

1. **At the end of the third quarter of 2021 the consolidated public debt** (according to the domestic definition) stood at **PLN 1,160,701.5 million<sup>1</sup>** and compared with:

- the previous quarter it rose by PLN 8,467.7 million (+0.7%);
- the end of 2020 it rose by PLN 48,895.2 million (+4.4%).

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

- an increase in the central government sector debt of PLN 8,433.7 million zł (+0.8%), including an increase in consolidated State Treasury (ST) debt of PLN 8,221.5 million zł (+0.8%);
- an increase in the local government sector debt of PLN 38.4 million zł (+0.04%), with a decrease in local government units' (LGUs) debt of PLN 241.1 million zł (-0.3%);
- a decrease in the social security sector debt of PLN 4.4 million zł (-8.0%).

3. **At the end of the third quarter of 2021 the unconsolidated public debt** stood at **PLN 1,241,042.6 million<sup>1</sup>** and compared with:

- the previous quarter it rose by PLN 11,334.5 million (+0.9%);
- the end of 2020 it rose by PLN 44,676.1 million (+3.7%).

4. **At the end of the third quarter of 2021 the general government debt** (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,418,769.6 million<sup>1,2</sup>** and compared with:

- the previous quarter it rose by PLN 16,681.9 million (+1.2%);
- the end of 2020 it rose by PLN 82,211.9 million (+6.2%).

5. **The changes in the EDP debt in the third 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 10,625.6 million;
- an increase in T-securities held by Bank Guarantee Fund (incl. funds for protection of the guaranteed assets) by PLN 3,091.9 million which resulted in a decrease of EDP debt due to an increase of consolidation of liabilities between units of the general government sector;
- an increase in debt of National Road Fund (NRF) by PLN 710.3 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).

<sup>1)</sup> Data regarding the third quarter of 2021 are preliminary. Data regarding previous periods were updated if necessary.

<sup>2)</sup> Lack of information on the consolidation of mutual debt of corporations included in the general government sector.

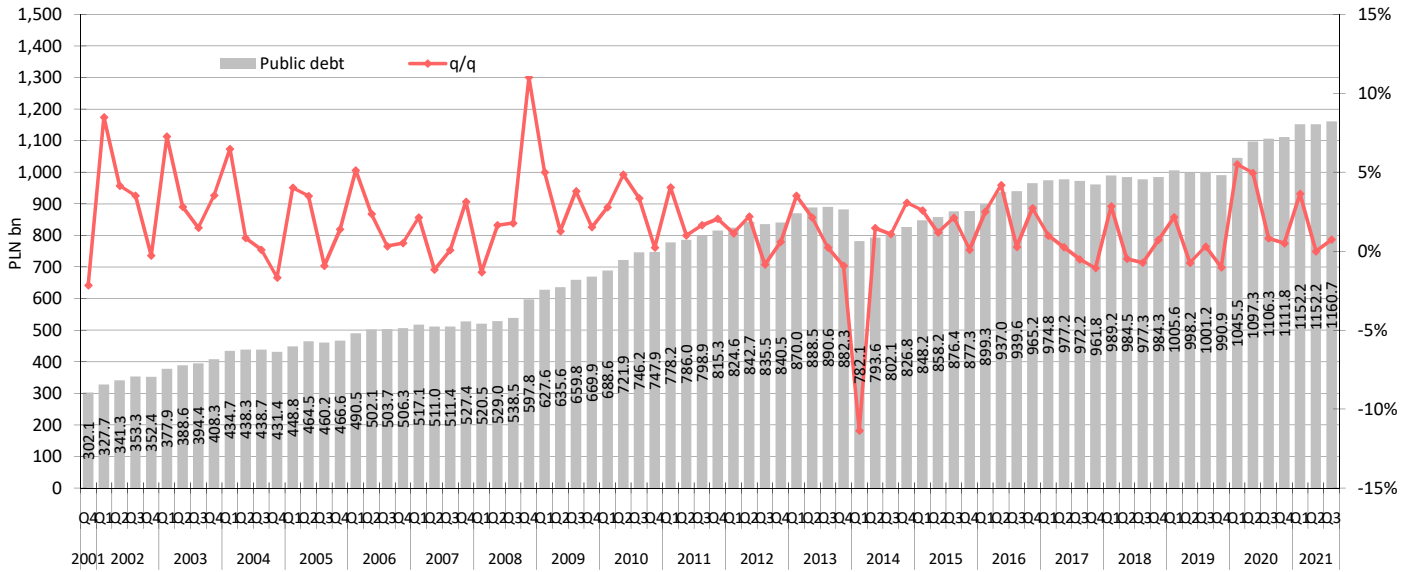
**Table 1. Public debt according to the place of issue criterion - after consolidation (PLN m, at face value, eop)**

Item	Q4 2020	structure Q4 2020	Q2 2021	structure Q2 2021	Q3 2021	structure Q3 2021	change		change	
							Q3 2021 - Q2 2021 PLN m	%	Q3 2021 - Q4 2020 PLN m	%
<b>Public debt</b>	<b>1,111,806.3</b>	<b>100.0%</b>	<b>1,152,233.9</b>	<b>100.0%</b>	<b>1,160,701.5</b>	<b>100.0%</b>	<b>8,467.7</b>	<b>0.7%</b>	<b>48,895.2</b>	<b>4.4%</b>
<b>Domestic debt</b>	<b>823,542.1</b>	<b>74.1%</b>	<b>855,374.3</b>	<b>74.2%</b>	<b>858,614.9</b>	<b>74.0%</b>	<b>3,240.7</b>	<b>0.4%</b>	<b>35,072.8</b>	<b>4.3%</b>
1. Debt securities	749,081.2	67.4%	781,989.1	67.9%	784,727.9	67.6%	2,738.8	0.4%	35,646.7	4.8%
2. Loans	65,763.2	5.9%	63,460.3	5.5%	63,127.2	5.4%	-333.1	-0.5%	-2,636.0	-4.0%
3. Other domestic liabilities	8,697.7	0.8%	9,924.8	0.9%	10,759.8	0.9%	835.0	8.4%	2,062.1	23.7%
<b>Foreign debt</b>	<b>288,264.2</b>	<b>25.9%</b>	<b>296,859.6</b>	<b>25.8%</b>	<b>302,086.6</b>	<b>26.0%</b>	<b>5,227.0</b>	<b>1.8%</b>	<b>13,822.4</b>	<b>4.8%</b>
1. Debt securities	198,286.3	17.8%	176,970.4	15.4%	180,159.7	15.5%	3,189.3	1.8%	-18,126.6	-9.1%
2. Loans	89,970.6	8.1%	119,876.5	10.4%	121,913.9	10.5%	2,037.4	1.7%	31,943.3	35.5%
3. Other foreign liabilities	7.4	0.0%	12.7	0.0%	13.0	0.0%	0.3	2.6%	5.7	77.3%

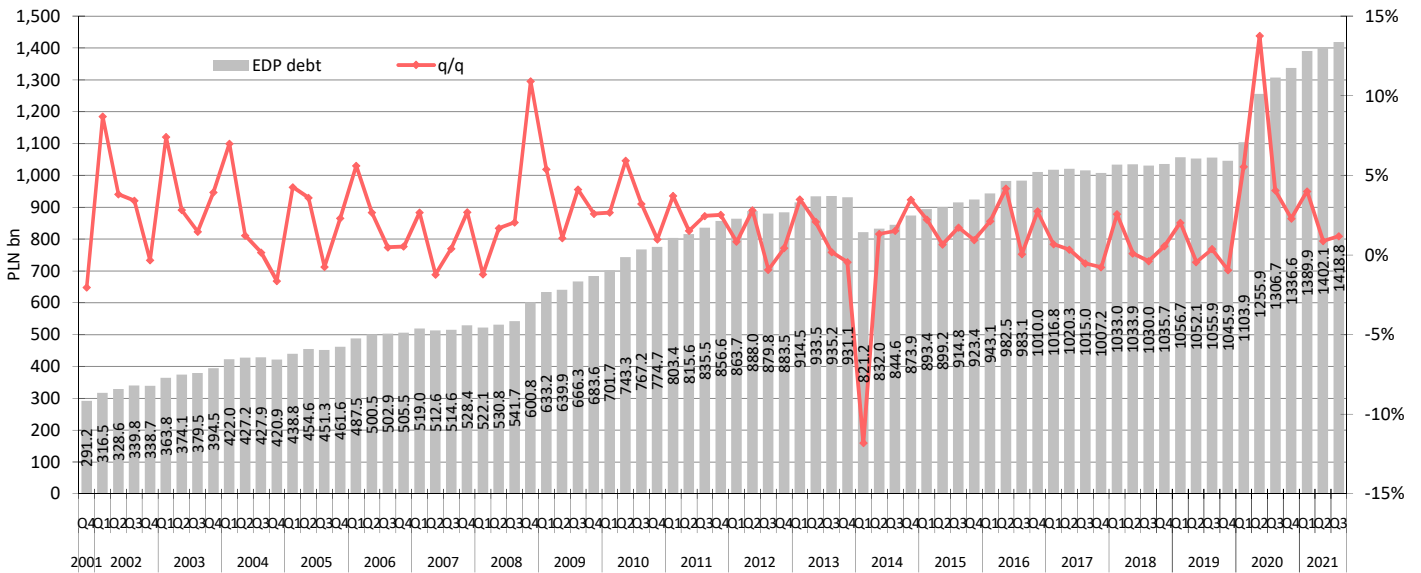
**Table 2. Public debt according to the residency criterion - after consolidation (PLN m, at face value, eop)**

Item	Q4 2020	structure Q4 2020	Q2 2021	structure Q2 2021	Q3 2021	structure Q3 2021	change		change	
							Q3 2021 - Q2 2021 PLN m	%	Q3 2021 - Q4 2020 PLN m	%
<b>Public debt</b>	<b>1,111,806.3</b>	<b>100.0%</b>	<b>1,152,233.9</b>	<b>100.0%</b>	<b>1,160,701.5</b>	<b>100.0%</b>	<b>8,467.7</b>	<b>0.7%</b>	<b>48,895.2</b>	<b>4.4%</b>
<b>Domestic debt</b>	<b>716,558.7</b>	<b>64.4%</b>	<b>756,518.4</b>	<b>65.7%</b>	<b>755,460.4</b>	<b>65.1%</b>	<b>-1,058.0</b>	<b>-0.1%</b>	<b>38,901.7</b>	<b>5.4%</b>
1. Debt securities	642,107.7	57.8%	683,143.3	59.3%	681,583.6	58.7%	-1,559.7	-0.2%	39,475.9	6.1%
2. Loans	65,763.2	5.9%	63,460.3	5.5%	63,127.2	5.4%	-333.1	-0.5%	-2,636.0	-4.0%
3. Other domestic liabilities	8,687.8	0.8%	9,914.8	0.9%	10,749.6	0.9%	834.8	8.4%	2,061.8	23.7%
<b>Foreign debt</b>	<b>395,247.6</b>	<b>35.6%</b>	<b>395,715.5</b>	<b>34.3%</b>	<b>405,241.1</b>	<b>34.9%</b>	<b>9,525.6</b>	<b>2.4%</b>	<b>9,993.5</b>	<b>2.5%</b>
1. Debt securities	305,259.7	27.5%	275,816.2	23.9%	283,304.0	24.4%	7,487.8	2.7%	-21,955.7	-7.2%
2. Loans	89,970.6	8.1%	119,876.5	10.4%	121,913.9	10.5%	2,037.4	1.7%	31,943.3	35.5%
3. Other foreign liabilities	17.3	0.0%	22.8	0.0%	23.3	0.0%	0.5	2.2%	5.9	34.2%

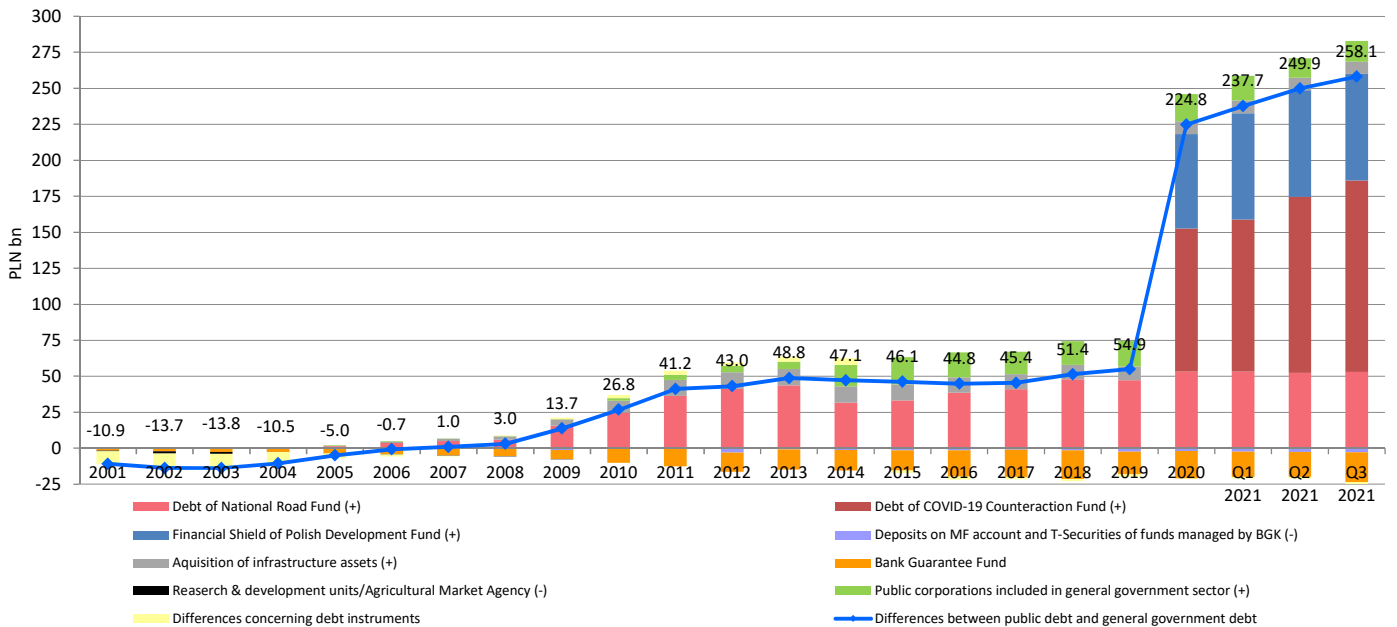
**Chart 1. Public debt**



**Chart 2. EDP debt**



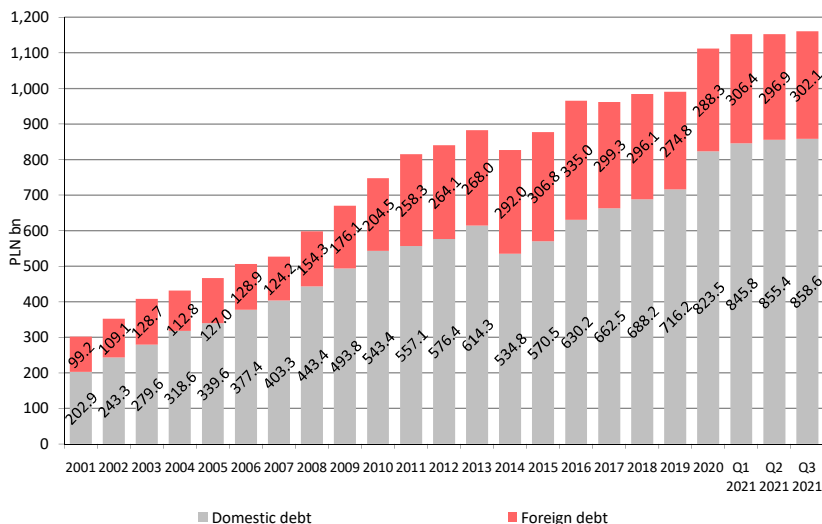
**Chart 3. Differences between general government debt and public debt**



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

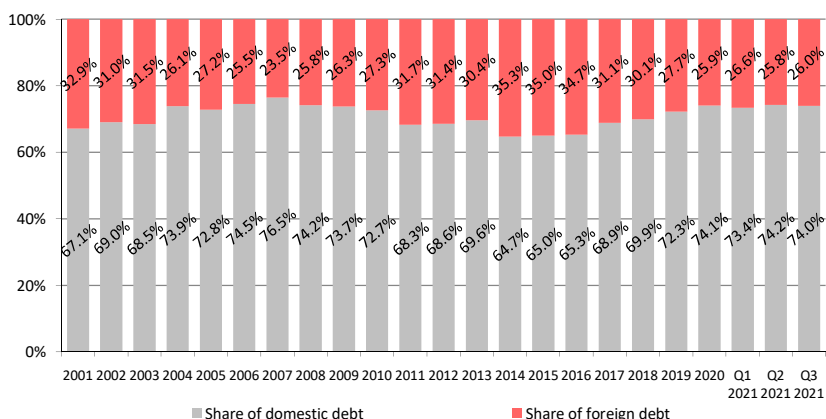
At the end of the third quarter of 2021 the domestic debt stood at PLN 858.6 bn, up by PLN 3.2 bn (+0.4%) compared with the previous quarter. Foreign debt stood at PLN 302.1 bn, up by PLN 5.2 bn (+1.8%) compared with the end of the previous quarter mainly due to:

- repayment of loans drawn from international financial institutions of PLN 0.1 billion;
- redemption of bonds: CHF 0.5 bn;
- depreciation of the Polish zloty against EUR, USD, CHF and JPY - an increase in debt of PLN 7.7 bn.



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

At the end of the third quarter of 2021 the share of foreign debt in the total debt amounted to 26.0%, up by 0.2 percentage points compared with the end of the second quarter. The increase in the share of foreign debt was mainly due to depreciation of the Polish zloty.



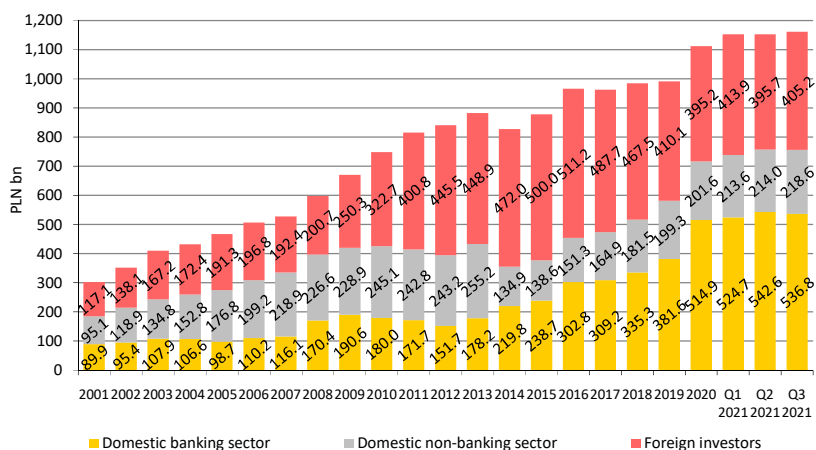
#### Chart 6. Public debt by holder

In the third quarter of 2021 the public debt towards:

- domestic banking sector fell by PLN 5.7 bn (-1.1%);
- domestic non-banking sector rose by PLN 4.7 bn (+2.2%);
- non-residents rose by PLN 9.5 bn (+2.4%).

Compared with the end of 2020 public debt towards:

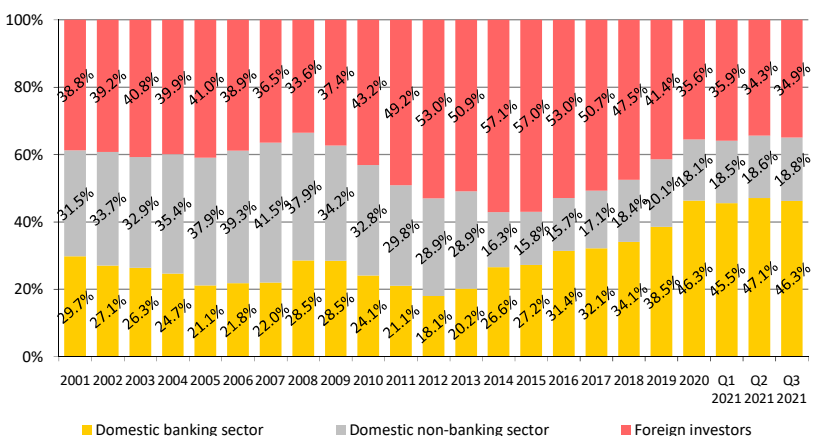
- domestic banking sector rose by PLN 21.9 bn (+4.3%);
- domestic non-banking sector rose by PLN 17.0 bn (+8.4%);
- foreign investors (non-residents) rose by PLN 10.0 bn (+2.5%).



#### Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors rose by 0.6 pp. to 34.9% in the third quarter of 2021. The increase in the share of non-residents in the public debt was mainly the result of an increase in foreign investors' involvement in domestic TS and depreciation of the Polish zloty.

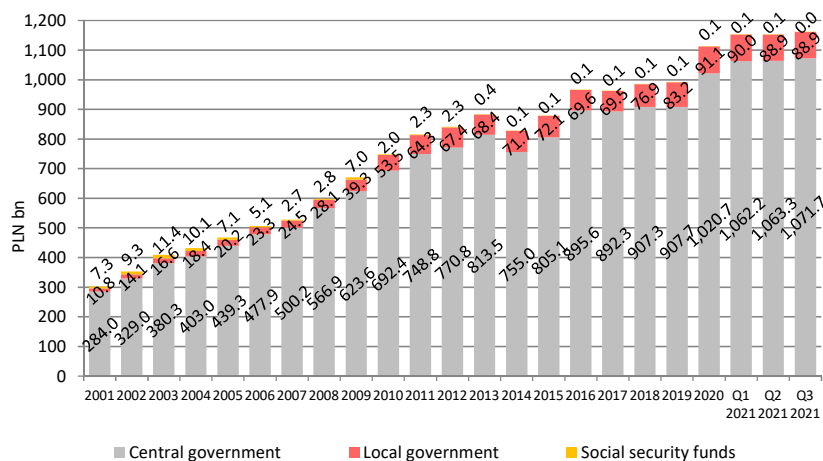
The share of the public debt towards domestic banking sector fell by 0.8 pp in the third quarter of 2021 and amounted to 46.3%. The share of the public debt towards domestic non-banking sector rose by 0.3 pp and amounted to 18.8%.



**Chart 8. Consolidated public debt by subsector**

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

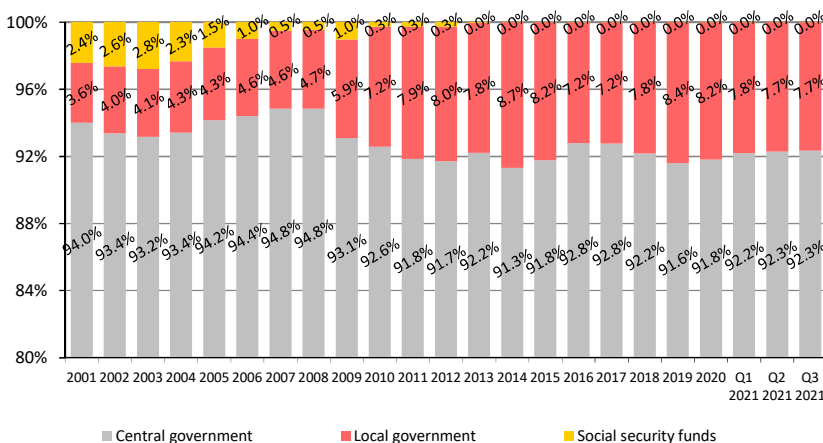
- central government debt - PLN 1,071.7 bn;
- local government debt - PLN 88.9 bn;
- social security funds debt - PLN 0.05 bn.



**Chart 9. Structure of the consolidated public debt by subsector**

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

- central government subsector - 92.3% (up by 0.5 percentage points compared with 2020);
- local government subsector - 7.7% (down by 0.5 percentage points compared with 2020), of which 7.3% represented debt of local government units and their unions;
- social security funds - 0.004%.



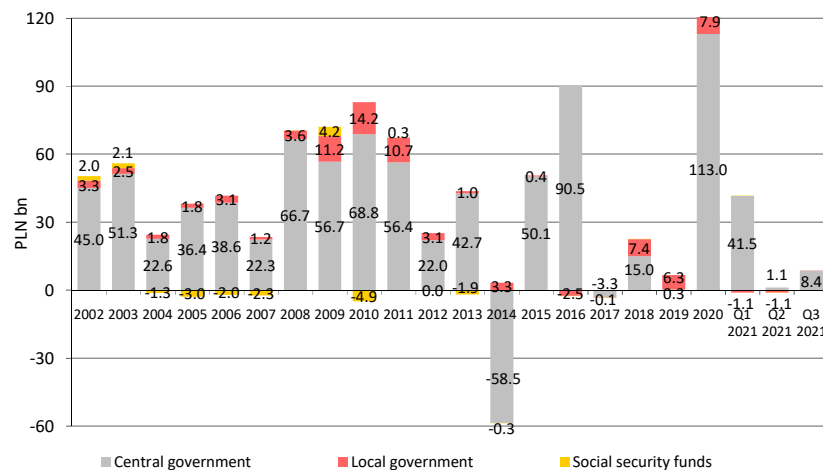
**Chart 10. Changes in the consolidated public debt by subsector**

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

Public debt rose by PLN 8.5 bn (+0.7%) while central government debt rose by PLN 8.4 bn (+0.8%) and consolidated ST debt rose by PLN 8.2 bn (+0.8%).

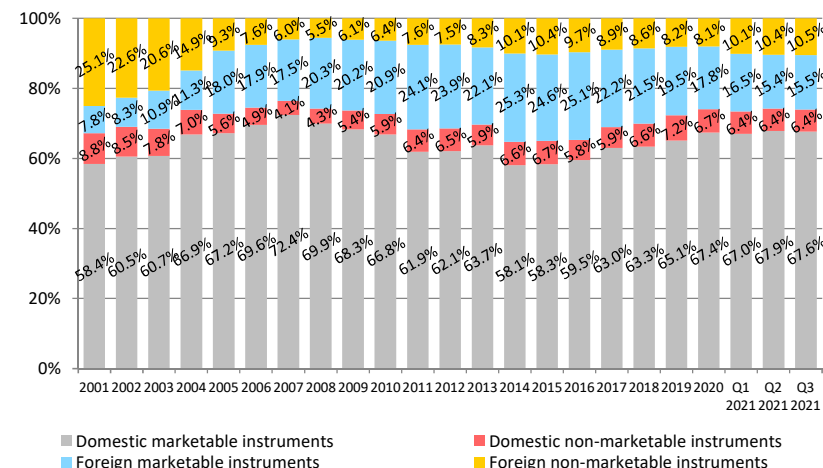
Local government debt rose in the third quarter of 2021 by PLN 0.04 bn (+0.04%), with a decrease in local government units debt of PLN 0.2 bn (-0.3%).

Social security funds debt fell in the third quarter of 2021 by PLN 4.0 m (-8.0%).



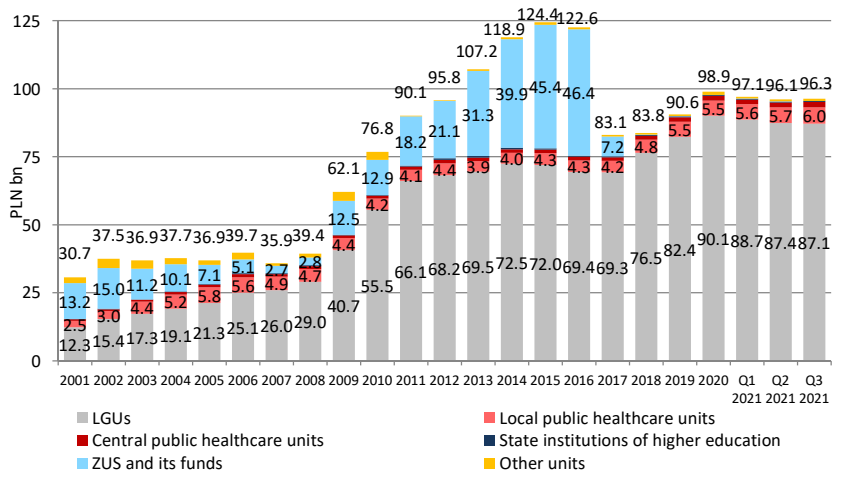
**Chart 11. Structure of the public debt by instrument**

At the end of the third quarter of 2021 marketable instruments comprised 83.1% of the public debt, including instruments issued on the domestic market - 67.6%. The share of marketable instruments in the public debt fell by 0.1 percentage points compared with the end of 2020.



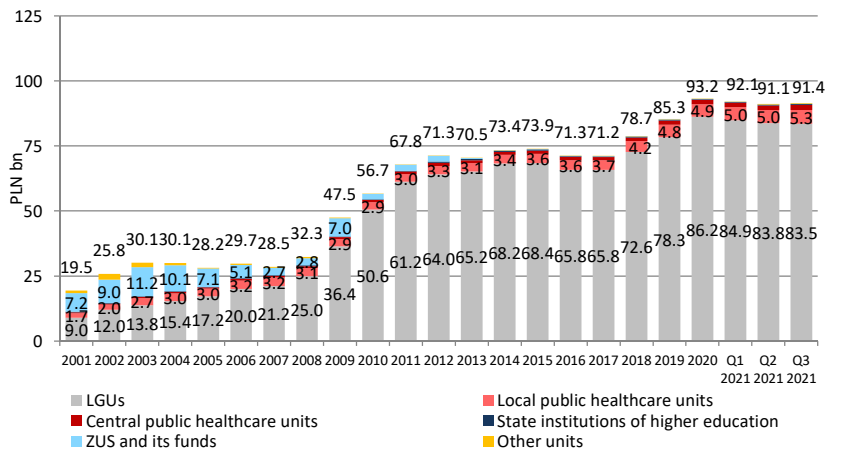
**Chart 12. Unconsolidated debt of the public finance sector units other than ST**

At the end of the third quarter of 2021, the unconsolidated debt of units other than ST amounted to 7.8% of the public debt, down from 8.3% at the end of 2020. Among those entities the debt of local government units and their unions (7.0%, as compared to 7.5% at the end of 2020) and of local health care units (share of 0.5%) constituted the largest part.



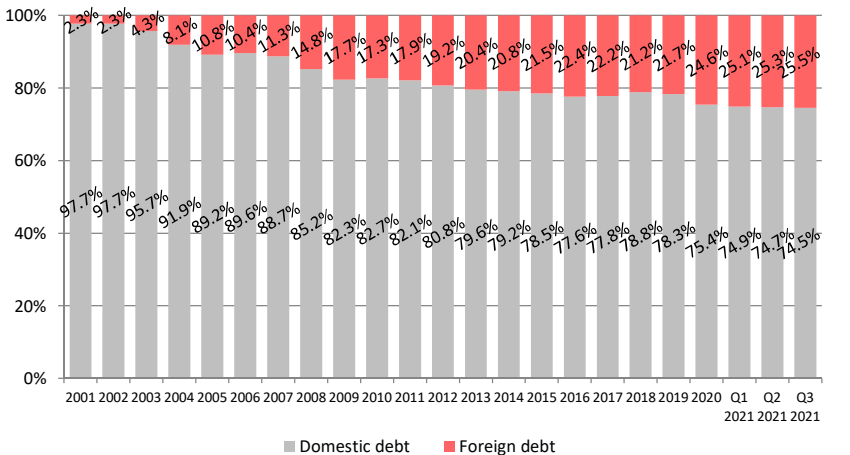
**Chart 13. Consolidated debt of public finance sector units other than ST**

At the end of the third quarter of 2021 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 5.1% of their debt were liabilities towards other public finance sector units.



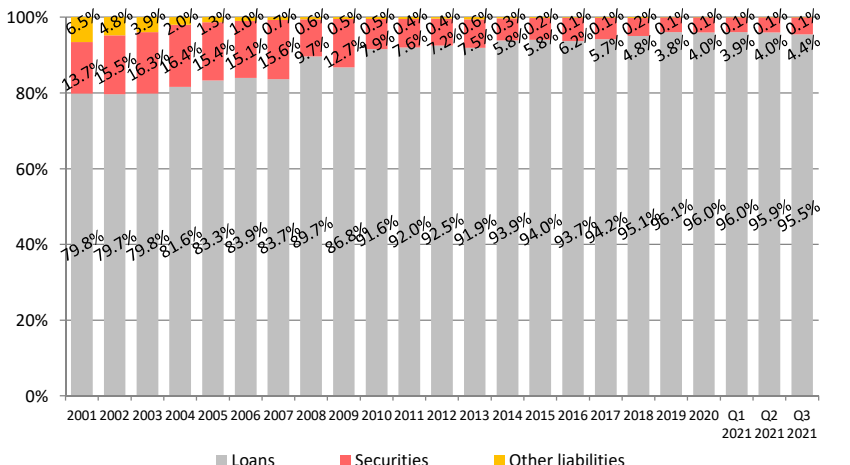
**Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion**

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 25.5% at the end of the third quarter of 2021, up by 0.9 percentage points compared with the end of 2020.

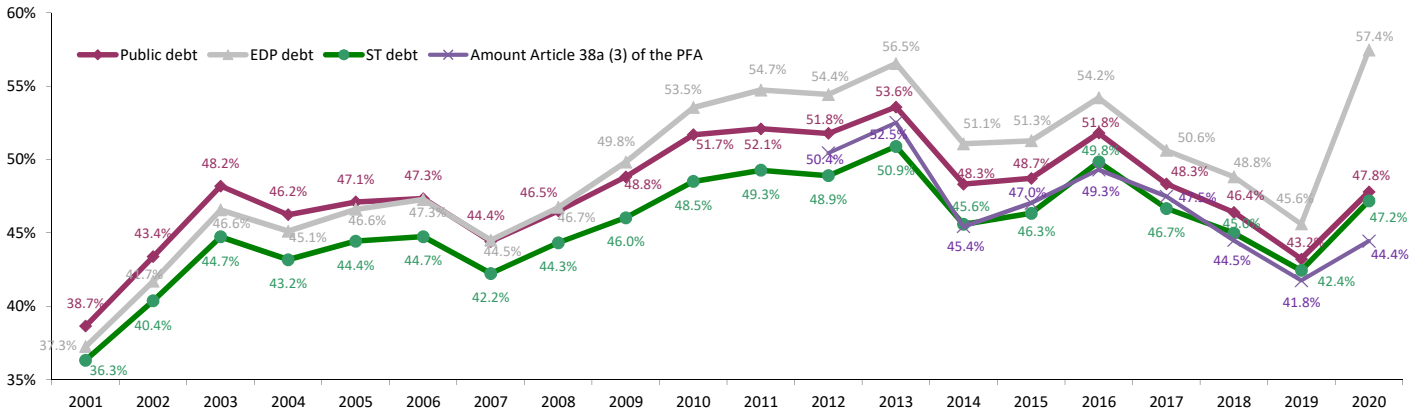


**Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument**

Loans prevailed in the structure of liabilities of LGUs and their unions with the share of 95.5%. The share of loans fell by 0.4 percentage points compared with the previous year.

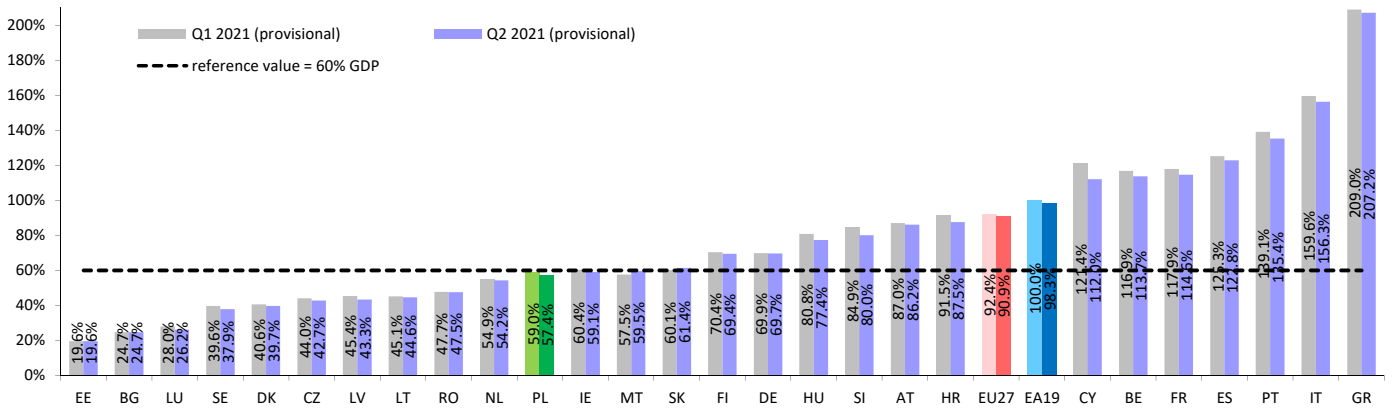


**Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)**



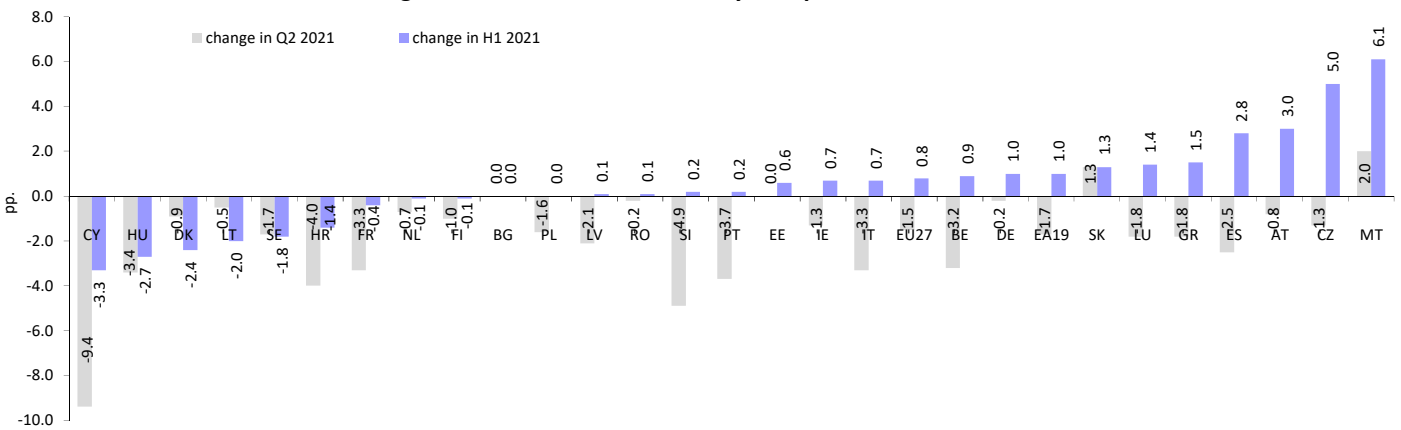
Source: Ministry of Finance

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



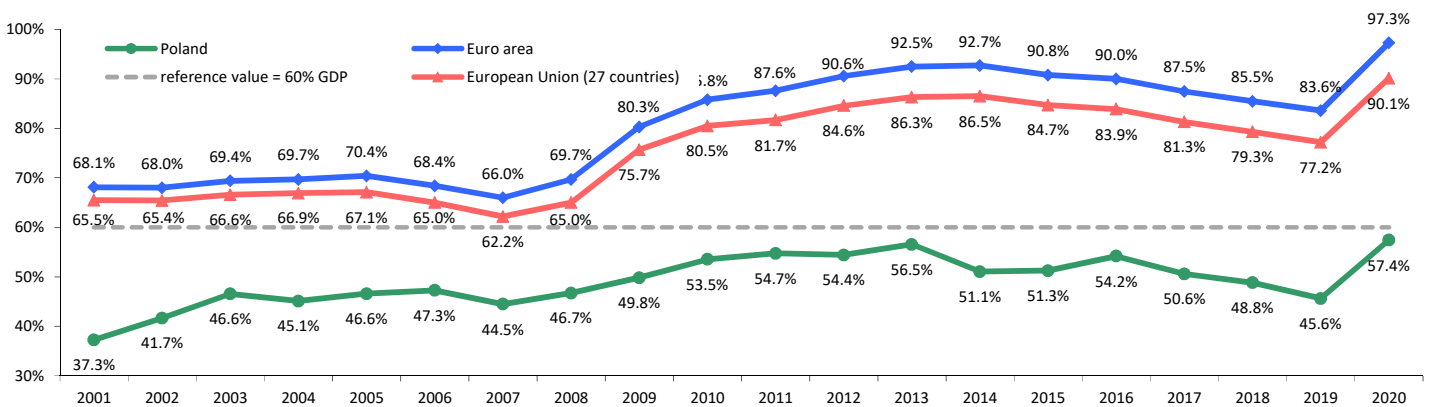
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

**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	Q1 2021	Q2 2021	Q3 2021
<b>Public debt</b>	<b>826,774.7</b>	<b>877,282.4</b>	<b>965,199.0</b>	<b>961,841.5</b>	<b>984,313.5</b>	<b>990,948.4</b>	<b>1,111,806.3</b>	<b>1,152,235.1</b>	<b>1,152,233.9</b>	<b>1,160,701.5</b>
<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>238,801.1</i>	<i>250,931.6</i>	<i>259,458.7</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	53,303.8	52,255.2	52,965.5
Debt of COVID-19 Counteraction Fund (consolidated within general government)	-	-	-	-	-	-	99,448.9	105,448.5	122,374.6	133,000.3
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	-2,469.0	-2,543.3	-2,819.5
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	8,901.8	8,718.3	8,625.1
Bank Guarantee Fund	-14,296.0	-14,039.8	-18,255.0	-18,930.5	-19,848.4	-15,815.6	-18,972.9	-17,454.6	-17,475.6	-20,567.8
Public corporations included in general government sector	14,960.5	18,958.0	17,416.3	15,499.6	16,345.6	17,860.3	18,923.9	17,170.5	13,702.3	14,355.2
<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>-1,111.0</i>	<i>-1,077.8</i>	<i>-1,390.6</i>
matured payables	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,930.9	-1,688.7	-1,903.7	-2,045.1	-2,167.3
debt assumption - activation of a guarantee	0.2	0.0	0.1	2.3	2.1	0.0	4.2	1.0	0.3	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	788.3	792.2	793.2
derivatives	-301.2	-483.2	-1,080.7	-239.5	-450.2	-458.9	595.3	3.4	174.7	-16.5
<b>General government debt</b>	<b>873,908.8</b>	<b>923,416.5</b>	<b>1,010,021.9</b>	<b>1,007,199.6</b>	<b>1,035,718.3</b>	<b>1,045,865.3</b>	<b>1,336,557.6</b>	<b>1,389,925.2</b>	<b>1,402,087.6</b>	<b>1,418,769.6</b>

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

ITEM	Q4 2020	structure Q4 2020	Q2 2021	structure Q2 2021	Q3 2021	structure Q3 2021	change Q3 2021 - Q2 2021		change Q3 2021 - Q4 2020	
							m PLN	%	m PLN	%
<b>Public debt</b>	<b>1,196,366.5</b>	<b>100.0%</b>	<b>1,229,708.1</b>	<b>100.0%</b>	<b>1,241,042.6</b>	<b>100.0%</b>	<b>11,334.5</b>	<b>0.9%</b>	<b>44,676.1</b>	<b>3.7%</b>
<b>1. Central government sector debt</b>	<b>1,100,245.7</b>	<b>92.0%</b>	<b>1,136,110.8</b>	<b>92.4%</b>	<b>1,147,422.9</b>	<b>92.5%</b>	<b>11,312.1</b>	<b>1.0%</b>	<b>47,177.2</b>	<b>4.3%</b>
1.1. State Treasury	1,097,480.0	91.7%	1,133,647.5	92.2%	1,144,751.6	92.2%	11,104.1	1.0%	47,271.5	4.3%
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	377.4	0.0%	367.6	0.0%	352.9	0.0%	-14.7	-4.0%	-24.5	-6.5%
1.4. Independent public healthcare units	1,708.3	0.1%	1,822.4	0.1%	2,014.9	0.2%	192.5	10.6%	306.6	18.0%
1.5. State institutions of culture	4.1	0.0%	1.6	0.0%	1.1	0.0%	-0.5	-31.2%	-3.0	-73.9%
1.6. Polish Academy of Science and units established by it	20.1	0.0%	19.2	0.0%	19.0	0.0%	-0.2	-1.2%	-1.1	-5.4%
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	655.8	0.1%	252.5	0.0%	283.4	0.0%	31.0	12.3%	-372.3	-56.8%
<b>2. Local government sector debt</b>	<b>96,065.3</b>	<b>8.0%</b>	<b>93,543.0</b>	<b>7.6%</b>	<b>93,569.7</b>	<b>7.5%</b>	<b>26.7</b>	<b>0.0%</b>	<b>-2,495.5</b>	<b>-2.6%</b>
2.1. Local government units	90,139.1	7.5%	87,419.6	7.1%	87,133.6	7.0%	-286.0	-0.3%	-3,005.6	-3.3%
2.2. Independent public health units	5,513.0	0.5%	5,697.2	0.5%	6,005.2	0.5%	308.0	5.4%	492.2	8.9%
2.3. Local institutions of culture	94.7	0.0%	95.7	0.0%	105.1	0.0%	9.4	9.8%	10.4	11.0%
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	318.5	0.0%	330.5	0.0%	325.8	0.0%	-4.7	-1.4%	7.4	2.3%
<b>3. Social Security Sector debt</b>	<b>55.5</b>	<b>0.0%</b>	<b>54.3</b>	<b>0.0%</b>	<b>50.0</b>	<b>0.0%</b>	<b>-4.4</b>	<b>-8.0%</b>	<b>-5.6</b>	<b>-10.0%</b>
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	55.5	0.0%	54.3	0.0%	50.0	0.0%	-4.4	-8.0%	-5.6	-10.0%
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 2020	structure Q4 2020	Q2 2021	structure Q2 2021	Q3 2021	structure Q3 2021	change Q3 2021 - Q2 2021		change Q3 2021 - Q4 2020	
							m PLN	%	m PLN	%
<b>Public debt</b>	<b>1,111,806.3</b>	<b>100.0%</b>	<b>1,152,233.9</b>	<b>100.0%</b>	<b>1,160,701.5</b>	<b>100.0%</b>	<b>8,467.7</b>	<b>0.7%</b>	<b>48,895.2</b>	<b>4.4%</b>
<b>1. Central government sector debt</b>	<b>1,020,652.3</b>	<b>91.8%</b>	<b>1,063,316.0</b>	<b>92.3%</b>	<b>1,071,749.6</b>	<b>92.3%</b>	<b>8,433.7</b>	<b>0.8%</b>	<b>51,097.3</b>	<b>5.0%</b>
1.1. State Treasury	1,018,569.4	91.6%	1,061,101.6	92.1%	1,069,323.1	92.1%	8,221.5	0.8%	50,753.7	5.0%
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	355.9	0.0%	344.2	0.0%	332.0	0.0%	-12.2	-3.5%	-23.9	-6.7%
1.4. Independent public health units	1,652.8	0.1%	1,753.9	0.2%	1,947.0	0.2%	193.2	11.0%	294.3	17.8%
1.5. State institutions of culture	4.0	0.0%	1.5	0.0%	1.1	0.0%	-0.5	-31.4%	-3.0	-73.7%
1.6. Polish Academy of Science and units established by it	4.9	0.0%	4.0	0.0%	4.1	0.0%	0.0	0.6%	-0.9	-17.4%
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	65.3	0.0%	110.7	0.0%	142.3	0.0%	31.6	28.6%	77.0	117.9%
<b>2. Local government sector debt</b>	<b>91,098.4</b>	<b>8.2%</b>	<b>88,863.6</b>	<b>7.7%</b>	<b>88,901.9</b>	<b>7.7%</b>	<b>38.4</b>	<b>0.0%</b>	<b>-2,196.5</b>	<b>-2.4%</b>
2.1. Local government units	86,174.2	7.8%	83,753.4	7.3%	83,512.2	7.2%	-241.1	-0.3%	-2,662.0	-3.1%
2.2. Independent public health units	4,859.9	0.4%	5,046.0	0.4%	5,323.0	0.5%	277.1	5.5%	463.1	9.5%
2.3. Local institutions of culture	62.0	0.0%	57.8	0.0%	60.3	0.0%	2.5	4.3%	-1.7	-2.8%
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	2.3	0.0%	6.4	0.0%	6.3	0.0%	-0.1	-1.2%	4.1	178.5%
<b>3. Social Security Sector debt</b>	<b>55.5</b>	<b>0.0%</b>	<b>54.3</b>	<b>0.0%</b>	<b>50.0</b>	<b>0.0%</b>	<b>-4.4</b>	<b>-8.0%</b>	<b>-5.6</b>	<b>-10.0%</b>
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	55.5	0.0%	54.3	0.0%	50.0	0.0%	-4.4	-8.0%	-5.6	-10.0%
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	-