

1. **At the end of the first quarter of 2018 consolidated public debt** (according to domestic definition) stood at **PLN 989,179.3 million**.\* Compared with the end of 2017 public debt rose by PLN 27,360.5 million (+2.8%).

2. **Increase of public debt in the first quarter of 2018** was resultant of:

- increase in central government sector debt of PLN 28,718.7 million (+3.2%), including consolidated State Treasury (ST) debt increase of PLN 28,780.6 million (+3.2%),
- decrease in local government sector debt of PLN 1,358.4 million (-2.0%), including local government units debt decrease of PLN 1,403.1 million (-2.1%),
- increase in social security sector debt of PLN 0.3 million (+0.4%).

3. **At the end of the first quarter of 2018 unconsolidated public debt** stood at **PLN 1,033,253.8 million** and compared the end of 2017 it rose by PLN 21,740.3 (+2.1%). In the first quarter of 2018 the remaining loans (PLN 7.2 billion) granted by the State Treasury to ZUS funds were cancelled, hence considerably lower increase of the unconsolidated public finance sector debt than of the consolidated debt.

4. **Public debt to GDP ratio in 2017** amounted to **48.5%\*\*** (down by 3.4 percentage points compared with 2016) and the **ratio of the amount specified in Article 38a (3) of the Public Finance Act to GDP** amounted to **47.7%\*\*** (down by 1.8 percentage points).

5. **At the end of the first quarter of 2018 general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,029,010.9 million\*** and compared with the end of 2017 it rose by PLN 25,633.7 million (+2.6%).

6. **Changes in EDP debt in the first quarter of 2018** were similar those of public debt measured according to domestic definition. Additionally EDP debt was influenced by:

- increase in T-securities held by Bank Guarantee Fund (incl. fund for protection of the guaranteed assets) by PLN 1,096.7 million and by funds managed by BGK (incl. NRF) by PLN 814.0 million which decreases EDP debt due to increase of consolidation between units of the general government sector,
- increase in debt swapped using CIRS transactions due to FX changes by PLN 222.9 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).

7. **EDP debt to GDP ratio in 2017** amounted to **50.6%\*\*\*** (down by 3.6 percentage points compared with 2016).

\* Data regarding the first quarter of 2018 are preliminary. Data regarding previous periods were updated if necessary.

\*\* Minister of Finance Promulgation of May 21st 2018 on announcement of amounts specified in articles 38 and 38a of the Public Finance Act: <http://www.monitorpolski.gov.pl/mp/2018/511/1>

\*\*\* GUS announcement: <http://stat.gov.pl/en/topics/national-accounts/general-government-statistics/general-government-deficit-and-debt-in-2017,5,6.html>

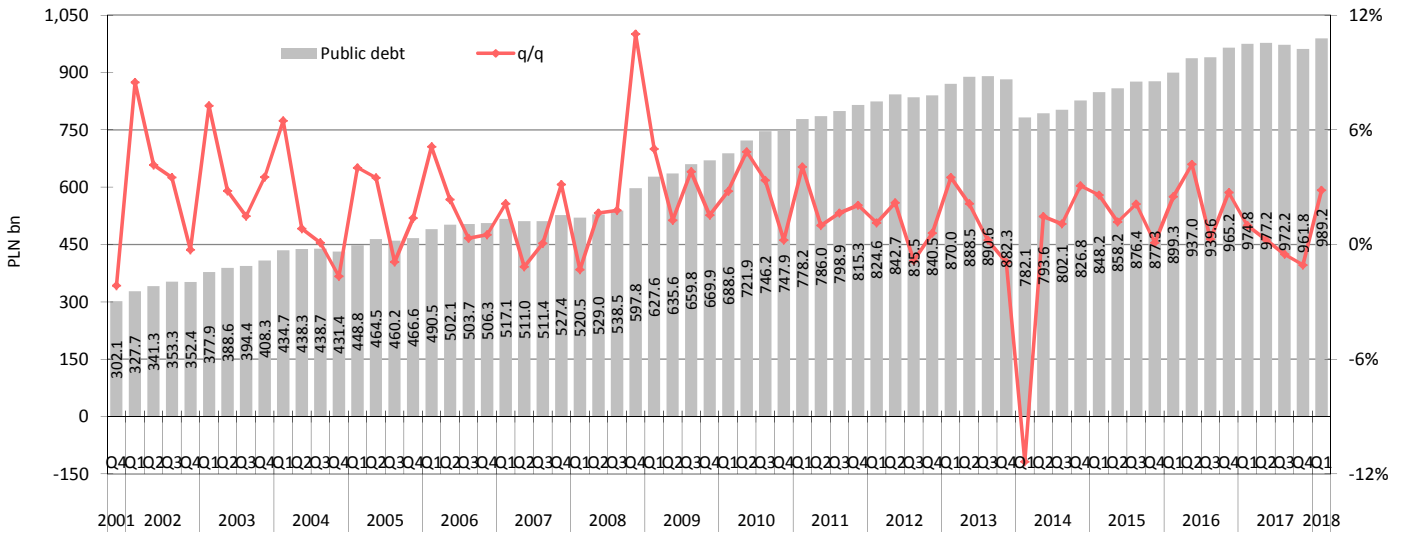
**Table 1. Public debt according to the place of issue criterion - after consolidation (PLN m, at face value, eop)**

Item	Q4 2016	structure Q4 2016	Q4 2017	structure Q4 2017	Q1 2018	structure Q1 2018	change		change	
							Q1 2018 - Q4 2017 PLN m	%	Q1 2018 - Q4 2016 PLN m	%
<b>Public debt</b>	<b>965,199.0</b>	<b>100.0%</b>	<b>961,818.8</b>	<b>100.0%</b>	<b>989,179.3</b>	<b>100.0%</b>	<b>27,360.5</b>	<b>2.8%</b>	<b>23,980.4</b>	<b>2.5%</b>
<b>Domestic debt</b>	<b>630,171.6</b>	<b>65.3%</b>	<b>662,534.9</b>	<b>68.9%</b>	<b>679,814.5</b>	<b>68.7%</b>	<b>17,279.6</b>	<b>2.6%</b>	<b>49,642.9</b>	<b>7.9%</b>
1. Debt securities	574,284.0	59.5%	605,568.3	63.0%	622,707.4	63.0%	17,139.2	2.8%	48,423.4	8.4%
2. Loans	50,128.7	5.2%	50,646.8	5.3%	49,457.2	5.0%	-1,189.7	-2.3%	-671.6	-1.3%
3. Other domestic liabilities	5,758.9	0.6%	6,319.8	0.7%	7,649.9	0.8%	1,330.1	21.0%	1,891.0	32.8%
<b>Foreign debt</b>	<b>335,027.4</b>	<b>34.7%</b>	<b>299,283.9</b>	<b>31.1%</b>	<b>309,364.9</b>	<b>31.3%</b>	<b>10,080.9</b>	<b>3.4%</b>	<b>-25,662.5</b>	<b>-7.7%</b>
1. Debt securities	241,850.6	25.1%	213,330.4	22.2%	218,415.0	22.1%	5,084.6	2.4%	-23,435.6	-9.7%
2. Loans	93,152.9	9.7%	85,933.0	8.9%	90,927.5	9.2%	4,994.5	5.8%	-2,225.5	-2.4%
3. Other foreign liabilities	23.9	0.0%	20.6	0.0%	22.4	0.0%	1.8	8.7%	-1.5	-6.1%

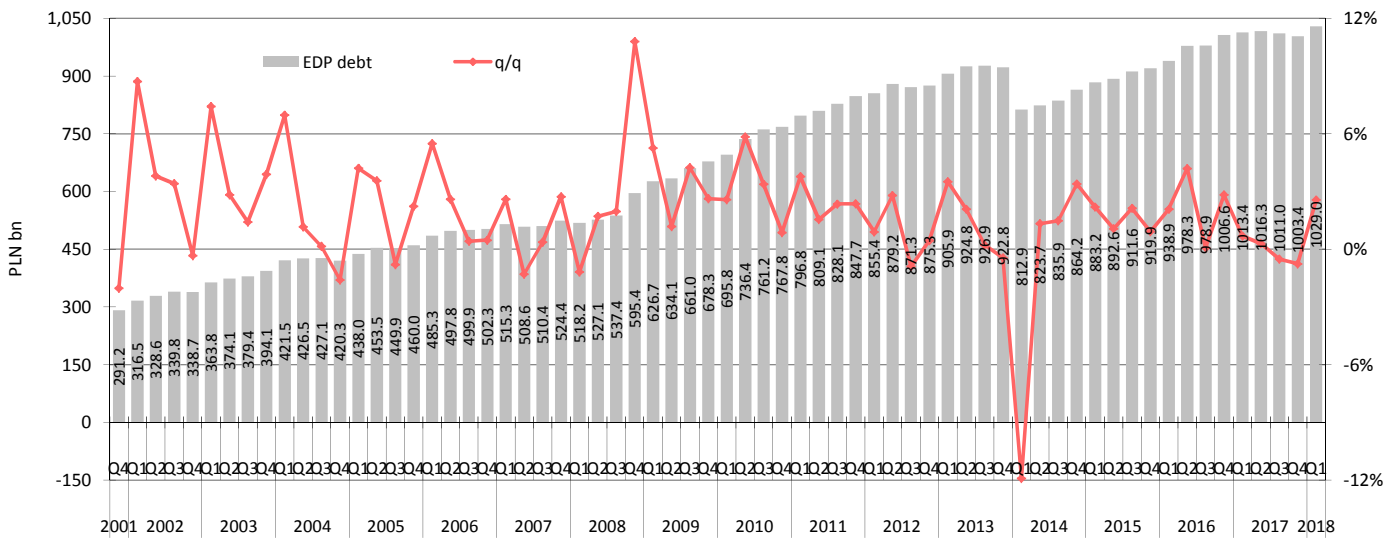
**Table 2. Public debt according to the residency criterion - after consolidation (PLN m, at face value, eop)**

Item	Q4 2016	structure Q4 2016	Q4 2017	structure Q4 2017	Q1 2018	structure Q1 2018	change		change	
							Q1 2018 - Q4 2017 PLN m	%	Q1 2018 - Q4 2016 PLN m	%
<b>Public debt</b>	<b>965,199.0</b>	<b>100.0%</b>	<b>961,818.8</b>	<b>100.0%</b>	<b>989,179.3</b>	<b>100.0%</b>	<b>27,360.5</b>	<b>2.8%</b>	<b>23,980.4</b>	<b>2.5%</b>
<b>Domestic debt</b>	<b>454,041.7</b>	<b>47.0%</b>	<b>474,112.3</b>	<b>49.3%</b>	<b>493,553.9</b>	<b>49.9%</b>	<b>19,441.6</b>	<b>4.1%</b>	<b>39,512.2</b>	<b>8.7%</b>
1. Debt securities	398,171.0	41.3%	417,812.0	43.4%	437,112.2	44.2%	19,300.2	4.6%	38,941.3	9.8%
2. Loans	50,128.7	5.2%	50,646.8	5.3%	49,457.2	5.0%	-1,189.7	-2.3%	-671.6	-1.3%
3. Other domestic liabilities	5,742.0	0.6%	5,653.5	0.6%	6,984.5	0.7%	1,331.0	23.5%	1,242.5	21.6%
<b>Foreign debt</b>	<b>511,157.3</b>	<b>53.0%</b>	<b>487,706.5</b>	<b>50.7%</b>	<b>495,625.4</b>	<b>50.1%</b>	<b>7,919.0</b>	<b>1.6%</b>	<b>-15,531.9</b>	<b>-3.0%</b>
1. Debt securities	417,963.6	43.3%	401,086.6	41.7%	404,010.2	40.8%	2,923.6	0.7%	-13,953.4	-3.3%
2. Loans	93,152.9	9.7%	85,933.0	8.9%	90,927.5	9.2%	4,994.5	5.8%	-2,225.5	-2.4%
3. Other foreign liabilities	40.7	0.0%	686.9	0.1%	687.8	0.1%	0.9	0.1%	647.0	1588.2%

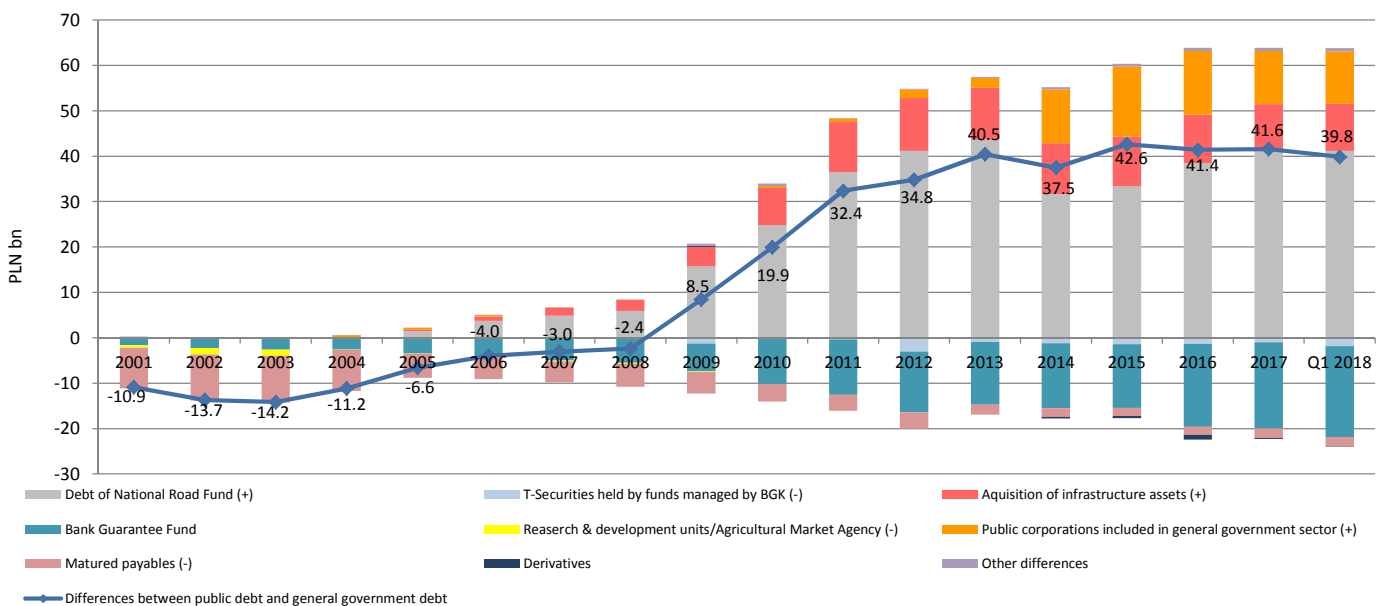
**Chart 1. Public debt**



**Chart 2. EDP debt**



**Chart 3. Differences between public debt and general government debt**

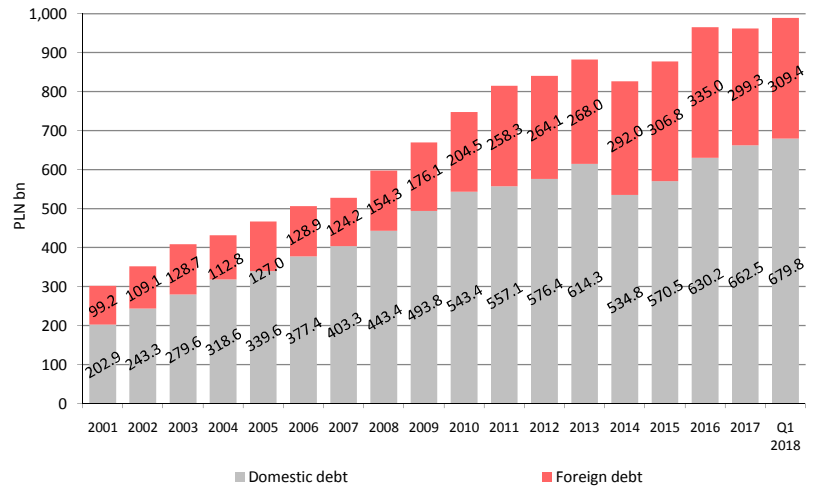


#### Chart 4. Public debt according to the place of issue criterion

At the end of the first quarter of 2018 domestic debt stood at PLN 679.8 bn, up by PLN 17.3 bn (+2.6%) compared with the end of 2017.

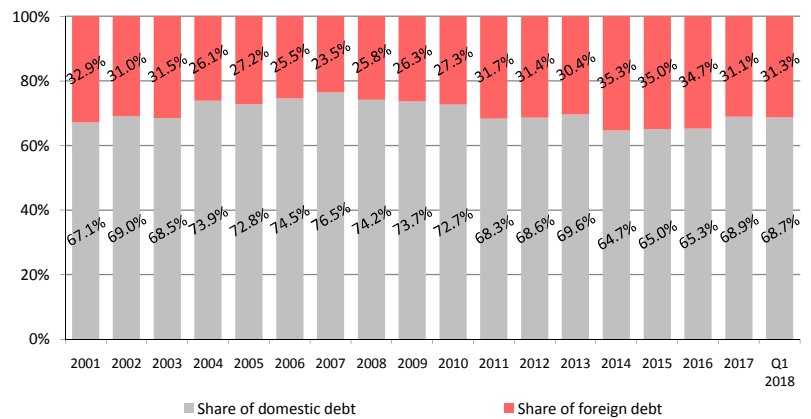
Foreign debt stood at PLN 309.4 bn, up by PLN 10.1 bn (+3.4%) compared with the end of 2017 mainly due to changes in ST foreign debt resulting from:

- increase in debt denominated in EUR (EUR +2.1 bn, including issuance of a bond: EUR 1.0 bn and positive balance of drawing and repayment of loans granted by international monetary institutions: EUR 1.1 bn),
- depreciation of zloty (PLN +1.6 bn) – by 0.9% against EUR, 0.4% against CHF, 4.0% against JPY and by 1.7% against CNY and appreciation by 1.9% against USD.



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

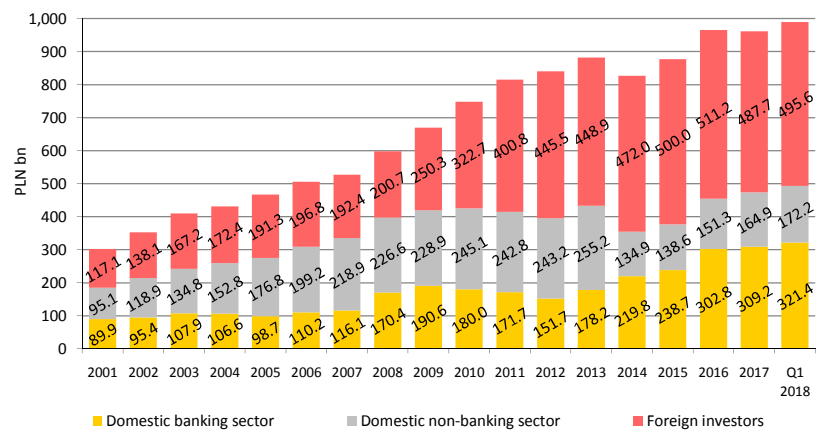
At the end of the first quarter of 2018 the share of foreign debt in total debt amounted to 31.3%, up by 0.2 percentage points compared with the end of 2017. The increase of share of foreign debt in the first quarter resulted mainly from higher growth rate of foreign debt due to depreciation of zloty against foreign currencies and increase of EUR-denominated debt.



#### Chart 6. Public debt by holder

In the first quarter of 2018 public debt towards:

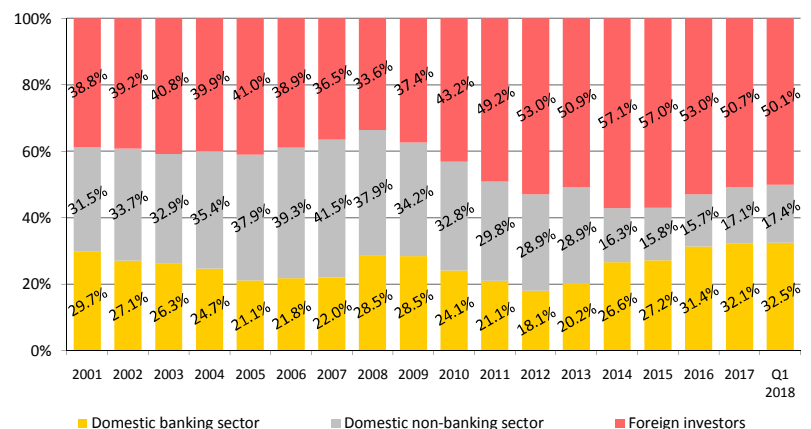
- domestic banking sector rose by PLN 12.2 bn (+3.9%),
- domestic non-banking sector rose by PLN 7.3 bn (+4.4%),
- foreign investors (non-residents) increased by PLN 7.9 bn (+1.6%).



#### Chart 7. Structure of public debt by holder

The share of public debt towards foreign investors has been steadily decreasing. After a decrease of 2.3 percentage points in 2017, the share **fell further by 0.6 percentage points** in the first quarter of 2018 and **amounted to 50.1%**.

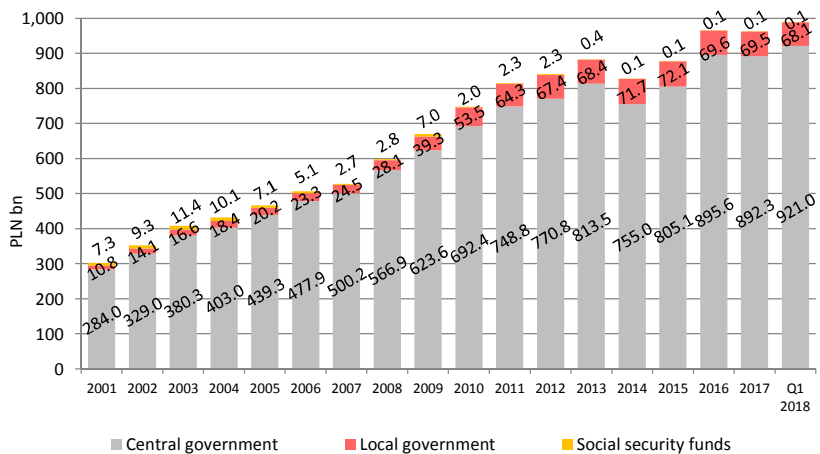
The share of public debt towards domestic non-banking sector rose in the first quarter of 2018 by 0.3 percentage points and the share of public debt towards domestic banking sector rose by 0.4 percentage points.



**Chart 8. Consolidated public debt by subsector**

At the end of the first quarter of 2018 public debt consisted of:

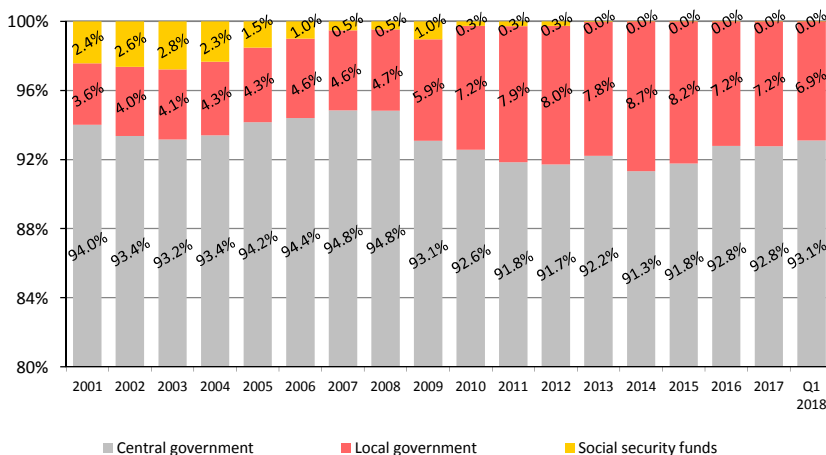
- central government debt - PLN 921.0 bn,
- local government debt - PLN 68.1 bn,
- social security funds debt - PLN 0.1 bn.



**Chart 9. Structure of consolidated public debt by subsector**

At the end of the first quarter of 2018 share of subsectors in total public debt amounted to:

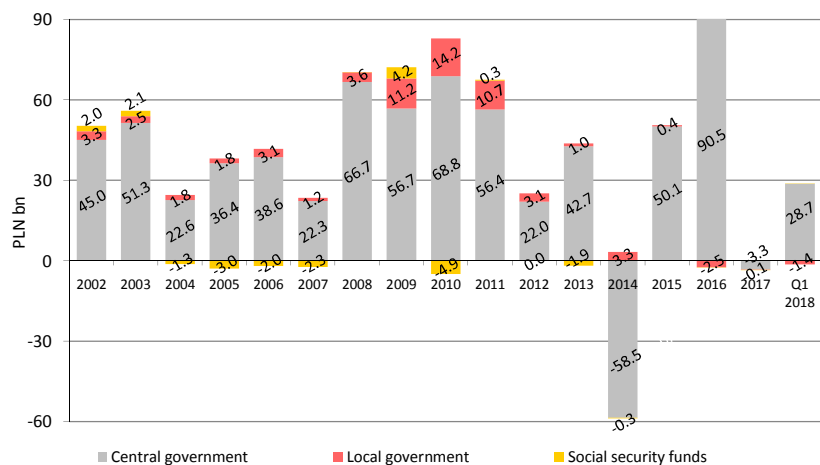
- central government subsector - 93.1% (up by 0.3 percentage points in the first quarter of 2018),
- local government subsector - 6.9% (down by 0.3 percentage points in the first quarter of 2018), of which 6.5% represented debt of local government units and their unions,
- social security funds - 0.01% (no change).



**Chart 10. Changes in consolidated public debt by subsector**

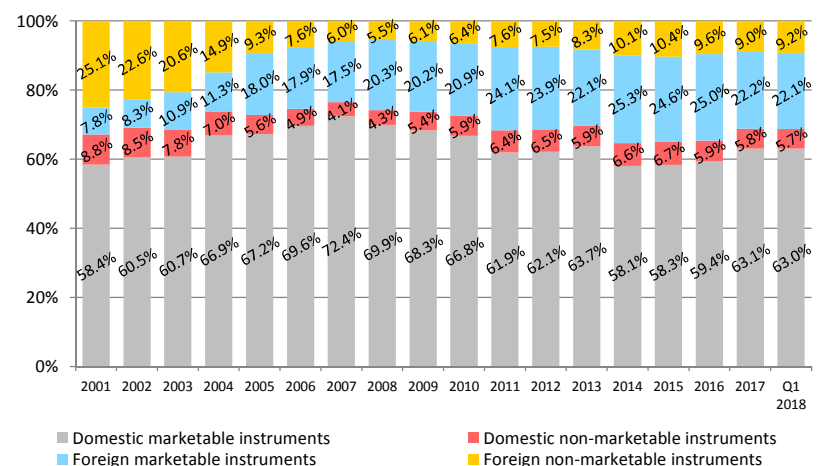
The increase of public debt in the first quarter of 2018 was mainly a result of central government debt increase, in particular of State Treasury debt. In the first quarter of 2018 public debt rose by PLN 27.4 bn (+2.8%) while central government debt rose by PLN 28.7 bn (+3.2%) and consolidated State Treasury debt increased by PLN 28.8 bn (+3.2%).

Local government debt fell in the first quarter of 2018 by PLN 1.4 bn (-2.0%) mainly as a result of a decrease in local government units debt by PLN 1.4 bn (-2.1%). Social security funds debt rose slightly in the first quarter of 2018 by PLN 0.3 m (+0.4%).



**Chart 11. Structure of public debt by instrument**

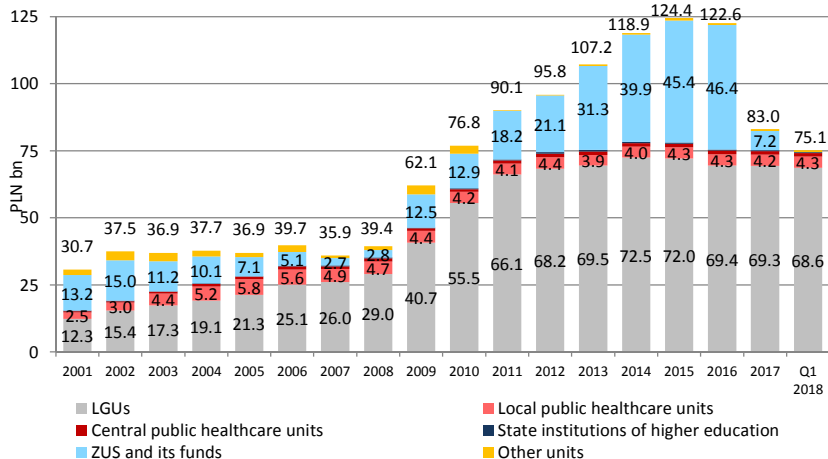
At the end of the first quarter of 2018 marketable instruments comprised 85.1% of public debt, including instruments issued on the domestic market - 63.0%. The share of marketable instruments in public debt fell in the first quarter of 2018 by 0.2 percentage points.



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

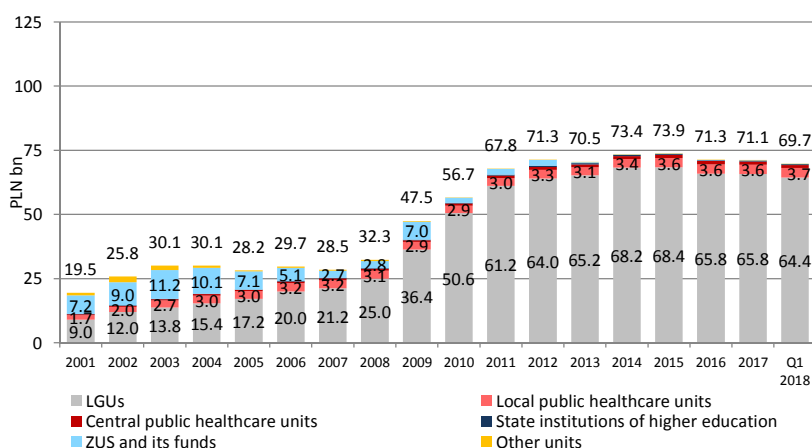
At the end of the first quarter of 2018, the unconsolidated debt of units other than ST amounted to 7.1% of public debt, down from 8.2% at the end of 2017. Among those entities the debt of local government units and their unions constituted the largest part.

After the cancellation in the first quarter of 2018 of the remaining loans (PLN 7.2 billion) granted by the State Treasury to funds manager by ZUS with maturity date falling in the first quarter of 2018, the share of their debt fell below 0.01%.



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

At the end of the first quarter of 2018 the difference between consolidated and unconsolidated debt of public finance sector units other than ST amounted to PLN 5.4 bn. The reason is that 7.2% of their debt are liabilities towards other public finance sector units.



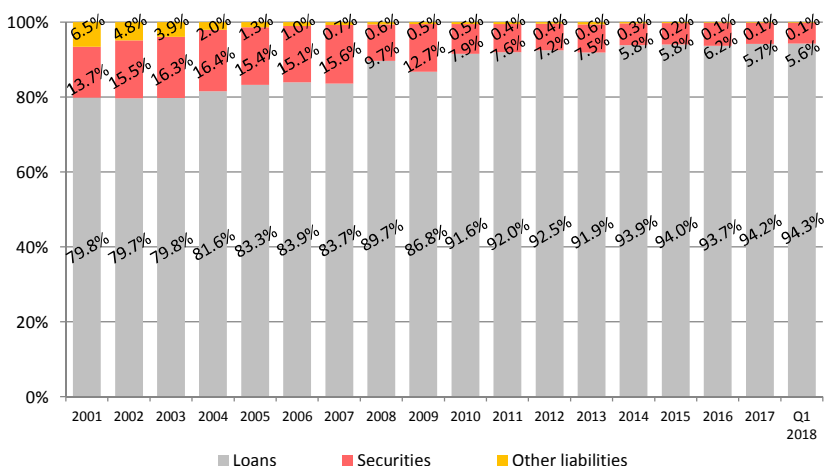
**Chart 14. Structure of unconsolidated debt of LGUs and their associations according to place of issue criterion**

The structure of local government liabilities and their unions was dominated by domestic debt. The share of foreign debt has been stable since 2016 and amounted to 22.3% at the end of the first quarter of 2018, up by 0.2 percentage points compared to the end of 2017.

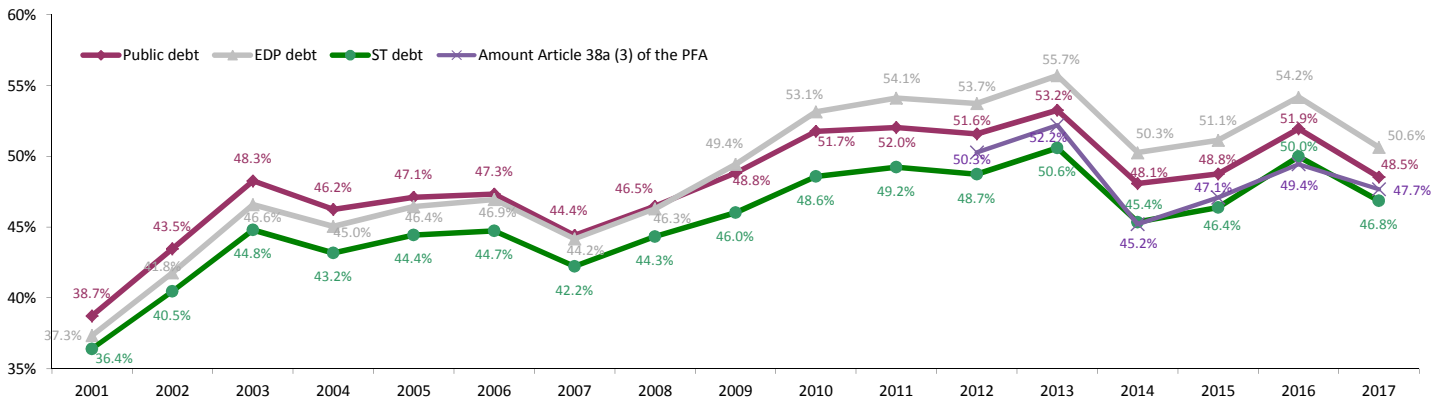


**Chart 15. Structure of unconsolidated debt of LGUs and their associations by instrument**

Loans prevailed in the structure of liabilities of LGUs and their unions with share of 94.3%. The role of loans in LGUs debt has been gradually growing (with a slight decrease in 2016) and in the first quarter of 2018 rose by 0.1 percentage points.

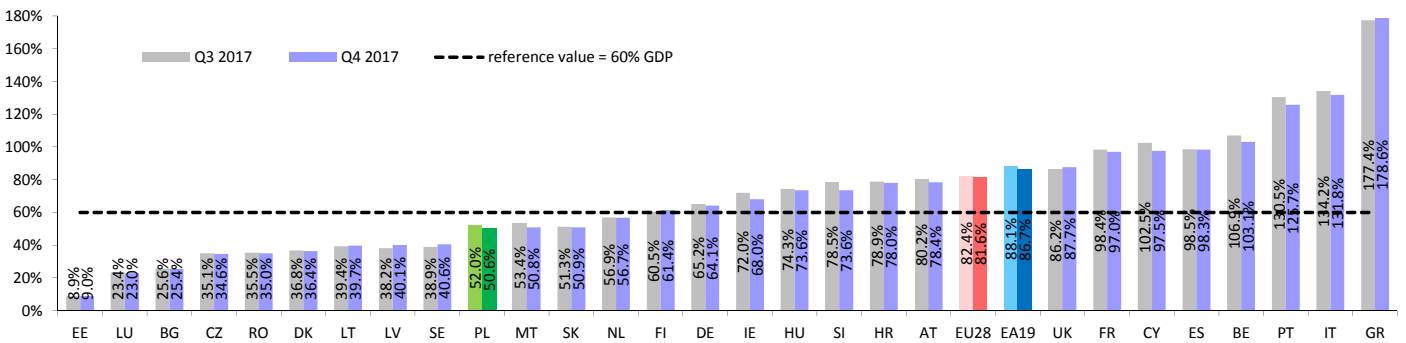


**Chart 16. Public debt, EDP debt and State Treasury debt to GDP\* ratios (eop)**



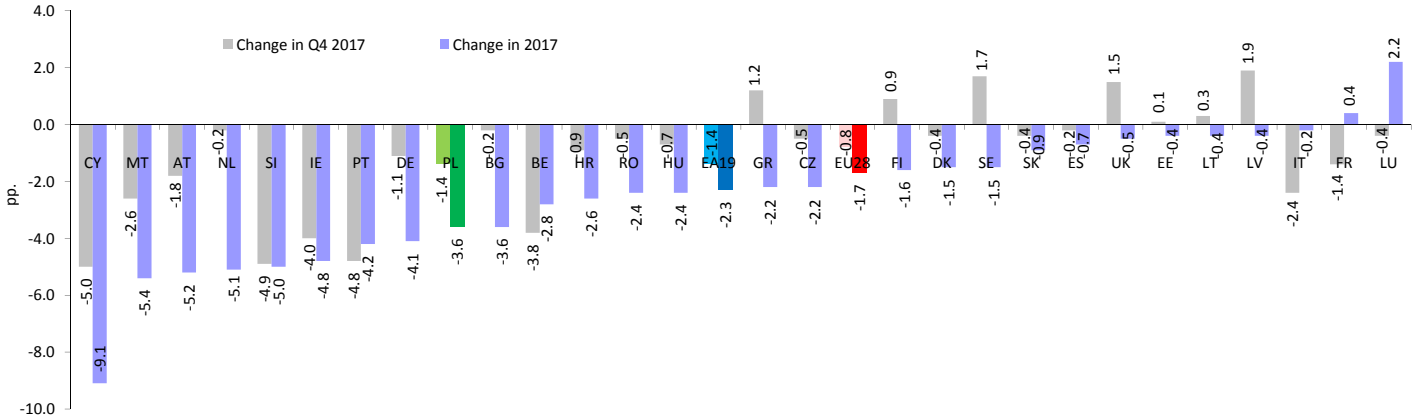
Source: Ministry of Finance

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



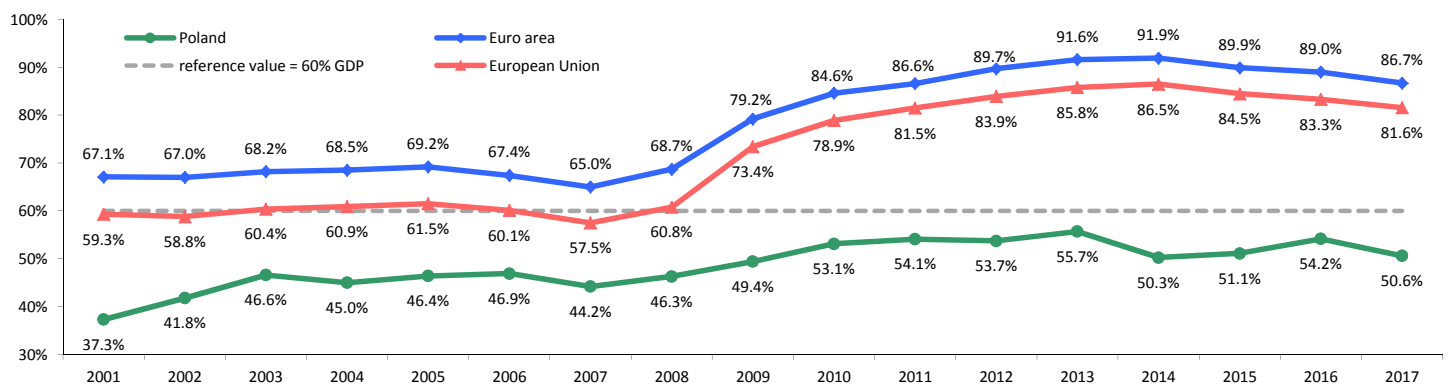
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

**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 2012	Q4 2013	Q4 2014	Q4 2015	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
<b>Public debt</b>	<b>840,476.8</b>	<b>882,293.0</b>	<b>826,774.7</b>	<b>877,282.4</b>	<b>965,199.0</b>	<b>974,765.7</b>	<b>977,224.4</b>	<b>972,220.4</b>	<b>961,818.8</b>	<b>989,179.3</b>
<i>1) Adjustments concerning the scope of the sector</i>	<i>38,220.7</i>	<i>42,468.0</i>	<i>39,178.4</i>	<i>44,316.9</i>	<i>43,507.4</i>	<i>40,566.7</i>	<i>40,704.7</i>	<i>40,399.4</i>	<i>43,196.7</i>	<i>41,253.3</i>
Debt of National Road Fund	41,197.4	43,644.7	31,626.3	33,312.4	38,467.0	37,416.8	37,674.4	37,929.8	41,087.8	41,158.8
T-Securities held by funds managed by Bank Gospodarstwa Krajowego	-3,038.9	-895.2	-1,210.9	-1,410.9	-1,384.1	-2,041.1	-2,549.7	-1,196.1	-1,023.1	-1,837.1
Aquisition of infrastructure assets (motorways)	11,571.9	11,423.8	11,261.6	11,023.2	10,699.0	10,699.0	10,535.6	10,535.6	10,341.9	10,341.9
Bank Guarantee Fund	-13,396.5	-13,862.9	-14,296.0	-14,039.8	-18,255.0	-18,366.7	-17,546.3	-18,927.0	-18,930.5	-20,035.5
Public corporations included in general government sector	1,886.8	2,157.5	11,797.5	15,432.0	13,980.5	12,858.7	12,590.8	12,057.1	11,720.6	11,625.1
<i>2) Differences concerning debt instruments</i>	<i>-3,437.9</i>	<i>-2,005.8</i>	<i>-1,712.8</i>	<i>-1,710.9</i>	<i>-2,121.5</i>	<i>-1,946.9</i>	<i>-1,581.1</i>	<i>-1,587.8</i>	<i>-1,638.3</i>	<i>-1,421.7</i>
matured payables	-3,616.5	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-1,715.9	-1,957.0	-1,957.7	-2,109.0	-2,075.8
debt assumption - activation of a guarantee	20.0	1.6	0.2	0.0	0.1	0.0	0.5	0.5	2.3	2.3
restructured/refinanced trade credits and sell-lease-back operations	158.6	194.8	535.3	567.3	692.1	649.3	658.7	618.6	707.8	668.3
derivatives	0.0	0.0	-301.2	-483.2	-1,080.7	-880.3	-283.4	-249.1	-239.5	-16.6
<b>General government debt</b>	<b>875,259.6</b>	<b>922,755.2</b>	<b>864,240.3</b>	<b>919,888.4</b>	<b>1,006,584.9</b>	<b>1,013,385.5</b>	<b>1,016,347.9</b>	<b>1,011,032.0</b>	<b>1,003,377.2</b>	<b>1,029,010.9</b>

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

ITEM	Q4 2016	structure Q4 2016	Q4 2017	structure Q4 2017	Q1 2018	structure Q1 2018	change Q1 2018 - Q4 2017		change Q4 2017 - Q4 2016	
							m PLN	%	m PLN	%
<b>Public debt</b>	<b>1,051,239.1</b>	<b>100.0%</b>	<b>1,011,513.5</b>	<b>100.0%</b>	<b>1,033,253.8</b>	<b>100.0%</b>	<b>21,740.3</b>	<b>2.1%</b>	<b>-39,725.6</b>	<b>-3.8%</b>
<b>1. Central government sector debt</b>	<b>930,433.1</b>	<b>88.5%</b>	<b>930,151.0</b>	<b>92.0%</b>	<b>959,739.2</b>	<b>92.9%</b>	<b>29,588.2</b>	<b>3.2%</b>	<b>-282.1</b>	<b>0.0%</b>
1.1. State Treasury	928,666.2	88.3%	928,473.0	91.8%	958,125.6	92.7%	29,652.7	3.2%	-193.2	0.0%
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	370.2	0.0%	371.4	0.0%	345.8	0.0%	-25.5	-6.9%	1.2	0.3%
1.4. Independent public healthcare units	1,382.7	0.1%	1,293.5	0.1%	1,251.6	0.1%	-41.8	-3.2%	-89.2	-6.5%
1.5. State institutions of culture	4.7	0.0%	5.7	0.0%	5.3	0.0%	-0.3	-5.7%	1.0	20.7%
1.6. Polish Academy of Science and units established by it	1.6	0.0%	1.2	0.0%	1.1	0.0%	-0.1	-7.7%	-0.4	-24.5%
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	7.8	0.0%	6.3	0.0%	9.7	0.0%	3.4	53.2%	-1.4	-18.5%
<b>2. Local government sector debt</b>	<b>74,400.9</b>	<b>7.1%</b>	<b>74,123.2</b>	<b>7.3%</b>	<b>73,449.2</b>	<b>7.1%</b>	<b>-674.0</b>	<b>-0.9%</b>	<b>-277.7</b>	<b>-0.4%</b>
2.1. Local government units	69,416.1	6.6%	69,284.7	6.8%	68,576.0	6.6%	-708.7	-1.0%	-131.4	-0.2%
2.2. Independent public health units	4,270.6	0.4%	4,199.7	0.4%	4,262.8	0.4%	63.1	1.5%	-70.9	-1.7%
2.3. Local institutions of culture	51.6	0.0%	61.1	0.0%	58.7	0.0%	-2.4	-3.9%	9.5	18.4%
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	662.6	0.1%	577.7	0.1%	551.7	0.1%	-26.0	-4.5%	-84.9	-12.8%
<b>3. Social Security Sector debt</b>	<b>46,405.1</b>	<b>4.4%</b>	<b>7,239.2</b>	<b>0.7%</b>	<b>65.4</b>	<b>0.0%</b>	<b>-7,173.9</b>	<b>-99.1%</b>	<b>-39,165.9</b>	<b>-84.4%</b>
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	272.6%	0.0	-
3.2. Funds managed by Social Insurance Institution	46,405.1	4.4%	7,239.2	0.7%	65.3	0.0%	-7,173.9	-99.1%	-39,165.9	-84.4%
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 2016	structure Q4 2016	Q4 2017	structure Q4 2017	Q1 2018	structure Q1 2018	change Q1 2018 - Q4 2017		change Q4 2017 - Q4 2016	
							m PLN	%	m PLN	%
<b>Public debt</b>	<b>965,199.0</b>	<b>100.0%</b>	<b>961,818.8</b>	<b>100.0%</b>	<b>989,179.3</b>	<b>100.0%</b>	<b>27,360.5</b>	<b>2.8%</b>	<b>-3,380.2</b>	<b>-0.4%</b>
<b>1. Central government sector debt</b>	<b>895,559.3</b>	<b>92.8%</b>	<b>892,277.0</b>	<b>92.8%</b>	<b>920,995.7</b>	<b>93.1%</b>	<b>28,718.7</b>	<b>3.2%</b>	<b>-3,282.2</b>	<b>-0.4%</b>
1.1. State Treasury	893,893.3	92.6%	890,687.1	92.6%	919,467.7	93.0%	28,780.6	3.2%	-3,206.2	-0.4%
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	332.7	0.0%	339.3	0.0%	316.5	0.0%	-22.8	-6.7%	6.6	2.0%
1.4. Independent public health units	1,328.1	0.1%	1,244.8	0.1%	1,202.4	0.1%	-42.4	-3.4%	-83.3	-6.3%
1.5. State institutions of culture	0.5	0.0%	1.3	0.0%	1.3	0.0%	0.1	4.6%	0.8	156.5%
1.6. Polish Academy of Science and units established by it	1.1	0.0%	0.8	0.0%	0.7	0.0%	-0.1	-11.2%	-0.2	-22.9%
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	3.6	0.0%	3.8	0.0%	7.0	0.0%	3.2	85.4%	0.2	5.7%
<b>2. Local government sector debt</b>	<b>69,560.6</b>	<b>7.2%</b>	<b>69,476.7</b>	<b>7.2%</b>	<b>68,118.3</b>	<b>6.9%</b>	<b>-1,358.4</b>	<b>-2.0%</b>	<b>-83.9</b>	<b>-0.1%</b>
2.1. Local government units	65,841.2	6.8%	65,786.5	6.8%	64,383.3	6.5%	-1,403.1	-2.1%	-54.8	-0.1%
2.2. Independent public health units	3,648.8	0.4%	3,628.3	0.4%	3,682.1	0.4%	53.8	1.5%	-20.5	-0.6%
2.3. Local institutions of culture	35.8	0.0%	43.0	0.0%	37.1	0.0%	-5.9	-13.6%	7.2	20.0%
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	34.8	0.0%	18.9	0.0%	15.8	0.0%	-3.2	-16.7%	-15.8	-45.6%
<b>3. Social Security Sector debt</b>	<b>79.1</b>	<b>0.0%</b>	<b>65.1</b>	<b>0.0%</b>	<b>65.3</b>	<b>0.0%</b>	<b>0.3</b>	<b>0.4%</b>	<b>-14.0</b>	<b>-17.7%</b>
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	147.9%	0.0	-
3.2. Funds managed by Social Insurance Institution	79.1	0.0%	65.1	0.0%	65.3	0.0%	0.3	0.4%	-14.0	-17.7%
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	-