

1. At the end of the second quarter of 2021 the consolidated public debt (according to the domestic definition) stood at **PLN 1,152,190.6 million¹** and compared with:

- the previous quarter it fell by PLN 28.7 million (-0.002%);
- the end of 2020 it rose by PLN 40 384.3 million (+3.6%).

2. The decrease of the public debt in the second quarter 2021 was a combination of:

- an increase in the central government sector debt of PLN 1,128.0 million (+0.1%), including an increase in consolidated State Treasury (ST) debt of PLN 991.8 million (+0.1%);
- a decrease in the local government sector debt of PLN 1,153.8 million (-1.3%), including a decrease in local government units' (LGUs) debt of PLN 1,205.7 million (-1.4%);
- a decrease in the social security sector debt of PLN 2.9 million (-5.1%).

3. At the end of the second quarter of 2021 the unconsolidated public debt stood at **PLN 1,229,658.8 million¹** and compared with:

- the previous quarter it rose by PLN 828.3 million (+0.1%);
- the end of 2020 it rose by PLN 33,292.3 million (+2.8%).

4. At the end of the second quarter of 2021 the general government debt (EDP debt, part of the government finance Maastricht criterion) was at **PLN 1,401,619.6 million^{1,2}** and compared with:

- the previous quarter it rose by PLN 12,132.1 million (+0.9%);
- the end of 2020 it rose by PLN 65,483.9 million (+4.9%).

5. The changes in the EDP debt in the second 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 16,926.1 million;
- a decrease in the impact of classifying of corporations in the general government sector by PLN 3,468.2 million, including a decrease of debt by PLN 560.7 million and an increase in T-securities held by these units by PLN 2,909.4 million;
- a decrease in debt of National Road Fund (NRF) by PLN 1,048.6 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 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 2020	structure Q4 2020	Q1 2021	structure Q1 2021	Q2 2021	structure Q2 2021	change		change	
							Q2 2021 - Q1 2021 PLN m	%	Q2 2021 - Q4 2020 PLN m	%
Public debt	1,111,806.3	100.0%	1,152,219.3	100.0%	1,152,190.6	100.0%	-28.7	0.0%	40,384.3	3.6%
Domestic debt	823,542.1	74.1%	845,780.4	73.4%	855,331.0	74.2%	9,550.6	1.1%	31,788.9	3.9%
1. Debt securities	749,081.2	67.4%	771,739.2	67.0%	781,994.7	67.9%	10,255.5	1.3%	32,913.6	4.4%
2. Loans	65,763.2	5.9%	64,425.8	5.6%	63,408.6	5.5%	-1,017.2	-1.6%	-2,354.6	-3.6%
3. Other domestic liabilities	8,697.7	0.8%	9,615.4	0.8%	9,927.6	0.9%	312.2	3.2%	1,229.9	14.1%
Foreign debt	288,264.2	25.9%	306,438.9	26.6%	296,859.6	25.8%	-9,579.3	-3.1%	8,595.4	3.0%
1. Debt securities	198,286.3	17.8%	189,733.4	16.5%	176,970.4	15.4%	-12,763.1	-6.7%	-21,315.9	-10.8%
2. Loans	89,970.6	8.1%	116,693.9	10.1%	119,876.5	10.4%	3,182.6	2.7%	29,905.9	33.2%
3. Other foreign liabilities	7.4	0.0%	11.5	0.0%	12.7	0.0%	1.2	10.2%	5.3	72.8%

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

Item	Q4 2020	structure Q4 2020	Q1 2021	structure Q1 2021	Q2 2021	structure Q2 2021	change		change	
							Q2 2021 - Q1 2021 PLN m	%	Q2 2021 - Q4 2020 PLN m	%
Public debt	1,111,806.3	100.0%	1,152,219.3	100.0%	1,152,190.6	100.0%	-28.7	0.0%	40,384.3	3.6%
Domestic debt	716,558.7	64.4%	738,330.0	64.1%	756,475.1	65.7%	18,145.1	2.5%	39,916.4	5.6%
1. Debt securities	642,107.7	57.8%	664,299.1	57.7%	683,148.9	59.3%	18,849.8	2.8%	41,041.2	6.4%
2. Loans	65,763.2	5.9%	64,425.8	5.6%	63,408.6	5.5%	-1,017.2	-1.6%	-2,354.6	-3.6%
3. Other domestic liabilities	8,687.8	0.8%	9,605.1	0.8%	9,917.6	0.9%	312.5	3.3%	1,229.8	14.2%
Foreign debt	395,247.6	35.6%	413,889.3	35.9%	395,715.5	34.3%	-18,173.9	-4.4%	467.9	0.1%
1. Debt securities	305,259.7	27.5%	297,173.5	25.8%	275,816.2	23.9%	-21,357.3	-7.2%	-29,443.5	-9.6%
2. Loans	89,970.6	8.1%	116,693.9	10.1%	119,876.5	10.4%	3,182.6	2.7%	29,905.9	33.2%
3. Other foreign liabilities	17.3	0.0%	21.9	0.0%	22.8	0.0%	0.9	4.0%	5.4	31.3%

Chart 1. Public debt

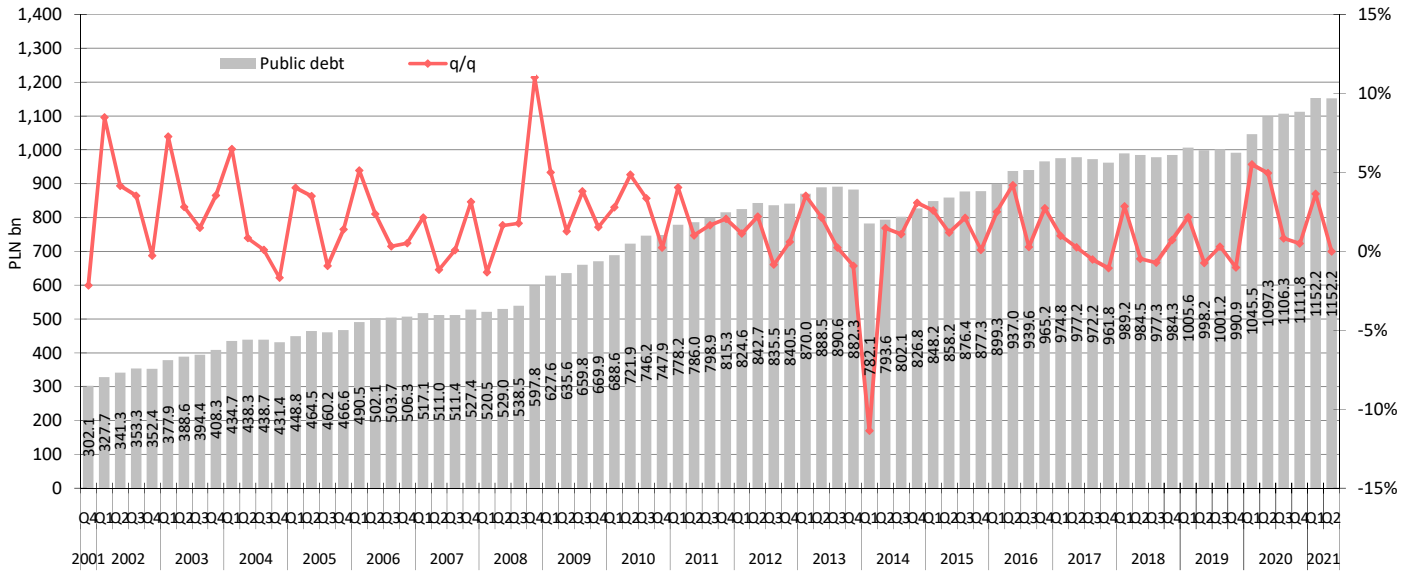


Chart 2. EDP debt

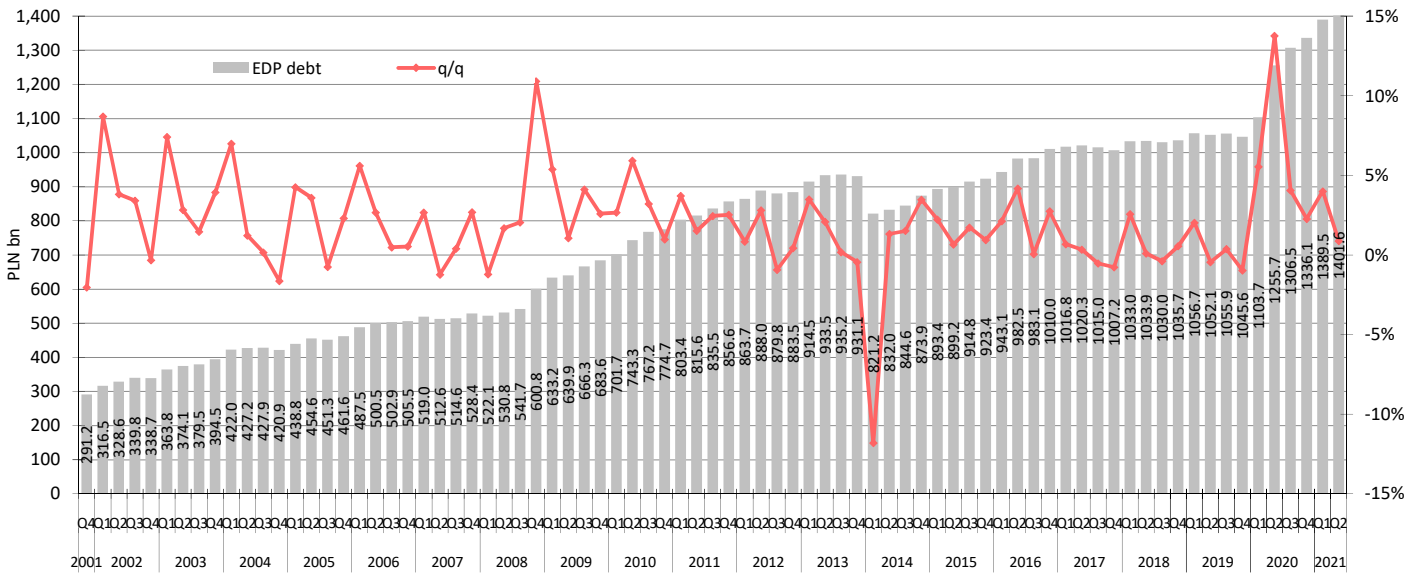


Chart 3. Differences between general government debt and public debt

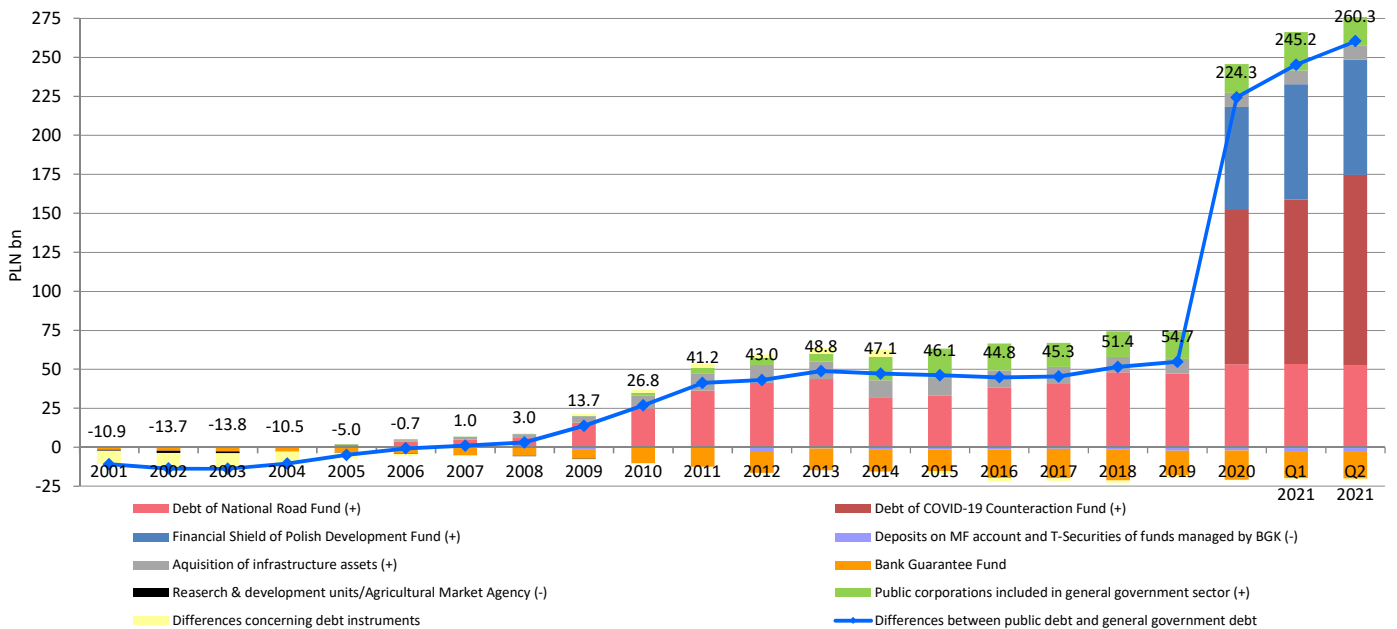


Chart 4. Public debt according to the place of issue criterion

At the end of the second quarter of 2021 the domestic debt stood at PLN 855.3 bn, up by PLN 9.6 bn (+1.1%) compared with the previous quarter. Foreign debt stood at PLN 296.9 bn, down by PLN 9.6 bn (-3.1%) compared with the end of the previous quarter mainly due to:

- drawing loans from the European Commission (SURE) of EUR 1.56 billion and repayment of loans drawn from international financial institutions of PLN 0.2 billion;
- redemption of bonds: USD 1.7 bn;
- appreciation of the Polish zloty against EUR, USD, CHF and JPY - a decrease in debt of PLN 9.0 bn.

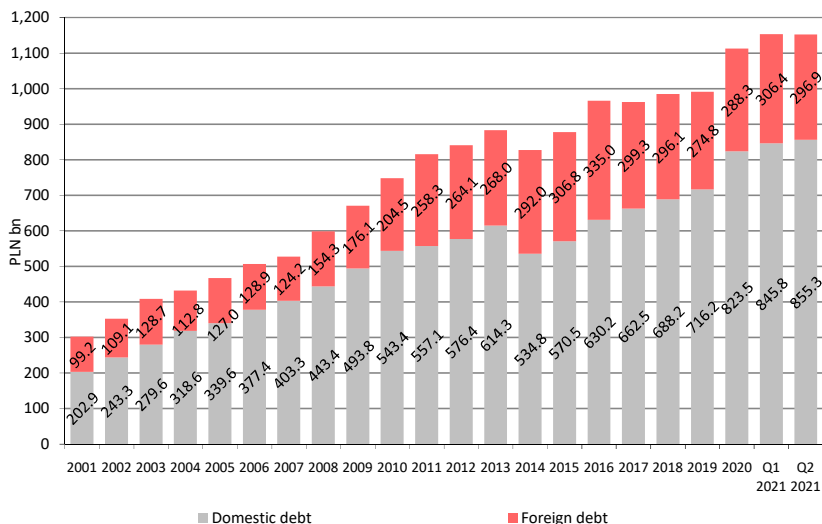


Chart 5. Structure of public debt according to the place of issue criterion

At the end of the second quarter of 2021 the share of foreign debt in the total debt amounted to 25.8%, down by 0.8 percentage points compared with the end of the first quarter. The decrease in the share of foreign debt was mainly due to appreciation of the Polish zloty.

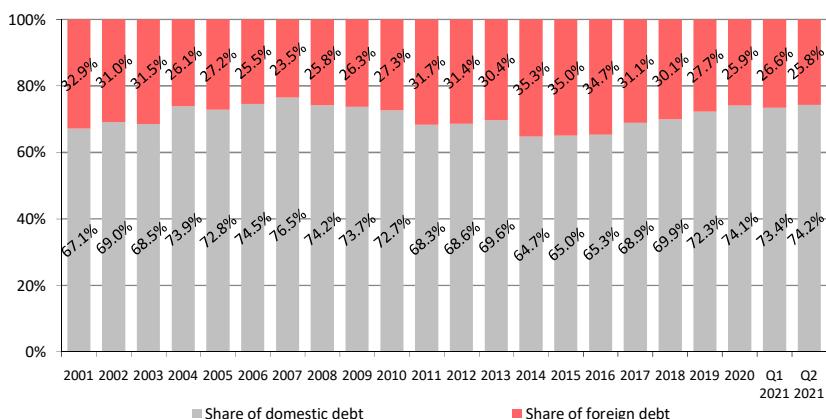


Chart 6. Public debt by holder

In the second quarter of 2021 the public debt towards:

- domestic banking sector rose by PLN 17.8 bn (+3.4%);
- domestic non-banking sector rose by PLN 0.4 bn (+0.2%);
- non-residents fell by PLN 18.2 bn (-4.4%).

Compared with the end of 2020 public debt towards:

- domestic banking sector rose by PLN 27.5 bn (+5.3%);
- domestic non-banking sector rose by PLN 12.4 bn (+6.1%);
- foreign investors (non-residents) rose by PLN 0.5 bn (+0.1%).

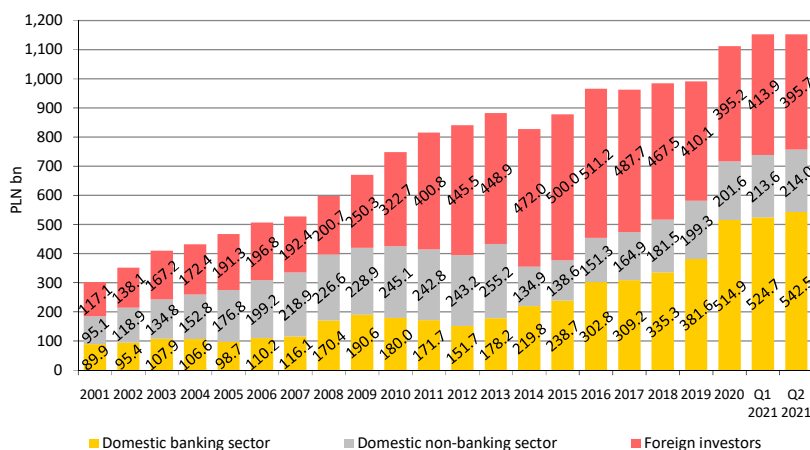


Chart 7. Structure of the public debt by holder

The share of public debt towards foreign investors fell by 1.6 pp. to 34.3% in the second quarter of 2021. The decrease in the share of non-residents in the public debt was mainly the result of a decrease in foreign investors' involvement in domestic TS and appreciation of the Polish zloty.

The share of the public debt towards domestic banking sector rose by 1.5 pp in the second quarter of 2021 and amounted to 47.1%. The share of the public debt towards domestic nonbanking sector rose by 0.1 pp and amounted to 18.6%.

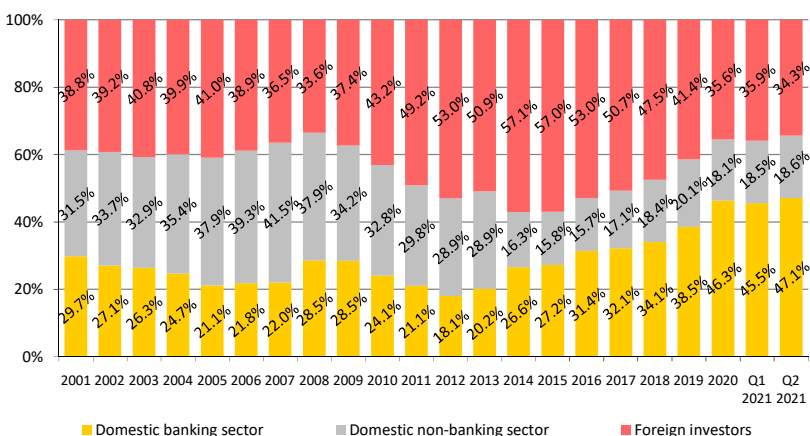


Chart 8. Consolidated public debt by subsector

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

- central government debt - PLN 1,063.3 bn;
- local government debt - PLN 88.8 bn;
- social security funds debt - PLN 0.1 bn.

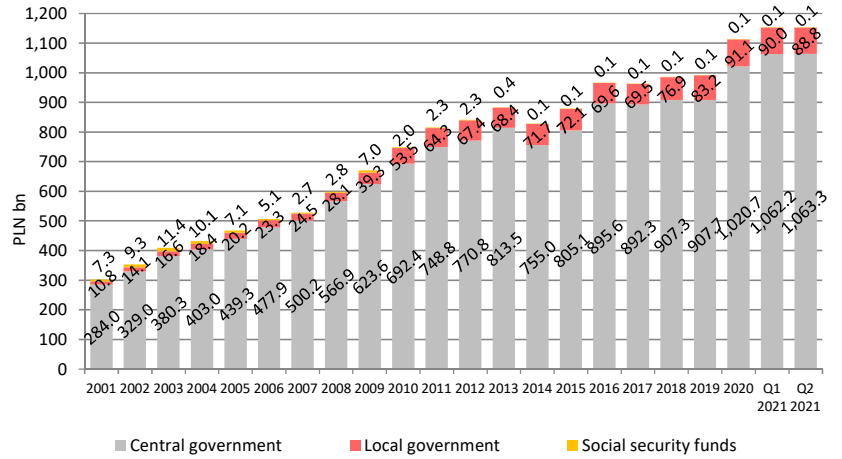


Chart 9. Structure of the consolidated public debt by subsector

At the end of the second 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 - 0.005%.

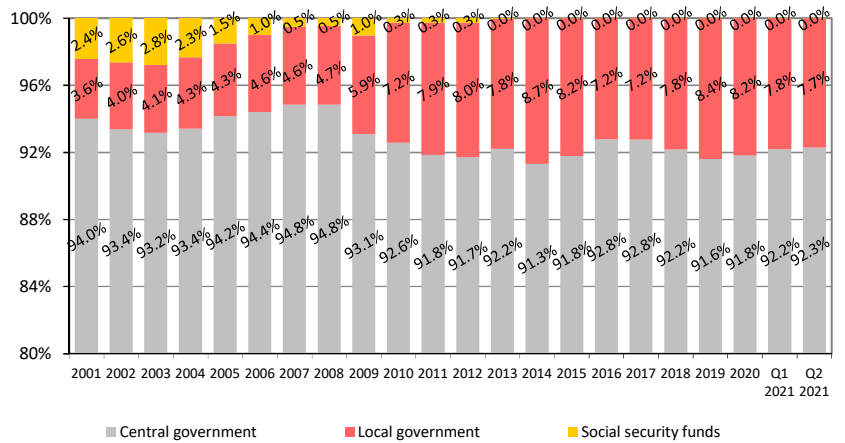


Chart 10. Changes in the consolidated public debt by subsector

The change in public debt in the second quarter of 2021 was a result of a decrease in local government debt by PLN 1.2 bn (-1.3%), including LGUs' debt by PLN 1.2 bn (-1.4%), and an increase in central government debt by PLN 1.1 bn (+0.1%), in particular consolidated ST debt by PLN 1.0 bn (+0.1%).

Social security funds debt fell in the second quarter of 2021 by PLN 2.0 m (-5.1%).

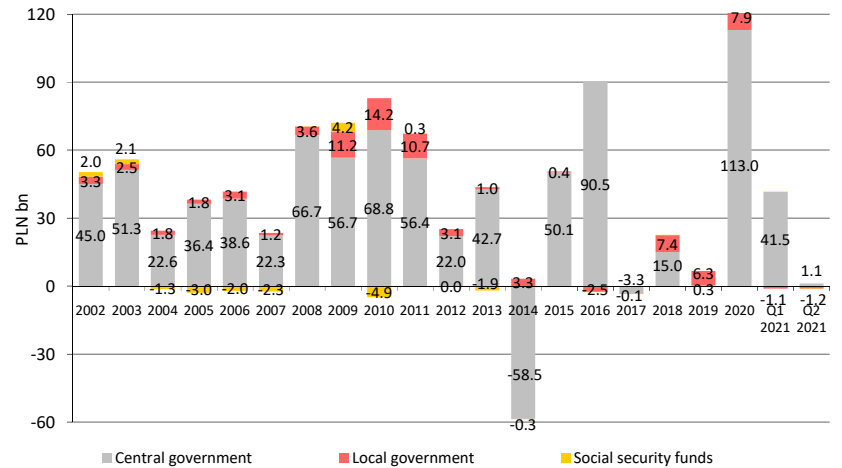


Chart 11. Structure of the public debt by instrument

At the end of the second quarter of 2021 marketable instruments comprised 83.2% of the public debt, including instruments issued on the domestic market - 67.9%. The share of marketable instruments in the public debt fell by 2.0 percentage points compared with the end of 2020.

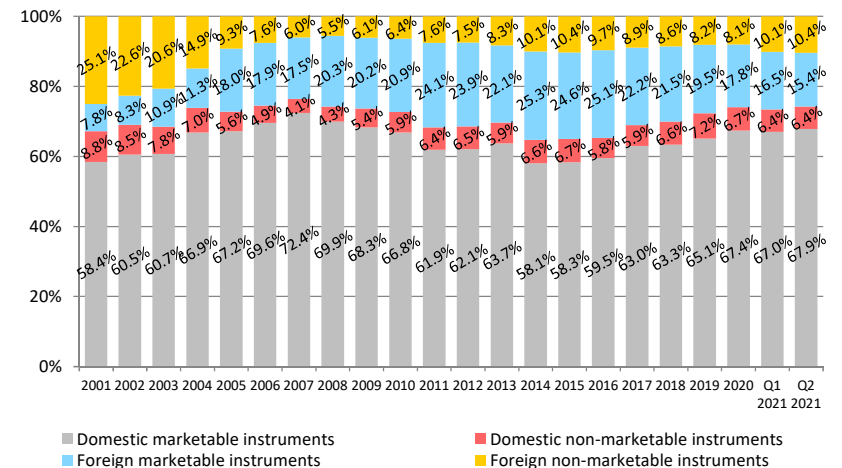


Chart 12. Unconsolidated debt of the public finance sector units other than ST

At the end of the second 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 (7.1%, as compared to 7.5% at the end of 2020) and of local health care units (share of 0.5%) constituted the largest part.

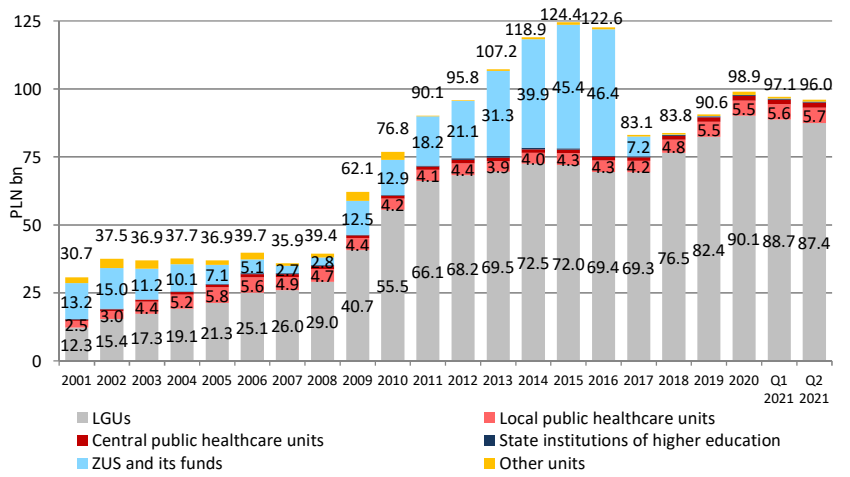


Chart 13. Consolidated debt of public finance sector units other than ST

At the end of the second 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.

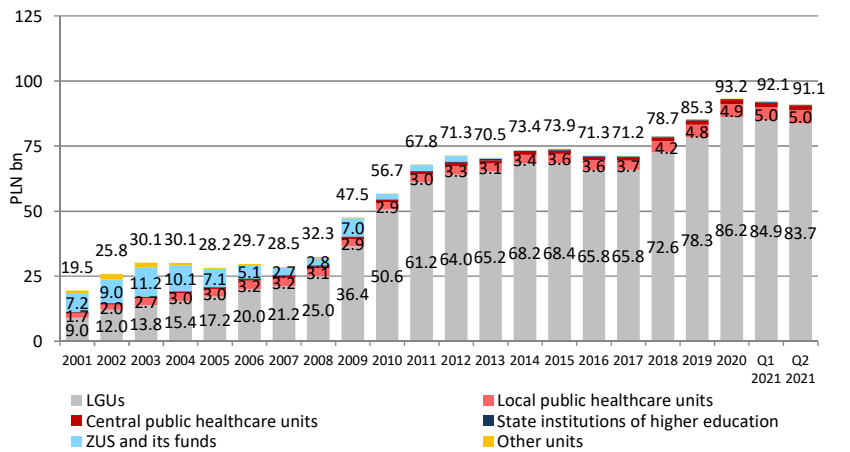


Chart 14. Structure of the unconsolidated debt of LGUs and their associations according to the place of issue criterion

The structure of liabilities of local government units and their unions was dominated by domestic debt. The share of foreign debt amounted to 25.3% at the end of the second quarter of 2021, up by 0.7 percentage points compared with the end of 2020.

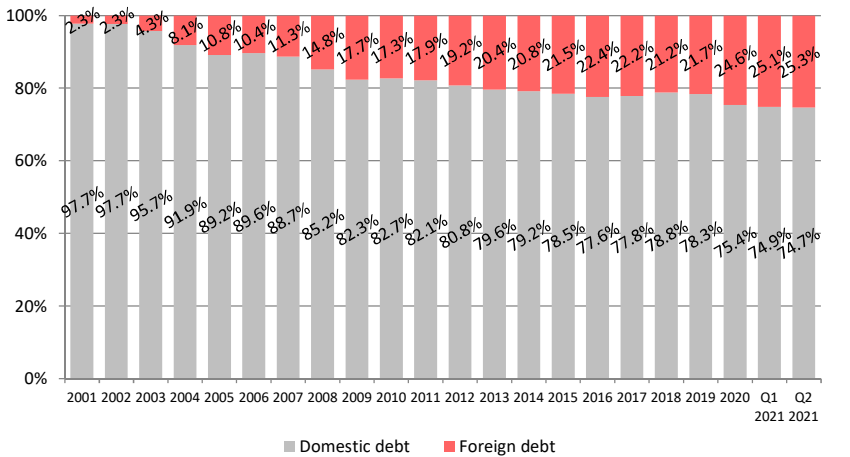


Chart 15. Structure of the unconsolidated debt of LGUs and their associations by instrument

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.

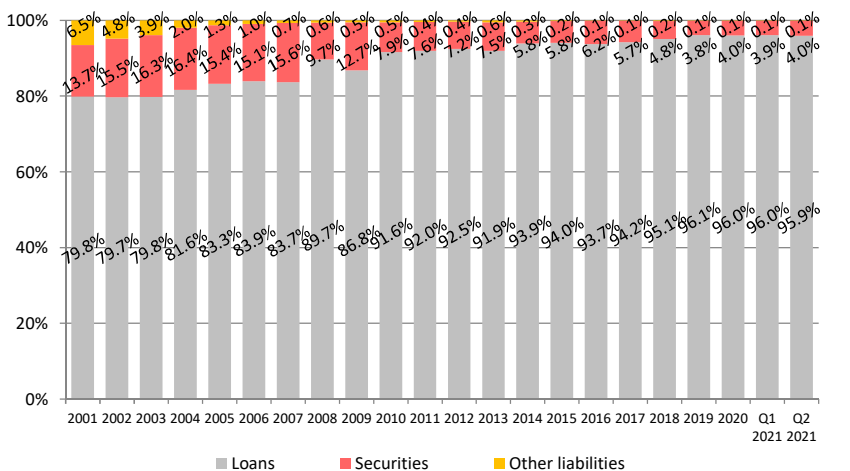
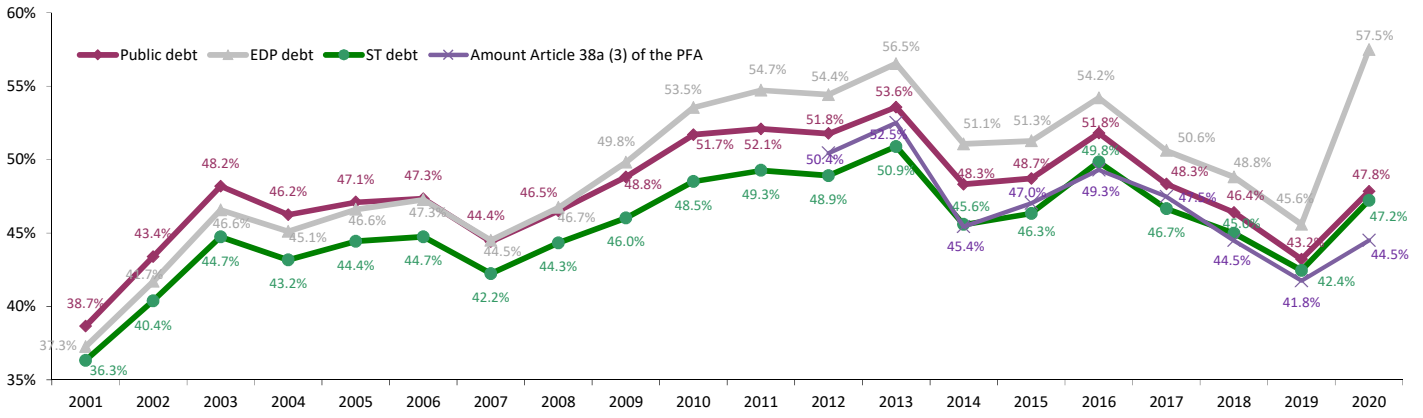
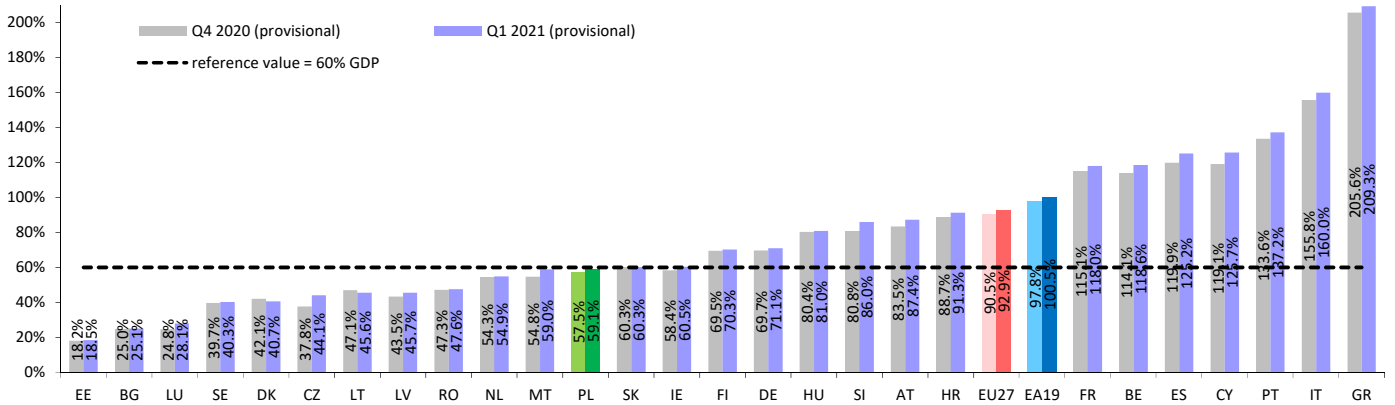


Chart 16. Public debt, EDP debt and State Treasury debt to GDP ratios (eop)



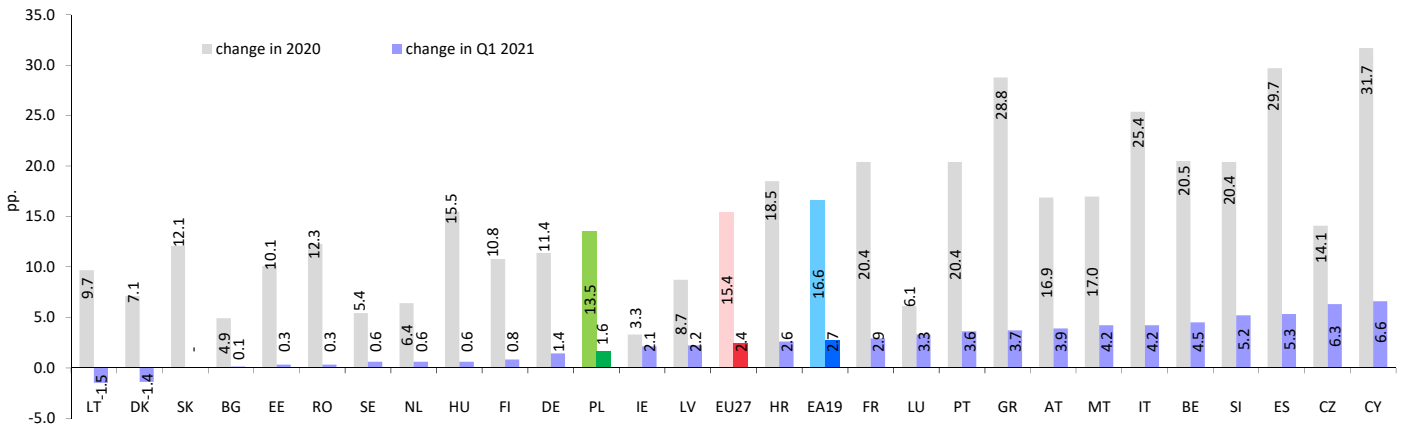
Source: Ministry of Finance

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



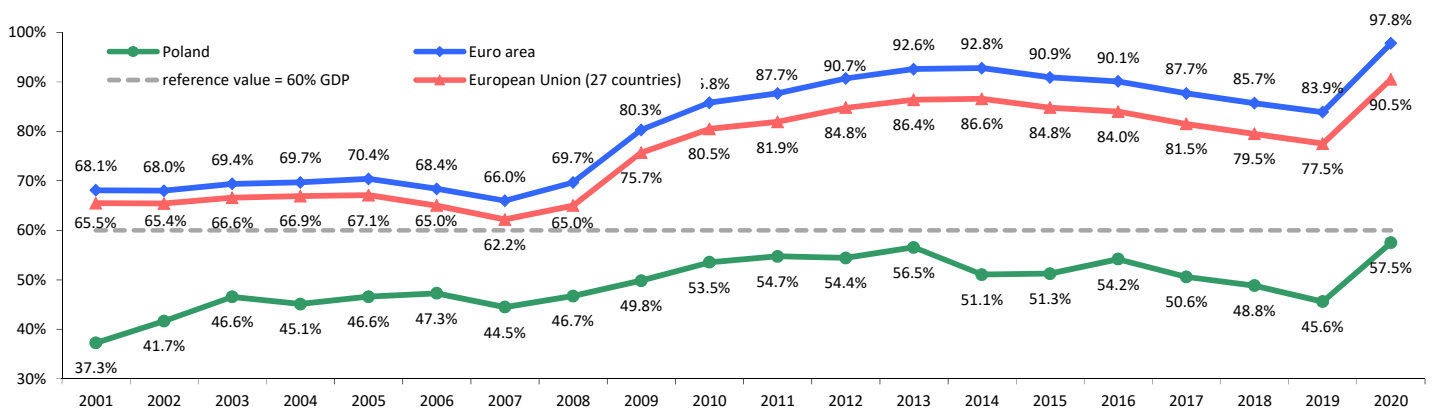
Source: Eurostat - <http://ec.europa.eu/eurostat/data/database>, Ministry of Finance

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	2013	2014	2015	2016	2017	2018	2019	2020	Q1 2021	Q2 2021
Public debt	882,293.0	826,774.7	877,282.4	965,199.0	961,841.5	984,313.5	990,948.4	1,111,806.3	1,152,219.3	1,152,190.6
<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>56,239.9</i>	<i>224,602.2</i>	<i>238,379.1</i>	<i>250,509.6</i>
Debt of National Road Fund (consolidated within general government)	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	52,255.2
Debt of COVID-19 Counteraction Fund (consolidated within general government)	-	-	-	-	-	-	-	99,448.9	105,448.5	122,374.6
Financial Shield of Polish Development Fund	-	-	-	-	-	-	-	65,400.0	73,900.0	73,900.0
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	-1,994.2	-2,469.0	-2,543.3
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	8,995.6	8,901.8	8,718.3
Bank Guarantee Fund	-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	-17,475.6
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	17,641.3	18,501.9	16,748.5	13,280.3
<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>-272.9</i>	<i>-1,110.9</i>	<i>-1,080.6</i>
matured payables	-2,202.1	-1,947.0	-1,795.0	-1,733.0	-2,106.1	-1,733.1	-1,930.9	-1,688.7	-1,903.7	-2,047.8
debt assumption - activation of a guarantee	1.6	0.2	0.0	0.1	2.3	2.1	0.0	4.2	1.0	0.3
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	816.3	788.3	792.2
derivatives	0.0	-301.2	-483.2	-1,080.7	-239.5	-450.2	-458.9	595.3	3.4	174.7
General government debt	931,060.6	873,908.8	923,416.5	1,010,021.9	1,007,179.6	1,035,718.3	1,045,646.3	1,336,135.6	1,389,487.4	1,401,619.6

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

ITEM	Q4 2020	structure Q4 2020	Q1 2021	structure Q1 2021	Q2 2021	structure Q2 2021	change Q2 2021 - Q1 2021		change Q2 2021 - Q4 2020	
							m PLN	%	m PLN	%
Public debt	1,196,366.5	100.0%	1,228,830.5	100.0%	1,229,658.8	100.0%	828.3	0.1%	33,292.3	2.8%
1. Central government sector debt	1,100,245.7	92.0%	1,134,073.1	92.3%	1,136,110.8	92.4%	2,037.6	0.2%	35,865.1	3.3%
1.1. State Treasury	1,097,480.0	91.7%	1,131,763.0	92.1%	1,133,647.5	92.2%	1,884.5	0.2%	36,167.4	3.3%
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%	329.5	0.0%	367.6	0.0%	38.1	11.6%	-9.8	-2.6%
1.4. Independent public healthcare units	1,708.3	0.1%	1,740.0	0.1%	1,822.4	0.1%	82.5	4.7%	114.2	6.7%
1.5. State institutions of culture	4.1	0.0%	1.8	0.0%	1.6	0.0%	-0.3	-13.9%	-2.6	-62.1%
1.6. Polish Academy of Science and units established by it	20.1	0.0%	17.3	0.0%	19.2	0.0%	1.9	11.1%	-0.8	-4.2%
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%	221.6	0.0%	252.5	0.0%	30.8	13.9%	-403.3	-61.5%
2. Local government sector debt	96,065.3	8.0%	94,700.1	7.7%	93,493.7	7.6%	-1,206.4	-1.3%	-2,571.5	-2.7%
2.1. Local government units	90,139.1	7.5%	88,667.1	7.2%	87,370.3	7.1%	-1,296.8	-1.5%	-2,768.8	-3.1%
2.2. Independent public health units	5,513.0	0.5%	5,618.7	0.5%	5,697.2	0.5%	78.5	1.4%	184.2	3.3%
2.3. Local institutions of culture	94.7	0.0%	92.4	0.0%	95.7	0.0%	3.3	3.6%	1.0	1.1%
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	318.5	0.0%	321.9	0.0%	330.5	0.0%	8.6	2.7%	12.1	3.8%
3. Social Security Sector debt	55.5	0.0%	57.2	0.0%	54.3	0.0%	-2.9	-5.1%	-1.2	-2.2%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	55.5	0.0%	57.2	0.0%	54.3	0.0%	-2.9	-5.1%	-1.2	-2.2%
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 2020	structure Q4 2020	Q1 2021	structure Q1 2021	Q2 2021	structure Q2 2021	change Q2 2021 - Q1 2021		change Q2 2021 - Q4 2020	
							m PLN	%	m PLN	%
Public debt	1,111,806.3	100.0%	1,152,219.3	100.0%	1,152,190.6	100.0%	-28.7	0.0%	40,384.3	3.6%
1. Central government sector debt	1,020,652.3	91.8%	1,062,188.0	92.2%	1,063,316.0	92.3%	1,128.0	0.1%	42,663.6	4.2%
1.1. State Treasury	1,018,569.4	91.6%	1,060,109.9	92.0%	1,061,101.6	92.1%	991.8	0.1%	42,532.2	4.2%
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%	310.1	0.0%	344.2	0.0%	34.1	11.0%	-11.7	-3.3%
1.4. Independent public health units	1,652.8	0.1%	1,687.1	0.1%	1,753.9	0.2%	66.8	4.0%	101.1	6.1%
1.5. State institutions of culture	4.0	0.0%	1.8	0.0%	1.5	0.0%	-0.3	-14.2%	-2.5	-61.6%
1.6. Polish Academy of Science and units established by it	4.9	0.0%	2.4	0.0%	4.0	0.0%	1.7	70.8%	-0.9	-17.9%
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	65.3	0.0%	76.7	0.0%	110.7	0.0%	33.9	44.2%	45.4	69.5%
2. Local government sector debt	91,098.4	8.2%	89,974.1	7.8%	88,820.3	7.7%	-1,153.8	-1.3%	-2,278.2	-2.5%
2.1. Local government units	86,174.2	7.8%	84,915.8	7.4%	83,710.1	7.3%	-1,205.7	-1.4%	-2,464.2	-2.9%
2.2. Independent public health units	4,859.9	0.4%	4,991.9	0.4%	5,046.0	0.4%	54.1	1.1%	186.1	3.8%
2.3. Local institutions of culture	62.0	0.0%	59.5	0.0%	57.8	0.0%	-1.6	-2.7%	-4.2	-6.8%
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%	7.0	0.0%	6.4	0.0%	-0.6	-8.6%	4.1	181.8%
3. Social Security Sector debt	55.5	0.0%	57.2	0.0%	54.3	0.0%	-2.9	-5.1%	-1.2	-2.2%
3.1. Social Insurance Institution	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	-100.0%	0.0	-100.0%
3.2. Funds managed by Social Insurance Institution	55.5	0.0%	57.2	0.0%	54.3	0.0%	-2.9	-5.1%	-1.2	-2.2%
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	-