

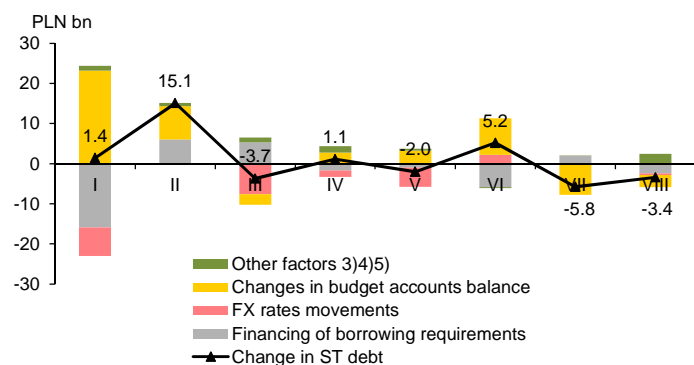
**At the end of August 2017 State Treasury (ST) debt** amounted to **PLN 936,501.5 million**, i.e.:

- decreased by PLN 3,429.6m (-0.4%) in August 2017,
- increased by PLN 7,835.3m (0.8%) compared to the end of 2016.

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

	Aug 2017 – Jul 2017	Aug 2017 – Dec 2016
<b>Change in the State Treasury debt</b>	<b>-3.4</b>	<b>7.8</b>
<b>1. State budget borrowing requirements:</b>	<b>-2.5</b>	<b>-13.6</b>
1.1. State budget deficit	-2.5	-4.9
1.2. European Union funds budget deficit	0.0	0.0
1.3. Pension reform costs <sup>1)</sup>	0.3	2.3
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from PFSE and court deposits balance	-0.7	-3.7
1.6. European funds management	0.5	-7.1
1.7. Granted loans balance	0.0	0.0
1.8. Other borrowing requirements <sup>2)</sup>	0.0	-0.2
<b>2. Changes not resulting from State budget borrowing requirements:</b>	<b>-1.4</b>	<b>19.1</b>
2.1. FX rates movements	-0.4	-19.3
2.2. Changes in budget accounts balance	-3.0	33.3
2.3. Other factors <sup>3)</sup>	2.0	5.0
<b>3. Change in other State Treasury debt:</b>	<b>0.5</b>	<b>2.4</b>
3.1. Deposits from PFSE <sup>4)</sup>	0.5	2.1
3.2. Court deposits <sup>5)</sup>	0.0	0.2
3.3. Other ST debt	0.0	0.1

### Factors affecting changes in ST debt in I-VIII 2017



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

<sup>2)</sup> 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

<sup>3)</sup> TS discount, TS indexation, sell-buy-back transactions, transferring bonds to BGK to increase its statutory fund

<sup>4)</sup> Deposits received from public finance sector entities (PFSE) with legal personality

<sup>5)</sup> Court deposits from PFSE with legal personality and entities from outside PFS

According to preliminary data, **ST debt at the end of September 2017** amounted to **ca. PLN 940.8bn**, i.e. increased by PLN 4.3bn (0.5%) m/m and by PLN 12.1bn (1.3%) compared to the end of 2016. According to the place of issue criterion debt amounted to:

- **domestic debt:** ca. PLN 643.2bn,
- **foreign currency debt:** ca. PLN 297.6bn (i.e. 31.6% of total ST debt).

**Decrease in debt in August 2017** was mainly a resultant of:

- negative State budget net borrowing requirements (PLN -2.5bn), including State budget surplus (PLN -2.5bn);
- decrease in budget accounts balance (PLN -3.0bn);
- transferring bonds to Bank Gospodarstwa Krajowego to increase its statutory fund (PLN +2.0bn).

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

- negative State budget net borrowing requirements (PLN -13.6bn);
- increase in budget accounts balance (PLN +33.3bn), associated with collection of funds for financing borrowing requirements;
- appreciation of zloty (PLN -19.3bn) – by 3.7% against EUR, 14.3% against USD, 9.7% against CHF, 9.3% against JPY and by 9.7% against CNY.

**In August 2017 domestic ST debt** (according to the place of issue criterion) decreased by PLN 3.0bn which was mainly a result of negative balance of issuance of marketable Treasury securities (TS; PLN -3.7bn):

Instrument	Sale (PLN bn)	Redemption/repurchase (PLN bn)
OK0419	2.2	
WZ1122	1.1	
PS0123	1.4	
WZ0126	0.6	
DS0727	0.4	
WS0447	0.02	
OK0419	2.0	
WZ0118		-2.5
DS1017		-1.1
PS0418		-1.9
BS20170830*		-6.0

\*) Including PLN 0.1bn held by foreign investors, PLN 4.2bn held by domestic banks and PLN 1.7bn held by domestic non-banking sector.

**In August 2017 ST debt in foreign currency** decreased by PLN 0.4bn which resulted from:

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

Instrument	Drawing	Repayment
loans from IFIs*		EUR 0.01bn

\*) IFIs – international financial institutions

- FX rates movements (PLN -0.4bn).

**Since the beginning of 2017 domestic ST debt** increased by PLN 33.0bn. At the same time **foreign currency debt** decreased by PLN 25.2bn which was a resultant of:

- decrease in debt denominated in EUR (EUR -0.9bn), USD (USD -0.1bn), CHF (CHF -0.3bn) and JPY (JPY -25.0bn),
- no changes in debt denominated in CNY
- appreciation of zloty (PLN -19.3bn).

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

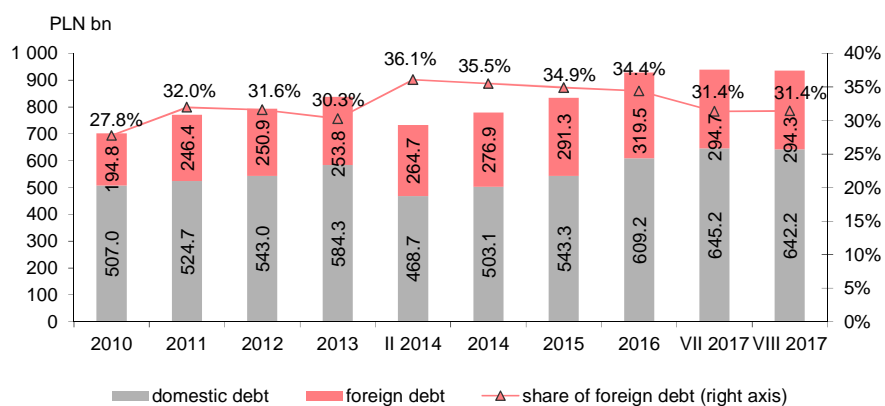
	Dec 2016	structure Dec 2016 %	Jul 2017	structure Jul 2017 %	Aug 2017	structure Aug 2017 %	change Aug 2017 – Jul 2017		change Aug 2017 – Dec 2016	
							PLN m	%	PLN m	%
<b>State Treasury debt</b>	<b>928,666.2</b>	<b>100.0</b>	<b>939,931.1</b>	<b>100.0</b>	<b>936,501.5</b>	<b>100.0</b>	<b>-3,429.6</b>	<b>-0.4</b>	<b>7,835.3</b>	<b>0.8</b>
<b>I. Domestic ST debt</b>	<b>609,202.9</b>	<b>65.6</b>	<b>645,203.1</b>	<b>68.6</b>	<b>642,221.8</b>	<b>68.6</b>	<b>-2,981.3</b>	<b>-0.5</b>	<b>33,018.8</b>	<b>5.4</b>
1. Treasury securities (TS)	587,934.9	63.3	622,079.8	66.2	618,645.7	66.1	-3,434.0	-0.6	30,710.8	5.2
1.1. Marketable TS	576,701.2	62.1	608,629.9	64.8	604,892.4	64.6	-3,737.5	-0.6	28,191.2	4.9
- Treasury bills	0.0	0.0	5,975.6	0.6	0.0	0.0	-5,975.6	-100.0	0.0	-
- bonds issued in domestic market	576,701.2	62.1	602,654.3	64.1	604,892.4	64.6	2,238.1	0.4	28,191.2	4.9
1.2. Savings bonds	11,233.6	1.2	13,449.8	1.4	13,753.3	1.5	303.5	2.3	2,519.7	22.4
2. Other ST debt	21,268.1	2.3	23,123.3	2.5	23,576.0	2.5	452.7	2.0	2,308.0	10.9
<b>II. Foreign ST debt</b>	<b>319,463.2</b>	<b>34.4</b>	<b>294,728.0</b>	<b>31.4</b>	<b>294,279.7</b>	<b>31.4</b>	<b>-448.3</b>	<b>-0.2</b>	<b>-25,183.5</b>	<b>-7.9</b>
1. TS issued in foreign markets	241,487.8	26.0	221,215.6	23.5	220,696.3	23.6	-519.3	-0.2	-20,791.5	-8.6
2. Loans	77,959.4	8.4	73,380.9	7.8	73,451.9	7.8	71.0	0.1	-4,507.5	-5.8
3. Other ST debt	16.0	0.0	131.5	0.0	131.5	0.0	0.0	0.0	115.5	721.0

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

	Dec 2016	structure Dec 2016 %	Jul 2017	structure Jul 2017 %	Aug 2017	structure Aug 2017 %	change Aug 2017 – Jul 2017		change Aug 2017 – Dec 2016	
							PLN m	%	PLN m	%
<b>State Treasury debt</b>	<b>928,666.2</b>	<b>100.0</b>	<b>939,931.1</b>	<b>100.0</b>	<b>936,501.5</b>	<b>100.0</b>	<b>-3,429.6</b>	<b>-0.4</b>	<b>7,835.3</b>	<b>0.8</b>
<b>I. State Treasury debt held by residents</b>	<b>433,073.0</b>	<b>46.6</b>	<b>451,435.8</b>	<b>48.0</b>	<b>448,899.5</b>	<b>47.9</b>	<b>-2,536.3</b>	<b>-0.6</b>	<b>15,826.5</b>	<b>3.7</b>
<b>Domestic banking sector</b>	<b>250,921.9</b>	<b>27.0</b>	<b>259,538.1</b>	<b>27.6</b>	<b>257,194.6</b>	<b>27.5</b>	<b>-2,343.5</b>	<b>-0.9</b>	<b>6,272.7</b>	<b>2.5</b>
- domestic instruments	235,521.3	25.4	244,762.9	26.0	242,343.1	25.9	-2,419.7	-1.0	6,821.8	2.9
- foreign instruments	15,400.6	1.7	14,775.3	1.6	14,851.5	1.6	76.2	0.5	-549.1	-3.6
<b>Domestic non-banking sector</b>	<b>182,151.1</b>	<b>19.6</b>	<b>191,897.7</b>	<b>20.4</b>	<b>191,704.9</b>	<b>20.5</b>	<b>-192.8</b>	<b>-0.1</b>	<b>9,553.8</b>	<b>5.2</b>
- domestic instruments	181,109.0	19.5	191,217.4	20.3	191,309.5	20.4	92.1	0.0	10,200.5	5.6
- foreign instruments	1,042.1	0.1	680.2	0.1	395.4	0.0	-284.8	-41.9	-646.7	-62.1
<b>II. State Treasury debt held by non-residents</b>	<b>495,593.2</b>	<b>53.4</b>	<b>488,495.3</b>	<b>52.0</b>	<b>487,602.0</b>	<b>52.1</b>	<b>-893.3</b>	<b>-0.2</b>	<b>-7,991.2</b>	<b>-1.6</b>
- domestic instruments	192,572.6	20.7	209,222.8	22.3	208,569.2	22.3	-653.6	-0.3	15,996.5	8.3
- foreign instruments	303,020.5	32.6	279,272.4	29.7	279,032.8	29.8	-239.6	-0.1	-23,987.7	-7.9

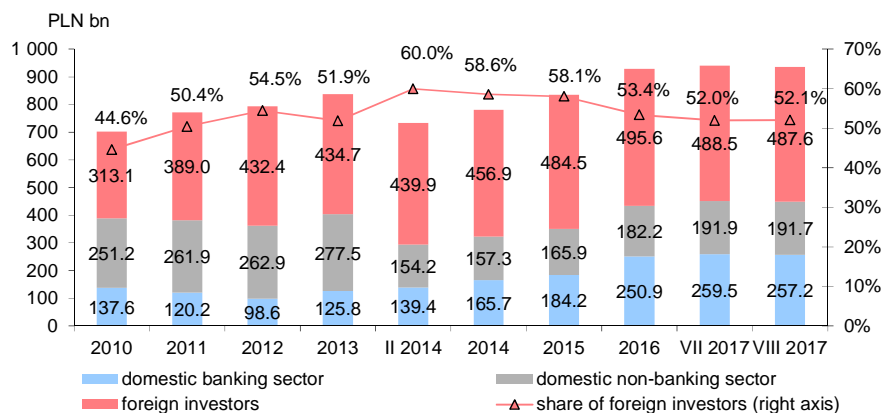
### ST debt according to the place of issue criterion

In August 2017 the share of foreign currency debt in total ST debt amounted to 31.4%, i.e. remained unchanged compared to the previous month and decreased by 3.0 pp compared to the end of 2016. The stabilization in the share in August was mainly a result of negative balance of marketable domestic TS issuance and FX rates movements. 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 August 2017 the share of foreign investors in total ST debt amounted to 52.1%, i.e. increased by 0.1 pp m/m and decreased by 1.3 pp compared to the end of 2016. The increase in the share in August resulted primarily from redemption of Treasury bills of which vast majority were held by residents.

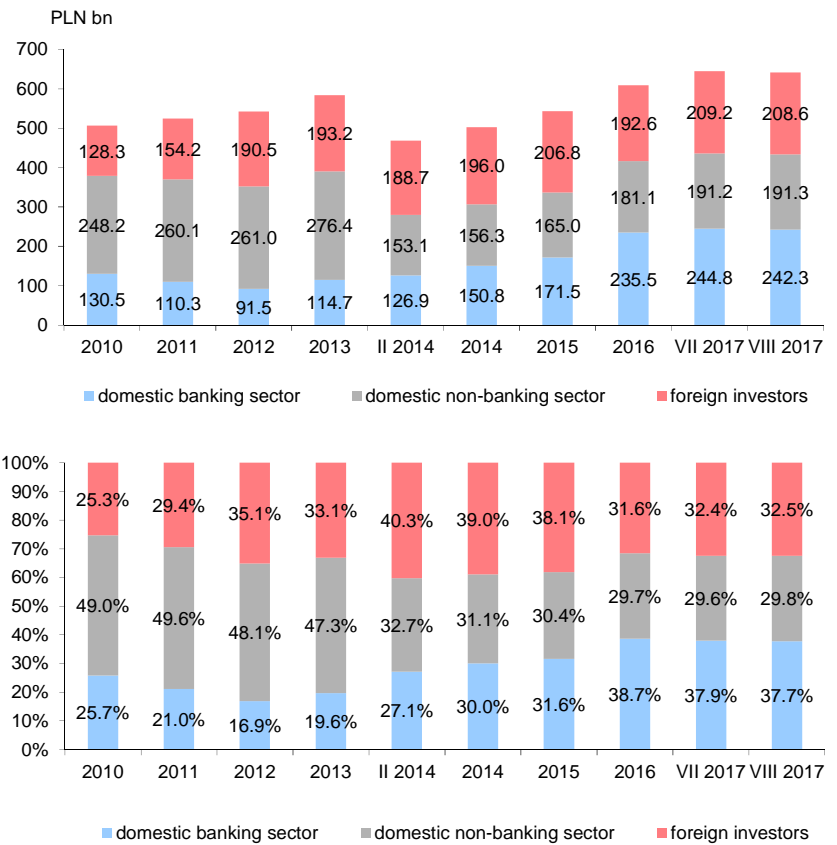


### Domestic ST debt by holder in nominal value and structure

In August 2017 decrease in domestic debt held by residents took place (PLN -2.3bn, including banks: PLN -2.4bn, non-banking investors: PLN +0.1bn). In case of foreign investors decrease in holdings was recorded (PLN -0.7bn).

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

- domestic banking sector: PLN +6.8bn,
- domestic non-banking sector: PLN +10.2bn,
- foreign investors: PLN +16.0bn.

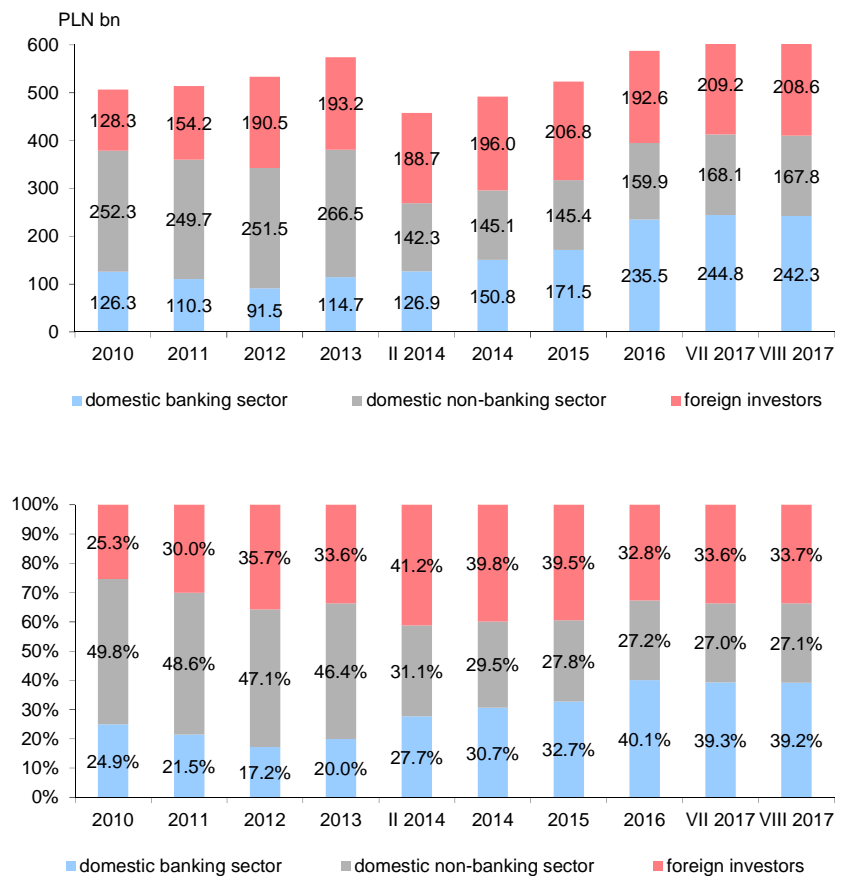


### Domestic TS debt by holder in nominal value and structure

In August 2017 residents decreased their domestic TS holdings by PLN 2.8bn in total (including banks: PLN -2.4bn, non-banking investors: PLN -0.4bn). In case of foreign investors decrease in holdings was recorded (PLN -0.7bn).

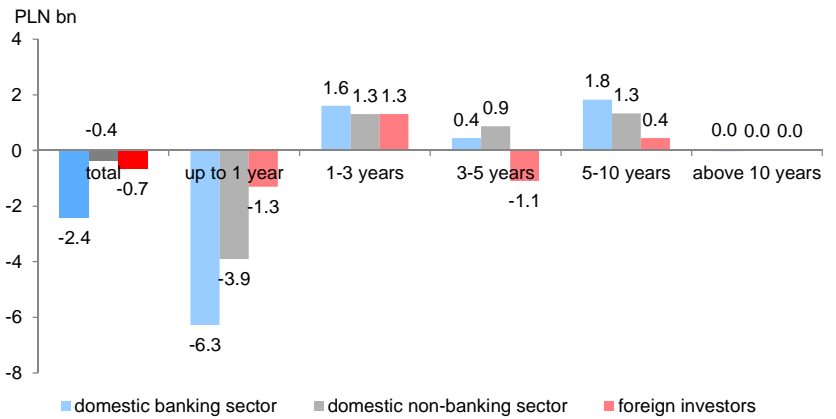
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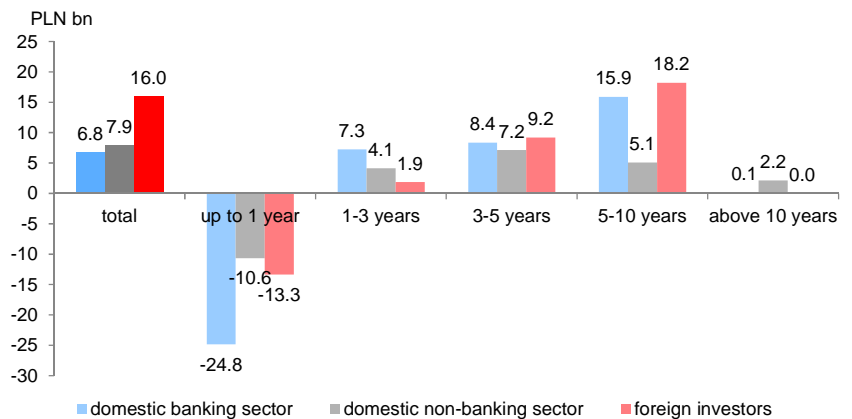
### Changes in domestic TS debt according to residual maturity by type of investor in August 2017 m/m\*

In August 2017 a decrease in portfolios of instruments with maturity below 1 year held by all main groups of investors took place, which resulted primarily from redemption of Treasury bills and repurchases of bonds on switching auction. TS holdings were increased in case of: domestic investors – in instruments with maturity from 1 to 10 years, and foreign investors – in TS from maturity segments from 1 to 3 years and from 5 to 10 years.



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

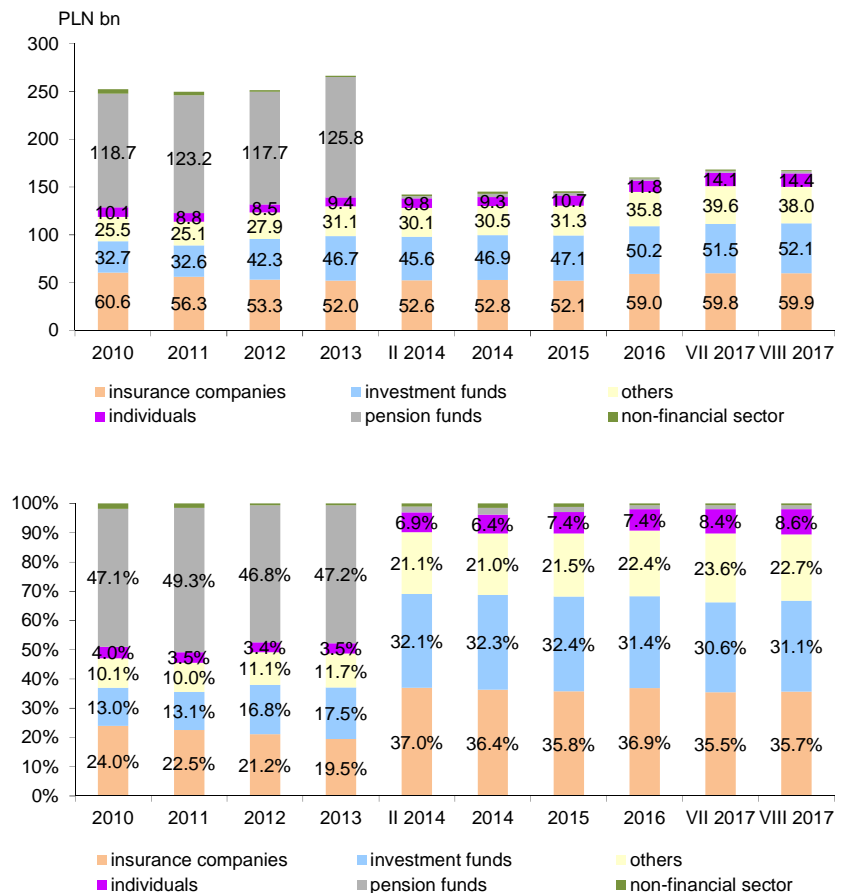
From January 2017 to August 2017 foreign investors increased their holdings mostly in TS with maturity from 3 to 10 years. In case of domestic investors increase in TS portfolios mostly applied to instruments with maturity from 1 to 10 years.



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

Among domestic non-banking entities the main holders of domestic TS are insurance companies (35.7% share in August 2017), investment funds (31.1%), and so called other entities (22.7%, this category includes, among others, Bank Guarantee Fund and Demographic Reserve Fund). Significant share of domestic TS is held by individuals (8.6%) as well.

In August 2017 domestic TS holdings of non-banking sector decreased by PLN 0.4bn m/m and simultaneously increased by PLN 7.9bn compared to the end of 2016. The change in portfolio both: m/m and since the beginning of 2017 resulted mainly from growth in TS holdings of investment funds (PLN +0.6bn and PLN +1.9bn, respectively) and individuals (PLN +0.4bn and PLN +2.6bn, respectively), as well as development of portfolios held by other entities (PLN -1.6bn and PLN +2.3bn, respectively).

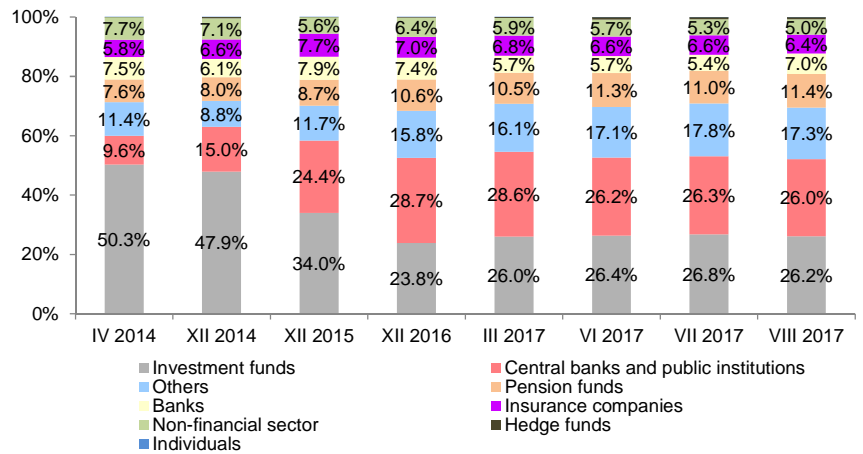
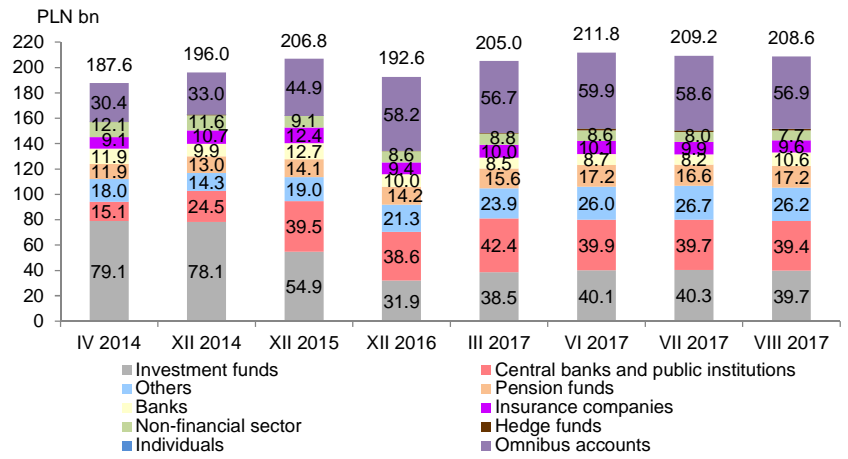


\*) Changes resulting only from cash flows, i.e. excluding statistical changes from the shift in classification of the security to next segment of residual maturity.

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

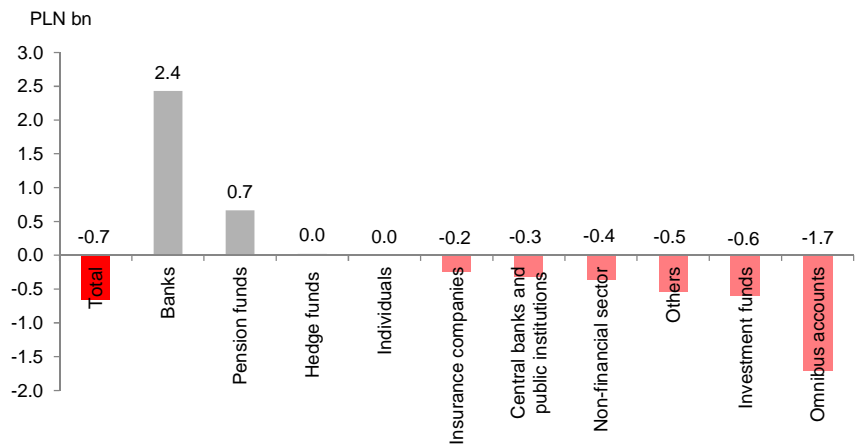
Structure of non-residents holding domestic TS in their portfolios is well-diversified, with dominant role of stable institutional investors: investment funds (26.2% share in August 2017), central banks and public institutions (26.0%), pension funds (11.4%) and insurance companies (6.4%). Significant part of domestic TS debt is registered on omnibus accounts (PLN 56.9bn), which enable investors to buy TS without having separate account in Poland.

\*) Percentage structure does not include omnibus accounts.



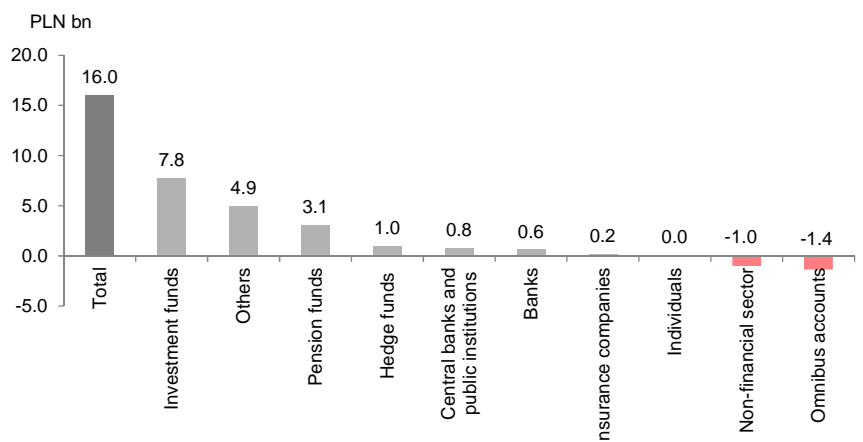
### Changes in domestic TS debt towards non-residents by holder in August 2017 m/m

In August 2017 domestic TS debt held by foreign investors decreased by PLN 0.7bn. Decrease in portfolios was mainly observed on omnibus accounts (PLN -1.7bn) and among investment funds (PLN -0.6bn, including from the US: PLN -0.2bn), other entities (PLN -0.5bn, including from the UK: PLN -0.9bn) and non-financial entities (PLN -0.4bn, including from the US: PLN 0.3bn). Increase in TS portfolios was mainly recorded among commercial banks (PLN +2.4bn, including from Austria: PLN +2.1bn and the UK: PLN +0.7bn) and pension funds (PLN +0.7bn, including from Japan: PLN +0.2bn and the US: PLN +0.2bn).



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

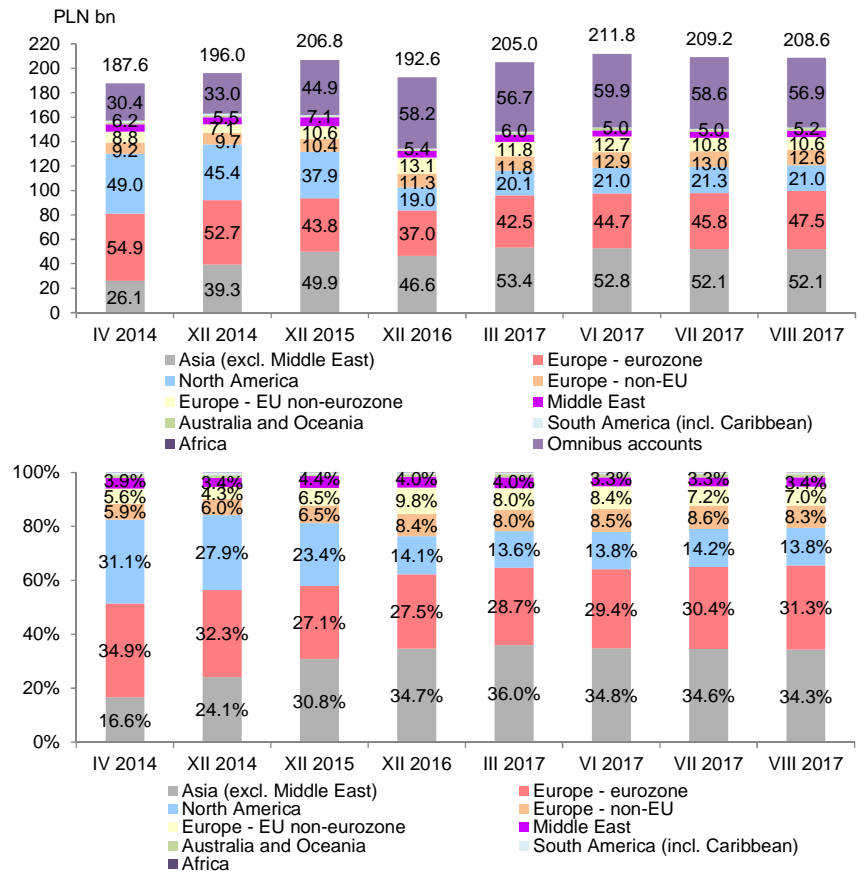
From January 2017 to August 2017 foreign investors increased their domestic TS portfolios by PLN 16.0bn. It resulted mainly from increase in TS holdings of investment funds (PLN +7.8bn, including from Luxembourg: PLN +2.4bn, Hong Kong: PLN +2.2bn and the US: PLN +1.9bn) and other entities (PLN +4.9bn, including from the Netherlands: PLN +2.0bn, Luxembourg: PLN +1.5bn and the US: PLN +1.4bn).



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

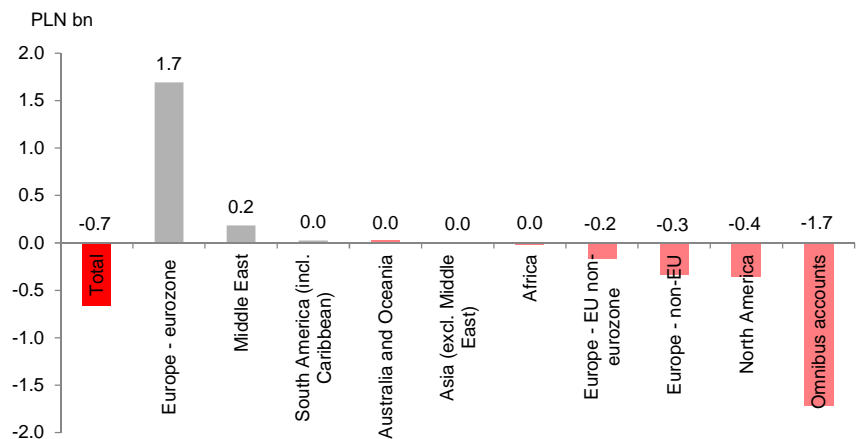
Geographical structure of domestic TS held by foreign investors is well-diversified. In August 2017 the largest TS portfolios were held by entities from Asia – 34.3%, representing debt in the amount of PLN 52.1bn, of which PLN 25.4bn was held by Asian central banks and PLN 21.3bn by investors from Japan. The second largest group of holders of TS were investors from eurozone countries – 31.3% (PLN 47.5bn, including Luxembourg: PLN 19.1bn, Ireland: PLN 7.9bn, Germany: PLN 6.6bn). Non-residents from North America held significant TS portfolios as well (13.8%, representing debt in the amount of PLN 21.0bn, of which PLN 20.0bn were held by investors from the US). The share of investors from other regions amounted to 20.5%.

\* Percentage structure does not include omnibus accounts.



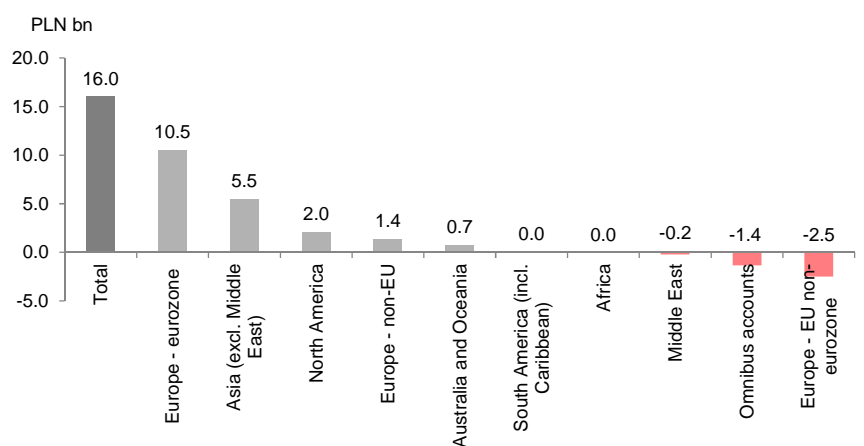
### Changes in domestic TS debt towards non-residents by region in August 2017 m/m

In August 2017 decrease in domestic TS debt held by non-residents resulted mainly from decrease in portfolios on omnibus accounts (PLN -1.7bn). Increase in TS holdings was mainly observed among investors from eurozone countries (PLN +1.7bn, including from Austria: PLN +2.1bn).



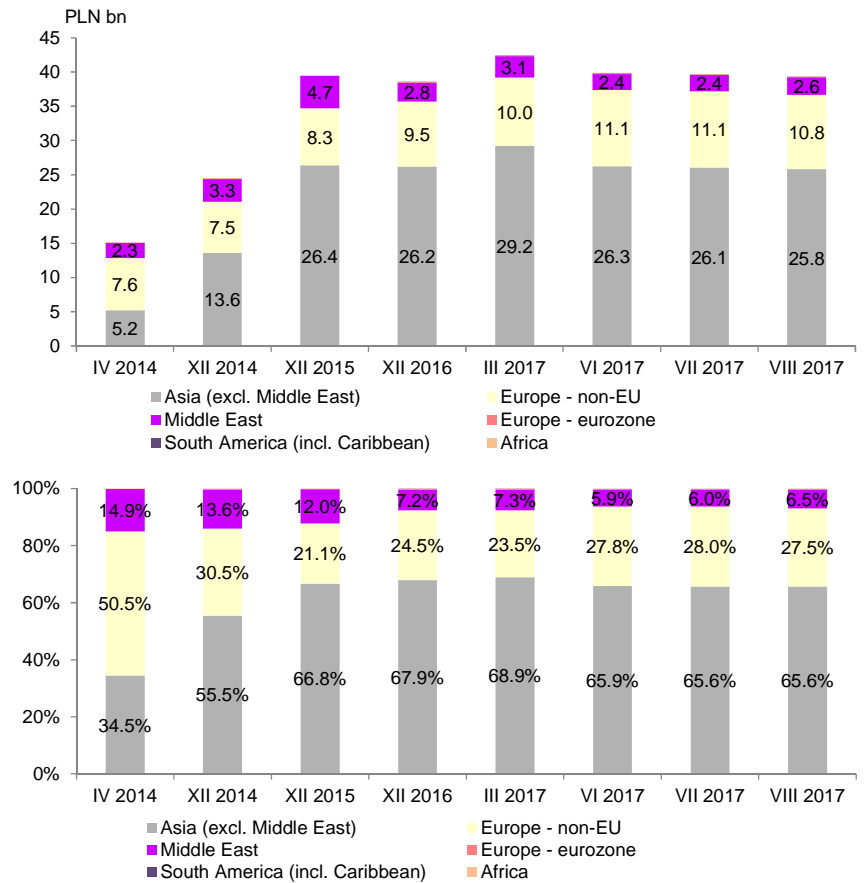
### Changes in domestic ST debt towards non-residents by region in 2017

From January 2017 to August 2017 increase in non-residents holdings of domestic TS resulted mainly from growth in portfolios of investors from eurozone countries (PLN +10.5bn, including from Luxembourg: PLN +3.4bn and France: PLN +2.2bn) and Asia (PLN +5.5bn, including from Japan: PLN +3.1bn and Hong Kong: PLN +2.3bn).



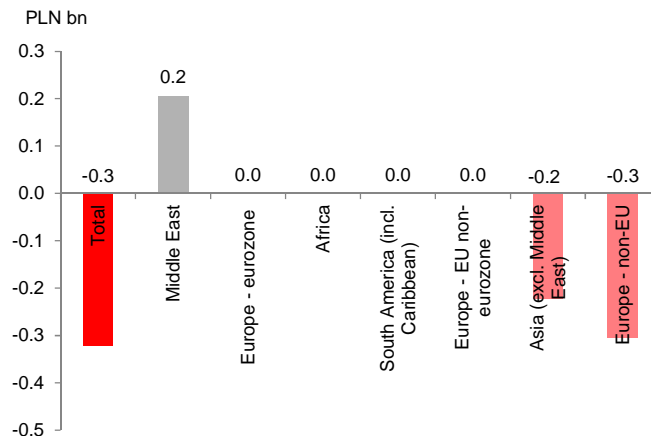
### Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in August 2017 their share amounted to 65.6%. Among central banks and public institutions considerable TS portfolios were held by entities from European non-EU countries (27.5%) and Middle East (6.5%).



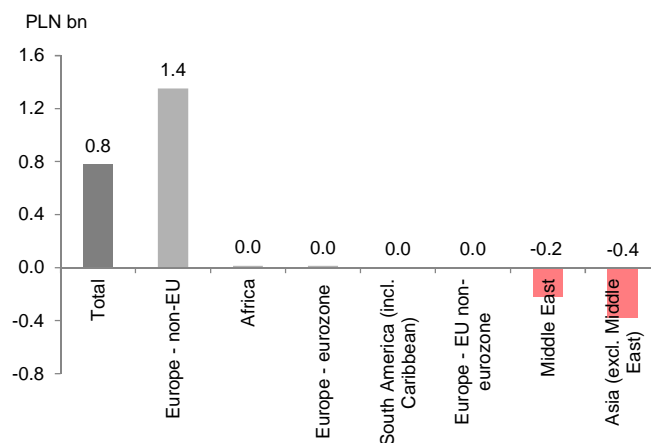
### Changes in domestic TS debt towards foreign central banks and public institutions by region in August 2017 m/m

In August 2017 domestic TS debt held by foreign central banks and public institutions decreased by PLN 0.3bn. It was a resultant of decrease in portfolios held by investors from European non-EU countries (PLN -0.3bn) and Asia (PLN -0.2bn), as well as increase in holdings of entities from Middle East (PLN +0.2bn).



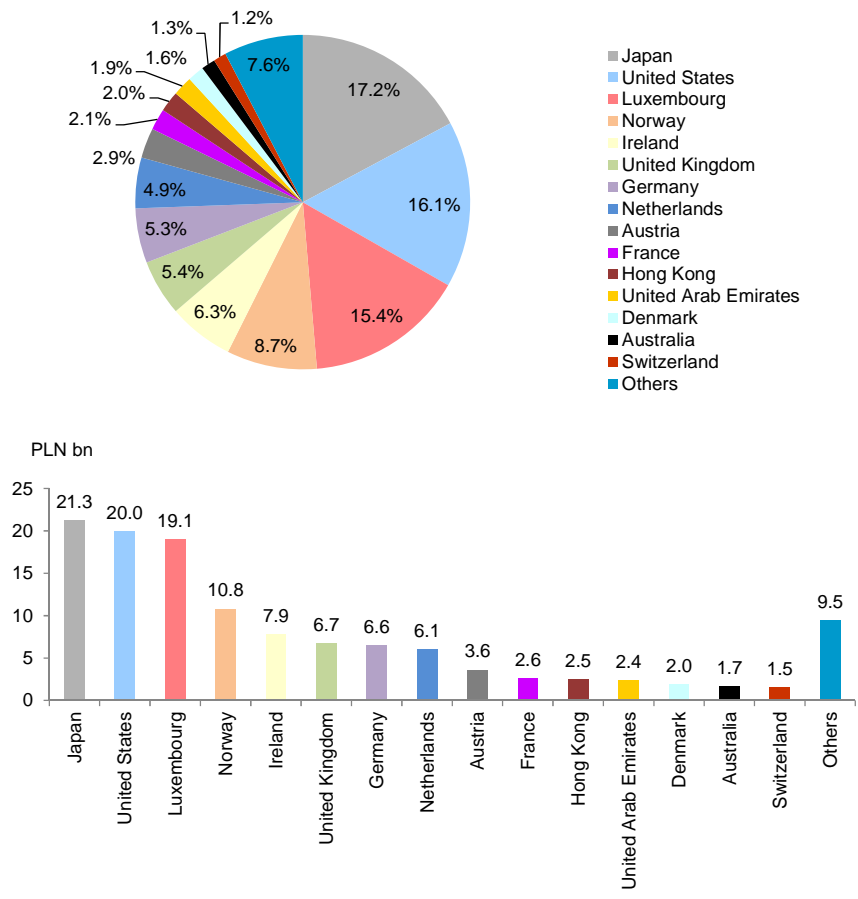
### Changes in domestic TS debt towards foreign central banks and public institutions by region in 2017

From January 2017 to August 2017 increase in central banks and public institutions domestic TS holdings was recorded (PLN +0.8bn). It was mainly a resultant of increase in portfolios of entities from European non-EU countries (PLN +1.4bn) and decrease in holdings of investors from Asia (PLN -0.4bn) and Middle East (PLN -0.2bn).



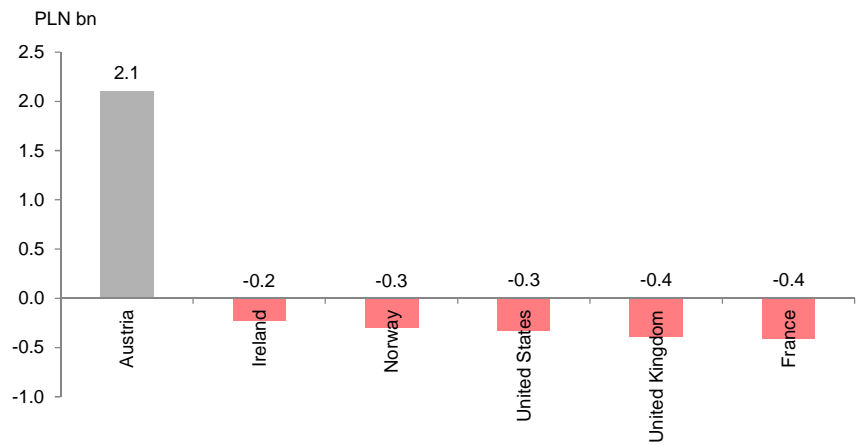
**Domestic TS debt towards non-residents by country\* in August 2017 – structure and nominal value**

In August 2017 domestic TS were held by investors from 60 countries, which confirms high diversification of non-residents structure. The largest TS portfolios were held by entities from Japan (17.2%, including primarily insurance companies: 7.1% share in non-residents domestic TS debt holdings and pension funds: 6.1%), the US (16.1%, including mainly investment funds: 7.1%), Luxembourg (15.4%, including mainly investment funds: 7.7% and other entities: 6.2%), Norway (8.7% – almost exclusively public institutions), Ireland (6.3%, including mainly investment funds: 5.7%) the UK (5.4%, including investment funds: 2.2%, commercial banks: 2.0%) and Germany (5.3%, including investment funds: 2.9%).



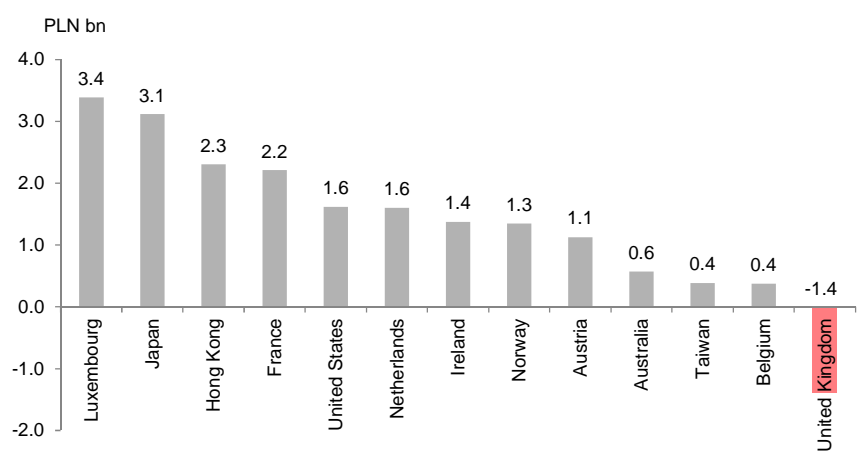
**Changes in domestic TS debt towards non-residents by country\* in August 2017\*\* m/m**

In August 2017 an decrease in non-residents' domestic TS holdings was mostly a result of decrease in portfolios held by investors from France (PLN -0.4bn, exclusively commercial banks), the UK (PLN -0.4bn, mainly other entities), the US (PLN -0.3bn, primarily non-financial entities and investment funds) and Norway (PLN -0.3bn, exclusively public institutions). Increase in TS portfolios applied mainly to investors from Austria (PLN +2.1bn, exclusively commercial banks).



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

From January 2017 to August 2017 increase in TS portfolios mainly concerned non-residents from Luxembourg (PLN +3.4bn, mainly investment funds and other entities) and Japan (PLN +3.1bn, primarily pension funds and other entities).



\*) Excluding omnibus accounts.

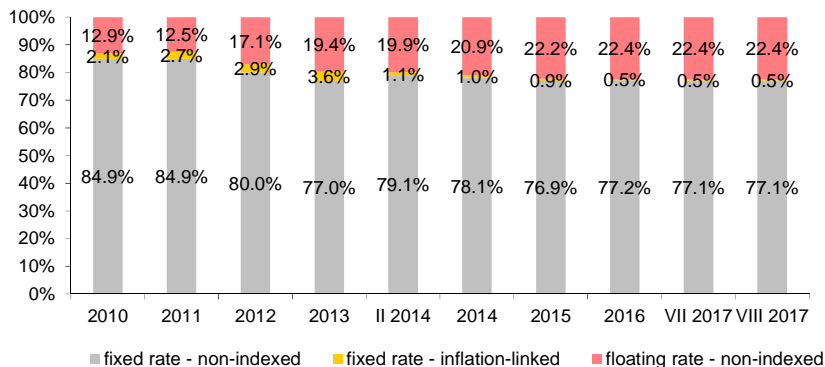
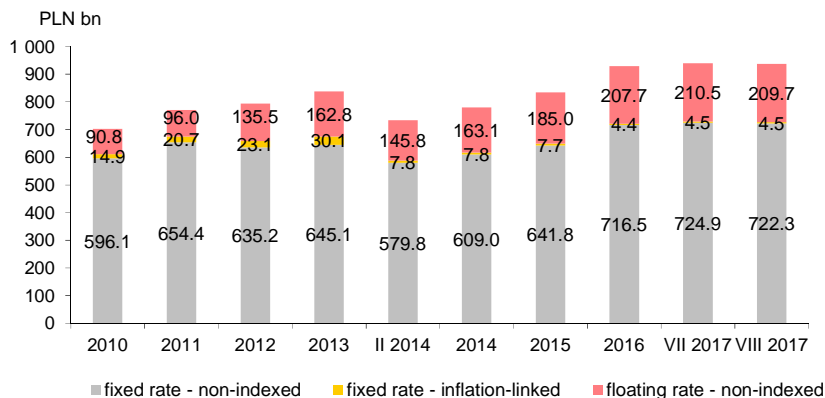
\*\*) Chart shows countries with change in debt amounted to at least PLN 0.2bn.

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



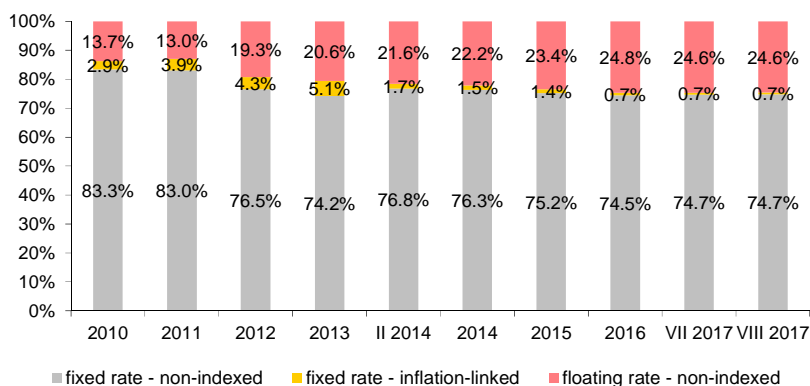
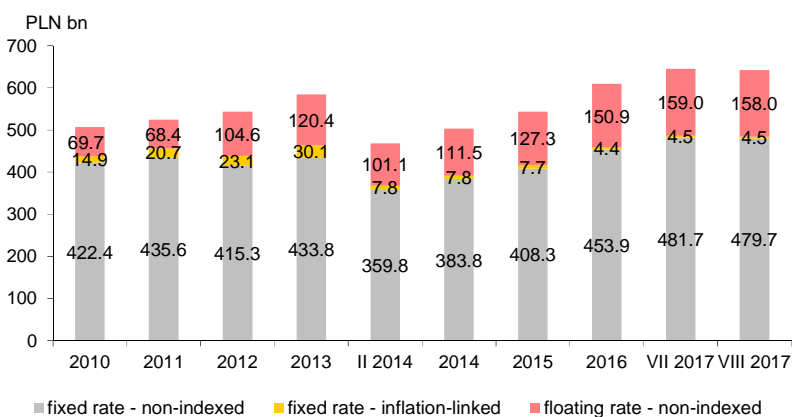
### ST debt by type of interest rate and indexation in nominal value and structure

The majority of ST debt comprised fixed rate instruments – their share in August 2017 amounted to 77.6%. The share of floating rate instruments stood at 22.4%, i.e. remained unchanged compared to both: the previous month and the end of 2016. The stabilization in the share in August was mainly a resultant of structure of balance of debt issuance on domestic market and development of FX rates of currencies in which debt is denominated.



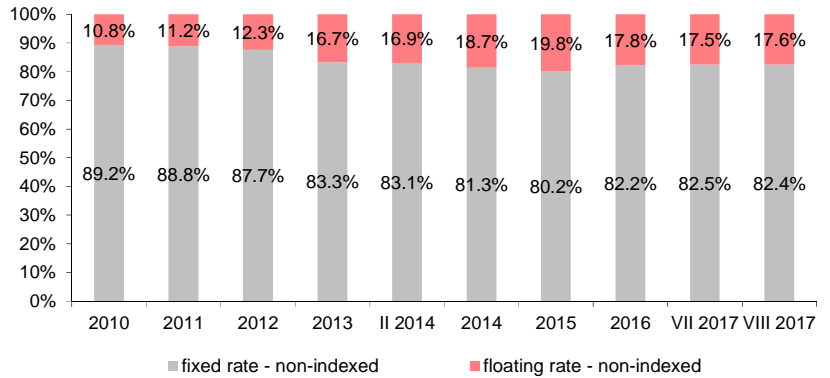
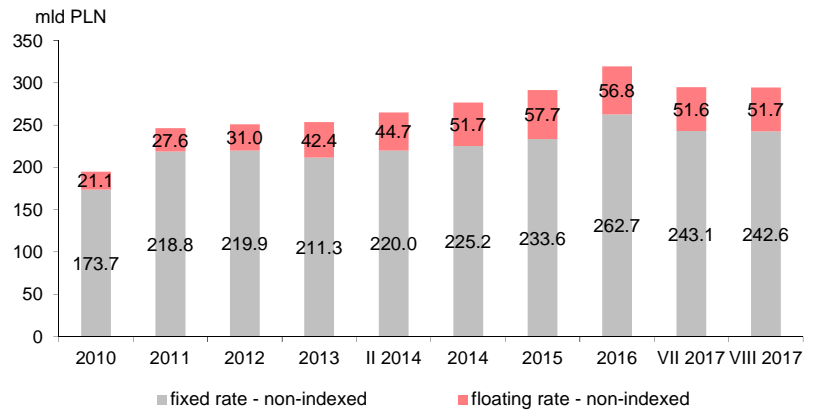
### Domestic ST debt by type of interest rate and type of indexation in nominal value and structure

In August 2017 the share of floating rate instruments in domestic ST debt amounted to 24.6%, i.e. remained unchanged compared to the previous month and decreased by 0.2 pp compared to the end of 2016. The stabilization in the share in August resulted mainly from structure of balance of domestic marketable TS issuance which was similar to debt structure of that time.



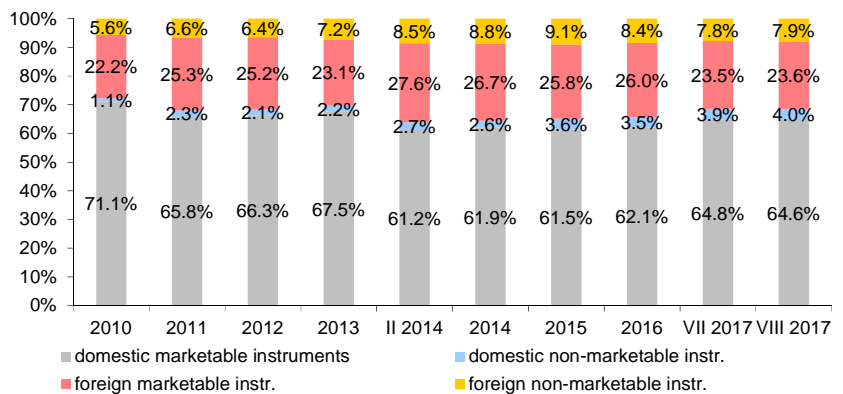
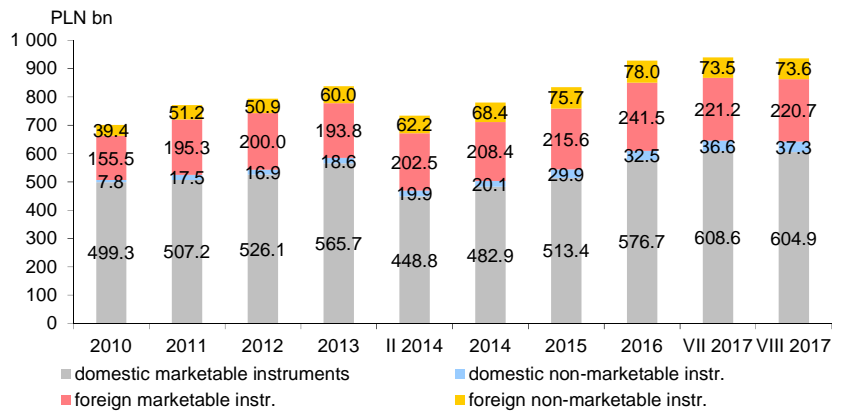
### Foreign ST debt by type of interest rate and type of indexation in nominal value and structure

In August 2017 the share of floating rate instruments in foreign ST debt amounted to 17.6%, i.e. increased by 0.1 pp m/m and simultaneously decreased by 0.2 pp compared to the end of 2016. The increase in the share in August resulted primarily from development of FX rates.



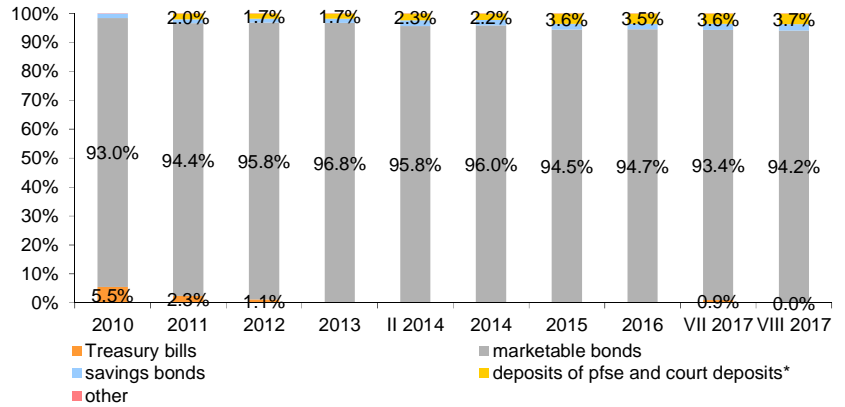
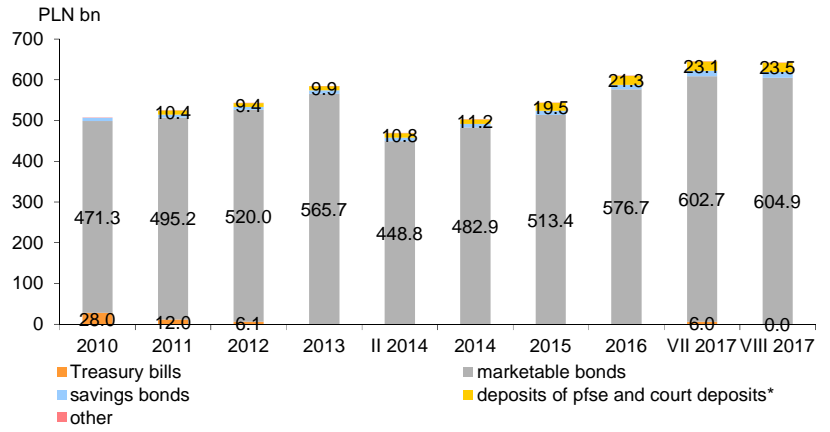
### ST debt by type of instrument in nominal value and structure

Dominant share in ST debt comprised marketable TS (88.2% in August 2017), including mostly instruments issued on domestic TS market (64.6%). 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

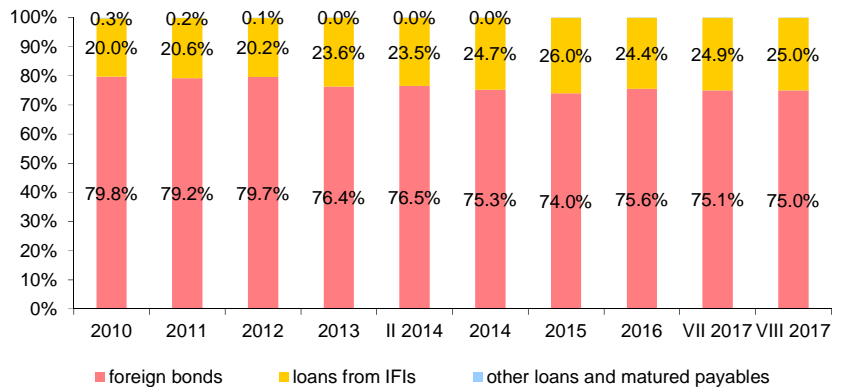
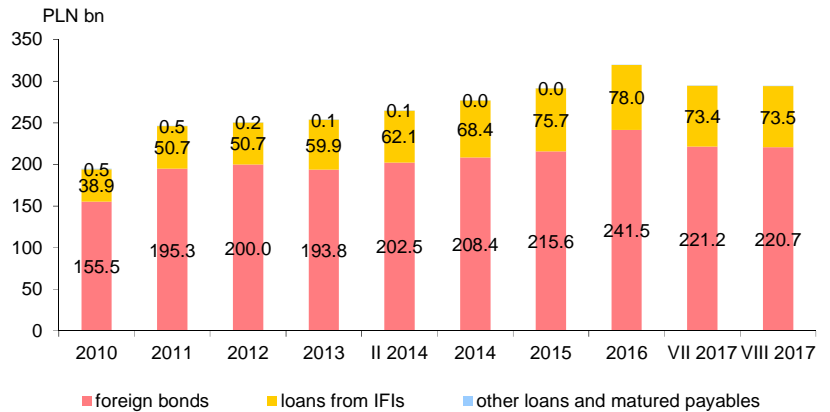
The vast majority of domestic ST debt constituted marketable bonds (94.2% in August 2017). Supplementary and stable sources of financing are saving bonds, and deposits from PFSE and courts deposits\* as well, which total share amounted to 3.7%. In August 2017 redemption of Treasury bills issued at the beginning of 2017 took place and as a result the share of those instruments in debt decreased to zero.



\*) 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 (75.0% in August 2017). The share of loans from international financial institutions is significant as well (25.0%). In August the share of loans increased by 0.1 pp which resulted mainly from development of FX rates.



## ST debt by currency in nominal value and structure

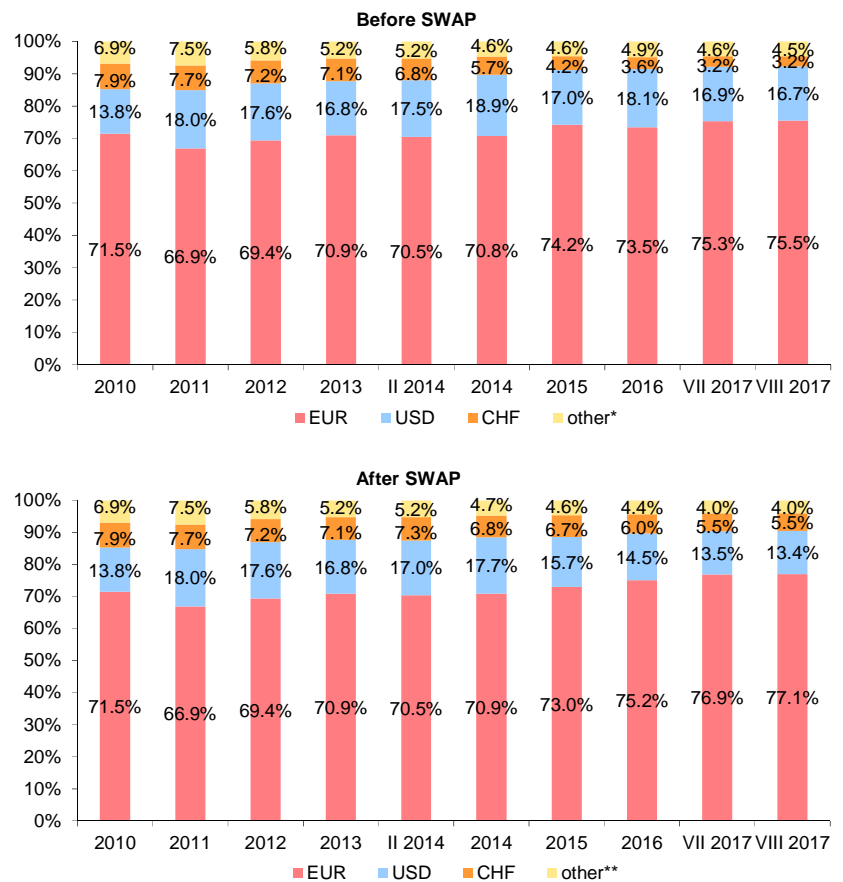
In accordance with the debt management strategy, State budget borrowing requirements are mostly financed on domestic market. In August 2017 debt denominated in PLN comprised 68.6% of total ST debt, i.e. remained unchanged compared to the previous month and simultaneously increased by 3.0 pp compared to the end of 2016. The share of foreign currency denominated debt changed as follows:

- EUR – increase by 0.1 pp m/m and decrease by 1.5 pp compared to the end of 2016,
- USD – no changes m/m and decrease by 1.0 pp compared to the end of 2016,
- CHF – no changes m/m and decrease by 0.2 pp compared to the end of 2016,
- JPY – no changes m/m and decrease by 0.2 pp compared to the end of 2016,
- CNY – no changes both m/m and compared to the end of 2016.



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

In August 2017 the share of EUR-denominated debt in foreign ST debt, including derivative transactions, amounted to 77.1%, i.e. remained above the minimum level of 70% assumed in debt management strategy. The share of EUR increased by 0.2 pp m/m which resulted mainly from appreciation of euro against other currencies in which debt is denominated.



\*) JPY and CNY (since August 2016)

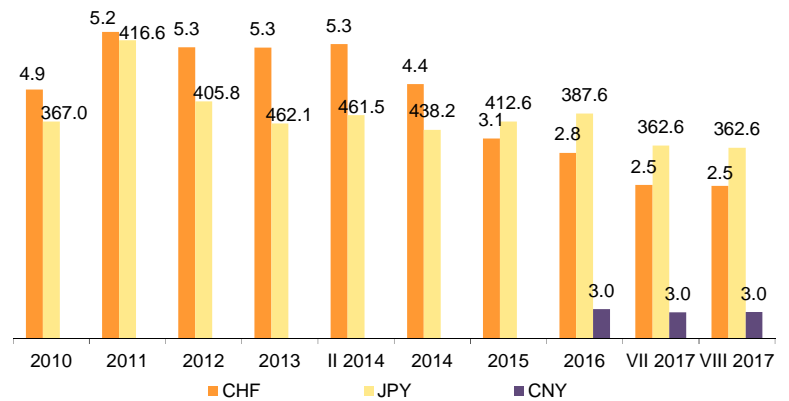
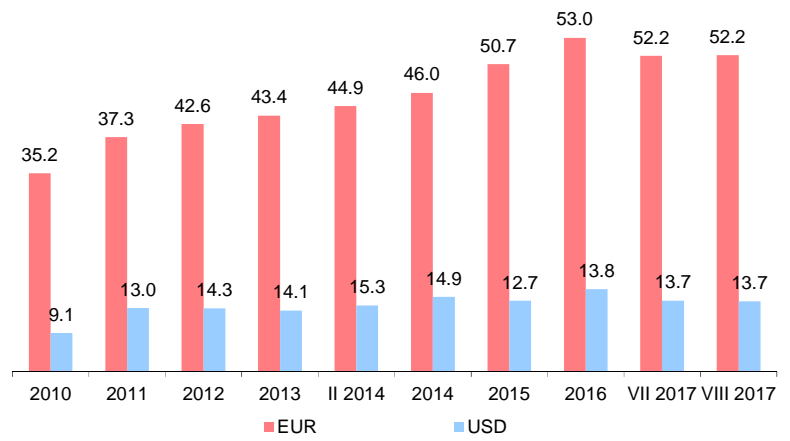
\*\*) JPY

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

In August 2017 nominal value of debt denominated in EUR, as well as USD, CHF, JPY and CNY remained virtually unchanged compared to the previous month, i.e. amounted to EUR 52.2bn, USD 13.7bn, CHF 2.5bn, JPY 362.6bn and CNY 3.0bn, respectively.

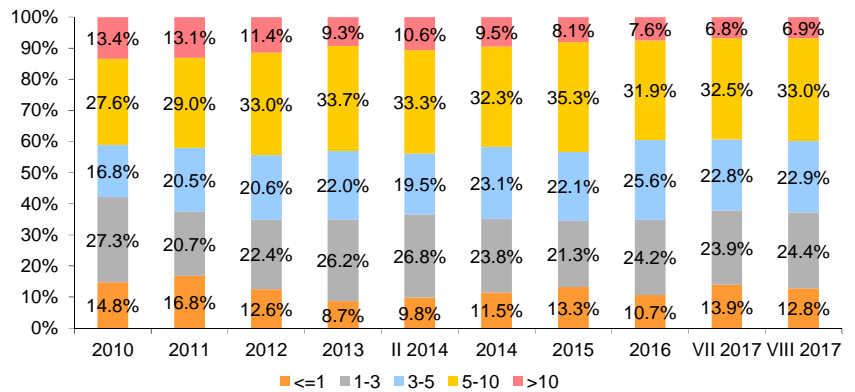
\*) Charts present debt excluding swap transactions.

\*\*) 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.



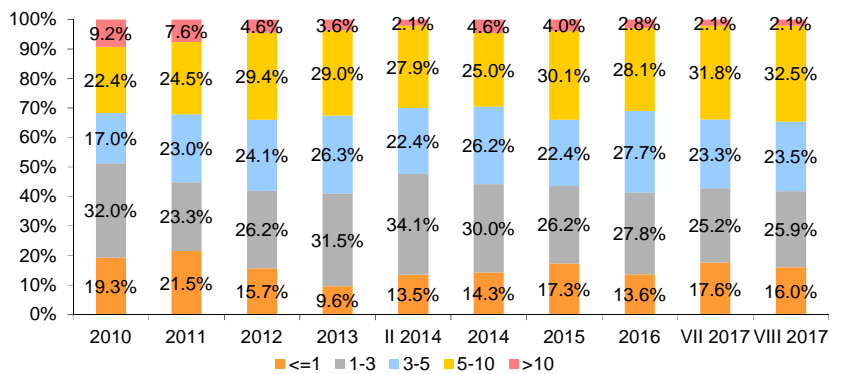
**ST debt by residual maturity (in years)**

In August 2017 debt with the longest residual maturity (i.e. above 5 years) comprised 39.9% of total ST debt, i.e. increased by 0.5 pp m/m (mainly as a result of changes in domestic debt structure) and by 0.4 pp compared to the end of 2016. Debt with residual maturity of up to 1 year constituted 12.8% of ST debt, i.e. decreased by 1.1 pp m/m (which resulted mainly from redemptions and repurchases of domestic TS) and simultaneously increased by 2.1 pp compared to the end of 2016.



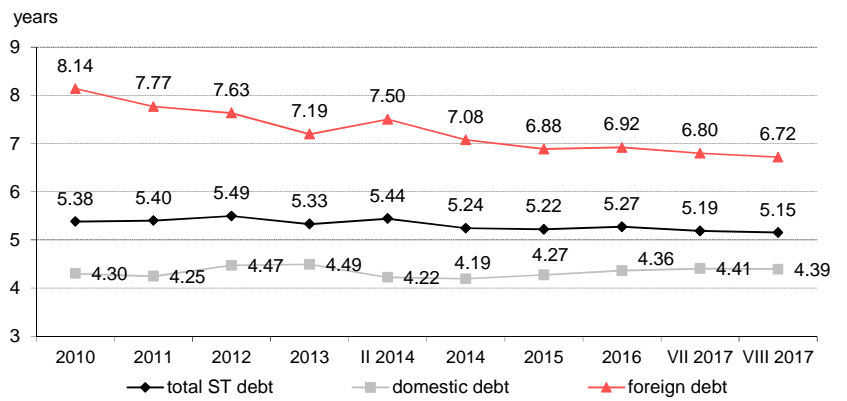
**Domestic ST debt by residual maturity (in years)**

In August 2017 domestic debt with residual maturity above 5 years accounted for 34.6%, i.e. increased by 0.7 pp m/m (which resulted primarily from decrease in debt due to the shortest TS) and by 3.7 pp compared to the end of 2016. The share of debt with residual maturity of up to 1 year amounted to 16.0%, i.e. decreased by 1.6 pp m/m (which was mainly a result of Treasury bills redemption and repurchases of TS on switching auction) and simultaneously increased by 2.3 pp compared to the end of 2016.



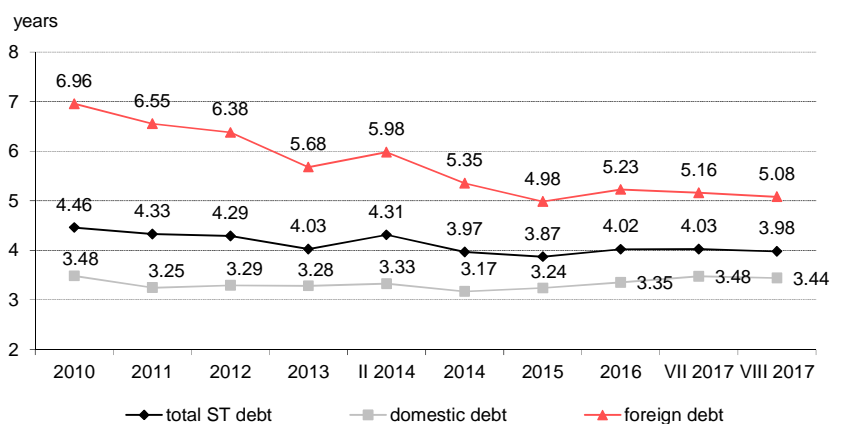
### ATM of ST debt

In August 2017 average time to maturity (ATM) of ST debt amounted to 5.15 years (decrease by 0.03 years m/m and by 0.12 years as compared to the end of 2016), remaining in line with debt management strategy, i.e. close to 5 years. ATM of domestic debt shortened by 0.01 years, to 4.39 years, which was mainly a resultant of redemption of Treasury bills, repurchases of bonds on switching auction, issuance of TS with average maturity close to 4 years and debt aging. 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 August 2017 ATM of foreign ST debt decreased by 0.08 years (which resulted mainly from debt aging), remaining at the safe level of 6.72 years.



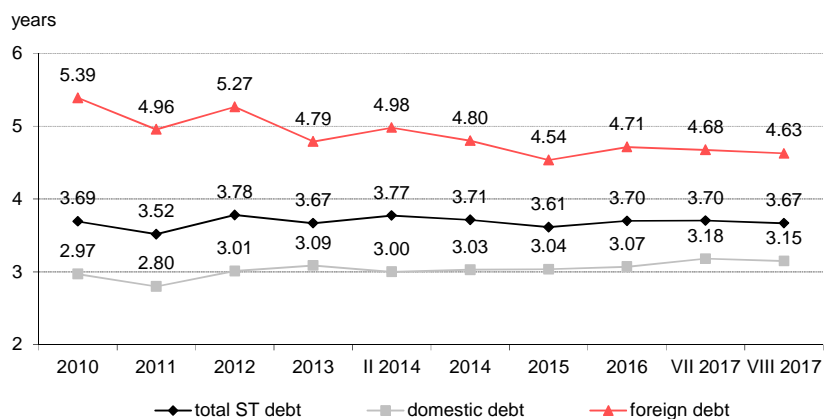
### ATR of ST debt

In August 2017 average time to refixing (ATR) of ST debt amounted to 3.98 years (decrease by 0.05 years m/m and by 0.04 years compared to the end of 2016). Decrease in ATR in August resulted from shortened of ATR of both: domestic debt (by 0.03 years, to 3.44 years) and foreign debt (by 0.08 years, to 5.08 years). The decrease in ATR of both debt categories resulted mainly from shortening in ATM. In August 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\*

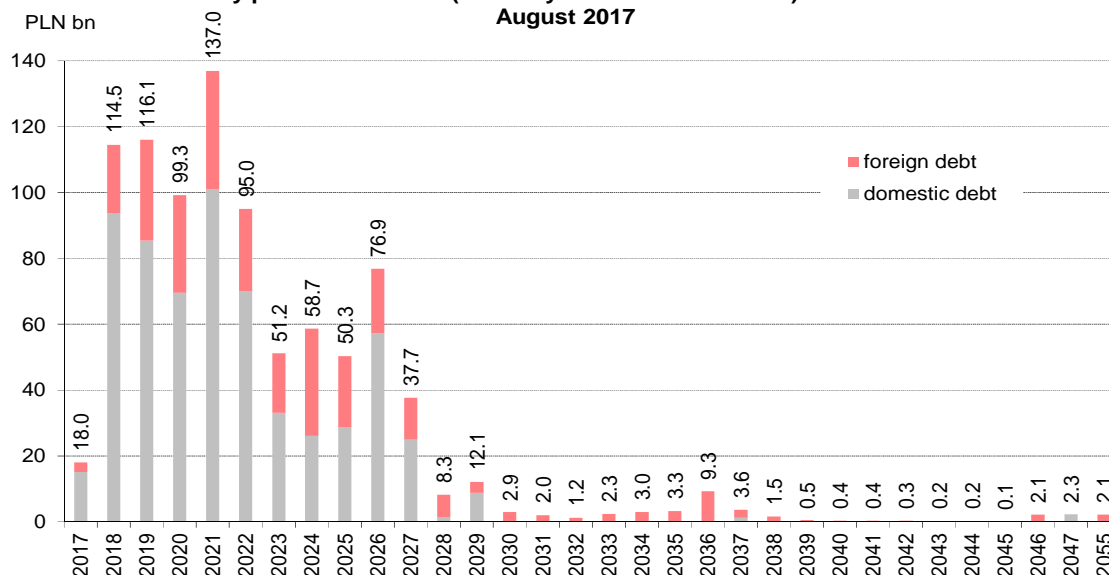
In August 2017 duration of ST debt amounted to 3.67 years (decrease by 0.04 years m/m and by 0.03 years compared to the end of 2016). The decrease in duration in August resulted from shortening of duration of both: domestic debt (by 0.03 years, to 3.15 years) and foreign debt (by 0.05 years, to 4.63 years). The level of duration resulted from shortening of ATR and development of Polish debt yields, in particular decrease in yields on EUR and USD markets.



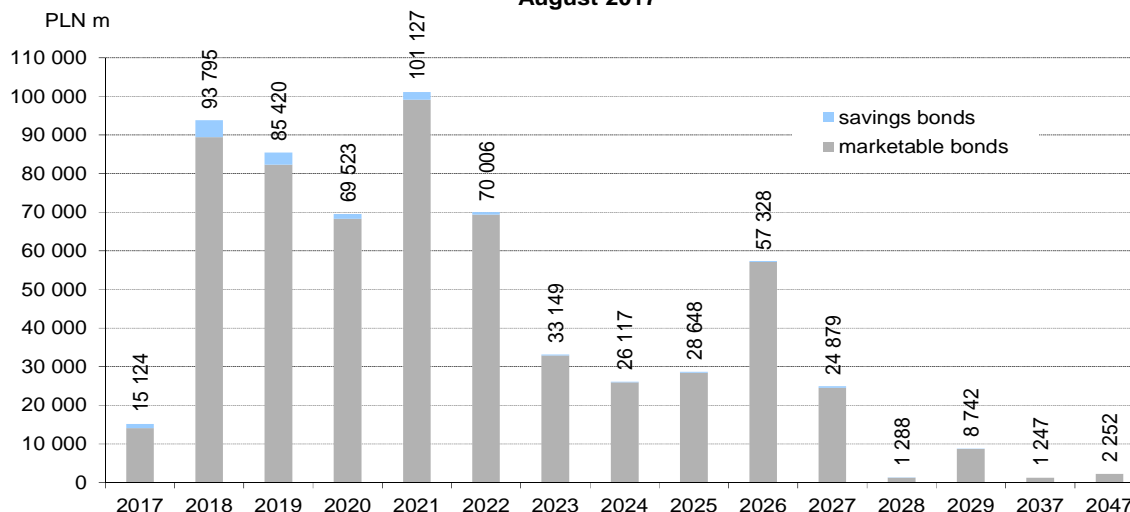
\*) Excluding inflation-linked bonds

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

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

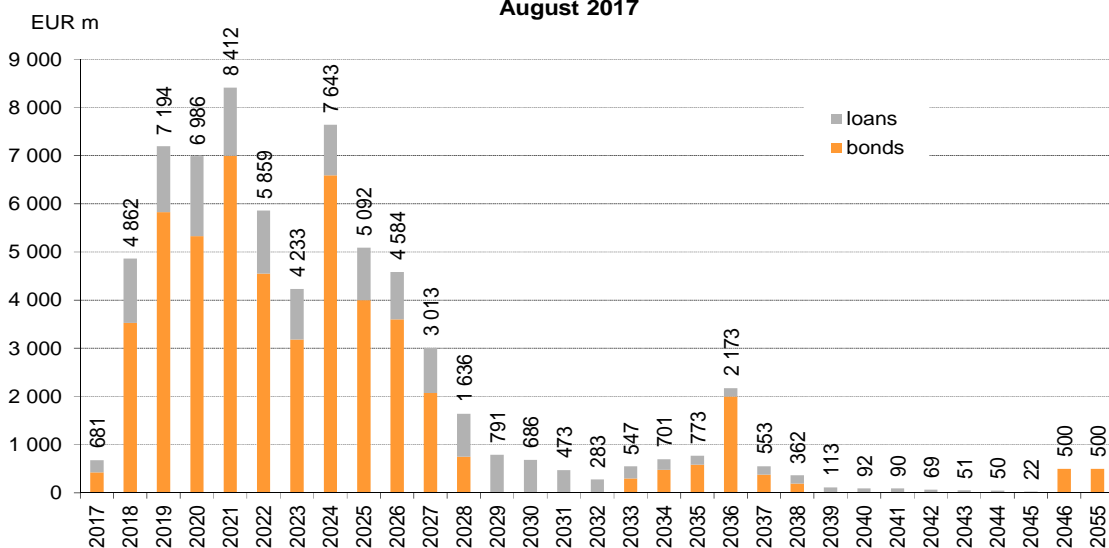


**Maturity profile of domestic Treasury securities debt as at the end of August 2017**



\*) Data do not include a part of short-term domestic debt: (a) maturing in 2017 – other ST debt (PLN 23,081m – mainly deposits and matured payables) and (b) maturing in 2018 – deposits (PLN 495m).

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



\*) Data do not include a part of short-term foreign debt maturing in 2017 – matured payables (PLN 132m).









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

	Dec 2016	Jul 2017	Aug 2017	change		change	
				Aug 2017 – Jul 2017		Aug 2017 – Dec 2016	
				EUR m	%	EUR m	%
<b>State Treasury debt</b>	<b>209,915.5</b>	<b>220,926.3</b>	<b>219,743.2</b>	<b>-1,183.1</b>	<b>-0.5</b>	<b>9,827.7</b>	<b>4.7</b>
<b>I. Domestic debt</b>	<b>137,704.1</b>	<b>151,651.9</b>	<b>150,692.6</b>	<b>-959.3</b>	<b>-0.6</b>	<b>12,988.5</b>	<b>9.4</b>
1. Treasury securities issued in domestic market	132,896.7	146,216.9	145,160.7	-1,056.2	-0.7	12,264.0	9.2
1.1. Marketable TS	130,357.4	143,055.6	141,933.6	-1,122.0	-0.8	11,576.1	8.9
- Treasury bills	0.0	1,404.5	0.0	-1,404.5	-100.0	0.0	-
- bonds issued in domestic market	130,357.4	141,651.0	141,933.6	282.5	0.2	11,576.1	8.9
1.2. Savings bonds	2,539.2	3,161.3	3,227.1	65.8	2.1	687.9	27.1
2. Other ST debt	4,807.4	5,435.0	5,531.9	96.9	1.8	724.5	15.1
<b>II. Foreign debt</b>	<b>72,211.4</b>	<b>69,274.4</b>	<b>69,050.6</b>	<b>-223.8</b>	<b>-0.3</b>	<b>-3,160.8</b>	<b>-4.4</b>
1. Treasury securities issued in foreign markets	54,585.8	51,995.7	51,784.8	-210.9	-0.4	-2,801.1	-5.1
2. Loans	17,621.9	17,247.8	17,234.9	-12.9	-0.1	-387.0	-2.2
2.1. World Bank	7,171.1	7,093.2	7,093.2	0.0	0.0	-77.9	-1.1
2.2. European Investment Bank	10,244.4	9,939.5	9,926.6	-12.9	-0.1	-317.8	-3.1
2.3. Council of Europe Development Bank	206.4	215.2	215.2	0.0	0.0	8.7	4.2
3. Other ST debt	3.6	30.9	30.9	-0.1	-0.2	27.2	752.3
<i>FX rate (EUR/PLN)</i>	<i>4.4240</i>	<i>4.2545</i>	<i>4.2618</i>	<i>0.0</i>	<i>0.2</i>	<i>-0.2</i>	<i>-3.7</i>

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

	Dec 2016	Jul 2017	Aug 2017	change		change	
				Aug 2017 – Jul 2017		Aug 2017 – Dec 2016	
				USD m	%	USD m	%
<b>State Treasury debt</b>	<b>222,206.2</b>	<b>259,191.2</b>	<b>261,431.9</b>	<b>2,240.7</b>	<b>0.9</b>	<b>39,225.8</b>	<b>17.7</b>
<b>I. Domestic debt</b>	<b>145,766.7</b>	<b>177,918.3</b>	<b>179,281.4</b>	<b>1,363.0</b>	<b>0.8</b>	<b>33,514.6</b>	<b>23.0</b>
1. Treasury securities issued in domestic market	140,677.8	171,542.0	172,699.9	1,158.0	0.7	32,022.1	22.8
1.1. Marketable TS	137,989.9	167,833.1	168,860.6	1,027.5	0.6	30,870.7	22.4
- Treasury bills	0.0	1,647.8	0.0	-1,647.8	-100.0	0.0	-
- bonds issued in domestic market	137,989.9	166,185.3	168,860.6	2,675.3	1.6	30,870.7	22.4
1.2. Savings bonds	2,687.9	3,708.9	3,839.3	130.5	3.5	1,151.4	42.8
2. Other ST debt	5,088.9	6,376.4	6,581.4	205.1	3.2	1,492.5	29.3
<b>II. Foreign debt</b>	<b>76,439.4</b>	<b>81,272.9</b>	<b>82,150.6</b>	<b>877.7</b>	<b>1.1</b>	<b>5,711.1</b>	<b>7.5</b>
1. Treasury securities issued in foreign markets	57,781.9	61,001.4	61,609.1	607.7	1.0	3,827.3	6.6
2. Loans	18,653.7	20,235.2	20,504.7	269.5	1.3	1,851.0	9.9
2.1. World Bank	7,591.0	8,321.8	8,438.9	117.1	1.4	847.9	11.2
2.2. European Investment Bank	10,844.2	11,661.0	11,809.8	148.8	1.3	965.6	8.9
2.3. Council of Europe Development Bank	218.5	252.4	256.0	3.6	1.4	37.5	17.2
3. Other ST debt	3.8	36.3	36.7	0.4	1.2	32.9	857.9
<i>FX rate (USD/PLN)</i>	<i>4.1793</i>	<i>3.6264</i>	<i>3.5822</i>	<i>0.0</i>	<i>-1.2</i>	<i>-0.6</i>	<i>-14.3</i>

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