

1. **At the end of the second quarter of 2022 the consolidated public debt** (according to the domestic definition) **stood at PLN 1,175,320.7 million¹** and compared with:

- the previous quarter it rose by PLN 38,213.9 million (+3.4%);
- the end of 2021 it rose by PLN 26,741.7 million (+2.3%).

2. **The increase of the public debt in the second quarter 2022** was a combination of:

- an increase in the central government sector debt of PLN 39,297.7 million (+3.8%), including an increase in consolidated State Treasury (ST) debt of PLN 39,226.8 million (+3.8%);
- a decrease in the local government sector debt of PLN 1,081.0 million (-1.2%), with a decrease in local government units' (LGUs) debt of PLN 1,366.4 million (-1.6%);
- a decrease in the social security sector debt of PLN 2.9 million (-6.3%).

3. **At the end of the second quarter of 2022 the unconsolidated public debt stood at PLN 1,296,003.3 million¹** and compared with:

- the previous quarter it rose by PLN 49,539.1 million (+4.0%);
- the end of 2021 it rose by PLN 57,621.7 million (+4.7%).

5. **At the end of the second quarter of 2022 the general government debt** (EDP debt, part of the government finance Maastricht criterion) **was at PLN 1,453,456.9 million^{1,2}** and compared with:

- the previous quarter it rose by PLN 37,687.4 million (+2.7%);
- the end of 2021 it rose by PLN 42,957.3 million (+3.0%).

6. **The changes in the EDP debt in the second quarter of 2022** 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 National Road Fund by PLN 4,986.5 million, COVID-19 Counteraction Fund by PLN 963.7 million and Aid Fund by PLN 468.1 million;
- an increase in deposits on the Minister of Finance account and TS held by funds managed by BGK by PLN 5,437.9 million which resulted in a decrease of EDP debt due to an increase of consolidation of liabilities between units of the general government sector;
- a decrease in debt swapped using CIRS transactions due to FX changes by PLN 671.3 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).

¹ Data regarding the second quarter of 2022 are preliminary. Data regarding previous periods were updated if necessary.

² 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 2021	structure Q4 2021	Q1 2022	structure Q1 2022	Q2 2022	structure Q2 2022	change Q2 2022 - Q1 2022		change Q2 2022 - Q4 2021	
							PLN m	%	PLN m	%
Public debt	1,148,579.0	100.0%	1,137,106.8	100.0%	1,175,320.7	100.0%	38,213.9	3.4%	26,741.7	2.3%
Domestic debt	859,054.7	74.8%	860,633.7	75.7%	887,973.1	75.6%	27,339.4	3.2%	28,918.4	3.4%
1. Debt securities	783,520.9	68.2%	784,777.3	69.0%	807,361.3	68.7%	22,584.0	2.9%	23,840.4	3.0%
2. Loans	65,450.3	5.7%	62,869.9	5.5%	61,721.2	5.3%	-1,148.7	-1.8%	-3,729.0	-5.7%
3. Other domestic liabilities	10,083.5	0.9%	12,986.5	1.1%	18,890.6	1.6%	5,904.1	45.5%	8,807.0	87.3%
Foreign debt	289,524.2	25.2%	276,473.1	24.3%	287,347.6	24.4%	10,874.5	3.9%	-2,176.7	-0.8%
1. Debt securities	170,101.0	14.8%	150,493.3	13.2%	162,106.3	13.8%	11,613.0	7.7%	-7,994.7	-4.7%
2. Loans	119,405.2	10.4%	125,965.2	11.1%	125,228.2	10.7%	-737.0	-0.6%	5,823.0	4.9%
3. Other foreign liabilities	18.0	0.0%	14.6	0.0%	13.1	0.0%	-1.5	-10.6%	-5.0	-27.6%

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

Item	Q4 2021	structure Q4 2021	Q1 2022	structure Q1 2022	Q2 2022	structure Q2 2022	change Q2 2022 - Q1 2022		change Q2 2022 - Q4 2021	
							PLN m	%	PLN m	%
Public debt	1,148,579.0	100.0%	1,137,106.8	100.0%	1,175,320.7	100.0%	38,213.9	3.4%	26,741.7	2.3%
Domestic debt	758,671.6	66.1%	748,504.1	65.8%	761,360.6	64.8%	12,856.5	1.7%	2,688.9	0.4%
1. Debt securities	683,147.6	59.5%	672,658.2	59.2%	680,760.9	57.9%	8,102.7	1.2%	-2,386.7	-0.3%
2. Loans	65,450.3	5.7%	62,869.9	5.5%	61,721.2	5.3%	-1,148.7	-1.8%	-3,729.0	-5.7%
3. Other domestic liabilities	10,073.8	0.9%	12,975.9	1.1%	18,878.4	1.6%	5,902.5	45.5%	8,804.7	87.4%
Foreign debt	389,907.3	33.9%	388,602.8	34.2%	413,960.1	35.2%	25,357.4	6.5%	24,052.8	6.2%
1. Debt securities	270,474.3	23.5%	262,612.4	23.1%	288,706.7	24.6%	26,094.3	9.9%	18,232.4	6.7%
2. Loans	119,405.2	10.4%	125,965.2	11.1%	125,228.2	10.7%	-737.0	-0.6%	5,823.0	4.9%
3. Other foreign liabilities	27.8	0.0%	25.2	0.0%	25.2	0.0%	0.0	0.2%	-2.6	-9.4%

Chart 1. Public debt

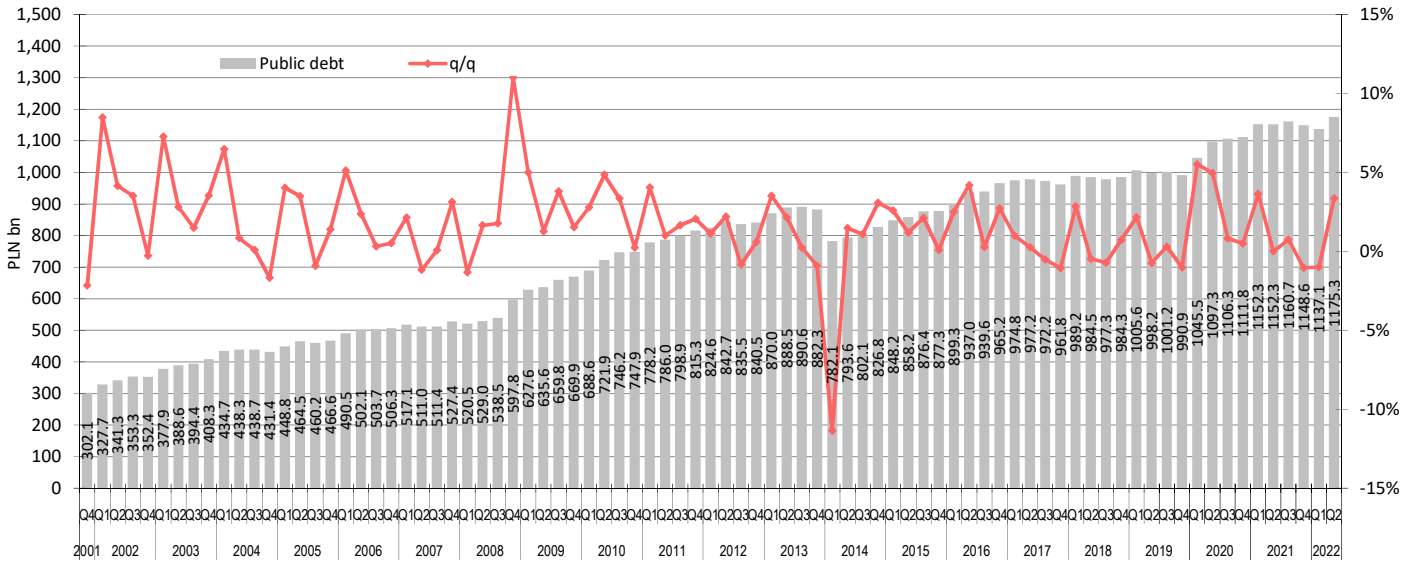


Chart 2. EDP debt

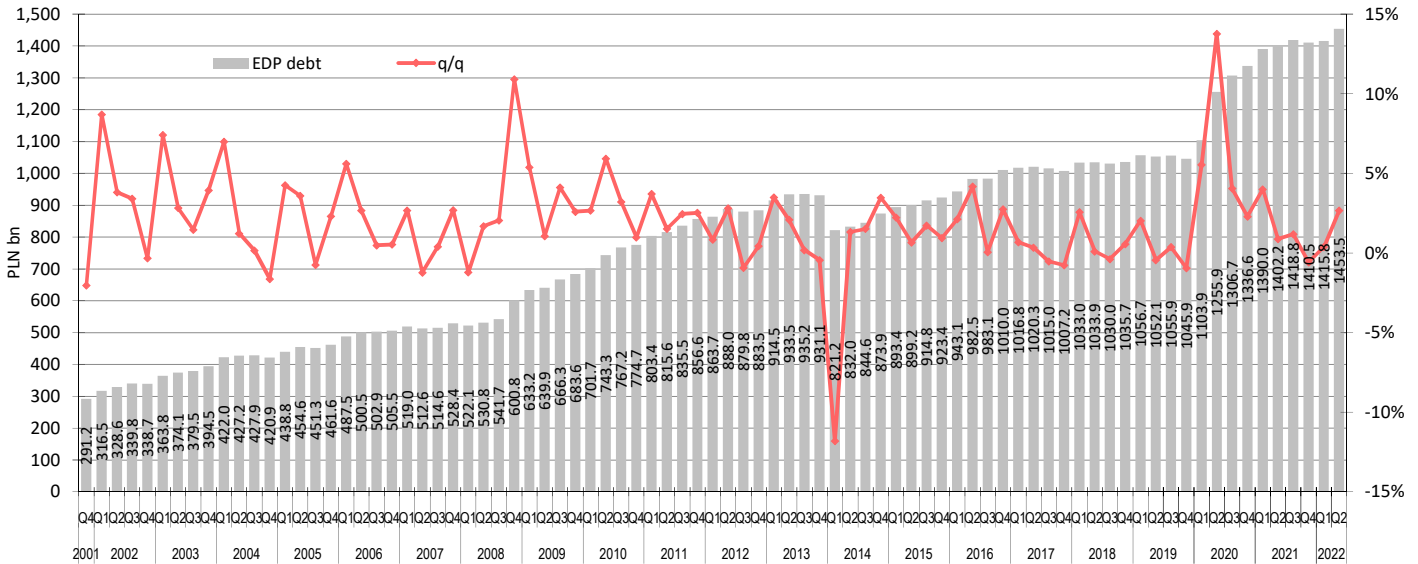


Chart 3. Differences between general government debt and public debt

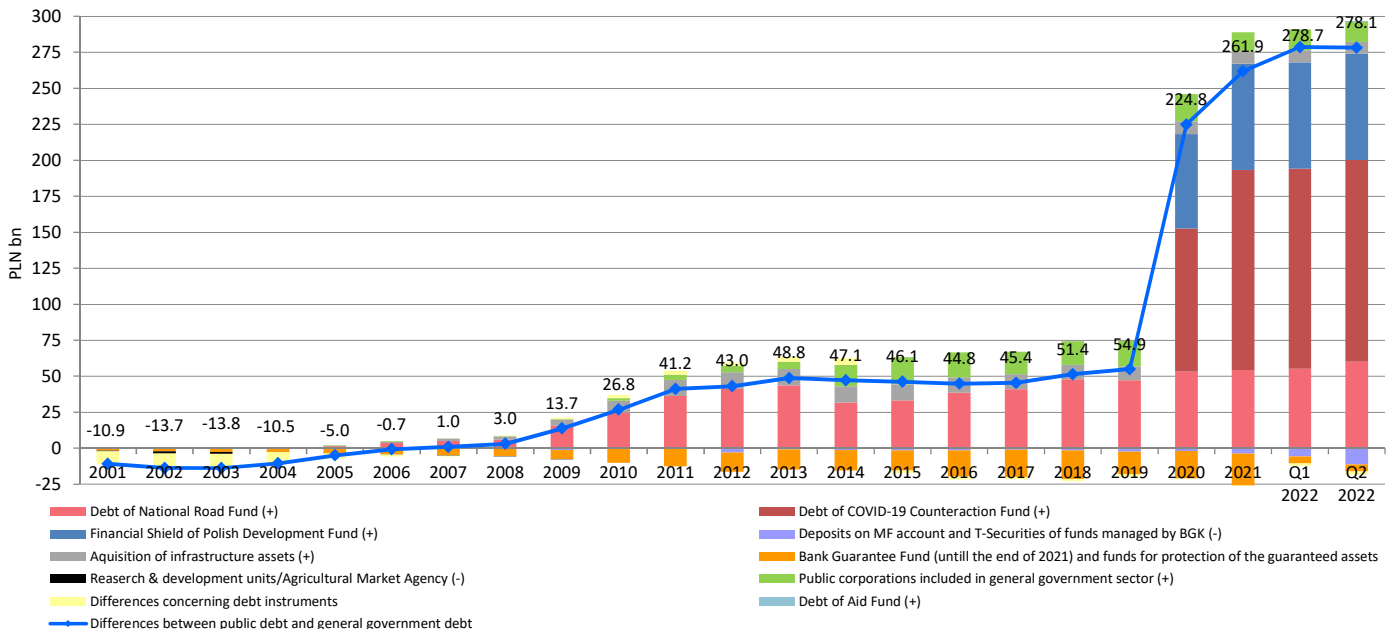


Chart 4. Public debt according to the place of issue criterion

At the end of the second quarter of 2022 the domestic debt stood at PLN 888.0 bn, up by PLN 27.3 bn (+3.2%) compared with the previous quarter. Foreign debt stood at PLN 287.3 bn, up by PLN 10.9 bn (+3.9%) compared with the previous quarter. The decrease in the foreign debt was a combination of:

- ST bond issue of EUR 2.0 bn;
- negative balance of ST foreign loans: EUR -0.2 bn;
- depreciation of the Polish zloty against EUR (0.6%), USD (7.2%) and CNY (1.6%) and appreciation against JPY (3.8%) - an increase in debt of PLN 3.0 bn.

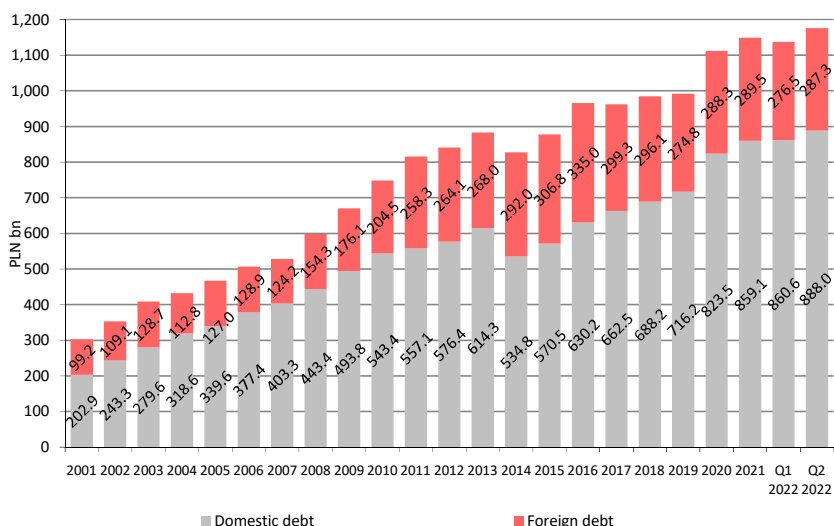


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the second quarter of 2022 the share of foreign debt in the total debt amounted to 24.4%, up by 0.1 percentage points in the second quarter and down by 0.8 percentage points compared with the end of 2021.

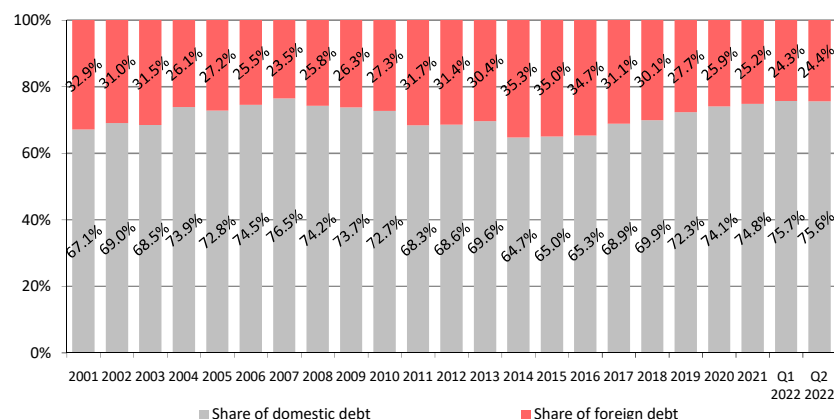


Chart 6. Public debt by holder

In the second quarter of 2022 the public debt towards:

- domestic banking sector fell by PLN 5.7 bn (-1.1%);
- domestic non-banking sector rose by PLN 18.5 bn (+8.6%);
- non-residents rose by PLN 25.4 bn (+6.5%).

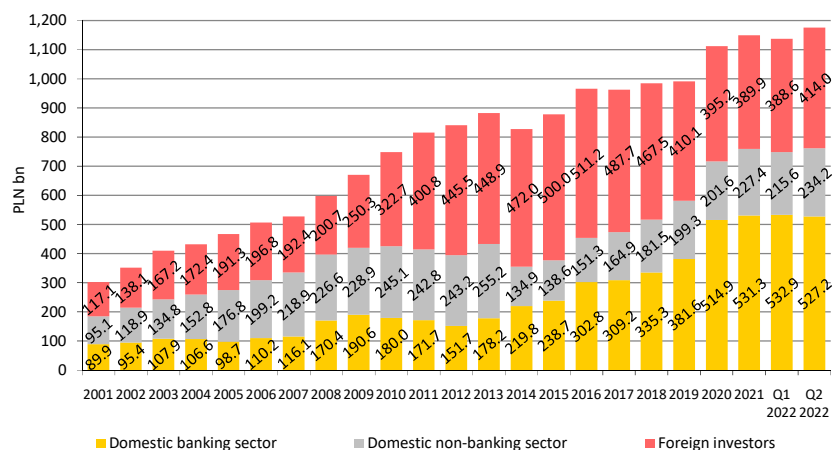


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors rose by 1.0 pp. in the second quarter of 2022 and amounted to 35.2%. The increase in the share of non-residents in the public debt was a combination of an increase in foreign investors' involvement in domestic TS, depreciation of the Polish zloty and an increase in the foreign currency denominated ST debt.

The share of the public debt towards domestic banking amounted to 44.9%, down by 2.0 pp. in the second quarter. The share of the public debt towards domestic non-banking sector rose by 1.0 pp to 19.9%.

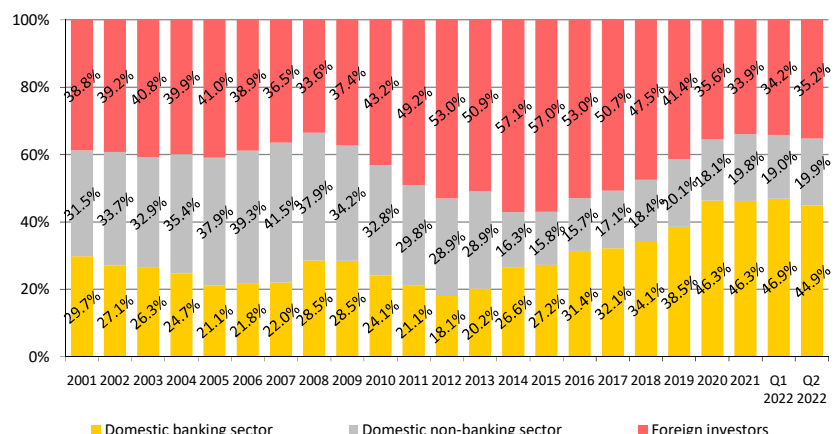


Chart 8. Consolidated public debt by subsector

At the end of the second quarter of 2022 the public debt consisted of:

- central government debt - PLN 1,085.5 bn;
- local government debt - PLN 89.8 bn;
- social security funds debt - PLN 0.04 bn.

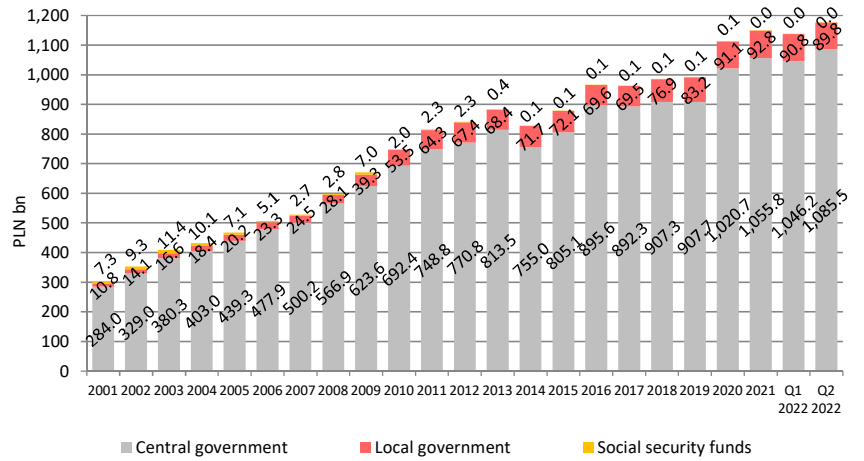


Chart 9. Structure of the consolidated public debt by subsector

At the end of the second quarter of 2022 the share of subsectors in total public debt amounted to:

- central government subsector - 92.4% (up by 0.4 percentage points compared with 2021);
- local government subsector - 7.6% (down by 0.4 percentage points compared with 2021), of which 7.2% represented debt of local government units and their unions;
- social security funds - 0.004%.

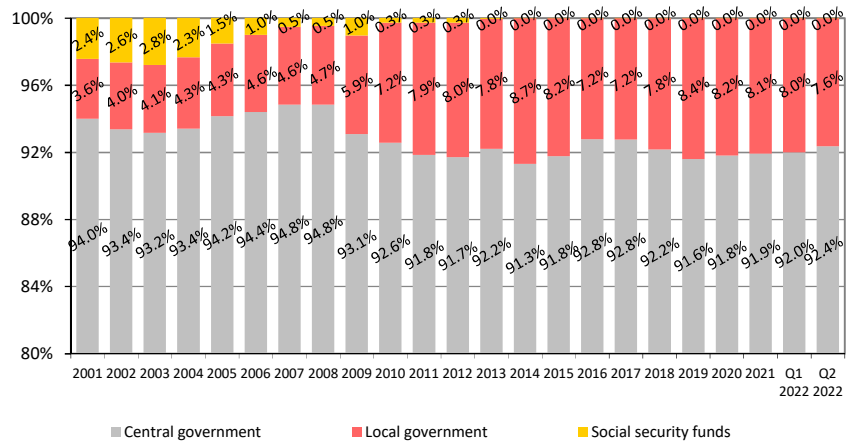


Chart 10. Changes in the consolidated public debt by subsector

The change of the public debt in the second quarter of 2022 was mainly a result of the central government debt increase, in particular of ST debt.

Public debt rose by PLN 38.2 bn (+3.4%) while central government debt and consolidated ST debt rose by PLN 39.3 bn (+3.8%) and by PLN 39.2 bn (+3.8%) respectively.

Local government debt fell in the second quarter of 2022 by PLN 1.1 bn (-1.2%), including a decrease in local government units debt of PLN 1.4 bn (-1.6%).

Social security funds debt fell in the second quarter of 2022 by PLN 2.9 m (-6.3%).

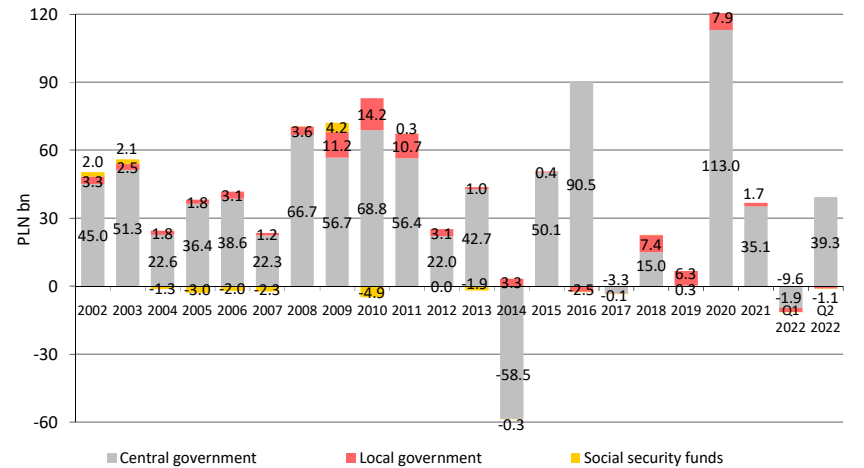


Chart 11. Structure of the public debt by instrument

At the end of the second quarter of 2022 marketable instruments comprised 82.5% of the public debt, including instruments issued on the domestic market - 68.7%. The share of marketable instruments in the public debt fell by 0.5 percentage points compared with the end of 2021.

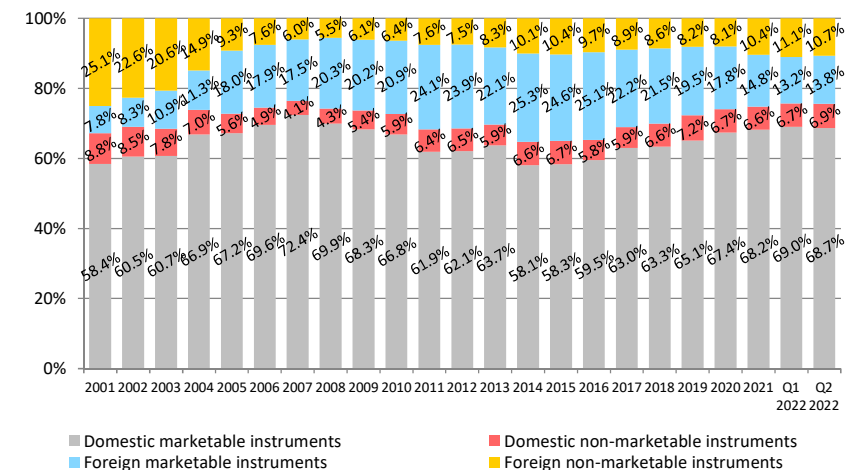


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of the second quarter of 2022, the unconsolidated debt of units other than ST amounted to 7.5% of the public debt, down from 8.1% at the end of 2021. Among those entities the debt of local government units and their unions (6.8%, as compared to 7.4% at the end of 2021) and of local health care units (share of 0.5%) constituted the largest part.

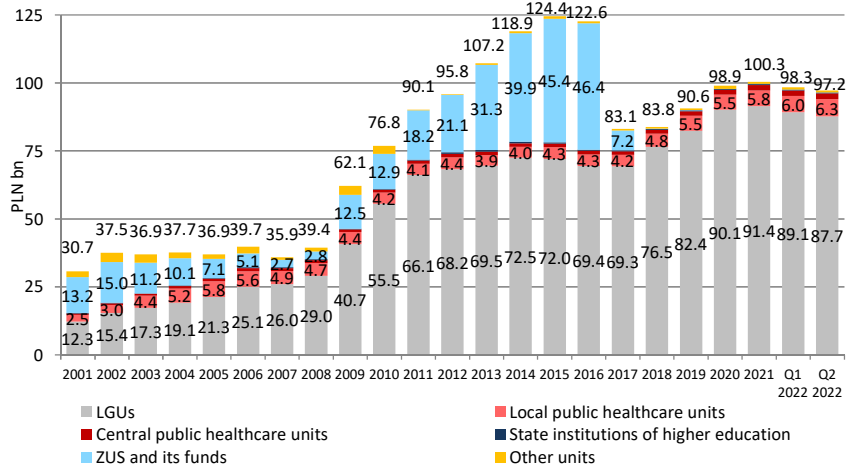


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the second quarter of 2022 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 5.0% of their debt were liabilities towards other public finance sector units.

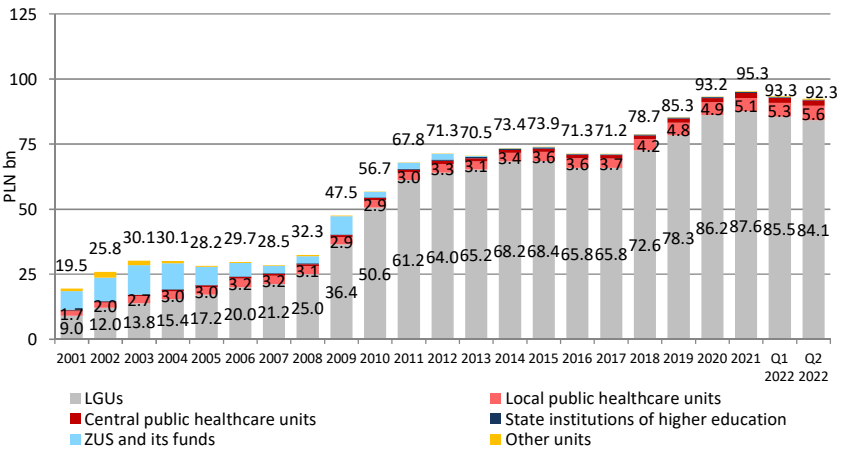


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 27.1% at the end of the second quarter of 2022, up by 0.7 percentage points compared with the end of 2021.

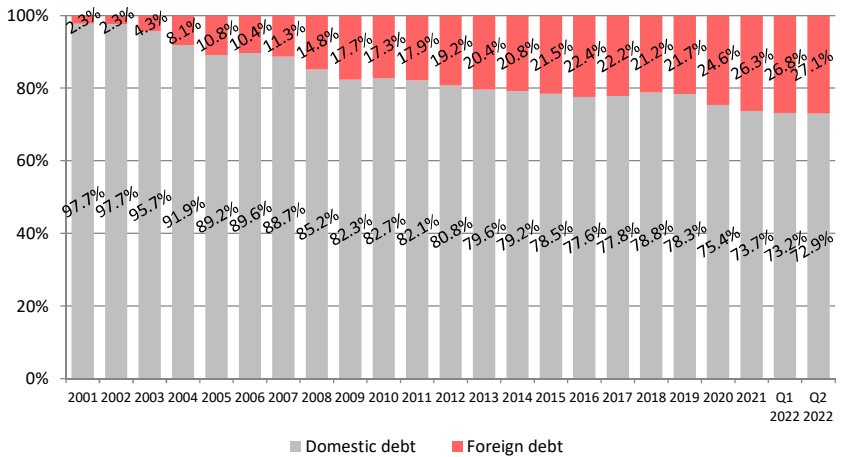


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with the share of 94.7%. The share of loans fell by 0.8 percentage points compared with the previous year.

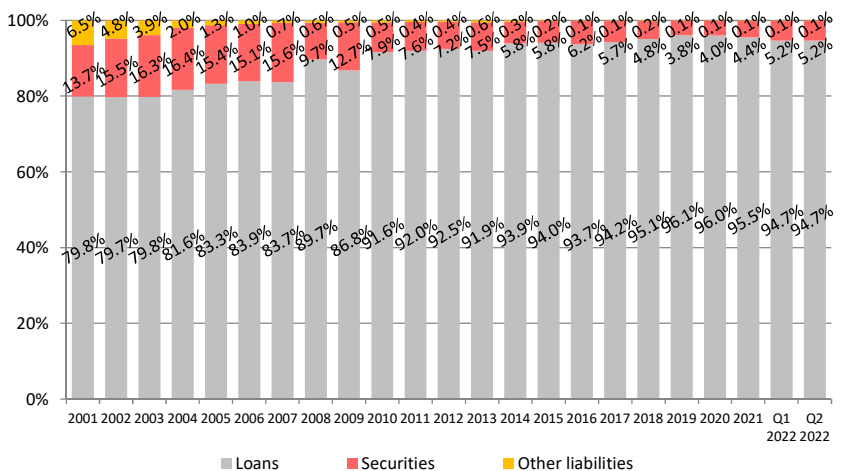
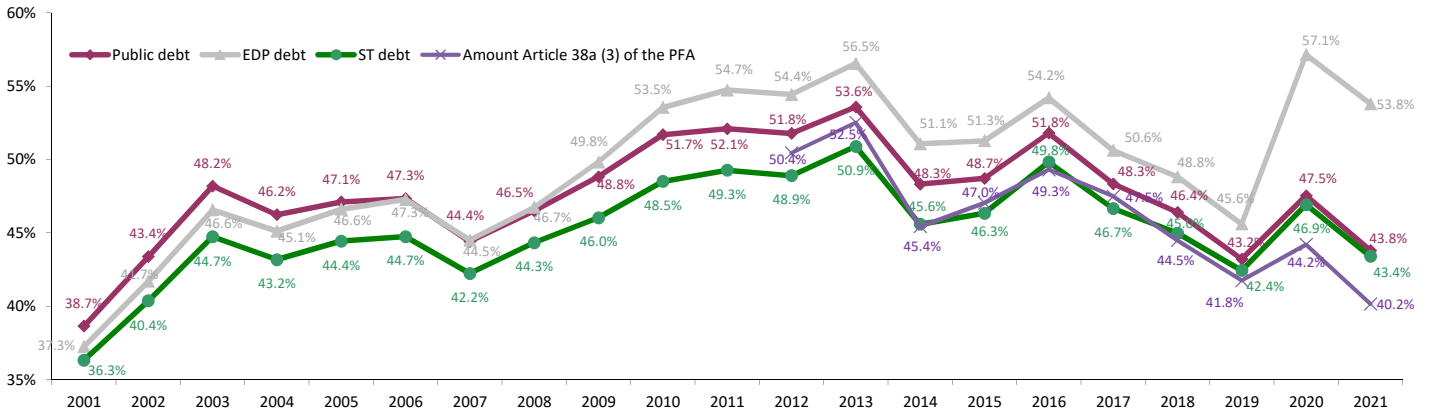
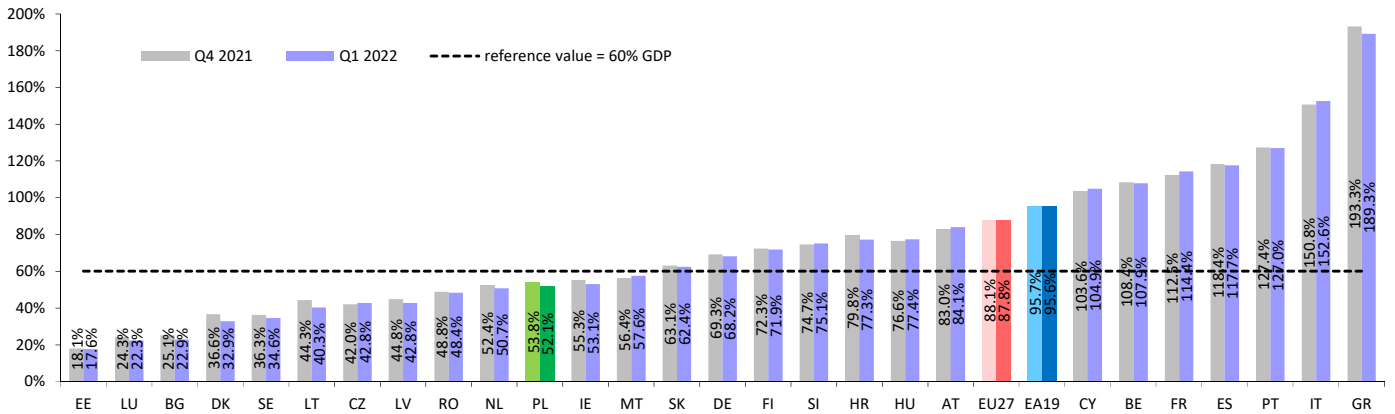


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



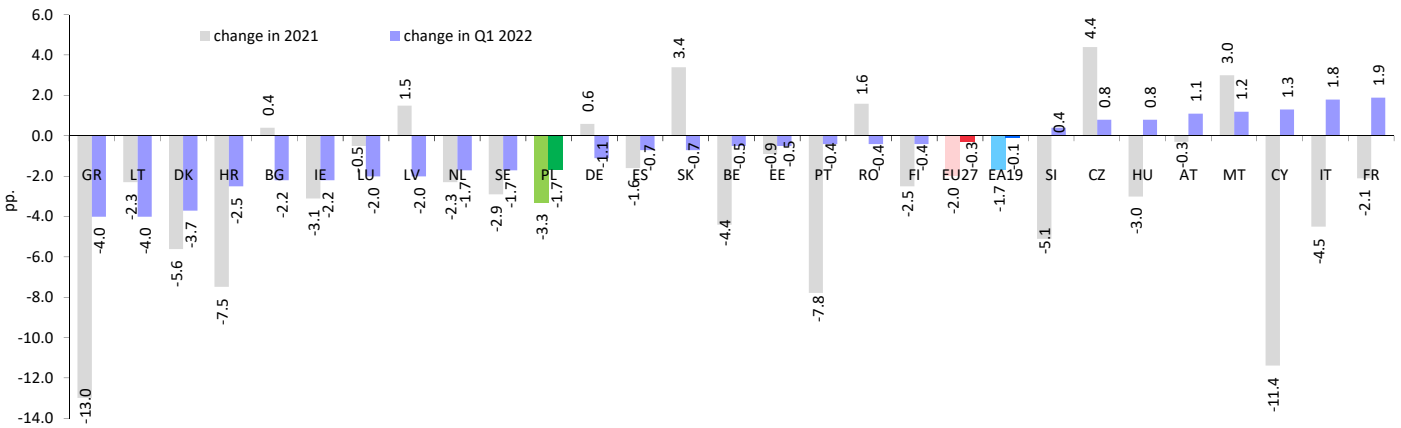
Source: Ministry of Finance

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



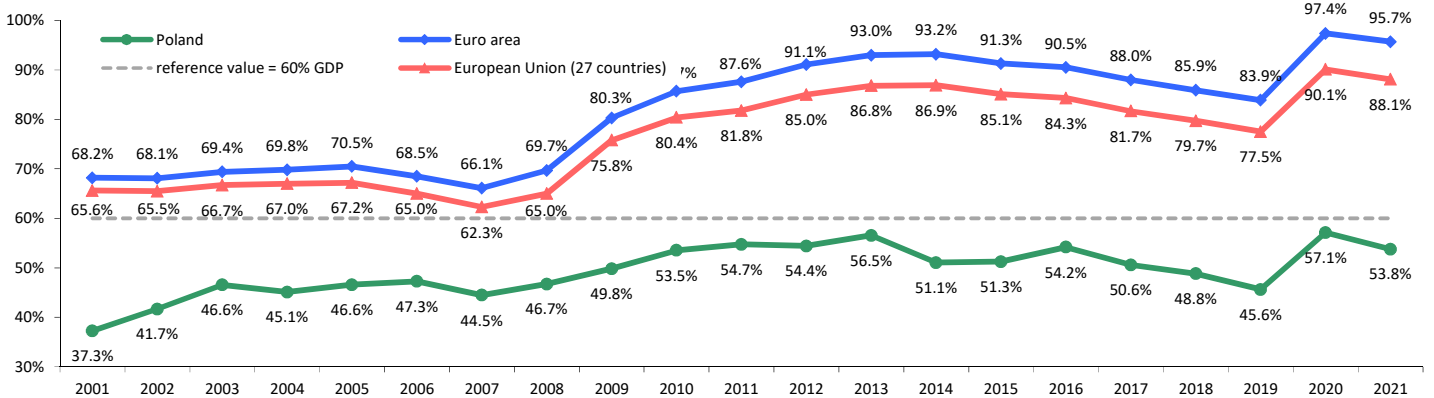
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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	2020	2021	Q1 2022	Q2 2022
Public debt	826,774.7	877,282.4	965,199.0	961,841.5	984,313.5	990,948.4	1,111,806.3	1,148,579.0	1,137,106.8	1,175,320.7
<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>46,975.7</i>	<i>52,822.6</i>	<i>56,458.9</i>	<i>225,024.2</i>	<i>262,891.8</i>	<i>280,167.1</i>	<i>280,492.6</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	53,222.8	54,359.5	55,222.9	60,209.4
Debt of COVID-19 Counteraction Fund (consolidated within general government)	-	-	-	-	-	-	99,448.9	138,827.0	138,928.2	139,891.9
Debt of Aid Fund	-	-	-	-	-	-	-	-	-	468.1
Financial Shield of Polish Development Fund	-	-	-	-	-	-	65,400.0	73,900.0	73,900.0	73,900.0
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	-1,994.2	-3,707.6	-5,786.1	-11,224.0
Aquisition of infrastructure assets (motorways)	11,261.6	11,023.2	10,699.0	10,341.9	9,961.8	9,538.5	8,995.6	8,435.6	8,341.9	8,144.1
Debt of public corporations included in general government sector	14,960.5	18,958.0	17,454.8	15,611.9	16,617.9	18,137.1	24,089.2	25,819.4	26,298.9	26,737.5
Assets of public corporations included in general government sector	0.0	0.0	-38.4	-112.3	-272.3	-276.8	-5,165.3	-12,580.1	-11,830.6	-12,732.2
BGF (until the end of 2021) and funds for protection of the guaranteed assets	-14,296.0	-14,039.8	-18,255.0	-18,930.5	-19,848.4	-15,815.6	-18,972.9	-22,161.9	-4,908.0	-4,902.0
<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>-272.9</i>	<i>-971.2</i>	<i>-1,504.4</i>	<i>-2,356.4</i>
matured payables	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,930.9	-1,688.7	-1,632.4	-1,904.0	-2,108.8
debt assumption - activation of a guarantee	0.2	0.0	0.1	2.3	2.1	0.0	4.2	12.2	0.0	0.0
restructured/refinanced trade credits and sell-lease-back operations	7,040.7	569.4	693.2	725.5	763.5	847.7	816.3	722.6	685.7	709.8
derivatives	-301.2	-483.2	-1,080.7	-239.5	-450.2	-458.9	595.3	-73.6	-286.1	-957.4
General government debt	873,908.8	923,416.5	1,010,021.9	1,007,199.6	1,035,718.3	1,045,865.3	1,336,557.6	1,410,499.6	1,415,769.6	1,453,456.9

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

ITEM	Q4 2021	structure Q4 2021	Q1 2022	structure Q1 2022	Q2 2022	structure Q2 2022	change Q2 2022 - Q1 2022		change Q2 2022 - Q4 2021	
							m PLN	%	m PLN	%
Public debt	1,238,381.5	100.0%	1,246,464.2	100.0%	1,296,003.3	100.0%	49,539.1	4.0%	57,621.7	4.7%
1. Central government sector debt	1,140,720.9	92.1%	1,150,880.3	92.3%	1,201,557.9	92.7%	50,677.6	4.4%	60,837.0	5.3%
1.1. State Treasury	1,138,034.2	91.9%	1,148,171.3	92.1%	1,198,783.9	92.5%	50,612.6	4.4%	60,749.7	5.3%
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	367.4	0.0%	362.9	0.0%	331.6	0.0%	-31.4	-8.6%	-35.8	-9.7%
1.4. Independent public healthcare units	1,979.6	0.2%	2,004.6	0.2%	2,103.5	0.2%	99.0	4.9%	123.9	6.3%
1.5. State institutions of culture	1.6	0.0%	0.5	0.0%	0.5	0.0%	0.0	1.6%	-1.1	-69.2%
1.6. Polish Academy of Science and units established by it	20.4	0.0%	20.2	0.0%	26.1	0.0%	5.8	28.8%	5.7	28.0%
1.7. Other central government legal entities	317.7	0.0%	320.8	0.0%	312.3	0.0%	-8.4	-2.6%	-5.4	-1.7%
2. Local government sector debt	97,613.9	7.9%	95,538.4	7.7%	94,402.7	7.3%	-1,135.7	-1.2%	-3,211.2	-3.3%
2.1. Local government units	91,407.0	7.4%	89,140.2	7.2%	87,694.5	6.8%	-1,445.6	-1.6%	-3,712.4	-4.1%
2.2. Independent public health units	5,782.9	0.5%	5,981.5	0.5%	6,286.0	0.5%	304.5	5.1%	503.1	8.7%
2.3. Local institutions of culture	101.2	0.0%	101.3	0.0%	108.3	0.0%	7.0	6.9%	7.1	7.0%
2.4. Other local government legal entities	322.9	0.0%	315.4	0.0%	313.9	0.0%	-1.5	-0.5%	-9.0	-2.8%
3. Social Security Sector debt	46.7	0.0%	45.5	0.0%	42.7	0.0%	-2.9	-6.3%	-4.1	-8.7%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-
3.2. Funds managed by Social Insurance Institution	46.7	0.0%	45.5	0.0%	42.7	0.0%	-2.9	-6.3%	-4.1	-8.7%
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 2021	structure Q4 2021	Q1 2022	structure Q1 2022	Q2 2022	structure Q2 2022	change Q2 2022 - Q1 2022		change Q2 2022 - Q4 2021	
							m PLN	%	m PLN	%
Public debt	1,148,579.0	100.0%	1,137,106.8	100.0%	1,175,320.7	100.0%	38,213.9	3.4%	26,741.7	2.3%
1. Central government sector debt	1,055,779.5	91.9%	1,046,229.2	92.0%	1,085,527.0	92.4%	39,297.7	3.8%	29,747.5	2.8%
1.1. State Treasury	1,053,323.7	91.7%	1,043,758.1	91.8%	1,082,985.0	92.1%	39,226.8	3.8%	29,661.3	2.8%
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	346.5	0.0%	339.8	0.0%	312.1	0.0%	-27.7	-8.1%	-34.4	-9.9%
1.4. Independent public health units	1,924.7	0.2%	1,941.8	0.2%	2,040.3	0.2%	98.5	5.1%	115.6	6.0%
1.5. State institutions of culture	1.6	0.0%	0.5	0.0%	0.5	0.0%	0.0	6.6%	-1.1	-70.1%
1.6. Polish Academy of Science and units established by it	6.0	0.0%	6.2	0.0%	11.8	0.0%	5.6	90.2%	5.8	95.3%
1.7. Other central government legal entities	176.9	0.0%	182.8	0.0%	177.3	0.0%	-5.5	-3.0%	0.4	0.2%
2. Local government sector debt	92,752.8	8.1%	90,832.1	8.0%	89,751.1	7.6%	-1,081.0	-1.2%	-3,001.7	-3.2%
2.1. Local government units	87,605.2	7.6%	85,495.2	7.5%	84,128.8	7.2%	-1,366.4	-1.6%	-3,476.3	-4.0%
2.2. Independent public health units	5,082.9	0.4%	5,272.4	0.5%	5,550.4	0.5%	278.0	5.3%	467.5	9.2%
2.3. Local institutions of culture	63.0	0.0%	62.9	0.0%	70.4	0.0%	7.5	12.0%	7.4	11.8%
2.4. Other local government legal entities	1.7	0.0%	1.6	0.0%	1.4	0.0%	-0.2	-12.3%	-0.2	-14.5%
3. Social Security Sector debt	46.7	0.0%	45.5	0.0%	42.7	0.0%	-2.9	-6.3%	-4.1	-8.7%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-
3.2. Funds managed by Social Insurance Institution	46.7	0.0%	45.5	0.0%	42.7	0.0%	-2.9	-6.3%	-4.1	-8.7%
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	-