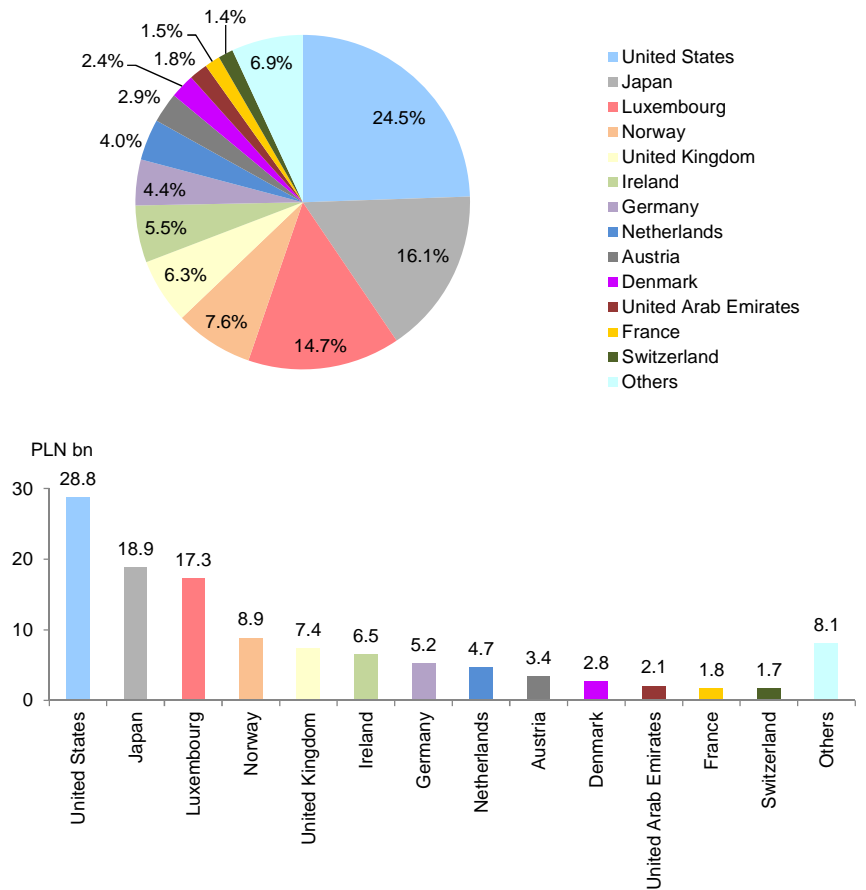
Changes in domestic TS debt towards foreign central banks and public institutions by region in 2016

From January 2016 to September 2016 decrease in central banks and public institutions domestic TS holdings was recorded (PLN -1.8bn). It was mainly a resultant of decrease in portfolios of entities from Middle East (PLN -1.7bn) and Asia (PLN -0.7bn) and increase in portfolios held by investors from European non-EU countries (PLN +0.6bn).



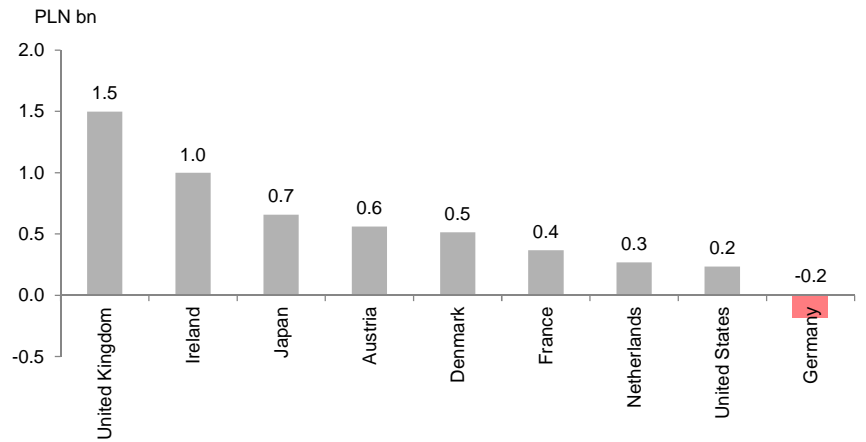
Domestic TS debt towards non-residents by country* in September 2016 – structure and nominal value

In September 2016 domestic TS were held by investors from 57 countries, which confirms high diversification of non-residents structure. The largest TS portfolios were held by entities registered in the US (24.5%, including mainly investment funds: 14.3% share in non-residents domestic TS debt holdings), Japan (16.1%, including primarily insurance companies: 7.6%), Luxembourg (14.7%, including mainly investment funds: 9.7%), Norway (7.6% – almost exclusively public institutions), the UK (6.3%, including commercial banks: 2.2%, investment funds: 2.1%), Ireland (5.5%, including mainly investment funds: 5.0%) and Germany (4.4%, including investment funds: 2.4% and other entities: 1.4%).



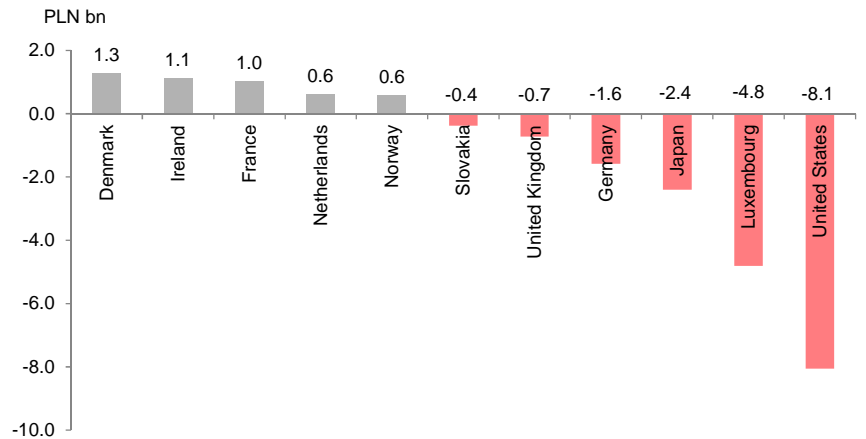
Changes in domestic TS debt towards non-residents by country* in September 2016 m/m**

In September 2016 an increase in domestic TS portfolios mainly applied to investors from the UK (PLN +1.5bn, mainly investment funds: PLN +0.6bn and other entities: PLN 0.5bn), Ireland (PLN +1.0bn, primarily investment funds: PLN +0.8bn), Japan (PLN +0.7bn, mainly insurance companies: PLN +0.4bn) and Austria (PLN +0.6bn, almost exclusively commercial banks).



Changes in domestic ST debt towards non-residents by country* in 2016***

From January 2016 to September 2016 decrease in TS portfolios mainly concerned non-residents from the USA (PLN -8.1bn) and Luxembourg (PLN -4.8bn) – primarily investment funds.



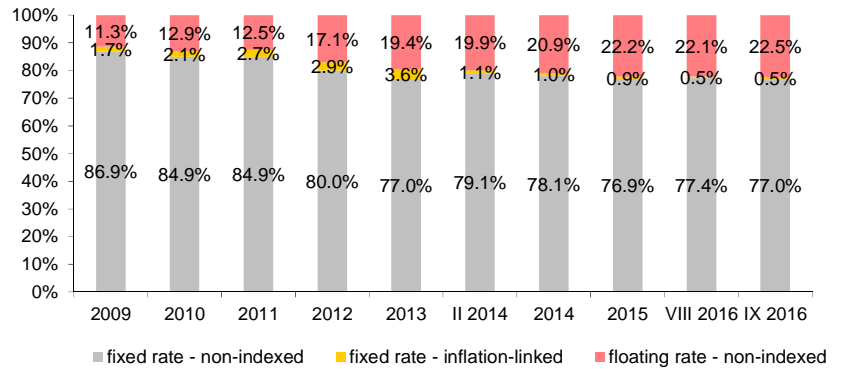
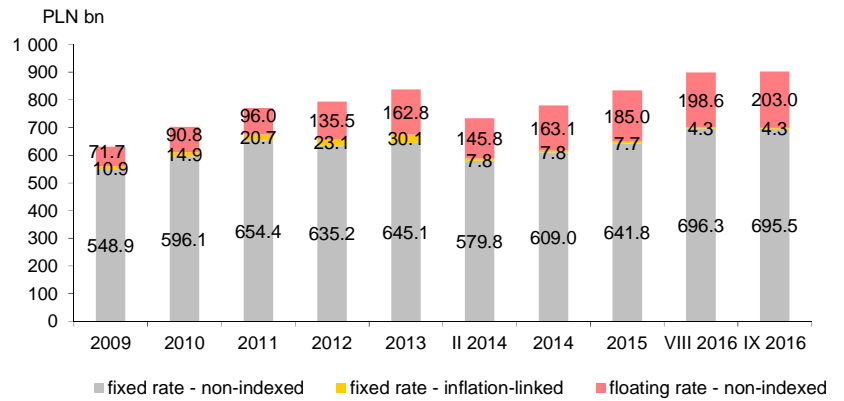
*) Excluding omnibus accounts.

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

***) Chart shows countries with change in debt amounted to at least PLN 0.4bn.

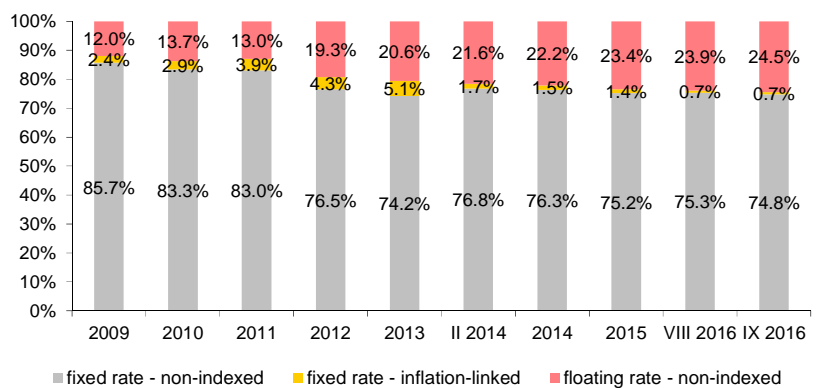
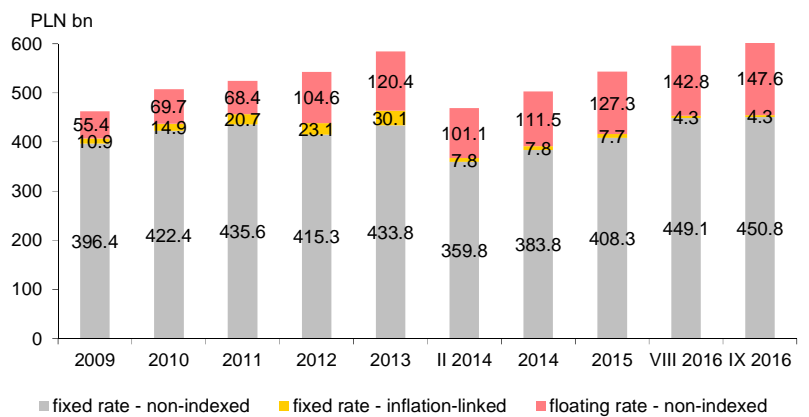
ST debt by type of interest rate and indexation in nominal value and structure

The majority of ST debt comprised fixed rate instruments – their share in September 2016 amounted to 77.5%. The share of floating rate instruments stood at 22.5%, increasing by 0.4 pp m/m and by 0.3 pp compared to the end of 2015. The increase in the share in September resulted mainly from predominance of floating rate instruments in balance of domestic TS issuance. The increase in the share of floating rate instruments from 2012 to 2016 facilitated lowering debt servicing costs.



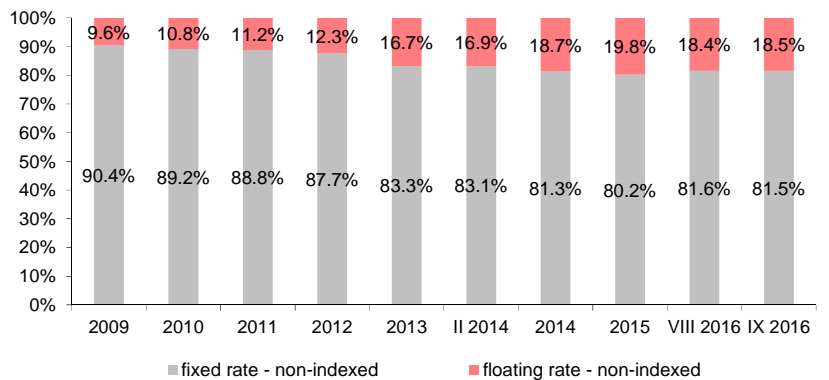
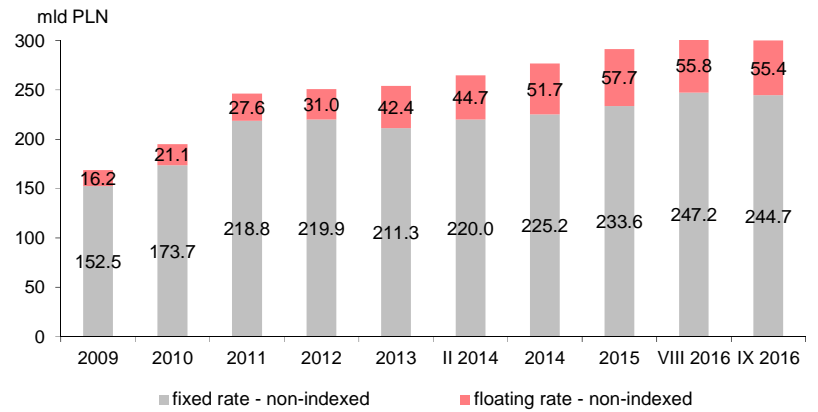
Domestic ST debt by type of interest rate and type of indexation in nominal value and structure

In September 2016 the share of floating rate instruments in domestic ST debt amounted to 24.5%, i.e. increased by 0.5 pp m/m and by 1.1 pp compared to the end of 2015. The increase in the share in September resulted mainly from predominance of floating rate instruments in balance of marketable TS issuance (PLN 5.2bn against PLN 0.8bn).



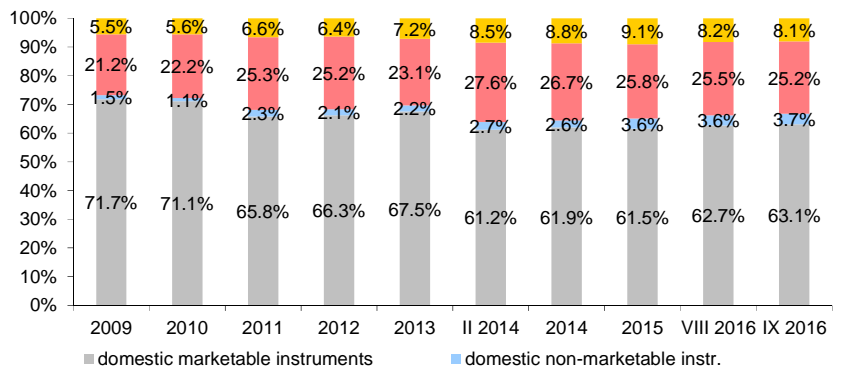
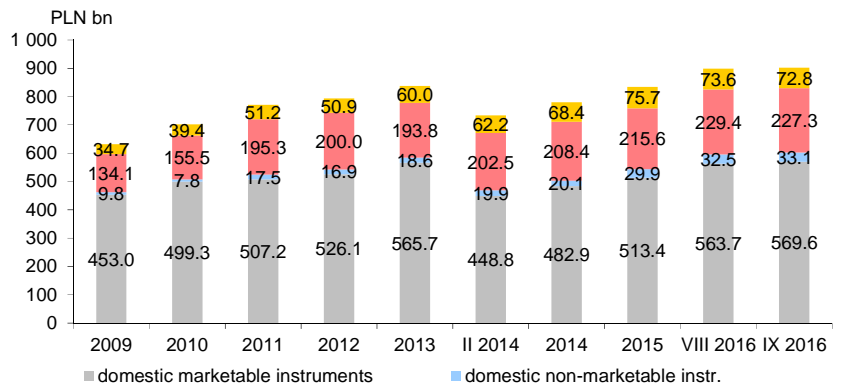
Foreign ST debt by type of interest rate and type of indexation in nominal value and structure

In September 2016 the share of floating rate instruments in foreign ST debt amounted to 18.5%, i.e. increased slightly m/m (by 0.05 pp) and simultaneously decreased by 1.3 pp compared to the end of 2015. Since September 2015 floating rate foreign currency debt has comprised only loans from international financial institutions, utilized due to attractive financial conditions.



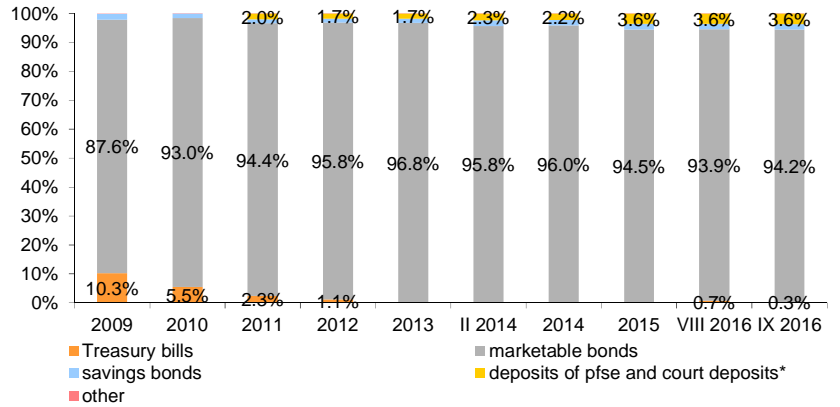
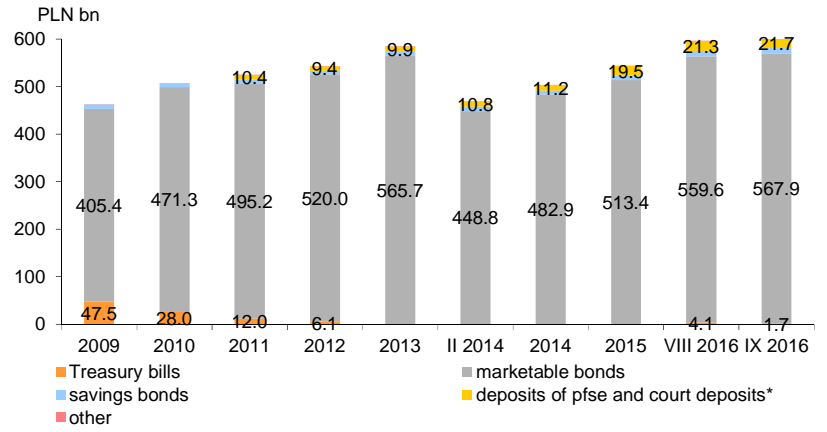
ST debt by type of instrument in nominal value and structure

Dominant share in ST debt comprised marketable TS (88.3% in September 2016), including mostly instruments issued on domestic TS market (63.1%). Supplementary sources of financing of the State budget borrowing requirements are non-marketable instruments, i.e. loans from international financial institutions, domestic saving bonds as well as deposits collected under liquidity management consolidation.



Domestic ST debt by type of instrument in nominal value and structure

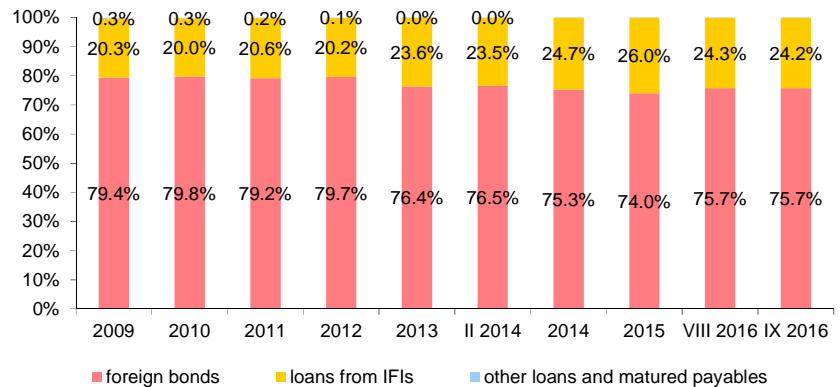
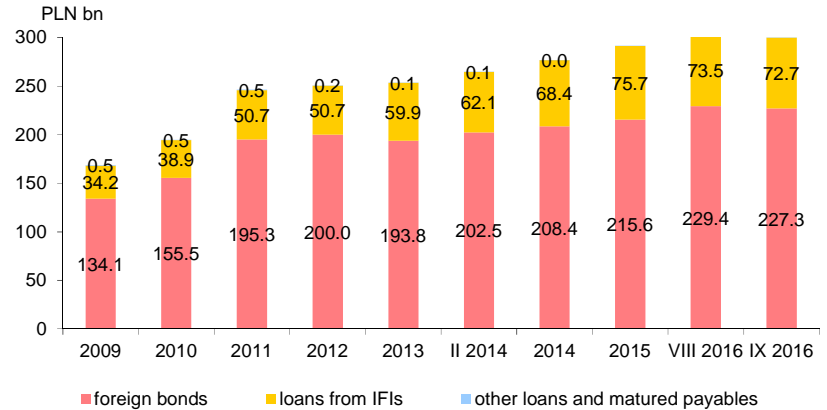
The vast majority of domestic ST debt constituted marketable bonds (94.2% in September 2016). Supplementary and stable sources of financing are saving bonds, and deposits from pfse and courts deposits* as well, which total share amounted to 3.6%. At the end of September 2016 one issue of Treasury bills, maturing in November 2016 made up a part of domestic debt (0.3% of debt).



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

Foreign ST debt by type of instrument in nominal value and structure

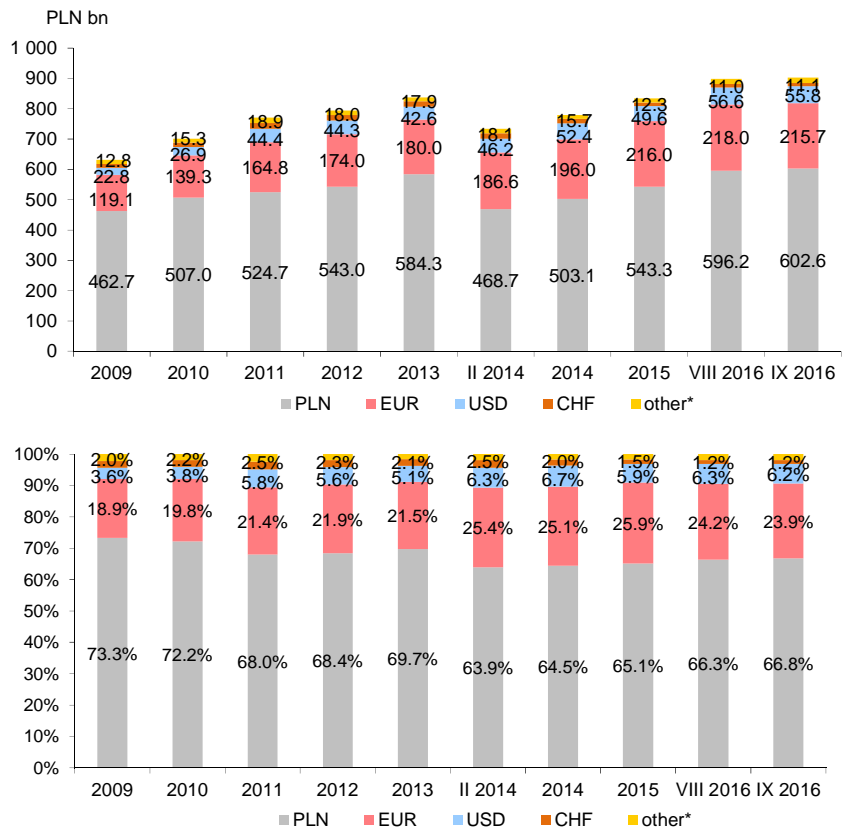
In ST debt denominated in foreign currencies dominant share accounted for international bonds (75.7% in September 2016). The share of loans from international financial institutions is significant as well (24.2%).



ST debt by currency in nominal value and structure

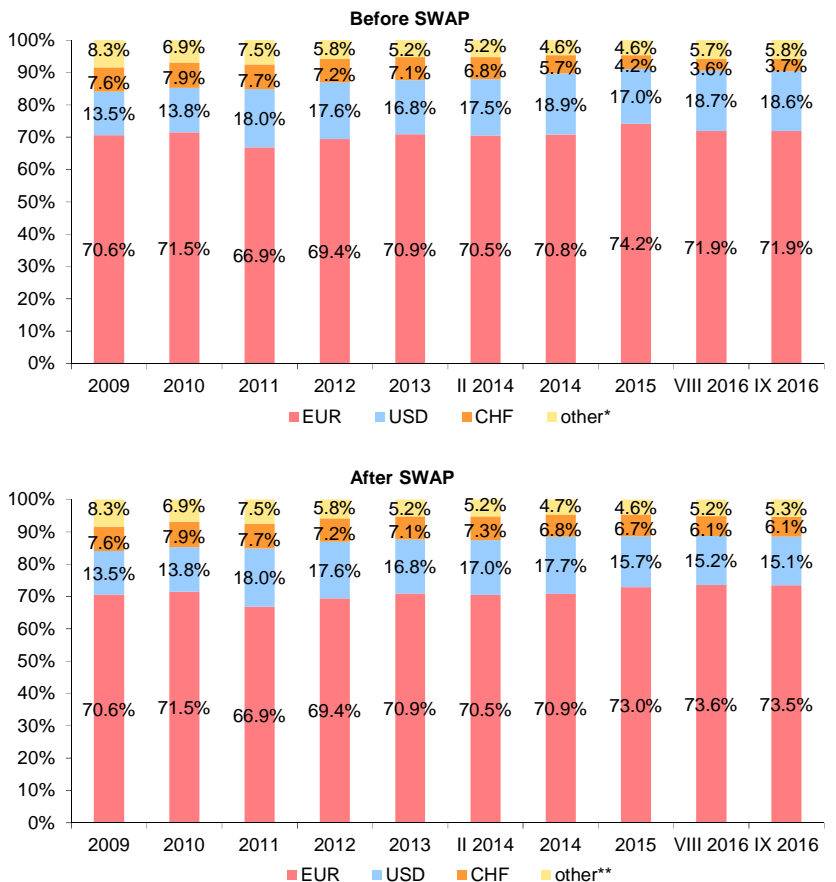
In accordance with the debt management strategy, State budget borrowing requirements are mostly financed on domestic market. In September 2016 debt denominated in PLN comprised 66.8% of total ST debt compared to 66.3% in August 2016 and 65.1% at the end of 2015. The share of foreign currency denominated debt changed as follows:

- EUR – decrease by 0.3 pp m/m and by 2.0 pp compared to the end of 2015,
- USD – decrease by 0.1 pp m/m and increase by 0.2 pp compared to the end of 2015,
- CHF – no changes m/m and decrease by 0.3 pp compared to the end of 2015,
- JPY – no changes m/m and increase by 0.1 pp compared to the end of 2015,
- CNY – no changes m/m.



Structure of foreign ST debt by currency – before and after SWAP transactions

In September 2016 the share of EUR-denominated debt in foreign ST debt, including derivative transactions, amounted to 73.5%, i.e. remained above the minimum level of 70% assumed in debt management strategy. In September 2016 the share of EUR decreased by 0.1 pp m/m which resulted mainly from depreciation of EUR against CHF and JPY.



*) JPY (since 2010) and CNY (since August 2016); until 2009 inclusive *other* category included GBP as well.

**) JPY (since 2010; until 2009 inclusive *other* category included GBP as well).

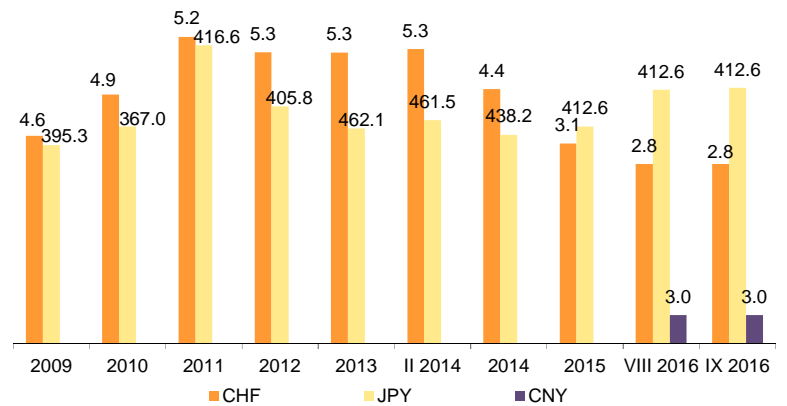
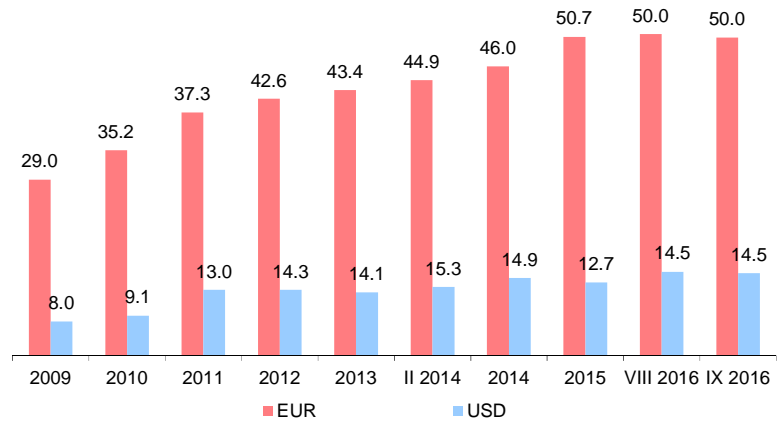
Foreign ST debt in original currency (billion)

*)**)

At the end of September 2016 nominal value of debt denominated in respective foreign currencies remained virtually unchanged compared to the previous month, i.e. amounted to EUR 50.0bn, USD 14.5bn, CHF 2.8bn, JPY 412.6bn and CNY 3.0bn.

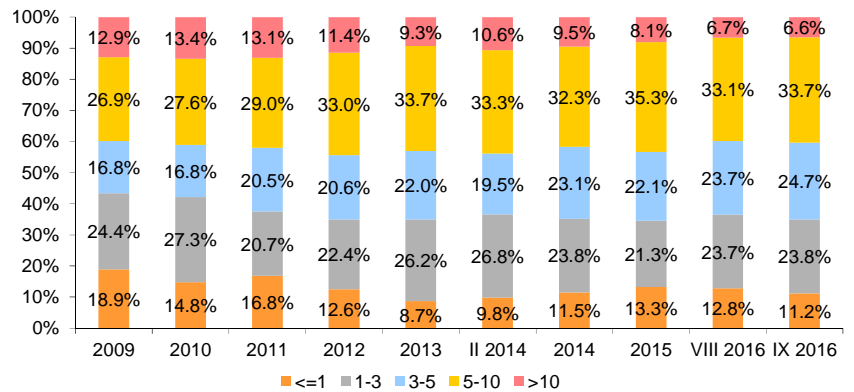
*) Charts present debt excluding SWAP transactions and do not include debt in GBP repaid in November 2010.

**) Charts present level of debt in original currencies, whereas proportions of columns reflects the level of debt converted to PLN which allows to make it comparable.



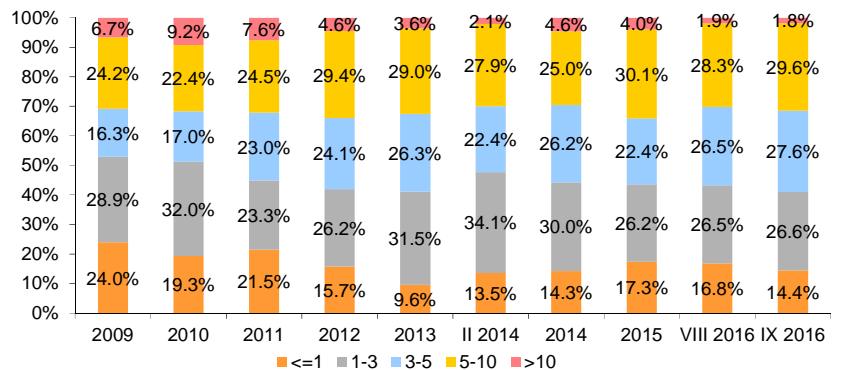
ST debt by residual maturity (in years)

In September 2016 debt with the longest residual maturity (i.e. above 5 years) comprised 40.3% of total ST debt, i.e. increased by 0.5 pp m/m (mainly as a result of shifts in domestic debt structure and change in classification of CHF0921 bond) and decreased by 3.0 pp compared to the end of 2015. Debt with residual maturity of up to 1 year constituted 11.2% of ST debt, i.e. decreased by 1.6 pp m/m (primarily as a result of repurchases and redemptions of domestic debt) and by 2.1 pp compared to the end of 2015.



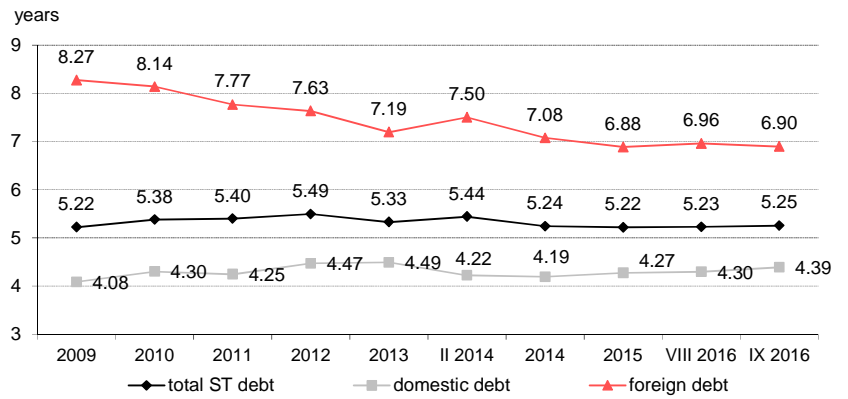
Domestic ST debt by residual maturity (in years)

In September 2016 domestic debt with residual maturity above 5 years accounted for 31.4%, i.e. increased by 1.3 pp m/m (mainly as a result of significant share of instruments with longer maturity in newly issued marketable TS and repurchases and redemptions of debt) and decreased by 2.6 pp compared to the end of 2015. The share of debt with residual maturity of up to 1 year amounted to 14.4%, i.e. decreased by 2.4 pp (which resulted from debt repurchases on switching auction and redemption of one issue of Treasury bills) and by 3.0 pp compared to the end of 2015.



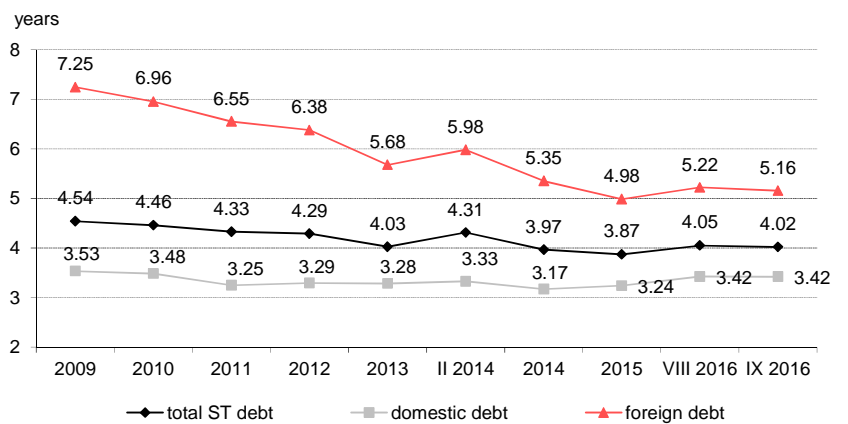
ATM of ST debt

In September 2016 average time to maturity (ATM) of ST debt amounted to 5.25 years (increase by 0.03 years m/m and by 0.04 years compared to the end of 2015), remaining in line with debt management strategy, i.e. close to 5 years. ATM of domestic ST debt lengthened by 0.09 years, to 4.39 years which resulted mainly from earlier repurchases of debt and debt redemptions, as well as significant share of instruments with relatively long maturity in newly issued TS. According to debt management strategy, it is assumed to maintain ATM of domestic debt at the level of at least 4 years and ultimately lengthen it to 4.5 years. In September 2016 ATM of foreign ST debt decreased by 0.06 years (primarily as a result of debt aging), remaining at the safe level of 6.90 years.



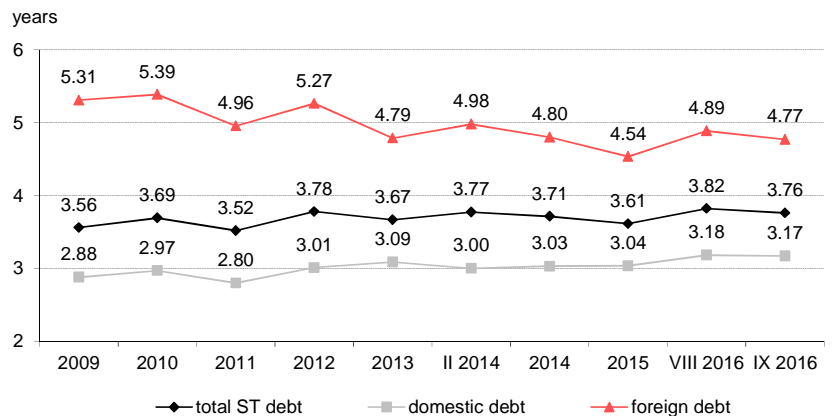
ATR of ST debt

In September 2016 average time to refixing (ATR) of ST debt amounted to 4.02 years (decrease by 0.03 years m/m and increase by 0.15 years compared to the end of 2015). Decrease in ATR in September was a resultant of stabilization of domestic debt ATR (at the level of 3.42 years) and shortening of foreign debt ATR (by 0.07 years, to 5.16 years). Developing of the level of ATR of both debt categories resulted mainly from changes in ATM and shifts in the share of floating rate debt. In September 2016 ATR of domestic ST debt remained in line with debt management strategy, i.e. in the range 2.8-3.8 years.



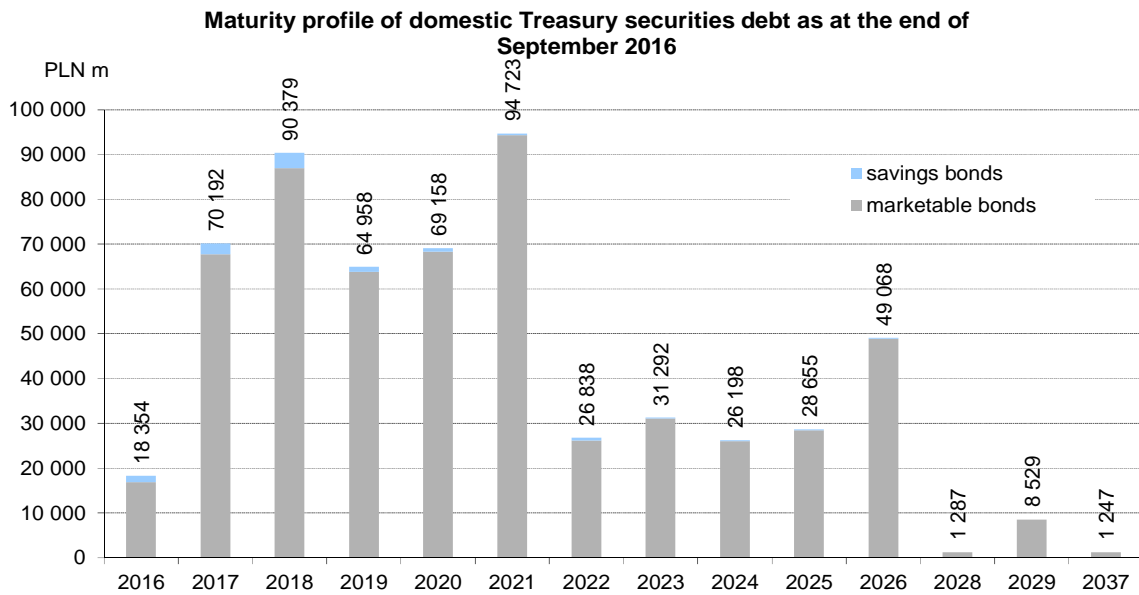
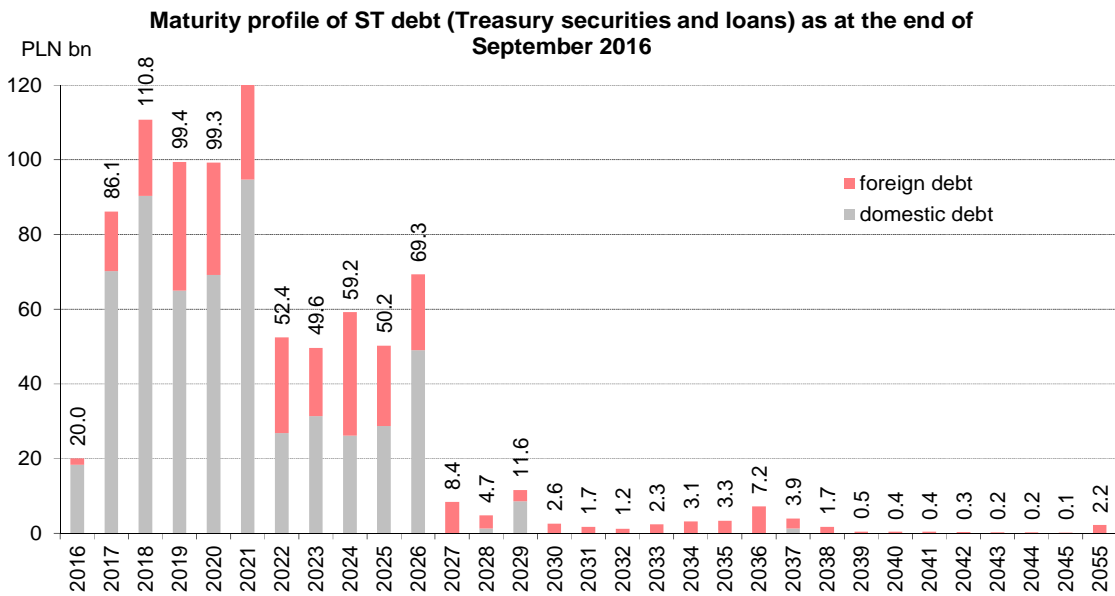
Duration of ST debt*

In September 2016 duration of ST debt amounted to 3.76 years, i.e. decreased by 0.06 pp m/m and simultaneously increased by 0.15 years compared to the end of 2015. Decrease in duration in September was a result of shortening of duration of both: domestic debt (by 0.01 years, to 3.17 years) and foreign debt (by 0.12 years, to 4.77 years). Decrease in duration of both debt categories resulted primarily from ATR level developments.

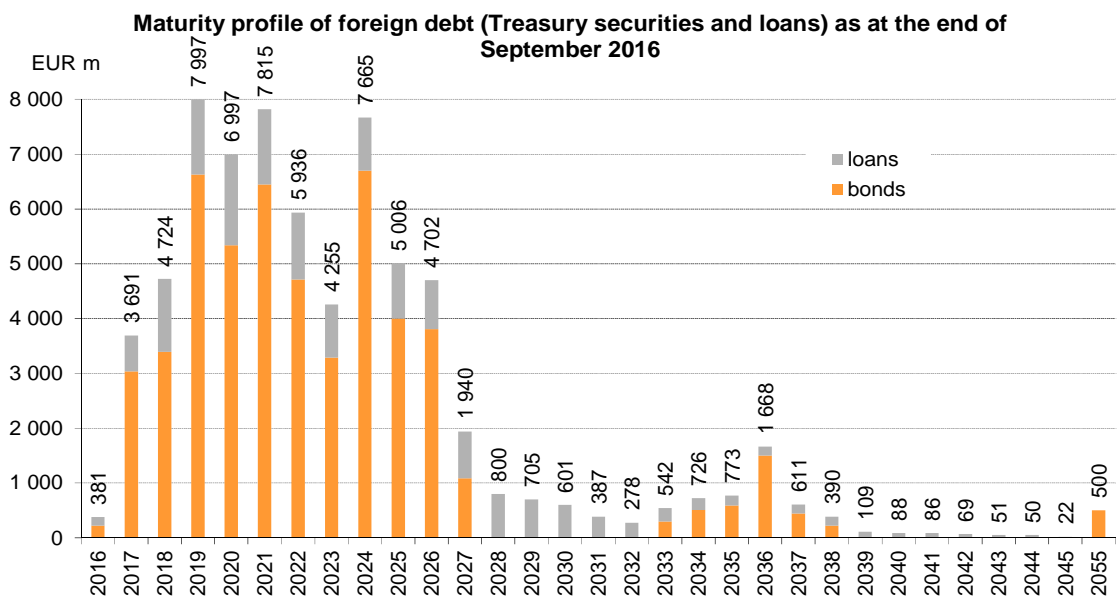


ATR as well as duration, indicated that in 2016 interest rate risk of ST debt remained stable.

*) Excluding inflation-linked bonds



*) Data do not include a part of short-term domestic debt: (a) maturing in 2016 – other ST debt (PLN 20,857m – mainly deposits and matured payables) and (b) maturing in 2017 – deposits (PLN 896m).



*) Data do not include a part of short-term foreign debt maturing in 2016 – matured payables (PLN 116bn).

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

	Dec 2015	structure Dec 2015 %	Aug 2016	structure Aug 2016 %	Sep 2016	structure Sep 2016 %	change		change	
							Sep 2016 – Aug 2016		Sep 2016 – Dec 2015	
							PLN m	%	PLN m	%
State Treasury Debt	834,550.6	100.0	899,200.8	100.0	902,709.5	100.0	3,508.6	0.4	68,158.9	8.2
I. Domestic debt	543,262.2	65.1	596,203.1	66.3	602,632.0	66.8	6,428.9	1.1	59,369.8	10.9
1. Treasury securities issued in domestic market	523,695.5	62.8	574,887.1	63.9	580,878.4	64.3	5,991.2	1.0	57,182.9	10.9
1.1. Marketable securities	513,385.1	61.5	563,680.5	62.7	569,575.1	63.1	5,894.7	1.0	56,190.0	10.9
fixed rate	384,567.5	46.1	422,763.0	47.0	423,877.5	47.0	1,114.5	0.3	39,310.0	10.2
Treasury bills	0.0	0.0	4,082.0	0.5	1,692.0	0.2	-2,390.0	-58.5	1,692.0	-
OK bonds	38,928.4	4.7	32,952.9	3.7	34,698.9	3.8	1,746.0	5.3	-4,229.5	-10.9
PS bonds	172,868.0	20.7	187,511.7	20.9	185,931.7	20.6	-1,579.9	-0.8	13,063.7	7.6
DS bonds	139,393.4	16.7	164,607.8	18.3	167,963.2	18.6	3,355.4	2.0	28,569.8	20.5
WS bonds	33,377.6	4.0	33,608.6	3.7	33,591.6	3.7	-17.0	-0.1	214.0	0.6
fixed rate - inflation-linked	7,677.1	0.9	4,272.8	0.5	4,260.6	0.5	-12.1	-0.3	-3,416.5	-44.5
IZ bonds	7,677.1	0.9	4,272.8	0.5	4,260.6	0.5	-12.1	-0.3	-3,416.5	-44.5
floating rate	121,140.5	14.5	136,644.7	15.2	141,437.0	15.7	4,792.3	3.5	20,296.6	16.8
WZ bonds	121,140.5	14.5	136,644.7	15.2	141,437.0	15.7	4,792.3	3.5	20,296.6	16.8
1.2. Savings bonds	10,310.4	1.2	11,206.7	1.2	11,303.2	1.3	96.6	0.9	992.9	9.6
fixed rate	4,147.5	0.5	5,068.2	0.6	5,176.1	0.6	107.9	2.1	1,028.6	24.8
KOS bonds	1,355.7	0.2	869.0	0.1	868.9	0.1	-0.1	0.0	-486.8	-35.9
DOS bonds	2,791.8	0.3	4,199.1	0.5	4,307.2	0.5	108.0	2.6	1,515.4	54.3
floating rate	6,162.9	0.7	6,138.5	0.7	6,127.2	0.7	-11.3	-0.2	-35.8	-0.6
TOZ bonds	534.4	0.1	597.8	0.1	596.4	0.1	-1.4	-0.2	62.0	11.6
COI bonds	1,656.2	0.2	1,518.2	0.2	1,507.0	0.2	-11.2	-0.7	-149.1	-9.0
EDO bonds	3,972.3	0.5	4,022.4	0.4	4,023.7	0.4	1.3	0.0	51.4	1.3
2. Other domestic debt	19,566.7	2.3	21,316.0	2.4	21,753.7	2.4	437.7	2.1	2,187.0	11.2
deposits of pfse*	15,444.9	1.9	17,261.1	1.9	17,694.2	2.0	433.1	2.5	2,249.3	14.6
court deposits**	4,096.4	0.5	4,047.5	0.5	4,052.8	0.4	5.4	0.1	-43.5	-1.1
matured payables	22.0	0.0	4.0	0.0	3.2	0.0	-0.8	-19.3	-18.7	-85.2
other	3.5	0.0	3.4	0.0	3.4	0.0	0.0	-0.7	-0.1	-1.8
II. Foreign debt	291,288.4	34.9	302,997.7	33.7	300,077.4	33.2	-2,920.3	-1.0	8,789.0	3.0
1. Treasury securities issued in international markets	215,629.4	25.8	229,393.7	25.5	227,301.4	25.2	-2,092.3	-0.9	11,672.0	5.4
1.1. Marketable securities	215,629.4	25.8	229,393.7	25.5	227,301.4	25.2	-2,092.3	-0.9	11,672.0	5.4
fixed rate	215,629.4	25.8	229,393.7	25.5	227,301.4	25.2	-2,092.3	-0.9	11,672.0	5.4
EUR	140,382.3	16.8	144,480.6	16.1	143,037.7	15.8	-1,443.0	-1.0	2,655.3	1.9
USD	49,544.0	5.9	56,473.5	6.3	55,716.3	6.2	-757.2	-1.3	6,172.3	12.5
CHF	12,330.3	1.5	11,049.1	1.2	11,065.0	1.2	15.8	0.1	-1,265.4	-10.3
JPY	13,372.8	1.6	15,635.5	1.7	15,749.4	1.7	113.9	0.7	2,376.6	17.8
CNY	0.0	0.0	1,755.0	0.2	1,733.1	0.2	-21.9	-1.2	1,733.1	-
2. Loans	75,652.5	9.1	73,482.5	8.2	72,660.0	8.0	-822.5	-1.1	-2,992.5	-4.0
fixed rate	17,931.1	2.1	17,664.1	2.0	17,241.1	1.9	-423.0	-2.4	-690.0	-3.8
EUR	17,931.1	2.1	17,664.1	2.0	17,241.1	1.9	-423.0	-2.4	-690.0	-3.8
floating rate	57,721.4	6.9	55,818.4	6.2	55,418.9	6.1	-399.5	-0.7	-2,302.5	-4.0
EUR	57,721.4	6.9	55,818.4	6.2	55,418.9	6.1	-399.5	-0.7	-2,302.5	-4.0
3. Other foreign debt	6.5	0.0	121.5	0.0	116.1	0.0	-5.4	-4.4	109.6	1,682.9

*) Deposits received from pfse with legal personality

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

Table 5. State Treasury debt by holder (PLN million)

	Dec 2015	structure Dec 2015 %	Aug 2016	structure Aug 2016 %	Sep 2016	structure Sep 2016 %	change Sep 2016 – Aug 2016		change Sep 2016 – Dec 2015	
							PLN m	%	PLN m	%
State Treasury debt	834,550.6	100.0	899,200.8	100.0	902,709.5	100.0	3,508.6	0.4	68,158.9	8.2
I. State Treasury debt towards residents	350,092.5	41.9	416,833.6	46.4	418,306.8	46.3	1,473.2	0.4	68,214.2	19.5
Domestic banking sector	184,177.6	22.1	241,754.3	26.9	240,047.5	26.6	-1,706.7	-0.7	55,869.9	30.3
1. TS issued in domestic market	171,499.8	20.5	225,682.1	25.1	224,838.4	24.9	-843.6	-0.4	53,338.7	31.1
1.1. Marketable TS	171,499.8	20.5	225,682.1	25.1	224,838.4	24.9	-843.6	-0.4	53,338.7	31.1
Treasury bills	0.0	0.0	3,908.0	0.4	1,543.0	0.2	-2,365.0	-60.5	1,543.0	-
OK bonds	13,945.9	1.7	21,439.3	2.4	21,354.1	2.4	-85.2	-0.4	7,408.1	53.1
PS bonds	57,422.7	6.9	78,360.1	8.7	75,718.0	8.4	-2,642.1	-3.4	18,295.3	31.9
DS bonds	20,736.7	2.5	31,434.9	3.5	31,693.4	3.5	258.5	0.8	10,956.7	52.8
WS bonds	2,879.1	0.3	2,825.8	0.3	3,031.1	0.3	205.4	7.3	152.1	5.3
IZ bonds	1,500.9	0.2	1,212.3	0.1	1,239.2	0.1	27.0	2.2	-261.6	-17.4
WZ bonds	75,014.5	9.0	86,501.7	9.6	90,259.6	10.0	3,757.9	4.3	15,245.1	20.3
1.2. Savings bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
TOZ bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
COI bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
EDO bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
2. Other ST debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
deposits of pfse*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
court deposits**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
matured payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
3. TS issued in foreign markets	12,677.8	1.5	16,072.2	1.8	15,209.1	1.7	-863.1	-5.4	2,531.3	20.0
Domestic non-banking sector	165,914.9	19.9	175,079.3	19.5	178,259.2	19.7	3,179.9	1.8	12,344.3	7.4
1. TS issued in domestic market	145,436.2	17.4	152,760.7	17.0	155,473.5	17.2	2,712.8	1.8	10,307.3	6.9
1.1. Marketable TS	135,140.1	16.2	141,572.5	15.7	144,189.1	16.0	2,616.6	1.8	9,048.9	6.7
Treasury bills	0.0	0.0	174.0	0.0	149.0	0.0	-25.0	-14.4	149.0	-
OK bonds	10,750.6	1.3	7,448.6	0.8	8,741.1	1.0	1,292.5	17.4	-2,009.6	-18.7
PS bonds	43,653.2	5.2	42,865.1	4.8	41,831.0	4.6	-1,034.1	-2.4	-1,822.2	-4.2
DS bonds	30,865.1	3.7	35,420.3	3.9	36,406.1	4.0	985.8	2.8	5,541.0	18.0
WS bonds	16,384.7	2.0	16,108.5	1.8	16,604.7	1.8	496.2	3.1	220.0	1.3
IZ bonds	2,898.5	0.3	1,785.6	0.2	1,749.8	0.2	-35.9	-2.0	-1,148.7	-39.6
WZ bonds	30,588.0	3.7	37,770.4	4.2	38,707.4	4.3	937.0	2.5	8,119.4	26.5
1.2. Savings bonds	10,296.0	1.2	11,188.3	1.2	11,284.5	1.3	96.2	0.9	988.4	9.6
KOS bonds	1,354.9	0.2	868.3	0.1	868.2	0.1	-0.1	0.0	-486.7	-35.9
DOS bonds	2,788.8	0.3	4,193.4	0.5	4,301.0	0.5	107.6	2.6	1,512.3	54.2
TOZ bonds	534.1	0.1	597.0	0.1	595.6	0.1	-1.4	-0.2	61.5	11.5
COI bonds	1,653.5	0.2	1,515.5	0.2	1,504.2	0.2	-11.3	-0.7	-149.4	-9.0
EDO bonds	3,964.8	0.5	4,014.0	0.4	4,015.4	0.4	1.4	0.0	50.6	1.3
2. Other ST debt	19,554.2	2.3	21,299.6	2.4	21,735.0	2.4	435.4	2.0	2,180.8	11.2
deposits of pfse*	15,444.9	1.9	17,261.1	1.9	17,694.2	2.0	433.1	2.5	2,249.3	14.6
court deposits**	4,083.9	0.5	4,031.0	0.4	4,034.2	0.4	3.2	0.1	-49.7	-1.2
matured payables	22.0	0.0	4.0	0.0	3.2	0.0	-0.8	-19.3	-18.7	-85.2
other	3.5	0.0	3.4	0.0	3.4	0.0	0.0	-0.7	-0.1	-1.8
3. TS issued in foreign markets	924.6	0.1	1,019.0	0.1	1,050.7	0.1	31.7	3.1	126.1	13.6
II. State Treasury debt towards non-residents	484,458.1	58.1	482,367.3	53.6	484,402.7	53.7	2,035.5	0.4	-55.4	0.0
1. TS issued in domestic market	206,759.5	24.8	196,444.3	21.8	200,566.4	22.2	4,122.1	2.1	-6,193.1	-3.0
1.1. Marketable TS	206,745.2	24.8	196,425.9	21.8	200,547.6	22.2	4,121.7	2.1	-6,197.6	-3.0
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	14,231.8	1.7	4,065.0	0.5	4,603.7	0.5	538.7	13.3	-9,628.1	-67.7
PS bonds	71,792.1	8.6	66,286.5	7.4	68,382.7	7.6	2,096.2	3.2	-3,409.5	-4.7
DS bonds	87,791.6	10.5	97,752.6	10.9	99,863.7	11.1	2,111.1	2.2	12,072.0	13.8
WS bonds	14,113.9	1.7	14,674.4	1.6	13,955.8	1.5	-718.6	-4.9	-158.1	-1.1
IZ bonds	3,277.8	0.4	1,274.9	0.1	1,271.7	0.1	-3.2	-0.3	-2,006.1	-61.2
WZ bonds	15,537.9	1.9	12,372.6	1.4	12,470.0	1.4	97.5	0.8	-3,067.9	-19.7
1.2. Savings bonds	14.3	0.0	18.4	0.0	18.8	0.0	0.4	2.1	4.4	31.0
KOS bonds	0.8	0.0	0.7	0.0	0.7	0.0	0.0	0.0	-0.1	-13.2
DOS bonds	3.0	0.0	5.7	0.0	6.1	0.0	0.4	7.2	3.1	103.3
TOZ bonds	0.3	0.0	0.8	0.0	0.8	0.0	0.0	1.2	0.5	147.8
COI bonds	2.6	0.0	2.8	0.0	2.8	0.0	0.1	2.0	0.2	8.3
EDO bonds	7.5	0.0	8.4	0.0	8.3	0.0	-0.1	-1.1	0.7	9.8
2. TS issued in foreign markets	202,027.0	24.2	212,302.5	23.6	211,041.6	23.4	-1,260.9	-0.6	9,014.6	4.5
3. Foreign loans	75,652.5	9.1	73,482.5	8.2	72,660.0	8.0	-822.5	-1.1	-2,992.5	-4.0
European Investment Bank	43,996.0	5.3	41,534.2	4.6	40,733.4	4.5	-800.8	-1.9	-3,262.7	-7.4
The World Bank	30,763.1	3.7	31,102.9	3.5	31,089.9	3.4	-13.0	0.0	326.8	1.1
Council of Europe Development Bank	893.4	0.1	845.4	0.1	836.7	0.1	-8.7	-1.0	-56.6	-6.3
4. Other ST debt	19.0	0.0	137.9	0.0	134.7	0.0	-3.2	-2.3	115.7	607.9

*) 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 2015	Aug 2016	Sep 2016	change		change	
				Sep 2016 – Aug 2016		Sep 2016 – Dec 2015	
				EUR m	%	EUR m	%
State Treasury debt	195,834.9	206,451.8	209,348.2	2,896.4	1.4	13,513.3	6.9
I. Domestic debt	127,481.5	136,885.1	139,757.0	2,871.8	2.1	12,275.5	9.6
1. Treasury securities issued in domestic market	122,889.9	131,991.1	134,712.0	2,721.0	2.1	11,822.1	9.6
1.1. Marketable TS	120,470.5	129,418.1	132,090.7	2,672.6	2.1	11,620.2	9.6
- Treasury bills	0.0	937.2	392.4	-544.8	-58.1	392.4	-
- bonds issued in domestic market	120,470.5	128,480.9	131,698.3	3,217.4	2.5	11,227.8	9.3
1.2. Savings bonds	2,419.4	2,573.0	2,621.3	48.4	1.9	201.9	8.3
2. Other ST debt	4,591.5	4,894.0	5,044.9	150.9	3.1	453.4	9.9
II. Foreign debt	68,353.5	69,566.7	69,591.2	24.6	0.0	1,237.7	1.8
1. Treasury securities issued in foreign markets	50,599.4	52,667.6	52,713.7	46.1	0.1	2,114.3	4.2
2. Loans	17,752.6	16,871.2	16,850.6	-20.6	-0.1	-901.9	-5.1
2.1. World Bank	7,218.8	7,141.1	7,210.1	69.0	1.0	-8.8	-0.1
2.2. European Investment Bank	10,324.1	9,536.0	9,446.5	-89.5	-0.9	-877.6	-8.5
2.3. Council of Europe Development Bank	209.6	194.1	194.0	-0.1	0.0	-15.6	-7.4
3. Other ST debt	1.5	27.9	26.9	-1.0	-3.5	25.4	1,662.0
<i>FX rate (EUR/PLN)</i>	<i>4.2615</i>	<i>4.3555</i>	<i>4.3120</i>	<i>0.0</i>	<i>-1.0</i>	<i>0.1</i>	<i>1.2</i>

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

	Dec 2015	Aug 2016	Sep 2016	change		change	
				Sep 2016 – Aug 2016		Sep 2016 – Dec 2015	
				USD m	%	USD m	%
State Treasury debt	213,927.0	230,080.6	234,117.3	4,036.7	1.8	20,190.3	9.4
I. Domestic debt	139,258.7	152,551.9	156,292.3	3,740.5	2.5	17,033.6	12.2
1. Treasury securities issued in domestic market	134,243.0	147,097.7	150,650.5	3,552.9	2.4	16,407.5	12.2
1.1. Marketable TS	131,600.1	144,230.2	147,719.1	3,488.9	2.4	16,119.0	12.2
- Treasury bills	0.0	1,044.5	438.8	-605.7	-58.0	438.8	-
- bonds issued in domestic market	131,600.1	143,185.7	147,280.2	4,094.5	2.9	15,680.1	11.9
1.2. Savings bonds	2,642.9	2,867.5	2,931.5	64.0	2.2	288.5	10.9
2. Other ST debt	5,015.7	5,454.2	5,641.8	187.6	3.4	626.1	12.5
II. Foreign debt	74,668.3	77,528.7	77,824.9	296.2	0.4	3,156.7	4.2
1. Treasury securities issued in foreign markets	55,274.0	58,695.5	58,950.5	255.0	0.4	3,676.5	6.7
2. Loans	19,392.6	18,802.1	18,844.3	42.2	0.2	-548.3	-2.8
2.1. World Bank	7,885.7	7,958.4	8,063.1	104.8	1.3	177.4	2.2
2.2. European Investment Bank	11,277.9	10,627.5	10,564.2	-63.3	-0.6	-713.7	-6.3
2.3. Council of Europe Development Bank	229.0	216.3	217.0	0.7	0.3	-12.0	-5.2
3. Other ST debt	1.7	31.1	30.1	-1.0	-3.1	28.4	1,703.9
<i>FX rate (USD/PLN)</i>	<i>3.9011</i>	<i>3.9082</i>	<i>3.8558</i>	<i>-0.1</i>	<i>-1.3</i>	<i>0.0</i>	<i>-1.2</i>

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