

1. **At the end of the first quarter of 2020** the consolidated **public debt** (according to the domestic definition) stood at **PLN 1,045,473.8 million*** and compared with the end of 2019 it rose by PLN 54,532.9 million (+5.5%).

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

- an increase in the central government sector debt of PLN 55,218.7 million (+6.1%), including consolidated State Treasury (ST) debt increase of PLN 55,081.1 million (+6.1%);

- a decrease in the local government sector debt of PLN 688.0 million (-0.8%), including local government units (LGUs) debt decrease of PLN 847.1 million (-1.1%);

- an increase in the social security sector debt of PLN 2.2 million (+3.8%).

3. **At the end of the first quarter of 2020 the unconsolidated public debt** stood at **PLN 1,126,399.5 million** and compared with the end of 2019 it rose by PLN 62,436.7 million (+5.9%).

4. **At the end of the first quarter of 2020 the general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,103,023.0 million*** and compared with the end of 2019 it rose by PLN 57,894.1 million (+5.5%).

5. **Changes in the EDP debt in the first 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 debt of National Road Fund (NRF) by PLN 1,626.6 million;
- a change in consolidation of mutual liabilities of the sector entities, including: T-securities (TS) held by Bank Guarantee Fund (incl. funds for protection of the guaranteed assets; PLN -642.1 million) and deposits on the Minister of Finance account and TS held by funds managed by BGK (incl. NRF; PLN -155.7 million) which resulted in an increase of the EDP debt due to a decrease of consolidation of liabilities between units of the general government sector;

- an increase in debt of corporations included in the general government sector by PLN 1,351.7 million,

- an increase in matured payables by PLN 251.1 million.

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).

* Data regarding the first quarter of 2020 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 2018	structure Q4 2018	Q4 2019	structure Q4 2019	Q1 2020	structure Q1 2020	change		change	
							Q1 2020 - Q4 2019 PLN m	%	Q4 2019 - Q4 2018 PLN m	%
Public debt	984,313.5	100.0%	990,940.9	100.0%	1,045,473.8	100.0%	54,532.9	5.5%	6,627.5	0.7%
Domestic debt	688,248.0	69.9%	716,176.3	72.3%	744,616.7	71.2%	28,440.3	4.0%	27,928.3	4.1%
1. Debt securities	623,424.0	63.3%	645,125.4	65.1%	674,367.4	64.5%	29,242.1	4.5%	21,701.4	3.5%
2. Loans	57,277.0	5.8%	62,353.1	6.3%	61,176.0	5.9%	-1,177.1	-1.9%	5,076.0	8.9%
3. Other domestic liabilities	7,547.0	0.8%	8,697.9	0.9%	9,073.3	0.9%	375.4	4.3%	1,150.9	15.2%
Foreign debt	296,065.5	30.1%	274,764.6	27.7%	300,857.2	28.8%	26,092.5	9.5%	-21,300.9	-7.2%
1. Debt securities	211,245.9	21.5%	193,721.8	19.5%	216,013.2	20.7%	22,291.5	11.5%	-17,524.1	-8.3%
2. Loans	84,810.0	8.6%	81,029.3	8.2%	84,831.0	8.1%	3,801.7	4.7%	-3,780.7	-4.5%
3. Other foreign liabilities	9.6	0.0%	13.6	0.0%	13.0	0.0%	-0.6	-4.7%	4.0	41.1%

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

Item	Q4 2018	structure Q4 2018	Q4 2019	structure Q4 2019	Q1 2020	structure Q1 2020	change		change	
							Q1 2020 - Q4 2019 PLN m	%	Q4 2019 - Q4 2018 PLN m	%
Public debt	984,313.5	100.0%	990,940.9	100.0%	1,045,473.8	100.0%	54,532.9	5.5%	6,627.5	0.7%
Domestic debt	516,782.7	52.5%	580,883.2	58.6%	620,207.2	59.3%	39,324.1	6.8%	64,100.4	12.4%
1. Debt securities	451,967.2	45.9%	509,843.2	51.5%	549,968.5	52.6%	40,125.3	7.9%	57,876.0	12.8%
2. Loans	57,277.0	5.8%	62,353.1	6.3%	61,176.0	5.9%	-1,177.1	-1.9%	5,076.0	8.9%
3. Other domestic liabilities	7,538.5	0.8%	8,686.8	0.9%	9,062.7	0.9%	375.9	4.3%	1,148.3	15.2%
Foreign debt	467,530.7	47.5%	410,057.8	41.4%	425,266.6	40.7%	15,208.8	3.7%	-57,472.9	-12.3%
1. Debt securities	382,702.7	38.9%	329,003.9	33.2%	340,412.1	32.6%	11,408.3	3.5%	-53,698.8	-14.0%
2. Loans	84,810.0	8.6%	81,029.3	8.2%	84,831.0	8.1%	3,801.7	4.7%	-3,780.7	-4.5%
3. Other foreign liabilities	18.1	0.0%	24.6	0.0%	23.5	0.0%	-1.1	-4.6%	6.5	36.2%

Chart 1. Public debt

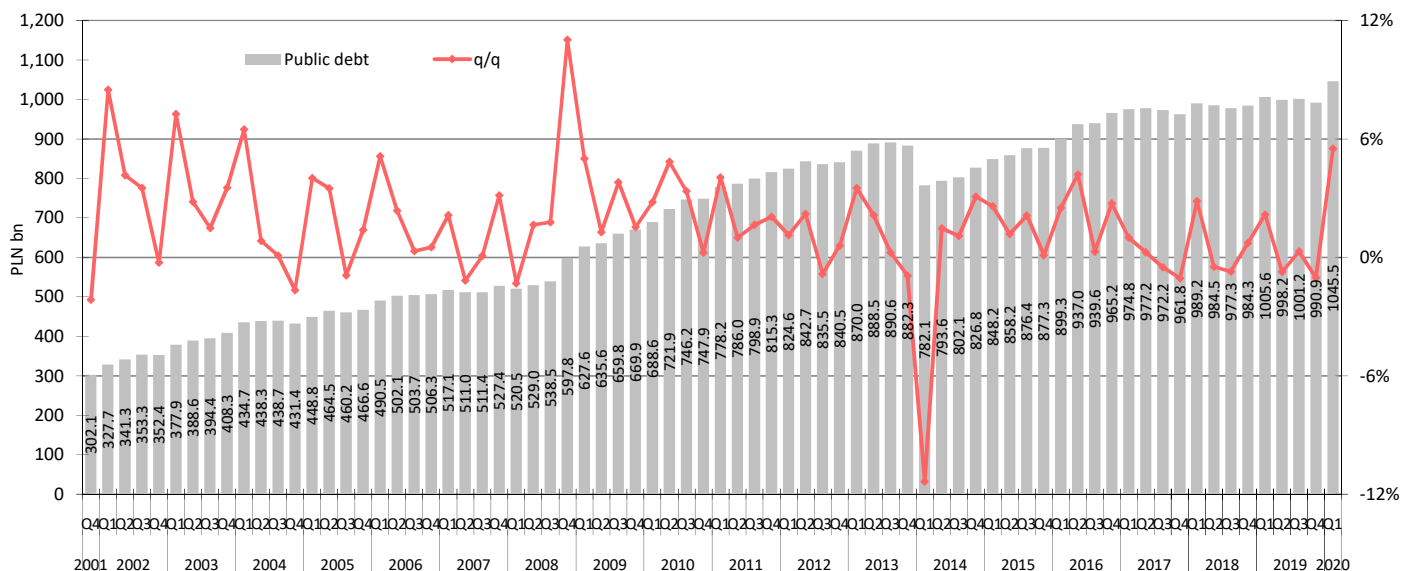


Chart 2. EDP debt

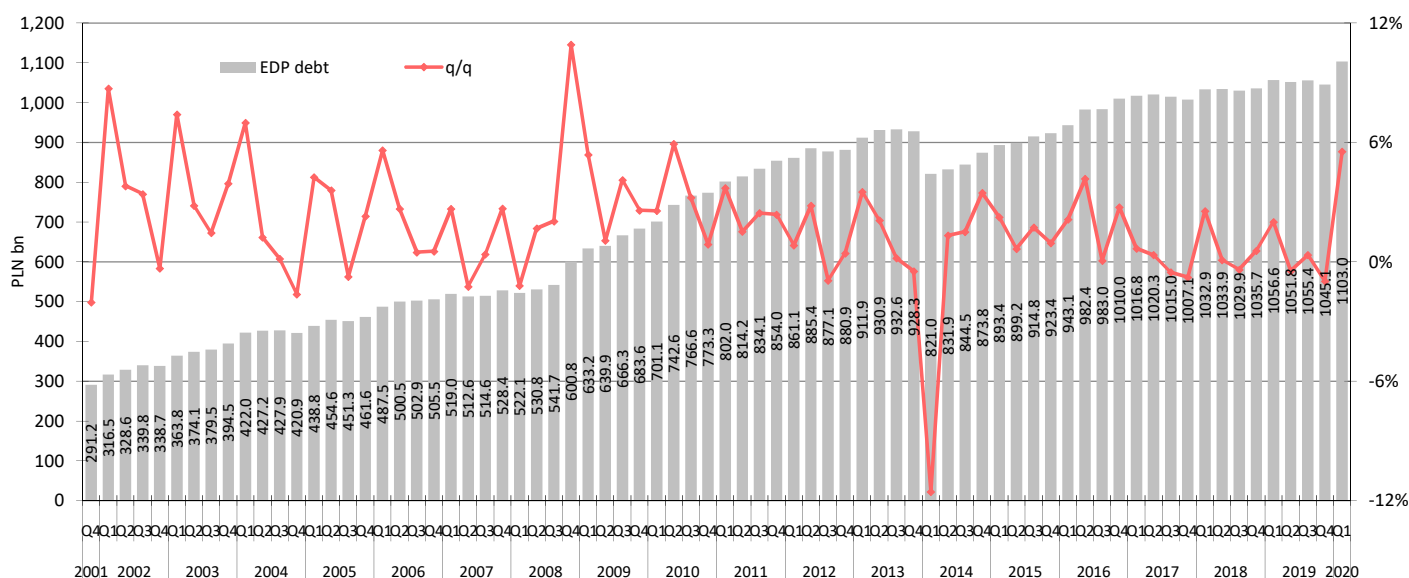


Chart 3. Differences between public debt and general government debt

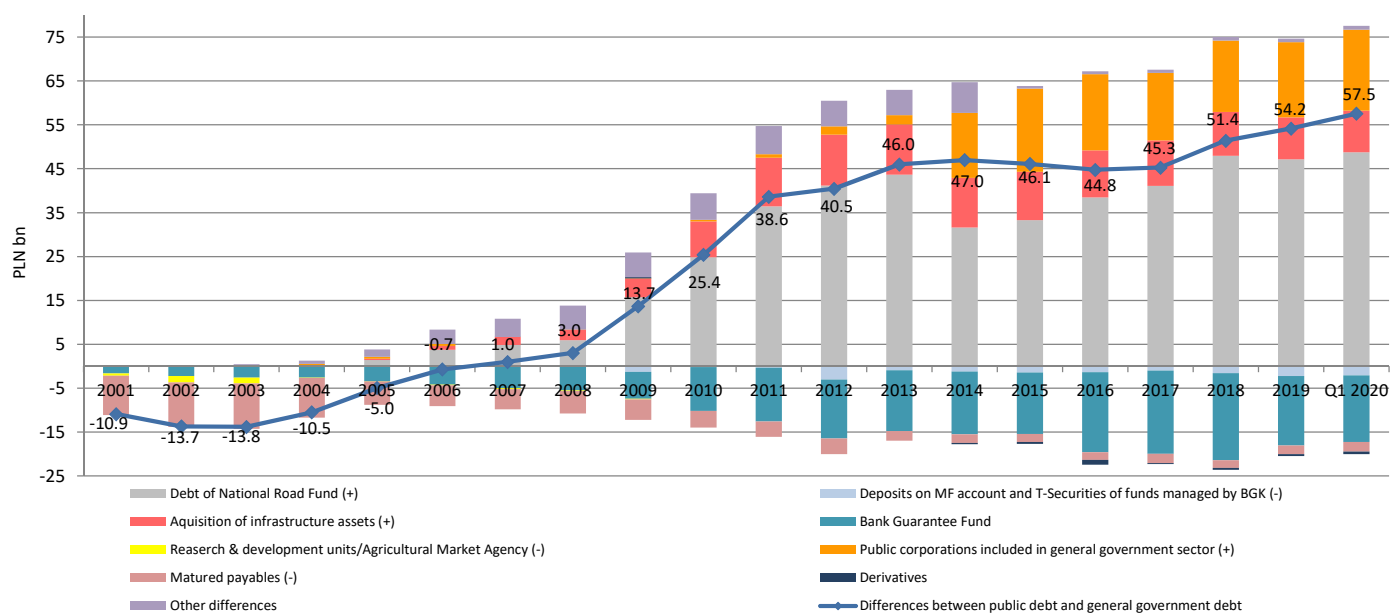


Chart 4. Public debt according to the place of issue criterion

At the end of the first quarter of 2020 the domestic debt stood at PLN 744.6 bn, up by PLN 28.4 bn (+4.0%) compared with the end of 2019.

Foreign debt stood at PLN 300.9 bn, up by PLN 26.1 bn (+9.5%) compared with the end of 2019, mainly due to changes in ST foreign debt resulting from:

- an increase in debt denominated in EUR (EUR +1.5 bn);
- depreciation of the Polish zloty - an increase in debt of PLN 19.4 bn in the first quarter of 2020.

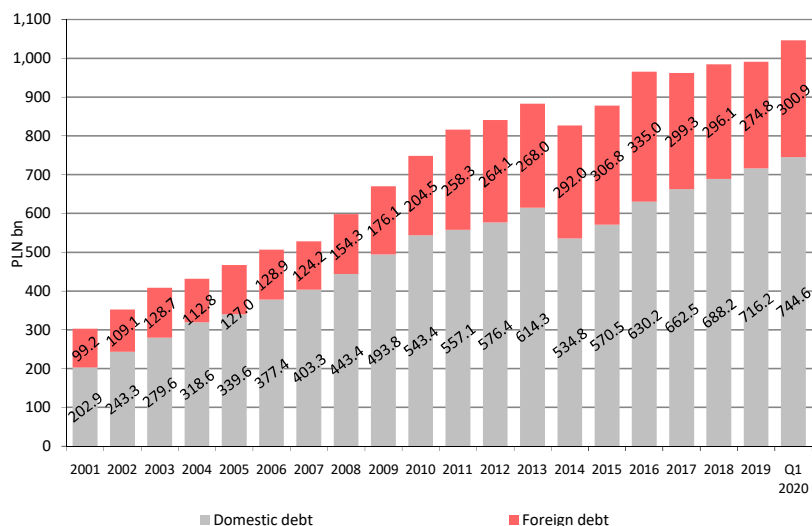


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the first quarter of 2020 the share of foreign debt in the total debt amounted to 28.8%, up by 1.1 percentage points compared with the end of 2019. The rise in the share of foreign debt resulted from an increase of ST debt denominated in foreign currencies and depreciation of the Polish zloty.

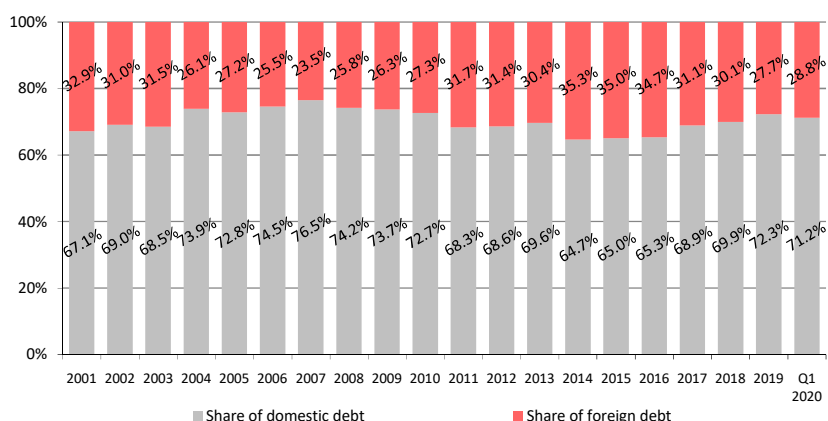


Chart 6. Public debt by holder

In the first quarter of 2020 the public debt towards:

- domestic banking sector rose by PLN 49.9 bn (+13.1%),
- domestic non-banking sector fell by PLN 10.6 bn (-5.3%),
- foreign investors (non-residents) rose by PLN 15.2 bn (+3.7%).

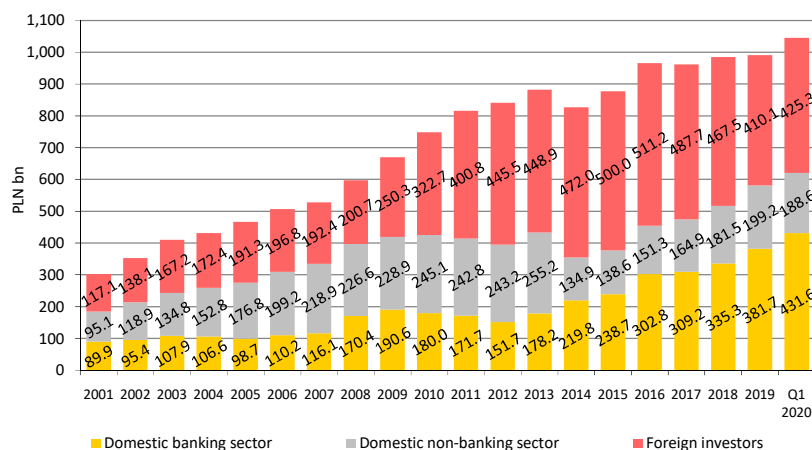


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors has been steadily decreasing. It fell further by 0.7 pp in the first quarter of 2020 and amounted to 40.7%. This means that the share has fallen to its lowest level since the first quarter of 2010. The decrease in the share of non-residents in the public debt was due to a decrease in the involvement of foreign investors in domestic TS, an increase of ST debt denominated in foreign currencies and depreciation of the Polish zloty.

The share of the public debt towards domestic banking sector rose by 2.8 percentage points in the first quarter of 2020 and amounted to 41.3%. The share of the public debt towards domestic non-banking sector fell by 2.1 percentage points in the first quarter of 2020 to 18.0%.

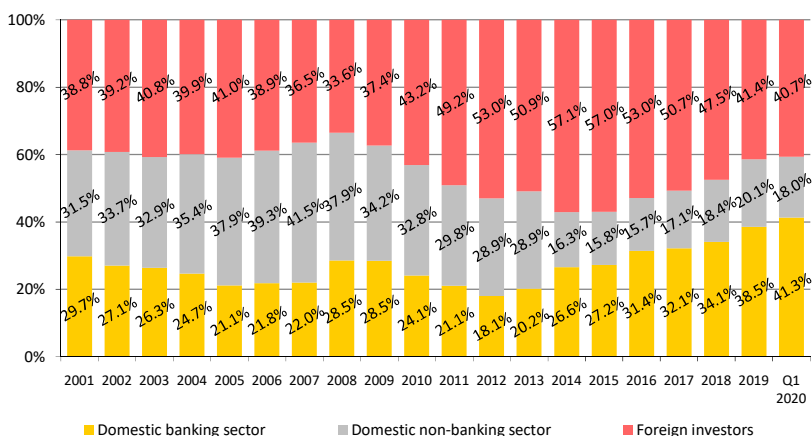


Chart 8. Consolidated public debt by subsector

At the end of the first quarter of 2020 the public debt consisted of:

- central government debt - PLN 962.9 bn;
- local government debt - PLN 82.5 bn;
- social security funds debt - PLN 0.1 bn.

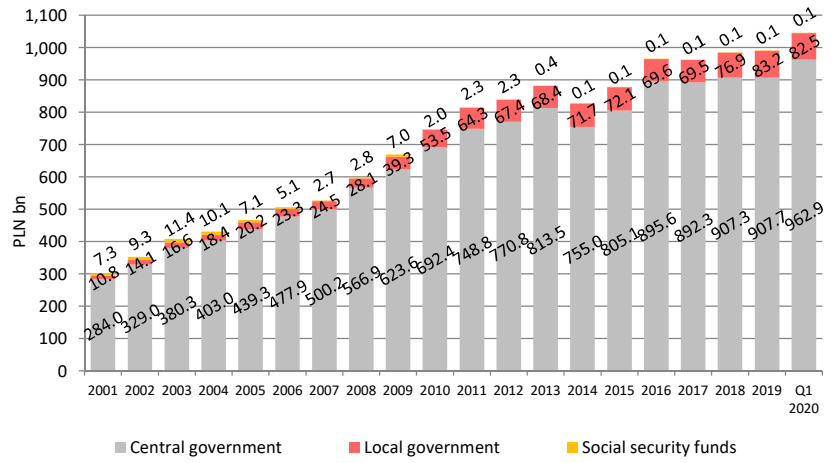


Chart 9. Structure of the consolidated public debt by subsector

At the end of the first quarter of 2020 the share of subsectors in total public debt amounted to:

- central government subsector - 92.1% (up by 0.5 percentage points in the first quarter);
- local government subsector - 7.9% (down by 0.5 percentage points in the first quarter), of which 7.4% represented debt of local government units and their unions;
- social security funds - 0.01% (no change).

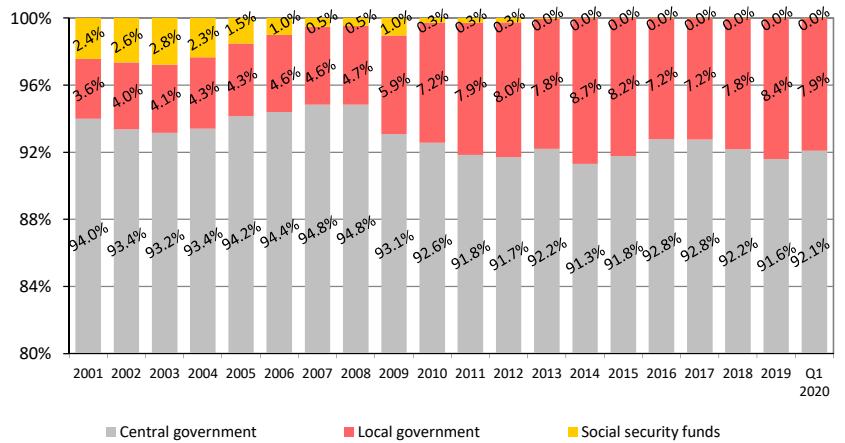


Chart 10. Changes in the consolidated public debt by subsector

The change of the public debt in the first quarter of 2020 was mainly a result of central government debt increase, in particular of ST debt.

Public debt rose by PLN 54.5 bn (+5.5%) while central government debt rose by PLN 55.2 bn (+6.1%) and consolidated ST debt rose by PLN 55.1 bn (+6.1%).

Local government debt fell in the first quarter of 2020 by PLN 0.7 bn (-0.8%), mainly as a result of a decrease in local government units debt of PLN 0.8 bn (-1.1%).

Social security funds debt rose in the first quarter of 2020 by PLN 2.2 m (+3.8%).

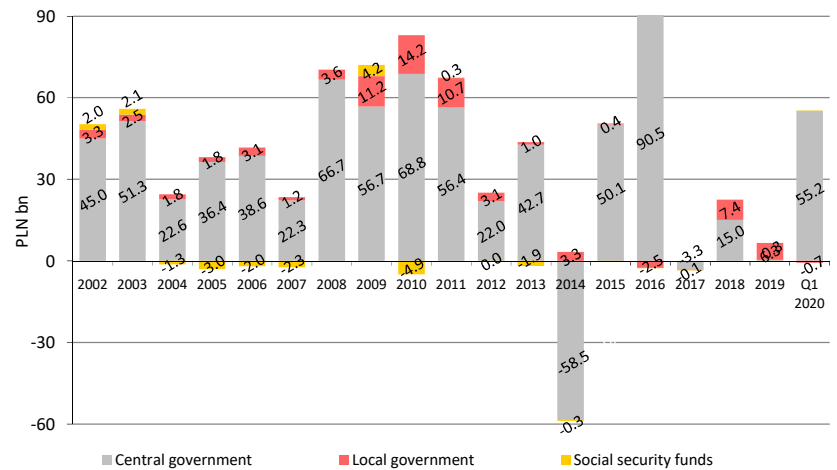


Chart 11. Structure of the public debt by instrument

At the end of the first quarter of 2020 marketable instruments comprised 85.2% of the public debt, including instruments issued on the domestic market - 64.5%. The share of marketable instruments in the public debt rose in the first quarter of 2020 by 0.5 percentage points compared to the end of 2019.

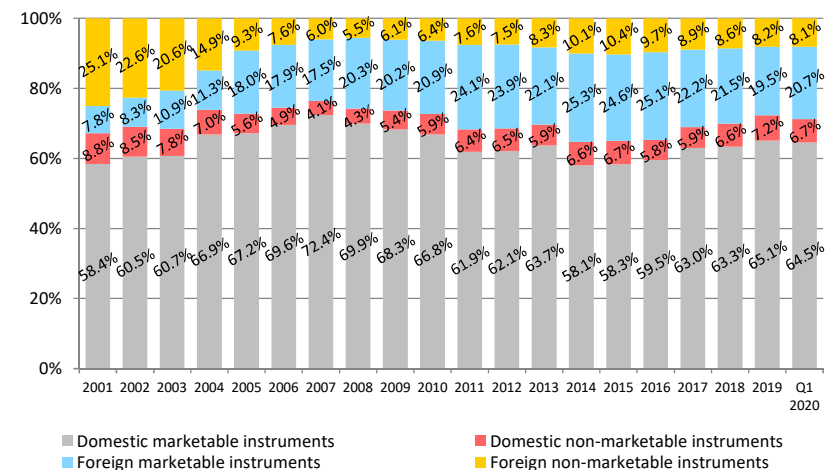


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of the first quarter of 2020, the unconsolidated debt of units other than ST amounted to 8.0% 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 (7.2%, as compared to 7.7% at the end of 2019) and of local health care units (share of 0.5%) constituted the largest part.

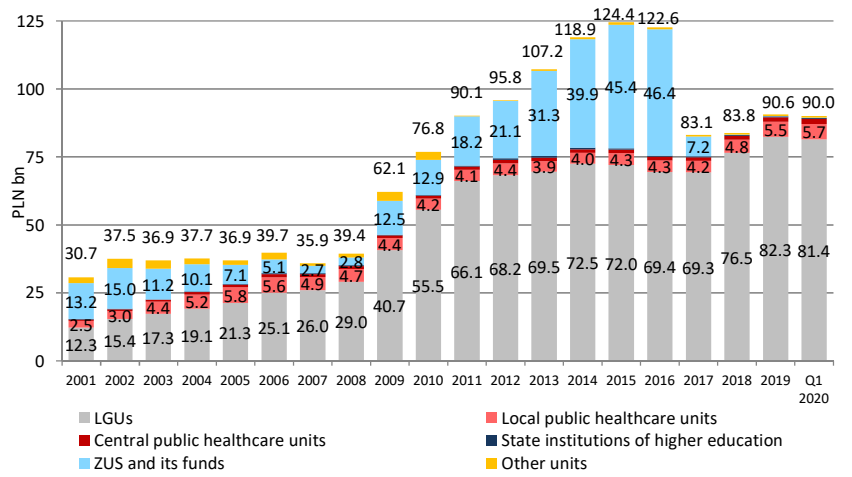


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the first quarter of 2020 the difference between consolidated and unconsolidated debt of public finance sector units other than ST amounted to PLN 5.2 bn. The reason is that 5.8% of their debt were liabilities towards other public finance sector units.

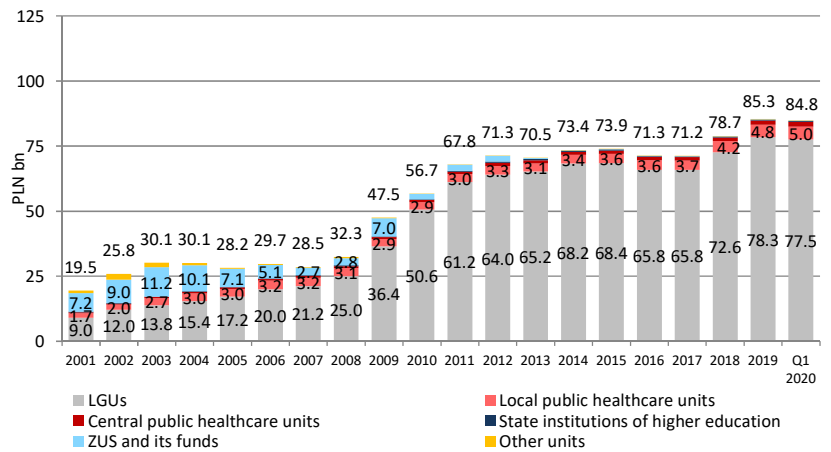


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 22.3% at the end of the first quarter of 2020, up by 0.6 percentage points compared with the end of 2019.

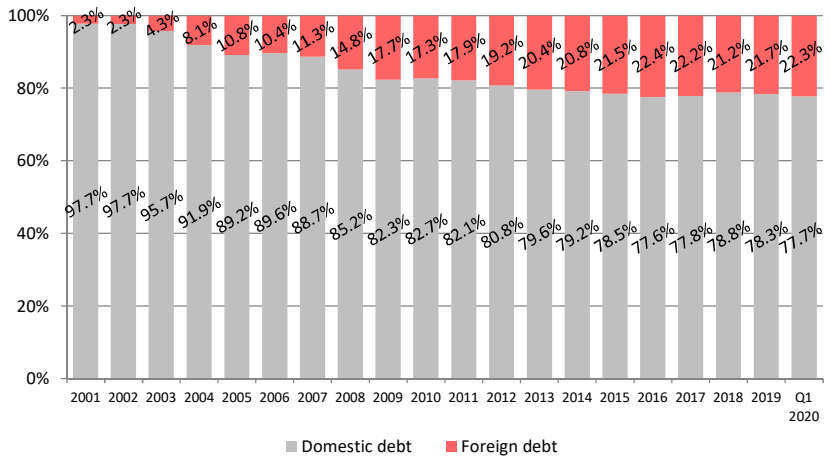


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with the share of 95.9%. The share of loans declined by 0.2 percentage points in Q1 2020.

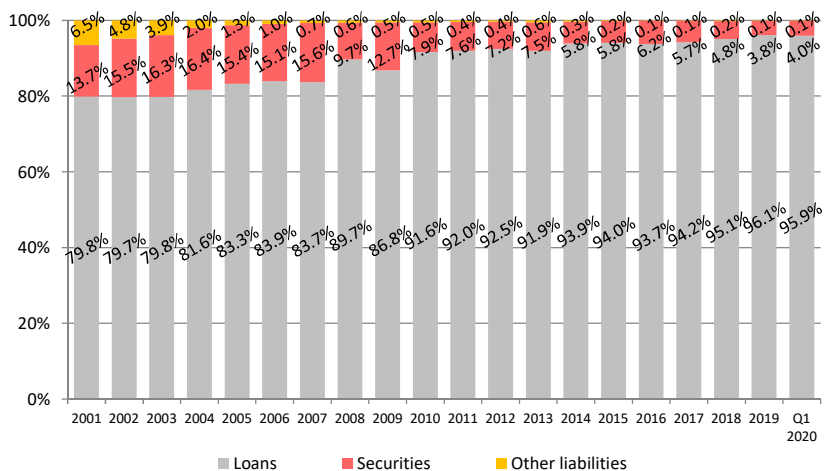
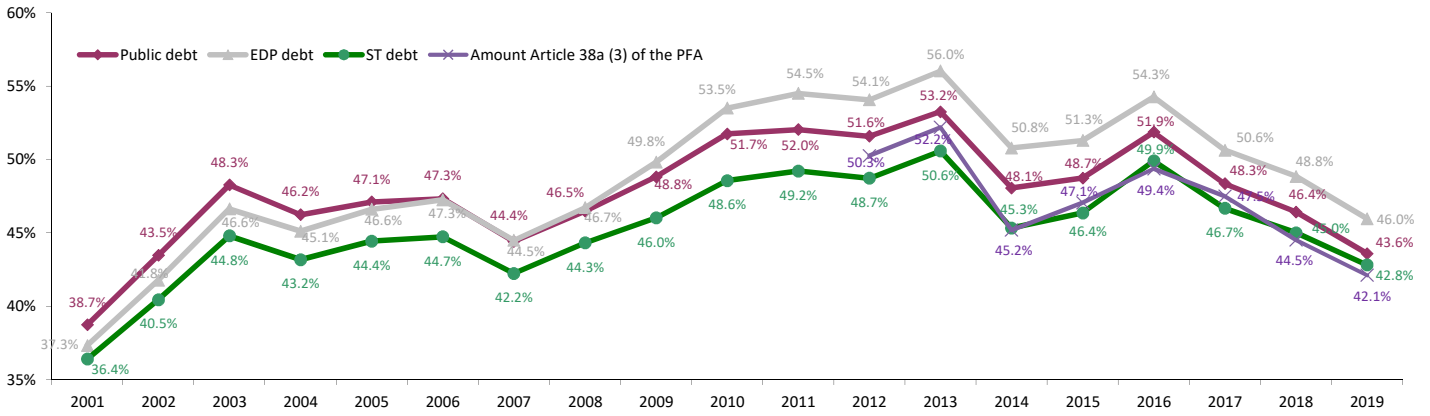
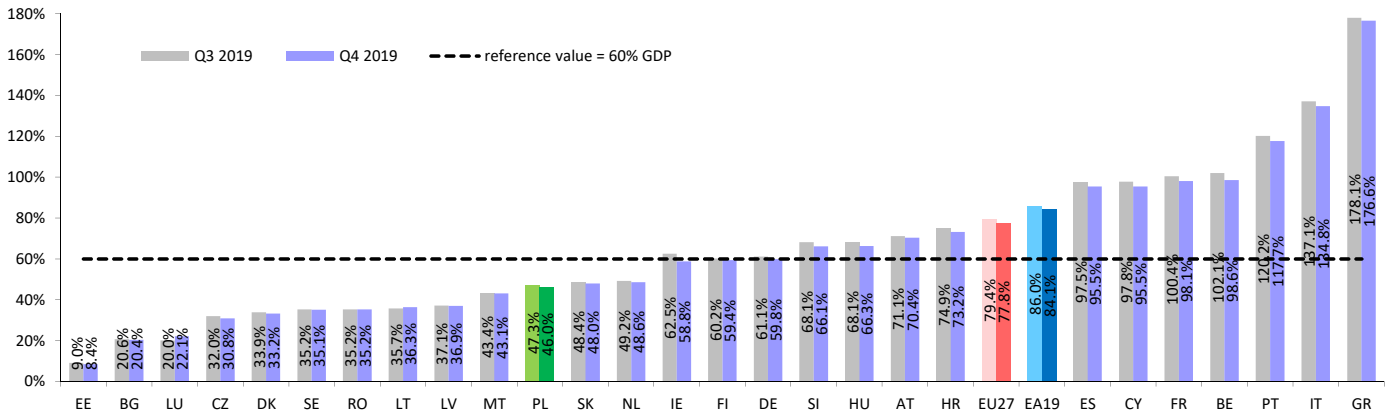


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



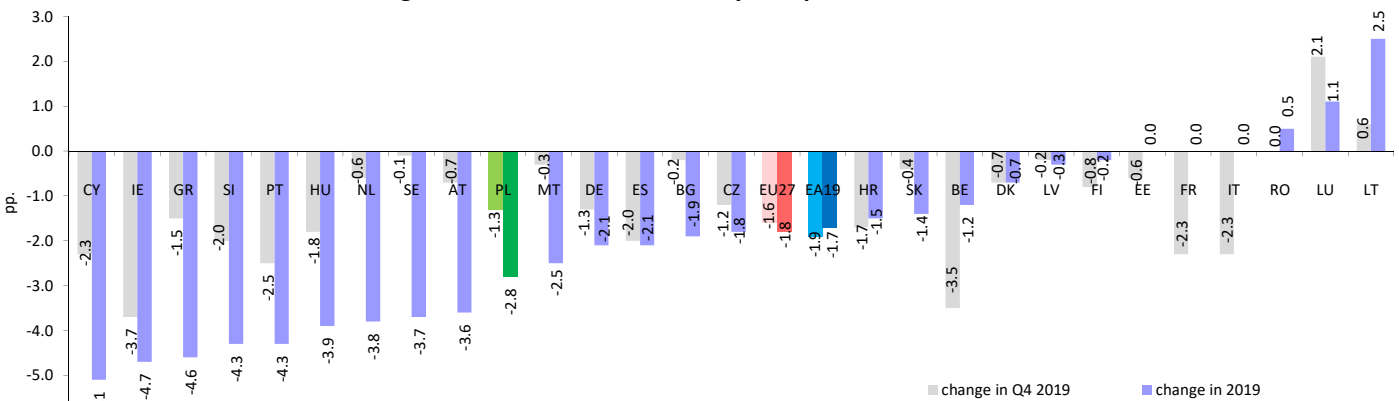
Source: Ministry of Finance

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



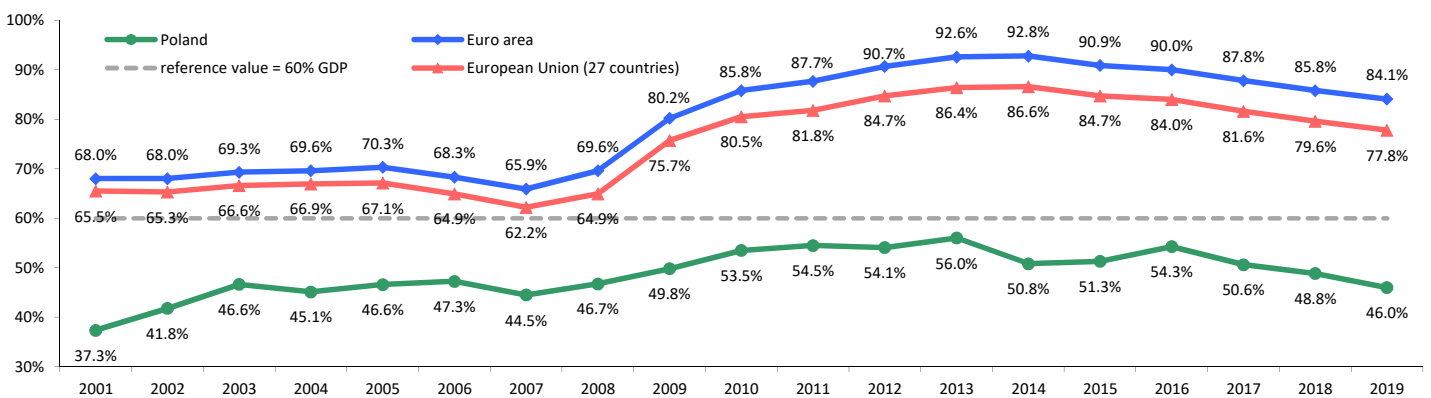
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Public debt	826,774.7	877,282.4	965,199.0	961,841.5	984,313.5	1,005,633.5	998,220.7	1,001,190.9	990,940.9	1,045,473.8
<i>1) Adjustments concerning the scope of the sector</i>	<i>42,208.4</i>	<i>47,817.9</i>	<i>46,886.4</i>	<i>46,901.7</i>	<i>52,808.2</i>	<i>52,676.9</i>	<i>55,033.3</i>	<i>56,148.7</i>	<i>55,754.0</i>	<i>59,428.6</i>
Debt of National Road Fund	31,626.3	33,312.4	38,467.0	41,087.8	47,952.3	47,800.1	47,407.5	47,980.6	47,133.4	48,760.0
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	-2,373.8	-2,839.8	-2,821.6	-2,257.8	-2,102.1
Aquisition of infrastructure assets (motorways)	11,261.6	11,023.2	10,699.0	10,341.9	9,961.8	9,875.3	9,791.7	9,703.6	9,538.5	9,446.9
Bank Guarantee Fund	-14,296.0	-14,039.8	-18,255.0	-18,930.5	-19,848.4	-18,954.9	-15,849.9	-15,772.5	-15,815.6	-15,183.2
Public corporations included in general government sector	14,827.5	18,933.0	17,359.5	15,425.6	16,331.2	16,330.2	16,523.9	17,058.6	17,155.4	18,507.1
<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>-1,754.3</i>	<i>-1,498.1</i>	<i>-1,977.2</i>	<i>-1,566.0</i>	<i>-1,879.4</i>
matured payables	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,843.2	-1,976.8	-2,070.6	-1,949.7	-2,200.8
debt assumption - activation of a guarantee	0.2	0.0	0.1	2.3	2.1	2.3	0.0	0.4	0.0	1.0
restructured/refinanced trade credits and sell-lease-back operations	7,040.7	569.4	693.2	725.5	763.5	752.1	865.5	837.3	842.6	850.6
derivatives	-301.2	-483.2	-1,080.7	-239.5	-450.2	-665.4	-386.8	-744.4	-458.9	-530.2
General government debt	873,775.8	923,391.5	1,009,965.1	1,007,125.6	1,035,703.9	1,056,556.1	1,051,755.9	1,055,362.3	1,045,129.0	1,103,023.0

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

ITEM	Q4 2018	structure Q4 2018	Q4 2019	structure Q4 2019	Q1 2020	structure Q1 2020	change Q1 2020 - Q4 2019		change Q4 2019 - Q4 2018	
							m PLN	%	m PLN	%
Public debt	1,038,022.7	100.0%	1,063,962.8	100.0%	1,126,399.5	100.0%	62,436.7	5.9%	25,940.1	2.5%
1. Central government sector debt	956,144.1	92.1%	975,610.7	91.7%	1,038,862.1	92.2%	63,251.4	6.5%	19,466.6	2.0%
1.1. State Treasury	954,269.3	91.9%	973,338.2	91.5%	1,036,440.1	92.0%	63,101.9	6.5%	19,068.9	2.0%
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	376.9	0.0%	409.4	0.0%	370.7	0.0%	-38.7	-9.5%	32.5	8.6%
1.4. Independent public healthcare units	1,408.2	0.1%	1,655.0	0.2%	1,874.7	0.2%	219.8	13.3%	246.8	17.5%
1.5. State institutions of culture	8.3	0.0%	6.0	0.0%	4.5	0.0%	-1.5	-24.6%	-2.3	-28.3%
1.6. Polish Academy of Science and units established by it	1.1	0.0%	16.0	0.0%	15.9	0.0%	-0.1	-0.6%	14.9	1368.6%
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	80.3	0.0%	186.2	0.0%	156.1	0.0%	-30.0	-16.1%	105.8	131.7%
2. Local government sector debt	81,809.5	7.9%	88,294.9	8.3%	87,478.0	7.8%	-816.9	-0.9%	6,485.3	7.9%
2.1. Local government units	76,464.5	7.4%	82,344.3	7.7%	81,362.9	7.2%	-981.4	-1.2%	5,879.8	7.7%
2.2. Independent public health units	4,807.8	0.5%	5,504.5	0.5%	5,692.3	0.5%	187.9	3.4%	696.7	14.5%
2.3. Local institutions of culture	83.7	0.0%	111.3	0.0%	98.4	0.0%	-12.9	-11.6%	27.6	33.0%
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	453.6	0.0%	334.8	0.0%	324.4	0.0%	-10.4	-3.1%	-118.8	-26.2%
3. Social Security Sector debt	69.1	0.0%	57.2	0.0%	59.4	0.0%	2.2	3.8%	-11.9	-17.2%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-9.7%
3.2. Funds managed by Social Insurance Institution	69.1	0.0%	57.2	0.0%	59.4	0.0%	2.2	3.8%	-11.9	-17.2%
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 Q4 2018	Q4 2019	structure Q4 2019	Q1 2020	structure Q1 2020	change Q1 2020 - Q4 2019		change Q4 2019 - Q4 2018	
							m PLN	%	m PLN	%
Public debt	984,313.5	100.0%	990,940.9	100.0%	1,045,473.8	100.0%	54,532.9	5.5%	6,627.5	0.7%
1. Central government sector debt	907,315.9	92.2%	907,652.6	91.6%	962,871.3	92.1%	55,218.7	6.1%	336.7	0.0%
1.1. State Treasury	905,593.7	92.0%	905,615.4	91.4%	960,696.4	91.9%	55,081.1	6.1%	21.7	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	347.8	0.0%	383.2	0.0%	346.4	0.0%	-36.8	-9.6%	35.5	10.2%
1.4. Independent public health units	1,365.4	0.1%	1,617.1	0.2%	1,822.9	0.2%	205.8	12.7%	251.6	18.4%
1.5. State institutions of culture	6.0	0.0%	5.5	0.0%	4.1	0.0%	-1.4	-25.4%	-0.5	-7.8%
1.6. Polish Academy of Science and units established by it	0.7	0.0%	0.6	0.0%	0.6	0.0%	0.0	-0.8%	-0.1	-7.5%
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	2.4	0.0%	30.8	0.0%	0.8	0.0%	-30.0	-97.4%	28.4	1174.4%
2. Local government sector debt	76,928.5	7.8%	83,231.1	8.4%	82,543.1	7.9%	-688.0	-0.8%	6,302.6	8.2%
2.1. Local government units	72,635.1	7.4%	78,314.5	7.9%	77,467.4	7.4%	-847.1	-1.1%	5,679.4	7.8%
2.2. Independent public health units	4,231.7	0.4%	4,836.3	0.5%	5,006.6	0.5%	170.3	3.5%	604.6	14.3%
2.3. Local institutions of culture	57.7	0.0%	79.6	0.0%	68.5	0.0%	-11.1	-14.0%	21.8	37.8%
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%	0.7	0.0%	0.7	0.0%	0.0	-5.7%	-3.2	-81.1%
3. Social Security Sector debt	69.1	0.0%	57.2	0.0%	59.4	0.0%	2.2	3.8%	-11.9	-17.2%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-9.5%
3.2. Funds managed by Social Insurance Institution	69.1	0.0%	57.2	0.0%	59.4	0.0%	2.2	3.8%	-11.9	-17.2%
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	-