



State budget borrowing requirements' financing plan and its background

2nd quarter 2025

April 2025

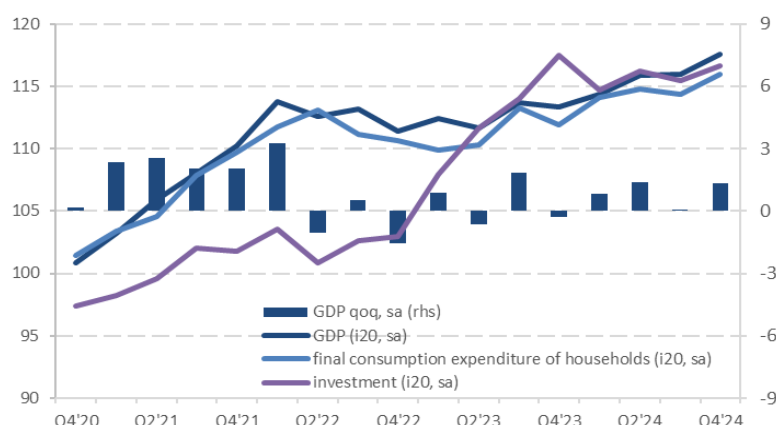
THE MOST IMPORTANT INFORMATION

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Gross domestic product of Poland

constant prices, seasonally adjusted data (sa)
source: GUS, Eurostat

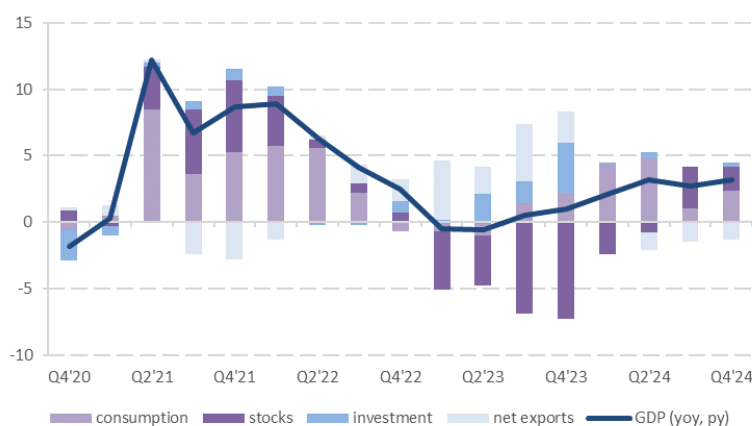
In the fourth quarter of 2024 GDP increased by 1.3% (qoq, sa), after an increase of 0.1% a quarter earlier. The data in this perspective indicate that GDP in 2024 was in an uninterrupted upward trend. GDP results in Poland are clearly better than the average in the euro area, where in the fourth quarter 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

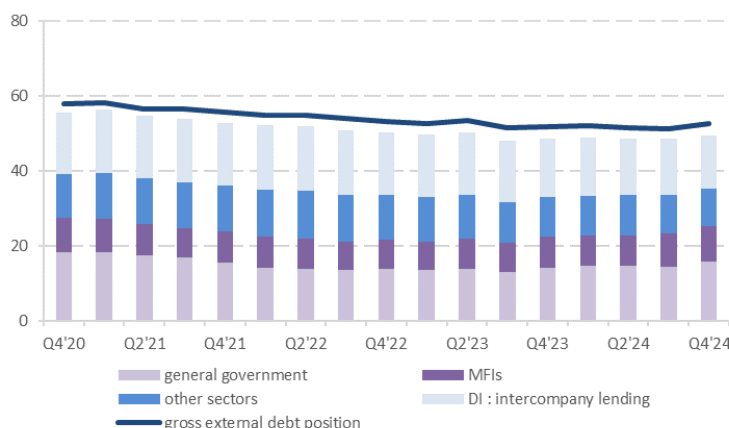
The annual change in GDP recorded in the fourth quarter of 2024 (3.2%, py) was higher than that observed in previous quarter. The dynamics of household consumption improved markedly. However, its growth throughout 2024 (rebound after a decline a year earlier) was clearly lower than the increase in disposable 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

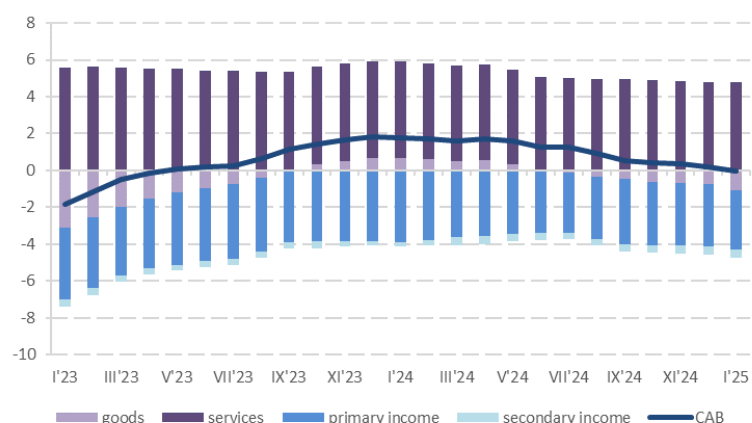
At the end of the fourth quarter of 2024 gross external debt reached EUR 440.9bn (52.5% of GDP) and was EUR 22.8bn higher than in the previous quarter. The share of general government sector debt in total debt increased to 30.0%. At the end of January 2025 official reserve assets reached EUR 217.1bn 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 January 2025, taking into account new quarterly data, Poland's C/A balance decreased and was nearly balanced (in 12-month terms). Yearly imports dynamics for the ninth month in a row was clearly higher than exports dynamics. As in previous months, exports were weakened the most by lower foreign sales of transportation equipment. In the case of imports, there was a large increase in imports of consumer goods, mainly semi-durable and non-durable goods. In addition, fuel supplies were higher than in previous months. Capital account surplus amounted to 0.3% of GDP increasing positive net lending/net borrowing (0.3% of GDP).

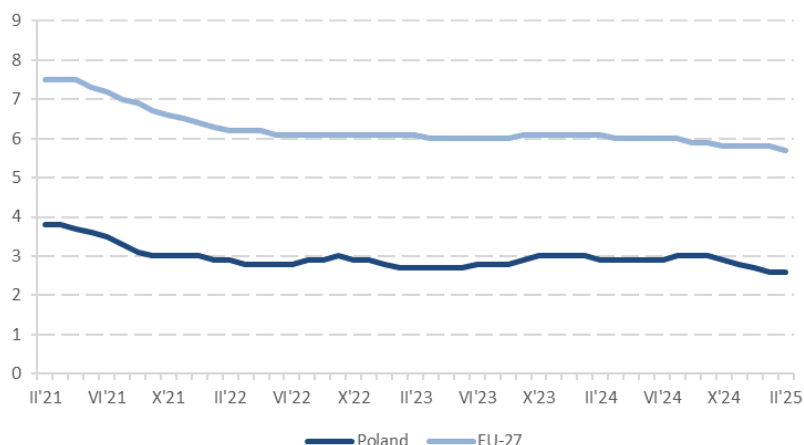


I. MACROECONOMIC SITUATION

Harmonised unemployment rate

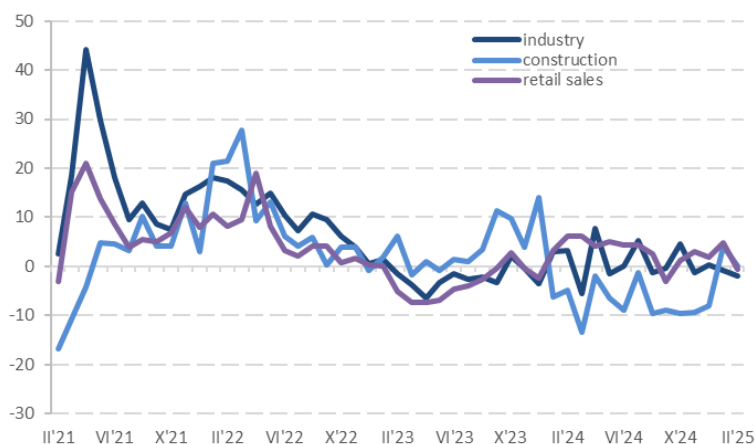
percent, seasonally adjusted data
source: Eurostat

The harmonized unemployment rate (sa) amounted to 2.6% in February 2025 and it was at the same level as in the previous month and by 0.3 pp. lower than a year earlier. Similarly to the previous month, it was at the historically low level. The unemployment rate in Poland is clearly lower than the average in the EU-27 and the euro area (5.7% and 6.1%, respectively). In February 2025, among the EU countries, the lowest unemployment rate was in Poland.

**Monthly indicators of the real sector**

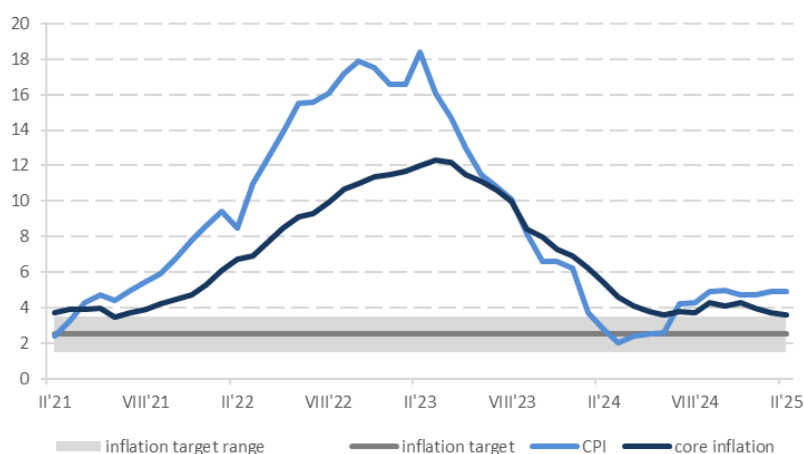
sold production in constant prices,
non-seasonally adjusted (nsa)
source: Eurostat, GUS, MoF own calculation

In February 2025 industrial production was 2.0% lower than a year ago (nsa). The data were below market expectations. Construction production remained at the same level as a year earlier (nsa). The data were below market expectations. Retail sales was by 0.5% (nsa) lower than a year ago. The data were much worse than market expectations.

**Inflation**

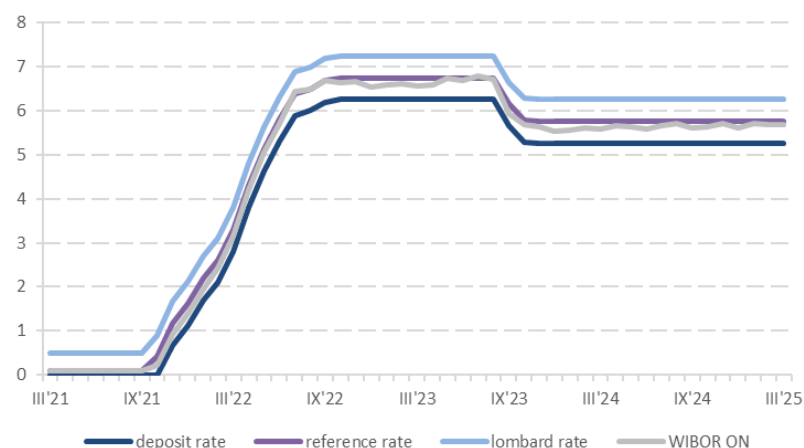
percent, yoy
source: GUS, NBP

In February 2025 CPI inflation rate amounted to 4.9% (yoy), remaining at the level of January. The annual price growth rate of food and non-alcoholic beverage increased significantly (to 6.2%), while the growth rate of energy prices decreased (to 7.6%). Core inflation (i.e. CPI excluding food and energy prices) stood at 3.6%, approaching the upper limit of the acceptable deviation from the inflation target. According to preliminary data in March inflation rate stabilized at 4.9%. In the first two months of 2025 producer prices were still lower than a year before (in February by 1.3%), but the scale of this drop is more gradual than in 2024.

**NBP interest rates**

percent, end of period
source: NBP, Refinitiv

In March 2025, the Monetary Policy Council left NBP interest rates unchanged for the sixteenth 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 opinion that there were no grounds for lowering interest rates at the moment and stabilization of rates is needed to bring inflation to the target. However, he informed that the Council did start discussing conditions for interest rate cut and its possible timing.



II. STATISTICAL DATA

	Unit	2023 Q03	Q04	2024 Q01	Q02	Q03	Q04
GDP							
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
Contribution to GDP growth							
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
GDP structure							
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
	Unit	2024 M09	M10	M11	M12	2025 M01	M02
Balance of payments							
Goods: exports (EUR)	YoY	1.5	2.6	-2.6	0.4	-0.9	-
Goods: imports (EUR)	YoY	5.6	6.2	-0.8	3.4	8.9	-
Current account balance ¹⁾	% of GDP	0.5	0.4	0.3	0.2	0.0	-
Balance on goods ¹⁾	% of GDP	-0.5	-0.6	-0.7	-0.8	-1.1	-
Official Reserve Assets	EUR m	195 301.0	198 275.4	206 847.3	214 193.8	217 105.1	220 461.2
Inflation							
Consumer Price Index (CPI)	YoY	4.9	5.0	4.7	4.7	4.9	4.9
Core inflation (CPI excluding food and energy prices)	YoY	4.3	4.1	4.3	4.0	3.7	3.6
Producer Price Index (PPI)	YoY	-6.2	-5.1	-3.8	-2.7	-1.0	-1.3
Production							
Sold production of industry ²⁾	YoY	-0.4	4.6	-1.3	0.2	-0.9	-2.0
	MoM SA	-0.1	3.4	-2.8	-0.6	0.5	-0.2
Construction and assembly production ²⁾	YoY	-9.0	-9.6	-9.3	-8.0	4.2	0.0
	MoM SA	1.2	-2.3	2.9	5.2	-0.6	-2.3
Manufacturing PMI	SA	48.6	49.2	48.9	48.2	48.8	50.6
Households and labour market							
Retail sales ²⁾	YoY	-3.0	1.3	3.1	1.9	4.9	-0.5
Average paid employment in enterprise sector	YoY	-0.5	-0.5	-0.5	-0.6	-0.9	-0.9
	MoM	-0.1	-0.1	0.1	-0.1	0.0	-0.1
Average monthly gross wages and salaries in enterprise sector (real)	YoY	5.2	5.0	5.6	4.9	4.1	2.9
	MoM	-0.7	1.9	1.4	4.0	-4.8	1.2
Harmonised unemployment rate (Eurostat)	%, SA	3.0	2.9	2.8	2.7	2.6	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							
	Unit	2024 M07	M08	M09	M10	M12	2025 M01
State Treasury debt							
State Treasury debt (acc. to the place of issue criterion)	face value, PLN m	1 492 694.7	1 516 496.3	1 537 035.1	1 568 552.6	1 629 337.6	1 657 285.6
Domestic debt	face value, PLN m	1 162 349.1	1 187 297.6	1 189 057.6	1 214 948.5	1 253 525.3	1 285 819.8
	%	77.9	78.3	77.4	77.5	76.9	77.6
Foreign debt	face value, PLN m	330 345.5	329 198.7	347 977.5	353 604.0	375 812.3	371 465.8
	%	22.1	21.7	22.6	22.5	23.1	22.4
	Unit	2023 Q03	Q04	2024 Q01	Q02	Q03	Q4
Public debt (domestic definition)							
Public debt (acc. to the place of issue criterion)	face value, PLN m	1 275 372.8	1 328 065.6	1 417 038.6	1 456 295.0	1 498 024.1	1 611 594.2
Domestic debt	face value, PLN m	955 030.5	998 740.9	1 059 087.3	1 083 845.8	1 143 624.1	1 210 209.6
	%	74.9	75.2	74.7	74.4	76.3	75.1
Foreign debt	face value, PLN m	320 342.3	329 324.7	357 951.3	372 449.1	354 399.9	401 384.6
	%	25.1	24.8	25.3	25.6	23.7	24.9
General Government debt (EU definition)							
General Government debt	face value, PLN m	1 624 461.5	1 691 216.2	1 772 055.9	1 824 469.6	1 897 059.8	2 011 839.7

Source: MoF

III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

Gross borrowing requirements in 2025

as of March 31, 2025, PLN bn

Financing of the State budget borrowing requirements at the level of ca. 56% (acc. to the Budget Act) was a result of:

- T-bond sale on domestic market: PLN 95.2bn,
- T-bills sale on domestic market: PLN 6.1bn,
- switch auctions in 2024: PLN 4.8bn,
- 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 April 2025

plan as of March 31, 2025, PLN bn

Value of funds transferred from the State budget to the market in April shall amount to PLN 27.5bn, of which:

- TS redemptions: PLN 21.7bn,
- interest payments: PLN 5.7bn.

Flows of funds between the domestic market and the budget*

as at the end of month, PLN bn

As of March 31, 2025, to the end of the 2025 year the funds to be transferred to the market shall amount to PLN 142.7bn.

*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

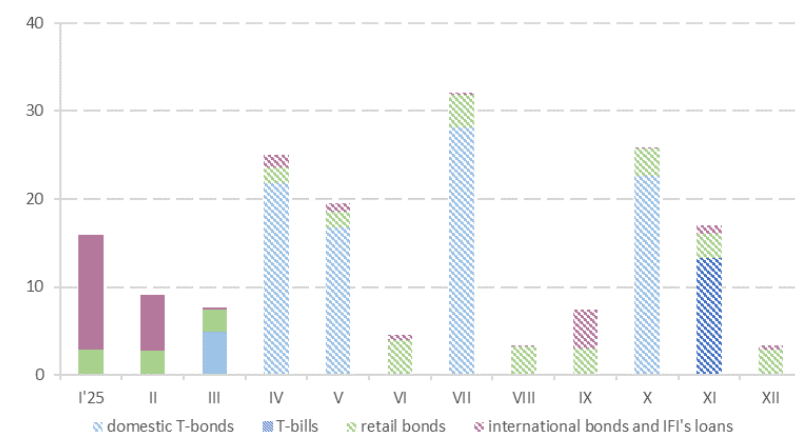
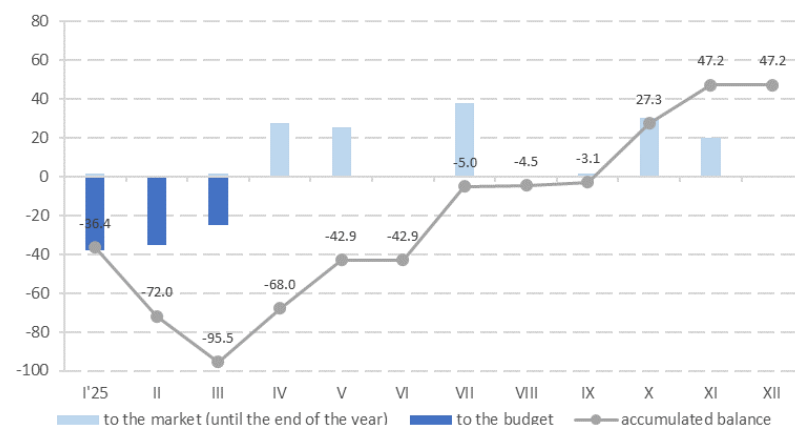
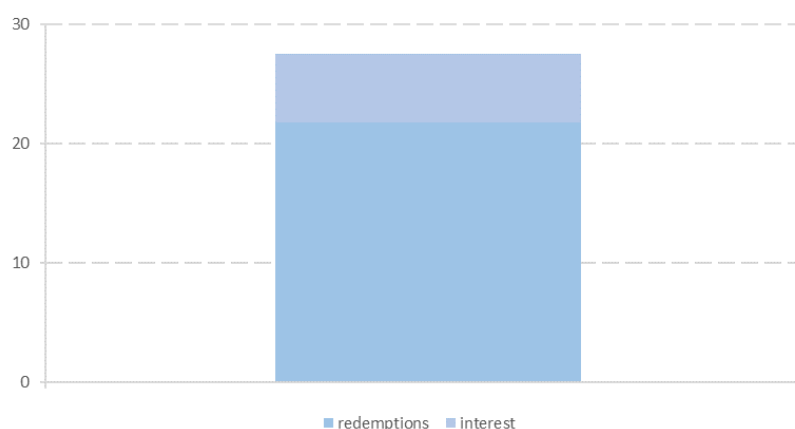
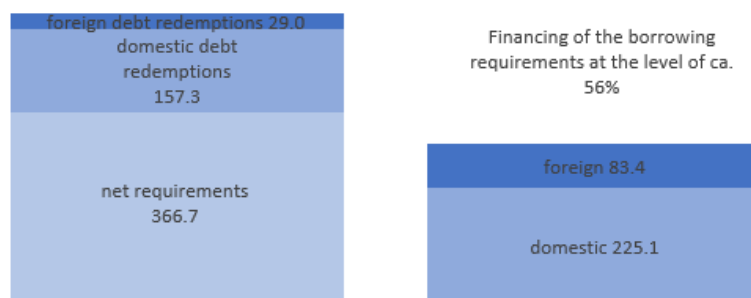
as at the end of month, nominal amount, PLN bn

The nominal amount of debt to be redeemed in 2025 (as of March 31, 2025), is equal to PLN 138.0bn, including:

- T-bonds: PLN 89.3bn,
- T-retail bonds: PLN 26.2bn,
- T-bills: PLN 13.3bn,
- bonds and loans incurred on foreign markets: PLN 9.2bn.

Gross borrowing requirements

Total: PLN 553.0 bn, of which:

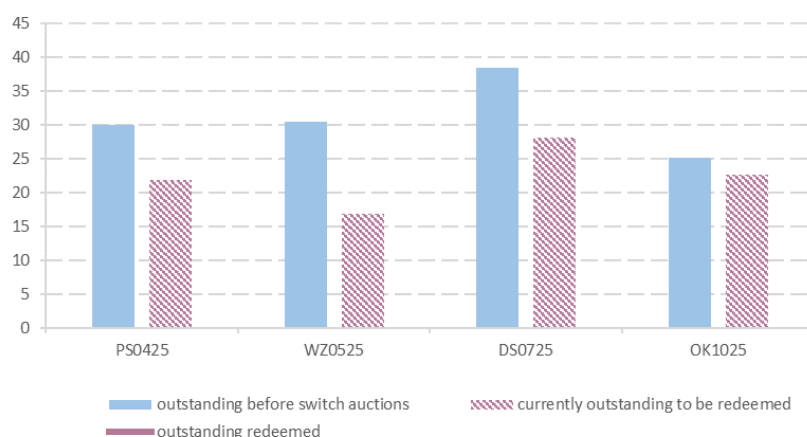


Reducing refinancing risk connected with redemptions of domestic TS maturing in 2025

as of March 31, 2025, nominal amount, PLN bn

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

- PS0425: PLN 8.1bn (27% of the issuance),
- WZ0525: PLN 13.7bn (45% of the issuance),
- DS0725: PLN 10.3bn (27% of the issuance),
- OK1025: PLN 2.4bn (10% of the issuance).

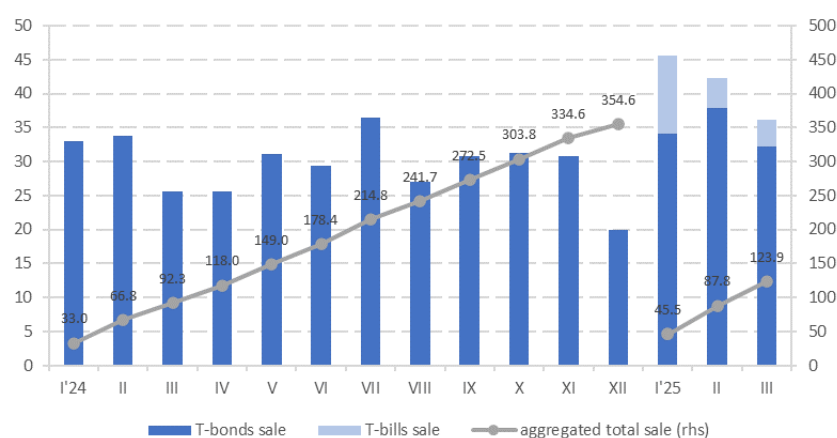


Sale of domestic TS in 2024 and 2025

settlement date, nominal amount, PLN bn

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

- T-bonds amounted to PLN 104.2bn versus PLN 92.3bn in the same period of 2024,
- T-bills amounted to PLN 19.7bn versus lack of sale in the same period of 2024.



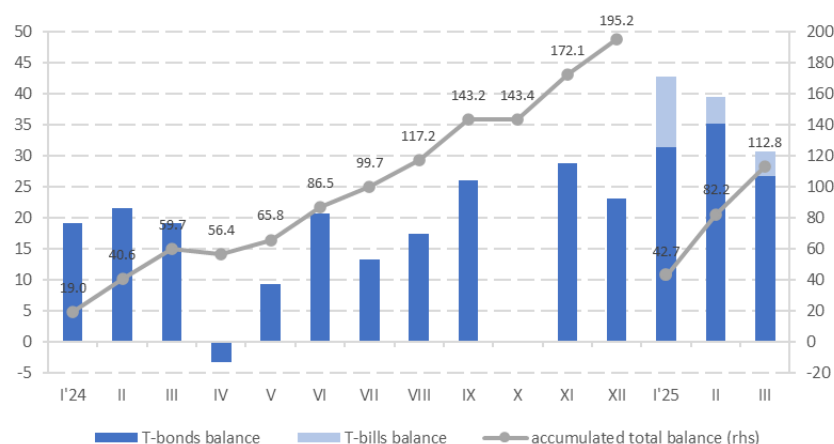
Balance of domestic TS in 2024 and 2025

settlement date, nominal amount, PLN bn

In the period of I-III 2025 indebtedness in:

- T-bonds increased by PLN 93.1bn versus increase of PLN 59.7bn in the same period of 2024,
- T-bills increased by PLN 19.7bn 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.

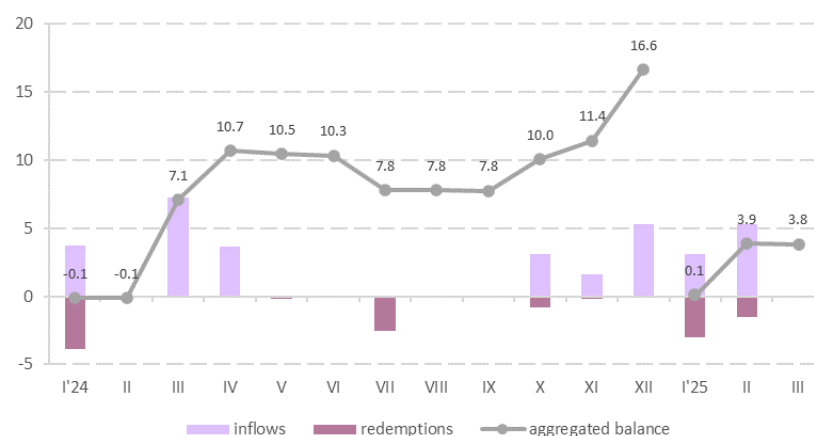


External financing in 2024 and 2025

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

Net financing on foreign markets in the period of I-III 2025 was positive and amounted to EUR 3.8bn, which resulted from:

- positive balance of T-bonds issuance of EUR 3.8bn,
- negative balance of loans incurred from IFIs at the level of EUR 0.01bn.



III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

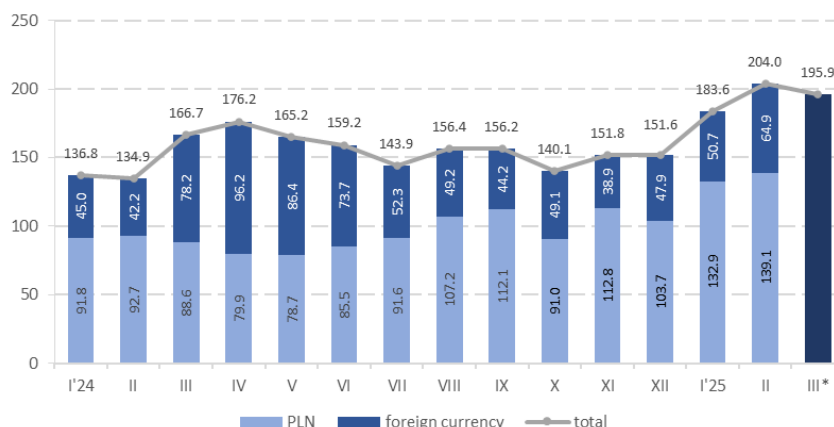
MOF

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 March 2025 there was the equivalent of PLN 195.9bn on the budgetary accounts. The funds ensure liquidity in borrowing needs financing.

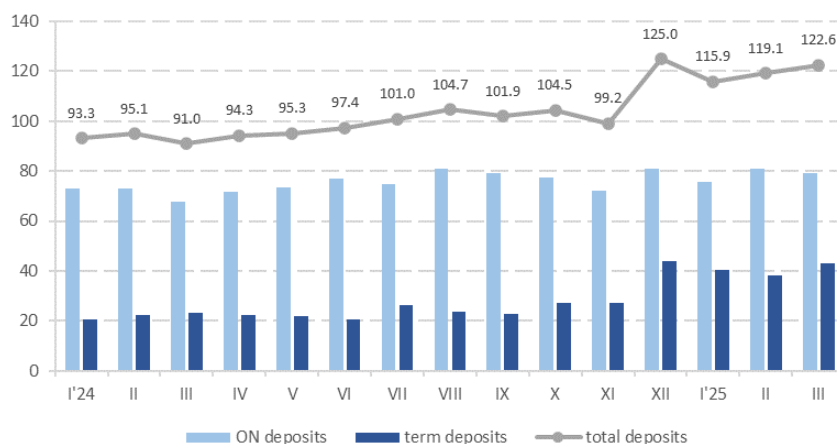
* Estimated data.



Consolidation of public finance sector liquidity management

PLN bn

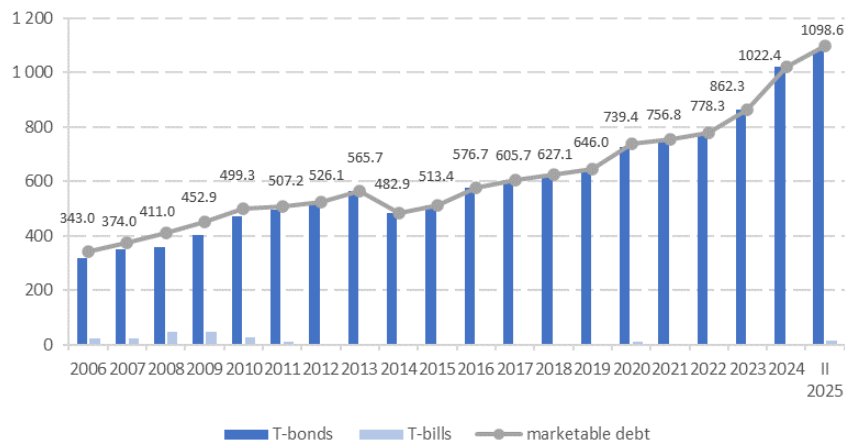
At the end of March 2025 funds accumulated within the consolidation of public finances liquidity management amounted to PLN 122.6bn, of which PLN 43.2bn was as term deposits and PLN 79.4bn on ON deposits.



Structure of domestic marketable debt

PLN bn

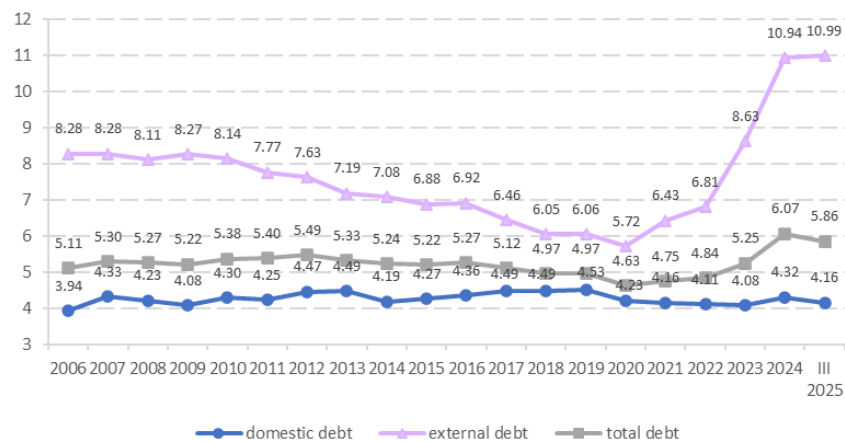
At the end of February 2025 the marketable domestic debt after consolidation within the State Treasury amounted to PLN 1.098,6bn comparing to PLN 1.022,4bn at the end of 2024.



Average maturity

years

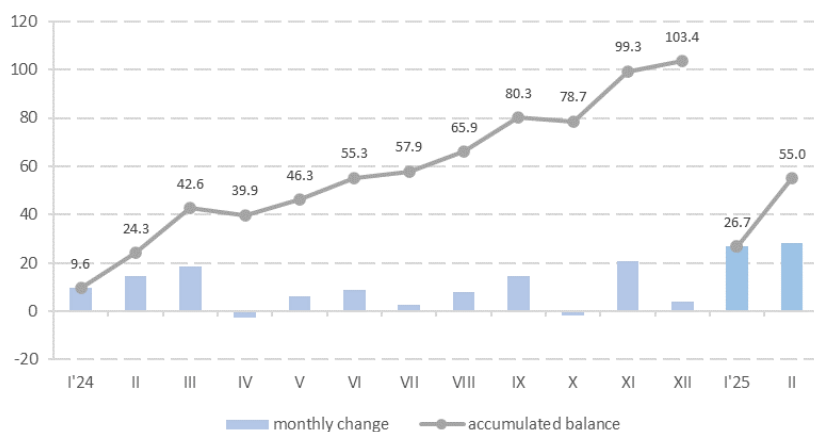
At the end of March 2025 the average maturity of domestic debt amounted to 4.16 years (while at the end of 2024 it was 4.32 years). The average of total debt amounted to 5.86 years (6.07 years at the end of 2024).



Change of debt in the domestic TS held by banks

PLN bn

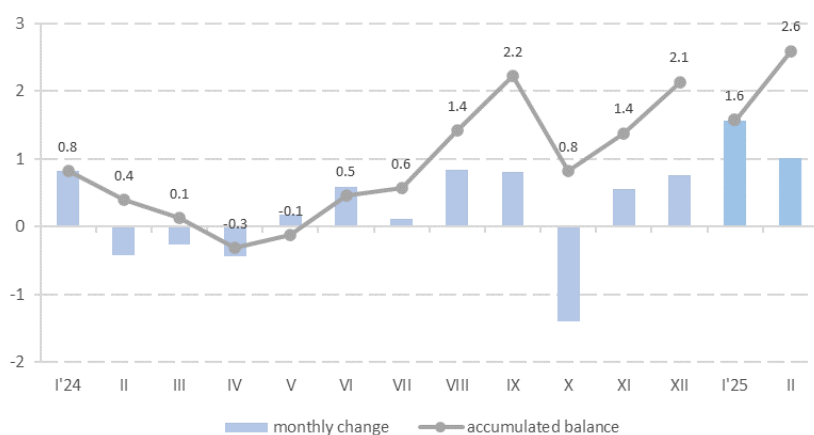
In the period of I-II 2025 there was an increase of debt by PLN 55.0bn comparing to PLN 24.3bn increase during the same period of 2024. Banks' holdings reached the level of PLN 652.1bn.



Change of debt in the domestic TS held by insurance companies

PLN bn

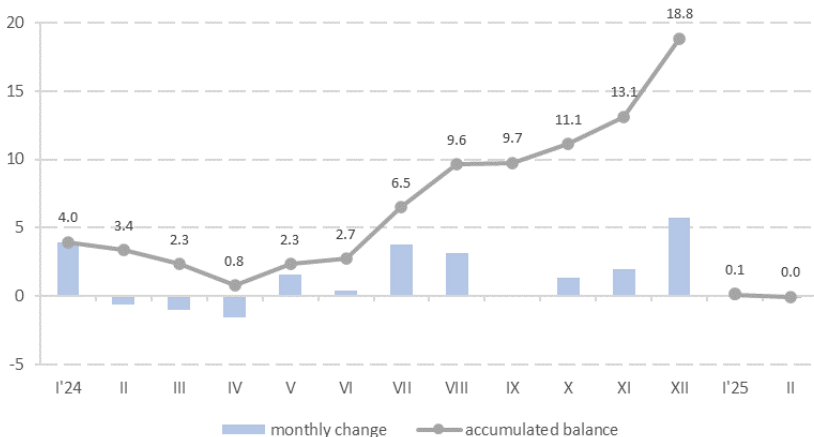
In the period of I-II 2025 there was an increase of debt by PLN 2.6bn comparing to PLN 0.4bn increase during the same period of 2024. Insurance companies' holdings reached the level of PLN 69.2bn.



Change of debt in the domestic TS held by investment funds

PLN bn

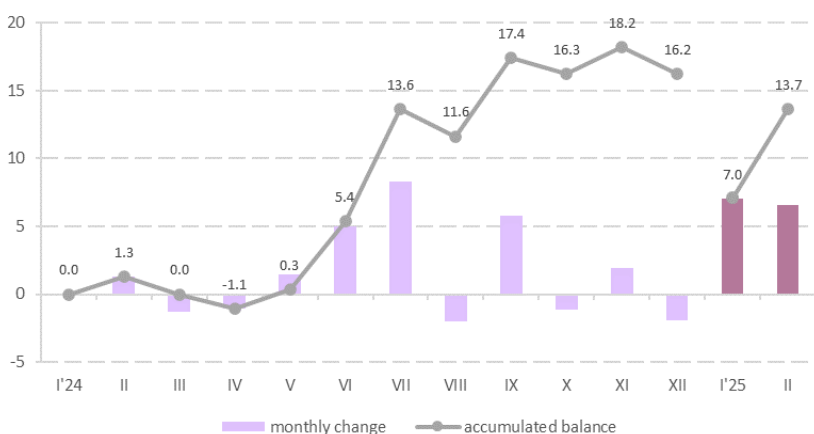
In the period of I-II 2025 there was a decrease of debt by PLN 0.03bn comparing to PLN 3.4bn increase during the same period of 2024. Investment funds' holdings reached the level of PLN 76.1bn.



Change of debt in the domestic TS held by foreign investors

PLN bn

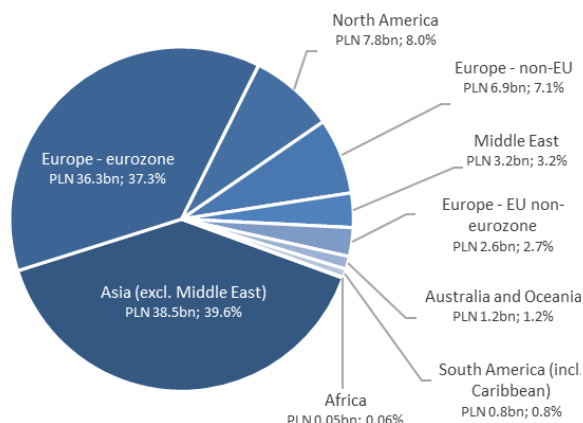
In the period of I-II 2025 there was an increase of debt by PLN 13.7bn comparing to PLN 1.3bn increase during the same period of 2024. Foreign investors' holdings reached the level of PLN 162.1bn.



III. BACKGROUND OF BORROWING REQUIREMENTS' FINANCING

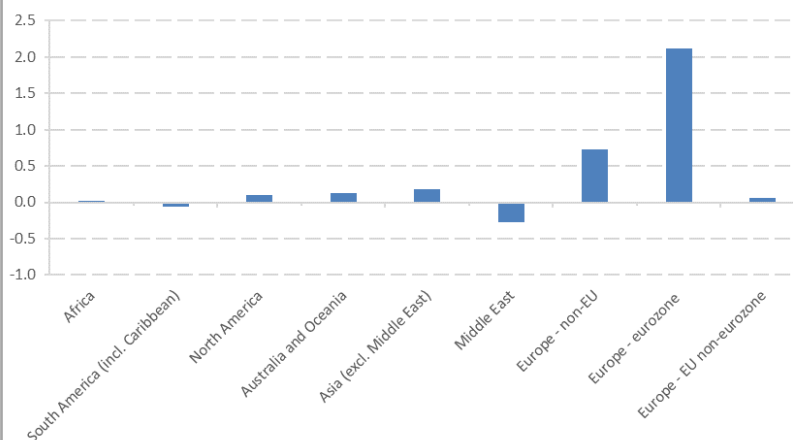
Geographical distribution of the domestic TS held by non-residents as of February 28, 2025, the chart presents data excluding omnibus accounts

The non-residents' share in the domestic Treasury securities market increased by PLN 6.7bn in February 2025. The foreign investors' portfolio amounted to PLN 162.0bn, which constituted 12.8% share in total debt in TS (also 12.8% in the previous month).



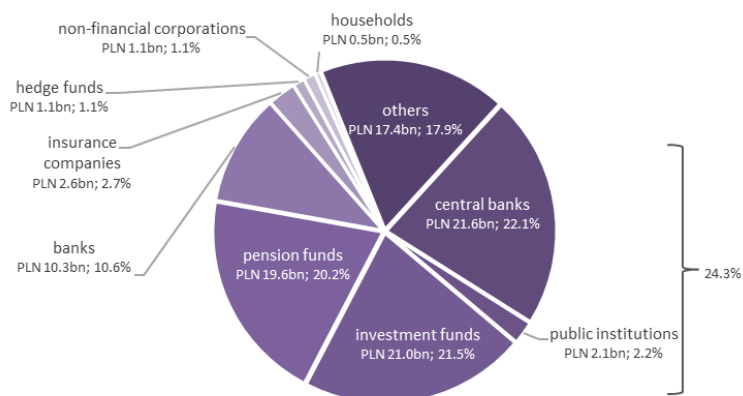
Change of debt in the domestic TS held by non-residents by regions change in February 2025, mom, PLN bn, the chart presents data excluding omnibus accounts

In February 2025 the highest increase was noted by investors from Europe—eurozone (PLN 2.1bn). The highest decrease was noted by investors from Middle East (PLN 0.3bn).



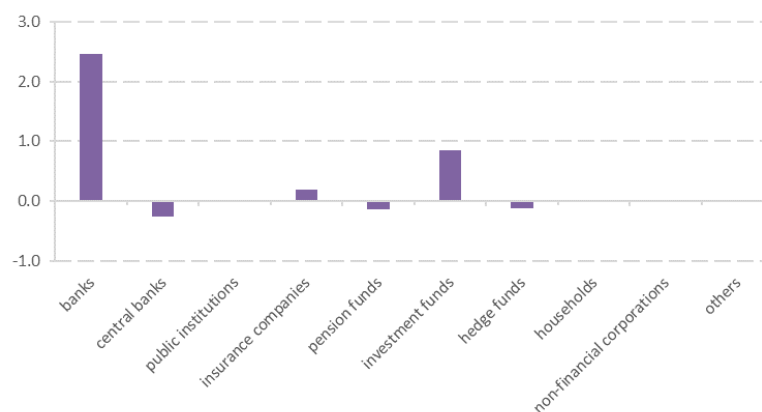
Institutional distribution of the domestic TS held by non-residents as of February 28, 2025, the chart presents data excluding omnibus accounts

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 24.3% at the end of February 2025.



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

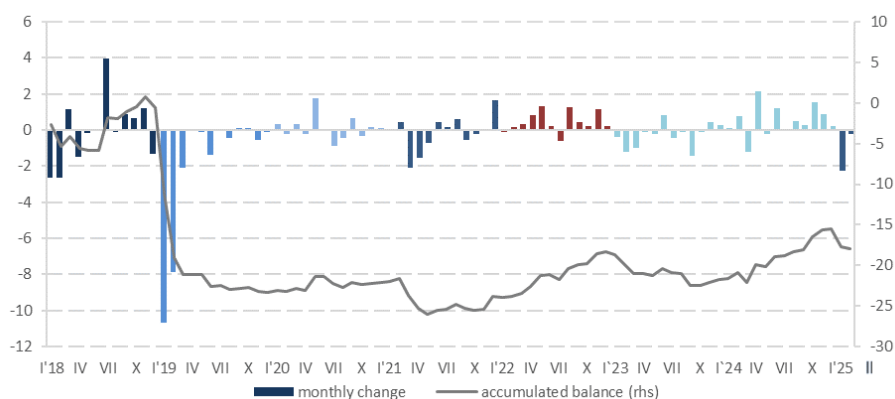
In February 2025 the highest increase was recorded by banks (PLN 2.5bn). The highest decrease was noted by investors central banks (PLN 0.3bn).



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

change in February 2025, PLN bn

Central banks and public institutions' involvement decreased by PLN 0.2bn in February 2025. In the period from the end of January 2018 to the end of February 2025 portfolios of those entities decreased by PLN 17.9bn.



Structure of non-residents' holdings in TS by countries

as of February 28, 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	16 728,7	22,1%
Luxembourg	10 451,9	13,8%
Netherlands	8 889,0	11,7%
United States	7 048,2	9,3%
France	5 550,5	7,3%
Germany	5 038,7	6,6%
Ireland	4 099,5	5,4%
United Kingdom	4 031,3	5,3%
Switzerland	1 787,9	2,4%
Korea (the Republic of)	1 057,8	1,4%
Norway	1 055,2	1,4%
Australia	987,5	1,3%
Italy	979,9	1,3%
Czech Republic	791,6	1,0%
Others	7 028.5	9.6%
Total	75 792.2	100.0%

Comment

Jurand Drop, Undersecretary of State, MoF

31-03-2025

At the end of March, the level of financing of this year's gross borrowing requirements of the state budget is approximately 56%. We estimate there was the equivalent of PLN 195bn on the budgetary accounts. Two bond sales auctions and one switching action are planned for April. In addition, we plan to hold one auction for the sale of treasury bills. In 2nd quarter, seven-eight sale auctions and two-one switching auctions are planned in total. In February, the indebtedness in domestic Treasury securities increased by PLN 39.6bn. The indebtedness of domestic banks increased by PLN 28.2bn, domestic non-bank investors by PLN 4.8bn and foreign investors by PLN 6.6bn.

General assumptions

- T-bond auctions are planned according to the announced yearly issuance calendar,
- offer of Treasury bonds on the domestic market will depend on the budget and market situation, as well as consultations with investors,
- possible auctions of Treasury bills will be held within the confines of the State budget liquidity management,
- foreign financing will be determined by the situation on the international financial market and the domestic market, as well as by budget conditions,
- the announced plan may be modified subject to the market situation.

Offer of T-bonds on the domestic market

- **sale auctions:**
seven-eight auctions, total supply PLN 55.0-75.0 bn, the structure of the sold T-bonds will be subject to the market situation.
- **switch auctions:**
one-two auctions - securities offered to repurchase will be T-bonds maturing in 2025 and in 2026.

Offer of T-bills

The number of auctions and supply of T-bills will result from the State budget borrowing requirements, results of T-bonds auctions on the domestic market and the level of foreign financing.

Detailed information on the offer of T-bills will be presented in the monthly issuance plans.

Foreign financing

- possible issuance of bonds on the international markets,
- Possible loans from International Financial Institutions.

V. SUPPLY PLAN OF TREASURY SECURITIES IN APRIL 2025

T-bond sale auctions

Auction date	Settlement date	Series	Planned offer (PLN m)*
23 April 2025	25 April 2025	OK0127 / PS0730 / WZ0330 / DS1034 possible T-bond of IZ type and other series	6,000-12,000
28 April 2025	30 April 2025	OK0127 / PS0730 / WZ0330 / DS1034 possible T-bond of IZ 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)
9 April 2025 / 11 April 2025	OK0127 / PS0130 / WZ0330 / DS1034 / possible T-bond of IZ type and other series	PS0425	21,749
		WZ0525	16,758
		DS0725	28,107
		OK1025	22,672
		WZ0126	22,483

* after auction settlement

T-bill auctions

Auction date	Settlement date	T-bill	Maturity date	Planned offer (PLN m)
4 April 2025	8 April 2025	46-week	24 February 2026	3,000-6,000

Offer on the retail market

T-bond	Issue price	Coupon
OTS0725 3-month	100.00 PLN (100.00 PLN for rolling-over)	Fixed: 3.00%
ROR0426 1-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.00%); 5.75% in the first coupon period
DOR0427 2-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (NBP reference rate + 0.15%); 5.90% in the first coupon period
TOS0428 3-year	100.00 PLN (99.90 PLN for rolling-over)	Fixed: 5.95%
COI0429 4-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 1.50%); 6.30% in the first coupon period
EDO0435 10-year	100.00 PLN (99.90 PLN for rolling-over)	Floating (inflation rate + 2.00%); 6.55% in the first coupon period
ROS0431 family bonds 6-year	100.00 PLN	Floating (inflation rate + 2.00%); 6.50% in the first coupon period
ROD0437 family bonds 12-year	100.00 PLN	Floating (inflation rate + 2.50%); 6.80% in the first coupon period