



Ministry of Finance  
Republic of Poland

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# The Public Finance Sector Debt Management Strategy in the years 2027-2030

September 2026

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Macroeconomic and fiscal assumptions

| Item                                  | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| Real GDP growth (%)                   | 3,6     | 3,6     | 3,0     | 2,6     | 2,1     | 2,0     |
| GDP (current prices, PLN bn)          | 3 912,7 | 4 154,8 | 4 400,3 | 4 629,7 | 4 853,7 | 5 074,5 |
| CPI annual average (%)                | 3,6     | 3,0     | 2,8     | 2,5     | 2,6     | 2,5     |
| EUR/PLN (end of year)                 | 4,2267  | 4,3264  | 4,3264  | 4,3264  | 4,3264  | 4,3264  |
| USD/PLN (end of year)                 | 3,6016  | 3,7910  | 3,7910  | 3,7910  | 3,7910  | 3,7910  |
| General government deficit (% of GDP) | 7,3     | 7,1     | 7,1     | 6,8     | 5,3     | 4,2     |

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

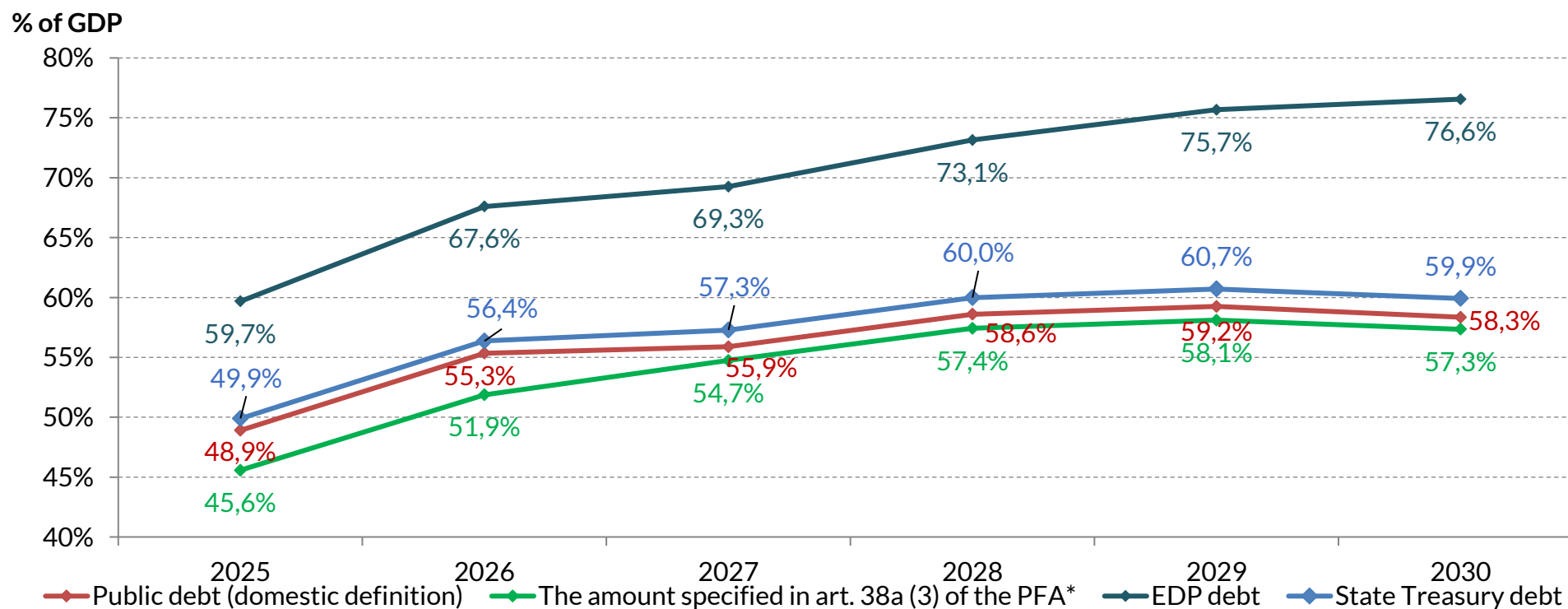
## Public debt forecast - assumptions

The forecast for 2026-2030 was prepared based on domestic and EU fiscal rules, including compliance with the recommended path of net expenditure under the excessive deficit procedure, taking into account the additional flexibility resulting from the EU Council's activation of the national escape clause for Poland, among others. In addition to the conditions resulting from fiscal rules, it also takes into account the projected difference between the planned expenditure or costs according to the limits included in the financial plans of general government entities and their actual execution.

It was assumed that the redemption and servicing costs of bonds issued by BGK for the Covid-19 Response Fund and by the Polish Development Fund under the Financial Shield redeemed in 2027-2029 would be financed from the Covid-19 Response Fund through the issuance of bonds.

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Public debt forecast



\* The amount of public debt recalculated using the yearly arithmetic average of foreign currency exchange rates announced by the National Bank of Poland for the year concerned and reduced by the amount of liquid funds for financing the borrowing requirements of the State budget in the following fiscal year

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

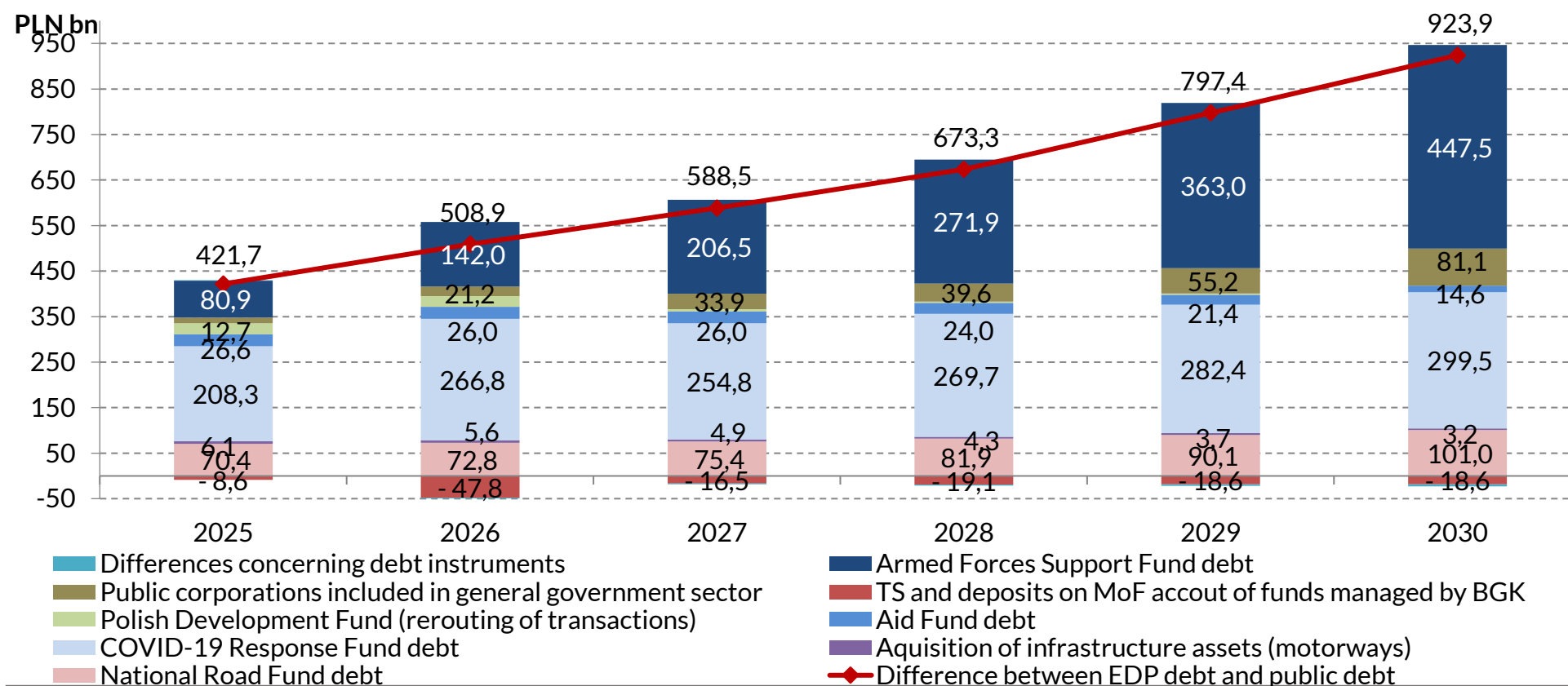
## Public debt forecast

In the timeframe of the Strategy and under adopted assumptions the debt-to-GDP ratio:

- **(domestic definition)** is expected to reach 55.3% in 2026, then increase to 59.2% in 2029, before declining to 58.3% in 2030, with the ratio referred to in Article 38a(3) of the Public Finance Act exceeding the 55% threshold in 2028 and following years, which would entail:
  - exceeding the prudential threshold of 55% of GDP specified in the Public Finance Act by both ratios in 2028, and therefore triggering the prudential procedures provided for in the Act in 2030
  - the ratio of ST debt-to-GDP will rise to 60.0% in 2028 and 60.7% in 2029 before falling to 59.9% in 2030 resulting from the implementation of the prudential procedures
  - the ratio of public debt-to-GDP remaining below the constitutional threshold of 60% over the horizon of the Strategy
- **(EU definition)** is to reach 76.6% in 2030 (the 60% reference threshold is expected to be exceeded in 2026)

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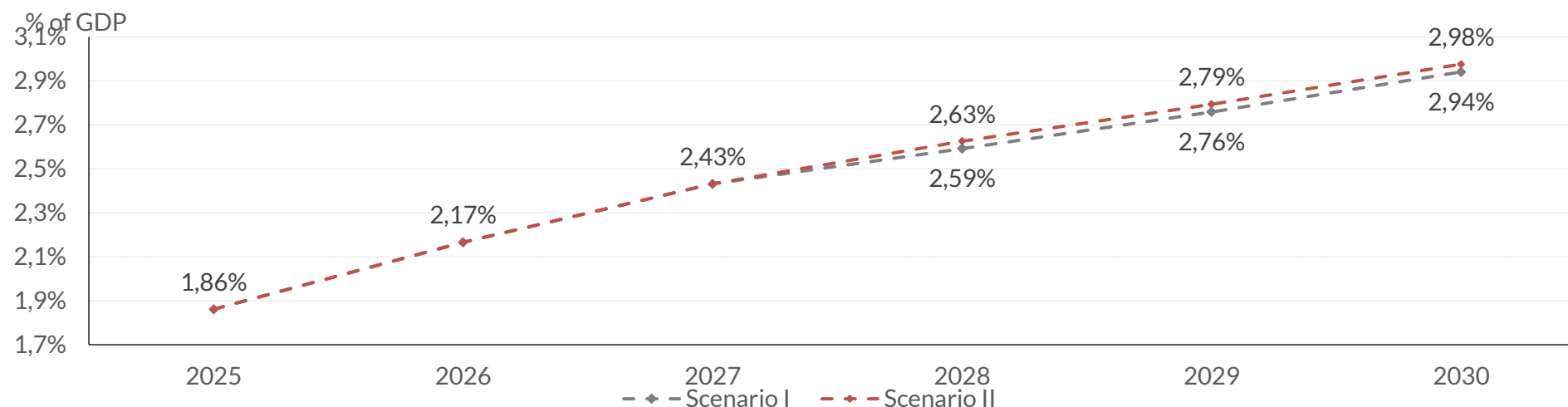
## Public debt forecast: difference between EDP debt and domestic definition



# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## State Treasury debt servicing costs

The State Treasury debt servicing costs-to-GDP will increase to 2.9%-3.0% of GDP in 2030.



|                               | 2025 | 2026 | 2027  | 2028          | 2029          | 2030          |
|-------------------------------|------|------|-------|---------------|---------------|---------------|
| Debt servicing costs (PLN bn) | 72.8 | 90.0 | 107.0 | 120.0 – 121.6 | 133.9 – 135.6 | 149.2 – 151.0 |

Forecasts of the debt servicing costs for the years 2028-2030 account for the exchange rate risk provisions

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

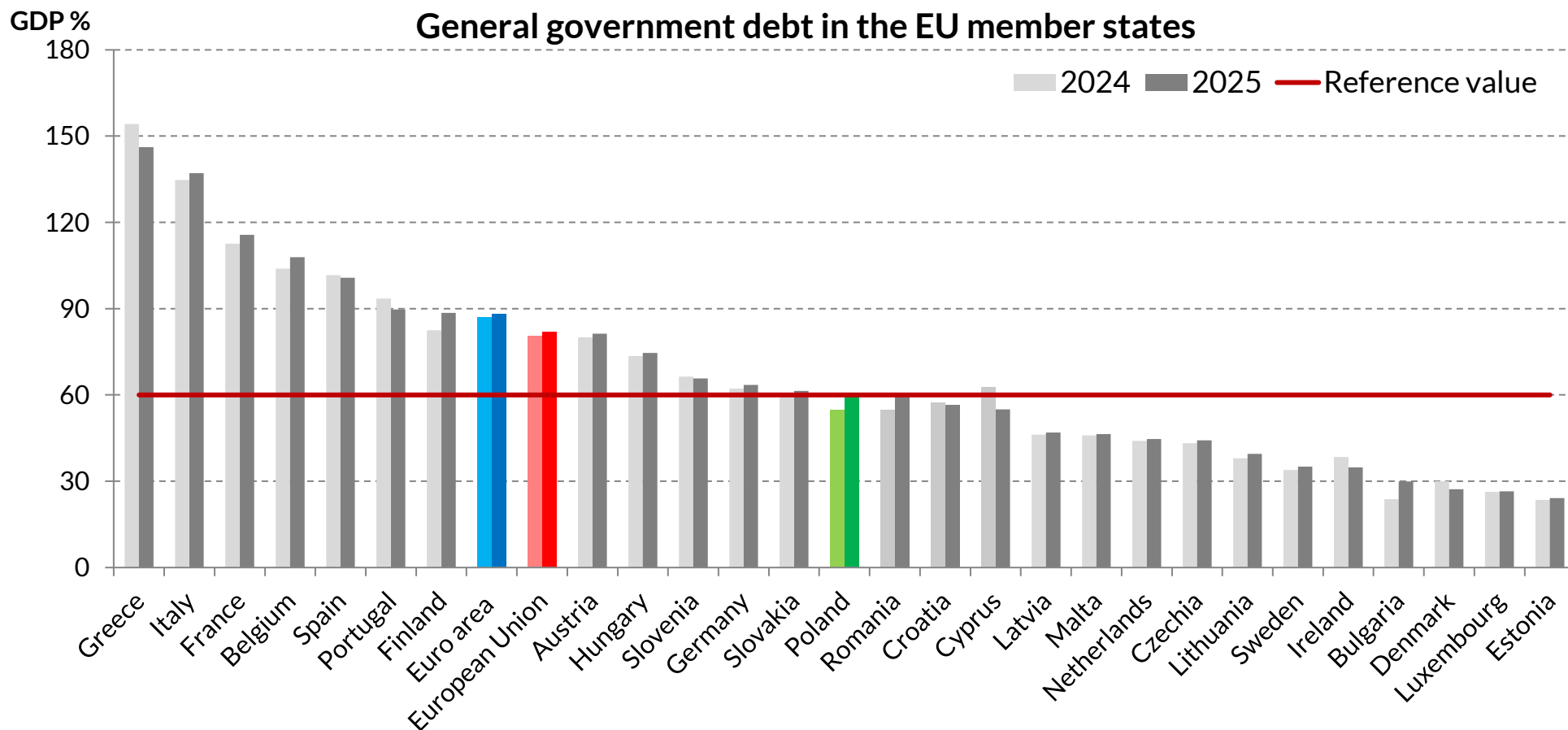
## Sensitivity of the public debt to GDP ratio to changes in assumptions

|                                                                  | 2027  | 2028  | 2029  | 2030  |
|------------------------------------------------------------------|-------|-------|-------|-------|
| <b>GDP (growth path lower by 1 p.p.)</b>                         |       |       |       |       |
| Public debt (domestic definition)                                | 0,53% | 1,13% | 1,72% | 2,27% |
| EDP debt                                                         | 0,66% | 1,41% | 2,20% | 2,98% |
| <b>ST borrowing requirements higher by PLN 10bn yearly</b>       | 0,24% | 0,47% | 0,68% | 0,89% |
| <b>FX rates (10% depreciation of PLN towards all currencies)</b> |       |       |       |       |
| Public debt (domestic definition)                                | 1,16% | 1,15% | 1,13% | 1,10% |
| EDP debt                                                         | 1,99% | 2,07% | 2,16% | 2,18% |

## Sensitivity of the ST debt servicing costs to changes in assumptions

|                                                         | 2027 | 2028  | 2029  | 2030  |
|---------------------------------------------------------|------|-------|-------|-------|
| <b>1 p.p. increase in interest rates</b>                |      |       |       |       |
| Domestic debt (PLN bn)                                  | 6,05 | 10,60 | 14,47 | 18,85 |
| Foreign debt (PLN bn)                                   | 0,19 | 1,13  | 2,43  | 2,83  |
| Total State Treasury debt (PLN bn)                      | 6,24 | 11,73 | 16,90 | 21,67 |
| <b>FX rates</b>                                         |      |       |       |       |
| 10% depreciation of PLN towards all currencies (PLN bn) | 1,52 | 1,75  | 1,92  | 2,05  |

# The Public Finance Sector Debt Management Strategy in the years 2027-2030



# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Objective of the Strategy

**Financing of the State budget borrowing requirements in a way that ensures the minimisation of the long term ST debt servicing costs subject to constraints on the level of:**

- refinancing risk
- exchange rate risk
- interest rate risk
- State budget liquidity risk
- other risks, in particular credit risk and operational risk
- distribution of debt servicing costs over time

**Two aspects of the Strategy's objective:**

- choice of instruments
- ensuring efficiency of the Treasury Securities (TS) market

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Flexible approach to financing structure

### Domestic financing

- main source of financing the State budget borrowing requirements

### Foreign financing

- taking into account foreign currency borrowing requirements and the inflow of EU funds and financial instruments offered by the EU
- ensuring diversification of sources through access to the investor base in major financial markets
- maintaining Poland's position in the euro and the US dollar markets
- stabilising domestic market by adjusting the structure of financing to market situation
- utilizing attractive financing in international financial institutions
- include the possibility of selling of foreign currencies (in the NBP or in the financial market) as an instrument for managing foreign currency funds and liquidity of the state budget, while taking into account monetary, economic and budgetary policy

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

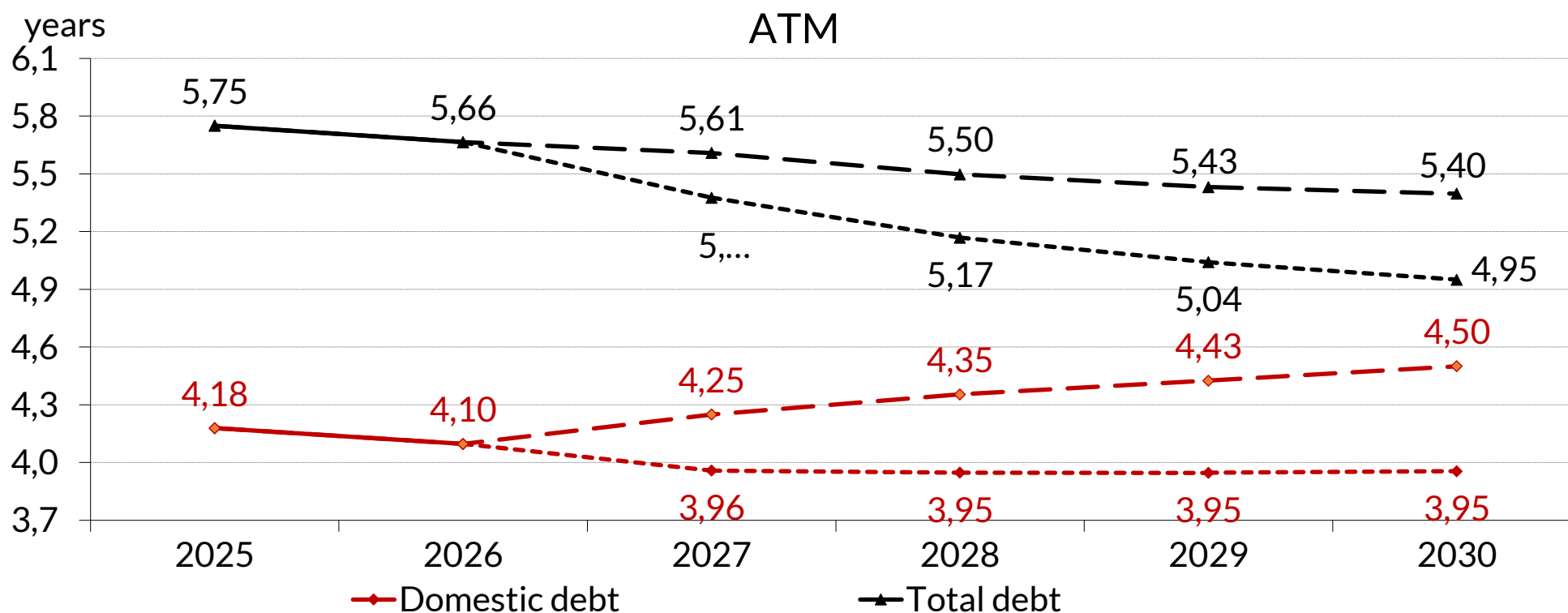
### ➤ refinancing risk (1/2)

- maintaining the dominant role of medium- and long-term instruments in financing the State budget borrowing requirements in the domestic market – taking into account market situation
- aiming to achieve the average time to maturity (ATM) of the domestic debt close to 4.5 years, with possible temporary deviations resulting from market or budgetary conditions, in particular the structure of demand in the conditions of continuing high borrowing requirements
- maintaining the ATM of State Treasury debt at a level of at least 5 years, with possible temporary deviations resulting from market or budgetary conditions
- aiming for even distribution of debt redemptions

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

Risk constraints of the Strategy's objective:

➤ refinancing risk (2/2)



# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

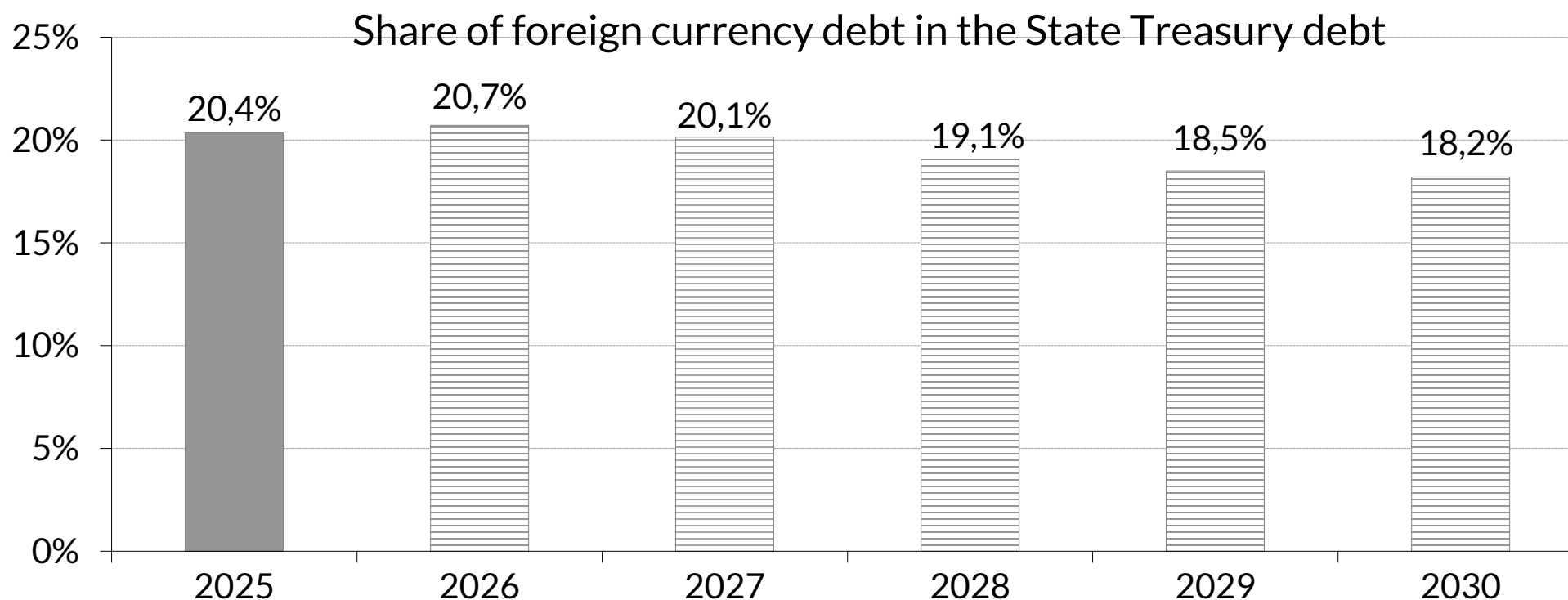
### ➤ exchange rate risk (1/2)

- maintaining the share of the foreign currency denominated debt in the State Treasury debt below 25%, with possible temporary deviations resulting from market or budgetary conditions
- possible use of derivatives to shape desired structure of the debt
- maintaining an effective share of the euro (inc. derivatives) in the foreign currency debt at a minimum of 70%

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

### ➤ exchange rate risk (2/2)



# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

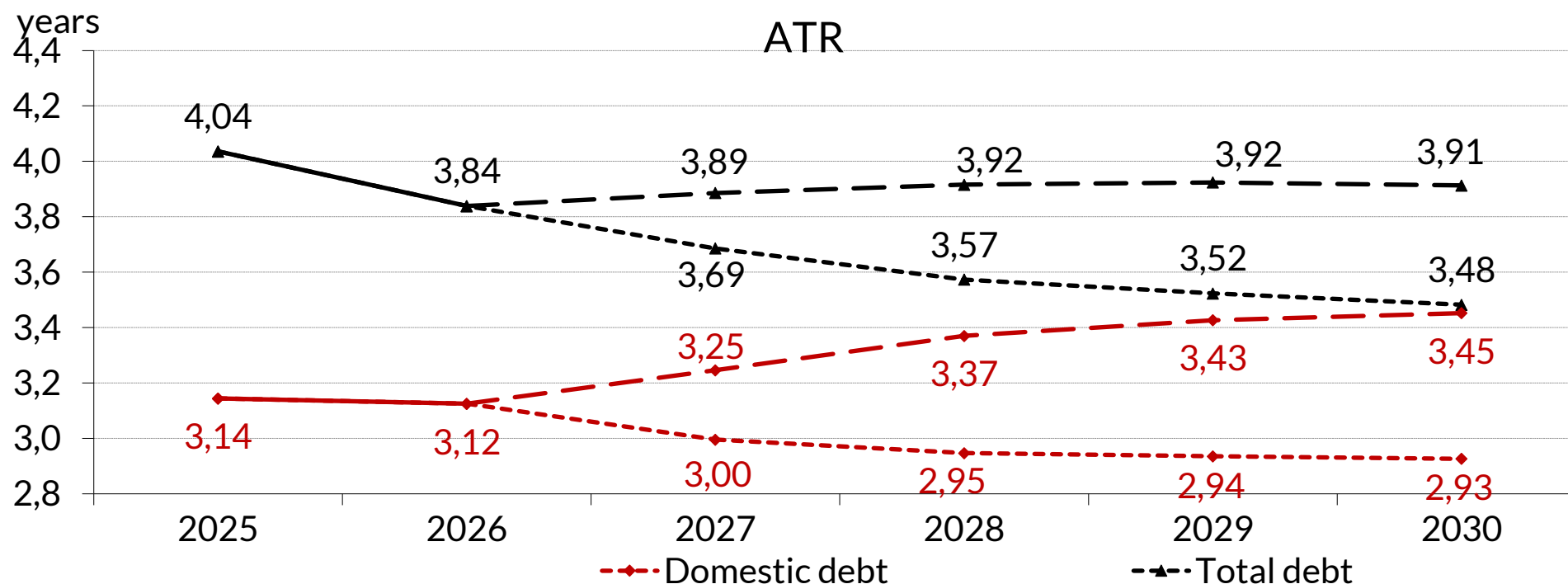
### ➤ interest rate risk (1/3)

- maintaining average time to re-fixing (ATR) of the domestic debt in the range of 2.6-3.6 years
- maintaining the dominant share of fixed rate instruments in the domestic debt while using floating rate bonds and inflation-linked bonds
- separating management of interest rate risk and refinancing risk by possible use of derivatives
- maintaining the dominant share of fixed rate instruments in State Treasury debt denominated in foreign currencies

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

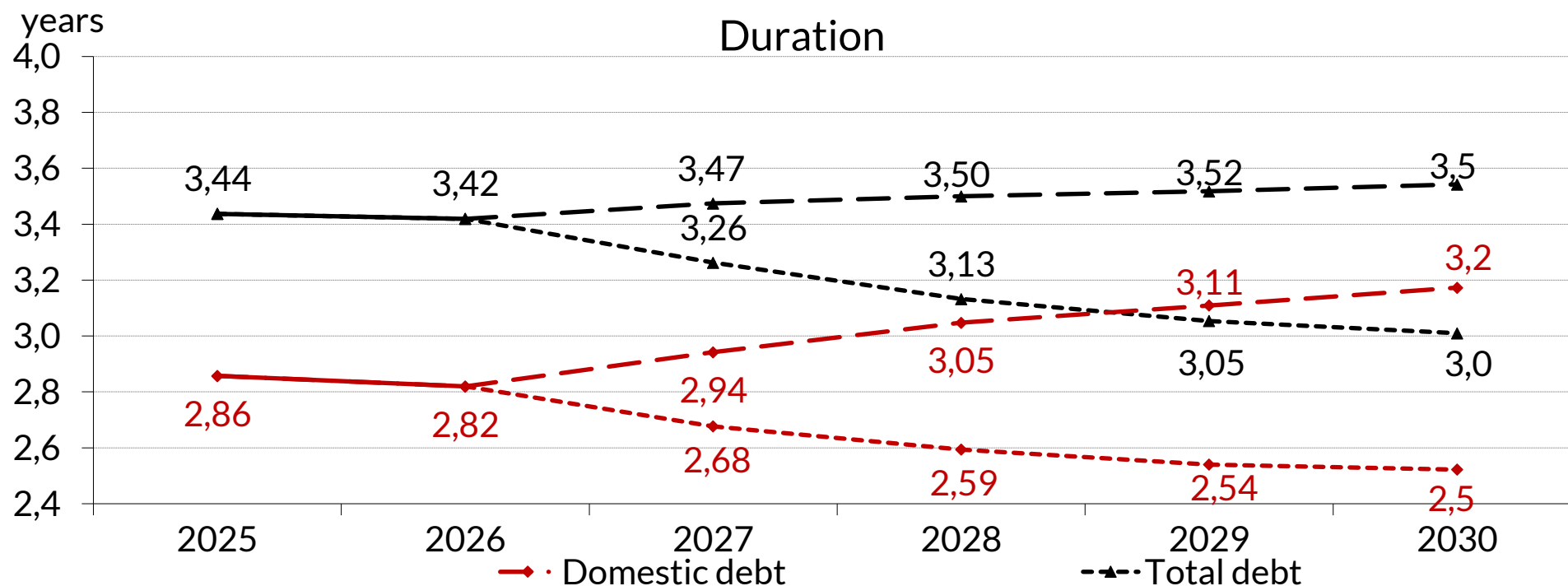
### ➤ interest rate risk (2/3)



# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

### ➤ interest rate risk (3/3)



# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

### ➤ state budget liquidity risk

- maintaining a safe level of the State budget liquidity and effective management of liquid assets through deposits in PLN and foreign currencies and FX transactions (including FX sales and derivatives). The level of funds will depend on current and anticipated budgetary and market situation, including budget seasonality and smoothing the supply of TS over the year. The adequate level of liquid assets assures the State budget's resilience to volatility on the markets and improves market valuations of the TS

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

### ➤ other types of risk (in particular credit and operational risk)

- concluding derivative transactions with entities with high creditworthiness
- mitigation of credit risk (through collateral agreements) and its diversification while concluding derivative transactions. In the Strategy timeframe, it is possible to conclude additional collateral agreements that are in line with the current market best practices and enable concluding transactions on more favourable terms without bearing credit risk
- diversification of credit risk generated by uncollateralized transactions
- assuring technical infrastructure allowing for running debt management processes from outside of the MoF's headquarters

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Risk constraints of the Strategy's objective:

### ➤ distribution of debt servicing costs over time

- aiming for even distribution of debt servicing costs, including the use of derivative instruments for this purpose
- setting bond coupons at levels slightly below their forecasted yield in the issuance period

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Strategy tasks (1/4)

### 1. Ensuring liquidity of the Treasury Securities market:

- issuing large series of benchmark bonds in the domestic market (in the case of medium- and long-term fixed rate bonds their value should be at least PLN 50 bn), while aiming for smooth distribution of debt redemptions
- large liquid issuances in the euro and the US dollar markets
- adapting issuance policy (sales, switching and buy-back auctions) to market circumstances

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Strategy tasks (2/4)

### 2. Ensuring efficiency of the TS market:

- issuance schedule adjusted to market and budgetary circumstances
- increase of the role of the Primary Dealers system in development of the TS market and debt management operations
- maintaining relations with domestic and foreign investors by:
  - regular meetings with banks participating in the PD system
  - meetings with domestic non-banking sector
  - meetings with foreign investors and banks
  - ongoing communication with investors
- broadening the investor base, including regular communication with foreign investors aimed at promoting TS issued on domestic and foreign market
- active participation in conferences and seminars with investors

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Strategy tasks (3/4)

### 3. Ensuring transparency of the TS market:

- transparent issuance policy, including TS issuance calendars in the horizon of current year, quarter and month
- promoting the electronic market by:
  - adequate regulations in the PD system that ensure competitiveness and transparency, in particular with regard to PD TS quotations duties. sustaining adequate spread levels and share in the TS fixing
  - adjusting rules of the PD system to current needs arising from regulations

# The Public Finance Sector Debt Management Strategy in the years 2027-2030

## Strategy tasks (4/4)

### 4. Effective management of State budget liquidity:

- depositing PLN and FX funds in the NBP or in the market via BGK (the state development bank)
- placing collateralized deposits in the form of conditional transactions (buy-sell-back, repo) directly on the financial market, not generating credit risk
- sales of FX funds in NBP or in the FX market
- using FX swap transactions to structure the currency composition of liquid funds
- short term loans on interbank market

Additionally, the liquidity management of the public finance sector takes place, with liquid funds on the Minister of Finance account deposited by:

- general government units
- courts and prosecutors offices

in order to reduce the net borrowing requirements of the State budget.

# Thank you for your attention



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