

1. **At the end of the third quarter of 2020** the consolidated **public debt** (according to the domestic definition) stood at **PLN 1,106,285.8 million*** and compared with:

- the previous quarter it rose by PLN 8,988.1 million (+0.8%);
- the end of 2019 it rose by PLN 115,337.4 million (+11.6%).

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

- an increase in the central government sector debt of PLN 8,583.6 million (+0.8%), including an increase in consolidated State Treasury (ST) debt of PLN 8,641.8 million (+0.9%);
- an increase in the local government sector debt of PLN 402.4 million (+0.5%), including an increase in local government units (LGUs) debt of PLN 431.0 million (+0.6%);
- an increase in the social security sector debt of PLN 2.1 million (+3.3%).

3. **At the end of the third quarter of 2020 unconsolidated public debt stood at PLN 1,190,880.1 million** and compared with:

- the previous quarter it rose by PLN 12,384.1 million (+1.1%);
- the end of 2019 it rose by PLN 126,907.2 million (+11.9%).

4. **At the end of the third quarter of 2020 the general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,307,258.3 million***** and compared with:

- the second quarter it rose by PLN 51,289.7 million (+4.1%);
- the end of 2019 it rose by PLN 261,867.0 million (+25.0%).

5. **Changes in the EDP debt in the third quarter of 2020** were similar to those in the public debt measured according to the domestic definition. Additionally the EDP debt was influenced by:

- issues of securities by Bank Gospodarstwa Krajowego for the COVID-19 Counteraction Fund (FPC) of PLN 39,338.7 million;
- an increase in debt of National Road Fund (NRF) by PLN 2,957.8 million;
- an increase in T-securities (TS) held by Bank Guarantee Fund (incl. funds for protection of the guaranteed assets) of PLN 1,274.9 million which resulted in a decrease of the EDP debt due to an increase 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 930.9 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 third quarter of 2020 are preliminary. Data regarding previous periods were updated if necessary.

** 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	Q2 2020	structure Q2 2020	Q3 2020	structure Q3 2020	change		change	
							Q3 2020 - Q2 2020 PLN m	%	Q3 2020 - Q4 2019 PLN m	%
Public debt	990,948.4	100.0%	1,097,297.7	100.0%	1,106,285.8	100.0%	8,988.1	0.8%	115,337.4	11.6%
Domestic debt	716,183.7	72.3%	825,498.1	75.2%	824,076.1	74.5%	-1,422.0	-0.2%	107,892.4	15.1%
1. Debt securities	645,122.6	65.1%	755,320.2	68.8%	753,875.8	68.1%	-1,444.5	-0.2%	108,753.1	16.9%
2. Loans	62,382.1	6.3%	61,269.9	5.6%	61,408.0	5.6%	138.1	0.2%	-974.1	-1.6%
3. Other domestic liabilities	8,679.0	0.9%	8,908.0	0.8%	8,792.3	0.8%	-115.6	-1.3%	113.4	1.3%
Foreign debt	274,764.7	27.7%	271,799.6	24.8%	282,209.7	25.5%	10,410.1	3.8%	7,445.0	2.7%
1. Debt securities	193,721.8	19.5%	187,396.9	17.1%	196,963.1	17.8%	9,566.1	5.1%	3,241.3	1.7%
2. Loans	81,029.3	8.2%	84,387.2	7.7%	85,239.8	7.7%	852.6	1.0%	4,210.6	5.2%
3. Other foreign liabilities	13.7	0.0%	15.5	0.0%	6.8	0.0%	-8.7	-55.9%	-6.9	-50.1%

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

Item	Q4 2019	structure Q4 2019	Q2 2020	structure Q2 2020	Q3 2020	structure Q3 2020	change		change	
							Q3 2020 - Q2 2020 PLN m	%	Q3 2020 - Q4 2019 PLN m	%
Public debt	990,948.4	100.0%	1,097,297.7	100.0%	1,106,285.8	100.0%	8,988.1	0.8%	115,337.4	11.6%
Domestic debt	580,890.5	58.6%	710,317.3	64.7%	713,334.8	64.5%	3,017.5	0.4%	132,444.2	22.8%
1. Debt securities	509,840.5	51.4%	640,149.9	58.3%	643,145.0	58.1%	2,995.1	0.5%	133,304.5	26.1%
2. Loans	62,382.1	6.3%	61,269.9	5.6%	61,408.0	5.6%	138.1	0.2%	-974.1	-1.6%
3. Other domestic liabilities	8,667.9	0.9%	8,897.5	0.8%	8,781.9	0.8%	-115.6	-1.3%	113.9	1.3%
Foreign debt	410,057.9	41.4%	386,980.4	35.3%	392,951.0	35.5%	5,970.6	1.5%	-17,106.9	-4.2%
1. Debt securities	329,003.9	33.2%	302,567.3	27.6%	307,693.9	27.8%	5,126.6	1.7%	-21,310.0	-6.5%
2. Loans	81,029.3	8.2%	84,387.2	7.7%	85,239.8	7.7%	852.6	1.0%	4,210.6	5.2%
3. Other foreign liabilities	24.7	0.0%	26.0	0.0%	17.3	0.0%	-8.7	-33.3%	-7.4	-30.0%

Chart 1. Public debt

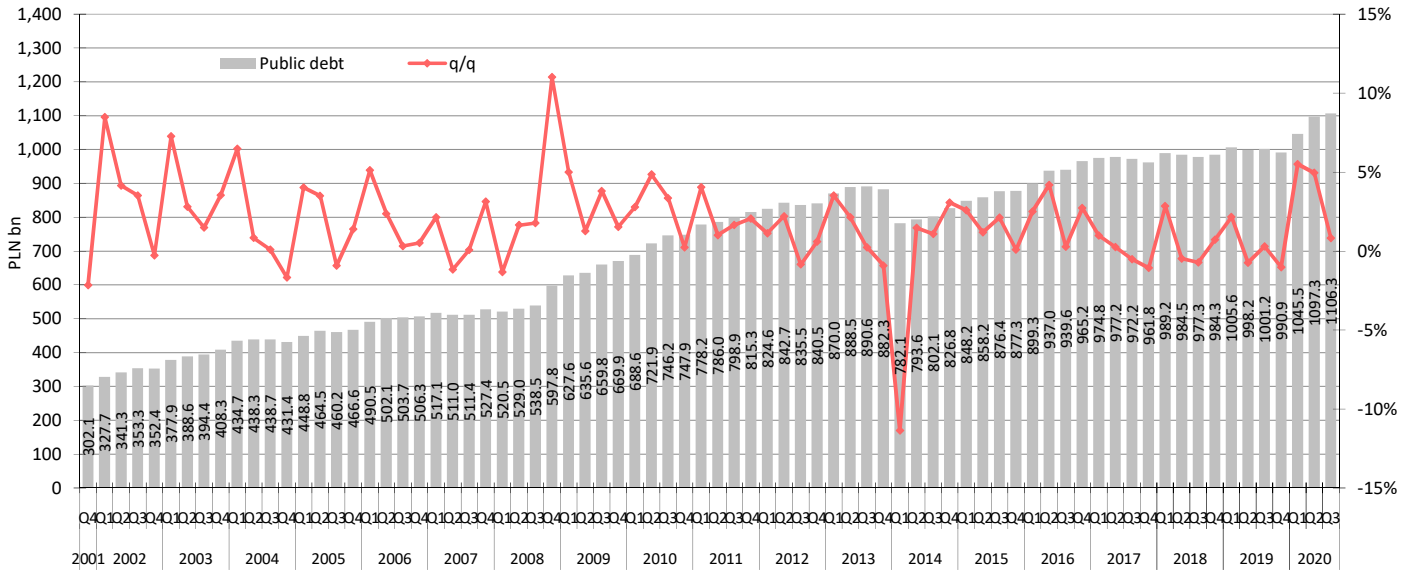


Chart 2. EDP debt

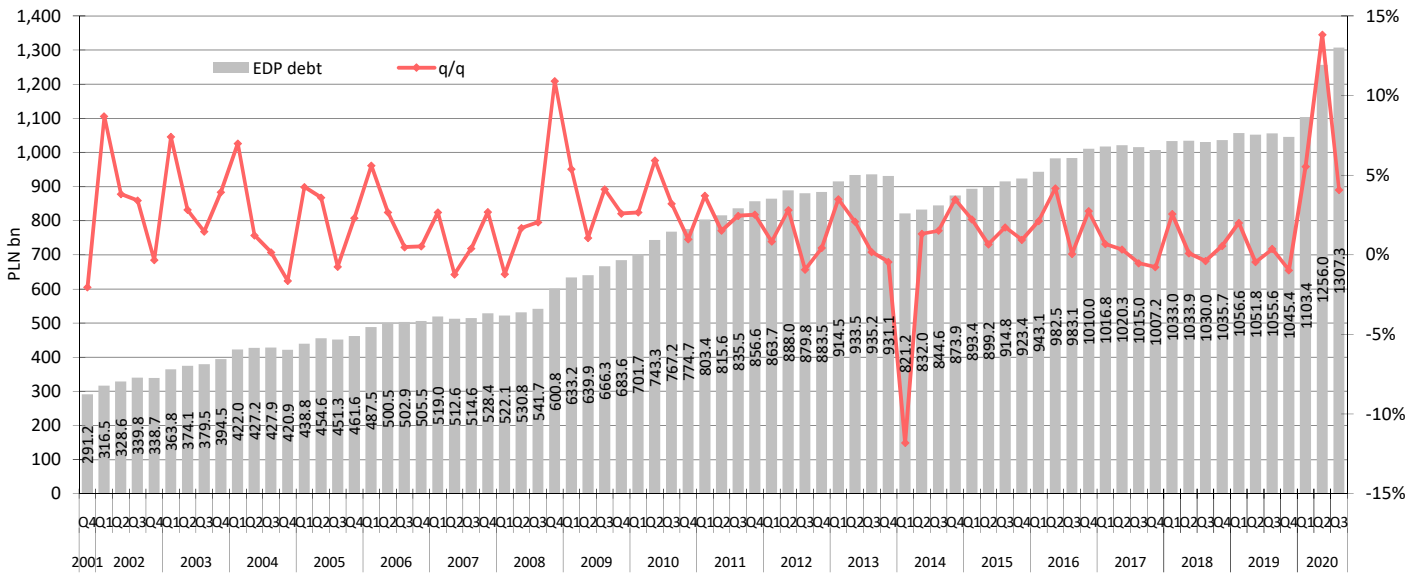


Chart 3. Differences between public debt and general government debt

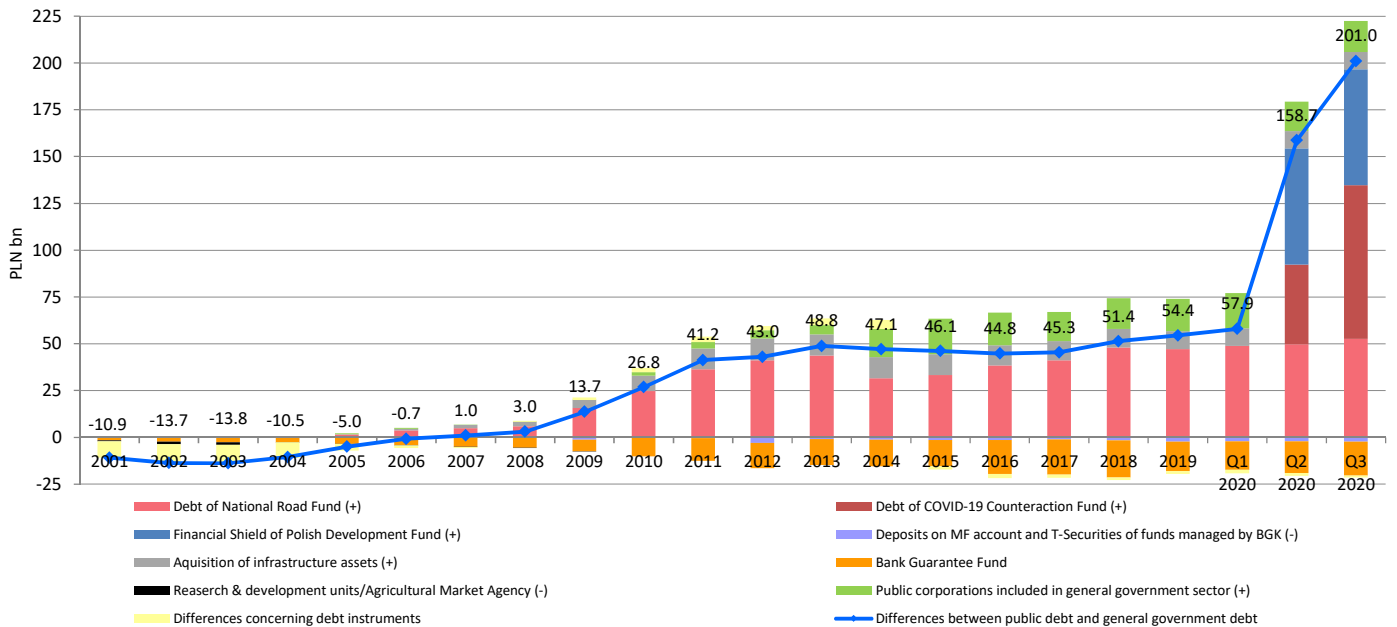


Chart 4. Public debt according to the place of issue criterion

At the end of the third quarter of 2020 the domestic debt stood at PLN 824.1 bn, down by PLN 1.4 bn (-0.2%) compared with the end of the second quarter. Foreign debt stood at PLN 282.2 bn, up by PLN 10.4 bn (+3.8%) compared with the end of the previous quarter, mainly due to changes in ST foreign debt resulting from:

- an increase in debt denominated in EUR (EUR +1.9 bn, of which: an issuance of bonds 2.0 bn EUR and negative balance of loans granted by international monetary institutions - 0.06 bn EUR);
- depreciation of the Polish zloty against EUR and CHF - an increase in debt of PLN 1.5 bn in the third quarter of 2020.

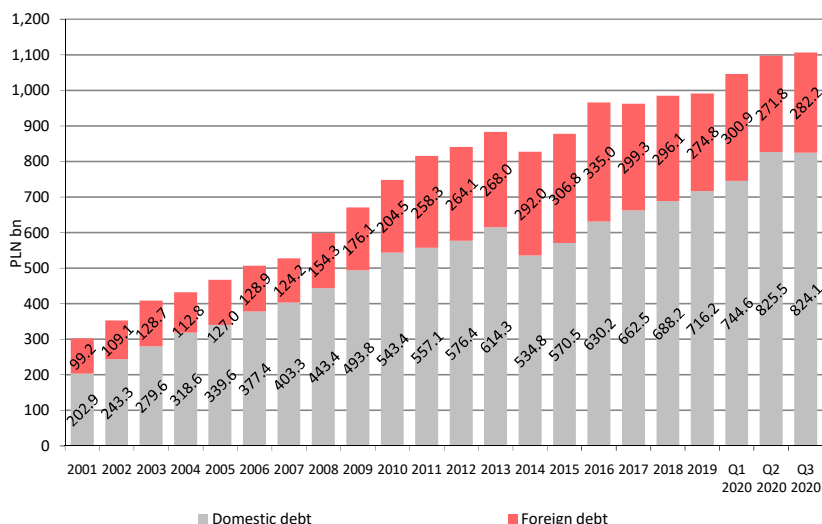


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the third quarter of 2020 the share of foreign debt in the total debt amounted to 25.5%, up by 0.7 percentage points compared with the previous quarter and down by 2.2 percentage points compared with the end of 2019. The increase in the share of foreign debt was mainly due to the higher dynamics of foreign than domestic debt growth.

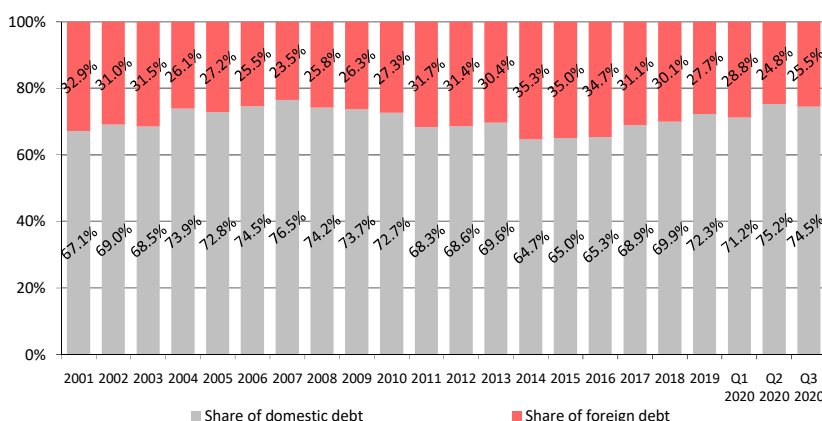


Chart 6. Public debt by holder

In the third quarter of 2020 the public debt towards:

- domestic banking sector rose by PLN 1.7 bn (+0.3%),
- domestic non-banking sector rose by PLN 1.3 bn (+0.7%),
- foreign investors (non-residents) rose by PLN 6.0 bn (+1.5%).

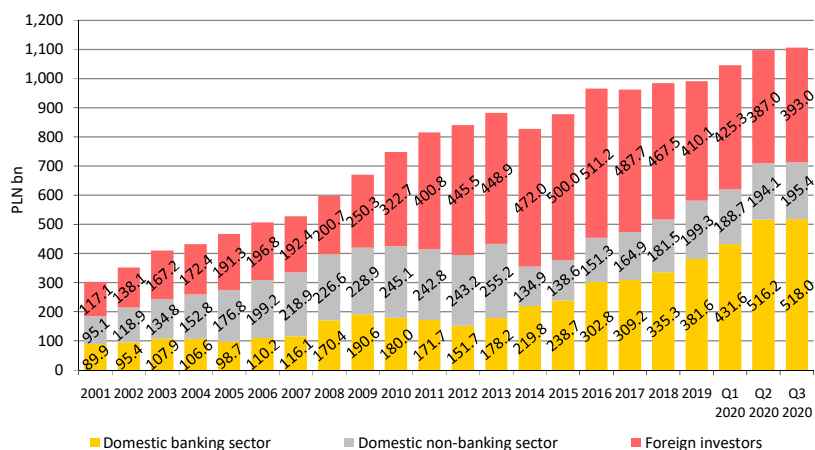


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors rose by 0.2 pp in the third quarter of 2020 and amounted to 35.5%. The increase in the share of non-residents in the public debt was a resultant of a decrease in the involvement of foreign investors in domestic TS and an increase of ST debt denominated in foreign currencies.

The share of the public debt towards domestic banking sector fell by 0.2 percentage points in the third quarter and amounted to 46.8% (including NBP: 4.8%). The share of the public debt towards domestic non-banking sector remained unchanged at 17.7%.

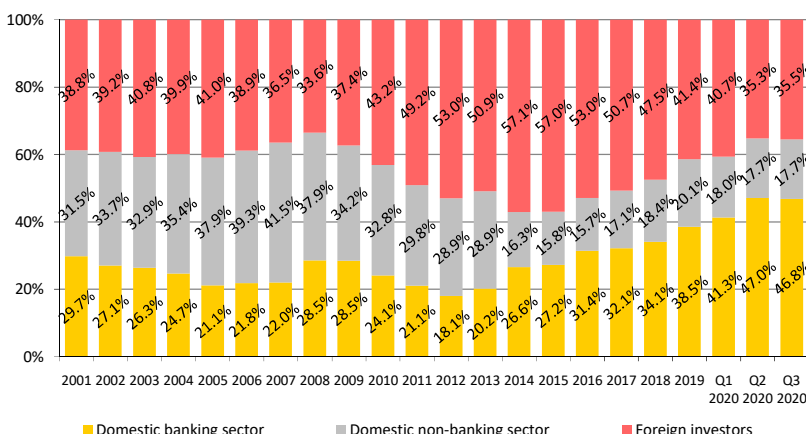


Chart 8. Consolidated public debt by subsector

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

- central government debt - PLN 1,022.9 bn;
- local government debt - PLN 83.3 bn;
- social security funds debt - PLN 0.1 bn.

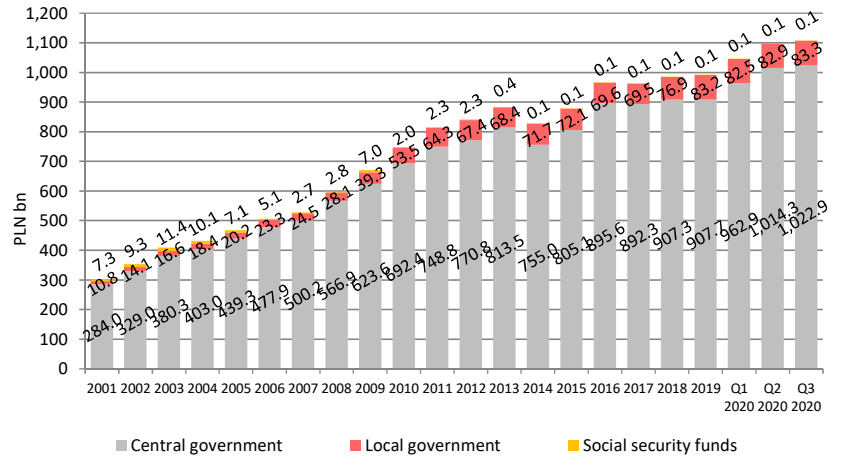


Chart 9. Structure of the consolidated public debt by subsector

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

- central government subsector - 92.5% (up by 0.1 percentage points in the third quarter);
- local government subsector - 7.5% (down by 0.1 percentage points in the third quarter), of which 7.1% represented debt of local government units and their unions;
- social security funds - 0.01% (no change).

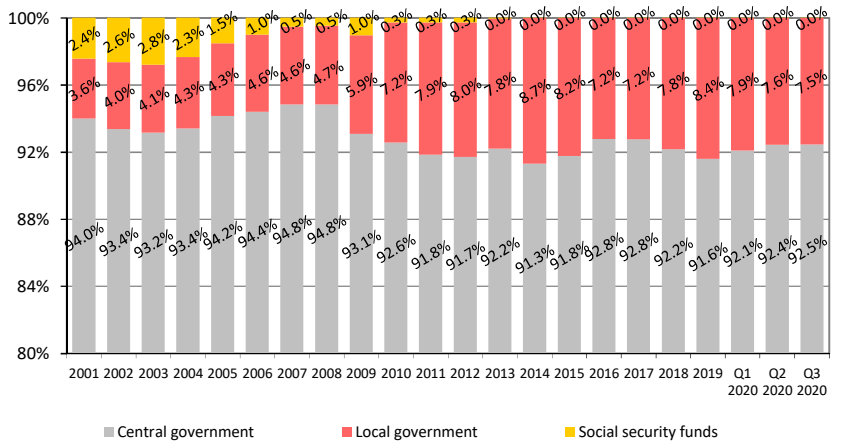


Chart 10. Changes in the consolidated public debt by subsector

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

Public debt rose by PLN 9.0 bn (+0.8%) while central government debt rose by PLN 8.6 bn (+0.8%) and consolidated ST debt rose by PLN 8.6 bn (+0.9%).

Local government debt rose in the third quarter of 2020 by PLN 0.4 bn (+0.5%), mainly as a result of an increase in local government units debt of PLN 0.4 bn (+0.6%).

Social security funds debt rose in the third quarter of 2020 by PLN 2.1 m (+3.3%).

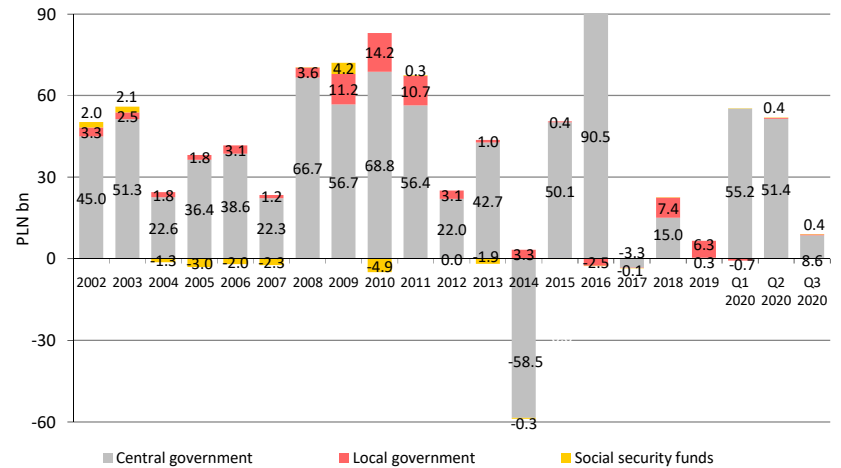


Chart 11. Structure of the public debt by instrument

At the end of the third quarter of 2020 marketable instruments comprised 85.9% of the public debt, including instruments issued on the domestic market - 68.1%. The share of marketable instruments in the public debt remained unchanged in the third quarter of 2020 and rose by 1.3 percentage points compared to the end of 2019.

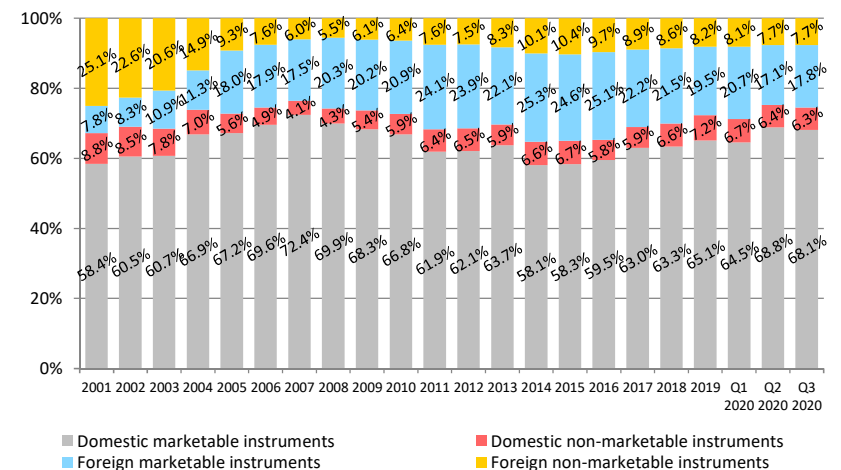


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of the third quarter of 2020, the unconsolidated debt of units other than ST amounted to 7.6% 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 (6.9%, as compared to 7.7% at the end of 2019) and of local health care units (share of 0.5%) constituted the largest part.

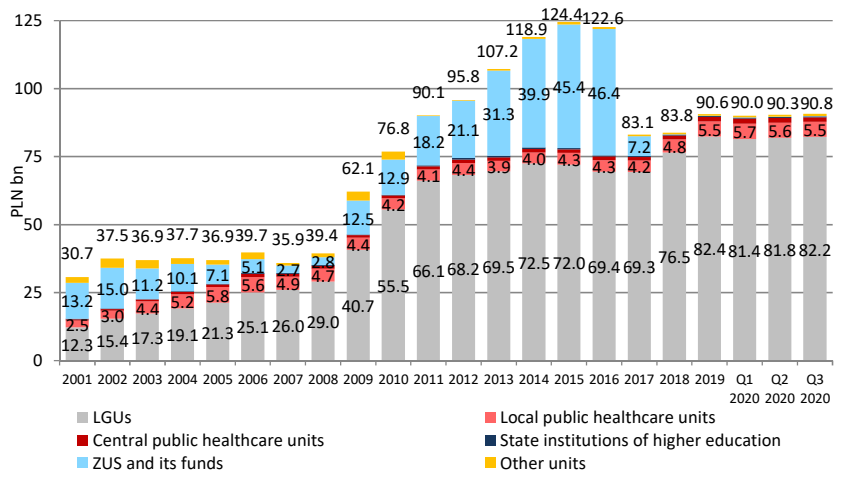


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the third quarter of 2020 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 5.9% of their debt were liabilities towards other public finance sector units.

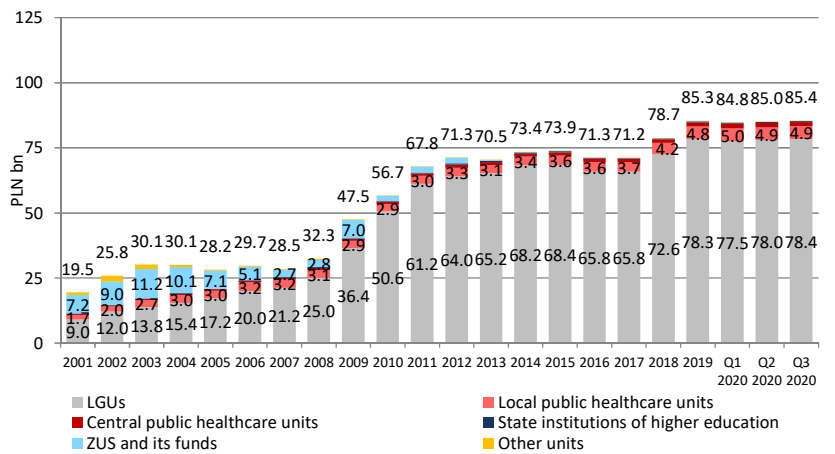


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 22.9% at the end of the third quarter of 2020, up by 1.2 percentage points compared with the end of 2019.

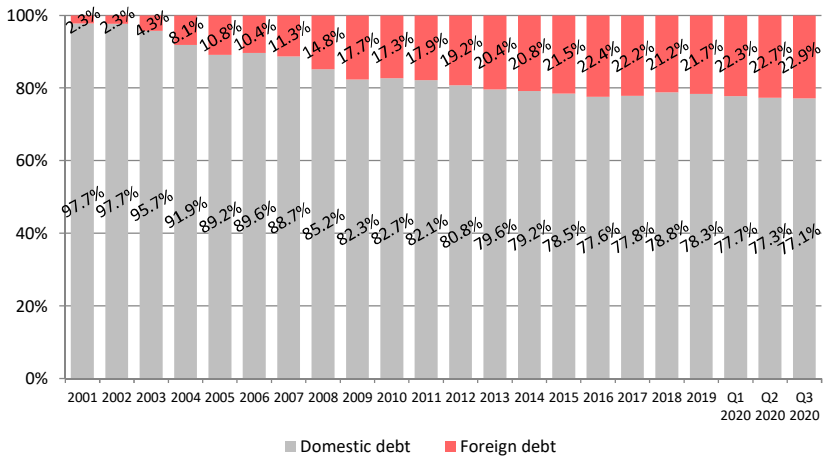


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

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 Q3 2020.

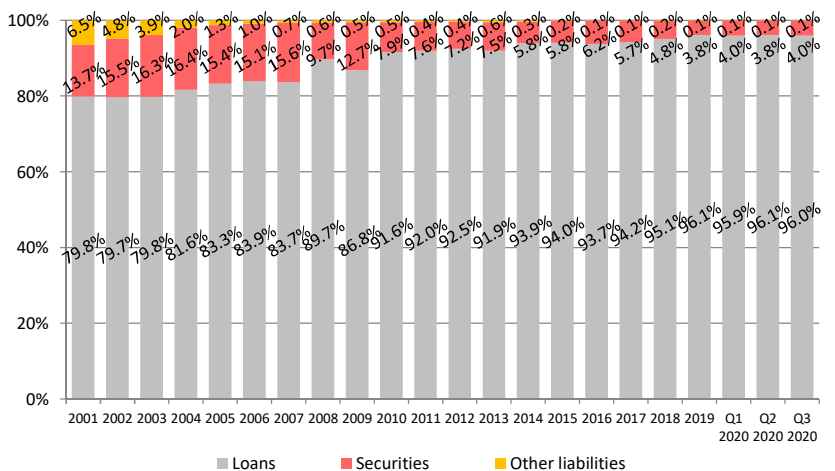
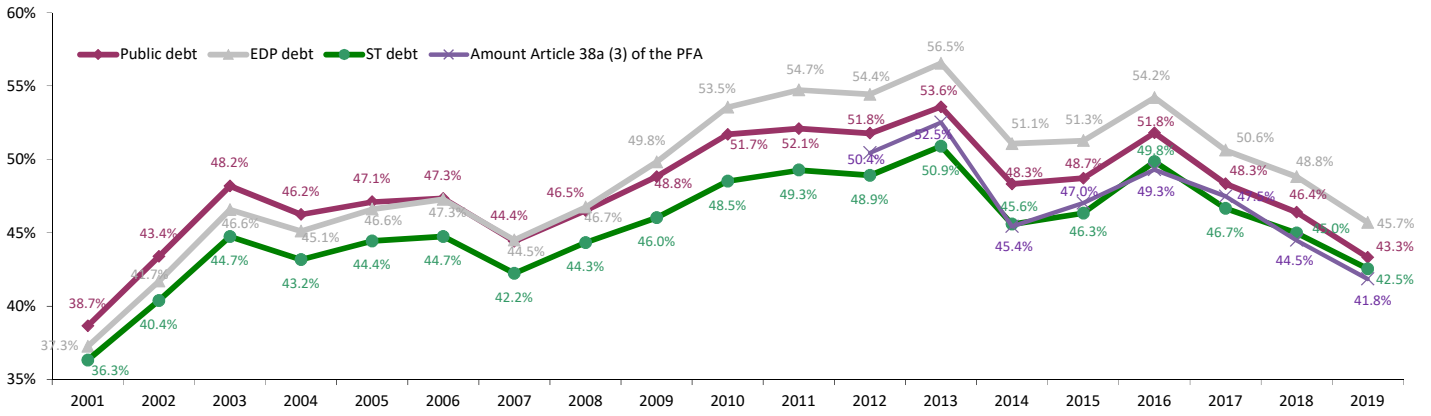
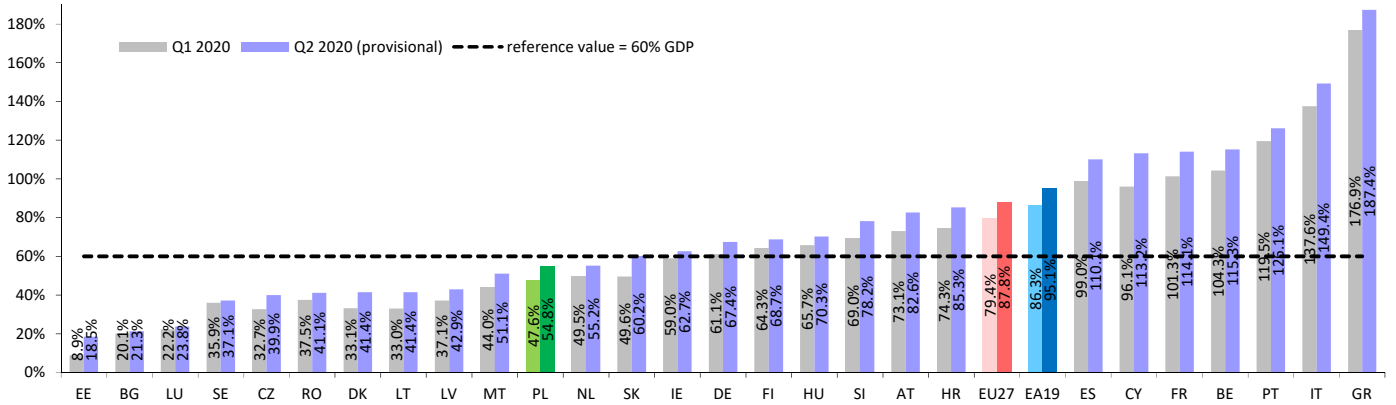


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



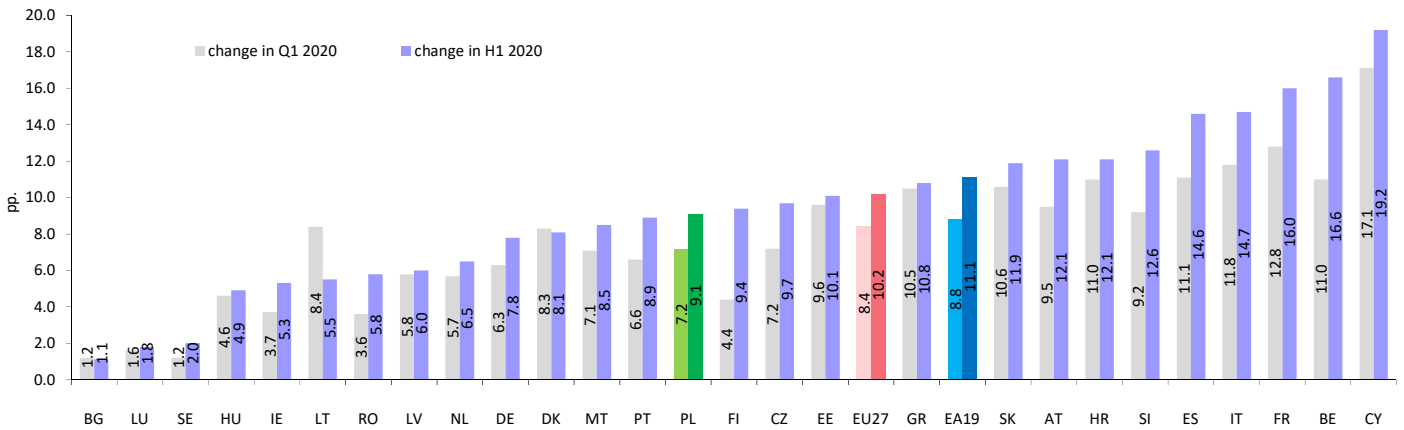
Source: Ministry of Finance

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



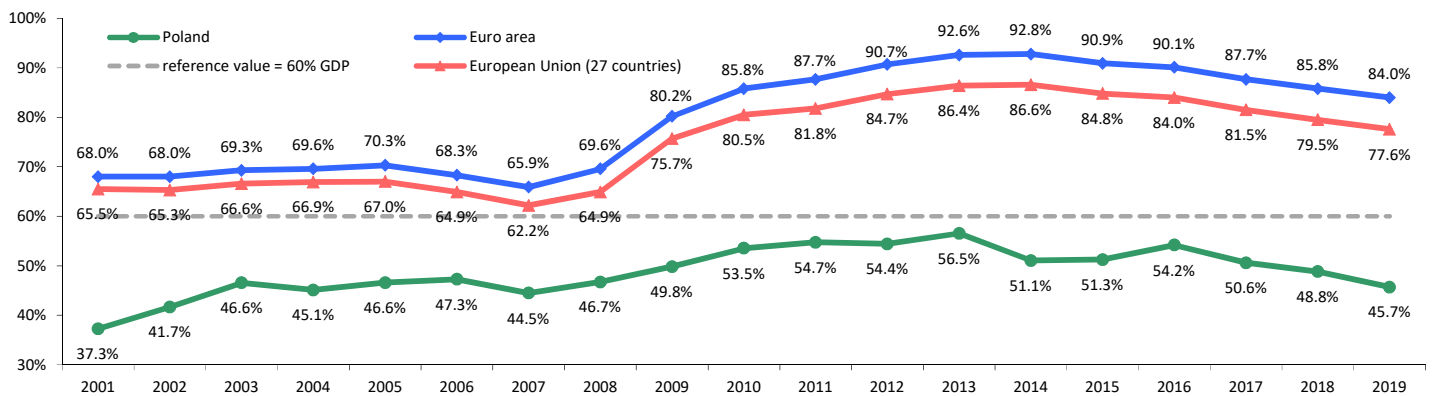
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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 2013	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Public debt	882,293.0	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	1,106,285.8
<i>1) Adjustments concerning the scope of the sector</i>	<i>45,250.0</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>55,984.9</i>	<i>59,823.5</i>	<i>160,180.4</i>	<i>201,921.8</i>
Debt of National Road Fund	43,644.7	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
Debt of COVID-19 Counteraction Fund	-	-	-	-	-	-	-	-	42,649.5	81,988.2
Financial Shield of Polish Development Fund	-	-	-	-	-	-	-	-	62,000.0	62,000.0
T-Securities and deposits on MF account of funds managed by BGK	-895.2	-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
Aquisition of infrastructure assets (motorways)	11,423.8	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
Bank Guarantee Fund	-13,862.9	-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
Public corporations included in general government sector	4,939.5	14,960.5	18,958.0	17,416.3	15,479.6	16,345.6	17,386.3	18,902.0	15,652.2	16,583.1
<i>2) Differences concerning debt instruments</i>	<i>3,517.7</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>
matured payables	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,930.9	-2,202.7	-1,995.7	-1,836.2
debt assumption - activation of a guarantee	1.6	0.2	0.0	0.1	2.3	2.1	0.0	1.0	0.9	0.0
restructured/refinanced trade credits and sell-lease-back operations	5,718.2	7,040.7	569.4	693.2	725.5	763.5	847.7	853.6	780.7	788.9
derivatives	0.0	-301.2	-483.2	-1,080.7	-239.5	-450.2	-458.9	-530.2	-295.3	98.2
General government debt	931,060.6	873,908.8	923,416.5	1,010,021.9	1,007,179.6	1,035,718.3	1,045,391.3	1,103,420.0	1,255,968.7	1,307,258.3

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

ITEM	Q4 2019	structure Q4 2019	Q2 2020	structure Q2 2020	Q3 2020	structure Q3 2020	change Q3 2020 - Q2 2020		change Q3 2020 - Q4 2019	
							m PLN	%	m PLN	%
Public debt	1,063,972.9	100.0%	1,178,496.0	100.0%	1,190,880.1	100.0%	12,384.1	1.1%	126,907.2	11.9%
1. Central government sector debt	975,608.1	91.7%	1,090,633.1	92.5%	1,102,699.1	92.6%	12,066.0	1.1%	127,091.0	13.0%
1.1. State Treasury	973,338.2	91.5%	1,088,191.6	92.3%	1,100,124.9	92.4%	11,933.3	1.1%	126,786.7	13.0%
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	409.6	0.0%	384.5	0.0%	371.4	0.0%	-13.2	-3.4%	-38.2	-9.3%
1.4. Independent public healthcare units	1,652.2	0.2%	1,734.2	0.1%	1,683.8	0.1%	-50.4	-2.9%	31.6	1.9%
1.5. State institutions of culture	6.0	0.0%	5.5	0.0%	4.4	0.0%	-1.1	-20.7%	-1.6	-26.8%
1.6. Polish Academy of Science and units established by it	16.0	0.0%	15.6	0.0%	16.3	0.0%	0.8	4.9%	0.4	2.3%
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%	301.7	0.0%	498.4	0.0%	196.7	65.2%	312.2	167.7%
2. Local government sector debt	88,307.6	8.3%	87,800.1	7.5%	88,116.1	7.4%	316.0	0.4%	-191.5	-0.2%
2.1. Local government units	82,371.2	7.7%	81,827.2	6.9%	82,197.7	6.9%	370.5	0.5%	-173.5	-0.2%
2.2. Independent public health units	5,490.2	0.5%	5,587.4	0.5%	5,549.6	0.5%	-37.9	-0.7%	59.4	1.1%
2.3. Local institutions of culture	111.3	0.0%	90.4	0.0%	93.3	0.0%	2.9	3.2%	-18.1	-16.2%
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%	295.1	0.0%	275.6	0.0%	-19.5	-6.6%	-59.3	-17.7%
3. Social Security Sector debt	57.2	0.0%	62.8	0.0%	64.9	0.0%	2.1	3.3%	7.6	13.3%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
3.2. Funds managed by Social Insurance Institution	57.2	0.0%	62.8	0.0%	64.9	0.0%	2.1	3.3%	7.6	13.3%
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 2019	structure Q4 2019	Q2 2020	structure Q2 2020	Q3 2020	structure Q3 2020	change Q3 2020 - Q2 2020		change Q3 2020 - Q4 2019	
							m PLN	%	m PLN	%
Public debt	990,948.4	100.0%	1,097,297.7	100.0%	1,106,285.8	100.0%	8,988.1	0.8%	115,337.4	11.6%
1. Central government sector debt	907,650.0	91.6%	1,014,322.1	92.4%	1,022,905.7	92.5%	8,583.6	0.8%	115,255.7	12.7%
1.1. State Treasury	905,615.4	91.4%	1,012,274.6	92.3%	1,020,916.4	92.3%	8,641.8	0.9%	115,301.0	12.7%
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	383.4	0.0%	362.3	0.0%	349.0	0.0%	-13.3	-3.7%	-34.3	-9.0%
1.4. Independent public health units	1,614.3	0.2%	1,678.6	0.2%	1,633.8	0.1%	-44.8	-2.7%	19.5	1.2%
1.5. State institutions of culture	5.5	0.0%	5.2	0.0%	4.0	0.0%	-1.3	-24.1%	-1.5	-27.9%
1.6. Polish Academy of Science and units established by it	0.6	0.0%	0.3	0.0%	1.5	0.0%	1.2	343.6%	0.9	141.9%
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	30.9	0.0%	1.0	0.0%	0.9	0.0%	-0.1	-8.2%	-29.9	-97.0%
2. Local government sector debt	83,241.2	8.4%	82,912.9	7.6%	83,315.3	7.5%	402.4	0.5%	74.1	0.1%
2.1. Local government units	78,339.6	7.9%	77,965.9	7.1%	78,396.9	7.1%	431.0	0.6%	57.4	0.1%
2.2. Independent public health units	4,821.3	0.5%	4,889.5	0.4%	4,859.0	0.4%	-30.5	-0.6%	37.7	0.8%
2.3. Local institutions of culture	79.6	0.0%	55.5	0.0%	57.1	0.0%	1.6	2.9%	-22.5	-28.3%
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%	2.0	0.0%	2.3	0.0%	0.3	17.4%	1.6	210.4%
3. Social Security Sector debt	57.2	0.0%	62.8	0.0%	64.9	0.0%	2.1	3.3%	7.6	13.3%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
3.2. Funds managed by Social Insurance Institution	57.2	0.0%	62.8	0.0%	64.9	0.0%	2.1	3.3%	7.6	13.3%
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	-