

At the end of May 2018 State Treasury (ST) debt amounted to **PLN 962,023.0 million**, i.e.:

- increased by PLN 13,283.0m (+1.4%) in May 2018,
- increased by PLN 33,550.0m (+3.6%) compared to the end of 2017.

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

	May 2018	Jan-May 2018
Change in the State Treasury debt	13.3	33.6
1. State budget borrowing requirements:	0.3	-18.3
1.1. State budget deficit	-0.3	-9.6
1.2. European Union funds budget deficit	0.0	0.0
1.3. Pension reform costs ¹⁾	0.3	1.5
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from PFSE and court deposits balance	-1.0	-5.0
1.6. European funds management	1.3	-4.7
1.7. Granted loans balance	0.0	0.1
1.8. Other borrowing requirements ²⁾	0.0	-0.4
2. Changes not resulting from State budget borrowing requirements:	12.6	49.6
2.1. FX rates movements	9.7	12.7
2.2. Changes in budget accounts balance	2.9	36.6
2.3. Other factors ³⁾	0.0	0.4
3. Change in other State Treasury debt:	0.4	2.2
3.1. Deposits from PFSE ⁴⁾	0.4	0.8
3.2. Court deposits ⁵⁾	0.0	1.4
3.3. Other ST debt	0.0	0.0

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

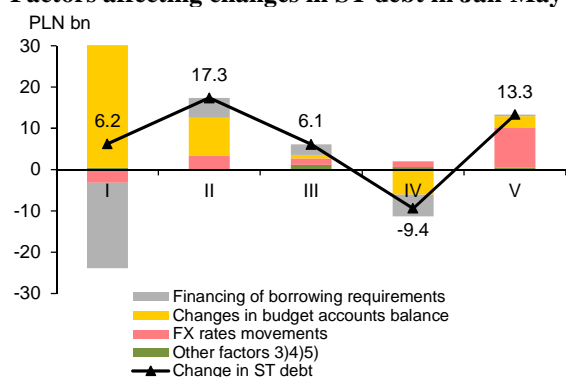
²⁾ Balance of pre-financing of tasks carried out with utilization of funds from EU budget, shares in international financial institutions and other domestic and foreign settlements

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

Factors affecting changes in ST debt in Jan-May 2018



According to preliminary data, **ST debt at the end of June 2018** amounted to **ca. PLN 956.2bn**, i.e. decreased by PLN 5.9bn (-0.6%) m/m and increased by PLN 27.7bn (+3.0%) compared to the end of 2017. According to the place of issue criterion debt amounted to:

- **domestic debt:** ca. PLN 662.5bn,
- **foreign currency debt:** ca. PLN 293.6bn (i.e. 30.7% of total ST debt).

Increase in debt in May 2018 was mainly a resultant of:

- positive State budget net borrowing requirements (PLN +0.3bn), with State budget surplus of PLN 0.3bn;
- increase in budget accounts balance (PLN +2.9bn) associated with collection of funds for financing borrowing requirements;
- depreciation of zloty (PLN +9.7bn) – by 2.3% against EUR, by 6.7% against USD, by 6.6% against CHF, by 7.4 against JPY and by 5.2% against CNY.

Increase in debt since the beginning of 2018 was mainly a resultant of:

- increase in budget accounts balance (PLN +36.6bn) associated with collection of funds for financing borrowing requirements;
- negative State budget net borrowing requirements (PLN -18.3bn), including State budget surplus of PLN 9.6bn;
- depreciation of zloty (PLN +12.7bn) – by 3.6% against EUR, by 6.9% against USD, by 5.3% against CHF, by 10.8 against JPY and by 8.2% against CNY;
- increase of debt in court deposits (PLN +1.4bn).

In May 2018 domestic ST debt (according to the place of issue criterion) increased by PLN 7.9bn which resulted mainly from positive balance of issuance of marketable Treasury securities (TS; PLN +7.1bn):

Instrument	Sale (PLN bn)	Repurchase (PLN bn)
PS0718		-1.7
OK1018		-1.7
WZ0119		-1.1
OK0720	0.7	
PS0123	4.4	
WZ0524	1.9	
WS0428	2.9	
WZ0528	1.7	

In May 2018 ST debt in foreign currency increased by PLN 5.4bn which was a resultant of:

- negative balance of debt issuance:

Instrument	Sale/drawing	Repurchase/repayment
Loans from IFIs*	-	0.1 mld EUR
CHF bonds	-	1.0 mld CHF

*) IFIs – international financial institutions

- depreciation of zloty (PLN +9.7bn).

Since the beginning of 2018 domestic debt increased by PLN 16.8bn and **foreign currency ST debt** increased also by PLN 16.8bn which was a resultant of:

- increase in debt denominated in EUR (EUR +1.9bn);
- decrease in debt denominated in CHF (CHF -1.0bn);
- depreciation of zloty (PLN +12.7bn);
- no changes in debt denominated in USD, JPY, CNY.

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

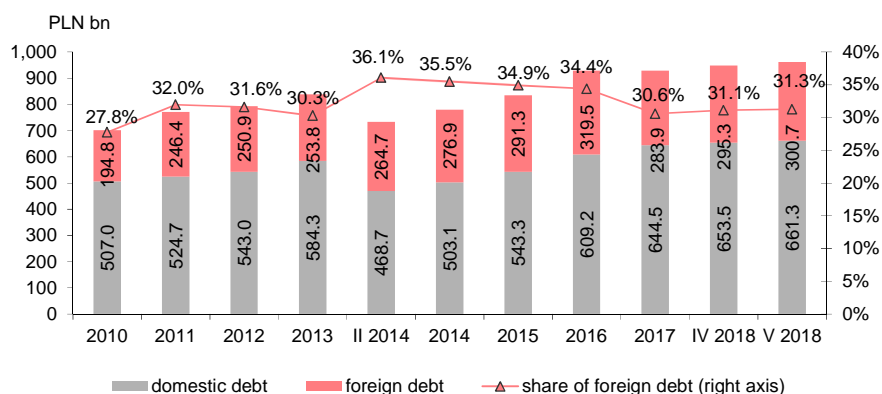
	Dec 2017	structure Dec 2017 %	Apr 2018	structure Apr 2018 %	May 2018	structure May 2018 %	change May 2018 – Apr 2018		change May 2018 – Dec 2017	
							PLN m	%	PLN m	%
State Treasury debt	928,473.0	100.0	948,740.0	100.0	962,023.0	100.0	13,283.0	1.4	33,550.0	3.6
I. Domestic ST debt	644,533.1	69.4	653,452.5	68.9	661,313.6	68.7	7,861.1	1.2	16,780.5	2.6
1. Treasury securities (TS)	621,103.1	66.9	628,256.6	66.2	635,706.9	66.1	7,450.4	1.2	14,603.9	2.4
1.1. Marketable TS	605,711.1	65.2	611,641.5	64.5	618,780.3	64.3	7,138.8	1.2	13,069.2	2.2
- Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	605,711.1	65.2	611,641.5	64.5	618,780.3	64.3	7,138.8	1.2	13,069.2	2.2
1.2. Savings bonds	15,392.0	1.7	16,615.1	1.8	16,926.7	1.8	311.6	1.9	1,534.7	10.0
2. Other ST debt	23,430.0	2.5	25,195.9	2.7	25,606.6	2.7	410.7	1.6	2,176.6	9.3
II. Foreign ST debt	283,939.9	30.6	295,287.5	31.1	300,709.4	31.3	5,421.9	1.8	16,769.5	5.9
1. TS issued in foreign markets	213,102.2	23.0	219,377.4	23.1	223,581.2	23.2	4,203.8	1.9	10,478.9	4.9
2. Loans	70,822.6	7.6	75,895.0	8.0	77,113.2	8.0	1,218.2	1.6	6,290.6	8.9
3. Other ST debt	15.1	0.0	15.1	0.0	15.1	0.0	0.0	0.0	0.0	0.1

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

	Dec 2017	structure Dec 2017 %	Apr 2018	structure Apr 2018 %	May 2018	structure May 2018 %	change May 2018 – Apr 2018		change May 2018 – Dec 2017	
							PLN m	%	PLN m	%
State Treasury debt	928,473.0	100.0	948,740.0	100.0	962,023.0	100.0	13,283.0	1.4	33,550.0	3.6
I. State Treasury debt held by residents	456,110.5	49.1	473,535.0	49.9	482,589.8	50.2	9,054.8	1.9	26,479.2	5.8
Domestic banking sector	257,325.5	27.7	265,947.6	28.0	273,110.6	28.4	7,163.0	2.7	15,785.1	6.1
- domestic instruments	243,917.9	26.3	250,462.0	26.4	257,886.3	26.8	7,424.2	3.0	13,968.3	5.7
- foreign instruments	13,407.6	1.4	15,485.6	1.6	15,224.4	1.6	-261.2	-1.7	1,816.8	13.6
Domestic non-banking sector	198,785.0	21.4	207,587.4	21.9	209,479.2	21.8	1,891.7	0.9	10,694.2	5.4
- domestic instruments	197,234.4	21.2	204,638.4	21.6	206,064.6	21.4	1,426.2	0.7	8,830.2	4.5
- foreign instruments	1,550.6	0.2	2,949.0	0.3	3,414.6	0.4	465.6	15.8	1,863.9	120.2
II. State Treasury debt held by non-residents	472,362.4	50.9	475,205.0	50.1	479,433.2	49.8	4,228.3	0.9	7,070.8	1.5
- domestic instruments	203,380.8	21.9	198,352.0	20.9	197,362.7	20.5	-989.3	-0.5	-6,018.1	-3.0
- foreign instruments	268,981.7	29.0	276,852.9	29.2	282,070.5	29.3	5,217.6	1.9	13,088.9	4.9

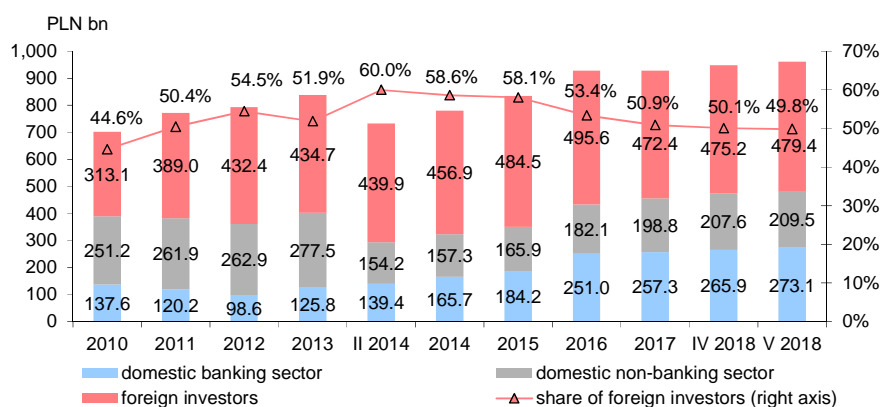
ST debt according to the place of issue criterion

In May 2018 the share of foreign currency debt in total ST debt amounted to 31.3%, i.e. increased by 0.2 pp m/m and by 0.7 pp since the beginning of 2018. The increase in the share in May resulted mainly from higher dynamics of the foreign debt increase due to depreciation of zloty. 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 May 2018 the share of foreign investors in total ST debt amounted to 49.8%, i.e. decreased by 0.3 pp m/m and by 1.1 pp since the beginning of 2018.

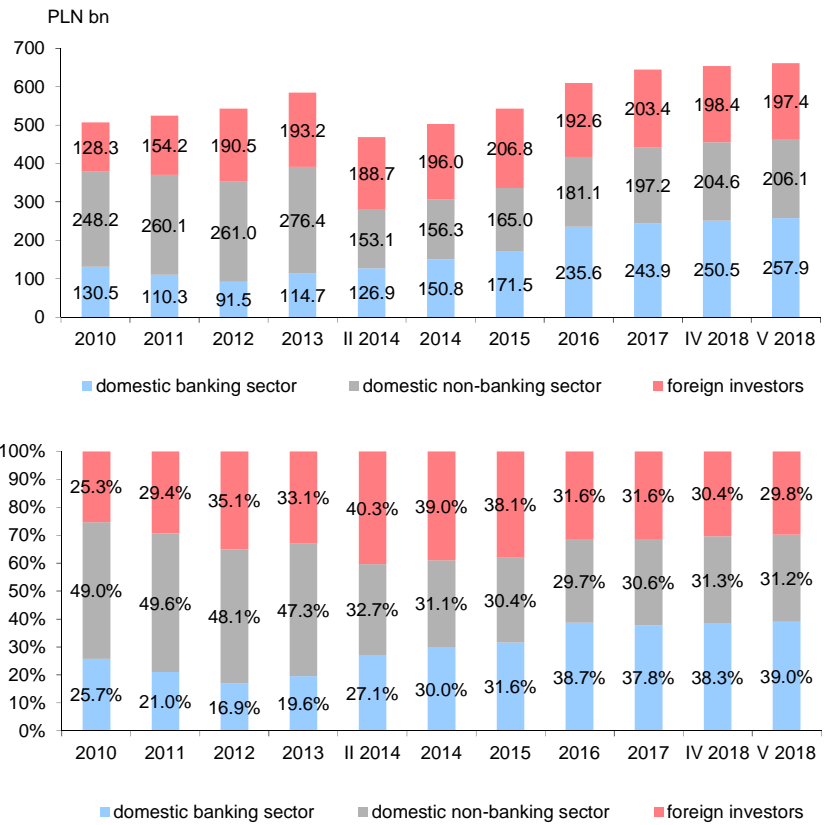


Domestic ST debt by holder in nominal value and structure

In May 2018 an increase in domestic debt held by residents took place (PLN +8.9bn, including banks: PLN +7.4bn, non-banking investors: PLN +1.4bn). In case of foreign investors a decrease in holdings of PLN -1.0bn was recorded.

Since the beginning of 2018 changes in holdings of domestic debt by the type of investor amounted to as follows:

- domestic banking sector: PLN +14.0bn,
- domestic non-banking sector: PLN +8.8bn,
- foreign investors: PLN -6.0bn.

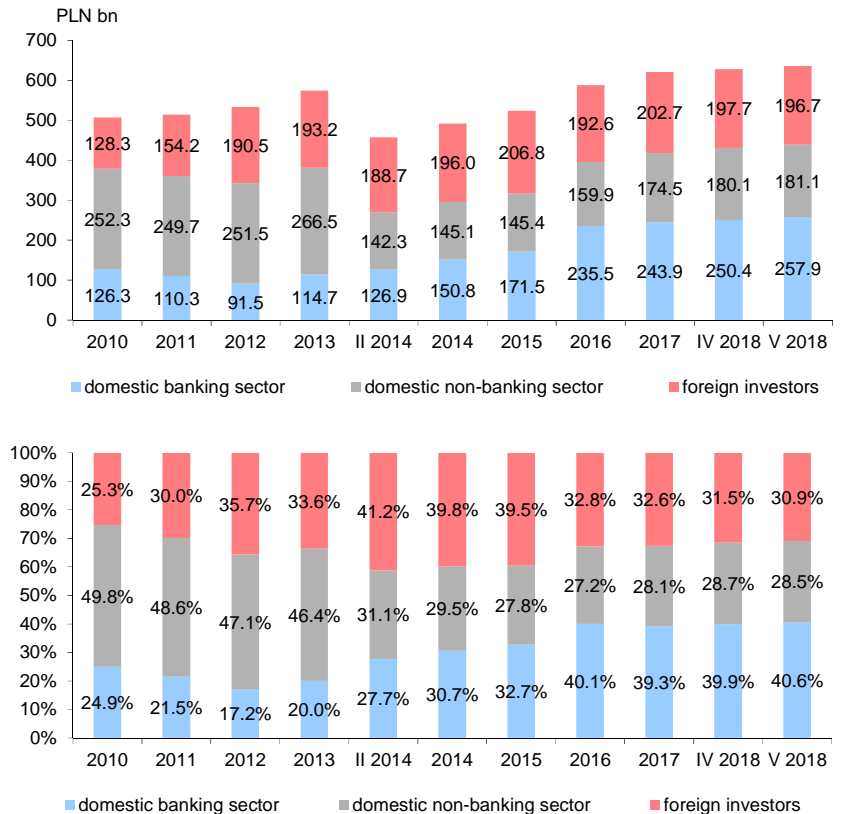


Domestic TS debt by holder in nominal value and structure

In May 2018 residents increased their domestic TS holdings by PLN 8.4bn in total, including banks: PLN +7.4bn and non-banking investors: PLN +1.0bn. In case of foreign investors decrease in holdings was recorded (PLN -1.0bn).

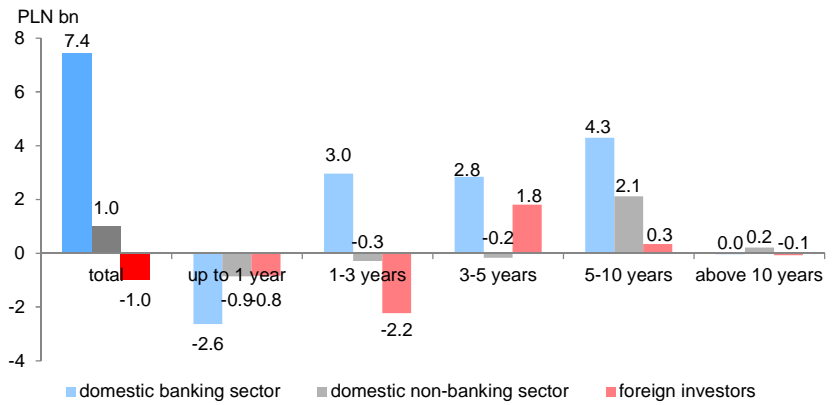
Since the beginning of 2018 changes in holdings of domestic debt by type of investor amounted to as follows:

- domestic banking sector: PLN +14.0bn,
- domestic non-banking sector: PLN +6.7bn,
- foreign investors: PLN -6.0bn.



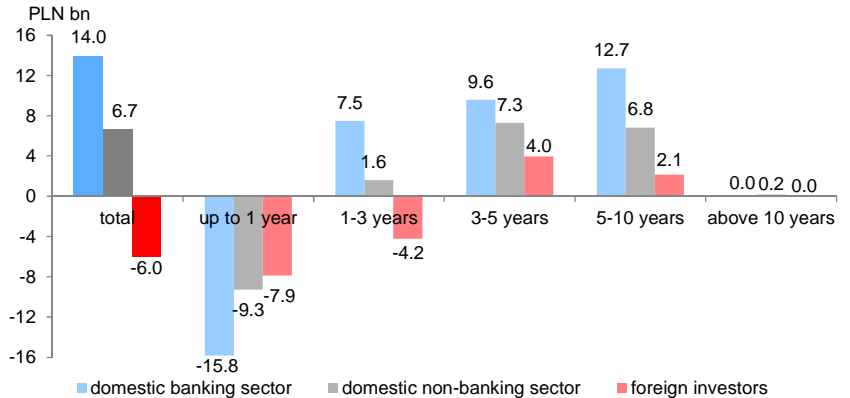
Changes in domestic TS debt according to residual maturity by type of investor in May 2018 m/m*

In May 2018 an increase in domestic TS holdings was observed among domestic investors. Domestic banking sector increased its holdings in instruments with residual maturity between 1 and 10 years and domestic non-banking sector in instruments with residual maturity above 5 years. In portfolios held by foreign investors a decrease in holdings of domestic TS was observed, mainly with residual maturity below 3 years.



Changes in domestic TS debt according to residual maturity by type of investor in 2018*

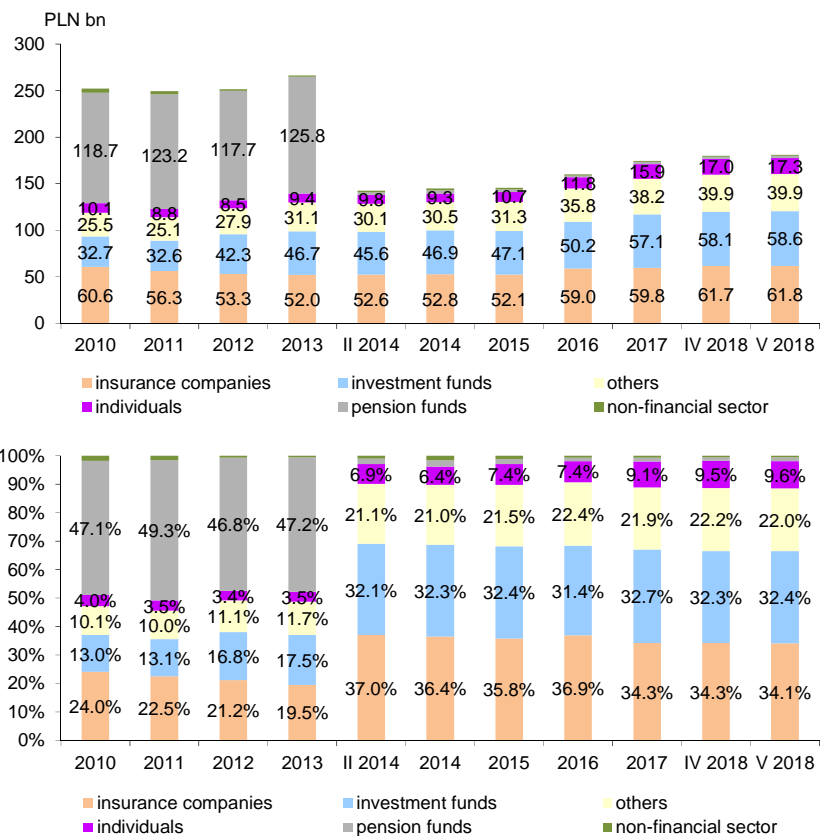
From January to May 2018 domestic banks and domestic non-banking investors increased their holdings in TS with maturity above 1 year. In portfolios held by foreign investors a shift towards instruments with maturities between 3 and 10 years was observed.



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 (34.1% share in May 2018), investment funds (32.4%), and so called other entities (22.0%, this category includes, among others, Bank Guarantee Fund and Demographic Reserve Fund). Significant share of domestic TS is held by individuals (9.6%) as well.

In May 2018 domestic TS holdings of non-banking sector decreased by PLN 1.0bn m/m and increased by PLN 6.7bn compared to the end of 2017. The increase in portfolio both: m/m and since the beginning of 2018 resulted mainly from the changes in holdings of insurance companies (PLN +0.1bn and PLN +2.0bn, respectively), investment funds (PLN +0.5bn and PLN +1.5bn, respectively) and individuals (PLN +0.3bn and PLN +1.4bn, respectively). Portfolios of so called other entities remained unchanged m/m and increased by PLN +1.7bn since the beginning of 2018.

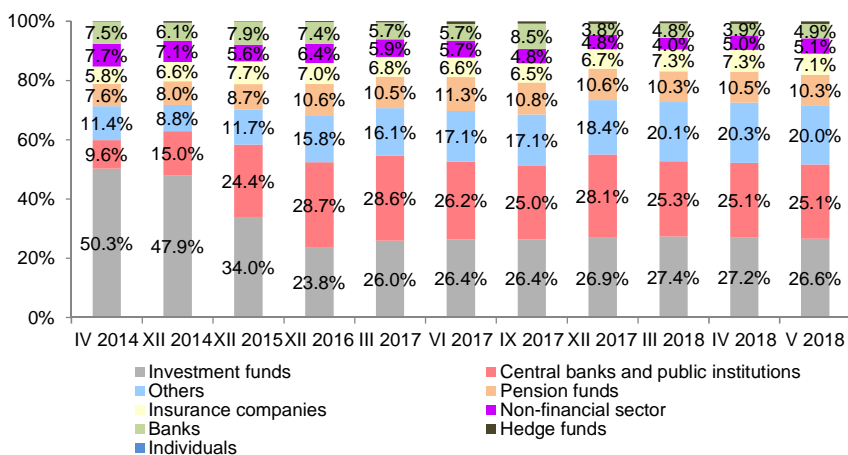
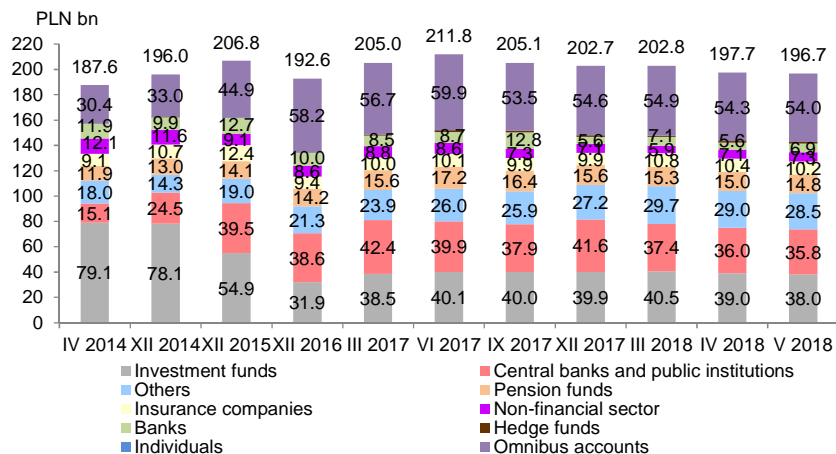


* Changes resulting only from cash flows, i.e. excluding statistical changes from the shift in classification of the security to next segment of residual maturity.

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 (26.6% share in May 2018), central banks and public institutions (25.1%), pension funds (10.3%) and insurance companies (7.1%). Significant part of domestic TS debt is registered on omnibus accounts (PLN 54.0bn), which enable investors to buy TS without having separate account in Poland.

*) Percentage structure does not include omnibus accounts.

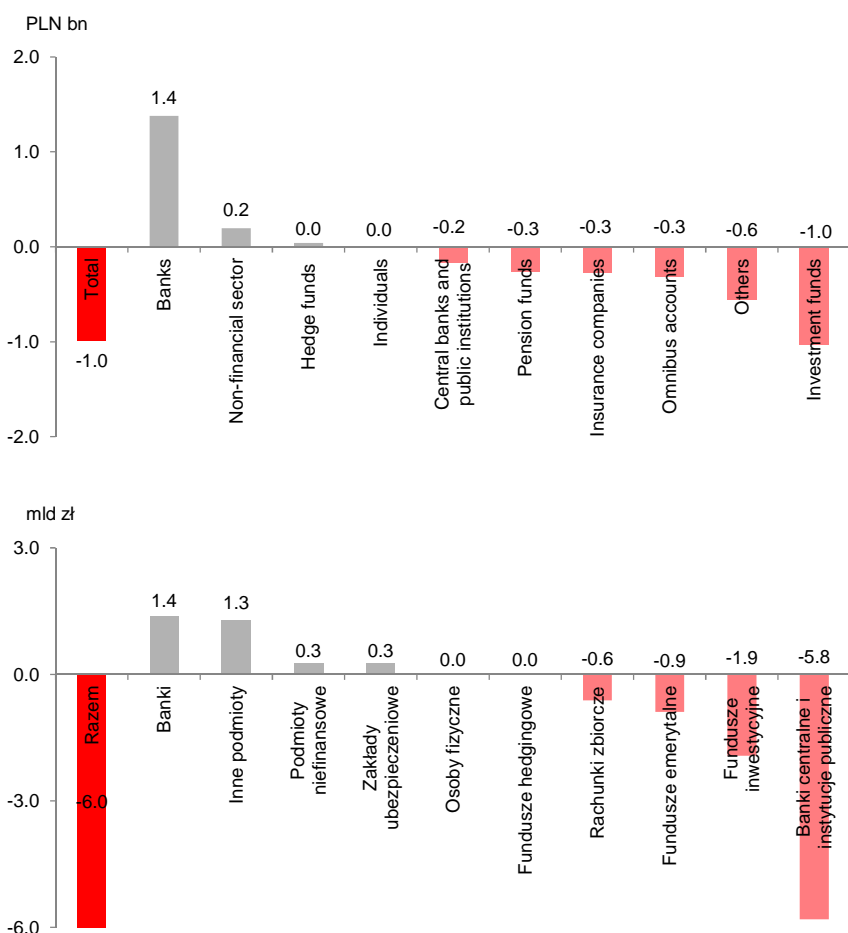


Changes in domestic TS debt towards non-residents by holder in May 2018 m/m

In May 2018 domestic TS debt held by foreign investors decreased by PLN 1.0bn. It resulted mainly from a decrease in portfolios of investment funds (PLN -1.0bn, including from the USA: PLN -0.6bn, the UAE: PLN -0.5bn, Ireland: PLN -0.4bn with an increase in portfolios of investment funds from Luxembourg: PLN +0.4bn) and so called other entities (PLN -0.6bn, including from Luxembourg: PLN -1.2bn with an increase in portfolios of entities from the UK: PLN +1.2bn). The largest increase in TS portfolios were recorded among banks (PLN +1.4bn, including from France: PLN +0.8bn and the UK: PLN +0.4bn).

Changes in domestic TS debt towards nonresidents by holder in 2018

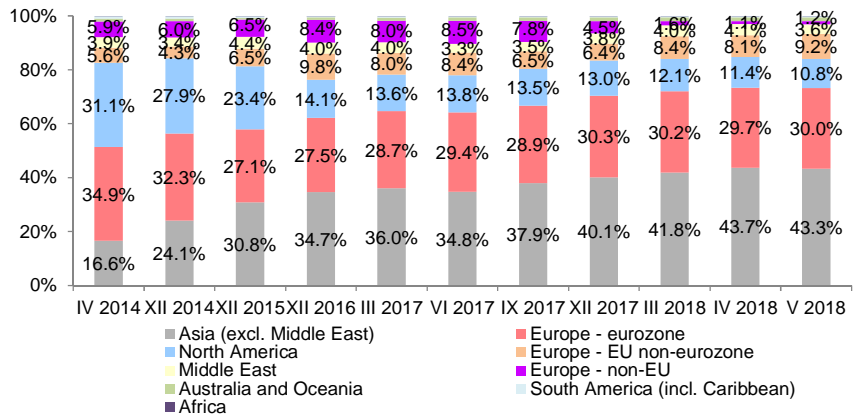
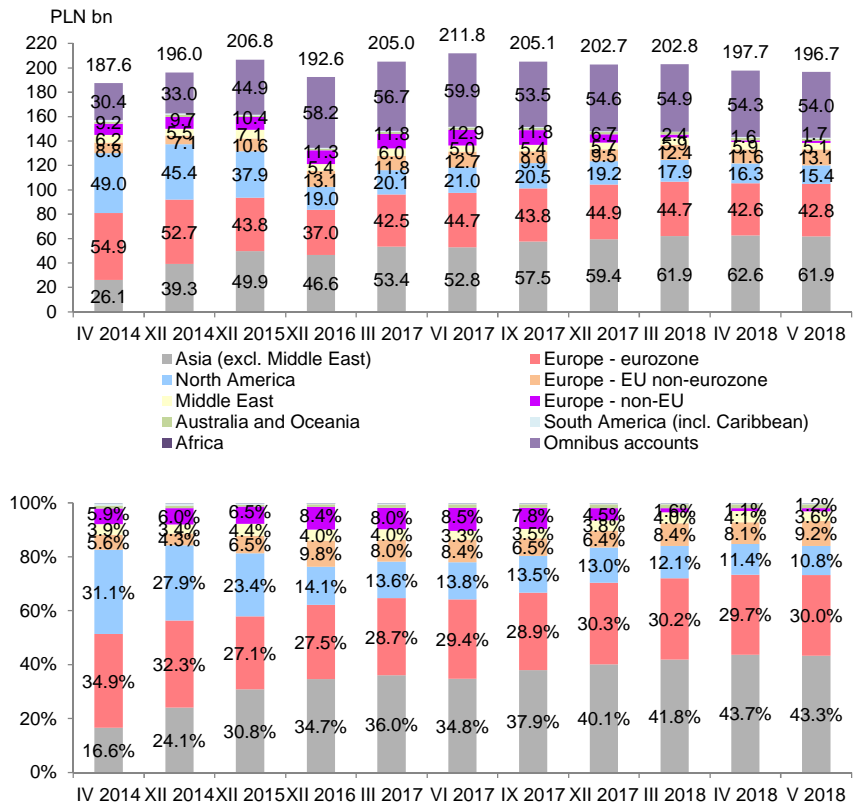
From January to May 2018 foreign investors decreased their domestic TS portfolios by PLN 6.0bn. It resulted mainly from a decrease in TS holdings of central banks and public institutions (PLN -5.8bn, including Norwegian public institutions: PLN -4.9bn, central banks and public institutions from the Middle East: PLN -1.1bn with an increase in portfolios of central banks from Asia: PLN +0.3bn). An increase in TS portfolios was recorded among banks (PLN +1.4bn, including from France: PLN +0.6bn and the UK: PLN +1.7bn with a decrease in portfolios of the US banks: PLN -0.8bn) and so called other entities (PLN +1.3bn, including from the UK: PLN +2.4bn, the Netherlands: PLN +1.2bn with a decrease in portfolios of entities from Luxembourg: PLN -1.6bn).



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

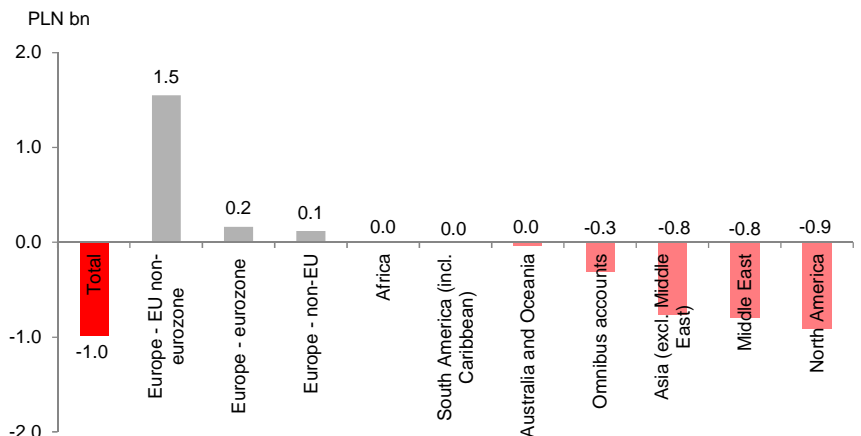
Geographical structure of domestic TS held by foreign investors is well-diversified. In May 2018 the largest TS portfolios were held by entities from Asia – 43.3%, representing debt in the amount of PLN 61.9bn, of which PLN 33.5bn was held by Asian central banks and PLN 22.1bn by investors from Japan. The second largest group of holders of TS were investors from eurozone countries – 30.0% (PLN 42.8bn, including from Luxembourg: PLN 15.9bn, Ireland: PLN 8.5bn, the Netherlands: PLN 7.5bn and Germany: PLN 6.4bn). Non-residents from North America held significant TS portfolios as well (10.8%, representing debt in the amount of PLN 15.4bn, of which PLN 14.4bn were held by investors from the USA). The share of investors from other regions amounted to 15.6%.

*) Percentage structure does not include omnibus accounts.



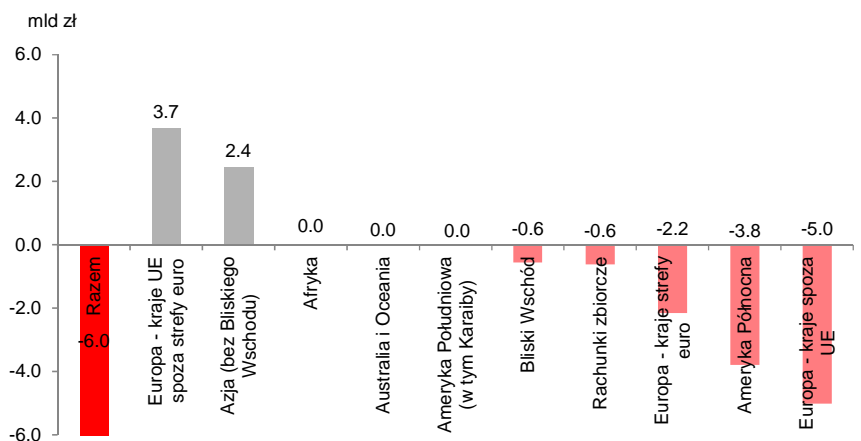
Changes in domestic TS debt towards non-residents by region in May 2018 m/m

In May 2018 the decrease in domestic TS debt held by non-residents resulted mainly from the decrease in portfolios among investors from North America (PLN -0.9bn, including from the USA: PLN -0.9bn), the Middle East (PLN -0.8bn, including from the UAE: PLN -0.5bn) and Asia (PLN -0.8bn, including from Japan: PLN -0.4bn). A noticeable increase was recorded among investors from EU non-eurozone countries (PLN +1.5bn, including the UK: PLN +1.5bn).



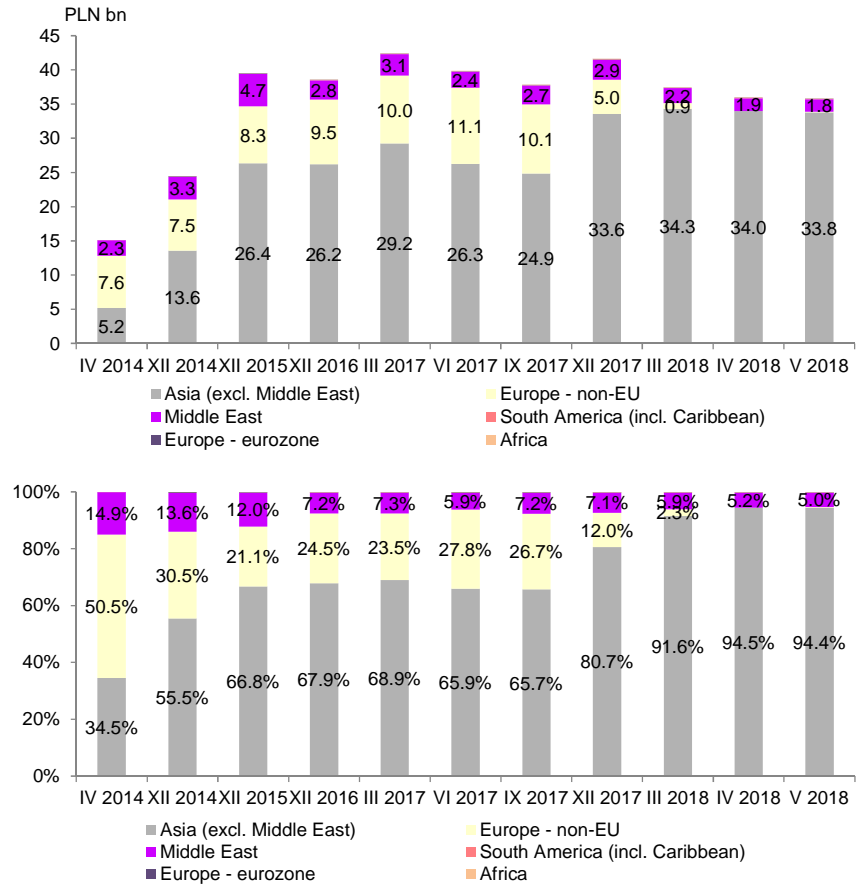
Changes in domestic ST debt towards nonresidents by region in 2018

From January to May 2018 the decrease in non-residents holdings of domestic TS was mainly a resultant of the decrease in portfolios of investors from non-EU Europe countries (PLN -5.0bn, including from Norway: PLN -4.9bn), North America (PLN -3.8bn, including from the USA: PLN -3.7bn), EU eurozone countries (PLN -2.2bn, including Luxembourg: PLN -3.2bn) and the increase in portfolios of investors from EU non-eurozone countries (PLN +3.7bn, including the UK: PLN +3.7bn) and Asia (PLN +2.4bn, including Japan: PLN +1.5bn and Hong Kong PLN +1.1bn).



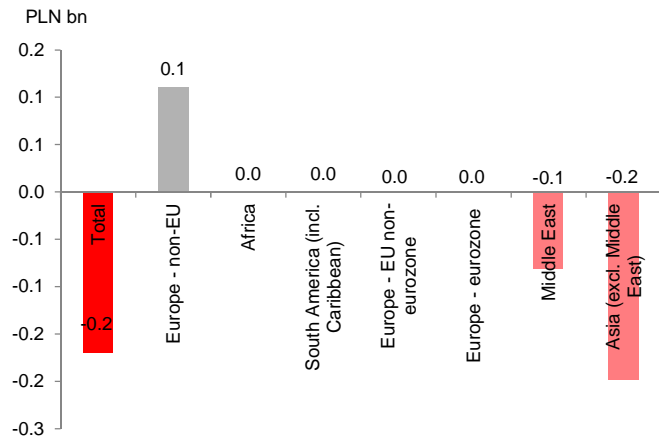
Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in May 2018 their share amounted to 94.4%. Domestic TS were held also by central banks and public institutions from the Middle East (5.0%).



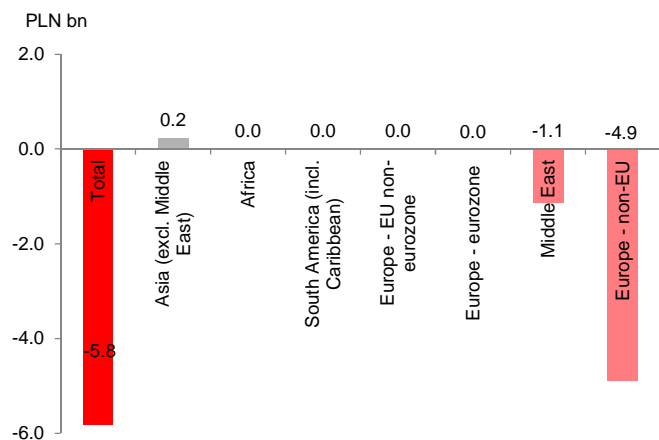
Changes in domestic TS debt towards foreign central banks and public institutions by region in May 2018 m/m

In May 2018 domestic TS debt held by foreign central banks and public institutions decreased by PLN +0.2bn. It was mainly a result of the decrease in holdings of entities from Asia (PLN -0.2bn).



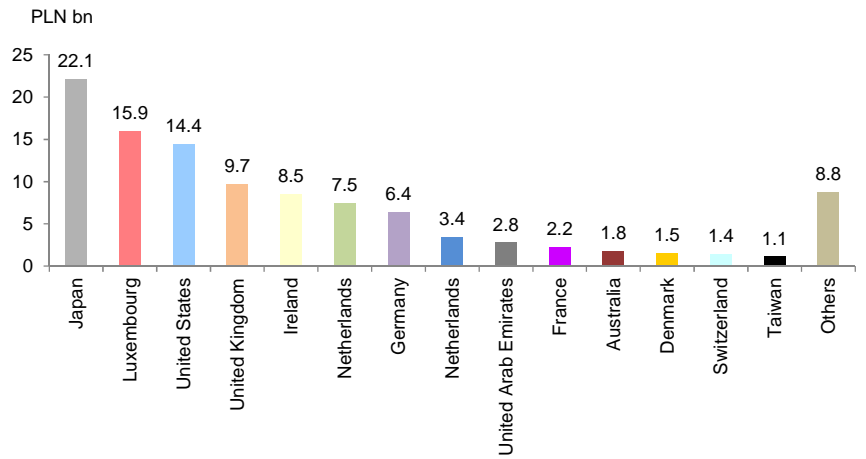
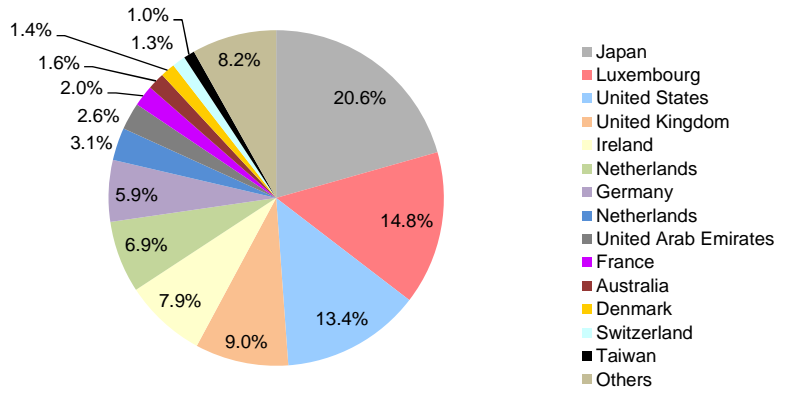
Changes in domestic TS debt towards foreign central banks and public institutions by region in 2018

From January to May 2018 a decrease in domestic TS holdings of central banks and public institutions was recorded (PLN -5.8bn). It was mainly resultant of the decrease in portfolios of investors from European non-EU countries (PLN -4.9bn, entirely public institutions from Norway) and the Middle East (PLN -1.1bn).



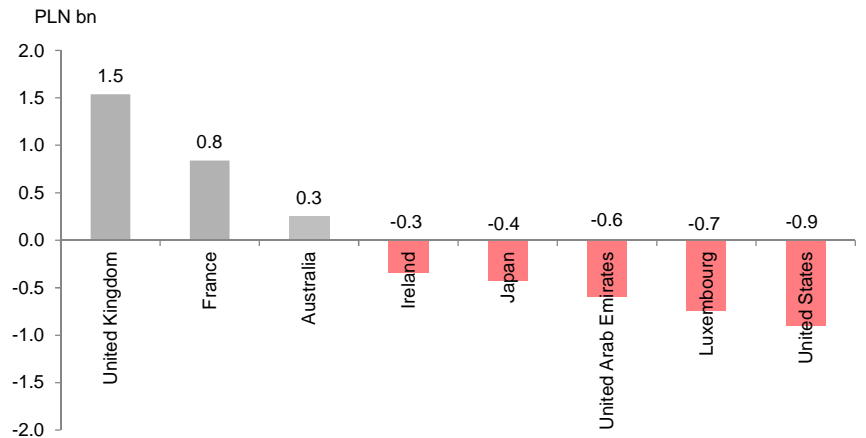
Domestic TS debt towards non-residents by country* in May 2018 – structure and nominal value

In May 2018 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 from Japan (20.6%, including primarily insurance companies: 8.7% share in non-residents domestic TS holdings and pension funds: 6.3%), Luxembourg (14.8%, including mainly investment funds: 7.7% and other entities: 5.9%), the USA (13.4%, including mainly investment funds: 6.0%), the UK (9.0%, including commercial banks: 3.0%, investment funds: 2.7% and other entities: 2.7%), Ireland (7.9%, including mainly investment funds: 7.2%), the Netherlands (6.9%, including other entities: 4.5%) and Germany (5.9%, including investment funds: 3.3%).



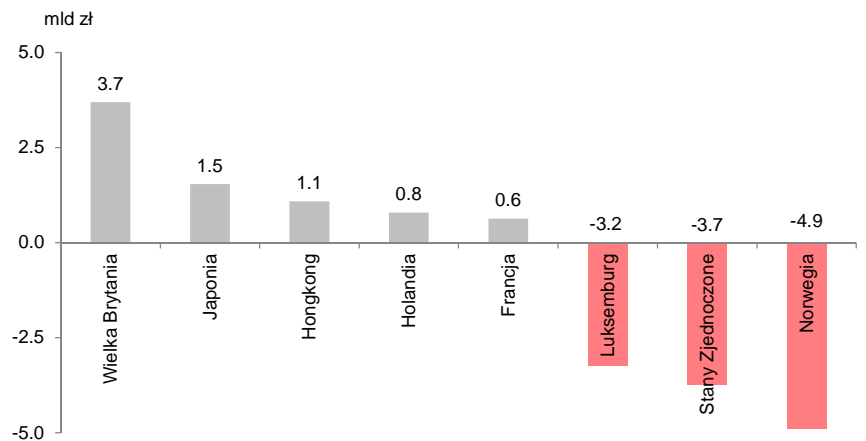
Changes in domestic TS debt towards non-residents by country* in May 2018 ** m/m

In May 2018 the most notable changes in non-residents' domestic TS holdings were observed among investors from the UK (PLN +1.5bn), France (PLN +0.8bn) and the USA (PLN -0.9bn).



Changes in domestic ST debt towards nonresidents by country* in 2018***

From January to May 2018 an increase in TS portfolios mainly concerned non-residents from the UK (PLN +3.7bn), Japan (PLN +1.5bn) and Hong Kong (PLN +1.1bn). The highest decrease in portfolios was recorded among investors from Norway (PLN -4.9bn), the USA (PLN -3.7bn) and Luxemburg (PLN -3.2bn).



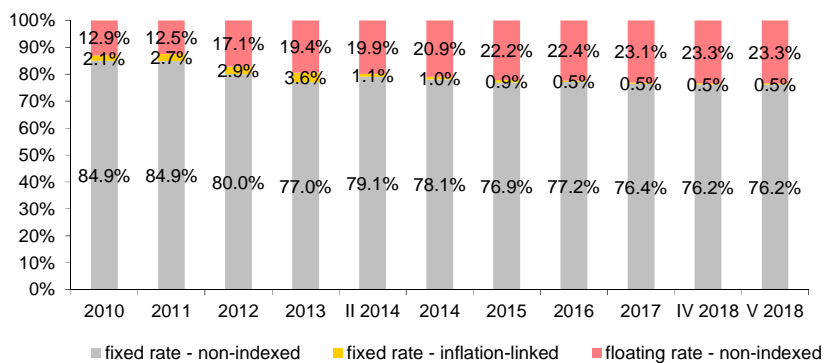
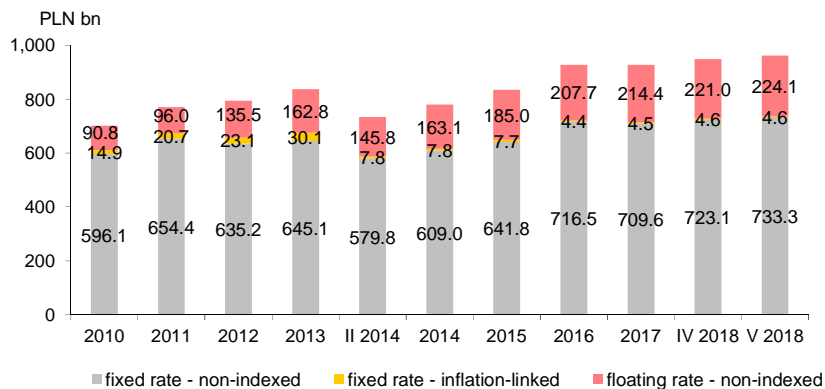
*) Excluding omnibus accounts.

**) 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.

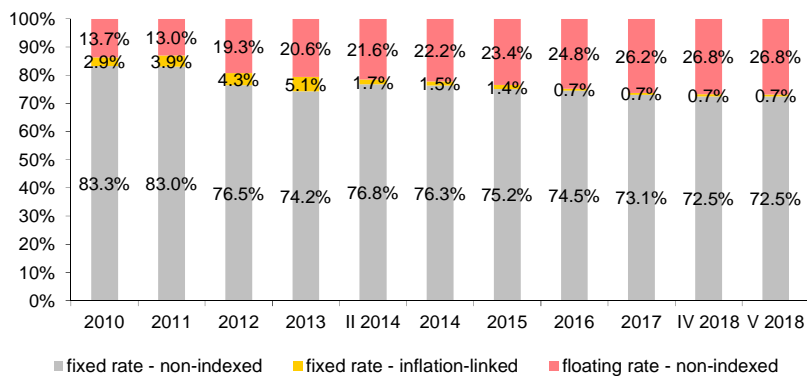
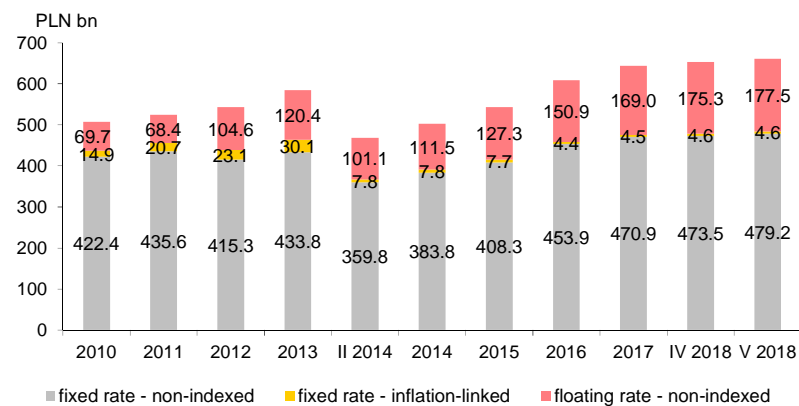
ST debt by type of interest rate and indexation in nominal value and structure

The majority of ST debt comprised fixed rate instruments – their share in May 2018 amounted to 76.7%. The share of floating rate instruments stood at 23.3%, i.e. remained unchanged m/m and rose by 0.2 pp since the beginning of 2018.



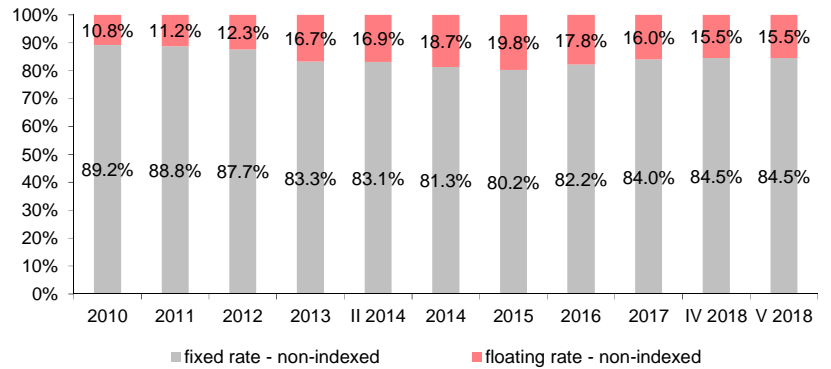
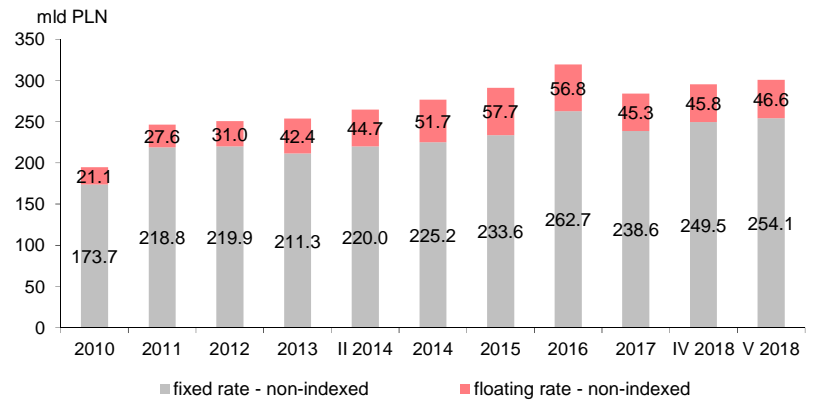
Domestic ST debt by type of interest rate and type of indexation in nominal value and structure

In May 2018 the share of floating rate instruments in domestic ST debt amounted to 26.8%, i.e. remained unchanged m/m and increased by 0.6 pp since the beginning of 2018.



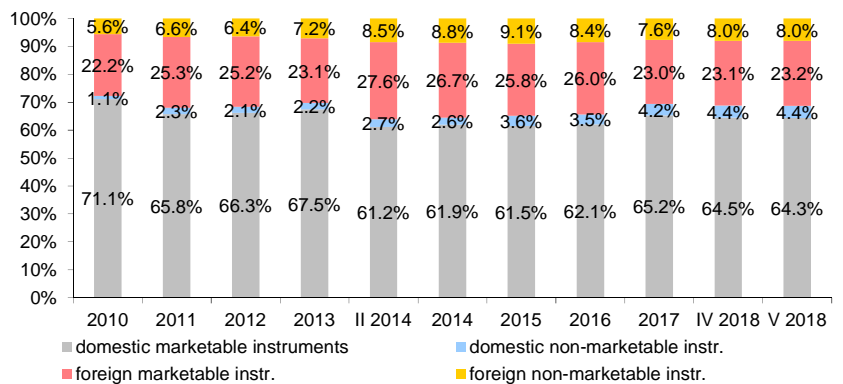
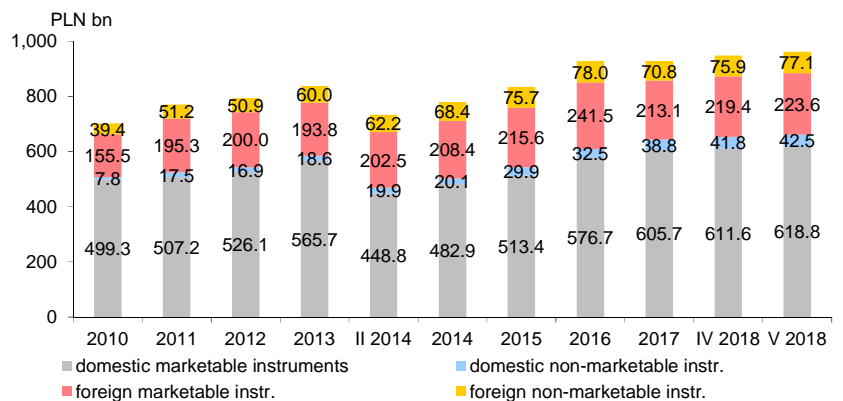
Foreign ST debt by type of interest rate and type of indexation in nominal value and structure

In May 2018 the share of floating rate instruments in foreign ST debt amounted to 15.5%, i.e. decreased by 0.5 pp since beginning of 2018. The decrease in the share was mainly a result of positive balance of drawing of fixed rate loans from IFI and of issuance of fixed rate bonds. Compared to the previous month the share of floating rate instruments in foreign ST debt remained unchanged.



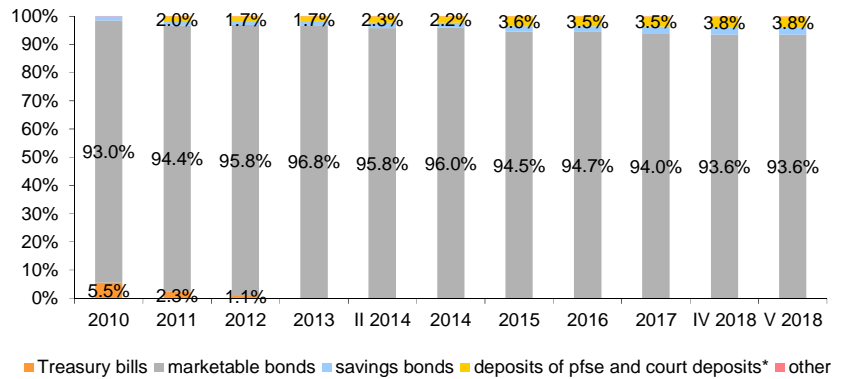
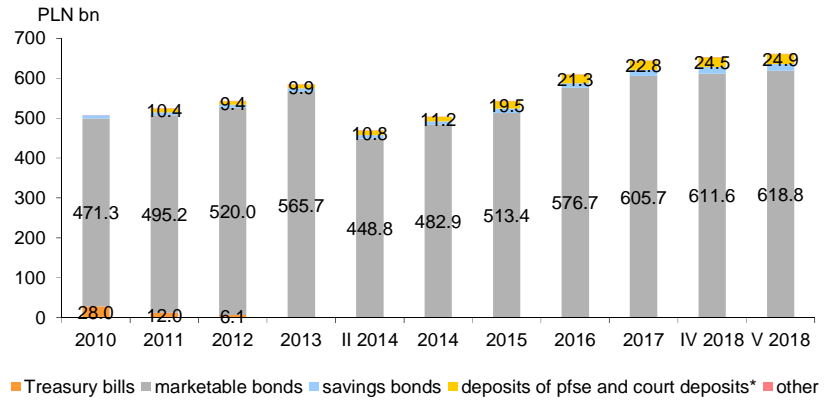
ST debt by type of instrument in nominal value and structure

Dominant share in ST debt comprised marketable TS (87.5% in May 2018), including predominantly instruments issued on domestic TS market (64.3%). 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

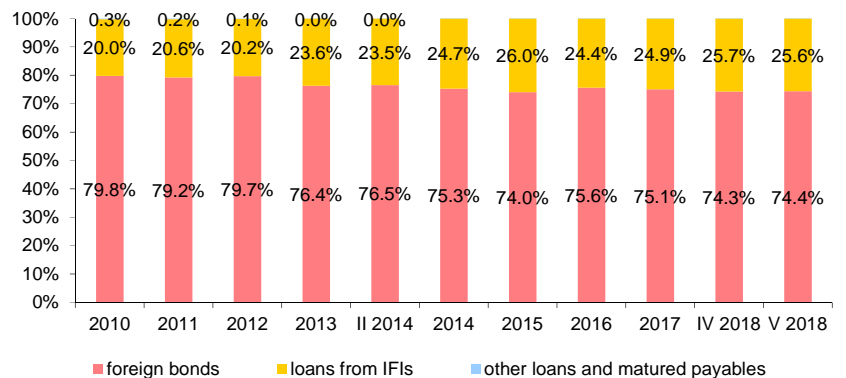
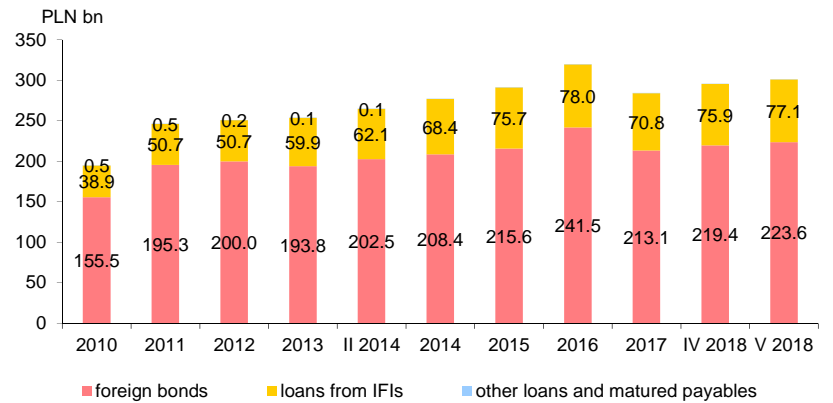
The vast majority of domestic ST debt constituted marketable bonds (93.6% in May 2018). Supplementary and stable sources of financing are saving bonds, as well as deposits from PFSE and courts deposits*, with total share of 3.8%. Since August 2017 there has been no Treasury bills in outstanding debt.



*1) 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

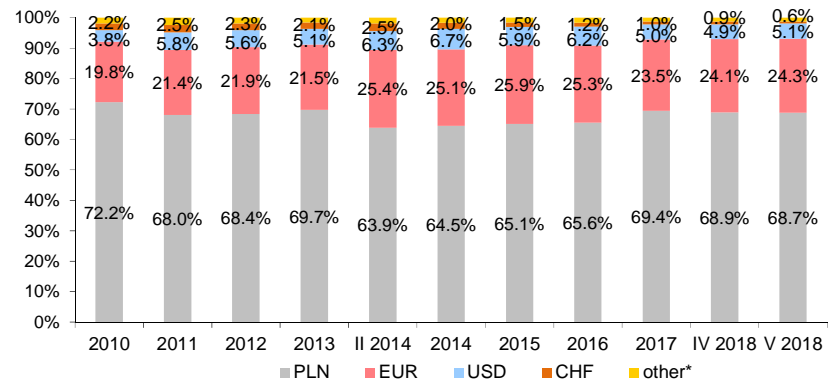
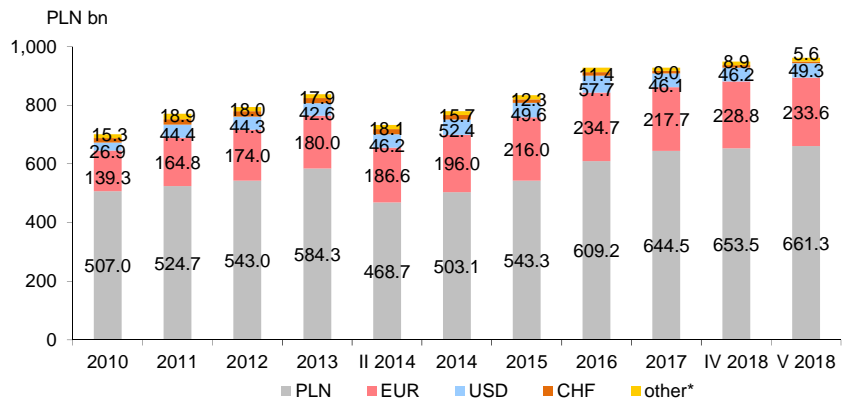
In ST debt denominated in foreign currencies dominant share accounted for international bonds (74.4% in May 2018). The share of loans from international financial institutions is significant as well (25.6%).



ST debt by currency in nominal value and structure

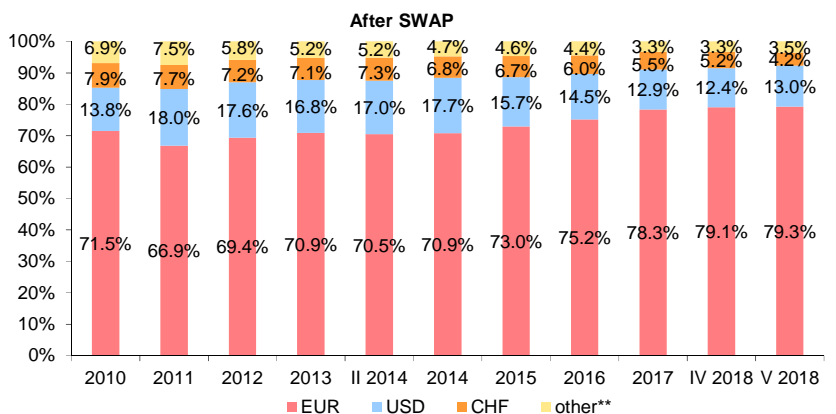
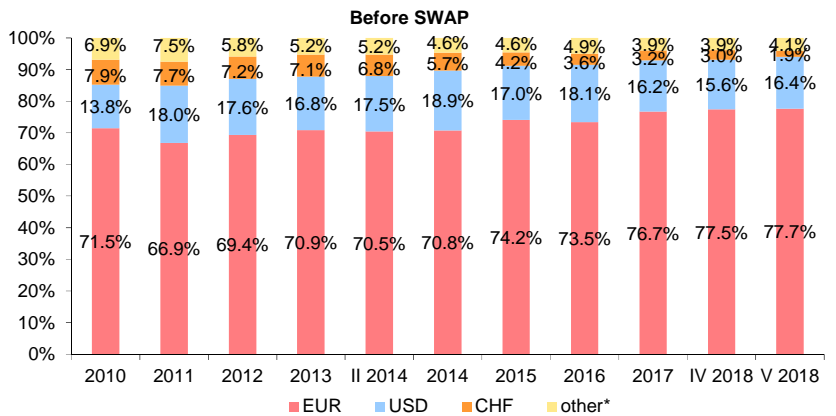
In accordance with the debt management strategy, State budget borrowing requirements are mostly financed on domestic market. In May 2018 debt denominated in PLN comprised 68.7% of total ST debt, as compared to 69.4% at the end of 2017 and 68.9% in the previous month. The share of foreign currency denominated debt changed as follows:

- EUR – increase by 0.2 pp m/m and by 0.8 pp compared to the end of 2017;
- USD – increase by 0.2 pp m/m and by 0.1 pp compared to the end of 2017;
- CHF – decrease by 0.3 pp m/m and by 0.4 pp compared to the end of 2017;
- JPY – increase by 0.1 pp m/m and compared to the end of 2017;
- CNY – no change.



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

In May 2018 the share of EUR-denominated debt in foreign ST debt, including derivative transactions, amounted to 79.3%, i.e. remained above the minimum level of 70% assumed in the debt management strategy. The share of EUR increased by 1.0 pp compared to the end of 2017 which was mainly a result of drawing of loans from European Investment Bank and issuance of EUR-denominated bond. The share of CHF decreased in May by 1.0 pp to 4.2% due to redemption of CHF-denominated bonds.



*) JPY and CNY (since August 2016)

**) JPY

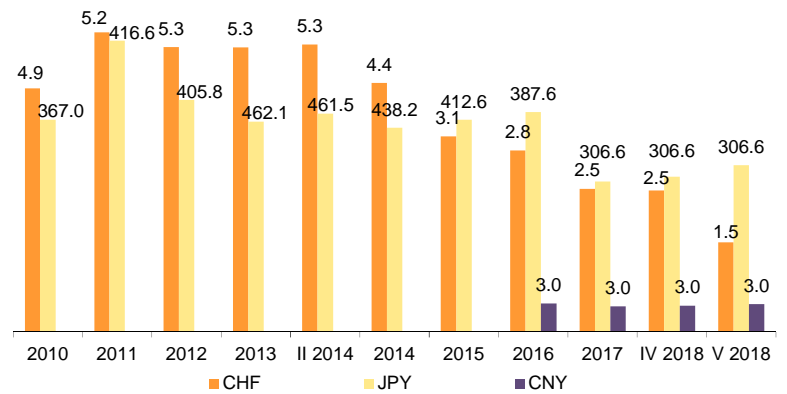
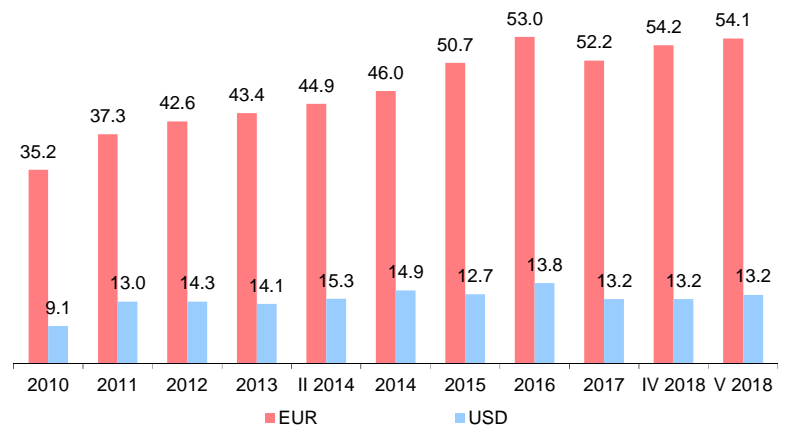
Foreign ST debt in original currency (billion)

*)**)

In May 2018 nominal value of debt denominated in EUR decreased by EUR 0.1bn to EUR 54.1bn and denominated in CHF decreased by CHF 1.0bn to CHF 1.5bn. Debt denominated in other foreign currencies remained unchanged as compared to the previous month, i.e. amounted to USD 13.2bn, JPY 306.6bn and CNY 3.0bn.

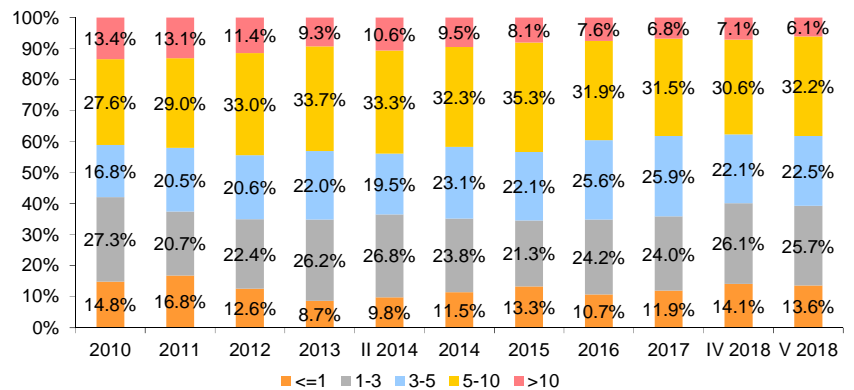
*) Charts present debt excluding swap transactions.

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



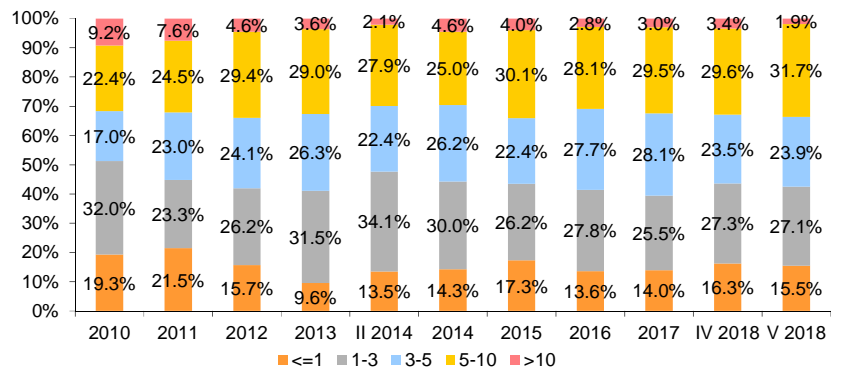
ST debt by residual maturity (in years)

In May 2018 debt with the longest residual maturity (i.e. above 5 years) comprised 38.3% of total ST debt, i.e. increased by 0.6 pp m/m and remained unchanged as compared to the beginning of 2018. Debt with residual maturity of up to 1 year constituted 13.6% of ST debt, i.e. decreased by 0.5 pp m/m and increased by 1.7 pp since the beginning of 2018.



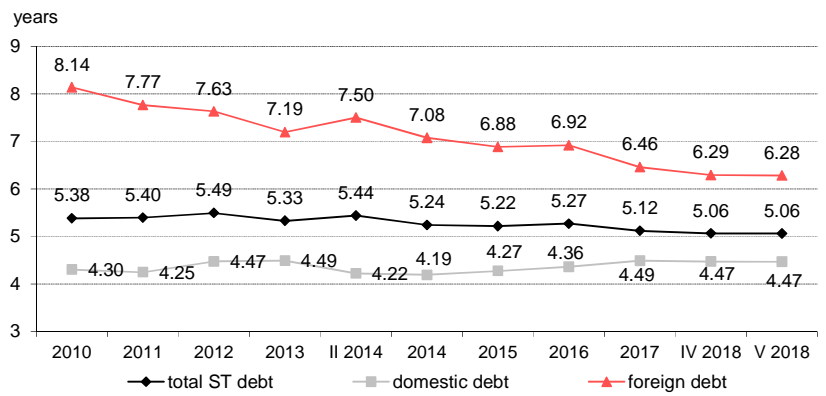
Domestic ST debt by residual maturity (in years)

In May 2018 domestic debt with residual maturity above 5 years accounted for 33.6%, i.e. increased by 0.6 pp m/m and by 1.1 pp since the beginning of 2018. The share of debt with residual maturity up to 1 year amounted to 15.5%, i.e. decreased by 0.8 pp m/m and increased by 1.5 pp in 2018 (which was mainly a resultant of WZ0118 and PS0418 bonds redemption, change in classification of WZ0119 and PS0419 bonds and switching auctions).



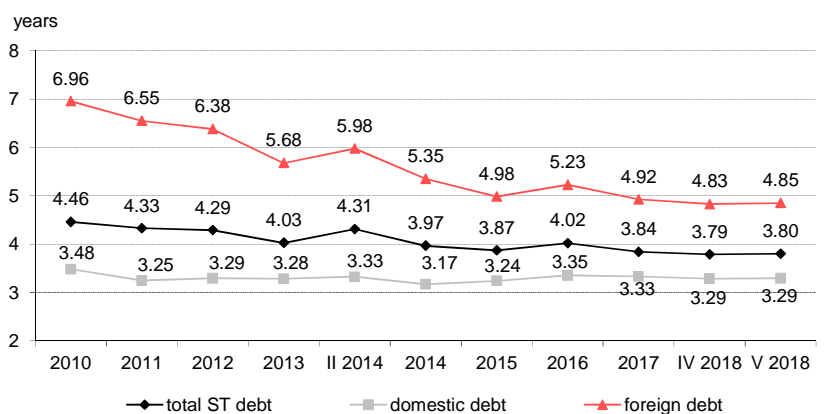
ATM of ST debt

In May 2018 average time to maturity (ATM) of ST debt amounted to 5.06 years (no change m/m and decrease by 0.06 years as compared to the end of 2017), remaining in line with debt management strategy, i.e. close to 5 years. ATM of domestic debt amounted to 4.47 years (i.e. no change m/m) which was mainly a resultant of issuance of instruments lengthening ATM and debt ageing. According to the debt management strategy, it is assumed to maintain ATM of domestic debt at the level close to 4.5 years. In May ATM of foreign debt shortened by 0.01 years (mostly due to debt ageing and redemption of CHF-denominated bonds) but remained at a safe level of 6.29 years.



ATR of ST debt

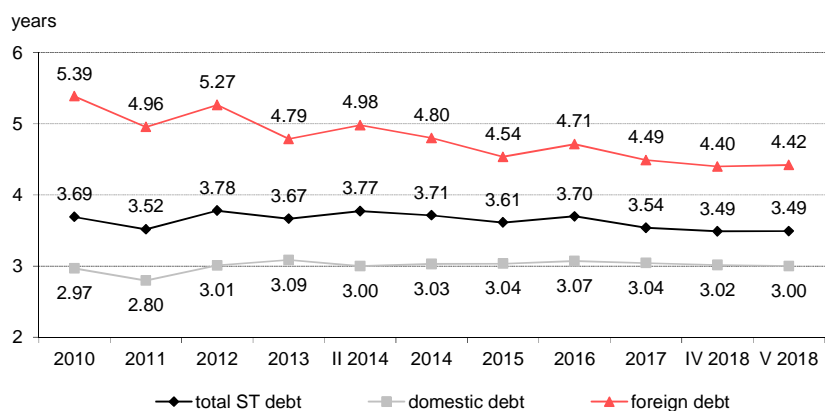
In May 2018 average time to refixing (ATR) of ST debt amounted to 3.80 years (an increase by 0.01 years m/m and a decrease by 0.04 years as compared to the end of 2017). Increase of ATR in May resulted from shortening of ATR of foreign debt (by 0.02 years to 4.85 years). ATR of domestic debt remained at the same level, i.e. 3.29 years. The levels of ATR resulted from changes in ATM and development of the share of floating rate instruments. In May 2018 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 May 2018 duration of ST debt amounted to 3.49 years (no change m/m and a decrease by 0.05 years as compared to the end of 2017). Duration of domestic debt amounted to 3.02 years (down by 0.02 years m/m) and of foreign debt to 4.42 years (up by 0.02 years m/m). Changes in duration resulted from changes in ATR.

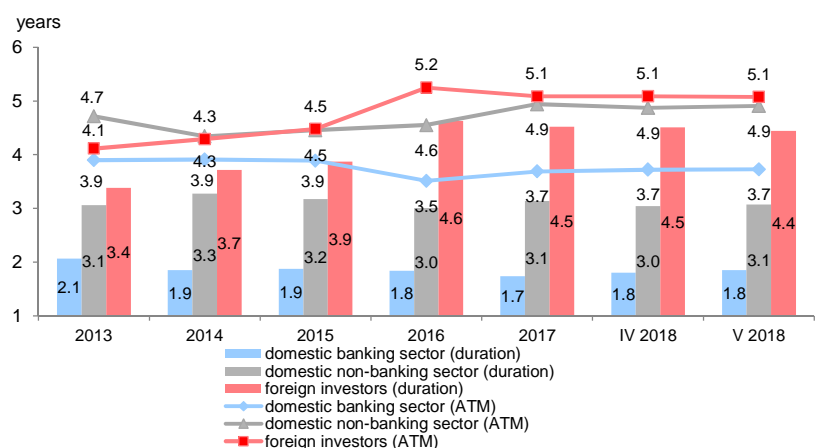
The levels of ATR as well as duration, indicated that interest rate risk of ST debt remained stable.



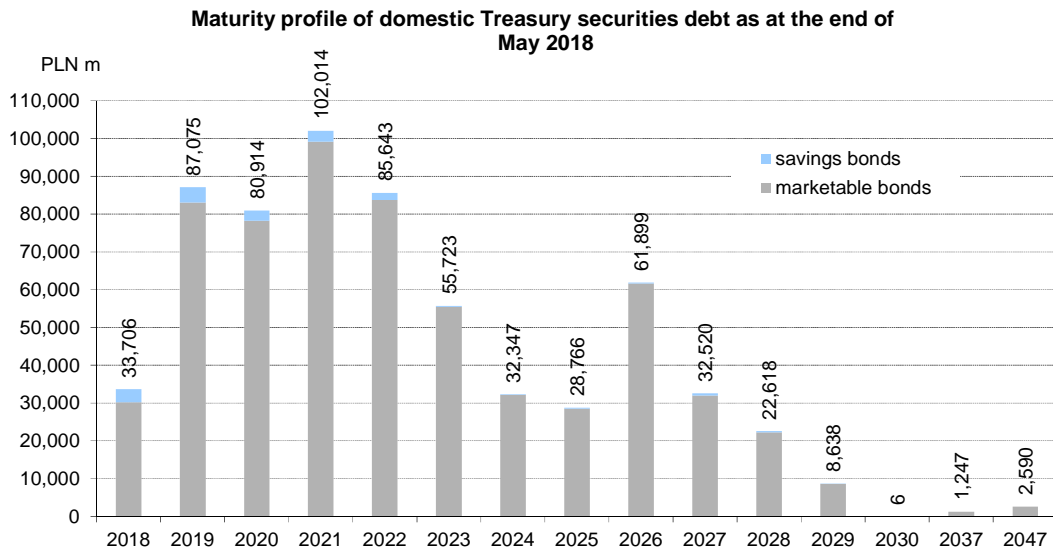
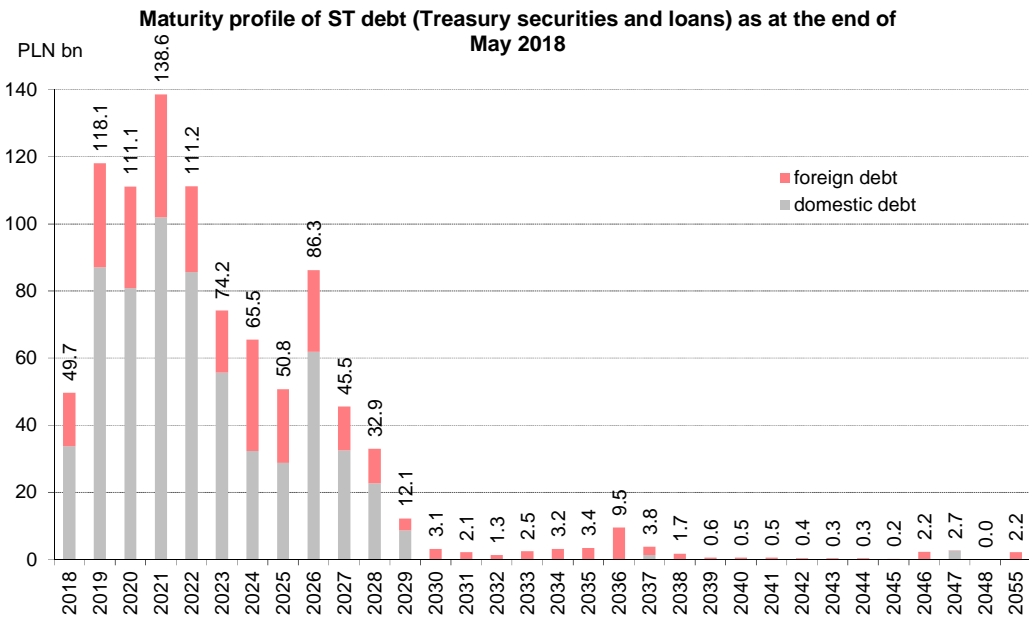
ATM and duration* of domestic ST debt by group of investors

The portfolio of domestic TS held by foreign investors had the longest ATM and duration. At the end of May 2018 amounted to 5.1 and 4.4 years respectively. ATM and duration of domestic non-banking sector portfolio stood at 4.9 and 3.1 years, respectively.

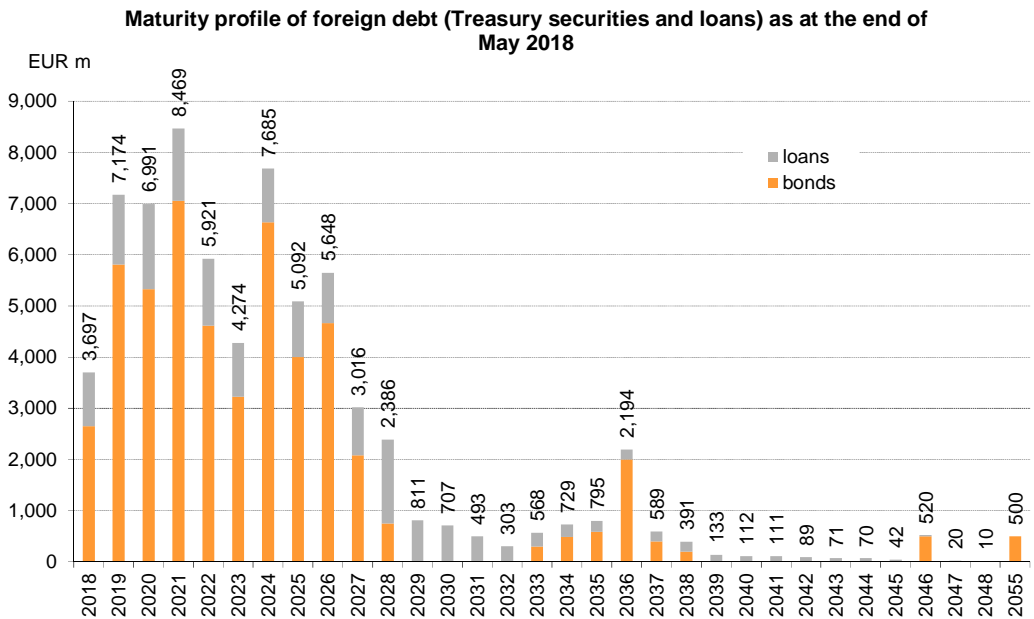
ATM, as well as duration of portfolio held by domestic banking sector were significantly lower and amounted to 3.7 and 1.8 years, respectively. Since the end of 2017 the levels of ATM and duration remain relatively stable.



*) Excluding inflation-linked bonds



*) Data do not include a part of short-term domestic debt: (a) maturing in 2018 – other ST debt (PLN 24,268 – mainly deposits, (b) maturing in 2019 – deposits (PLN 1,339m) and (c) matured payables.



*) Data do not include a part of short-term foreign debt maturing in 2018 – matured payables (PLN 15.1m).

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

	Dec 2017	structure Dec 2017 %	Apr 2018	structure Apr 2018 %	May 2018	structure May 2018 %	change		change	
							May 2018 – Apr 2018		May 2018 – Dec 2017	
							PLN m	%	PLN m	%
State Treasury Debt	928,473.0	100.0	948,740.0	100.0	962,023.0	100.0	13,283.0	1.4	33,550.0	3.6
I. Domestic debt	644,533.1	69.4	653,452.5	68.9	661,313.6	68.7	7,861.1	1.2	16,780.5	2.6
1. Treasury securities issued in domestic market	621,103.1	66.9	628,256.6	66.2	635,706.9	66.1	7,450.4	1.2	14,603.9	2.4
1.1. Marketable securities	605,711.1	65.2	611,641.5	64.5	618,780.3	64.3	7,138.8	1.2	13,069.2	2.2
fixed rate	440,523.2	47.4	441,220.1	46.5	446,318.9	46.4	5,098.9	1.2	5,795.7	1.3
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	46,678.2	5.0	48,093.1	5.1	47,490.8	4.9	-602.3	-1.3	812.6	1.7
PS bonds	180,391.2	19.4	173,208.6	18.3	175,815.2	18.3	2,606.6	1.5	-4,576.0	-2.5
DS bonds	177,359.7	19.1	177,021.0	18.7	177,153.7	18.4	132.6	0.1	-206.0	-0.1
WS bonds	36,094.1	3.9	42,897.3	4.5	45,859.2	4.8	2,962.0	6.9	9,765.2	27.1
fixed rate - inflation-linked	4,543.7	0.5	4,640.1	0.5	4,605.8	0.5	-34.2	-0.7	62.1	1.4
IZ bonds	4,543.7	0.5	4,640.1	0.5	4,605.8	0.5	-34.2	-0.7	62.1	1.4
floating rate	160,644.1	17.3	165,781.4	17.5	167,855.5	17.4	2,074.1	1.3	7,211.4	4.5
WZ bonds	158,644.1	17.1	163,781.4	17.3	165,855.5	17.2	2,074.1	1.3	7,211.4	4.5
PP bonds	2,000.0	0.2	2,000.0	0.2	2,000.0	0.2	0.0	0.0	0.0	0.0
1.2. Savings bonds	15,392.0	1.7	16,615.1	1.8	16,926.7	1.8	311.6	1.9	1,534.7	10.0
fixed rate	6,987.0	0.8	7,121.1	0.8	7,248.4	0.8	127.2	1.8	261.4	3.7
OTS bonds	647.2	0.1	810.8	0.1	890.5	0.1	79.7	9.8	243.2	37.6
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	6,339.8	0.7	6,310.4	0.7	6,357.9	0.7	47.5	0.8	18.1	0.3
floating rate	8,405.0	0.9	9,493.9	1.0	9,678.3	1.0	184.4	1.9	1,273.3	15.1
TOZ bonds	568.9	0.1	577.1	0.1	560.7	0.1	-16.4	-2.8	-8.2	-1.4
COI bonds	3,513.2	0.4	4,404.6	0.5	4,561.6	0.5	157.0	3.6	1,048.4	29.8
ROS bonds	10.1	0.0	14.3	0.0	15.3	0.0	1.0	7.0	5.2	51.7
EDO bonds	4,303.0	0.5	4,483.0	0.5	4,524.5	0.5	41.6	0.9	221.5	5.1
ROD bonds	9.8	0.0	15.0	0.0	16.1	0.0	1.2	7.9	6.4	65.0
2. Other domestic debt	23,430.0	2.5	25,195.9	2.7	25,606.6	2.7	410.7	1.6	2,176.6	9.3
deposits of PFSE*	18,518.7	2.0	18,927.6	2.0	19,329.1	2.0	401.5	2.1	810.4	4.4
court deposits**	4,235.6	0.5	5,605.3	0.6	5,614.5	0.6	9.2	0.2	1,378.9	32.6
matured payables	672.2	0.1	659.6	0.1	659.6	0.1	0.0	0.0	-12.7	-1.9
other	3.5	0.0	3.5	0.0	3.5	0.0	0.0	0.0	0.0	-0.2
II. Foreign debt	283,939.9	30.6	295,287.5	31.1	300,709.4	31.3	5,421.9	1.8	16,769.5	5.9
1. Treasury securities issued in international markets	213,102.2	23.0	219,377.4	23.1	223,581.2	23.2	4,203.8	1.9	10,478.9	4.9
1.1. Marketable securities	213,102.2	23.0	219,377.4	23.1	223,581.2	23.2	4,203.8	1.9	10,478.9	4.9
fixed rate	211,851.0	22.8	218,111.3	23.0	222,285.3	23.1	4,174.0	1.9	10,434.4	4.9
EUR	145,656.2	15.7	151,605.2	16.0	155,165.1	16.1	3,559.9	2.3	9,508.9	6.5
USD	46,087.2	5.0	46,160.0	4.9	49,247.2	5.1	3,087.2	6.7	3,160.0	6.9
CHF	9,025.0	1.0	8,914.7	0.9	5,636.6	0.6	-3,278.2	-36.8	-3,388.5	-37.5
JPY	9,477.9	1.0	9,779.6	1.0	10,499.5	1.1	719.9	7.4	1,021.6	10.8
CNY	1,604.7	0.2	1,651.8	0.2	1,737.0	0.2	85.2	5.2	132.3	8.2
floating rate	1,251.3	0.1	1,266.1	0.1	1,295.9	0.1	29.7	2.3	44.6	3.6
EUR	1,251.3	0.1	1,266.1	0.1	1,295.9	0.1	29.7	2.3	44.6	3.6
2. Loans	70,822.6	7.6	75,895.0	8.0	77,113.2	8.0	1,218.2	1.6	6,290.6	8.9
fixed rate	26,745.8	2.9	31,402.4	3.3	31,829.3	3.3	426.9	1.4	5,083.5	19.0
EUR	26,745.8	2.9	31,402.4	3.3	31,829.3	3.3	426.9	1.4	5,083.5	19.0
floating rate	44,076.8	4.7	44,492.6	4.7	45,283.9	4.7	791.3	1.8	1,207.1	2.7
EUR	44,076.8	4.7	44,492.6	4.7	45,283.9	4.7	791.3	1.8	1,207.1	2.7
3. Other foreign debt	15.1	0.0	15.1	0.0	15.1	0.0	0.0	0.0	0.0	0.1

*) 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 2017	structure Dec 2017 %	Apr 2018	structure Apr 2018 %	May 2018	structure May 2018 %	change May 2018 – Apr 2018		change May 2018 – Dec 2017	
							PLN m	%	PLN m	%
State Treasury debt	928,473.0	100.0	948,740.0	100.0	962,023.0	100.0	13,283.0	1.4	33,550.0	3.6
I. State Treasury debt towards residents	456,110.5	49.1	473,535.0	49.9	482,589.8	50.2	9,054.8	1.9	26,479.2	5.8
Domestic banking sector	257,325.5	27.7	265,947.6	28.0	273,110.6	28.4	7,163.0	2.7	15,785.1	6.1
1. TS issued in domestic market	243,897.4	26.3	250,441.6	26.4	257,865.9	26.8	7,424.2	3.0	13,968.4	5.7
1.1. Marketable TS	243,897.4	26.3	250,441.6	26.4	257,865.9	26.8	7,424.2	3.0	13,968.4	5.7
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	22,540.2	2.4	23,786.3	2.5	25,362.6	2.6	1,576.3	6.6	2,822.4	12.5
PS bonds	78,490.1	8.5	75,986.5	8.0	77,089.6	8.0	1,103.1	1.5	-1,400.5	-1.8
DS bonds	30,284.4	3.3	34,002.5	3.6	36,702.0	3.8	2,699.5	7.9	6,417.6	21.2
WS bonds	3,508.7	0.4	5,146.5	0.5	5,697.0	0.6	550.4	10.7	2,188.3	62.4
IZ bonds	668.1	0.1	619.5	0.1	611.6	0.1	-7.9	-1.3	-56.5	-8.5
WZ bonds	108,406.0	11.7	110,900.2	11.7	112,403.1	11.7	1,502.9	1.4	3,997.1	3.7
1.2. Savings bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
2. Other ST debt	20.5	0.0	20.4	0.0	20.4	0.0	0.0	0.0	-0.1	-0.7
court deposits**	20.5	0.0	20.4	0.0	20.4	0.0	0.0	0.0	-0.1	-0.7
matured payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3
3. TS issued in foreign markets	13,407.6	1.4	15,485.6	1.6	15,224.4	1.6	-261.2	-1.7	1,816.8	13.6
Domestic non-banking sector	198,785.0	21.4	207,587.4	21.9	209,479.2	21.8	1,891.7	0.9	10,694.2	5.4
1. TS issued in domestic market	174,491.2	18.8	180,128.2	19.0	181,143.7	18.8	1,015.5	0.6	6,652.6	3.8
1.1. Marketable TS	159,136.8	17.1	163,553.5	17.2	164,258.9	17.1	705.4	0.4	5,122.2	3.2
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	14,762.2	1.6	15,045.5	1.6	13,955.9	1.5	-1,089.6	-7.2	-806.3	-5.5
PS bonds	36,569.2	3.9	37,070.2	3.9	38,026.4	4.0	956.2	2.6	1,457.2	4.0
DS bonds	37,329.9	4.0	36,582.4	3.9	36,763.9	3.8	181.5	0.5	-566.0	-1.5
WS bonds	19,139.2	2.1	20,304.5	2.1	21,538.7	2.2	1,234.2	6.1	2,399.5	12.5
IZ bonds	2,425.8	0.3	2,799.0	0.3	2,720.4	0.3	-78.6	-2.8	294.6	12.1
WZ bonds	46,910.5	5.1	49,751.8	5.2	49,253.6	5.1	-498.2	-1.0	2,343.2	5.0
PP bonds	2,000.0	0.2	2,000.0	0.2	2,000.0	0.2	0.0	0.0	0.0	0.0
1.2. Savings bonds	15,354.4	1.7	16,574.7	1.7	16,884.8	1.8	310.0	1.9	1,530.4	10.0
OTS bonds	646.4	0.1	810.6	0.1	890.3	0.1	79.7	9.8	243.9	37.7
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	6,330.8	0.7	6,301.8	0.7	6,349.6	0.7	47.8	0.8	18.8	0.3
TOZ bonds	568.0	0.1	576.1	0.1	559.7	0.1	-16.4	-2.8	-8.3	-1.5
COI bonds	3,506.3	0.4	4,394.3	0.5	4,549.7	0.5	155.4	3.5	1,043.4	29.8
ROS bonds	10.1	0.0	14.3	0.0	15.3	0.0	1.0	7.0	5.2	51.7
EDO bonds	4,283.0	0.5	4,462.8	0.5	4,504.0	0.5	41.3	0.9	221.1	5.2
ROD bonds	9.8	0.0	15.0	0.0	16.1	0.0	1.2	7.9	6.4	65.0
2. Other ST debt	22,743.2	2.4	24,510.2	2.6	24,920.9	2.6	410.7	1.7	2,177.7	9.6
deposits of PFSE*	18,518.7	2.0	18,927.6	2.0	19,329.1	2.0	401.5	2.1	810.4	4.4
court deposits**	4,202.4	0.5	5,573.2	0.6	5,582.4	0.6	9.2	0.2	1,380.0	32.8
matured payables	18.6	0.0	5.9	0.0	5.9	0.0	0.0	0.0	-12.7	-68.2
other	3.5	0.0	3.5	0.0	3.5	0.0	0.0	0.0	0.0	-0.2
3. TS issued in foreign markets	1,550.6	0.2	2,949.0	0.3	3,414.6	0.4	465.6	15.8	1,863.9	120.2
II. State Treasury debt towards non-residents	472,362.4	50.9	475,205.0	50.1	479,433.2	49.8	4,228.3	0.9	7,070.8	1.5
1. TS issued in domestic market	202,714.5	21.8	197,686.7	20.8	196,697.3	20.4	-989.3	-0.5	-6,017.1	-3.0
1.1. Marketable TS	202,676.8	21.8	197,646.3	20.8	196,655.4	20.4	-990.9	-0.5	-6,021.4	-3.0
Treasury bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
OK bonds	9,375.9	1.0	9,261.3	1.0	8,172.3	0.8	-1,089.0	-11.8	-1,203.6	-12.8
PS bonds	65,332.0	7.0	60,151.9	6.3	60,699.3	6.3	547.4	0.9	-4,632.7	-7.1
DS bonds	109,745.4	11.8	106,436.1	11.2	103,687.8	10.8	-2,748.3	-2.6	-6,057.6	-5.5
WS bonds	13,446.2	1.4	17,446.2	1.8	18,623.6	1.9	1,177.4	6.7	5,177.4	38.5
IZ bonds	1,449.8	0.2	1,221.6	0.1	1,273.8	0.1	52.2	4.3	-176.0	-12.1
WZ bonds	3,327.6	0.4	3,129.3	0.3	4,198.7	0.4	1,069.4	34.2	871.1	26.2
1.2. Savings bonds	37.6	0.0	40.3	0.0	41.9	0.0	1.6	3.8	4.2	11.3
OTS bonds	0.8	0.0	0.2	0.0	0.2	0.0	0.0	0.0	-0.6	-75.9
KOS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
DOS bonds	8.9	0.0	8.6	0.0	8.3	0.0	-0.3	-3.9	-0.7	-7.4
TOZ bonds	0.9	0.0	1.0	0.0	1.0	0.0	-0.1	-5.9	0.0	2.3
COI bonds	6.9	0.0	10.3	0.0	12.0	0.0	1.6	15.9	5.0	72.7
ROS bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
EDO bonds	20.0	0.0	20.2	0.0	20.5	0.0	0.3	1.5	0.5	2.4
ROD bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	-
2. TS issued in foreign markets	198,144.0	21.3	200,942.9	21.2	204,942.3	21.3	3,999.4	2.0	6,798.3	3.4
3. Foreign loans	70,822.6	7.6	75,895.0	8.0	77,113.2	8.0	1,218.2	1.6	6,290.6	8.9
European Investment Bank	40,681.1	4.4	45,454.8	4.8	46,219.3	4.8	764.4	1.7	5,538.2	13.6
The World Bank	29,262.1	3.2	29,552.0	3.1	29,994.6	3.1	442.6	1.5	732.5	2.5
Council of Europe Development Bank	879.4	0.1	888.2	0.1	899.3	0.1	11.1	1.3	19.9	2.3
4. Other ST debt	681.4	0.1	680.4	0.1	680.4	0.1	0.0	0.0	-0.9	-0.1

*) 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 2017	Apr 2018	May 2018	change		change	
				May 2018 – Apr 2018		May 2018 – Dec 2017	
				EUR m	%	EUR m	%
State Treasury debt	222,607.3	224,798.6	222,716.3	-2,082.3	-0.9	2,191.2	1.0
I. Domestic debt	154,530.9	154,831.9	153,099.6	-1,732.3	-1.1	300.9	0.2
1. Treasury securities issued in domestic market	148,913.4	148,861.9	147,171.4	-1,690.4	-1.1	-51.6	0.0
1.1. Marketable TS	145,223.1	144,925.0	143,252.8	-1,672.2	-1.2	-298.1	-0.2
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	145,223.1	144,925.0	143,252.8	-1,672.2	-1.2	-298.1	-0.2
1.2. Savings bonds	3,690.3	3,936.8	3,918.7	-18.2	-0.5	246.5	6.7
2. Other ST debt	5,617.5	5,970.0	5,928.1	-41.9	-0.7	352.5	6.3
II. Foreign debt	68,076.4	69,966.7	69,616.7	-350.0	-0.5	1,890.3	2.8
1. Treasury securities issued in foreign markets	51,092.6	51,980.2	51,760.9	-219.4	-0.4	887.6	1.7
2. Loans	16,980.2	17,982.9	17,852.3	-130.6	-0.7	1,002.7	5.9
2.1. World Bank	7,015.8	7,002.2	6,944.0	-58.2	-0.8	-13.6	-0.2
2.2. European Investment Bank	9,753.6	10,770.3	10,700.1	-70.1	-0.7	1,016.7	10.4
2.3. Council of Europe Development Bank	210.8	210.4	208.2	-2.3	-1.1	-0.4	-0.2
3. Other ST debt	3.6	3.6	3.5	-0.1	-2.3	0.0	-1.0
<i>FX rate (EUR/PLN)</i>	4.1709	4.2204	4.3195	0.1	2.3	0.0	1.2

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

	Dec 2017	Apr 2018	May 2018	change		change	
				May 2018 – Apr 2018		May 2018 – Dec 2017	
				USD m	%	USD m	%
State Treasury debt	266,703.0	272,094.7	258,608.3	-13,486.4	-5.0	5,391.8	2.0
I. Domestic debt	185,141.5	187,407.5	177,772.5	-9,635.0	-5.1	2,266.0	1.2
1. Treasury securities issued in domestic market	178,411.2	180,181.4	170,889.0	-9,292.5	-5.2	1,770.2	1.0
1.1. Marketable TS	173,989.9	175,416.3	166,338.8	-9,077.5	-5.2	1,426.4	0.8
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	173,989.9	175,416.3	166,338.8	-9,077.5	-5.2	1,426.4	0.8
1.2. Savings bonds	4,421.3	4,765.1	4,550.2	-215.0	-4.5	343.8	7.8
2. Other ST debt	6,730.2	7,226.1	6,883.5	-342.6	-4.7	495.8	7.4
II. Foreign debt	81,561.5	84,687.2	80,835.9	-3,851.4	-4.5	3,125.8	3.8
1. Treasury securities issued in foreign markets	61,213.4	62,916.6	60,102.5	-2,814.1	-4.5	1,703.1	2.8
2. Loans	20,343.7	21,766.4	20,729.3	-1,037.0	-4.8	1,422.6	7.0
2.1. World Bank	8,405.5	8,475.4	8,063.1	-412.3	-4.9	69.9	0.8
2.2. European Investment Bank	11,685.6	13,036.3	12,424.5	-611.7	-4.7	1,350.7	11.6
2.3. Council of Europe Development Bank	252.6	254.7	241.7	-13.0	-5.1	2.1	0.8
3. Other ST debt	4.3	4.3	4.1	-0.3	-6.3	0.0	0.0
<i>FX rate (USD/PLN)</i>	3.4813	3.4868	3.7200	0.2	6.7	0.0	0.2

Ministry of Finance
Public Debt Department
tel. +48 22 694 50 00
sekretariat.dp@mf.gov.pl