



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

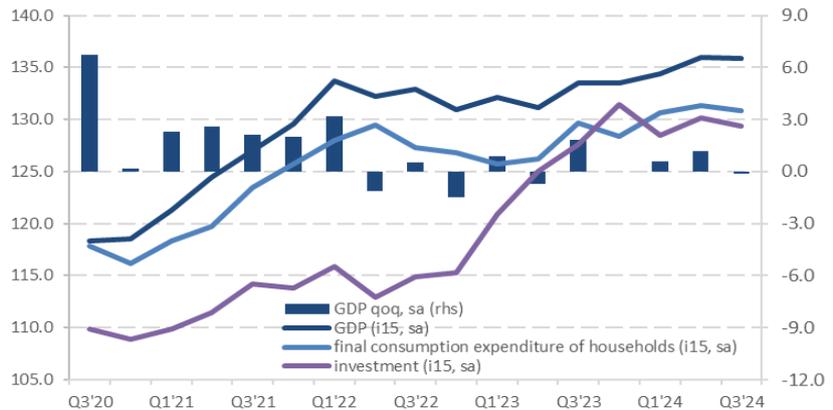
December 2024

### THE MOST IMPORTANT INFORMATION

I. Current macroeconomic situation .....	2-3
II. Statistical data .....	4
III. Background of borrowing requirements' financing .....	5-10
IV. Monthly supply plan of Treasury Securities (TS) .....	11

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

In the third quarter of 2024 GDP decreased by 0.1% (qoq, sa), after an increase of 1.2% a quarter earlier. Household consumption decreased by 0.4% and investment by 0.6% (qoq, sa). Exports remained in a slight downward trend, while imports increased again.



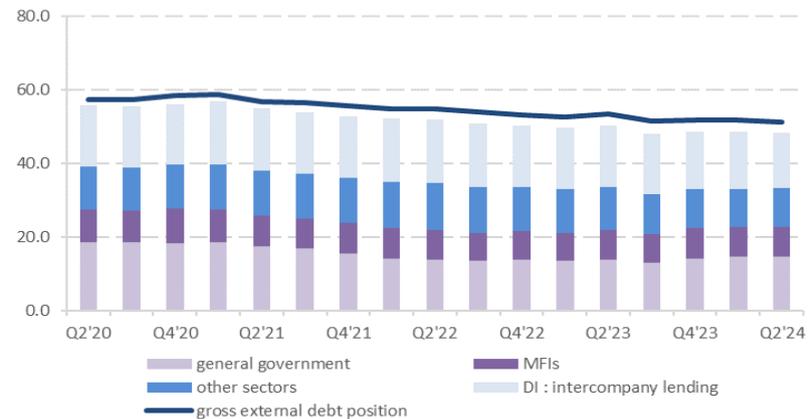
**Contributions to Polish GDP growth**  
average prices of the previous year (py), yoy  
source: GUS, MoF own calculation

The annual change in GDP recorded in the third quarter of 2024 (2.7%, py) was lower than that observed in previous quarter. The dynamics of household consumption deteriorated markedly, compared to that of the first half of the year. The growth of investments was also weaker (in addition in the context of weak investment activity of companies it was probably mainly supported by GG sector's investments). Both categories were slightly higher than a year ago. The increase in public consumption was higher, but it was also more than twice as low as in the first half of this year (with a high increase in the deflator of this item). As a result of a decrease in exports (weak export markets) and an increase in imports the contribution of net exports was negative. The main driver of GDP growth was the increase in inventories (as much as 3.2 pp.).



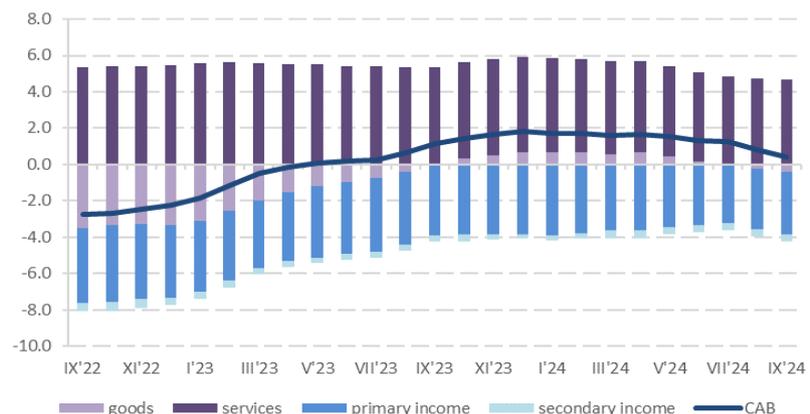
**Polish gross external debt position**  
percent of GDP  
source: NBP, GUS, MoF own calculation

At the end of the second quarter of 2024 gross external debt reached EUR 406.4bn (51.1% of GDP) and was EUR 6.1bn higher than in the previous quarter. The share of general government sector debt in total debt increased to 29.0%. At the end of September 2024 official reserve assets reached EUR 195.3bn and remained broadly adequate, covering nearly 6 months of imports.



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

In September 2024, according to the preliminary data, Poland's C/A surplus decreased to 0.4% of GDP (in 12-month terms). Yearly imports dynamics for the fifth month in a row was clearly higher than exports dynamics. Exports continued to be limited by low demand in the economies of Polish's main trading partners. Imports, on the other hand, benefited from an increase in domestic demand. Primary income deficit in relation to GDP remained the main source of the negative contribution to the external balance. Capital account surplus amounted to 0.6% of GDP increasing positive net lending/net borrowing (1.0% of GDP).

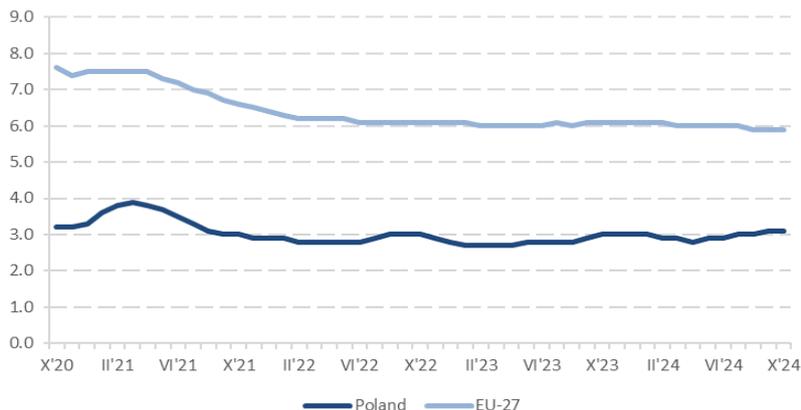


# I. MACROECONOMIC SITUATION

## Harmonised unemployment rate

percent, seasonally adjusted data  
source: Eurostat

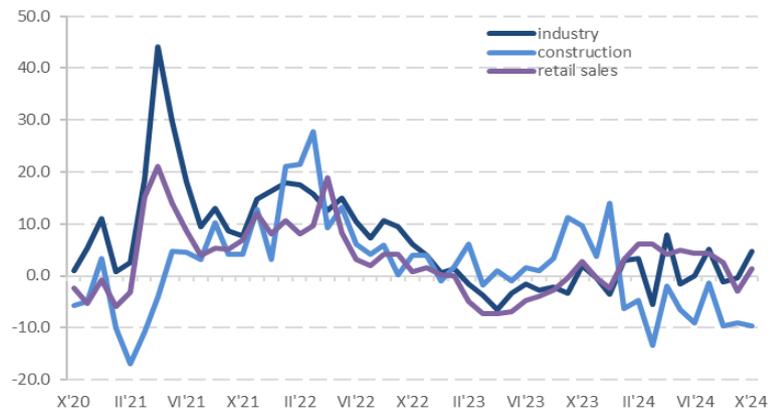
The harmonized unemployment rate (sa) amounted to 3.1% in October 2024 and it was at the same level as in previous month and by 0.1 pp. higher than a year earlier. It was by 0.4 pp. higher than the historically lowest level recorded in January - April 2023. The unemployment rate in Poland is currently clearly lower than the average in the EU-27 and the euro area (5.9% and 6.3%, respectively). In October 2024, among the EU countries, it was lower than in Poland only in Czechia and Malta.



## Monthly indicators of the real sector

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

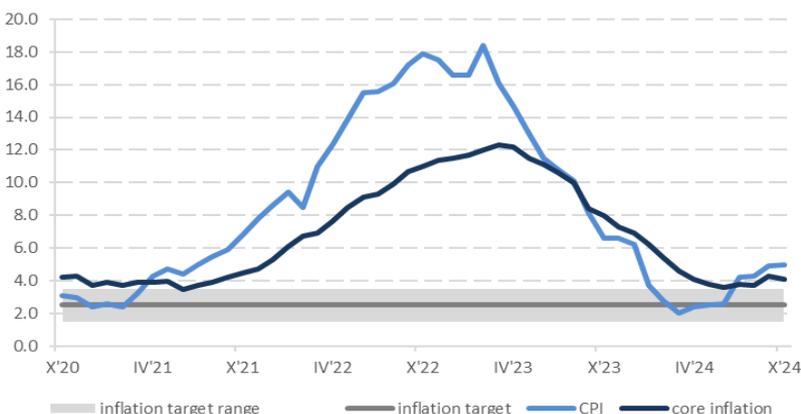
In October 2024 industrial production was 4.7% higher than a year ago (nsa). The data were clearly above market expectations. Construction production was by 9.6% (nsa) lower than a year ago. The data were much below market expectations. Retail sales was by 1.3% (nsa) higher than a year ago. The data were a bit better than market expectations.



## Inflation

percent, yoy  
source: GUS, NBP

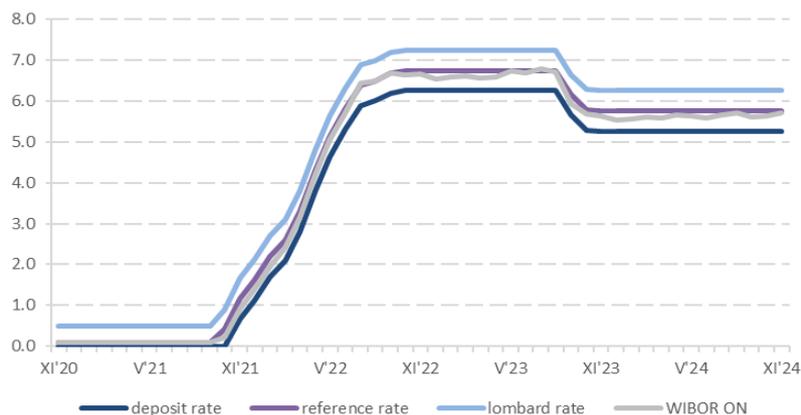
In October 2024 inflation rate rose to 5.0% (yoy). The annual price growth rate of food and non-alcoholic beverages increased to 4.9% and growth rate of energy prices rose to 7.7%. Core inflation decreased to 4.1%. According to the preliminary data in November CPI rate decreased to 4.6%. In October producer prices were lower than a year before by 5.2%. The very low annual dynamics is related to the former drop of commodity prices on international markets and the strengthening of the zloty.



## NBP interest rates

percent, end of period  
source: NBP, Refinitiv

In November 2024, the Monetary Policy Council left NBP interest rates unchanged for the twelfth meeting 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 after the impact of the energy price increase fade and amidst the expected slower wage growth - under the current NBP interest rates level - inflation should return to the medium-term NBP target.



## II. STATISTICAL DATA

	Unit	2023 Q02	Q03	Q04	2024 Q01	Q02	Q03
<b>GDP</b>							
Gross domestic product	YoY	-0.6	0.5	1.0	2.1	3.2	2.7
	QoQ SA	-0.7	1.8	0.0	0.6	1.2	-0.1
Final consumption expenditure of the households sector	YoY	-2.3	1.5	0.6	4.4	4.6	0.3
	QoQ SA	0.4	2.7	-1.0	1.8	0.5	-0.4
Final consumption expenditure of the general government sector	YoY	2.4	2.8	9.8	9.4	11.5	4.5
	QoQ SA	1.1	2.1	1.5	2.4	1.5	0.6
Gross fixed capital formation	YoY	14.8	11.0	17.6	1.9	3.2	0.1
	QoQ SA	3.4	2.1	3.0	-2.3	1.3	-0.6
Exports of goods and services	YoY	-0.2	5.0	3.9	2.1	2.9	-0.7
	QoQ SA	-1.4	5.7	-1.3	-0.3	-0.2	-0.3
Imports of goods and services	YoY	-3.4	-1.9	0.0	2.3	5.7	1.9
	QoQ SA	-1.3	2.2	0.4	0.9	1.6	0.3
Gross value added	YoY	1.0	1.0	1.8	1.8	2.2	2.3
	QoQ SA	-0.3	2.0	0.0	0.0	1.2	-0.3
<b>Contribution to GDP growth</b>							
Final consumption expenditure of the households sector	pp	-1.4	0.9	0.3	2.7	2.6	0.2
Final consumption expenditure of the general government sector	pp	0.4	0.5	1.8	1.6	2.2	0.8
Gross fixed capital formation	pp	2.1	1.7	3.9	0.2	0.5	0.0
Changes in inventories	pp	-3.8	-6.9	-7.3	-2.4	-0.8	3.2
Balance of trade turnover	pp	2.1	4.3	2.3	0.0	-1.3	-1.5
Gross value added	pp	0.9	0.9	1.6	1.7	2.0	2.0
<b>GDP structure</b>							
Final consumption expenditure of the households sector	% of GDP	57.8	59.3	50.0	61.9	58.5	58.3
Final consumption expenditure of the general government sector	% of GDP	18.7	18.6	21.1	19.3	21.0	19.7
Gross fixed capital formation	% of GDP	15.6	16.7	24.9	12.5	15.8	16.2
Changes in inventories	% of GDP	-0.3	-1.0	-1.1	-0.7	-1.0	2.1
Exports of goods and services	% of GDP	60.9	55.7	52.3	55.9	54.3	51.0
Imports of goods and services	% of GDP	53.8	50.4	48.1	50.0	49.6	48.2
<b>Balance of payments</b>							
	Unit	2024 M05	M06	M07	M08	M09	M10
Goods: exports (EUR)	YoY	-6.0	-7.3	4.7	-3.3	0.5	-
Goods: imports (EUR)	YoY	0.1	0.6	9.1	4.9	5.1	-
Current account balance <sup>1)</sup>	% of GDP	1.6	1.3	1.2	0.8	0.4	-
Balance on goods <sup>1)</sup>	% of GDP	0.4	0.1	0.0	-0.3	-0.4	-
Official Reserve Assets	EUR m	191 804.5	195 914.8	190 534.9	192 594.5	195 301.0	198 148.8
<b>Inflation</b>							
Consumer Price Index (CPI)	YoY	2.5	2.6	4.2	4.3	4.9	5.0
Core inflation (CPI excluding food and energy prices)	YoY	3.8	3.6	3.8	3.7	4.3	4.1
Producer Price Index (PPI)	YoY	-7.0	-5.8	-5.1	-5.5	-6.2	-5.2
<b>Production</b>							
Sold production of industry <sup>2)</sup>	YoY	-1.6	0.0	5.2	-1.2	-0.4	4.7
	MoM SA	-1.9	1.0	-0.2	-0.7	-0.3	4.6
Construction and assembly production <sup>2)</sup>	YoY	-6.5	-9.0	-1.3	-9.6	-9.0	-9.6
	MoM SA	0.1	-2.2	0.5	-0.3	0.3	-2.7
Manufacturing PMI	SA	45.0	45.0	47.3	47.8	48.6	49.2
<b>Households and labour market</b>							
Retail sales <sup>2)</sup>	YoY	5.0	4.4	4.4	2.6	-3.0	1.3
Average paid employment in enterprise sector	YoY	-0.5	-0.4	-0.4	-0.5	-0.5	-0.5
	MoM	-0.2	0.0	0.1	-0.3	-0.1	-0.1
Average monthly gross wages and salaries in enterprise sector (real)	YoY	8.7	8.2	6.1	6.6	5.2	5.0
	MoM	-3.4	1.7	0.2	-1.2	-0.7	1.9
Harmonised unemployment rate (Eurostat)	%, SA	2.9	2.9	3.0	3.0	3.1	3.1
<small>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&amp;P Global, MoF calculation based on NBP, Statistics Poland data</small>							
<b>State Treasury debt</b>							
	Unit	2024 M04	M05	M06	M07	M08	M09
State Treasury debt (acc. to the place of issue criterion)	face value, PLN m	1 445 547.6	1 449 227.6	1 475 039.2	1 476 771.7	1 492 694.7	1 516 496.3
Domestic debt	face value, PLN m	1 096 300.5	1 106 261.2	1 127 621.1	1 143 561.4	1 162 349.1	1 187 297.6
	%	75.8	76.3	76.4	77.4	77.9	78.3
Foreign debt	face value, PLN m	349 247.1	342 966.4	347 418.2	333 210.3	330 345.5	329 198.7
	%	24.2	23.7	23.6	22.6	22.1	21.7
<b>Public debt (domestic definition)</b>							
	Unit	2023 Q01	Q02	Q03	Q04	2024 Q01	Q02
Public debt (acc. to the place of issue criterion)	face value, PLN m	1 209 817.2	1 241 612.6	1 275 372.8	1 328 065.6	1 417 018.1	1 456 327.4
Domestic debt	face value, PLN m	898 137.2	925 382.1	955 030.5	998 740.9	1 059 067.4	1 083 830.4
	%	74.1	74.2	74.5	74.9	75.2	74.7
Foreign debt	face value, PLN m	311 679.9	316 230.5	320 342.3	329 324.7	357 950.6	372 496.9
	%	25.9	25.8	25.5	25.1	24.8	25.3
<b>General Government debt (EU definition)</b>							
General Government debt	face value, PLN m	1 532 411.7	1 581 811.5	1 624 461.5	1 691 216.2	1 772 039.1	1 824 503.5

Source: MoF

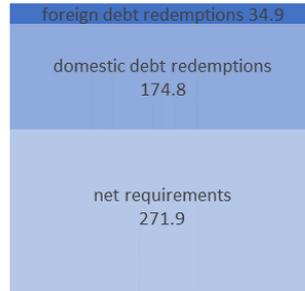
### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### Gross borrowing requirements in 2024

as of November 30, 2024, PLN bn

The State budget borrowing requirements for 2024 (taking into account the level of budget assumed in the amended Budget Act and other state budget gross borrowing requirements according to the budget performance forecast in the draft Budget Act for 2025) have been fully funded.

Gross borrowing requirements  
Total: PLN 481.5 bn, of which:



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

plan as of November 30, 2024, PLN bn

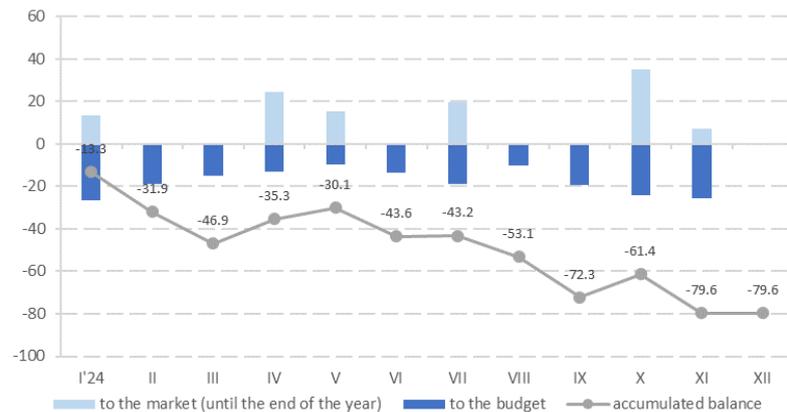
In December there will be no funds transferred from the State budget to the market related to T-securities (neither TS redemptions nor interest payments).

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

as at the end of month, PLN bn

There will be no funds linked to wholesale TS redemptions and interest payments transferred to the market until end of this year.

\*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 November 30, 2024), is equal to PLN 2.1bn, including:

- T-retail bonds: PLN 1.6bn,
- bonds and loans incurred on foreign markets: PLN 0.5bn.

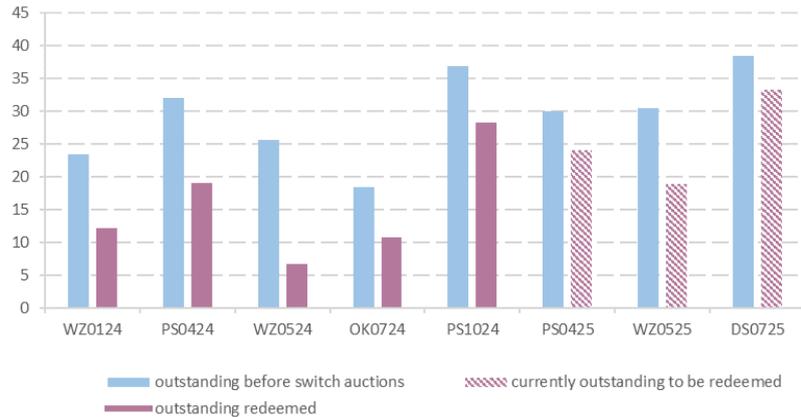


**Reducing refinancing risk connected with redemptions of domestic TS maturing in 2024 and 2025**

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

Buy-back of T-bonds maturing in 2024 and in 2025 (by switch):

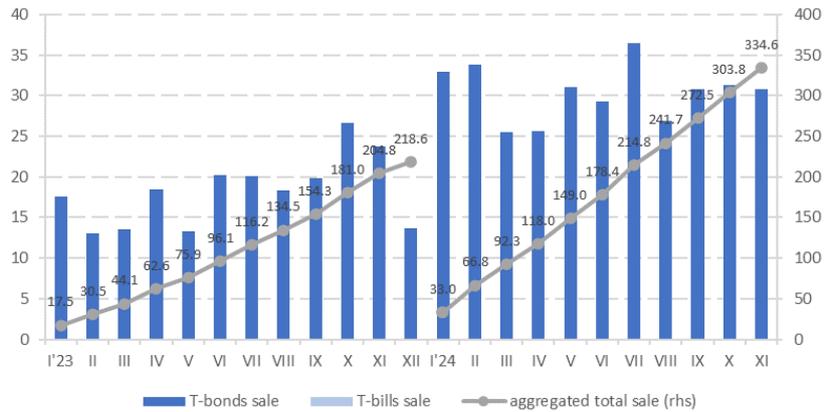
- WZ0124: PLN 11.3bn (48% of the issuance),
- PS0424: PLN 13.1bn (41% of the issuance),
- WZ0524: PLN 18.9bn (74% of the issuance),
- OK0724: PLN 7.7bn (42% of the issuance),
- PS1024: PLN 8.6bn (23% of the issuance),
- PS0425: PLN 5.9bn (20% of the issuance),
- WZ0525: PLN 11.5bn (38% of the issuance),
- DS0725: PLN 5.3bn (14% of the issuance).



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

settlement date, nominal amount, PLN bn

In the period of I-XI 2024 aggregated total sale of T-bonds amounted to PLN 334.6bn versus PLN 204.8bn in the same period of 2023. T-bills were not sold.



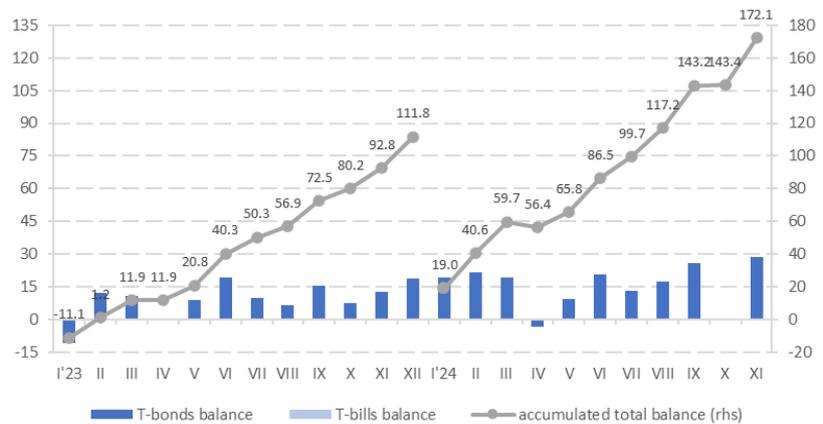
**Balance of domestic TS in 2023 and 2024**

settlement date, nominal amount, PLN bn

In the period of I-XI 2024 indebtedness in:

- T-bonds increased by PLN 172.1bn versus increase of PLN 92.8bn 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.

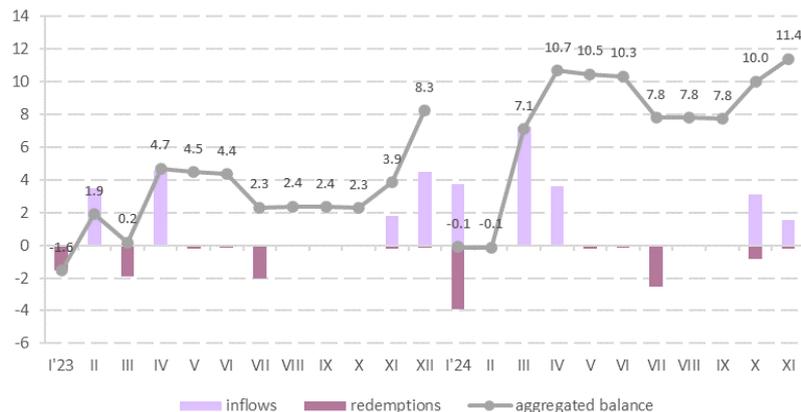


**External financing in 2023 and 2024**

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

Net financing on foreign markets in the period of I-XI 2024 was positive and amounted to EUR 11.4bn, which resulted from:

- positive balance of T-bonds issuance of EUR 7.7bn,
- positive 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.

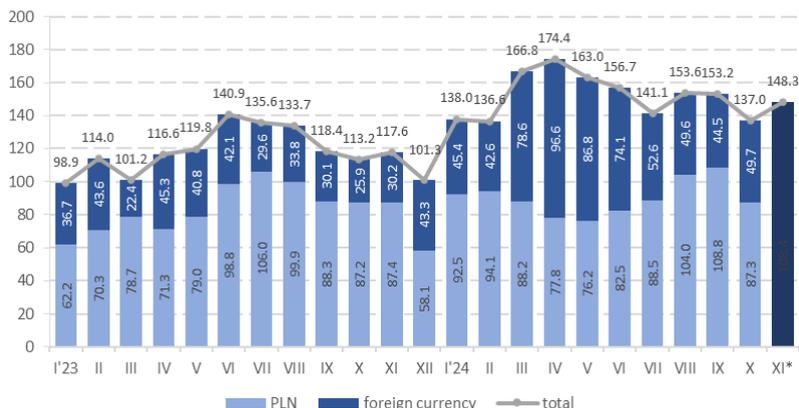


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### 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 November 2024 there was the equivalent of PLN 148.3bn on the budgetary accounts. The funds ensure liquidity in borrowing needs financing.

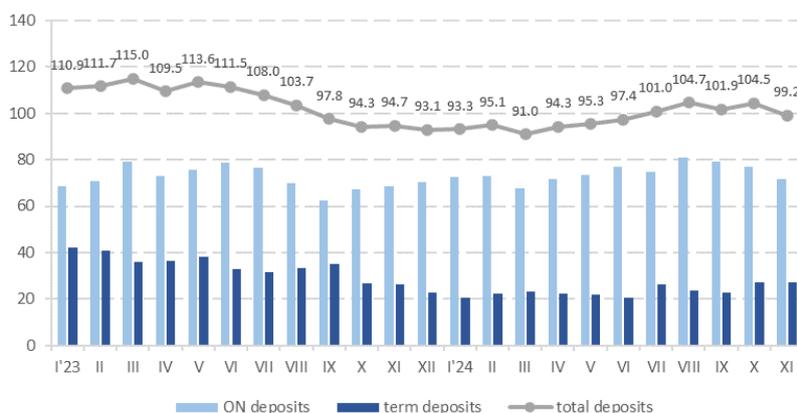


\* Estimated data.

#### Consolidation of public finance sector liquidity management

PLN bn

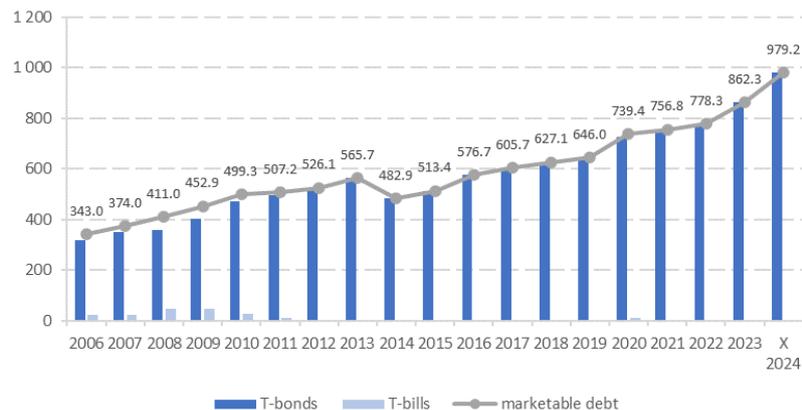
At the end of November 2024 funds accumulated within the consolidation of public finances liquidity management amounted to PLN 99.2bn, of which PLN 27.2bn was as term deposits and PLN 71.9bn on ON deposits.



#### Structure of domestic marketable debt

PLN bn

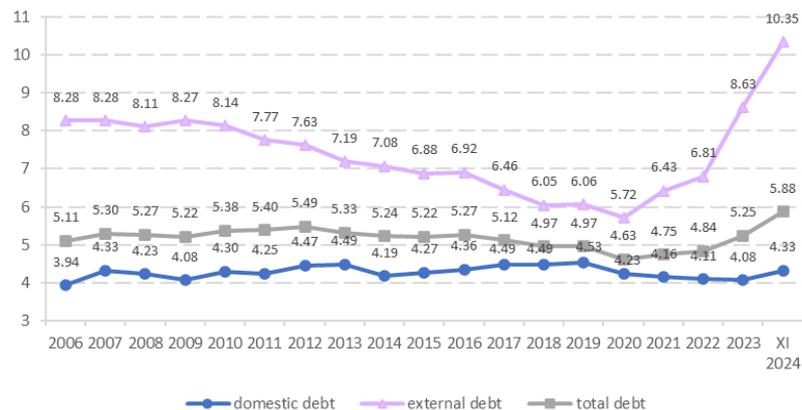
At the end of October 2024 the marketable domestic debt after consolidation within the State Treasury amounted to PLN 979.2bn comparing to PLN 862.3bn at the end of 2023.



#### Average maturity

years

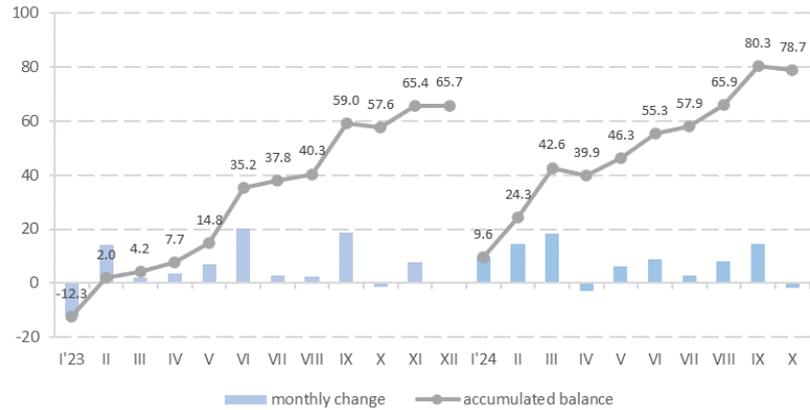
At the end of November 2024 the average maturity of domestic debt amounted to 4.33 years (while at the end of 2023 it was 4.08 years). The average of total debt amounted to 5.88 years (5.25 years at the end of 2023).



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

PLN bn

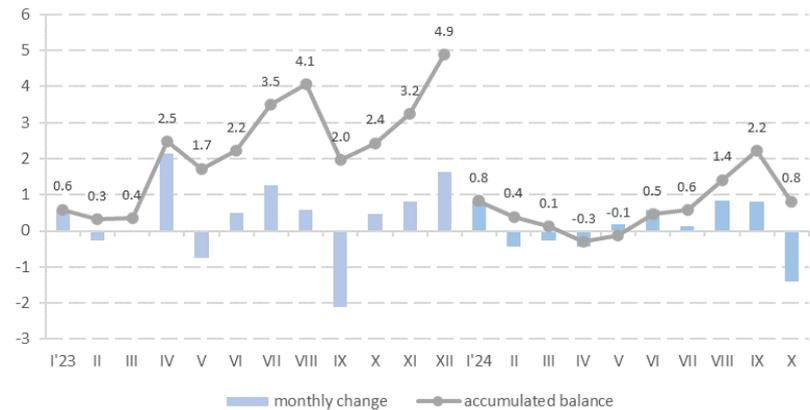
In the period of I-X 2024 there was an increase of debt by PLN 78.7bn comparing to PLN 57.6bn increase during the same period of 2023. Banks' holdings reached the level of PLN 572.5bn.



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

PLN bn

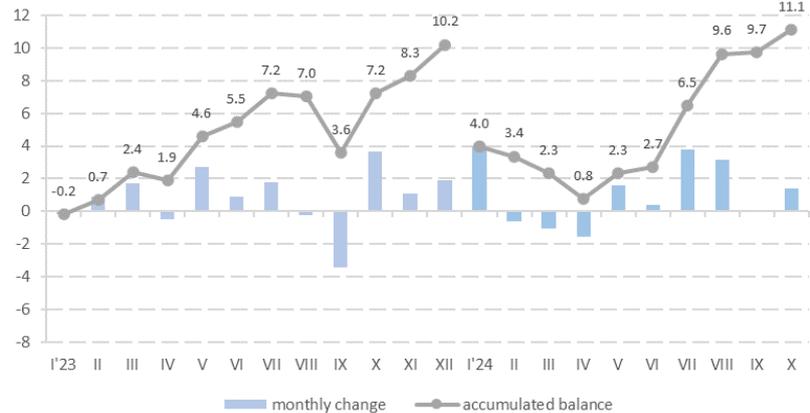
In the period of I-X 2024 there was an increase of debt by PLN 0.8bn comparing to PLN 2.4bn increase during the same period of 2023. Insurance companies' holdings reached the level of PLN 65.3bn.



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

PLN bn

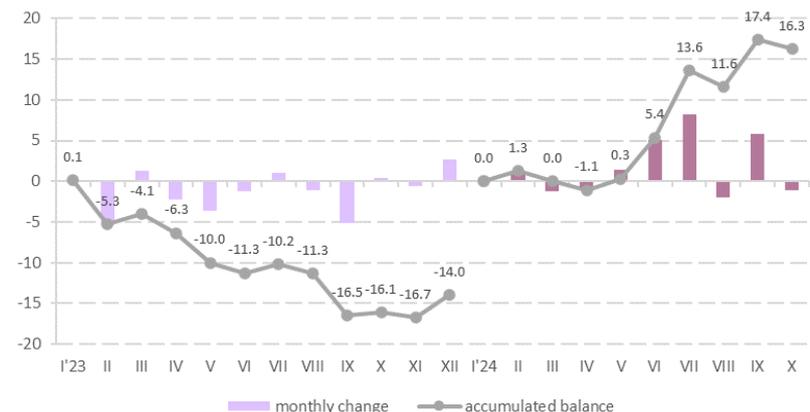
In the period of I-X 2024 there was an increase of debt by PLN 11.1bn comparing to PLN 7.2bn increase during the same period of 2023. Investment funds' holdings reached the level of PLN 68.4bn.



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

PLN bn

In the period of I-X 2024 there was an increase of debt by PLN 16.3bn comparing to PLN 16.1bn decrease during the same period of 2023. Foreign investors' holdings reached the level of PLN 148.4bn.

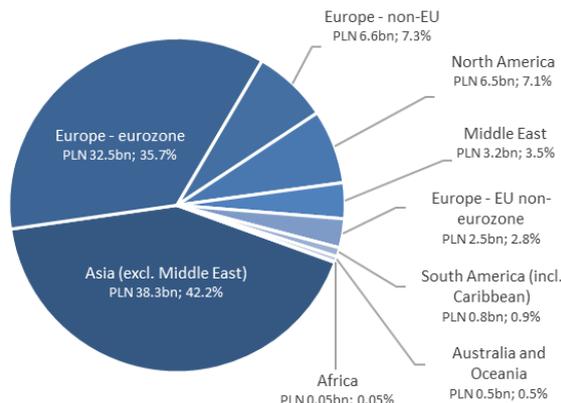


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

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

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

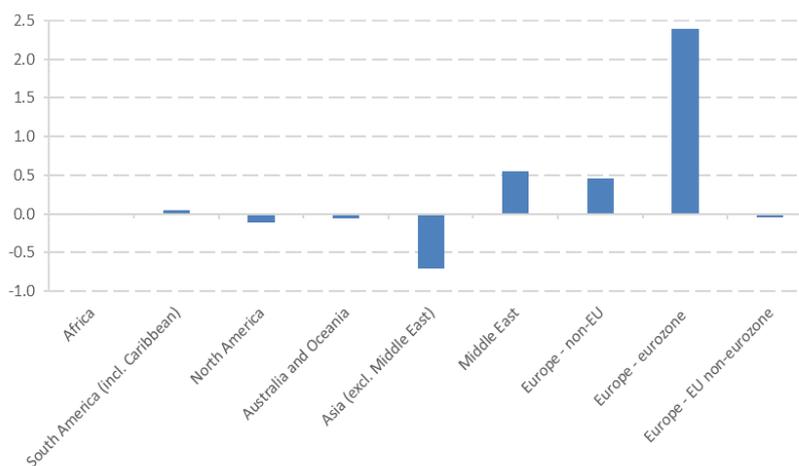
The non-residents' share in the domestic Treasury securities market decreased by PLN 1.2bn in October 2024. The foreign investors' portfolio amounted to PLN 148.4bn, which constituted 13.3% share in total debt in TS (13.4% in the previous month).



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

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

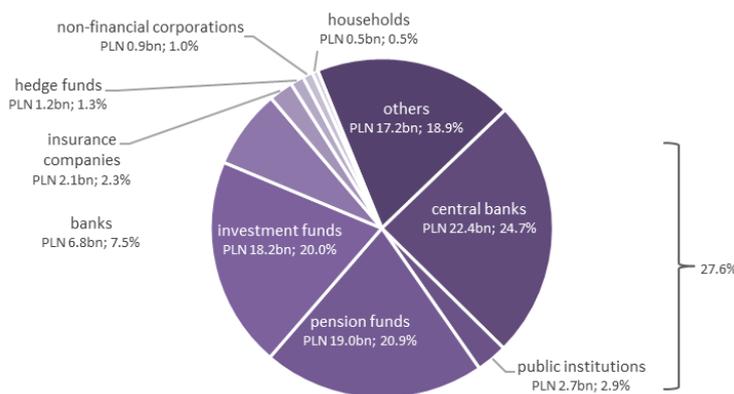
In October 2024 the highest increase was noted by investors from eurozone (PLN 2.4bn). The highest decrease was noted by investors from Asia (excl. Middle East) (PLN 0.7 bn).



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

as of October 30, 2024, the chart presents data excluding omnibus accounts

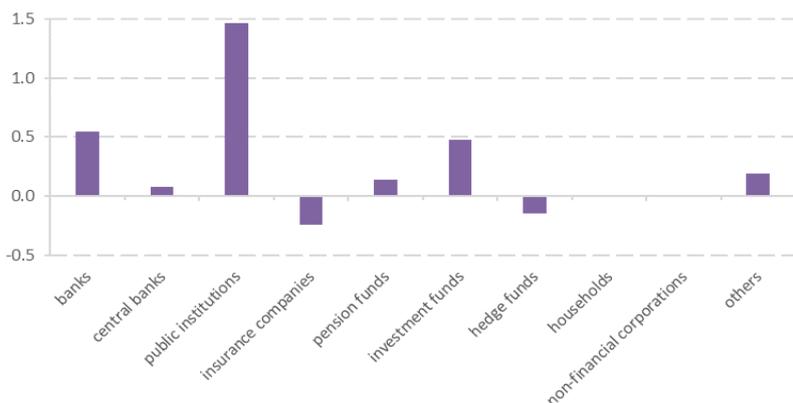
Institutional structure of domestic TS held by non-residents, as well as geographical distribution, is well-diversified. The central banks and public institutions' share in foreign holdings amounted to 27.6% at the end of October 2024.



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

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

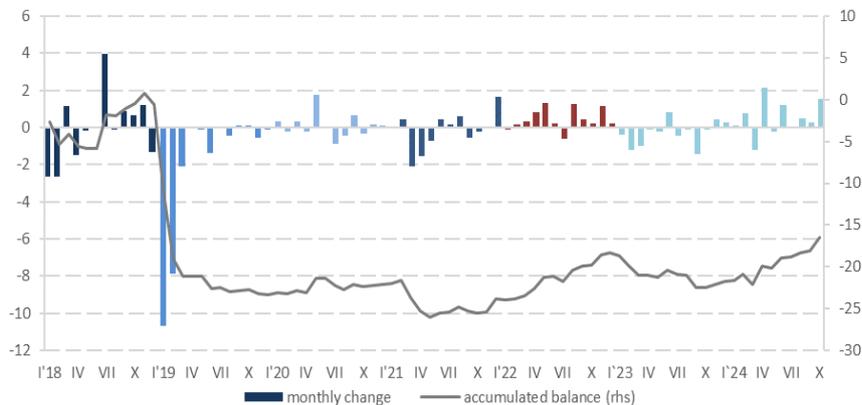
In October 2024 the highest increase was recorded by public institutions (PLN 1.5bn). The highest decrease was noted by insurance companies funds (PLN 0.2bn).



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

*change in October 2024, PLN bn*

Central banks and public institutions' involvement increased by PLN 1.6bn in October 2024. In the period from the end of January 2018 to the end of October 2024 portfolios of those entities decreased by PLN 16.5bn.



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

*as of October 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	15 099.4	22.0%
Luxembourg	10 321.8	15.1%
Netherlands (the)	9 026.9	13.2%
United States (the)	5 797.7	8.5%
Germany	3 894.9	5.7%
France	3 873.5	5.7%
Ireland	3 448.5	5.0%
United Kingdom (the)	2 991.3	4.4%
Switzerland	1 852.6	2.7%
Norway	1 609.9	2.3%
Singapore	1 603.3	2.3%
Czech Republic (the)	779.3	1.1%
Bulgaria	766.4	1.1%
Cayman Islands (the)	713.4	1.0%
Italy	691.5	1.0%
Korea (the Republic of)	689.1	1.0%
Austria	665.9	1.0%
Others	4 689.4	6.8%
<b>Total</b>	<b>68 515.0</b>	<b>100.0%</b>

**Comment**

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

*30-11-2024*

At the end of November, the State budget borrowing requirements for 2024 taking in the account State Budget deficit adopted in the draft budget amendment and remaining borrowing needs in line with the expected implementation of the draft budget act for 2025. We estimate that the balance of funds on budget accounts is approx. PLN 140bn.

In December, based on market conditions, one sale auction and one switching auction or two sale auctions are planned. Type of thirds auction on December 18th will be consulted with the market participants. Bonds auctions are not planned.

In October, the indebtedness in Treasury securities on the domestic market increased by PLN 0.3bn. The involvement of domestic non-bank investors increased by PLN 3.0bn, while involvement of domestic bank decreased by PLN 1.6bn and foreign investors by PLN 1.2bn.

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

### T-bond sale auctions

Auction date	Settlement date	Series	Planned offer (PLN m)*
11 December 2024	13 December 2024	OK0127 / PS0130 / WZ0330 / DS1034 / IZ0836 possible other T-bond	5,000-10,000
18 December 2024	20 December 2024	OK0127 / PS0130 / WZ0330 / DS1034 / possible other T-bond	T-bond sale auction or T-bond switching auction. The type of auction will be announced on 16 Dec 2024.

\*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

If the switch auction is held on December 18th, 2024, the following bonds will be bought back.

Source T-bonds	Outstanding (PLN m)
PS0425	24,015
WZ0525	18,899
DS0725	33,158
OK1025	25,120

### T-bill auctions

Sale auctions of Treasury bills are not planned.

### Offer on the retail market

T-bond	Issue price	Coupon
OTS0325 3-month	100.00 PLN (100.00 PLN for rolling-over)	Fixed: 3.00%
ROR1225 1-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.00%); 5.75% in the first coupon period
DOR1226 2-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.15%); 5.90% in the first coupon period
TOS1227 3-year	100.00 PLN (99.90 PLN for rolling-over)	Fixed: 5.95%
COI1228 4-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.50%); 6.30% in the first coupon period
EDO1234 10-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.00%); 6.55% in the first coupon period
ROS1230 family bonds 6-year	100.00 PLN	Floating (inflation rate + 2.00%); 6.50% in the first coupon period
ROD1236 family bonds 12-year	100.00 PLN	Floating (inflation rate + 2.50%); 6.80% in the first coupon period