

- At the end of the first quarter of 2016 consolidated **public debt** (according to domestic methodology) stood at **PLN 899,308.9 million**.* Compared with the end of 2015 public debt rose by PLN 22,019.0 (+2.5%).
- Increase of public debt in the first quarter of 2016** resulted from:
 - increase of central government sector debt by PLN 23,363.4 million (+2.9%), including consolidated State Treasury debt increased by PLN 23,495.0 million (+2.9%),
 - decrease of local government sector debt by PLN 1,324.6 million (-1.8%), including local government units debt decreased by PLN 1,171.5 million (-1.7%),
 - decrease of social security sector debt by PLN 19.7 million (-16.6%).
- At the end of the first quarter of 2016 **unconsolidated public debt** stood at PLN 981,259.4 million. Compared with the end of 2015 debt increased by PLN 22.295.4 (+2.3%).
- Public debt to GDP ratio in 2015** amounted to **49.0%**. What meant increase by 0.9 percentage points compared with the end of 2014.**
- At the end of the first quarter of 2016 **general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 936,758.6 million***. Compared with the end of 2015 EDP debt increased by PLN 18,999.6 million (+2,1%).

- Similarly to public debt measured according to domestic definition, the **change in EDP debt in the first quarter of 2016** resulted predominantly from changes in State Treasury debt. Moreover EDP debt was influenced mainly by:
 - increase in debt of National Road Fund (by PLN 123.6 million),
 - decrease in debt of corporations included in general government sector (by PLN 140.5 million),
 - increase of T-securities held by funds managed by BGK (incl. National Road Fund) by PLN 317.5 million and Bank Guarantee Fund (incl. fund for protection of the guaranteed assets***) by PLN 2,793.1 million which decreases EDP debt due to increase of consolidation between units of the general government sector,
 - decrease of matured payables (by PLN 123.1 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).
- EDP debt to GDP ratio in 2015** amounted to **51.3%**, up by 0.8 percentage points compared with to the end of 2014.

* Data regarding the first quarter of 2016 are preliminary. Data regarding previous periods were updated if necessary.

** Minister of Finance Promulgation of May 19th 2016 on announcement of amounts specified in articles 38 and 38a of the Public Finance Act: <http://monitorpolski.gov.pl/MP/2016/468>.

*** Eurostat decided that fund for protection of the guaranteed assets should be included in general government sector. Eurostat recognized that the fund is not an institutional unit and thus it should be classified in national accounts in the same sector as its controlling unit. In the context of ESA2010, the fund is controlled by the Bank Guarantee Fund and not by the banks themselves. The Law on the Bank Guarantee Fund obliges banks to allocate assets under the fund into particular instruments e. g. Treasury securities. The value of those securities decreases EDP debt due to increase of consolidation between units of the general government sector.

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

Item	Q4 2014	structure Q4 2014	Q4 2015	structure Q4 2015	Q1 2016	structure Q1 2016	change		change	
							Q1 2016 - Q4 2015 PLN m	%	Q4 2015 - Q4 2014 PLN m	%
Public debt	826,774.7	100.0%	877,289.8	100.0%	899,308.9	100.0%	22,019.0	2.5%	50,515.1	6.1%
Domestic debt	534,792.6	64.7%	570,490.5	65.0%	600,082.8	66.7%	29,592.3	5.2%	35,697.8	6.7%
1. Debt securities	480,301.9	58.1%	511,789.3	58.3%	543,038.7	60.4%	31,249.4	6.1%	31,487.4	6.6%
2. Loans	52,550.1	6.4%	52,812.8	6.0%	51,398.3	5.7%	-1,414.5	-2.7%	262.7	0.5%
3. Other domestic liabilities	1,940.6	0.2%	5,888.4	0.7%	5,645.8	0.6%	-242.6	-4.1%	3,947.7	203.4%
Foreign debt	291,982.1	35.3%	306,799.4	35.0%	299,226.1	33.3%	-7,573.3	-2.5%	14,817.3	5.1%
1. Debt securities	208,769.6	25.3%	215,978.8	24.6%	211,139.3	23.5%	-4,839.5	-2.2%	7,209.2	3.5%
2. Loans	83,202.5	10.1%	90,809.2	10.4%	88,077.2	9.8%	-2,732.0	-3.0%	7,606.6	9.1%
3. Other foreign liabilities	9.9	0.0%	11.4	0.0%	9.6	0.0%	-1.8	-15.8%	1.4	14.5%

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

Item	Q4 2014	structure Q4 2014	Q4 2015	structure Q4 2015	Q1 2016	structure Q1 2016	change		change	
							Q1 2016 - Q4 2015 PLN m	%	Q4 2015 - Q4 2014 PLN m	%
Public debt	826,774.7	100.0%	877,289.8	100.0%	899,308.9	100.0%	22,019.0	2.5%	50,515.1	6.1%
Domestic debt	354,759.4	42.9%	377,308.3	43.0%	425,850.8	47.4%	48,542.5	12.9%	22,548.8	6.4%
1. Debt securities	300,268.7	36.3%	318,619.6	36.3%	368,819.4	41.0%	50,199.8	15.8%	18,351.0	6.1%
2. Loans	52,550.1	6.4%	52,812.8	6.0%	51,398.3	5.7%	-1,414.5	-2.7%	262.7	0.5%
3. Other domestic liabilities	1,940.6	0.2%	5,875.8	0.7%	5,633.1	0.6%	-242.8	-4.1%	3,935.2	202.8%
Foreign debt	472,015.3	57.1%	499,981.6	57.0%	473,458.1	52.6%	-26,523.5	-5.3%	27,966.3	5.9%
1. Debt securities	388,802.8	47.0%	409,148.5	46.6%	385,358.6	42.9%	-23,789.9	-5.8%	20,345.7	5.2%
2. Loans	83,202.5	10.1%	90,809.2	10.4%	88,077.2	9.8%	-2,732.0	-3.0%	7,606.6	9.1%
3. Other foreign liabilities	9.9	0.0%	23.9	0.0%	22.3	0.0%	-1.6	-6.7%	14.0	140.7%

Chart 1. Public debt

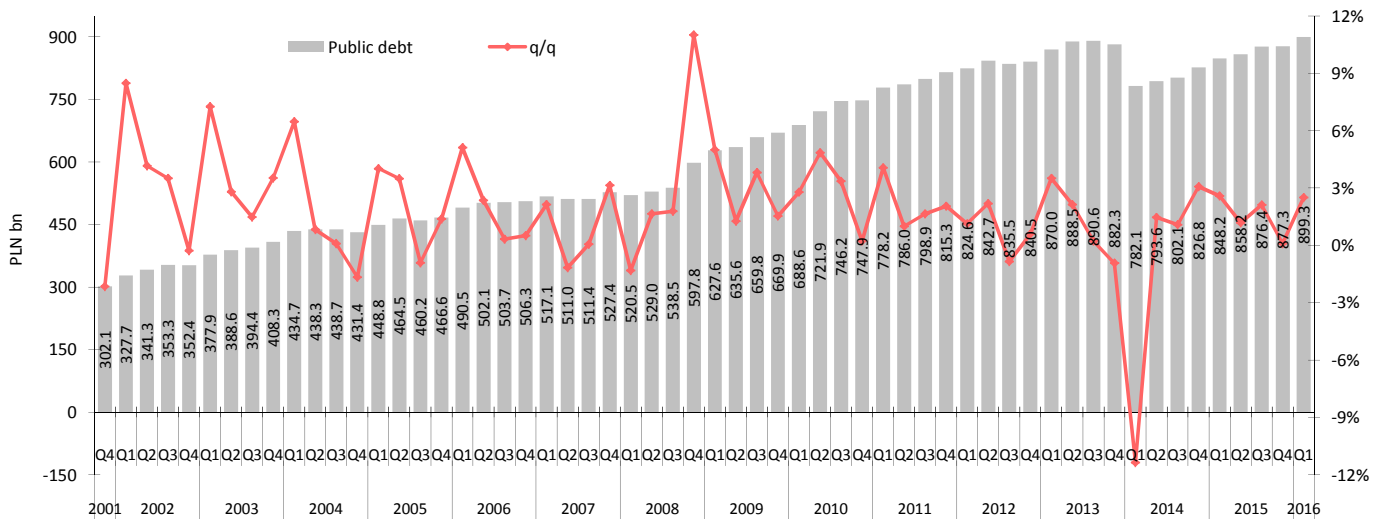


Chart 2. EDP debt

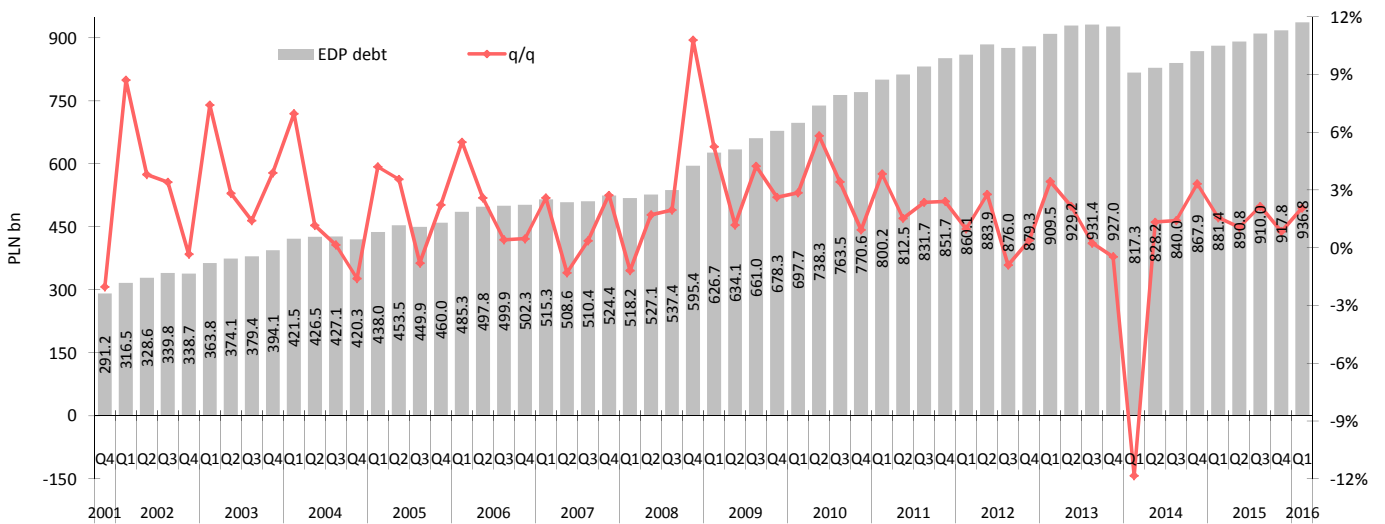


Chart 3. Differences between public debt and general government debt

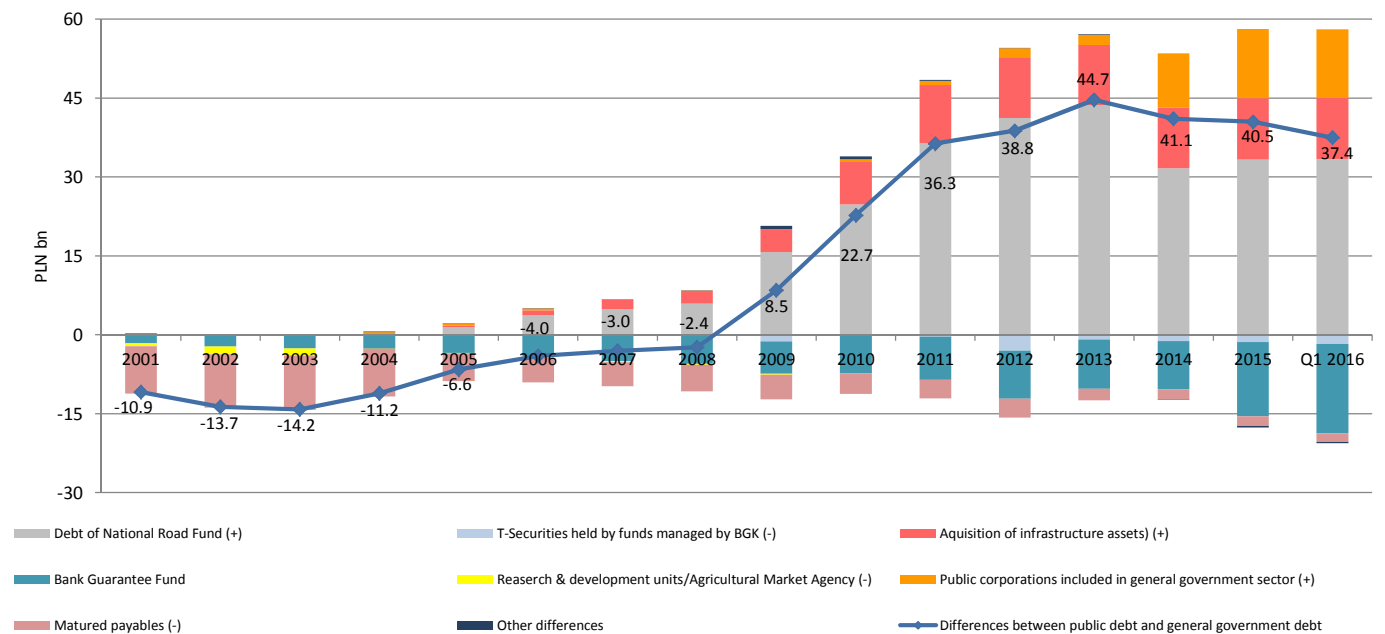


Chart 4. Public debt according to the place of issue criterion

At the end of the first quarter of 2016 domestic debt stood at PLN 600.1 bn, up by PLN 29.6 bn (+5.2%) compared with the end of 2015. In the same period foreign debt stood at PLN 299.2 bn, down by PLN 7.6 bn (-2.5%) mainly due to:

- issuance of Treasury bonds (EUR 1.8 bn),
- repurchase of Treasury bonds (USD 2.3 bn and CHF 0.4 bn),
- repayment of IMI loans granted to ST (EUR 0.6 bn),
- depreciation of zloty against EUR (0.2%), JPY (3.2%) and appreciation against USD (3.6%) and CHF (0.9%).

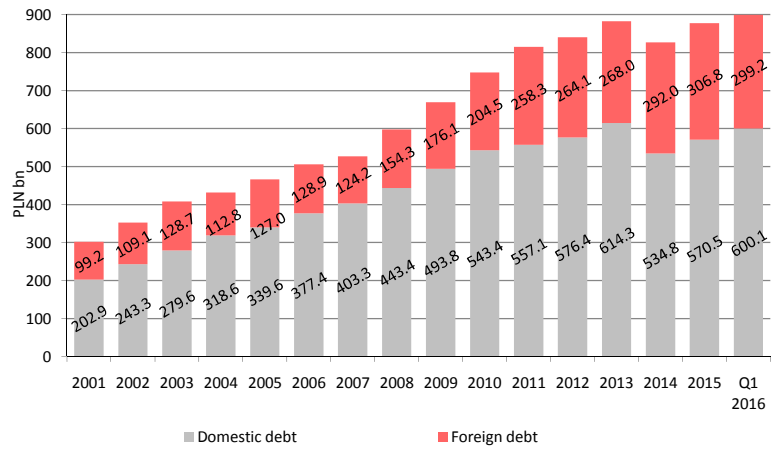


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the first quarter 2016 the share of foreign debt in the total debt amounted to 33.3%, down by 1.7 percentage points compared with the previous quarter.

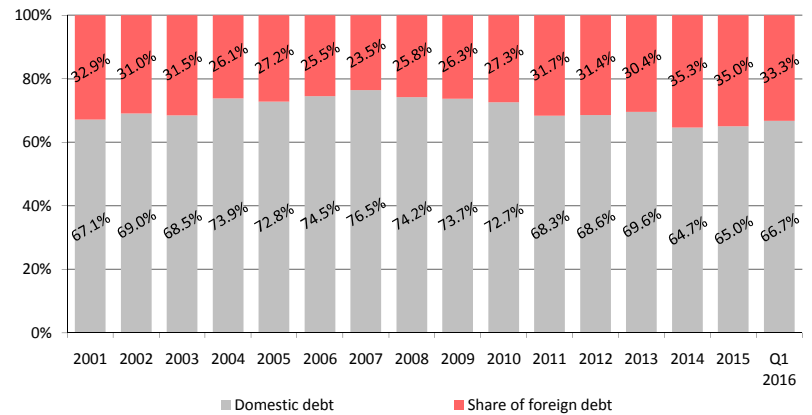


Chart 6. Public debt by holder

In the first quarter of 2016 public debt towards:

- domestic banking sector rose by PLN 48.0 bn (+20.1%),
- domestic non-banking sector rose by PLN 0.5 bn (+0.4%),
- foreign investors (non-residents) fell by PLN 26.5 bn (-5.3%).

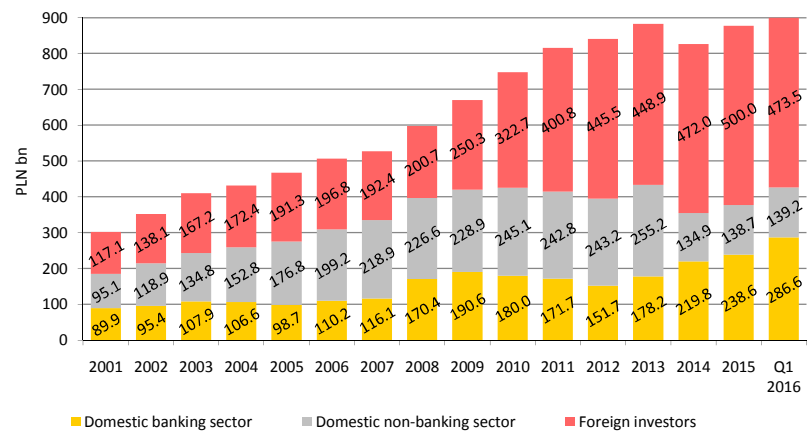


Chart 7. Structure of public debt by holder

In the first quarter of 2016 the share of public debt towards:

- foreign investors fell from 57.0% to 52.6%,
- domestic banking sector rose by 4.7 percentage points to 31.9%,
- domestic non-banking sector fell by 0.3 percentage points to 15.5%.

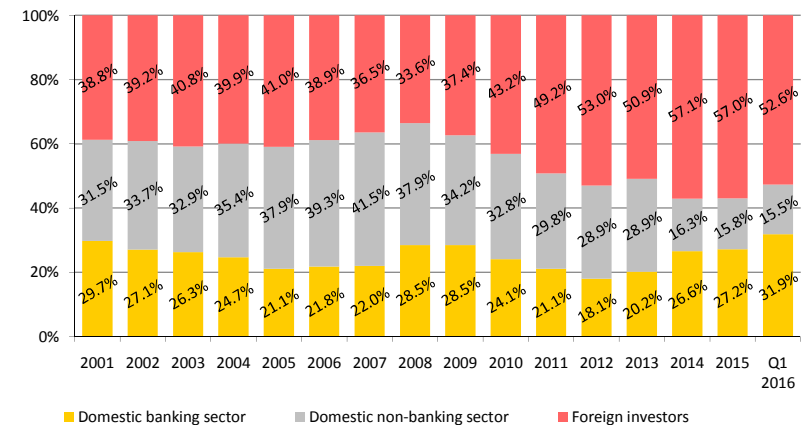


Chart 8. Consolidated public debt by sub-sector

At the end of the first quarter of 2016 public debt consisted of:

- central government debt - PLN 828.5 bn,
- local government debt - PLN 70.8 bn,
- social security funds debt - PLN 0.1 bn.

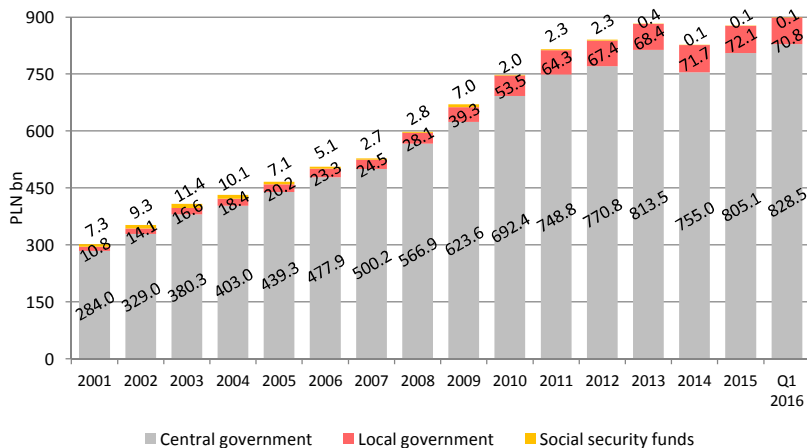


Chart 9. Structure of consolidated public debt by subsector

In the first quarter of 2016 share of subsectors in total public debt amounted to:

- central government sub-sector - 92.1% (up by 0.3 percentage points),
- local government sub-sector - 7.9% (down by 0.3 percentage points), of which 7.5% represented debt of local government units and their unions,
- social security funds - 0.01% (no change).

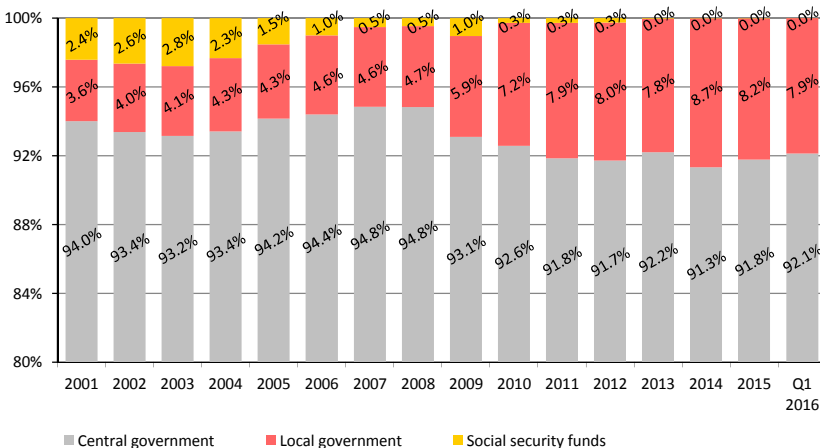


Chart 10. Changes in consolidated public debt by sub-sector

The increase of public debt in the first quarter of 2016 by PLN 22.0 bn (+2.5%) was mainly a result of central government debt increase (by PLN 23.4 bn and +2.9%) and in particular of State Treasury debt (by PLN 23.5 bn and +2.9%). Local government debt decreased in the first quarter by PLN 1.3 bn (-1.8%) mainly due to decrease of local government units debt (by PLN 1.2 billion and -1.7%) and independent public health units debt (by PLN 0.1 billion and -3.7%).

Social security funds debt fell insignificantly in the first quarter (by PLN 0.02 billion and -19.6%).

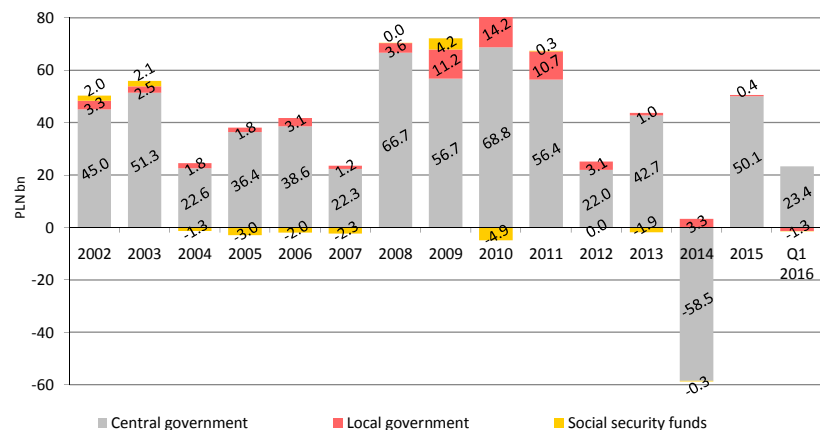


Chart 11. Structure of public debt by instrument

At the end of the first quarter of 2016 marketable instruments comprised 83.9% of public debt, including instruments issued on the domestic market (60.4%). The share of marketable instruments in public debt rose by 0.9 percentage points.

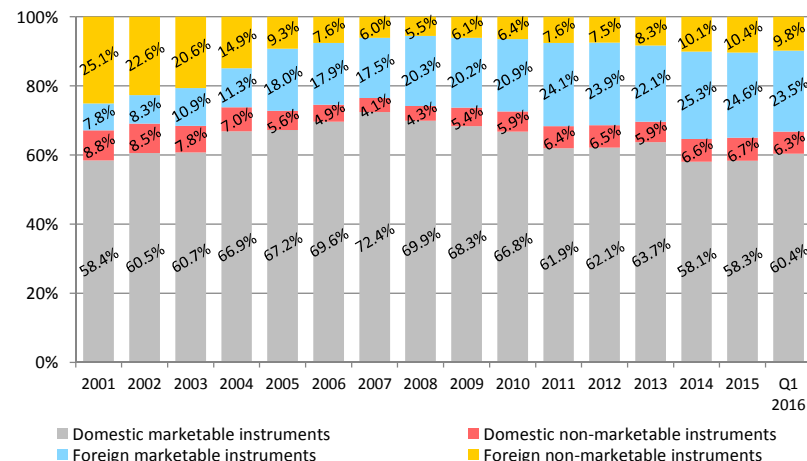


Chart 12. Unconsolidated debt of public finance sector units other than ST

At the end of the first quarter of 2016, the unconsolidated debt of units other than ST amounted to 122.5% of public debt. Among those entities the debt of local government units and Social Insurance Institution (ZUS) and its funds constituted the biggest part.

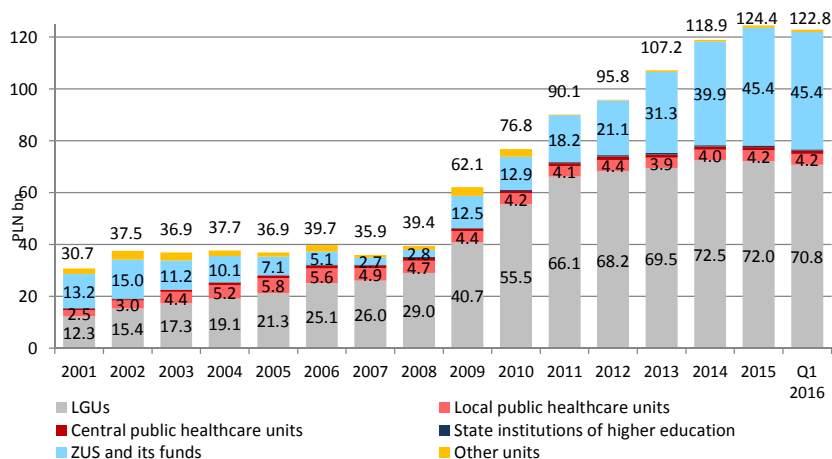


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the first quarter of 2016 the difference between consolidated and unconsolidated debt of public finance sector units other than ST was PLN 50.4 bn. The reason is that 41.0% 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.

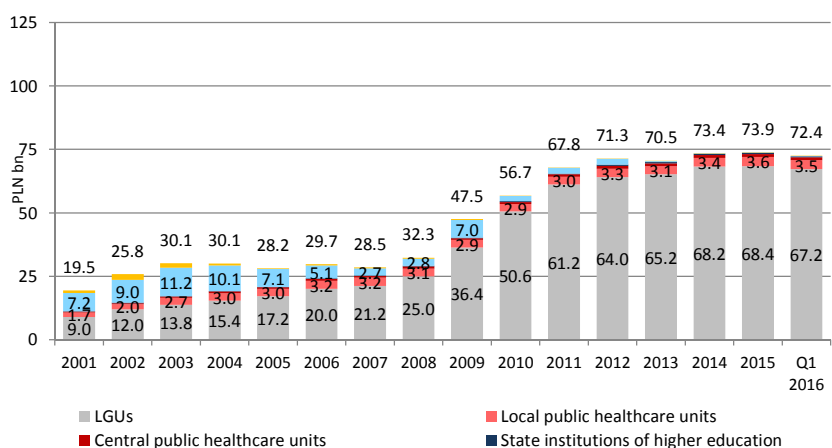


Chart 14. Structure of unconsolidated debt of LGUs and their associations according to place of issue criterion

The structure of local government liabilities and their unions was dominated by domestic debt, although the share of foreign debt has been increasing, reaching 21.7% at the end of the first quarter of 2016.

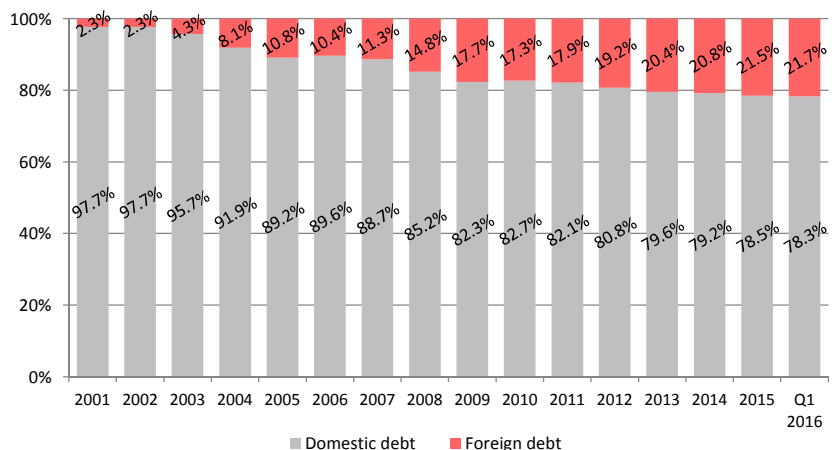


Chart 15. Structure of unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with share of 93.7%, down by 0.3 percentage points in the first quarter of 2016. The role of loans in LGUs debt financing have been gradually growing since 2004 reaching its peak at the end 2015.

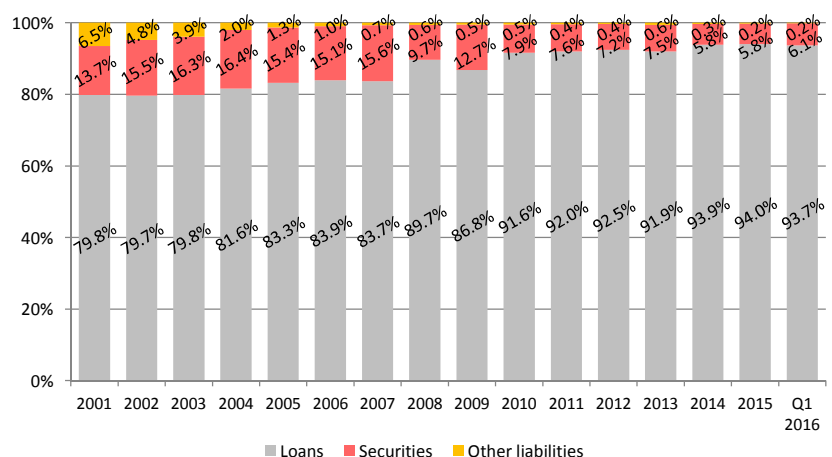
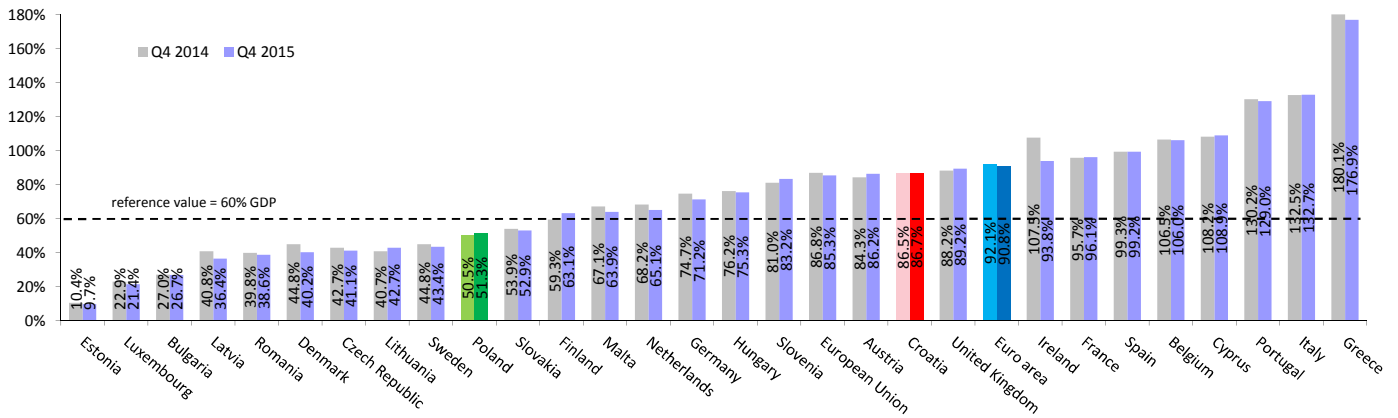


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



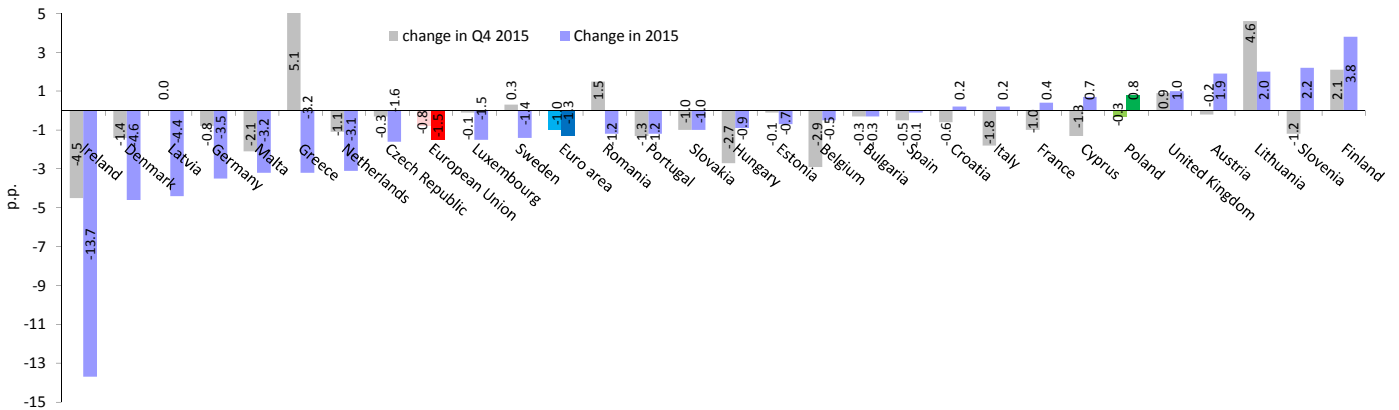
Source: Ministry of Finance

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



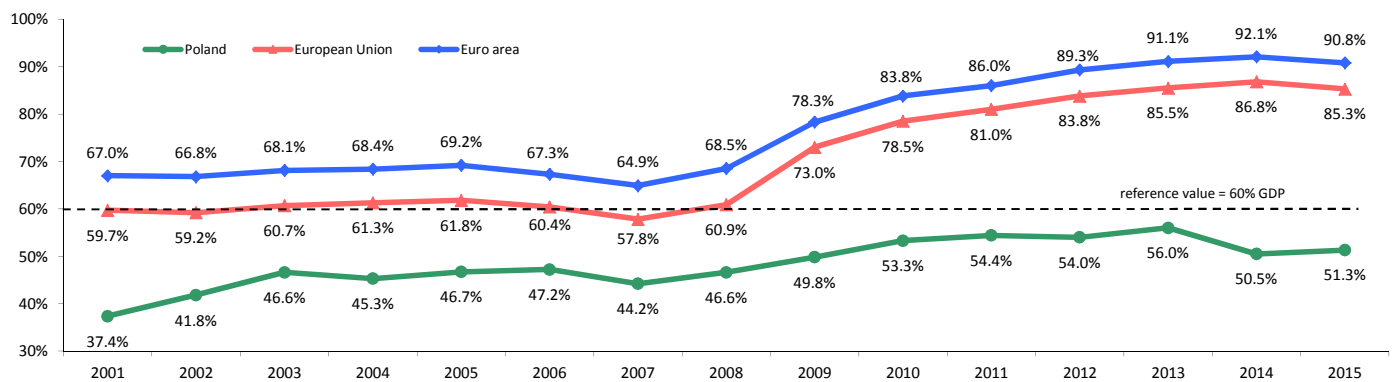
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>

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 2010	Q4 2011	Q4 2012	Q4 2013	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Public debt	747,899.2	815,346.2	840,476.8	882,293.0	826,774.7	848,182.9	858,209.3	876,405.2	877,289.8	899,308.9
<i>1) Adjustments concerning the scope of the sector</i>	<i>25,993.8</i>	<i>39,713.1</i>	<i>42,293.1</i>	<i>46,753.8</i>	<i>43,097.0</i>	<i>35,178.7</i>	<i>34,647.7</i>	<i>35,955.8</i>	<i>42,568.6</i>	<i>39,355.8</i>
Debt of National Road Fund	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	33,435.9
T-Securities held by funds managed by Bank Gospodarstwa Krajowego	-232.9	-364.5	-3,038.9	-895.2	-1,210.9	-2,027.3	-2,547.5	-2,219.5	-1,410.9	-1,728.4
Aquisition of infrastructure assets	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	11,685.8
Bank Guarantee Fund	-7,128.9	-8,209.7	-9,113.1	-9,366.1	-9,179.3	-15,963.8	-16,766.5	-16,913.6	-14,105.7	-16,984.1
Public corporations included in general government sector	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	12,946.5
<i>2) Differences concerning debt instruments</i>	<i>-3,287.9</i>	<i>-3,367.8</i>	<i>-3,437.9</i>	<i>-2,014.4</i>	<i>-1,948.5</i>	<i>-1,937.6</i>	<i>-2,020.6</i>	<i>-2,339.7</i>	<i>-2,099.4</i>	<i>-1,906.1</i>
matured payables	-3,860.1	-3,504.4	-3,616.5	-2,202.1	-1,947.0	-1,935.3	-2,101.8	-2,049.4	-1,806.2	-1,683.1
debt assumption - activation of a guarantee	18.2	14.6	20.0	1.6	0.2	0.6	0.1	0.0	0.0	30.6
restructured/refinanced trade credits and sell-lease-back operations	554.0	122.0	158.6	186.1	299.6	272.3	180.0	158.6	190.0	158.9
derivatives	0.0	0.0	0.0	0.0	-301.2	-275.2	-98.8	-449.0	-483.2	-412.5
General government debt	770,605.2	851,691.5	879,332.0	927,032.3	867,923.2	881,424.0	890,836.5	910,021.2	917,759.1	936,758.6

Table 4. Public debt - before consolidation (PLN m, at face value, eop)

ITEM	Q4 2014	structure Q4 2014	Q4 2015	structure Q4 2015	Q1 2016	structure Q1 2016	change Q1 2016 - Q4 2015		change Q4 2015 - Q4 2014	
							m PLN	%	m PLN	%
Public debt	898,850.7	100.0%	958,964.0	100.0%	981,259.4	100.0%	22,295.4	2.3%	60,113.4	6.7%
1. Central government sector debt	781,782.9	87.0%	836,421.9	87.2%	860,137.8	87.7%	23,715.9	2.8%	54,639.0	7.0%
1.1. State Treasury	779,938.4	86.8%	834,550.6	87.0%	858,423.4	87.5%	23,872.8	2.9%	54,612.2	7.0%
1.2. Earmarked State funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
1.3. State institutions of higher education	532.5	0.1%	528.8	0.1%	418.7	0.0%	-110.1	-20.8%	-3.7	-0.7%
1.4. Independent public healthcare units	1,289.6	0.1%	1,288.4	0.1%	1,265.2	0.1%	-23.2	-1.8%	-1.2	-0.1%
1.5. State institutions of culture	8.9	0.0%	9.7	0.0%	9.5	0.0%	-0.2	-2.3%	0.7	8.3%
1.6. Polish Academy of Science and units established by it	6.1	0.0%	36.9	0.0%	15.4	0.0%	-21.5	-58.4%	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%	7.5	0.0%	5.7	0.0%	-1.8	-24.4%	0.2	3.3%
2. Local government sector debt	77,147.1	8.6%	77,115.3	8.0%	75,714.5	7.7%	-1,400.8	-1.8%	-31.8	0.0%
2.1. Local government units	72,451.2	8.1%	72,030.0	7.5%	70,763.6	7.2%	-1,266.5	-1.8%	-421.2	-0.6%
2.2. Independent public health units	4,038.8	0.4%	4,247.5	0.4%	4,152.6	0.4%	-94.8	-2.2%	208.7	5.2%
2.3. Local institutions of culture	86.6	0.0%	80.0	0.0%	59.9	0.0%	-20.1	-25.1%	-6.7	-7.7%
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	570.4	0.1%	757.8	0.1%	738.4	0.1%	-19.4	-2.6%	187.3	32.8%
3. Social Security Sector debt	39,920.8	4.4%	45,426.9	4.7%	45,407.2	4.6%	-19.7	0.0%	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%	45,426.9	4.7%	45,407.2	4.6%	-19.7	0.0%	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 face value, eop)

ITEM	Q4 2014	structure Q4 2014	Q4 2015	structure Q4 2015	Q1 2016	structure Q1 2016	change Q1 2016 - Q4 2015		change Q4 2015 - Q4 2014	
							m PLN	%	m PLN	%
Public debt	826,774.7	100.0%	877,289.8	100.0%	899,308.9	100.0%	22,019.0	2.5%	50,515.1	6.1%
1. Central government sector debt	754,992.7	91.3%	805,099.7	91.8%	828,463.0	92.1%	23,363.4	2.9%	50,106.9	6.6%
1.1. State Treasury	753,332.2	91.1%	803,371.9	91.6%	826,866.9	91.9%	23,495.0	2.9%	50,039.7	6.6%
1.2. Earmarked State funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
1.3. State institutions of higher education	477.8	0.1%	478.5	0.1%	377.0	0.0%	-101.5	-21.2%	0.8	0.2%
1.4. Independent public health units	1,172.5	0.1%	1,203.9	0.1%	1,195.2	0.1%	-8.7	-0.7%	31.4	2.7%
1.5. State institutions of culture	2.4	0.0%	7.3	0.0%	7.1	0.0%	-0.2	-3.2%	4.9	200.6%
1.6. Polish Academy of Science and units established by it	5.7	0.0%	35.8	0.0%	14.4	0.0%	-21.3	-59.6%	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%	2.3	0.0%	2.3	0.0%	0.1	3.4%	0.1	4.0%
2. Local government sector debt	71,663.1	8.7%	72,089.3	8.2%	70,764.7	7.9%	-1,324.6	-1.8%	426.2	0.6%
2.1. Local government units	68,267.0	8.3%	68,352.0	7.8%	67,180.4	7.5%	-1,171.5	-1.7%	85.0	0.1%
2.2. Independent public health units	3,331.0	0.4%	3,641.6	0.4%	3,507.6	0.4%	-134.1	-3.7%	310.7	9.3%
2.3. Local institutions of culture	61.7	0.0%	63.1	0.0%	43.5	0.0%	-19.6	-31.1%	1.4	2.3%
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%	32.6	0.0%	33.2	0.0%	0.6	1.9%	29.2	866.7%
3. Social Security Sector debt	118.9	0.0%	100.9	0.0%	81.1	0.0%	-19.7	-19.6%	-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%	100.9	0.0%	81.1	0.0%	-19.7	-19.6%	-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	-