

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

March 2025

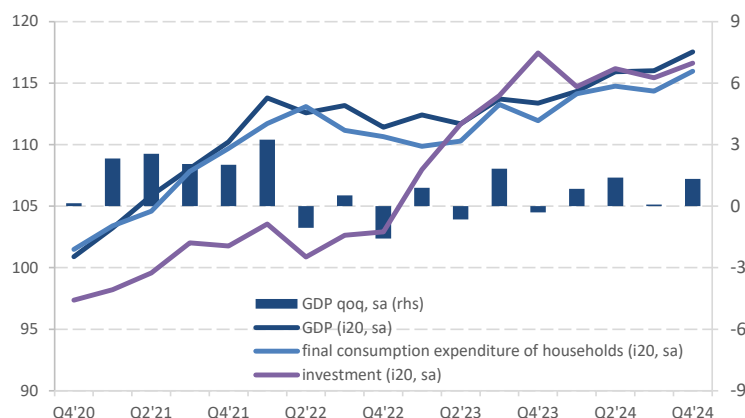
### THE MOST IMPORTANT INFORMATION

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## I. MACROECONOMIC SITUATION

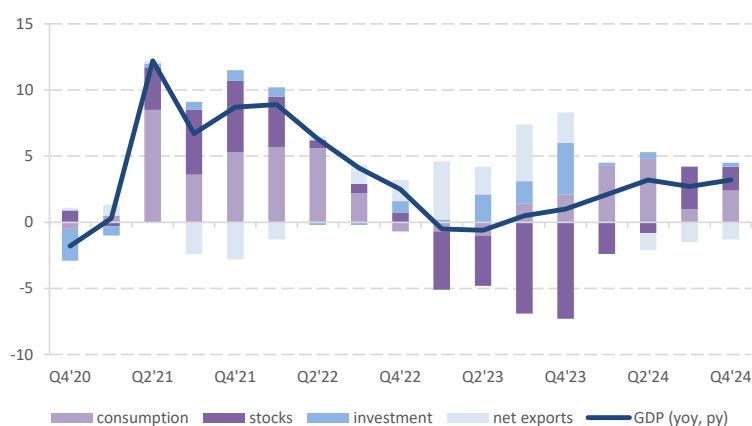
### Gross domestic product of Poland constant prices, seasonally adjusted data (sa) source: GUS, Eurostat

In the fourth quarter of 2024 GDP increased by 1.3% (qoq, sa), after an increase of 0.1% a quarter earlier. The data in this perspective indicate that GDP in 2024 was in an uninterrupted upward trend. GDP results in Poland are clearly better than the average in the euro area, where in the fourth quarter GDP was close to stagnation (qoq, sa). Household consumption increased by 1.4% and investments by 1.0% (qoq, sa), both after a decline a quarter earlier. Exports also rebounded (qoq, sa), while imports stagnated.



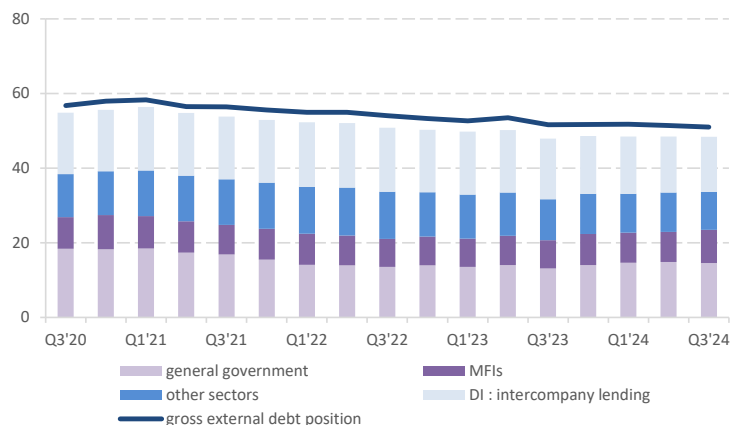
### Gross domestic product of Poland average prices of the previous year (py), yoy source: GUS, MoF own calculation

The annual change in GDP recorded in the fourth quarter of 2024 (3.2%, py) was higher than that observed in previous quarter. The dynamics of household consumption improved markedly. However, its growth throughout 2024 (rebound after a decline a year earlier) was clearly lower than the increase in disposable income of households that continued to rebuild their savings after the inflation shock in 2022-2023, amid high interest rates. Higher dynamics were also recorded in investments, although in this case the result of the whole year is clearly weaker than that of 2023, which was the last year of using funds from the previous EU financial perspective. In the fourth quarter the contribution of net exports remained negative and the positive contribution of the increase in inventories decreased.



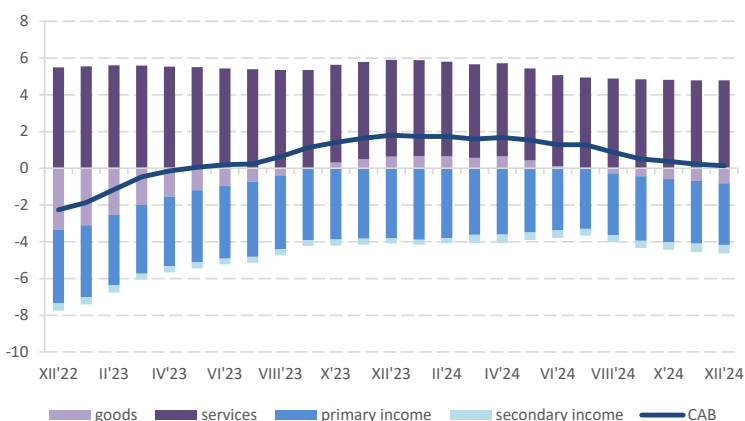
### Polish gross external debt position percent of GDP source: NBP, GUS, MoF own calculation

At the end of the third quarter of 2024 gross external debt reached EUR 417.1bn (51.0% of GDP) and was EUR 8.3bn higher than in the previous quarter. The share of general government sector debt in total debt decreased to 28.5%. At the end of December 2024 official reserve assets reached EUR 214.2bn 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 December 2024, according to preliminary data, Poland's C/A surplus decreased to 0.1% of GDP (in 12-month terms). Yearly imports dynamics for the eight 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 0.3% of GDP increasing positive net lending/net borrowing (0.4% of GDP).

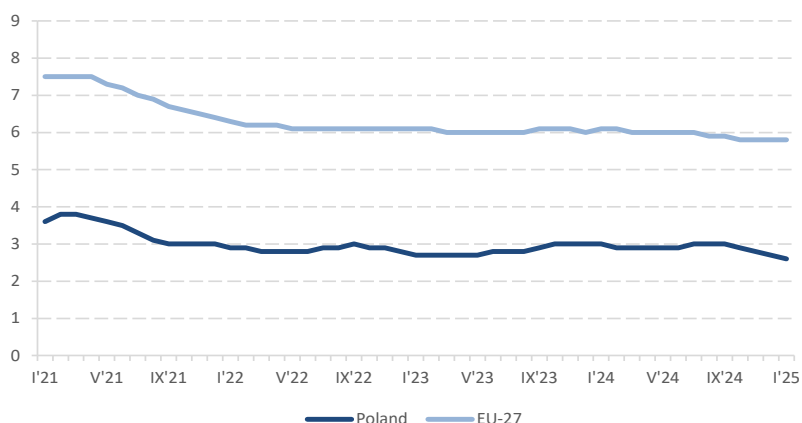


## I. MACROECONOMIC SITUATION

**Harmonised unemployment rate**

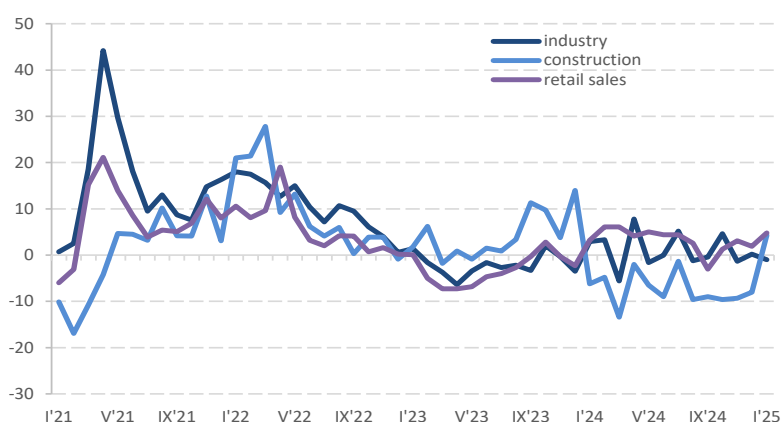
percent, seasonally adjusted data  
source: Eurostat

The harmonized unemployment rate (sa) amounted to 2.6% in January 2025 and it was by 0.1 pp. lower than in previous month and by 0.4 pp. lower than a year earlier. It has reached its historically lowest level, which was by 0.1 pp. lower than the level recorded so far in January-May 2023 and December 2024. The unemployment rate in Poland is clearly lower than the average in the EU-27 and the euro area (5.8% and 6.2%, respectively). In January 2025, among the EU countries, the lowest unemployment rate was in Poland and Czechia.

**Monthly indicators of the real sector**

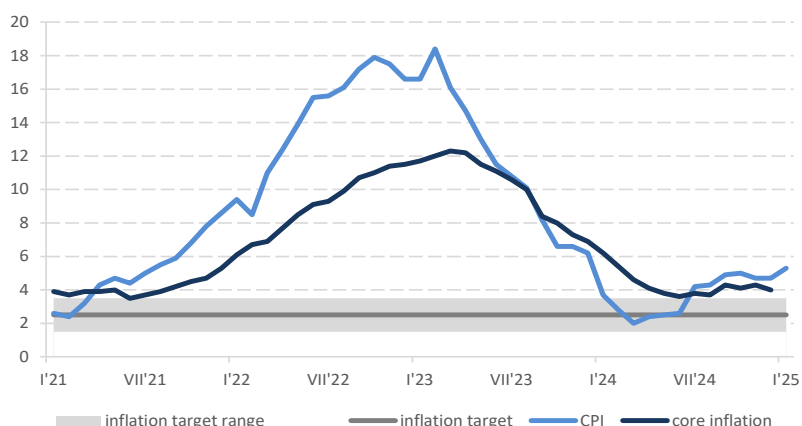
sold production in constant prices,  
non-seasonally adjusted (nsa)  
source: Eurostat, GUS, MoF own calculation

In January 2025 industrial production was 1.0% lower than a year ago (nsa). The data were broadly in line with market expectations. Construction production was by 4.3% (nsa) higher than a year ago. The data were above market expectations. Retail sales was by 4.8% (nsa) higher than a year ago. The data were much better than market expectations.

**Inflation**

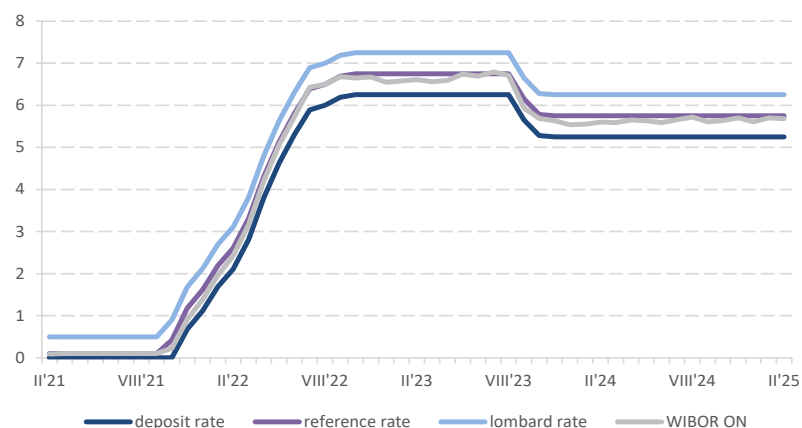
percent, yoy  
source: GUS, NBP

According to preliminary data, in January 2025 CPI inflation rate rose to 5.3% (yoy), the highest level since the end of 2023. The annual price growth rates of energy and food and non-alcoholic beverage were significantly higher. In January producer prices were still lower than a year before (by 0.9%) but the scale of this drop was significantly lower than in previous months.

**NBP interest rates**

percent, end of period  
source: NBP, Refinitiv

In February 2025, the Monetary Policy Council left NBP interest rates unchanged for the fifteenth meeting in a row. Reference rate was kept at 5.75%, lombard rate at 6.25%, while the deposit rate remained at 5.25%. At monthly press conference the NBP Governor maintained his previous hawkish rhetoric. He stated that there were no grounds for lowering interest rates at the moment as monetary policy must not allow high inflation to become long lasting.



## II. STATISTICAL DATA

	Unit	2023 Q03	Q04	2024 Q01	Q02	Q03	Q04
<b>GDP</b>							
Gross domestic product	YoY	0.5	1.0	2.1	3.2	2.7	3.2
	QoQ SA	1.8	-0.3	0.8	1.4	0.1	1.3
Final consumption expenditure of the households sector	YoY	1.5	0.6	4.4	4.6	0.3	3.5
	QoQ SA	2.7	-1.2	2.0	0.5	-0.4	1.4
Final consumption expenditure of the general government sector	YoY	2.8	9.8	9.4	11.5	4.5	3.0
	QoQ SA	2.1	1.5	2.3	1.5	0.6	0.9
Gross fixed capital formation	YoY	11.0	17.6	1.9	3.2	0.1	1.3
	QoQ SA	2.1	3.0	-2.3	1.3	-0.6	1.0
Exports of goods and services	YoY	5.0	3.9	2.1	2.9	-0.7	0.5
	QoQ SA	5.7	-1.2	-0.4	-0.2	-0.3	1.8
Imports of goods and services	YoY	-1.9	0.0	2.3	5.7	1.9	3.3
	QoQ SA	2.1	0.5	0.9	1.5	0.2	0.0
Gross value added	YoY	1.0	1.8	1.8	2.2	2.3	2.1
	QoQ SA	2.0	-0.1	0.2	1.3	-0.2	1.2
<b>Contribution to GDP growth</b>							
Final consumption expenditure of the households sector	pp	0.9	0.3	2.7	2.6	0.2	1.8
Final consumption expenditure of the general government sector	pp	0.5	1.8	1.6	2.2	0.8	0.6
Gross fixed capital formation	pp	1.7	3.9	0.2	0.5	0.0	0.3
Changes in inventories	pp	-6.9	-7.3	-2.4	-0.8	3.2	1.8
Balance of trade turnover	pp	4.3	2.3	0.0	-1.3	-1.5	-1.3
Gross value added	pp	0.9	1.6	1.7	2.0	2.0	1.9
<b>GDP structure</b>							
Final consumption expenditure of the households sector	% of GDP	59.3	50.0	61.9	58.5	58.3	50.4
Final consumption expenditure of the general government sector	% of GDP	18.6	21.1	19.3	21.0	19.7	21.4
Gross fixed capital formation	% of GDP	16.7	24.9	12.5	15.8	16.2	24.0
Changes in inventories	% of GDP	-1.0	-1.1	-0.7	-1.0	2.1	0.6
Exports of goods and services	% of GDP	55.7	52.3	55.9	54.3	51.0	48.4
Imports of goods and services	% of GDP	50.4	48.1	50.0	49.6	48.2	45.8
<b>Balance of payments</b>							
	Unit	2024 M08	M09	M10	M11	M12	2025 M01
Goods: exports (EUR)	YoY	-2.7	1.0	2.1	-3.1	-0.3	-
Goods: imports (EUR)	YoY	5.5	5.7	6.6	-0.4	3.9	-
Current account balance <sup>1)</sup>	% of GDP	0.9	0.5	0.4	0.2	0.1	-
Balance on goods <sup>1)</sup>	% of GDP	-0.3	-0.4	-0.6	-0.7	-0.8	-
Official Reserve Assets	EUR m	192 594.5	195 301.0	198 275.4	206 847.3	214 193.8	217 105.1
<b>Inflation</b>							
Consumer Price Index (CPI)	YoY	4.3	4.9	5.0	4.7	4.7	5.3
Core inflation (CPI excluding food and energy prices)	YoY	3.7	4.3	4.1	4.3	4.0	-
Producer Price Index (PPI)	YoY	-5.5	-6.2	-5.1	-3.8	-2.7	-0.9
<b>Production</b>							
Sold production of industry <sup>2)</sup>	YoY	-1.2	-0.4	4.6	-1.3	0.2	-1.0
	MoM SA	-0.4	-0.1	3.4	-2.8	-0.6	0.5
Construction and assembly production <sup>2)</sup>	YoY	-9.6	-9.0	-9.6	-9.3	-8.0	4.3
	MoM SA	-0.2	1.2	-2.3	2.9	5.5	0.0
Manufacturing PMI	SA	47.8	48.6	49.2	48.9	48.2	48.8
<b>Households and labour market</b>							
Retail sales <sup>2)</sup>	YoY	2.6	-3.0	1.3	3.1	1.9	4.8
Average paid employment in enterprise sector	YoY	-0.5	-0.5	-0.5	-0.5	-0.6	-0.9
	MoM	-0.3	-0.1	-0.1	0.1	-0.1	0.0
Average monthly gross wages and salaries in enterprise sector (real)	YoY	6.6	5.2	5.0	5.6	4.9	3.7
	MoM	-1.2	-0.7	1.9	1.4	4.0	-4.8
Harmonised unemployment rate (Eurostat)	%, SA	3.0	3.0	2.9	2.8	2.7	2.6
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 M06	M07	M08	M09	M10	M12
State Treasury debt (acc. to the place of issue criterion)	nominal, PLN mio	1 476 771.7	1 492 694.7	1 516 496.3	1 537 035.1	1 568 552.6	1 629 337.6
Domestic debt	nominal, PLN mio	1 143 561.4	1 162 349.1	1 187 297.6	1 189 057.6	1 214 948.5	1 253 525.3
	%	77.4	77.9	78.3	77.4	77.5	76.9
Foreign debt	nominal, PLN mio	333 210.3	330 345.5	329 198.7	347 977.5	353 604.0	375 812.3
	%	22.6	22.1	21.7	22.6	22.5	23.1
<b>Public debt (domestic definition)</b>							
	Unit	2023 Q02	Q03	Q04	2024 Q01	Q02	Q03
Public debt (acc. to the place of issue criterion)	nominal, PLN mio	1 241 612.6	1 275 372.8	1 328 065.6	1 417 038.6	1 456 295.0	1 498 024.1
Domestic debt	nominal, PLN mio	925 382.1	955 030.5	998 740.9	1 059 087.3	1 083 845.8	1 143 624.1
	%	74.5	74.9	75.2	74.7	74.4	76.3
Foreign debt	nominal, PLN mio	316 230.5	320 342.3	329 324.7	357 951.3	372 449.1	354 399.9
	%	25.5	25.1	24.8	25.3	25.6	23.7
<b>General Government debt (EU definition)</b>							
General Government debt	nominal, PLN mio	1 581 811.5	1 624 461.5	1 691 216.2	1 772 055.9	1 824 469.6	1 897 059.8
Source: MoF							

### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

#### Gross borrowing requirements in 2025

as of February 28, 2025, PLN bn

Financing of the State budget borrowing requirements at the level of ca. 50% (acc. to the Budget Act) was a result of:

- T-bond sale on domestic market: PLN 69.3bn,
- T-bond sale on foreign markets: PLN 35.0bn,
- loans incurred from IFIs: PLN 0.5bn,
- switch auctions in 2024: PLN 29.4bn,
- and higher financial resources at the end of 2024: PLN 137.6bn (the final level will be known following the closure of the budget year).

#### Outflows of funds related to domestic marketable T-securities transfers in March 2025

plan as of February 28, 2025, PLN bn

Value of funds transferred from the State budget to the market in March 2025 shall amount to PLN 1.2 bn (interest payment).

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

as at the end of month, PLN bn

As of February 28, 2025, to the end of the 2025 year the funds to be transferred to the market shall amount to PLN 148.3bn.

\*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

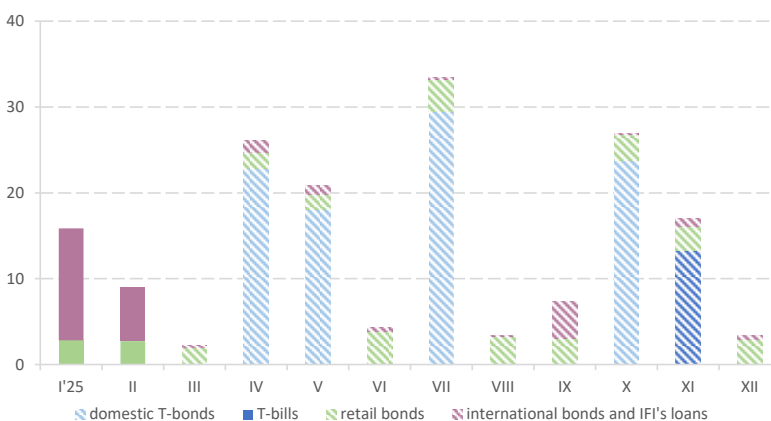
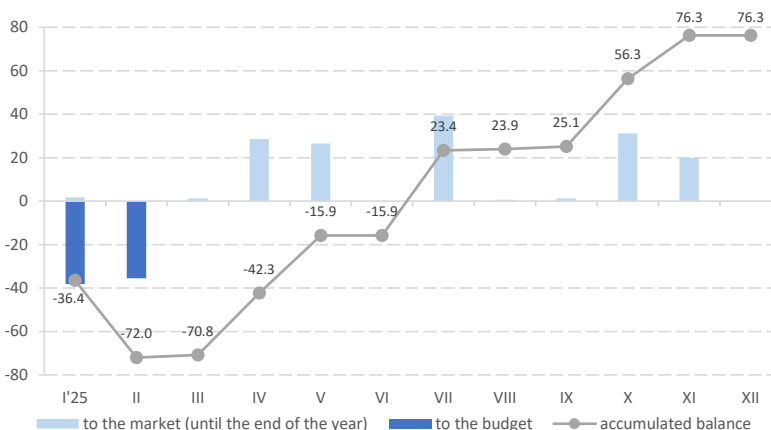
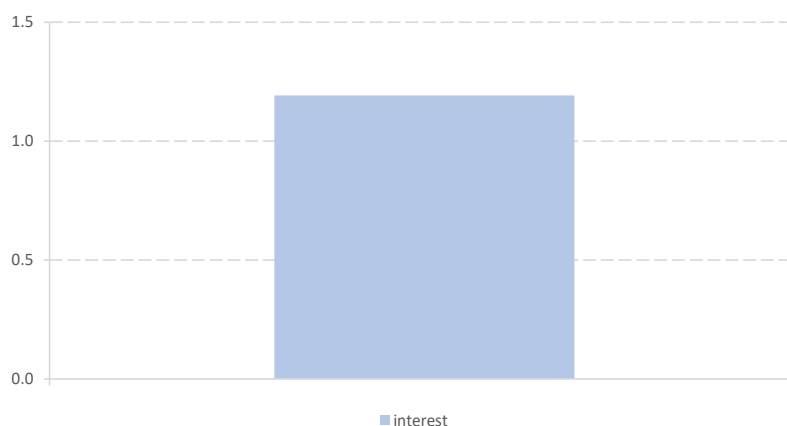
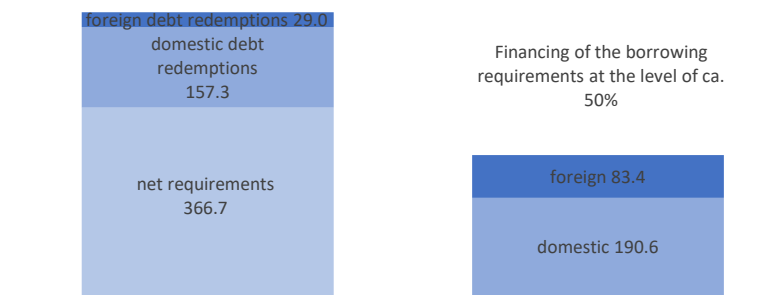
#### State Treasury debt redemptions in 2025

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

The nominal amount of debt to be redeemed in 2025 (as of February 28, 2025), is equal to PLN 145.0bn, including:

- T-bonds: PLN 94.2bn,
- T-retail bonds: PLN 28.2bn,
- T-bills: PLN 13.3bn,
- bonds and loans incurred on foreign markets: PLN 9.4bn.

Gross borrowing requirements  
Total: PLN 553.0 bn, of which:

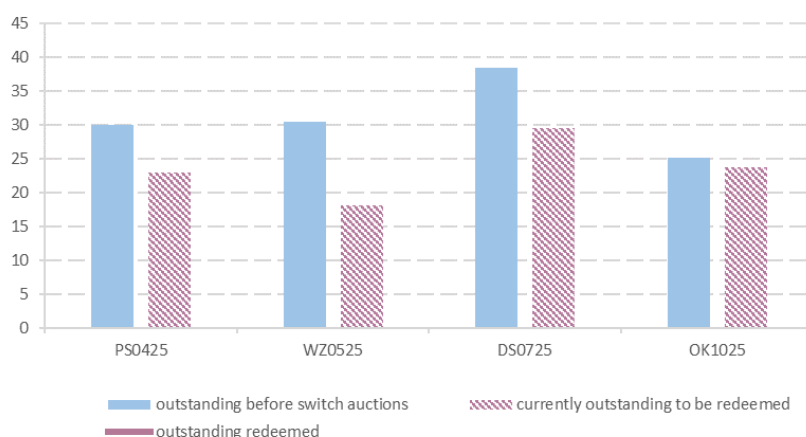


### Reducing refinancing risk connected with redemptions of domestic TS maturing in 2025

as of February 28, 2025, nominal amount, PLN bn

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

- PS0425: PLN 7.0bn (24% of the issuance),
- WZ0525: PLN 12.3bn (41% of the issuance),
- DS0725: PLN 8.9bn (23% of the issuance),
- OK1025: PLN 1.4bn (6% of the issuance).

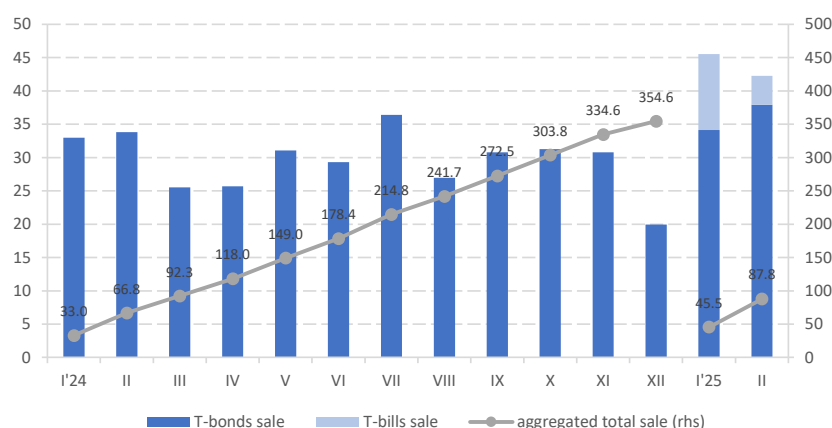


### Sale of domestic TS in 2024 and 2025

settlement date, nominal amount, PLN bn

In the period of I-II 2025 aggregated total sale of:

- T-bonds amounted to PLN 72.0bn versus PLN 66.8bn in the same period of 2024,
- T-bills amounted to PLN 15.8bn versus lack of sale in the same period of 2024.



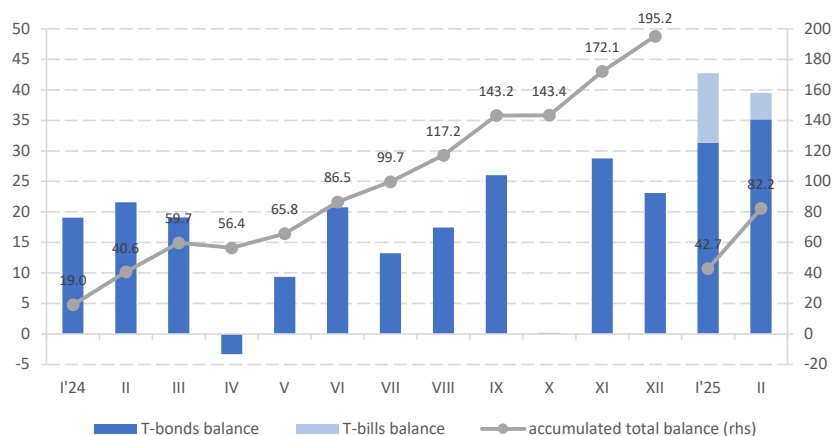
### Balance of domestic TS in 2024 and 2025

settlement date, nominal amount, PLN bn

In the period of I-II 2025 indebtedness in:

- T-bonds increased by PLN 66.5bn versus increase of PLN 40.6bn in the same period of 2024,
- T-bills increased by PLN 15.8bn versus no change in indebtedness in the same period of 2024.

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.

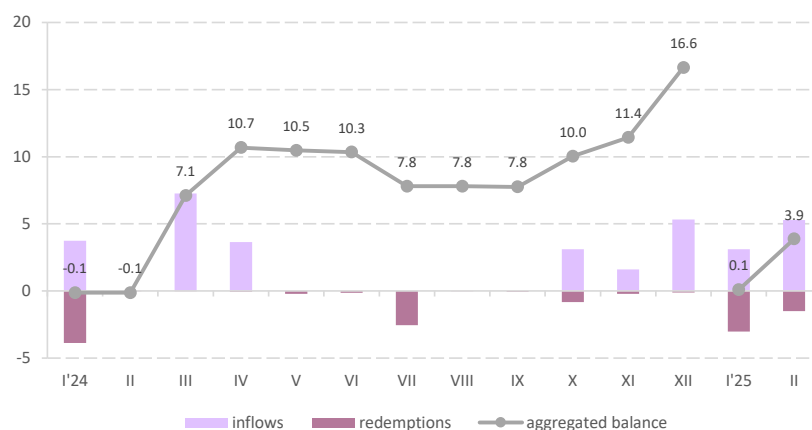


### External financing in 2024 and 2025

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

Net financing on foreign markets in the period of I-II 2025 was positive and amounted to EUR 3.9bn, which resulted from:

- positive balance of T-bonds issuance of EUR 3.8bn,
- positive balance of loans incurred from IFIs at the level of EUR 0.05bn.



### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

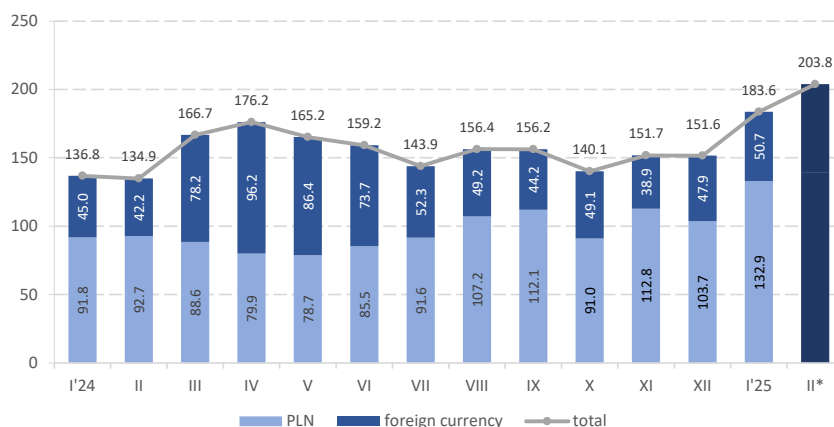
MOF

#### 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 February 2025 there was the equivalent of PLN 203.8bn on the budgetary accounts. The funds ensure liquidity in borrowing needs financing.

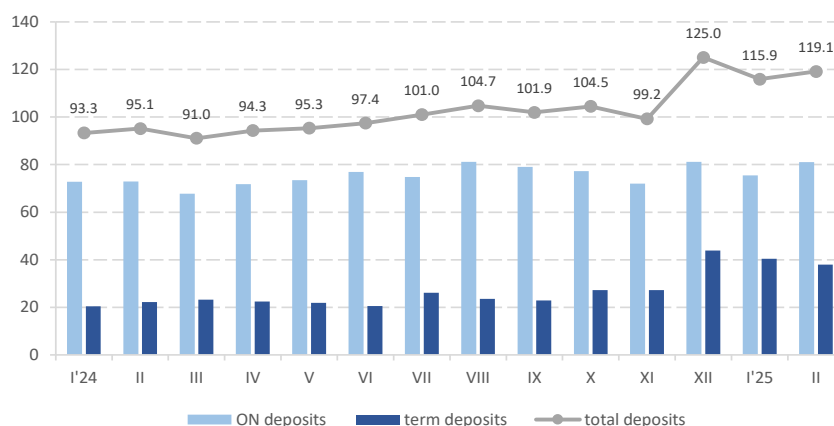
\* Estimated data.



#### Consolidation of public finance sector liquidity management

*PLN bn*

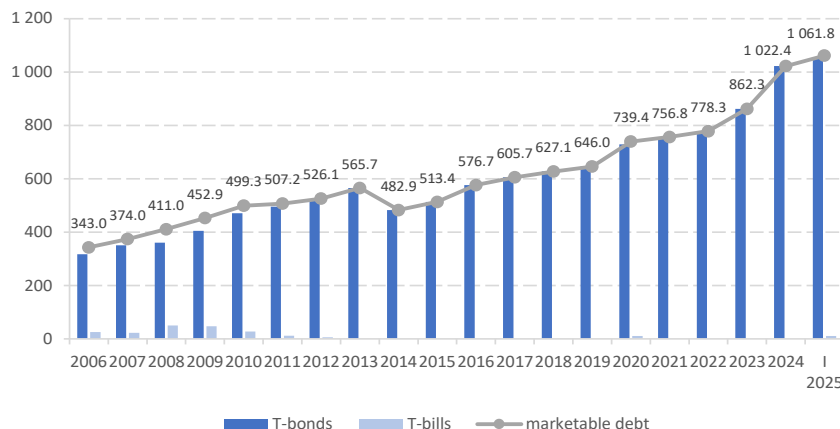
At the end of February 2025 funds accumulated within the consolidation of public finances liquidity management amounted to PLN 119.1bn, of which PLN 40.4bn was as term deposits and PLN 81.0bn on ON deposits.



#### Structure of domestic marketable debt

*PLN bn*

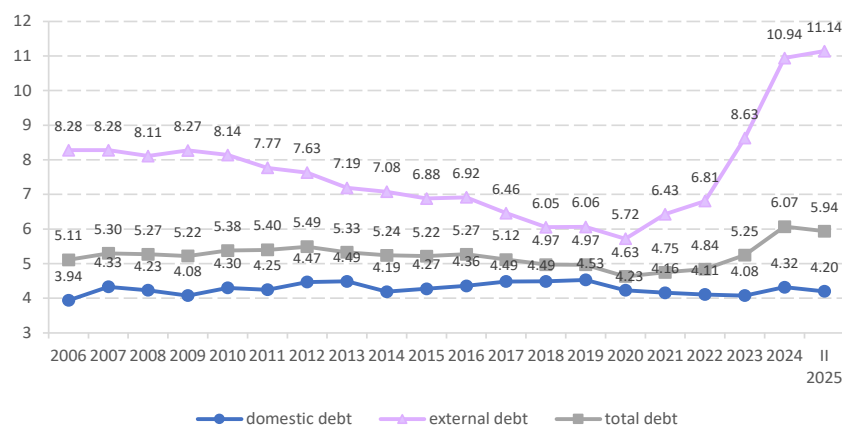
At the end of January 2025 the marketable domestic debt after consolidation within the State Treasury amounted to PLN 1,061.8bn comparing to PLN 1,022.4bn at the end of 2024.



#### Average maturity

*years*

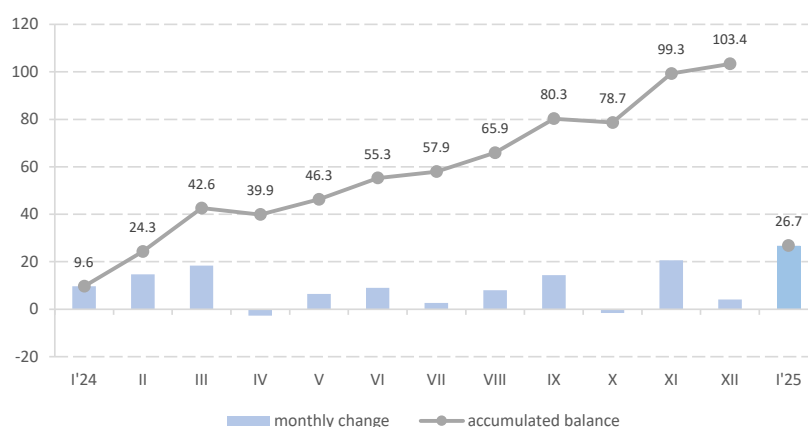
At the end of February 2025 the average maturity of domestic debt amounted to 4.20 years (while at the end of 2024 it was 4.32 years). The average of total debt amounted to 5.94 years (6.07 years at the end of 2024).



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

PLN bn

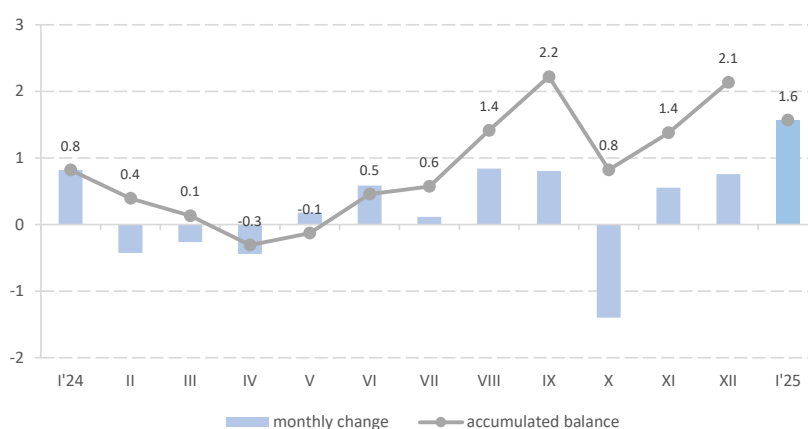
In January 2025 there was an increase of debt by PLN 26.7bn comparing to PLN 9.6bn increase during the same period of 2024. Banks' holdings reached the level of PLN 623.9bn.



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

PLN bn

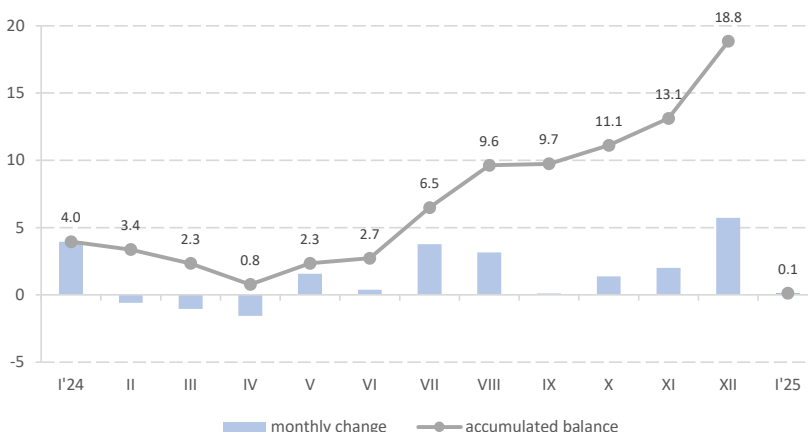
In January 2025 there was an increase of debt by PLN 1.6bn comparing to PLN 0.8bn increase during the same period of 2024. Insurance companies' holdings reached the level of PLN 68.2bn.



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

PLN bn

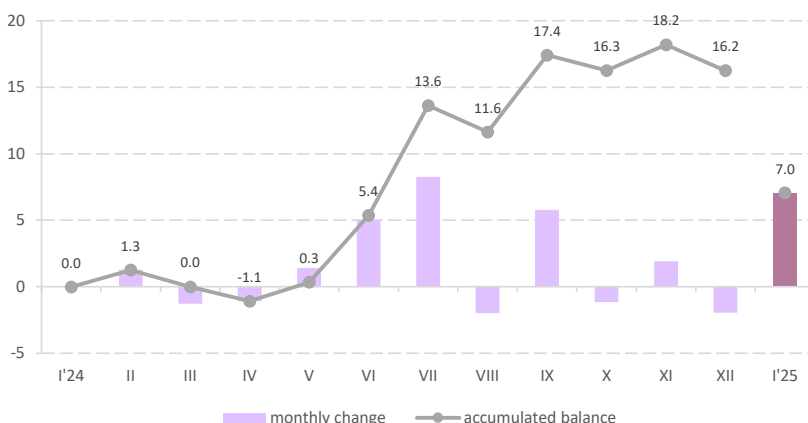
In January 2025 there was an increase of debt by PLN 0.1bn comparing to PLN 4.0bn increase during the same period of 2024. Investment funds' holdings reached the level of PLN 76.2bn.



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

PLN bn

In January 2025 there was an increase of debt by PLN 7.0bn comparing to PLN 0.01bn decrease during the same period of 2024. Foreign investors' holdings reached the level of PLN 155.5bn.

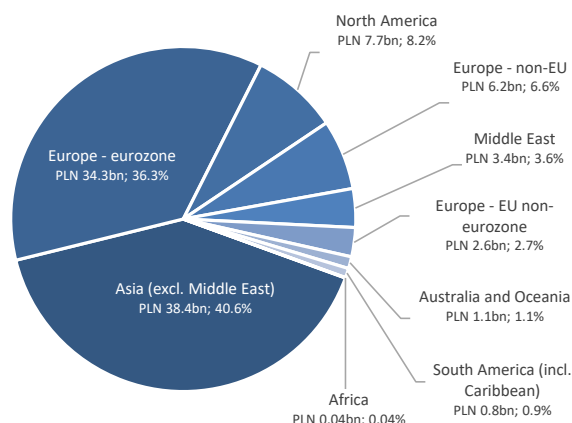




### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

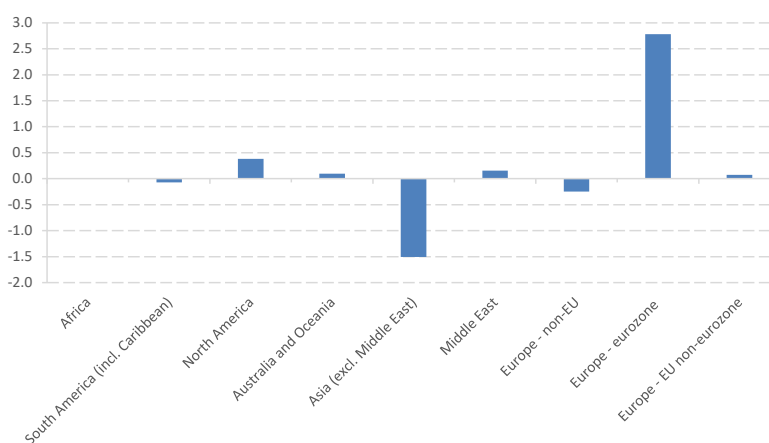
#### Geographical distribution of the domestic TS held by non-residents as of January 31, 2025, the chart presents data excluding omnibus accounts

The non-residents' share in the domestic Treasury securities market increased by PLN 6.9bn in January 2025. The foreign investors' portfolio amounted to PLN 155.3bn, which constituted 12.8% share in total debt in TS (12.7% in the previous month).



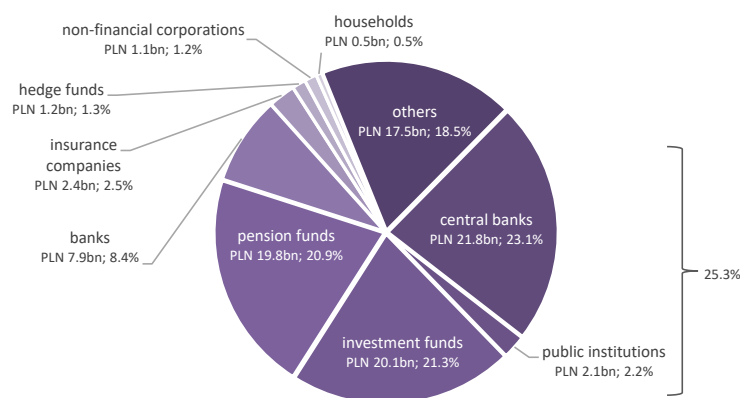
#### Change of debt in the domestic TS held by non-residents by regions change in January 2025, mom, PLN bn, the chart presents data excluding omnibus accounts

In January 2025 the highest increase was noted by investors from Europe—eurozone (PLN 2.7bn). The highest decrease was noted by investors from Asia (excl. Middle East) (PLN 1.5 bn).



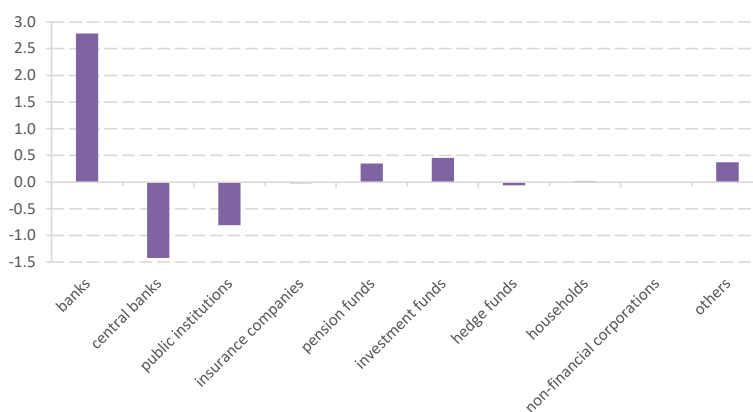
#### Institutional distribution of the domestic TS held by non-residents as of January 31, 2025, the chart presents data excluding omnibus accounts

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 25.3% at the end of January 2025.



#### Change of debt in the domestic TS held by non-residents by institutions change in January 2025, mom, PLN bn, the chart presents data excluding omnibus accounts

In January 2025 the highest increase was recorded by banks (PLN 2.8bn). The highest decrease was noted by investors central banks (PLN 1.4bn).

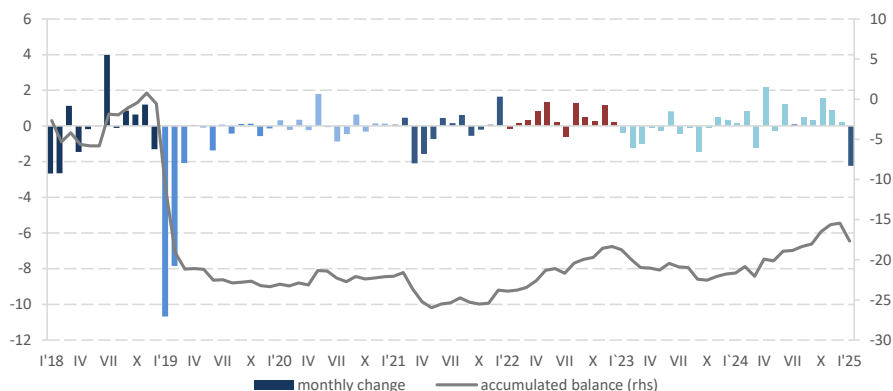


### III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

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

change in January 2025, PLN bn

Central banks and public institutions' involvement decreased by PLN 2.2bn in January 2025. In the period from the end of January 2018 to the end of January 2025 portfolios of those entities decreased by PLN 17.7bn.



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

as of January 31, 2025, 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	16 176.2	22.2%
Luxembourg	10 058.3	13.8%
Netherlands	9 232.6	12.7%
United States	6 986.5	9.6%
France	4 326.4	6.0%
Germany	3 921.6	5.4%
Ireland	3 849.7	5.3%
United Kingdom	3 203.6	4.4%
Switzerland	1 900.3	2.6%
Austria	1 514.6	2.1%
Singapore	1 333.4	1.8%
Norway	1 045.1	1.4%
Italy	897.0	1.2%
Australia	869.3	1.2%
Czech Republic	791.2	1.1%
Korea	785.0	1.1%
Bulgaria	766.4	1.1%
Cayman Islands	698.5	1.0%
Others	4 348.5	6.0%
<b>Total</b>	<b>72 704.2</b>	<b>100.0%</b>

#### Comment

#### Jurand Drop, Undersecretary of State, MoF

28-02-2025

At the end of February, the level of financing of this year's gross borrowing requirements of the state budget is approximately 50%. We estimate there was the equivalent of PLN 200bn on the budgetary accounts. Two bond sales auctions and one switch action are planned for March. In addition, we plan to hold two auctions for the sale of treasury bills. In January, the indebtedness in domestic Treasury securities increased by PLN 42.9bn. The indebtedness of domestic banks increased by PLN 26.7bn, domestic non-bank investors by PLN 9.1 bn and foreign investors by PLN 7.0 bn.

## V. SUPPLY PLAN OF TREASURY SECURITIES IN MARCH 2025

MOF

### T-bond sale auctions

Auction date	Settlement date	Series	Planned offer (PLN m)*
18 March 2025	20 March 2025	OK0127 / PS0130 / WZ0330 / DS1034 possible T-bond of IŻ type and other series	5,000-10,000
27 March 2025	31 March 2025	OK0127 / PS0130 / WZ0330 / DS1034 possible T-bond of IŻ type and other series	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 auctions

Auction date / settlement date	Settlement T-bonds	Source T-bonds	Outstanding* (PLN m)
05 March 2025 / 07 March 2025	OK0127 / PS0729 / WZ0330 / DS1034	PS0425	21,749
		WZ0525	16,758
		DS0725	28,107
		OK1025	22,672

\* after auction settlement

### T-bill auctions

Auction date	Settlement date	T-bill	Maturity date	Planned offer (PLN m)
7 March 2025	11 March 2025	50-week	24 February 2026	1,000-3,000
14 March 2025	18 March 2025	49-week	24 February 2026	1,000-3,000

### Offer on the retail market

T-bond	Issue price	Coupon
OTS0625 3-month	100.00 PLN (100.00 PLN for rolling-over)	Fixed: 3.00%
ROR0326 1-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.00%); 5.75% in the first coupon period
DOR0327 2-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.15%); 5.90% in the first coupon period
TOS0328 3-year	100.00 PLN (99.90 PLN for rolling-over)	Fixed: 5.95%
COI0329 4-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.50%); 6.30% in the first coupon period
EDO0335 10-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.00%); 6.55% in the first coupon period
ROS0331 family bonds 6-year	100.00 PLN	Floating (inflation rate + 2.00%); 6.50% in the first coupon period
ROD0337 family bonds 12-year	100.00 PLN	Floating (inflation rate + 2.50%); 6.80% in the first coupon period