



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

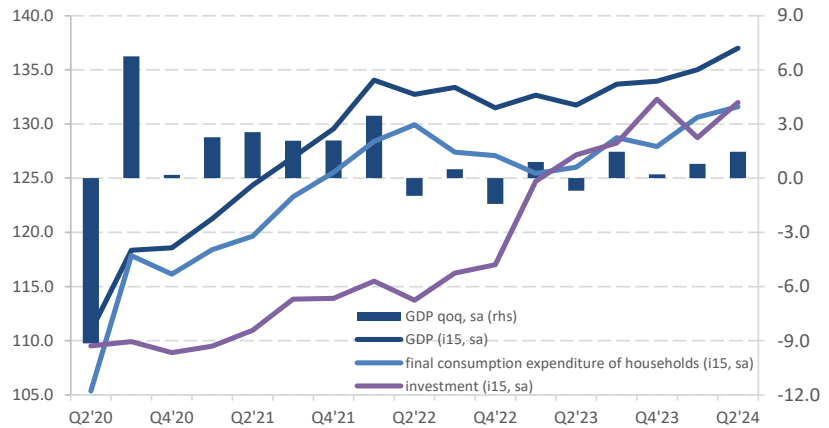
September 2024

### 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

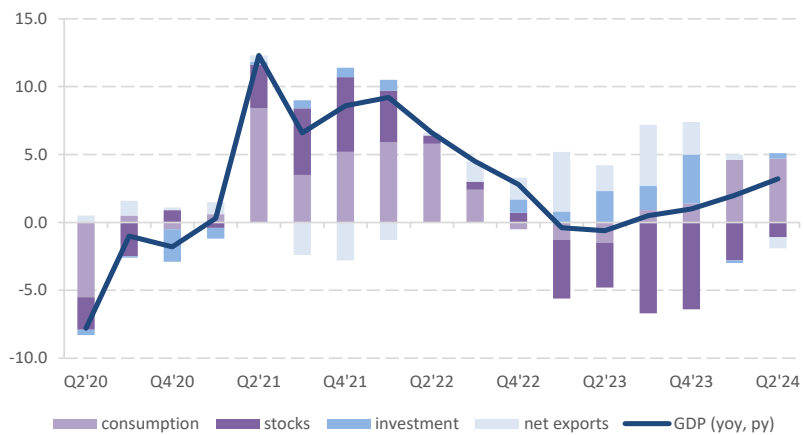
**Gross domestic product of Poland**  
constant prices, seasonally adjusted data (sa)  
source: GUS, Eurostat

In the second quarter of 2024, GDP increased by 1.5% (qoq, sa), after an increase of 0.8% a quarter earlier. Household consumption increased again, although at a lower pace than in the previous quarter (0.7%). On the other hand, investments and foreign trade turnover recorded a clear rebound.



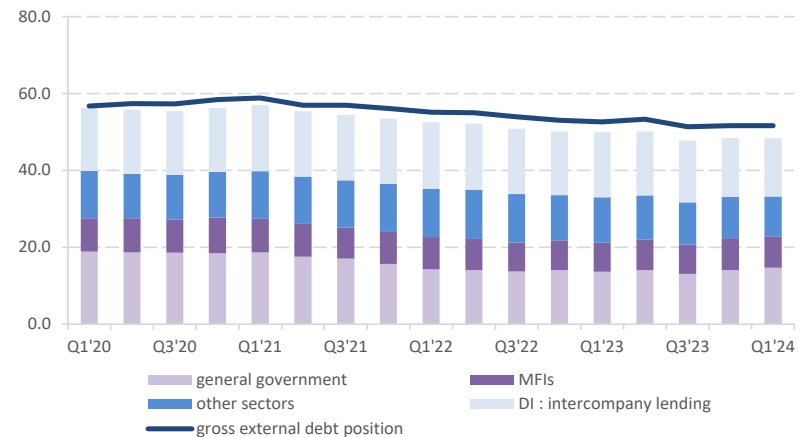
**Contributions to Polish GDP growth**  
average prices of the previous year (py), yoy  
source: GUS, MoF own calculation

The annual change in GDP recorded in the second quarter of 2024 (3.2%, py) was higher than that observed in previous quarters. The annual growth of private consumption, which was already relatively high, improved slightly and amounted to 4.7, supported by a high nominal increase in household disposable income and low inflation. Investments also increased on annual basis, despite weak investment outlays in non-financial corporations in this period. Public consumption recorded very high annual dynamics (the effect of high wage growth in the public sector). Dynamics of foreign trade turnover improved, but net exports had a negative contribution to GDP growth (-0.8 pp). Negative contribution of inventories to GDP growth narrowed to -1.1 pp.



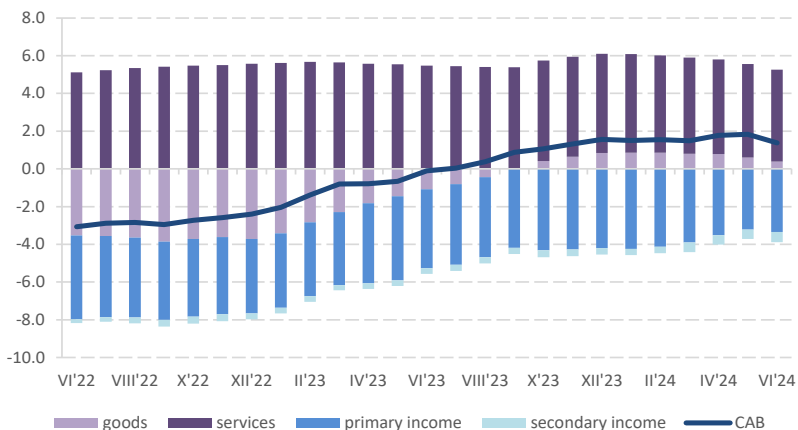
**Polish gross external debt position**  
percent of GDP  
source: NBP, GUS, MoF own calculation

At the end of the first quarter of 2024 gross external debt reached EUR 400.2bn (51.7% of GDP) and was EUR 11.9bn higher than in the previous quarter. The share of general government sector debt in total debt increased to 28.4%. At the end of June 2024 official reserve assets reached EUR 195.9bn and remained broadly adequate, covering about 6 months of imports.



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

In June 2024, according to preliminary data, Poland's C/A surplus decreased to 1.4% of GDP (in 12-month terms). Yearly imports dynamics for the fourth month in a row was higher than exports dynamics. Exports are still limited by low demand in the economies of Polish's main trading partners. Imports, on the other hand, benefit from the improvement in the dynamics of domestic demand, especially private consumption, visible in the data from the national accounts. Primary income deficit in relation to GDP remained the main source of the negative contribution to the external balance. Capital account surplus amounted to 0.7% of GDP increasing positive net lending/net borrowing (2.0% of GDP).

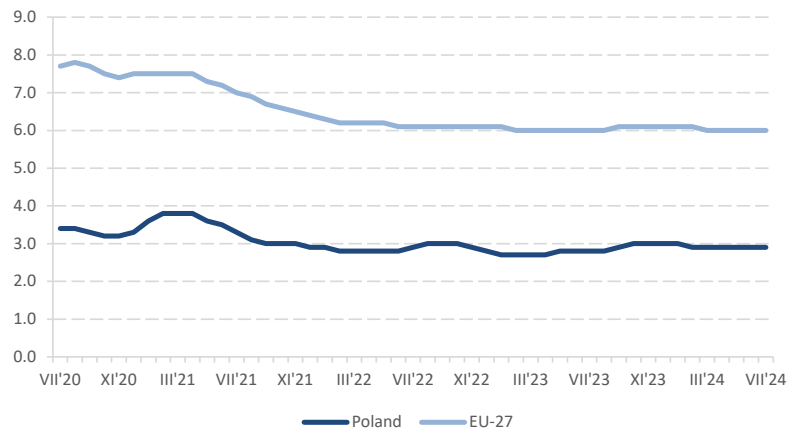


# I. MACROECONOMIC SITUATION

## Harmonised unemployment rate

percent, seasonally adjusted data  
source: Eurostat

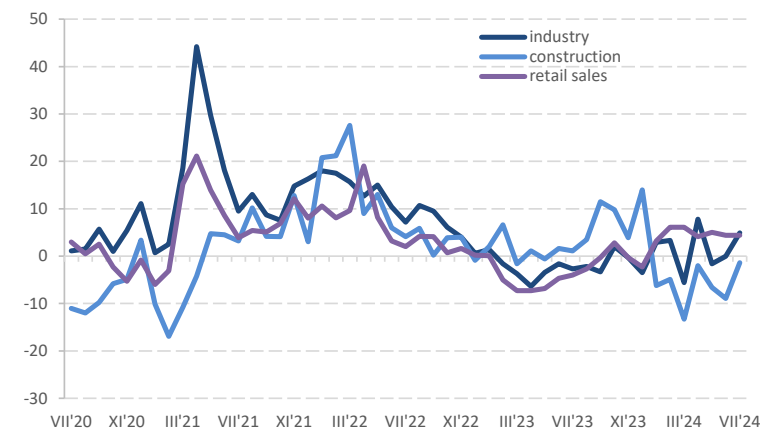
The harmonized unemployment rate (sa) amounted to 2.9% in July 2024 and it was at the same level as in five previous months and by 0.1 pp. higher than a year earlier. It was by 0.2 pp. higher than the historically lowest level recorded in January - April 2023. The unemployment rate in Poland is currently clearly lower than the average in the EU-27 and the euro area (6.0% and 6.4%, respectively). In July 2024, among the EU countries, it was lower than in Poland only in Czechia



## Monthly indicators of the real sector

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

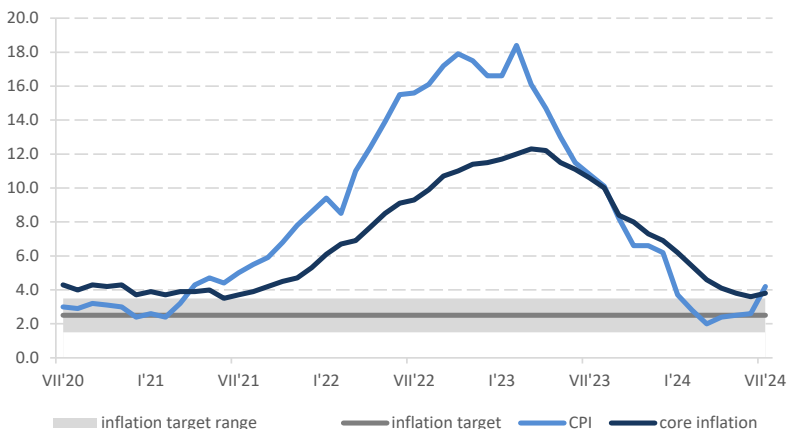
In July 2024 industrial production was 4.9% higher than a year ago (nsa). The data was below market expectations. Construction production was by 1.4% (nsa) lower than a year ago. The data was above market expectations. Retail sales was by 4.4% (nsa) higher than a year ago. The data was below market expectations.



## Inflation

percent, yoy  
source: GUS, NBP

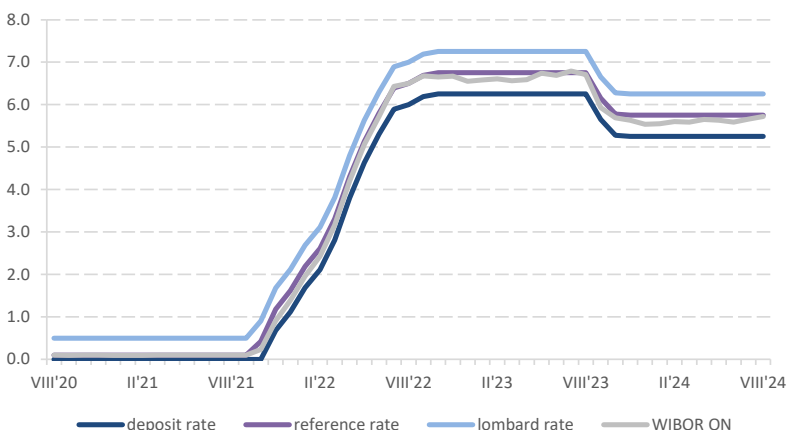
In July 2024 CPI inflation rate increased considerably to 4.2% (yoy), mainly because of increases of electricity and gas prices. The annual rate of energy prices amounted to 7.1% and food and non-alcoholic beverages prices to 3.2%. Core inflation increased to 3.8%. According to preliminary data in August CPI rate was 4.3%. In July producer prices were lower than a year before by 4.8%. 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 August 2024, the Monetary Policy Council left NBP interest rates unchanged for the ninth 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 after the impact of the energy price increase fade (which is to raise the consumer price growth in the coming quarters) and amid the current NBP interest rates level, inflation should return to the medium-term NBP target. In line with the schedule, there was no decision-making meeting of the Council in August.



## II. STATISTICAL DATA

	Unit	2023 Q01	Q02	Q03	Q04	2024 Q01	Q02
<b>GDP</b>							
Gross domestic product	YoY	-0.4	-0.6	0.5	1.0	2.0	3.2
	QoQ SA	0.9	-0.7	1.5	0.2	0.8	1.5
Final consumption expenditure of the households sector	YoY	-1.8	-2.9	0.8	0.0	4.6	4.7
	QoQ SA	-1.3	0.4	2.2	-0.6	2.1	0.7
Final consumption expenditure of the general government sector	YoY	-1.1	1.1	2.5	7.5	10.9	10.7
	QoQ SA	7.5	1.0	1.8	1.5	2.3	1.3
Gross fixed capital formation	YoY	6.0	16.5	11.3	15.8	-1.8	2.7
	QoQ SA	6.6	2.0	0.8	3.2	-2.7	2.5
Exports of goods and services	YoY	6.0	-0.6	4.5	3.6	0.5	3.4
	QoQ SA	1.9	-2.6	5.8	-1.2	-1.4	1.8
Imports of goods and services	YoY	-1.0	-3.5	-2.9	-0.5	-0.1	5.4
	QoQ SA	-1.2	-1.8	1.5	0.7	-0.2	2.8
Gross value added	YoY	0.8	1.0	1.1	1.7	1.7	2.2
	QoQ SA	1.4	-0.2	1.4	0.5	0.5	1.6
<b>Contribution to GDP growth</b>							
Final consumption expenditure of the households sector	pp	-1.1	-1.7	0.5	0.0	2.7	2.7
Final consumption expenditure of the general government sector	pp	-0.2	0.2	0.4	1.4	1.9	2.0
Gross fixed capital formation	pp	0.8	2.3	1.8	3.6	-0.2	0.4
Changes in inventories	pp	-4.3	-3.3	-6.7	-6.4	-2.8	-1.1
Balance of trade turnover	pp	4.4	1.9	4.5	2.4	0.4	-0.8
Gross value added	pp	0.8	0.9	0.9	1.6	1.6	2.0
<b>GDP structure</b>							
Final consumption expenditure of the households sector	% of GDP	60.0	57.4	58.8	49.7	61.8	58.7
Final consumption expenditure of the general government sector	% of GDP	17.1	18.3	18.4	20.4	19.0	20.4
Gross fixed capital formation	% of GDP	12.9	15.8	16.8	24.4	12.5	15.9
Changes in inventories	% of GDP	2.2	0.2	-0.9	-0.2	-0.4	-0.8
Exports of goods and services	% of GDP	64.3	60.6	55.4	52.1	55.8	54.3
Imports of goods and services	% of GDP	57.5	53.2	49.7	47.3	49.7	49.6
<b>Balance of payments</b>							
	Unit	2024 M02	M03	M04	M05	M06	M07
Goods: exports (EUR)	YoY	1.8	-8.5	6.5	-6.5	-6.0	-
Goods: imports (EUR)	YoY	1.7	-7.6	7.0	-1.8	-0.2	-
Current account balance <sup>1)</sup>	% of GDP	1.5	1.5	1.8	1.8	1.4	-
Balance on goods <sup>1)</sup>	% of GDP	0.9	0.8	0.8	0.6	0.4	-
Official Reserve Assets	EUR m	173 252.8	187 795.6	192 399.8	191 804.5	195 914.8	198 038.2
<b>Inflation</b>							
Consumer Price Index (CPI)	YoY	2.8	2.0	2.4	2.5	2.6	4.2
Core inflation (CPI excluding food and energy prices)	YoY	5.4	4.6	4.1	3.8	3.6	3.8
Producer Price Index (PPI)	YoY	-10.0	-9.9	-8.5	-7.0	-5.8	-4.8
<b>Production</b>							
Sold production of industry <sup>2)</sup>	YoY	3.3	-5.6	7.8	-1.6	0.0	4.9
	MoM SA	-0.2	-5.2	6.3	-1.9	1.0	-0.2
Construction and assembly production <sup>2)</sup>	YoY	-4.9	-13.3	-2.0	-6.6	-8.9	-1.4
	MoM SA	0.9	-3.7	2.3	-0.4	-2.1	0.6
Manufacturing PMI	SA	47.9	48.0	45.9	45.0	45.0	47.3
<b>Households and labour market</b>							
Retail sales <sup>2)</sup>	YoY	6.1	6.1	4.1	5.0	4.4	4.4
Average paid employment in enterprise sector	YoY	-0.2	-0.2	-0.4	-0.5	-0.4	-0.4
	MoM	-0.1	-0.1	0.0	-0.2	0.0	0.1
Average monthly gross wages and salaries in enterprise sector (real)	YoY	9.9	9.8	8.7	8.7	8.2	6.1
	MoM	2.4	5.2	-2.7	-3.4	1.7	0.2
Harmonised unemployment rate (Eurostat)	%, SA	2.9	2.9	2.9	2.9	2.9	2.9
<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 M01	M02	M03	M04	M05	M06
State Treasury debt (acc. to the place of issue criterion)	face value, PLN m	1 364 988.7	1 383 019.5	1 430 341.8	1 445 547.6	1 449 227.6	1 475 039.2
Domestic debt	face value, PLN m	1 061 224.1	1 081 181.1	1 097 764.9	1 096 300.5	1 106 261.2	1 127 621.1
	%	77.7	78.2	76.7	75.8	76.3	76.4
Foreign debt	face value, PLN m	303 764.6	301 838.5	332 576.9	349 247.1	342 966.4	347 418.2
	%	22.3	21.8	23.3	24.2	23.7	23.6
<b>Public debt (domestic definition)</b>							
	Unit	2022 Q04	2023 Q01	Q02	Q03	Q04	2024 Q01
Public debt (acc. to the place of issue criterion)	face value, PLN m	1 209 497.9	1 209 817.2	1 241 612.6	1 275 372.8	1 328 096.4	1 416 918.8
Domestic debt	face value, PLN m	896 575.4	898 137.2	925 382.1	955 030.5	998 771.7	1 058 968.1
	%	74.1	74.2	74.5	74.9	75.2	74.7
Foreign debt	face value, PLN m	312 922.5	311 679.9	316 230.5	320 342.3	329 324.7	357 950.6
	%	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	1 512 772.7	1 532 406.7	1 581 806.5	1 624 456.5	1 691 171.2	1 771 816.8

Source: MoF

### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### Gross borrowing requirements in 2024 as of August 31, 2024, PLN bn

Financing of the State budget borrowing requirements has been at the level of ca. 87% acc. to the Budget Act, and ca 92% acc. to the budget performance forecast was a result of:

- T-bond sale on domestic market: PLN 182.1bn,
- switch auctions in 2024: PLN 27.8bn,
- T-bond sale on foreign markets: PLN 47.2bn,
- loans incurred from European Union (RRF): PLN 15.5bn,
- loans incurred from IFIs: PLN 0.3bn,
- 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 September plan as of August 31, 2024, PLN bn

Value of funds transferred from the State budget to the market in September shall amount to PLN 0.2bn (interest payments).

#### Flows of funds between the domestic market and the budget\* as at the end of month, PLN bn

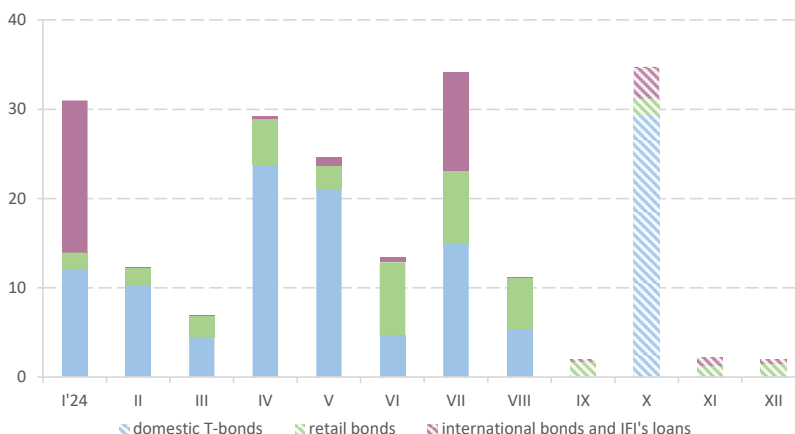
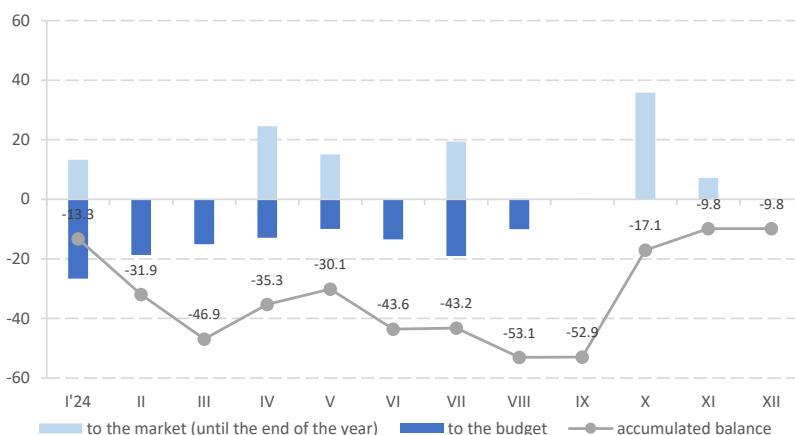
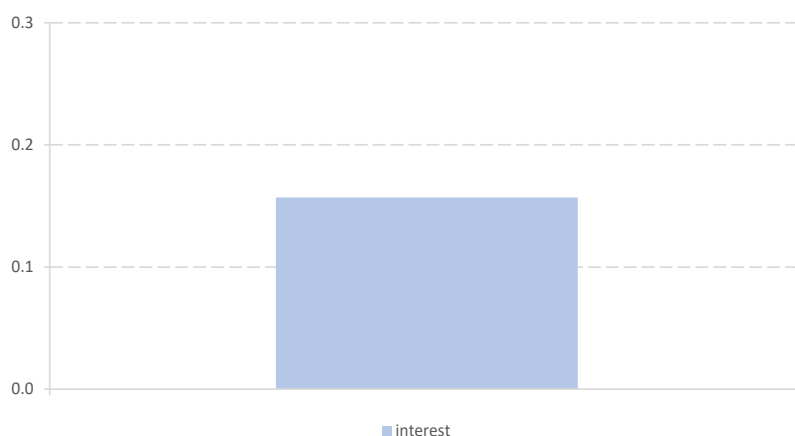
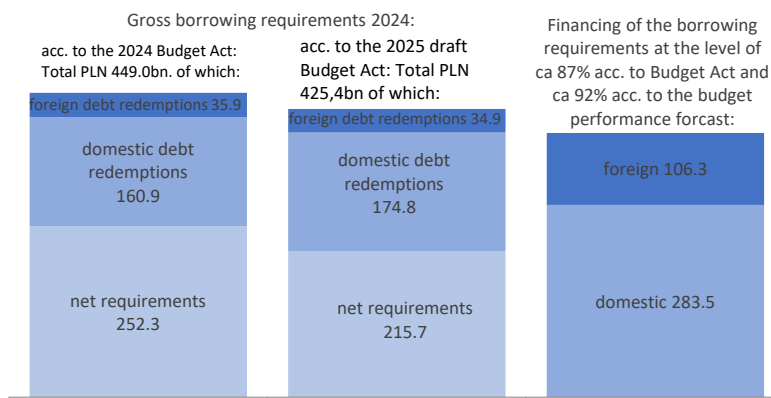
As of August 31 2024, to the end of the 2024 year the funds to be transferred to the market shall amount to PLN 43.3bn.

\*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 August 31, 2024), is equal to PLN 41.0bn, including:

- T-bonds: PLN 29.4bn,
- T-retail bonds: PLN 6.4bn,
- bonds and loans incurred on foreign markets: PLN 5.1bn.

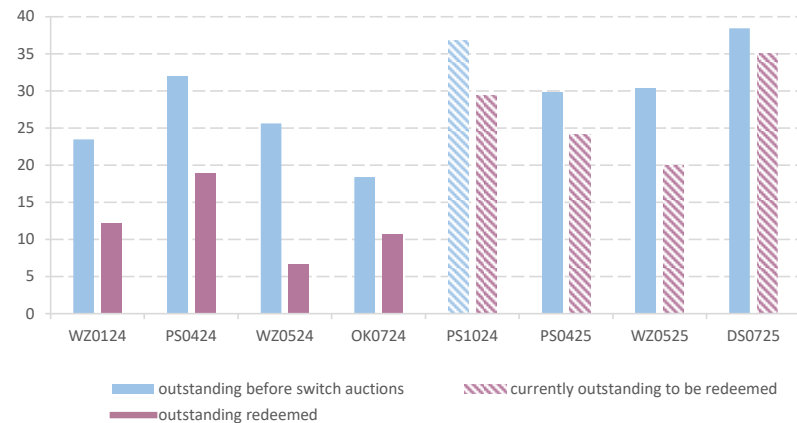


**Reducing refinancing risk connected with redemptions of domestic TS maturing in 2024**

as of August 31, 2024, nominal amount, PLN bn

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

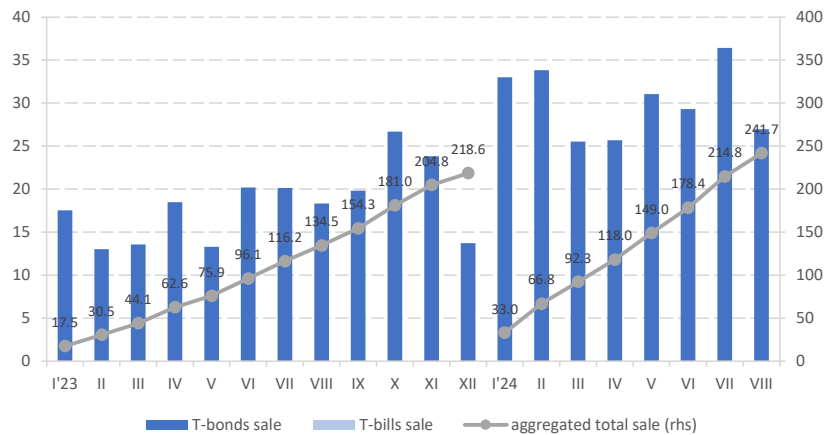
- WZ0124: PLN 11.3bn (48% of the issuance),
- PS0424: PLN 13.1bn (41% of the issuance),
- WZ0524: PLN 18.9bn (74% of the issuance),
- OK0724: PLN 7.7bn (42% of the issuance),
- PS1024: PLN 7.4bn (20% of the issuance),
- PS0425: PLN 5.7bn (19% of the issuance),
- WZ0525: PLN 10.5bn (34% of the issuance),
- DS0725: PLN 3.3bn (9% of the issuance).



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

settlement date, nominal amount, PLN bn

In the period of I-VIII 2024 aggregated total sale of T-bonds amounted to PLN 241.7bn versus PLN 134.5bn in the same period of 2023. T-bills were not sold.



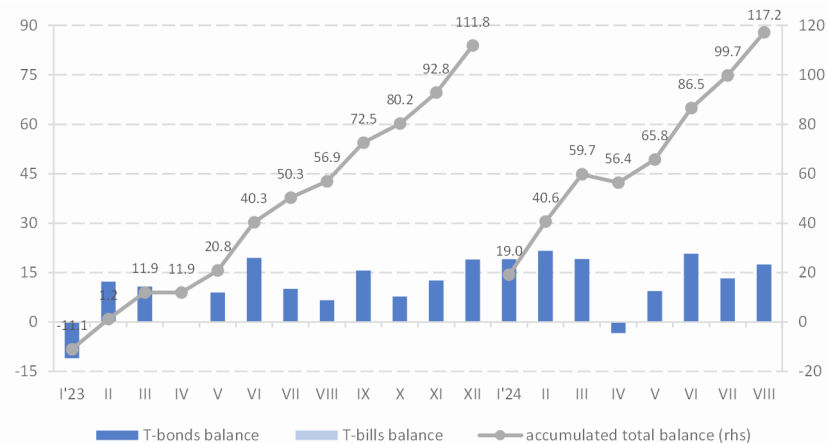
**Balance of domestic TS in 2023 and 2024**

settlement date, nominal amount, PLN bn

In the period of I-VIII 2024 indebtedness in:

- T-bonds increased to PLN 117.2bn versus increase of PLN 56.9bn 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-VIII 2024 was positive and amounted to EUR 7.8bn, which resulted from:

- positive balance of T-bonds issuance of EUR 4.7bn,
- negative balance of loans incurred from IFIs at the level of EUR 0.5bn,
- positive balance of loans incurred from European Union (RRF) at the level of EUR 3.6bn.

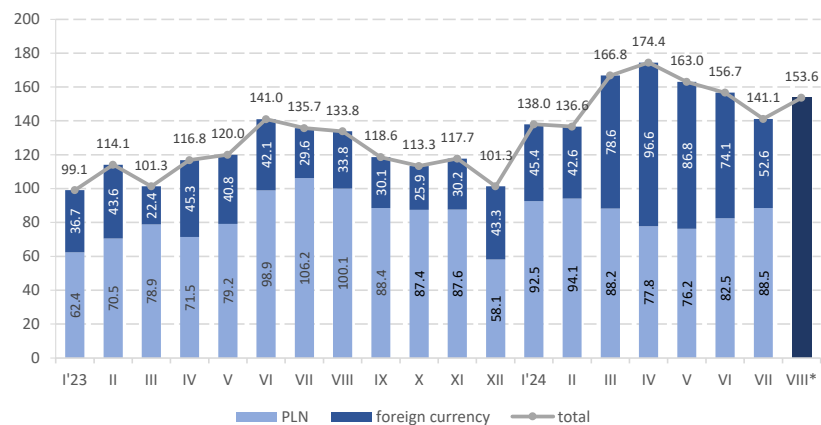


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### 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 August 2024 there was the equivalent of PLN 153.6bn on the budgetary accounts. The funds ensure liquidity in borrowing needs financing.

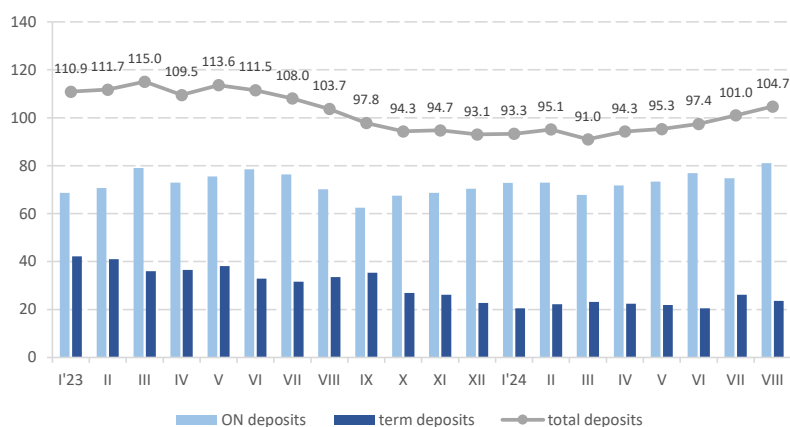


\* Estimated data.

#### Consolidation of public finance sector liquidity management

PLN bn

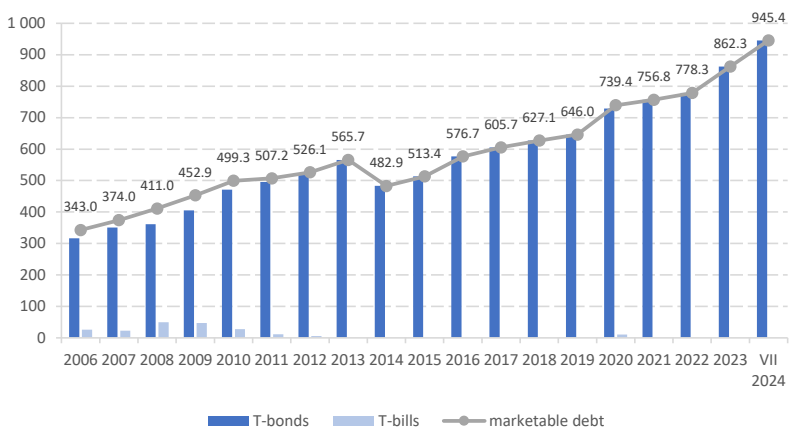
At the end of August 2024 funds accumulated within the consolidation of public finances liquidity management amounted to PLN 104.7bn, of which PLN 23.6bn was as term deposits and PLN 81.1bn on ON deposits.



#### Structure of domestic marketable debt

PLN bn

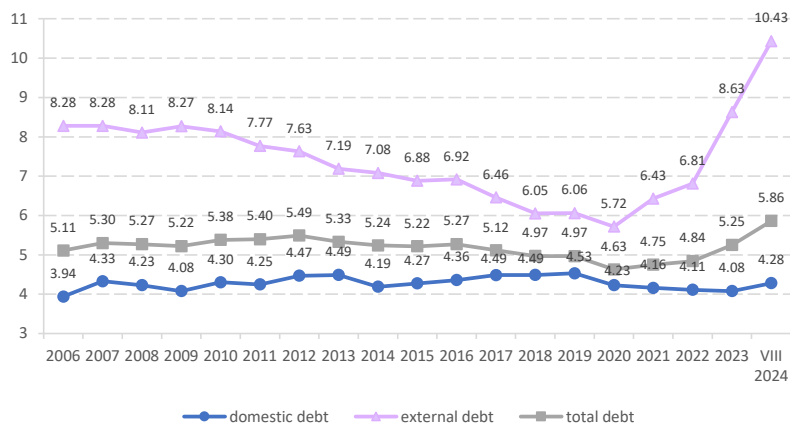
At the end of July 2024 the marketable domestic debt after consolidation within the State Treasury amounted to PLN 945.4bn comparing to PLN 862.3bn at the end of 2023.



#### Average maturity

years

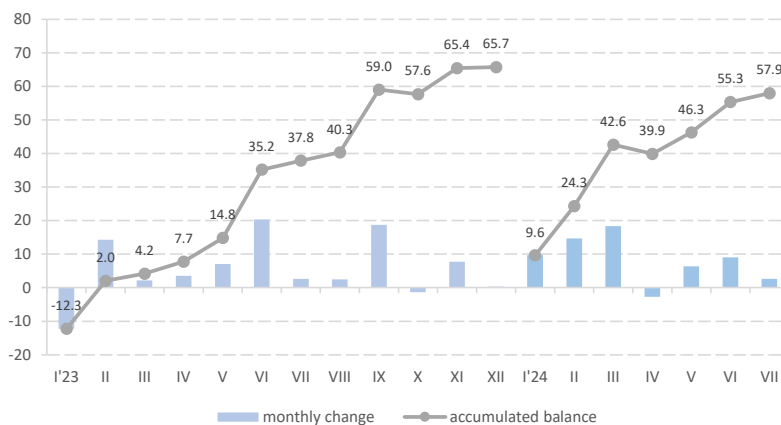
At the end of August 2024 the average maturity of domestic debt amounted to 4.28 years (while at the end of 2023 it was 4.08 years). The average of total debt amounted to 5.86 years (5.25 years at the end of 2023).



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

PLN bn

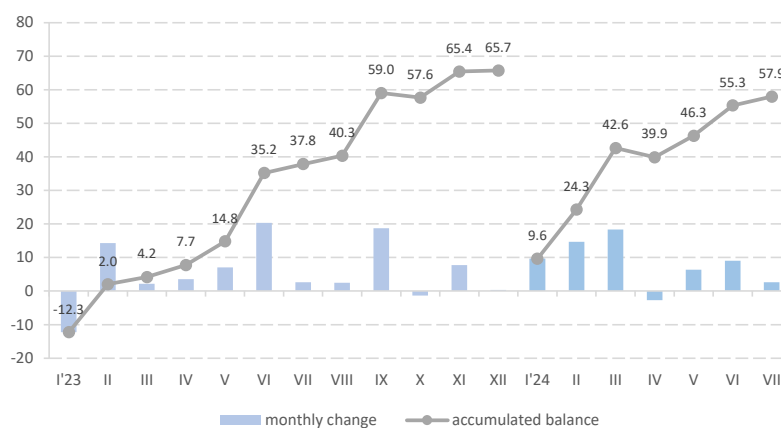
In I-VII 2024 there was an increase of debt by PLN 57.9bn comparing to PLN 37.8bn increase during the same period of 2023. Banks' holdings reached the level of PLN 551.7bn.



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

PLN bn

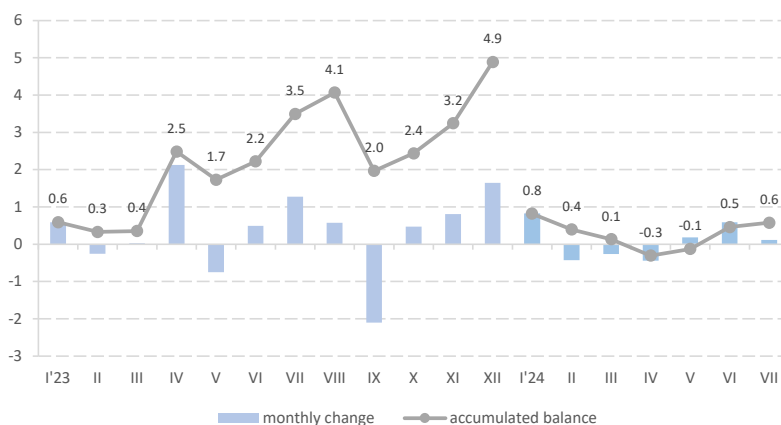
In I-VII 2024 there was an increase of debt by PLN 0.6bn comparing to PLN 3.5bn increase during the same period of 2023. Insurance companies' holdings reached the level of PLN 65.1bn.



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

PLN bn

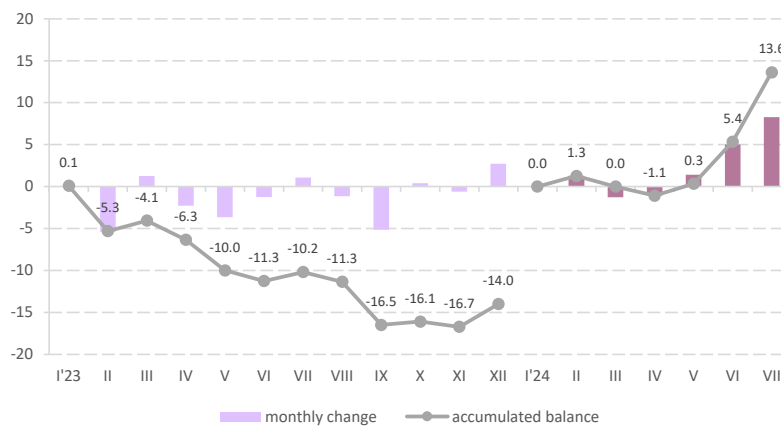
In I-VII 2024 there was an increase of debt by PLN 6.5bn comparing to PLN 7.2bn increase during the same period of 2023. Investment funds' holdings reached the level of PLN 63.8bn.



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

PLN bn

In I-VII 2024 there was an increase of debt by PLN 13.6bn comparing to PLN 10.2bn decrease during the same period of 2023. Foreign investors' holdings reached the level of PLN 145.8bn.



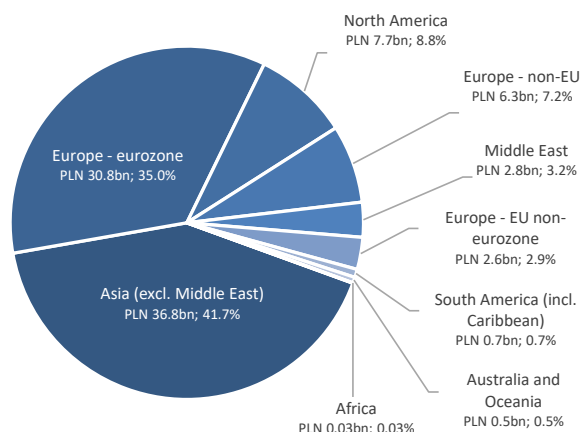


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

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

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

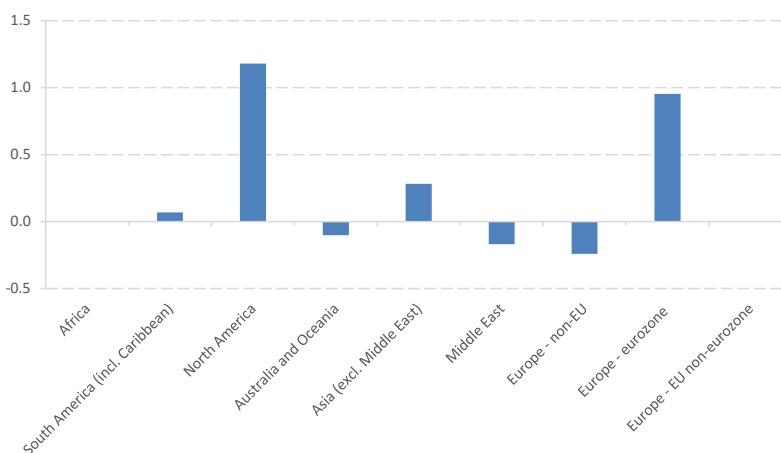
The non-residents' share in the domestic Treasury securities market increased by PLN 8.3bn in July 2024. The foreign investors' portfolio amounted to PLN 145.8bn, which constituted 13.6% share in total debt in TS (13.0% in the previous month).



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

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

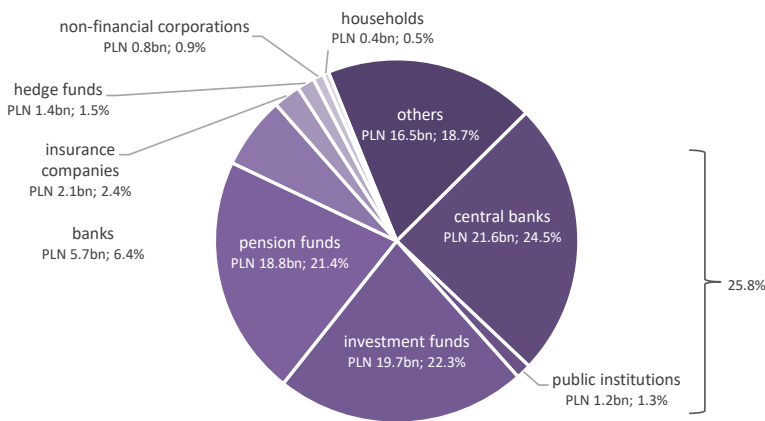
In July 2024 the highest increase was noted by investors from North America (PLN 1.2bn). The highest decrease was noted by investors from Europe — non EU countries (PLN 0.2bn).



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

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

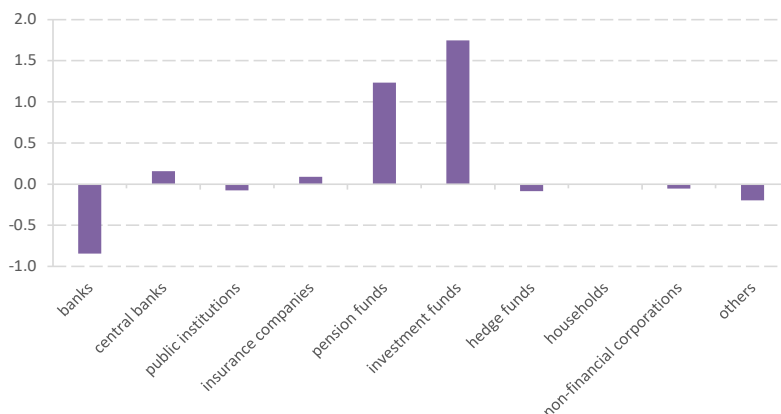
Institutional structure of domestic TS held by non-residents, as well as geographical distribution, is well-diversified. The central banks and public institutions' share in foreign holdings amounted to 25.8% at the end of July 2024.



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

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

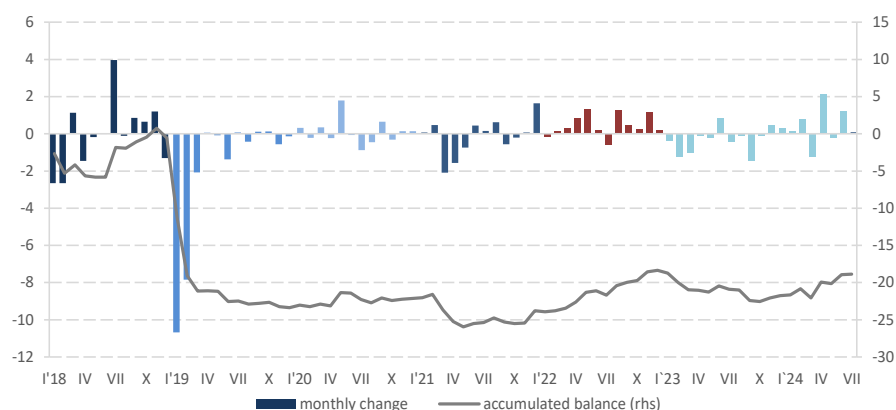
In July 2024 the highest increase was recorded by investment funds (PLN 1.8bn). The highest decrease was noted by banks (PLN 0.8bn).



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

change in July 2024, PLN bn

Central banks and public institutions' involvement increased by PLN 0.1bn in July 2024. In the period from the end of January 2018 to the end of July 2024 portfolios of those entities decreased by PLN 18.9bn.



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

as of July 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	15 050.0	22.6%
Luxembourg	11 237.5	16.9%
Netherlands	9 206.8	13.8%
United States	7 156.4	10.7%
Germany	3 926.6	5.9%
United Kingdom	3 847.5	5.8%
Ireland	3 079.5	4.6%
Switzerland	1 892.0	2.8%
France	1 649.6	2.5%
Singapore	1 373.5	2.1%
Austria	1 170.6	1.8%
Czech Republic	769.1	1.2%
Denmark	736.1	1.1%
Bulgaria	732.4	1.1%
Cayman Islands	643.8	1.0%
Others	4 134.3	6.2%
<b>Total</b>	<b>66 605.7</b>	<b>100.0%</b>

**Comment**

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

30-08-2024

At the end of August, financing of the State budget borrowing requirements was at the level of ca. 86% (DP3—87%), and the balance of funds on budget accounts is approx. PLN 150bn. (DP3—153.6bn) Two sales auctions and one switch auction are planned in September. No Treasury bill auctions are planned. In July 2024, the indebtedness in Treasury securities on the domestic market increased by PLN 13.4bn. The involvement of domestic banks increased by PLN 2.60bn, domestic non-bank investors by PLN 2.5bn and foreign investors indebtedness increased by PLN 8.3bn.

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

### T-bond sale auctions

Auction date	Settlement date	Series	Planned offer (PLN m)*
11 September 2024	13 September 2024	OK0127 / PS0729 / WZ0330 / DS1034 / IZ0836 / possible other T-bond	4,000-8,000
25 September 2024	27 September 2024	OK0127 / PS0729 / WZ0330 / DS1034 / IZ0836 / 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)
17 September 2024 / 19 September 2024	OK0127 / PS0729 / WZ0330 / DS1034 / IZ0836 possible other T-bond	PS1024	29,393
		PS0425	24,178
		WZ0525	19,929
		DS0725	35,106

### T-bill auctions

Sale auctions of Treasury bills are not planned.

### Offer on the retail market

T-bond	Issue price	Coupon
OTS1224 3-month	100.00 PLN (100.00 PLN for rolling-over)	Fixed: 3.00%
ROR0925 1-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.00%); 5.75% in the first coupon period
DOR0926 2-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.15%); 5.90% in the first coupon period
TOS0927 3-year	100.00 PLN (99.90 PLN for rolling-over)	Fixed: 5.95%
COI0928 4-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.50%); 6.30% in the first coupon period
EDO0934 10-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.00%); 6.55% in the first coupon period
ROS0930 family bonds 6-year	100.00 PLN	Floating (inflation rate + 2.00%); 6.50% in the first coupon period
ROD0936 family bonds 12-year	100.00 PLN	Floating (inflation rate + 2.50%); 6.80% in the first coupon period