

1. **At the end of the first quarter of 2021** the consolidated **public debt** (according to the domestic definition) stood at **PLN 1,152,655.2 million¹** and compared with the end of 2020 it rose by PLN 40,849.1 million (+3.7%).

2. **The increase of the public debt in the first quarter of 2021** was a combination of:

- an increase in the central government sector debt of PLN 41,552.7 million (+4.1%), including an increase in consolidated State Treasury (ST) debt of PLN 41,511.4 million (+4.1%);
- a decrease in the local government sector debt of PLN 705.3 million (-0.8%), including a decrease in local government units (LGUs) debt of PLN 840.3 million (-1.0%);
- an increase in the social security sector debt of PLN 1.7 million (+3.1%).

3. **At the end of the first quarter of 2021** the unconsolidated public debt stood at PLN 1,229,429.5 million and compared with the end of 2020 it rose by PLN 33,063.2 million (+2.8%).

4. **At the end of the first quarter of 2021 the general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,389,836.8 million^{1,2}** and compared with the end of 2020 it rose by PLN 53,745.7 million (+4.0%).

5. **The changes in the EDP debt in the first quarter of 2021** 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 5,999.6 million;
- an increase in the debt of the Polish Development Fund issued to finance the Financial Shield by PLN 8,500.0 million;
- a decrease in T-securities held by Bank Guarantee Fund (incl. funds for protection of the guaranteed assets) by PLN 1,523.7 million which resulted in an increase of EDP debt due to a reduction of consolidation of liabilities between units of the general government sector;
- a decrease in the impact of classifying of corporations in the general government sector by PLN 1,708.8 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 first quarter of 2021 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 2019	structure Q4 2019	Q4 2020	structure Q4 2020	Q1 2021	structure Q1 2021	change		change	
							Q1 2021 - Q4 2020 PLN m	%	Q4 2020 - Q4 2019 PLN m	%
Public debt	990,948.4	100.0%	1,111,806.1	100.0%	1,152,655.2	100.0%	40,849.1	3.7%	120,857.7	12.2%
Domestic debt	716,183.7	72.3%	823,541.9	74.1%	846,216.1	73.4%	22,674.2	2.8%	107,358.2	15.0%
1. Debt securities	645,122.6	65.1%	749,081.2	67.4%	771,758.7	67.0%	22,677.5	3.0%	103,958.6	16.1%
2. Loans	62,382.1	6.3%	65,763.2	5.9%	64,748.8	5.6%	-1,014.4	-1.5%	3,381.1	5.4%
3. Other domestic liabilities	8,679.0	0.9%	8,697.6	0.8%	9,708.6	0.8%	1,011.1	11.6%	18.6	0.2%
Foreign debt	274,764.7	27.7%	288,264.2	25.9%	306,439.2	26.6%	18,175.0	6.3%	13,499.5	4.9%
1. Debt securities	193,721.8	19.5%	198,286.3	17.8%	189,733.4	16.5%	-8,552.8	-4.3%	4,564.5	2.4%
2. Loans	81,029.3	8.2%	89,970.6	8.1%	116,693.9	10.1%	26,723.4	29.7%	8,941.3	11.0%
3. Other foreign liabilities	13.7	0.0%	7.4	0.0%	11.8	0.0%	4.4	60.4%	-6.3	-46.3%

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

Item	Q4 2019	structure Q4 2019	Q4 2020	structure Q4 2020	Q1 2021	structure Q1 2021	change		change	
							Q1 2021 - Q4 2020 PLN m	%	Q4 2020 - Q4 2019 PLN m	%
Public debt	990,948.4	100.0%	1,111,806.1	100.0%	1,152,655.2	100.0%	40,849.1	3.7%	120,857.7	12.2%
Domestic debt	580,890.5	58.6%	716,558.5	64.4%	738,765.6	64.1%	22,207.1	3.1%	135,668.0	23.4%
1. Debt securities	509,840.5	51.4%	642,107.7	57.8%	664,318.6	57.6%	22,210.9	3.5%	132,267.2	25.9%
2. Loans	62,382.1	6.3%	65,763.2	5.9%	64,748.8	5.6%	-1,014.4	-1.5%	3,381.1	5.4%
3. Other domestic liabilities	8,667.9	0.9%	8,687.6	0.8%	9,698.3	0.8%	1,010.7	11.6%	19.6	0.2%
Foreign debt	410,057.9	41.4%	395,247.6	35.6%	413,889.6	35.9%	18,642.0	4.7%	-14,810.3	-3.6%
1. Debt securities	329,003.9	33.2%	305,259.7	27.5%	297,173.5	25.8%	-8,086.2	-2.6%	-23,744.2	-7.2%
2. Loans	81,029.3	8.2%	89,970.6	8.1%	116,693.9	10.1%	26,723.4	29.7%	8,941.3	11.0%
3. Other foreign liabilities	24.7	0.0%	17.3	0.0%	22.1	0.0%	4.8	27.8%	-7.4	-29.9%

Chart 1. Public debt

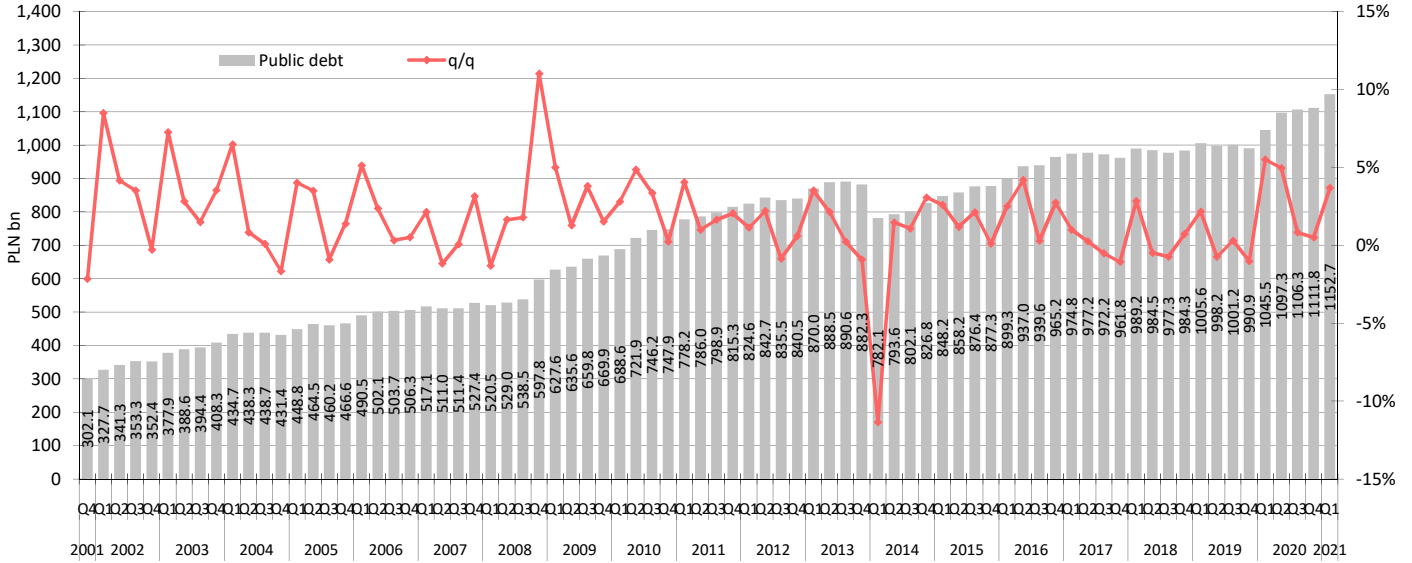


Chart 2. EDP debt

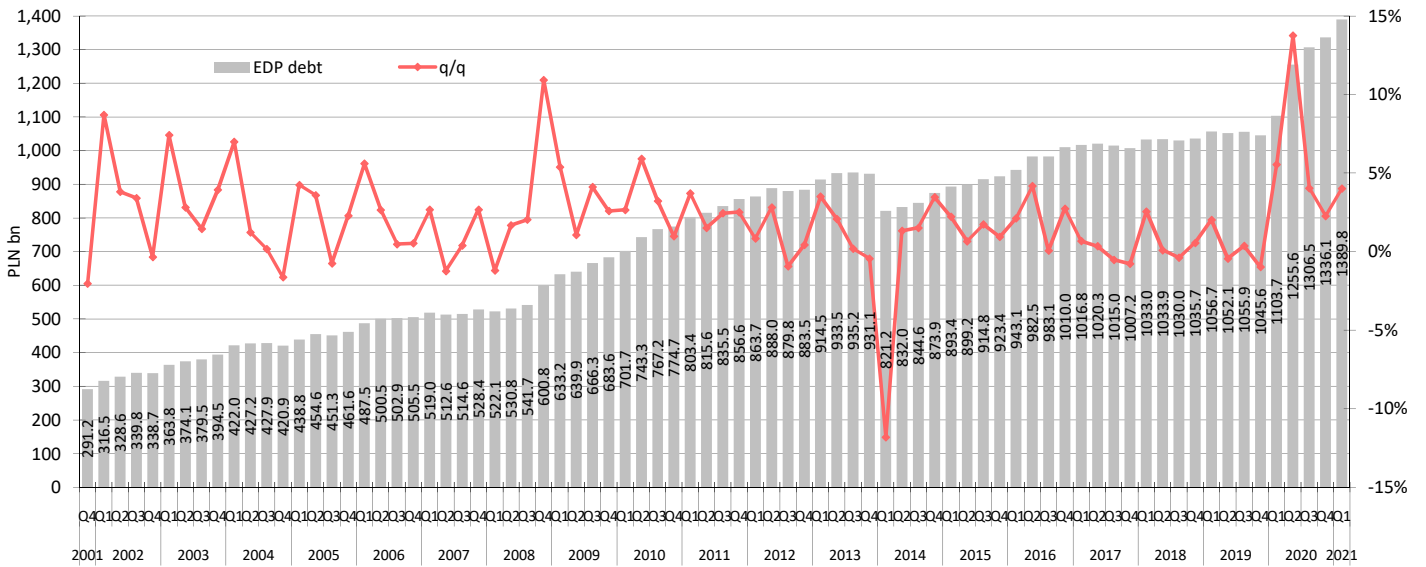


Chart 3. Differences between general government debt and public debt

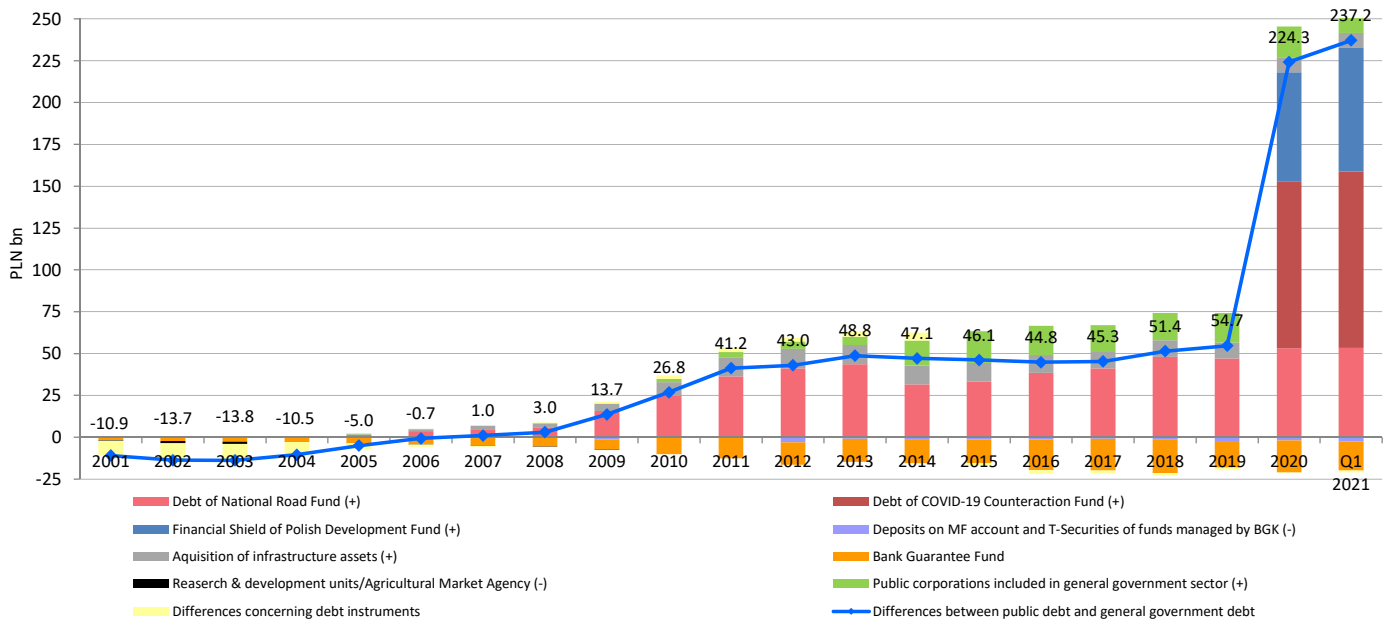


Chart 4. Public debt according to the place of issue criterion

At the end of the first quarter of 2021 the domestic debt stood at PLN 846.2 bn, up by PLN 22.7 bn (+2.8%) compared with the end of 2020. Foreign debt stood at PLN 306.4 bn, up by PLN 18.2 bn (+6.3%) compared with the end of 2020 mainly due to:

- drawing loans from the European Commission (SURE) of EUR 5.7 billion and repayment of loans drawn from international financial institutions of PLN 0.1 billion;
- redemption of bonds: EUR 2.2 bn and JPY 50 bn;
- depreciation of the Polish zloty against EUR and USD - an increase in debt of PLN 4.6 bn.

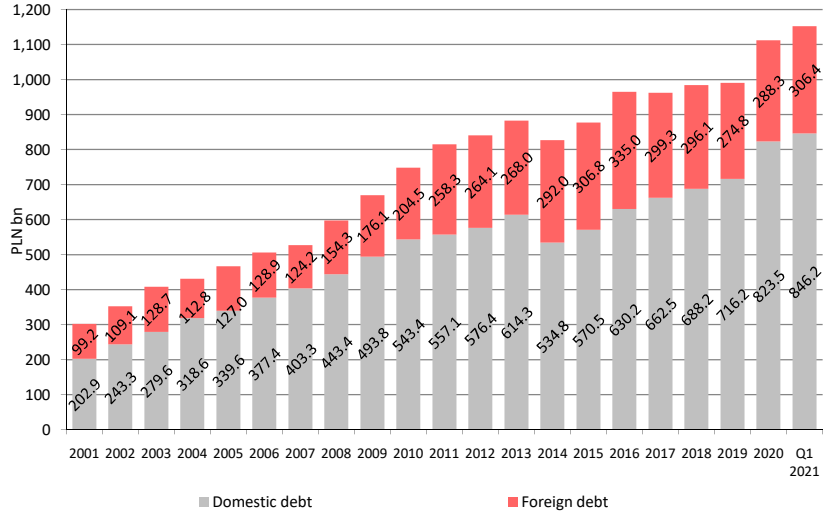


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the first quarter of 2021 the share of foreign debt in the total debt amounted to 26.6%, up by 0.7 percentage points compared with the end of 2020. The increase in the share of foreign debt was mainly due to the higher growth rate of foreign debt than domestic debt.

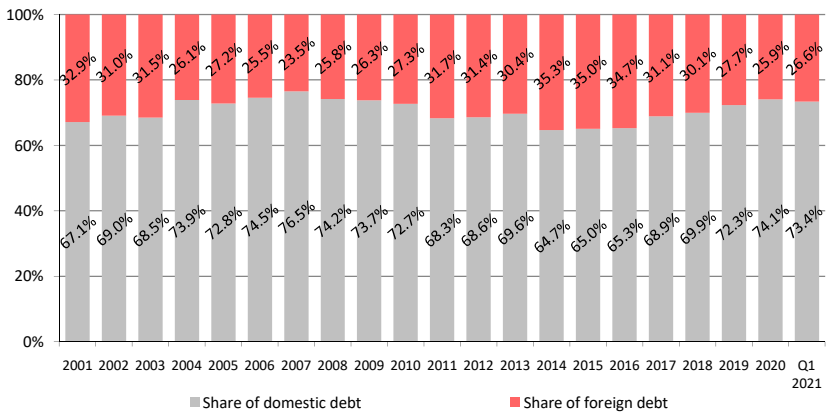


Chart 6. Public debt by holder

In the first quarter of 2021 the public debt towards:

- domestic banking sector rose by PLN 9.9 bn (+1.9%),
- domestic non-banking sector rose by PLN 12.3 bn (+6.1%),
- non-residents rose by PLN 18.6 bn (+4.7%).

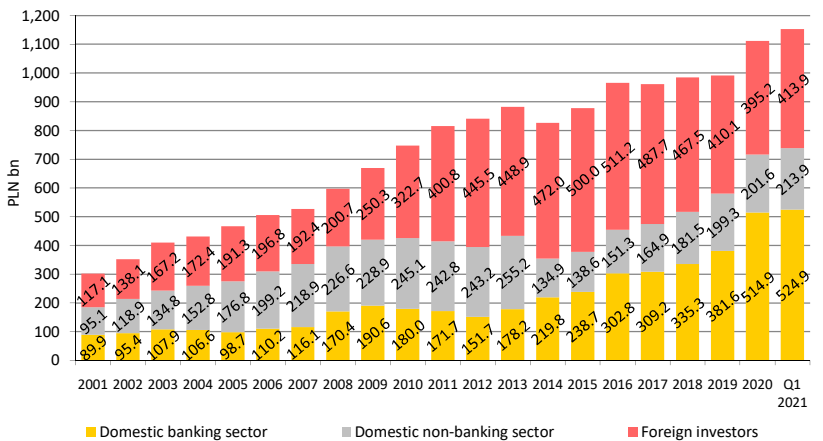


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors rose by 0.4 pp. to 35.9% in the first quarter of 2021. The increase in the share of non-residents in the public debt was mainly the result of an increase in ST debt denominated in foreign currencies.

The share of the public debt towards domestic banking sector fell by 0.8 pp in the first quarter of 2021 and amounted to 45.5%. The share of the public debt towards domestic nonbanking sector rose by 0.4 pp and amounted to 18.6%.

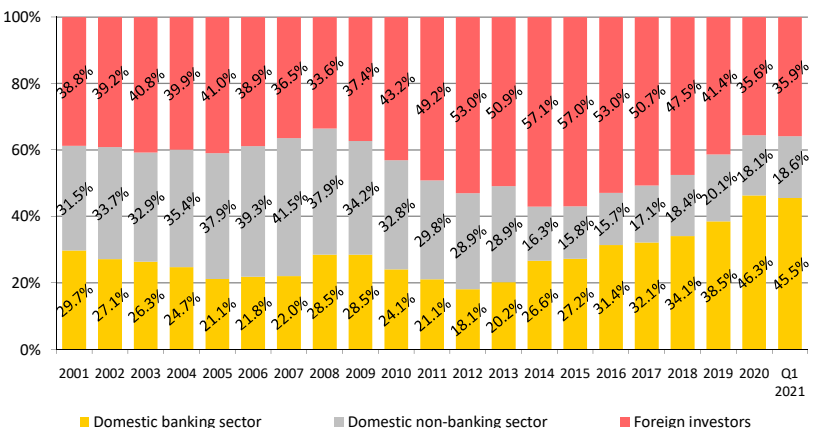


Chart 8. Consolidated public debt by subsector

At the end of the first quarter of 2021 the public debt consisted of:

- central government debt - PLN 1,062.2 bn;
- local government debt - PLN 90.4 bn;
- social security funds debt - PLN 0.1 bn.

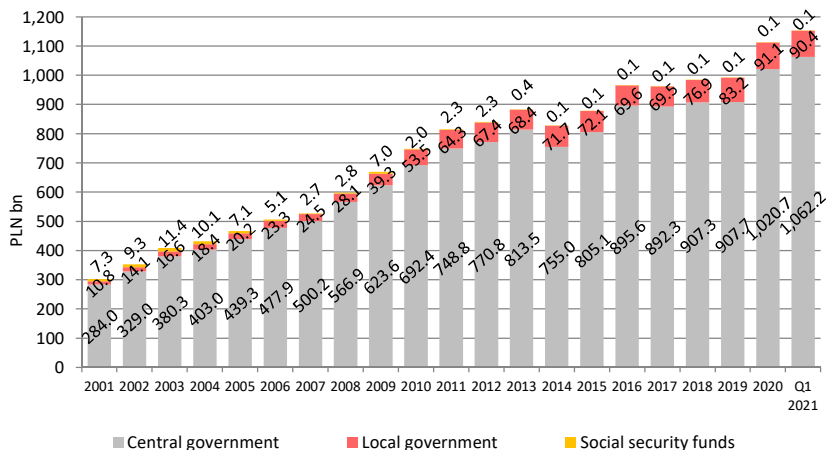


Chart 9. Structure of the consolidated public debt by subsector

At the end of the first quarter of 2021 the share of subsectors in total public debt amounted to:

- central government subsector - 92.2% (up by 0.4 percentage points compared with 2020);
- local government subsector - 7.8% (down by 0.4 percentage points compared with 2020), of which 7.4% represented debt of local government units and their unions;
- social security funds - 0.005%.

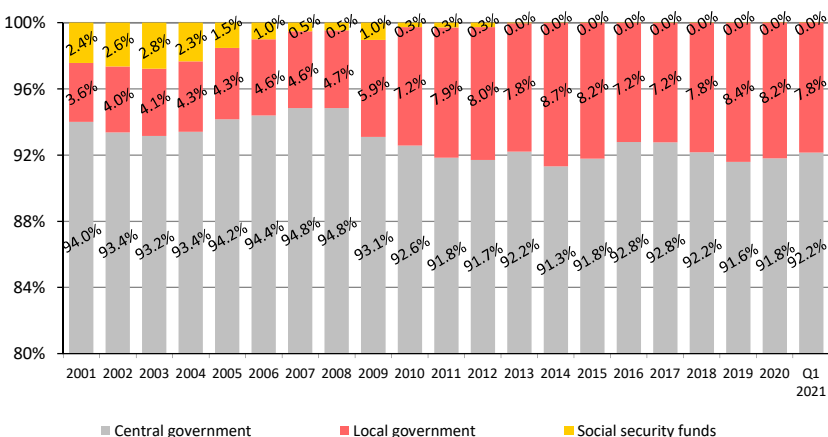


Chart 10. Changes in the consolidated public debt by subsector

The change of the public debt in the first quarter of 2021 was mainly a result of the central government debt increase, in particular of ST debt.

Public debt rose by PLN 40.8 bn (+3.7%) while central government debt rose by PLN 41.6 bn (+4.1%) and consolidated ST debt rose by PLN 41.5 bn (+4.1%).

Local government debt fell in the first quarter of 2021 by PLN 0.7 bn (-0.8%), mainly as a result of a decrease in local government units debt of PLN 0.8 bn (-1.0%).

Social security funds debt rose in the first quarter of 2021 by PLN 1.7 m (+3.1%).

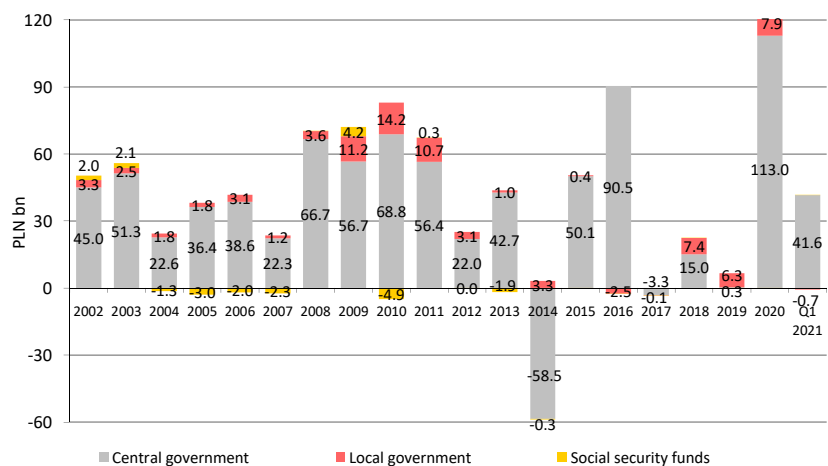


Chart 11. Structure of the public debt by instrument

At the end of the first quarter of 2021 marketable instruments comprised 83.4% of the public debt, including instruments issued on the domestic market - 67.0%. The share of marketable instruments in the public debt fell by 1.8 percentage points compared with the end of 2020.

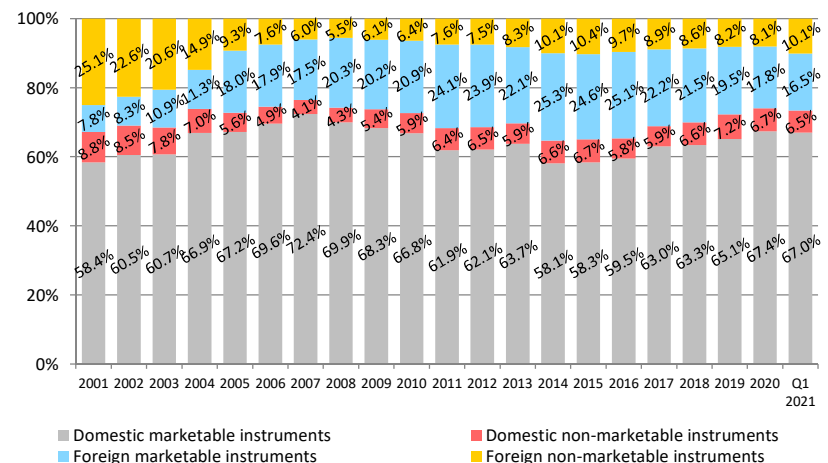


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of the first quarter of 2021, the unconsolidated debt of units other than ST amounted to 8.0% of the public debt, down from 8.4% at the end of 2020. Among those entities the debt of local government units and their unions (7.4%, as compared to 7.8% at the end of 2020) and of local health care units (share of 0.4%) constituted the largest part.

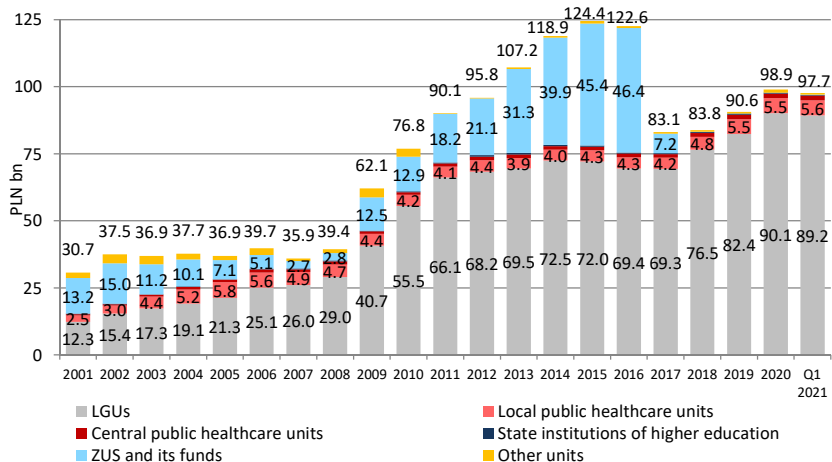


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the first quarter of 2021 the difference between consolidated and unconsolidated debt of public finance sector units other than ST amounted to PLN 5.1 bn. The reason is that 5.2% of their debt were liabilities towards other public finance sector units.

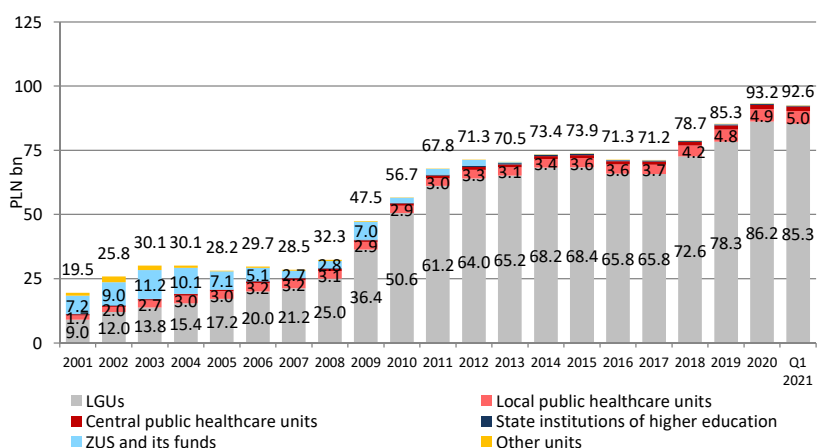


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 25.0% at the end of the first quarter of 2021, up by 0.4 percentage points compared with the end of 2020.

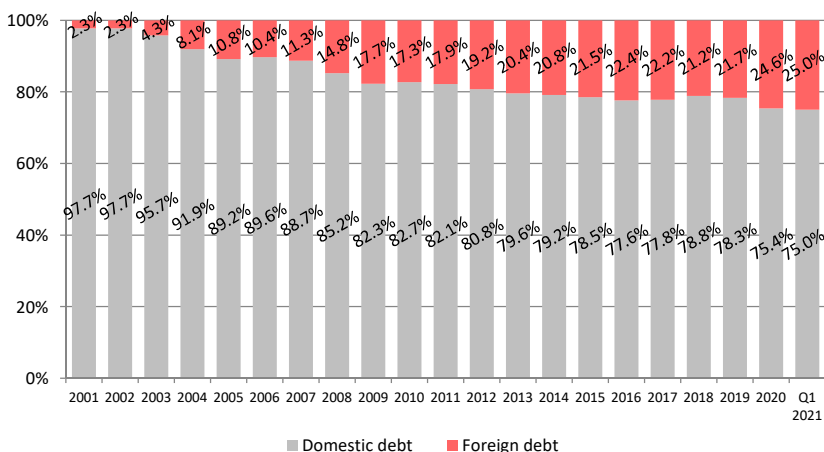


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

Loans prevailed in the structure of liabilities of LGUs and their unions with the share of 95.9%. The share of loans fell by 0.1 percentage points compared with the previous year.

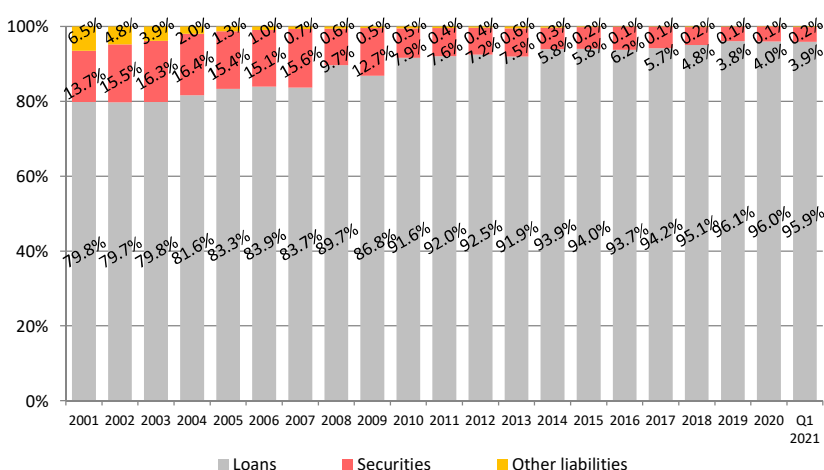
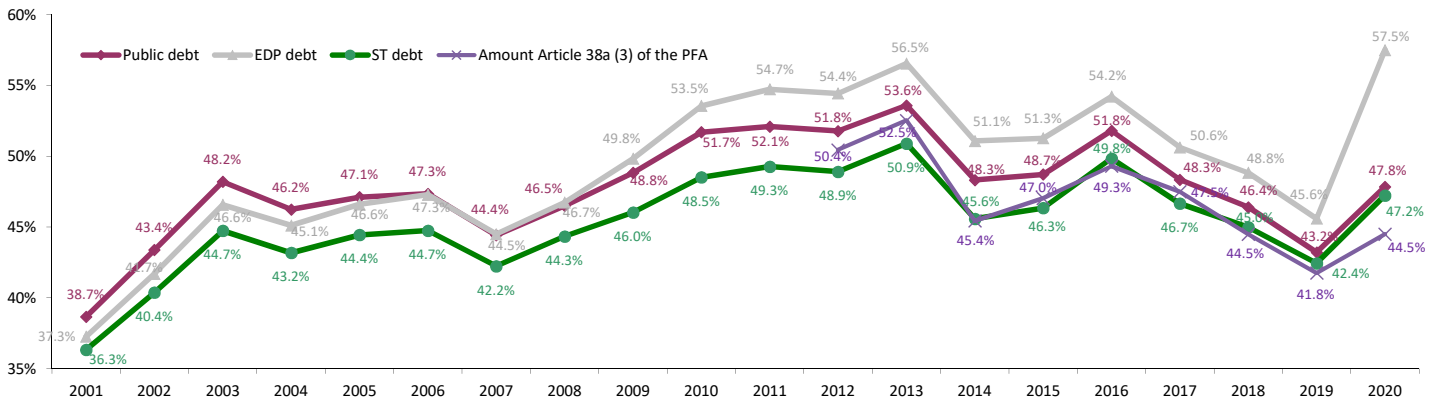
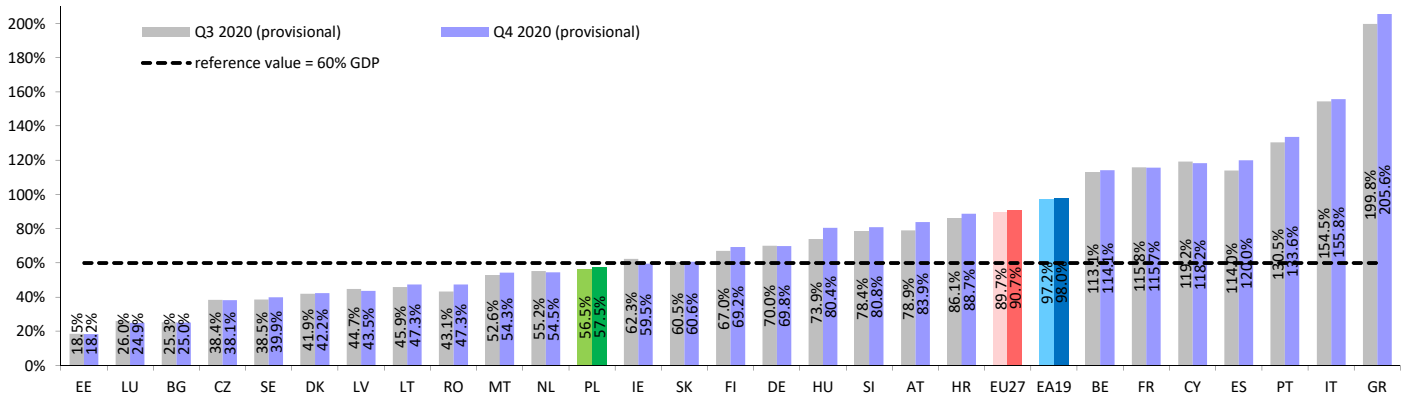


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



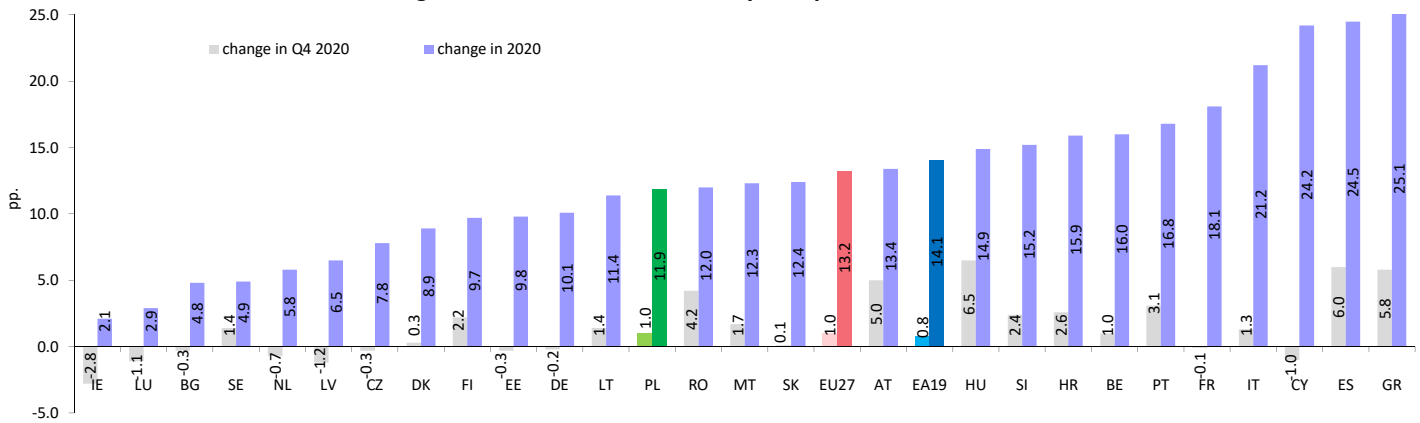
Source: Ministry of Finance

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



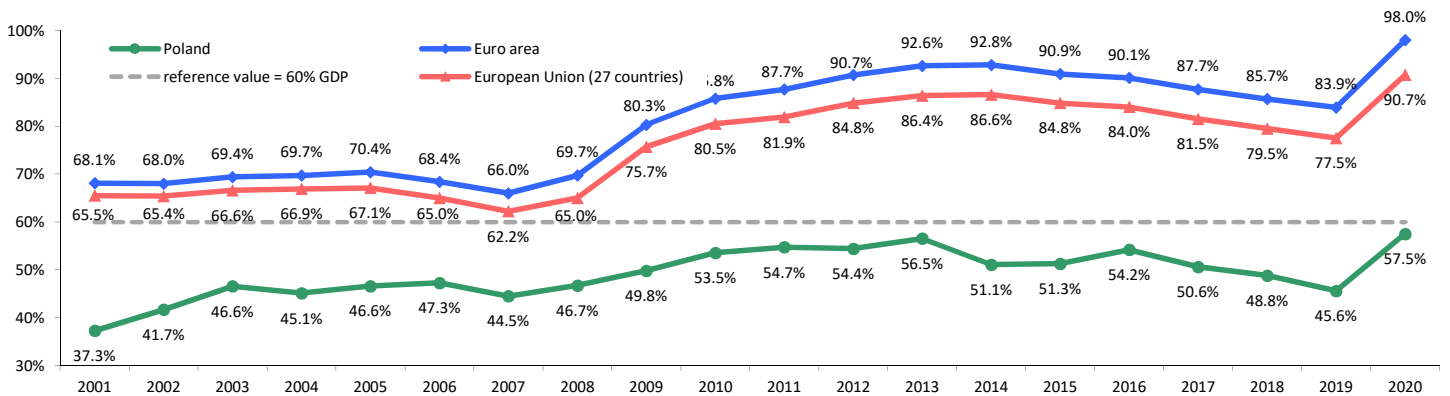
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q1 2021
Public debt	840,476.8	882,293.0	826,774.7	877,282.4	965,199.0	961,841.5	984,313.5	990,948.4	1,111,806.1	1,152,655.2
<i>1) Adjustments concerning the scope of the sector</i>	<i>40,800.7</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>56,239.9</i>	<i>224,557.6</i>	<i>238,379.1</i>
Debt of National Road Fund (consolidated within general government)	41,197.4	43,644.7	31,626.3	33,312.4	38,467.0	41,087.8	47,952.3	47,133.4	53,222.8	53,303.8
Debt of COVID-19 Counteraction Fund (consolidated within general government)	-	-	-	-	-	-	-	-	99,448.9	105,448.5
Financial Shield of Polish Development Fund	-	-	-	-	-	-	-	-	65,400.0	73,900.0
T-Securities and deposits on MF account of funds managed by BGK	-3,038.9	-895.2	-1,210.9	-1,410.9	-1,384.1	-1,023.1	-1,588.8	-2,257.8	-1,994.2	-2,469.0
Aquisition of infrastructure assets (motorways)	11,571.9	11,423.8	11,261.6	11,023.2	10,699.0	10,341.9	9,961.8	9,538.5	8,995.6	8,901.8
Bank Guarantee Fund	-13,396.5	-13,862.9	-14,296.0	-14,039.8	-18,255.0	-18,930.5	-19,848.4	-15,815.6	-18,972.9	-17,454.6
Public corporations included in general government sector	4,466.8	4,939.5	14,960.5	18,958.0	17,416.3	15,479.6	16,345.6	17,641.3	18,457.3	16,748.5
<i>2) Differences concerning debt instruments</i>	<i>2,246.2</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>-272.7</i>	<i>-1,197.6</i>
matured payables	-3,616.5	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,930.9	-1,688.5	-2,000.9
debt assumption - activation of a guarantee	20.0	1.6	0.2	0.0	0.1	2.3	2.1	0.0	4.2	1.0
restructured/refinanced trade credits and sell-lease-back operations	5,842.7	5,718.2	7,040.7	569.4	693.2	725.5	763.5	847.7	816.3	798.9
derivatives	0.0	0.0	-301.2	-483.2	-1,080.7	-239.5	-450.2	-458.9	595.3	3.4
General government debt	883,523.7	931,060.6	873,908.8	923,416.5	1,010,021.9	1,007,179.6	1,035,718.3	1,045,646.3	1,336,091.0	1,389,836.8

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

ITEM	Q4 2019	structure Q4 2019	Q4 2020	structure Q4 2020	Q1 2021	structure Q1 2021	change Q1 2021 - Q4 2020		change Q4 2020 - Q4 2019	
							m PLN	%	m PLN	%
Public debt	1,063,972.9	100.0%	1,196,366.3	100.0%	1,229,429.5	100.0%	33,063.2	2.8%	132,393.4	12.4%
1. Central government sector debt	975,608.1	91.7%	1,100,245.5	92.0%	1,134,115.0	92.2%	33,869.5	3.1%	124,637.4	12.8%
1.1. State Treasury	973,338.2	91.5%	1,097,479.8	91.7%	1,131,759.3	92.1%	34,279.4	3.1%	124,141.6	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%	377.4	0.0%	344.8	0.0%	-32.6	-8.6%	-32.1	-7.8%
1.4. Independent public healthcare units	1,652.2	0.2%	1,708.3	0.1%	1,770.1	0.1%	61.8	3.6%	56.1	3.4%
1.5. State institutions of culture	6.0	0.0%	4.1	0.0%	1.9	0.0%	-2.2	-54.6%	-1.8	-31.0%
1.6. Polish Academy of Science and units established by it	16.0	0.0%	20.1	0.0%	17.3	0.0%	-2.8	-13.8%	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%	655.8	0.1%	221.6	0.0%	-434.2	-66.2%	469.6	252.2%
2. Local government sector debt	88,307.6	8.3%	96,065.3	8.0%	95,257.3	7.7%	-808.0	-0.8%	7,757.7	8.8%
2.1. Local government units	82,371.2	7.7%	90,139.1	7.5%	89,224.5	7.3%	-914.6	-1.0%	7,767.9	9.4%
2.2. Independent public health units	5,490.2	0.5%	5,513.0	0.5%	5,618.5	0.5%	105.5	1.9%	22.8	0.4%
2.3. Local institutions of culture	111.3	0.0%	94.7	0.0%	92.4	0.0%	-2.3	-2.4%	-16.7	-15.0%
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	334.8	0.0%	318.5	0.0%	321.9	0.0%	3.4	1.1%	-16.4	-4.9%
3. Social Security Sector debt	57.2	0.0%	55.5	0.0%	57.2	0.0%	1.7	3.1%	-1.7	-3.0%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-99.4%	0.0	-3.1%
3.2. Funds managed by Social Insurance Institution	57.2	0.0%	55.5	0.0%	57.2	0.0%	1.7	3.1%	-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 2019	structure Q4 2019	Q4 2020	structure Q4 2020	Q1 2021	structure Q1 2021	change Q1 2021 - Q4 2020		change Q4 2020 - Q4 2019	
							m PLN	%	m PLN	%
Public debt	990,948.4	100.0%	1,111,806.1	100.0%	1,152,655.2	100.0%	40,849.1	3.7%	120,857.7	12.2%
1. Central government sector debt	907,650.0	91.6%	1,020,652.2	91.8%	1,062,204.8	92.2%	41,552.7	4.1%	113,002.1	12.4%
1.1. State Treasury	905,615.4	91.4%	1,018,569.2	91.6%	1,060,080.6	92.0%	41,511.4	4.1%	112,953.8	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%	355.9	0.0%	325.5	0.0%	-30.4	-8.5%	-27.5	-7.2%
1.4. Independent public health units	1,614.3	0.2%	1,652.8	0.1%	1,717.7	0.1%	65.0	3.9%	38.5	2.4%
1.5. State institutions of culture	5.5	0.0%	4.0	0.0%	1.9	0.0%	-2.2	-53.8%	-1.5	-26.6%
1.6. Polish Academy of Science and units established by it	0.6	0.0%	4.9	0.0%	2.4	0.0%	-2.6	-51.9%	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%	65.3	0.0%	76.7	0.0%	11.4	17.5%	34.5	111.7%
2. Local government sector debt	83,241.2	8.4%	91,098.4	8.2%	90,393.2	7.8%	-705.3	-0.8%	7,857.3	9.4%
2.1. Local government units	78,339.6	7.9%	86,174.2	7.8%	85,333.9	7.4%	-840.3	-1.0%	7,834.7	10.0%
2.2. Independent public health units	4,821.3	0.5%	4,859.9	0.4%	4,992.8	0.4%	132.9	2.7%	38.6	0.8%
2.3. Local institutions of culture	79.6	0.0%	62.0	0.0%	59.5	0.0%	-2.6	-4.2%	-17.6	-22.1%
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%	7.0	0.0%	4.7	208.4%	1.5	206.7%
3. Social Security Sector debt	57.2	0.0%	55.5	0.0%	57.2	0.0%	1.7	3.1%	-1.7	-3.0%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-99.4%	0.0	-3.1%
3.2. Funds managed by Social Insurance Institution	57.2	0.0%	55.5	0.0%	57.2	0.0%	1.7	3.1%	-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	-