



## State budget borrowing requirements' financing plan and its background

May 2024

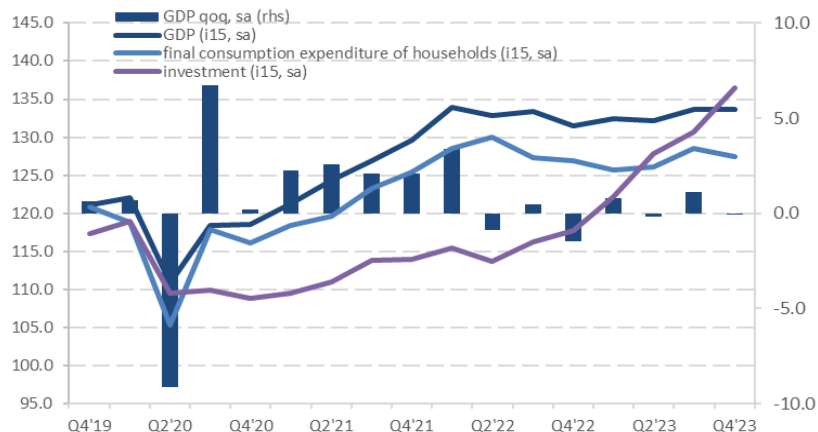
### THE MOST IMPORTANT INFORMATION

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I. MACROECONOMIC SITUATION

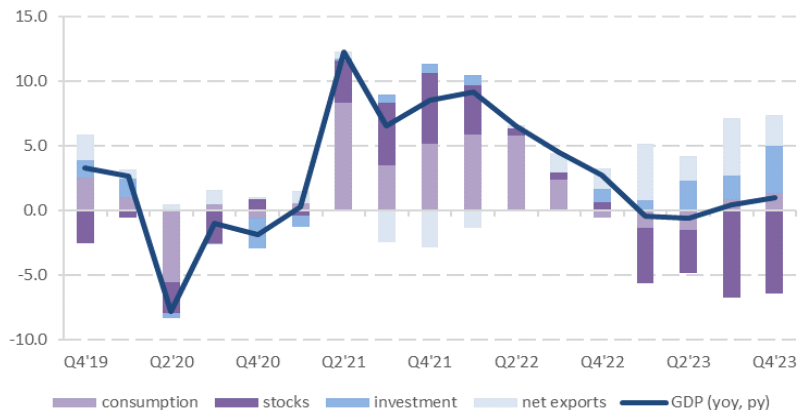
**Gross domestic product of Poland**  
constant prices, seasonally adjusted data (sa)  
source: GUS, Eurostat

In the last quarter of 2023, GDP remained unchanged (qoq, sa), after growing by 1.1% a quarter earlier. Household consumption, which should be supported among others by good situation on the labour market, high wage growth and lower inflation decreased (qoq, sa) after recovery in the two previous quarters. Investments proved again to be resistant to unfavourable macroeconomic conditions (uncertainty, higher nominal interest rates) and have remained in the upward trend since the third quarter of 2022.



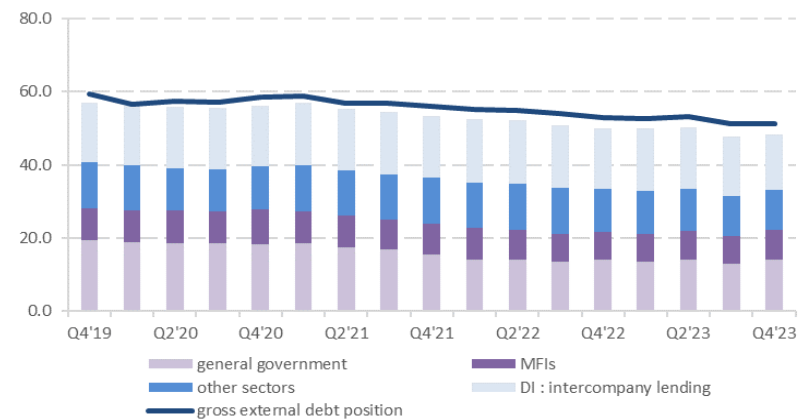
**Contributions to Polish GDP growth**  
average prices of the previous year (py), yoy  
source: GUS, MoF own calculation

In the fourth quarter of 2023 the GDP level - similarly to the third quarter - was higher than a year ago (by 1.0%, py), contrary to the situation in the first half of the year. Household consumption was at the same level as in the fourth quarter of 2022, while investments were 15.8% higher. Contribution of inventories to GDP growth was strongly negative (-6.4 pp) and contribution of net exports was positive (2.4 pp).



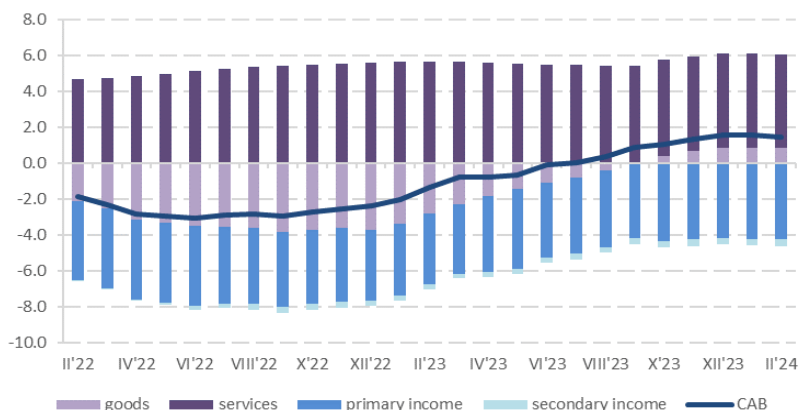
**Polish gross external debt position**  
percent of GDP  
source: NBP, GUS, MoF own calculation

At the end of the fourth quarter of 2023 gross external debt reached EUR 386.4bn (51.4% of GDP) and was EUR 14.3bn higher than in the previous quarter. The share of general government sector debt in total debt increased to 27.3%. At the end of February 2024 official reserve assets reached EUR 173.3bn and remained broadly adequate, covering over 5 months of imports.



**Current account balance**  
percent of GDP, in 12-month terms  
source: NBP, GUS, MoF own calculation

In February 2024, according to preliminary data, Poland's C/A surplus decreased to 1.4% of GDP (in 12-month terms). Yearly imports dynamics was slightly higher than exports dynamics and the only category of goods that showed improvement in the balance compared to the previous year was fuels. Primary income deficit remained the main source of the negative contribution to the external balance. Capital account surplus amounted to 0.1% of GDP increasing positive net lending/net borrowing (1.6% of GDP).

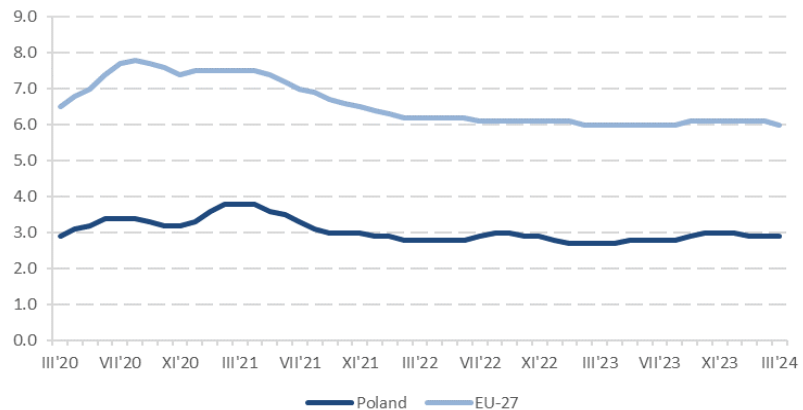


## I. MACROECONOMIC SITUATION

### Harmonised unemployment rate

percent, seasonally adjusted data  
source: Eurostat

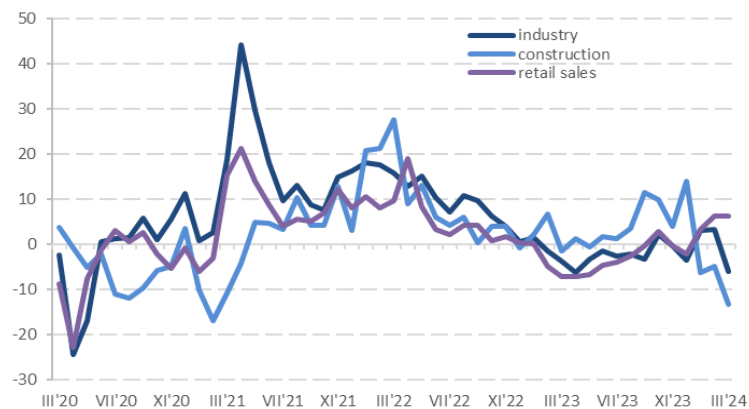
The harmonized unemployment rate (sa) amounted to 2.9% in March 2024 and it was at the same level as in two previous months and by 0.2 pp. higher than a year earlier. It was by 0.2 pp. higher than the historically lowest level recorded in January - April 2023. The unemployment rate in Poland is currently clearly lower than the average in the EU-27 and the euro area (6.0% and 6.5%, respectively). In March 2024 among the EU countries the lowest unemployment rate was in Poland and Czechia.



### Monthly indicators of the real sector

sold production in constant prices, non-seasonally adjusted (nsa)  
source: Eurostat, GUS, MoF own calculation

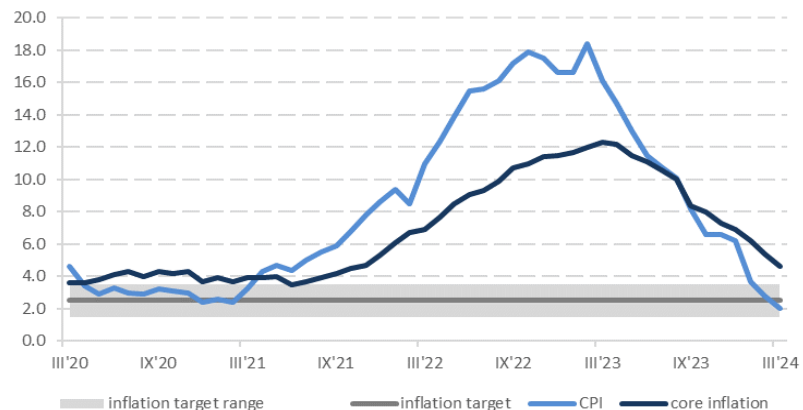
In March 2024 industrial production among others due to a smaller number of working days, was 6.0% lower than a year ago (nsa). The data were below market expectations. Construction production was by 13.3% (nsa) lower than a year ago. The data were much below market expectations. Retail sales was by 6.1% (nsa) higher than a year ago. The data were slightly weaker than market expectations.



### Inflation

percent, yoy  
source: GUS, NBP

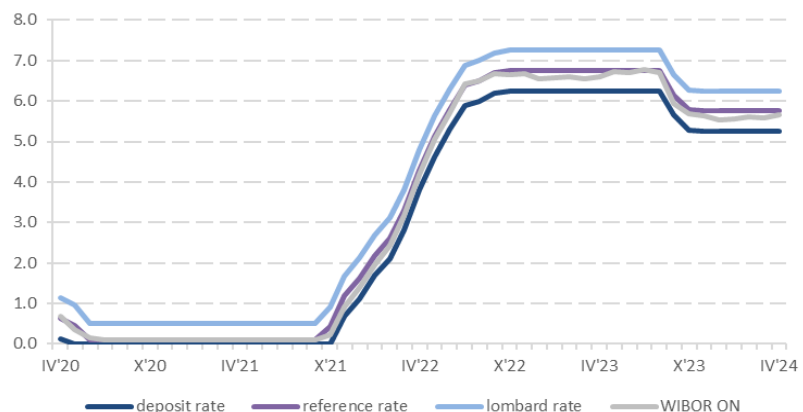
In March 2024 CPI inflation rate declined to 2.0% (yoy) and was below the inflation target. Annual rate of food and non-alcoholic beverages prices noted a marked drop (to 0.3%) and energy prices were lower than a year before by 3.2%. Core inflation diminished to 4.6%. According to the preliminary data in April CPI rate increase slightly to 2.4%. In March producer prices were lower than a year before by 9.6%. Very low annual pace of growth is related to statistical base effect as well as the drop of commodity prices on international markets and strengthening of the zloty.



### NBP interest rates

percent, end of period  
source: NBP, Refinitiv

In April 2024 the Monetary Policy Council left NBP interest rates unchanged for the sixth month in a row. Reference rate was kept at 5.75%, lombard rate at 6.25%, while the deposit rate remained at 5.25%. The Council stated that the decision was driven by uncertainty as to inflation, related in particular to the impact of fiscal and regulatory policies on price developments, as well as the pace of economic recovery and labour market conditions.



## II. STATISTICAL DATA

	Unit	2022 Q03	Q04	2023 Q01	Q02	Q03	Q04
<b>GDP</b>							
Gross domestic product	YoY	4.5	2.8	-0.4	-0.6	0.5	1.0
	QoQ SA	0.4	-1.5	0.8	-0.2	1.1	0.0
Final consumption expenditure of the households sector	YoY	3.0	1.2	-1.8	-2.9	0.8	0.0
	QoQ SA	-2.0	-0.3	-0.9	0.3	1.9	-0.8
Final consumption expenditure of the general government sector	YoY	3.2	-6.0	-1.1	1.1	2.5	7.5
	QoQ SA	0.0	-7.5	8.0	0.4	0.6	0.4
Gross fixed capital formation	YoY	-0.2	4.9	6.0	16.5	11.3	15.8
	QoQ SA	2.2	1.3	3.7	4.6	2.3	4.4
Exports of goods and services	YoY	10.6	4.5	6.0	-0.6	4.5	3.6
	QoQ SA	0.8	-0.2	1.2	-2.3	6.1	-1.0
Imports of goods and services	YoY	8.2	1.6	-1.0	-3.5	-2.9	-0.5
	QoQ SA	1.0	-1.7	-1.6	-1.1	1.3	0.5
Gross value added	YoY	4.8	3.4	0.8	1.0	1.1	1.7
	QoQ SA	1.0	-2.0	1.0	0.5	1.3	0.5
<b>Contribution to GDP growth</b>							
Final consumption expenditure of the households sector	pp	1.7	0.6	-1.1	-1.7	0.5	0.0
Final consumption expenditure of the general government sector	pp	0.7	-1.1	-0.2	0.2	0.4	1.4
Gross fixed capital formation	pp	0.0	1.0	0.8	2.3	1.8	3.6
Changes in inventories	pp	0.6	0.7	-4.3	-3.3	-6.7	-6.4
Balance of trade turnover	pp	1.5	1.6	4.4	1.9	4.5	2.4
Gross value added	pp	4.1	2.9	0.8	0.9	0.9	1.6
<b>GDP structure</b>							
Final consumption expenditure of the households sector	% of GDP	57.9	50.4	60.0	57.4	58.8	49.7
Final consumption expenditure of the general government sector	% of GDP	17.9	19.2	17.1	18.3	18.4	20.4
Gross fixed capital formation	% of GDP	15.7	21.9	12.9	15.8	16.8	24.4
Changes in inventories	% of GDP	5.9	6.0	2.2	0.2	-0.9	-0.2
Exports of goods and services	% of GDP	63.3	59.5	64.3	60.6	55.4	52.1
Imports of goods and services	% of GDP	61.8	57.9	57.5	53.2	49.7	47.3
	Unit	2023 M10	M11	M12	2024 M01	M02	M03
<b>Balance of payments</b>							
Goods: exports (EUR)	YoY	2.1	-2.0	-6.2	-4.5	0.4	-
Goods: imports (EUR)	YoY	-7.1	-7.2	-10.6	-5.3	0.9	-
Current account balance <sup>1)</sup>	% of GDP	1.0	1.3	1.6	1.5	1.4	-
Balance on goods <sup>1)</sup>	% of GDP	0.4	0.6	0.8	0.8	0.8	-
Official Reserve Assets	EUR m	165 896.6	170 905.4	175 402.9	175 161.1	173 252.8	187 748.0
<b>Inflation</b>							
Consumer Price Index (CPI)	YoY	6.6	6.6	6.2	3.7	2.8	2.0
Core inflation (CPI excluding food and energy prices)	YoY	8.0	7.3	6.9	6.2	5.4	4.6
Producer Price Index (PPI)	YoY	-4.2	-5.1	-6.9	-10.6	-10.0	-9.6
<b>Production</b>							
Sold production of industry <sup>2)</sup>	YoY	2.0	-0.3	-3.5	2.9	3.3	-6.0
	MoM SA	0.9	-0.3	0.5	0.6	-0.2	-5.5
Construction and assembly production <sup>2)</sup>	YoY	9.8	3.9	14.0	-6.2	-4.9	-13.3
	MoM SA	-1.4	-2.2	14.5	-16.2	0.9	-4.3
Manufacturing PMI	SA	44.5	48.7	47.4	47.1	47.9	48.0
<b>Households and labour market</b>							
Retail sales <sup>2)</sup>	YoY	2.8	-0.3	-2.3	3.2	6.1	6.1
Average paid employment in enterprise sector	YoY	-0.1	-0.2	-0.1	-0.2	-0.2	-0.2
	MoM	0.0	0.0	0.0	0.3	-0.1	-0.1
Average monthly gross wages and salaries in enterprise sector (real)	YoY	5.8	4.9	3.2	8.8	9.9	9.8
	MoM	1.9	1.0	4.6	-3.7	2.4	5.2
Harmonised unemployment rate (Eurostat)	%, SA	3.0	3.0	3.0	2.9	2.9	2.9
1) Data in 12-month terms 2) Constant prices. Data for units in which the number of employed persons exceeds 9 persons Source: Statistics Poland, NBP, Eurostat, S&P Global, MoF calculation based on NBP, Statistics Poland data							
	Unit	2023 M09	M10	M11	M12	2024 M01	M02
<b>State Treasury debt</b>							
State Treasury debt (acc. to the place of issue criterion)	face value, PLN m	1 306 127.3	1 297 015.2	1 309 350.8	1 346 199.4	1 364 987.3	1 383 018.1
Domestic debt	face value, PLN m	1 009 415.7	1 013 333.0	1 026 288.1	1 042 416.7	1 061 222.7	1 081 179.6
	%	77.3	78.1	78.4	77.4	77.7	78.2
Foreign debt	face value, PLN m	296 711.6	283 682.1	283 062.7	303 782.7	303 764.6	301 838.4
	%	22.7	21.9	21.6	22.6	22.3	21.8
	Unit	2022 Q03	Q04	2023 Q01	Q02	Q03	Q04
<b>Public debt (domestic definition)</b>							
Public debt (acc. to the place of issue criterion)	face value, PLN m	1 181 504.9	1 209 497.9	1 209 817.2	1 241 612.6	1 275 306.2	1 328 087.6
Domestic debt	face value, PLN m	875 322.0	896 575.4	898 137.2	925 382.1	954 964.4	998 763.1
	%	74.1	74.1	74.2	74.5	74.9	75.2
Foreign debt	face value, PLN m	306 182.9	312 922.5	311 679.9	316 230.5	320 341.8	329 324.5
	%	25.9	25.9	25.8	25.5	25.1	24.8
<b>General Government debt (EU definition)</b>							
General Government debt	face value, PLN m	1 480 057.1	1 512 772.7	1 532 406.7	1 581 806.5	1 624 395.8	1 691 147.8

Source: MoF

### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### Gross borrowing requirements in 2024

as of April 30, 2024, PLN bn

Financing of the State budget borrowing requirements at the level of ca. 65% (acc. to the Budget Act) was a result of:

- T-bond sale on domestic market: PLN 92.9bn,
- switch auctions in 2024: PLN 19.2bn,
- T-bond sale on foreign markets: PLN 47.2bn,
- loans incurred from European Union (RRF): PLN 15.5bn,
- loans incurred from IFIs: PLN 0.2bn,
- switch auctions in 2023: PLN 29.4bn,
- and higher financial resources at the end of 2023: PLN 87.3bn.

#### Outflows of funds related to domestic marketable T-securities transfers in May

plan as of April 30, 2024, PLN bn

Value of funds transferred from the State budget to the market in May shall amount to PLN 19.6bn, of which:

- TS redemptions: PLN 11.1bn,
- Interest payments: PLN 8.5bn.

#### Flows of funds between the domestic market and the budget\*

as at the end of month, PLN bn

As of April 30, 2024, to the end of the 2024 year the funds to be transferred to the market shall amount to PLN 85.0bn.

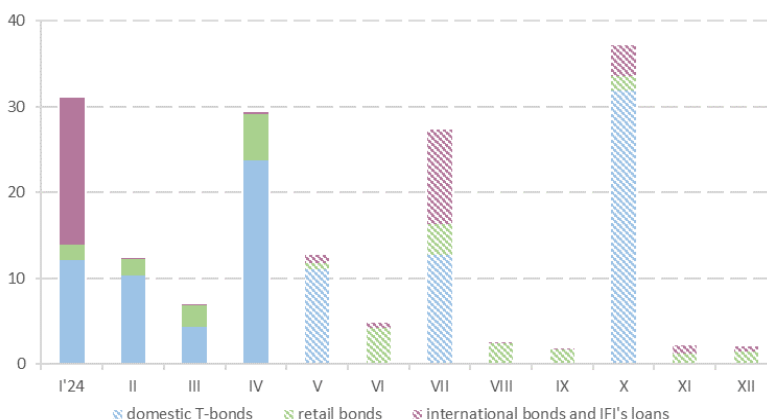
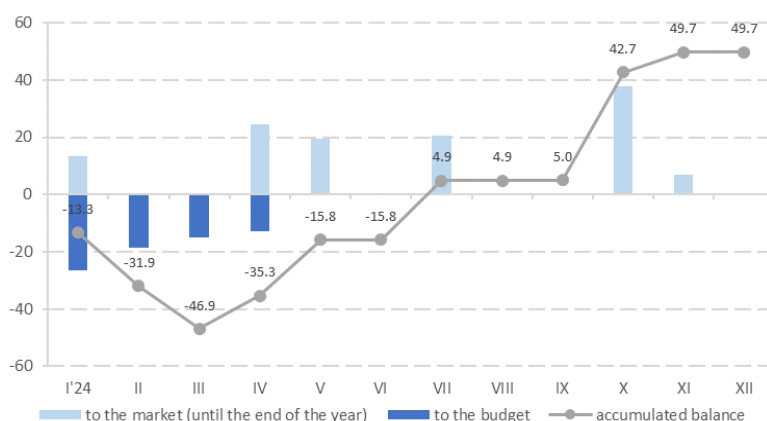
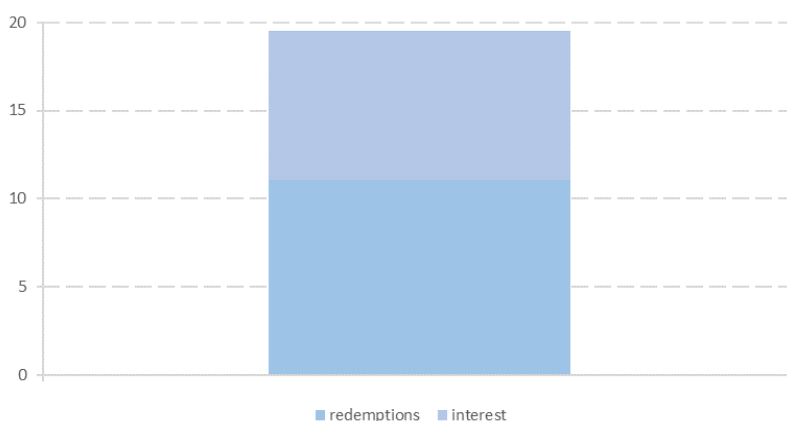
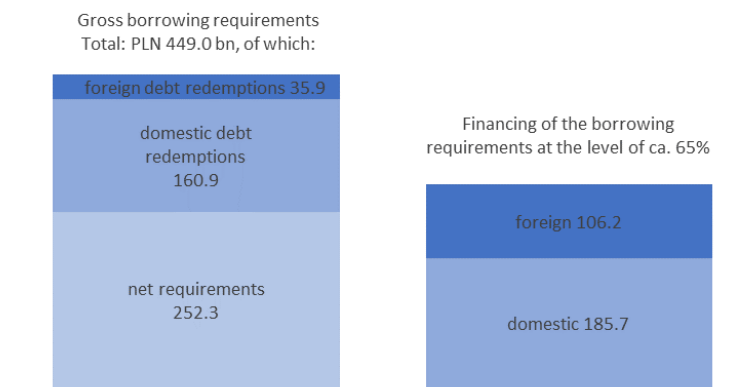
\*figures include sale, redemptions and interest payments on wholesale T-securities; monthly financing plans will depend on market situation and feedback from investors thus the detailed schedule of monthly flows to budget in the following months is not presented.

#### State Treasury debt redemptions in 2024

as at the end of month, nominal amount, PLN bn

The nominal amount of debt to be redeemed in 2024 (as of April 30, 2024), is equal to PLN 90.6bn, including:

- T-bonds: PLN 55.7bn,
- T-retail bonds: PLN 17.2bn,
- bonds and loans incurred on foreign markets: PLN 17.7bn.

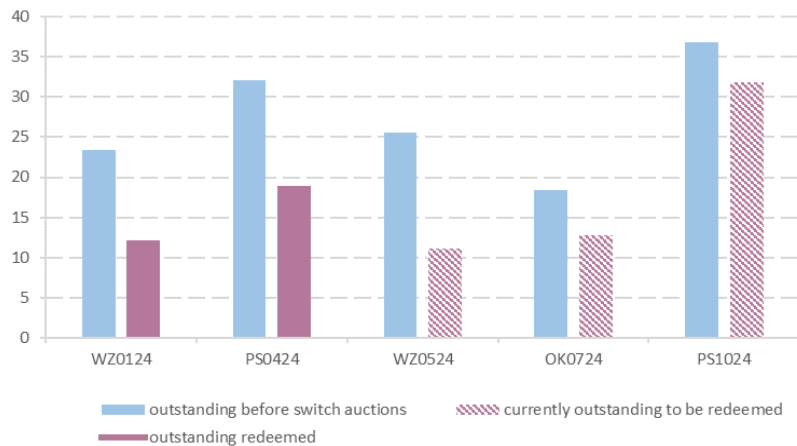


**Reducing refinancing risk connected with redemptions of domestic TS maturing in 2024**

as of April 30, 2024, nominal amount, PLN bn

Buy-back of T-bonds maturing in 2024 (by switch):

- WZ0124: PLN 11.3bn (48% of the issuance),
- PS0424: PLN 13.1bn (41% of the issuance),
- WZ0524: PLN 14.5bn (57% of the issuance),
- OK0724: PLN 5.6bn (31% of the issuance),
- PS1024: PLN 4.9bn (13% of the issuance).



**Sale of domestic TS in 2023 and 2024**

settlement date, nominal amount, PLN bn

In the period of I-IV 2024 aggregated total sale of T-bonds amounted to PLN 117.8bn versus PLN 62.6bn in the same period of 2023. T-bills were not sold.



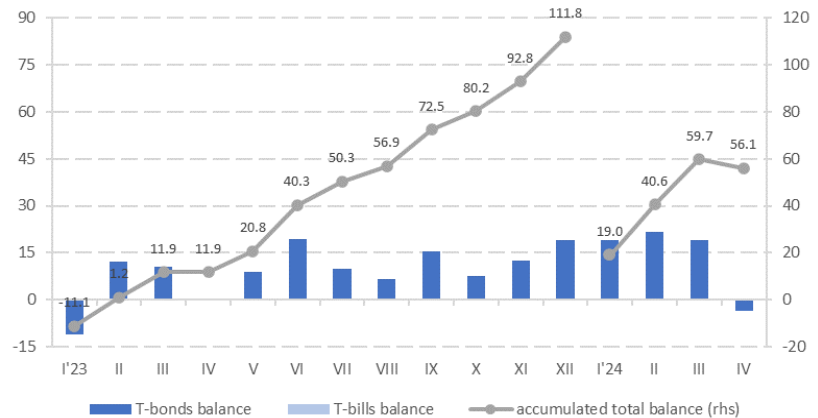
**Balance of domestic TS in 2023 and 2024**

settlement date, nominal amount, PLN bn

In the period of I-IV 2024 indebtedness in:

- T-bonds increased by PLN 56.1bn versus increase of PLN 11.9bn in the same period of 2023,
- no indebtedness in T-bills.

The figures also include the amounts of T-bonds issued and transferred by the Minister of Finance on the basis of other acts than the Public Finance Act.

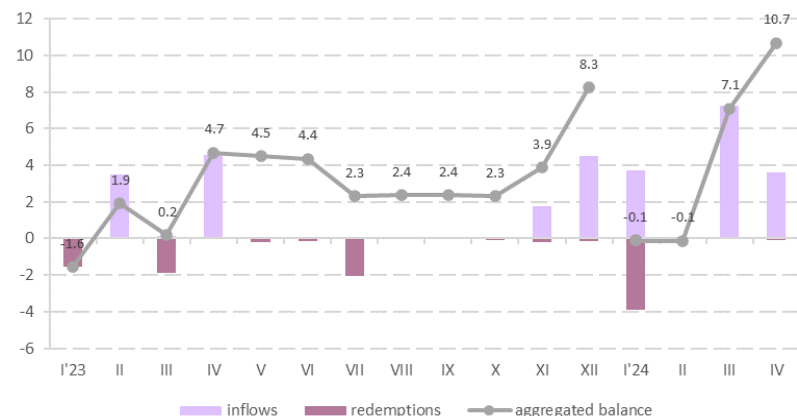


**External financing in 2023 and 2024**

bonds issued on foreign markets and loans received from IFIs, settlement date, EUR bn

Net financing on foreign markets in the period of I-IV 2024 was positive and amounted to EUR 10.7bn, which resulted from:

- positive balance of T-bonds issuance of EUR 7.1bn,
- negative balance of loans incurred from IFIs at the level of EUR 0.1bn,
- positive balance of loans incurred from European Union (RRF) at the level of EUR 3.6bn.



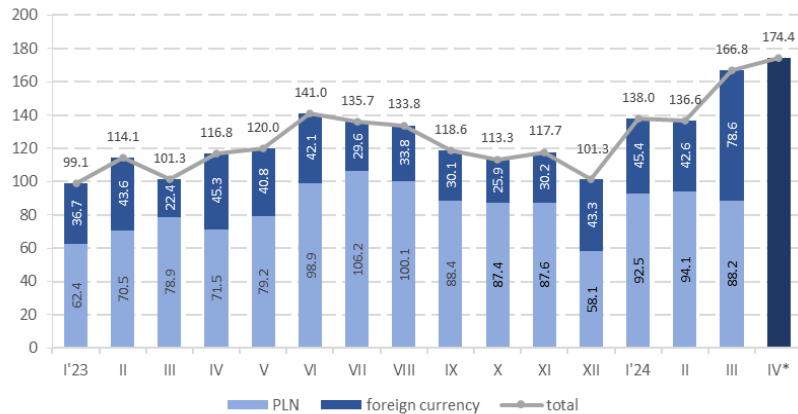
### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### Funds in PLN and foreign currency on the budgetary accounts at the end of month

funds financing the borrowing needs, PLN bn

At the end of April 2024 there was the equivalent of PLN 174.4bn on the budgetary accounts. The funds ensure liquidity in borrowing needs financing.

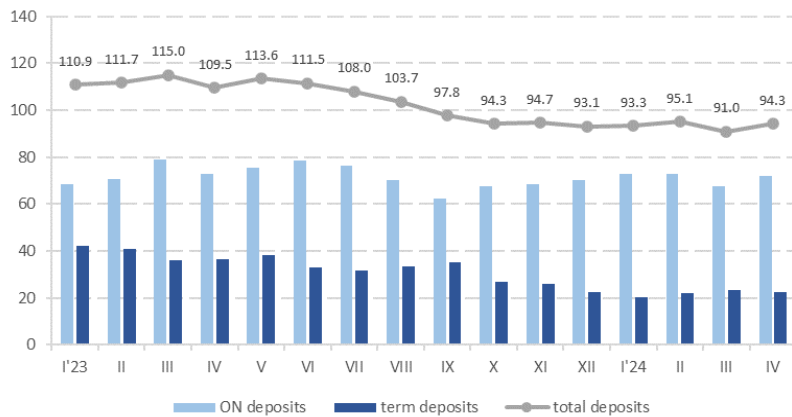
\* Estimated data.



#### Consolidation of public finance sector liquidity management

PLN bn

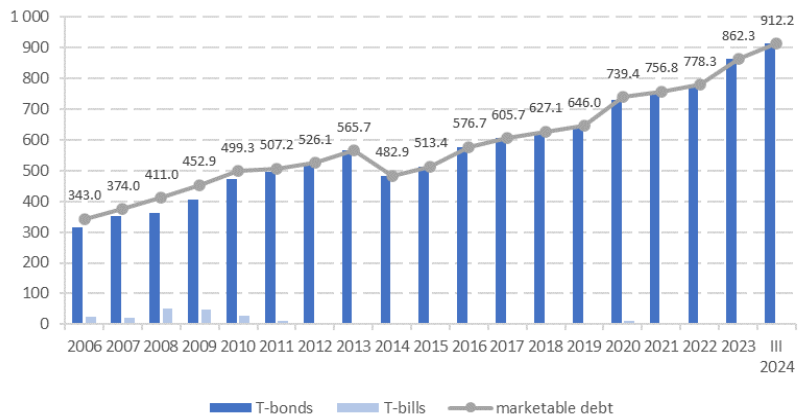
At the end of April 2024 funds accumulated within the consolidation of public finances liquidity management amounted to PLN 94.3bn, of which PLN 22.5bn was as term deposits and PLN 71.8bn on ON deposits.



#### Structure of domestic marketable debt

PLN bn

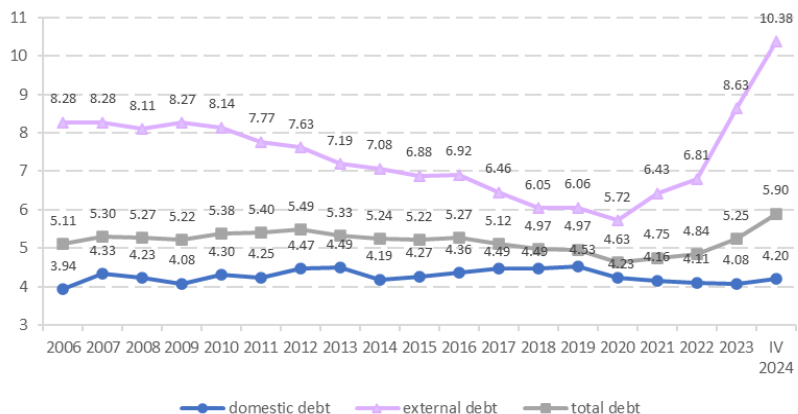
At the end of March 2024 the marketable domestic debt after consolidation within the State Treasury amounted to PLN 912.2bn comparing to PLN 862.3bn at the end of 2023.



#### Average maturity

years

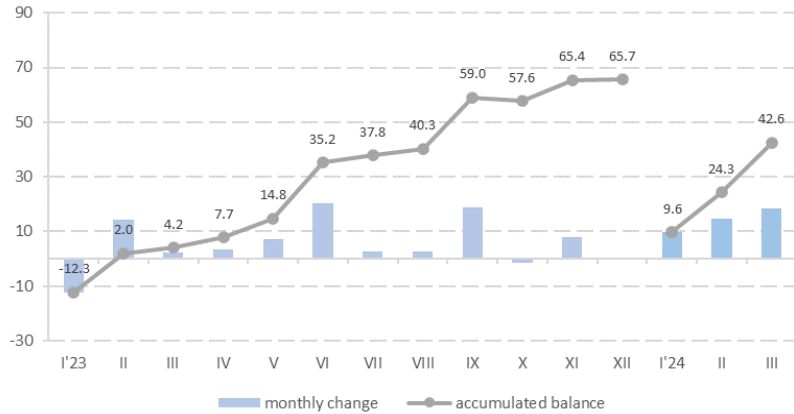
At the end of April 2024 the average maturity of domestic debt amounted to 4.20 years (while at the end of 2023 it was 4.08 years). The average of total debt amounted to 5.90 years (5.25 years at the end of 2023).



**Change of debt in the domestic TS held by banks**

PLN bn

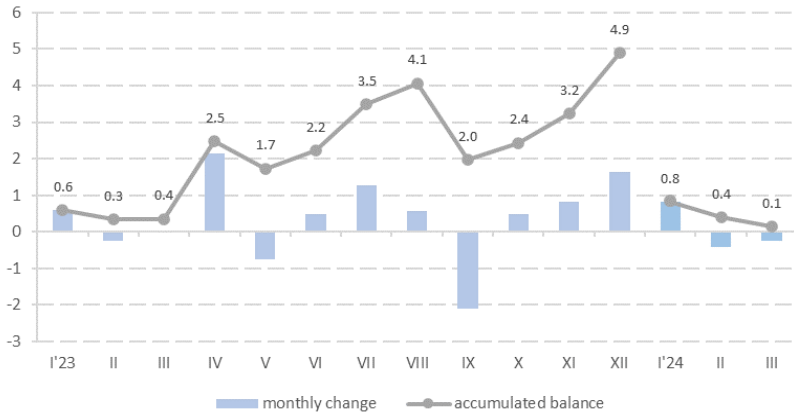
In period I-III 2024 there was an increase of debt by PLN 42.6bn comparing to PLN 4.2bn increase during the same period of 2023. Banks' holdings reached the level of PLN 536.4bn.



**Change of debt in the domestic TS held by insurance companies**

PLN bn

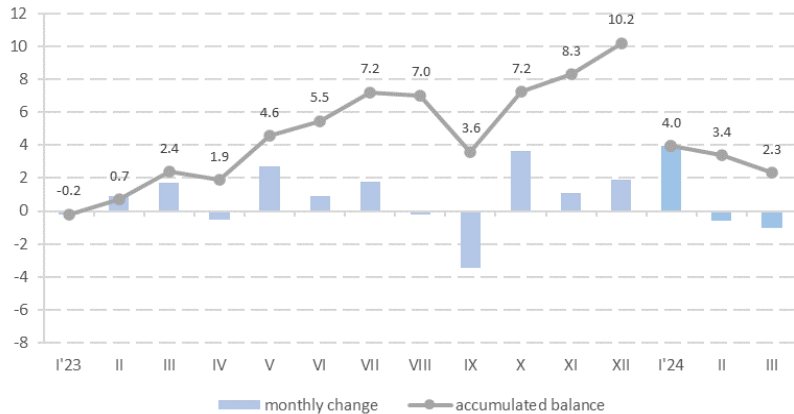
In period I-III 2024 there was an increase of debt by PLN 0.1bn comparing to PLN 0.4bn increase during the same period of 2023. Insurance companies' holdings reached the level of PLN 64.6bn.



**Change of debt in the domestic TS held by investment funds**

PLN bn

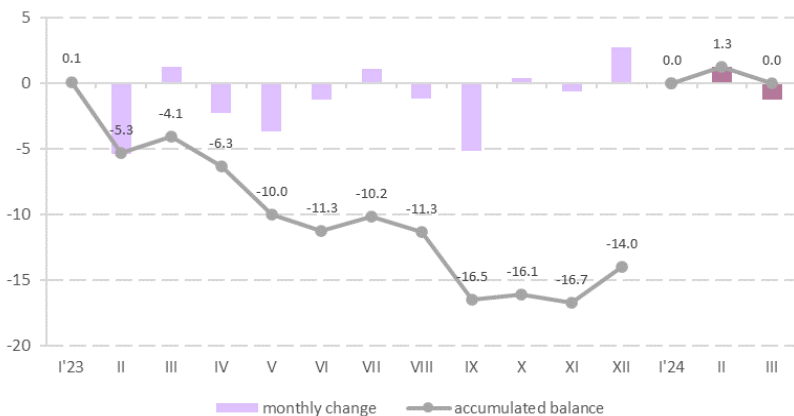
In period I-III 2024 there was an increase of debt by PLN 2.3bn comparing to PLN 2.4bn increase during the same period of 2023. Investment funds' holdings reached the level of PLN 59.6bn.



**Change of debt in the domestic TS held by foreign investors**

PLN bn

In period I-III 2024 there was a decrease of debt by PLN 0.01bn comparing to PLN 4.1bn decrease during the same period of 2023. Foreign investors' holdings reached the level of PLN 132.2bn.

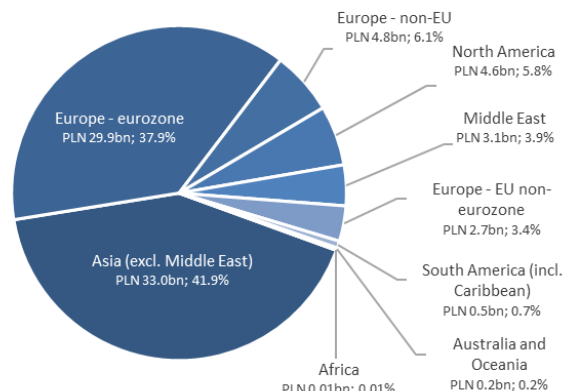




#### Geographical distribution of the domestic TS held by non-residents

as of March 31, 2024, the chart presents data excluding omnibus accounts

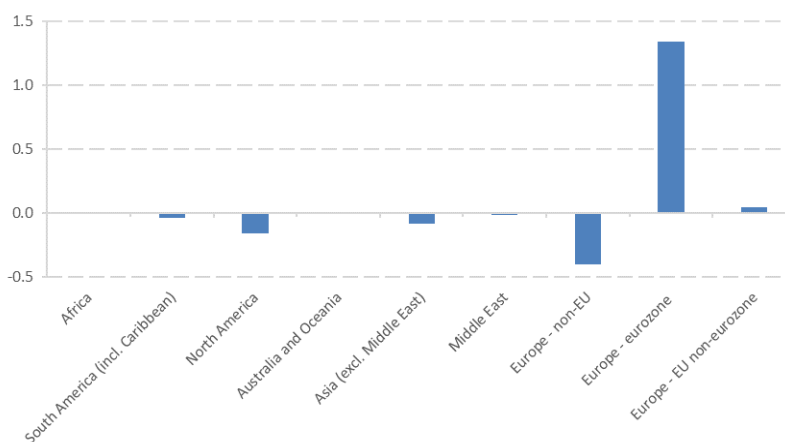
The non-residents' share in the domestic Treasury securities market decreased by PLN 1.3bn in March 2024. The foreign investors' portfolio amounted to PLN 132.2bn, which constituted 12.8% share in total debt in TS (13.1% in the previous month).



#### Change of debt in the domestic TS held by non-residents by regions

change in March 2024, mom, PLN bn, the chart presents data excluding omnibus accounts

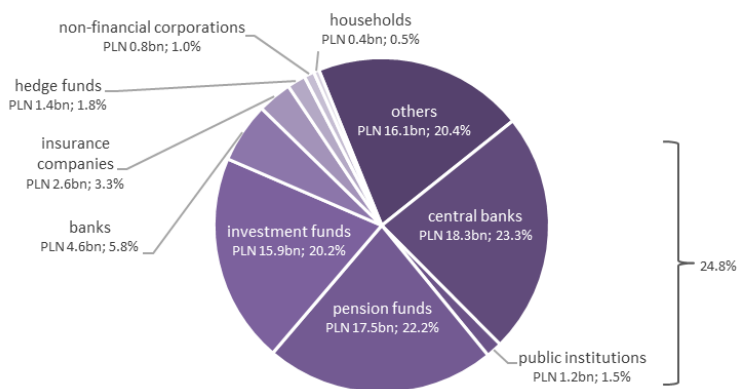
In March 2024 the highest increase was noted by investors from Europe—eurozone (PLN 1.3bn). The highest decrease was noted by investors from Europe — non-EU (PLN 0.4bn).



#### Institutional distribution of the domestic TS held by non-residents

as of March 31, 2024, the chart presents data excluding omnibus accounts

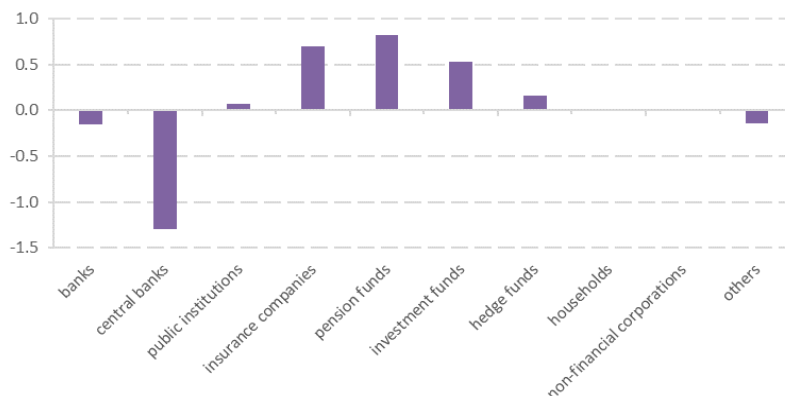
Institutional structure of domestic TS held by non-residents, as well as geographical distribution, is well-diversified. The central banks and public institutions' share in foreign holdings amounted to 24.8% at the end of March 2024.



#### Change of debt in the domestic TS held by non-residents by institutions

change in March 2024, mom, PLN bn, the chart presents data excluding omnibus accounts

In March 2024 the highest increase was recorded by pension funds (PLN 0.8bn), while the highest decrease was noted by central banks (PLN 1.3bn).



**Change of debt in domestic TS held by non-resident central banks and public institutions**

*change in March 2024, PLN bn*

Central banks and public institutions' involvement decreased by PLN 1.2bn in March 2024. In the period from the end of January 2018 to the end of March 2024 portfolios of those entities decreased by PLN 22.1bn.



**Structure of non-residents' holdings in TS by countries**

*as of March 31, 2024, excluding omnibus accounts and central banks, countries with more than 1% share*

Countries	Outstanding in nominal value (PLN m)	Share in non-residents holdings
Japan	15 094.3	25.0%
Luxembourg	10 254.3	17.0%
Netherlands	9 103.4	15.1%
United States	4 067.7	6.7%
Germany	3 942.8	6.5%
Ireland	2 982.9	4.9%
United Kingdom	2 480.9	4.1%
France	2 159.5	3.6%
Switzerland	1 823.6	3.0%
Singapore	1 111.2	1.8%
Austria	983.3	1.6%
Denmark	911.2	1.5%
Czech Republic	796.0	1.3%
Bulgaria	681.4	1.1%
Others	4 056.1	6.7%
<b>Total</b>	<b>60 448.6</b>	<b>100.0%</b>

**Comment**

**Jurand Drop, Undersecretary of State, MoF**

*30-04-2024*

(...) We estimate there was the equivalent of over PLN 170.0bn on the budgetary accounts at the end of April.

One sales auction and two switch auctions are planned in May. No Treasury bill auctions are planned.

In March 2023, the indebtedness in Treasury securities on the domestic market increased by PLN 19.1bn. The involvement of domestic banks increased by PLN 18.3bn and domestic non-bank investors by PLN 2.0bn, while foreign investors indebtedness decreased by PLN 1.3bn.

## IV. SUPPLY PLAN OF TREASURY SECURITIES IN MAY 2024

### T-bond sale auctions

Auction date	Settlement date	Series	Planned offer (PLN m)*
23 May 2024	27 May 2024	OK0426 / PS0729 / WZ1129 / DS1034 possible other T-bond	5,000-10,000

*\*The final offer and the supply will be announced 2 days before the auction, taking into account the market situation and consultations with investors.*

*After the auction bonds will be offered within additional sale at a minimum accepted clean price.*

### T-bond switching auction

Auction date / settlement date	Settlement T-bonds	Source T-bonds	Outstanding (PLN m)
15 May 2024 / 17 May 2024	OK0426 / PS0729 / WZ1129 / DS1034 / possible other T-bond	WZ0524	11,053
		OK0724	12,773
		PS1024	31,909
		PS0425	29,889
28 May 2024 / 31 May 2024	OK0426 / PS0729 / WZ1129 / DS1034 / possible other T-bond	OK0724	12,773
		PS1024	31,909
		PS0425	29,889
		WZ0525	30,421

### T-bill auctions

Sale auctions of Treasury bills are not planned.

### Offer on the retail market

T-bond	Issue price	Coupon
OTS0824 3-month	100.00 PLN (100.00 PLN for rolling-over)	Fixed: 3.00%
ROR0525 1-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.00%); 6.05% in the first coupon period
DOR0526 2-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.50%); 6.30% in the first coupon period
TOS0527 3-year	100.00 PLN (99.90 PLN for rolling-over)	Fixed: 6.40%
COI0528 4-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.25%); 6.55% in the first coupon period
EDO0534 10-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.50%); 6.80% in the first coupon period
ROS0530 family bonds 6-year	100.00 PLN	Floating (inflation rate + 1.75%); 6.75% in the first coupon period
ROD0536 family bonds 12-year	100.00 PLN	Floating (inflation rate + 2.00%); 7.05% in the first coupon period