

1. **At the end of 2019** the consolidated **public debt** (according to the domestic definition) stood at **PLN 990,932.3 million*** and compared with:

- the previous quarter it fell by PLN 10,258.6 billion (-1.0%);
- the end of 2018 it rose by PLN 6,618.8 million (+0.7%).

2. **The decrease of public debt in the fourth quarter of 2019** was a combination of:

- a decrease in the central government sector debt of PLN 14,645.1 million (-1.6%), including consolidated State Treasury (ST) debt decrease of PLN 14,716.2 million (-1.6%);
- an increase in the local government sector debt of PLN 4,387.7 million (+5.6%), including local government units (LGUs) debt increase of PLN 4,341.2 million (+5.9%);
- a decrease in the social security sector debt of PLN 1.2 million (-2.1%).

3. **The increase of public debt in 2019** resulted from:

- an increase in central government sector debt of PLN 335.4 million (+0.04%), including consolidated ST debt increase of PLN 20.6 million;
- an increase in local government sector debt of PLN 6,295.3 million (+8.3%), including local government units debt increase of PLN 5,672.1 million (+7.8%);
- a decrease in social security sector debt of PLN 11.9 million (-17.2%).

4. **The public debt to GDP ratio in 2019 amounted to 43.8%****, down by **2.8 percentage points compared with 2018**.

5. **At the end of 2019 the general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,045,122.0 million*** and compared with:

- the third quarter it fell by PLN 10,503.3 million (-1.0%);
- the end of 2018 it rose by PLN 9,418.2 million (+0.9%).

6. **Changes in the EDP debt in the fourth quarter of 2019** were similar to those in the public debt measured according to the domestic definition.

Additionally the EDP debt was influenced by:

- a decrease in debt of National Road Fund (NRF) by PLN 847.2 million;
- a change in consolidation of mutual liabilities of the sector entities, including: deposits on the Minister of Finance account and T-securities (TS) held by funds managed by BGK (incl. NRF; PLN -563.8 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 swapped using CIRS transactions due to FX changes by PLN 285.5 million.

7. Similarly to the public debt measured according to the domestic definition, **the change in the EDP debt in 2019** resulted predominantly from changes in LGUs debt. Moreover the EDP debt was influenced mainly by:

- a decrease in the debt of NRF by PLN 818.9 million;
- a change in consolidation of mutual liabilities of the sector entities: TS held by Bank Guarantee Fund (incl. funds for protection of the guaranteed assets; PLN -4,034.4 million) and deposits on the MoF account and TS held by funds managed by BGK (incl. NRF; PLN +669.0 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;
- a decrease in liabilities resulting from infrastructure investments (motorways) by PLN 423.3 million;
- an increase in debt of corporations included in the general government sector by PLN 824.2 million.

8. **The EDP debt to GDP ratio in 2019 amounted to 46.1%****, down by **2.8 percentage points compared with 2018**.

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 fourth quarter of 2019 are preliminary. Data regarding previous periods were updated if necessary.

** According to the first estimate of the Central Statistical Office from 28 February 2020 GDP in 2019 amounted to PLN 2,265.0 billion.

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

Item	Q4 2018	structure		structure		change		change		
		Q4 2018	Q3 2019	Q3 2019	Q4 2019	Q4 2019	Q4 2019 - Q3 2019	Q4 2019 - Q4 2018	Q4 2019 - Q4 2018	
							PLN m	%	PLN m	%
Public debt	984,313.5	100.0%	1,001,190.9	100.0%	990,932.3	100.0%	-10,258.6	-1.0%	6,618.8	0.7%
Domestic debt	688,248.0	69.9%	713,568.9	71.3%	716,167.7	72.3%	2,598.8	0.4%	27,919.7	4.1%
1. Debt securities	623,424.0	63.3%	646,515.4	64.6%	645,125.4	65.1%	-1,390.0	-0.2%	21,701.4	3.5%
2. Loans	57,277.0	5.8%	58,392.9	5.8%	62,346.1	6.3%	3,953.2	6.8%	5,069.1	8.9%
3. Other domestic liabilities	7,547.0	0.8%	8,660.6	0.9%	8,696.2	0.9%	35.6	0.4%	1,149.2	15.2%
Foreign debt	296,065.5	30.1%	287,622.0	28.7%	274,764.6	27.7%	-12,857.4	-4.5%	-21,300.9	-7.2%
1. Debt securities	211,245.9	21.5%	204,927.7	20.5%	193,721.8	19.5%	-11,205.9	-5.5%	-17,524.1	-8.3%
2. Loans	84,810.0	8.6%	82,682.8	8.3%	81,029.3	8.2%	-1,653.5	-2.0%	-3,780.7	-4.5%
3. Other foreign liabilities	9.6	0.0%	11.6	0.0%	13.6	0.0%	2.0	17.5%	4.0	41.0%

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

Item	Q4 2018	structure		structure		change		change		
		Q4 2018	Q3 2019	Q3 2019	Q4 2019	Q4 2019	Q4 2019 - Q3 2019	Q4 2019 - Q4 2018	Q4 2019 - Q4 2018	
							PLN m	%	PLN m	%
Public debt	984,313.5	100.0%	1,001,190.9	100.0%	990,932.3	100.0%	-10,258.6	-1.0%	6,618.8	0.7%
Domestic debt	516,782.7	52.5%	572,769.5	57.2%	580,874.5	58.6%	8,105.0	1.4%	64,091.8	12.4%
1. Debt securities	451,967.2	45.9%	505,727.7	50.5%	509,843.2	51.5%	4,115.6	0.8%	57,876.0	12.8%
2. Loans	57,277.0	5.8%	58,392.9	5.8%	62,346.1	6.3%	3,953.2	6.8%	5,069.1	8.9%
3. Other domestic liabilities	7,538.5	0.8%	8,648.9	0.9%	8,685.2	0.9%	36.2	0.4%	1,146.7	15.2%
Foreign debt	467,530.7	47.5%	428,421.4	42.8%	410,057.8	41.4%	-18,363.6	-4.3%	-57,473.0	-12.3%
1. Debt securities	382,702.7	38.9%	345,715.4	34.5%	329,003.9	33.2%	-16,711.5	-4.8%	-53,698.8	-14.0%
2. Loans	84,810.0	8.6%	82,682.8	8.3%	81,029.3	8.2%	-1,653.5	-2.0%	-3,780.7	-4.5%
3. Other foreign liabilities	18.1	0.0%	23.2	0.0%	24.6	0.0%	1.4	6.0%	6.5	36.1%

Chart 1. Public debt

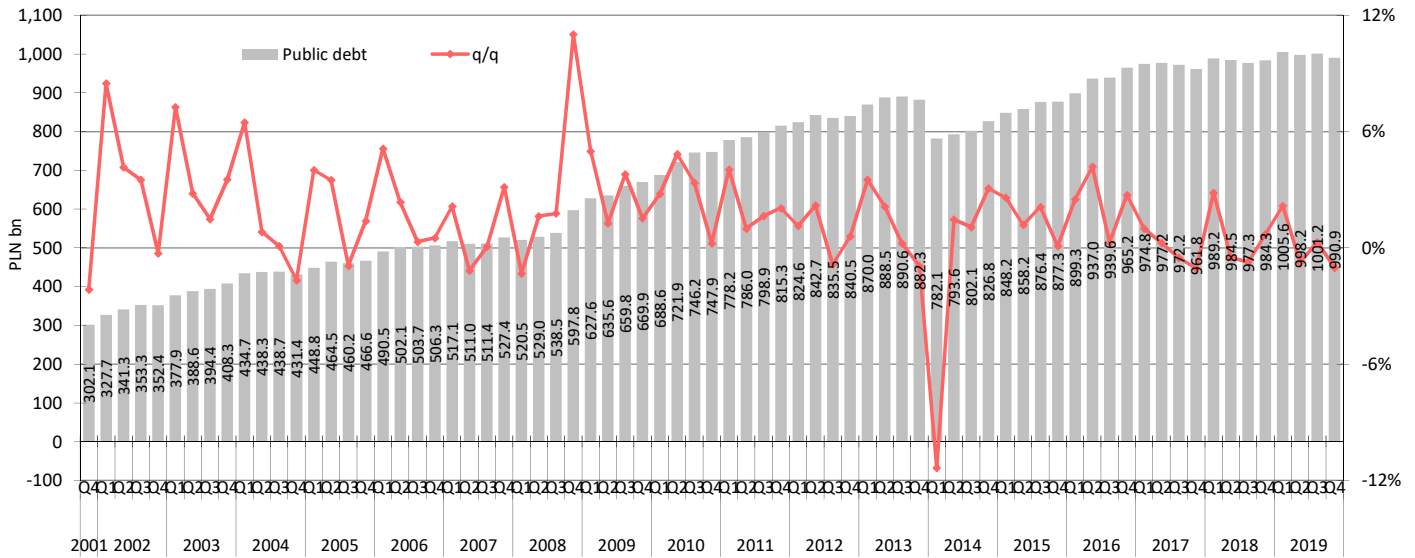


Chart 2. EDP debt

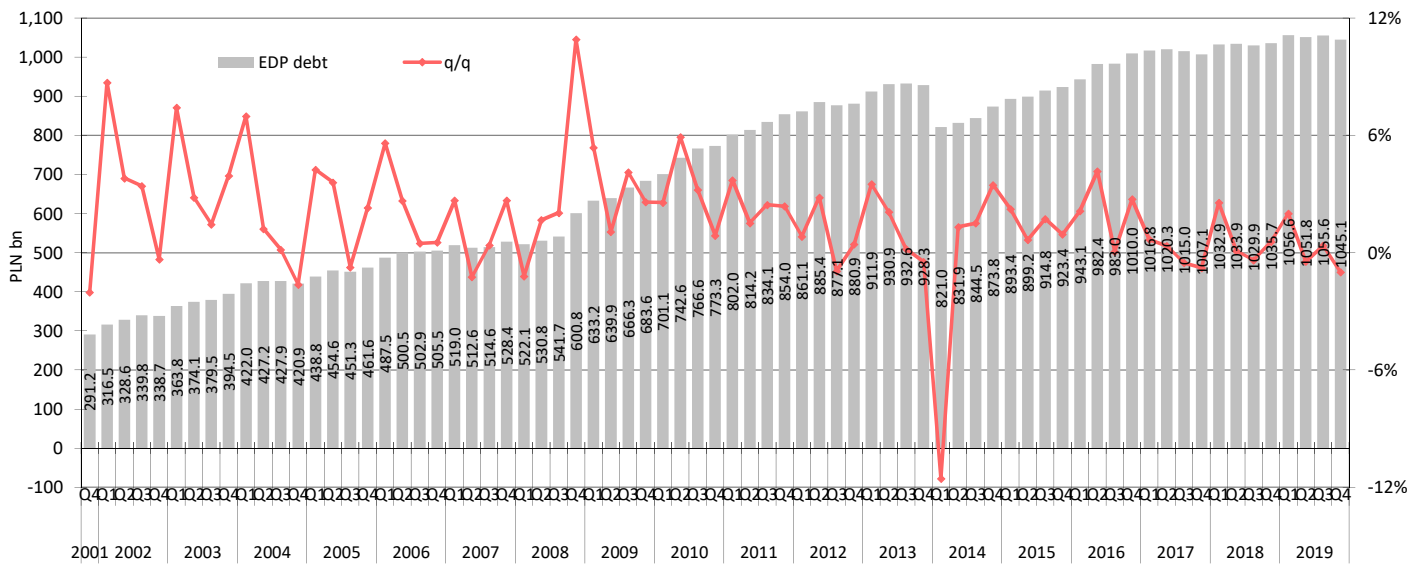


Chart 3. Differences between public debt and general government debt

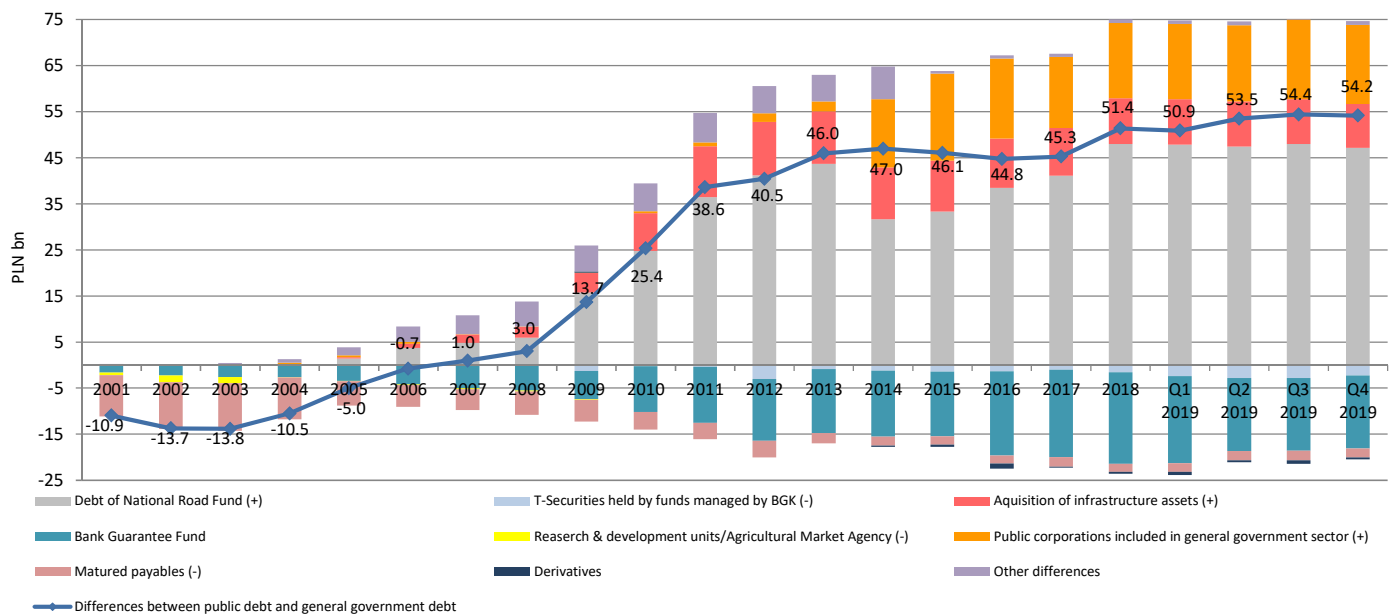


Chart 4. Public debt according to the place of issue criterion

At the end of 2019 domestic the debt stood at PLN 716.2 bn, up by PLN 2.6 bn (+0.4%) compared with the third quarter and by PLN 27.9 bn (+4.1%) compared with 2018.

Foreign debt stood at PLN 274.8 bn, down by PLN 12.9 bn (-4.5%) compared with the third quarter and by PLN 21.3 bn (-7.2%) compared with 2018, mainly due to changes in ST foreign debt resulting from:

- a decrease in debt denominated in EUR (EUR -1.6 bn), USD (USD -2.4 bn), CHF (CHF -1.0 bn) and CNY (CNY -3.0 bn);
- appreciation of zloty - a decrease in debt of PLN 1.1 bn in 2019 and PLN 8.3 bn in the fourth quarter.

At the end of 2019, the share of foreign debt in PDP was 27.7%, down by 1.0 percentage points compared to the end of the third quarter of 2019 and by 2.4 pp compared to the end of 2018. It was the lowest level since the second quarter of 2011.

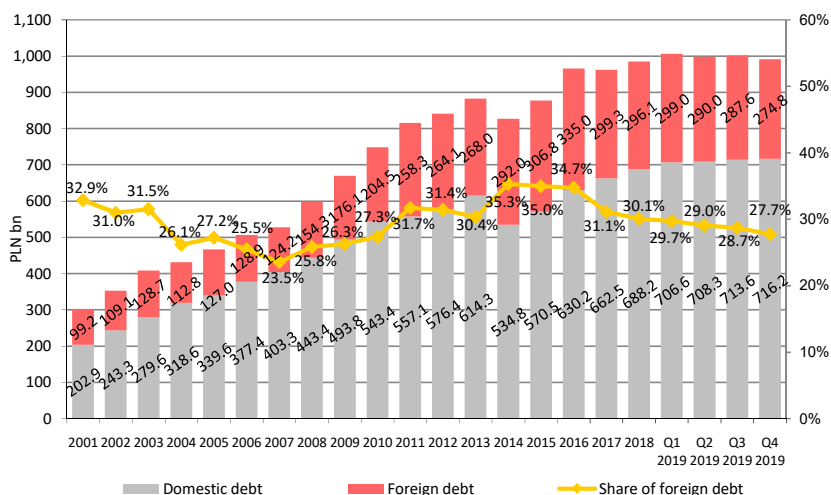


Chart 5. Currency structure of the public debt

At the end of 2019 liabilities denominated in PLN accounted for 73.5% of public debt, up by 2.6 percentage points compared with the previous year. Foreign liabilities denominated in PLN accounted for 1.2% of PDP, therefore the share of foreign currencies in the public debt (26.5%) was lower than the share of foreign debt (27.7%). The share of debt denominated in EUR amounted to 21.4%.

The debt of entities other than the State Treasury consisted of liabilities in PLN (92.7%; increase by 0.8 percentage points compared to the end of 2018) and in EUR (7.3%).

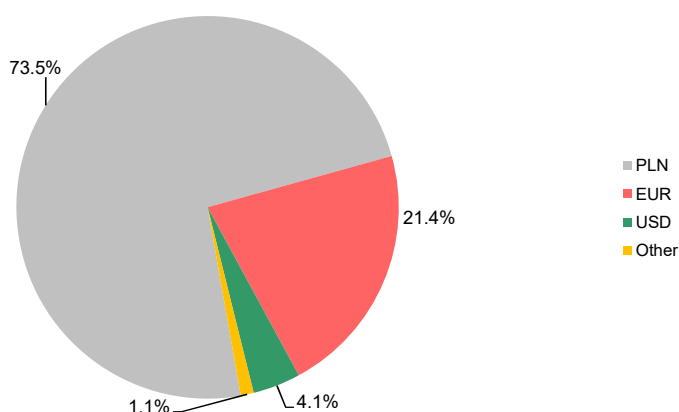


Chart 6. Public debt by holder

In the fourth quarter of 2019 the public debt towards:

- domestic banking sector fell by PLN 1.6 bn (-0.4%),
- domestic non-banking sector rose by PLN 9.7 bn (+5.1%),
- foreign investors (non-residents) fell by PLN 18.4 bn (-4.3%).

Compared with the end of 2018 public debt towards:

- domestic banking sector rose by PLN 46.4 bn (+13.8%),
- domestic non-banking sector rose by PLN 17.7 bn (+9.8%),
- foreign investors (non-residents) fell by PLN 57.5 bn (-12.3%).

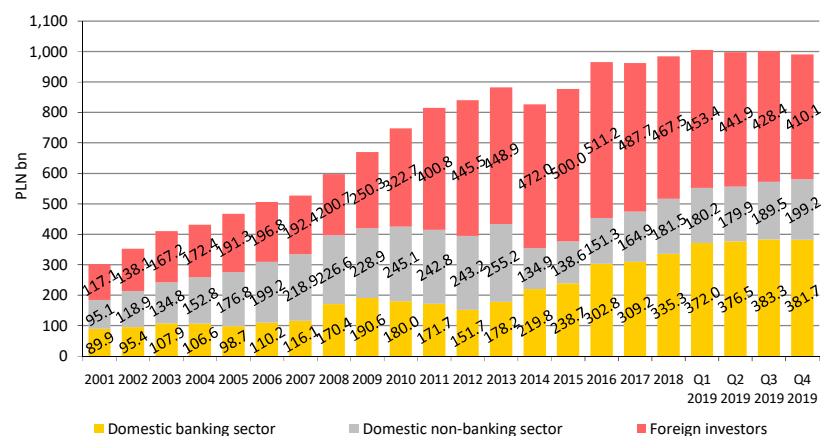


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors has been steadily decreasing. **It fell further by 1.4 pp in the fourth quarter of 2019 and amounted to 41.4%. The share of foreign investors in the total debt fell by 6.1 pp compared with the end of 2018. This means that the share has fallen to its lowest level since the second 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 and a decrease of ST debt denominated in foreign currencies.

The share of the public debt towards domestic banking sector rose by 0.2 pp in the fourth quarter of 2019 and by 4.4 pp compared with the end of 2018 and amounted to 38.5%. The share of the public debt towards domestic nonbanking sector increased by 1.2 pp in the fourth quarter and by 1.7

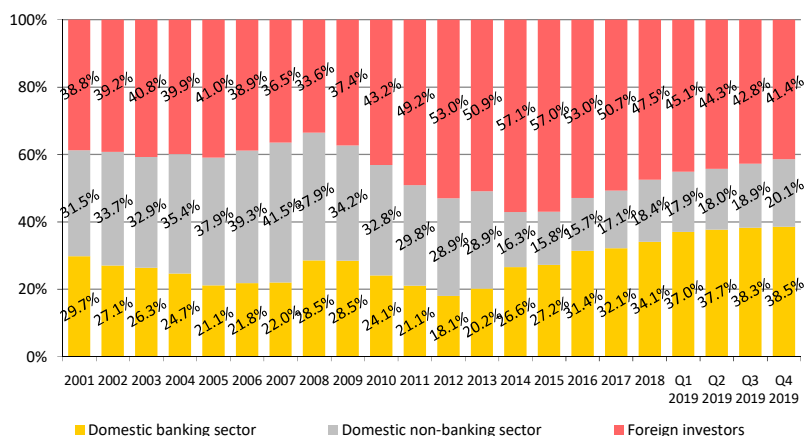


Chart 8. Consolidated public debt by subsector

At the end of 2019 the public debt consisted of:
 - central government debt - PLN 907.7 bn;
 - local government debt - PLN 83.2 bn;
 - social security funds debt - PLN 0.1 bn.

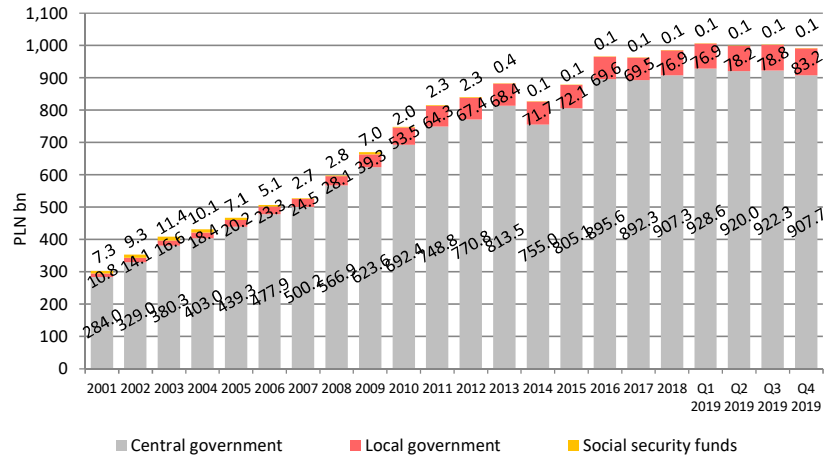


Chart 9. Structure of the consolidated public debt by subsector

At the end of 2019 the share of subsectors in total public debt amounted to:
 - central government subsector - 91.6% (down by 0.5 percentage points in the fourth quarter and by 0.6 percentage points compared to the end of 2018);
 - local government subsector - 8.4% (up by 0.5 percentage points in the fourth quarter and by 0.6 percentage points compared to the end of 2018), of which 7.9% represented debt of local government units and their unions;
 - social security funds - 0.01% (no change).

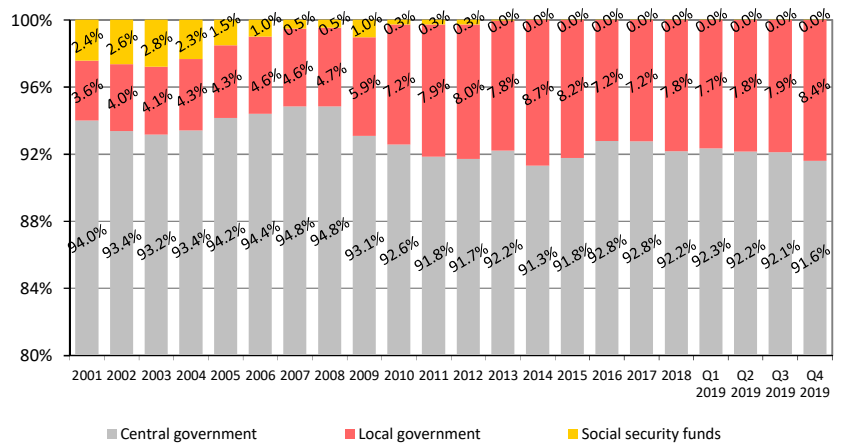


Chart 10. Changes in the consolidated public debt by subsector

The change of the public debt in 2019 was mainly a result of local government debt increase, in particular of local government units debt.
 The local government debt rose in 2019 by PLN 6.3 bn (+8.2%), including an increase in local government units debt by PLN 5.7 bn (+7.8%), and in the fourth quarter alone by PLN 4.4 bn (+5.6%) and PLN 4.3 bn (+5.9%) respectively.
 In 2019 the central government debt increased by PLN 0.3 bn (+0.04%) and consolidated ST debt increased by PLN 0.02 bn (+0.02%). In the fourth quarter central government debt and consolidated ST debt fell by PLN 14.6 bn (-1.6%) and PLN 14.7 bn (-1.6%) respectively.
 Social security funds debt fell in 2019 by PLN 0.01 bn (-17.2%).

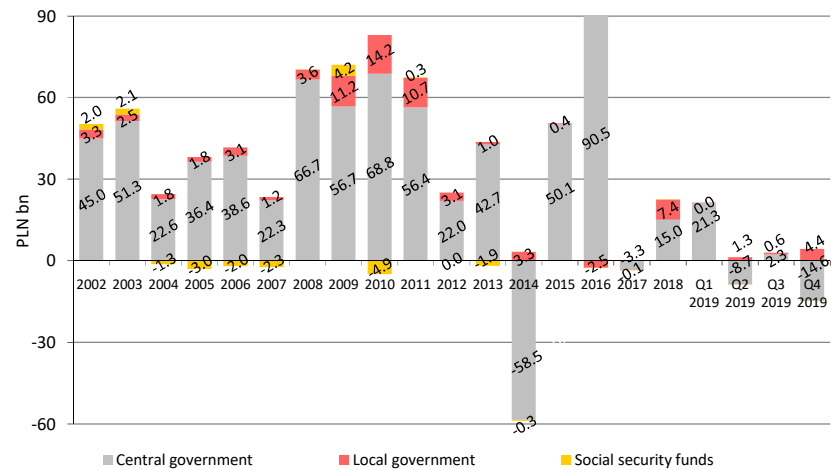


Chart 11. Structure of the public debt by instrument

At the end of the fourth quarter of 2019 marketable instruments comprised 84.6% of the public debt, including instruments issued on the domestic market - 65.1%. The share of marketable instruments in the public debt fell in the fourth quarter of 2019 by 0.5 percentage points and by 0.2 percentage points compared to the end of 2018.

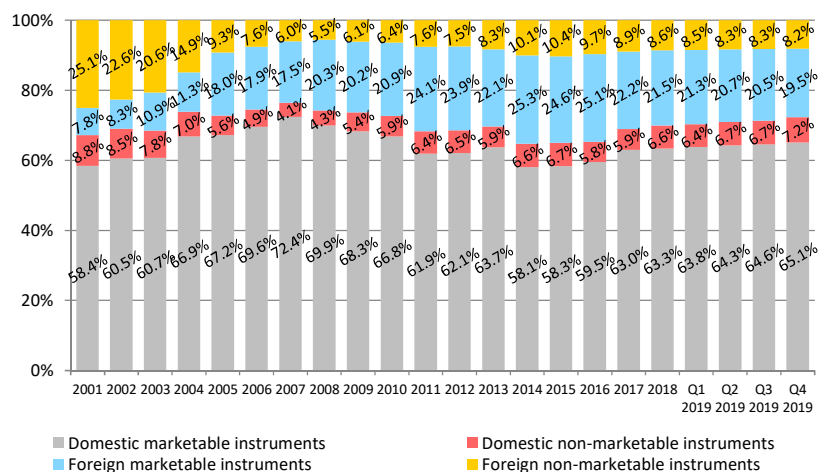


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of 2019, the unconsolidated debt of units other than ST amounted to 8.5% of the public debt, up from 8.1% at the end of the previous year. Among those entities the debt of local government units and their unions (7.7%, as compared to 7.4% at the end of 2018) and of local health care units (share of 0.5%) constituted the largest part.

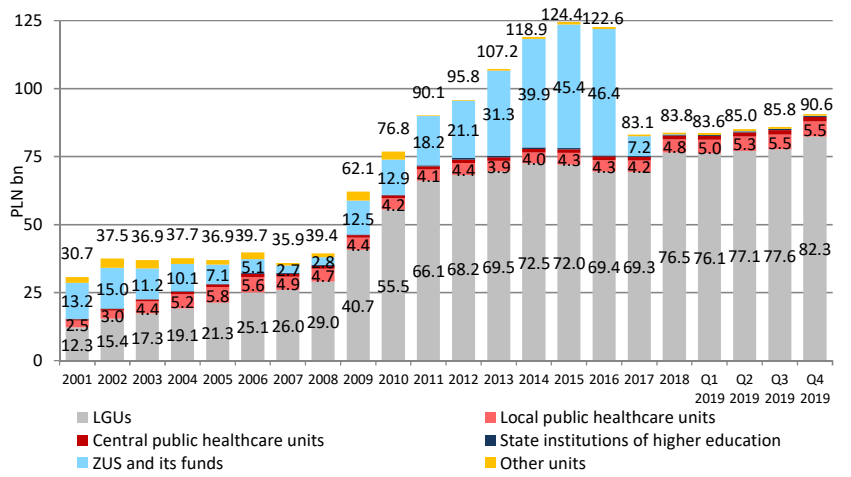


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the fourth quarter of 2019 the difference between consolidated and unconsolidated debt of public finance sector units other than ST amounted to PLN 5.3 bn. The reason is that 5.9% of their debt were liabilities towards other public finance sector units.

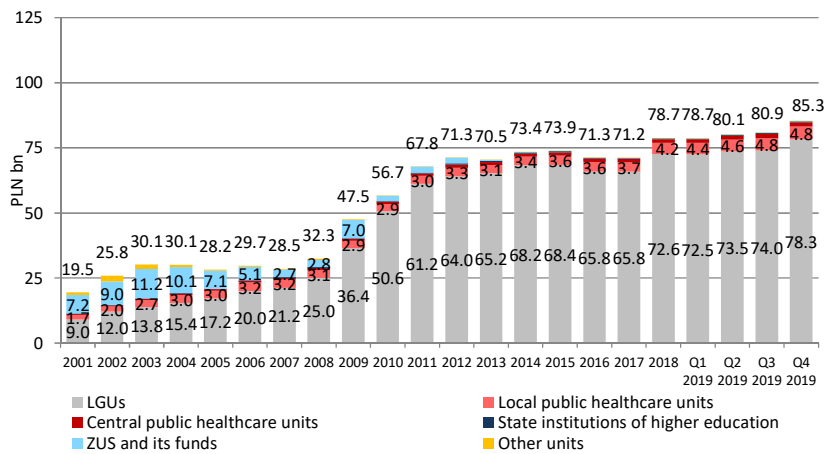


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 21.7% at the end of the fourth quarter of 2019, up by 0.1 percentage points compared with the previous quarter and by 0.5 percentage points compared with the end of 2018.

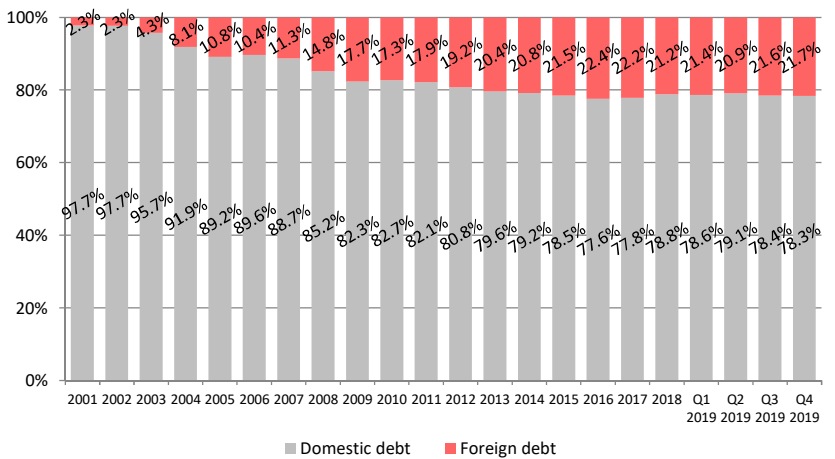


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with the share of 96.1%. The share of loans rose by 1.0 percentage points in 2019.

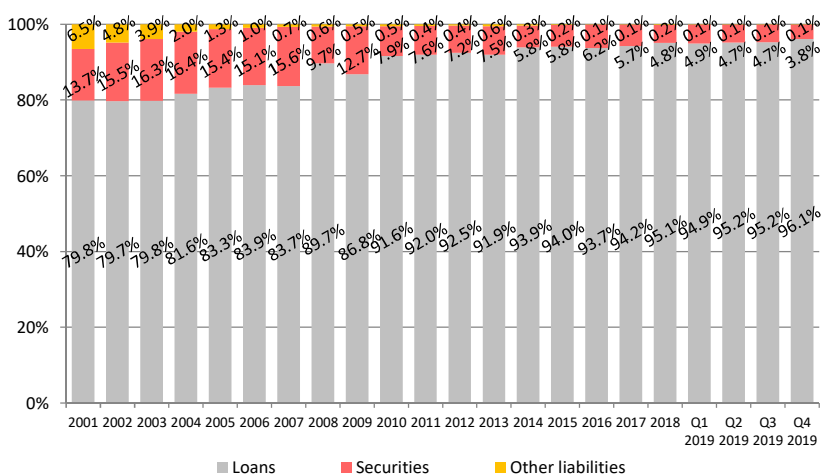
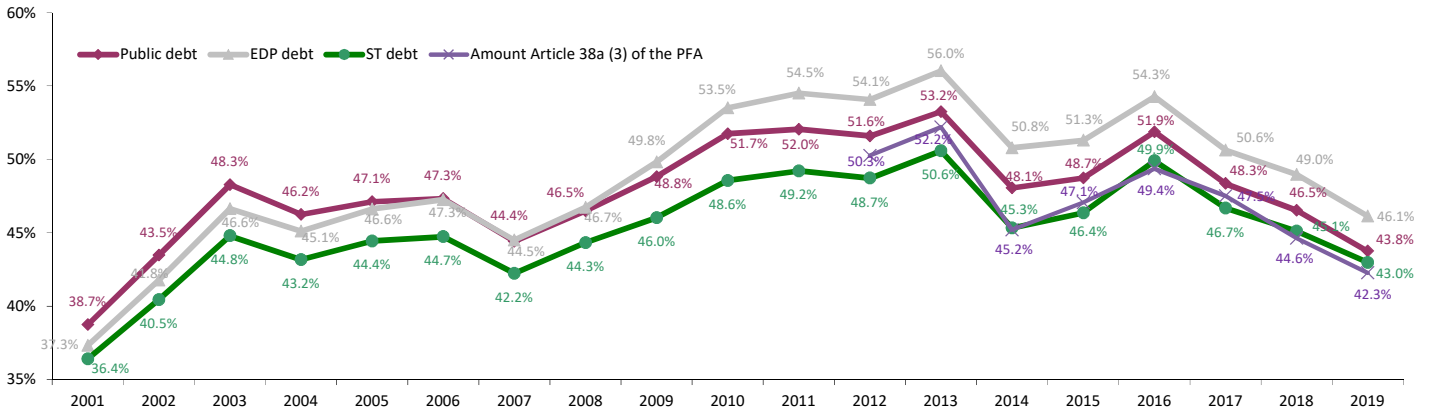
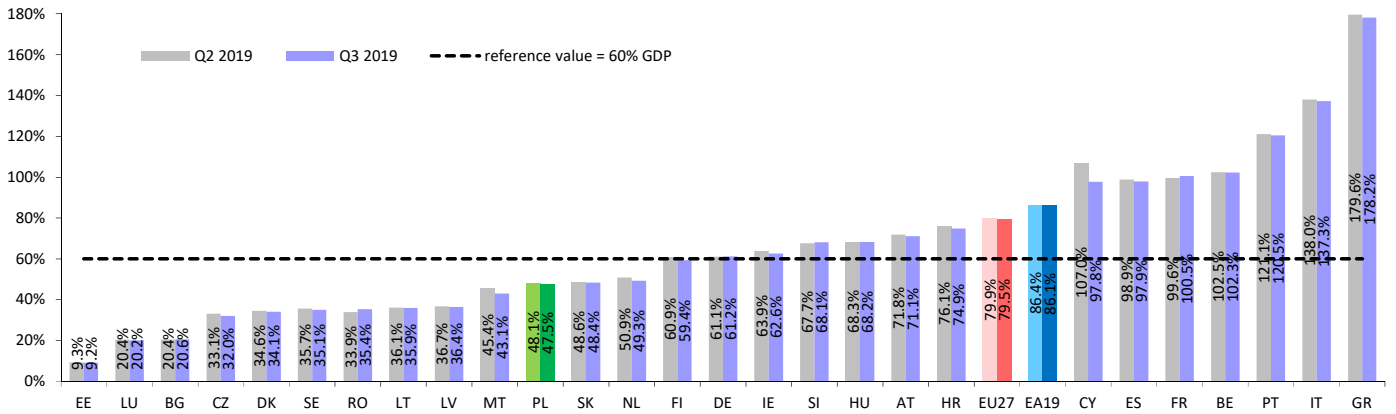


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



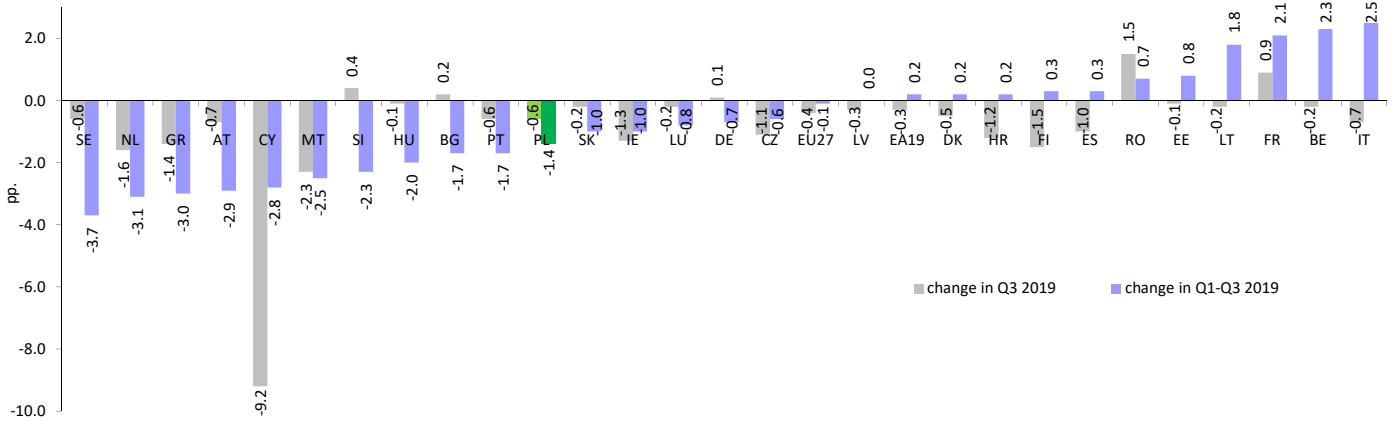
Source: Ministry of Finance

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



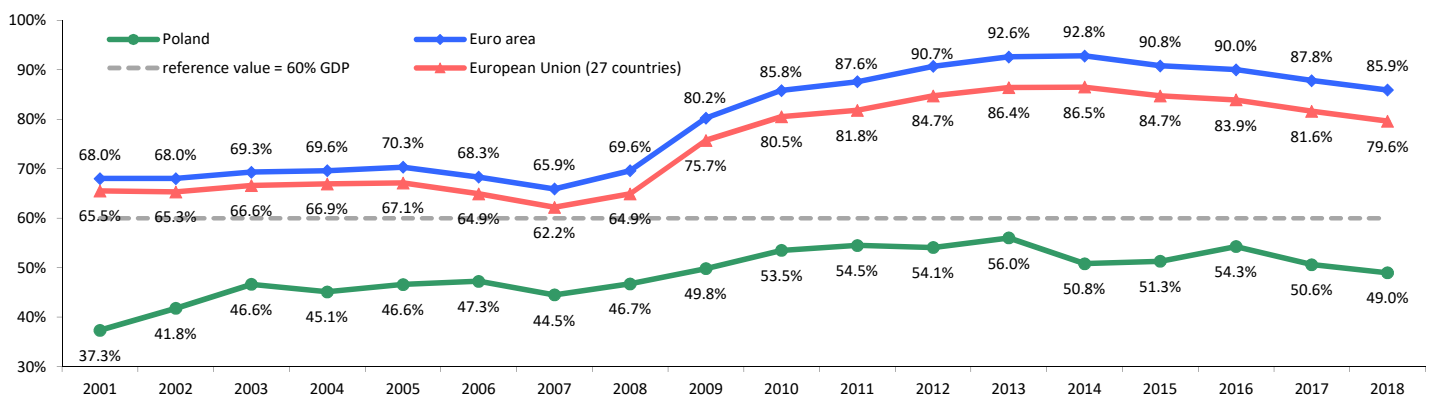
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Public debt	882,293.0	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	990,932.3
<i>1) Adjustments concerning the scope of the sector</i>	<i>42,468.0</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>56,411.7</i>	<i>55,754.0</i>
Debt of National Road Fund	43,644.7	31,626.3	33,312.4	38,467.0	41,087.8	47,952.3	47,800.1	47,407.5	47,980.6	47,133.4
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	-2,373.8	-2,839.8	-2,821.6	-2,257.8
Aquisition of infrastructure assets (motorways)	11,423.8	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
Bank Guarantee Fund	-13,862.9	-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
Public corporations included in general government sector	2,157.5	14,827.5	18,933.0	17,359.5	15,425.6	16,331.2	16,330.2	16,523.9	17,321.6	17,155.4
<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>-1,754.3</i>	<i>-1,498.1</i>	<i>-1,977.2</i>	<i>-1,564.2</i>
matured payables	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,843.2	-1,976.8	-2,070.6	-1,948.0
debt assumption - activation of a guarantee	1.6	0.2	0.0	0.1	2.3	2.1	2.3	0.0	0.4	0.1
restructured/refinanced trade credits and sell-lease-back operations	5,718.2	7,040.7	569.4	693.2	725.5	763.5	752.1	865.5	837.3	842.6
derivatives	0.0	-301.2	-483.2	-1,080.7	-239.5	-450.2	-665.4	-386.8	-744.4	-458.9
General government debt	928,278.6	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	1,055,625.3	1,045,122.0

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

ITEM	Q4 2018	structure		structure		Q4 2019	change		change	
		Q4 2018	Q3 2019	Q3 2019	Q4 2019		Q4 2019 - Q3 2019	Q4 2019 - Q3 2019	Q4 2019 - Q4 2018	Q4 2019 - Q4 2018
		%	%	%	%		m PLN	%	m PLN	%
Public debt	1,038,022.7	100.0%	1,064,385.1	100.0%	1,063,960.6	100.0%	-424.5	0.0%	25,937.9	2.5%
1. Central government sector debt	956,144.1	92.1%	980,765.3	92.1%	975,609.3	91.7%	-5,156.0	-0.5%	19,465.2	2.0%
1.1. State Treasury	954,269.3	91.9%	978,561.0	91.9%	973,337.0	91.5%	-5,223.9	-0.5%	19,067.8	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%	396.2	0.0%	409.4	0.0%	13.3	3.3%	32.5	8.6%
1.4. Independent public healthcare units	1,408.2	0.1%	1,628.4	0.2%	1,654.7	0.2%	26.3	1.6%	246.5	17.5%
1.5. State institutions of culture	8.3	0.0%	8.9	0.0%	6.0	0.0%	-3.0	-33.3%	-2.3	-28.3%
1.6. Polish Academy of Science and units established by it	1.1	0.0%	15.6	0.0%	16.0	0.0%	0.4	2.6%	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%	155.2	0.0%	186.2	0.0%	31.0	20.0%	105.8	131.7%
2. Local government sector debt	81,809.5	7.9%	83,561.4	7.9%	88,294.1	8.3%	4,732.7	5.7%	6,484.6	7.9%
2.1. Local government units	76,464.5	7.4%	77,615.3	7.3%	82,343.4	7.7%	4,728.1	6.1%	5,878.9	7.7%
2.2. Independent public health units	4,807.8	0.5%	5,488.8	0.5%	5,504.6	0.5%	15.9	0.3%	696.9	14.5%
2.3. Local institutions of culture	83.7	0.0%	84.8	0.0%	111.3	0.0%	26.5	31.3%	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%	372.6	0.0%	334.8	0.0%	-37.8	-10.1%	-118.8	-26.2%
3. Social Security Sector debt	69.1	0.0%	58.4	0.0%	57.2	0.0%	-1.2	-2.1%	-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%	58.4	0.0%	57.2	0.0%	-1.2	-2.1%	-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		structure		Q4 2019	change		change	
		Q4 2018	Q3 2019	Q3 2019	Q4 2019		Q4 2019 - Q3 2019	Q4 2019 - Q3 2019	Q4 2019 - Q4 2018	Q4 2019 - Q4 2018
		%	%	%	%		m PLN	%	m PLN	%
Public debt	984,313.5	100.0%	1,001,190.9	100.0%	990,932.3	100.0%	-10,258.6	-1.0%	6,618.8	0.7%
1. Central government sector debt	907,315.9	92.2%	922,296.4	92.1%	907,651.3	91.6%	-14,645.1	-1.6%	335.4	0.0%
1.1. State Treasury	905,593.7	92.0%	920,330.5	91.9%	905,614.3	91.4%	-14,716.2	-1.6%	20.6	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%	370.7	0.0%	383.2	0.0%	12.5	3.4%	35.5	10.2%
1.4. Independent public health units	1,365.4	0.1%	1,585.8	0.2%	1,616.8	0.2%	31.0	2.0%	251.4	18.4%
1.5. State institutions of culture	6.0	0.0%	6.3	0.0%	5.5	0.0%	-0.8	-12.4%	-0.5	-7.8%
1.6. Polish Academy of Science and units established by it	0.7	0.0%	0.4	0.0%	0.6	0.0%	0.2	41.6%	-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%	2.6	0.0%	30.8	0.0%	28.2	1082.3%	28.4	1174.4%
2. Local government sector debt	76,928.5	7.8%	78,836.1	7.9%	83,223.8	8.4%	4,387.7	5.6%	6,295.3	8.2%
2.1. Local government units	72,635.1	7.4%	73,966.0	7.4%	78,307.2	7.9%	4,341.2	5.9%	5,672.1	7.8%
2.2. Independent public health units	4,231.7	0.4%	4,812.2	0.5%	4,836.2	0.5%	24.0	0.5%	604.5	14.3%
2.3. Local institutions of culture	57.7	0.0%	56.9	0.0%	79.6	0.0%	22.7	39.9%	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%	1.0	0.0%	0.7	0.0%	-0.3	-28.4%	-3.2	-81.1%
3. Social Security Sector debt	69.1	0.0%	58.4	0.0%	57.2	0.0%	-1.2	-2.1%	-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%	58.4	0.0%	57.2	0.0%	-1.2	-2.1%	-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	-