

1. **At the end of the first quarter of 2019 consolidated public debt** (according to domestic definition) stood at **PLN 1,005,260.4 million***. Compared with the end of 2018 public debt rose by PLN 20,940.8 million (+2.1%).

2. **The increase of public debt in the first quarter of 2019** was resultant of:

- increase in central government sector debt of PLN 21,310.1 million (+2.3%), including consolidated State Treasury (ST) debt increase of PLN 21,367.1 million (+2.4%);

- decrease in local government sector debt of PLN 362.4 million (-0.5%), including local government units (LGUs) debt decrease of PLN 542.0 million (-0.7%);

- decrease in social security sector debt of PLN 6.9 million (-10.0%).

3. **At the end of the first quarter of 2019 unconsolidated public debt** stood at **PLN 1,062,243.7 million** and compared with the end of 2018 it rose by PLN 24,207.7 million (+2.3%).

4. **At the end of the first quarter of 2019 general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,054,864.3 million*** and compared with the end of 2018 it rose by PLN 20,487.4 million (+2.0%).

5. **Changes in EDP debt in the first quarter of 2019** were similar to those in public debt measured according to domestic definition. Additionally EDP debt was influenced by:

- decrease in debt of National Road Fund (NRF) by PLN 152.1 million;

- decrease in debt swapped using CIRS transactions due to FX changes by PLN 215.2 million;

- change in T-securities held by Bank Guarantee Fund (incl. funds for protection of the guaranteed assets; PLN -881.5 million) and funds managed by BGK (incl. NRF; PLN +785.0 million) which increased EDP debt due to decrease of consolidation of liabilities between units of the general government sector.

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 first quarter of 2019 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 2017	structure Q4 2017	Q4 2018	structure Q4 2018	Q1 2019	structure Q1 2019	change Q1 2019 - Q4 2018		change Q4 2018 - Q4 2017	
							PLN m	%	PLN m	%
Public debt	961,841.5	100.0%	984,319.6	100.0%	1,005,260.4	100.0%	20,940.8	2.1%	22,478.1	2.3%
Domestic debt	662,517.5	68.9%	688,254.1	69.9%	706,234.8	70.3%	17,980.7	2.6%	25,736.6	3.9%
1. Debt securities	605,562.8	63.0%	623,424.0	63.3%	641,854.0	63.8%	18,430.0	3.0%	17,861.2	2.9%
2. Loans	50,638.0	5.3%	57,276.9	5.8%	56,556.1	5.6%	-720.8	-1.3%	6,638.9	13.1%
3. Other domestic liabilities	6,316.7	0.7%	7,553.2	0.8%	7,824.6	0.8%	271.5	3.6%	1,236.5	19.6%
Foreign debt	299,324.1	31.1%	296,065.5	30.1%	299,025.7	29.7%	2,960.2	1.0%	-3,258.6	-1.1%
1. Debt securities	213,330.4	22.2%	211,245.9	21.5%	213,937.2	21.3%	2,691.4	1.3%	-2,084.5	-1.0%
2. Loans	85,973.0	8.9%	84,810.0	8.6%	85,077.9	8.5%	267.9	0.3%	-1,163.0	-1.4%
3. Other foreign liabilities	20.7	0.0%	9.7	0.0%	10.5	0.0%	0.9	9.2%	-11.1	-53.4%

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

Item	Q4 2017	structure Q4 2017	Q4 2018	structure Q4 2018	Q1 2019	structure Q1 2019	change Q1 2019 - Q4 2018		change Q4 2018 - Q4 2017	
							PLN m	%	PLN m	%
Public debt	961,841.5	100.0%	984,319.6	100.0%	1,005,260.4	100.0%	20,940.8	2.1%	22,478.1	2.3%
Domestic debt	474,094.9	49.3%	516,788.9	52.5%	551,848.6	54.9%	35,059.8	6.8%	42,693.9	9.0%
1. Debt securities	417,806.5	43.4%	451,967.2	45.9%	487,477.0	48.5%	35,509.8	7.9%	34,160.7	8.2%
2. Loans	50,638.0	5.3%	57,276.9	5.8%	56,556.1	5.6%	-720.8	-1.3%	6,638.9	13.1%
3. Other domestic liabilities	5,650.4	0.6%	7,544.7	0.8%	7,815.5	0.8%	270.8	3.6%	1,894.3	33.5%
Foreign debt	487,746.6	50.7%	467,530.7	47.5%	453,411.8	45.1%	-14,118.9	-3.0%	-20,215.9	-4.1%
1. Debt securities	401,086.6	41.7%	382,702.7	38.9%	368,314.3	36.6%	-14,388.4	-3.8%	-18,383.9	-4.6%
2. Loans	85,973.0	8.9%	84,810.0	8.6%	85,077.9	8.5%	267.9	0.3%	-1,163.0	-1.4%
3. Other foreign liabilities	687.0	0.1%	18.1	0.0%	19.7	0.0%	1.6	8.6%	-668.9	-97.4%

Chart 1. Public debt

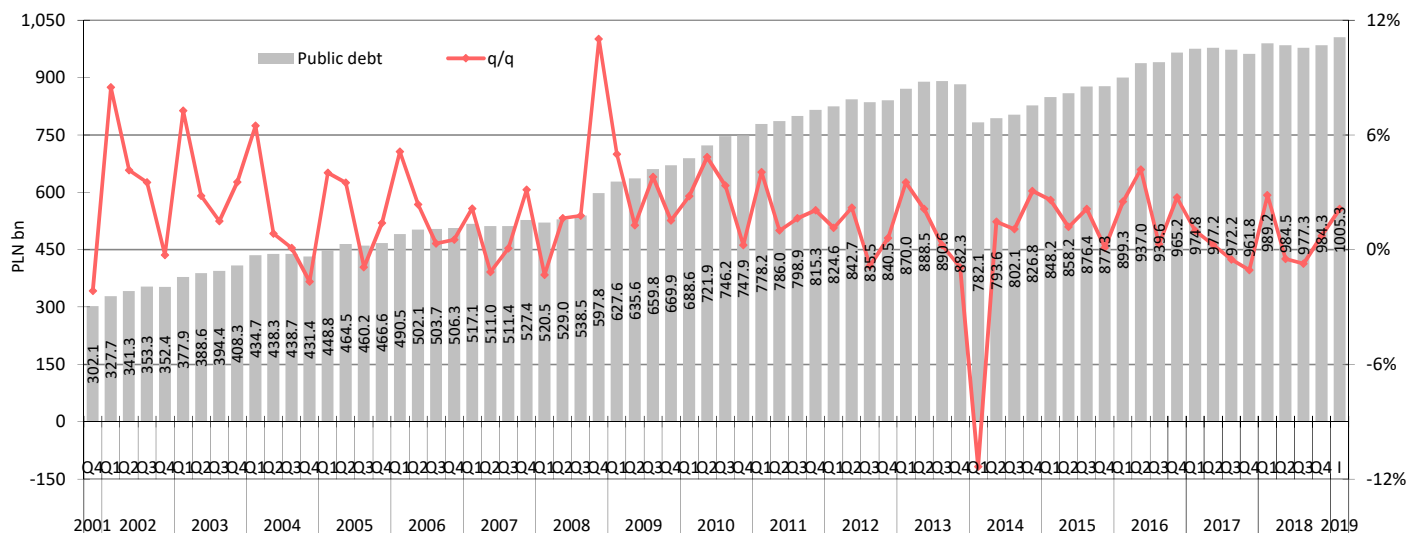


Chart 2. EDP debt

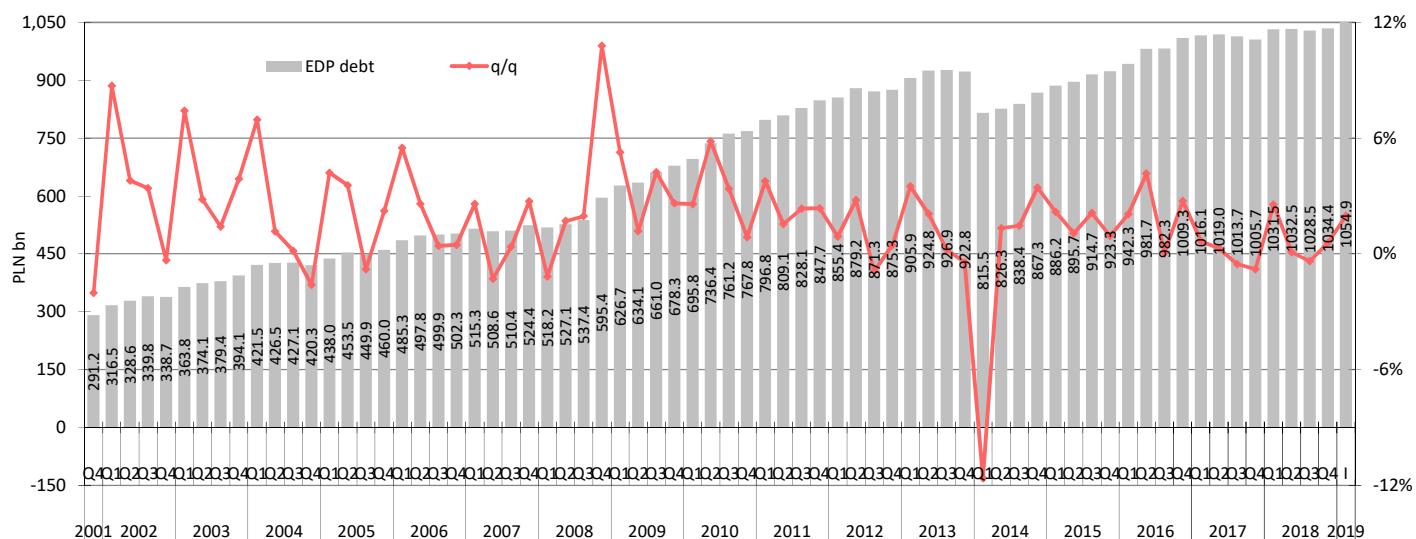


Chart 3. Differences between public debt and general government debt

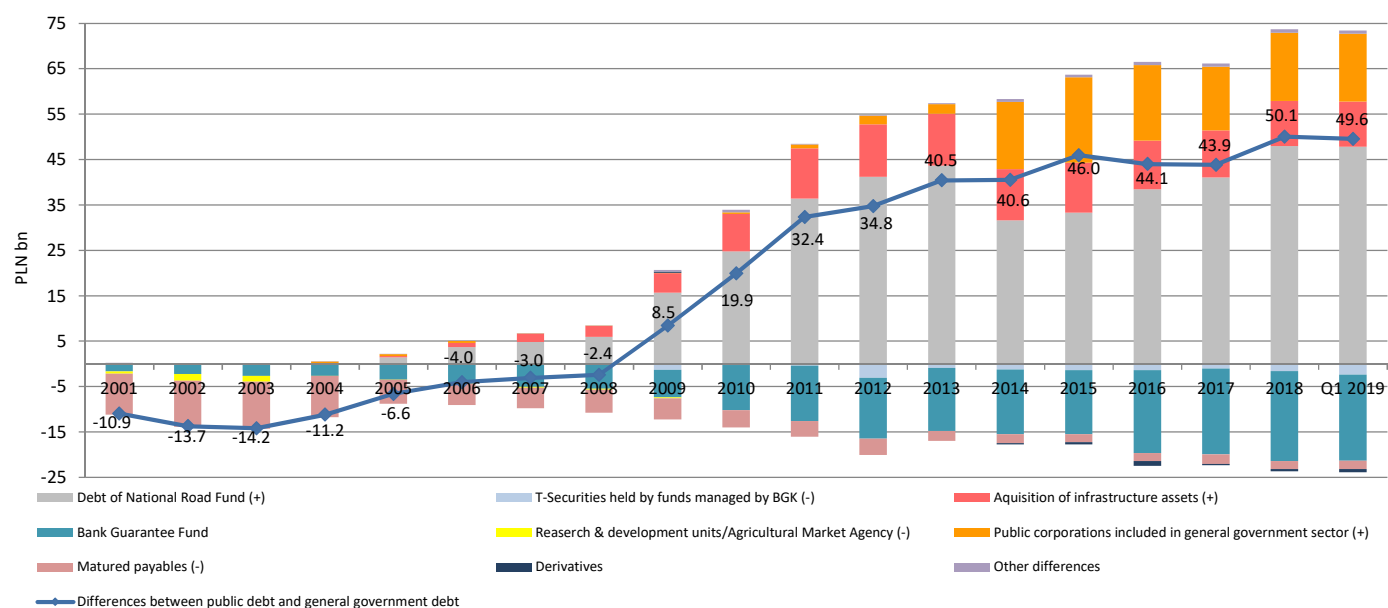


Chart 4. Public debt according to the place of issue criterion

At the end of the first quarter of 2019 domestic debt stood at PLN 706.2 bn, up by PLN 18.0 bn (+2.6%) compared with the end of 2018.

Foreign debt stood at PLN 299.0 bn, up by PLN 3.0 bn (+1.0%) compared with the previous quarter mainly due to changes in ST foreign debt resulting from:

- increase in debt denominated in EUR (EUR +0.4);
- depreciation of zloty - an increase in debt of PLN 1.3 bn.

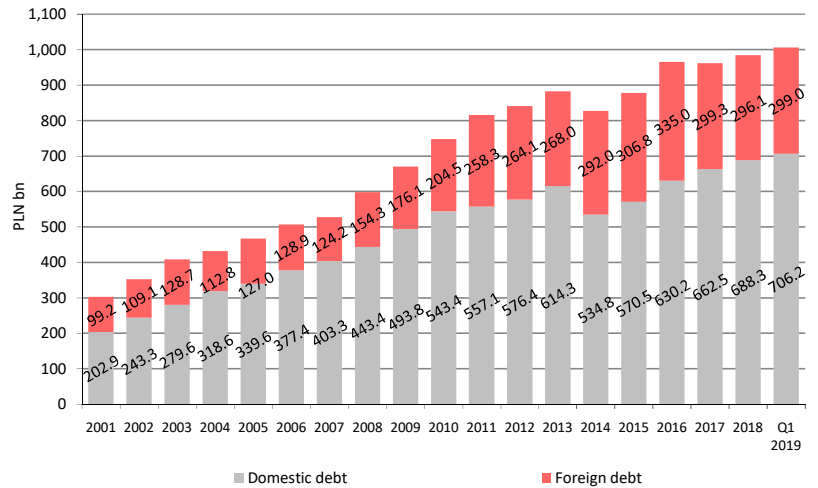


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the first quarter of 2019 the share of foreign debt in total debt amounted to 29.7%, down by 0.4 percentage points compared with the end of 2018 and it was the lowest level since the second quarter of 2011. The decline in the share of foreign debt in the first quarter of 2019 was a result of a higher growth rate of domestic debt than of foreign debt.

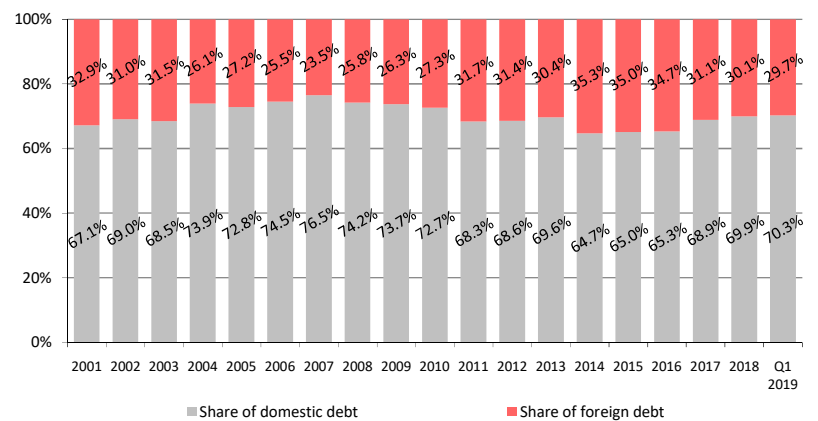


Chart 6. Public debt by holder

In the first quarter of 2019 public debt towards:

- domestic banking sector rose by PLN 36.7 bn (+10.9%),
- domestic non-banking sector fell by PLN 1.6 bn (-0.9%),
- foreign investors (non-residents) fell by PLN 14.1 bn (-3.0%).

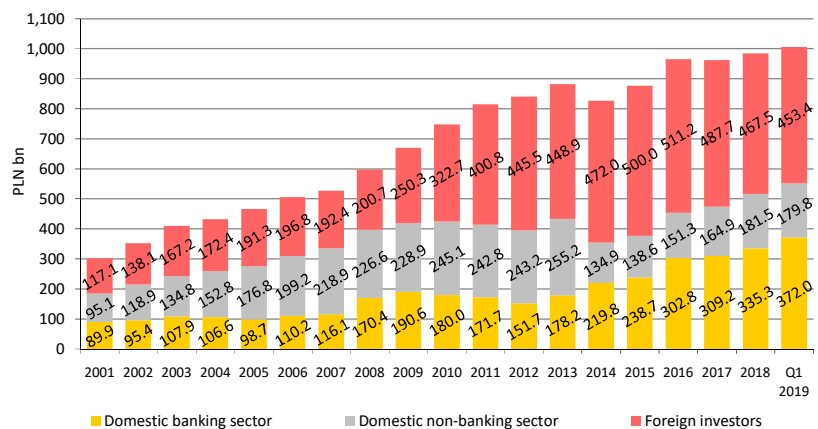


Chart 7. Structure of public debt by holder

The share of public debt towards foreign investors has been steadily decreasing. It fell further by 2.4 percentage points in the first quarter of 2019 and amounted to 45.1%. This means that the share has fallen to its lowest level since the first quarter of 2011. The decrease in the share of non-residents in public debt was mainly due to a decrease in the involvement of foreign investors in domestic TS.

The share of public debt towards domestic banking sector rose by 2.9 percentage points in the first quarter of 2019 and amounted to 37.0%. The share of public debt towards domestic non-banking sector fell by 0.5 in the first quarter of 2019 to 17.9%.

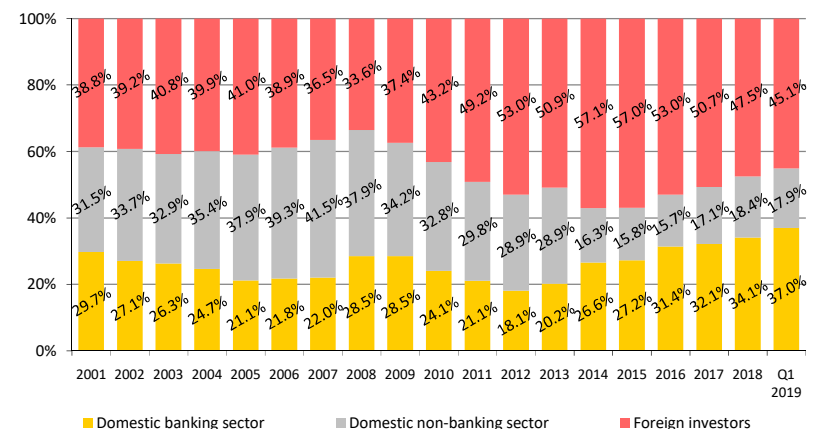


Chart 8. Consolidated public debt by subsector

At the end of the first quarter of 2019 public debt consisted of:

- central government debt - PLN 928.6 bn;
- local government debt - PLN 76.6 bn;
- social security funds debt - PLN 0.1 bn.

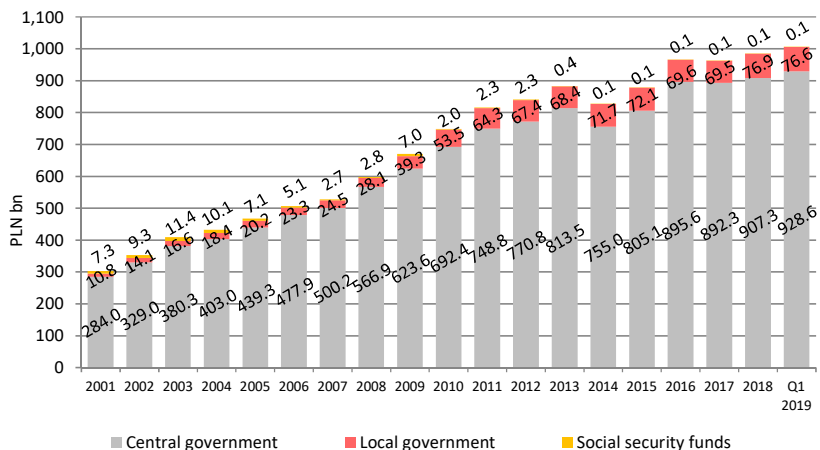


Chart 9. Structure of consolidated public debt by subsector

At the end of the first quarter 2019 the share of subsectors in total public debt amounted to:

- central government subsector - 92.4% (up by 0.2 percentage points compared with the end of 2018);
- local government subsector - 7.6% (down by 0.2 percentage points compared with the end of 2018), of which 7.2% represented debt of local government units and their unions;
- social security funds - 0.01% (no change).

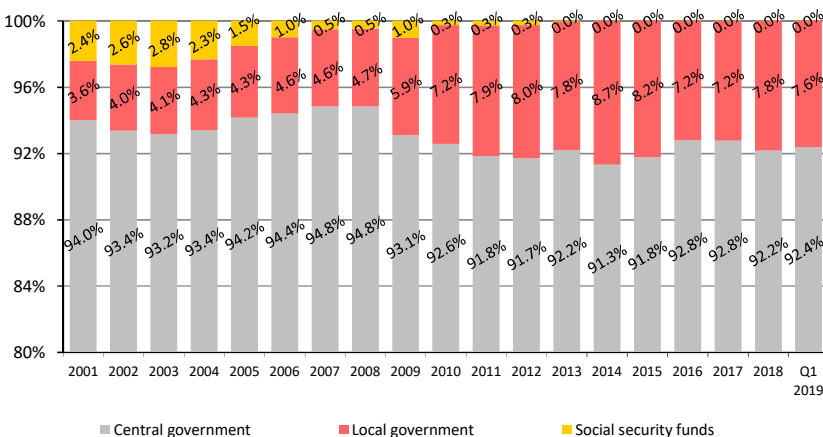


Chart 10. Changes in consolidated public debt by subsector

The change of public debt in the first quarter of 2019 was mainly a result of central government debt increase, in particular of ST debt.

Public debt rose by PLN 20.9 bn (+2.1%) while central government debt rose by PLN 21.3 bn (+2.3%) and consolidated ST debt rose by PLN 21.4 bn (+2.4%).

Local government debt fell in the first quarter of 2019 by PLN 0.4 bn (-0.5%), mainly as a result of a decrease in local government units debt by PLN 0.5 bn (-0.7%).

Social security funds debt fell in the first quarter of 2019 by PLN 0.01 bn (-10.0%).

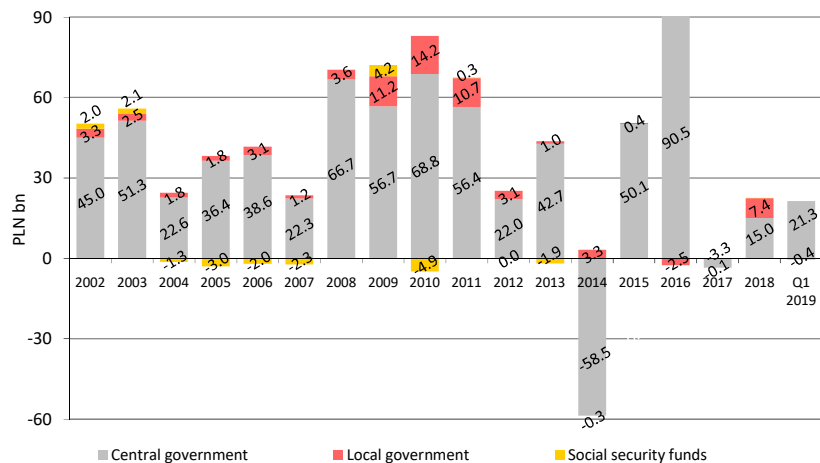


Chart 11. Structure of public debt by instrument

At the end of the first quarter of 2019 marketable instruments comprised 85.1% of public debt, including instruments issued on the domestic market - 63.8%. The share of marketable instruments in public debt rose in the first quarter of 2019 by 0.3 percentage points.

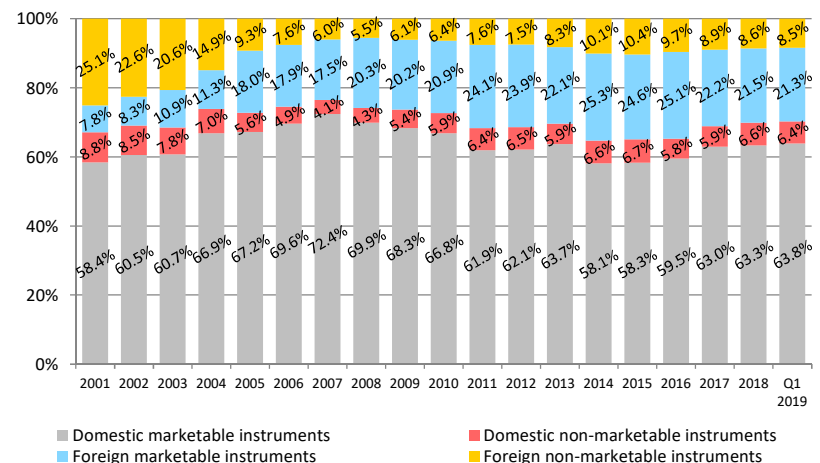


Chart 12. Unconsolidated debt of public finance sector units other than ST

At the end of the first quarter of 2019, the unconsolidated debt of units other than ST amounted to 7.8% of public debt, down from 8.1% at the end of the previous year. Among those entities the debt of local government units and their unions (7.1%, down by 0.3 percentage points in Q1 2019) and of local health care units (share of 0.5%) constituted the largest part.

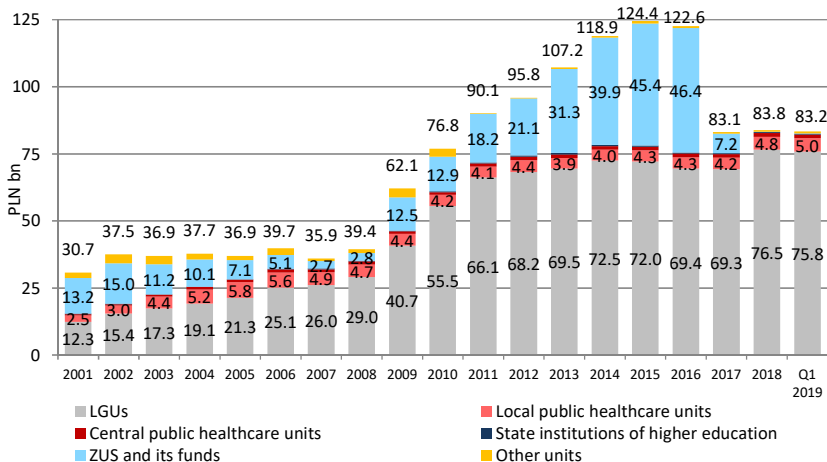


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the first quarter of 2019 the difference between consolidated and unconsolidated debt of public finance sector units other than ST amounted to PLN 4.9 bn. The reason is that 5.9% of their debt are liabilities towards other public finance sector units.

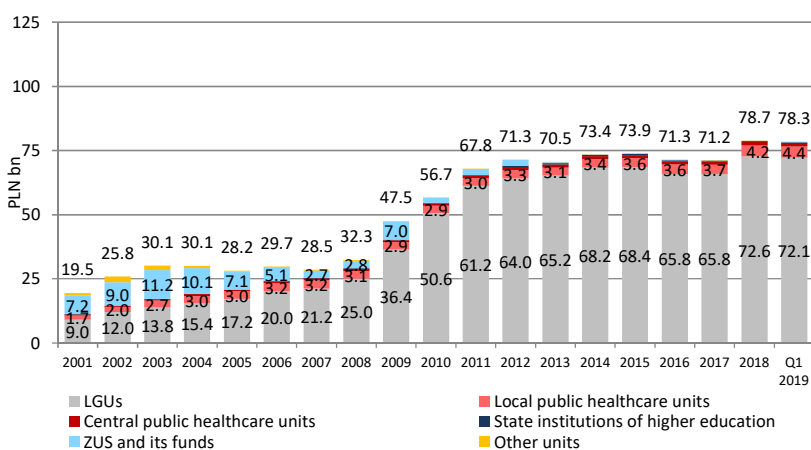


Chart 14. Structure of unconsolidated debt of LGUs and their associations according to place of issue criterion

The structure of local government liabilities and their unions was dominated by domestic debt. The share of foreign debt amounted to 21.5% at the end of the first quarter of 2019, up by 0.3 compared with the end of 2018.

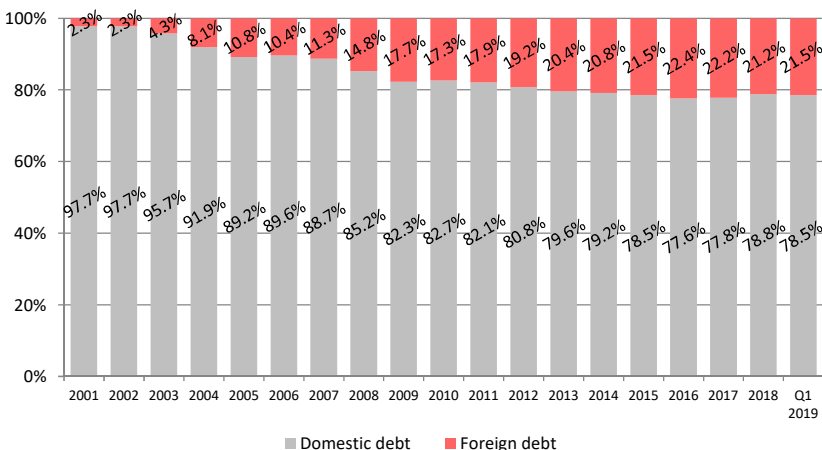


Chart 15. Structure of unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with share of 94.9%. The share of loans decreased by 0.2 percentage points as compared with the end of 2018.

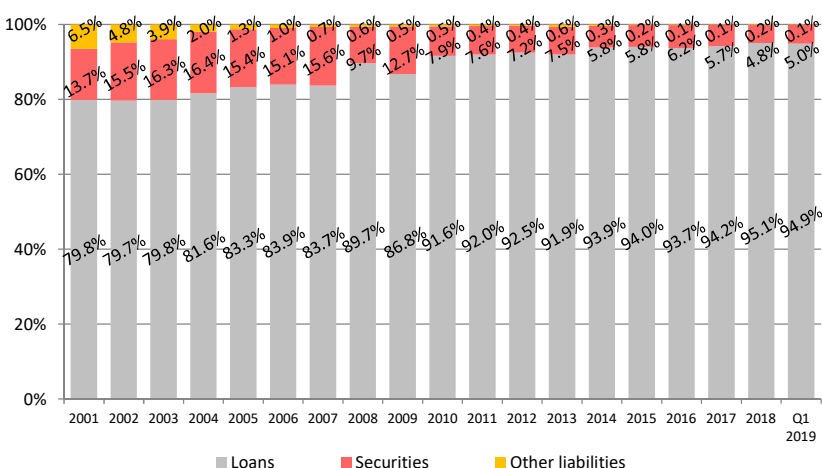
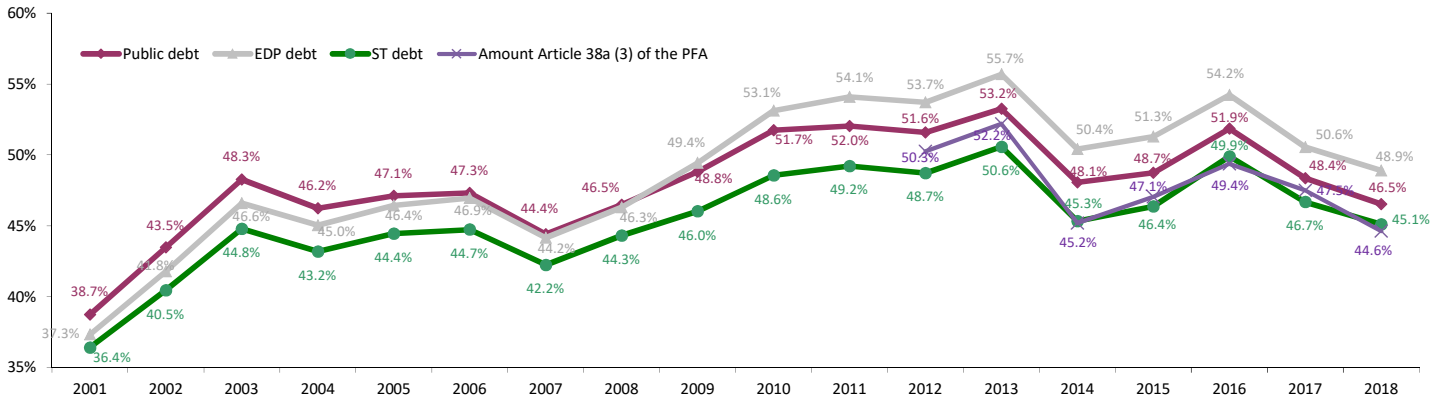
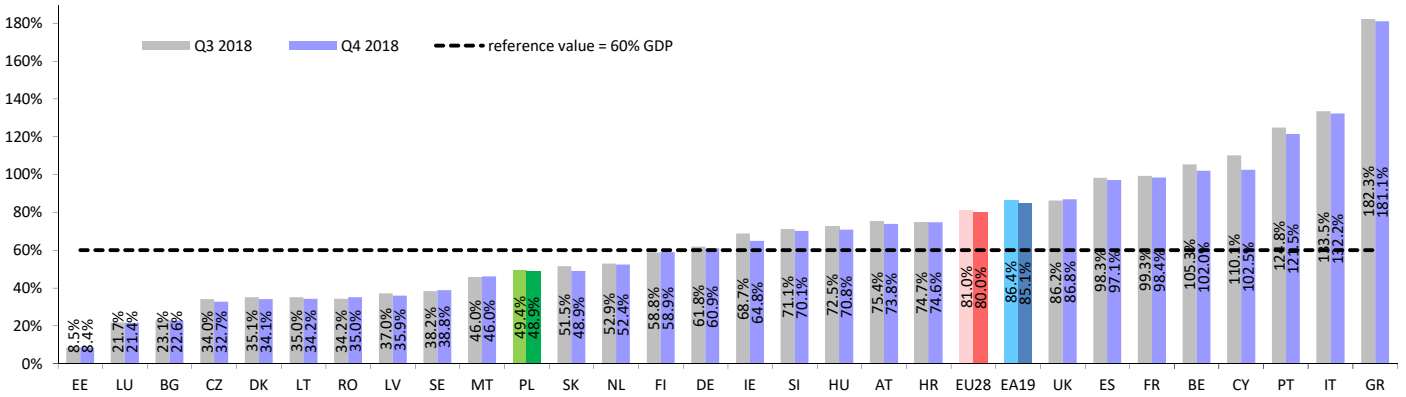


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



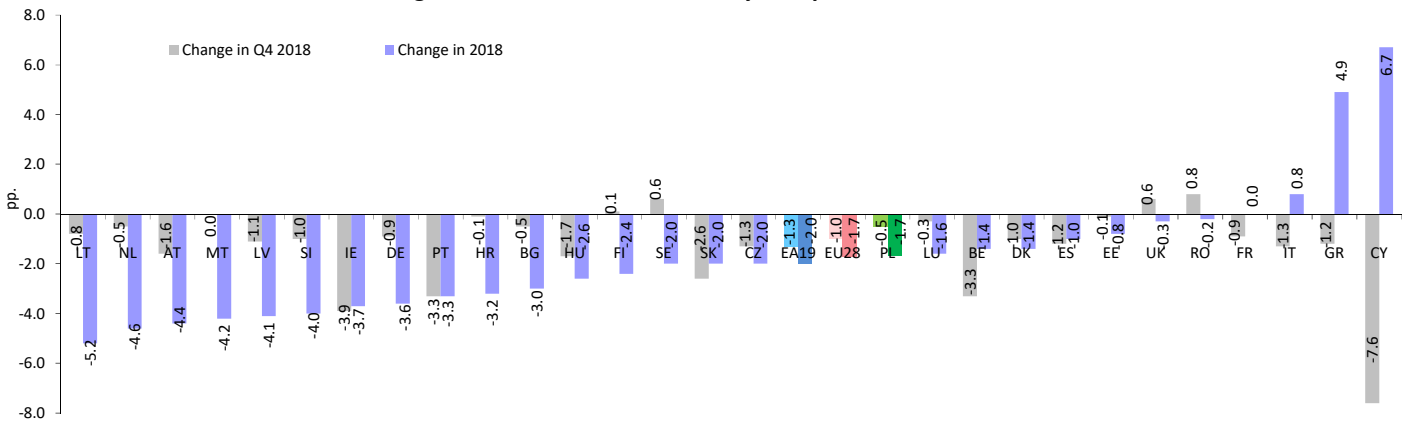
Source: Ministry of Finance

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



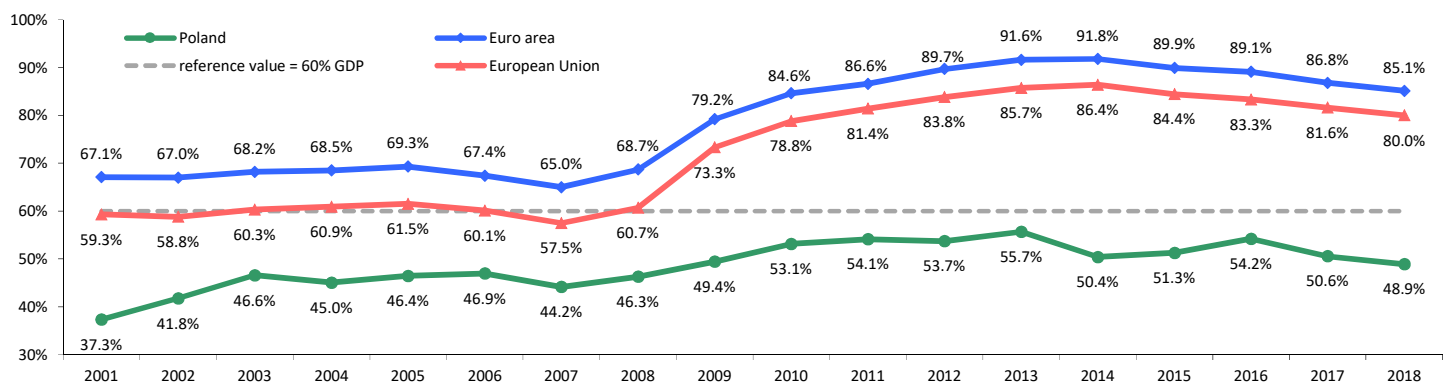
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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 2013	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Public debt	882,293.0	826,774.7	877,282.4	965,199.0	961,841.5	989,235.9	984,470.7	977,304.9	984,319.6	1,005,260.4
<i>1) Adjustments concerning the scope of the sector</i>	<i>42,468.0</i>	<i>42,208.4</i>	<i>47,684.9</i>	<i>46,178.4</i>	<i>45,497.7</i>	<i>43,696.3</i>	<i>49,220.9</i>	<i>52,546.7</i>	<i>51,481.5</i>	<i>51,355.7</i>
Debt of National Road Fund	43,644.7	31,626.3	33,312.4	38,467.0	41,087.8	41,209.3	46,251.8	49,526.6	47,952.3	47,800.1
T-Securities held by funds managed by Bank Gospodarstwa Krajowego	-895.2	-1,210.9	-1,410.9	-1,384.1	-1,023.1	-1,837.1	-2,184.2	-1,628.8	-1,588.8	-2,373.8
Aquisition of infrastructure assets (motorways)	11,423.8	11,261.6	11,023.2	10,699.0	10,341.9	10,341.9	10,165.7	10,123.8	9,961.8	9,961.8
Bank Guarantee Fund	-13,862.9	-14,296.0	-14,039.8	-18,255.0	-18,930.5	-20,008.0	-19,295.4	-20,164.4	-19,848.4	-18,967.7
Public corporations included in general government sector	2,157.5	14,827.5	18,800.0	16,651.5	14,021.6	13,990.1	14,283.1	14,689.5	15,004.6	14,935.2
<i>2) Differences concerning debt instruments</i>	<i>-2,005.8</i>	<i>-1,638.9</i>	<i>-1,708.8</i>	<i>-2,120.3</i>	<i>-1,617.7</i>	<i>-1,430.7</i>	<i>-1,233.5</i>	<i>-1,355.5</i>	<i>-1,424.1</i>	<i>-1,751.8</i>
matured payables	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-2,108.4	-1,566.5	-1,726.7	-1,739.3	-1,841.6
debt assumption - activation of a guarantee	1.6	0.2	0.0	0.1	2.3	2.3	136.7	0.2	2.1	2.3
restructured/refinanced trade credits and sell-lease-back operations	194.8	609.2	569.4	693.2	725.5	691.9	677.3	674.7	763.3	752.9
derivatives	0.0	-301.2	-483.2	-1,080.7	-239.5	-16.6	-481.0	-303.9	-450.2	-665.4
General government debt	922,755.2	867,344.2	923,258.5	1,009,257.1	1,005,721.6	1,031,501.5	1,032,458.2	1,028,496.1	1,034,377.0	1,054,864.3

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

ITEM	Q4 2017	structure Q4 2017	Q4 2018	structure Q4 2018	Q1 2019	structure Q1 2019	change Q1 2019 - Q4 2018		change Q4 2018 - Q4 2017	
							m PLN	%	m PLN	%
Public debt	1,011,565.2	100.0%	1,038,036.0	100.0%	1,062,243.7	100.0%	24,207.7	2.3%	26,470.8	2.6%
1. Central government sector debt	930,145.6	92.0%	956,146.8	92.1%	980,901.1	92.3%	24,754.3	2.6%	26,001.2	2.8%
1.1. State Treasury	928,473.0	91.8%	954,269.3	91.9%	978,996.9	92.2%	24,727.7	2.6%	25,796.3	2.8%
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	371.4	0.0%	376.2	0.0%	366.3	0.0%	-9.9	-2.6%	4.7	1.3%
1.4. Independent public healthcare units	1,288.1	0.1%	1,411.6	0.1%	1,359.8	0.1%	-51.8	-3.7%	123.6	9.6%
1.5. State institutions of culture	5.7	0.0%	8.3	0.0%	8.3	0.0%	-0.1	-0.6%	2.6	46.6%
1.6. Polish Academy of Science and units established by it	1.2	0.0%	1.1	0.0%	15.7	0.0%	14.6	1341.6%	-0.1	-10.9%
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	6.3	0.0%	80.3	0.0%	154.1	0.0%	73.8	91.8%	74.1	1180.6%
2. Local government sector debt	74,180.3	7.3%	81,820.1	7.9%	81,280.5	7.7%	-539.6	-0.7%	7,639.8	10.3%
2.1. Local government units	69,281.3	6.8%	76,464.5	7.4%	75,765.8	7.1%	-698.7	-0.9%	7,183.1	10.4%
2.2. Independent public health units	4,236.8	0.4%	4,818.5	0.5%	5,018.8	0.5%	200.3	4.2%	581.7	13.7%
2.3. Local institutions of culture	61.8	0.0%	83.5	0.0%	73.5	0.0%	-10.0	-12.0%	21.7	35.1%
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	600.4	0.1%	453.6	0.0%	422.4	0.0%	-31.2	-6.9%	-146.8	-24.4%
3. Social Security Sector debt	7,239.2	0.7%	69.1	0.0%	62.2	0.0%	-6.9	-10.0%	-7,170.1	-99.0%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-9.4%	0.0	9.7%
3.2. Funds managed by Social Insurance Institution	7,239.2	0.7%	69.1	0.0%	62.2	0.0%	-6.9	-10.0%	-7,170.1	-99.0%
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 2017	structure Q4 2017	Q4 2018	structure Q4 2018	Q1 2019	structure Q1 2019	change Q1 2019 - Q4 2018		change Q4 2018 - Q4 2017	
							m PLN	%	m PLN	%
Public debt	961,841.5	100.0%	984,319.6	100.0%	1,005,260.4	100.0%	20,940.8	2.1%	22,478.1	2.3%
1. Central government sector debt	892,272.2	92.8%	907,318.3	92.2%	928,628.5	92.4%	21,310.1	2.3%	15,046.1	1.7%
1.1. State Treasury	890,687.1	92.6%	905,593.7	92.0%	926,960.8	92.2%	21,367.1	2.4%	14,906.6	1.7%
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	339.4	0.0%	347.2	0.0%	343.0	0.0%	-4.2	-1.2%	7.8	2.3%
1.4. Independent public health units	1,240.0	0.1%	1,368.4	0.1%	1,315.9	0.1%	-52.6	-3.8%	128.5	10.4%
1.5. State institutions of culture	1.3	0.0%	6.0	0.0%	5.9	0.0%	-0.1	-1.0%	4.7	364.0%
1.6. Polish Academy of Science and units established by it	0.8	0.0%	0.7	0.0%	0.6	0.0%	-0.1	-18.9%	-0.1	-16.9%
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	3.7	0.0%	2.4	0.0%	2.3	0.0%	-0.1	-3.3%	-1.3	-35.4%
2. Local government sector debt	69,504.2	7.2%	76,932.2	7.8%	76,569.8	7.6%	-362.4	-0.5%	7,428.0	10.7%
2.1. Local government units	65,779.6	6.8%	72,635.1	7.4%	72,093.1	7.2%	-542.0	-0.7%	6,855.5	10.4%
2.2. Independent public health units	3,661.9	0.4%	4,235.5	0.4%	4,421.9	0.4%	186.4	4.4%	573.5	15.7%
2.3. Local institutions of culture	43.7	0.0%	57.7	0.0%	51.3	0.0%	-6.4	-11.1%	14.0	31.9%
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	19.0	0.0%	3.9	0.0%	3.6	0.0%	-0.3	-8.7%	-15.1	-79.4%
3. Social Security Sector debt	65.1	0.0%	69.1	0.0%	62.2	0.0%	-6.9	-10.0%	4.0	6.1%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-9.2%	0.0	9.5%
3.2. Funds managed by Social Insurance Institution	65.1	0.0%	69.1	0.0%	62.2	0.0%	-6.9	-10.0%	4.0	6.1%
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	-