

**At the end of July 2018 State Treasury (ST) debt** amounted to **PLN 946,563.8 million**, i.e.:

- decreased by PLN 9,580.8m (-1.0%) in July 2018,
- increased by PLN 18,090.8m (+1.9%) compared to the end of 2017.

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

	July 2018	Jan-July 2018
<b>Change in the State Treasury debt</b>	<b>-9.6</b>	<b>18.1</b>
<b>1. State budget borrowing requirements:</b>	<b>5.6</b>	<b>-12.3</b>
1.1. State budget deficit	10.4	0.9
1.2. European Union funds budget deficit	0.0	2.4
1.3. Pension reform costs <sup>1)</sup>	0.3	2.0
1.4. Proceeds from privatisation	0.0	0.0
1.5. Deposits from PFSE and court deposits balance	-0.4	-6.3
1.6. European funds management	-4.8	-10.6
1.7. Granted loans balance	0.0	0.1
1.8. Other borrowing requirements <sup>2)</sup>	0.0	-0.8
<b>2. Changes not resulting from State budget borrowing requirements:</b>	<b>-15.4</b>	<b>27.7</b>
2.1. FX rates movements	-6.2	8.8
2.2. Changes in budget accounts balance	-8.8	18.8
2.3. Other factors <sup>3)</sup>	-0.4	0.1
<b>3. Change in other State Treasury debt:</b>	<b>0.2</b>	<b>2.7</b>
3.1. Deposits from PFSE <sup>4)</sup>	0.1	1.2
3.2. Other deposits <sup>5)</sup>	0.0	1.4
3.3. Other ST debt	0.0	0.0

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

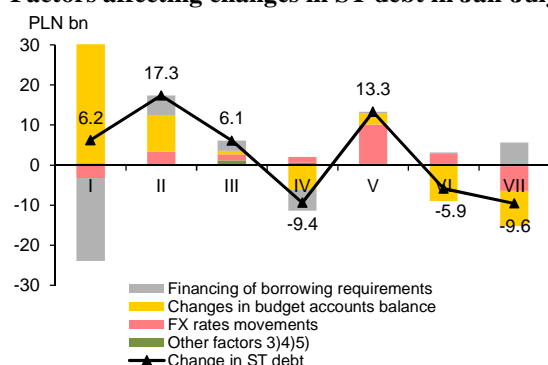
<sup>2)</sup> Balance of pre-financing of tasks carried out with utilization of funds from EU budget, shares in international financial institutions and other domestic and foreign settlements

<sup>3)</sup> TS discount, TS indexation, sell-buy-back transactions

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

<sup>5)</sup> Court deposits and collateral deposits connected with CSA agreements.

### Factors affecting changes in ST debt in Jan-July 2018



According to preliminary data, **ST debt at the end of August 2018** amounted to **ca. PLN 948.9bn**, i.e. increased by PLN 2.4bn (+0.3%) m/m and by PLN 20.5bn (+2.2%) compared to the end of 2017. According to the place of issue criterion debt amounted to:

- **domestic debt:** ca. PLN 661.5bn,
- **foreign currency debt:** ca. PLN 287.4bn (i.e. 30.3% of total ST debt).

**Decrease in debt in July 2018** was mainly a resultant of:

- State budget net borrowing requirements (PLN +5.6bn), with State budget deficit of PLN 10.4bn;
- decrease in budget accounts balance (PLN -8.8bn) associated with redemption of PS0718 bond;
- appreciation of zloty (PLN -6.2bn) – by 1.9% against EUR, by 2.6% against USD, by 2.1% against CHF, by 3.3 against JPY and by 5.6% against CNY.

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

- increase in budget accounts balance (PLN +18.8bn) associated with collection of funds for financing borrowing requirements;
- negative State budget net borrowing requirements (PLN -12.3bn), including European funds management balance (PLN -10.6bn) and PFSE and court deposits balance (PLN -6.3bn);
- depreciation of zloty (PLN +8.8bn) – by 2.6% against EUR, by 4.8% against USD, by 3.5% against CHF, by 5.8 against JPY with appreciation by 0.1% against CNY.

**In July 2018 domestic ST debt** (according to the place of issue criterion) decreased by PLN 1.8bn which resulted mainly from negative balance of issuance of marketable Treasury Securities (PLN -2.3bn) as a result of conducting switching and sales auctions, as well as redemption of PS0718 bond.

Instrument	Sale (PLN bn)	Repurchase/ Redemption (PLN bn)
PS0718		-11.8
OK1018		-1.8
WZ0119		-1.6
OK0720	2.7	
PS0123	3.5	
WZ0524	2.4	
WS0428	3.3	
WZ0528	0.9	
WS0447	0.2	

**In July 2018 ST debt in foreign currency** decreased by PLN 7.8bn which was a resultant of:

- negative balance of debt issuance:

Instrument	Drawing	Repayment
Loans from IFIs*	0.02bn EUR	0.4bn EUR

\*) IFIs – international financial institutions

- appreciation of zloty (PLN -6.2bn).

**Since the beginning of 2018 domestic ST debt** increased by PLN 16.2bn. In the same period **foreign currency ST debt** increased by PLN 1.9bn which was a resultant of:

- decrease in debt denominated in EUR (EUR -0.7bn);
- decrease in debt denominated in CHF (CHF -1.0bn);
- depreciation of zloty (PLN +8.8bn);
- no changes in debt denominated in USD, JPY, CNY.

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

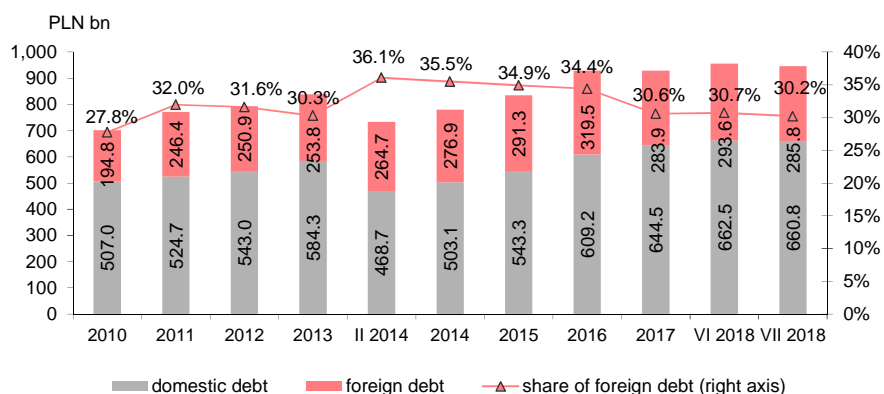
	Dec 2017	structure Dec 2017 %	June 2018	structure June 2018 %	July 2018	structure July 2018 %	change July 2018 – June 2018		change July 2018 – Dec 2017	
							PLN m	%	PLN m	%
<b>State Treasury debt</b>	<b>928,473.0</b>	<b>100.0</b>	<b>956,144.6</b>	<b>100.0</b>	<b>946,563.8</b>	<b>100.0</b>	<b>-9,580.8</b>	<b>-1.0</b>	<b>18,090.8</b>	<b>1.9</b>
<b>I. Domestic ST debt</b>	<b>644,533.1</b>	<b>69.4</b>	<b>662,516.2</b>	<b>69.3</b>	<b>660,758.6</b>	<b>69.8</b>	<b>-1,757.6</b>	<b>-0.3</b>	<b>16,225.5</b>	<b>2.5</b>
1. Treasury securities (TS)	621,103.1	66.9	636,583.4	66.6	634,650.3	67.0	-1,933.0	-0.3	13,547.3	2.2
1.1. Marketable TS	605,711.1	65.2	618,945.1	64.7	616,626.2	65.1	-2,318.9	-0.4	10,915.1	1.8
- 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	618,945.1	64.7	616,626.2	65.1	-2,318.9	-0.4	10,915.1	1.8
1.2. Savings bonds	15,392.0	1.7	17,638.2	1.8	18,024.1	1.9	385.9	2.2	2,632.1	17.1
2. Other ST debt	23,430.0	2.5	25,932.8	2.7	26,108.3	2.8	175.5	0.7	2,678.3	11.4
<b>II. Foreign ST debt</b>	<b>283,939.9</b>	<b>30.6</b>	<b>293,628.4</b>	<b>30.7</b>	<b>285,805.2</b>	<b>30.2</b>	<b>-7,823.2</b>	<b>-2.7</b>	<b>1,865.3</b>	<b>0.7</b>
1. TS issued in foreign markets	213,102.2	23.0	216,545.8	22.6	211,863.7	22.4	-4,682.1	-2.2	-1,238.5	-0.6
2. Loans	70,822.6	7.6	77,067.5	8.1	73,926.4	7.8	-3,141.1	-4.1	3,103.8	4.4
3. Other ST debt	15.1	0.0	15.1	0.0	15.1	0.0	0.0	0.0	0.0	0.0

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

	Dec 2017	structure Dec 2017 %	June 2018	structure June 2018 %	July 2018	structure July 2018 %	change July 2018 – June 2018		change July 2018 – Dec 2017	
							PLN m	%	PLN m	%
<b>State Treasury debt</b>	<b>928,473.0</b>	<b>100.0</b>	<b>956,144.6</b>	<b>100.0</b>	<b>946,563.8</b>	<b>100.0</b>	<b>-9,580.8</b>	<b>-1.0</b>	<b>18,090.8</b>	<b>1.9</b>
<b>I. State Treasury debt held by residents</b>	<b>456,110.5</b>	<b>49.1</b>	<b>487,478.1</b>	<b>51.0</b>	<b>487,662.6</b>	<b>51.5</b>	<b>184.5</b>	<b>0.0</b>	<b>31,552.0</b>	<b>6.9</b>
<b>Domestic banking sector</b>	<b>257,325.5</b>	<b>27.7</b>	<b>276,807.2</b>	<b>29.0</b>	<b>273,884.7</b>	<b>28.9</b>	<b>-2,922.6</b>	<b>-1.1</b>	<b>16,559.1</b>	<b>6.4</b>
- domestic instruments	243,917.9	26.3	263,221.7	27.5	260,531.0	27.5	-2,690.7	-1.0	16,613.0	6.8
- foreign instruments	13,407.6	1.4	13,585.6	1.4	13,353.7	1.4	-231.9	-1.7	-53.9	-0.4
<b>Domestic non-banking sector</b>	<b>198,785.0</b>	<b>21.4</b>	<b>210,670.8</b>	<b>22.0</b>	<b>213,777.9</b>	<b>22.6</b>	<b>3,107.1</b>	<b>1.5</b>	<b>14,992.9</b>	<b>7.5</b>
- domestic instruments	197,234.4	21.2	206,489.9	21.6	208,933.1	22.1	2,443.2	1.2	11,698.7	5.9
- foreign instruments	1,550.6	0.2	4,180.9	0.4	4,844.8	0.5	663.9	15.9	3,294.1	212.4
<b>II. State Treasury debt held by non-residents</b>	<b>472,362.4</b>	<b>50.9</b>	<b>468,666.5</b>	<b>49.0</b>	<b>458,901.3</b>	<b>48.5</b>	<b>-9,765.3</b>	<b>-2.1</b>	<b>-13,461.2</b>	<b>-2.8</b>
- domestic instruments	203,380.8	21.9	192,804.6	20.2	191,294.5	20.2	-1,510.1	-0.8	-12,086.2	-5.9
- foreign instruments	268,981.7	29.0	275,861.9	28.9	267,606.7	28.3	-8,255.2	-3.0	-1,374.9	-0.5

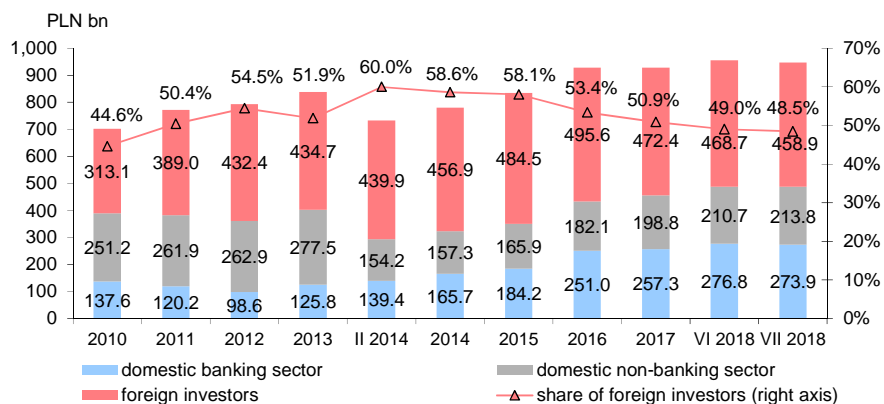
### ST debt according to the place of issue criterion

In July 2018 the share of foreign currency debt in total ST debt amounted to 30.2%. i.e. decreased by 0.5 pp m/m and by 0.4 pp since the beginning of 2018. The decrease in the share in July was mainly a resultant of appreciation of zloty and negative balance of debt issuance on domestic and foreign markets. 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 July 2018 the share of foreign investors in total ST debt amounted to 48.5%. i.e. decreased by 0.5 pp m/m and by 2.4 pp since the beginning of 2018. The decrease in the share in July was due to the drop in foreign debt as well as due to reduction of non-residents holdings in domestic TS.

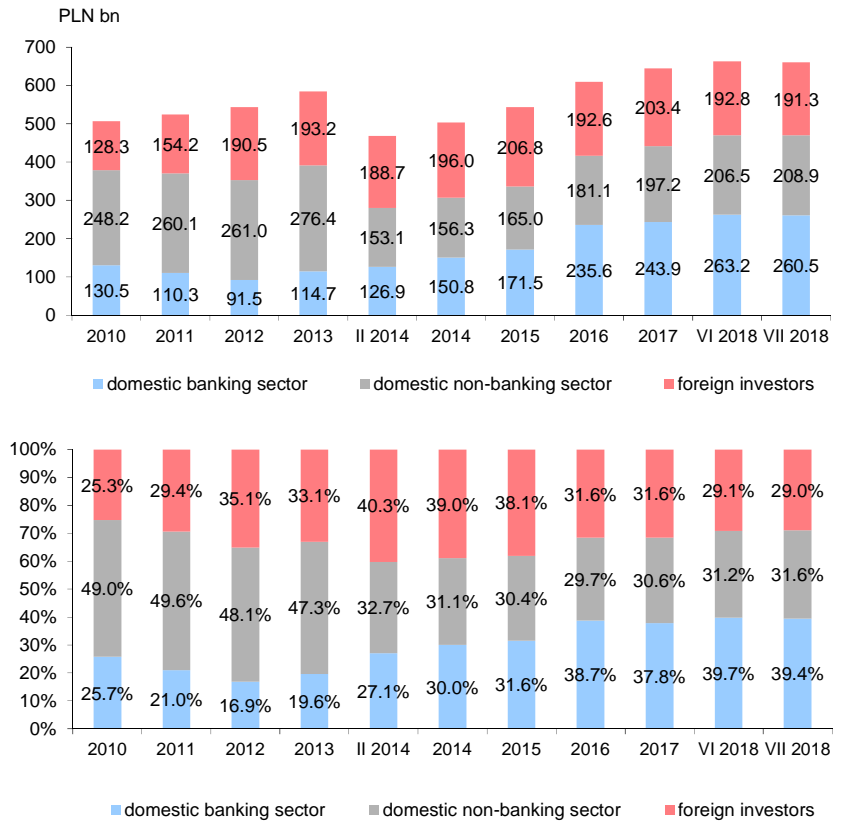


### Domestic ST debt by holder in nominal value and structure

In July 2018 a decrease of PLN 0.3bn in domestic debt held by residents took place as a resultant of a decrease in domestic debt held by banks (PLN -2.7bn) and an increase in domestic debt held by non-banking investors (PLN +2.4bn). In case of foreign investors a decrease in holdings of PLN 1.5bn 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 +16.6bn,
- domestic non-banking sector: PLN +11.7bn,
- foreign investors: PLN -12.1bn.

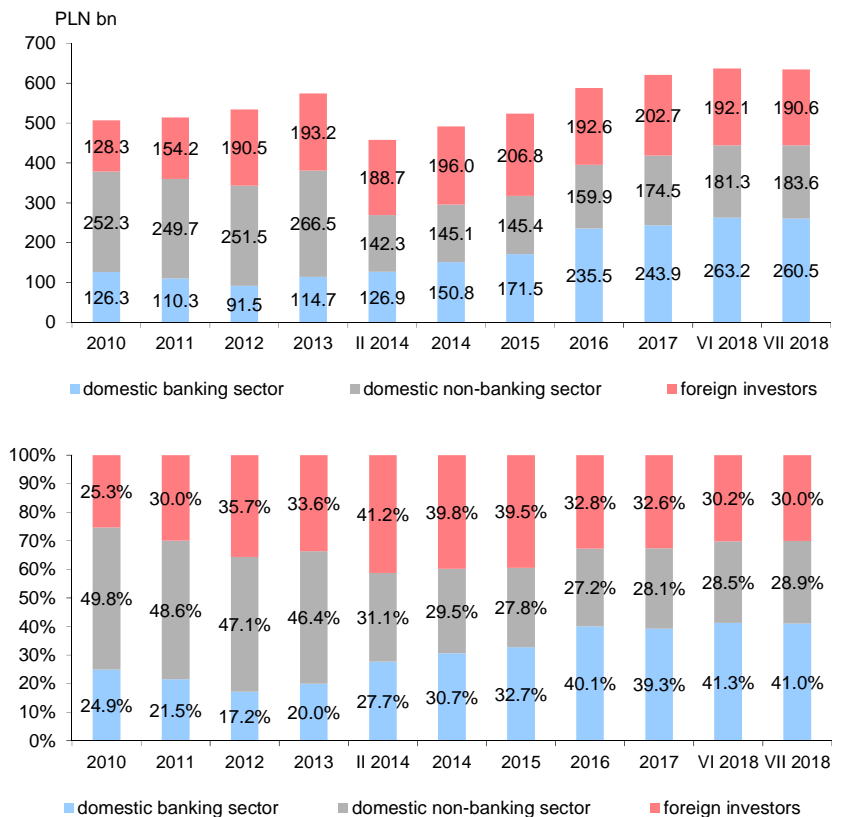


### Domestic TS debt by holder in nominal value and structure

In July 2018 residents decreased their domestic TS holdings by PLN 0.4bn in total, which was a resultant of a decrease in domestic TS held by banks (PLN -2.7bn) and an increase in domestic TS held by non-banking investors (PLN +2.3bn). In case of non-residents a decrease in holdings was recorded (PLN -1.5bn).

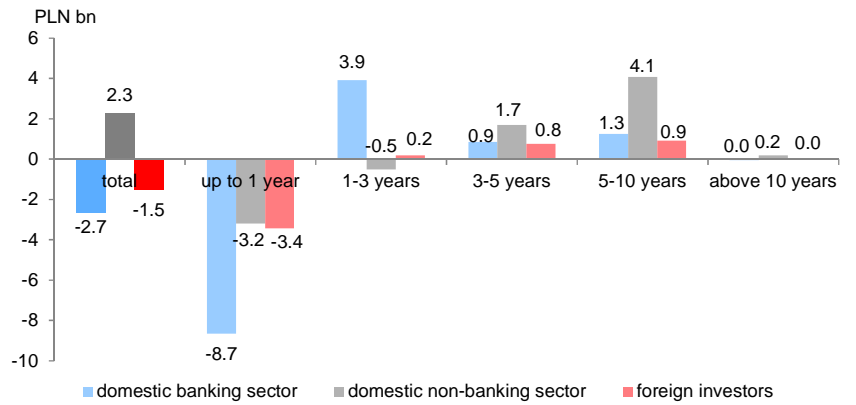
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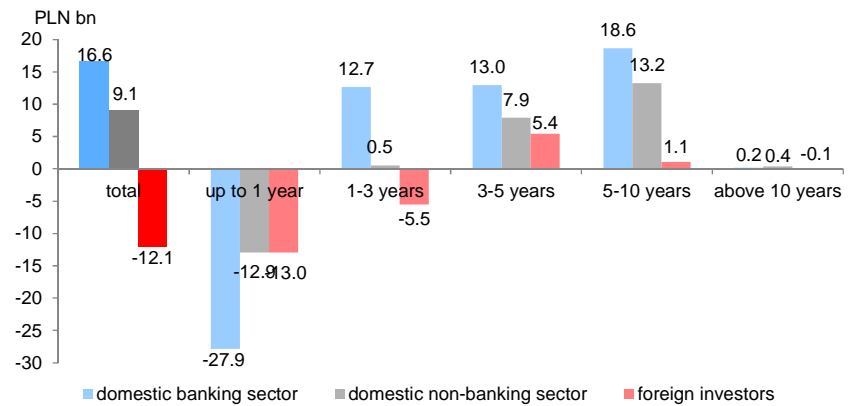
### Changes in domestic TS debt according to residual maturity by type of investor in July 2018 m/m\*

In July 2018 domestic banking sector and foreign investors decreased their domestic TS holdings (which resulted mainly from redemption of PS0718 bond) and simultaneously increased their holdings of instruments with longer residual maturity. Domestic banking sector increased its holdings of instruments with maturity between 1 and 3 years, while foreign investors in instruments with residual maturity between 3 and 10 years. In portfolios held by domestic non-banking sector an increase in holdings of domestic TS was a resultant of redemption of PS0718 bond and an increase in holdings mainly in instruments with residual maturity between 3 and 10 years.



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

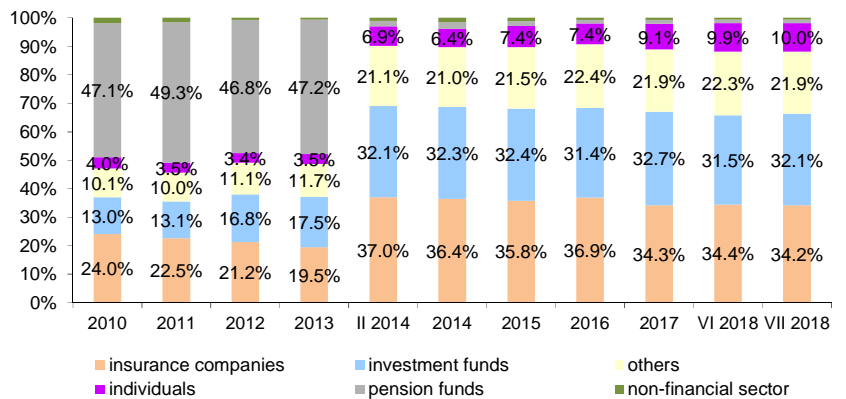
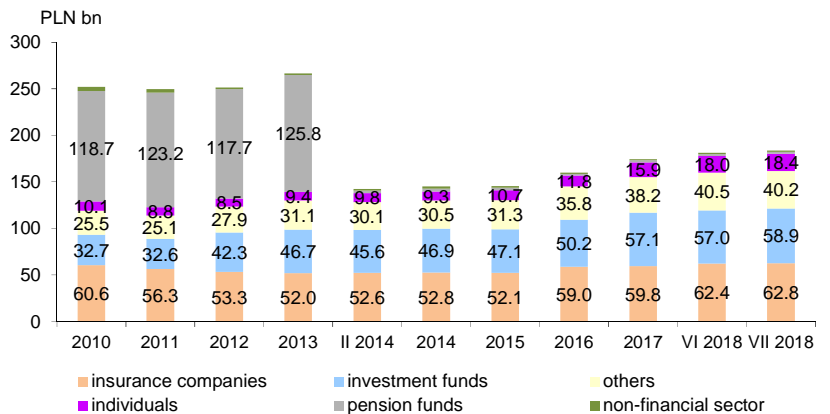
From January to July 2018 domestic banks and domestic non-banking investors increased their holdings in TS with maturity above 1 year. Foreign investors, in turn, reduced the TS portfolio with short maturities of up to 3 years.



### 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 (34.2% share in July 2018), investment funds (32.1%) and so called other entities (21.9%, this category includes, among others, Bank Guarantee Fund and Demographic Reserve Fund). Individuals also have a significant and growing share of domestic TS holdings (10.0%).

In July 2018 domestic TS holdings of non-banking sector increased by PLN 2.3bn m/m and by PLN 9.1bn 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 +0.4bn and PLN +3.0bn, respectively), investment funds (PLN +1.9bn m/m and PLN +1.8bn, respectively), other entities (PLN -0.3bn and PLN +2.0bn, respectively) and individuals (PLN +0.4bn and PLN +2.5bn, respectively).

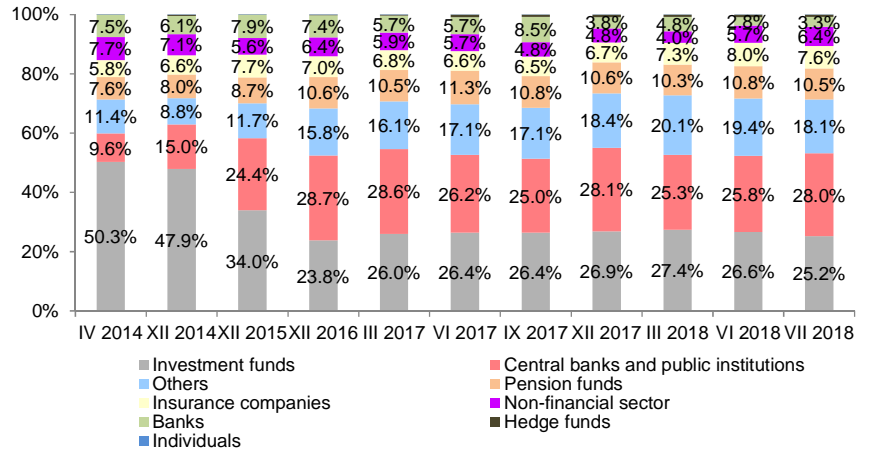
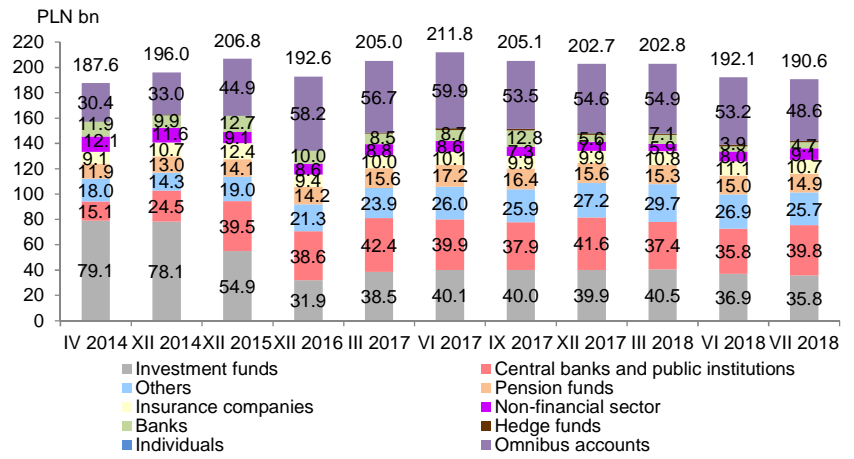


\* Changes resulting only from cash flows. i.e. excluding statistical changes from the shift in classification of the security to next segment of residual maturity.

### 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 (28.0% share in July 2018), investment funds (25.2%), pension funds (10.5%) and insurance companies (7.6%). A significant part of domestic TS debt to foreign investors is registered on omnibus accounts (PLN 48.6bn), which allow investors to buy TS without the need to have a separate account in Poland.

\* Percentage structure does not include omnibus accounts.

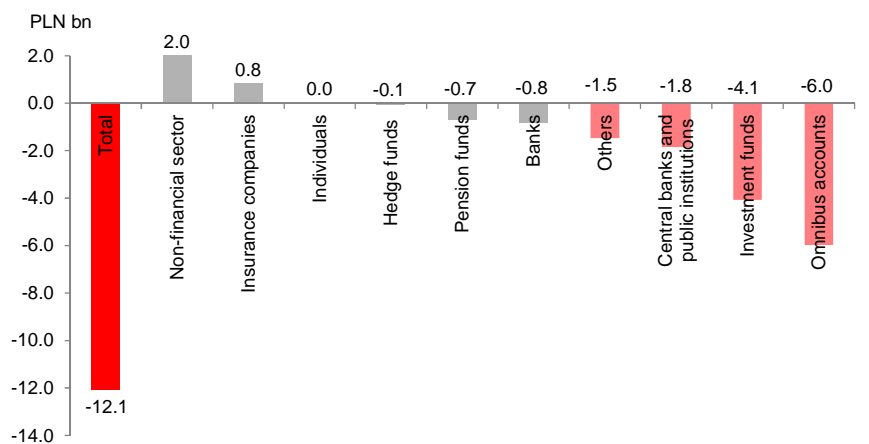
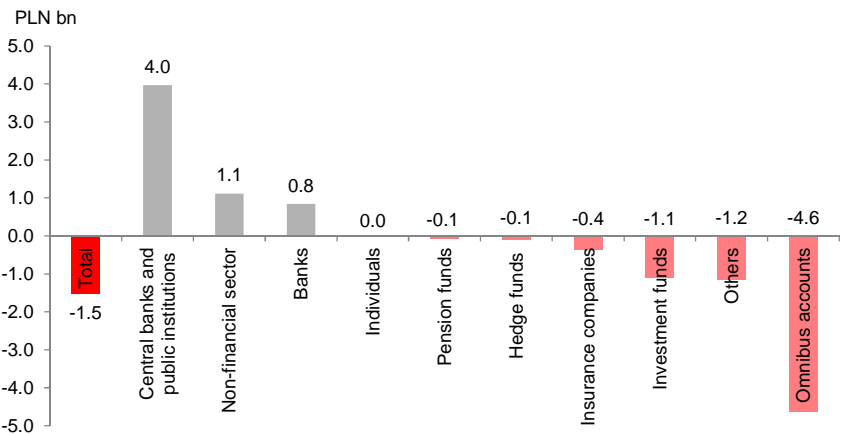


### Changes in domestic TS debt towards non-residents by holder in July 2018 m/m

In July 2018 domestic TS debt held by foreign investors decreased by PLN 1.5bn. It resulted mainly from a decrease in omnibus accounts (PLN -4.6bn), in portfolios of so called other entities (PLN -1.2bn, including from the UK: PLN -1.1bn and the Netherlands: PLN -0.4bn with an increase in portfolios of entities from Luxemburg: PLN +0.3bn and Singapore: PLN +0.3bn) and investment funds (PLN -1.1bn, including from the UAE: PLN -0.5bn and Ireland: PLN -0.4bn). The largest increase in TS portfolios was recorded among central banks and public institutions (PLN +4.0bn, including central banks from Asia: PLN +3.4bn and Norwegian public institutions: PLN +0.5bn) and non-financial institutions (+PLN +1.1bn, including from Japan: PLN +1.1bn).

### Changes in domestic TS debt towards nonresidents by holder in 2018

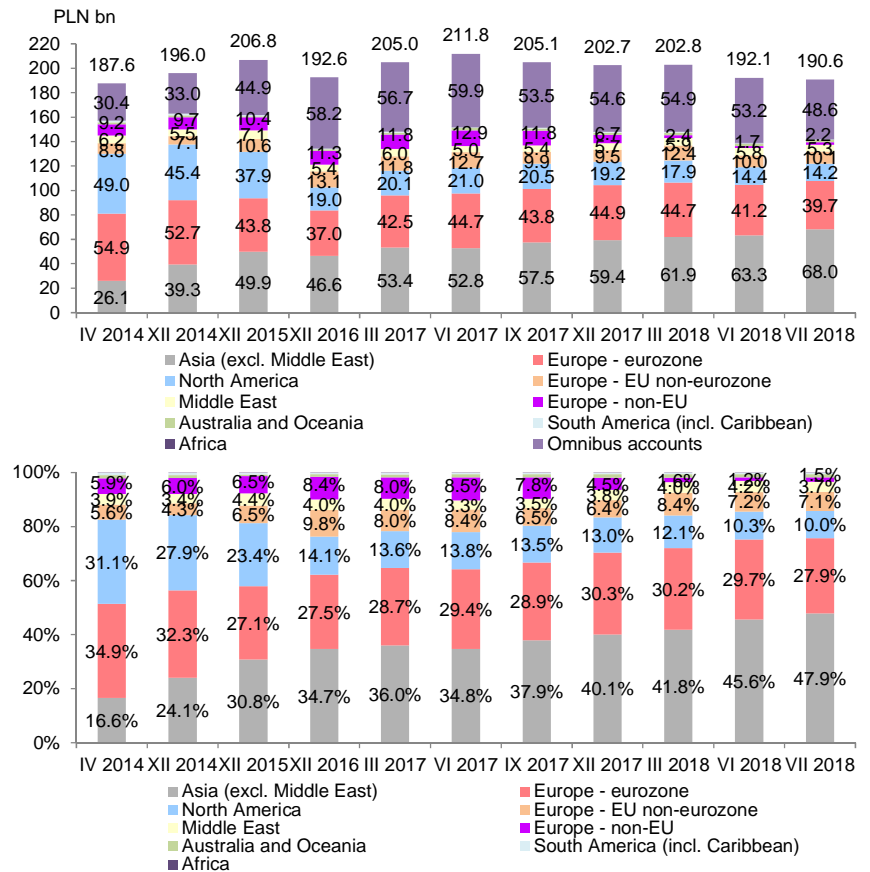
From January to July 2018 non-residents decreased their domestic TS portfolios by PLN 11.1bn. It resulted mainly from a decrease in TS registered on omnibus accounts (PLN -6.0bn), in portfolios of investment funds (PLN -4.1bn, including funds from the USA: PLN -3.0bn and Luxemburg: PLN -1.5bn), central banks and public institutions (PLN -1.8bn, including Norwegian public institutions: PLN -4.4bn, with an increase in exposure of central banks from Asia: PLN +3.7bn). The increase in exposure was recorded among non-financial investors (PLN 2.0bn, including from Japan: PLN +3.5bn with a decrease in portfolios of investors from the USA and Luxemburg: PLN -0.3bn each).



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

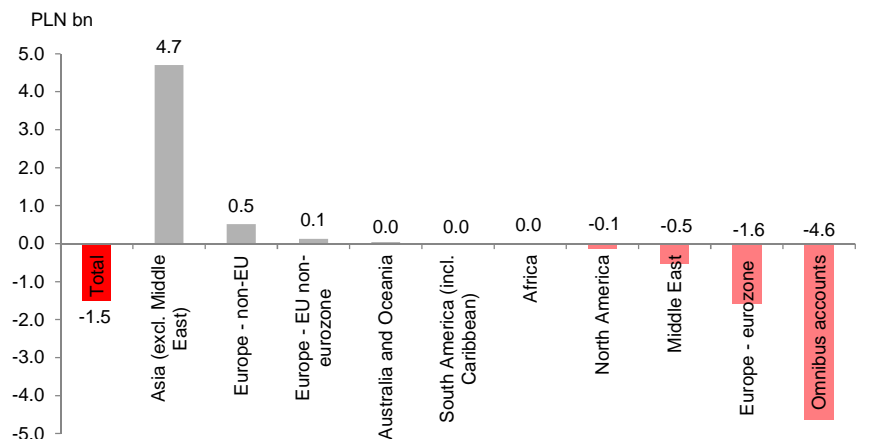
Geographical structure of domestic TS held by foreign investors is well-diversified. In July 2018 the largest TS portfolios were held by entities from Asia: 47.9%, representing debt in the amount of PLN 68.0bn, of which PLN 36.9bn was held by Asian central banks and PLN 24.9bn by investors from Japan. The second largest group of holders of TS were investors from eurozone countries: 27.9% (PLN 39.7bn, including from Luxembourg: PLN 15.4bn, Ireland: PLN 8.3bn, the Netherlands: PLN 7.2bn and Germany: PLN 6.2bn). Non-residents from North America held significant TS portfolios as well (10.0%, representing debt in the amount of PLN 14.2bn, of which PLN 13.2bn were held by investors from the USA). The share of investors from other regions amounted to 14.2%.

\*) Percentage structure does not include omnibus accounts.



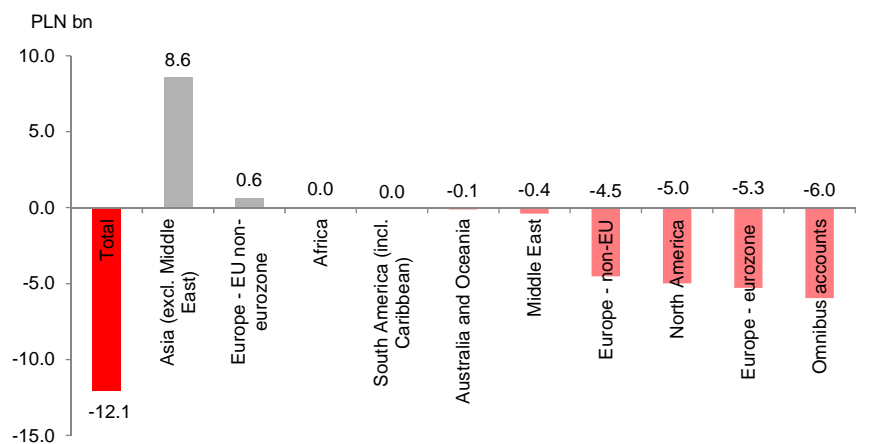
### Changes in domestic TS debt towards non-residents by region in July 2018 m/m

In July 2018 the decrease in domestic TS debt held by non-residents resulted mainly from the decrease in TS registered on omnibus accounts (PLN -4.6bn) and in portfolios of investors from eurozone countries (PLN -1.6bn, including from Austria: PLN -0.9bn and Ireland: PLN -0.5bn). On the other hand, investors from Asia (PLN +4.7bn, including central banks: PLN +3.4bn and from Japan: PLN +0.9bn) increased their portfolios.



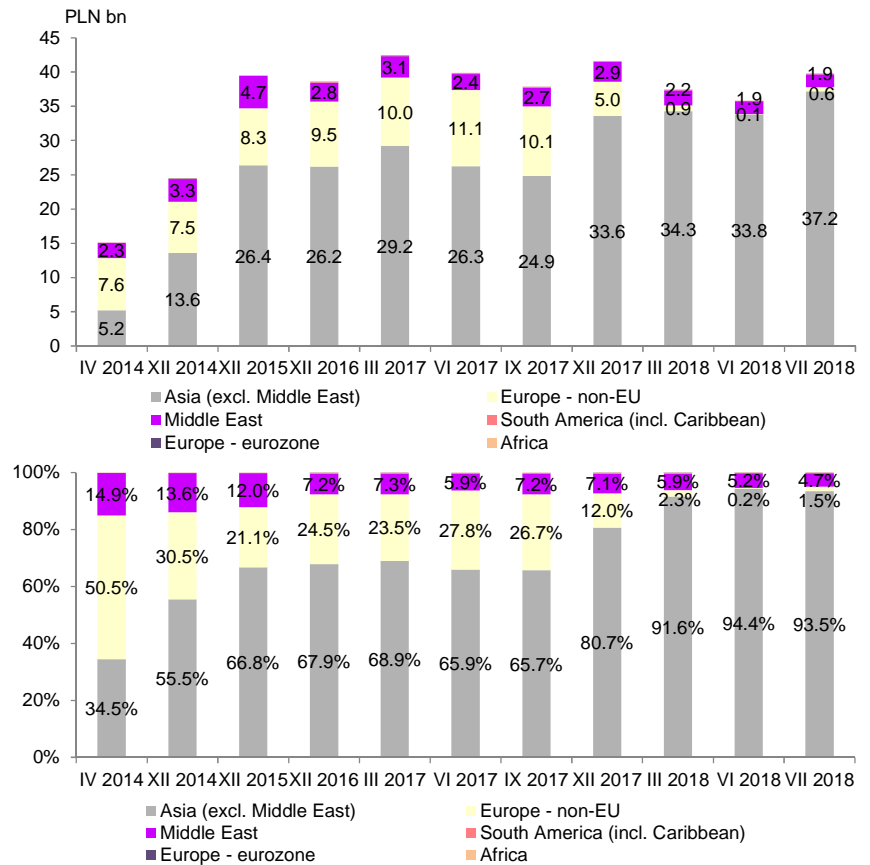
### Changes in domestic ST debt towards nonresidents by region in 2018

From January to July 2018 the decrease in non-residents holdings of domestic TS was mainly a resultant of the decrease in TS registered on omnibus accounts (PLN -6.0bn) and in portfolios of investors from EU eurozone countries (PLN -5.3bn, including Luxembourg: PLN -3.7bn and France: PLN -1.1bn), North America (PLN -5.0bn, including from the USA: PLN -5.0bn), non-EU Europe countries (PLN -4.5bn, including from Norway: PLN -4.4bn) and the increase in portfolios of investors from Asia (PLN +8.6bn, including Japan: PLN +4.3bn and Hong Kong: PLN +0.9bn).



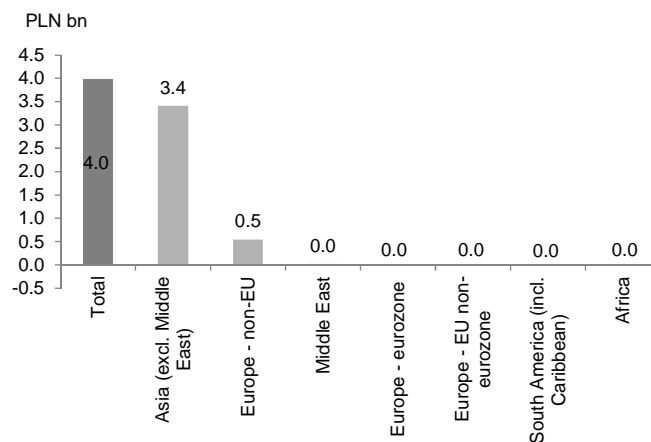
### Domestic TS debt towards foreign central banks and public institutions by region in nominal value and structure

In the structure of domestic TS debt held by foreign central banks and public institutions, entities from Asia are predominant – in July 2018 their share amounted to 93.5%. Domestic TS were held also by central banks and public institutions from the Middle East (4.7%).



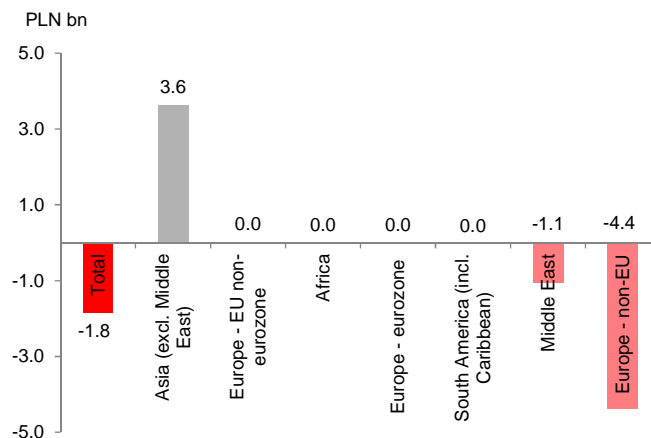
### Changes in domestic TS debt towards foreign central banks and public institutions by region in July 2018 m/m

In July 2018 domestic TS debt held by foreign central banks and public institutions rose by PLN +4.0bn. It was mainly a result of an increase in holdings of entities from Asia (PLN +3.4bn) and from European non-EU countries (PLN +0.5bn).



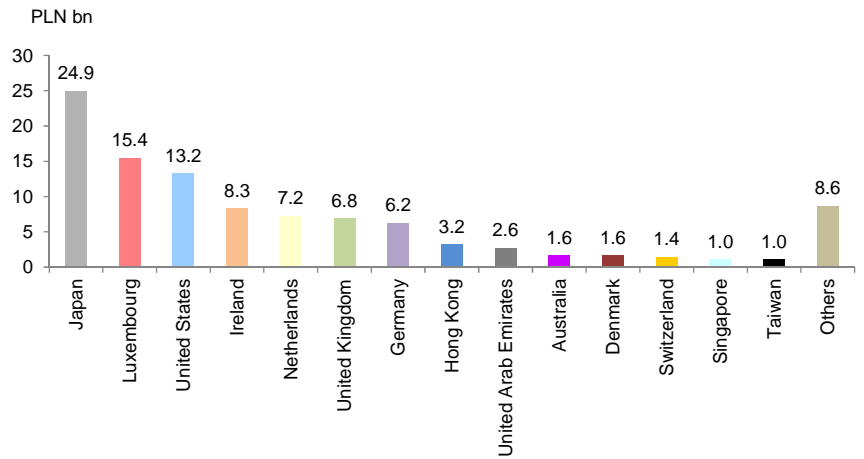
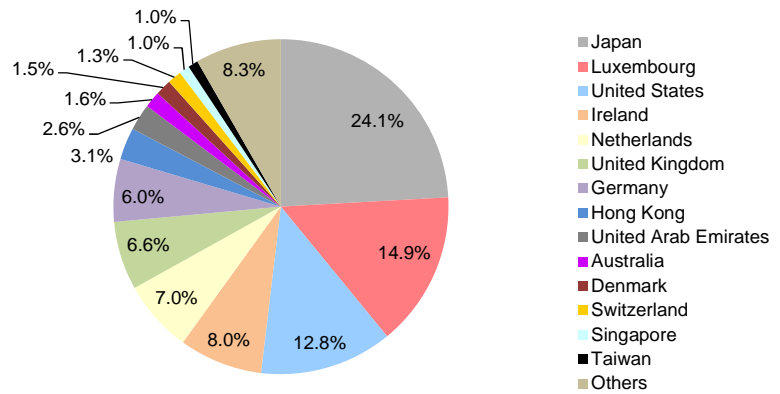
### Changes in domestic TS debt towards foreign central banks and public institutions by region in 2018

From January to July 2018 a decrease in domestic TS holdings of central banks and public institutions was recorded (PLN -1.8bn). It was mainly a result of the decrease in portfolios of investors from European non-EU countries (PLN -4.4bn, entirely public institutions from Norway) and in portfolios of investors from Asia (PLN +3.6bn).



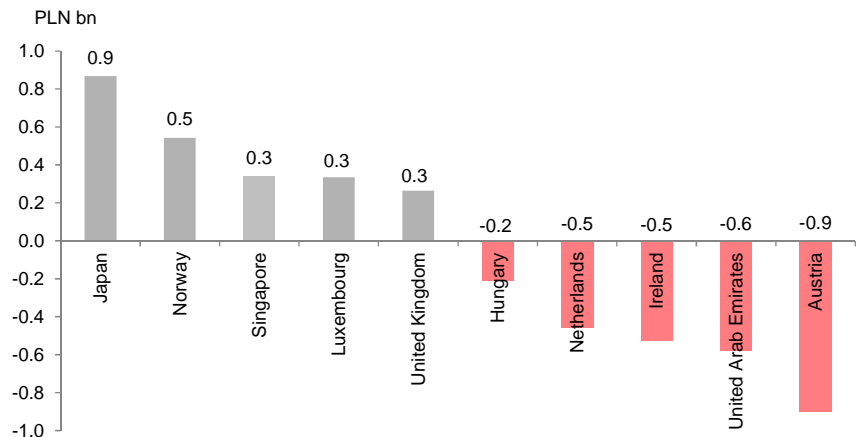
**Domestic TS debt towards non-residents by country\* in July 2018 – structure and nominal value**

In July 2018 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 (24.1%, including mainly insurance companies: 9.7% share in non-resident debt in domestic TS and pension funds: 6.8%), Luxembourg (14.9%, including mainly investment funds: 7.8% and other entities: 5.9%), the USA (12.8%, including mainly investment funds: 4.9% and other entities: 4.7%), Ireland (8.0%, including mainly investment funds: 7.4%), the Netherlands (7.0%, including other entities: 4.3%) and the UK (6.6%, including banks: 2.8% and investment funds: 2.7%).



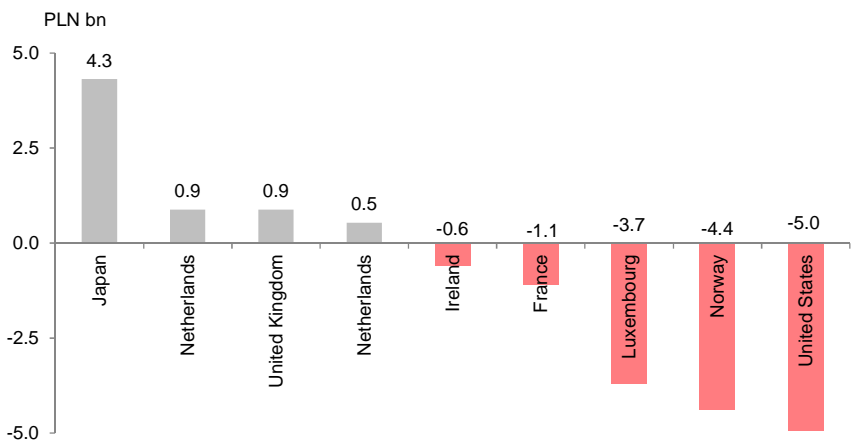
**Changes in domestic TS debt towards non-residents by country\* in July 2018 \*\* m/m**

In July 2018 the most notable changes in non-residents' domestic TS holdings were observed among investors from Japan (PLN +0.9bn), Norway (PLN +0.5bn) and Austria (PLN -0.9bn), UAE (PLN -0.6bn), Ireland (PLN -0.5bn) and the Netherlands (PLN -0.5bn).



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

From January to July 2018 the increase in TS portfolios mainly concerned non-residents from Japan (PLN +4.3bn). The highest decrease in portfolios was recorded among investors from the USA (PLN -5.0bn), Norway (PLN -4.4bn), and Luxembourg (PLN -3.7bn).



\*) Excluding omnibus accounts.

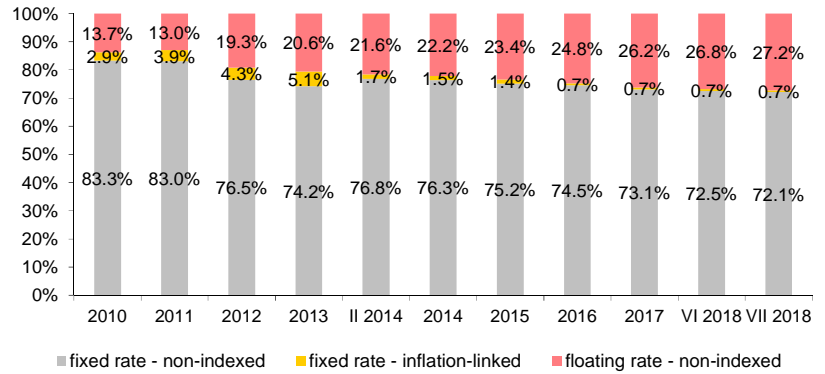
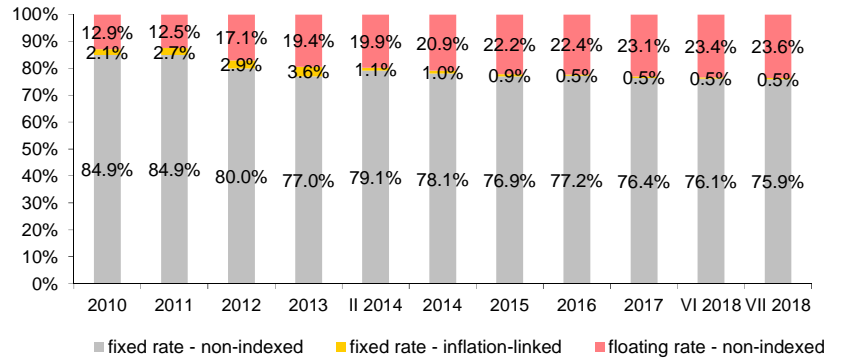
\*\*) Chart shows countries with change in debt amounted to at least PLN 0.2bn.

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



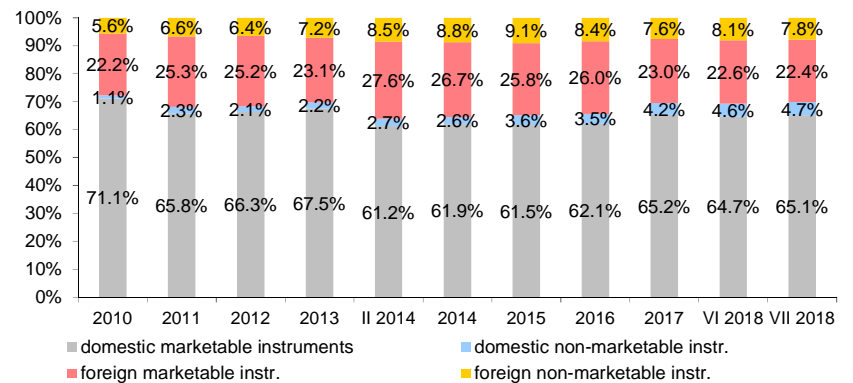
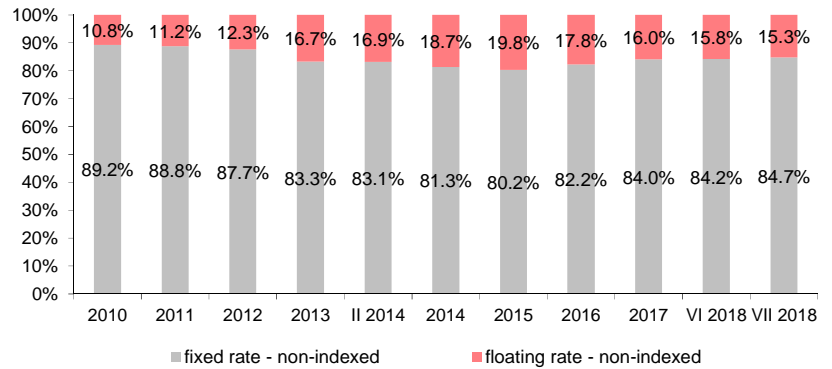
**ST debt by type of interest rate and indexation in nominal value and structure**

The majority of ST debt comprised fixed rate instruments – their share in July 2018 amounted to 76.4%. The share of floating rate instruments stood at 23.6%, i.e. rose by 0.2 pp m/m and by 0.5 pp compared to the end of 2017.



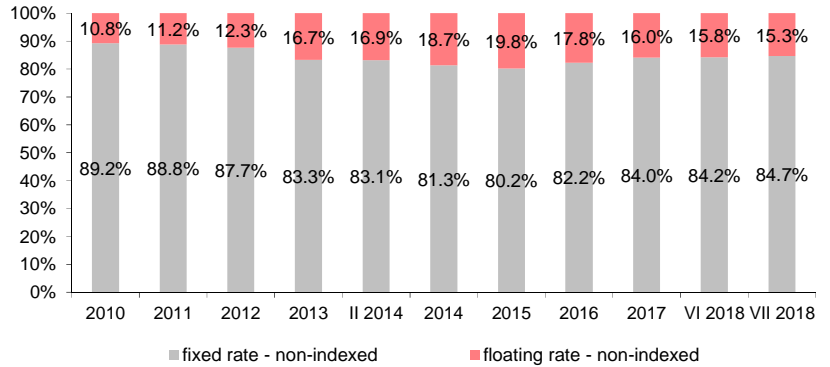
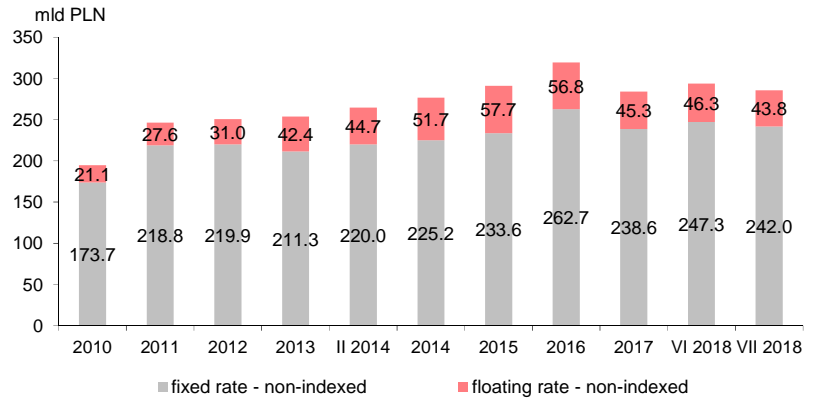
**Domestic ST debt by type of interest rate and type of indexation in nominal value and structure**

In July 2018 the share of floating rate instruments in domestic ST debt amounted to 27.2%. i.e. rose by 0.4 pp m/m and by 1.0 pp compared to the end of 2017.



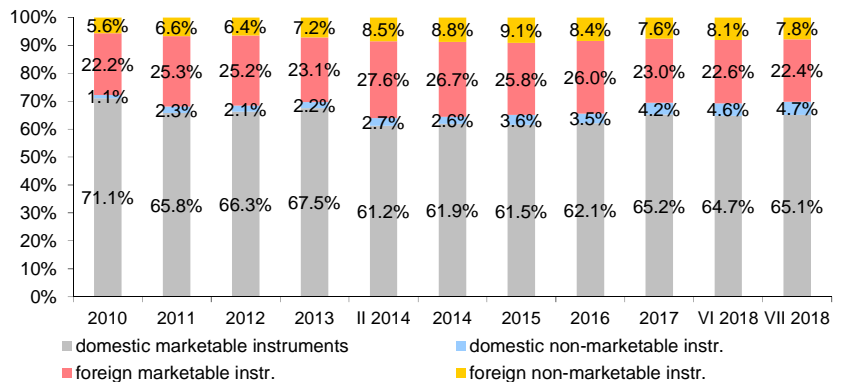
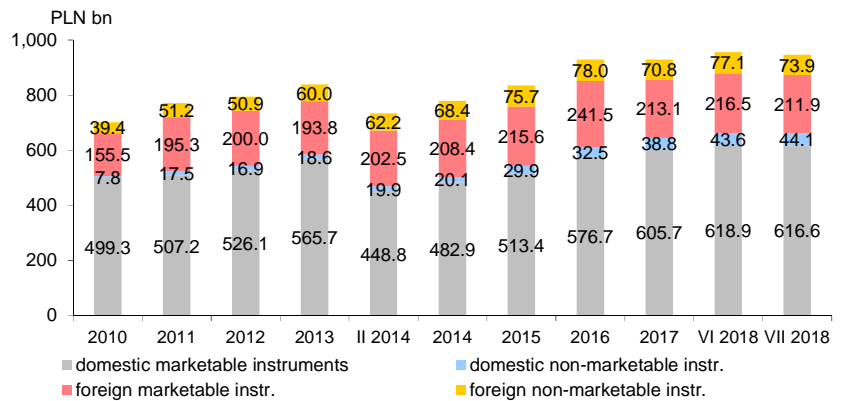
### Foreign ST debt by type of interest rate and type of indexation in nominal value and structure

In July 2018 the share of floating rate instruments in foreign ST debt amounted to 15.3%, i.e. decreased by 0.5 m/m and 0.7 pp since beginning of 2018. The m/m decrease in the share resulted primarily from the negative balance of floating rate loans from IFI.



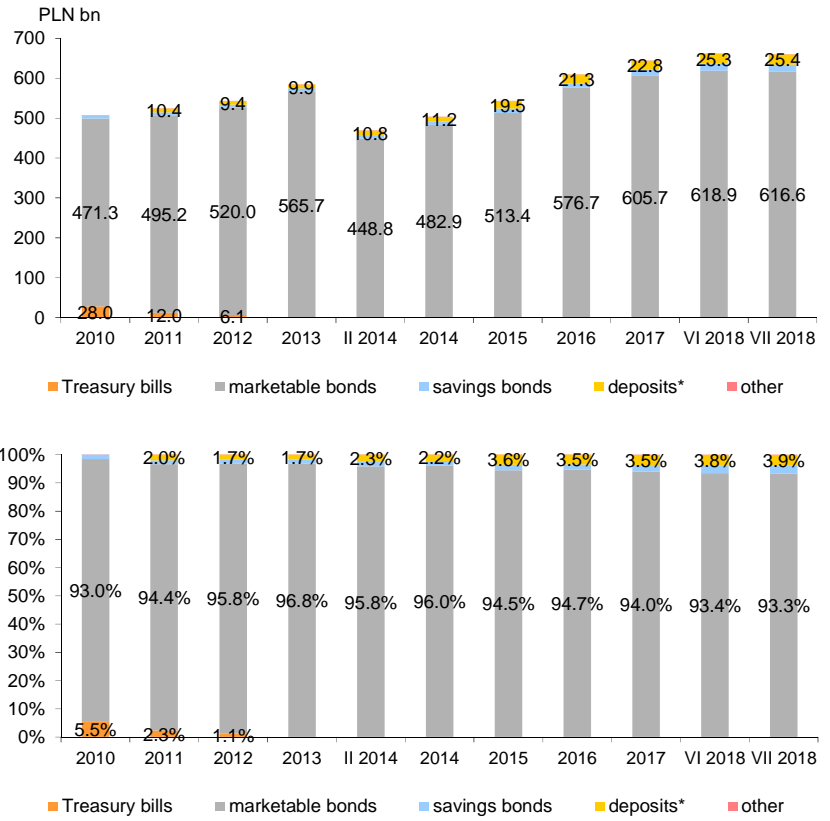
### ST debt by type of instrument in nominal value and structure

The structure of ST debt is dominated by marketable TS (87.5% in July 2018), including primarily instruments issued on domestic TS market (65.1%). Non-marketable instruments, i.e. loans from international financial institutions, domestic saving bonds, as well as deposits collected under liquidity management consolidation are complementary sources of financing of the State budget borrowing requirements.



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

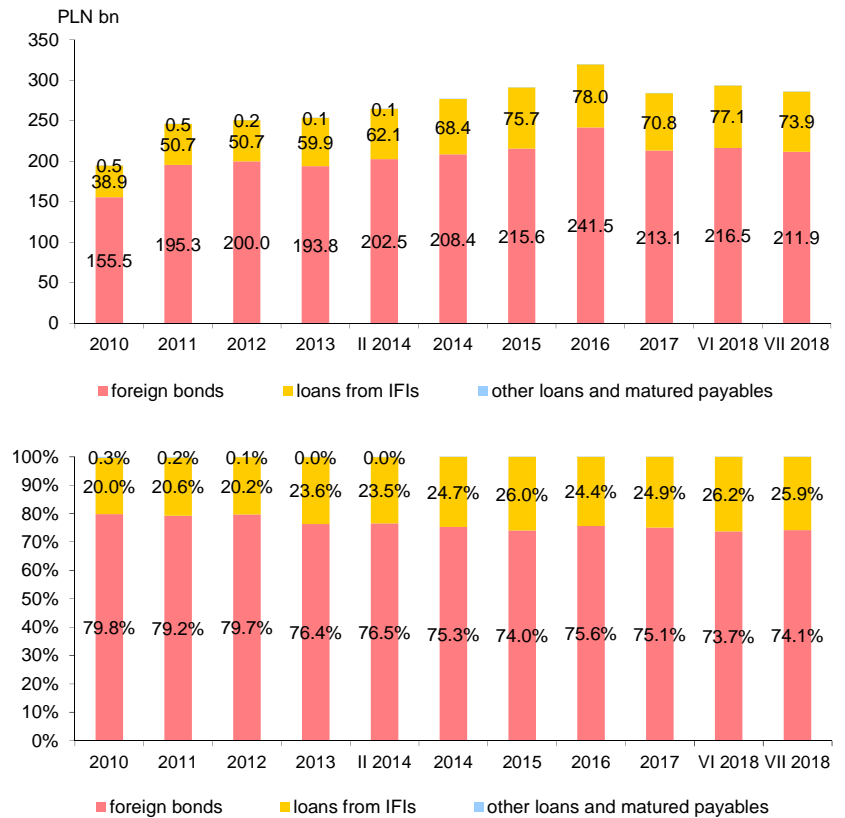
The vast majority of domestic ST debt constituted marketable bonds (93.3% in July 2018). Saving bonds, as well as deposits\* with total share of 3.9% are complementary and stable sources of financing. Since August 2017 there has been no Treasury bills in outstanding debt.



\* Deposits received from PFSE with legal personality, court deposits from PFSE with legal personality and entities from outside PFS and collateral under CSA agreements.

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

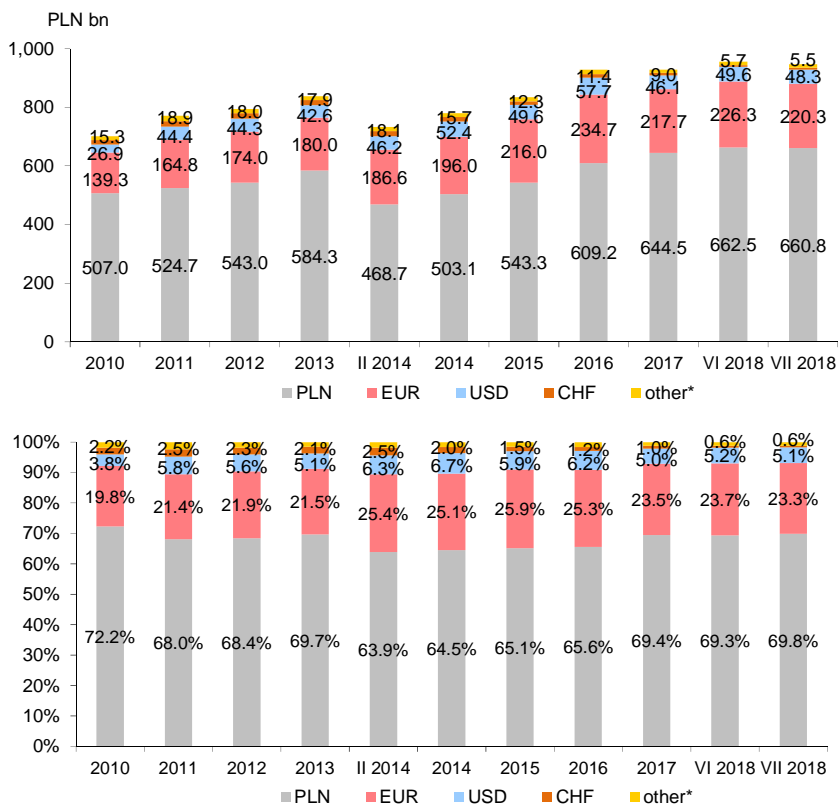
In ST debt denominated in foreign currencies dominant share accounted for international bonds (74.1% in July 2018). The share of loans from international financial institutions is significant as well (25.9%).



## ST debt by currency in nominal value and structure

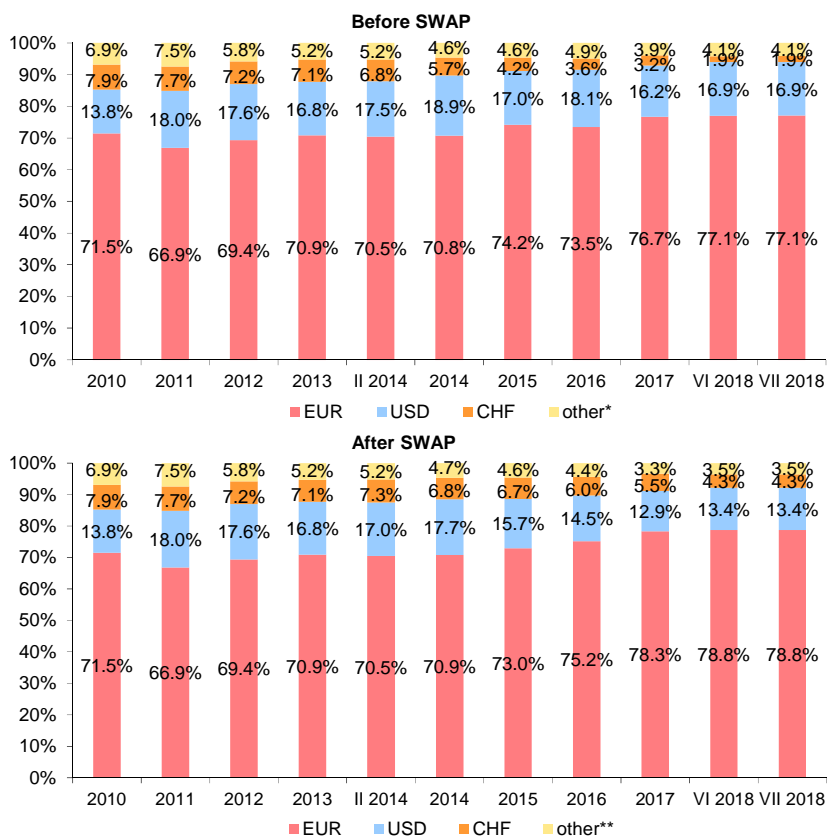
In accordance with the debt management strategy. State budget borrowing requirements are mostly financed on domestic market. In July 2018 debt denominated in PLN comprised 69.8% of total ST debt, as compared to 69.4% at the end of 2017 and 69.3% in the previous month. The share of foreign currency denominated debt changed as follows:

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



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

In July 2018 the share of EUR-denominated debt in foreign ST debt, including derivative transactions, amounted to 78.8%. i.e. remained above the minimum level of 70% assumed in the debt management strategy. The share of EUR increased by 0.5 pp compared to the end of 2017 which was mainly a result of drawing of loans from IFI, issuance of EUR-denominated bond and redemption of EUR0618 bond.



\*) JPY and CNY (since August 2016)

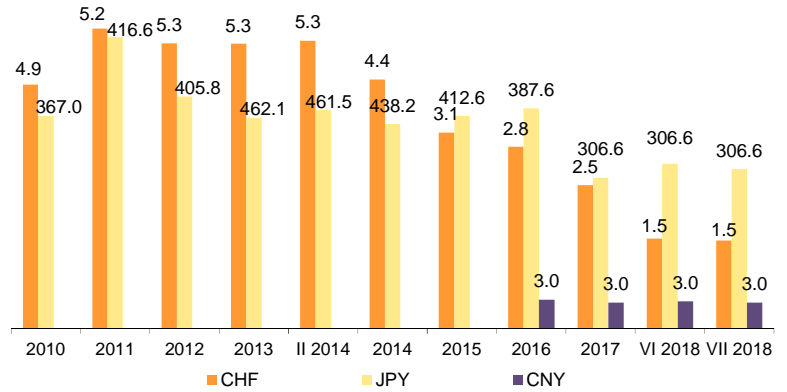
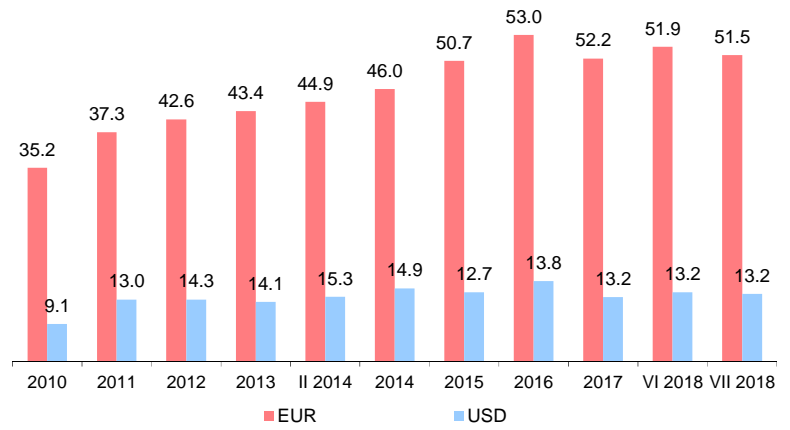
\*\*) JPY

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

In July 2018 nominal value of debt denominated in EUR decreased by EUR 0.4bn to EUR 51.5bn. Debt denominated in other foreign currencies remained unchanged as compared to the previous month, i.e. amounted to USD 13.2bn, CHF 1.5bn, JPY 306.6bn and CNY 3.0bn.

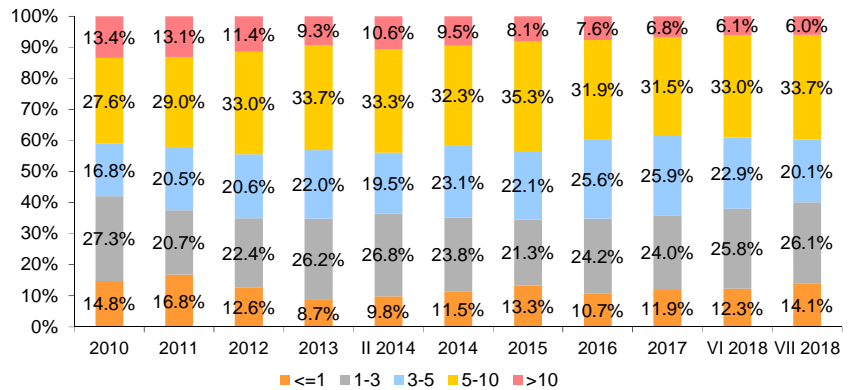
\*) Charts present debt excluding swap transactions.

\*\*) 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.



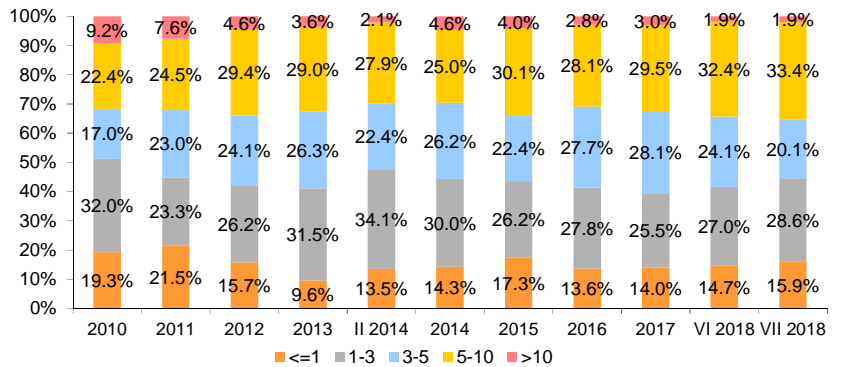
**ST debt by residual maturity (in years)**

In July 2018 the debt with the longest residual maturity (i.e. over 5 years) comprised 39.7% of the total ST debt, i.e. increased by 0.6 pp m/m and by 1.4 pp as compared to the beginning of 2018. Debt with residual maturity of up to 1 year constituted 14.1% of ST debt, i.e. rose by 1.8 pp m/m and by 2.2 pp since the beginning of 2018.



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

In July 2018 domestic debt with residual maturity over 5 years accounted for 35.3%, i.e. increased by 1.0 pp m/m and by 2.8 pp since the beginning of 2018. The share of debt with residual maturity up to 1 year amounted to 15.9%, i.e. rose by 1.2 pp m/m and by 1.9 pp in 2018 (which was mainly a resultant of WZ0118, PS0418 PS0718 bonds redemption, change in classification of WZ0119, PS0419 and PS0719 bonds and switching auctions).



## ATM of ST debt

In July 2018 average time to maturity (ATM) of ST debt amounted to 5.08 years (i.e. increased by 0.01 year m/m and decreased by 0.04 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 4.51 years (i.e. increased by 0.06 year 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 July 2018 ATM of foreign debt decreased by 0.04 year (mostly due to debt aging and repayment of IFI loan), remaining at a safe level of 6.32 years.

## ATR of ST debt

In July 2018 average time to refixing (ATR) of ST debt amounted to 3.85 years (an increase by 0.06 year m/m and by 0.01 year as compared to the end of 2017). Increase of ATR in July was a resultant of lengthening of ATR of domestic debt (by 0.12 year to 3.36 years) and shortening of ATR of foreign debt (by 0.06 year to 4.90 years). The levels of ATR both categories resulted from changes in ATM and development of the share of floating rate instruments. In July 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

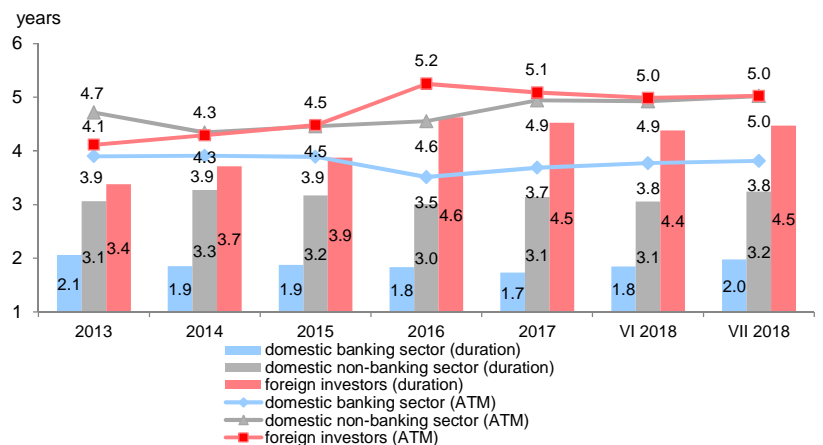
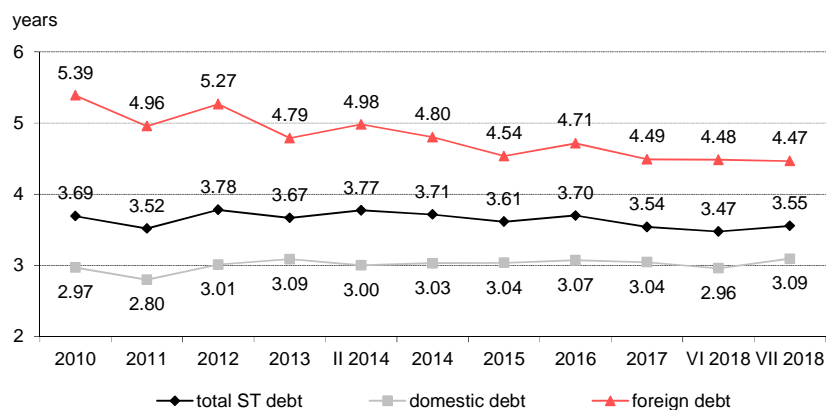
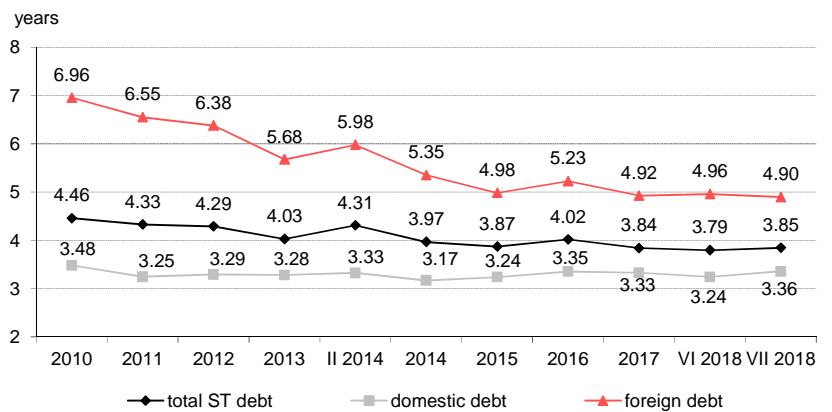
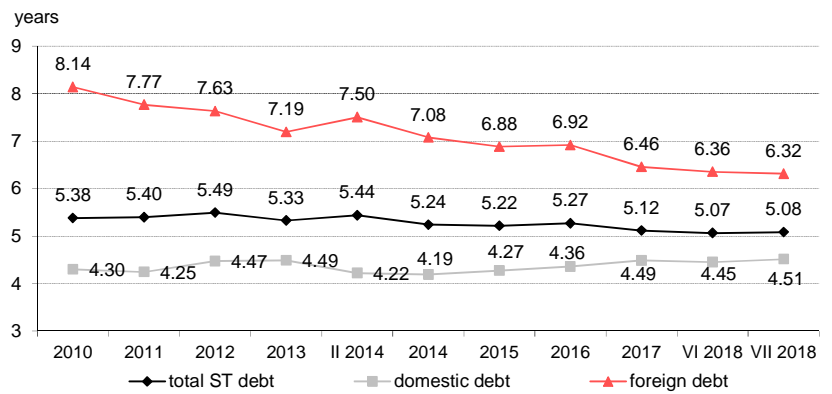
In July 2018 duration of ST debt amounted to 3.55 years (an increase by 0.08 year m/m and by 0.01 year as compared to the end of 2017). Duration of domestic debt amounted to 3.09 years (up by 0.13 year m/m), while duration of foreign debt to 4.47 years (down by 0.01 year m/m). Changes in duration resulted mainly 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

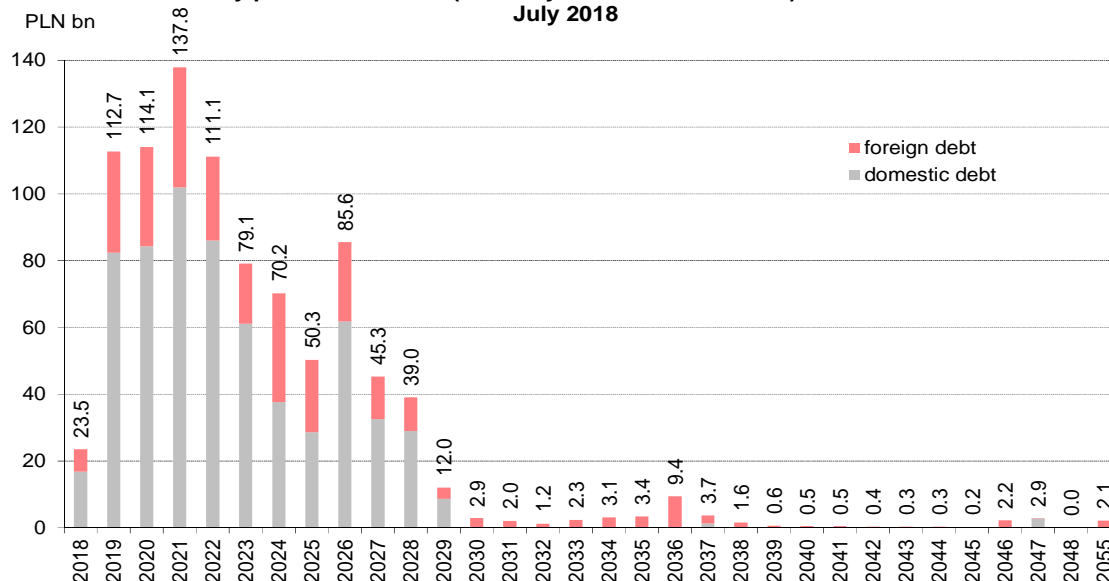
The portfolio of domestic TS held by foreign investors had the longest ATM and duration and at the end of July 2018 amounted to 5.0 and 4.5 years, respectively. ATM and duration of domestic non-banking sector portfolio stood at 5.0 and 3.2 years, respectively.

ATM, as well as duration of portfolio held by domestic banking sector were significantly lower and amounted to 3.8 and 2.0 years, respectively. Since the end of 2017 the levels of ATM and duration remain relatively stable.

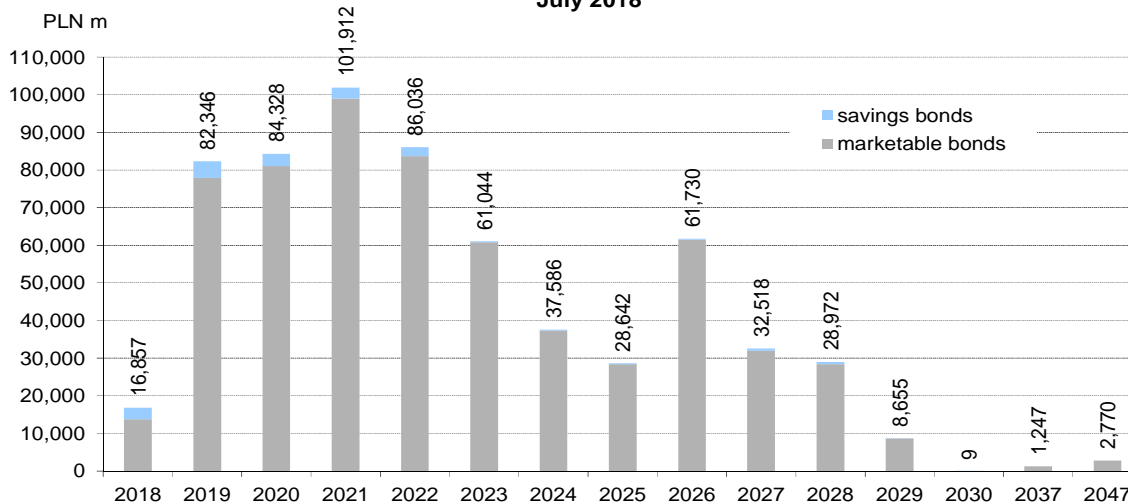


\*) Excluding inflation-linked bonds

**Maturity profile of ST debt (Treasury securities and loans) as at the end of July 2018**

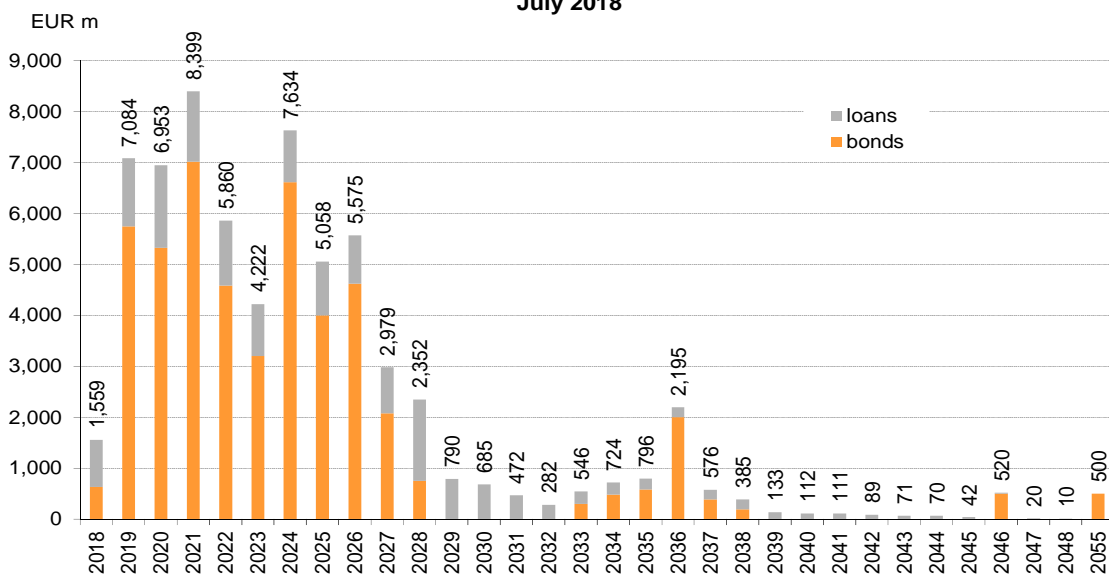


**Maturity profile of domestic Treasury securities debt as at the end of July 2018**



\*) Data do not include a part of short-term domestic debt: (a) maturing in 2018 – other ST debt (PLN 22,364 – mainly deposits), (b) maturing in 2019 – deposits (PLN 3,744m) and (c) matured payables.

**Maturity profile of foreign debt (Treasury securities and loans) as at the end of July 2018**



\*) 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 %	June 2018	structure June 2018 %	July 2018	structure July 2018 %	change		change	
							July 2018 – June 2018		July 2018 – Dec 2017	
							PLN m	%	PLN m	%
<b>State Treasury Debt</b>	<b>928,473.0</b>	<b>100.0</b>	<b>956,144.6</b>	<b>100.0</b>	<b>946,563.8</b>	<b>100.0</b>	<b>-9,580.8</b>	<b>-1.0</b>	<b>18,090.8</b>	<b>1.9</b>
<b>I. Domestic debt</b>	<b>644,533.1</b>	<b>69.4</b>	<b>662,516.2</b>	<b>69.3</b>	<b>660,758.6</b>	<b>69.8</b>	<b>-1,757.6</b>	<b>-0.3</b>	<b>16,225.5</b>	<b>2.5</b>
<b>1. Treasury securities issued in domestic market</b>	<b>621,103.1</b>	<b>66.9</b>	<b>636,583.4</b>	<b>66.6</b>	<b>634,650.3</b>	<b>67.0</b>	<b>-1,933.0</b>	<b>-0.3</b>	<b>13,547.3</b>	<b>2.2</b>
<b>1.1. Marketable securities</b>	<b>605,711.1</b>	<b>65.2</b>	<b>618,945.1</b>	<b>64.7</b>	<b>616,626.2</b>	<b>65.1</b>	<b>-2,318.9</b>	<b>-0.4</b>	<b>10,915.1</b>	<b>1.8</b>
fixed rate	440,523.2	47.4	446,413.0	46.7	442,281.3	46.7	-4,131.7	-0.9	1,758.1	0.4
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	46,693.4	4.9	47,445.7	5.0	752.3	1.6	767.5	1.6
PS bonds	180,391.2	19.4	175,748.9	18.4	167,513.1	17.7	-8,235.8	-4.7	-12,878.1	-7.1
DS bonds	177,359.7	19.1	177,004.0	18.5	176,714.0	18.7	-289.9	-0.2	-645.6	-0.4
WS bonds	36,094.1	3.9	46,966.7	4.9	50,608.4	5.3	3,641.8	7.8	14,514.4	40.2
fixed rate - inflation-linked	4,543.7	0.5	4,657.5	0.5	4,608.1	0.5	-49.4	-1.1	64.3	1.4
IZ bonds	4,543.7	0.5	4,657.5	0.5	4,608.1	0.5	-49.4	-1.1	64.3	1.4
floating rate	160,644.1	17.3	167,874.7	17.6	169,736.8	17.9	1,862.2	1.1	9,092.7	5.7
WZ bonds	158,644.1	17.1	165,874.7	17.3	167,736.8	17.7	1,862.2	1.1	9,092.7	5.7
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
<b>1.2. Savings bonds</b>	<b>15,392.0</b>	<b>1.7</b>	<b>17,638.2</b>	<b>1.8</b>	<b>18,024.1</b>	<b>1.9</b>	<b>385.9</b>	<b>2.2</b>	<b>2,632.1</b>	<b>17.1</b>
fixed rate	6,987.0	0.8	7,743.2	0.8	7,858.5	0.8	115.3	1.5	871.5	12.5
OTS bonds	647.2	0.1	970.9	0.1	1,086.1	0.1	115.2	11.9	438.9	67.8
POS bonds	0.0	0.0	370.6	0.0	370.4	0.0	-0.3	-0.1	370.4	-
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	6,401.6	0.7	6,402.0	0.7	0.4	0.0	62.2	1.0
floating rate	8,405.0	0.9	9,895.1	1.0	10,165.7	1.1	270.6	2.7	1,760.7	20.9
TOZ bonds	568.9	0.1	564.7	0.1	560.3	0.1	-4.4	-0.8	-8.6	-1.5
COI bonds	3,513.2	0.4	4,731.0	0.5	4,976.0	0.5	245.0	5.2	1,462.8	41.6
ROS bonds	10.1	0.0	16.4	0.0	17.4	0.0	1.0	6.3	7.3	72.8
EDO bonds	4,303.0	0.5	4,565.7	0.5	4,593.4	0.5	27.7	0.6	290.4	6.7
ROD bonds	9.8	0.0	17.2	0.0	18.5	0.0	1.3	7.5	8.7	89.3
<b>2. Other domestic debt</b>	<b>23,430.0</b>	<b>2.5</b>	<b>25,932.8</b>	<b>2.7</b>	<b>26,108.3</b>	<b>2.8</b>	<b>175.5</b>	<b>0.7</b>	<b>2,678.3</b>	<b>11.4</b>
deposits of PFSE*	18,518.7	2.0	19,619.0	2.1	19,767.1	2.1	148.1	0.8	1,248.4	6.7
other deposits**	4,235.6	0.5	5,651.2	0.6	5,678.6	0.6	27.4	0.5	1,443.0	34.1
matured payables	672.2	0.1	659.1	0.1	659.1	0.1	0.0	0.0	-13.1	-2.0
other	3.5	0.0	3.5	0.0	3.5	0.0	0.0	0.0	0.0	0.9
<b>II. Foreign debt</b>	<b>283,939.9</b>	<b>30.6</b>	<b>293,628.4</b>	<b>30.7</b>	<b>285,805.2</b>	<b>30.2</b>	<b>-7,823.2</b>	<b>-2.7</b>	<b>1,865.3</b>	<b>0.7</b>
<b>1. Treasury securities issued in international markets</b>	<b>213,102.2</b>	<b>23.0</b>	<b>216,545.8</b>	<b>22.6</b>	<b>211,863.7</b>	<b>22.4</b>	<b>-4,682.1</b>	<b>-2.2</b>	<b>-1,238.5</b>	<b>-0.6</b>
<b>1.1. Marketable securities</b>	<b>213,102.2</b>	<b>23.0</b>	<b>216,545.8</b>	<b>22.6</b>	<b>211,863.7</b>	<b>22.4</b>	<b>-4,682.1</b>	<b>-2.2</b>	<b>-1,238.5</b>	<b>-0.6</b>
fixed rate	211,851.0	22.8	215,237.3	22.5	210,580.3	22.2	-4,657.0	-2.2	-1,270.6	-0.6
EUR	145,656.2	15.7	147,954.2	15.5	145,114.9	15.3	-2,839.3	-1.9	-541.2	-0.4
USD	46,087.2	5.0	49,564.9	5.2	48,295.3	5.1	-1,269.6	-2.6	2,208.2	4.8
CHF	9,025.0	1.0	5,655.3	0.6	5,539.2	0.6	-116.1	-2.1	-3,485.8	-38.6
JPY	9,477.9	1.0	10,365.5	1.1	10,028.0	1.1	-337.6	-3.3	550.0	5.8
CNY	1,604.7	0.2	1,697.4	0.2	1,602.9	0.2	-94.5	-5.6	-1.8	-0.1
floating rate	1,251.3	0.1	1,308.5	0.1	1,283.4	0.1	-25.1	-1.9	32.1	2.6
EUR	1,251.3	0.1	1,308.5	0.1	1,283.4	0.1	-25.1	-1.9	32.1	2.6
<b>2. Loans</b>	<b>70,822.6</b>	<b>7.6</b>	<b>77,067.5</b>	<b>8.1</b>	<b>73,926.4</b>	<b>7.8</b>	<b>-3,141.1</b>	<b>-4.1</b>	<b>3,103.8</b>	<b>4.4</b>
fixed rate	26,745.8	2.9	32,041.7	3.4	31,363.7	3.3	-678.0	-2.1	4,617.9	17.3
EUR	26,745.8	2.9	32,041.7	3.4	31,363.7	3.3	-678.0	-2.1	4,617.9	17.3
floating rate	44,076.8	4.7	45,025.8	4.7	42,562.7	4.5	-2,463.1	-5.5	-1,514.0	-3.4
EUR	44,076.8	4.7	45,025.8	4.7	42,562.7	4.5	-2,463.1	-5.5	-1,514.0	-3.4
<b>3. Other foreign debt</b>	<b>15.1</b>	<b>0.0</b>	<b>15.1</b>	<b>0.0</b>	<b>15.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

\*) Deposits received from PFSE with legal personality

\*\*) Court deposits from PFSE with legal personality and entities from outside PFS and collateral under CSA agreements.







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

	Dec 2017	June 2018	July 2018	change		change	
				July 2018 – May 2018		July 2018 – Dec 2017	
				EUR m	%	EUR m	%
<b>State Treasury debt</b>	<b>222,607.3</b>	<b>219,218.8</b>	<b>221,268.3</b>	<b>2,049.6</b>	<b>0.9</b>	<b>-3,388.6</b>	<b>-1.5</b>
<b>I. Domestic debt</b>	<b>154,530.9</b>	<b>151,897.5</b>	<b>154,458.6</b>	<b>2,561.1</b>	<b>1.7</b>	<b>-2,633.4</b>	<b>-1.7</b>
1. Treasury securities issued in domestic market	148,913.4	145,951.8	148,355.6	2,403.8	1.6	-2,961.6	-2.0
1.1. Marketable TS	145,223.1	141,907.8	144,142.3	2,234.5	1.6	-3,315.3	-2.3
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	145,223.1	141,907.8	144,142.3	2,234.5	1.6	-3,315.3	-2.3
1.2. Savings bonds	3,690.3	4,044.0	4,213.3	169.3	4.2	353.7	9.6
2. Other ST debt	5,617.5	5,945.7	6,103.1	157.3	2.6	328.2	5.8
<b>II. Foreign debt</b>	<b>68,076.4</b>	<b>67,321.3</b>	<b>66,809.7</b>	<b>-511.6</b>	<b>-0.8</b>	<b>-755.1</b>	<b>-1.1</b>
1. Treasury securities issued in foreign markets	51,092.6	49,648.3	49,525.2	-123.1	-0.2	-1,444.4	-2.8
2. Loans	16,980.2	17,669.6	17,281.0	-388.5	-2.2	689.4	4.1
2.1. World Bank	7,015.8	6,924.0	6,904.5	-19.5	-0.3	-91.8	-1.3
2.2. European Investment Bank	9,753.6	10,540.4	10,151.3	-389.0	-3.7	786.8	8.1
2.3. Council of Europe Development Bank	210.8	205.2	225.2	20.0	9.7	-5.6	-2.7
3. Other ST debt	3.6	3.5	3.5	0.1	2.0	-0.2	-4.4
<i>FX rate (EUR/PLN)</i>	4.1709	4.3616	4.2779	-0.1	-1.9	0.2	4.6

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

	Dec 2017	June 2018	July 2018	change		change	
				July 2018 – May 2018		July 2018 – Dec 2017	
				USD m	%	USD m	%
<b>State Treasury debt</b>	<b>266,703.0</b>	<b>255,380.5</b>	<b>259,467.6</b>	<b>4,087.1</b>	<b>1.6</b>	<b>-11,322.5</b>	<b>-4.2</b>
<b>I. Domestic debt</b>	<b>185,141.5</b>	<b>176,954.1</b>	<b>181,124.0</b>	<b>4,169.9</b>	<b>2.4</b>	<b>-8,187.4</b>	<b>-4.4</b>
1. Treasury securities issued in domestic market	178,411.2	170,027.6	173,967.4	3,939.8	2.3	-8,383.6	-4.7
1.1. Marketable TS	173,989.9	165,316.5	169,026.7	3,710.1	2.2	-8,673.4	-5.0
- Treasury bills	0.0	0.0	0.0	0.0	-	0.0	-
- bonds issued in domestic market	173,989.9	165,316.5	169,026.7	3,710.1	2.2	-8,673.4	-5.0
1.2. Savings bonds	4,421.3	4,711.1	4,940.7	229.6	4.9	289.7	6.6
2. Other ST debt	6,730.2	6,926.5	7,156.7	230.2	3.3	196.2	2.9
<b>II. Foreign debt</b>	<b>81,561.5</b>	<b>78,426.4</b>	<b>78,343.6</b>	<b>-82.8</b>	<b>-0.1</b>	<b>-3,135.1</b>	<b>-3.8</b>
1. Treasury securities issued in foreign markets	61,213.4	57,838.1	58,075.1	237.0	0.4	-3,375.3	-5.5
2. Loans	20,343.7	20,584.3	20,264.4	-319.9	-1.6	240.6	1.2
2.1. World Bank	8,405.5	8,066.2	8,096.5	30.3	0.4	-339.3	-4.0
2.2. European Investment Bank	11,685.6	12,279.1	11,903.8	-375.3	-3.1	593.5	5.1
2.3. Council of Europe Development Bank	252.6	239.0	264.1	25.0	10.5	-13.6	-5.4
3. Other ST debt	4.3	4.0	4.1	0.1	2.6	-0.3	-7.0
<i>FX rate (USD/PLN)</i>	3.4813	3.7440	3.6481	-0.1	-2.6	0.3	7.5

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