



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

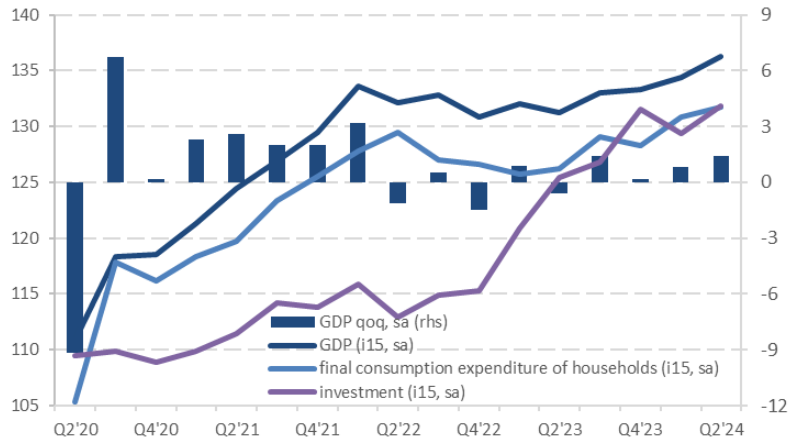
November 2024

### THE MOST IMPORTANT INFORMATION

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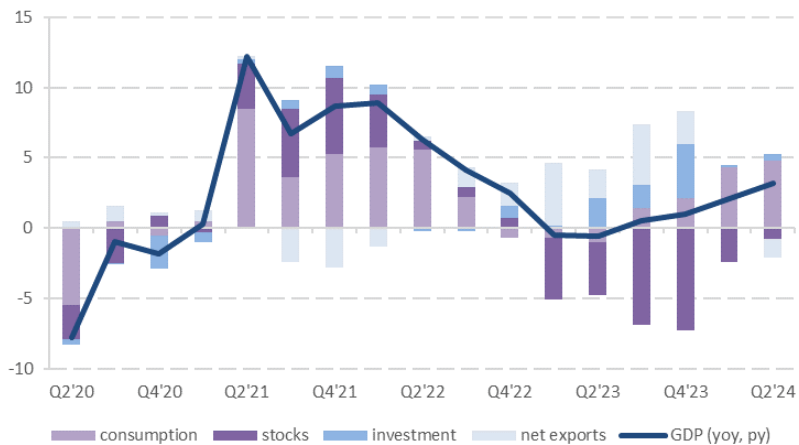
**Gross domestic product of Poland**  
constant prices, seasonally adjusted data (sa)  
source: GUS, Eurostat

According to the revised data in the second quarter of 2024 GDP increased by 1.4% (qoq, sa), after an increase of 0.8% a quarter earlier. Household consumption increased again, although at a slower pace than in the previous quarter (0.7%). On the other hand, investments recorded a clear rebound.



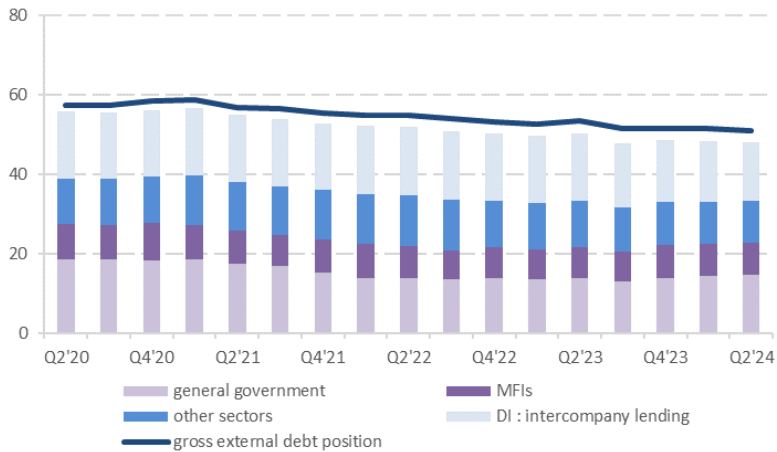
**Contributions to Polish GDP growth**  
average prices of the previous year (py), yoy  
source: GUS, MoF own calculation

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 4.6%, 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 (-1.3 pp). Negative contribution of inventories to GDP growth narrowed to -0.8 pp.



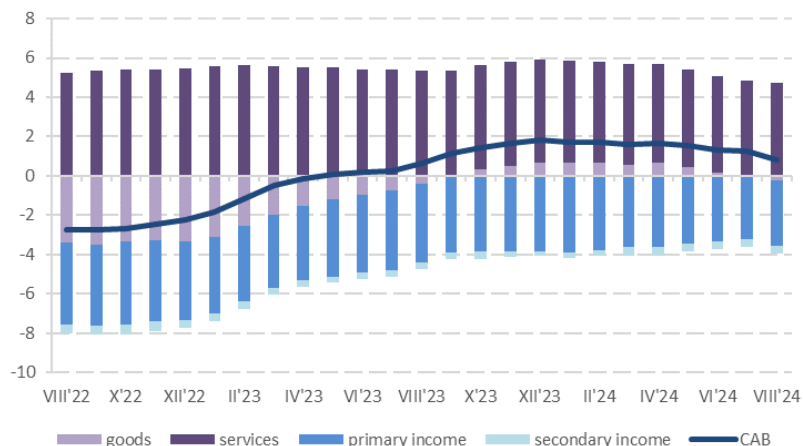
**Polish gross external debt position**  
percent of GDP  
source: NBP, GUS, MoF own calculation

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 August 2024 official reserve assets reached EUR 192.6bn 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 August 2024, according to preliminary data, Poland's C/A surplus decreased to 0.8% of GDP (in 12-month terms). Yearly imports dynamics for the fourth 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 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 (1.5% of GDP).

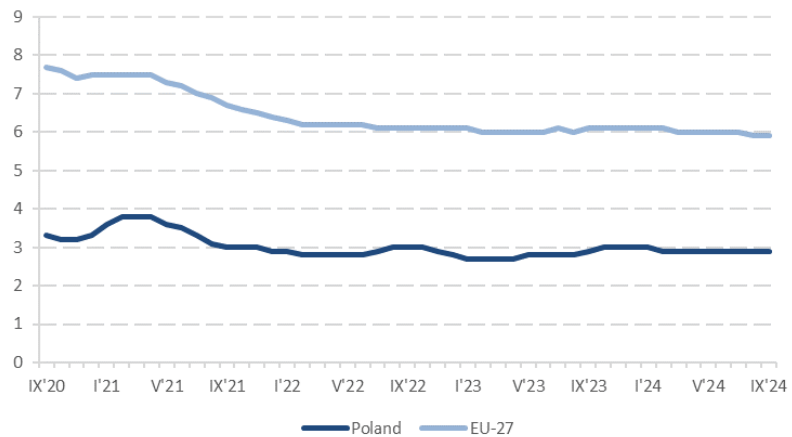


# I. MACROECONOMIC SITUATION

## Harmonised unemployment rate

percent, seasonally adjusted data  
source: Eurostat

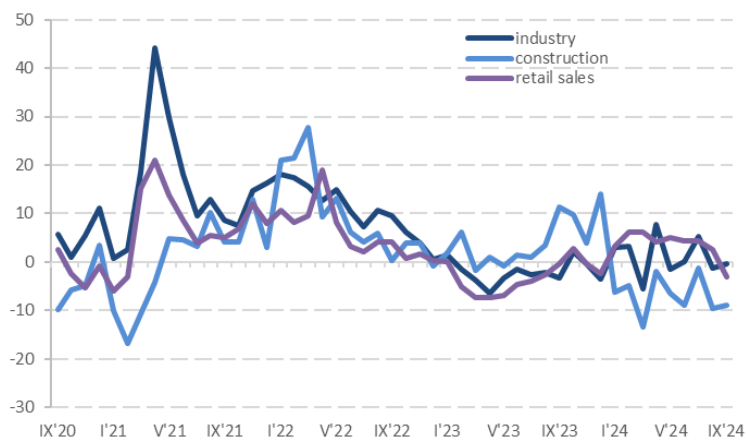
The harmonized unemployment rate (sa) amounted to 2.9% in September 2024 and it was at the same level as in seven previous months and a year earlier. It was by 0.2 pp. higher than the historically lowest level recorded in January - April 2023. The unemployment rate in Poland is currently clearly lower than the average in the EU27 and the euro area (5.9% and 6.3%, respectively). In September 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

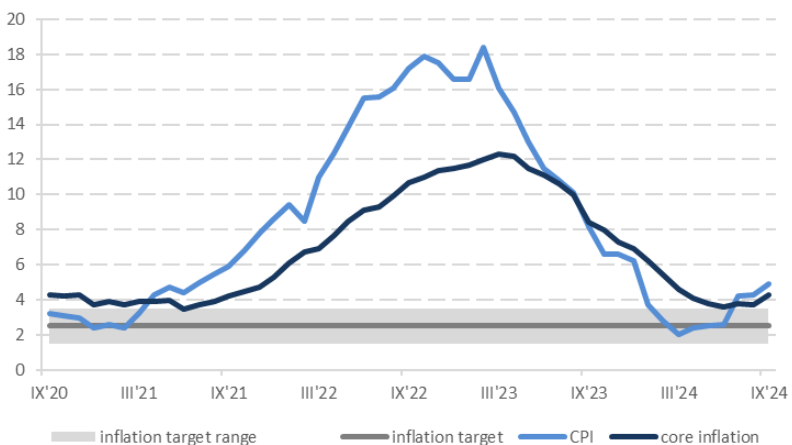
In September 2024 industrial production was 0.3% lower than a year ago (nsa). The data were slightly below market expectations. Construction production was by 9.0% (nsa) lower than a year ago. The data were slightly above market expectations. Retail sales was by 3.0% (nsa) lower than a year ago. The data were much weaker than market expectations.



## Inflation

percent, yoy  
source: GUS, NBP

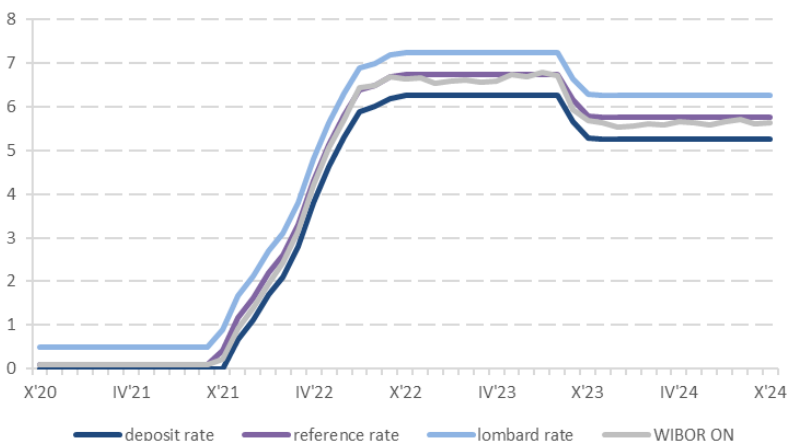
In September 2024 inflation rate rose to 4.9% (yoy). The annual price growth rate increased in all groups: food and non-alcoholic beverages to 4.7%, energy to 6.9% and core inflation to 4.3%. In the third quarter inflation amounted to 4.5% (compared to 2.5% in the second quarter). According to the preliminary data in October CPI rate rose to 5.0%. In September producer prices were lower than a year before by 6.3%. 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 October 2024, the Monetary Policy Council left NBP interest rates unchanged for the eleventh 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 (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.



## II. STATISTICAL DATA

	Unit	2023				2024	
		Q01	Q02	Q03	Q04	Q01	Q02
<b>GDP</b>							
Gross domestic product	YoY	-0.5	-0.6	0.5	1.0	2.1	3.2
	QoQ SA	0.9	-0.6	1.4	0.2	0.8	1.4
Final consumption expenditure of the households sector	YoY	-1.0	-2.3	1.5	0.6	4.4	4.6
	QoQ SA	-0.7	0.4	2.2	-0.6	2.0	0.7
Final consumption expenditure of the general government sector	YoY	-0.5	2.4	2.8	9.8	9.4	11.5
	QoQ SA	8.3	1.1	2.1	1.4	2.4	1.5
Gross fixed capital formation	YoY	1.8	14.8	11.0	17.6	1.9	3.2
	QoQ SA	4.9	3.7	1.1	3.8	-1.7	1.9
Exports of goods and services	YoY	6.3	-0.2	5.0	3.9	2.1	2.9
	QoQ SA	1.3	-1.3	5.0	-0.8	-0.2	-0.1
Imports of goods and services	YoY	-0.7	-3.4	-1.9	0.0	2.3	5.7
	QoQ SA	-1.5	-1.3	2.1	0.4	1.0	1.6
Gross value added	YoY	0.7	1.0	1.0	1.8	1.8	2.2
	QoQ SA	1.5	-0.1	1.3	0.6	0.4	1.6
<b>Contribution to GDP growth</b>							
Final consumption expenditure of the households sector	pp	-0.6	-1.4	0.9	0.3	2.7	2.6
Final consumption expenditure of the general government sector	pp	-0.1	0.4	0.5	1.8	1.6	2.2
Gross fixed capital formation	pp	0.2	2.1	1.7	3.9	0.2	0.5
Changes in inventories	pp	-4.4	-3.8	-6.9	-7.3	-2.4	-0.8
Balance of trade turnover	pp	4.4	2.1	4.3	2.3	0.0	-1.3
Gross value added	pp	0.6	0.9	0.9	1.6	1.7	2.0
<b>GDP structure</b>							
Final consumption expenditure of the households sector	% of GDP	60.8	57.8	59.3	50.0	61.9	58.5
Final consumption expenditure of the general government sector	% of GDP	17.3	18.7	18.6	21.1	19.3	21.0
Gross fixed capital formation	% of GDP	12.5	15.6	16.7	24.9	12.5	15.8
Changes in inventories	% of GDP	1.7	-0.3	-1.0	-1.1	-0.7	-1.0
Exports of goods and services	% of GDP	64.7	60.9	55.7	52.3	55.9	54.3
Imports of goods and services	% of GDP	58.0	53.8	50.4	48.1	50.0	49.6
<b>Balance of payments</b>							
	Unit	2024					
		M04	M05	M06	M07	M08	M09
Goods: exports (EUR)	YoY	7.5	-6.0	-7.3	4.7	-3.3	-
Goods: imports (EUR)	YoY	4.7	0.1	0.6	9.1	4.9	-
Current account balance <sup>1)</sup>	% of GDP	1.7	1.6	1.3	1.2	0.8	-
Balance on goods <sup>1)</sup>	% of GDP	0.7	0.4	0.1	0.0	-0.3	-
Official Reserve Assets	EUR m	192 399.8	191 804.5	195 914.8	190 534.9	192 594.5	195 308.3
<b>Inflation</b>							
Consumer Price Index (CPI)	YoY	2.4	2.5	2.6	4.2	4.3	4.9
Core inflation (CPI excluding food and energy prices)	YoY	4.1	3.8	3.6	3.8	3.7	4.3
Producer Price Index (PPI)	YoY	-8.5	-7.0	-5.8	-5.1	-5.5	-6.3
<b>Production</b>							
Sold production of industry <sup>2)</sup>	YoY	7.8	-1.6	0.0	5.2	-1.2	-0.3
	MoM SA	6.3	-1.9	1.0	-0.2	-0.7	-0.2
Construction and assembly production <sup>2)</sup>	YoY	-2.0	-6.5	-9.0	-1.3	-9.6	-9.0
	MoM SA	2.2	0.1	-2.3	0.5	-0.3	0.9
Manufacturing PMI	SA	45.9	45.0	45.0	47.3	47.8	48.6
<b>Households and labour market</b>							
Retail sales <sup>2)</sup>	YoY	4.1	5.0	4.4	4.4	2.6	-3.0
Average paid employment in enterprise sector	YoY	-0.4	-0.5	-0.4	-0.4	-0.5	-0.5
	MoM	0.0	-0.2	0.0	0.1	-0.3	-0.1
Average monthly gross wages and salaries in enterprise sector (real)	YoY	8.7	8.7	8.2	6.1	6.6	5.2
	MoM	-2.7	-3.4	1.7	0.2	-1.2	-0.7
Harmonised unemployment rate (Eurostat)	%, SA	2.9	2.9	2.9	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							
<b>State Treasury debt</b>							
	Unit	2024					
		M03	M04	M05	M06	M07	M08
State Treasury debt (acc. to the place of issue criterion)	face value, PLN m	1 430 341.8	1 445 547.6	1 449 227.6	1 475 039.2	1 476 771.7	1 492 694.7
Domestic debt	face value, PLN m	1 097 764.9	1 096 300.5	1 106 261.2	1 127 621.1	1 143 561.4	1 162 349.1
	%	76.7	75.8	76.3	76.4	76.4	77.9
Foreign debt	face value, PLN m	332 576.9	349 247.1	342 966.4	347 418.2	333 210.3	330 345.5
	%	23.3	24.2	23.7	23.6	22.6	22.1
<b>Public debt (domestic definition)</b>							
	Unit	2023				2024	
		Q01	Q02	Q03	Q04	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
	%	74.2	74.5	74.9	75.2	74.7	74.4
Foreign debt	face value, PLN m	311 679.9	316 230.5	320 342.3	329 324.7	357 950.6	372 496.9
	%	25.8	25.5	25.1	24.8	25.3	25.6
<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 October 31, 2024, PLN bn

Financing of the State Budget borrowing requirements has been at the level of ca. 95% taking into account the level of budget deficit assumed in the amended Budget Act draft and other state budget gross borrowing requirements according to the budget performance forecast in the draft Budget Act for 2025. This was a result of:

- T-bond sale on domestic market: PLN 237.6bn,
- switch auctions in 2024: PLN 29.0bn,
- T-bond sale on foreign markets: PLN 60.1bn,
- loans incurred from European Union (RRF): PLN 15.5bn,
- loans incurred from IFIs: PLN 0.9bn,
- 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 November plan as of October 31, 2024, PLN bn

Value of funds transferred from the State budget to the market in November shall amount to PLN 7.2bn (interest payments).

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

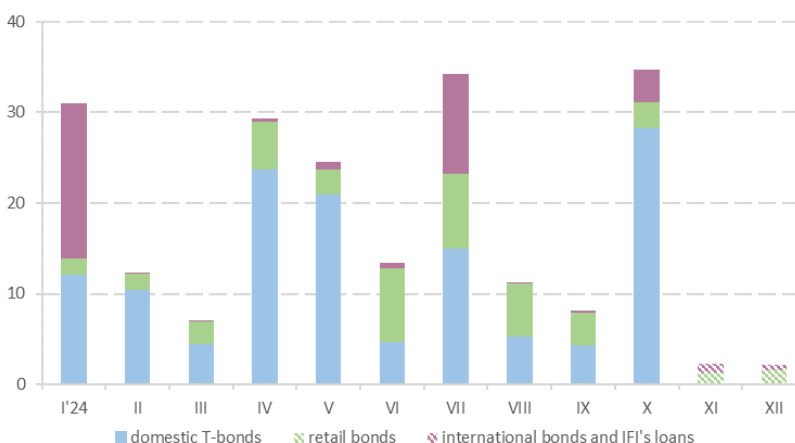
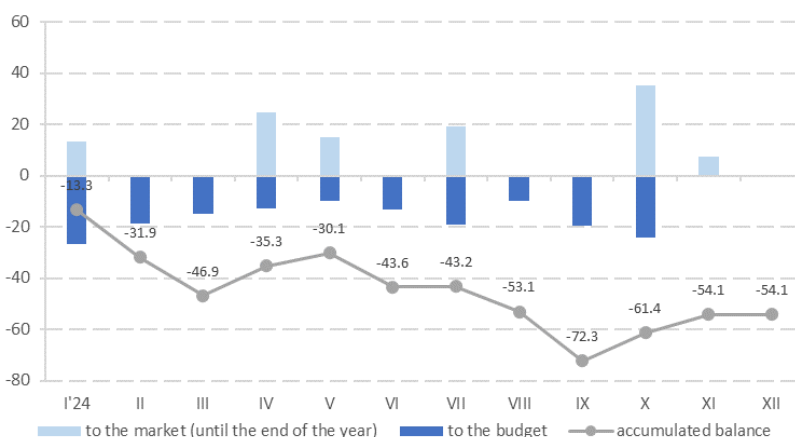
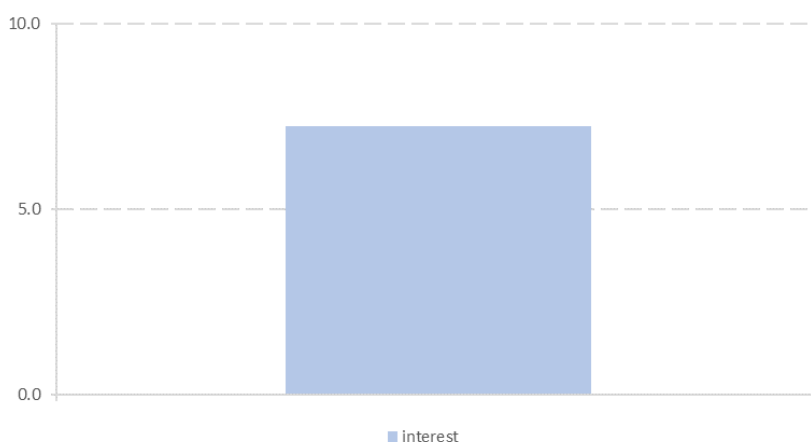
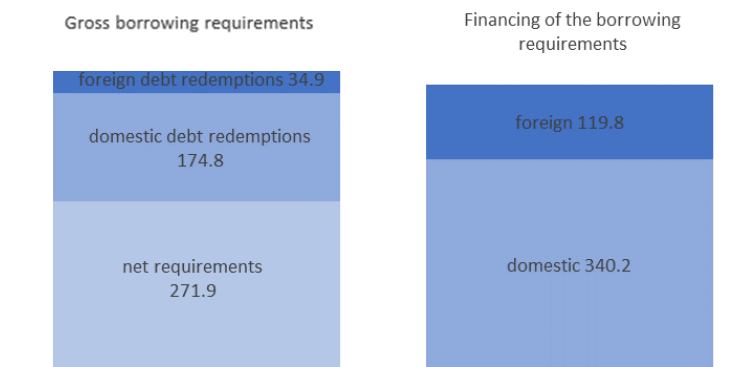
As of October 31 2024, to the end of the 2024 year the funds to be transferred to the market shall amount to PLN 7.2bn.

\*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 October 31, 2024), is equal to PLN 4.4bn, including:

- T-retail bonds: PLN 3.0bn,
- bonds and loans incurred on foreign markets: PLN 1.4bn.

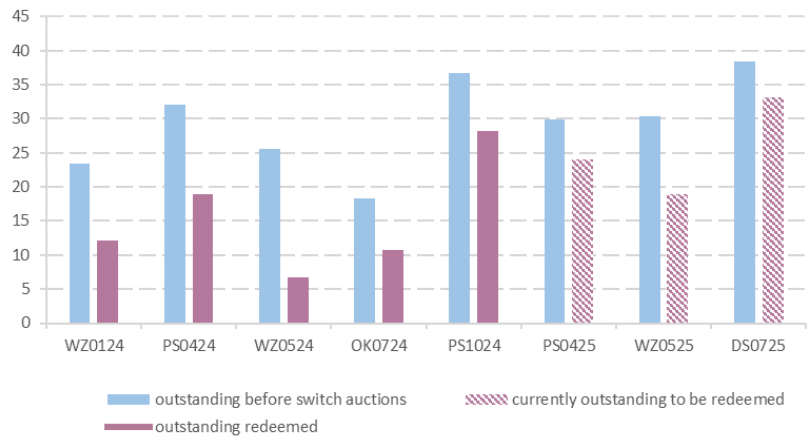


**Reducing refinancing risk connected with redemptions of domestic TS maturing in 2024 and 2025**

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

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

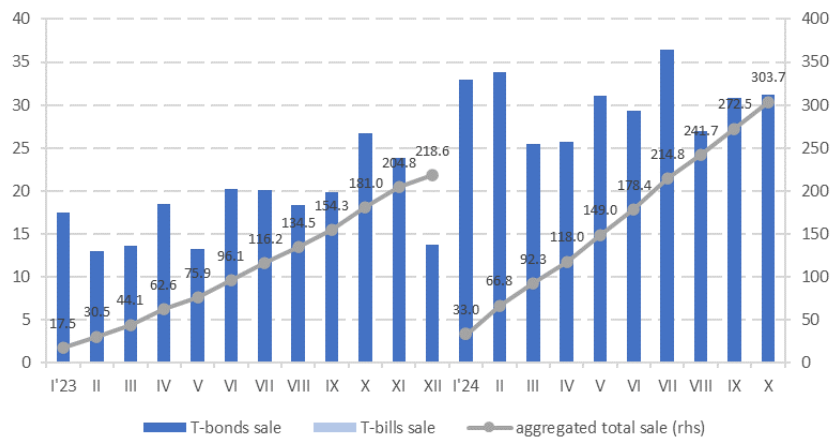
- WZ0124: PLN 11.3bn (48% of the issuance),
- PS0424: PLN 13.1bn (41% of the issuance),
- WZ0524: PLN 18.9bn (74% of the issuance),
- OK0724: PLN 7.7bn (42% of the issuance),
- PS1024: PLN 8.6bn (23% of the issuance),
- PS0425: PLN 5.9bn (20% of the issuance),
- WZ0525: PLN 11.5bn (38% of the issuance),
- 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-X 2024 aggregated total sale of T-bonds amounted to PLN 303.7bn versus PLN 181.0bn in the same period of 2023. T-bills were not sold.



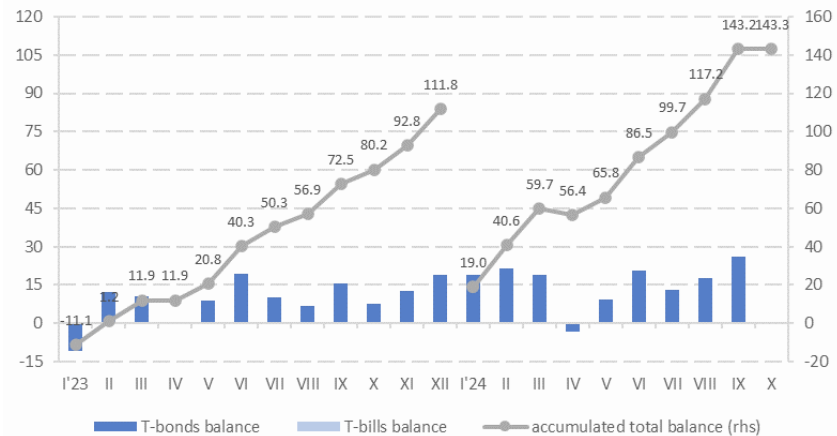
**Balance of domestic TS in 2023 and 2024**

settlement date, nominal amount, PLN bn

In the period of I-X 2024 indebtedness in:

- T-bonds increased by PLN 143.3bn versus increase of PLN 80.2bn 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.

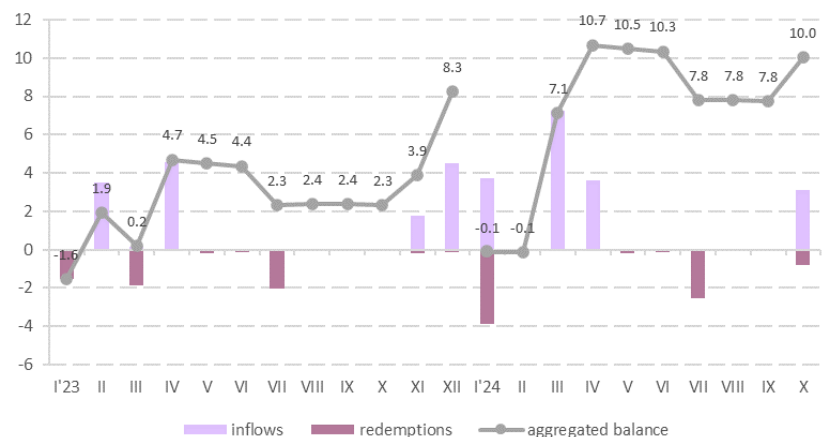


**External financing in 2023 and 2024**

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

Net financing on foreign markets in the period of I-X 2024 was positive and amounted to EUR 10.0bn, which resulted from:

- positive balance of T-bonds issuance of EUR 6.8bn,
- negative balance of loans incurred from IFIs at the level of EUR 0.4bn,
- positive balance of loans incurred from European Union (RRF) at the level of EUR 3.6bn.

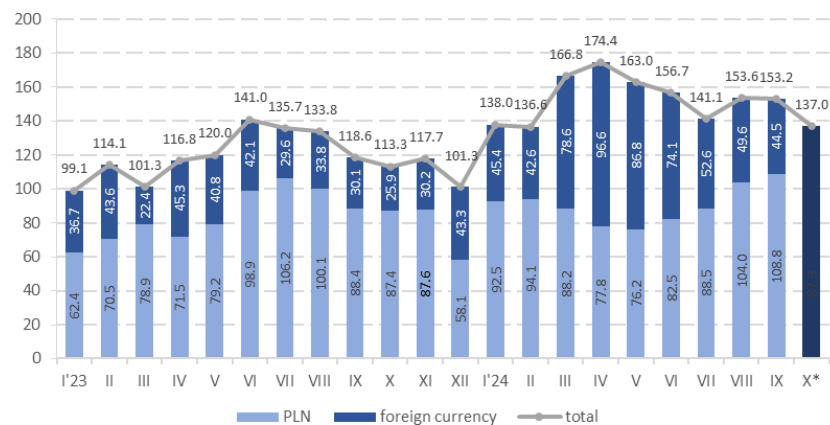


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### 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 October 2024 there was the equivalent of PLN 137.0bn on the budgetary accounts. The funds ensure liquidity in borrowing needs financing.

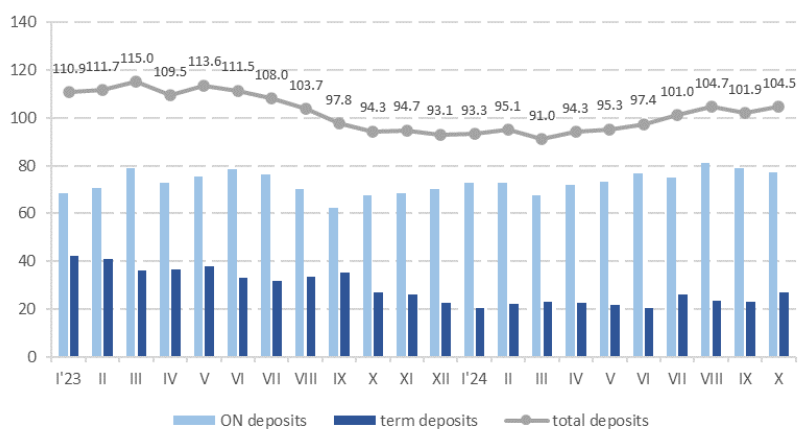


\* Estimated data.

#### Consolidation of public finance sector liquidity management

PLN bn

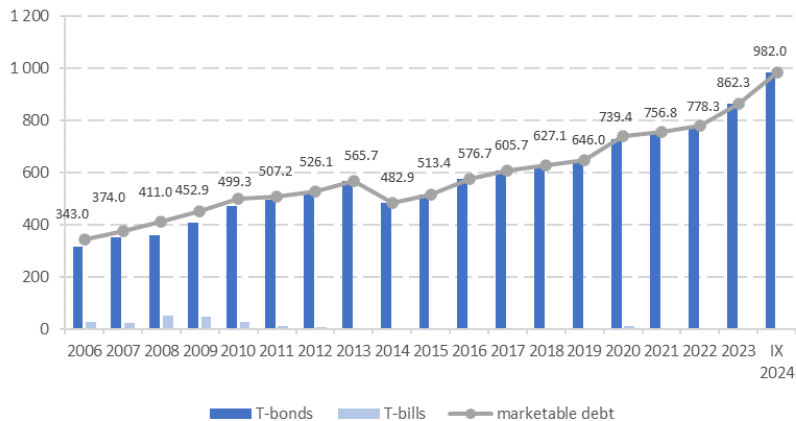
At the end of October 2024 funds accumulated within the consolidation of public finances liquidity management amounted to PLN 104.5bn, of which PLN 27.2bn was as term deposits and PLN 77.2bn as ON deposits.



#### Structure of domestic marketable debt

PLN bn

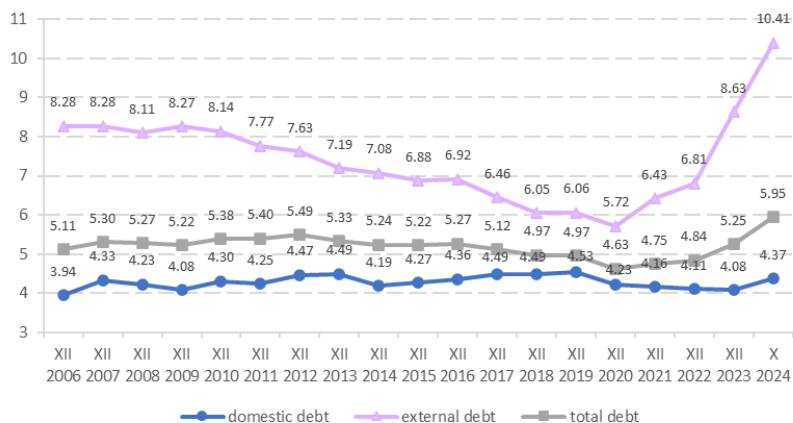
At the end of September 2024 the marketable domestic debt after consolidation within the State Treasury amounted to PLN 982.0bn comparing to PLN 862.3bn at the end of 2023.



#### Average maturity

years

At the end of October 2024 the average maturity of domestic debt amounted to 4.37 years (while at the end of 2023 it was 4.08 years). The average of total debt amounted to 5.95 years (5.25 years at the end of 2023).

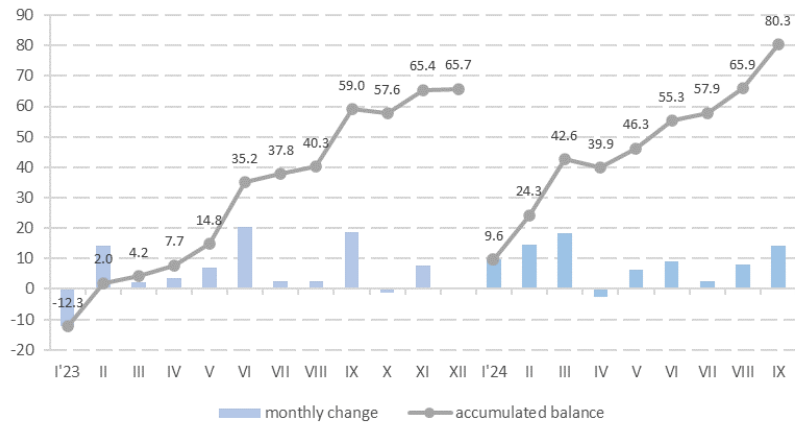




**Change of debt in the domestic TS held by banks**

PLN bn

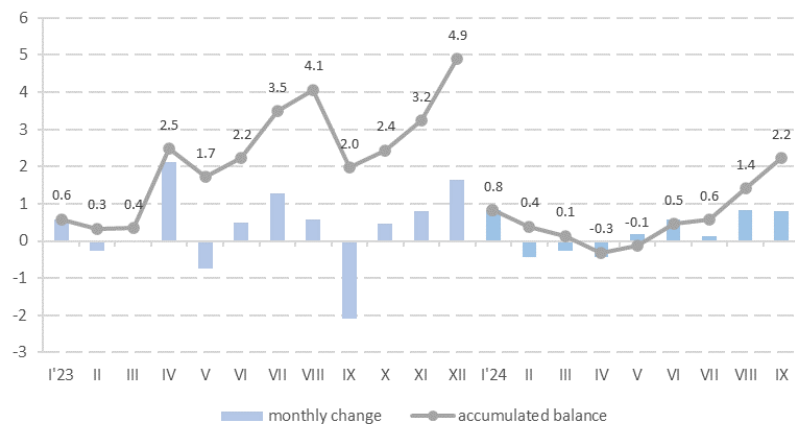
In the period of I-IX 2024 there was an increase of debt by PLN 80.3bn comparing to PLN 59.0bn increase during the same period of 2023. Banks' holdings reached the level of PLN 574.1bn.



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

PLN bn

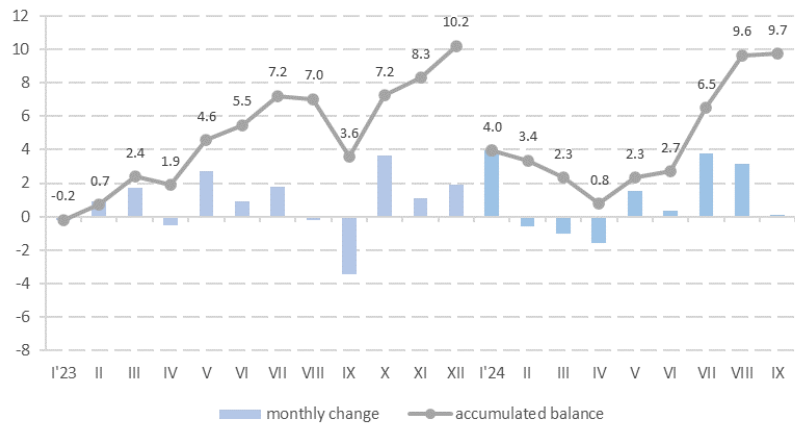
In the period of I-IX 2024 there was an increase of debt by PLN 2.2bn comparing to PLN 2.0bn increase during the same period of 2023. Insurance companies' holdings reached the level of PLN 66.7bn.



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

PLN bn

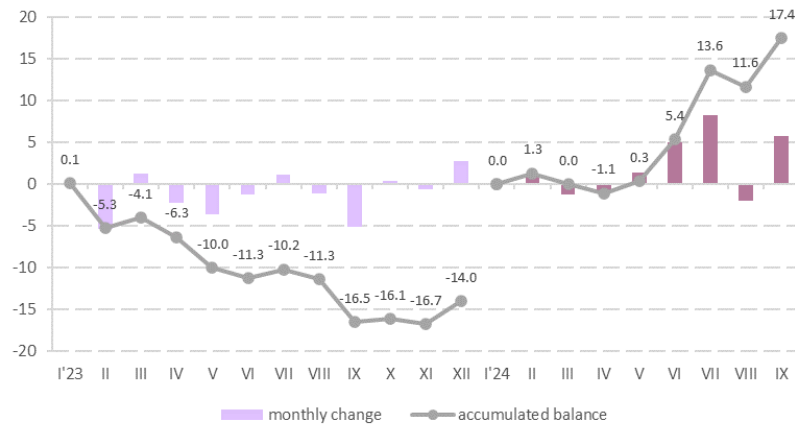
In the period of I-IX 2024 there was an increase of debt by PLN 9.7bn comparing to PLN 3.6bn increase during the same period of 2023. Investment funds' holdings reached the level of PLN 67.0bn.



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

PLN bn

In the period of I-IX 2024 there was an increase of debt by PLN 17.4bn comparing to PLN 16.5bn decrease during the same period of 2023. Foreign investors' holdings reached the level of PLN 149.6bn.



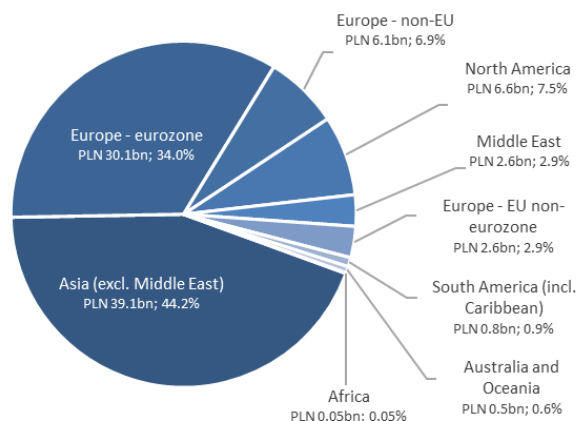


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

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

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

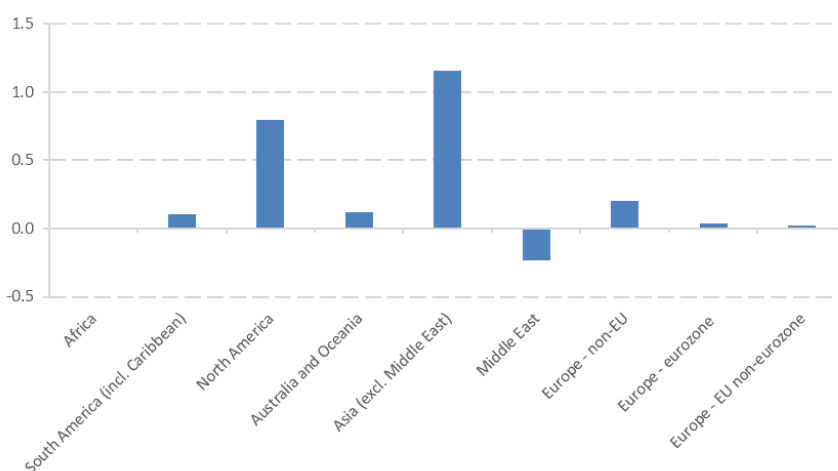
The non-residents' share in the domestic Treasury securities market increased by PLN 5.8bn in August 2024. The foreign investors' portfolio amounted to PLN 149.6bn, which constituted 13.4% share in total debt in TS (13.2% in the previous month).



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

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

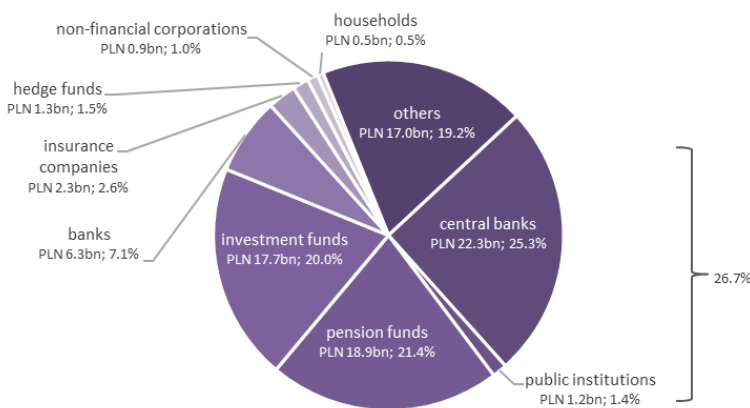
In September 2024 the highest increase was noted by investors from Asia (excl. Middle East.) (PLN 1.2bn). The highest decrease was noted by investors from Middle East (PLN 0.2 bn).



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

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

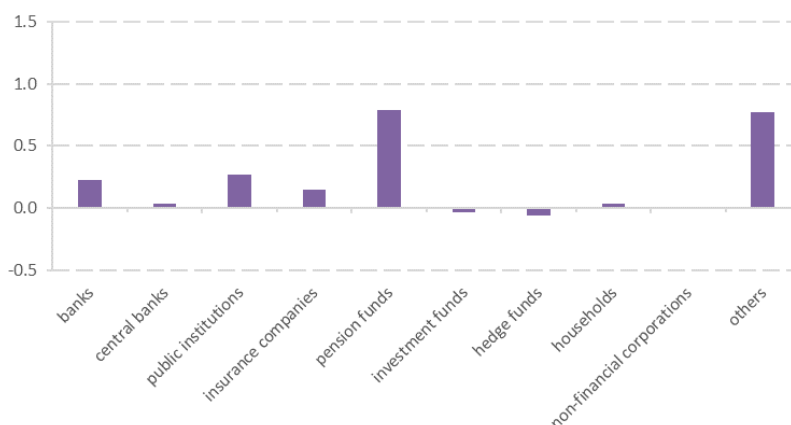
Institutional structure of domestic TS held by non-residents, as well as geographical distribution, is well-diversified. The central banks and public institutions' share in foreign holdings amounted to 26.7% at the end of September 2024.



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

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

In September 2024 the highest increase was recorded by pension funds and investors classified as others (PLN 0.8bn). The highest decrease was noted by hedge funds (PLN 0.1bn).



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

*change in September 2024, PLN bn*

Central banks and public institutions' involvement increased by PLN 0.5bn in September 2024. In the period from the end of January 2018 to the end of September 2024 portfolios of those entities decreased by PLN 17.9bn.



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

*as of September 30, 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	15 366.6	23.3%
Luxembourg	10 155.2	15.4%
Netherlands	8 865.3	13.4%
United States	5 977.8	9.0%
United Kingdom	3 981.7	6.0%
Germany	3 637.5	5.5%
Ireland	2 926.7	4.4%
France	2 648.7	4.0%
Switzerland	1 830.9	2.8%
Singapore	1 574.1	2.4%
Austria	821.7	1.2%
Czech Republic	777.4	1.2%
Bulgaria	766.4	1.2%
Korea (the Republic of)	688.2	1.0%
Cayman Islands	666.4	1.0%
Italy	664.0	1.0%
Others	4 730.3	10.2%
<b>Total</b>	<b>66 079.0</b>	<b>100.0%</b>

**Comment**

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

*31-10-2024*

At the end of October, financing of the State budget borrowing requirements was at the level of ca. 95%, taking in the account State Budget deficit adopted in the amended Budget Act draft 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 130bn.

In November, based on market conditions, two sale auctions and one switching auction or three sale auctions are planned. Type of the third auction held on November 27th will be consulted with the market participants. Bonds auctions are not planned.

In September, the indebtedness in Treasury securities on the domestic market increased by PLN 26.3bn. The involvement of domestic banks increased by PLN 14.3bn, domestic non-bank investors by PLN 6.2bn and foreign investors indebtedness by PLN 5.8bn.

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

### T-bond sale auctions

Auction date	Settlement date	Series	Planned offer (PLN m)*
14 November 2024	18 November 2024	OK0127 / PS1030 / WZ0330 / DS1034 / possible other T-bond	5,000-10,000
21 November 2024	25 November 2024	OK0127 / PS1030 / WZ0330 / DS1034 / IZ0836 / possible other T-bond	5,000-10,000
27 November 2024	29 November 2024	OK0127 / PS1030 / WZ0330 / DS1034 / possible other T-bond	T-bond sale auction or T-bond switching auction. The type of auction will be announced on 25 Nov 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 November 27th, 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
OTS0225 3-month	100.00 PLN (100.00 PLN for rolling-over)	Fixed: 3.00%
ROR1125 1-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.00%); 5.75% in the first coupon period
DOR1126 2-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.15%); 5.90% in the first coupon period
TOS1127 3-year	100.00 PLN (99.90 PLN for rolling-over)	Fixed: 5.95%
COI1128 4-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.50%); 6.30% in the first coupon period
EDO1134 10-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.00%); 6.55% in the first coupon period
ROS1130 family bonds 6-year	100.00 PLN	Floating (inflation rate + 2.00%); 6.50% in the first coupon period
ROD1136 family bonds 12-year	100.00 PLN	Floating (inflation rate + 2.50%); 6.80% in the first coupon period