

1. **At the end of the second quarter of 2019 consolidated public debt** (according to domestic definition) stood at **PLN 997,882.2 million*** and compared with:

- the previous quarter fell by PLN 7,415.7 billion (-0.7%),
- the end of 2018 rose by PLN 13,568.8 million (+1.4%).

2. **The decrease of public debt in the second quarter of 2019** was resultant of:

- decrease in central government sector debt of PLN 8,677.2 million (-0.9%), including consolidated State Treasury (ST) debt decrease of PLN 8,791.4 million (-0.9%);
- increase in local government sector debt of PLN 1,261.9 million (+1.6%), including local government units (LGUs) debt increase of PLN 1,058.9 million (+1.5%);
- decrease in social security sector debt of PLN 0.4 million (-0.6%).

3. **At the end of the second quarter of 2019 unconsolidated public debt** stood at **PLN 1,059,764.2 million** and compared with:

- the previous quarter fell by PLN 2,521.0 million (-0.2%),
- the end of 2018 rose by PLN 21,741.5 million (+2.1%).

4. **At the end of the second quarter of 2019 general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,055,667.4 million*** and compared with:

- the first quarter fell by PLN 4,963.7 million (-0.5%),
- the end of 2018 rose by PLN 15,378.1 million (+1.5%).

5. **Changes in EDP debt in the second 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 392.6 million;
- change in consolidation of mutual liabilities of the sector entities, including: T-securities (TS) held by Bank Guarantee Fund (PLN -3.109.1 million) and deposits on the Minister of Finance account and TS held by funds managed by BGK (incl. NRF; PLN +466.0 million) which resulted in an increase of EDP debt due to a decrease of consolidation of liabilities between units of the general government sector;
- increase in debt swapped using CIRS transactions due to FX changes by PLN 278.6 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 second quarter of 2019 are preliminary. Data regarding previous periods were updated if necessary. In particular, data on EDP debt since Q1 2010 have been adjusted due to the reclassification of funds for the protection of guaranteed assets.

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

Item	Q4 2018	structure Q4 2018	Q1 2019	structure Q1 2019	Q2 2019	structure Q2 2019	change Q2 2019 - Q1 2019		change Q2 2019 - Q4 2018	
							PLN m	%	PLN m	%
Public debt	984,313.5	100.0%	1,005,297.9	100.0%	997,882.2	100.0%	-7,415.7	-0.7%	13,568.8	1.4%
Domestic debt	688,248.0	69.9%	706,272.3	70.3%	707,926.1	70.9%	1,653.9	0.2%	19,678.2	2.9%
1. Debt securities	623,424.0	63.3%	641,832.7	63.8%	641,538.6	64.3%	-294.1	0.0%	18,114.6	2.9%
2. Loans	57,277.0	5.8%	56,613.3	5.6%	57,879.9	5.8%	1,266.7	2.2%	602.9	1.1%
3. Other domestic liabilities	7,547.0	0.8%	7,826.3	0.8%	8,507.6	0.9%	681.3	8.7%	960.7	12.7%
Foreign debt	296,065.5	30.1%	299,025.7	29.7%	289,956.1	29.1%	-9,069.6	-3.0%	-6,109.4	-2.1%
1. Debt securities	211,245.9	21.5%	213,937.2	21.3%	206,858.6	20.7%	-7,078.7	-3.3%	-4,387.3	-2.1%
2. Loans	84,810.0	8.6%	85,077.9	8.5%	83,087.3	8.3%	-1,990.6	-2.3%	-1,722.7	-2.0%
3. Other foreign liabilities	9.6	0.0%	10.5	0.0%	10.2	0.0%	-0.4	-3.4%	0.5	5.6%

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

Item	Q4 2018	structure Q4 2018	Q1 2019	structure Q1 2019	Q2 2019	structure Q2 2019	change Q2 2019 - Q1 2019		change Q2 2019 - Q4 2018	
							PLN m	%	PLN m	%
Public debt	984,313.5	100.0%	1,005,297.9	100.0%	997,882.2	100.0%	-7,415.7	-0.7%	13,568.8	1.4%
Domestic debt	516,782.7	52.5%	551,886.1	54.9%	556,027.9	55.7%	4,141.8	0.8%	39,245.2	7.6%
1. Debt securities	451,967.2	45.9%	487,455.7	48.5%	489,649.9	49.1%	2,194.3	0.5%	37,682.7	8.3%
2. Loans	57,277.0	5.8%	56,613.3	5.6%	57,879.9	5.8%	1,266.7	2.2%	602.9	1.1%
3. Other domestic liabilities	7,538.5	0.8%	7,817.2	0.8%	8,498.0	0.9%	680.8	8.7%	959.5	12.7%
Foreign debt	467,530.7	47.5%	453,411.8	45.1%	441,854.3	44.3%	-11,557.5	-2.5%	-25,676.4	-5.5%
1. Debt securities	382,702.7	38.9%	368,314.3	36.6%	358,747.2	36.0%	-9,567.1	-2.6%	-23,955.4	-6.3%
2. Loans	84,810.0	8.6%	85,077.9	8.5%	83,087.3	8.3%	-1,990.6	-2.3%	-1,722.7	-2.0%
3. Other foreign liabilities	18.1	0.0%	19.7	0.0%	19.8	0.0%	0.1	0.7%	1.7	9.5%

Chart 1. Public debt

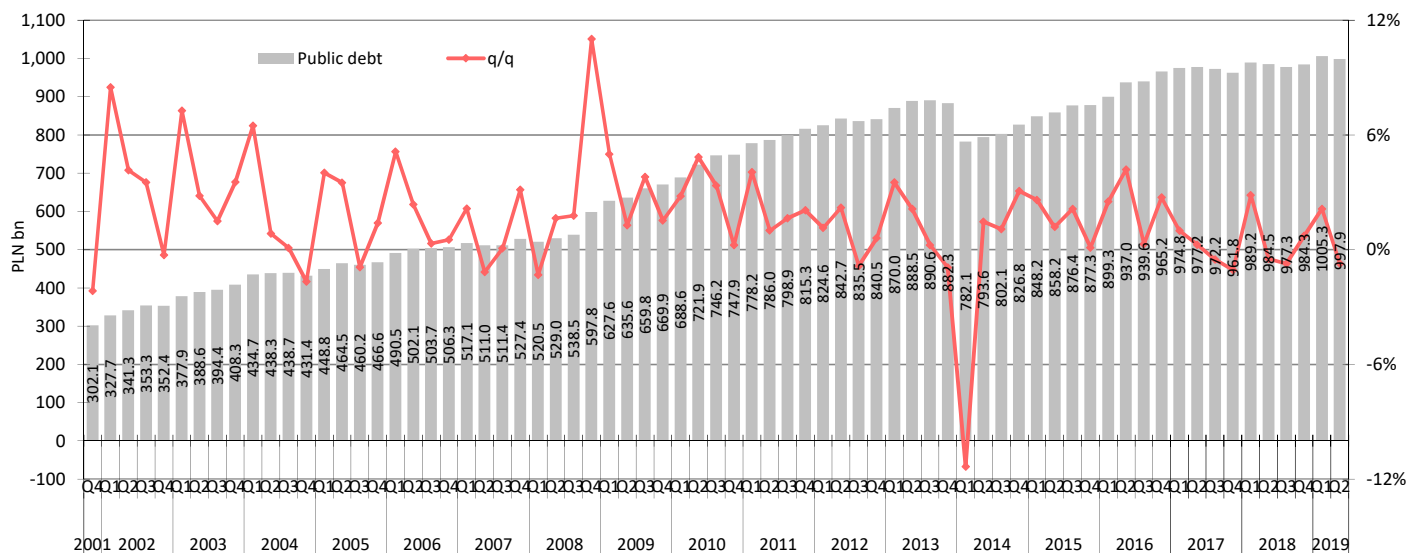


Chart 2. EDP debt*

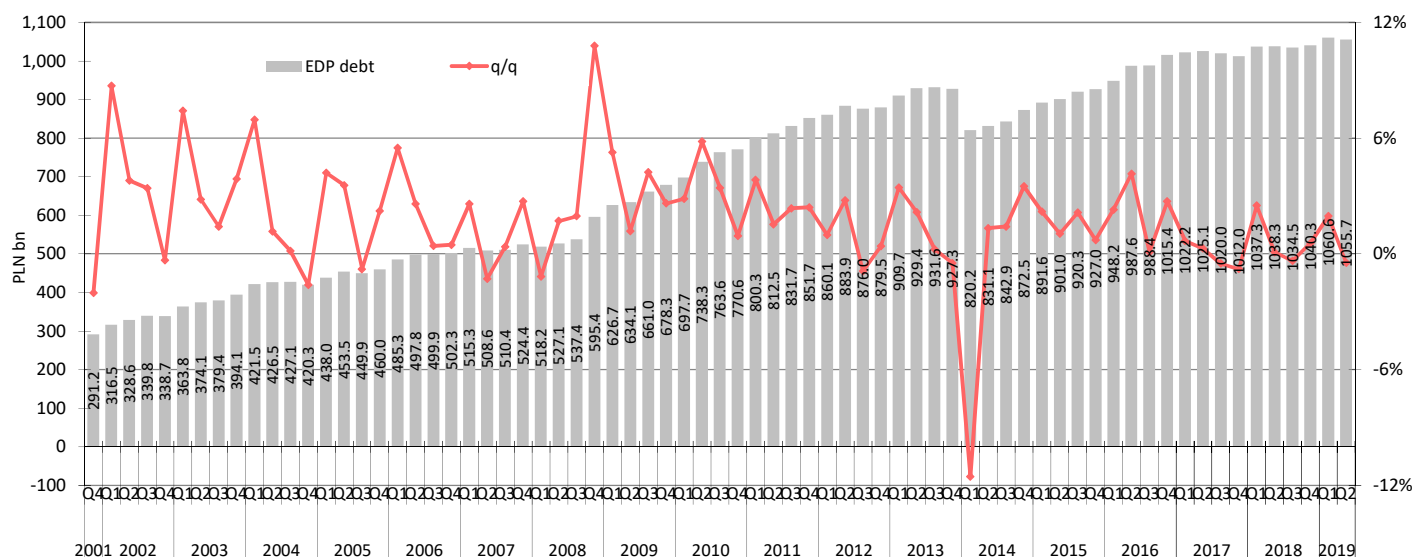
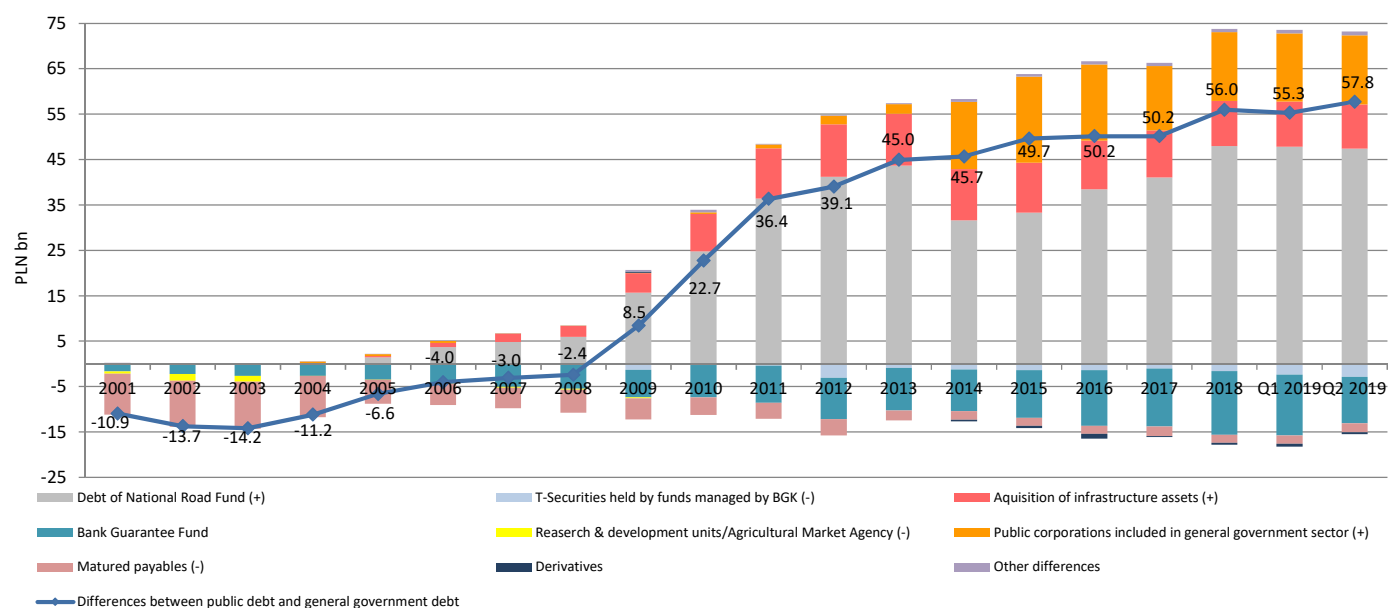


Chart 3. Differences between public debt and general government debt*



* Data on EDP debt since Q1 2010 have been adjusted due to the reclassification of funds for the protection of guaranteed assets.

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

At the end of the second quarter of 2019 domestic debt stood at PLN 707.9 bn, up by PLN 1.7 bn (+0.2%) compared with the previous quarter.

Foreign debt stood at PLN 290.0 bn, down by PLN 9.1 bn (-3.0%) compared with the previous quarter mainly due to changes in ST foreign debt resulting from:

- decrease in debt denominated in CHF (CHF -1.0) and increase in debt denominated in EUR (EUR +0.04);
- appreciation of zloty - a decrease in debt of PLN 3.9 bn.

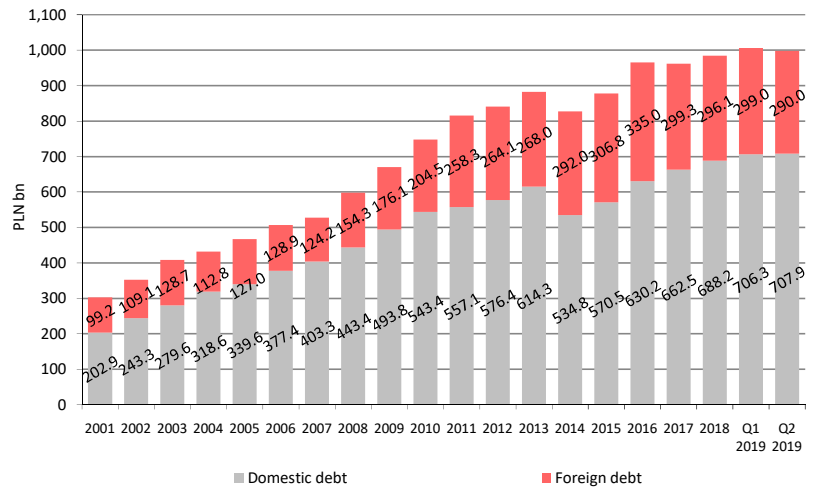


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the second quarter of 2019 the share of foreign debt in total debt amounted to 29.1%, down by 0.6 percentage points compared with the end of the previous quarter and down by 1.0 percentage points compared with the end of 2018. It was the lowest level since the second quarter of 2011. The decline in the share of foreign debt in the second quarter of 2019 resulted from a decrease of debt denominated in foreign currencies and appreciation of zloty.

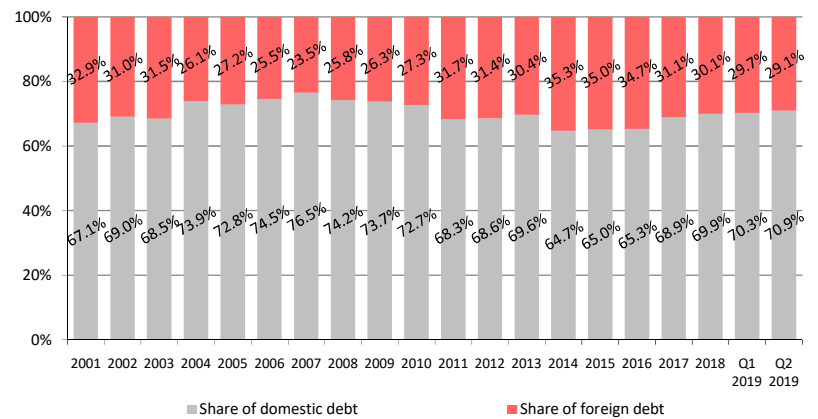


Chart 6. Public debt by holder

In the second quarter of 2019 public debt towards:

- domestic banking sector rose by PLN 4.4 bn (+1.2%),
- domestic non-banking sector fell by PLN 0.3 bn (-0.2%),
- foreign investors (non-residents) fell by PLN 11.6 bn (-2.5%).

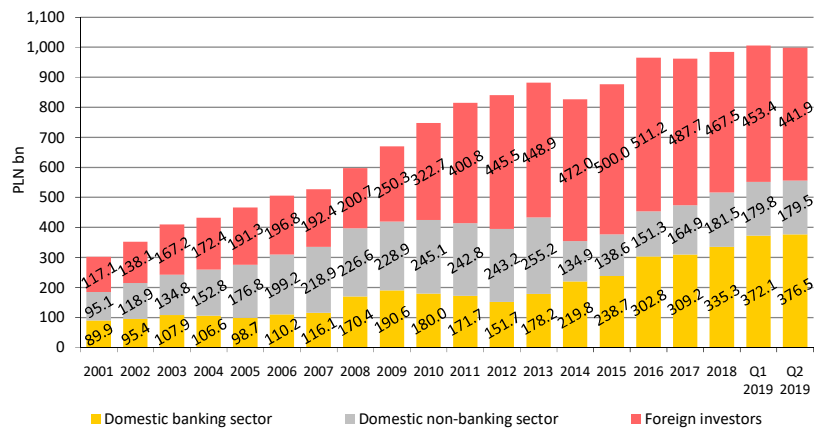


Chart 7. Structure of public debt by holder

The share of public debt towards foreign investors has been steadily decreasing. It fell further by 0.8 percentage points in the second quarter of 2019 and amounted to 44.3%. 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 0.7 percentage points in the second quarter of 2019 and amounted to 37.7%. The share of public debt towards domestic non-banking sector rose by 0.1 in the first quarter of 2019 to 18.0%.

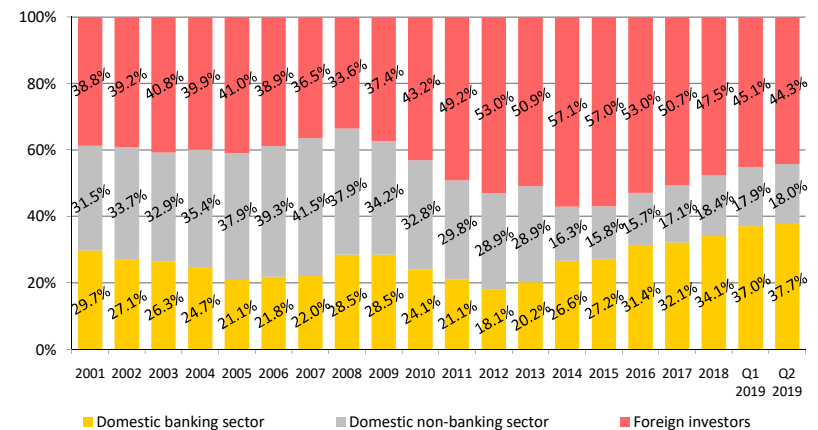


Chart 8. Consolidated public debt by subsector

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

- central government debt - PLN 920.0 bn;
- local government debt - PLN 77.9 bn;
- social security funds debt - PLN 0.1 bn.

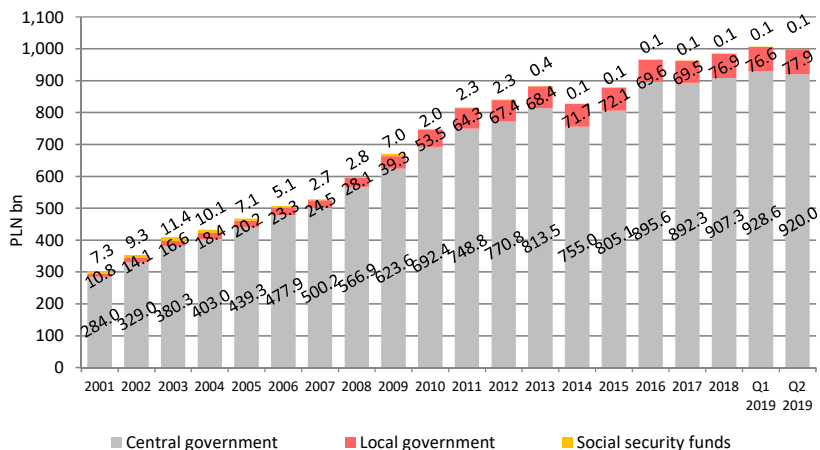


Chart 9. Structure of consolidated public debt by subsector

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

- central government subsector - 92.2% (down by 0.2 percentage points in the second quarter);
- local government subsector - 7.8% (up by 0.2 percentage points in the second quarter), of which 7.3% represented debt of local government units and their unions;
- social security funds - 0.01% (no change).

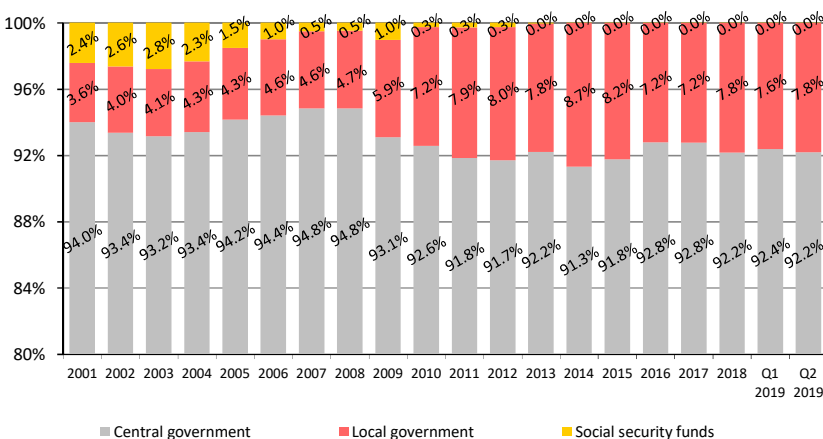


Chart 10. Changes in consolidated public debt by subsector

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

Public debt fell by PLN 7.4 bn (-0.7%) while central government debt decreased by PLN 8.7 bn (-0.9%) and consolidated ST debt decreased by PLN 8.8 bn (-0.9%).

Local government debt rose in the second quarter of 2019 by PLN 1.3 bn (+1.6%), mainly as a result of an increase in local government units debt by PLN 1.1 bn (+1.5%).

Social security funds debt fell in the second quarter of 2019 by PLN 0.4 m (-0.6%).

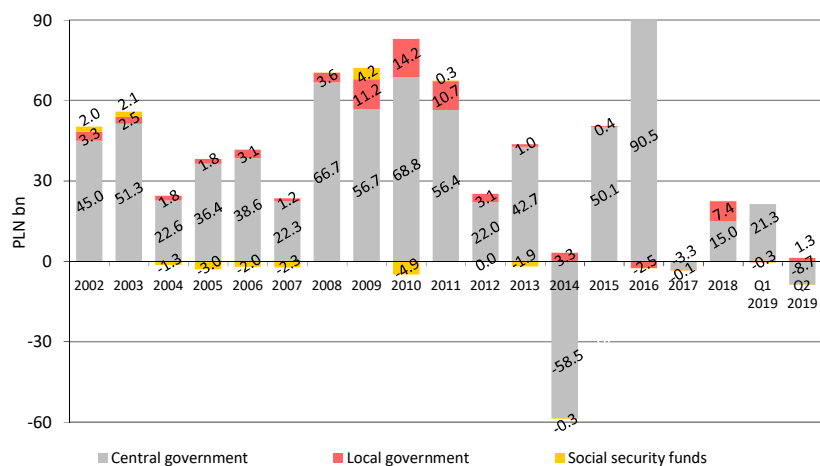


Chart 11. Structure of public debt by instrument

At the end of the second quarter of 2019 marketable instruments comprised 85.0% of public debt, including instruments issued on the domestic market - 64.3%. The share of marketable instruments in public debt fell in the second quarter of 2019 by 0.1 percentage points.

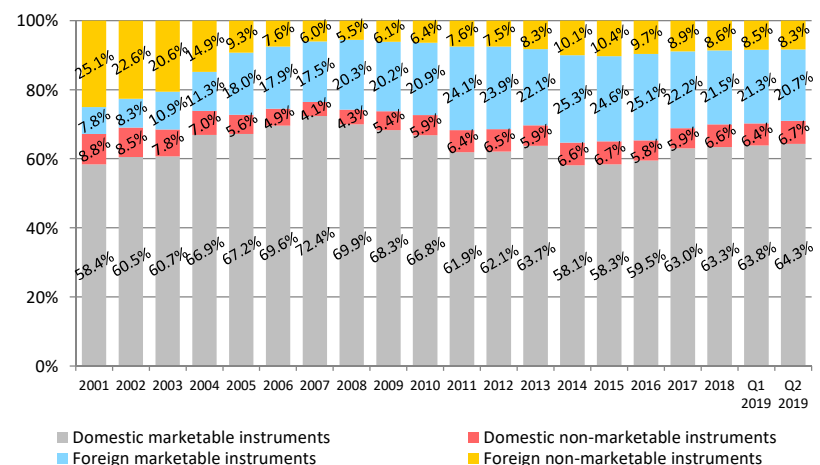


Chart 12. Unconsolidated debt of public finance sector units other than ST

At the end of the second quarter of 2019, the unconsolidated debt of units other than ST amounted to 8.0% of public debt, up from 7.8% at the end of the previous quarter. Among those entities the debt of local government units and their unions (7.3%, up by 0.1 percentage points in Q8 2019) and of local health care units (share of 0.5%) constituted the largest part.

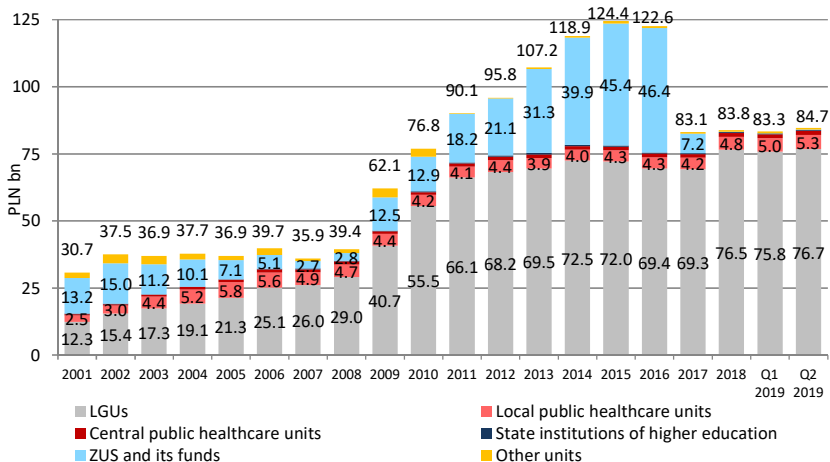


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the second 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 5.8% of their debt are liabilities towards other public finance sector units.

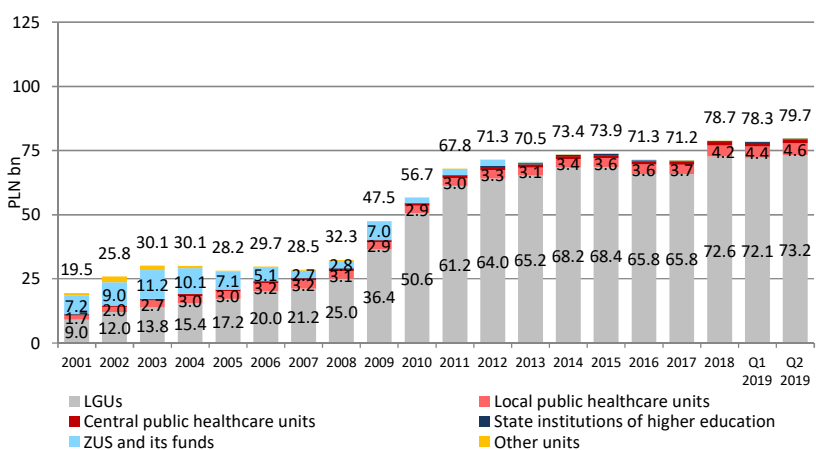


Chart 14. Structure of unconsolidated debt of LGUs and their associations according to place of issue criterion

The structure of local government liabilities and their unions was dominated by domestic debt. The share of foreign debt amounted to 21.0% at the end of the second quarter of 2019, down by 0.4 compared with the previous quarter.

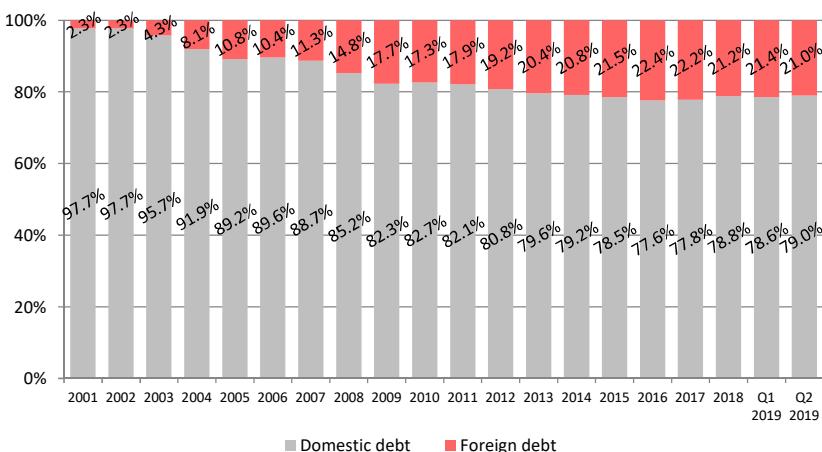


Chart 15. Structure of unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with share of 95.1%. The share of loans increased by 0.2 percentage points as compared with the end of the second quarter.

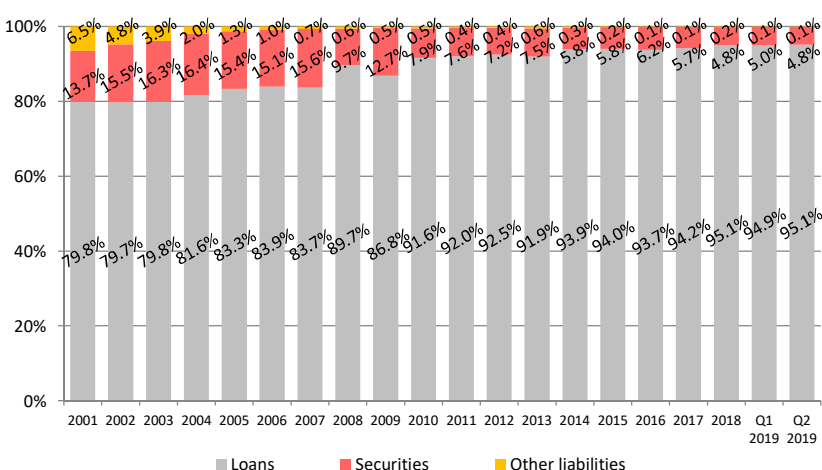
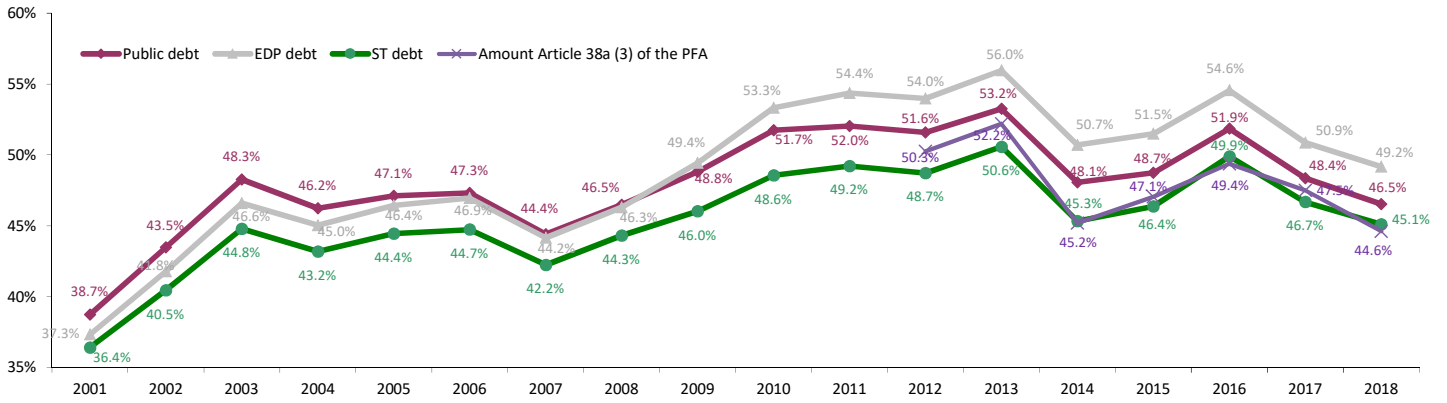
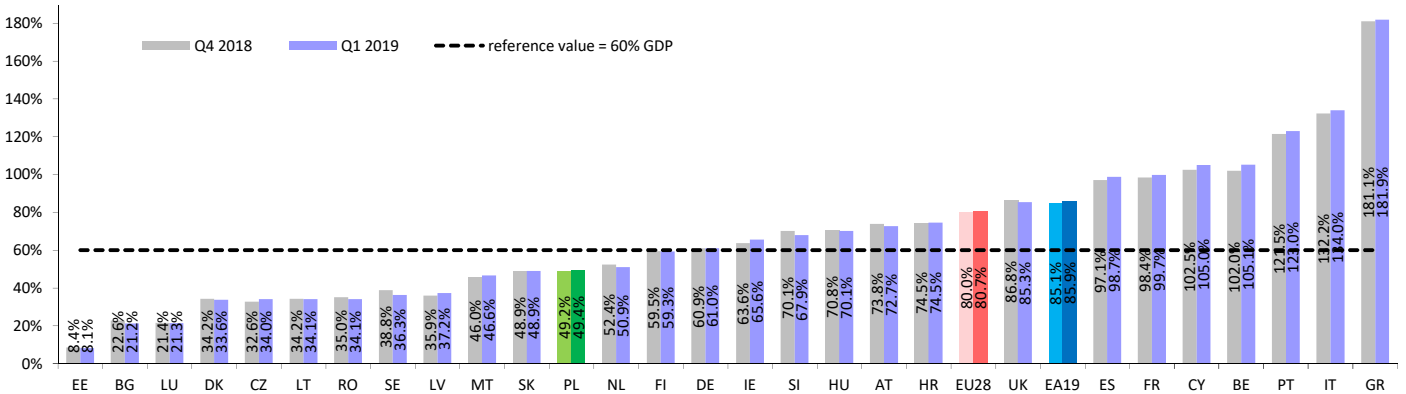


Chart 16. Public debt, EDP debt* and State Treasury debt to GDP ratios (eop)



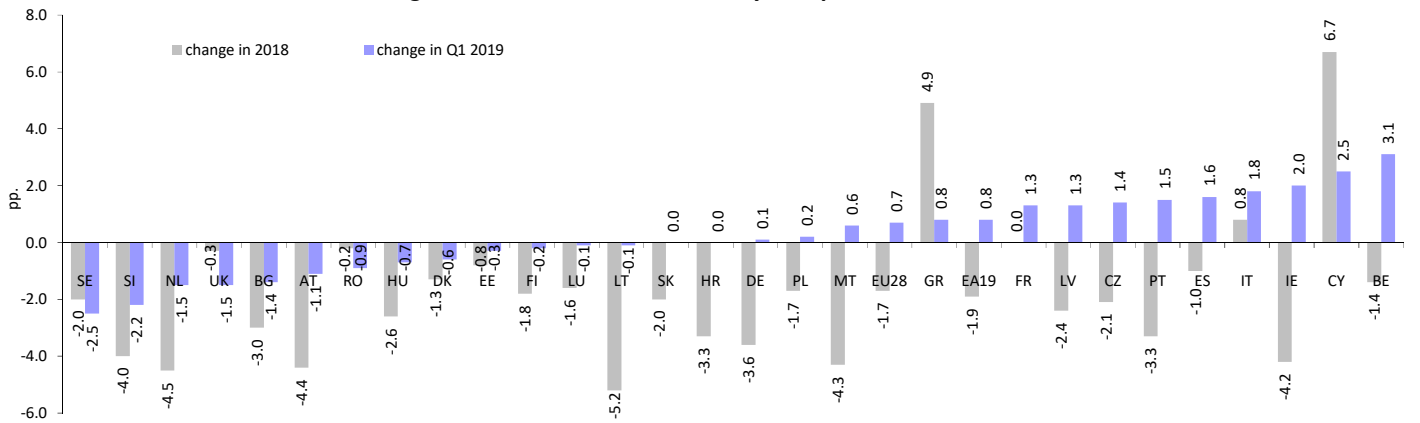
Source: Ministry of Finance

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



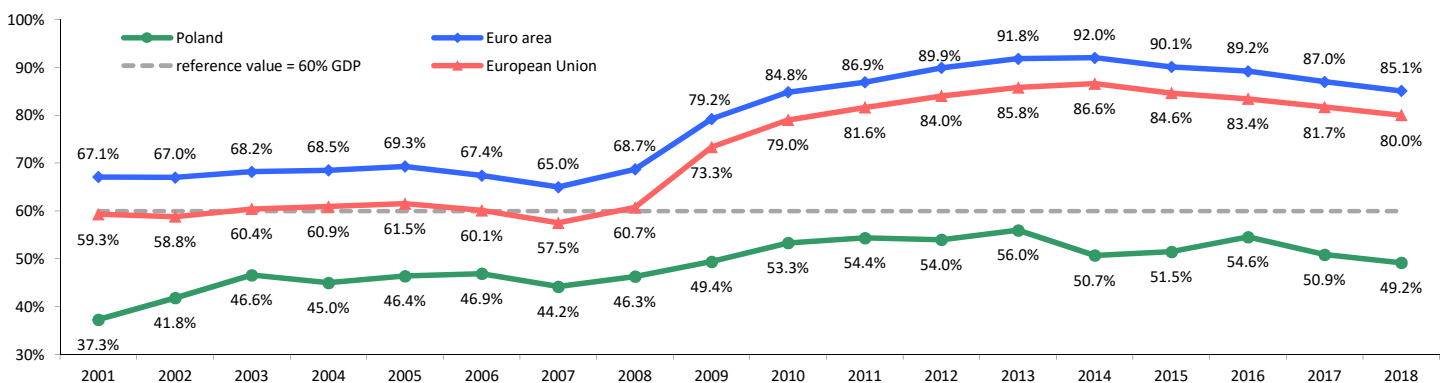
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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



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

* Data on EDP debt of Poland since Q1 2010 have been adjusted due to the reclassification of funds for the protection of guaranteed assets.

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

ITEM	Q4 2011	Q4 2012	Q4 2013	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q1 2019	Q2 2019
Public debt	815,346.2	840,476.8	882,293.0	826,774.7	877,282.4	965,199.0	961,841.5	984,313.5	1,005,297.9	997,882.2
<i>1) Adjustments concerning the scope of the sector</i>	<i>39,729.1</i>	<i>42,504.1</i>	<i>46,964.8</i>	<i>47,325.1</i>	<i>51,385.5</i>	<i>52,305.4</i>	<i>51,802.7</i>	<i>57,393.6</i>	<i>57,087.5</i>	<i>59,282.6</i>
Debt of National Road Fund	36,412.7	41,197.4	43,644.7	31,626.3	33,312.4	38,467.0	41,087.8	47,952.3	47,800.1	47,407.5
T-Securities and deposits on MF account of funds managed by BGK	-364.5	-3,038.9	-895.2	-1,210.9	-1,410.9	-1,384.1	-1,023.1	-1,588.8	-2,373.8	-2,839.8
Aquisition of infrastructure assets (motorways)	11,076.3	11,571.9	11,423.8	11,261.6	11,023.2	10,699.0	10,341.9	9,961.8	9,961.8	9,714.0
Bank Guarantee Fund	-8,209.7	-9,113.1	-9,366.1	-9,179.3	-10,472.2	-12,261.0	-12,753.5	-14,058.9	-13,360.9	-10,252.9
Public corporations included in general government sector	814.3	1,886.8	2,157.5	14,827.5	18,933.0	16,784.5	14,149.6	15,127.2	15,060.2	15,253.9
<i>2) Differences concerning debt instruments</i>	<i>-3,367.8</i>	<i>-3,437.9</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>-1,417.7</i>	<i>-1,754.3</i>	<i>-1,497.5</i>
matured payables	-3,504.4	-3,616.5	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,843.2	-1,976.8
debt assumption - activation of a guarantee	14.6	20.0	1.6	0.2	0.0	0.1	2.3	2.1	2.3	1.5
restructured/refinanced trade credits and sell-lease-back operations	122.0	158.6	194.8	609.2	569.4	693.2	725.5	763.5	752.1	864.6
derivatives	0.0	0.0	0.0	-301.2	-483.2	-1,080.7	-239.5	-450.2	-665.4	-386.8
General government debt*	851,707.5	879,543.0	927,252.0	872,460.9	926,959.1	1,015,384.1	1,012,026.6	1,040,289.3	1,060,631.1	1,055,667.4

* Data on EDP debt since Q1 2010 have been adjusted due to the reclassification of funds for the protection of guaranteed assets.

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

ITEM	Q4 2018	structure	Q1 2019	structure	Q2 2019	structure	change		change	
		Q4 2018		Q1 2019		Q2 2019	Q2 2019	Q2 2019 - Q1 2019	Q2 2019 - Q4 2018	m PLN
Public debt	1,038,022.7	100.0%	1,062,285.2	100.0%	1,059,764.2	100.0%	-2,521.0	-0.2%	21,741.5	2.1%
1. Central government sector debt	956,144.1	92.1%	980,901.1	92.3%	977,174.3	92.2%	-3,726.8	-0.4%	21,030.2	2.2%
1.1. State Treasury	954,269.3	91.9%	978,996.9	92.2%	975,114.1	92.0%	-3,882.9	-0.4%	20,844.8	2.2%
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	376.9	0.0%	366.3	0.0%	418.1	0.0%	51.8	14.1%	41.1	10.9%
1.4. Independent public healthcare units	1,408.2	0.1%	1,359.8	0.1%	1,461.7	0.1%	101.9	7.5%	53.5	3.8%
1.5. State institutions of culture	8.3	0.0%	8.3	0.0%	10.5	0.0%	2.2	27.1%	2.2	26.3%
1.6. Polish Academy of Science and units established by it	1.1	0.0%	15.7	0.0%	15.6	0.0%	-0.1	-0.5%	14.5	1335.0%
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	80.3	0.0%	154.1	0.0%	154.4	0.0%	0.3	0.2%	74.1	92.2%
2. Local government sector debt	81,809.5	7.9%	81,321.9	7.7%	82,528.1	7.8%	1,206.2	1.5%	718.6	0.9%
2.1. Local government units	76,464.5	7.4%	75,807.2	7.1%	76,749.4	7.2%	942.2	1.2%	285.0	0.4%
2.2. Independent public health units	4,807.8	0.5%	5,018.8	0.5%	5,291.2	0.5%	272.4	5.4%	483.5	10.1%
2.3. Local institutions of culture	83.7	0.0%	73.5	0.0%	71.6	0.0%	-1.9	-2.6%	-12.1	-14.4%
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	453.6	0.0%	422.4	0.0%	415.9	0.0%	-6.5	-1.5%	-37.7	-8.3%
3. Social Security Sector debt	69.1	0.0%	62.2	0.0%	61.8	0.0%	-0.4	-0.6%	-7.3	-10.6%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-0.3%	0.0	-9.7%
3.2. Funds managed by Social Insurance Institution	69.1	0.0%	62.2	0.0%	61.8	0.0%	-0.4	-0.6%	-7.3	-10.6%
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 2018	structure	Q1 2019	structure	Q2 2019	structure	change		change	
		Q4 2018		Q1 2019		Q2 2019	Q2 2019	Q2 2019 - Q1 2019	Q2 2019 - Q4 2018	m PLN
Public debt	984,313.5	100.0%	1,005,297.9	100.0%	997,882.2	100.0%	-7,415.7	-0.7%	13,568.8	1.4%
1. Central government sector debt	907,315.9	92.2%	928,628.5	92.4%	919,951.2	92.2%	-8,677.2	-0.9%	12,635.3	1.4%
1.1. State Treasury	905,593.7	92.0%	926,960.8	92.2%	918,169.4	92.0%	-8,791.4	-0.9%	12,575.8	1.4%
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	347.8	0.0%	343.0	0.0%	358.1	0.0%	15.1	4.4%	10.4	3.0%
1.4. Independent public health units	1,365.4	0.1%	1,315.9	0.1%	1,413.2	0.1%	97.3	7.4%	47.8	3.5%
1.5. State institutions of culture	6.0	0.0%	5.9	0.0%	8.2	0.0%	2.3	38.4%	2.2	37.0%
1.6. Polish Academy of Science and units established by it	0.7	0.0%	0.6	0.0%	0.5	0.0%	-0.1	-12.6%	-0.2	-29.2%
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	2.4	0.0%	2.3	0.0%	1.8	0.0%	-0.5	-23.1%	-0.6	-25.6%
2. Local government sector debt	76,928.5	7.8%	76,607.3	7.6%	77,869.2	7.8%	1,261.9	1.6%	940.8	1.2%
2.1. Local government units	72,635.1	7.4%	72,130.6	7.2%	73,189.5	7.3%	1,058.9	1.5%	554.4	0.8%
2.2. Independent public health units	4,231.7	0.4%	4,421.9	0.4%	4,630.0	0.5%	208.2	4.7%	398.3	9.4%
2.3. Local institutions of culture	57.7	0.0%	51.3	0.0%	46.3	0.0%	-5.0	-9.8%	-11.5	-19.8%
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	3.9	0.0%	3.6	0.0%	3.4	0.0%	-0.2	-4.5%	-0.5	-12.8%
3. Social Security Sector debt	69.1	0.0%	62.2	0.0%	61.8	0.0%	-0.4	-0.6%	-7.3	-10.6%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-0.3%	0.0	-9.5%
3.2. Funds managed by Social Insurance Institution	69.1	0.0%	62.2	0.0%	61.8	0.0%	-0.4	-0.6%	-7.3	-10.6%
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	-

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