

At the end of October 2017 State Treasury (ST) debt amounted to **PLN 932,008.3 million**, i.e.:

- decreased by PLN 8,720.8m (-0.9%) in October 2017,
- increased by PLN 3,342.1m (0.4%) compared to the end of 2016.

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

	Oct 2017 – Sep 2017	Oct 2017 – Dec 2016
Change in the State Treasury debt	-8.7	3.3
1. State budget borrowing requirements:	6.5	-5.9
1.1. State budget deficit	1.1	-2.7
1.2. European Union funds budget deficit	0.0	0.0
1.3. Pension reform costs ¹⁾	0.2	2.7
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from PFSE and court deposits balance	0.8	-3.8
1.6. European funds management	4.3	-2.0
1.7. Granted loans balance	0.0	0.0
1.8. Other borrowing requirements ²⁾	0.0	-0.2
2. Changes not resulting from State budget borrowing requirements:	-14.1	7.4
2.1. FX rates movements	-3.4	-19.1
2.2. Changes in budget accounts balance	-10.8	21.4
2.3. Other factors ³⁾ , including:	0.0	5.1
– transferring bonds to BGK to increase its statutory fund	0.0	2.0
3. Change in other State Treasury debt:	-1.0	1.9
3.1. Deposits from PFSE ⁴⁾	-1.0	1.7
3.2. Court deposits ⁵⁾	0.0	0.1
3.3. Other ST debt	0.0	0.1

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

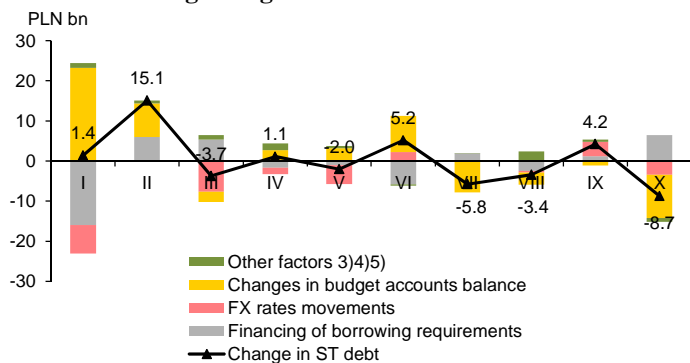
²⁾ Balance of pre-financing of tasks carried out with utilization of funds from EU budget, shares in international financial institutions and other domestic and foreign settlements

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

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

Factors affecting changes in ST debt in I-X 2017



According to preliminary data, **ST debt at the end of November 2017** amounted to **ca. PLN 935.0bn**, i.e. increased by PLN 3.0bn (0.3%) m/m and by PLN 6.3bn (0.7%) compared to the end of 2016. According to the place of issue criterion debt amounted to:

- **domestic debt:** ca. PLN 646.1bn,
- **foreign currency debt:** ca. PLN 288.9bn (i.e. 30.9% of total ST debt).

Decrease in debt in October 2017 was mainly a resultant of:

- financing of State budget net borrowing requirements (PLN +6.5bn), including State budget deficit (PLN +1.1bn);
- decrease in budget accounts balance (PLN -10.8bn);
- FX rates movements (PLN -3.4bn) – appreciation of zloty against EUR (by 1.4%), CHF (by 2.7%) and JPY (by 0.6%), and depreciation against USD (by 0.03%) and CNY (by 0.3%).

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

- negative State budget net borrowing requirements (PLN -5.9bn);
- increase in budget accounts balance (PLN +21.4bn), associated with collection of funds for financing borrowing requirements;
- appreciation of zloty (PLN -19.1bn) – by 3.9% against EUR, 12.6% against USD, 11.1% against CHF, 9.8% against JPY and by 8.4% against CNY.

In October 2017 domestic ST debt (according to the place of issue criterion) decreased by PLN 5.3bn which resulted mainly from negative balance of issuance of marketable Treasury securities (TS; PLN -4.9bn):

Instrument	Sale (PLN bn)	Repurchase/ redemption (PLN bn)
OK0419	0.6	
OK0720	1.3	
WZ1122	2.9	
PS0123	2.5	
WZ0126	3.4	
DS0727	4.0	
WS0447	0.1	
DS1017		-13.1
WZ0118		-2.4
PS0418		-0.5
PS0718		-1.8
OK1018		-1.9

In October 2017 ST debt in foreign currency decreased by PLN 3.5bn which was a resultant of:

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

Instrument	Drawing	Repayment
loans from IFIs*		EUR 0.02bn

*) IFIs – international financial institutions

- FX rates movements (PLN -3.4bn).

Since the beginning of 2017 domestic ST debt increased by PLN 28.7bn. At the same time **foreign currency debt** decreased by PLN 25.4bn which was a resultant of:

- decrease in debt denominated in EUR (EUR -1.0bn), USD (USD -0.1bn), CHF (CHF -0.3bn) and JPY (JPY -25.0bn),
- no changes in debt denominated in CNY
- appreciation of zloty (PLN -19.1bn).

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

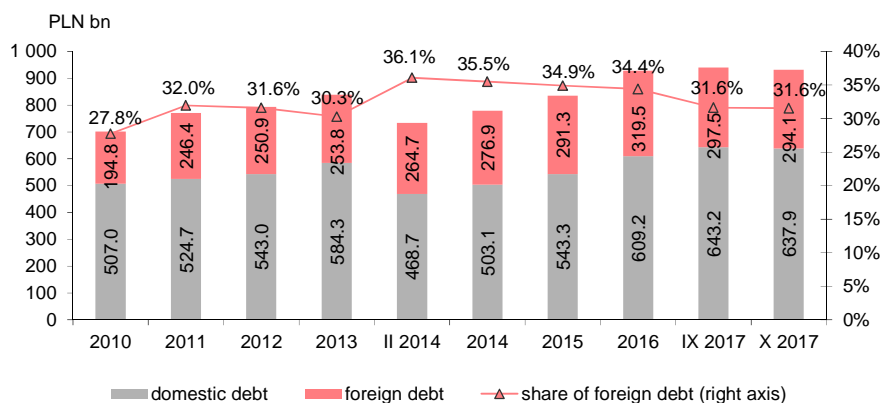
	Dec 2016	structure Dec 2016 %	Sep 2017	structure Sep 2017 %	Oct 2017	structure Oct 2017 %	change Oct 2017 – Sep 2017		change Oct 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury debt	928 666.2	100.0	940 729.2	100.0	932 008.3	100.0	-8 720.8	-0.9	3 342.1	0.4
I. Domestic ST debt	609 202.9	65.6	643 185.0	68.4	637 934.6	68.4	-5 250.3	-0.8	28 731.7	4.7
1. Treasury securities (TS)	587 934.9	63.3	619 059.1	65.8	614 852.8	66.0	-4 206.3	-0.7	26 917.9	4.6
1.1. Marketable TS	576 701.2	62.1	605 113.2	64.3	600 262.6	64.4	-4 850.5	-0.8	23 561.4	4.1
- Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	576 701.2	62.1	605 113.2	64.3	600 262.6	64.4	-4 850.5	-0.8	23 561.4	4.1
1.2. Savings bonds	11 233.6	1.2	13 946.0	1.5	14 590.2	1.6	644.2	4.6	3 356.5	29.9
2. Other ST debt	21 268.1	2.3	24 125.9	2.6	23 081.8	2.5	-1 044.0	-4.3	1 813.8	8.5
II. Foreign ST debt	319 463.2	34.4	297 544.2	31.6	294 073.7	31.6	-3 470.5	-1.2	-25 389.6	-7.9
1. TS issued in foreign markets	241 487.8	26.0	223 441.9	23.8	221 064.8	23.7	-2 377.1	-1.1	-20 423.0	-8.5
2. Loans	77 959.4	8.4	74 016.4	7.9	72 923.0	7.8	-1 093.4	-1.5	-5 036.5	-6.5
3. Other ST debt	16.0	0.0	85.9	0.0	85.9	0.0	0.0	0.0	69.9	436.2

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

	Dec 2016	structure Dec 2016 %	Sep 2017	structure Sep 2017 %	Oct 2017	structure Oct 2017 %	change Oct 2017 – Sep 2017		change Oct 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury debt	928 666.2	100.0	940 729.2	100.0	932 008.3	100.0	-8 720.8	-0.9	3 342.1	0.4
I. State Treasury debt held by residents	433 073.0	46.6	453 863.2	48.2	452 869.5	48.6	-993.7	-0.2	19 796.5	4.6
Domestic banking sector	250 921.9	27.0	260 240.0	27.7	258 999.1	27.8	-1 240.9	-0.5	8 077.2	3.2
- domestic instruments	235 521.3	25.4	244 826.9	26.0	243 676.5	26.1	-1 150.4	-0.5	8 155.2	3.5
- foreign instruments	15 400.6	1.7	15 413.1	1.6	15 322.6	1.6	-90.5	-0.6	-78.0	-0.5
Domestic non-banking sector	182 151.1	19.6	193 623.2	20.6	193 870.4	20.8	247.2	0.1	11 719.3	6.4
- domestic instruments	181 109.0	19.5	193 242.7	20.5	192 333.3	20.6	-909.4	-0.5	11 224.4	6.2
- foreign instruments	1 042.1	0.1	380.5	0.0	1 537.1	0.2	1 156.5	303.9	495.0	47.5
II. State Treasury debt held by non-residents	495 593.2	53.4	486 865.9	51.8	479 138.8	51.4	-7 727.1	-1.6	-16 454.3	-3.3
- domestic instruments	192 572.6	20.7	205 115.4	21.8	201 924.8	21.7	-3 190.6	-1.6	9 352.2	4.9
- foreign instruments	303 020.5	32.6	281 750.5	30.0	277 214.0	29.7	-4 536.5	-1.6	-25 806.5	-8.5

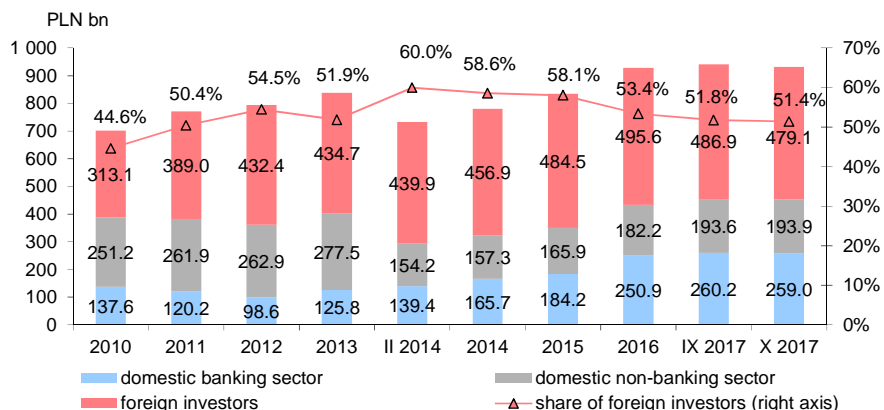
ST debt according to the place of issue criterion

In October 2017 the share of foreign currency debt in total ST debt amounted to 31.6%, i.e. remained unchanged as compared to the previous month and simultaneously decreased by 2.8 pp compared to the end of 2016. The stabilization in this share in October was mainly a result of negative balance of domestic marketable TS issuance as well as appreciation of zloty against euro. The debt management strategy assumes reduction in the share of foreign currency debt in total ST debt to the level below 30%.



ST debt by holder

In October 2017 the share of foreign investors in total ST debt amounted to 51.4%, i.e. decreased by 0.3 pp m/m and by 2.0 pp compared to the end of 2016. The decrease in the share in October resulted mainly from decrease in domestic TS holdings of foreign investors as well as appreciation of zloty against euro.

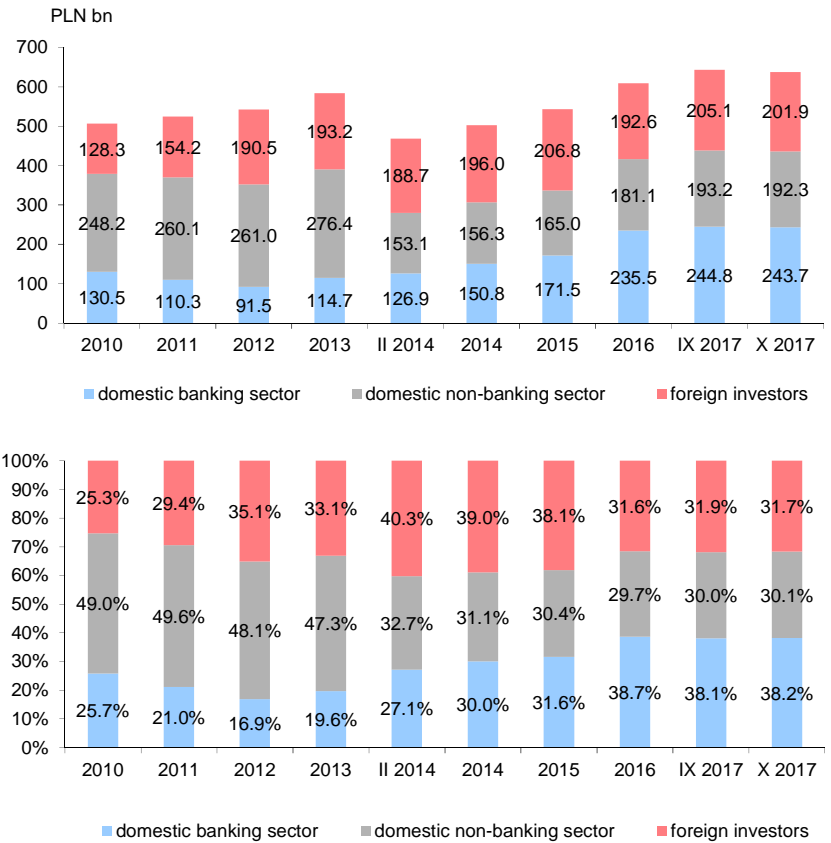


Domestic ST debt by holder in nominal value and structure

In October 2017 decrease in domestic debt held by residents took place (PLN -2.1bn, including banks: PLN -1.2bn, non-banking investors: PLN -0.9bn). In case of foreign investors decrease in holdings was recorded as well (PLN -3.2bn).

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

- domestic banking sector: PLN +8.2bn,
- domestic non-banking sector: PLN +11.2bn,
- foreign investors: PLN +9.4bn.

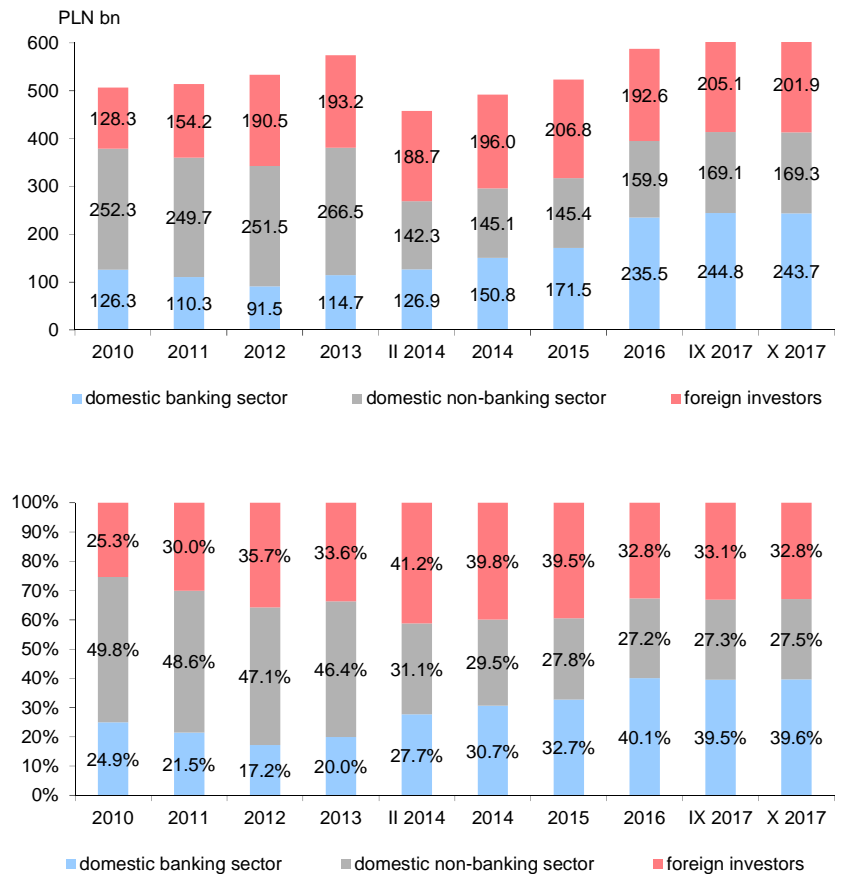


Domestic TS debt by holder in nominal value and structure

In October 2017 residents decreased their domestic TS holdings by PLN 1.0bn in total (including banks: PLN -1.2bn, non-banking investors: PLN +0.1bn). In case of foreign investors decrease in holdings was recorded as well (PLN -3.2bn). Development of TS portfolios in October was significantly affected by redemption of DS1017 bonds of which both: domestic banks and domestic non-banking sector held PLN 4.7bn, while non-residents held PLN 3.7bn.

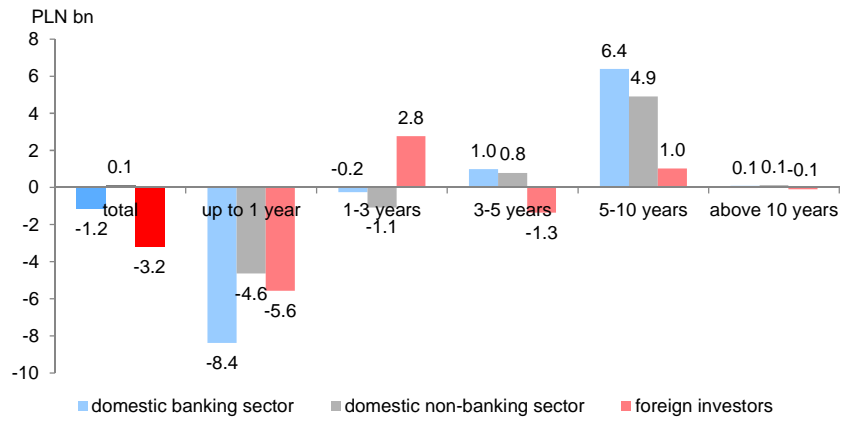
Since the beginning of 2017 changes in holdings of domestic debt by type of investor amounted to as follows:

- domestic banking sector: PLN +8.2bn,
- domestic non-banking sector: PLN +9.4bn,
- foreign investors: PLN +9.4bn.



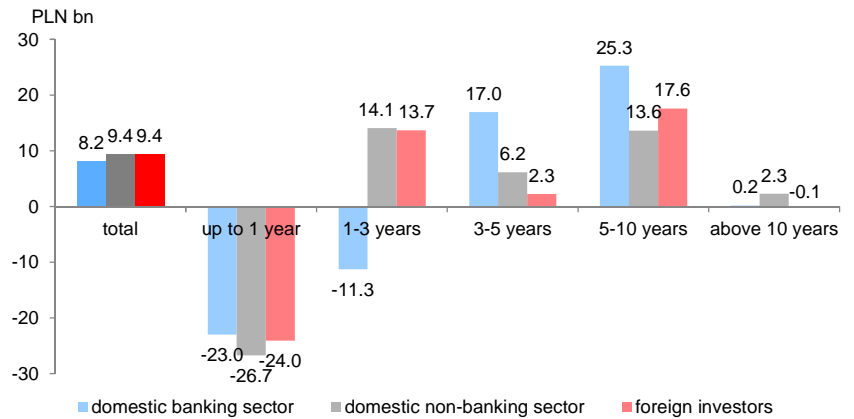
Changes in domestic TS debt according to residual maturity by type of investor in October 2017 m/m*

In October 2017 in case of all main groups of investors a decrease in holdings of instruments with the shortest maturity took place, which resulted mainly from redemption of DS1017 bonds and repurchases of debt. Increase in TS portfolios in case of domestic investors applied mainly to instruments with maturity from 5 to 10 years, and in case of foreign investors – from 1 to 3 years.



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

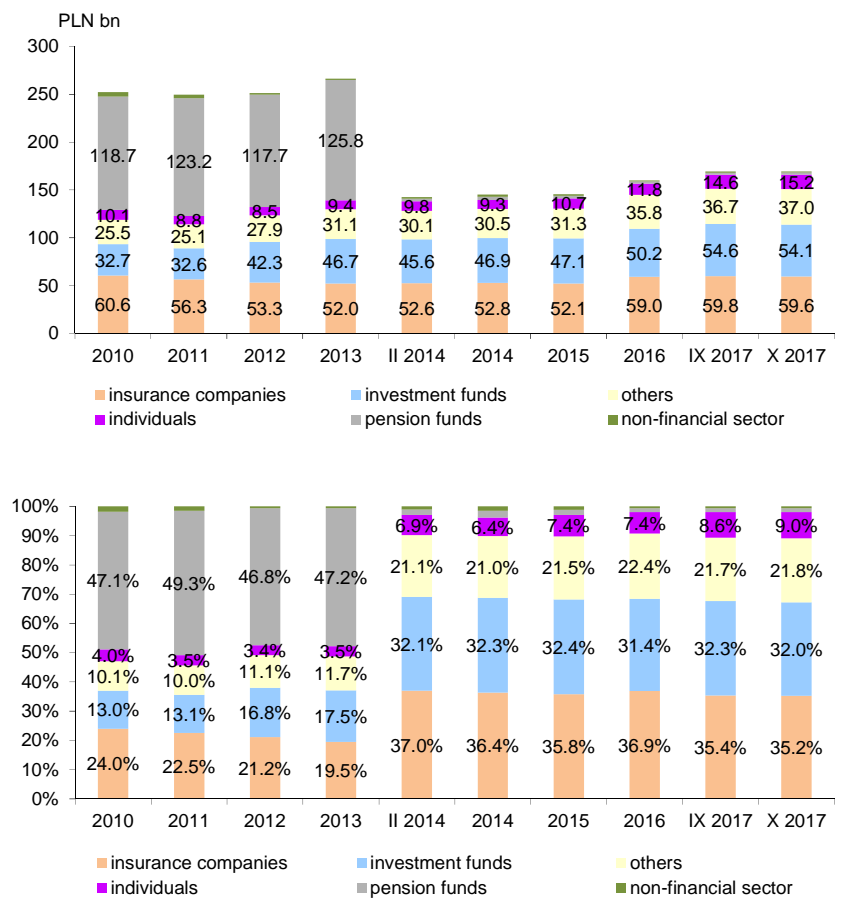
From January 2017 to October 2017 foreign investors and domestic non-banking investors increased their holdings mostly in TS with maturity from 1 to 10 years. In case of domestic banks increase in TS portfolios mainly applied to instruments with maturity from 3 to 10 years.



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 (35.2% share in October 2017), investment funds (32.0%), and so called other entities (21.8%, this category includes, among others, Bank Guarantee Fund and Demographic Reserve Fund). Significant share of domestic TS is held by individuals (9.0%) as well.

In October 2017 domestic TS holdings of non-banking sector increased by PLN 0.1bn m/m and by PLN 9.4bn compared to the end of 2016. The increase in portfolio both: m/m and since the beginning of 2017 was mainly a resultant of the increase in holdings of individuals (PLN +0.6bn and PLN +3.4bn, respectively) and so called other entities (PLN +0.3bn and PLN +3.9bn, respectively), as well as development of portfolios held by investment funds (PLN -0.5bn and PLN +3.9bn, respectively).

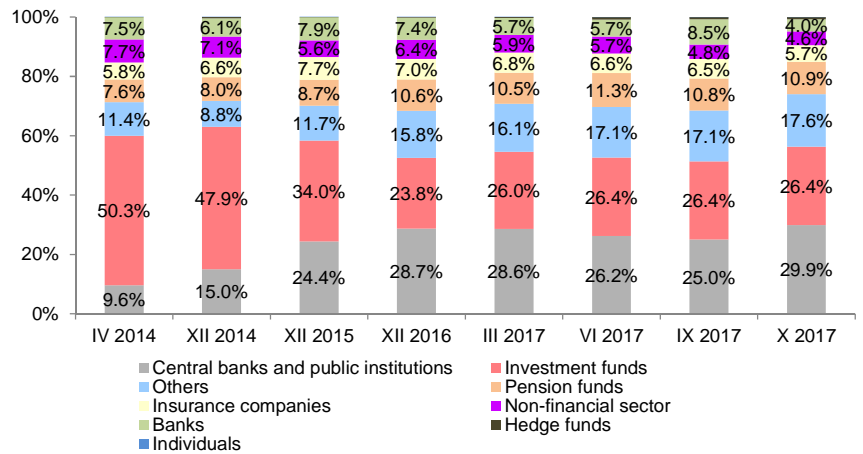
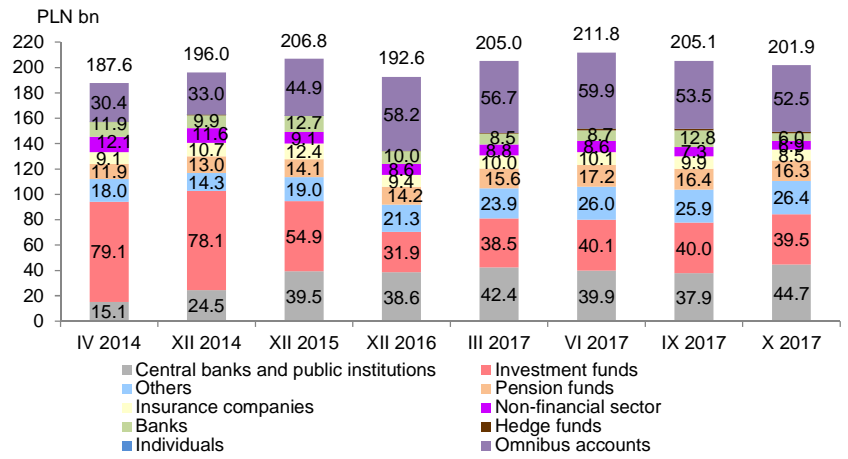


*) Changes resulting only from cash flows, i.e. excluding statistical changes from the shift in classification of the security to next segment of residual maturity.

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

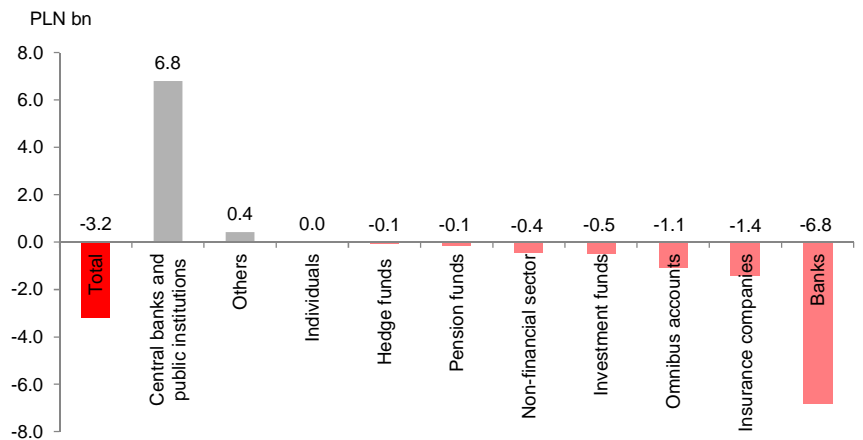
Structure of non-residents holding domestic TS in their portfolios is well-diversified, with dominant role of stable institutional investors: central banks and public institutions (29.9% share in October 2017), investment funds (26.4%), pension funds (10.9%) and insurance companies (5.7%). Significant part of domestic TS debt is registered on omnibus accounts (PLN 52.5bn), which enable investors to buy TS without having separate account in Poland.

*) Percentage structure does not include omnibus accounts.



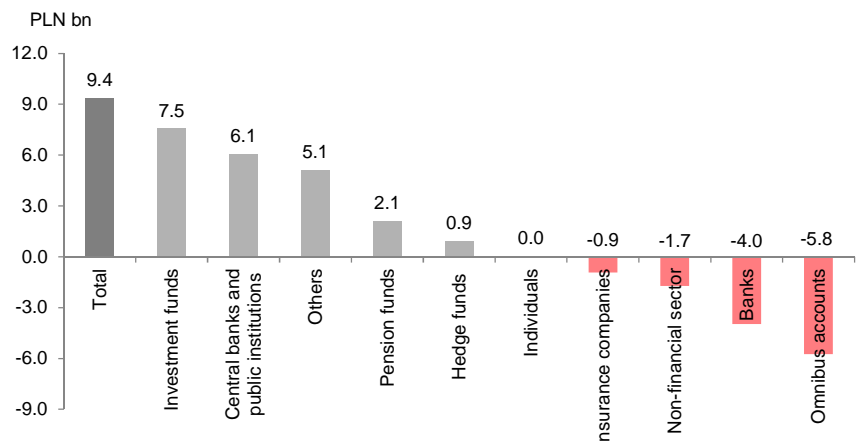
Changes in domestic TS debt towards non-residents by holder in October 2017 m/m

In October 2017 domestic TS debt held by foreign investors decreased by PLN 3.2bn. The largest decrease in portfolios applied to commercial banks (PLN -6.8bn, including from Thailand: PLN -7.0bn) which was accompanied by simultaneous inflow of central banks and public institutions investors, almost exclusively from Asia (PLN +6.8bn, including Asian investors: PLN +7.5bn).



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

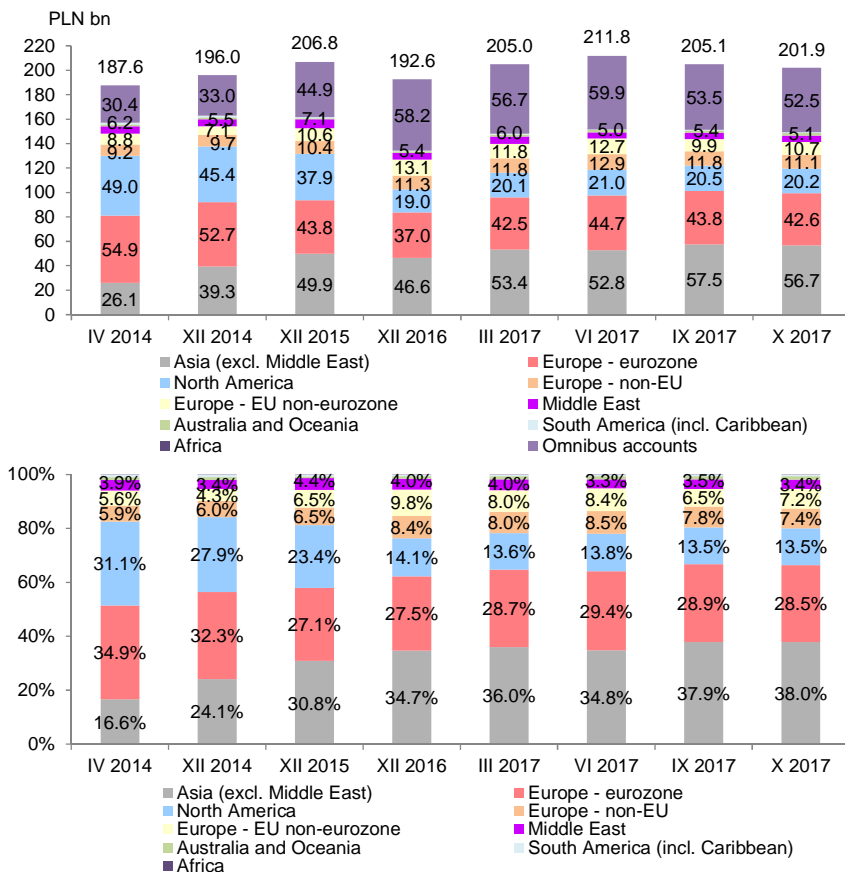
From January 2017 to October 2017 foreign investors increased their domestic TS portfolios by PLN 9.4bn. It resulted mainly from increase in TS holdings of investment funds (PLN +7.5bn, including from Luxembourg: PLN +2.2bn, Hong Kong: PLN +2.2bn, the US: PLN +1.6bn and Ireland: PLN +1.3bn) as well as central banks and public institutions (PLN +6.1bn).



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

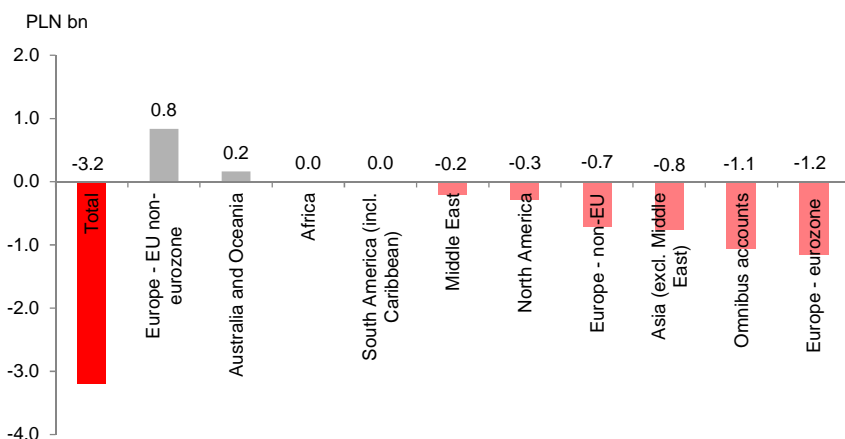
Geographical structure of domestic TS held by foreign investors is well-diversified. In October 2017 the largest TS portfolios were held by entities from Asia – 38.0%, representing debt in the amount of PLN 56.7bn, of which PLN 31.9bn was held by Asian central banks and PLN 19.3bn by investors from Japan. The second largest group of holders of TS were investors from eurozone countries – 28.5% (PLN 42.6bn, including Luxembourg: PLN 18.3bn, Ireland: PLN 8.2bn, Germany: PLN 6.7bn). Non-residents from North America held significant TS portfolios as well (13.5%, representing debt in the amount of PLN 20.2bn, of which PLN 19.2bn were held by investors from the US). The share of investors from other regions amounted to 20.0%.

* Percentage structure does not include omnibus accounts.



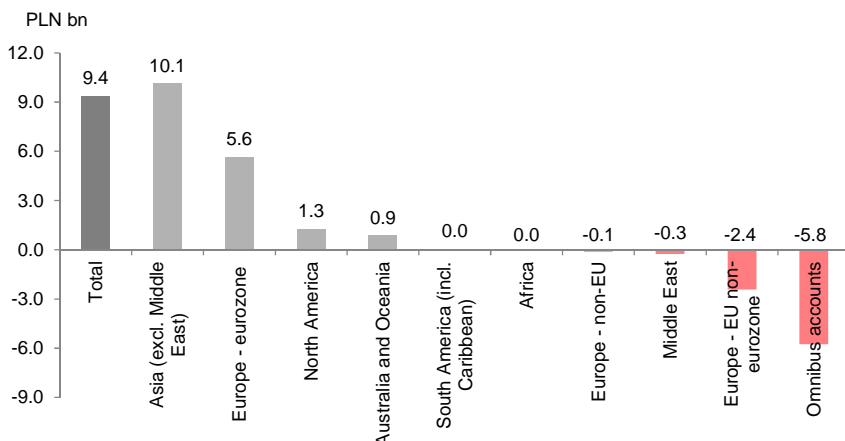
Changes in domestic TS debt towards non-residents by region in October 2017 m/m

In October 2017 decrease in domestic TS debt held by non-residents resulted mainly from decrease in portfolios among investors from eurozone countries (PLN -1.2bn, including from Austria: PLN -0.5bn) and on omnibus accounts (PLN -1.1bn). Increase in TS holdings was mainly observed among investors from EU non-eurozone countries (PLN +0.8bn, including from the UK: PLN +0.8bn).



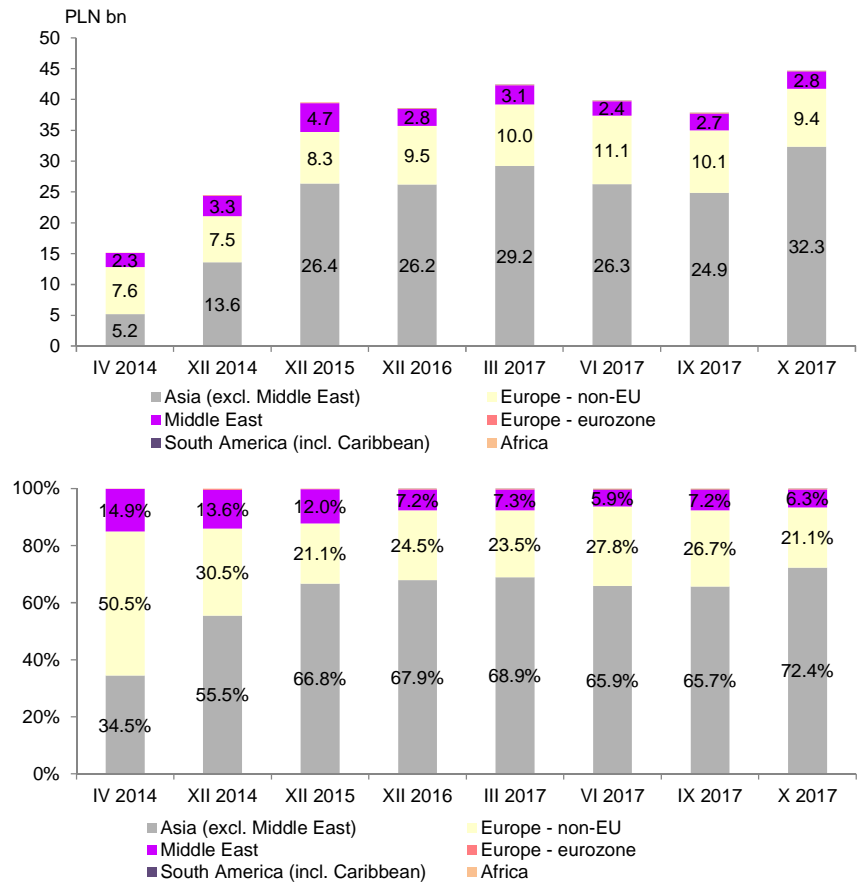
Changes in domestic ST debt towards non-residents by region in 2017

From January 2017 to October 2017 increase in non-residents holdings of domestic TS resulted mainly from growth in portfolios of investors from Asia (PLN +10.1bn, including central banks and public institutions: PLN +7.5bn, investors from Hong Kong: PLN +2.3bn) and eurozone countries (PLN +5.6bn, including from Luxembourg: PLN +2.7bn and Ireland: PLN +1.7bn).



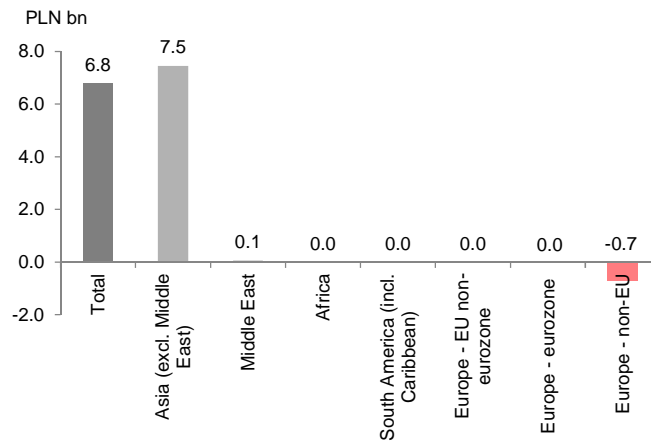
Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in October 2017 their share amounted to 72.4%. Among central banks and public institutions considerable TS portfolios were held by entities from European non-EU countries (21.1%) and Middle East (6.3%).



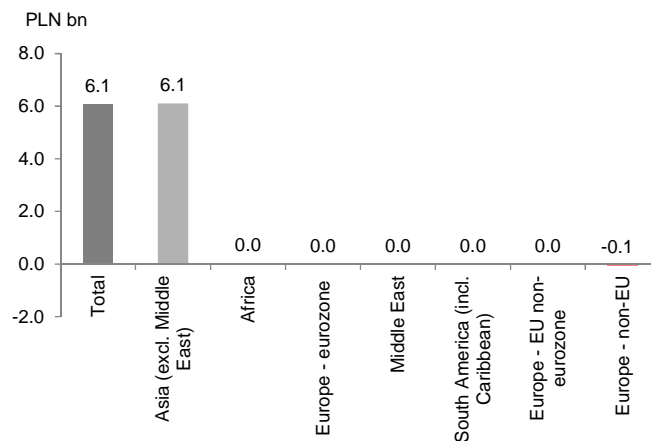
Changes in domestic TS debt towards foreign central banks and public institutions by region in October 2017 m/m

In October 2017 domestic TS debt held by foreign central banks and public institutions increased by PLN 6.8bn which resulted mainly from increase in portfolios of investors from Asia (PLN +7.5bn).



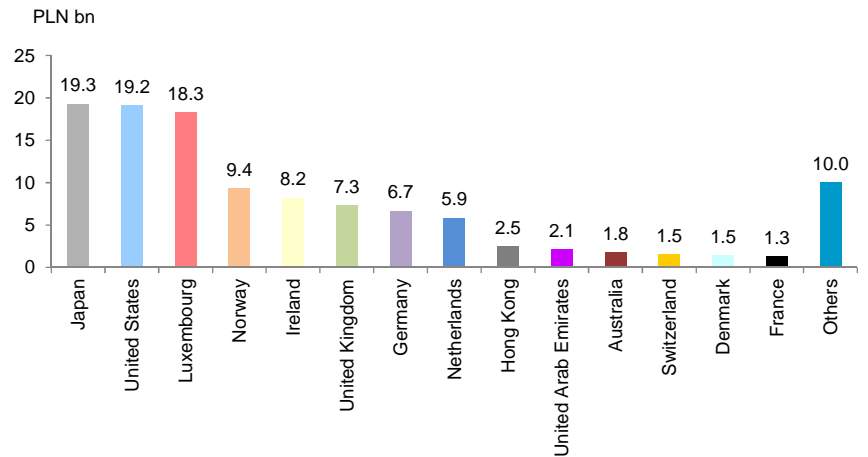
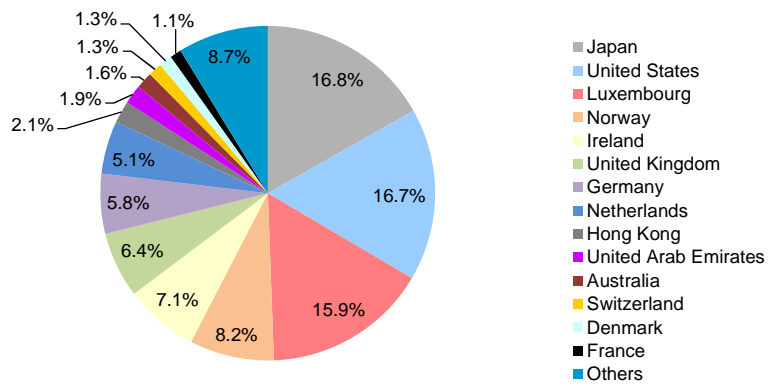
Changes in domestic TS debt towards foreign central banks and public institutions by region in 2017

From January 2017 to October 2017 increase in central banks and public institutions domestic TS holdings was recorded (PLN +6.1bn), which resulted almost exclusively from increase in portfolios of Asian entities.



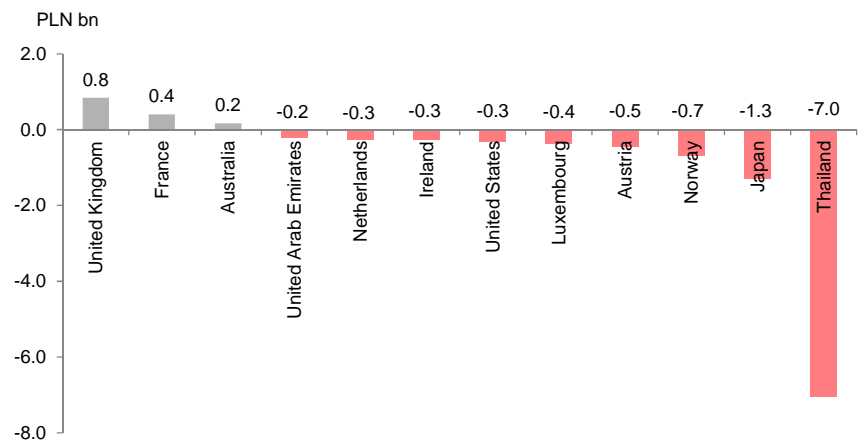
Domestic TS debt towards non-residents by country* in October 2017 – structure and nominal value

In October 2017 domestic TS were held by investors from 58 countries, which confirms high diversification of non-residents structure. The largest TS portfolios were held by entities from Japan (16.8%, including primarily insurance companies: 6.7% share in non-residents domestic TS holdings and pension funds: 6.0%), the US (16.7%, including mainly investment funds: 7.5%), Luxembourg (15.9%, including mainly investment funds: 8.1% and other entities: 6.4%), Norway (8.2% – almost exclusively public institutions), Ireland (7.1%, including mainly investment funds: 6.3%), the UK (6.4%, including investment funds: 2.7% and commercial banks: 1.9%), Germany (5.8%, including investment funds: 3.1%) and the Netherlands (5.1%, including other entities: 2.4% and pension funds: 1.6%).



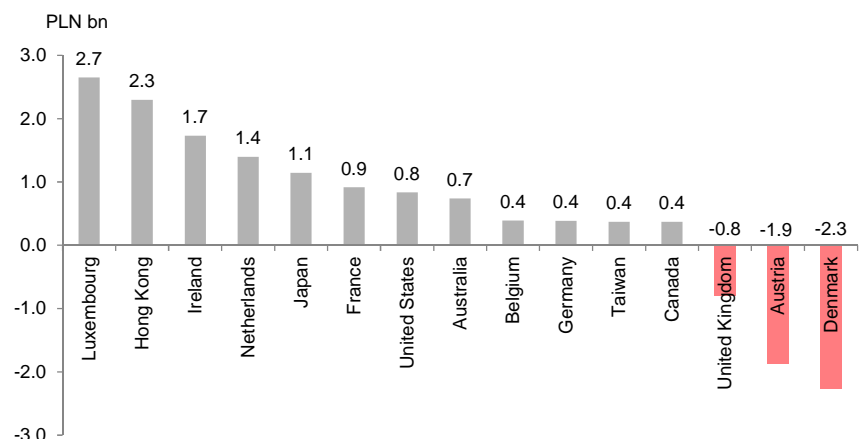
Changes in domestic TS debt towards non-residents by country* in October 2017 m/m**

In October 2017 the decrease in non-residents' domestic TS holdings was mostly a result of decrease in portfolios held by investors from Thailand (PLN -7.0bn, almost exclusively commercial banks) and Japan (PLN -1.3bn, mainly insurance companies). Increase in TS portfolios mainly applied to investors from the UK (PLN +0.8bn, primarily commercial banks).



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

From January 2017 to October 2017 increase in TS portfolios mainly concerned non-residents from Luxembourg (PLN +2.7bn, mainly investment funds and other entities), Hong Kong (+2.3bn, mainly investment funds) and Ireland (PLN +1.7bn, primarily investment funds and other entities).



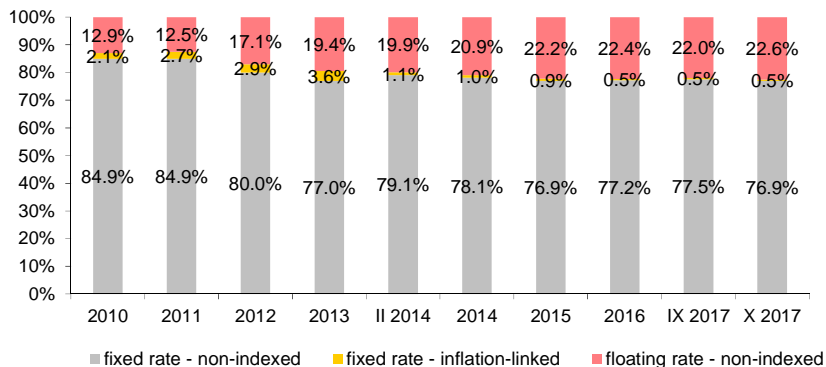
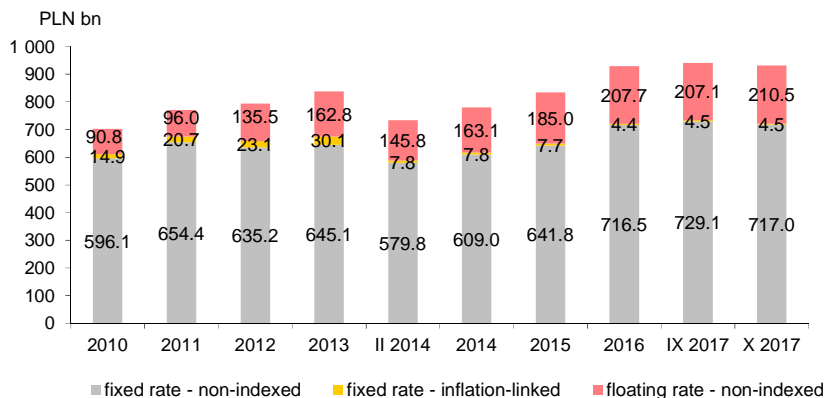
*) Excluding omnibus accounts.

**) 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.

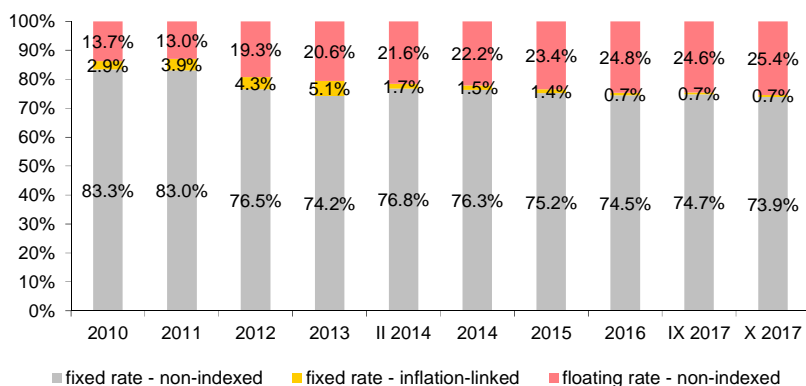
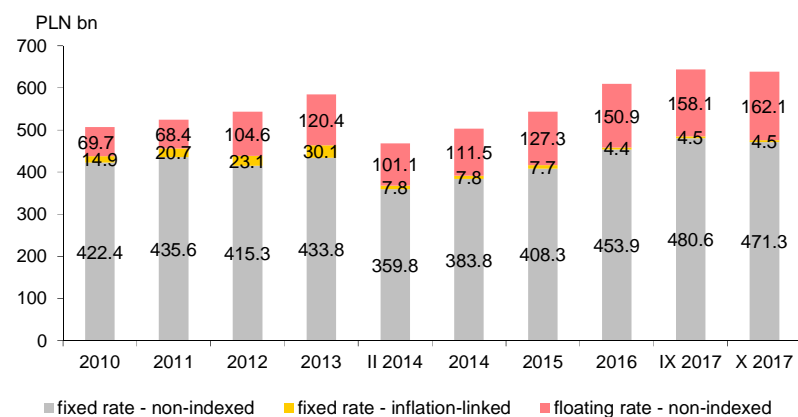
ST debt by type of interest rate and indexation in nominal value and structure

The majority of ST debt comprised fixed rate instruments – their share in October 2017 amounted to 77.4%. The share of floating rate instruments stood at 22.6%, i.e. increased by 0.6 pp m/m and by 0.2 pp compared to the end of 2016. The increase in the share in October was mainly a resultant of structure of domestic debt issuance and development of foreign exchanges rates.



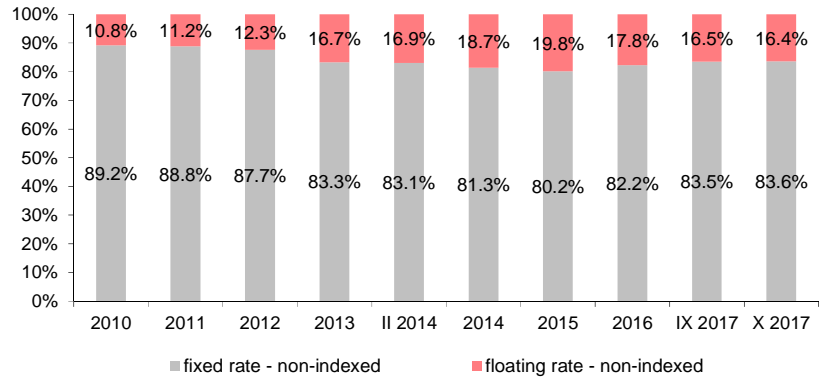
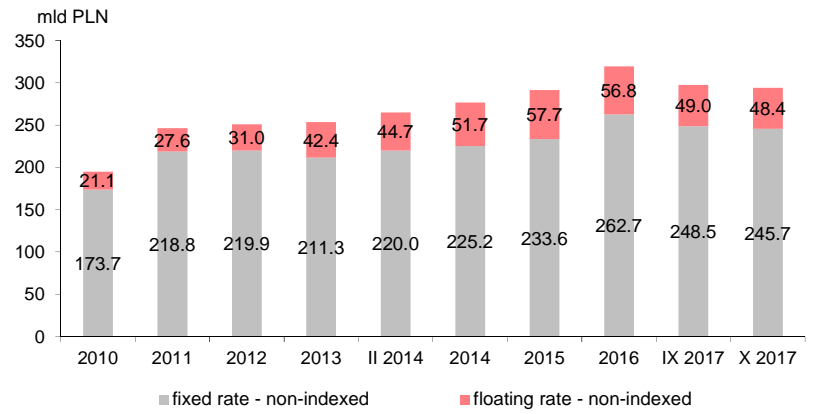
Domestic ST debt by type of interest rate and type of indexation in nominal value and structure

In October 2017 the share of floating rate instruments in domestic ST debt amounted to 25.4%, i.e. increased by 0.8 pp m/m and by 0.6 pp compared to the end of 2016. The increase in the share in October resulted mainly from negative balance of issuance of marketable fixed rate TS and simultaneous positive balance of floating rate TS issuance.



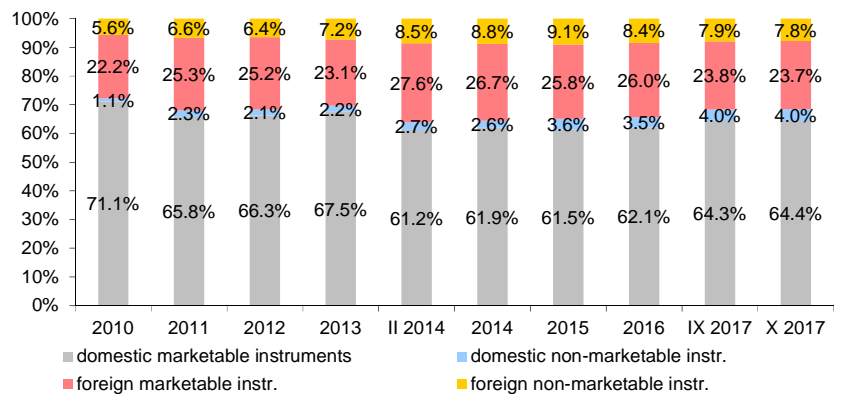
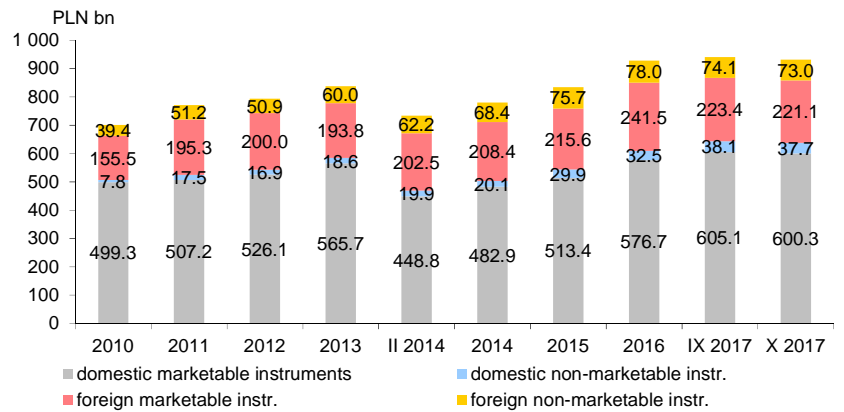
Foreign ST debt by type of interest rate and type of indexation in nominal value and structure

In October 2017 the share of floating rate instruments in foreign ST debt amounted to 16.4%, i.e. decreased by 0.03 pp m/m and by 1.3 pp compared to the end of 2016. The decrease in the share in October resulted primarily from development of foreign exchange rates.



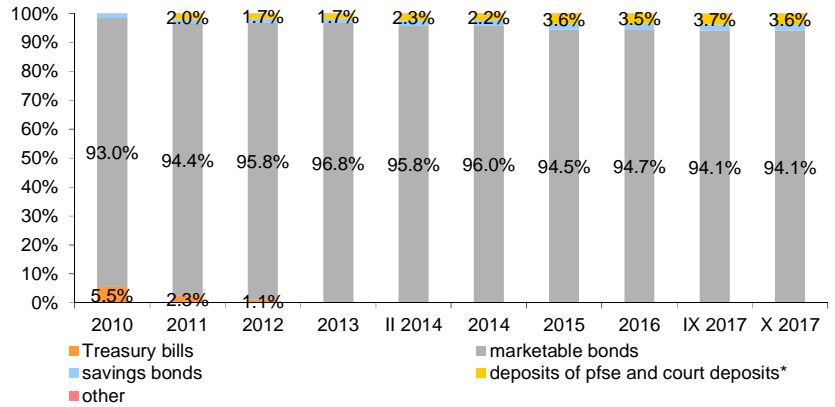
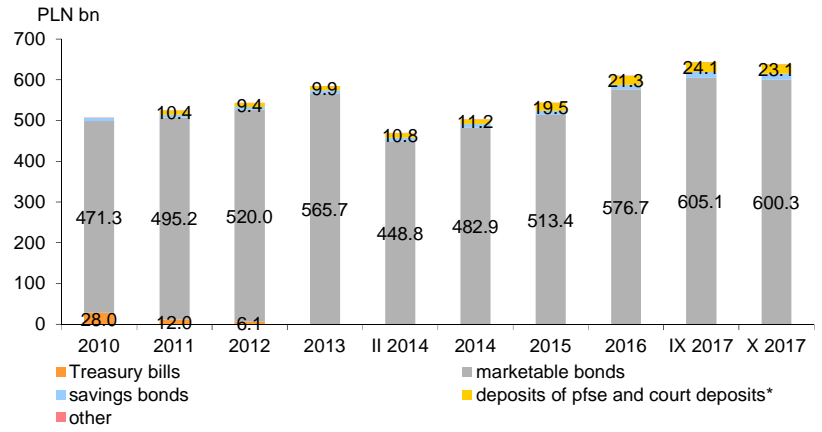
ST debt by type of instrument in nominal value and structure

Dominant share in ST debt comprised marketable TS (88.1% in October 2017), including mostly instruments issued on domestic TS market (64.4%). 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

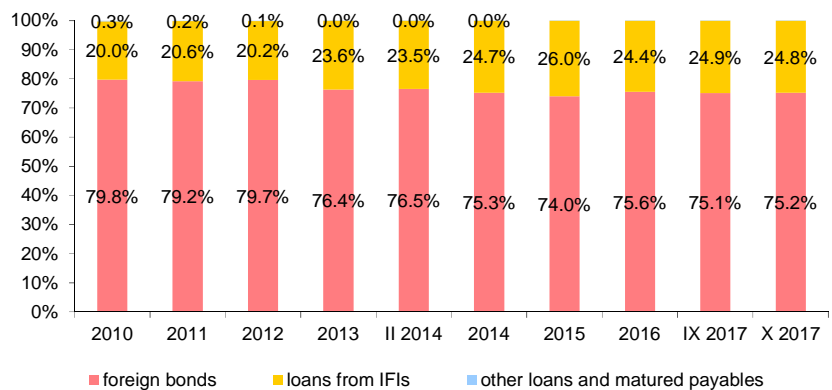
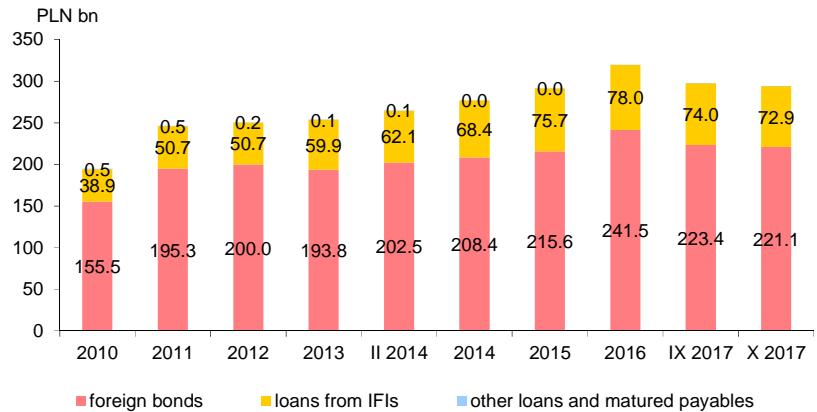
The vast majority of domestic ST debt constituted marketable bonds (94.1% in October 2017). Supplementary and stable sources of financing are saving bonds, and deposits from PFSE and courts deposits* as well, which total share amounted to 3.6%. Since August 2017 there has been no Treasury bills in outstanding 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

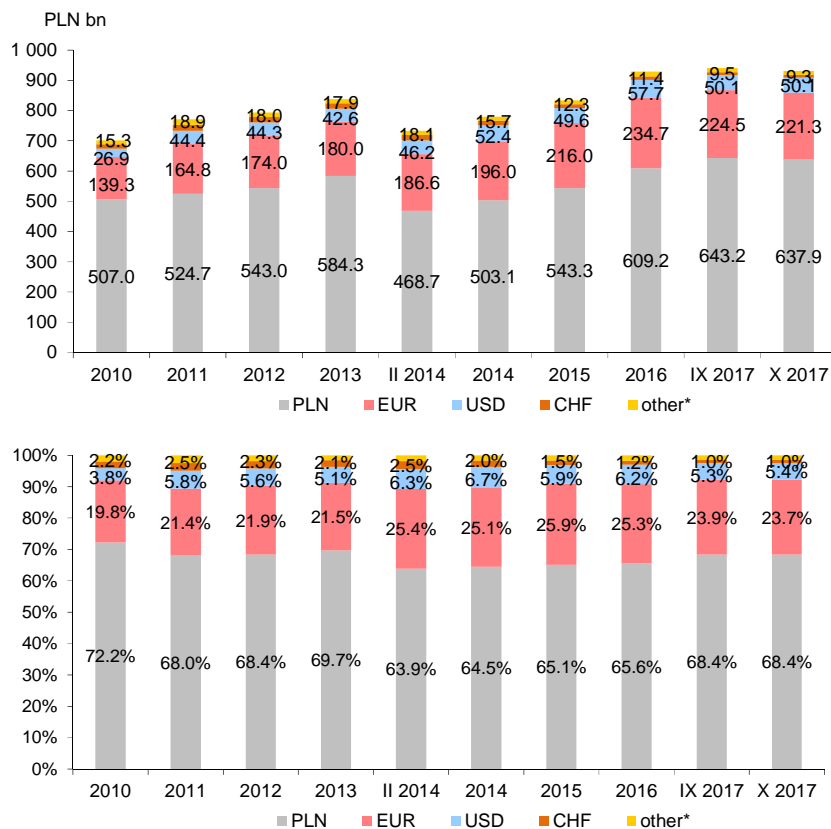
In ST debt denominated in foreign currencies dominant share accounted for international bonds (75.2% in October 2017). The share of loans from international financial institutions is significant as well (24.8%). In October the share of loans decreased by 0.1 pp which resulted mainly from development of foreign exchange rates.



ST debt by currency in nominal value and structure

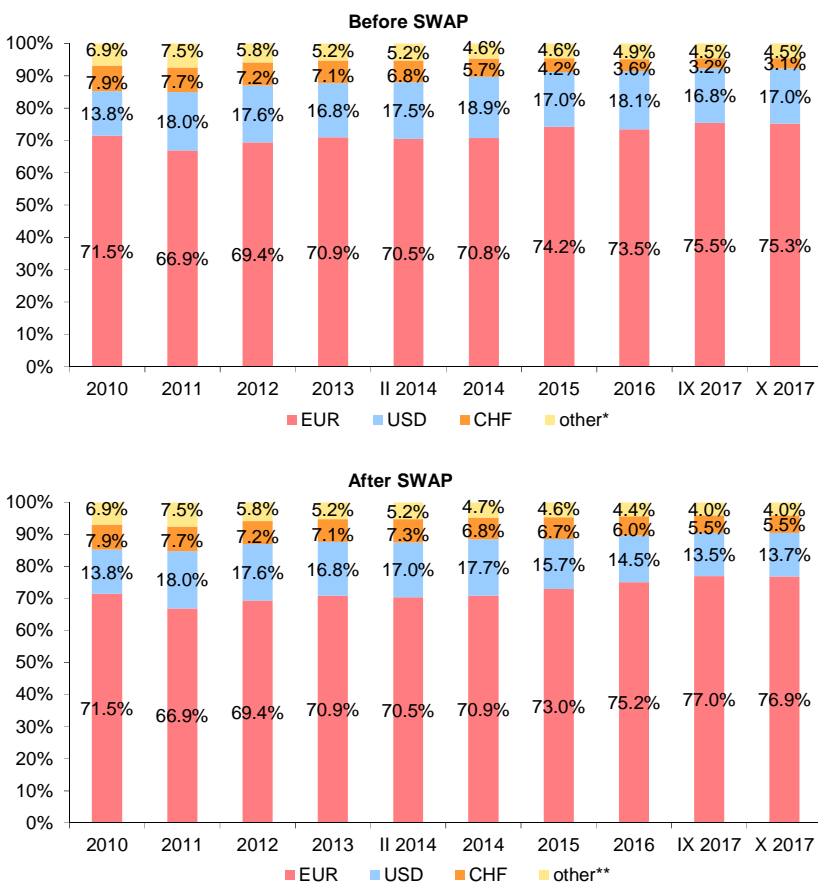
In accordance with the debt management strategy, State budget borrowing requirements are mostly financed on domestic market. In October 2017 debt denominated in PLN comprised 68.4% of total ST debt, i.e. remained unchanged as compared to the previous month and increased by 2.8 pp compared to the end of 2016. The share of foreign currency denominated debt changed as follows:

- EUR – decrease by 0.1 pp m/m and by 1.5 pp compared to the end of 2016,
- USD – increase by 0.1 pp m/m and decrease by 0.8 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 October 2017 the share of EUR-denominated debt in foreign ST debt, including derivative transactions, amounted to 76.9%, i.e. remained above the minimum level of 70% assumed in debt management strategy. The share of EUR decreased by 0.1 pp m/m which resulted mainly from depreciation of EUR against USD.



*) JPY and CNY (since August 2016)

**) JPY

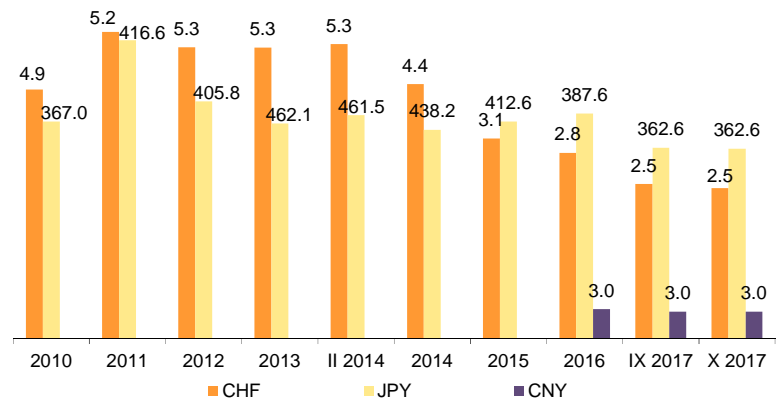
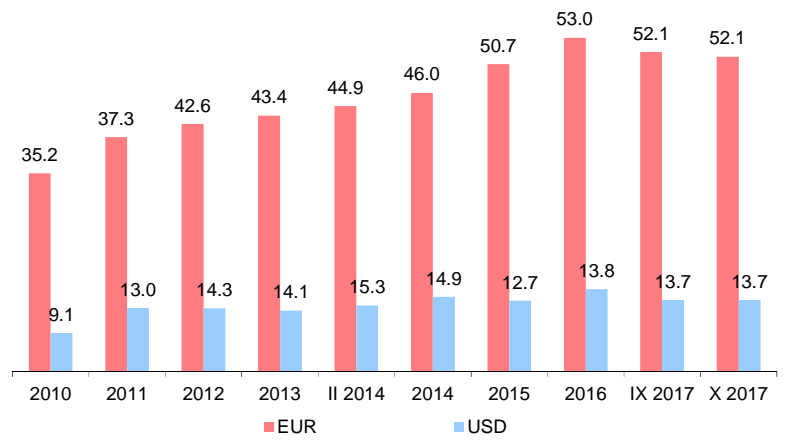
Foreign ST debt in original currency (billion)

*)**)

In October 2017 nominal value of debt denominated in particular foreign currencies remained virtually unchanged as compared to the previous month, i.e. amounted to EUR 52.1bn, USD 13.7bn, CHF 2.5bn, JPY 362.6bn and CNY 3.0bn, respectively.

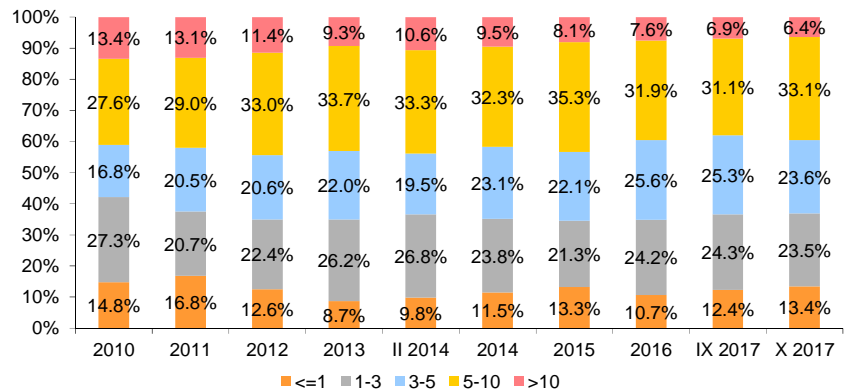
*) Charts present debt excluding swap transactions.

**) 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.



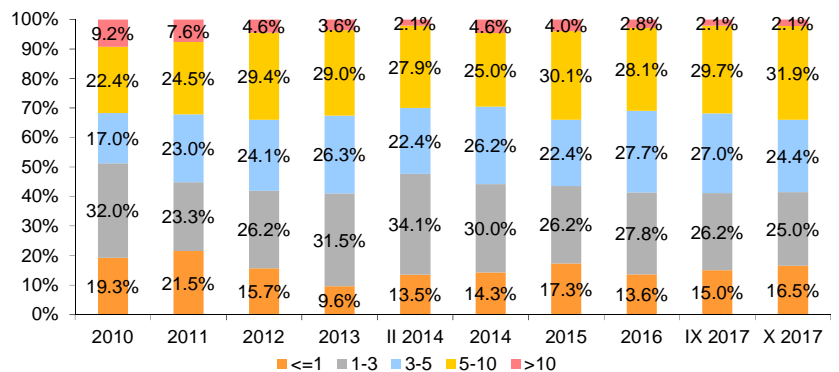
ST debt by residual maturity (in years)

In October 2017 debt with the longest residual maturity (i.e. above 5 years) comprised 39.5% of total ST debt, i.e. increased by 1.5 pp m/m (mainly as a result of changes in domestic debt structure) and simultaneously remained unchanged compared to the end of 2016. Debt with residual maturity of up to 1 year constituted 13.4% of ST debt, i.e. increased by 1.0 pp m/m (which resulted mainly from shifts in domestic debt structure) and by 2.7 pp compared to the end of 2016.



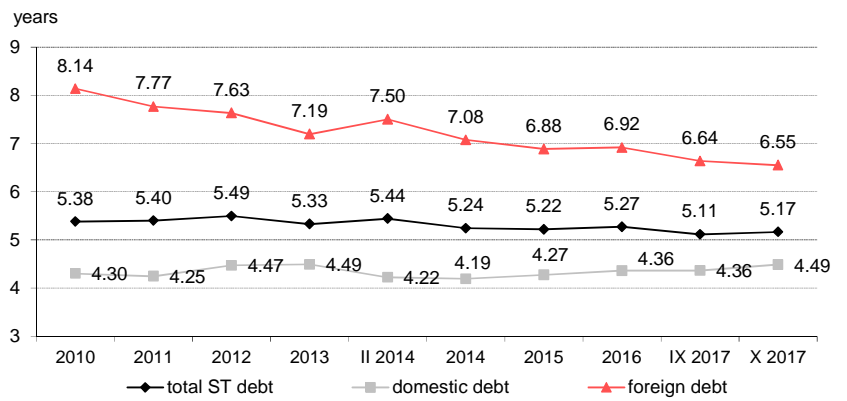
Domestic ST debt by residual maturity (in years)

In October 2017 domestic debt with residual maturity above 5 years accounted for 34.1%, i.e. increased by 2.2 pp m/m (which resulted mainly from redemption of DS1017 bonds, repurchases of debt maturing in 2018 and structure of domestic marketable TS issuance) and by 3.2 pp compared to the end of 2016. The share of debt with residual maturity of up to 1 year amounted to 16.5%, i.e. increased by 1.5 pp m/m (which was mainly a resultant of decrease in debt due to the shortest instruments and change in classification of OK1018 bonds) and by 2.9 pp compared to the end of 2016.



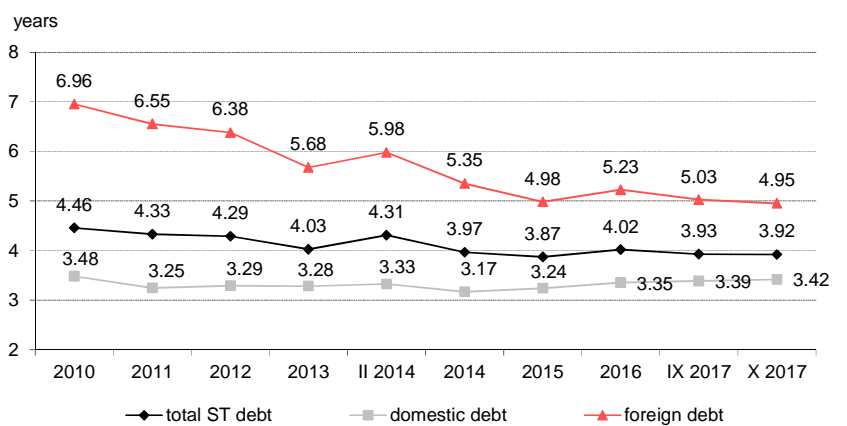
ATM of ST debt

In October 2017 average time to maturity (ATM) of ST debt amounted to 5.17 years (increase by 0.05 years m/m and decrease by 0.10 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 lengthened by 0.12 years, to 4.49 years, which resulted mainly from redemption of DS1017 bonds, repurchases of debt on switching auction and issuance of marketable TS of which the vast majority lengthening ATM. According to debt management strategy, it is assumed to maintain ATM of domestic debt at the level close to 4.5 years. In October 2017 ATM of foreign ST debt decreased by 0.09 years (which resulted mainly from debt aging), remaining at the safe level of 6.55 years.



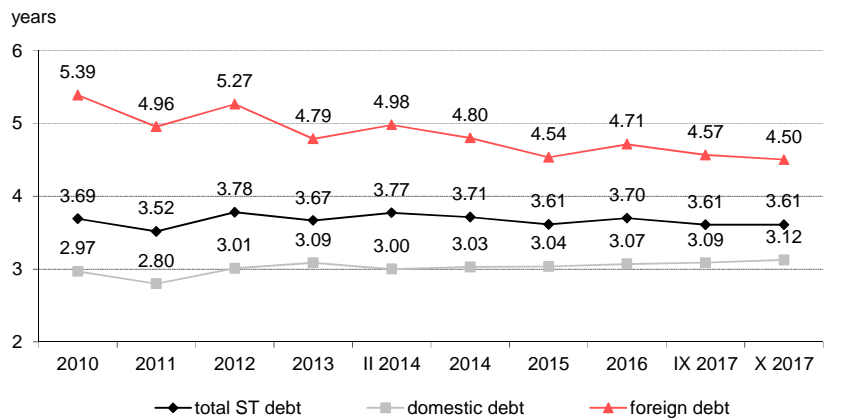
ATR of ST debt

In October 2017 average time to refixing (ATR) of ST debt amounted to 3.92 years (decrease by 0.01 years m/m and by 0.10 years compared to the end of 2016). Decrease in ATR in October was a resultant of lengthening of domestic debt ATR (by 0.03 years, to 3.42 years) and shortening of foreign debt ATR (by 0.08 years, to 4.95 years). The level of ATR of both debt categories resulted mainly from development of ATM, and in case of domestic debt – from increase in the share of floating rate instruments as well. In October 2017 ATR of domestic ST debt remained in line with debt management strategy, i.e. in the range 2.8-3.8 years.



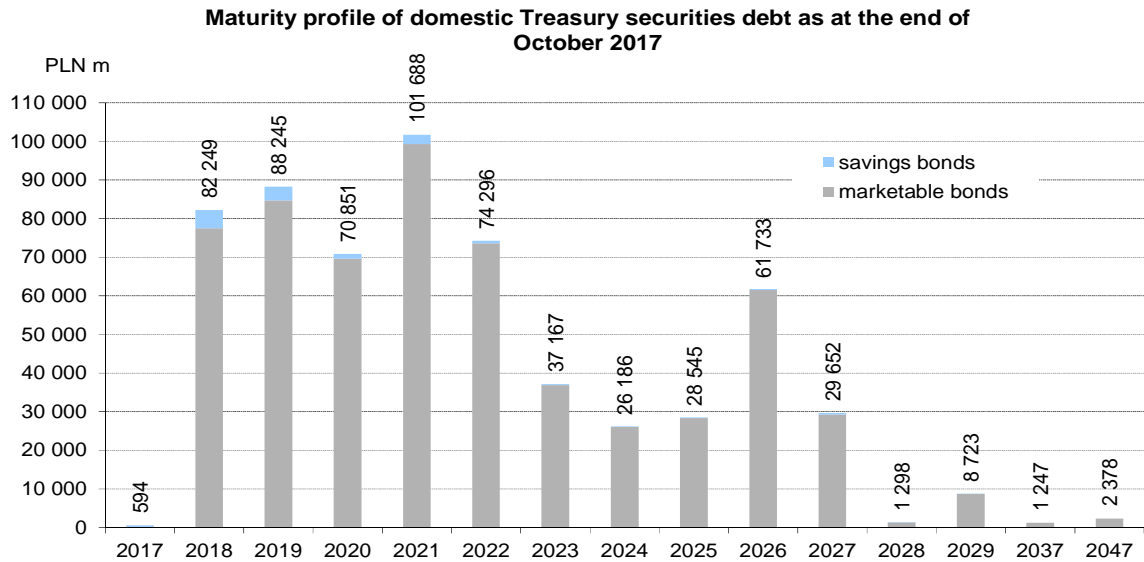
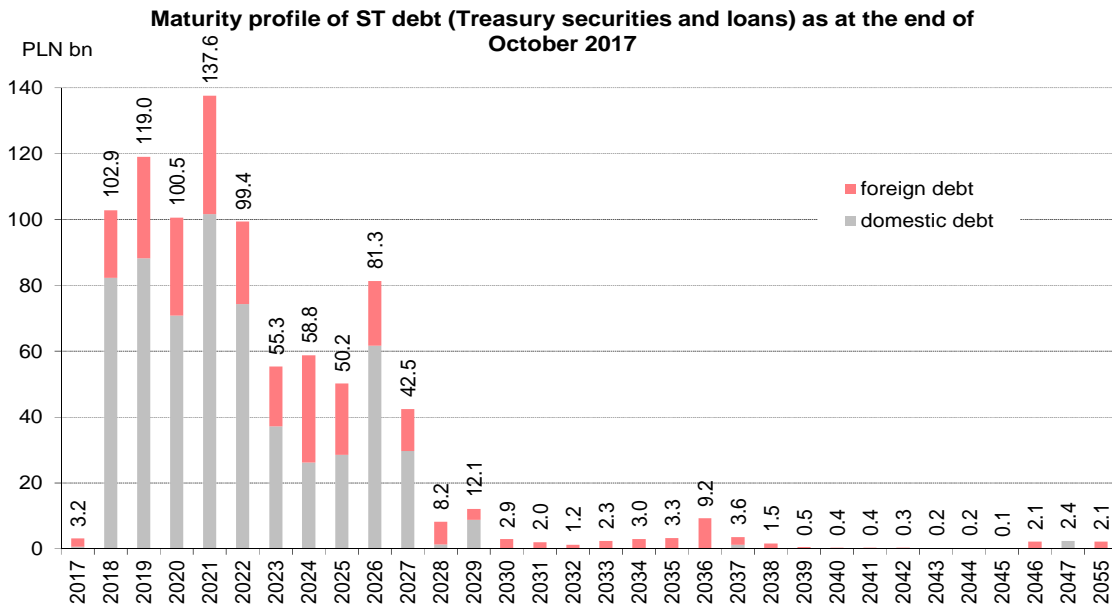
Duration of ST debt*

In October 2017 duration of ST debt amounted to 3.61 years (no changes m/m and decrease by 0.09 years compared to the end of 2016). The stabilization in duration in October was a resultant of lengthening of domestic debt duration (by 0.04 years, to 3.12 years) and shortening of foreign debt duration (by 0.06 years, to 4.50 years). The level of duration resulted from changes in ATR and development of Polish debt yields.

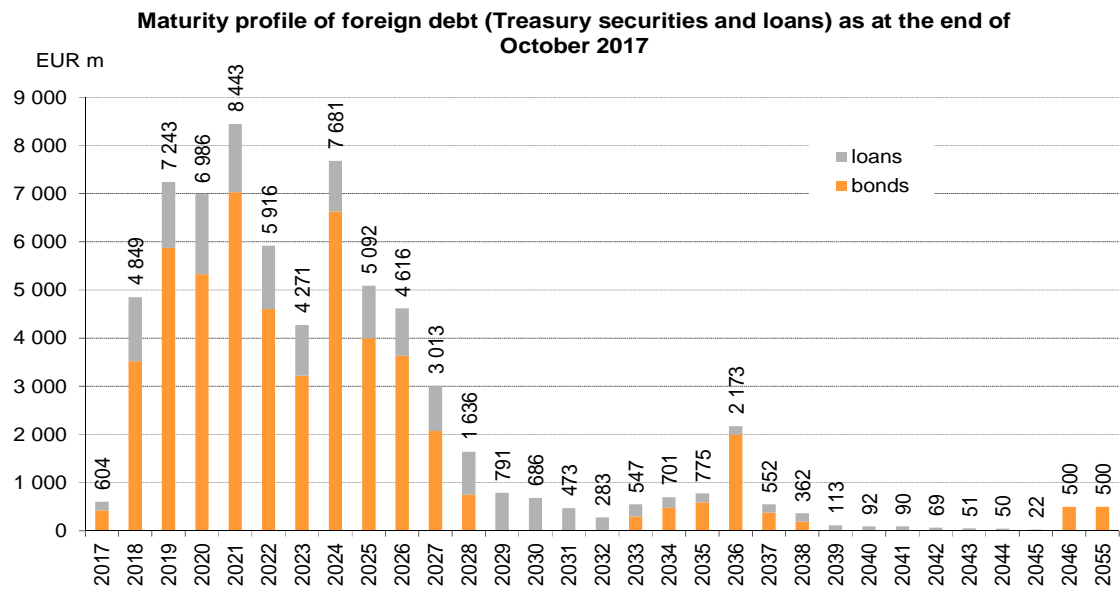


*) Excluding inflation-linked bonds

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



*) Data do not include a part of short-term domestic debt: (a) maturing in 2017 – other ST debt (PLN 19,950m – mainly deposits and matured payables) and (b) maturing in 2018 – deposits (PLN 3,132m).



*) Data do not include a part of short-term foreign debt maturing in 2017 – matured payables (PLN 86m).

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

	Dec 2016	structure Dec 2016 %	Sep 2017	structure Sep 2017 %	Oct 2017	structure Oct 2017 %	change		change	
							Oct 2017 – Sep 2017		Oct 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury Debt	928,666.2	100.0	940,729.2	100.0	932,008.3	100.0	-8,720.8	-0.9	3,342.1	0.4
I. Domestic debt	609,202.9	65.6	643,185.0	68.4	637,934.6	68.4	-5,250.3	-0.8	28,731.7	4.7
1. Treasury securities issued in domestic market	587,934.9	63.3	619,059.1	65.8	614,852.8	66.0	-4,206.3	-0.7	26,917.9	4.6
1.1. Marketable securities	576,701.2	62.1	605,113.2	64.3	600,262.6	64.4	-4,850.5	-0.8	23,561.4	4.1
fixed rate	427,486.9	46.0	450,291.2	47.9	441,670.2	47.4	-8,621.0	-1.9	14,183.3	3.3
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	47,852.0	5.2	48,563.0	5.2	48,588.9	5.2	25.9	0.1	736.9	1.5
PS bonds	176,173.8	19.0	182,432.7	19.4	182,947.1	19.6	514.5	0.3	6,773.3	3.8
DS bonds	169,728.4	18.3	183,227.1	19.5	173,887.3	18.7	-9,339.9	-5.1	4,158.8	2.5
WS bonds	33,732.6	3.6	36,068.4	3.8	36,246.9	3.9	178.5	0.5	2,514.2	7.5
fixed rate - inflation-linked	4,449.6	0.5	4,508.6	0.5	4,504.0	0.5	-4.7	-0.1	54.4	1.2
IZ bonds	4,449.6	0.5	4,508.6	0.5	4,504.0	0.5	-4.7	-0.1	54.4	1.2
floating rate	144,764.8	15.6	150,313.3	16.0	154,088.5	16.5	3,775.2	2.5	9,323.7	6.4
WZ bonds	144,764.8	15.6	148,313.3	15.8	152,088.5	16.3	3,775.2	2.5	7,323.7	5.1
PP bonds	0.0	0.0	2,000.0	0.2	2,000.0	0.2	0.0	0.0	2,000.0	-
1.2. Savings bonds	11,233.6	1.2	13,946.0	1.5	14,590.2	1.6	644.2	4.6	3,356.5	29.9
fixed rate	5,095.7	0.5	6,175.7	0.7	6,581.0	0.7	405.3	6.6	1,485.3	29.1
OTS bonds	0.0	0.0	0.0	0.0	313.3	0.0	313.3	-	313.3	-
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	6,175.7	0.7	6,267.7	0.7	92.0	1.5	1,172.0	23.0
floating rate	6,138.0	0.7	7,770.3	0.8	8,009.2	0.9	238.9	3.1	1,871.2	30.5
TOZ bonds	557.5	0.1	563.5	0.1	569.8	0.1	6.3	1.1	12.3	2.2
COI bonds	1,516.2	0.2	2,930.9	0.3	3,150.8	0.3	219.9	7.5	1,634.6	107.8
ROS bonds	1.6	0.0	7.3	0.0	8.0	0.0	0.7	9.6	6.4	402.6
EDO bonds	4,061.1	0.4	4,262.0	0.5	4,273.2	0.5	11.3	0.3	212.1	5.2
ROD bonds	1.6	0.0	6.6	0.0	7.4	0.0	0.7	11.0	5.8	363.9
2. Other domestic debt	21,268.1	2.3	24,125.9	2.6	23,081.8	2.5	-1,044.0	-4.3	1,813.8	8.5
deposits of pfse*	17,202.8	1.9	19,888.0	2.1	18,882.3	2.0	-1,005.7	-5.1	1,679.5	9.8
court deposits**	4,052.8	0.4	4,222.2	0.4	4,183.9	0.4	-38.3	-0.9	131.2	3.2
matured payables	9.1	0.0	12.1	0.0	12.1	0.0	0.0	0.0	3.1	33.9
other	3.4	0.0	3.5	0.0	3.5	0.0	0.0	0.0	0.1	1.5
II. Foreign debt	319,463.2	34.4	297,544.2	31.6	294,073.7	31.6	-3,470.5	-1.2	-25,389.6	-7.9
1. Treasury securities issued in international markets	241,487.8	26.0	223,441.9	23.8	221,064.8	23.7	-2,377.1	-1.1	-20,423.0	-8.5
1.1. Marketable securities	241,487.8	26.0	223,441.9	23.8	221,064.8	23.7	-2,377.1	-1.1	-20,423.0	-8.5
fixed rate	241,487.8	26.0	223,441.9	23.8	221,064.8	23.7	-2,377.1	-1.1	-20,423.0	-8.5
EUR	156,706.9	16.9	150,482.4	16.0	148,411.5	15.9	-2,070.9	-1.4	-8,295.4	-5.3
USD	57,674.3	6.2	50,031.0	5.3	50,044.7	5.4	13.7	0.0	-7,629.6	-13.2
CHF	11,446.1	1.2	9,517.6	1.0	9,260.6	1.0	-257.0	-2.7	-2,185.5	-19.1
JPY	13,855.9	1.5	11,762.4	1.3	11,695.3	1.3	-67.1	-0.6	-2,160.6	-15.6
CNY	1,804.5	0.2	1,648.5	0.2	1,652.7	0.2	4.2	0.3	-151.8	-8.4
2. Loans	77,959.4	8.4	74,016.4	7.9	72,923.0	7.8	-1,093.4	-1.5	-5,036.5	-6.5
fixed rate	21,185.5	2.3	24,982.6	2.7	24,564.0	2.6	-418.6	-1.7	3,378.5	15.9
EUR	21,185.5	2.3	24,982.6	2.7	24,564.0	2.6	-418.6	-1.7	3,378.5	15.9
floating rate	56,774.0	6.1	49,033.8	5.2	48,359.0	5.2	-674.8	-1.4	-8,415.0	-14.8
EUR	56,774.0	6.1	49,033.8	5.2	48,359.0	5.2	-674.8	-1.4	-8,415.0	-14.8
3. Other foreign debt	16.0	0.0	85.9	0.0	85.9	0.0	0.0	0.0	69.9	436.2

*) 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 %	Sep 2017	structure Sep 2017 %	Oct 2017	structure Oct 2017 %	change Oct 2017 – Sep 2017		change Oct 2017 – Dec 2016	
							PLN m	%	PLN m	%
State Treasury debt	928,666.2	100.0	940,729.2	100.0	932,008.3	100.0	-8,720.8	-0.9	3,342.1	0.4
I. State Treasury debt towards residents	433,073.0	46.6	453,863.2	48.2	452,869.5	48.6	-993.7	-0.2	19,796.5	4.6
Domestic banking sector	250,921.9	27.0	260,240.0	27.7	258,999.1	27.8	-1,240.9	-0.5	8,077.2	3.2
1. TS issued in domestic market	235,521.3	25.4	244,826.9	26.0	243,676.5	26.1	-1,150.4	-0.5	8,155.2	3.5
1.1. Marketable TS	235,521.3	25.4	244,826.9	26.0	243,676.5	26.1	-1,150.4	-0.5	8,155.2	3.5
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	27,716.4	3.0	27,044.7	2.9	25,445.9	2.7	-1,598.8	-5.9	-2,270.6	-8.2
PS bonds	70,558.2	7.6	79,101.6	8.4	79,436.7	8.5	335.0	0.4	8,878.4	12.6
DS bonds	33,703.5	3.6	34,015.5	3.6	30,329.1	3.3	-3,686.4	-10.8	-3,374.4	-10.0
WS bonds	3,556.8	0.4	3,154.2	0.3	3,256.8	0.3	102.5	3.3	-300.0	-8.4
IZ bonds	1,225.6	0.1	1,132.1	0.1	655.9	0.1	-476.2	-42.1	-569.6	-46.5
WZ bonds	98,760.8	10.6	100,378.7	10.7	104,552.1	11.2	4,173.4	4.2	5,791.3	5.9
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	15,413.1	1.6	15,322.6	1.6	-90.5	-0.6	-78.0	-0.5
Domestic non-banking sector	182,151.1	19.6	193,623.2	20.6	193,870.4	20.8	247.2	0.1	11,719.3	6.4
1. TS issued in domestic market	159,857.8	17.2	169,130.3	18.0	169,265.0	18.2	134.6	0.1	9,407.2	5.9
1.1. Marketable TS	148,641.9	16.0	155,220.5	16.5	154,713.8	16.6	-506.7	-0.3	6,071.9	4.1
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	12,853.8	1.4	13,780.3	1.5	13,755.5	1.5	-24.8	-0.2	901.7	7.0
PS bonds	39,470.3	4.3	36,829.9	3.9	36,769.8	3.9	-60.1	-0.2	-2,700.5	-6.8
DS bonds	37,440.1	4.0	36,291.3	3.9	35,975.1	3.9	-316.3	-0.9	-1,465.0	-3.9
WS bonds	17,014.4	1.8	19,143.8	2.0	19,172.8	2.1	29.0	0.2	2,158.4	12.7
IZ bonds	2,120.2	0.2	2,280.3	0.2	2,375.0	0.3	94.7	4.2	254.8	12.0
WZ bonds	39,743.2	4.3	44,895.0	4.8	44,665.7	4.8	-229.3	-0.5	4,922.6	12.4
PP bonds	0.0	0.0	2,000.0	0.2	2,000.0	0.2	0.0	0.0	2,000.0	-
1.2. Savings bonds	11,215.9	1.2	13,909.8	1.5	14,551.1	1.6	641.3	4.6	3,335.2	29.7
OTS bonds	0.0	0.0	0.0	0.0	311.8	0.0	311.8	-	311.8	-
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	6,166.5	0.7	6,258.4	0.7	91.9	1.5	1,170.0	23.0
TOZ bonds	556.7	0.1	562.6	0.1	568.9	0.1	6.3	1.1	12.2	2.2
COI bonds	1,515.1	0.2	2,925.4	0.3	3,144.0	0.3	218.7	7.5	1,628.9	107.5
ROS bonds	1.6	0.0	7.3	0.0	8.0	0.0	0.7	9.6	6.4	402.6
EDO bonds	4,052.6	0.4	4,241.4	0.5	4,252.7	0.5	11.2	0.3	200.1	4.9
ROD bonds	1.6	0.0	6.6	0.0	7.4	0.0	0.7	11.0	5.8	363.9
2. Other ST debt	21,251.2	2.3	24,112.4	2.6	23,068.4	2.5	-1,044.0	-4.3	1,817.2	8.6
deposits of pfse*	17,202.8	1.9	19,888.0	2.1	18,882.3	2.0	-1,005.7	-5.1	1,679.5	9.8
court deposits**	4,035.9	0.4	4,208.8	0.4	4,170.5	0.4	-38.3	-0.9	134.6	3.3
matured payables	9.1	0.0	12.1	0.0	12.1	0.0	0.0	0.0	3.1	33.9
other	3.4	0.0	3.5	0.0	3.5	0.0	0.0	0.0	0.1	1.5
3. TS issued in foreign markets	1,042.1	0.1	380.5	0.0	1,537.1	0.2	1,156.5	303.9	495.0	47.5
II. State Treasury debt towards non-residents	495,593.2	53.4	486,865.9	51.8	479,138.8	51.4	-7,727.1	-1.6	-16,454.3	-3.3
1. TS issued in domestic market	192,555.8	20.7	205,101.9	21.8	201,911.4	21.7	-3,190.6	-1.6	9,355.6	4.9
1.1. Marketable TS	192,538.0	20.7	205,065.8	21.8	201,872.3	21.7	-3,193.4	-1.6	9,334.3	4.8
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	7,281.7	0.8	7,738.1	0.8	9,387.6	1.0	1,649.5	21.3	2,105.8	28.9
PS bonds	66,145.3	7.1	66,501.1	7.1	66,740.7	7.2	239.6	0.4	595.4	0.9
DS bonds	98,584.9	10.6	112,920.3	12.0	107,583.1	11.5	-5,337.2	-4.7	8,998.2	9.1
WS bonds	13,161.4	1.4	13,770.4	1.5	13,817.3	1.5	46.9	0.3	655.9	5.0
IZ bonds	1,103.8	0.1	1,096.2	0.1	1,473.0	0.2	376.8	34.4	369.2	33.4
WZ bonds	6,260.8	0.7	3,039.6	0.3	2,870.7	0.3	-169.0	-5.6	-3,390.2	-54.1
1.2. Savings bonds	17.7	0.0	36.2	0.0	39.0	0.0	2.8	7.8	21.3	120.2
OTS bonds	0.0	0.0	0.0	0.0	1.4	0.0	1.4	-	1.4	-
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	7.3	0.0	9.2	0.0	9.3	0.0	0.1	1.3	2.0	27.2
TOZ bonds	0.8	0.0	0.9	0.0	0.9	0.0	0.0	1.1	0.1	11.9
COI bonds	1.1	0.0	5.5	0.0	6.8	0.0	1.3	22.8	5.8	546.2
ROS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
EDO bonds	8.5	0.0	20.5	0.0	20.5	0.0	0.0	0.1	12.0	141.3
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	207,648.2	22.1	204,205.1	21.9	-3,443.1	-1.7	-20,839.9	-9.3
3. Foreign loans	77,959.4	8.4	74,016.4	7.9	72,923.0	7.8	-1,093.4	-1.5	-5,036.5	-6.5
European Investment Bank	45,321.1	4.9	42,530.6	4.5	41,870.5	4.5	-660.1	-1.6	-3,450.6	-7.6
The World Bank	31,725.1	3.4	30,565.3	3.2	30,144.7	3.2	-420.6	-1.4	-1,580.4	-5.0
Council of Europe Development Bank	913.2	0.1	920.4	0.1	907.7	0.1	-12.7	-1.4	-5.5	-0.6
4. Other ST debt	32.9	0.0	99.4	0.0	99.4	0.0	0.0	0.0	66.5	202.0

*) 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	Sep 2017	Oct 2017	change		change	
				Oct 2017 – Sep 2017		Oct 2017 – Dec 2016	
				EUR m	%	EUR m	%
State Treasury debt	209,915.5	218,312.2	219,306.4	994.2	0.5	9,390.9	4.5
I. Domestic debt	137,704.1	149,262.0	150,109.3	847.3	0.6	12,405.2	9.0
1. Treasury securities issued in domestic market	132,896.7	143,663.2	144,678.1	1,014.8	0.7	11,781.4	8.9
1.1. Marketable TS	130,357.4	140,426.8	141,244.9	818.1	0.6	10,887.5	8.4
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	130,357.4	140,426.8	141,244.9	818.1	0.6	10,887.5	8.4
1.2. Savings bonds	2,539.2	3,236.4	3,433.1	196.7	6.1	893.9	35.2
2. Other ST debt	4,807.4	5,598.8	5,431.3	-167.5	-3.0	623.9	13.0
II. Foreign debt	72,211.4	69,050.2	69,197.1	146.9	0.2	-3,014.3	-4.2
1. Treasury securities issued in foreign markets	54,585.8	51,853.5	52,017.7	164.2	0.3	-2,568.2	-4.7
2. Loans	17,621.9	17,176.8	17,159.2	-17.6	-0.1	-462.8	-2.6
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	9,869.9	9,852.4	-17.6	-0.2	-392.0	-3.8
2.3. Council of Europe Development Bank	206.4	213.6	213.6	0.0	0.0	7.2	3.5
3. Other ST debt	3.6	19.9	20.2	0.3	1.4	16.6	458.2
<i>FX rate (EUR/PLN)</i>	<i>4.4240</i>	<i>4.3091</i>	<i>4.2498</i>	<i>-0.1</i>	<i>-1.4</i>	<i>-0.2</i>	<i>-3.9</i>

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

	Dec 2016	Sep 2017	Oct 2017	change		change	
				Oct 2017 – Sep 2017		Oct 2017 – Dec 2016	
				USD m	%	USD m	%
State Treasury debt	222,206.2	257,599.9	255,142.0	-2,457.9	-1.0	32,935.9	14.8
I. Domestic debt	145,766.7	176,123.4	174,637.9	-1,485.5	-0.8	28,871.1	19.8
1. Treasury securities issued in domestic market	140,677.8	169,517.0	168,319.1	-1,197.9	-0.7	27,641.3	19.6
1.1. Marketable TS	137,989.9	165,698.2	164,325.0	-1,373.2	-0.8	26,335.0	19.1
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	137,989.9	165,698.2	164,325.0	-1,373.2	-0.8	26,335.0	19.1
1.2. Savings bonds	2,687.9	3,818.8	3,994.1	175.3	4.6	1,306.2	48.6
2. Other ST debt	5,088.9	6,606.4	6,318.8	-287.6	-4.4	1,229.9	24.2
II. Foreign debt	76,439.4	81,476.5	80,504.2	-972.4	-1.2	4,064.8	5.3
1. Treasury securities issued in foreign markets	57,781.9	61,185.1	60,517.6	-667.5	-1.1	2,735.7	4.7
2. Loans	18,653.7	20,267.9	19,963.0	-304.9	-1.5	1,309.3	7.0
2.1. World Bank	7,591.0	8,369.7	8,252.3	-117.4	-1.4	661.3	8.7
2.2. European Investment Bank	10,844.2	11,646.1	11,462.3	-183.9	-1.6	618.1	5.7
2.3. Council of Europe Development Bank	218.5	252.0	248.5	-3.5	-1.4	30.0	13.7
3. Other ST debt	3.8	23.5	23.5	0.0	0.0	19.7	513.5
<i>FX rate (USD/PLN)</i>	<i>4.1793</i>	<i>3.6519</i>	<i>3.6529</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.5</i>	<i>-12.6</i>

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