

1. **At the end of 2020** the consolidated **public debt** (according to the domestic definition) stood at **PLN 1,111,272.5 million¹** and compared with:

- the previous quarter it rose by PLN 4,980.5 million (+0.5%);
- the end of 2019 it rose by PLN 120,324.1 million (+12.1%).

2. **The increase of the public debt in the fourth quarter of 2020** was a combination of:

- a decrease in the central government sector debt of PLN 2,254.1 million (-0.2%), including a decrease in consolidated State Treasury (ST) debt of PLN 2,357.6 million (-0.2%);
- an increase in the local government sector debt of PLN 7,244.0 million (+8.7%), including an increase in local government units (LGUs) debt of PLN 7,284.5 million (+9.3%);
- a decrease in the social security sector debt of PLN 9.3 million (-14.4%).

3. **The increase of public debt in 2020 resulted from:**

- an increase in central government sector debt of PLN 113,001.6 million (+12.4%), including consolidated ST debt increase of PLN 112,943.4 million (+12.5%);
- an increase in local government sector debt of PLN 7,324.2 million (+8.8%), including local government units debt increase of PLN 7,348.0 million (+9.4%);
- a decrease in social security sector debt of PLN 1.7 million (-3.0%).

4. **The public debt to GDP ratio in 2020 amounted to 48.0%²**, up by 4.6 percentage points compared with 2019.

5. **At the end of 2020 the general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,335,568.9 million^{1,3}** and compared with:

- the third quarter it rose by PLN 28,963.8 million (+2.2%);
- the end of 2019 it rose by PLN 289,922.6 million (+27.7%).

6. **The changes in the EDP debt in the fourth quarter of 2020** were similar to those in the public debt measured according to the domestic definition.

Additionally the EDP debt was influenced by:

- an increase in the consolidated debt of the COVID-19 Counteraction Fund (FPC) by PLN 18,240.3 million;
- an increase in the debt of the Polish Development Fund by PLN 3,400.0 million;
- an increase in debt of corporations included in the general government sector by PLN 1,755.1 million;
- an increase in the debt of National Road Fund (NRF) by PLN 584.2 million.

7. **The change in the EDP debt throughout 2020**, in addition to changes in the public debt measured according to the domestic definition, were further influenced by:

- bond issues by Bank Gospodarstwa Krajowego for the FPC of PLN 99,448.9 million (consolidated within general government);
- bond issues by Polish Development Fund (PFR) to finance the Financial Shield of PLN 65,400.0 million;
- an increase in debt of KFD by PLN 6,089.4 million.

8. **The EDP debt to GDP ratio in 2020 amounted to 56.6%²**, up by 11.9 percentage points compared with 2019.

The differences between public debt according to the domestic definition and general government debt are presented in chart 3 (page 2) and in table 3 (page 7).

¹ Data regarding the fourth quarter of 2020 are preliminary. Data regarding previous periods were updated if necessary.

² According to the first estimate of the Statistics Poland from 26 February 2021 the GDP in 2020 amounted to PLN 2,317.1 billion.

³ Lack of information on the consolidation of mutual debt of corporations included in 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 2019	structure Q4 2019	Q3 2020	structure Q3 2020	Q4 2020	structure Q4 2020	change Q4 2020 - Q3 2020		change Q4 2020 - Q4 2019	
							PLN m	%	PLN m	%
Public debt	990,948.4	100.0%	1,106,292.0	100.0%	1,111,272.5	100.0%	4,980.5	0.5%	120,324.1	12.1%
Domestic debt	716,183.7	72.3%	824,082.3	74.5%	823,282.0	74.1%	-800.3	-0.1%	107,098.3	15.0%
1. Debt securities	645,122.6	65.1%	753,875.8	68.1%	749,072.1	67.4%	-4,803.6	-0.6%	103,949.5	16.1%
2. Loans	62,382.1	6.3%	61,414.2	5.6%	65,523.0	5.9%	4,108.8	6.7%	3,140.8	5.0%
3. Other domestic liabilities	8,679.0	0.9%	8,792.3	0.8%	8,686.9	0.8%	-105.4	-1.2%	8.0	0.1%
Foreign debt	274,764.7	27.7%	282,209.7	25.5%	287,990.5	25.9%	5,780.8	2.0%	13,225.8	4.8%
1. Debt securities	193,721.8	19.5%	196,963.1	17.8%	198,286.3	17.8%	1,323.2	0.7%	4,564.5	2.4%
2. Loans	81,029.3	8.2%	85,239.8	7.7%	89,697.1	8.1%	4,457.2	5.2%	8,667.8	10.7%
3. Other foreign liabilities	13.7	0.0%	6.8	0.0%	7.2	0.0%	0.4	6.1%	-6.5	-47.1%

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

Item	Q4 2019	structure Q4 2019	Q3 2020	structure Q3 2020	Q4 2020	structure Q4 2020	change Q4 2020 - Q3 2020		change Q4 2020 - Q4 2019	
							PLN m	%	PLN m	%
Public debt	990,948.4	100.0%	1,106,292.0	100.0%	1,111,272.5	100.0%	4,980.5	0.5%	120,324.1	12.1%
Domestic debt	580,890.5	58.6%	713,341.0	64.5%	716,298.5	64.5%	2,957.6	0.4%	135,408.0	23.3%
1. Debt securities	509,840.5	51.4%	643,145.0	58.1%	642,098.6	57.8%	-1,046.3	-0.2%	132,258.2	25.9%
2. Loans	62,382.1	6.3%	61,414.2	5.6%	65,523.0	5.9%	4,108.8	6.7%	3,140.8	5.0%
3. Other domestic liabilities	8,667.9	0.9%	8,781.9	0.8%	8,676.9	0.8%	-104.9	-1.2%	9.0	0.1%
Foreign debt	410,057.9	41.4%	392,951.0	35.5%	394,974.0	35.5%	2,023.0	0.5%	-15,083.9	-3.7%
1. Debt securities	329,003.9	33.2%	307,693.9	27.8%	305,259.7	27.5%	-2,434.1	-0.8%	-23,744.2	-7.2%
2. Loans	81,029.3	8.2%	85,239.8	7.7%	89,697.1	8.1%	4,457.2	5.2%	8,667.8	10.7%
3. Other foreign liabilities	24.7	0.0%	17.3	0.0%	17.2	0.0%	-0.1	-0.6%	-7.5	-30.4%

Chart 1. Public debt

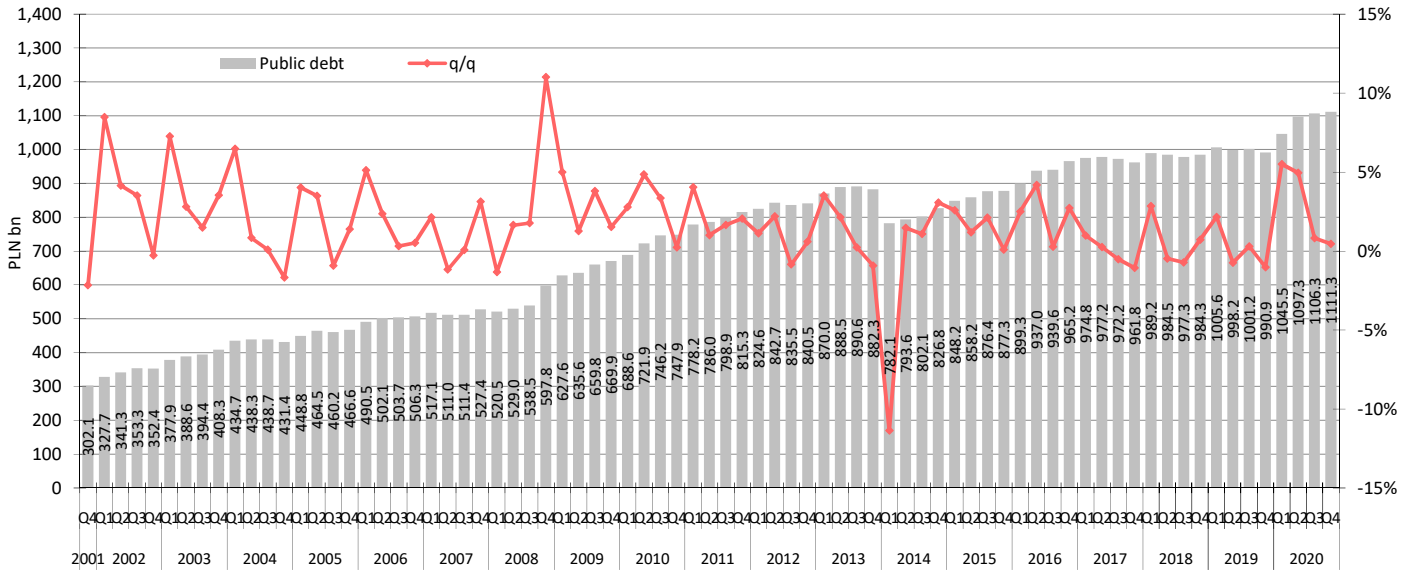


Chart 2. EDP debt

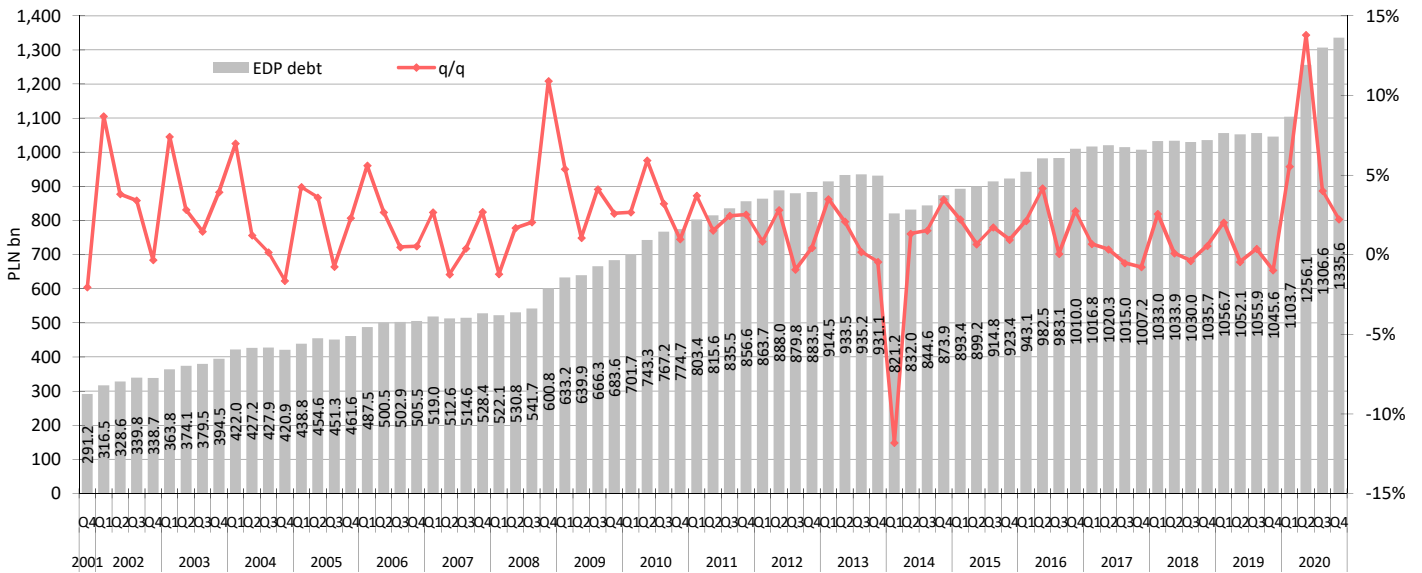


Chart 3. Differences between public debt and general government debt

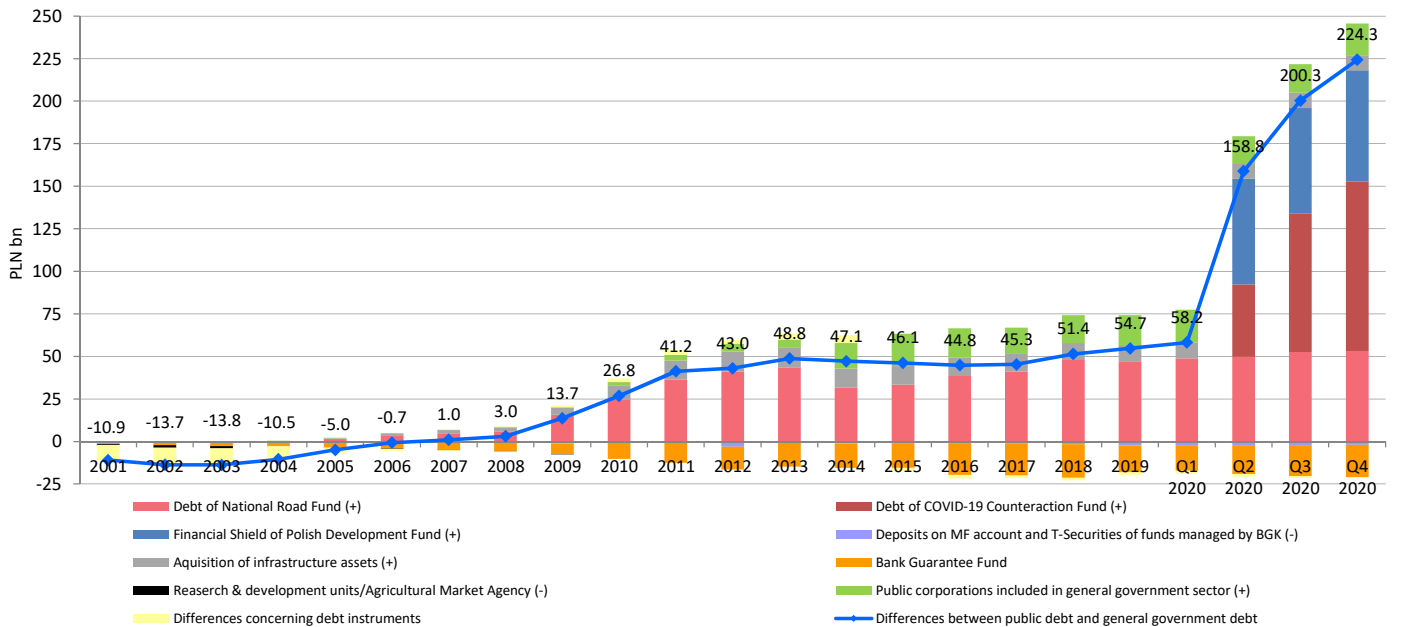


Chart 4. Public debt according to the place of issue criterion

At the end of 2020 the domestic debt stood at PLN 823.3 bn, down by PLN 0.8 bn (-0.1%) compared with the end of the third quarter and up by PLN 107.1 bn compared with 2019. Foreign debt stood at PLN 288.0 bn, up by PLN 5.8 bn (+2.0%) compared with the end of the previous quarter and by PLN 13.2 bn (+4.8%) compared with 2019. The change throughout 2020 was a combination of:

- a decrease in debt denominated in EUR (EUR -1.7 bn) and JPY (JPY -10 bn);
- depreciation of the Polish zloty against EUR, JPY and CHF - an increase in debt of PLN 17.8 bn in 2020 and of PLN 2.0 bn in the fourth quarter alone.

At the end of 2020, the share of foreign debt in PDP amounted to 25.9%, an increase of 0.4 pp in the fourth quarter and a decrease of 1.8 pp compared to the end of 2019.

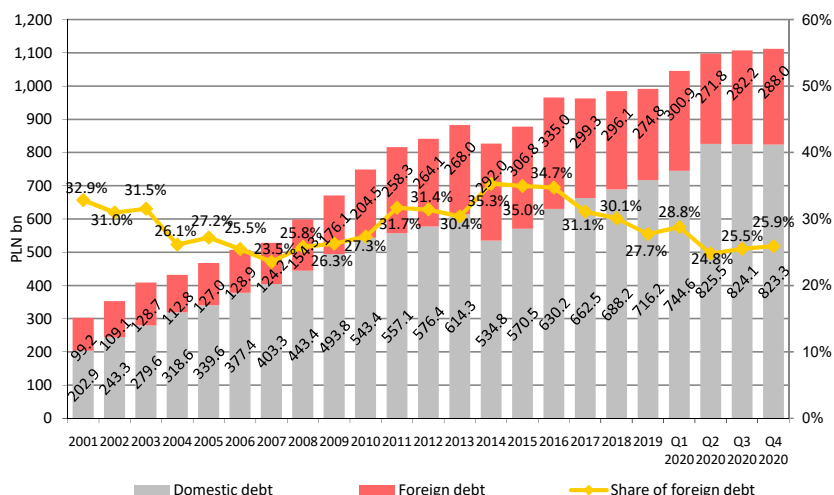


Chart 5. Currency structure of the public debt

At the end of 2020 liabilities denominated in PLN accounted for 75.4% of public debt, up by 1.9 percentage points compared with the previous year. Foreign liabilities denominated in PLN accounted for 1.3% of public debt, therefore the share of foreign currencies in the public debt (24.6%) was lower than the share of foreign debt (25.9%). The share of debt denominated in EUR amounted to 20.1%. The debt of entities other than the State Treasury consisted of liabilities in PLN (91.5%; a decrease by 1.2 percentage points compared to the end of 2019) and in EUR (8.5%).

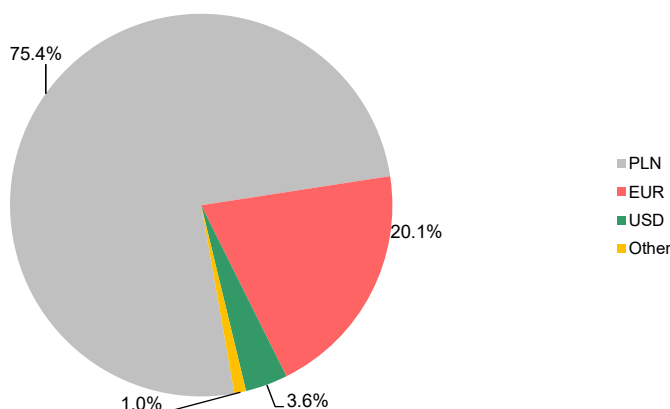


Chart 6. Public debt by holder

In the fourth quarter of 2020 the public debt towards:

- domestic banking sector fell by PLN 3.1 bn (-0.6%),
- domestic non-banking sector rose by PLN 6.1 bn (+3.1%),
- non-residents rose by PLN 2.0 bn (+0.5%).

Compared with the end of 2019 public debt towards:

- domestic banking sector rose by PLN 133.2 bn (+34.9%),
- domestic non-banking sector rose by PLN 2.3 bn (+1.1%),
- non-residents fell by PLN 15.1 bn (-3.7%).

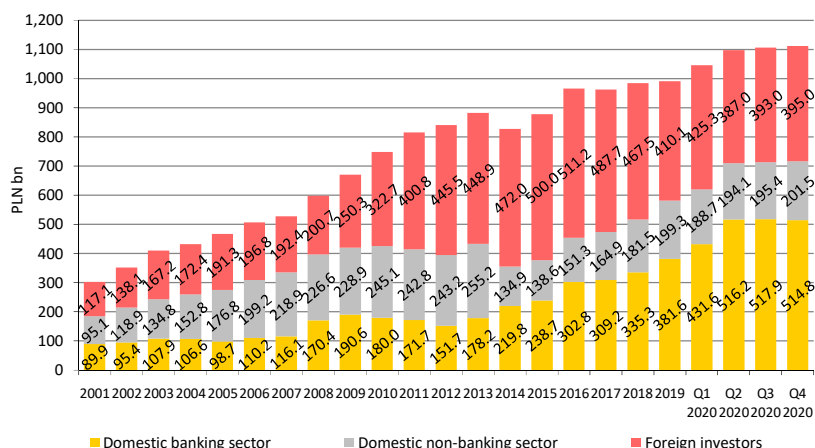


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors remained unchanged at 35.5% in the fourth quarter of 2020. In the whole 2020, it fell by 5.8 pp. The decrease in the share of non-residents in the public debt was mainly the result of a decrease in foreign investors' involvement in domestic TS and an increase in ST debt denominated in foreign currencies with high dynamics of PLN denominated debt. The share of the public debt towards domestic banking sector fell by 0.5 pp in the fourth quarter of 2020 and rose by 7.8 pp compared with the end of 2019 and amounted to 46.3%. The share of the public debt towards domestic nonbanking sector rose by 0.5 pp in the fourth quarter and fell by 2.0 pp and amounted to 18.1%.

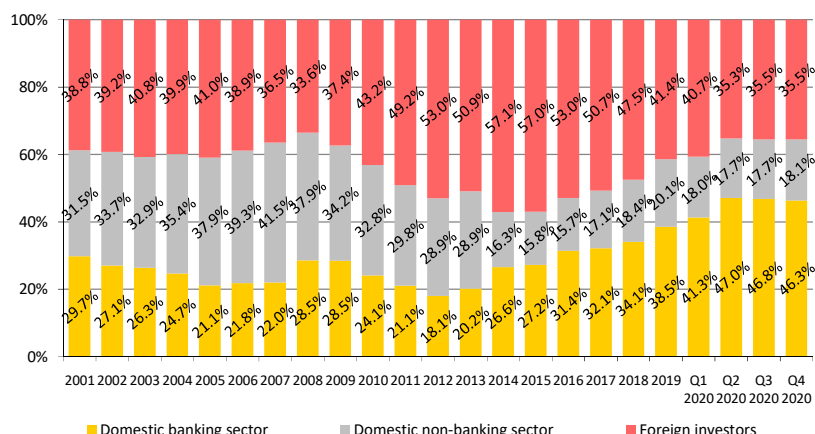


Chart 8. Consolidated public debt by subsector

At the end of 2020 the public debt consisted of:
 - central government debt - PLN 1,020.7 bn;
 - local government debt - PLN 90.6 bn;
 - social security funds debt - PLN 0.1 bn.

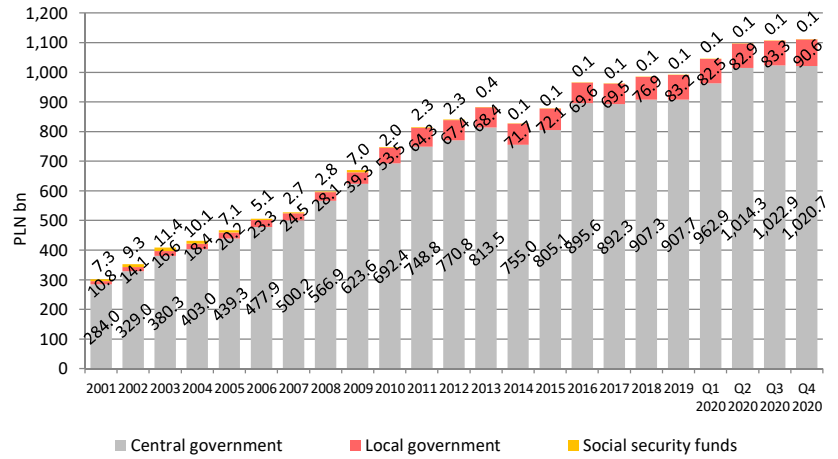


Chart 9. Structure of the consolidated public debt by subsector

At the end of 2020 the share of subsectors in total public debt amounted to:
 - central government subsector - 91.8% (up by 0.3 percentage points in 2020);
 - local government subsector - 8.1% (down by 0.3 percentage points in 2020), of which 7.7% represented debt of local government units and their unions;
 - social security funds - 0.005%.

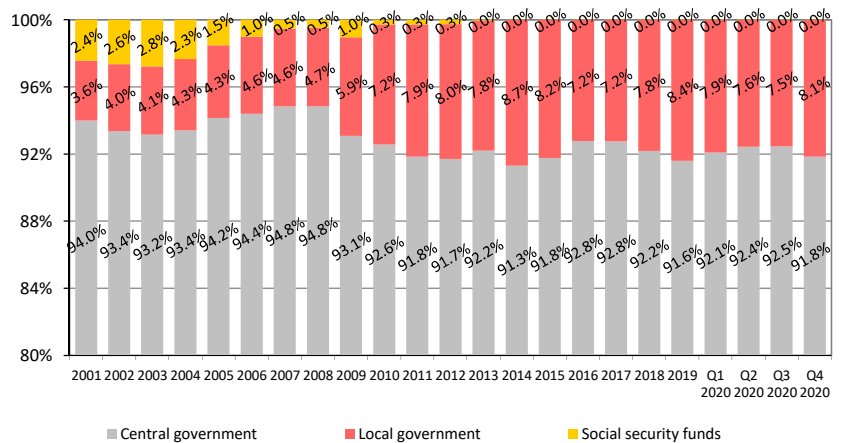


Chart 10. Changes in the consolidated public debt by subsector

The change of the public debt in the fourth quarter of 2020 was mainly a result of local government debt increase, in particular of local government units. The local government debt rose in the fourth quarter of 2020 by PLN 7.2 bn (+8.7%), including an increase in local government units debt of PLN 7.3 bn (+9.3%).
 In the fourth quarter of 2020 central government debt and consolidated ST debt fell by PLN 2.3 bn (-0.2%) and PLN 2.4 bn (-0.2%) respectively.
 Social security funds debt fell in the fourth quarter of 2020 by PLN 9.3 m (-14.4%).

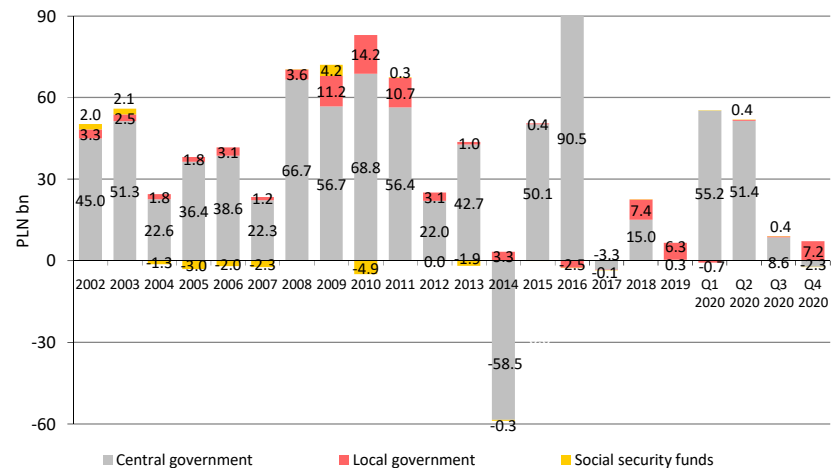


Chart 11. Structure of the public debt by instrument

At the end of 2020 marketable instruments comprised 85.2% of the public debt, including instruments issued on the domestic market - 67.4%. The share of marketable instruments in the public debt rose by 0.6 percentage points compared to the end of 2019.

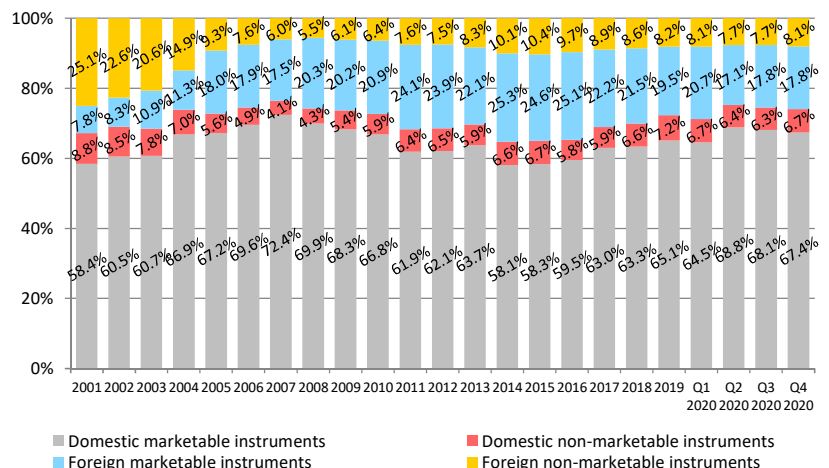


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of 2020, the unconsolidated debt of units other than ST amounted to 8.2% of the public debt, down from 8.5% at the end of the previous year. Among those entities the debt of local government units and their unions (7.5%, as compared to 7.7% at the end of 2019) and of local health care units (share of 0.5%) constituted the largest part.

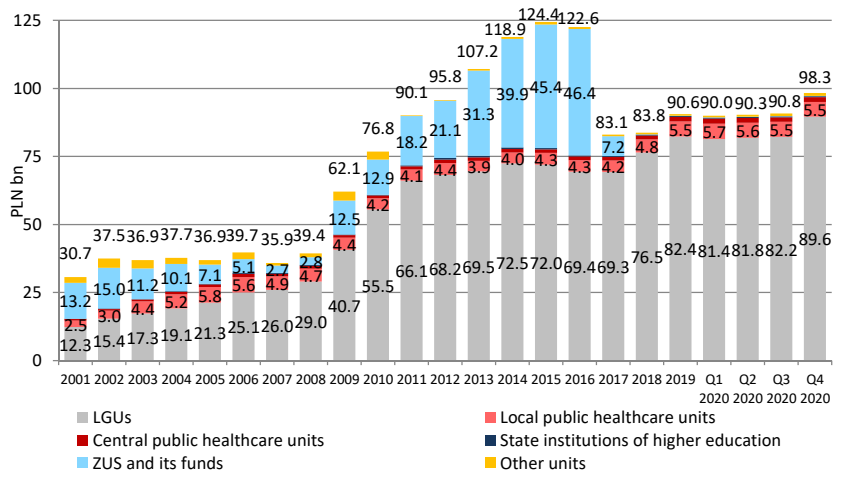


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of 2020 the difference between consolidated and unconsolidated debt of public finance sector units other than ST amounted to PLN 5.6 bn. The reason is that 5.7% of their debt were liabilities towards other public finance sector units.

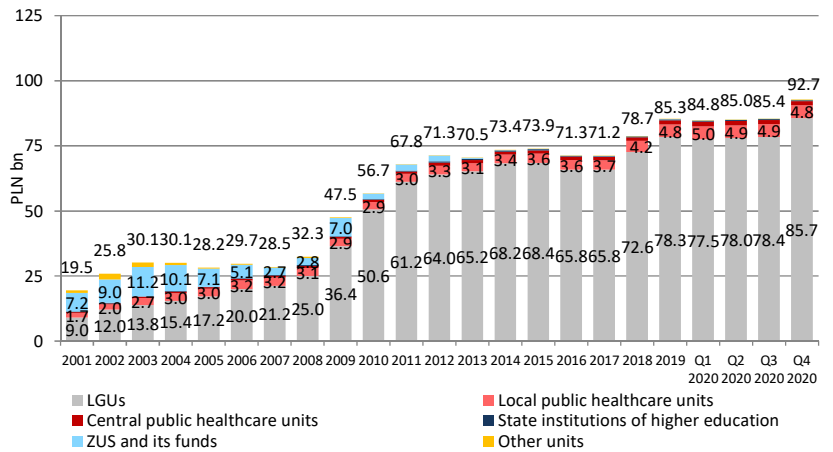


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 24.4% at the end of 2020, up by 2.7 percentage points compared with the end of 2019.

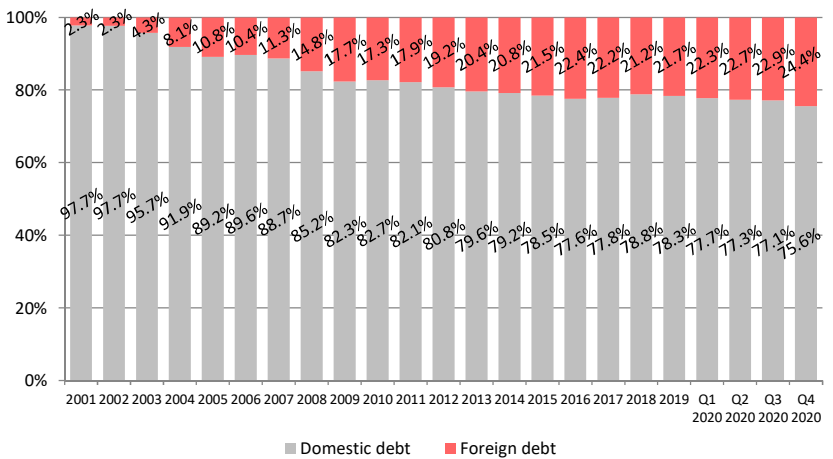


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with the share of 96.0%. The share of loans fell by 0.1 percentage points in 2020.

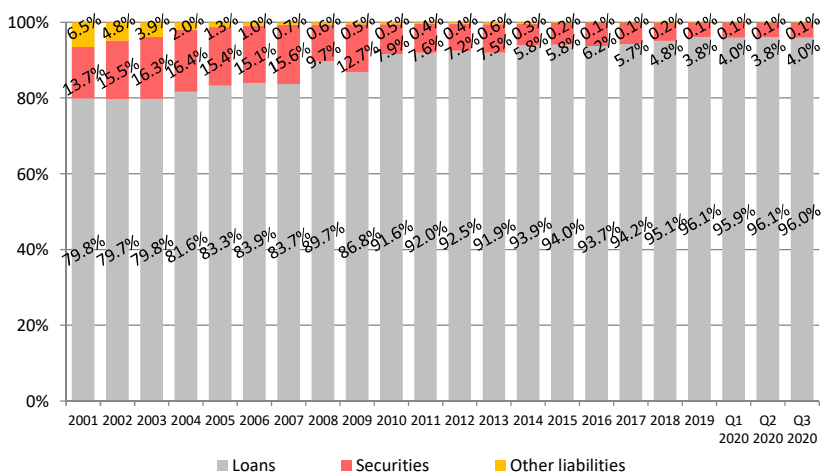
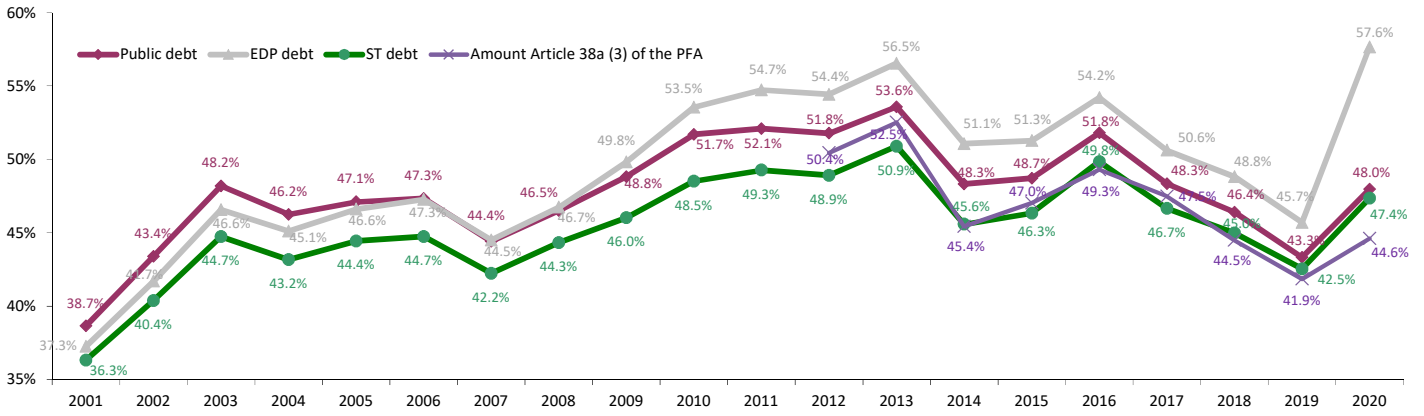
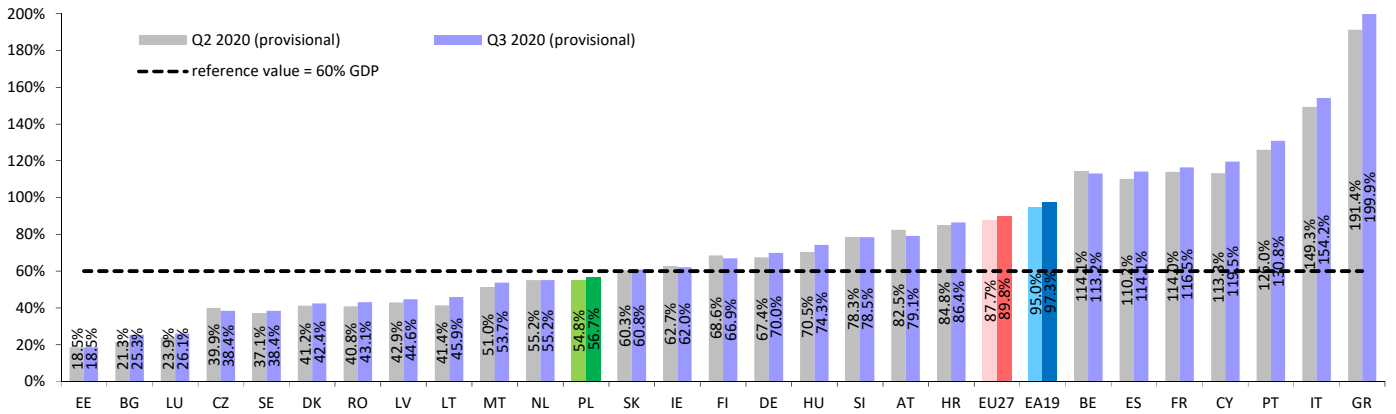


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



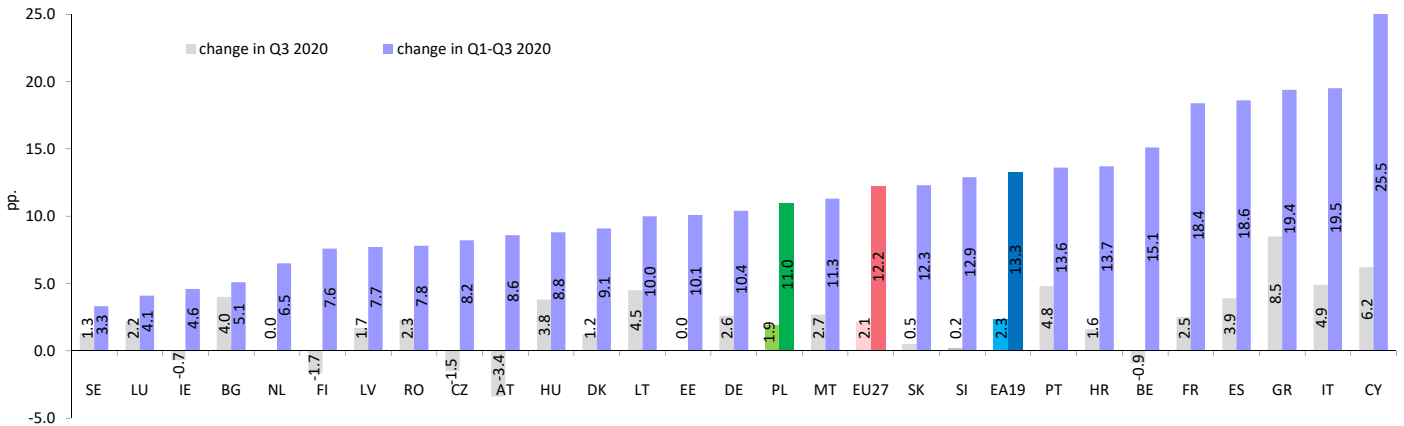
Source: Ministry of Finance

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



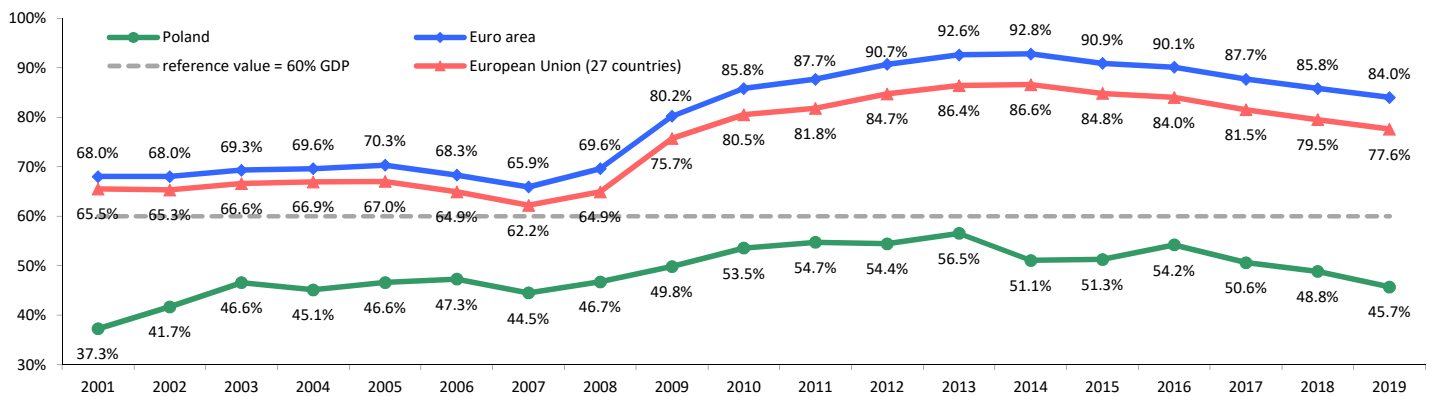
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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

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

ITEM	2014	2015	2016	2017	2018	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Public debt	826,774.7	877,282.4	965,199.0	961,841.5	984,313.5	990,948.4	1,045,474.8	1,097,297.7	1,106,292.0	1,111,272.5
<i>1) Adjustments concerning the scope of the sector</i>	<i>42,341.4</i>	<i>47,842.9</i>	<i>46,943.2</i>	<i>46,955.7</i>	<i>52,822.6</i>	<i>56,239.9</i>	<i>60,098.5</i>	<i>160,300.4</i>	<i>201,262.3</i>	<i>224,558.4</i>
Debt of National Road Fund (consolidated within general government)	31,626.3	33,312.4	38,467.0	41,087.8	47,952.3	47,133.4	48,760.0	49,680.8	52,638.6	53,222.8
Debt of COVID-19 Counteraction Fund (consolidated within general government)	-	-	-	-	-	-	-	42,649.5	81,208.7	99,448.9
Financial Shield of Polish Development Fund	-	-	-	-	-	-	-	62,000.0	62,000.0	65,400.0
T-Securities and deposits on MF account of funds managed by BGK	-1,210.9	-1,410.9	-1,384.1	-1,023.1	-1,588.8	-2,257.8	-2,102.1	-2,086.8	-2,206.6	-1,994.2
Aquisition of infrastructure assets (motorways)	11,261.6	11,023.2	10,699.0	10,341.9	9,961.8	9,538.5	9,446.9	9,271.2	9,180.1	8,995.6
Bank Guarantee Fund	-14,296.0	-14,039.8	-18,255.0	-18,930.5	-19,848.4	-15,815.6	-15,183.2	-16,986.5	-18,261.6	-18,972.9
Public corporations included in general government sector	14,960.5	18,958.0	17,416.3	15,479.6	16,345.6	17,641.3	19,177.0	15,772.2	16,703.1	18,458.1
<i>2) Differences concerning debt instruments</i>	<i>4,792.6</i>	<i>-1,708.8</i>	<i>-2,120.3</i>	<i>-1,617.7</i>	<i>-1,417.7</i>	<i>-1,542.0</i>	<i>-1,878.3</i>	<i>-1,509.4</i>	<i>-949.2</i>	<i>-262.1</i>
matured payables	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,930.9	-2,202.7	-1,995.7	-1,836.3	-1,677.8
debt assumption - activation of a guarantee	0.2	0.0	0.1	2.3	2.1	0.0	1.0	0.9	0.0	4.2
restructured/refinanced trade credits and sell-lease-back operations	7,040.7	569.4	693.2	725.5	763.5	847.7	853.6	780.7	788.9	816.2
derivatives	-301.2	-483.2	-1,080.7	-239.5	-450.2	-458.9	-530.2	-295.3	98.2	595.3
General government debt	873,908.8	923,416.5	1,010,021.9	1,007,179.6	1,035,718.3	1,045,646.3	1,103,695.0	1,256,088.7	1,306,605.0	1,335,568.9

Table 2. Public debt - before consolidation (PLN m, at face value, eop)

ITEM	Q4 20219	structure Q4 20219	Q3 2020	structure Q3 2020	Q4 2020	structure Q4 2020	change Q4 2020 - Q3 2020		change Q4 2020 - Q4 20219	
							m PLN	%	m PLN	%
Public debt	1,063,972.9	100.0%	1,190,887.0	100.0%	1,195,819.2	100.0%	4,932.2	0.4%	131,846.3	12.4%
1. Central government sector debt	975,608.1	91.7%	1,102,699.1	92.6%	1,100,245.0	92.0%	-2,454.1	-0.2%	124,636.9	12.8%
1.1. State Treasury	973,338.2	91.5%	1,100,124.9	92.4%	1,097,469.4	91.8%	-2,655.5	-0.2%	124,131.2	12.8%
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	409.6	0.0%	371.4	0.0%	377.4	0.0%	6.1	1.6%	-32.1	-7.8%
1.4. Independent public healthcare units	1,652.2	0.2%	1,683.8	0.1%	1,718.2	0.1%	34.4	2.0%	66.0	4.0%
1.5. State institutions of culture	6.0	0.0%	4.4	0.0%	4.1	0.0%	-0.2	-5.7%	-1.8	-31.0%
1.6. Polish Academy of Science and units established by it	16.0	0.0%	16.3	0.0%	20.1	0.0%	3.8	23.0%	4.1	25.8%
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	186.2	0.0%	498.4	0.0%	655.8	0.1%	157.4	31.6%	469.6	252.2%
2. Local government sector debt	88,307.6	8.3%	88,123.0	7.4%	95,518.7	8.0%	7,395.7	8.4%	7,211.1	8.2%
2.1. Local government units	82,371.2	7.7%	82,204.6	6.9%	89,648.0	7.5%	7,443.3	9.1%	7,276.7	8.8%
2.2. Independent public health units	5,490.2	0.5%	5,549.6	0.5%	5,458.0	0.5%	-91.5	-1.6%	-32.1	-0.6%
2.3. Local institutions of culture	111.3	0.0%	93.3	0.0%	94.2	0.0%	0.9	1.0%	-17.2	-15.4%
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	334.8	0.0%	275.6	0.0%	318.5	0.0%	42.9	15.6%	-16.3	-4.9%
3. Social Security Sector debt	57.2	0.0%	64.9	0.0%	55.5	0.0%	-9.3	-14.4%	-1.7	-3.0%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-3.1%	0.0	-3.1%
3.2. Funds managed by Social Insurance Institution	57.2	0.0%	64.9	0.0%	55.5	0.0%	-9.3	-14.4%	-1.7	-3.0%
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 20219	structure Q4 20219	Q3 2020	structure Q3 2020	Q4 2020	structure Q4 2020	change Q4 2020 - Q3 2020		change Q4 2020 - Q4 20219	
							m PLN	%	m PLN	%
Public debt	990,948.4	100.0%	1,106,292.0	100.0%	1,111,272.5	100.0%	4,980.5	0.5%	120,324.1	12.1%
1. Central government sector debt	907,650.0	91.6%	1,022,905.7	92.5%	1,020,651.6	91.8%	-2,254.1	-0.2%	113,001.6	12.4%
1.1. State Treasury	905,615.4	91.4%	1,020,916.4	92.3%	1,018,558.8	91.7%	-2,357.6	-0.2%	112,943.4	12.5%
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	383.4	0.0%	349.0	0.0%	355.9	0.0%	6.9	2.0%	-27.5	-7.2%
1.4. Independent public health units	1,614.3	0.2%	1,633.8	0.1%	1,662.7	0.1%	28.8	1.8%	48.3	3.0%
1.5. State institutions of culture	5.5	0.0%	4.0	0.0%	4.0	0.0%	0.1	1.8%	-1.5	-26.6%
1.6. Polish Academy of Science and units established by it	0.6	0.0%	1.5	0.0%	4.9	0.0%	3.4	219.7%	4.3	673.4%
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	30.9	0.0%	0.9	0.0%	65.3	0.0%	64.4	6902.2%	34.5	111.7%
2. Local government sector debt	83,241.2	8.4%	83,321.4	7.5%	90,565.4	8.1%	7,244.0	8.7%	7,324.2	8.8%
2.1. Local government units	78,339.6	7.9%	78,403.1	7.1%	85,687.6	7.7%	7,284.5	9.3%	7,348.0	9.4%
2.2. Independent public health units	4,821.3	0.5%	4,859.0	0.4%	4,813.4	0.4%	-45.6	-0.9%	-7.9	-0.2%
2.3. Local institutions of culture	79.6	0.0%	57.1	0.0%	62.1	0.0%	5.0	8.8%	-17.5	-22.0%
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	0.7	0.0%	2.3	0.0%	2.3	0.0%	0.0	1.1%	1.6	213.7%
3. Social Security Sector debt	57.2	0.0%	64.9	0.0%	55.5	0.0%	-9.3	-14.4%	-1.7	-3.0%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-3.1%	0.0	-3.1%
3.2. Funds managed by Social Insurance Institution	57.2	0.0%	64.9	0.0%	55.5	0.0%	-9.3	-14.4%	-1.7	-3.0%
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	-