

State Treasury Debt

February 2017

Monthly newsletter

At the end of February 2017 State Treasury (ST) debt amounted to **PLN 945,147.2 million**, i.e.:

- increased by PLN 15,089.9m (1.6%) in February 2017,
- increased by PLN 16,484.8m (1.8%) compared to the end of 2016.

Increase in debt in February 2017 resulted mainly from:

- financing of State budget net borrowing requirements (PLN +6.0bn), including State budget deficit (PLN +5.9bn);
- increase in budget accounts balance (PLN +8.4bn), associated with collection of funds for financing borrowing requirements.

Increase in debt since the beginning of 2017 was mainly a resultant of:

- negative State budget net borrowing requirements (PLN -9.9bn), including State budget surplus (PLN -0.9bn);
- increase in budget accounts balance (PLN +31.6bn), associated with collection of funds for financing borrowing requirements, including domestic and foreign bonds redemptions in March and April;
- FX rates movements (PLN -7.1bn) – appreciation of PLN against EUR (by 2.4%), USD (by 2.4%), CHF (by 1.5%) and CNY (by 1.4%), and depreciation against JPY (by 1.5%).

In February 2017 domestic ST debt (according to the place of issue criterion) increased by PLN 15.2bn which was mainly a result of:

- positive balance of issuance of marketable Treasury securities (TS; PLN +14.9bn):

Instrument	Sale (PLN bn)	Redemption (PLN bn)
OK0419	1.2	
PS0422	3.0	
WZ1122	2.0	
WZ0126	0.9	
DS0727	3.8	
WS0447	2.1	
BS20170830	2.0	

- positive balance of saving bonds issuance (PLN +0.3bn).

In February 2017 ST debt in foreign currency decreased by PLN 0.1bn which resulted from:

- negative balance of debt issuance (PLN -0.06bn):

Instrument	Drawing	Repayment
loans from IFIs*		EUR 0.01bn

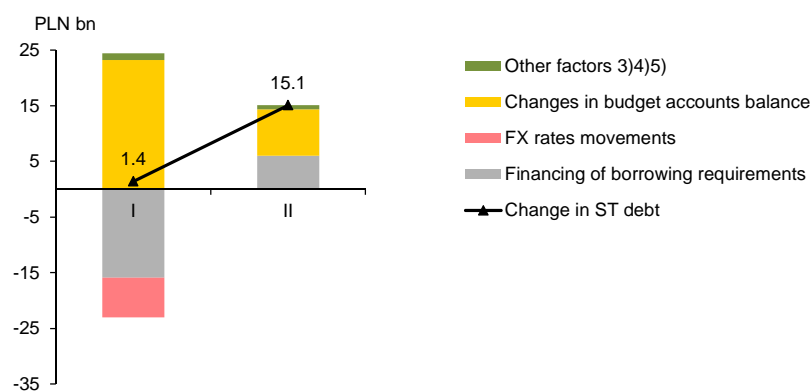
*) IFIs – international financial institutions

- FX rates movements (PLN -0.02bn).

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

	Feb 2017 – Jan 2017	Feb 2017 – Dec 2016
Change in the State Treasury debt	15.1	16.5
1. State budget borrowing requirements:	6.0	-9.9
1.1. State budget deficit	5.9	-0.9
1.2. European Union funds budget deficit	0.0	0.0
1.3. Pension reform costs ¹⁾	0.2	0.5
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from pfse and court deposits balance	-0.4	-0.5
1.6. European funds management	0.3	-9.0
1.7. Granted loans balance	0.0	0.0
1.8. Other borrowing requirements ²⁾	0.0	0.0
2. Changes not resulting from State budget borrowing requirements:	9.1	26.4
2.1. FX rates movements	0.0	-7.1
2.2. Changes in budget accounts balance	8.4	31.6
2.3. Other factors ³⁾	0.8	2.0
3. Change in other State Treasury debt:	-0.1	-0.1
3.1. Deposits from pfse ⁴⁾	-0.1	-0.2
3.2. Court deposits ⁵⁾	0.1	0.1
3.3. Other ST debt	0.0	0.0

Factors affecting changes in ST debt in I-II 2017



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 2017 domestic ST debt increased by PLN 23.9bn. At the same time **foreign currency debt** decreased by PLN 7.4bn which was a resultant of:

- decrease in debt in EUR (EUR -0.1bn),
- no changes in debt denominated in USD, CHF, JPY and CNY
- FX rates movements (PLN -7.1bn).

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

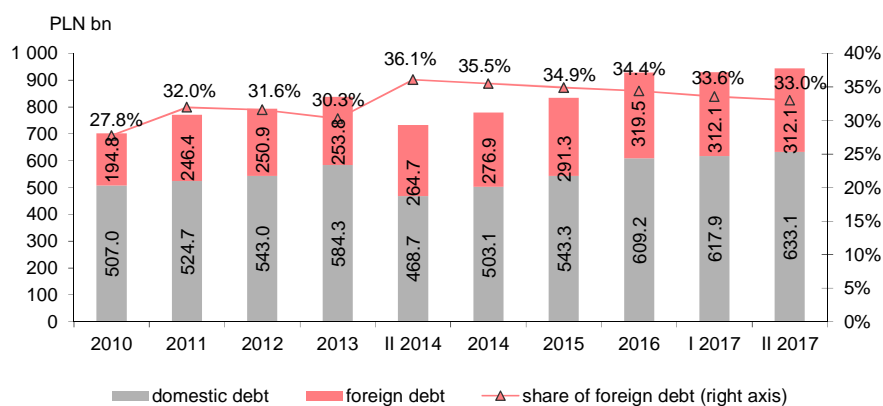
	Dec 2016	structure Dec 2016 %	Jan 2017	structure Jan 2017 %	Feb 2017	structure Feb 2017 %	change Feb 2017 – Jan 2017		change Feb 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury debt	928,662.4	100.0	930,057.4	100.0	945,147.2	100.0	15,089.9	1.6	16,484.8	1.8
I. Domestic ST debt	609,199.1	65.6	617,909.0	66.4	633,072.8	67.0	15,163.7	2.5	23,873.6	3.9
1. Treasury securities (TS)	587,934.9	63.3	596,634.9	64.2	611,867.5	64.7	15,232.6	2.6	23,932.6	4.1
1.1. Marketable TS	576,701.2	62.1	585,034.0	62.9	599,967.0	63.5	14,933.0	2.6	23,265.7	4.0
- Treasury bills	0.0	0.0	4,025.0	0.4	5,975.6	0.6	1,950.6	48.5	5,975.6	-
- bonds issued in domestic market	576,701.2	62.1	581,009.0	62.5	593,991.4	62.8	12,982.4	2.2	17,290.1	3.0
1.2. Savings bonds	11,233.6	1.2	11,600.9	1.2	11,900.5	1.3	299.6	2.6	666.9	5.9
2. Other ST debt	21,264.3	2.3	21,274.1	2.3	21,205.3	2.2	-68.8	-0.3	-59.0	-0.3
II. Foreign ST debt	319,463.2	34.4	312,148.3	33.6	312,074.5	33.0	-73.9	0.0	-7,388.8	-2.3
1. TS issued in foreign markets	241,487.8	26.0	236,041.7	25.4	236,272.9	25.0	231.2	0.1	-5,214.9	-2.2
2. Loans	77,959.4	8.4	76,090.7	8.2	75,785.6	8.0	-305.1	-0.4	-2,173.9	-2.8
3. Other ST debt	16.0	0.0	16.0	0.0	16.0	0.0	0.0	0.0	0.0	0.0

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

	Dec 2016	structure Dec 2016 %	Jan 2017	structure Jan 2017 %	Feb 2017	structure Feb 2017 %	change Feb 2017 – Jan 2017		change Feb 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury debt	928,662.4	100.0	930,057.4	100.0	945,147.2	100.0	15,089.9	1.6	16,484.8	1.8
I. State Treasury debt towards residents	433,069.2	46.6	440,104.0	47.3	454,071.5	48.0	13,967.4	3.2	21,002.3	4.8
Domestic banking sector	250,921.9	27.0	257,639.7	27.7	270,753.4	28.6	13,113.8	5.1	19,831.5	7.9
- domestic instruments	235,521.3	25.4	242,388.6	26.1	255,366.6	27.0	12,978.0	5.4	19,845.2	8.4
- foreign instruments	15,400.6	1.7	15,251.1	1.6	15,386.9	1.6	135.8	0.9	-13.7	-0.1
Domestic non-banking sector	182,147.3	19.6	182,464.4	19.6	183,318.0	19.4	853.7	0.5	1,170.7	0.6
- domestic instruments	181,105.2	19.5	181,700.1	19.5	182,570.7	19.3	870.6	0.5	1,465.5	0.8
- foreign instruments	1,042.1	0.1	764.3	0.1	747.3	0.1	-17.0	-2.2	-294.8	-28.3
II. State Treasury debt towards non-residents	495,593.2	53.4	489,953.3	52.7	491,075.8	52.0	1,122.4	0.2	-4,517.4	-0.9
- domestic instruments	192,572.6	20.7	193,820.4	20.8	195,135.5	20.6	1,315.1	0.7	2,562.9	1.3
- foreign instruments	303,020.5	32.6	296,133.0	31.8	295,940.3	31.3	-192.7	-0.1	-7,080.3	-2.3

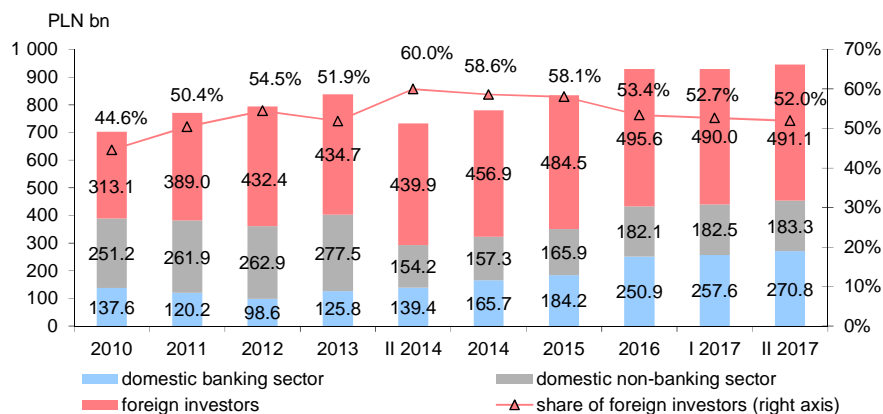
ST debt according to the place of issue criterion

In February 2017 the share of foreign currency debt in total ST debt amounted to 33.0%, i.e. decreased by 0.5 pp m/m and by 1.4 pp compared to the end of 2016. The decrease in the share in February resulted mainly from significant scale of debt issuance on domestic market and simultaneously no issuance on foreign markets. 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 February 2017 the share of foreign investors in total ST debt amounted to 52.0%, i.e. decreased by 0.7 pp m/m and by 1.4 pp compared to the end of 2016. The decrease in the share in February resulted mainly from predominance of domestic investors among domestic TS buyers.

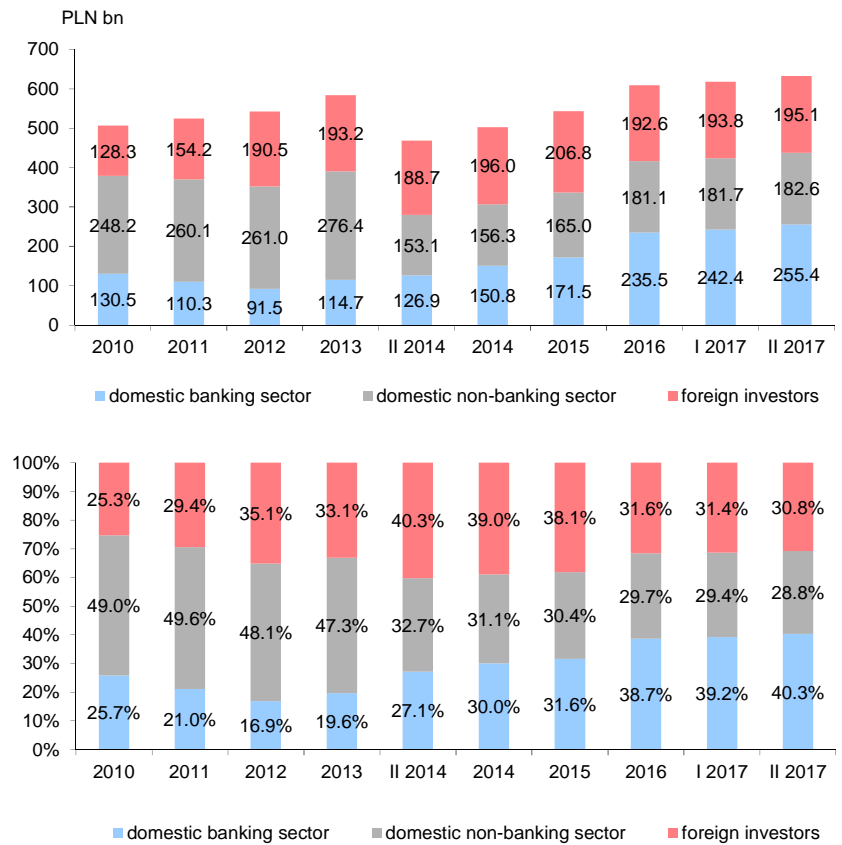


Domestic ST debt by holder in nominal value and structure

In February 2017 residents increased their domestic ST debt portfolios by PLN 13.8bn in total, including banks: PLN +13.0bn, non-banking investors: PLN +0.9bn. In case of foreign investors increase in holdings was observed (PLN +1.3bn).

Since the beginning of 2017 changes in holdings of domestic debt by type of investor have amounted to as follows:

- domestic banking sector: PLN +19.8bn,
- domestic non-banking sector: PLN +1.5bn,
- foreign investors: PLN +2.6bn.

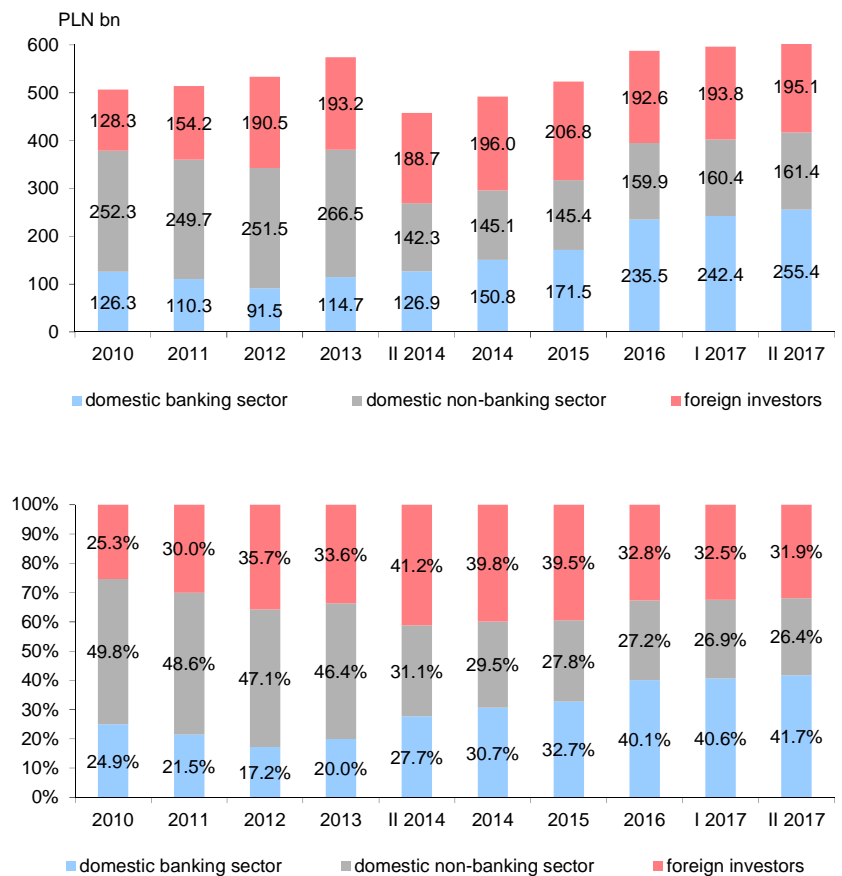


Domestic TS debt by holder in nominal value and structure

In February 2017 residents increased their domestic TS holdings by PLN 13.9bn in total, which resulted from increase in portfolios of both: banks (PLN +13.0bn) and entities from non-banking sector (PLN +0.9bn). In case of foreign investors increase in holdings was recorded (PLN +1.3bn).

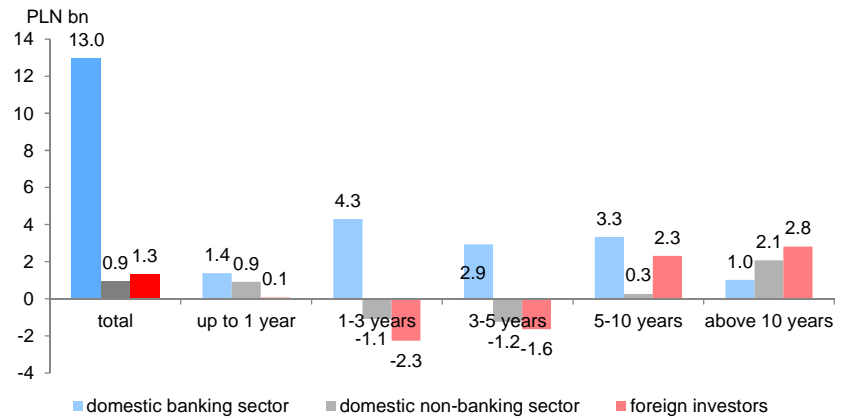
Since the beginning of 2017 changes in holdings of domestic debt by type of investor have amounted to as follows:

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- foreign investors: PLN +2.6bn.



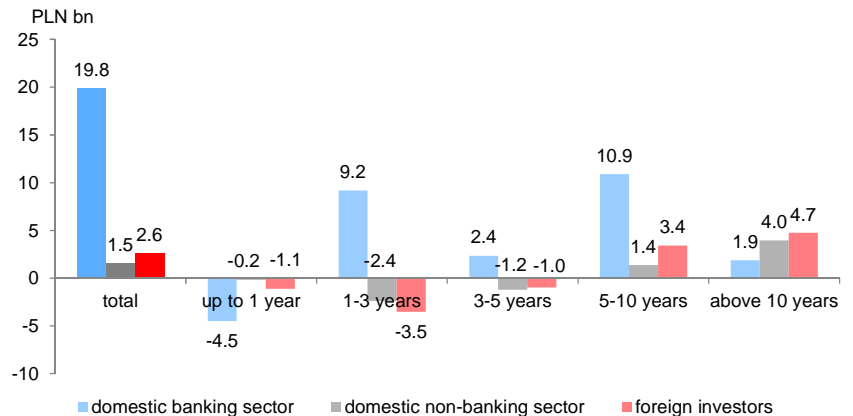
Changes in domestic TS debt according to residual maturity by type of investor in February 2017 m/m*

In February 2017 domestic banks dominated among domestic TS buyers, increasing their holdings of instruments from all maturity segments. In case of domestic non-banking investors and non-residents increase in portfolios of TS with the longest maturity was observed and simultaneous reduction in portfolio of instruments with maturity from 1 to 5 years.



Changes in domestic TS debt according to residual maturity by type of investor in 2017*

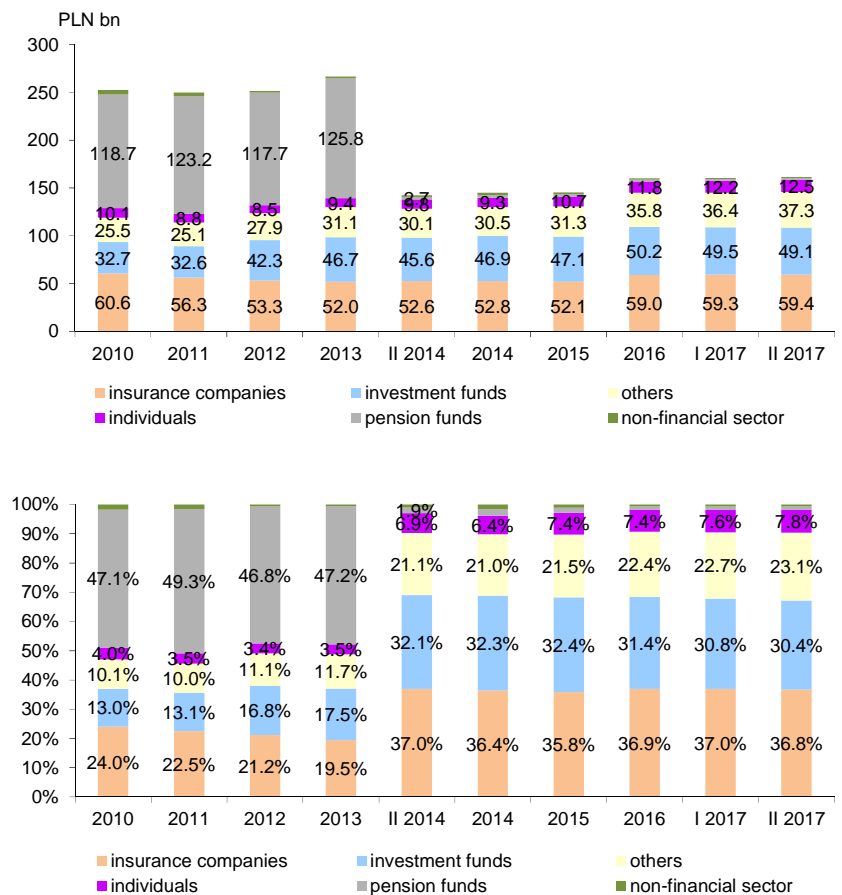
From January 2017 to February 2017 domestic banks strongly dominated among domestic TS buyers, increasing their holdings of instruments with maturity above 1 year. In case of entities from domestic non-banking sector and foreign investors increase in portfolio of TS with the longest maturity was observed and simultaneous reduction in portfolio of instruments with maturity up to 5 years.



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

The main groups of domestic TS holders among domestic non-banking entities are insurance companies (36.8% share in February 2017), investment funds (30.4%), and so called other entities (23.1%, this category includes, among others, Bank Guarantee Fund and Demographic Reserve Fund). Significant share of domestic TS is held by individuals as well (7.8%).

In February 2017 domestic TS holdings of non-banking sector increased by PLN 0.9bn m/m and by PLN 1.5bn compared to the end of 2016. Increase both: m/m and compared to the end of 2016 was mainly a result of increase in TS holdings of other entities (PLN +0.9bn and PLN +1.5bn, respectively) and individuals (PLN +0.3bn and PLN +0.7bn, respectively), and decrease in TS portfolios held by investment funds (PLN -0.3bn and PLN -1.0bn, respectively).

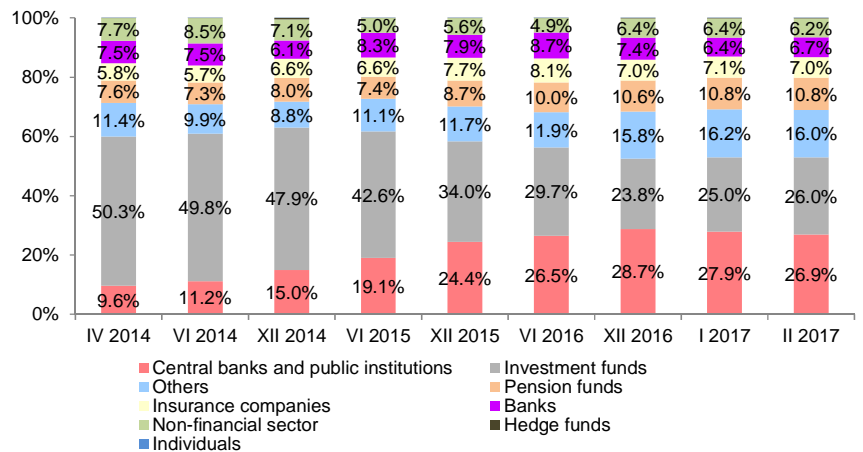
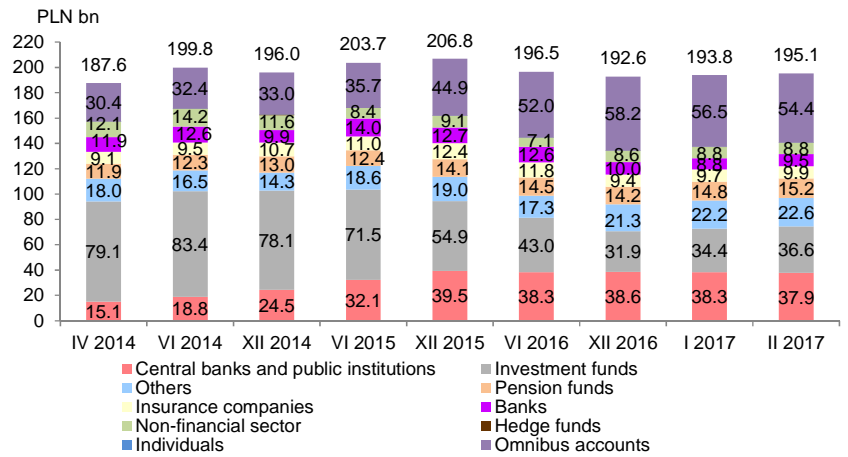


*) Changes resulting only from cash flows, i.e. excluding statistical changes from the shift in classification of the security to next segment of residual maturity.

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

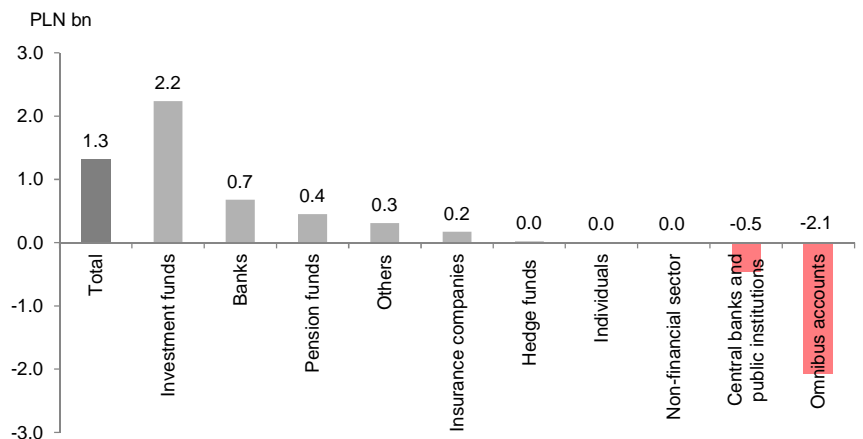
Structure of non-residents holding domestic TS in their portfolios is well-diversified, with dominant role of stable institutional investors: central banks and public institutions (26.9% share in February 2017), investment funds (26.0%), pension funds (10.8%) and insurance companies (7.0%). Significant part of domestic TS debt is registered on omnibus accounts (PLN 54.4bn), which enable investors to buy TS without having separate account in Poland.

*) Percentage structure does not include omnibus accounts.



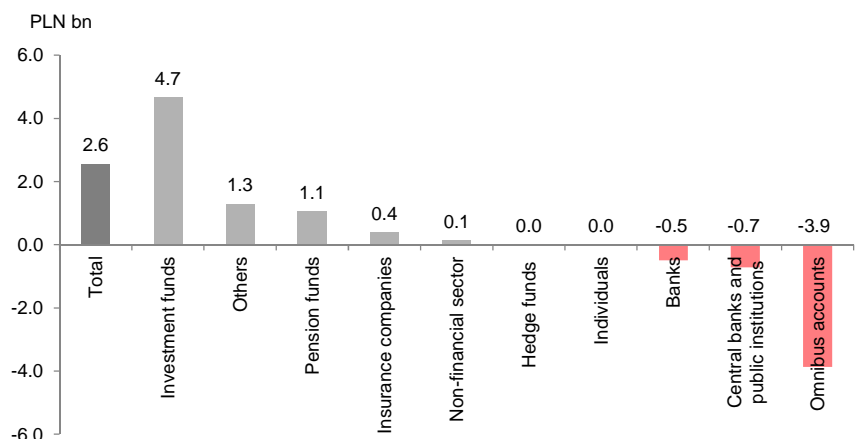
Changes in domestic TS debt towards non-residents by holder in February 2017 m/m

In February 2017 domestic TS debt held by foreign investors increased by PLN 1.3bn. It resulted mainly from increase in holdings of investment funds (PLN +2.2bn, including from Hong Kong: PLN +0.6bn, Luxembourg: PLN +0.5bn and the US: PLN +0.4bn) and commercial banks (PLN +0.7bn, including from France: PLN +1.2bn, the UK: PLN +0.4bn, Austria: PLN -0.8bn). Decrease in TS portfolios was mainly recorded on omnibus accounts (PLN -2.1bn).



Changes in domestic TS debt towards non-residents by holder in 2017

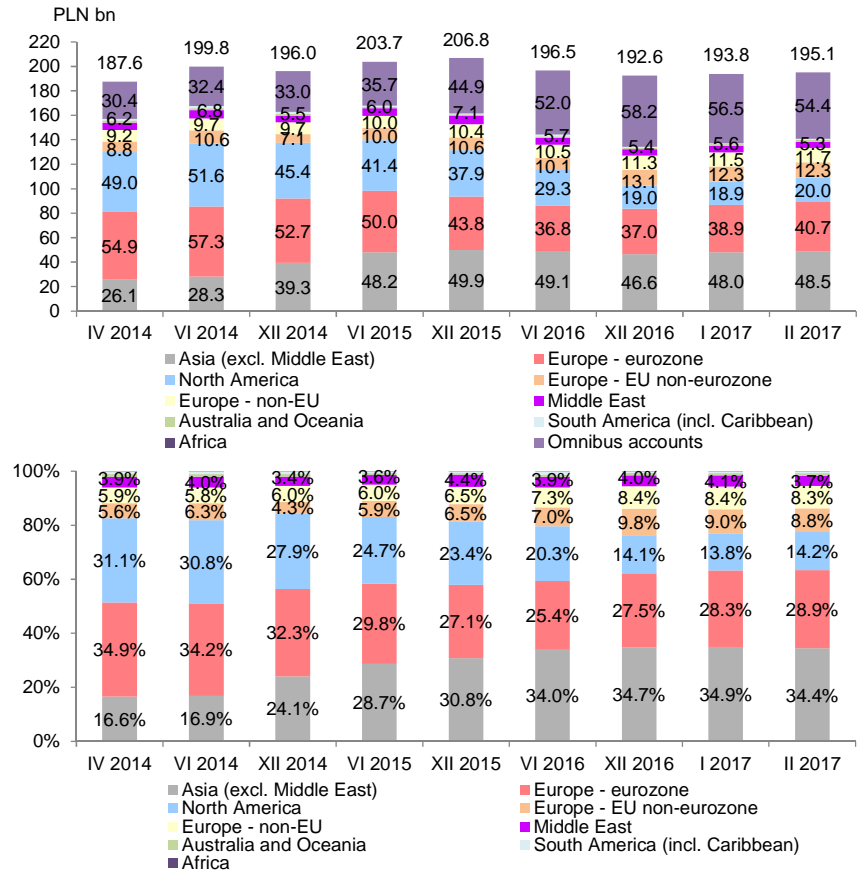
From January 2017 to February 2017 foreign investors increased their domestic TS portfolios by PLN 2.6bn. It resulted mainly from increase in TS holdings of investment funds (PLN +4.7bn, including from Hong Kong: PLN +1.8bn and the US: PLN +1.6bn). The decline in portfolios was mainly observed on omnibus accounts (PLN -3.9bn).



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

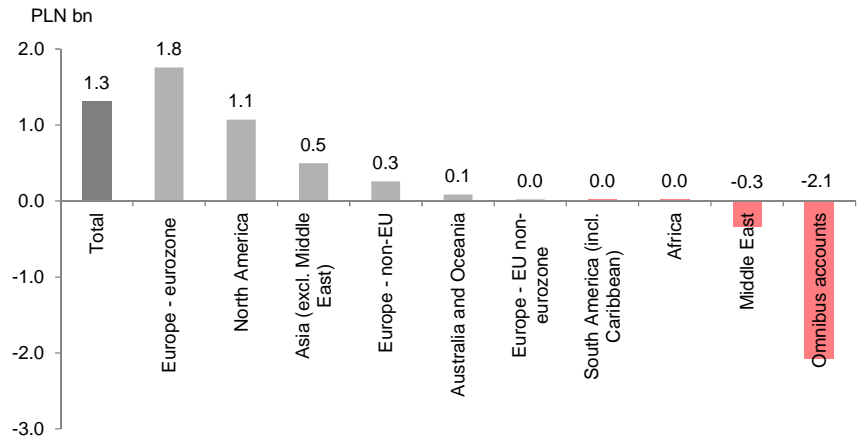
Geographical structure of domestic TS held by foreign investors is well-diversified. In February 2017 the largest TS portfolios were held by entities from Asia – 34.4%, representing debt in the amount of PLN 48.5bn, of which PLN 24.8bn was held by Asian central banks and PLN 19.3bn by investors from Japan. The second largest group of holders of TS were investors from eurozone countries – 28.9% (PLN 40.7bn, including Luxembourg: PLN 16.4bn, Ireland: PLN 6.9bn, Germany: PLN 6.5bn). Non-residents from North America held significant TS portfolios as well (14.2%, representing debt in the amount of PLN 20.0bn, of which PLN 19.4bn were held by investors from the US). The share of investors from other regions amounted to 22.4%.

*³⁾ Percentage structure does not include omnibus accounts.



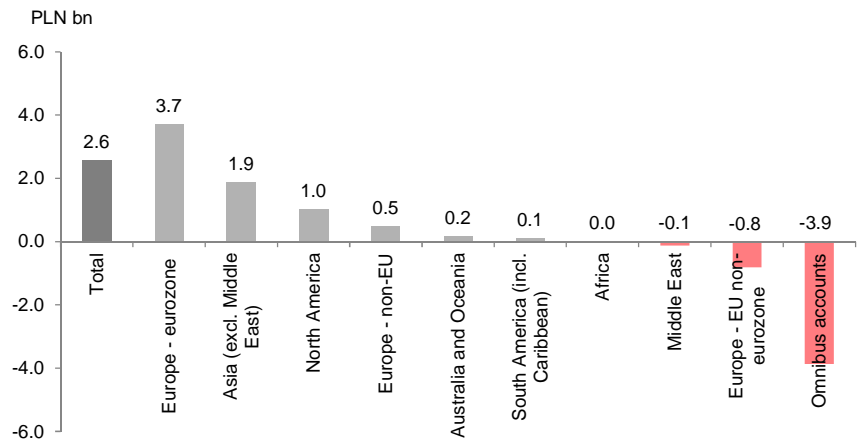
Changes in domestic TS debt towards non-residents by region in February 2017 m/m

In February 2017 increase in domestic TS debt held by non-residents resulted mainly from increase in portfolios of investors from eurozone countries (PLN +1.8bn, including from France: PLN +1.2bn and Luxembourg: PLN +0.7bn) and North America (PLN +1.1bn, almost exclusively from the US). Decline in TS holdings mainly observed on omnibus accounts (PLN -2.1bn).



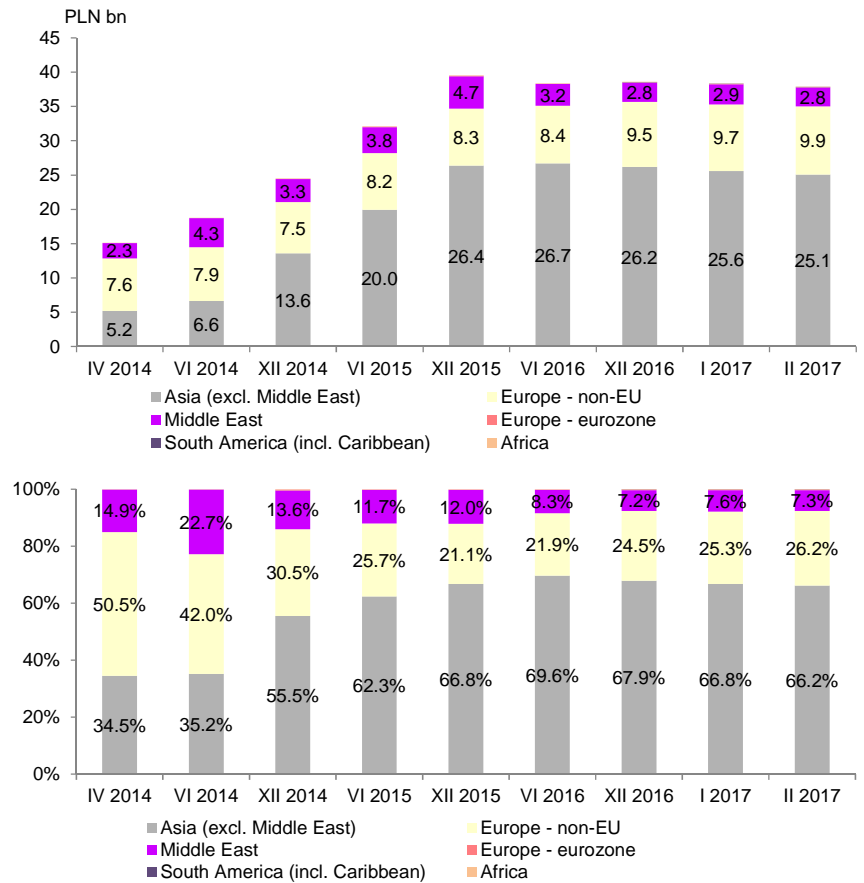
Changes in domestic ST debt towards non-residents by region in 2017

From January 2017 to February 2017 increase in non-residents holdings of domestic TS resulted mainly from growth in portfolios of investors from eurozone countries (PLN +3.7bn, including from France: PLN +1.3bn, Luxembourg: PLN +0.7bn and Austria: PLN +0.5bn) and Asia (PLN +1.9bn, including from Hong Kong: PLN +1.8bn and Japan: PLN +1.1bn). The decrease in TS holdings almost exclusively applied to omnibus accounts (PLN -3.9bn).



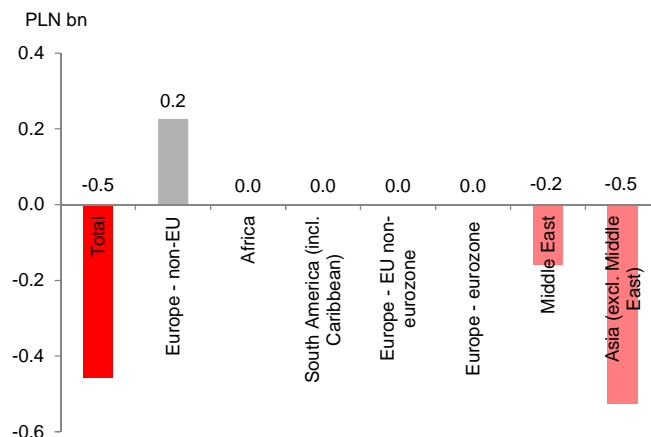
Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in February 2017 their share amounted to 66.2%. Among central banks and public institutions considerable TS portfolios were held by entities from European non-EU countries (26.2%) and Middle East (7.3%).



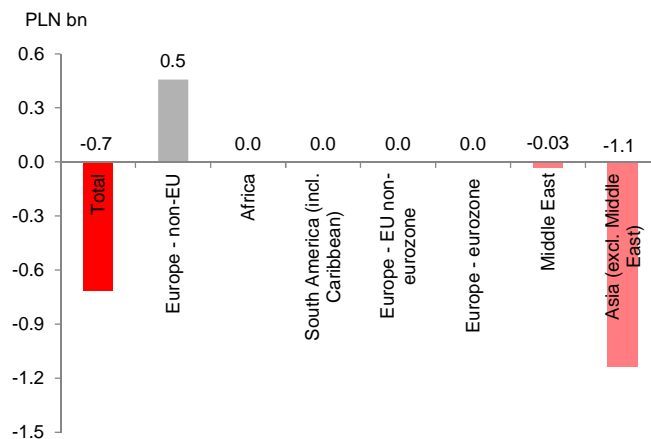
Changes in domestic TS debt towards foreign central banks and public institutions by region in February 2017 m/m

In February 2017 domestic TS debt held by foreign central banks and public institutions decreased by PLN 0.5bn. It was mainly a resultant of decrease in portfolios held by entities from Asia (PLN -0.5bn) and Middle East (PLN -0.2bn) and increase in holdings of investors from European non-EU countries (PLN +0.2bn).



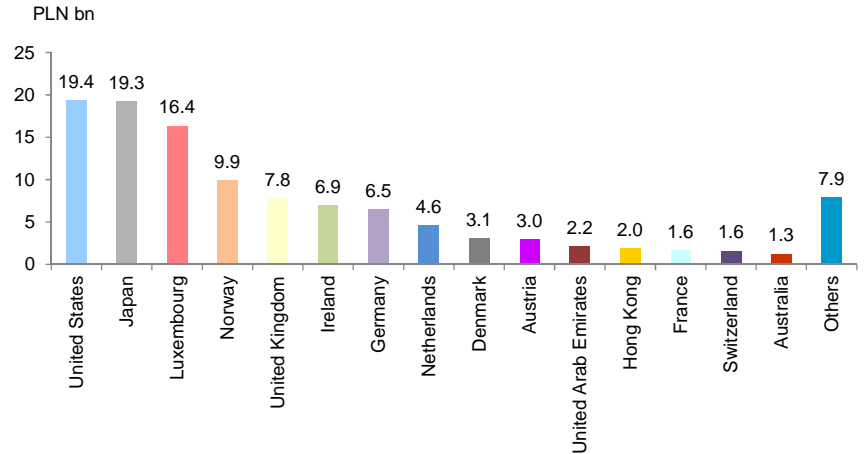
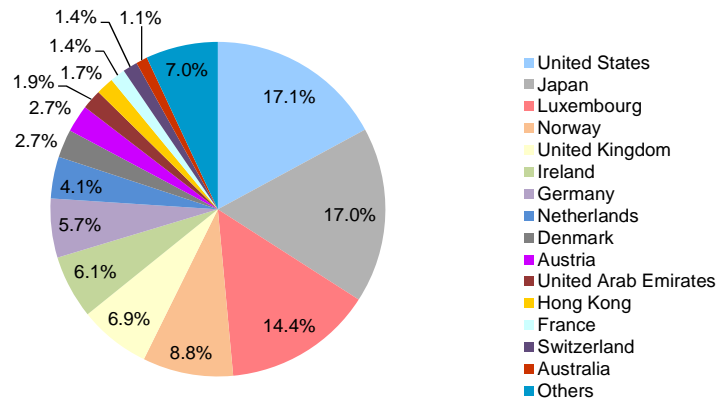
Changes in domestic TS debt towards foreign central banks and public institutions by region in 2017

From January 2017 to February 2017 decrease in central banks and public institutions domestic TS holdings was recorded (PLN -0.7bn). It was mainly a resultant of decrease in holdings of entities from Asia (PLN -1.1bn) and increase in portfolios held by investors from European non-EU countries (PLN +0.5bn).



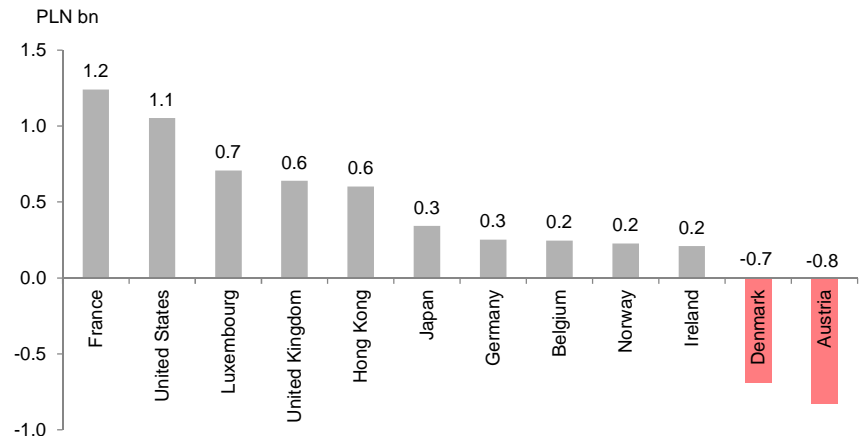
Domestic TS debt towards non-residents by country* in February 2017 – structure and nominal value

In February 2017 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 (17.1%, including mainly investment funds: 7.6% share in non-residents domestic TS debt holdings), Japan (17.0%, including primarily insurance companies: 8.1%), Luxembourg (14.4%, including mainly investment funds: 6.5%), Norway (8.8% – almost exclusively public institutions), the UK (6.9%, including investment funds: 2.8%, commercial banks: 2.2%), Ireland (6.1%, including mainly investment funds: 5.6%) and Germany (5.7%, including investment funds: 3.4%).



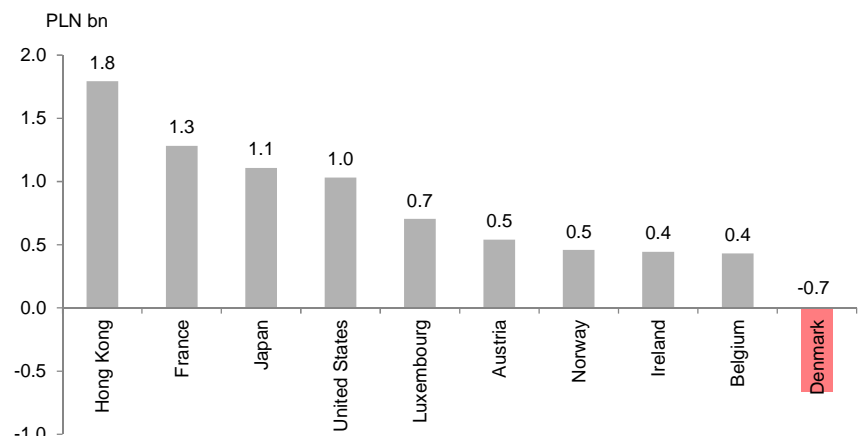
Changes in domestic TS debt towards non-residents by country* in February 2017 m/m**

In February 2017 an increase in non-residents' domestic TS holdings was mostly a result of increase in portfolios held by investors from France (PLN +1.2bn, almost exclusively commercial banks), the US (PLN +1.1bn, including other entities: PLN +0.7bn, investment funds: PLN +0.4bn) and Luxembourg (PLN +0.7bn, including investment funds: PLN +0.5bn). Decrease in portfolios was mainly recorded in case of investors from Austria (PLN -0.8bn, almost exclusively commercial banks) and Denmark (PLN -0.7bn, including other entities: PLN -0.6bn).



Changes in domestic ST debt towards non-residents by country* in 2017***

From January 2017 to February 2017 increase in TS portfolios mainly concerned non-residents from Hong Kong (PLN +1.8bn, almost exclusively investment funds), France (PLN +1.3bn, almost exclusively commercial banks) and Japan (PLN +1.1bn, mainly investment funds, insurance companies and other entities).



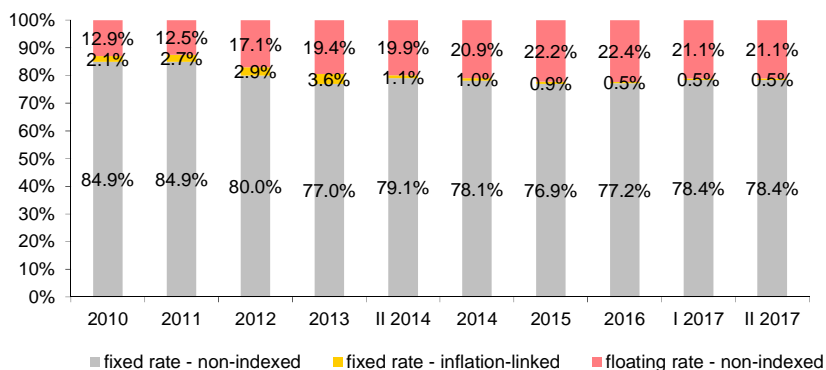
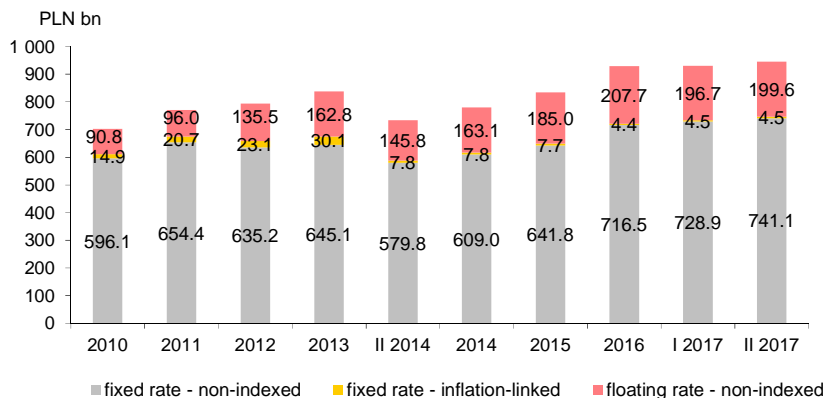
*) Excluding omnibus accounts.

**) 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.

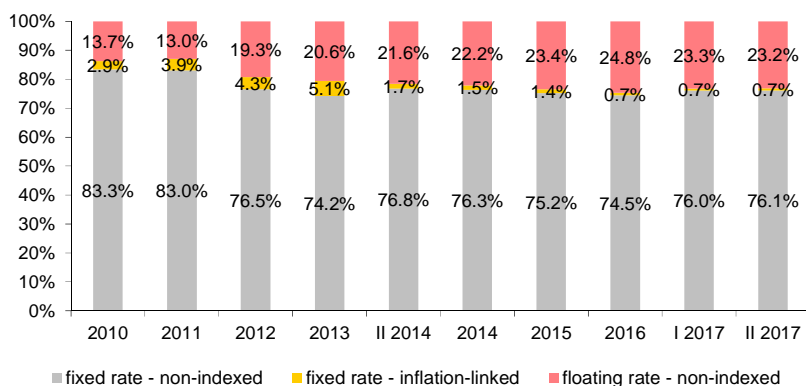
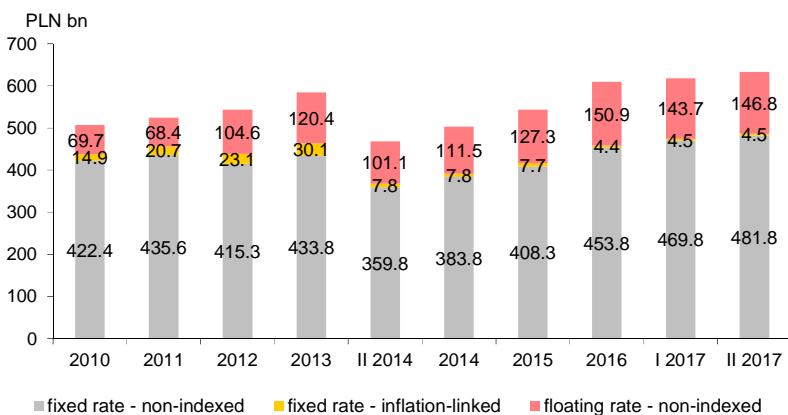
ST debt by type of interest rate and indexation in nominal value and structure

The majority of ST debt comprised fixed rate instruments – their share in February 2017 amounted to 78.9%. The share of floating rate instruments stood at 21.1%, i.e. remaining unchanged compared to the previous month and simultaneously decreasing by 1.2 pp compared to the end of 2016. The stabilization in the share in February resulted mainly from structure of domestic marketable TS issuance.



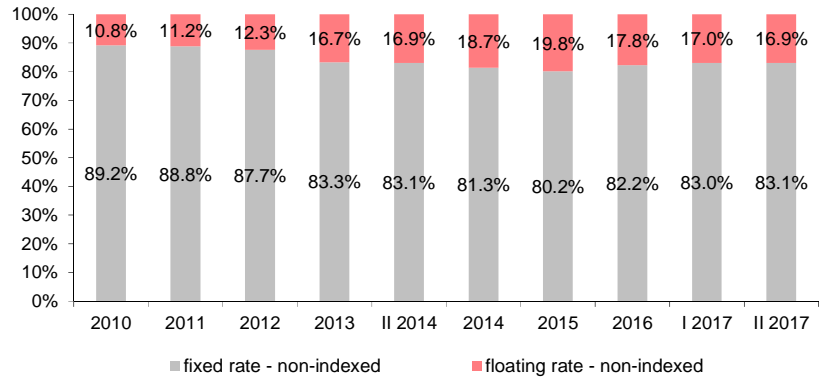
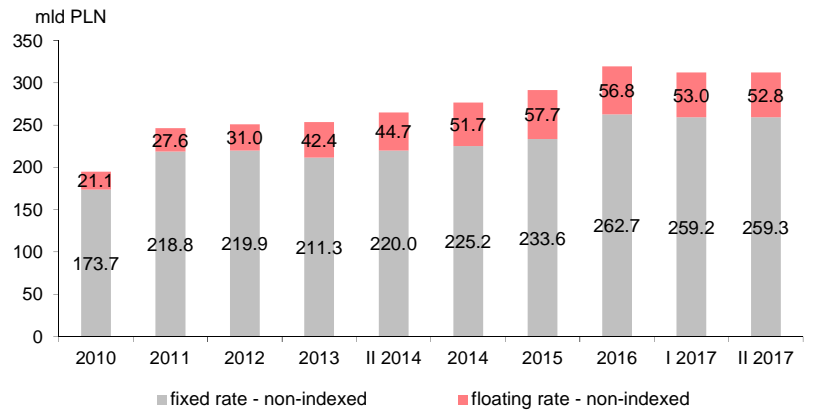
Domestic ST debt by type of interest rate and type of indexation in nominal value and structure

In February 2017 the share of floating rate instruments in domestic ST debt amounted to 23.2%, i.e. decreased by 0.1 pp m/m and by 1.6 pp compared to the end of 2016. The decrease in the share in February resulted mainly from significant predominance of fixed rate instruments in newly issued marketable TS.



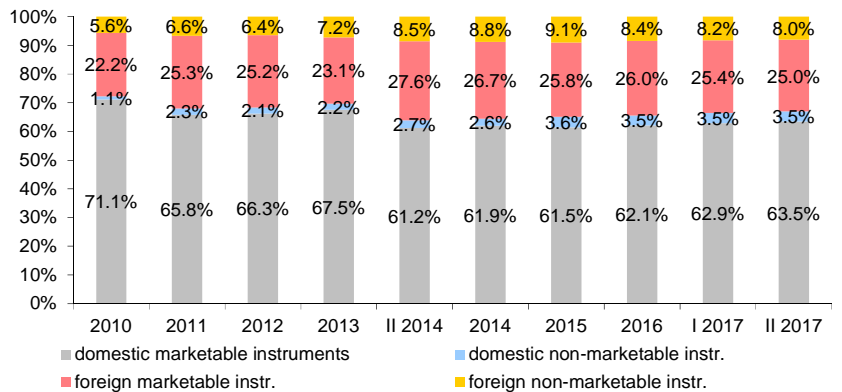
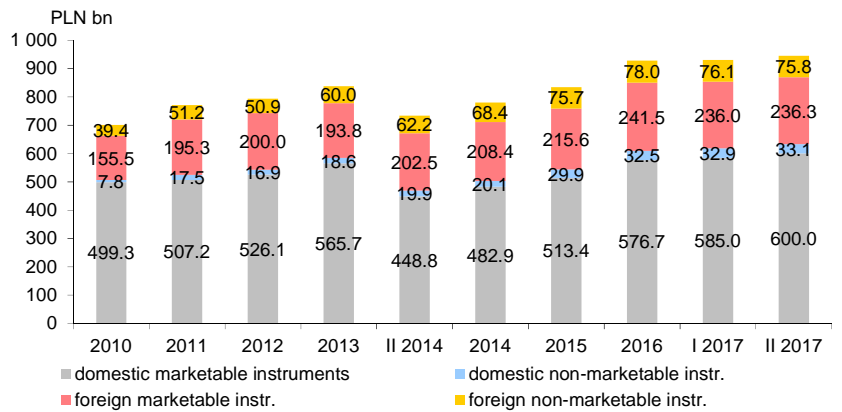
Foreign ST debt by type of interest rate and type of indexation in nominal value and structure

In February 2017 the share of floating rate instruments in foreign ST debt amounted to 16.9%, i.e. decreased by 0.1 pp m/m and by 0.9 pp compared to the end of 2016. The decrease in the share in February resulted primarily from development of exchange rate of currencies in which foreign debt is denominated. Since September 2015 floating rate foreign currency debt has comprised only loans from international financial institutions, utilized due to attractive financial conditions.



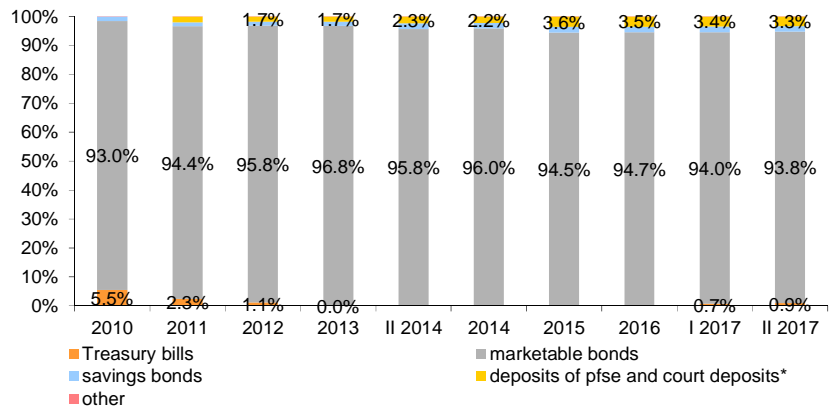
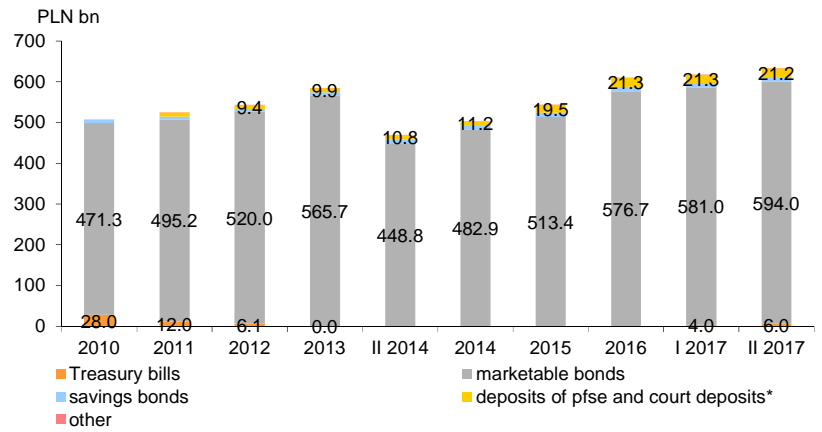
ST debt by type of instrument in nominal value and structure

Dominant share in ST debt comprised marketable TS (88.5% in February 2017), including mostly instruments issued on domestic TS market (63.5%). 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

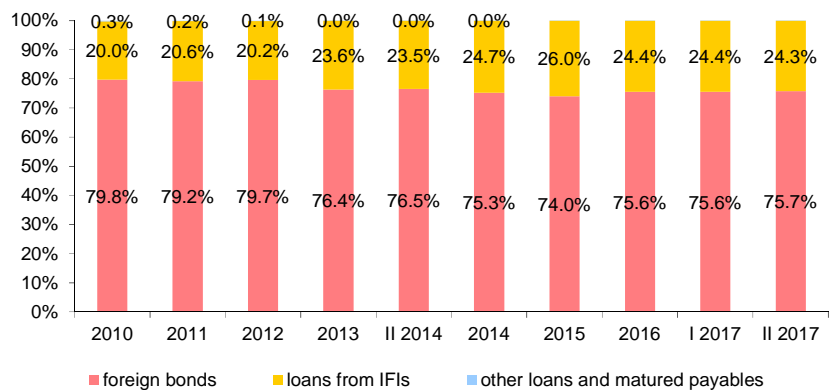
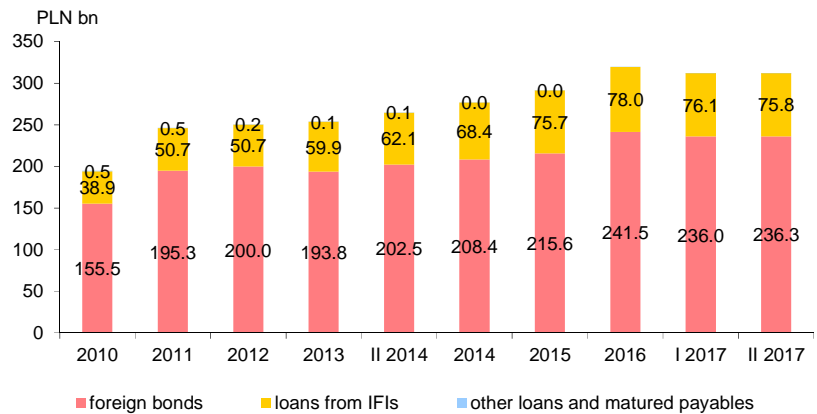
The vast majority of domestic ST debt constituted marketable bonds (93.8% in February 2017). Supplementary and stable sources of financing are saving bonds, and deposits from pfse and courts deposits* as well, which total share amounted to 3.3%. In February 2017 Treasury bills sale was continuing and as a result the share of these instruments in domestic debt increased to 0.9%.



*) 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

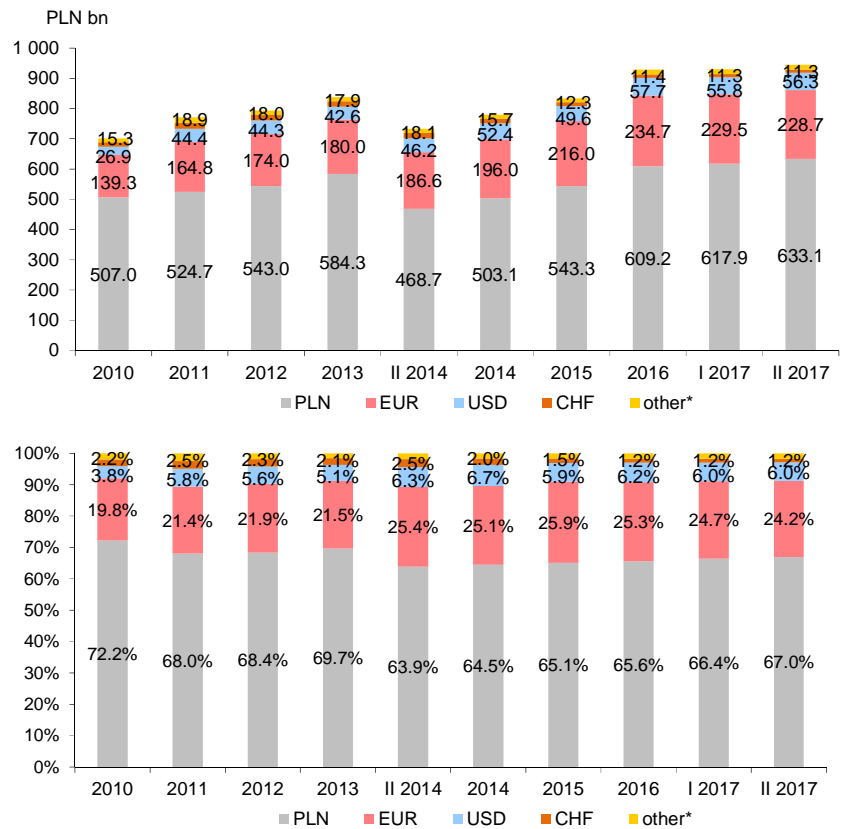
In ST debt denominated in foreign currencies dominant share accounted for international bonds (75.7% in February 2017). The share of loans from international financial institutions is significant as well (24.3%).



ST debt by currency in nominal value and structure

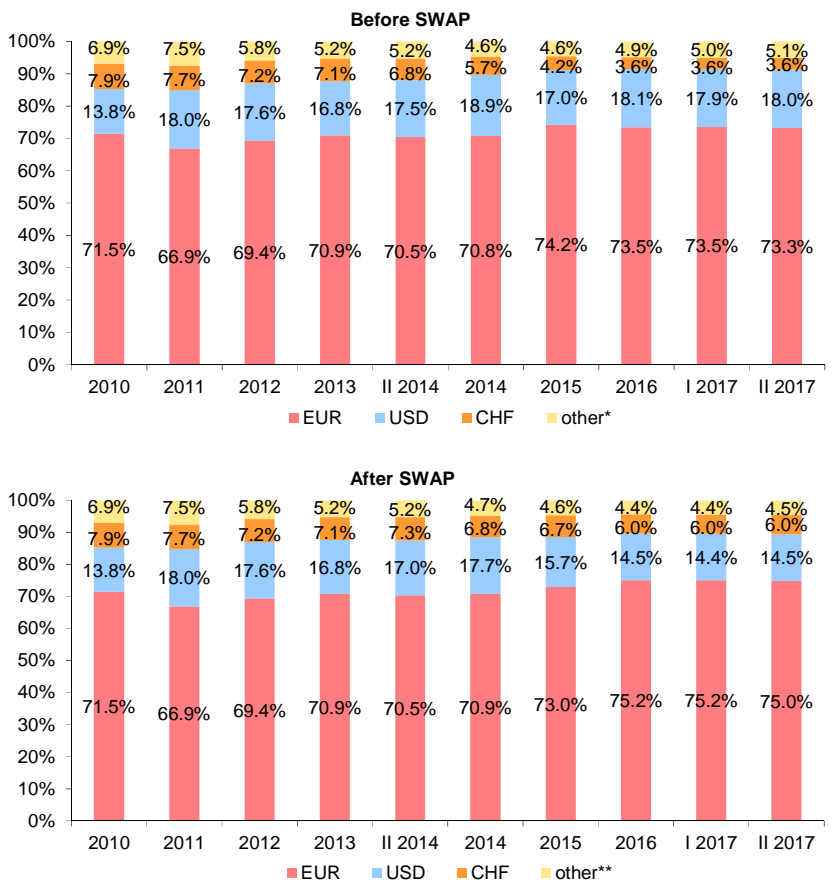
In accordance with the debt management strategy, State budget borrowing requirements are mostly financed on domestic market. In February 2017 debt denominated in PLN comprised 67.0% of total ST debt compared to 66.4% in previous month and 65.6% at the end of 2016. The share of foreign currency denominated debt changed as follows:

- EUR – decrease by 0.5 pp m/m and by 1.1 pp compared to the end of 2016,
- USD – no changes m/m and decrease by 0.3 pp compared to the end of 2016,
- CHF, JPY and CNY – no changes both: m/m and in comparison to the end of 2016.



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

In February 2017 the share of EUR-denominated debt in foreign ST debt, including derivative transactions, amounted to 75.0%, i.e. remained above the minimum level of 70% assumed in debt management strategy. The share of EUR decreased by 0.2 pp m/m which resulted mainly from appreciation of USD against EUR.



*) JPY and CNY (since August 2016)

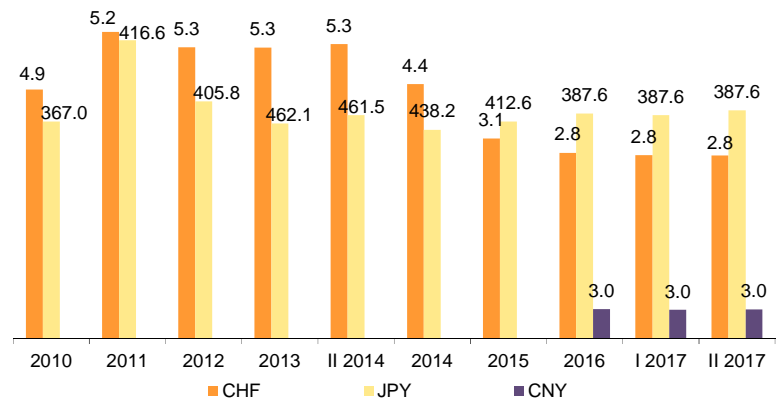
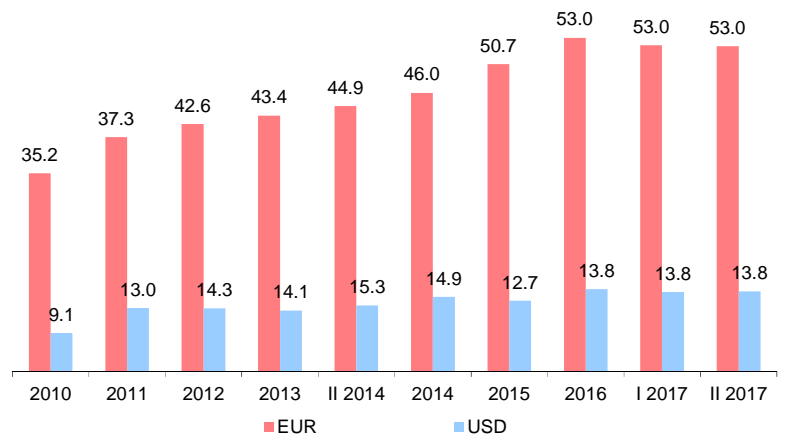
**) JPY

**Foreign ST debt in original currency (billion
*)**)**

In February 2017 nominal value of debt denominated in particular foreign currencies remained virtually unchanged compared to previous month, i.e. amounted to EUR 53.0bn, USD 13.8bn, CHF 2.8bn, JPY 387.6bn and CNY 3.0bn, respectively.

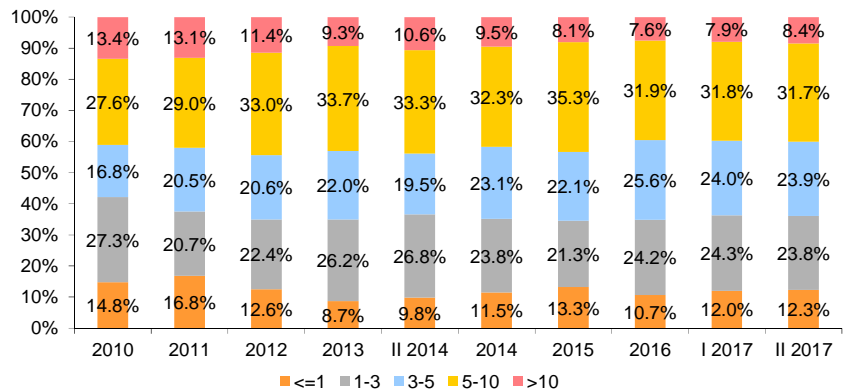
*) Charts present debt excluding SWAP transactions.

**) 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.



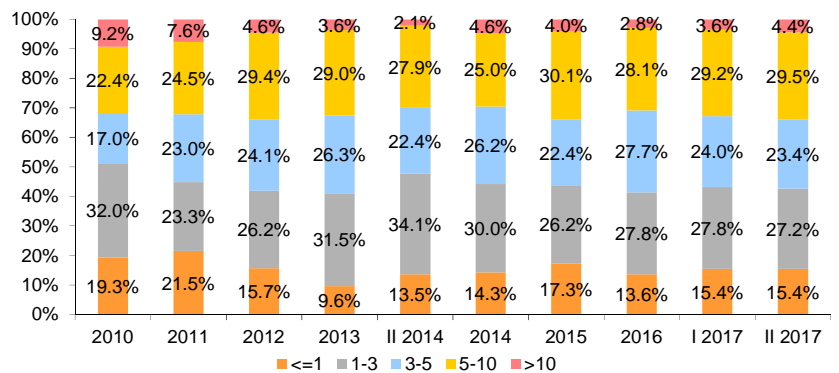
ST debt by residual maturity (in years)

In February 2017 debt with the longest residual maturity (i.e. above 5 years) comprised 40.1% of total ST debt, i.e. increased by 0.4 pp (which resulted mainly from changes in domestic debt structure) and by 0.6 pp compared to the end of 2016. Debt with residual maturity of up to 1 year constituted 12.3% of ST debt, i.e. increased by 0.3 pp m/m (mainly as a result of change in classification of CHF0518 bonds) and by 1.6 pp compared to the end of 2016.



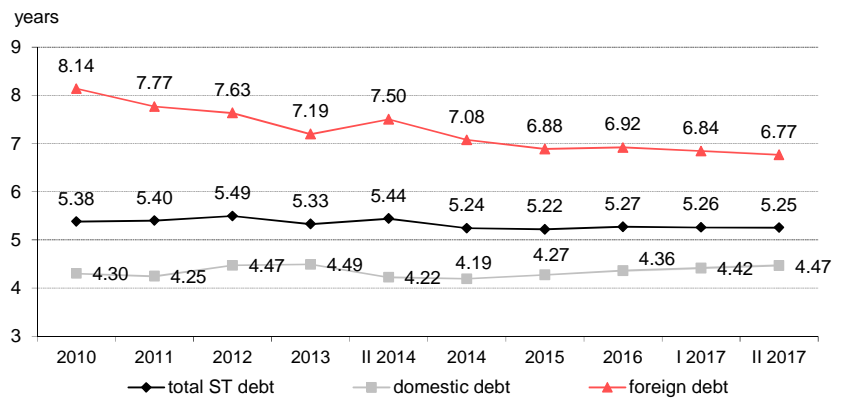
Domestic ST debt by residual maturity (in years)

In February 2017 domestic debt with residual maturity above 5 years accounted for 33.9%, i.e. increased by 1.1 pp m/m (which resulted primarily from predominance of instruments with relatively long term to maturity in newly issued marketable TS) and by 3.0 pp compared to the end of 2016. The share of debt with residual maturity of up to 1 year amounted to 15.4%, i.e. remained unchanged m/m and simultaneously increased by 1.8 pp compared to the end of 2016.



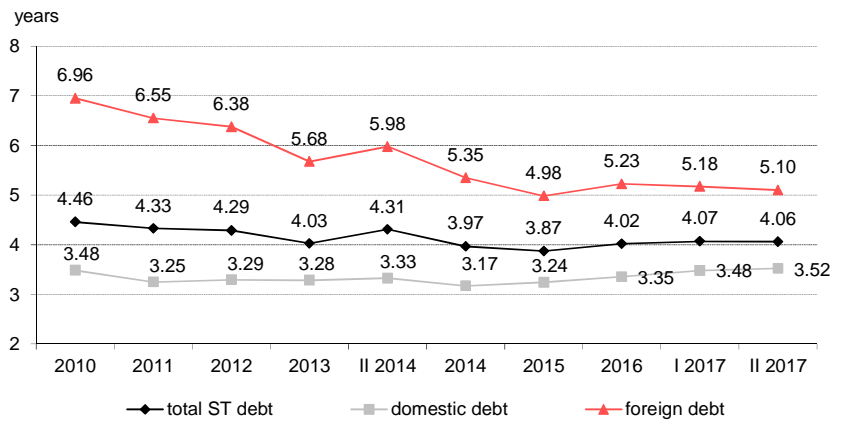
ATM of ST debt

In February 2017 average time to maturity (ATM) of ST debt amounted to 5.25 years (decrease by 0.01 years m/m and by 0.02 years compared to the end of 2016), remaining in line with debt management strategy, i.e. close to 5 years. ATM of domestic debt lengthened by 0.05 years, to 4.47 years, which resulted mainly from substantial issuance of instruments with maturity lengthening ATM (including 30-year WS0447 bonds). 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 February 2017 ATM of foreign ST debt decreased by 0.08 years (primarily as a result of debt aging), remaining at the safe level of 6.77 years.



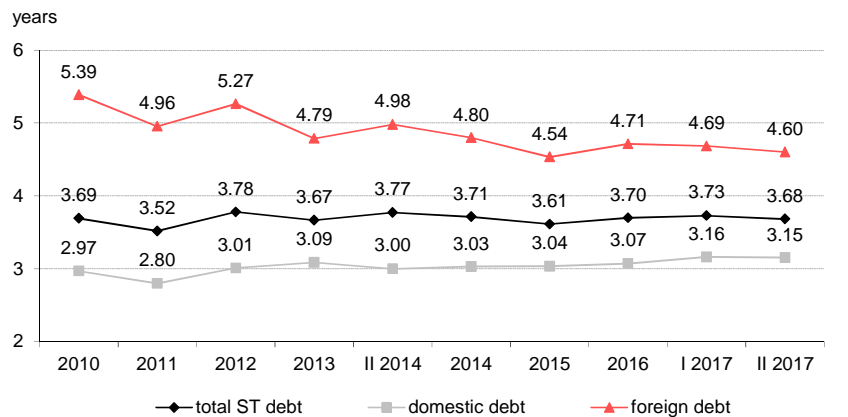
ATR of ST debt

In February 2017 average time to refixing (ATR) of ST debt amounted to 4.06 years (decrease by 0.01 years m/m and increase by 0.04 years compared to the end of 2016). Decrease in ATR in February was a resultant of lengthening of domestic debt ATR (by 0.04 years, to 3.52 years) and shortening of foreign debt ATR (by 0.07 years, to 5.10 years). Changes in ATR of both debt categories resulted from shifts of ATM and increase in the share of fixed rate instruments. In February 2017 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*

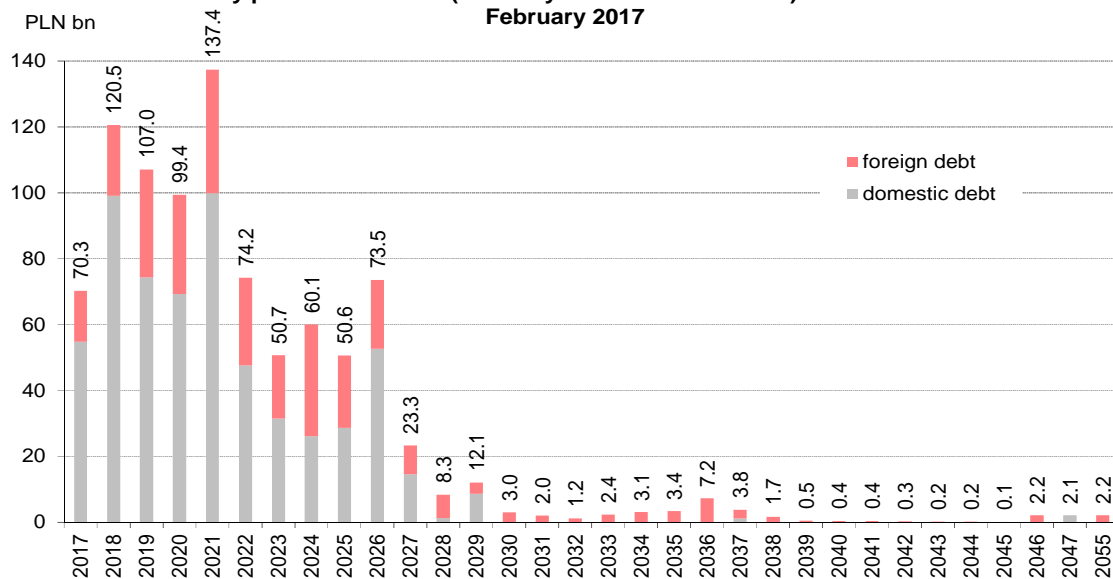
In February 2017 duration of ST debt amounted to 3.68 years (decrease by 0.05 years m/m and by 0.02 years compared to the end of 2016). Decrease in duration in February resulted from shortening of both domestic debt duration (by 0.01 years, to 3.15 years) and foreign debt duration (by 0.08 years, to 4.60 years). Changes in duration resulted from shifts in ATR and development of Polish debt yields.



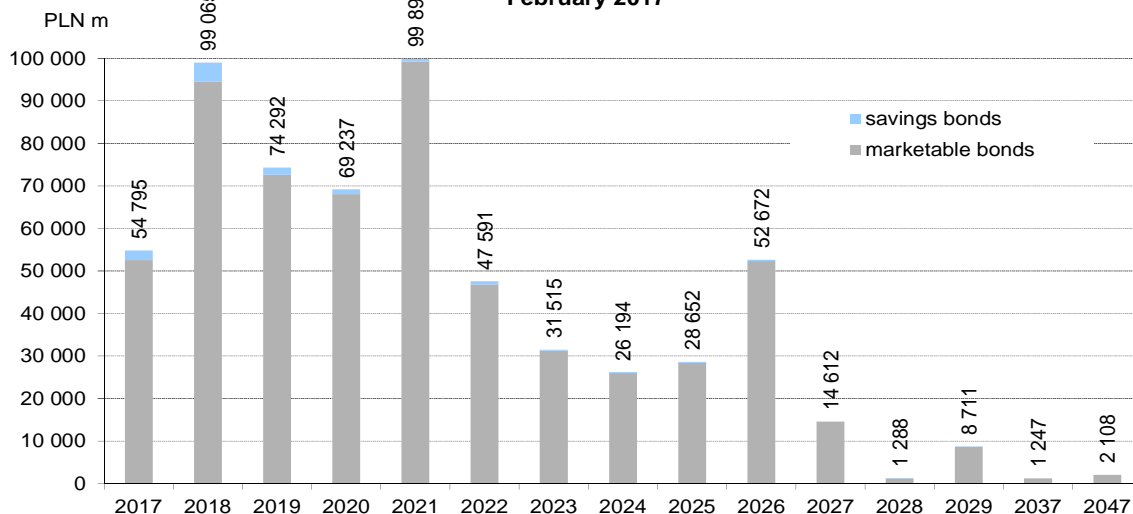
ATR as well as duration, indicated that in 2017 interest rate risk of ST debt has remained stable.

*) Excluding inflation-linked bonds

Maturity profile of ST debt (Treasury securities and loans) as at the end of February 2017

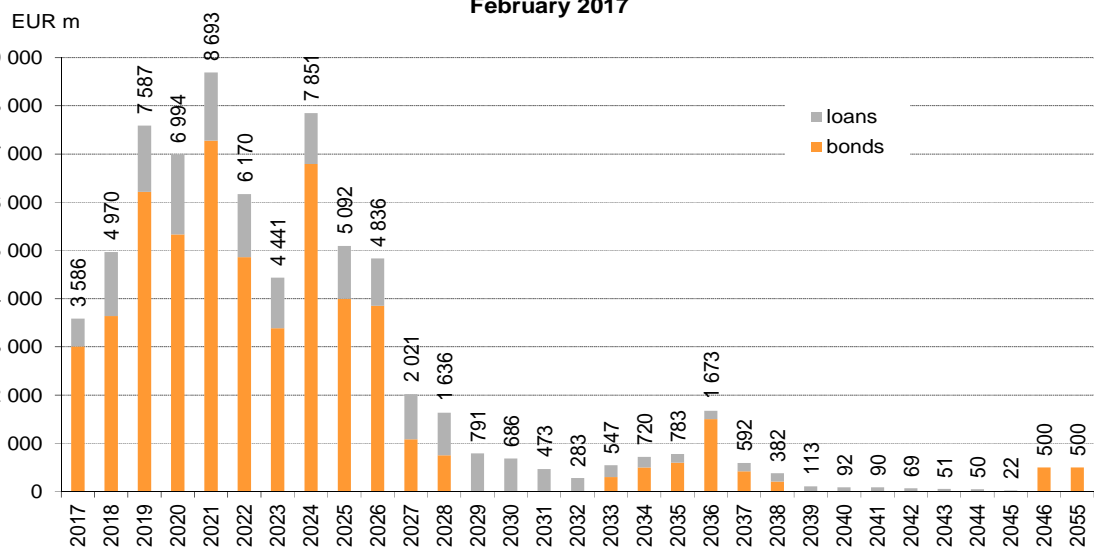


Maturity profile of domestic Treasury securities debt as at the end of February 2017



*) Data do not include a part of short-term domestic debt: (a) maturing in 2017 – other ST debt (PLN 21,195m – mainly deposits and matured payables) and (b) maturing in 2018 – deposits (PLN 10m).

Maturity profile of foreign debt (Treasury securities and loans) as at the end of February 2017



*) Data do not include a part of short-term foreign debt maturing in 2017 – matured payables (PLN 16m).

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

	Dec 2016	structure Dec 2016 %	Jan 2017	structure Jan 2017 %	Feb 2017	structure Feb 2017 %	change		change	
							Feb 2017 – Jan 2017		Feb 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury Debt	928,662.4	100.0	930,057.4	100.0	945,147.2	100.0	15,089.9	1.6	16,484.8	1.8
I. Domestic debt	609,199.1	65.6	617,909.0	66.4	633,072.8	67.0	15,163.7	2.5	23,873.6	3.9
1. Treasury securities issued in domestic market	587,934.9	63.3	596,634.9	64.2	611,867.5	64.7	15,232.6	2.6	23,932.6	4.1
1.1. Marketable securities	576,701.2	62.1	585,034.0	62.9	599,967.0	63.5	14,933.0	2.6	23,265.7	4.0
fixed rate	427,486.9	46.0	443,169.8	47.6	455,144.3	48.2	11,974.6	2.7	27,657.4	6.5
Treasury bills	0.0	0.0	4,025.0	0.4	5,975.6	0.6	1,950.6	48.5	5,975.6	-
OK bonds	47,852.0	5.2	50,051.7	5.4	51,220.7	5.4	1,169.0	2.3	3,368.8	7.0
PS bonds	176,173.8	19.0	181,238.0	19.5	184,179.3	19.5	2,941.3	1.6	8,005.5	4.5
DS bonds	169,728.4	18.3	174,127.3	18.7	177,888.6	18.8	3,761.3	2.2	8,160.2	4.8
WS bonds	33,732.6	3.6	33,727.6	3.6	35,880.0	3.8	2,152.4	6.4	2,147.4	6.4
fixed rate - inflation-linked	4,449.6	0.5	4,454.6	0.5	4,484.8	0.5	30.2	0.7	35.2	0.8
IZ bonds	4,449.6	0.5	4,454.6	0.5	4,484.8	0.5	30.2	0.7	35.2	0.8
floating rate	144,764.8	15.6	137,409.6	14.8	140,337.8	14.8	2,928.2	2.1	-4,427.0	-3.1
WZ bonds	144,764.8	15.6	137,409.6	14.8	140,337.8	14.8	2,928.2	2.1	-4,427.0	-3.1
1.2. Savings bonds	11,233.6	1.2	11,600.9	1.2	11,900.5	1.3	299.6	2.6	666.9	5.9
fixed rate	5,095.7	0.5	5,310.7	0.6	5,451.8	0.6	141.1	2.7	356.1	7.0
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	5,095.7	0.5	5,310.7	0.6	5,451.8	0.6	141.1	2.7	356.1	7.0
floating rate	6,138.0	0.7	6,290.2	0.7	6,448.7	0.7	158.5	2.5	310.7	5.1
TOZ bonds	557.5	0.1	562.0	0.1	561.3	0.1	-0.7	-0.1	3.9	0.7
COI bonds	1,516.2	0.2	1,622.3	0.2	1,758.2	0.2	136.0	8.4	242.0	16.0
ROS bonds	1.6	0.0	2.1	0.0	2.6	0.0	0.5	22.0	1.0	62.4
EDO bonds	4,061.1	0.4	4,101.7	0.4	4,124.0	0.4	22.3	0.5	62.9	1.5
ROD bonds	1.6	0.0	2.1	0.0	2.6	0.0	0.5	21.8	1.0	60.6
2. Other domestic debt	21,264.3	2.3	21,274.1	2.3	21,205.3	2.2	-68.8	-0.3	-59.0	-0.3
deposits of pfse*	17,202.8	1.9	17,146.2	1.8	17,009.8	1.8	-136.4	-0.8	-193.0	-1.1
court deposits**	4,052.8	0.4	4,119.2	0.4	4,186.8	0.4	67.5	1.6	134.0	3.3
matured payables	5.3	0.0	5.3	0.0	5.3	0.0	0.0	0.0	0.0	0.0
other	3.4	0.0	3.4	0.0	3.4	0.0	0.0	0.0	0.0	0.0
II. Foreign debt	319,463.2	34.4	312,148.3	33.6	312,074.5	33.0	-73.9	0.0	-7,388.8	-2.3
1. Treasury securities issued in international markets	241,487.8	26.0	236,041.7	25.4	236,272.9	25.0	231.2	0.1	-5,214.9	-2.2
1.1. Marketable securities	241,487.8	26.0	236,041.7	25.4	236,272.9	25.0	231.2	0.1	-5,214.9	-2.2
fixed rate	241,487.8	26.0	236,041.7	25.4	236,272.9	25.0	231.2	0.1	-5,214.9	-2.2
EUR	156,706.9	16.9	153,405.6	16.5	152,902.6	16.2	-503.0	-0.3	-3,804.3	-2.4
USD	57,674.3	6.2	55,815.5	6.0	56,262.6	6.0	447.1	0.8	-1,411.7	-2.4
CHF	11,446.1	1.2	11,293.8	1.2	11,268.7	1.2	-25.0	-0.2	-177.4	-1.5
JPY	13,855.9	1.5	13,765.2	1.5	14,059.0	1.5	293.8	2.1	203.1	1.5
CNY	1,804.5	0.2	1,761.6	0.2	1,779.9	0.2	18.3	1.0	-24.6	-1.4
2. Loans	77,959.4	8.4	76,090.7	8.2	75,785.6	8.0	-305.1	-0.4	-2,173.9	-2.8
fixed rate	21,185.5	2.3	23,132.6	2.5	23,001.1	2.4	-131.4	-0.6	1,815.7	8.6
EUR	21,185.5	2.3	23,132.6	2.5	23,001.1	2.4	-131.4	-0.6	1,815.7	8.6
floating rate	56,774.0	6.1	52,958.1	5.7	52,784.4	5.6	-173.6	-0.3	-3,989.5	-7.0
EUR	56,774.0	6.1	52,958.1	5.7	52,784.4	5.6	-173.6	-0.3	-3,989.5	-7.0
3. Other foreign debt	16.0	0.0	16.0	0.0	16.0	0.0	0.0	0.0	0.0	0.0

*) 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 2016	structure Dec 2016 %	Jan 2017	structure Jan 2017 %	Feb 2017	structure Feb 2017 %	change Feb 2017 – Jan 2017		change Feb 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury debt	928,662.4	100.0	930,057.4	100.0	945,147.2	100.0	15,089.9	1.6	16,484.8	1.8
I. State Treasury debt towards residents	433,069.2	46.6	440,104.0	47.3	454,071.5	48.0	13,967.4	3.2	21,002.3	4.8
Domestic banking sector	250,921.9	27.0	257,639.7	27.7	270,753.4	28.6	13,113.8	5.1	19,831.5	7.9
1. TS issued in domestic market	235,521.3	25.4	242,388.6	26.1	255,366.6	27.0	12,978.0	5.4	19,845.2	8.4
1.1. Marketable TS	235,521.3	25.4	242,388.6	26.1	255,366.6	27.0	12,978.0	5.4	19,845.2	8.4
Treasury bills	0.0	0.0	2,463.2	0.3	3,933.2	0.4	1,470.0	59.7	3,933.2	-
OK bonds	27,716.4	3.0	29,130.6	3.1	31,203.3	3.3	2,072.7	7.1	3,486.8	12.6
PS bonds	70,558.2	7.6	73,883.4	7.9	75,849.4	8.0	1,966.0	2.7	5,291.2	7.5
DS bonds	33,703.5	3.6	35,670.6	3.8	37,094.2	3.9	1,423.6	4.0	3,390.8	10.1
WS bonds	3,556.8	0.4	3,051.8	0.3	3,715.8	0.4	663.9	21.8	159.0	4.5
IZ bonds	1,225.6	0.1	1,202.8	0.1	1,213.0	0.1	10.2	0.8	-12.6	-1.0
WZ bonds	98,760.8	10.6	96,986.1	10.4	102,357.6	10.8	5,371.5	5.5	3,596.8	3.6
1.2. Savings 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	-
3. TS issued in foreign markets	15,400.6	1.7	15,251.1	1.6	15,386.9	1.6	135.8	0.9	-13.7	-0.1
Domestic non-banking sector	182,147.3	19.6	182,464.4	19.6	183,318.0	19.4	853.7	0.5	1,170.7	0.6
1. TS issued in domestic market	159,857.8	17.2	160,442.8	17.3	161,382.3	17.1	939.5	0.6	1,524.5	1.0
1.1. Marketable TS	148,641.9	16.0	148,859.6	16.0	149,500.4	15.8	640.8	0.4	858.5	0.6
Treasury bills	0.0	0.0	1,541.8	0.2	1,993.4	0.2	451.6	29.3	1,993.4	-
OK bonds	12,853.8	1.4	13,205.1	1.4	13,309.8	1.4	104.6	0.8	456.0	3.5
PS bonds	39,470.3	4.3	38,643.5	4.2	39,816.8	4.2	1,173.3	3.0	346.5	0.9
DS bonds	37,440.1	4.0	38,501.9	4.1	38,578.8	4.1	76.9	0.2	1,138.7	3.0
WS bonds	17,014.4	1.8	17,268.2	1.9	19,007.5	2.0	1,739.3	10.1	1,993.0	11.7
IZ bonds	2,120.2	0.2	2,139.6	0.2	2,146.3	0.2	6.7	0.3	26.1	1.2
WZ bonds	39,743.2	4.3	37,559.5	4.0	34,648.0	3.7	-2,911.6	-7.8	-5,095.2	-12.8
1.2. Savings bonds	11,215.9	1.2	11,583.2	1.2	11,881.9	1.3	298.7	2.6	666.0	5.9
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	5,088.3	0.5	5,303.4	0.6	5,444.6	0.6	141.2	2.7	356.3	7.0
TOZ bonds	556.7	0.1	561.2	0.1	560.5	0.1	-0.7	-0.1	3.8	0.7
COI bonds	1,515.1	0.2	1,621.1	0.2	1,756.0	0.2	134.8	8.3	240.8	15.9
ROS bonds	1.6	0.0	2.1	0.0	2.6	0.0	0.5	22.0	1.0	62.4
EDO bonds	4,052.6	0.4	4,093.3	0.4	4,115.7	0.4	22.4	0.5	63.1	1.6
ROD bonds	1.6	0.0	2.1	0.0	2.6	0.0	0.5	21.8	1.0	60.6
2. Other ST debt	21,247.4	2.3	21,257.2	2.3	21,188.4	2.2	-68.8	-0.3	-59.0	-0.3
deposits of pfse*	17,202.8	1.9	17,146.2	1.8	17,009.8	1.8	-136.4	-0.8	-193.0	-1.1
court deposits**	4,035.9	0.4	4,102.4	0.4	4,169.9	0.4	67.5	1.6	134.0	3.3
matured payables	5.3	0.0	5.3	0.0	5.3	0.0	0.0	0.0	0.0	0.0
other	3.4	0.0	3.4	0.0	3.4	0.0	0.0	0.0	0.0	0.0
3. TS issued in foreign markets	1,042.1	0.1	764.3	0.1	747.3	0.1	-17.0	-2.2	-294.8	-28.3
II. State Treasury debt towards non-residents	495,593.2	53.4	489,953.3	52.7	491,075.8	52.0	1,122.4	0.2	-4,517.4	-0.9
1. TS issued in domestic market	192,555.8	20.7	193,803.5	20.8	195,118.6	20.6	1,315.1	0.7	2,562.9	1.3
1.1. Marketable TS	192,538.0	20.7	193,785.7	20.8	195,100.0	20.6	1,314.3	0.7	2,562.0	1.3
Treasury bills	0.0	0.0	20.0	0.0	49.0	0.0	29.0	145.0	49.0	-
OK bonds	7,281.7	0.8	7,716.1	0.8	6,707.7	0.7	-1,008.3	-13.1	-574.0	-7.9
PS bonds	66,145.3	7.1	68,711.1	7.4	68,513.1	7.2	-198.0	-0.3	2,367.8	3.6
DS bonds	98,584.9	10.6	99,954.8	10.7	102,215.6	10.8	2,260.8	2.3	3,630.7	3.7
WS bonds	13,161.4	1.4	13,407.6	1.4	13,156.8	1.4	-250.8	-1.9	-4.6	0.0
IZ bonds	1,103.8	0.1	1,112.1	0.1	1,125.5	0.1	13.4	1.2	21.7	2.0
WZ bonds	6,260.8	0.7	2,864.0	0.3	3,332.2	0.4	468.3	16.4	-2,928.6	-46.8
1.2. Savings bonds	17.7	0.0	17.7	0.0	18.6	0.0	0.9	4.9	0.9	5.0
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	7.3	0.0	7.3	0.0	7.2	0.0	-0.2	-2.2	-0.2	-2.1
TOZ bonds	0.8	0.0	0.8	0.0	0.8	0.0	0.0	1.2	0.0	2.5
COI bonds	1.1	0.0	1.1	0.0	2.3	0.0	1.1	101.9	1.2	114.0
ROS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
EDO bonds	8.5	0.0	8.5	0.0	8.3	0.0	-0.1	-1.4	-0.2	-2.0
ROD bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
2. TS issued in foreign markets	225,045.1	24.2	220,026.3	23.7	220,138.7	23.3	112.4	0.1	-4,906.4	-2.2
3. Foreign loans	77,959.4	8.4	76,090.7	8.2	75,785.6	8.0	-305.1	-0.4	-2,173.9	-2.8
European Investment Bank	45,321.1	4.9	44,166.3	4.7	43,965.9	4.7	-200.4	-0.5	-1,355.2	-3.0
The World Bank	31,725.1	3.4	30,972.3	3.3	30,870.8	3.3	-101.6	-0.3	-854.4	-2.7
Council of Europe Development Bank	913.2	0.1	952.0	0.1	948.9	0.1	-3.1	-0.3	35.7	3.9
4. Other ST debt	32.9	0.0	32.9	0.0	32.9	0.0	0.0	0.0	0.0	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 2016	Jan 2017	Feb 2017	change		change	
				Feb 2017 – Jan 2017		Feb 2017 – Dec 2016	
				EUR m	%	EUR m	%
State Treasury debt	209,914.6	214,754.2	218,956.4	4,202.2	2.0	9,041.8	4.3
I. Domestic debt	137,703.2	142,677.8	146,660.0	3,982.2	2.8	8,956.8	6.5
1. Treasury securities issued in domestic market	132,896.7	137,765.5	141,747.6	3,982.0	2.9	8,850.9	6.7
1.1. Marketable TS	130,357.4	135,086.8	138,990.6	3,903.8	2.9	8,633.2	6.6
- Treasury bills	0.0	929.4	1,384.3	454.9	49.0	1,384.3	-
- bonds issued in domestic market	130,357.4	134,157.4	137,606.3	3,448.9	2.6	7,248.9	5.6
1.2. Savings bonds	2,539.2	2,678.7	2,756.9	78.2	2.9	217.7	8.6
2. Other ST debt	4,806.6	4,912.3	4,912.5	0.2	0.0	105.9	2.2
II. Foreign debt	72,211.4	72,076.4	72,296.4	220.0	0.3	85.0	0.1
1. Treasury securities issued in foreign markets	54,585.8	54,503.0	54,735.9	232.9	0.4	150.0	0.3
2. Loans	17,621.9	17,569.7	17,556.8	-12.9	-0.1	-65.2	-0.4
2.1. World Bank	7,171.1	7,151.6	7,151.6	0.0	0.0	-19.5	-0.3
2.2. European Investment Bank	10,244.4	10,198.2	10,185.3	-12.9	-0.1	-59.1	-0.6
2.3. Council of Europe Development Bank	206.4	219.8	219.8	0.0	0.0	13.4	6.5
3. Other ST debt	3.6	3.7	3.7	0.0	0.3	0.1	2.5
<i>FX rate (EUR/PLN)</i>	<i>4.4240</i>	<i>4.3308</i>	<i>4.3166</i>	<i>0.0</i>	<i>-0.3</i>	<i>-0.1</i>	<i>-2.4</i>

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

	Dec 2016	Jan 2017	Feb 2017	change		change	
				Feb 2017 – Jan 2017		Feb 2017 – Dec 2016	
				USD m	%	USD m	%
State Treasury debt	222,205.2	229,950.4	231,824.2	1,873.8	0.8	9,618.9	4.3
I. Domestic debt	145,765.8	152,773.8	155,279.1	2,505.2	1.6	9,513.2	6.5
1. Treasury securities issued in domestic market	140,677.8	147,514.0	150,077.9	2,563.9	1.7	9,400.0	6.7
1.1. Marketable TS	137,989.9	144,645.7	147,158.9	2,513.2	1.7	9,169.0	6.6
- Treasury bills	0.0	995.2	1,465.7	470.5	47.3	1,465.7	-
- bonds issued in domestic market	137,989.9	143,650.5	145,693.2	2,042.7	1.4	7,703.3	5.6
1.2. Savings bonds	2,687.9	2,868.3	2,918.9	50.7	1.8	231.0	8.6
2. Other ST debt	5,088.0	5,259.9	5,201.2	-58.7	-1.1	113.2	2.2
II. Foreign debt	76,439.4	77,176.6	76,545.1	-631.4	-0.8	105.7	0.1
1. Treasury securities issued in foreign markets	57,781.9	58,359.7	57,952.6	-407.1	-0.7	170.8	0.3
2. Loans	18,653.7	18,812.9	18,588.6	-224.3	-1.2	-65.1	-0.3
2.1. World Bank	7,591.0	7,657.7	7,571.9	-85.8	-1.1	-19.1	-0.3
2.2. European Investment Bank	10,844.2	10,919.8	10,783.9	-135.9	-1.2	-60.3	-0.6
2.3. Council of Europe Development Bank	218.5	235.4	232.7	-2.6	-1.1	14.2	6.5
3. Other ST debt	3.8	4.0	3.9	0.0	-0.8	0.1	2.5
<i>FX rate (USD/PLN)</i>	<i>4.1793</i>	<i>4.0446</i>	<i>4.0770</i>	<i>0.0</i>	<i>0.8</i>	<i>-0.1</i>	<i>-2.4</i>