

1. At the end of the third quarter of 2016 consolidated **public debt** (according to domestic definition) stood at **PLN 939,562.3 million*** and compared with:

- the previous quarter rose by PLN 2,611.3 million (+0.3%),
- the end of 2015 rose by PLN 62,279.9 (+7.1%).

2. **Increase of public debt in the third quarter of 2016** resulted from:

- increase of central government sector debt by PLN 3,369.2 million (+0.4%), including consolidated State Treasury debt increase of PLN 2,829.1 million (+0.3%),
- decrease of local government sector debt by PLN 755.9 million (-1.1%), including local government units debt decrease of PLN 882.7 million (-1.3%),
- decrease of social security sector debt by PLN 2.0 million (-2.6%).

3. At the end of the third quarter of 2016 **unconsolidated public debt** stood at PLN 1,023,973.9 million and rose by:

- PLN 3,386.5 million (+0.3%) in the third quarter,
- PLN 64,995.1 million (+6.8%) compared with the end of 2015.

4. At the end of the third quarter of 2016 **general government debt (EDP debt, part of the government finance Maastricht criterion)** was at **PLN 978,493.6 million*** and rose by:

- PLN 578.7 million (+0.1%) in the third quarter,
- PLN 58,834.2 million (+6.4%) compared with the end of 2015.

5. Similarly to public debt measured according to domestic definition, the **change in EDP debt in the third quarter of 2016** resulted predominantly from changes in State Treasury debt. Moreover EDP debt was influenced mainly by:

- decrease in debt of corporations included in general government sector (by PLN 962.3 million),
- increase of T-securities held by funds managed by BGK (incl. National Road Fund) by PLN 43.8 million and Bank Guarantee Fund (incl. fund for protection of the guaranteed assets) by PLN 1.025,7 million which decreases EDP debt due to increase of consolidation between units of the general government sector,
- increase of matured payables (by PLN 169,7 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 third quarter of 2016 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 face value, eop)

Item	Q4 2015	structure Q4 2015	Q2 2016	structure Q2 2016	Q3 2016	structure Q3 2016	change		change	
							Q3 2016 - Q2 2016	Q3 2016 - Q4 2015	Q3 2016 - Q2 2016	Q3 2016 - Q4 2015
							PLN m	%	PLN m	%
Public debt	877,282.4	100.0%	936,951.0	100.0%	939,562.3	100.0%	2,611.3	0.3%	62,279.9	7.1%
Domestic debt	570,482.7	65.0%	614,898.4	65.6%	624,336.0	66.4%	9,437.6	1.5%	53,853.3	9.4%
1. Debt securities	511,789.3	58.3%	558,605.5	59.6%	568,160.5	60.5%	9,555.1	1.7%	56,371.2	11.0%
2. Loans	52,816.1	6.0%	50,457.7	5.4%	50,154.8	5.3%	-302.9	-0.6%	-2,661.3	-5.0%
3. Other domestic liabilities	5,877.3	0.7%	5,835.3	0.6%	6,020.7	0.6%	185.4	3.2%	143.4	2.4%
Foreign debt	306,799.8	35.0%	322,052.6	34.4%	315,226.3	33.6%	-6,826.3	-2.1%	8,426.5	2.7%
1. Debt securities	215,978.8	24.6%	231,951.8	24.8%	227,859.5	24.3%	-4,092.3	-1.8%	11,880.7	5.5%
2. Loans	90,809.2	10.4%	89,971.2	9.6%	87,241.6	9.3%	-2,729.6	-3.0%	-3,567.5	-3.9%
3. Other foreign liabilities	11.8	0.0%	129.6	0.0%	125.2	0.0%	-4.4	-3.4%	113.4	965.1%

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

Item	Q4 2015	structure Q4 2015	Q2 2016	structure Q2 2016	Q3 2016	structure Q3 2016	change		change	
							Q3 2016 - Q2 2016	Q3 2016 - Q4 2015	Q3 2016 - Q2 2016	Q3 2016 - Q4 2015
							PLN m	%	PLN m	%
Public debt	877,282.4	100.0%	936,951.0	100.0%	939,562.3	100.0%	2,611.3	0.3%	62,279.9	7.1%
Domestic debt	377,300.5	43.0%	436,022.3	46.5%	439,992.1	46.8%	3,969.8	0.9%	62,691.6	16.6%
1. Debt securities	318,619.6	36.3%	379,745.8	40.5%	383,835.2	40.9%	4,089.5	1.1%	65,215.6	20.5%
2. Loans	52,816.1	6.0%	50,457.7	5.4%	50,154.8	5.3%	-302.9	-0.6%	-2,661.3	-5.0%
3. Other domestic liabilities	5,864.8	0.7%	5,818.8	0.6%	6,002.0	0.6%	183.2	3.1%	137.3	2.3%
Foreign debt	499,982.0	57.0%	500,928.7	53.5%	499,570.2	53.2%	-1,358.5	-0.3%	-411.7	-0.1%
1. Debt securities	409,148.5	46.6%	410,811.5	43.8%	412,184.8	43.9%	1,373.3	0.3%	3,036.3	0.7%
2. Loans	90,809.2	10.4%	89,971.2	9.6%	87,241.6	9.3%	-2,729.6	-3.0%	-3,567.5	-3.9%
3. Other foreign liabilities	24.3	0.0%	146.0	0.0%	143.8	0.0%	-2.2	-1.5%	119.5	492.5%

Chart 1. Public debt

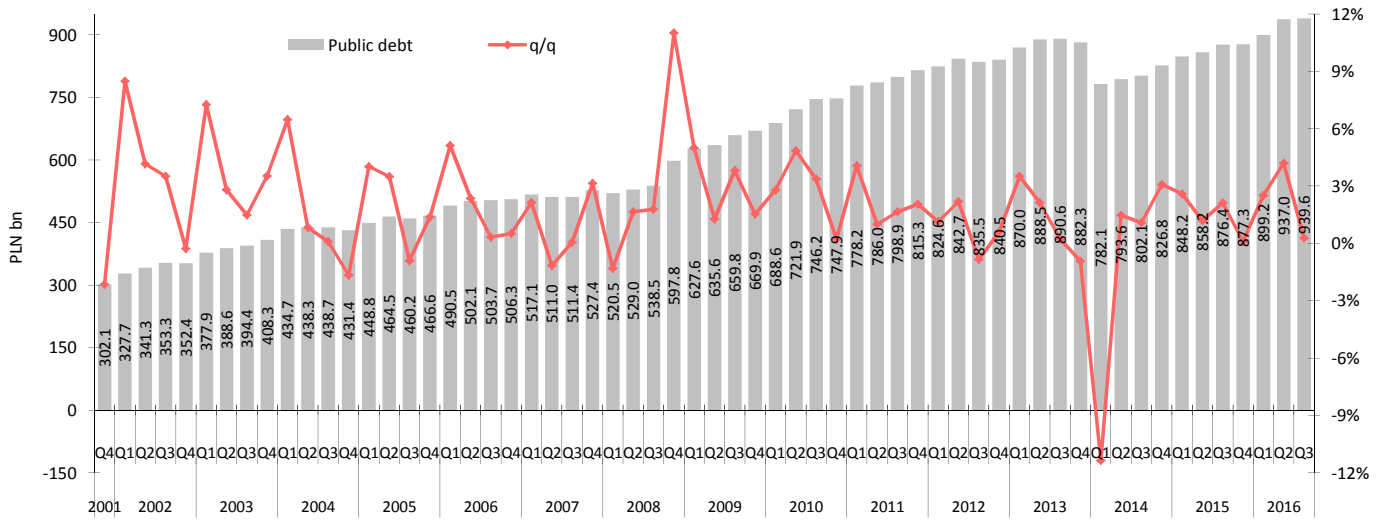


Chart 2. EDP debt

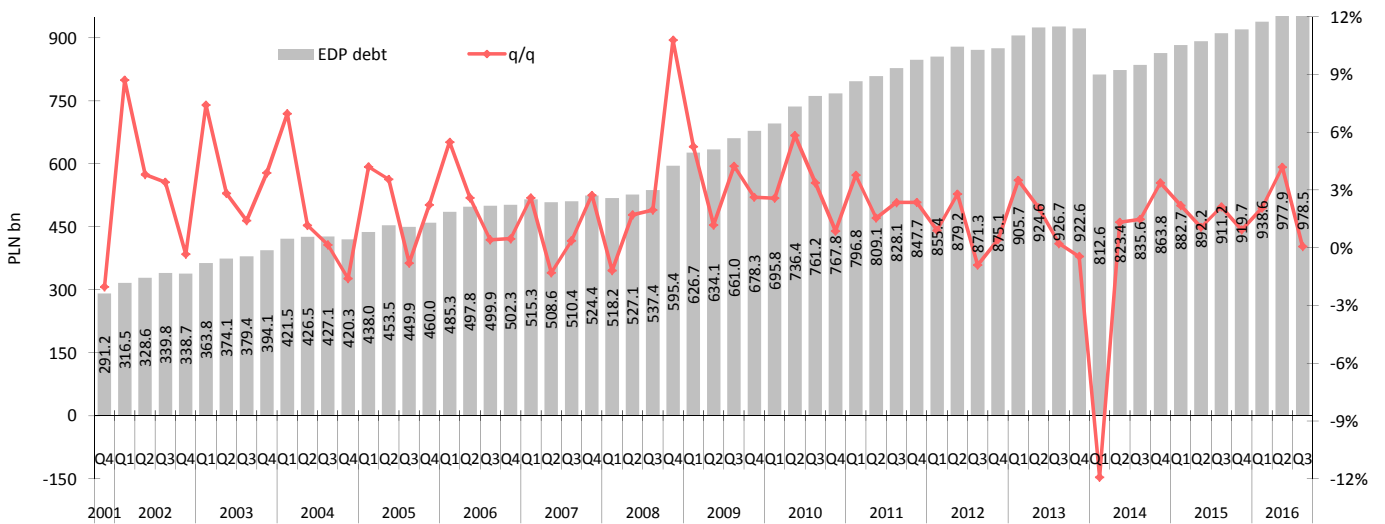


Chart 3. Differences between public debt and general government debt

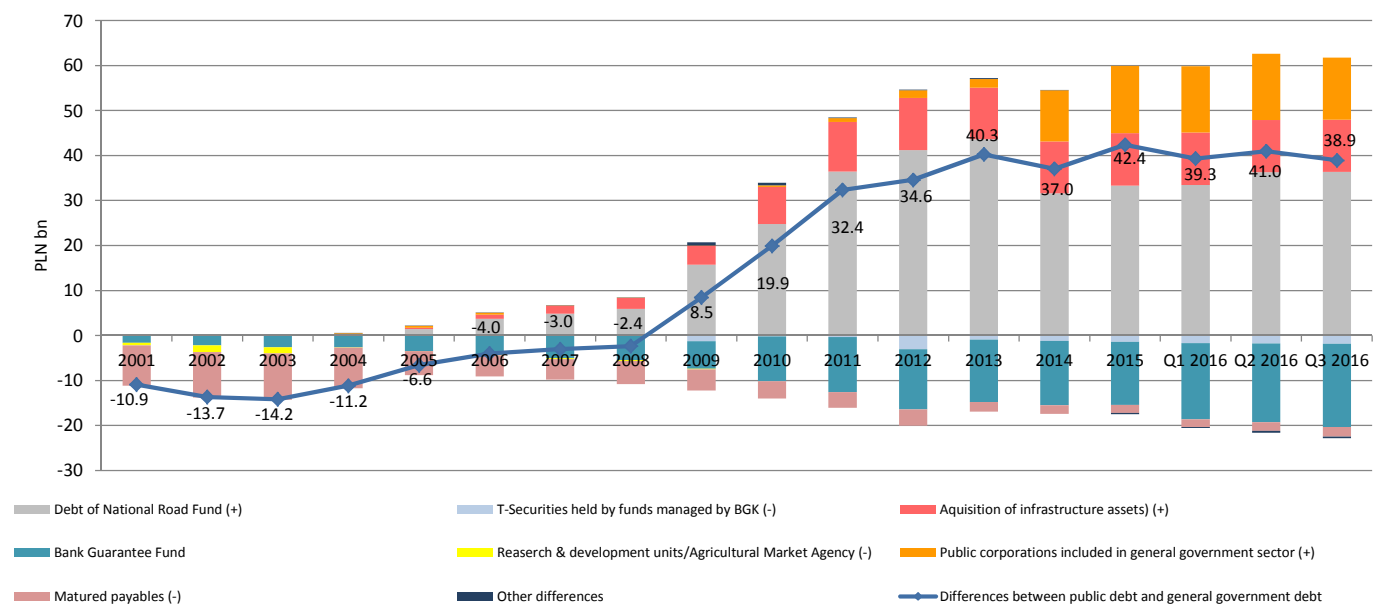


Chart 4. Public debt according to the place of issue criterion

At the end of the third quarter of 2016 domestic debt stood at PLN 624.3 bn, up by PLN 9.4 bn (+1.5%) compared with the end of the second quarter of 2016. In the same period foreign debt stood at PLN 315.2 bn, down by PLN 6.8 bn (-2.1%) mainly due to:

- appreciation of zloty against EUR (2.6%), USD (3.1%), JPY (1.3%) and CHF (2.2%) - an decrease of PLN 2.1 bn,
- issuance of Treasury bonds (CNY 3.0 bn),
- repayment of international monetary institutions loans granted to ST (EUR 0.1 bn).

Compared with the end of 2015 domestic debt rose by PLN 53.8 bn (+9.4%) and foreign debt rose by PLN 8.4 bn (+2.7%).

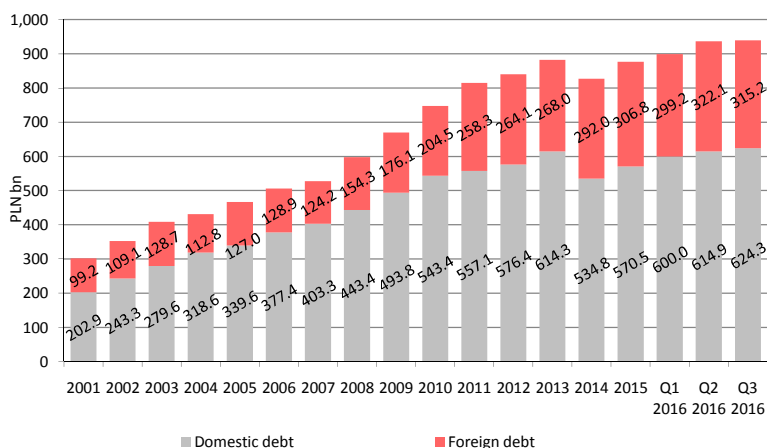


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the third quarter 2016 the share of foreign debt in the total debt amounted to 33.6%, down mainly due to exchange rates changes by 0.8 percentage points compared with the previous quarter. Compared with the end of 2015 the share of foreign debt fell by 1.4 percentage points.

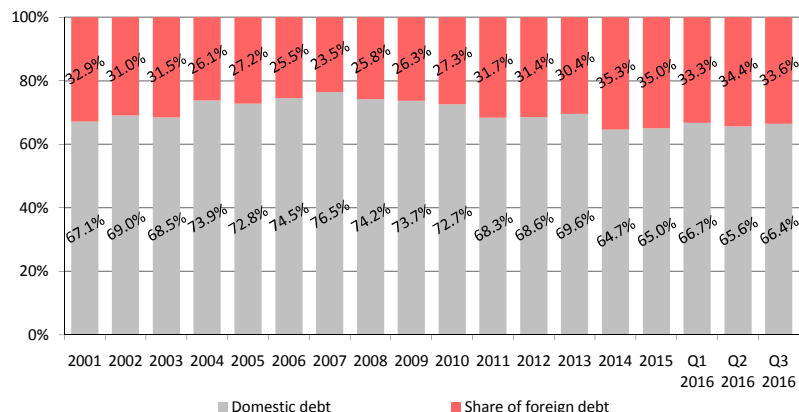


Chart 6. Public debt by holder

In the third quarter of 2016 public debt towards:

- domestic banking sector fell by PLN 1.7 bn (-0.6%),
 - domestic non-banking sector rose by PLN 5.7 bn (+4.0%),
 - foreign investors (non-residents) fell by PLN 1.3 bn (-0.3%).
- Compared with the end of 2015 public debt towards:
- domestic banking sector rose by PLN 53.0 bn (+22.2%),
 - domestic non-banking sector rose by PLN 9.7 bn (+7.0%),
 - foreign investors (non-residents) fell by PLN 0.4 bn (-0.1%).

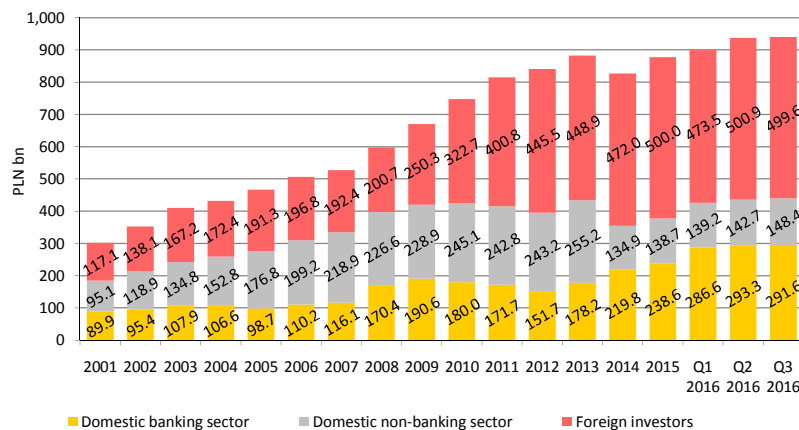


Chart 7. Structure of public debt by holder

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

- foreign investors fell from 53.5% to 53.2%,
 - domestic banking sector fell from 31.3% to 31.0%,
 - domestic non-banking sector rose from 15.2% to 15.8%.
- Compared with the end of 2015 the share of public debt towards:
- foreign investors fell by 3.8 percentage points,
 - domestic banking sector rose by 3.8 percentage points,
 - domestic non-banking sector remained unchanged.

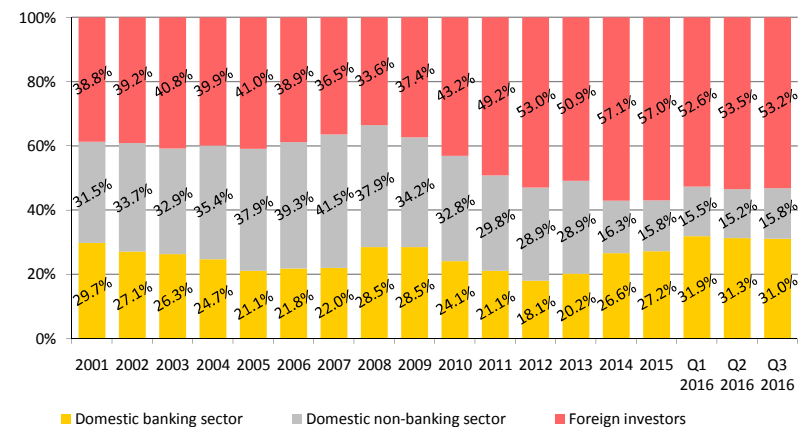


Chart 8. Consolidated public debt by subsector

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

- central government debt - PLN 870.5 bn,
- local government debt - PLN 69.0 bn,
- social security funds debt - PLN 0.1 bn.

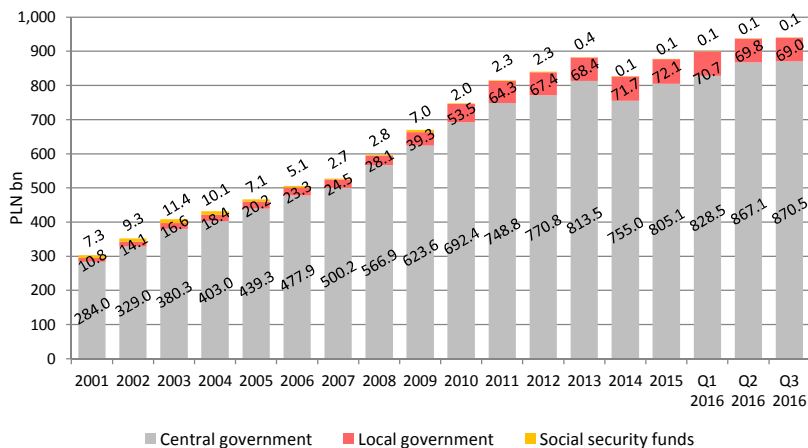


Chart 9. Structure of consolidated public debt by subsector

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

- central government subsector - 92.6% (up by 0.1 percentage points),
- local government subsector - 7.3% (down by 0.1 percentage points), of which 6.9% represented debt of local government units and their unions,
- social security funds - 0.01% (no change).

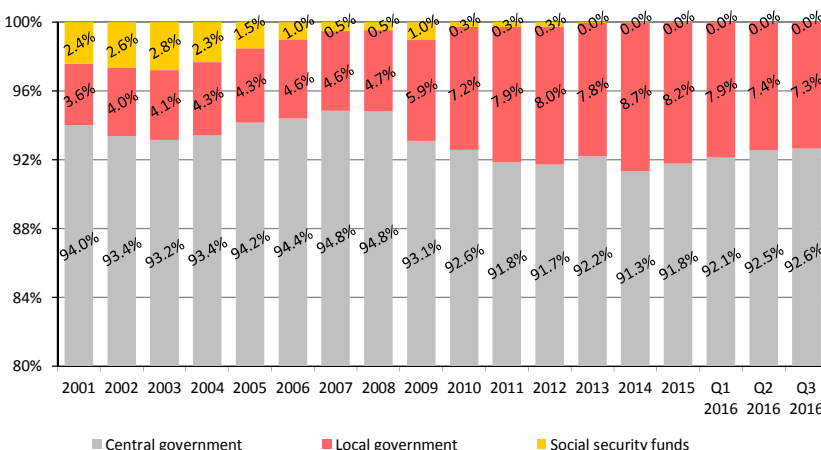


Chart 10. Changes in consolidated public debt by subsector

The increase of public debt in the third quarter of 2016 by PLN 2.6 bn (+0.3%) was mainly a result of central government debt increase (by PLN 3.4 bn and +0.4%), in particular of State Treasury debt (by PLN 2.8 bn and +0.3%). Moreover the debt of independent public health units and agencies rose by PLN 0.2 bn (+18.6%) and PLN 0.4 bn, respectively. Local government debt decreased in the third quarter by PLN 0.8 bn (-1.1%) mainly due to decrease of local government units debt (by PLN 0.9 bn and -1.3%) and increase of independent public health units debt (by PLN 0.1 bn and +3.5%).

Social security funds debt fell insignificantly in the second quarter (by PLN 0.002 bn and -2.6%).

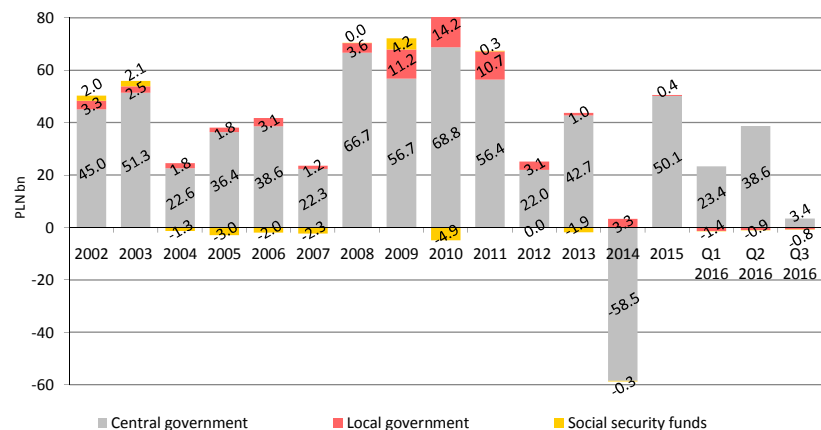


Chart 11. Structure of public debt by instrument

At the end of the third quarter of 2016 marketable instruments comprised 84.8% of public debt, including instruments issued on the domestic market (60.5%). The share of marketable instruments in public debt rose by 1.9 percentage points.

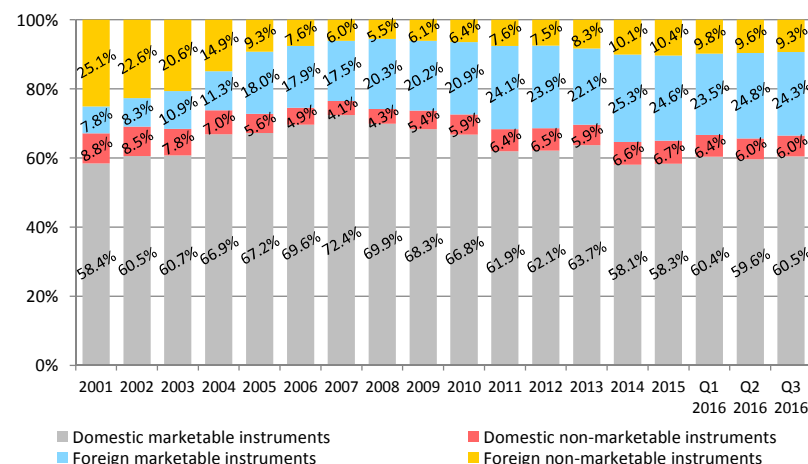


Chart 12. Unconsolidated debt of public finance sector units other than ST

At the end of the third quarter of 2016, the unconsolidated debt of units other than ST amounted to 11.8% of public debt. Among those entities the debt of local government units and Social Insurance Institution (ZUS) and its funds constituted the biggest part.

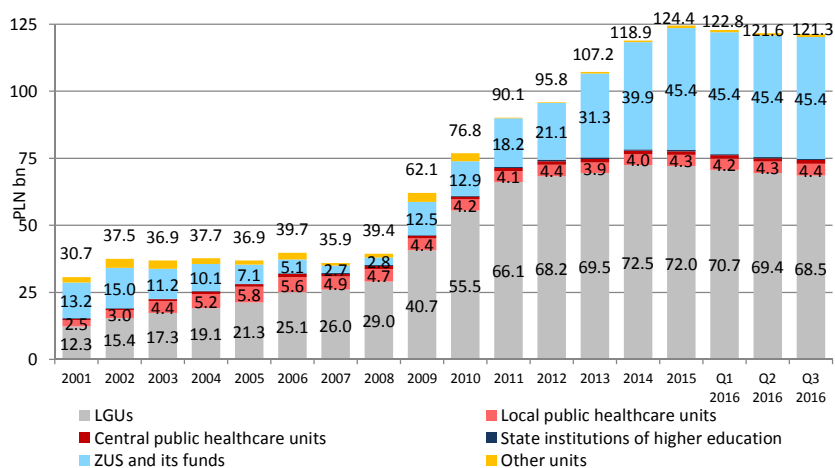


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the third quarter of 2016 the difference between consolidated and unconsolidated debt of public finance sector units other than ST was PLN 50.1 bn. The reason is that 41.3% 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.

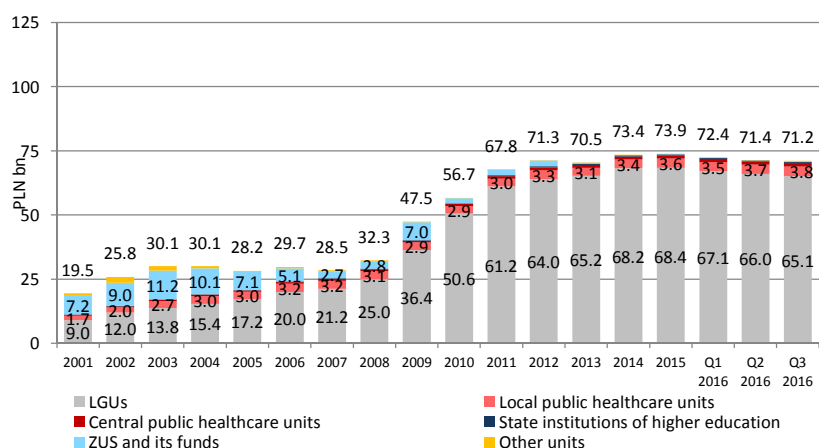


Chart 14. Structure of unconsolidated debt of LGUs and their associations according to place of issue criterion

The structure of local government liabilities and their unions was dominated by domestic debt, although the share of foreign debt has been increasing, reaching 22.1% at the end of the third quarter of 2016.

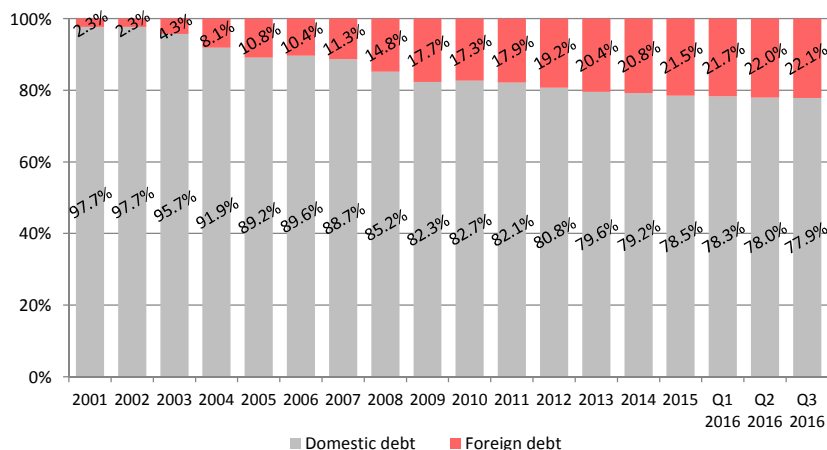


Chart 15. Structure of unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with share of 93.4%, down by 0.5 percentage points in the third quarter of 2016. The role of loans in LGUs debt financing have been gradually growing since 2004 reaching its peak at the end 2015.

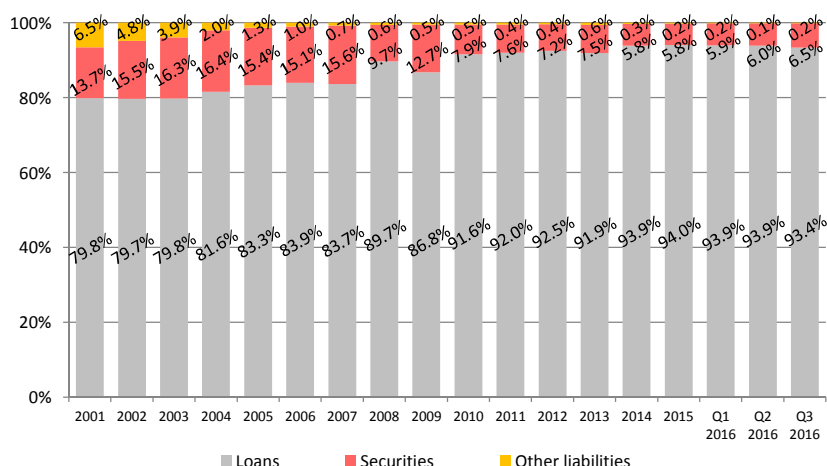
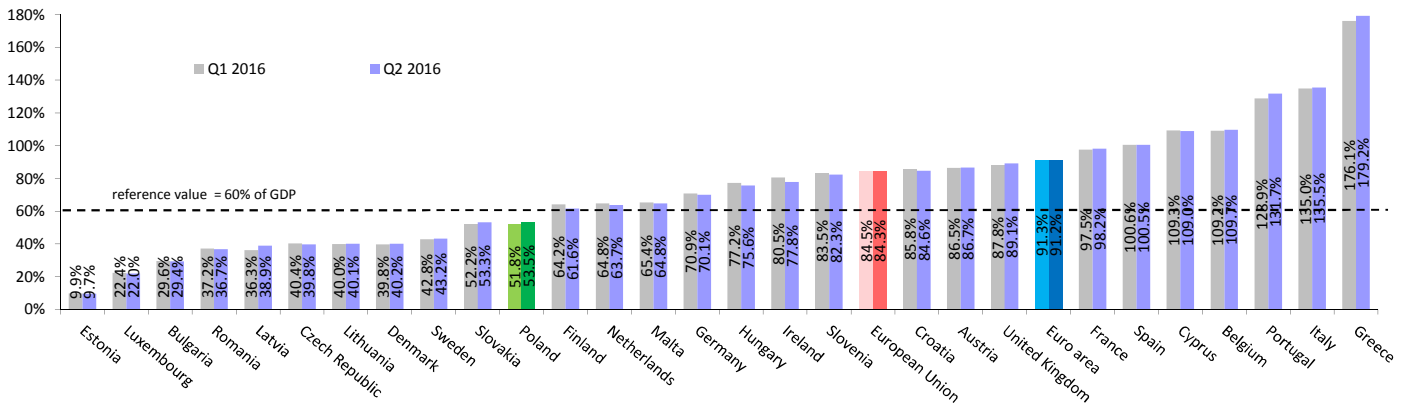


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



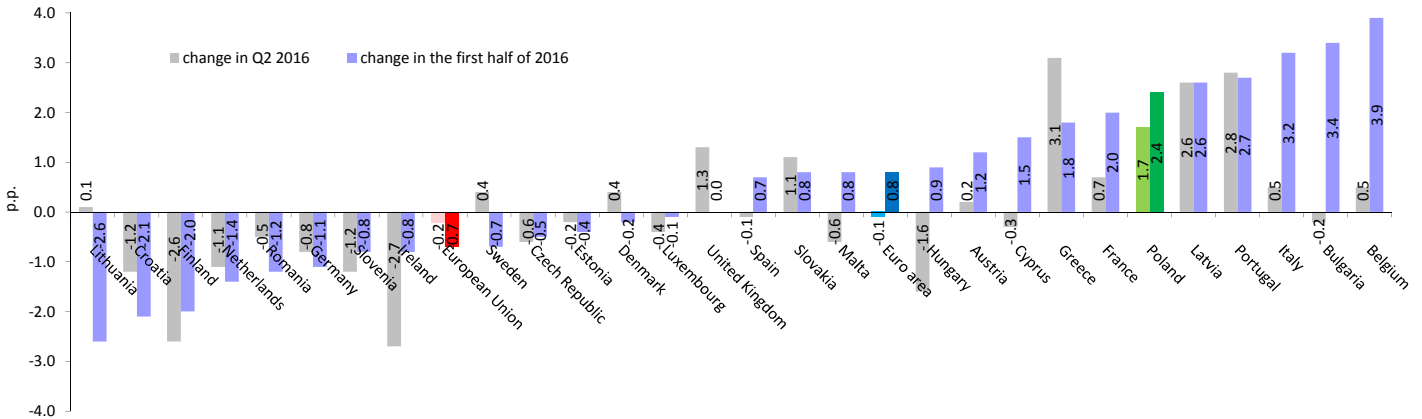
Source: Ministry of Finance

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



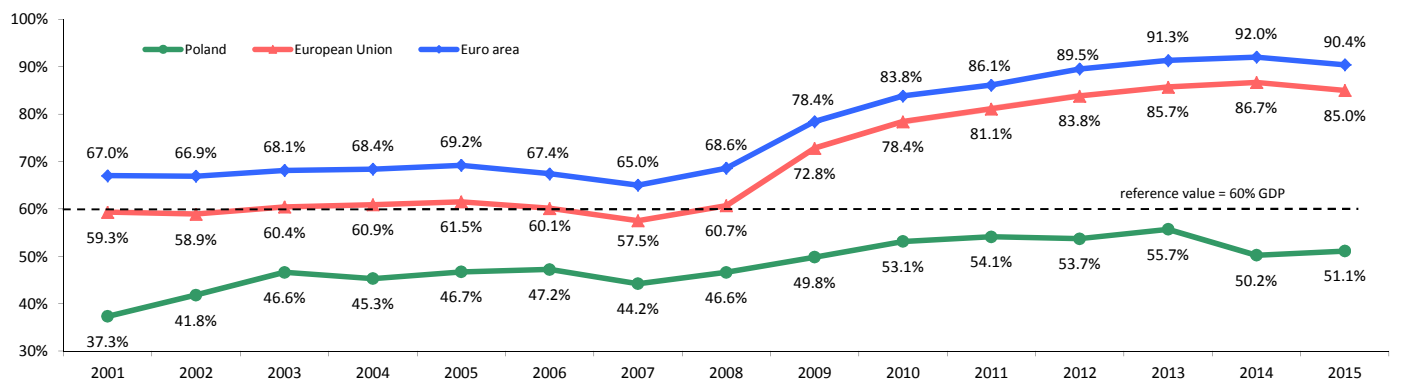
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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



Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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



Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Public debt	669,876.4	747,899.2	815,346.2	840,476.8	882,293.0	826,774.7	877,282.4	899,249.9	936,951.0	939,562.3
<i>1) Adjustments concerning the scope of the sector</i>	12,453.1	23,232.2	35,727.9	38,045.7	42,276.0	38,966.3	44,446.5	41,237.7	43,328.9	41,369.5
Debt of National Road Fund	15,703.2	24,798.1	36,412.7	41,197.4	43,644.7	31,626.3	33,312.4	33,435.9	36,316.1	36,398.5
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	-1,410.9	-1,728.4	-1,783.4	-1,827.1
Acquisition of infrastructure assets	4,292.8	8,197.4	11,076.3	11,571.9	11,423.8	11,530.5	11,685.8	11,685.8	11,544.8	11,544.8
Bank Guarantee Fund	-6,133.4	-9,930.5	-12,208.9	-13,396.5	-13,862.9	-14,296.0	-14,039.8	-16,908.3	-17,506.0	-18,541.8
Research & development units	-156.2	-	-	-	-	-	-	-	-	-
Public corporations included in general government sector	22.9	400.0	812.3	1,711.8	1,965.5	11,316.5	14,899.0	14,752.5	14,757.3	13,795.0
<i>2) Differences concerning debt instruments</i>	-4,001.6	-3,287.9	-3,367.8	-3,437.9	-2,005.8	-1,931.5	-2,069.6	-1,922.9	-2,365.0	-2,438.2
matured payables	-4,688.6	-3,860.1	-3,504.4	-3,616.5	-2,202.1	-1,947.0	-1,795.5	-1,687.4	-1,928.5	-2,098.2
debt assumption - activation of a guarantee	42.1	18.2	14.6	20.0	1.6	0.2	0.0	0.0	0.0	0.0
restructured/refinanced trade credits and sell-lease-back operations	344.9	554.0	122.0	158.6	194.8	316.6	209.2	177.0	146.5	149.5
derivatives	300.0	0.0	0.0	0.0	0.0	-301.2	-483.2	-412.5	-583.1	-489.5
General government debt	678,327.9	767,843.6	847,706.3	875,084.6	922,563.2	863,809.6	919,659.4	938,564.7	977,914.9	978,493.6

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

ITEM	Q4 2015	structure Q4 2015	Q2 2016	structure Q2 2016	Q3 2016	structure Q3 2016	change Q3 2016 - Q2 2016		change Q3 2016 - Q4 2015	
							m PLN	%	m PLN	%
Public debt	958,978.8	100.0%	1,020,587.5	100.0%	1,023,973.9	100.0%	3,386.5	0.3%	64,995.1	6.8%
1. Central government sector debt	836,427.2	87.2%	900,654.4	88.2%	904,898.6	88.4%	4,244.3	0.5%	68,471.5	8.2%
1.1. State Treasury	834,550.6	87.0%	898,988.8	88.1%	902,709.5	88.2%	3,720.7	0.4%	68,158.9	8.2%
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	529.2	0.1%	412.0	0.0%	384.9	0.0%	-27.1	-6.6%	-144.2	-27.3%
1.4. Independent public healthcare units	1,293.3	0.1%	1,222.9	0.1%	1,423.3	0.1%	200.4	16.4%	130.1	10.1%
1.5. State institutions of culture	9.7	0.0%	8.8	0.0%	3.1	0.0%	-5.8	-65.3%	-6.6	-68.3%
1.6. Polish Academy of Science and units established by it	36.9	0.0%	14.8	0.0%	2.1	0.0%	-12.7	-85.6%	-34.8	-94.2%
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	7.5	0.0%	7.0	0.0%	375.7	0.0%	368.7	5273.8%	368.2	4909.3%
2. Local government sector debt	77,124.8	8.0%	74,530.3	7.3%	73,674.5	7.2%	-855.8	-1.1%	-3,450.3	-4.5%
2.1. Local government units	72,029.3	7.5%	69,432.2	6.8%	68,471.3	6.7%	-960.9	-1.4%	-3,558.0	-4.9%
2.2. Independent public health units	4,257.8	0.4%	4,317.5	0.4%	4,447.4	0.4%	129.9	3.0%	189.6	4.5%
2.3. Local institutions of culture	80.0	0.0%	63.1	0.0%	61.4	0.0%	-1.7	-2.7%	-18.6	-23.2%
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	757.8	0.1%	717.5	0.1%	694.4	0.1%	-23.1	-3.2%	-63.4	-8.4%
3. Social Security Sector debt	45,426.9	4.7%	45,402.8	4.4%	45,400.8	4.4%	-2.0	0.0%	-26.1	-0.1%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
3.2. Funds managed by Social Insurance Institution	45,426.9	4.7%	45,402.8	4.4%	45,400.8	4.4%	-2.0	0.0%	-26.1	-0.1%
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	-

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

ITEM	Q4 2015	structure Q4 2015	Q2 2016	structure Q2 2016	Q3 2016	structure Q3 2016	change Q3 2016 - Q2 2016		change Q3 2016 - Q4 2015	
							m PLN	%	m PLN	%
Public debt	877,282.4	100.0%	936,951.0	100.0%	939,562.3	100.0%	2,611.3	0.3%	62,279.9	7.1%
1. Central government sector debt	805,108.7	91.8%	867,119.3	92.5%	870,488.5	92.6%	3,369.2	0.4%	65,379.8	8.1%
1.1. State Treasury	803,371.9	91.6%	865,570.7	92.4%	868,399.8	92.4%	2,829.1	0.3%	65,027.9	8.1%
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	478.9	0.1%	370.6	0.0%	345.1	0.0%	-25.5	-6.9%	-133.8	-27.9%
1.4. Independent public health units	1,212.6	0.1%	1,153.2	0.1%	1,368.3	0.1%	215.0	18.6%	155.7	12.8%
1.5. State institutions of culture	7.3	0.0%	6.5	0.0%	1.0	0.0%	-5.4	-84.0%	-6.3	-85.9%
1.6. Polish Academy of Science and units established by it	35.8	0.0%	14.2	0.0%	1.6	0.0%	-12.7	-88.9%	-34.2	-95.6%
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	2.3	0.0%	4.0	0.0%	372.7	0.0%	368.7	9185.7%	370.4	16376.5%
2. Local government sector debt	72,072.9	8.2%	69,754.9	7.4%	68,999.1	7.3%	-755.9	-1.1%	-3,073.8	-4.3%
2.1. Local government units	68,351.7	7.8%	65,995.3	7.0%	65,112.6	6.9%	-882.7	-1.3%	-3,239.1	-4.7%
2.2. Independent public health units	3,625.5	0.4%	3,673.8	0.4%	3,804.0	0.4%	130.2	3.5%	178.5	4.9%
2.3. Local institutions of culture	63.1	0.0%	42.2	0.0%	42.1	0.0%	-0.1	-0.3%	-21.1	-33.3%
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	32.6	0.0%	43.6	0.0%	40.4	0.0%	-3.2	-7.3%	7.8	24.0%
3. Social Security Sector debt	100.9	0.0%	76.8	0.0%	74.8	0.0%	-2.0	-2.6%	-26.1	-25.9%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-
3.2. Funds managed by Social Insurance Institution	100.9	0.0%	76.8	0.0%	74.8	0.0%	-2.0	-2.6%	-26.1	-25.9%
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	-