

1. At the end of 2015 consolidated **public debt** (according to domestic methodology) stood at **PLN 877,275.5 million*** which meant:

- an increase by PLN 872.7 (+0.1%) in the fourth quarter of 2015,
- an increase by PLN 50,503.3 (+6.1%) in comparison with the end of 2014.

2. **Increase of public debt in the fourth quarter of 2015** resulted from:

- decrease of central government sector debt by PLN 642.8 million (-0.1%), consolidated State Treasury debt decreased by PLN 581.5 million (-0.1%),
- increase of local government sector debt by PLN 1,517.3 million (2.2%), local government units debt increased by PLN 1,503.1 million (+2.2%),
- decrease of social security sector debt by PLN 1.8 million (-1.7%).

3. **Increase of public debt in 2015** resulted from:

- increase of central government sector debt by PLN 50,097.6 million (+6.6%), consolidated State Treasury debt increased by PLN 50,030.2 million (+6.6%),
- increase of local government sector debt by PLN 423.7 million (+0.6%), local government units debt increased by PLN 82.0 million (+0.1%) and independent public health units debt increased by PLN 310.8 million (+9.3%),
- decrease of social security sector debt by PLN 18.0 million (-15.2%).

4. At the end of 2015 **unconsolidated public debt** stood at PLN 958,944.3 million* which meant:

- an increase by PLN 141.4 (+0.01%) in the fourth quarter of 2015,
- an increase by PLN 60,096.1 (+6.7%) in comparison with the end of 2014.

5. At the end of 2015 **general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 921,405.1 million***. EDP debt:

- increased by PLN 5,715.9 million (+0.6%) in the fourth quarter of 2015,
- increased by PLN 53,484.4 million (+6.2%) compared with the end of 2014.

6. The **change in EDP debt in the fourth quarter of 2015** resulted mainly from:

- increase in debt of National Road Fund (by PLN 1,737.4 million),
- increase in debt of corporations included in general government sector (by PLN 1,018.9 million),

- decrease of T-securities held by funds managed by BGK (incl. NRF) and Bank Guarantee Fund (by PLN 1,445.9 million) (which increases EDP debt due to decrease of consolidation between units of the general government sector),
- increase of debt related to acquisition of infrastructure assets (by PLN 240.0 million),

- decrease of matured payables (by PLN 251.9 million).

7. Similarly to public debt measured according to domestic methodology, the **change in EDP debt in 2015** resulted mainly from changes in State Treasury debt. Moreover EDP debt was influenced mainly by:

- increase in debt of NRF (by PLN 1,686.0 million) and corporations included in general government sector (by PLN 2,756.5 million),

- decrease of T-securities held by funds managed by BGK and BGF (by PLN 1,252.7 million),

- decrease in debt exchanged using CIRS transactions due to favorable FX changes of CHF against USD i EUR (by PLN 182.0 million),

- decrease of BGF debt related to bank and SKOK deposits guarantees (by PLN 240.1),

- increase of debt related to acquisition of infrastructure assets (by PLN 155.4 million).

The differences between public debt according to domestic definition and general government debt are presented in chart 3 (page 2) and in table 3 (page 7).

* Data regarding the fourth quarter of 2015 are preliminary. Data regarding previous periods were updated if necessary.

Table 1. Public debt according to the place of issue criterion - after consolidation (PLN m, at nominal value, eop)

Item	Q4 2014	structure Q4 2014	Q3 2015	structure Q3 2015	Q4 2015	structure Q4 2015	change		change	
							Q4 2015 - Q3 2015 PLN m	%	Q4 2015 - Q4 2014 PLN m	%
Public debt	826,772.2	100.0%	876,402.8	100.0%	877,275.5	100.0%	872.7	0.1%	50,503.3	6.1%
Domestic debt	534,790.1	64.7%	579,089.4	66.1%	570,482.5	65.0%	-8,606.9	-1.5%	35,692.4	6.7%
1. Debt securities	480,301.9	58.1%	521,537.5	59.5%	511,785.2	58.3%	-9,752.3	-1.9%	31,483.3	6.6%
2. Loans	52,547.6	6.4%	51,432.5	5.9%	52,811.3	6.0%	1,378.8	2.7%	263.7	0.5%
3. Other domestic liabilities	1,940.6	0.2%	6,119.4	0.7%	5,886.0	0.7%	-233.4	-3.8%	3,945.4	203.3%
Foreign debt	291,982.1	35.3%	297,313.3	33.9%	306,793.0	35.0%	9,479.6	3.2%	14,810.9	5.1%
1. Debt securities	208,769.6	25.3%	211,684.4	24.2%	215,978.8	24.6%	4,294.4	2.0%	7,209.2	3.5%
2. Loans	83,202.5	10.1%	85,622.5	9.8%	90,809.2	10.4%	5,186.7	6.1%	7,606.6	9.1%
3. Other foreign liabilities	9.9	0.0%	6.4	0.0%	5.0	0.0%	-1.5	-23.2%	-5.0	-50.1%

Table 2. Public debt according to the residency criterion - after consolidation (PLN m, at nominal value, eop)

Item	Q4 2014	structure Q4 2014	Q3 2015	structure Q3 2015	Q4 2015	structure Q4 2015	change		change	
							Q4 2015 - Q3 2015 PLN m	%	Q4 2015 - Q4 2014 PLN m	%
Public debt	826,772.2	100.0%	876,402.8	100.0%	877,275.5	100.0%	872.7	0.1%	50,503.3	6.1%
Domestic debt	354,756.9	42.9%	386,665.9	44.1%	377,300.3	43.0%	-9,365.6	-2.4%	22,543.4	6.4%
1. Debt securities	300,268.7	36.3%	329,124.1	37.6%	318,615.5	36.3%	-10,508.6	-3.2%	18,346.8	6.1%
2. Loans	52,547.6	6.4%	51,432.5	5.9%	52,811.3	6.0%	1,378.8	2.7%	263.7	0.5%
3. Other domestic liabilities	1,940.6	0.2%	6,109.4	0.7%	5,873.5	0.7%	-235.9	-3.9%	3,932.9	202.7%
Foreign debt	472,015.3	57.1%	489,736.8	55.9%	499,975.2	57.0%	10,238.3	2.1%	27,959.9	5.9%
1. Debt securities	388,802.8	47.0%	404,097.9	46.1%	409,148.5	46.6%	5,050.7	1.2%	20,345.7	5.2%
2. Loans	83,202.5	10.1%	85,622.5	9.8%	90,809.2	10.4%	5,186.7	6.1%	7,606.6	9.1%
3. Other foreign liabilities	9.9	0.0%	16.5	0.0%	17.5	0.0%	1.0	5.8%	7.6	76.1%

Chart 1. Public debt

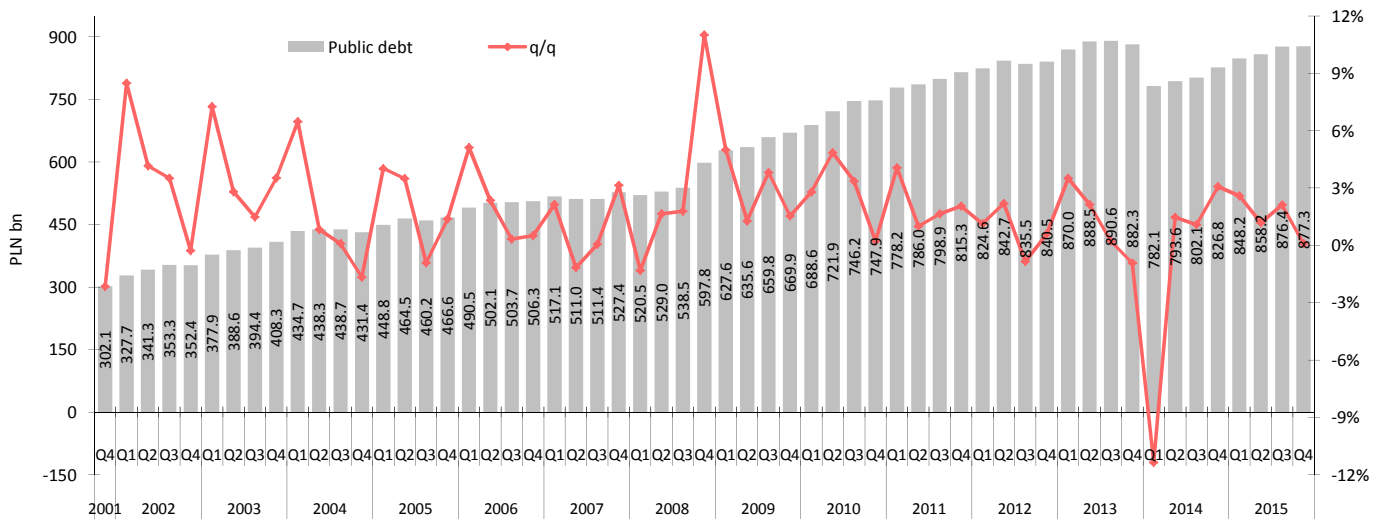


Chart 2. EDP debt

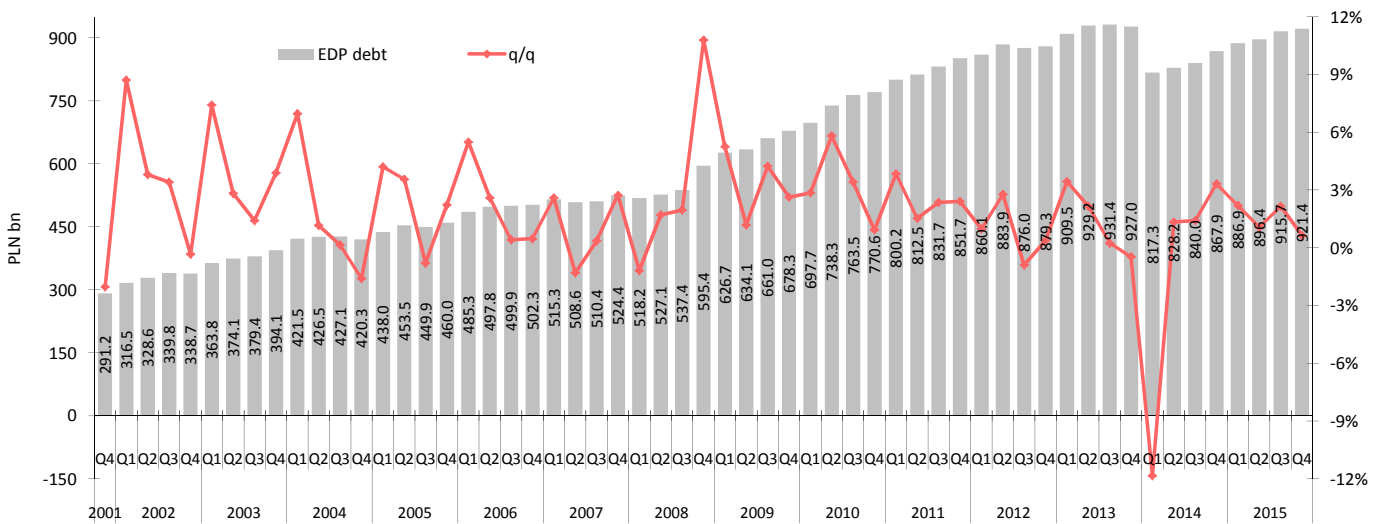


Chart 3. Differences between public debt and general government debt

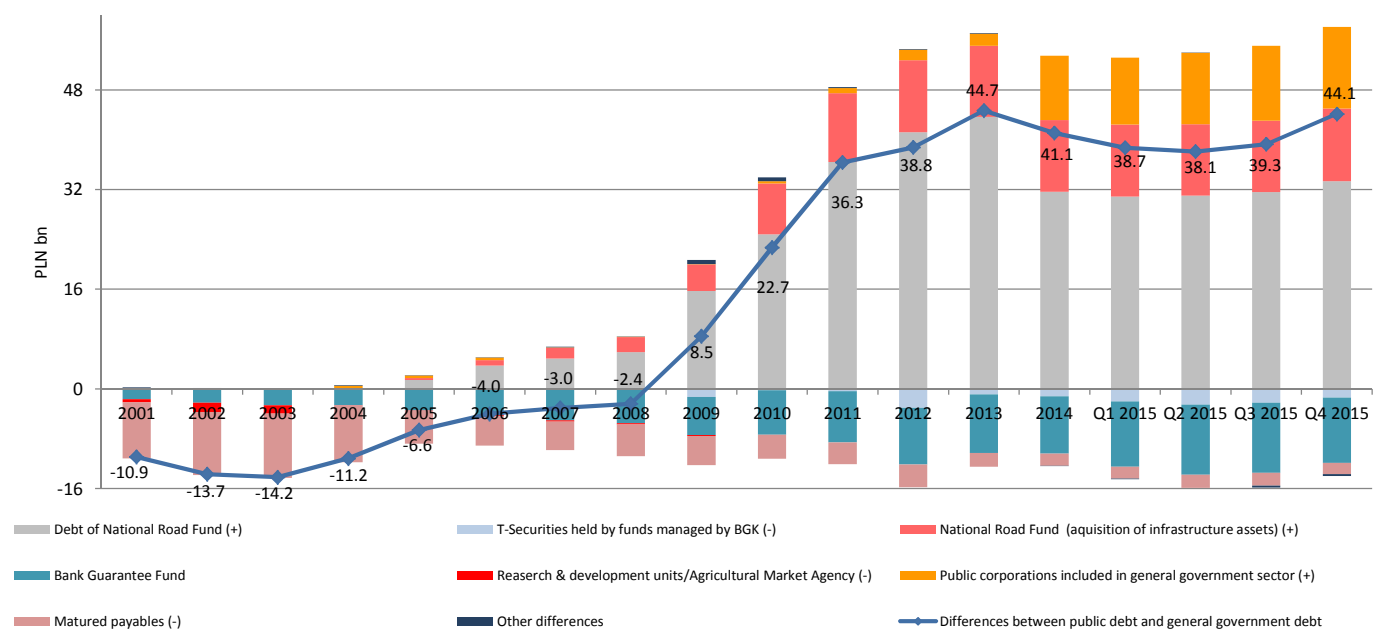


Chart 4. Public debt according to the place of issue criterion

At the end of 2015 domestic debt stood at PLN 570.5 bn, down by PLN 8.6 bn (-1.5%) compared with the end of the third quarter of 2015. In the same period foreign debt stood at PLN 306.8 bn, up by PLN 9.5 bn (+3.2%) mainly due to:

- issuance of bond (EUR 1.8 bn) and drawing of loans from EBI (EUR 1.1 bn),
- repurchase of bonds (USD 0.8 bn and EUR 0.7 bn),
- depreciation of zloty against EUR (0.5%), USD (3.3%) and JPY (3.2%) and CHF (1.6%).

At the end of 2015 the share of foreign debt in the total debt amounted to 35.0%, up by 1.1 percentage points compared with previous quarter and down by 0.3 percentage points compared with the end of 2014.

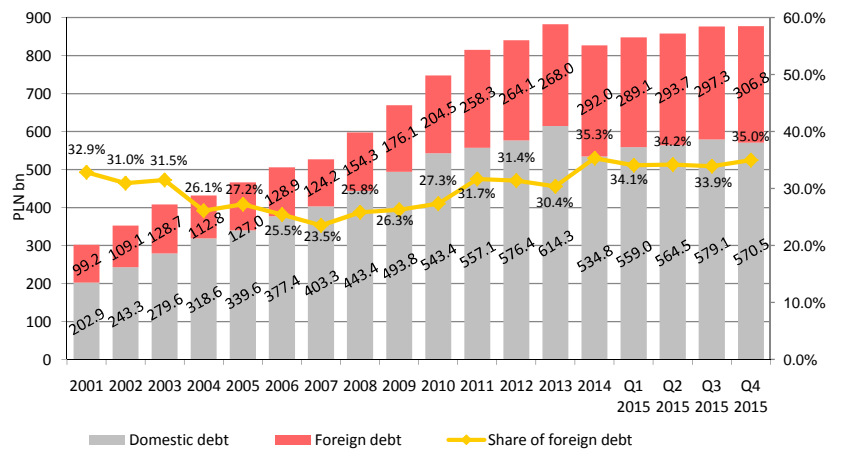


Chart 5. Currency structure of public debt at the end of 2015

At the end of 2015 liabilities denominated in PLN accounted for 65.9% of public debt. The share of debt denominated in EUR amounted to 25.6%. The debt of units other than State Treasury consisted of liabilities denominated in PLN (89.0%) and EUR (11.0%).

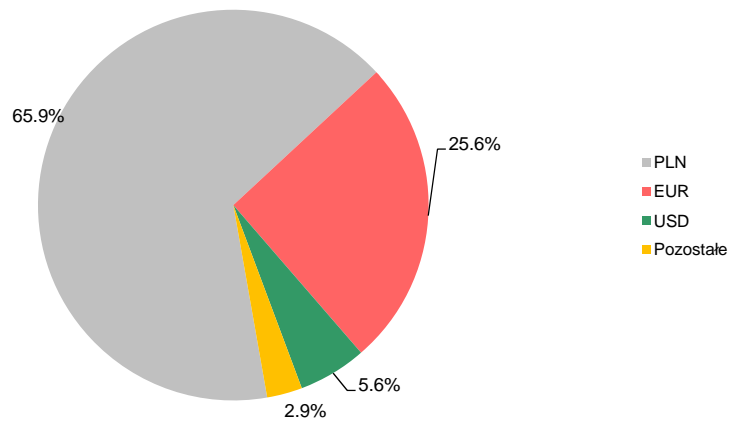


Chart 6. Public debt by holder

In the fourth quarter of 2015 public debt towards:

- domestic banking sector decreased by PLN 5.7 bn (-2.3%),
- domestic non-banking sector decreased by PLN 3.7 bn (-2.6%),
- foreign investors (non-residents) increased by PLN 10.3 bn (+2.1%).

In 2015 public debt towards:

- domestic banking sector increased by PLN 18.8 bn (+8.5%),
- domestic non-banking sector increased by PLN 3.8 bn (+2.8%),
- foreign investors (non-residents) increased by PLN 28.0 bn (+5.9%).

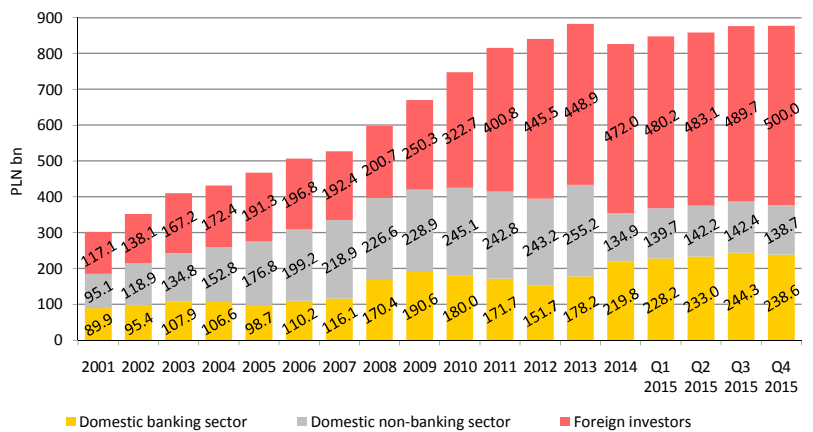


Chart 7. Structure of public debt by holder

In the fourth quarter of 2015 the share of public debt towards:

- foreign investors rose from 55.9% to 57.0%,
- domestic banking sector fell by 0.7 percentage points to 27.2%,
- domestic non-banking sector fell by 0.4 percentage points to 15.8%.

In 2015 the share of public debt towards domestic banking sector rose by 0.6 percentage points. The share of public debt towards foreign investors and domestic non-banking sector fell by 0.5 and 0.1 percentage points respectively.

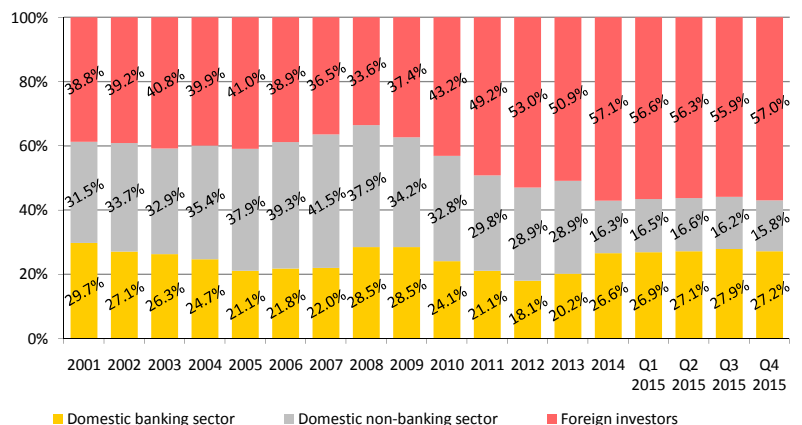


Chart 8. Consolidated public debt by sub-sector

At the end of 2015 public debt consisted of:

- central government debt - PLN 805.1 bn,
- local government debt - PLN 72.1 bn,
- social security funds debt - PLN 0.1 bn.

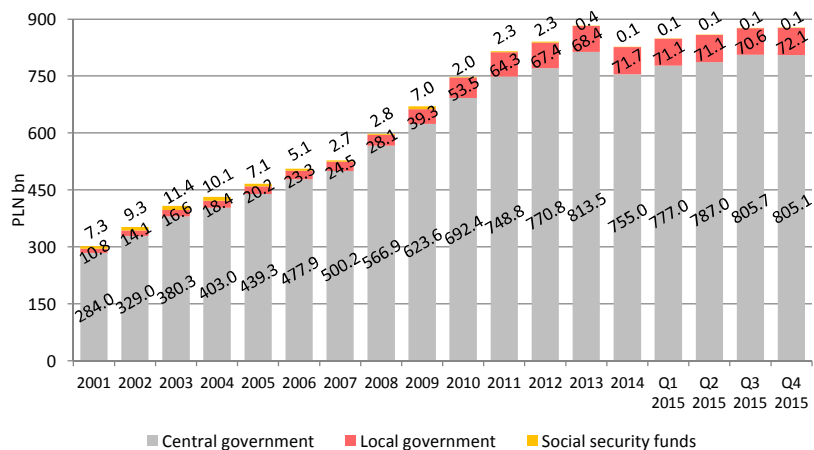


Chart 9. Structure of consolidated public debt by sub-sector

In the fourth quarter of 2015 share of subsectors in total public debt amounted to:

- central government sub-sector - 91.8% (down by 0.1 percentage points),
- local government sub-sector - 8.2% (up by 0.1 percentage points), of which 7.8% represented debt of local government units and their unions,
- social security funds - 0.01%.

Throughout the whole year:

- the share of central government sub-sector rose by 0.5 percentage points,
- the share of local government sub-sector fell by 0.5 percentage points,
- the share of social security funds debt remained below 0.1%.

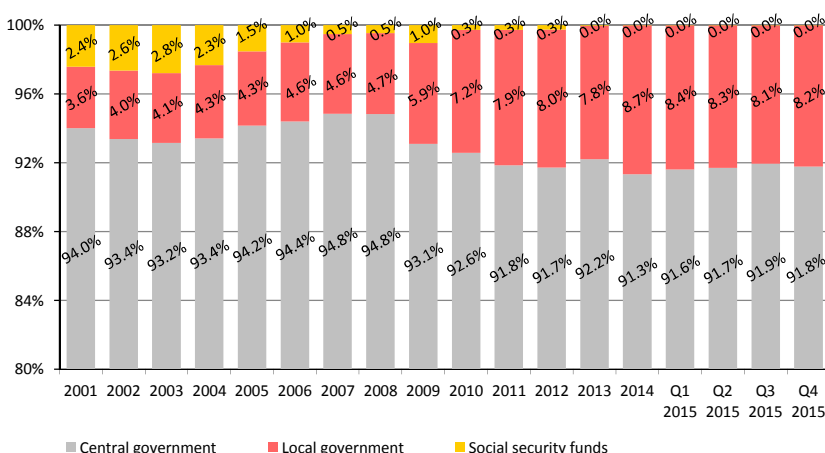


Chart 10. Changes in consolidated public debt by sub-sector

The increase of public debt in 2015 by PLN 50.5 bn (+6.1%) was mainly a result of central government debt increase and in particular of State Treasury debt (by PLN 50.0 bn and +6.6%). In the fourth quarter of 2015 State Treasury debt fell by PLN 0.6 bn. Local government debt increased in the fourth quarter by PLN 1.5 bn (+2.2%) and over the whole year by PLN 0.4 bn (+0.6%). Annual increase of local government units debt in 2015 was the lowest since 2002. Social security funds debt fell insignificantly in the fourth quarter and over the whole year.

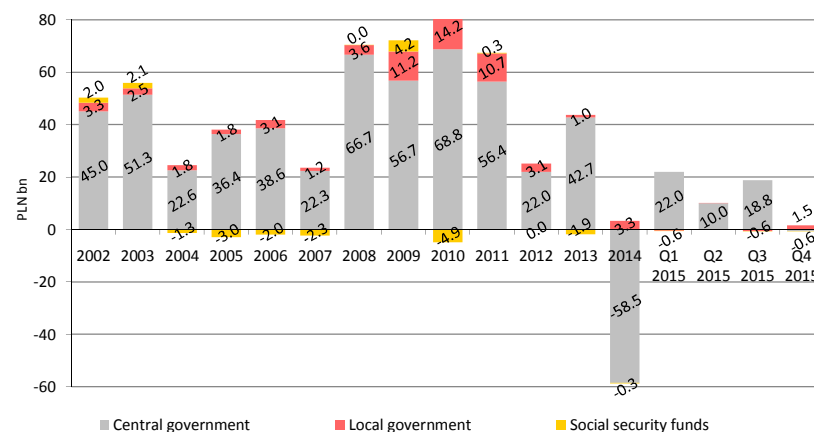


Chart 11. Structure of public debt by instrument

At the end of 2015 marketable instruments comprised 82.9% of public debt, including instruments issued on the domestic market (58.3%). The share of marketable instruments in public debt fell in the fourth quarter of 2015 and over the whole year by 0.8 and 0.4 percentage points respectively.

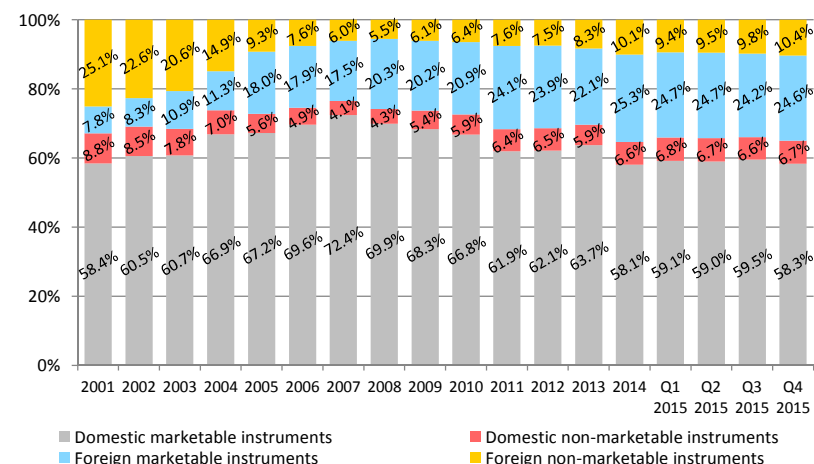


Chart 12. Unconsolidated debt of public finance sector units other than ST

At the end of 2015, the unconsolidated debt of units other than ST amounted to 12.8% of public debt. Among those entities the debt of local government units and Social Insurance Institution (ZUS) and its funds constituted the biggest part.

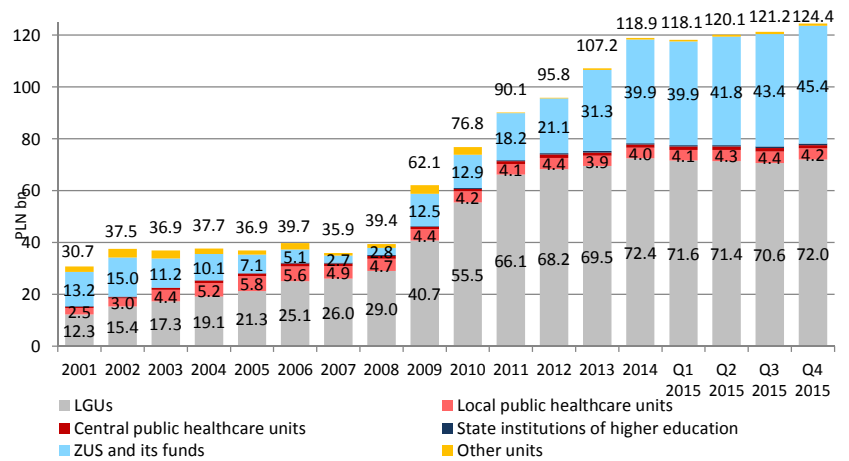


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of 2015 the difference between consolidated and unconsolidated debt of public finance sector units other than ST was PLN 50.5 bn. The reason is that 40.6% of their debt are liabilities towards other public finance sector units. The increasing debt of ZUS funds does not contribute to the consolidated public debt due to the fact that the State budget loan was used as an instrument for financing part of FUS deficit.

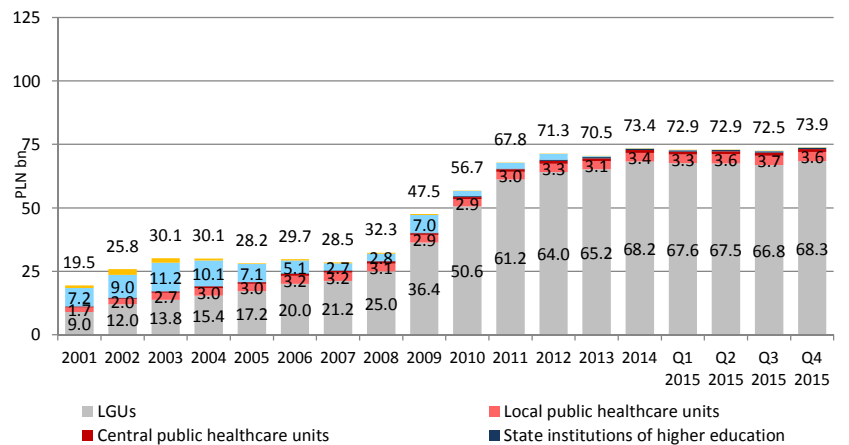


Chart 14. Structure of unconsolidated debt of LGUs and their associations according to place of issue criterion

Unconsolidated debt of local government units fell in 2015 by PLN 0.4 bn, which was first annual decrease since 2002. The structure of local government liabilities and their unions was dominated by domestic debt, although the share of foreign debt has been increasing, reaching 21,5% at the end of 2015. Debt denominated in EUR constituted 11.8% of LGUs debt. The rest of the debt was denominated in PLN.

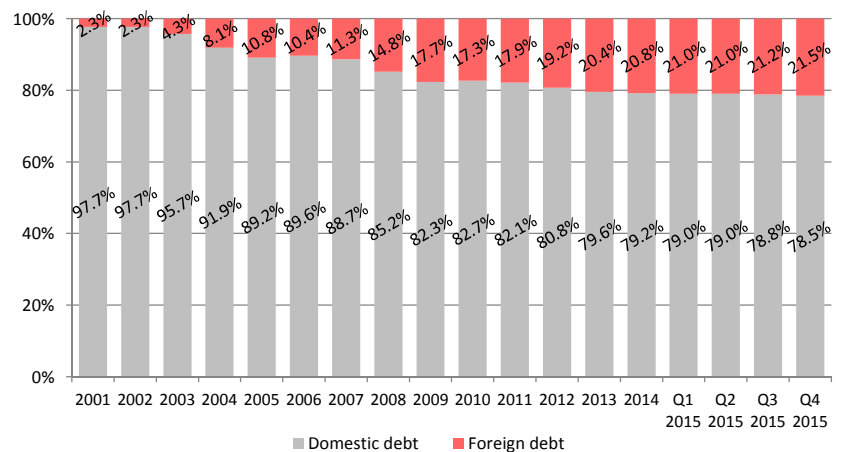


Chart 15. Structure of unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their associations with share of 94.0%. The role of loans in LGUs debt financing have been gradually growing since 2004 reaching its peak at the end 2015.

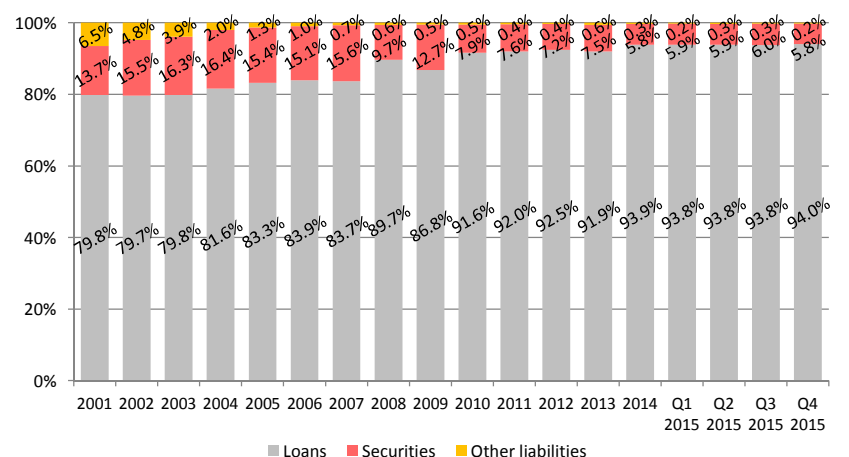
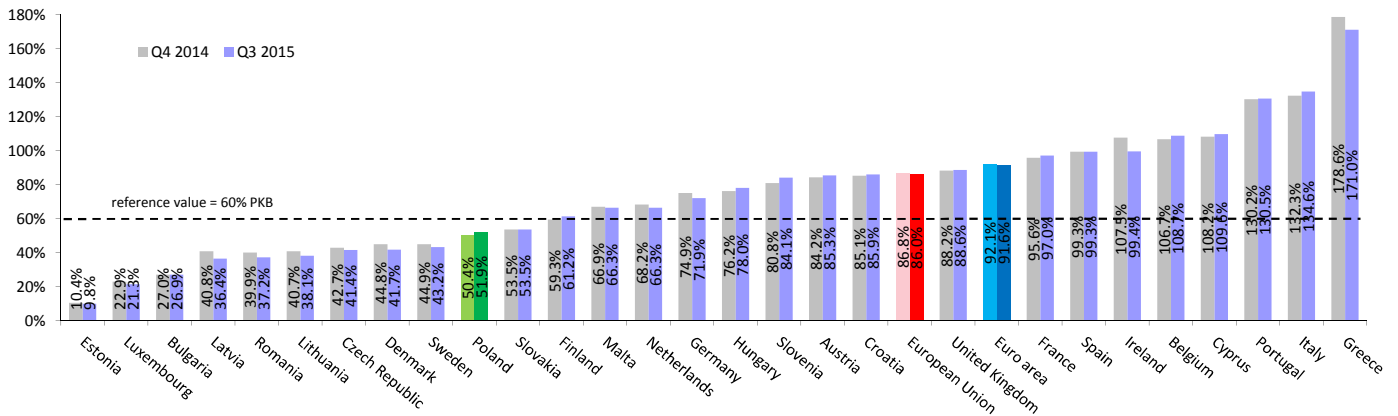


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



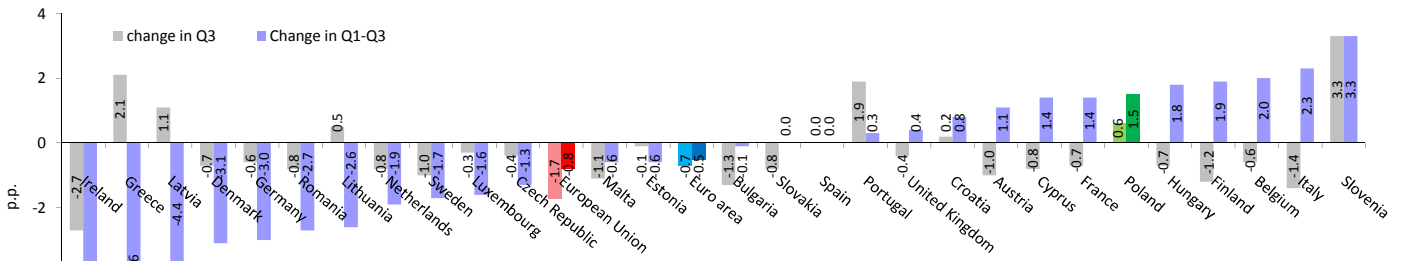
Source: Ministry of Finance

Chart 17. EDP debt to GDP ratio by European Union Member State



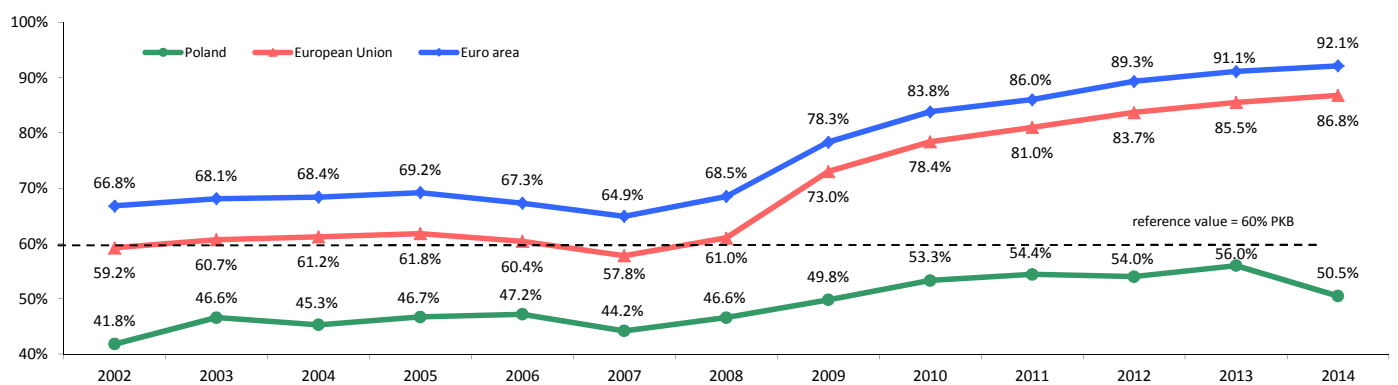
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>

Chart 18. Changes in EDP debt to GDP ratio by European Union Member State



Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>

Chart 19. Debt to GDP ratio in Poland, European Union and euro area (eop)



Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>

Table 3. Differences between public debt (according to domestic methodology) and general government debt (PLN m)

ITEM	Q4 2009	Q4 2010	Q4 2011	Q4 2012	Q4 2013	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Public debt	669,876.4	747,899.2	815,346.2	840,476.8	882,293.0	826,772.2	848,180.4	858,208.8	876,402.8	877,275.5
<i>1) Adjustments concerning the scope of the sector</i>	12,453.1	25,993.8	39,713.1	42,293.1	46,753.8	43,097.0	40,702.0	40,171.0	41,626.2	46,202.1
Debt of National Road Fund	15,703.2	24,798.1	36,412.7	41,197.4	43,644.7	31,626.3	30,879.4	31,038.1	31,574.9	33,312.4
T-Securities held by funds managed by Bank Gospodarstwa Krajowego	-1,276.2	-232.9	-364.5	-3,038.9	-895.2	-1,210.9	-2,027.3	-2,547.5	-2,219.5	-1,410.9
Aquisition of infrastructure assets	4,292.8	8,197.4	11,076.3	11,571.9	11,423.8	11,530.5	11,530.5	11,445.9	11,445.9	11,685.8
Bank Guarantee Fund	-6,133.4	-7,128.9	-8,209.7	-9,113.1	-9,366.1	-9,179.3	-10,440.5	-11,243.2	-11,243.2	-10,472.2
Research & development units	-156.2	-	-	-	-	-	-	-	-	-
Public corporations included in general government sector	22.9	360.0	798.3	1,675.8	1,946.5	10,330.5	10,759.9	11,477.7	12,068.1	13,087.0
<i>2) Differences concerning debt instruments</i>	-4,001.6	-3,287.9	-3,367.8	-3,437.9	-2,014.4	-1,948.5	-1,937.6	-2,022.2	-2,339.7	-2,072.5
matured payables	-4,688.6	-3,860.1	-3,504.4	-3,616.5	-2,202.1	-1,947.0	-1,935.3	-2,103.5	-2,049.4	-1,797.5
debt assumption - activation of a guarantee	42.1	18.2	14.6	20.0	1.6	0.2	0.6	0.1	0.0	16.8
restructured/refinanced trade credits and sell-lease-back operations	344.9	554.0	122.0	158.6	186.1	299.6	272.3	180.0	158.6	191.4
derivatives	300.0	0.0	0.0	0.0	0.0	-301.2	-275.2	-98.8	-449.0	-483.2
General government debt	678,327.9	770,605.2	851,691.5	879,332.0	927,032.3	867,920.7	886,944.9	896,357.6	915,689.2	921,405.1

Table 2. Public debt - before consolidation (PLN m, at nominal value, eop)

ITEM	Q4 2014	structure		structure		Q4 2015	change		change	
		Q4 2014	Q3 2015	Q3 2015	Q4 2015		Q4 2015 - Q3 2015	Q4 2015 - Q4 2014	m PLN	%
Public debt	898,848.2	100.0%	958,802.9	100.0%	958,944.3	100.0%	141.4	0.0%	60,096.1	6.7%
1. Central government sector debt	781,782.9	87.0%	839,623.2	87.6%	836,413.2	87.2%	-3,209.9	-0.4%	54,630.4	7.0%
1.1. State Treasury	779,938.4	86.8%	837,652.5	87.4%	834,541.0	87.0%	-3,111.4	-0.4%	54,602.6	7.0%
1.2. Earmarked State funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-
1.3. State institutions of higher education	532.5	0.1%	572.6	0.1%	528.8	0.1%	-43.7	-7.6%	-3.7	-0.7%
1.4. Independent public healthcare units	1,289.6	0.1%	1,357.7	0.1%	1,289.3	0.1%	-68.4	-5.0%	-0.3	0.0%
1.5. State institutions of culture	8.9	0.0%	12.4	0.0%	9.7	0.0%	-2.7	-22.0%	0.7	8.3%
1.6. Polish Academy of Science and units established by it	6.1	0.0%	3.3	0.0%	36.9	0.0%	33.6	1012.3%	30.8	505.2%
1.7. Other central government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	7.3	0.0%	24.7	0.0%	7.5	0.0%	-17.2	-69.6%	0.2	3.3%
2. Local government sector debt	77,144.6	8.6%	75,775.2	7.9%	77,104.2	8.0%	1,328.9	1.8%	-40.4	-0.1%
2.1. Local government units	72,448.7	8.1%	70,630.6	7.4%	72,023.7	7.5%	1,393.1	2.0%	-425.0	-0.6%
2.2. Independent public health units	4,038.8	0.4%	4,403.4	0.5%	4,242.4	0.4%	-160.9	-3.7%	203.7	5.0%
2.3. Local institutions of culture	86.6	0.0%	75.5	0.0%	80.2	0.0%	4.7	6.3%	-6.4	-7.4%
2.4. Other local government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	570.4	0.1%	665.7	0.1%	757.8	0.1%	92.0	13.8%	187.3	32.8%
* Data regarding the fourth quarter of 2015 are preliminary. Data regarding previous periods are final.	39,920.8	4.4%	43,404.5	4.5%	45,426.9	4.7%	2,022.4	4.7%	5,506.1	13.8%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	39,920.7	4.4%	43,404.5	4.5%	45,426.9	4.7%	2,022.4	4.7%	5,506.1	13.8%
3.3. Agricultural Social Insurance Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
3.4. National Health Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-

Table 5. Public debt - after consolidation (PLN m, at nominal value, eop)

ITEM	Q4 2014	structure		structure		Q4 2015	change		change	
		Q4 2014	Q3 2015	Q3 2015	Q4 2015		Q4 2015 - Q3 2015	Q4 2015 - Q4 2014	m PLN	%
Public debt	826,772.2	100.0%	876,402.8	100.0%	877,275.5	100.0%	872.7	0.1%	50,503.3	6.1%
1. Central government sector debt	754,992.7	91.3%	805,733.1	91.9%	805,090.4	91.8%	-642.8	-0.1%	50,097.6	6.6%
1.1. State Treasury	753,332.2	91.1%	803,944.0	91.7%	803,362.5	91.6%	-581.5	-0.1%	50,030.2	6.6%
1.2. Earmarked State funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-
1.3. State institutions of higher education	477.8	0.1%	525.9	0.1%	478.5	0.1%	-47.3	-9.0%	0.8	0.2%
1.4. Independent public health units	1,172.5	0.1%	1,231.9	0.1%	1,204.0	0.1%	-27.9	-2.3%	31.6	2.7%
1.5. State institutions of culture	2.4	0.0%	8.9	0.0%	7.3	0.0%	-1.6	-17.7%	4.9	200.6%
1.6. Polish Academy of Science and units established by it	5.7	0.0%	2.9	0.0%	35.8	0.0%	32.8	1128.4%	30.1	528.0%
1.7. Other central government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	2.2	0.0%	19.6	0.0%	2.3	0.0%	-17.3	-88.4%	0.1	4.0%
2. Local government sector debt	71,660.6	8.7%	70,567.0	8.1%	72,084.3	8.2%	1,517.3	2.2%	423.7	0.6%
2.1. Local government units	68,264.5	8.3%	66,843.4	7.6%	68,346.6	7.8%	1,503.1	2.2%	82.0	0.1%
2.2. Independent public health units	3,331.0	0.4%	3,653.2	0.4%	3,641.7	0.4%	-11.4	-0.3%	310.8	9.3%
2.3. Local institutions of culture	61.7	0.0%	55.7	0.0%	63.4	0.0%	7.7	13.8%	1.7	2.7%
2.4. Other local government legal entities established under separate acts for public tasks execution, with the exception of enterprises, banks and companies organized under commercial law	3.4	0.0%	14.7	0.0%	32.6	0.0%	17.9	121.6%	29.2	866.7%
3. Social Security Sector debt	118.9	0.0%	102.6	0.0%	100.9	0.0%	-1.8	-1.7%	-18.0	-15.2%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	118.9	0.0%	102.6	0.0%	100.9	0.0%	-1.8	-1.7%	-18.0	-15.1%
3.3. Agricultural Social Insurance Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
3.4. National Health Fund	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-