



NARODOWY BANK POLSKI

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# **Financial Statements of Narodowy Bank Polski as at 31 December 2024**



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## Balance Sheet of Narodowy Bank Polski as at 31 December 2024

Assets	Note	31.12.2024	31.12.2023
		PLN million	
1. Gold and gold receivables	1	154,308.7	93,591.4
2. Claims on non-residents denominated in foreign currency		761,580.1	669,677.0
2.1. <i>Receivables from the IMF</i>	2	28,457.6	28,497.2
2.2. <i>Balances with foreign institutions, securities, loans granted and other foreign assets</i>	3	733,122.6	641,179.8
3. Claims on residents denominated in foreign currency		-	-
4. Claims on non-residents denominated in domestic currency		-	-
5. Claims on credit institutions related to monetary policy operations denominated in domestic currency		-	-
6. Other claims on credit institutions denominated in domestic currency		0.0	0.0
7. Securities of residents denominated in domestic currency		129,208.2	138,887.6
7.1. <i>Securities held for monetary policy purposes</i>	4	129,208.2	138,887.6
7.2. <i>Other securities</i>		-	-
8. Claims on general government denominated in domestic currency		-	-
9. Items in course of settlement		-	-
10. Other assets		1,716.0	1,489.0
10.1. <i>Tangible fixed assets and intangible assets</i>	6	1,011.8	983.6
10.2. <i>Other financial assets</i>	5	289.2	288.9
10.3. <i>Off-balance-sheet instruments revaluation differences</i>	15	128.2	32.2
10.4. <i>Accruals and prepaid expenses</i>	13	78.2	55.4
10.5. <i>Sundry</i>	7	208.7	128.9
<b>Total assets</b>		<b>1,046,813.1</b>	<b>903,645.1</b>

Liabilities*	Note	31.12.2024	31.12.2023
		PLN million	
1. Banknotes and coins in circulation	8	413,393.6	377,521.4
2. Liabilities to credit institutions related to monetary policy operations denominated in domestic currency	9	153,832.3	74,421.1
2.1. Current accounts (incl. the required minimum reserve accounts)		146,604.5	48,914.4
2.2. Deposit facilities		7,227.8	25,506.7
3. Other liabilities to credit institutions denominated in domestic currency	10.1	1,281.6	2,581.9
4. Liabilities due to issued debt securities denominated in domestic currency	9	283,672.1	303,071.1
5. Liabilities to other residents denominated in domestic currency	10.1	19,044.2	11,946.9
5.1. Liabilities to general government		17,177.1	10,338.3
5.2. Other liabilities		1,867.1	1,608.6
6. Liabilities to non-residents denominated in domestic currency	10.1	2,015.3	4,081.6
7. Liabilities to residents denominated in foreign currency	10.2	46,958.6	45,645.5
8. Liabilities to non-residents denominated in foreign currency	10.2	77,330.9	67,515.1
9. SDR allocation	2	28,197.8	27,878.5
10. Items in course of settlement		-	-
11. Other liabilities		654.3	452.4
11.1. Off-balance-sheet instruments revaluation differences	15	105.1	16.9
11.2. Accruals and deferred income	13	118.7	108.9
11.3. Sundry	11	430.5	326.7
12. Provisions		242.1	213.8
12.1. FX risk provision	14.2	-	-
12.2. Provisions for liabilities	12	242.1	213.8
13. Revaluation accounts	14.1	80,239.9	35,017.4
14. Capital	14	1,500.0	1,500.0
14.1. Statutory fund		1,500.0	1,500.0
14.2. Reserve fund		-	-
15. Losses of previous years	14.3	-48,201.7	-27,401.7
16. Profit/Loss for the financial year	14.4	-13,347.9	-20,800.0
<b>Total liabilities</b>		<b>1,046,813.1</b>	<b>903,645.1</b>

\* Chapter 3 presents modifications in the layout of liabilities in comparison to the NBP Balance Sheet contained in the Financial Statements of Narodowy Bank Polski as at 31 December 2023.

## Profit and Loss Account of Narodowy Bank Polski for the year ended 31 December 2024\*

	Note	2024	2023
		PLN million	
1. Net result on interest	16	-1,390.6	-1,646.4
1.1. Interest income		28,065.7	26,576.1
1.2. Interest expenses		-29,456.3	-28,222.5
2. Net result on financial operations	17	-10,814.6	-32,585.0
2.1. Realised gains/losses	17.1	-727.6	-3,812.3
2.2. Unrealised losses	17.2	-10,086.9	-28,772.7
2.3. Net result on impairment on financial assets		-0.0	-0.0
3. Net result on commissions and fees	18	9.5	5.4
4. Income on equity instruments and participating interests	19	527.6	42.6
5. Other income	24	106.8	138.0
6. Salaries	20	-873.9	-775.4
7. Administrative expenses	21	-428.2	-444.9
8. Depreciation and amortisation expenses	22	-90.4	-90.6
9. Expenses on issue of banknotes and coins	23	-386.1	-513.3
10. Other expenses	24	-8.1	-9.1
Profit/Loss for the financial year before net result on FX risk provision		-13,347.9	-35,878.6
11. Net result on FX risk provision		-	15,078.6
<b>Profit/Loss for the financial year</b>		<b>-13,347.9</b>	<b>-20,800.0</b>

\* Chapter 3 presents the most significant modifications in the layout of the NBP Profit and Loss Account in comparison to the NBP Profit and Loss Account contained in the Financial Statements of Narodowy Bank Polski as at 31 December 2023.

# Notes

## 1. Introduction

### 1.1. Objective and tasks of NBP

In accordance with Article 227 para. 1 of the Constitution of the Republic of Poland, Narodowy Bank Polski (NBP) is the central bank of the State. It has the exclusive right to issue money as well as to formulate and implement monetary policy. NBP is responsible for the value of the Polish currency. NBP is part of the European System of Central Banks.

The role, functions, objective and tasks of NBP are set forth, in particular, in the Act on NBP, the Banking Law, the Treaty on the Functioning of the European Union (consolidated version) and Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank (Official Journal of the EU 2016/C 202 of 7 June 2016).

### 1.2. NBP business areas

In accordance with the Act on NBP, the basic objective of the activity of NBP is to maintain price stability, while supporting the economic policy of the government, insofar as this does not constrain the basic objective of NBP. Other business areas of NBP also include, among others, managing the foreign reserves, providing banking services to the State budget, regulating the liquidity of banks and providing them with refinancing facilities, acting in favour of the stability of the financial system and organising payments. NBP performs three basic functions, acting as the bank of issue, the banks' bank and the central bank of the State.

From the perspective of NBP's financial and equity position as well as financial result, the key areas of NBP's activity are primarily: the management of foreign reserves, the conduct of monetary policy, the issue of banknotes and coins and NBP's own administrative activities.

#### *Foreign reserve management*

Foreign reserves have the largest share in NBP's assets. NBP invests foreign reserves mainly in gold (shown under Assets item 1. Gold and gold receivables – see Note 1) and instruments denominated in foreign currency commonly invested by central banks, mainly in debt securities, ETFs and term deposits (shown under Assets item 2.2. Balances with foreign institutions, securities, loans granted and other foreign assets – see Note 3). To generate additional income, NBP enters into reverse repo transactions (shown under Assets item 2.2.), usually simultaneously with repo transactions (shown under Liabilities item 8. Liabilities to non-residents denominated in foreign currency – see Note 10.2).

Keeping foreign reserves largely determines the financial result of NBP. Income and expenses on investment instruments of foreign reserves mainly relate to interest on debt securities and term deposits



(shown under Profit and Loss Account item 1. Interest income on gold – see Note 16), dividends on ETFs (shown under Profit and Loss Account item 4. Income on equity instruments and participating interests – see Note 19), net result on sale and price revaluation of debt securities and ETFs (only unrealised losses on price revaluation) and gains/losses on off-balance-sheet financial instruments (shown under Profit and Loss Account item 2. Net result on financial operations – see Note 17). Net result on foreign reserves management is to a large extent dependent on trends in factors beyond NBP's control. These factors include above all: the volume of inflow of foreign currencies from outside Poland and exchange of these currencies into the zloty in NBP (which has an impact on a rise in the level of foreign reserves) and the situation in financial markets – the mutual exchange rates of foreign currencies and their exchange rates against the zloty, interest rates in foreign markets and the levels of stock exchange indices. The net result on the management of foreign reserves is also affected by the adopted currency composition of foreign reserves and the type of financial instruments used.

### *The conduct of monetary policy*

Narodowy Bank Polski implements its monetary policy using a set of instruments adopted by the MPC. In order to implement the objective of the monetary policy, NBP uses in particular open market operations based on the issue of NBP bills (shown under Liabilities item 4. Liabilities due to issued debt securities denominated in domestic currency – see Note 9). The reserve requirement is also a monetary policy instrument of NBP. The obligation to maintain the required minimum reserve (shown under Liabilities item 2.1. Current accounts (incl. the required minimum reserve accounts) – see Note 9) limits the scale of open market operations performed to absorb excess liquidity from the banking sector. As part of its monetary policy, NBP provides standing facilities to domestic banks and enables them to place liquidity surpluses in NBP in the form of deposit facility (shown under Liabilities item 2.2. Deposit facilities – see Note 9), or to supplement liquidity deficits with the use of refinancing instruments, including Lombard credit (shown under Assets item 5. Claims on credit institutions related to monetary policy operations denominated in domestic currency). Next to banknotes and coins in circulation, liabilities related to the conduct of monetary policy constitute the most important item of NBP's liabilities.

The continued excess liquidity in the banking sector leads to expenses related to NBP reducing the amount of liquidity in the sector – above all the expenses on discount on bills issued by NBP (they are – like expenses on interest on the required minimum reserve and deposit facility as well as income on refinancing operations – shown under NBP Profit and Loss Account item 1. Net result on interest – see Note 16). The level of expenses of monetary policy mainly depends on the level of interest rates set by the MPC, the excess liquidity in the banking sector (calculated as the volume of issue of NBP bills and standing facilities), the required minimum reserve rate and its interest rate.

In 2020-2021, NBP purchased Treasury bonds and debt securities guaranteed by the State Treasury in the secondary market (as part of structural open market operations), with the aim to change the liquidity structure of the banking sector in the long term, as well as to provide liquidity of the secondary market of purchased securities and to strengthen the monetary policy transmission mechanism. Securities purchased by NBP are presented in Assets item 7.1. Securities held for monetary policy purposes – see

Note 4, whereas interest income related thereto is presented in Profit and Loss Account item 1. Net result on interest – see Note 16.

### *The issue of currency*

Narodowy Bank Polski exercises the constitutional right to issue Polish banknotes and coins. NBP issues general circulation banknotes and coins and collector banknotes and coins with varying denominations. The volume of money issue depends on exogenous factors, specifically on the behaviour of the demand for cash in the economy. Along with NBP's monetary policy obligations, the issued banknotes and coins are the most significant item in NBP liabilities, and are shown under item 1. Banknotes and coins in circulation – see Note 8. The issue of currency implies expenses on the production of banknotes and coins, which NBP outsources to third parties. The expenses on the issue of banknotes and coins (shown under NBP Profit and Loss Account item 9. Expenses on issue of banknotes and coins – see Note 23) depend primarily on the number (volume) of banknotes and coins ordered and their purchase prices as well as on the cost of purchasing bullion for collector coin production.

### *Other activities*

In its balance sheet, NBP presents receivables and liabilities related to Poland's participation in the IMF (NBP plays the role of an agent of the government of the Republic of Poland in relations with the IMF) – items recognised in NBP's assets include the member quota in the IMF paid in foreign currency (the so-called reserve tranche), the current account in SDR for settlements with the IMF and loans extended to the IMF. On the other hand, liabilities are due to the SDR allocation granted to Poland and are presented under liabilities – see Note 2. Both receivables and liabilities bear interest,<sup>1</sup> while income and expenses are presented in Profit and Loss Account item 1. Interest income – see Note 16.

Narodowy Bank Polski operates TARGET-NBP, the Polish component of the pan-European settlement system for euro-denominated payments. Under the TARGET-NBP system, NBP operates the accounts in euro of participants of this system, mainly domestic banks (shown under Liabilities item 7. Liabilities to residents denominated in foreign currency – see Note 10.2) and also maintains the balance on the current account with the ECB (shown under Assets item 2.2. Balances with foreign institutions, securities, loans granted and other foreign assets – see Note 3). The current account with the ECB bears interest and interest income is presented in Profit and Loss Account item 1. Net result on interest – see Note 16.

Narodowy Bank Polski also operates bank accounts for eligible entities,<sup>2</sup> including mainly for the State budget. The accounts are presented in Liabilities items 5. Liabilities to other residents denominated in domestic currency, 6. Liabilities to non-residents denominated in domestic currency, 7. Liabilities to residents denominated in foreign currency and 8. Liabilities to non-residents denominated in foreign

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<sup>1</sup> Among receivables, the fixed part of the reserve tranche (in the amount of SDR 56.2 million) and the term deposit in the IMF do not bear interest – see Note 2.

<sup>2</sup> See Article 51(1) of the Act on NBP.

currency – see Note 10.1 and Note 10.2, and their operation implies interest expenses (presented in Profit and Loss Account item 1. Net result on interest – see Note 16).

### *Net equity of NBP*

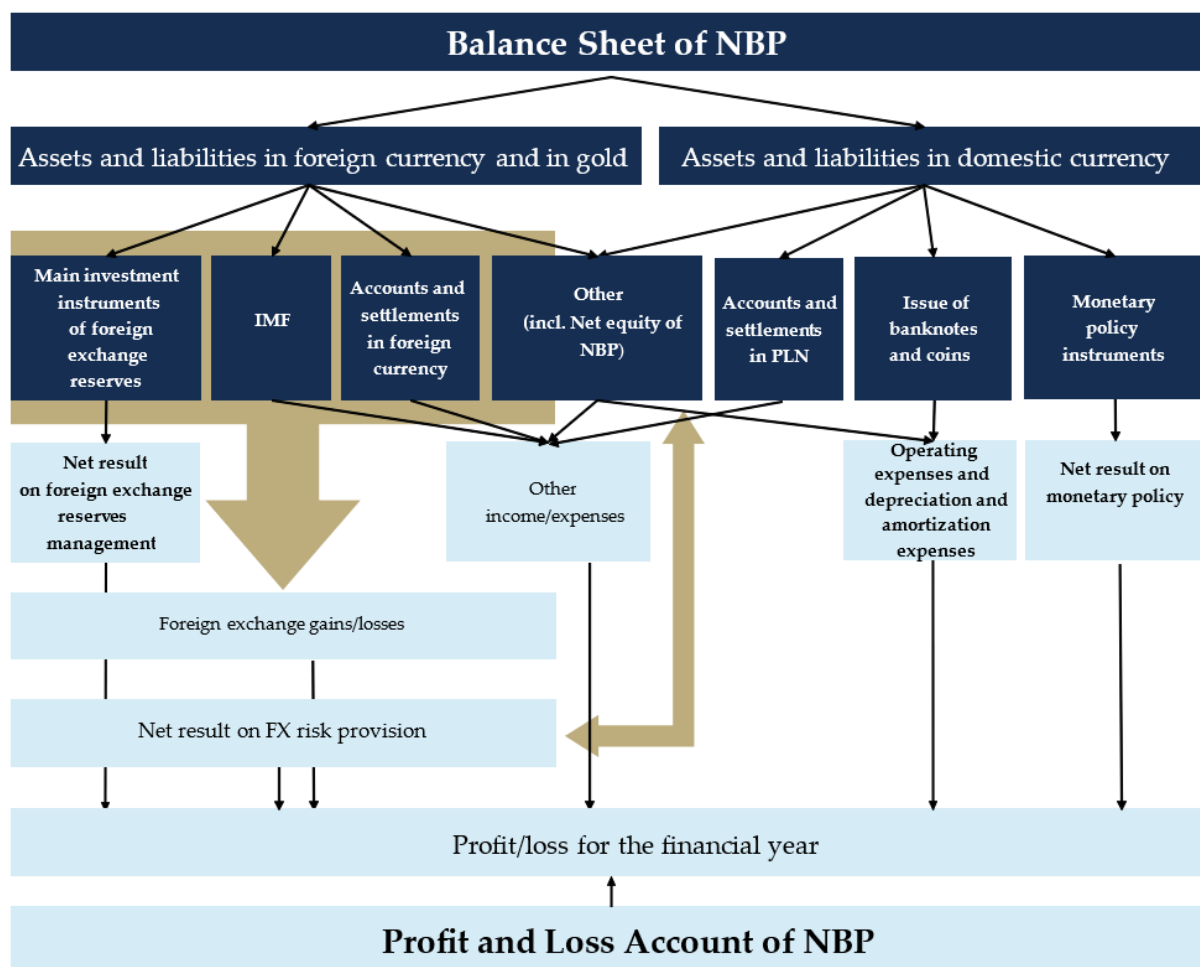
In accordance with the definition used by the ECB, NBP's equity includes (statutory and reserve) funds, the FX risk provision, revaluation accounts (gold revaluation account, gold holding revaluation gains, currency revaluation gains and debt securities revaluation gains, gains on ETFs and off-balance sheet instruments) and the part of financial result which is not subject to transfer to the State budget (including losses of previous years) – see Note 14.

As the central bank of the state, NBP is not subject to the capital adequacy regulations applicable to the banking sector. NBP is capable of creating liquidity in domestic currency (see Chapter 6.1.2).

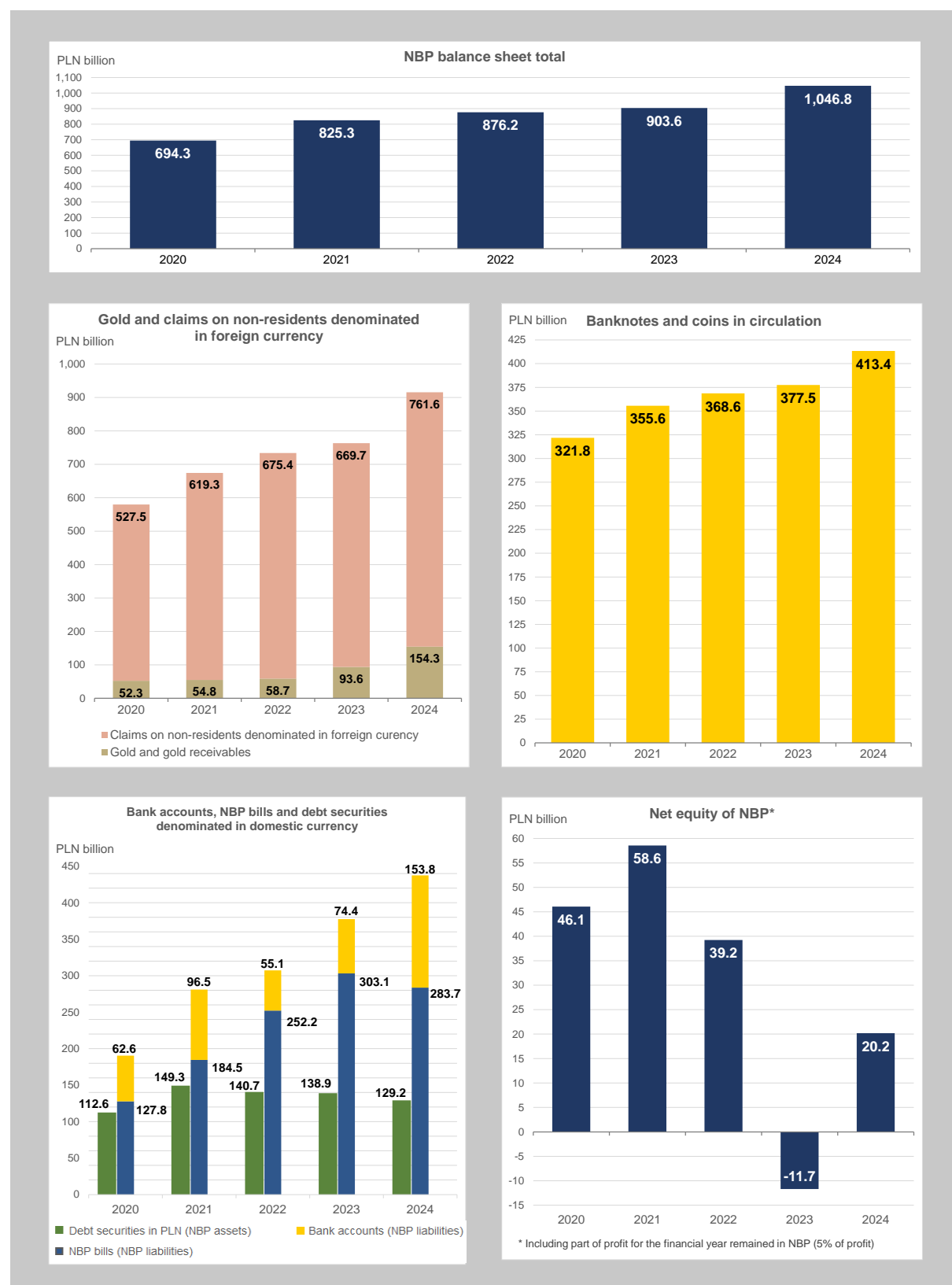
### *NBP's own administrative activities*

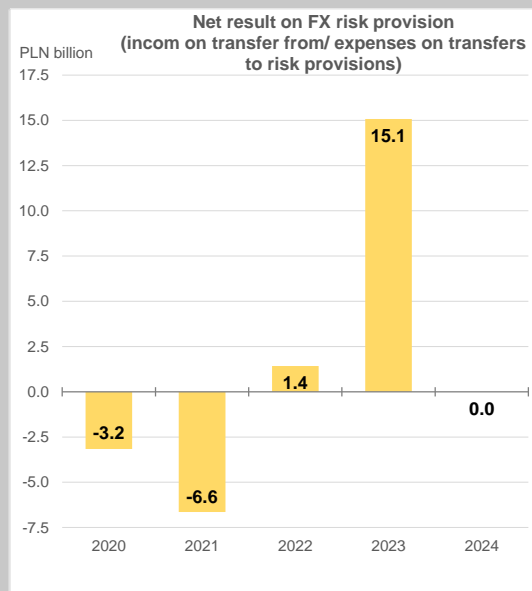
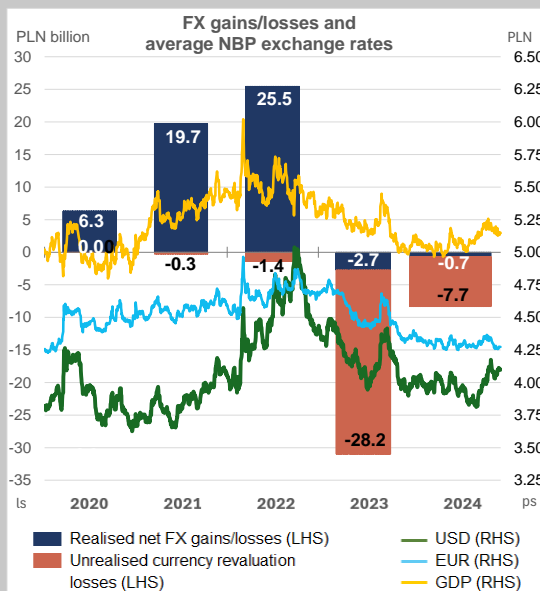
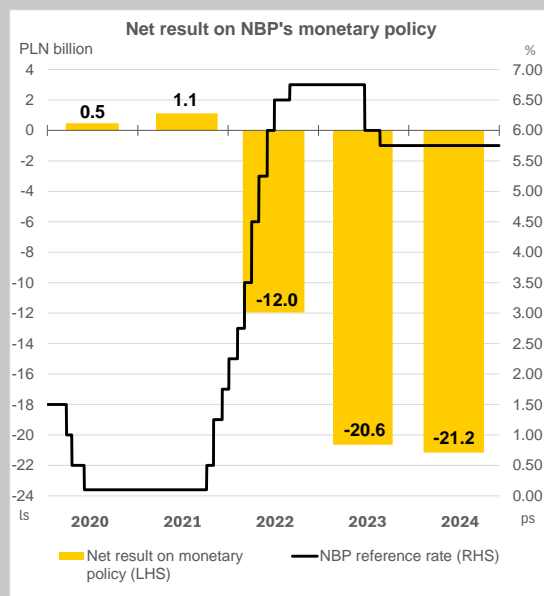
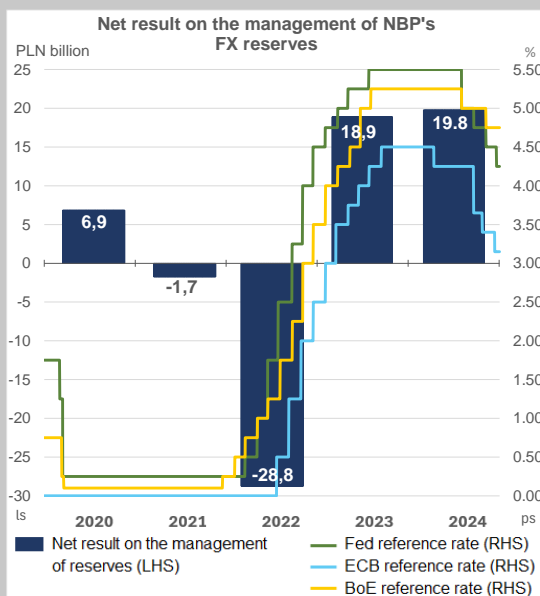
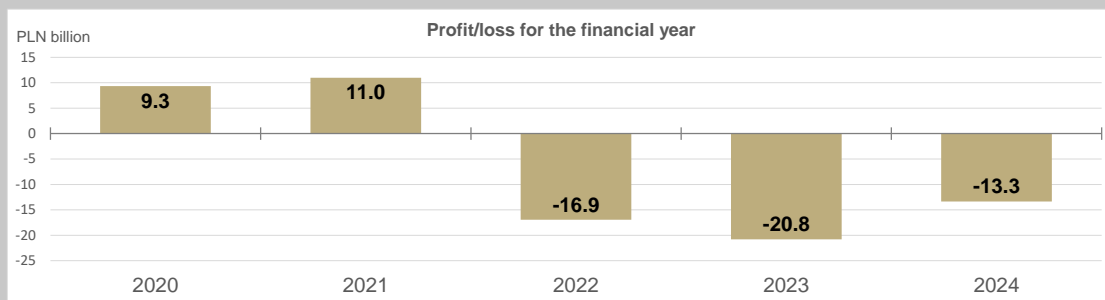
The performance of NBP's tasks implies the engagement of adequate resources and their management. These resources include mainly human resources and property (tangible fixed assets and intangible assets shown under Assets item 10.1 Tangible fixed assets and intangible assets – see Note 6). NBP also uses external resources, including services provided by economic operators. The management of these resources implies expenses for NBP, which are recognised in Profit and Loss Account (item 6. Salaries, item 7. Administrative expenses, item 8. Depreciation and amortisation expenses – see Note 20, Note 21 and Note 22, respectively). The above mentioned expenses together with expenses on the issue of banknotes and coins are collectively called operating expenses and depreciation and amortisation expenses.

The relations between the NBP's balance sheet and profit and loss account in the main business areas of NBP are presented below.



### 1.3. Key financial data as at 31 December 2024





## 1.4. Financial and equity position and financial result of NBP in 2024

### *NBP Balance Sheet*

As at the end of 2024, the NBP balance sheet total amounted to PLN 1,046,813.1 million.<sup>3</sup>

The NBP balance sheet was characterised by currency asymmetry. Gold and foreign currencies prevailed on the assets side, whereas domestic currency – on the liabilities side (see Chapter 6.1.4).

The increase in the balance sheet total in 2024 by PLN 143,168.0 million (15.8%) as compared to 2023 was mainly driven by transactions of holders of accounts with NBP, the net result on the management of foreign reserves amid changes in foreign exchange rates and a decrease in the balance of debt securities denominated in zloty purchased in 2020–2021 for monetary policy purposes.

The main changes on the assets side related to:

- gold and gold receivables – an increase of PLN 60,717.2 million (64.9%), see Note 1,
- claims on non-residents denominated in foreign currency – a total increase of PLN 91,903.1 million (13.7%), see Note 2 and Note 3,
- debt securities denominated in domestic currency – a decrease of PLN 9,679.4 million (7.0%), see Note 4.

The major changes on the liabilities side involved:

- liabilities related to monetary policy – a total increase of PLN 60,012.2 million (15.9%), see Note 9,
- banknotes and coins in circulation – an increase of PLN 35,872.3 million (9.5%), see Note 8,
- the net equity of NBP – an increase of PLN 31,874.6 million, see Note 14.

### *Net equity of NBP*

As at the end of 2024, the net equity of NBP amounted to PLN 20,190.3 million.

The increase in the net equity of NBP as at the end of 2024 compared to the end of 2023 (from PLN -11,684.3 million to PLN +20,190.3 million), was mainly driven by an increase in the market price of gold and a depreciation of the zloty against USD and GBP. The depreciation of the zloty means an increase in the value of a foreign currency holding expressed in zloty. As the market price of gold is quoted in USD, the depreciation of the zloty against USD simultaneously pushed up the value of gold held by NBP further. This situation translated into the increase in the net equity of NBP through higher unrealised foreign currency and gold revaluation gains (see Note 14.1).

At the end of 2024, compared to the end of 2023, the zloty appreciated against AUD, CAD, EUR, NOK and NZD, which led to unrealised foreign currency revaluation losses on the holdings of these foreign currencies. Whereas the appreciation of the zloty against all foreign currencies in average annual terms

<sup>3</sup> Unless indicated otherwise, data presented in the whole financial statements are in PLN million, with automatic rounding to the whole amounts expressed in full zloty. This means that mathematical calculations are made using amounts in full zloty, and are subsequently rounded. The numbers 0.0 and -0.0 denote, respectively, positive and negative values rounded to zero, whereas dash ("–") denotes a zero value of a given item.

led to a negative net result on realised FX gains/losses. These losses had a negative impact on the value of equity of NBP, as they decreased the financial result of NBP (see Note 17.2 and Note 17.1).

Net equity of NBP		PLN million
<b>Net equity of NBP as at 31.12.2023</b>		<b>-11,684.3</b>
<b>change in the net equity of NBP in 2024</b>	Financial result for 2024	-13,347.9
	Unrealised gains (change), of which:	45,222.5
	- on currency revaluation of foreign currencies	11,239.8
	- on gold revaluation	32,095.0
	- on price revaluation of financial instruments	1,887.7
	<b>Total</b>	<b>31,874.6</b>
<b>Net equity of NBP as at 31.12.2024</b>		<b>20,190.3</b>

The value of NBP's equity had no direct impact on the attainment of the basic objective of the activity of NBP to maintain price stability and on the execution of other NBP's tasks. Therefore, it was not a factor restricting central bank's independence (see Chapter 2.2).

#### *NBP Profit and Loss Account*

NBP recorded a loss of PLN -13,347.9 million for 2024. The value of the financial result for 2024 was mainly affected by:

- a negative net result on monetary policy in the amount of PLN -21,166.1 million,
- a negative net result on foreign exchange gains/losses of PLN -8,340.2 million, including PLN -656.0 million from realised foreign exchange gains/losses and PLN -7,684.2 million on unrealised currency revaluation losses as at 31 December 2024,
- a positive net result on the management of foreign currency reserves (in the currency of an instrument) in the amount of PLN 19,760.5 million.

Operating expenses and depreciation and amortisation expenses amounted to PLN -1,778.5 million.

As a result of the significant role of financial instruments in the NBP Balance Sheet, the most important elements of the NBP Profit and Loss Account relate to interest, discount and premium (net result on interest) and foreign exchange gains/losses and price gains/losses related to the trading in investment instruments of foreign reserves (net result on financial operations).

The net result on interest in 2024 was negative and amounted to PLN -1,390.6 million (in 2023 it was PLN -1,646.4 million). The change was associated, among others, with a higher net interest result on foreign markets where foreign reserves are invested (higher average annual yields on foreign markets in 2024 compared to 2023 and the average annual amount of foreign currency reserves in investment in the context of the average annual appreciation of the zloty against all the reserve currencies) amid



simultaneously higher expenses related to the conduct of NBP's monetary policy (a higher average annual level of open market operations in 2024).

The net result on financial operations in 2024 was negative and amounted to PLN -10,814.6 million (in 2023 it was PLN -32,585.0 million). This was mainly driven by the appreciation of the zloty against AUD, CAD, EUR, NOK and NZD (unrealised foreign currency revaluation losses as at the end of 2024) and the average annual appreciation of the zloty in 2024 (a negative net result from realised foreign exchange gains/losses on transactions in foreign currencies), and also higher yields on foreign markets (unrealised losses on price revaluation of foreign debt securities held by NBP).

## **1.5. Legal basis of preparation of the financial statements**

The Management Board of NBP prepared the Financial Statements of NBP as at 31 December 2024 in accordance with the provisions of legal acts which set the NBP accounting policy (see Chapter 2.1).

## **1.6. Period covered by the financial statements**

The Financial Statements cover the financial year from 1 January 2024 to 31 December 2024. Comparative data in the Financial Statements cover the financial year from 1 January 2023 to 31 December 2023.

# **2. Description of significant accounting principles**

## **2.1. Basic accounting principles**

The accounting principles applied by NBP conform to the standards applied in the ESCB, based on the ECB Guideline.

The NBP accounting policy is set forth in the following legal acts:

- the Act on NBP,
- Resolution No. 13/2020 of the MPC,
- Resolution No. 6/2019 of the MPC,
- Resolution No. 64/2020 of the Management Board of NBP.

The following accounting principles are applied during the preparation of the financial statements of NBP:

- true and fair view (see § 2(1) of Resolution No. 13/2020 of the MPC),
- going concern (see § 3(1) of Resolution No. 13/2020 of the MPC),
- prudence (see § 2(2) of Resolution No. 13/2020 of the MPC),
- materiality (see § 2(5) of Resolution No. 13/2020 of the MPC),
- comparability (see § 2(4) of Resolution No. 13/2020 of the MPC),
- accruals principle (see § 3(2) of Resolution No. 13/2020 of the MPC).

## 2.2. Going concern

The financial statements of NBP were prepared under the going concern assumption. In accordance with Article 58 of the Act on NBP, NBP cannot be declared bankrupt.

## 2.3. Recognition of transactions in the accounting books of NBP

All economic events of a given financial year are recognised in the accounting books for that year.

When recognising transactions in the accounting books, NBP follows the so-called economic approach as laid down in the ECB Guideline. Consequently, the following rules are applied:

- foreign currencies and gold purchased or sold in a spot transaction or a forward transaction are recognised in the NBP accounting books (on off-balance-sheet accounts) on the trade date,
- interest, discount and premium on assets and liabilities as well as on off-balance-sheet instruments are recognised in the profit and loss account at the end of each operating day (see Note 16).

Debt securities and ETFs, purchased or sold in a spot transaction, are recognised in the NBP accounting books on the settlement date.

## 2.4. Valuation as at the balance sheet date

As at the balance sheet date, for gold, foreign currencies, debt securities<sup>4</sup> and ETFs purchased by NBP the principle of valuation at market value is applied.<sup>5</sup> The same principle is applied for purchased or sold off-balance-sheet financial instruments. The revaluation results of assets and liabilities to market value as at the balance sheet date are recognised in accordance with the following rules (see Note 1):

- unrealised losses (revaluation losses) are recognised in the financial result,
- unrealised gains (revaluation gains) are not recognised in the financial result – they are recognised in Liabilities' Item 13. Revaluation accounts.

Price revaluation of financial instruments valued at market price is carried out prior to their currency revaluation.

The value of individual assets and liabilities and gains and losses are determined separately, without netting the value of items which differ in kind.

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<sup>4</sup> Excluding debt securities held to maturity and debt securities held for monetary policy purposes.

<sup>5</sup> Market value is the average of the bid and the ask prices based on quotations for transactions of standard volume on a given market by recognised operators, whether operating in an organised market or an over-the-counter market, or – if prices are not available on the market – a value determined according to an accepted and consistently applied valuation model, including a value determined by reference to appropriate yield curves which are published.

Assets not valued at market value are tested for impairment, i.e. whether it is highly probable that a given asset will not generate expected economic benefits in the future. If such evidence is identified, the amount of expected impairment is determined by comparing their book value with their recoverable amount.

Assets, liabilities and off-balance-sheet financial instruments in foreign currencies have their value determined in domestic currency. In the valuation process, the average NBP exchange rates prevailing at the balance sheet date are used.

For the valuation as at 31 December 2024, the prices/exchange rates announced on 31 December 2024 were used and for comparable data (as at 31 December 2023) – those announced on 29 December 2023.

in PLN	Price of a foreign currency unit / ounce of gold								
	USD	EUR	GBP	CAD	AUD	NOK	NZD	SDR	gold
31.12.2024	4.1012	4.2730	5.1488	2.8543	2.5504	0.3624	2.3084	5.3618	10,707.6180
31.12.2023	3.9350	4.3480	4.9997	2.9698	2.6778	0.3867	2.4836	5.2938	8,115.5440
Change	0.1662	-0.0750	0.1491	-0.1155	-0.1274	-0.0243	-0.1752	0.0680	2,592.0740

To enhance the understanding of the information presented in the financial statements, detailed information about the significant principles of the accounting policy binding at NBP and on the assessments and estimates made are provided in individual explanatory notes (see Chapter 4).

## 2.5. Events after the balance-sheet date

The balance sheet and the profit and loss account are adjusted for the events the information on which was received after the balance sheet date and prior to the approval of the NBP annual financial statements, if such events materially affect their content and are events adjusting their balance at the balance sheet date.

## 2.6. Values based on professional estimates

When preparing its financial statements, NBP makes specific estimates and assumptions that affect the amounts recognised in the NBP financial statements. The estimates and assumptions are based, among others, on historical data and expectations about future events that are believed to be reasonable at the date of preparation of the financial statements. As the existing circumstances and expectations about future events may change as a result of market changes or an occurrence of factors beyond NBP's control, the NBP-made estimates are reviewed on a regular basis.

The key area where NBP makes estimates is the calculation of the amount of the FX risk provision. In accordance with Resolution No. 6/2019 of the MPC, the estimated FX risk provision is equal to the amount that would cover a potential change in the value of foreign currency holdings due to the

identified foreign exchange rate risk of the zloty, decreased by estimated unrealised gains on changes in the foreign exchange rate of the zloty (see Note 14 and Note 14.2).

Other areas in which NBP makes estimates relate, in particular, to the determination of:

- the amount of provisions for retirement and disability severance payments, death in service benefits and jubilee awards (the provisions are estimated on the basis of actuarial assessment carried out periodically by an independent actuary),
- periods of use of tangible fixed assets and intangible assets,
- the discount rates of outstanding lease fees (the rates are used to determine the value of lease-related payments, and consequently to determine the value of right-of-use assets – see Note 6 and Note 11),
- write-downs due to asset impairment.

### **3. Changes in accounting principles and the presentation of the NBP balance sheet and the NBP profit and loss account**

In 2024, amendments were introduced to the accounting principles and the formats for the balance sheet and the profit and loss account in force in NBP.<sup>6</sup> The changes were mainly of a complementary nature and were aimed at adjusting the format used to the ECB Guideline amended in 2024. The changes aimed to increase the transparency of presentation and the value of information contained in the annual financial statements of NBP.

Taking into account that the amount of NBP's balance sheet total in 2024 exceeded the amount of PLN 1 trillion, the Financial Statements of NBP as at 31 December 2024, compared to the Financial Statements of NBP as at 31 December 2023, present financial data in PLN million (previously in PLN thousand).

Modifications introduced in the format of the NBP balance sheet are related to the format of assets and liabilities and the terminology of selected balance sheet items. In particular items "Losses of previous years" and "Profit/Loss for the financial year" were presented as separate items of the balance sheet. Thus far, they had been presented under a single item of the balance sheet called "Financial result" (see tables below).

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<sup>6</sup> Resolution No. 6/2024 of the MPC amending Resolution No. 13/2020 of the MPC – see Chapter 2.1.

Liabilities (current format)	Note	31.12.2023
		PLN million
...		
15. Losses of previous years		-27,401.7
16. Profit/Loss for the financial year	14.3	-20,800.0
<b>Total liabilities</b>		<b>903,645.1</b>

Liabilities (previous format)	Note	31.12.2023
		PLN thousand
...		
15. Financial result	9.3	-48,201,704.0
15.1. Financial result for the financial year		-20,800,024.0
15.2. Loss of previous years		-27,401,680.0
<b>Total liabilities</b>		<b>903,645,086.3</b>

The layout and terms of selected profit and loss account items were modified in the format of the NBP profit and loss account. In particular the presentation of the item "Net result on FX risk provision" was changed, as it was placed under a new summing-up item "Profit/Loss for the financial year before the net result on FX risk provision" (see tables below).

NBP Profit and Loss Account (current format)		2023
	Note	PLN million
...		
2. Net result on financial operations		-32,585.0
2.1. Realised gains/losses	17.1	-3,812.3
2.2. Unrealised losses	17.2	-28,772.7
2.3. Net result on impairment of financial assets		-0.0
...		
Profit/Loss for the financial year before the net result on FX risk provision		-35,878.6
11. Transfer to/from FX risk provision		15,078.6
<b>Profit/Loss for the financial year</b>		<b>-20,800.0</b>

NBP Profit and Loss Account (previous format)		2023
	Note	PLN thousand
...		
2. Net result on financial operations		-17,506,447.5
2.1. Realised gains/losses	12.1	-3,812,335.5
2.2. Unrealised losses	12.2	-28,772,698.2
2.3. Net result on impairment of financial assets		-5.2
2.4. Net result on FX risk provision		15,078,591.4
...		
<b>Financial result for the financial year</b>		<b>-20,800,024.0</b>

## 4. Explanatory notes

### Note 1 Gold and gold receivables

Gold and financial instruments in gold are recognised in the NBP accounting books at transaction price. The transaction price of an ounce of gold in USD is converted into domestic currency at the average NBP exchange rate of the US dollar as at the transaction date.

Gold and financial instruments in gold constitute a holding of gold for which the average cost is determined. The average cost of a gold holding, which is the average cost of purchasing an ounce of gold by NBP, is used to calculate income and expenses arising from the sale of gold (realised gains or losses on transactions in gold) and determine the results of balance sheet valuation.

At the balance sheet date, the gold holding is valued at the market value of an ounce of gold in USD, converted into domestic currency at the average NBP exchange rate of the USD prevailing at the balance sheet date. No distinction is made between the results of currency and price valuation of the gold holding – they are treated jointly as gold holdings revaluation differences. Unrealised losses, recognised in the financial result on the balance sheet date, change the average cost of gold holding.

PLN million	31.12.2024	31.12.2023	Change
Gold stored at NBP	36,098.4	27,359.8	8,738.6
Gold on accounts with foreign banks, of which:	118,210.3	66,231.7	51,978.6
- current accounts in gold	77,874.7	39,020.3	38,854.4
- term deposits in gold	40,335.6	27,211.4	13,124.2
<b>Total</b>	<b>154,308.7</b>	<b>93,591.4</b>	<b>60,717.2</b>
<i>of which gold revaluation differences</i>	<i>60,404.2</i>	<i>28,309.2</i>	<i>32,095.0</i>

		31.12.2024	31.12.2023	Change
Gold stored at NBP	million of ounces	3.4	3.4	-
	(tonnes)	(104.9)	(104.9)	-
Gold on accounts with foreign banks, of which:	million of ounces	11.0	8.2	2.9
	(tonnes)	(343.4)	(253.8)	(89.6)
- current accounts in gold	million of ounces	7.3	4.8	2.5
	(tonnes)	(226.2)	(149.5)	(76.7)
- term deposits in gold	million of ounces	3.8	3.4	0.4
	(tonnes)	(117.2)	(104.3)	(12.9)
<b>Total</b>	<b>million of ounces</b>	<b>14.4</b>	<b>11.5</b>	<b>2.9</b>
	<b>(tonnes)</b>	<b>(448.2)</b>	<b>(358.7)</b>	<b>(89.5)</b>

Gold is held at NBP and on accounts with foreign banks. Gold in foreign banks is:

- held on the current accounts,
- invested in term deposit transactions with foreign financial institutions; interest on term deposits in gold is accrued and paid in USD (see Note 3 and Note 16).

The increase in the balance by 2.9 million ounces (89,5 tonnes) was mainly a result of gold purchase transactions made by NBP on the interbank market in 2024 (see Note 3).

The domestic currency value of the item was also affected by the revaluation of the holding of gold (see Note 14.1).

## Note 2 Receivables from and liabilities to the IMF

Transactions with the IMF are recognised in the NBP accounting books at nominal value. As at the balance-sheet date, the amounts of receivables from and liabilities to the IMF are valued according to nominal value. Valuation of assets is carried out with consideration for impairment write-downs.

The balances resulting from operations with the IMF are denominated in SDR or in the zloty. The SDR is construed as a separate foreign currency.

The balances in SDR are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

Items related to the IMF:

- **Reserve tranche** corresponds to the Republic of Poland's member quota in the IMF, less liabilities due to the account in domestic currency operated by NBP for the IMF (so-called No. 1 Account of the IMF).

The quota in the IMF of each member country is determined on the basis of selected macroeconomic indicators and paid in full amount (in domestic currency and in foreign currencies). The size of member quota determines for a given country, among others, the number of its voting rights in the IMF, the assigned amount of SDR allocation and the limits of loans granted to that country.

The funds accumulated in No. 1 Account of the IMF are used by the IMF under quarterly Financial Transaction Plans (FTPs). The funds are exchanged for foreign currency and transferred to member countries – IMF borrowers, which results in an increase in the reserve tranche. On the other hand, loan repayments made by IMF borrowers in foreign currencies are exchanged for the domestic currency and credited to No. 1 Account of the IMF, which results in a decrease in the reserve tranche.

- **Current account with the IMF** includes funds received under SDR allocation and payments in SDR due to loans extended to the IMF, as well as due to settlements arising from interest and fees on balances and transactions related to the IMF.
- **Term deposit in the IMF** (non-interest bearing term deposit) includes funds in the IMF-administered PRG-HIPC Trust.
- **Loans in foreign currency extended to the IMF**

Since 2011 NBP has been a participant in the New Arrangements to Borrow (NAB). As a participant in the NAB, NBP has made a commitment to extend to the IMF interest-bearing loans up to the arranged limit. Under the decision effective from 1 January 2021 to 31 December 2025, at the end of 2024 and 2023 the maximum limit for loans amounted to SDR 2,570.8 million.<sup>7</sup>

Under the 2020 bilateral borrowing agreement (BBA), effective from 1 January 2021 to 31 December 2023, which in 2023 was extended with the approval of NBP by one year, i.e. until 31 December 2024, and subsequently extended in 2024 until the entry into force of the increase in the IMF member quota<sup>8</sup>, but not later than by the end of 2027, NBP has made a commitment to extend interest-bearing loans to the IMF amounting up to the SDR equivalent of EUR 2,701.0 million.<sup>9</sup> The funds may be transferred by NBP at the request of the IMF. The IMF will be able to use these funds provided that it exhausts other available resources originating from quotas of member countries and loans under the NAB. Neither in 2024 nor in 2023 did the IMF borrow funds under BBA.

- **SDR allocation**, meaning SDRs granted to member countries. Under the SDR allocations, which were conducted in 2009 and in 2021, the Republic of Poland received a total of SDR 5,229.9 million.

<sup>7</sup> That is PLN 13,784.1 million according to the average NBP exchange rate as at 31 December 2024.

<sup>8</sup> As at 31 December 2024, the conditions laid down for the entry into force of the increase in the member quota had not been fulfilled yet at the IMF level.

<sup>9</sup> That is PLN 11,541.4 million according to the average NBP exchange rate as at 31 December 2024.



The reserve tranche (except for the fixed part which amounts to SDR 56.2 million), the balance of the current account with the IMF, loans extended to the IMF and SDR allocations are remunerated on the basis of the interest rate determined by the IMF.

PLN million	Balance sheet item	31.12.2024	31.12.2023	Change
Reserve tranches, of which		5,521.8	5,807.8	-286.0
- Member quota in the IMF		21,902.2	22,258.3	-356.1
- No. 1 Account of the IMF		-16,380.4	-16,450.6	70.2
Current account with the IMF		22,897.9	22,638.3	259.6
Term deposit with the IMF		37.9	37.4	0.5
Loans extended to the IMF		-	13.7	-13.7
<b>Total assets (Receivables from the IMF)</b>	A.2.1	<b>28,457.6</b>	<b>28,497.2</b>	<b>-39.7</b>
<b>SDR allocation (Liabilities to the IMF)</b>	L.9	<b>28,197.8</b>	<b>27,878.5</b>	<b>319.3</b>
<b>Net item</b>		<b>259.8</b>	<b>618.7</b>	<b>-359.0</b>
of which SDR currency revaluation differences		2.9	-45.7	48.5

SDR million	Balance sheet item	31.12.2024	31.12.2023	Change
Reserve tranches, of which		1,029.8	1,097.1	-67.2
- Member quota in the IMF		4,095.4	4,095.4	-
- No. 1 Account of the IMF		-3,065.6	-2,998.3	-67.2
Current account with the IMF		4,270.6	4,276.4	-5.8
Term deposit with the IMF		7.1	7.1	-
Loans extended to the IMF		-	2.6	-2.6
<b>Total assets (Receivables from the IMF)</b>	A.2.1	<b>5,307.5</b>	<b>5,383.1</b>	<b>-75.7</b>
<b>SDR allocation (Liabilities to the IMF)</b>	L.9	<b>5,259.0</b>	<b>5,266.3</b>	<b>-7.2</b>
<b>Net item</b>		<b>48.4</b>	<b>116.9</b>	<b>-68.4</b>

In 2024, the change in the item in original currency was due to a decrease in the reserve tranche, which was a result of transactions under the FTPs – payments made by the IMF to No. 1 Account of the IMF with NBP.

The domestic currency value of the receivables from the IMF and liabilities to the IMF was also affected by the currency revaluation of SDRs (see Note 14.1).

### Note 3 Balances with foreign institutions, securities, loans granted and other foreign assets

#### ▪ Debt securities

Debt securities purchased in a spot transaction are recognised in the NBP accounting books at the clean price.<sup>10</sup>

Debt securities with the same ISIN code, in relation to which NBP has a defined business intent, constitute a holding of debt securities.

For a debt securities holding, the average cost of the holding is determined. The average cost of a debt securities holding, which is the average cost of purchasing by NBP a security of a given code (adjusted for the accrued discount and premium), is used to calculate income and expenses arising from the sale of debt securities (realised price gains or losses) and to determine the results of balance sheet valuation.

Interest, discount and premium on debt securities purchased are recognised in the financial result (the net result on interest) at the end of each operating day in amounts accrued according to the internal rate of return method, separately for each debt securities holding.

As at the balance sheet date, debt securities denominated in foreign currencies not classified as held-to-maturity are valued at market price prevailing at the balance sheet date. Unrealised losses related to a given debt securities holding are not netted with unrealised gains on any other holding of debt securities. Unrealised losses recognised in the financial result on the balance sheet date change the average cost of a debt securities holding, adjust the internal rate of return as well as change the discount and premium accrued in the following days.

As at the balance sheet date, held-to-maturity debt securities denominated in foreign currency are valued at purchase price, excluding the coupon purchased (clean price) adjusted for the accrued discount and premium, less impairment.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

#### ▪ ETFs

Purchased ETFs are recognised in the NBP accounting books at transaction price.

For an ETFs holding, the average cost of holding is determined. The average cost of an ETFs holding, which is the average cost of purchasing by NBP an ETF of a given code, is used to calculate income and expenses arising from the sale of these securities (realised price gains or losses) and to determine the results of balance sheet valuation.

As at the balance sheet date, ETFs are valued on a net basis, i.e. based on the value of the share portfolio which mimics the composition of a given index replicated by the ETF, and not on the basis of the underlying instrument.

<sup>10</sup> Clean price is the transaction price excluding discount and accrued interests, yet taking into account transaction costs, which are part of this price (Article 1 (4) of Resolution No. 13/2020 of the MPC).

As at the balance sheet date, ETFs are valued at market price, separately for each ETF holding.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

- **Reverse repo transactions**

A reverse repo transaction is a contract under which an entity agrees to purchase assets and, simultaneously, agrees to re-sell equivalent assets in future, at transaction price. This transaction is recognised in assets as a loan granted, collateralised with assets received. Securities received as collateral do not increase the holding of these securities and are not disclosed in assets of the NBP balance sheet. Securities received in reverse repo transactions are not subject to valuation and no income or expense on these securities is recognised in the financial result of NBP.

The difference between the agreed purchasing and re-selling price of securities in reverse repo transactions is recognised in the financial result at the end of each operating day in amounts calculated according to the straight-line method.

As at the balance sheet date, reverse repo transactions are valued at nominal value.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

- **Term deposits**

Term deposits are recognised in the NBP accounting books and valued as at the balance sheet date at nominal value.

Interests on funds in foreign currencies or gold on the term deposit accounts are recognised in the interest result at the end of each operating day in amounts calculated according to the straight-line method.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

- **Current accounts, margins related to futures, foreign banknotes and coins in stock**

Current accounts, margins deposited in cash and foreign banknotes and coins in stock are recognised in the NBP accounting books and valued at the balance sheet date at nominal value.

Interests on foreign currency funds on current accounts are recognised in the net result on interest at the payment date.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

PLN million	31.12.2024	31.12.2023	Change
Current accounts, of which	5,439.1	21,828.9	-16,389.8
- current account with the ECB for settlements in TARGET	3,976.3	2,857.0	1,119.4
Term deposits	70,954.6	44,777.9	26,176.7
Reverse repo transactions	68,675.3	66,812.9	1,862.4
Debt securities, of which	557,292.7	499,316.5	57,976.2
- held-to-maturity debt securities	59,142.3	39,743.0	19,399.2
ETFs	30,443.7	7,884.4	22,559.4
Foreign banknotes and coins in stock	242.0	269.0	-27.0
Other claims, of which	75.1	290.1	-215.0
- margins related to futures transactions	26.8	270.5	-243.7
- dividends on ETFs	27.8	1.2	26.6
- interest on term deposits in gold	2.4	2.1	0.3
- other	18.1	16.4	1.7
<b>Total</b>	<b>733,122.6</b>	<b>641,179.8</b>	<b>91,942.8</b>
of which			
- currency revaluation differences	3,240.5	-33,878.0	37,118.5
- price revaluation differences	4,577.3	4,554.1	23.1

The item comprises mostly the main investment instruments of foreign currency reserves in USD, EUR, GBP, CAD, AUD, NOK and NZD, that is:

- debt securities (discount and fixed-interest-rate securities) – all debt securities in foreign currency purchased by NBP are marketable debt securities; under the implemented investment policy a portion of fixed-interest-rate debt securities, issued by the US Government, in the amount of USD 14.3 billion as at the end of 2024, constitutes a held-to-maturity portfolio (USD 9.9 billion as at the end of 2023); in 2024 and 2023 funds received from redemption of maturing debt securities were reinvested under this debt securities portfolio,<sup>11</sup>
- ETFs replicating the stock market indices<sup>12</sup>; from its investment in ETFs NBP mainly gains income on dividend (see Note 19),
- term deposits,
- reverse repo transactions – under the NBP investment process, reverse repo transactions are usually executed simultaneously with repo transactions<sup>13</sup> (see Note 10.2).

<sup>11</sup> In May 2024, the Management Board of NBP decided to increase the portfolio of debt securities classified as held to maturity to USD 14.3 billion, i.e. by USD 4.4 billion, in nominal terms. As at 31 December 2024, the market value of this portfolio amounted to PLN 55,257.4 million (as at 31 December 2023 it was PLN 35,636.9 million).

<sup>12</sup> As at 31 December 2024, these were the following indices: S&P 500 Total Return (United States), NASDAQ 100 (United States), Euro STOXX 50 Net Return (euro area), FTSE 100 Net Tax (United Kingdom), S&P TSX Capped Composite Total Return (Canada), S&P ASX 200 Total Return and Solactive Australia 200 (Australia).

<sup>13</sup> As at 31 December 2024, debt securities of the value of PLN 68,212.3 million were collateral to repo transactions (PLN 67,029.3 million as at 31 December 2023).

The item also includes margins related to futures whose decrease resulted from lower investment in futures (see Note 15.3).

Basic investment instruments of foreign currency reserves by foreign currency are presented below.

31.12.2024							
<i>million units of original currency</i>	USD	EUR	GBP	CAD	AUD	NOK	NZD
Term deposits	430.7	11,705.9	788.8	390.4	395.4	22,195.0	2,089.4
Reverse repo transactions	3,964.9	6,187.9	3,165.8	3,389.0	-	-	-
Debt securities	57,040.6	27,555.5	12,740.4	20,390.0	18,070.0	67,276.5	4,916.8
ETFs	5,157.8	1,097.8	387.1	418.1	554.1	-	-
<b>Total</b>	<b>66,594.1</b>	<b>46,547.1</b>	<b>17,082.1</b>	<b>24,587.5</b>	<b>19,019.4</b>	<b>89,471.5</b>	<b>7,006.3</b>

31.12.2023							
<i>million units of original currency</i>	USD	EUR	GBP	CAD	AUD	NOK	NZD
Term deposits	5,055.6	2,695.1	217.0	147.7	224.4	13,305.5	1,428.3
Reverse repo transactions	5,005.6	5,772.7	2,904.0	2,524.3	-	-	-
Debt securities	52,132.7	23,479.0	12,037.9	17,725.4	16,284.7	63,033.2	4,541.5
ETFs	402.2	984.3	353.9	83.0	2.2	-	-
<b>Total</b>	<b>62,596.1</b>	<b>32,931.2</b>	<b>15,512.8</b>	<b>20,480.4</b>	<b>16,511.3</b>	<b>76,338.7</b>	<b>5,969.8</b>

Change							
<i>million units of original currency</i>	USD	EUR	GBP	CAD	AUD	NOK	NZD
Term deposits	-4,624.9	9,010.8	571.8	242.6	170.9	8,889.5	661.1
Reverse repo transactions	-1,040.7	415.2	261.8	864.7	-	-	-
Debt securities	4,907.9	4,076.4	702.5	2,664.6	1,785.2	4,243.3	375.3
ETFs	4,755.6	113.5	33.2	335.1	551.9	-	-
<b>Total, of which:</b>	<b>3,997.9</b>	<b>13,616.0</b>	<b>1,569.3</b>	<b>4,107.0</b>	<b>2,508.1</b>	<b>13,132.8</b>	<b>1,036.5</b>
- interest accrued	2,494.6	1,202.0	667.4	877.5	724.1	3,006.8	307.4
- price valuation*	402.0	-71.6	-275.3	189.6	-120.9	-1,645.4	54.1
- transactions	1,101.3	12,485.6	1,177.1	3,039.9	1,904.9	11,771.5	675.0

\* Including realised price gains/losses on the transaction.

The change in the item in original currency was mainly driven by:

- the inflow of funds in foreign currency due to transactions by holders of accounts with NBP (see Note 9 and Note 10.2),
- purchase of gold for foreign currencies (see Note 1).

Additionally, the change in the item was a result of price revaluation and currency revaluation (see Note 14.1, Note 17.1 and Note 17.2).

#### Note 4 Securities held for monetary policy purposes

##### ▪ Debt securities denominated in domestic currency

Debt securities purchased in a spot transaction are recognised in the NBP accounting books at clean price.

Debt securities with the same ISIN code, in relation to which NBP has a defined business intent, constitute a holding of debt securities.

For a debt securities holding, the average cost of holding is determined. The average cost of a debt securities holding, which is the average cost of purchasing by NBP a security of a given code (adjusted for the accrued discount and premium), is used to calculate income and expenses arising from the sale of debt securities (realised price gains or losses).

Interest, discount and premium on debt securities purchased are recognised in the financial result (net result on interest) at the end of each operating day in the amounts accrued according to the internal rate of return method, separately for each debt securities holding.

As at the balance sheet date, debt securities denominated in domestic currency held for monetary policy purposes are valued at purchase price, excluding the coupon purchased (clean price) adjusted for the accrued discount and premium, less impairment.

PLN million	31.12.2024	31.12.2023	Change
Treasury debt securities	71,188.9	76,426.5	-5,237.6
Debt securities guaranteed by the State Treasury	58,019.4	62,461.1	-4,441.8
<b>Total</b>	<b>129,208.2</b>	<b>138,887.6</b>	<b>-9,679.4</b>

This item is related to purchase operations of Treasury bonds and debt securities guaranteed by the Treasury in the secondary market as part of structural open market operations carried out by NBP in 2020-2021. They were conducted with the aim to change the liquidity structure of the banking sector in the long term, as well as to provide liquidity of the secondary market of purchased debt securities and strengthen the monetary policy transmission mechanism (see Note 16).

The decrease in the value of the item in 2024 was mainly related to the issuer's redemption of debt securities of a nominal value of PLN 8,908.9 million, at maturity (see the table below, Note 9 and Note 16).

PLN million	31.12.2023	Interest accrued	Redemption	Received interest	31.12.2024
Treasury debt securities	76,426.5	984.6	-4,458.9	-1,763.3	71,188.9
Debt securities guaranteed by the State Treasury	62,461.1	1,108.4	-4,450.0	-1,100.2	58,019.4
<b>Total</b>	<b>138,887.6</b>	<b>2,093.1</b>	<b>-8,908.9</b>	<b>-2,863.5</b>	<b>129,208.2</b>

Debt securities in PLN held by NBP as at 31 December 2024, broken down by maturity, are presented in the table below.

PLN million	Redemption of debt securities at nominal value						Total
	2025	2026	2027	2028	2029	2030	
Treasury debt securities	14,587.5	11,579.5	2,117.9	8,127.0	22,615.3	9,747.1	68,774.2
Debt securities guaranteed by the State Treasury	12,838.6	-	28,267.4	5,449.1	-	10,907.5	57,462.6
<b>Total</b>	<b>27,426.1</b>	<b>11,579.5</b>	<b>30,385.3</b>	<b>13,576.1</b>	<b>22,615.3</b>	<b>20,654.6</b>	<b>126,236.8</b>

## Note 5 Other financial assets

Non-marketable shares and participating interests are recognised in the NBP accounting books and valued at the balance sheet date at purchase price, less impairment.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

PLN million	31.12.2024	31.12.2023	Change
Shares and participating interests in domestic entities, of which	128.8	128.8	-
- shares in Krajowy Depozyt Papierów Wartościowych S.A.	51.7	51.7	-
- shares in Krajowa Izba Rozliczeniowa S.A.	75.3	75.3	-
- participating interests in Bazy i Systemy Bankowe Sp. z o.o	1.8	1.8	-
- other	0.0	0.0	-
Shares and participating interests in foreign entities, of which	160.3	160.0	0.3
- participating interests in the European Central Bank	105.8	106.5	-0.7
- shares in the Bank for International Settlements	53.6	52.9	0.7
- participating interests in S.W.I.F.T.	0.9	0.6	0.3
<b>Total</b>	<b>289.2</b>	<b>288.9</b>	<b>0.3</b>

The item includes non-marketable shares and participating interests in foreign currencies and in PLN. The increase in the value of the item resulted from the currency revaluation of shares and participating interests in foreign entities.

The participation of NBP in domestic entities did not change in comparison to 31 December 2023, and as at 31 December 2024 was as follows:

NBP's participation in domestic entities

Entity	Share capital (PLN thousand)	Nominal price per share/participating interest (PLN thousand)	Number of shares/participating interests held by NBP	NBP's participation in share capital (%)
	31.12.2024	31.12.2024	31.12.2024	31.12.2024
NBP's participation in domestic entities, of which				
- Krajowy Depozyt Papierów Wartościowych S.A.	21,000.0	1.0	7,000	33.33%
- Krajowa Izba Rozliczeniowa S.A.	5,445.0	0.5	3,750	34.44%
- Bazy i Systemy Bankowe Sp. z o.o	10,000.0	10.0	1,000	100.00%

The participation of NBP in foreign entities was as follows:

- participating interests in the European Central Bank

Since 1 May 2004, i.e. the day of Poland's accession to the European Union, NBP has held a participating interest in the ECB's capital. As at 31 December 2024, the value of the capital paid up by NBP to the ECB amounted to EUR 24.7 million (as at 31 December 2023, it was EUR 24.5 million)

In accordance with Article 28(2) of the Statute of the ESCB and the ECB, only the national central banks of the ESCB are entitled to subscribe the ECB's capital. The ECB's capital is subscribed according to the subscription key determined in Article 29(1) of the Statute of the ESCB and the ECB, i.e. shares of national central banks in the ECB's capital are expressed in percentage and correspond to the shares of individual member states in the population and the combined gross domestic product of EU states (in equal consideration). The subscription key of the ECB capital is regularly adjusted every five years, as well as at the time a change in the EU membership takes place. The latest regular adjustment of the key was made in 2024. As a result of the adjustment, the share of NBP in the subscribed capital of the ECB increased to 6.0968%, from 6.0335%, which corresponds to an increase in participating interest from EUR 653.1 million to EUR 660.0 million.

As a central bank from outside the euro area, NBP is required to pay up the minimum percentage of the ECB's capital subscribed by it, which was specified by the ECB General Council (pursuant to Article 47 of the Statute of the ESCB and the ECB) and constitutes NBP's contribution to the operational costs of the ECB. The percentage has amounted to 3.75% since 29 December 2010. Unlike euro area central banks, NBP has no right to participate in the ECB's profits nor is required to cover its losses. As at 31 December 2024, the value of the capital paid up by NBP to the ECB amounted to EUR 24.7 million (EUR 24.5 million as at 31 December 2023, which is, respectively, PLN 105.8 million



as at 31 December 2024 and PLN 106.5 million as at 31 December 2023). Upon Poland's entry into the euro area, NBP will be required to pay up the remaining 96.25% of the ECB's capital subscribed by it, i.e. EUR 635.2 million – until it reaches the target level of EUR 660.0 million.

- shares in the Bank for International Settlements

As at 31 December 2024 and 31 December 2023, NBP held 8,000 shares that converted into the same number of votes. 25% of the nominal value of shares (the nominal value of 1 share amounts to SDR 5.0 thousand) was paid up, which totals SDR 10.0 million. The share of NBP in the share capital of BIS amounts to 1.41%.

- participating interests in S.W.I.F.T.

As at 31 December 2024 NBP had 57 shares (in the amount of EUR 218.1 thousand). As at 31 December 2023, NBP had 47 shares (in the amount of EUR 140.5 thousand), which represented less than 0.05% of their total number.

## Note 6 Tangible fixed assets and intangible assets

- **Tangible fixed assets and intangible assets**

Tangible fixed assets and intangible assets are recognised in the NBP accounting books at:

- purchase price, increased by costs directly related to the purchase and adaptation of an asset to the condition enabling its use, or
- production cost

– or according to market value, if determining the purchase price or production cost is not possible.

Tangible fixed assets and intangible assets are depreciated/amortised according to the straight-line method beginning from the month which follows the month when the asset was made available for use. The table below presents the estimated periods of use for particular groups of tangible fixed assets and intangible assets set for 31 December 2024.

<b>Tangible fixed assets</b>	<b>Periods of use (in months)</b>
Land, NBP's cultural goods	unlimited
Buildings and premises	480 or 780
Land and water engineering objects	267-480
Machines, devices, appliances, tools, and other equipment	36- 360 <sup>1</sup>
Vehicles	72-180
<b>Intangible assets</b>	<b>Periods of use (in months)</b>

IT software licences	72 or 144
IT software developed in-house	120
Copyrights, including the rights related to inventions, trademarks, utility and industrial designs	120

<sup>1</sup> A period of 360 months applies to turbine generator sets and electric generating sets, including AC electric generating units or sets of a voltage below 1000 V.

In specific cases, individual periods of use are adopted for tangible fixed assets and intangible assets.

Periods of use of tangible fixed assets and intangible assets are verified each financial year.

In the case of tangible fixed assets and intangible assets with a low initial value, i.e. below PLN 10.0 thousand, depreciation/amortisation is made on a one-off basis, in the amount equal to their initial value, at the end of the month when the assets were made available for use.

As at the balance sheet date, tangible fixed assets and intangible assets are valued at initial value less depreciation/amortisation and impairment.

#### ▪ Right-of-use assets

Right-of-use assets comprise rights to use assets subject to lease (excluding intangible assets), including also the right of perpetual usufruct of land. Right-of-use assets are recognised in the NBP accounting books at cost, including in particular:

- the amount of initial valuation of the lease liability (see Note 11),
- lease fees paid on the date of commencement or before the date of commencement of the lease, less lease incentives received,
- initial direct costs incurred by NBP.

The value of a right-of-use assets item is depreciated or amortised throughout the period of lease or the period of use of the underlying assets item, whichever is shorter, using the straight-line method, starting from the month of the item's initial recognition.

As at the balance-sheet date, the value of right-of-use assets is valued at the initial value less revaluation of the lease liability (see Note 11) and less depreciation/amortisation and impairment.

In the case of a change of lease conditions, right-of-use assets and lease liabilities are adjusted accordingly (see Note 11).

Fees related to short-term lease (i.e. when the period of lease is no longer than 12 months and when no purchase of underlying asset is foreseen) or low-value lease (i.e. where the underlying asset or the monthly lease fee is worth less than PLN 10.0 thousand, except for the lease concerning the right of perpetual usufruct of land) are not settled according to the above principles and are recognised as expense throughout the lease period.

PLN million	31.12.2024	31.12.2023	Change
Tangible fixed assets	756.3	715.3	41.0
Right-of-use assets	190.7	195.7	-5.1
Intangible assets	64.9	72.6	-7.7
<b>Total</b>	<b>1,011.8</b>	<b>983.6</b>	<b>28.2</b>

Change in tangible fixed assets, intangible assets and right-of-use assets in 2024  PLN million	Tangible fixed assets				Right-of-use assets			Intangible assets			
	Land, buildings, premises, land and water engineering objects	Machines, devices, appliances, tools, equipment and vehicles	Tangible fixed assets under construction	Total	Right of perpetual usufruct of land	Other right-of-use assets	Total	IT software licences	Copyrights, proprietary rights and similar rights and values	Intangible assets under construction	Total
Gross value as at start of period	978.8	733.9	9.6	1,722.4	182.9	52.6	235.5	419.2	20.9	5.7	445.8
Increases	3.4	76.8	78.0	158.2	4.3	5.2	9.5	12.3	2.7	2.8	17.8
Decreases	-	-36.1	-57.3	-93.4	-	-2.5	-2.5	-1.3	-0.4	-8.5	-10.1
Gross value as at end of period	982.3	774.7	30.3	1,787.2	187.2	55.3	242.5	430.3	23.3	-	453.5
of which fully depreciated/amortised	1.5	278.4	-	279.9	-	-	-	105.4	5.8	-	111.3
Depreciation/amortisation as at start of period	-466.8	-539.5	-	-1,006.3	-10.3	-29.4	-39.8	-361.2	-12.1	-	-373.2
Increases	-14.2	-45.7	-	-59.8	-2.7	-11.3	-14.0	-14.9	-1.7	-	-16.7
Decreases	-	36.0	-	36.0	-	2.0	2.0	1.0	0.3	-	1.3
Depreciation/amortisation as at end of period	-481.0	-549.2	-	-1,030.1	-13.0	-38.8	-51.8	-375.1	-13.5	-	-388.6
Impairment as at start of period	-0.3	-0.5	-	-0.8	-	-	-	-0.0	-	-	-0.0
Increases	-	-0.0	-	-0.0	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-	-	-
Impairment as at end of period	-0.3	-0.5	-	-0.8	-	-	-	-0.0	-	-	-0.0
Net value as at end of period	501.0	225.0	30.3	756.3	174.1	16.5	190.7	55.1	9.8	-	64.9

Change in tangible fixed assets, intangible assets and right-of-use assets in 2023  PLN million	Tangible fixed assets				Right-of-use assets			Intangible assets			
	Land, buildings, premises, land and water engineering objects	Machines, devices, appliances, tools, equipment and vehicles	Tangible fixed assets under construction	Total	Right of perpetual usufruct of land	Other right-of-use assets	Total	IT software licences	Copyrights, proprietary rights and similar rights and values	Intangible assets under construction	Total
Gross value as at start of period	976.9	721.1	22.3	1,720.3	180.4	49.2	229.6	438.4	20.1	3.9	462.4
Increases	2.0	52.9	25.7	80.6	2.5	9.6	12.1	1.6	1.1	2.2	4.9
Decreases	-0.0	-40.1	-38.4	-78.6	-	-6.2	-6.2	-20.7	-0.3	-0.5	-21.5
Gross value as at end of period	978.8	733.9	9.6	1,722.4	182.9	52.6	235.5	419.2	20.9	5.7	445.8
of which fully depreciated/amortised	1.5	287.5	-	289.0	-	-	-	98.4	4.6	-	103.0
Depreciation/amortisation as at start of period	-452.2	-536.5	-	-988.7	-7.7	-23.3	-30.9	-365.3	-10.6	-	-375.9
Increases	-14.6	-42.6	-	-57.2	-2.6	-12.4	-15.1	-16.6	-1.8	-	-18.3
Decreases	0.0	39.6	-	39.6	-	6.2	6.2	20.7	0.3	-	21.0
Depreciation/amortisation as at end of period	-466.8	-539.5	-	-1,006.3	-10.3	-29.4	-39.8	-361.2	-12.1	-	-373.2
Impairment as at start of period	-0.3	-0.5	-	-0.8	-	-	-	-0.0	-	-	-0.0
Increases	-	-0.1	-	-0.1	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-	-	-
Impairment as at end of period	-0.3	-0.5	-	-0.8	-	-	-	-0.0	-	-	-0.0
Net value as at end of period	511.8	193.9	9.6	715.3	172.6	23.2	195.7	58.1	8.9	5.7	72.6

## Note 7 Sundry

### ▪ Credit and loans granted, other claims

Credit and loans granted and other claims are recognised in the NBP accounting books and valued at the balance sheet date according to their nominal value, less impairment.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

### ▪ Other assets

Other financial assets are recognised in the NBP accounting books and valued as at the balance sheet date at their nominal value.

Precious metals are recognised in the accounting books at purchase price and valued at the balance sheet date at purchase price, less impairment.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

PLN million	31.12.2024	31.12.2023	Change
Inventories, of which	36.0	32.0	4.0
- precious metals	35.0	31.0	3.9
- collector items not in circulation	0.4	0.4	0.1
- other	0.6	0.6	0.0
Credit and loans extended to employees in domestic currency, of which	23.6	22.2	1.4
- loans extended from the Employee Benefit Fund	15.1	14.9	0.1
Other claims, of which	31.8	46.4	-14.6
- to public authorities	0.1	0.1	-0.1
- on customers and suppliers	13.8	20.6	-6.8
- other	17.9	25.6	-7.7
Funds of the Employee Benefit Fund	11.0	8.0	3.0
Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding	106.3	20.3	86.0
<b>Total</b>	<b>208.7</b>	<b>128.9</b>	<b>79.8</b>

As at 31 December 2024 *Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding* related to spot and forward transactions in foreign currency recognised on off-balance-sheet accounts (as at 31 December 2023 it related to spot transactions only). The increase in the item is the result of the volume of these transactions as at the end of the year (see Note 15.1) and the difference between the average cost of the holding and the purchase/sale price of the transaction.

## Note 8 Banknotes and coins in circulation

Banknotes and coins in circulation are recognised as liabilities and are valued at the balance-sheet date at a nominal value of the issued general circulation banknotes and coins, decreased by a nominal value of the following general circulation banknotes and coins denominated in domestic currency:

- at NBP cash points and vaults,
- placed as deposit in the vaults of other authorised entities,
- withdrawn from circulation due to being worn out or damaged.

PLN million	31.12.2024	31.12.2023	Change
Domestic banknotes in circulation	406,334.6	370,844.9	35,489.8
Domestic coins in circulation	7,059.0	6,676.5	382.5
<b>Total</b>	<b>413,393.6</b>	<b>377,521.4</b>	<b>35,872.3</b>

The item comprises banknotes and coins in circulation issued by NBP, including collector banknotes and coins, whose value as at 31 December 2024 amounted to PLN 333.6 million as compared with PLN 329.4 million as at 31 December 2023.

The average level of banknotes and coins in circulation throughout 2024 amounted to PLN 393,011.6 million as compared with PLN 370,382.0 million in 2023.

## Note 9 Liabilities related to monetary policy operations

### ▪ Current accounts, including required minimum reserve accounts

Liabilities due to balances on current accounts operated by NBP are recognised in the NBP accounting books and valued as at the balance-sheet date at nominal value.

Interest to be paid due to the remuneration of required minimum reserve funds is recognised in the net result on interest at the end of each month in amounts calculated for each reserve period.

### ▪ Deposit facilities

Liabilities due to balances on deposit facilities accounts operated by NBP are recognised in the NBP accounting books and valued as at the balance-sheet date at nominal value.

Interest on deposit facilities are recognised in the net result on interest at the end of each operating day in amounts calculated according to the straight-line method.

### ▪ Issued debt securities

Issued debt securities are recognised in the NBP accounting books at issue price and valued as at the balance sheet date at issue price, adjusted for accrued discount and premium.

Discount and premium on debt securities issued by NBP are recognised in the net result on interest at the end of each operating day in amounts calculated according to the straight-line method.

PLN million	Balance sheet item	31.12.2024	31.12.2023	Change
Current accounts (incl. required minimum reserve accounts) of which		146,604.5	48,914.4	97,690.1
- current accounts of banks and KSKOK		146,116.5	48,039.2	98,077.3
- required minimum reserve accounts of banks not having a current account with NBP		476.8	505.9	-29.1
- interest on required minimum reserve		11.2	369.4	-358.1
Deposit facilities, of which		7,227.8	25,506.7	-18,279.0
- accrued interest		1.0	11.0	-10.0
<b>Liabilities to credit institutions related to monetary policy operations denominated in domestic currency</b>	L.2	<b>153,832.3</b>	<b>74,421.1</b>	<b>79,411.2</b>
NBP bills issued under main operations		283,672.1	238,002.9	45,669.2
NBP bills issued under fine-tuning operations		-	65,068.2	-65,068.2
<b>Liabilities due to issued debt securities denominated in domestic currency</b>	L.4	<b>283,672.1</b>	<b>303,071.1</b>	<b>-19,399.0</b>
<b>Total</b>		<b>437,504.4</b>	<b>377,492.2</b>	<b>60,012.2</b>

The note comprises liabilities related to monetary policy operations conducted by NBP.

The amount of funds held by banks and KSKOK<sup>14</sup> with NBP due to the required minimum reserve depends on the basis for calculating the required minimum reserve and the applicable required minimum reserve ratio. The required minimum reserve is an averaged value in the maintenance period.

Liabilities related to issued debt securities denominated in domestic currency comprise mainly liabilities to domestic banks related to the issue of NBP bills under open market main operations<sup>15</sup> and fine-tuning<sup>16</sup> operations aimed to absorb liquidity.<sup>17</sup>

Required minimum reserve funds and deposit facilities bear interest, whereas NBP bills are issued at a discount. As at 31 December 2024 and 31 December 2023, the interest rates which are the basis for remuneration of required minimum reserve funds, deposit facilities and for determining discount on bills issued by NBP under open market operations were as follows:

<sup>14</sup> Credit unions hold their required minimum reserve at their accounts with KSKOK.

<sup>15</sup> In 2024, the maturity of main operations was 6, 7 and 8 days (in 2023 – it was 7 and 8 days).

<sup>16</sup> In 2024, as in 2023, the maturity of fine-tuning operations was 1 day, 2, 3 and 4 days.

<sup>17</sup> Pursuant to Resolution No. 30/2003 of the NBP Management Board of 12 September 2003 on the issue of NBP bills (NBP Official Journal No 15, item 24, as amended) NBP bills can be purchased by domestic banks, branches of foreign banks and branches of foreign credit institutions, the BFG and KSKOK.

Rate of interest on liabilities due to monetary policy operations

%	31.12.2024	31.12.2023
Required minimum reserve*	5.75	5.75
Deposit facility**	5.25	5.25
NBP bills***	5.75	5.75

\* The interest rate of the funds of the required minimum reserve.

\*\* NBP deposit rate.

\*\*\* NBP reference rate.

The change in the total liabilities of NBP related to monetary policy operations (an increase by PLN 60,012.2 million as at 31 December 2024 as compared with 31 December 2023) was affected by, among others, the following factors:

- the purchase of foreign currency incoming to NBP due to transactions by holders of accounts with NBP (see Note 3 and Note 10.2),
- cash flows related to NBP's net result on monetary policy instruments (see Note 16) and NBP's other own operations,
- an increase in the volume of cash in circulation in 2024 (see Note 8),
- the issuer's redemption at maturity of Treasury debt securities and debt securities guaranteed by the State Treasury held by NBP (see Note 4).

The balance of funds held by banks at NBP is allocated between NBP bills, deposit facility or a current account according to individual decisions made by banks.

## Note 10 Other financial liabilities

### ▪ Current accounts and term deposits operated by NBP

Liabilities due to balances on current accounts and term deposit accounts operated by NBP are recognised in the NBP accounting books and valued as at the balance-sheet date at nominal value.

Interests on funds on the current account and term deposit accounts operated by NBP are recognised in the net result on interest at the end of each operating day in amounts calculated according to the straight-line method.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

### ▪ Repo transactions

A repo transaction is a contract under which an entity agrees to sell securities and, simultaneously, agrees to re-purchase these securities after a stated time, at transaction price. This transaction is recognised in *Liabilities* as a received deposit, collateralised with assets transferred. Securities

transferred as collateral do not decrease the holding of these securities and are disclosed in *Assets* of the NBP balance sheet.

The difference between the agreed selling and re-purchasing price of securities in repo transactions is recognised in the interest result at the end of each operating day in amounts calculated according to the straight-line method.

As at the balance-sheet date, repo transactions are valued at nominal value.

Following the valuation in foreign currency, the balances are converted into domestic currency at the average NBP exchange rate as at the balance-sheet date.

## Note 10.1 Other financial liabilities denominated in domestic currency

<i>PLN million</i>	Balance sheet item	31.12.2024	31.12.2023	Change
Settlements in the domestic payment systems of Krajowa Izba Rozrachunkowa, of which		1,281.6	2,581.9	-1,300.3
- in the Elixir system		516.4	1,717.7	-1,201.2
- in the Express Elixir system		765.2	864.2	-99.1
<b>Other liabilities to credit institutions denominated in domestic currency</b>	<b>L.3</b>	<b>1,281.6</b>	<b>2,581.9</b>	<b>-1,300.3</b>
Liabilities to general government, of which	L.5.1	17,177.1	10,338.3	6,838.8
- State budget accounts		8,326.8	5,349.9	2,976.9
- accounts of social insurance funds		8,731.1	4,861.5	3,869.6
- other		119.2	126.9	-7.7
Other liabilities	L.5.2	1,867.1	1,608.6	258.5
<b>Liabilities to other residents denominated in domestic currency</b>	<b>L.5</b>	<b>19,044.2</b>	<b>11,946.9</b>	<b>7,097.3</b>
Accounts of international financial institutions and central banks, of which		45.2	28.9	16.3
- No. 2 Account of the IMF		19.7	20.6	-0.8
Accounts of international non-financial organisations		1,970.1	4,052.7	-2,082.6
<b>Liabilities to non-residents denominated in domestic currency</b>	<b>L.6</b>	<b>2,015.3</b>	<b>4,081.6</b>	<b>-2,066.2</b>
<b>Total</b>		<b>22,341.1</b>	<b>18,610.4</b>	<b>3,730.7</b>

The item comprises mainly:

- current accounts, auxiliary accounts and term deposit accounts in domestic currency operated by NBP for general government entities and non-monetary financial institutions,
- current accounts in domestic currency operated by NBP for international financial and non-financial organisations and central banks, including the account operated by NBP for the IMF, which is used for the Fund's administrative expenditures (so-called No. 2 Account of the IMF – see Note 17.1),
- liabilities due to settlements in the payment systems operated by Krajowa Izba Rozliczeniowa S.A.



The increase in the liabilities to other residents was mainly related to the higher balance of accounts operated by NBP in domestic currency for social insurance funds and the State budget, with a simultaneous decrease in the balance of accounts operated in domestic currency for international non-financial organisations, as well as liabilities due to settlements in the payment systems operated by Krajowa Izba Rozliczeniowa S.A.

## Note 10.2 Financial liabilities denominated in foreign currency

<i>PLN million</i>	Balance sheet item	31.12.2024	31.12.2023	Change
State budget accounts		44,160.6	42,311.4	1,849.2
Accounts of domestic banks for settlements in TARGET		2,526.2	2,856.9	-330.6
Other liabilities to residents		271.7	477.2	-205.5
<b>Liabilities to residents denominated in foreign currency</b>	<b>L.7</b>	<b>46,958.6</b>	<b>45,645.5</b>	<b>1,313.0</b>
Repo transactions		68,654.3	66,800.2	1,854.1
Accounts of international non-financial organisations		8,668.8	72.4	8,596.4
Other liabilities to non-residents		7.8	642.4	-634.7
<b>Liabilities to non-residents denominated in foreign currency</b>	<b>L.8</b>	<b>77,330.9</b>	<b>67,515.1</b>	<b>9,815.8</b>
<b>Total</b>		<b>124,289.5</b>	<b>113,160.6</b>	<b>11,128.9</b>
<i>of which currency revaluation differences</i>		-287.8	-5,682.2	5,394.4

The item comprises mainly:

- current accounts, auxiliary accounts and term deposit accounts in foreign currency operated by NBP for general government entities and accounts of domestic banks for settlements in TARGET,
- liabilities due to repo transactions with foreign financial institutions; under the investment process implemented by NBP, repo transactions are usually executed simultaneously with reverse repo transactions (see Note 3),
- accounts of international non-financial organisations.

Repo transactions by foreign currency are presented below.

<i>million units of original currency</i>	USD	EUR	GBP	CAD
<b>31.12.2024</b>	3,964.6	6,187.4	3,162.5	3,388.8
<b>31.12.2023</b>	5,005.2	5,772.1	2,902.4	2,524.3
<b>Change</b>	-1,040.6	415.3	260.2	864.6

The increase in the item was mainly due to a higher value of funds in the accounts of international non-financial organisations and of the State budget.

## Note 11 Sundry

### ▪ Lease liabilities

A lease liability is recognised in the NBP accounting books at the discounted value of outstanding lease payments.

As at the balance sheet date, the value of lease liabilities is adjusted for the value of interest rate calculated according to the adopted discount rate and paid lease payments.

In the event of a change of lease conditions, the value of lease liabilities and right-of-use assets is adjusted accordingly (see Note 6).

### ▪ Other liabilities

Other financial liabilities are recognised in the NBP accounting books and valued as at the balance sheet date at their nominal value.

Following the valuation of financial liabilities in foreign currency according to the above principles, the balances are converted into domestic currency at the average NBP exchange rate prevailing at the balance-sheet date.

PLN million	31.12.2024	31.12.2023	Change
Lease liabilities	201.5	204.3	-2.8
Other liabilities, of which	69.7	64.7	5.0
- to public authorities	29.7	25.9	3.8
- to suppliers	18.0	21.2	-3.2
- other	22.0	17.6	4.4
Employee Benefit Fund	26.1	22.9	3.1
Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding	133.2	34.7	98.6
<b>Total</b>	<b>430.5</b>	<b>326.7</b>	<b>103.9</b>

*Lease liabilities* comprise the present (discounted) value of outstanding lease payments. They mainly relate to the rights to perpetual usufruct of land (see Note 6 and Note 16).

As at 31 December 2024 *Adjustment of off-balance-sheet instruments to the average cost of foreign currency holding* related to spot and forward transactions in foreign currency recognised on off-balance-sheet accounts (as at 31 December 2023 it related to spot transactions only). The increase in the item is the result of the volume of these transactions as at the end of the year (see Note 15.1) and the difference between the purchase/sale price of the transaction and the average cost of holding.

## Note 12 Provisions for liabilities

Provisions for liabilities are recognised in the NBP accounting books when NBP is under an obligation arising from past events and when it is probable that the fulfilment of the obligation or the materialisation of the identified risk will reduce the economic benefits of NBP, and the amount of this obligation can be measured reliably. Provisions are created and recognised as expense in the amount that is estimated in a reliable way and that would have to be paid not later than on the balance sheet date to fulfil the above mentioned obligation.

Provisions for liabilities are adjusted as at the balance-sheet date. Provisions for liabilities unused due to a full or partial cessation of the obligation justifying their creation are released and recognised as income. Provisions for liabilities may be allocated exclusively for the purpose for which they were created.

<i>PLN million</i>	31.12.2024	31.12.2023	Change
Provisions for liabilities to employees	240.0	212.4	27.6
Other provisions	2.0	1.4	0.7
<b>Total</b>	<b>242.1</b>	<b>213.8</b>	<b>28.2</b>

The change in provisions for liabilities in 2024 and 2023 by allocation into specific categories is presented in the tables below (see also Note 20 and Note 21).

PLN million	31.12.2023	Increase	Use	Decrease	31.12.2024
Provisions for liabilities to employees, of which	212.4	47.5	-19.5	-0.4	240.0
- due to retirement severance payments	114.9	23.9	-6.1	-	132.8
- due to disability severance payments	2.6	0.3	-0.0	-	2.9
- due to jubilee awards	71.6	19.6	-12.6	-	78.7
- due to untaken leaves	17.1	3.4	-0.3	-	20.2
- due to amounts paid after death	3.7	0.1	-0.1	-	3.7
- due to statutory and additional severance payments for employees under employment contracts who are laid off for reasons unrelated to employees	2.4	0.1	-0.4	-0.4	1.7
Other provisions, of which	1.4	0.7	-0.1	-0.0	2.0
- for liabilities due to court proceedings	1.3	0.7	-0.1	-0.0	2.0
- for liabilities resulting from financial operations in domestic currency	0.1	0.0	-	-	0.1
<b>Total</b>	<b>213.8</b>	<b>48.2</b>	<b>-19.6</b>	<b>-0.4</b>	<b>242.1</b>
PLN million	31.12.2022	Increase	Use	Decrease	31.12.2023
Provisions for liabilities to employees, of which	201.4	44.8	-33.6	-0.1	212.4
- due to retirement severance payments	105.8	21.2	-12.1	-	114.9
- due to disability severance payments	2.3	0.4	-0.1	-	2.6
- due to jubilee awards	64.6	18.8	-11.8	-	71.6
- due to untaken leaves	14.1	3.2	-0.2	-	17.1
- due to amounts paid after death	3.9	-	-0.0	-0.1	3.7
- due to statutory and additional severance payments for employees under employment contracts who are laid off for reasons unrelated to employees	10.7	1.2	-9.4	-	2.4
Other provisions, of which	1.6	0.2	-0.3	-0.1	1.4
- for liabilities due to court proceedings	1.5	0.2	-0.3	-0.1	1.3
- for liabilities resulting from financial operations in domestic currency	0.1	-	-	-0.0	0.1
<b>Total</b>	<b>202.9</b>	<b>45.0</b>	<b>-33.9</b>	<b>-0.2</b>	<b>213.8</b>

## Note 13 Accruals, prepaid expenses and deferred income

Expenses and income, partly or completely related to future financial years, are recognised in the NBP accounting books accordingly as prepaid expenses (assets) or deferred income (liabilities) and are carried to the financial result of the financial year which they concern.

Expenses relating to the current financial year for which the obligation to pay will arise in the following financial year are recognised in the financial result in the amount estimated in a reliable way, and the underlying potential liability of the current financial year is recognised in the accounting books as accruals (liabilities).

The value of assets received free of charge or the value of disclosed tangible fixed assets and intangible assets subject to depreciation/amortisation according to the straight-line method are initially recognised in the accounting books as accruals and deferred income and are subsequently carried to the financial result along with depreciation/amortisation made on these assets.

PLN million	Balance sheet item	31.12.2024	31.12.2023	Change
Prepaid expenses related to services		78.2	55.4	22.7
<b>Total assets (Accruals and prepaid expenses)</b>	A.10.4	<b>78.2</b>	<b>55.4</b>	<b>22.7</b>
Accruals		117.7	107.8	9.9
Deferred income		0.9	1.1	-0.1
<b>Total liabilities (Accruals and deferred income)</b>	L.11.2	<b>118.7</b>	<b>108.9</b>	<b>9.8</b>

Prepaid expenses and accruals related to services concern mainly expenditures related to NBP's own administrative activities (the former relate primarily to fees for IT services in favour of NBP, whereas the latter include mainly components of salaries for 2024 paid out in the following year and future liabilities due to supplies of goods and services in 2024).

## Note 14 Net equity of NBP

In accordance with the definition used by the ECB, NBP's net equity includes:

- the statutory fund, the level of which is determined by Article 61 of the Act on NBP,
- the reserve fund which – in accordance with Article 62 of the Act on NBP – is created from the transfer of 5% of NBP's annual profit until it reaches the amount equivalent to the statutory fund and may only be used to cover the NBP's balance sheet losses,
- FX risk provision,
- gold revaluation account,
- gold, currency and price revaluation gains (unrealised gains),
- losses of previous years and loss of the current financial year,
- part of profit of the current year at the disposal of NBP (5% of profit), which will be allocated to increase the reserve fund.

- **Gold, currency and price revaluation gains (unrealised gains)**

Gold revaluation gains are determined by comparing the average cost of gold holding with the average market price of gold converted into PLN, which is higher than the average cost of gold holding.

Currency revaluation gains are determined by comparing the average cost of foreign currency holding with the average NBP exchange rate, which is higher than the average cost of foreign currency holding.<sup>18</sup>

<sup>18</sup> In the case of a negative holding of foreign currency, revaluation gains are determined by comparing the average cost of foreign currency holding with the average NBP exchange rate, which is lower than the average cost of a foreign currency holding.

Price revaluation gains on debt securities are determined by comparing the average cost of a debt securities holding with the average market price of these securities, which is higher than the average cost of holding.

Price revaluation gains on ETFs are determined by comparing the average cost of an ETFs holding with the average market price of these instruments, which is higher than the average cost of holding.

Price revaluation gains on forward transactions in debt securities are determined by comparing the contract price discounted as at the settlement date (spot) with a lower (in the case of forward sale) or higher (in the case of forward purchase) average market price of debt securities as at the valuation date.

The value of gold holding revaluation differences, revaluation differences on holdings of individual foreign currencies, price revaluation differences on debt securities holdings and ETFs holdings are determined separately, without netting the value of individual items which differ in kind.

- **Gold revaluation account**

Gold revaluation account comprises surpluses of unrealised gains over unrealised losses stemming from the recalculation of gold, which arose before 1 January 2004.

The balance of the gold revaluation account is decreased as income in the amount of unrealised gold revaluation losses recognised in the financial result at the balance sheet date.

- **FX risk provision**

The FX risk provision is created on the basis of Article 65 of the Act on NBP.

The FX risk provision is estimated on the basis of financial risk assessment methods which are generally accepted and consistently applied by NBP (see Chapter 6.1.4).

At NBP, the Value at Risk (VaR) methodology is employed to perform an analysis of the foreign exchange rate risk of the zloty. It estimates the loss expected due to fluctuations of the foreign exchange rate of the zloty, which in normal conditions and with an assumed probability should not be exceeded within the adopted time horizon. At NBP, a horizon of one year and a 95% confidence level were adopted for the purposes of FX risk provision estimation.

The Value at Risk is then decreased by unrealised foreign currency revaluation gains estimated on the basis of statistical distribution analysis. The estimation is based on the foreign currency holdings as at the balance sheet date and historical time series of the average cost of currency holdings and the average NBP exchange rates for these currencies. Such an approach makes it possible to determine a stable level of unrealised gains and thus limits volatility of the FX risk provision.

The provision is created and released at the balance sheet date.

The provision is created as expense in the amount equal to half of the surplus of income on realised FX gains over realised and unrealised FX losses recognised in the financial result for the financial year. The creation of the provision must not lead to a negative financial result of the financial year for NBP.

The provision is released – by recognising it as income – to cover unrealised losses arising from changes in the foreign exchange rate of the zloty, increased by the surplus of the realised FX losses over realised FX gains, in the amount that could result in a loss.

The surplus of the created provision over its estimated value is released as income.

PLN million	L.12 Provisions	L.13 Revaluation accounts		L.14 Capital and reserves		L.15	L.16	Total
	FX risk provision	Gold revaluation account	Revaluation accounts*	Statutory fund	Reserve fund	Loss of previous years	Profit/Loss for the financial year	
	Note 14.2	Note 14.1		Note 14		Note 14.3	Note 14.4	
<b>As at 31.12.2022</b>	<b>15,078.6</b>	<b>1,618.0</b>	<b>48,438.7</b>	<b>1,500.0</b>	<b>-</b>	<b>-10,458.0</b>	<b>-16,943.7</b>	<b>39,233.7</b>
Allocation of NBP loss for 2022 to the item <i>Loss of previous years</i>						-16,943.7	16,943.7	-
Gold, currency and price revaluation gains			-15,039.3					-15,039.3
Transfer from FX risk provision	-15,078.6							-15,078.6
Profit/Loss for the financial year							-20,800.0	-20,800.0
<b>As at 31.12.2023</b>	<b>-</b>	<b>1,618.0</b>	<b>33,399.4</b>	<b>1,500.0</b>	<b>-</b>	<b>-27,401.7</b>	<b>-20,800.0</b>	<b>-11,684.3</b>
Allocation of NBP loss for 2023 to the item <i>Loss of previous years</i>						-20,800.0	20,800.0	-
Gold, currency and price revaluation gains			45,222.5					45,222.5
Transfer from FX risk provision								-
Profit/Loss for the financial year							-13,347.9	-13,347.9
<b>As at 31.12.2024</b>	<b>-</b>	<b>1,618.0</b>	<b>78,621.9</b>	<b>1,500.0</b>	<b>-</b>	<b>-48,201.7</b>	<b>-13,347.9</b>	<b>20,190.3</b>

\* Revaluation accounts include gold revaluation gains, currency revaluation gains and price revaluation gains on debt securities, ETFs and off-balance-sheet financial instruments (see Note 14.1).

The increase in NBP's net equity was mainly due to an increase in gold revaluation gains, currency revaluation gains and price revaluation gains on ETFs (see Note 14.1), with a simultaneous negative financial result for 2024 (see Note 14.4). The amount of net equity has no direct impact on the attainment of the basic objective of NBP to maintain price stability, nor on the execution of other NBP's tasks. Therefore, it does not constitute a factor restricting central bank's independence (see Chapter 2.2).

## Note 14.1 Revaluation accounts

PLN million	31.12.2024	31.12.2023	Change
Gold revaluation gains	60,404.2	28,309.2	32,095.0
Currency revaluation gains	11,240.0	0.2	11,239.8
Price revaluation gains, of which	6,977.8	5,090.1	1,887.7
- on debt securities	1,935.6	5,065.1	-3,129.4
- on ETFs	5,042.1	25.0	5,017.1
- on off-balance-sheet financial instruments	0.0	0.0	0.0
Gold revaluation account	1,618.0	1,618.0	-
<b>Total</b>	<b>80,239.9</b>	<b>35,017.4</b>	<b>45,222.5</b>

Average cost of holding of foreign currency and gold, average NBP exchange rates and average market price of gold

	Average cost of holding	Average NBP exchange rate / Average price of gold	Average cost of holding	Average NBP exchange rate / Average price of gold
<i>in PLN</i>	31.12.2024		31.12.2023	
USD	3.9449	4.1012	4.0776	3.9350
EUR	4.3271	4.2730	4.5844	4.3480
GBP	5.0340	5.1488	5.2735	4.9997
CAD	2.9441	2.8543	3.2041	2.9698
AUD	2.6542	2.5504	2.9009	2.6778
NOK	0.3784	0.3624	0.4212	0.3867
NZD	2.4264	2.3084	2.6321	2.4836
SDR	5.3026	5.3618	5.6845	5.2938
Ounce of gold	6,516.1179	10,707.6180	5,660.7845	8,115.5440

#### ▪ Gold revaluation gains

In 2024, an increase in gold revaluation gains was related to an increase in gold holding (see Note 1) and an increase in the price of gold in PLN, which was due to the increase in the price of an ounce of gold in USD (it was respectively: USD 2,610.85 as at 31 December 2024 and USD 2,062.40 as at 31 December 2023), with a simultaneous increase in the average USD exchange rate.



▪ **Currency revaluation gains**

<i>PLN million</i>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Change</b>
USD	9,637.8	-	9,637.8
GBP	1,598.5	-	1,598.5
JPY	0.1	-	0.1
SDR	3.5	-	3.5
CHF	-	0.2	-0.2
<b>Total</b>	<b>11,240.0</b>	<b>0.2</b>	<b>11,239.8</b>

▪ **Price revaluation gains on debt securities**

<i>PLN million</i>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Change</b>
Securities in USD	240.7	1,252.8	-1,012.1
Securities in EUR	667.1	1,645.8	-978.7
Securities in GBP	8.0	896.3	-888.3
Securities in CAD	676.0	513.3	162.7
Securities in AUD	104.7	534.4	-429.8
Securities in NOK	-	83.8	-83.8
Securities in NZD	239.2	138.7	100.5
<b>Total</b>	<b>1,935.6</b>	<b>5,065.1</b>	<b>-3,129.4</b>

▪ **Price revaluation gains on ETFs**

<i>PLN million</i>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Change</b>
ETFs in USD	4,258.6	3.0	4,255.6
ETFs in EUR	345.0	0,00	345.0
ETFs in GBP	122.5	20.7	101.8
ETFs in CAD	184.7	1.0	183.6
ETFs in AUD	131.4	0.3	131.0
<b>Total</b>	<b>5,042.1</b>	<b>25.0</b>	<b>5,017.1</b>

▪ **Gold revaluation account**

As a result of the non-occurrence as at 31 December 2024 of unrealised gold revaluation losses, NBP – similarly to 31 December 2023 – did not release the gold revaluation account.

## Note 14.2 FX risk provision

As at 31 December 2024, the estimation of the FX risk provision (equal to the amount of value at risk less unrealised gains on the foreign exchange rate of the zloty) amounted to PLN 54,408.2 million (PLN 62,481.3 million as at 31 December 2023). As at 31 December 2024, there was no surplus of realised foreign exchange gains over realised and unrealised foreign exchange losses on foreign currencies recognised in the financial result for 2024, therefore in line with the provisions of Resolution No. 6/2019 of the MPC, no FX risk provision was created as at 31 December 2024 (as at 31 December 2023 the provision was fully released in the amount of PLN 15,078.6 million – see Note 17.1, Note 17.2 and Chapter 6.1.4). Both as at 31 December 2024, and as at 31 December 2023 the FX risk provision stood at PLN 0.

## Note 14.3 Losses of previous years

Uncovered losses of previous years in the amount of PLN -48,201.7 million is the result of NBP's losses for the years 2007, 2017, 2022 and 2023. The main reason for the losses in the years 2007, 2017 and 2023 was an appreciation of the zloty (materialisation of the FX risk), whereas in the case of the loss for 2022, it was a lower price revaluation of foreign debt securities in foreign currencies (materialisation of the interest rate risk).

The losses of previous years was partly covered from the reserve fund in the years 2008, 2015, 2016, 2018, 2021 and 2022, in the total amount of PLN 4,494.2 million.

The reserve fund is the only source of loss coverage.

## Note 14.4 Profit/Loss for the financial year

The NBP financial result for 2024 was negative (loss) and amounted to PLN -13,347.9 million (the 2023 loss amounted to PLN -20,800.0 million).

The NBP's loss for the financial year ended on 31 December 2024 was mainly a result of expenses on NBP's conduct of monetary policy and unrealised currency and price revaluation losses as at 31 December 2024, with a simultaneous positive net result on investment instruments of foreign currency reserves (see Note 16, Note 17.1 and Note 17.2).

A loss for the financial year is subject to accumulation in the item *Losses of previous years*.

## Note 15 Off-balance-sheet items

### ▪ Spot and forward transactions in foreign currency

Foreign currency purchased or sold for another foreign currency is recognised in the NBP accounting books at the value of the foreign currency quoted in the transaction, which is converted into domestic currency at the average exchange rate prevailing at the transaction date.

Foreign currency purchased or sold for domestic currency is recognised in the NBP accounting books at transaction value, unless separate regulations provide otherwise.

Funds purchased or sold in an FX forward transaction are recognised on off-balance-sheet accounts from the trade date to the settlement date at the FX spot rate set in the contract.

The results of an adjustment to the average cost of foreign currency holding and revaluation gains or losses on transactions in foreign currency recognised on off-balance-sheet accounts are presented in the NBP balance sheet according to the balance of adjustment and revaluation of these transactions, determined separately for each transaction type (spot, forward) and separately for each foreign currency – gains as assets, while losses as liabilities.

### ▪ Debt securities purchased or sold in a forward transaction

Debt securities purchased or sold in a forward transaction are recognised from the trade date to the settlement date on off-balance-sheet accounts at an agreed price. On the trade date, debt securities purchased or sold in a forward transaction do not change the amount of a holding of debt securities.

Debt securities purchased or sold in a forward transaction are valued at the balance sheet date at the market value of such transactions prevailing at the valuation date by comparing the market value of debt securities with the price set in the agreement, discounted as at the settlement date of the spot transaction. The common rules for recognition of unrealised gains and losses are applied to revaluation gains and losses.

Price revaluation gains or losses on forward transactions in debt securities denominated in foreign currency recognised on off-balance-sheet accounts are presented in the NBP balance sheet – gains as assets, while losses as liabilities.

On the transaction settlement date, debt securities purchased in a forward transaction increase the holding of debt securities, while debt securities sold in a forward transaction decrease the holding of debt securities.

If more than one transaction for the forward purchase or sale of debt securities has been entered, valuation and settlement of these transactions are carried out separately.

### ▪ Futures

Futures are recognised on off-balance-sheet accounts, from the trade date to the settlement date, at nominal value of the purchased or sold underlying instrument.

If, on the closing day of the open position in futures, the actual flow of the underlying instrument takes place, its purchase or sale is recognised at market value.

The list of currency revaluation gains and currency revaluation losses on spot and forward transactions in foreign currency recognised in off-balance-sheet transactions and of price revaluation gains and losses on forward transactions in debt securities denominated in foreign currency is presented below (see Note 14.1 and Note 17.2).

PLN million	Balance sheet item	31.12.2024	31.12.2023	Change
Currency revaluation gains on FX spot and FX forward transactions		128.2	32.2	96.0
Price revaluation gains on forward transactions in debt securities in foreign currency		0.0	0.0	0.0
<b>Total (off-balance-sheet instruments revaluation differences)</b>	<b>A.10.3</b>	<b>128.2</b>	<b>32.2</b>	<b>96.0</b>
Currency revaluation losses on FX spot and FX forward transactions		102.9	16.9	86.0
Price revaluation losses on forward transactions in debt securities in foreign currency		2.2	-	2.2
<b>Total (off-balance-sheet instruments revaluation differences)</b>	<b>L.11.1</b>	<b>105.1</b>	<b>16.9</b>	<b>88.2</b>

### Note 15.1 Spot and forward transactions in foreign currency recognised on off-balance-sheet accounts

PLN million	Balance sheet item	31.12.2024	31.12.2023	Change
Currency to be received due to FX spot and FX forward transactions	-	4,808.4	669.8	4,138.6
Currency to be paid due to FX spot and FX forward transactions	-	4,808.4	669.8	4,138.6
Gains on the adjustment to the average cost of holding	A.10.5	106.3	20.3	86.0
Losses on the adjustment to the average cost of holding	L.11.3	133.2	34.7	98.6
Currency revaluation gains on FX spot and FX forward transactions	A.10.3	128.2	32.2	96.0
Currency revaluation losses on FX spot and FX forward transactions	L.11.1	102.9	16.9	86.0

As at 31 December 2024, the increase in off-balance-sheet items resulted from a higher volume of FX spot and forward transactions carried out by NBP.

The change in the adjustment to the average cost of holding of spot and forward transactions in foreign currency is related to the volume of those transactions as at the year-end and of the difference between the average cost of holding and the exchange rate of purchase/sale of those transactions.

The change in the currency valuation of spot and forward transactions denominated in foreign currency is related to the volume of those transactions as at the year-end and the difference between the average cost of holding and the average NBP exchange rate.

## Note 15.2 Debt securities purchased or sold in a forward transaction

<i>PLN million</i>	Balance sheet item	31.12.2024	31.12.2023	Change
Debt securities denominated in foreign currency bought in forward transactions, of which		-	115.5	-115.5
- securities in USD		-	115.5	-115.5
Debt securities denominated in foreign currency sold in forward transactions, of which		1,670.0	-	1,670.0
- securities in AUD		455.2	-	455.2
- securities in USD		1,214.8	-	1,214.8
Price revaluation gains	A.10.3	0.0	0.0	0.0
Price revaluation losses	P.11.1	2.2	-	2.2

Forward transactions in debt securities denominated in foreign currency are used by NBP as part of its management of foreign currency reserves.

The change in the price valuation of forward transactions in debt securities denominated in foreign currency is related to the volume of those transactions as at the year-end and of the difference between the market price of these securities and their contract price.

## Note 15.3 Futures

<i>PLN million</i>	31.12.2024	31.12.2023	Change
Bond futures purchased, of which	5,644.8	37,074.8	-31,429.9
- bond futures in AUD	384.9	2,663.5	-2,278.6
- bond futures in CAD	-	2,893.8	-2,893.8
- bond futures in EUR	5,259.9	11,308.8	-6,048.8
- bond futures in USD	-	20,208.7	-20,208.7
Bond futures sold, of which	978.1	7,455.0	-6,476.9
- bond futures in AUD	-	921.1	-921.1
- bond futures in CAD	-	604.4	-604.4
- bond futures in EUR	978.1	1,892.7	-914.6
- bond futures in USD	-	4,036.8	-4,036.8

Futures are used by NBP as part of its foreign currency reserves management (see Note 3).

## Note 16 Net result on interest

Interest, discount and premium on debt securities purchased are recognised in the financial result in amounts calculated according to the internal rate of return, which is adjusted in the event of price revaluation losses on debt securities at the end of a year (see Note 17.2).

Discount on debt securities issued by NBP is recognised in the financial result in amounts calculated

for the period for which a given debt security was issued, according to the straight-line method.

Interest on other financial assets and liabilities is recognised in the financial result at the end of each operating day in amounts calculated according to the straight-line method, except for interest:

- to be paid due to the required minimum reserve, which is recognised in the financial result at the end of each month in amounts calculated for each reserve period,
- on funds deposited in current accounts in other banks, which is recognised in the financial result on the payment date,
- on margins related to futures, which is recognised in the financial result on the payment date,
- on assets and liabilities related to NBP's own administrative activities, including on lease liabilities, which is recognised not later than at the end of the month.

Interest on term deposits in gold is accrued and paid in USD (see Note 1 and Note 3).

Interest to be received or paid due to forward transactions in foreign currency, which results from a difference between the set FX spot and forward rate, is recognised in the net result on interest at the end of each operating day in amounts calculated according to the straight-line method.

Interest to be received or paid due to swap transactions in foreign currency, which results from a difference between the set FX spot and forward rate, is recognised in the net result on interest at the end of each operating day in amounts calculated according to the straight-line method.

Accrued interest, discount and premiums in foreign currency are translated into domestic currency at the average NBP exchange rate.

PLN million	Income*		Expenses**		Result		
	2024	2023	2024	2023	2024	2023	Change
Investment instruments of foreign currency reserves, of which	24,817.2	23,201.9	-3,064.3	-2,703.1	21,752.9	20,498.8	1,254.1
- debt securities	19,010.1	18,375.6	-	-	19,010.1	18,375.6	634.5
- term deposits	2,603.0	2,003.6	-	-	2,603.0	2,003.6	599.4
- reverse repo transactions	3,181.0	2,766.0	-	-	3,181.0	2,766.0	415.1
- repo transactions	-	-	-3,042.5	-2,637.6	-3,042.5	-2,637.6	-404.9
- other	23.1	56.7	-21.8	-65.5	1.3	-8.8	10.1
Gold	14.0	24.3	-	-	14.0	24.3	-10.3
International Monetary Fund	1,073.3	1,130.4	-1,065.7	-1,116.4	7.6	14.0	-6.5
Monetary policy instruments, of which:	2,093.1	2,151.2	-23,259.2	-22,792.0	-21,166.1	-20,640.8	-525.3
- NBP bills	-	-	-18,712.4	-18,134.4	-18,712.4	-18,134.4	-578.0
- debt securities	2,093.1	2,151.2	-	-	2,093.1	2,151.2	-58.1
- required minimum reserve***	0.0	0.0	-4,275.6	-4,354.1	-4,275.5	-4,354.1	78.6
- deposit facility	-	-	-271.3	-303.4	-271.3	-303.4	32.1
- other	0.0	0.0	-	-	0.0	0.0	-0.0
Other interest income/expenses	68.1	68.3	-2,067.0	-1,611.0	-1,998.9	-1,542.7	-456.2
<b>Total</b>	<b>28,065.7</b>	<b>26,576.1</b>	<b>-29,456.3</b>	<b>-28,222.5</b>	<b>-1,390.6</b>	<b>-1,646.4</b>	<b>255.8</b>

\* Income (and expenses in case of a negative interest rate) on interest on financial assets.

\*\* Expenses (and income in case of a negative interest rate) on interest on financial liabilities.

\*\*\* Income includes interest income for non-compliance with the obligation to maintain the required minimum reserve.

The increase in the net result on interest in 2024 was mainly related to the higher interest income on investment instruments of foreign currency reserves with a simultaneous increase in the expenses on monetary policy and higher interest expenses on accounts operated by NBP for the State budget.

*Net result on interest on investment instruments of foreign currency reserves (see Note 3 and Note 10.2)*

2024									
PLN million	USD	EUR	GBP	CAD	AUD	NOK	NZD	Other	Total
Debt securities	8,276.3	2,965.9	2,562.6	2,094.8	1,768.6	814.2	527.7	-	19,010.1
Term deposits	758.6	1,251.1	45.6	21.4	15.0	298.8	212.6	-0.2	2,603.0
Reverse repo transactions	881.6	959.2	787.0	434.8	118.4	-	-	-	3,181.0
Repo transactions	-857.2	-892.1	-751.8	-426.3	-115.1	-	-	-	-3,042.5
Other	-7.4	6.5	0.2	1.1	0.8	0.1	0.0	0.0	1.3
<b>Total</b>	<b>9,051.9</b>	<b>4,290.5</b>	<b>2,643.6</b>	<b>2,125.9</b>	<b>1,787.8</b>	<b>1,113.1</b>	<b>740.3</b>	<b>-0.2</b>	<b>21,752.9</b>

2023									
PLN million	USD	EUR	GBP	CAD	AUD	NOK	NZD	Other	Total
Debt securities	8,143.5	2,838.7	2,383.0	2,104.2	1,638.0	736.4	531.7	-	18,375.6
Term deposits	847.0	655.5	41.7	27.8	17.5	225.8	188.7	-0.4	2,003.6
Reverse repo transactions	1,047.8	761.2	698.1	196.6	62.2	-	-	-	2,766.0
Repo transactions	-1,021.6	-726.6	-636.8	-192.8	-59.7	-	-	-	-2,637.6
Other	-34.8	20.0	3.7	1.6	0.7	0.0	0.0	0.0	-8.8
<b>Total</b>	<b>8,982.0</b>	<b>3,548.8</b>	<b>2,489.6</b>	<b>2,137.4</b>	<b>1,658.7</b>	<b>962.2</b>	<b>720.5</b>	<b>-0.4</b>	<b>20,498.8</b>

Change									
PLN million	USD	EUR	GBP	CAD	AUD	NOK	NZD	Other	Total
Debt securities	132.7	127.2	179.6	-9.4	130.6	77.8	-4.1	-	634.5
Term deposits	-88.4	595.6	4.0	-6.4	-2.5	73.1	23.9	0.2	599.4
Reverse repo transactions	-166.2	198.0	88.9	238.2	56.2	-	-	-	415.1
Repo transactions	164.4	-165.5	-115.0	-233.5	-55.4	-	-	-	-404.9
Other	27.3	-13.5	-3.5	-0.4	0.1	0.1	0.0	-0.0	10.1
<b>Total</b>	<b>69.9</b>	<b>741.7</b>	<b>154.0</b>	<b>-11.5</b>	<b>129.1</b>	<b>150.9</b>	<b>19.8</b>	<b>0.2</b>	<b>1,254.1</b>

The increase of PLN 1,254.1 million in the net result on interest on investment instruments of foreign currency reserves was recorded amid:

- a higher volume of assets denominated in foreign currency (see Note 3),
- an increase in the average annual interest on debt securities, term deposits and on reverse repo and repo transactions,

- higher average annual investment in simultaneous repo and reverse repo transactions in CAD, EUR, AUD and GBP and, at the same time, lower average annual investment in simultaneous repo and reverse repo transactions in USD,
- an average annual appreciation of the zloty against all reserve currencies (see table below).

Average annual foreign exchange rates

in PLN	2024	2023	Change
USD	3.9812	4.2021	-0.2209
EUR	4.3064	4.5430	-0.2366
GBP	5.0869	5.2216	-0.1347
CAD	2.9070	3.1135	-0.2065
AUD	2.6267	2.7923	-0.1656
NOK	0.3704	0.3983	-0.0279
NZD	2.4086	2.5810	-0.1724

#### *Interest income on gold (see Note 1 and Note 3)*

The item includes the net result on interest on term deposits in gold, which is accrued and paid in USD. The decrease in the item in 2024 was the result of the lower, in average annual terms, placement of deposits and appreciation of the zloty against USD, in average annual terms.

#### *Net result on interest on receivables/liabilities related to the IMF (see Note 2)*

PLN million	Income		Expenses		Result		
	2024	2023	2024	2023	2024	2023	Change
Interest on reserve tranche	208.9	224.3	-	-	208.9	224.3	-15.4
Interest on current account with the IMF	864.3	904.4	-	-	864.3	904.4	-40.1
Interest on loans extended to the IMF	0.1	1.8	-	-	0.1	1.8	-1.6
Interest on SDR allocation	-	-	-1,065.7	-1,116.4	-1,065.7	-1,116.4	50.7
<b>Total</b>	<b>1,073.3</b>	<b>1,130.4</b>	<b>-1,065.7</b>	<b>-1,116.4</b>	<b>7.6</b>	<b>14.0</b>	<b>-6.5</b>

The net result on interest on receivables/liabilities related to the IMF is a result of interest income on interest-bearing receivables in SDR (reserve tranche<sup>19</sup>, current account with the IMF and loans extended to the IMF) and interest expenses on interest-bearing liabilities in SDR (SDR allocation, see Note 2). The net result decreased amid an appreciation of the zloty against SDRs in average annual terms (a fall in

<sup>19</sup> The value of the non-interest-bearing part of the reserve tranche is fixed and amounts to SDR 56.2 million (see Note 2).



the exchange rate from 5.6055 in 2023 to 5.2834 in 2024) and an increase in average annual interest on SDR.

*Net interest result on monetary policy instruments (see Note 4 and Note 9)*

The decrease, by PLN 525.3 million, in the net result on interest on instruments used in monetary policy operations was mostly driven by:

- higher, by PLN 578.0 million, discount expenses on NBP bills (see Note 9), which was a result of a rise in the average annual level of main and fine-tuning operations and a rise in the average annual NBP reference rate,

PLN million	2024	2023	Change
Discount expenses on NBP bills issued under main monetary policy operations	-18,112.9	-17,667.2	-445.7
Discount expenses on NBP bills issued under fine-tuning monetary policy operations	-599.5	-467.2	-132.3
<b>Total</b>	<b>-18,712.4</b>	<b>-18,134.4</b>	<b>-578.0</b>

Average annual level of main and fine-tuning\* operations and average annual reference rate

PLN million / %	2024	2023	Change
Main operations	310,141.1	270,658.4	39,482.8
Fine-tuning operations	10,261.1	7,170.2	3,090.9
NBP reference rate.	5.75	6.45	-0.7 p.p.

\* All calendar days from 1 January to 31 December were taken into account in the calculation of the average annual level of main and fine-tuning operations.

- lower, by PLN 58.1 million, net result on debt securities purchased under structural open market operations, which was due to a decrease of the securities portfolio at redemption (see Note 4),

PLN million	2024	2023	Change
Net result on debt securities held for monetary policy purposes	2,093.1	2,151.2	-58.1
- Treasury securities	984.6	1,000.0	-15.4
- debt securities guaranteed by the State Treasury	1,108.4	1,151.2	-42.8

with a simultaneous:

- lower, by PLN 78.6 million, interest expenses on the required minimum reserve, which resulted from a decrease in the average annual interest on the required minimum reserve with a simultaneous increase in the average level of the required minimum reserve during the year (see Note 9),

## Average level of required minimum reserve\* and average annual interest rate on required minimum reserve

PLN million / %	2024	2023	Change
Required minimum reserve	74,366.2	67,634.5	6,731.7
Interest rate on required minimum reserve	5.75	6.45	-0.7 p.p.

\* Amounts of the required minimum reserve are calculated based on reserve maintenance periods weighted with the number of days in the period.

- lower, by PLN 32.1 million, expenses on deposit facility, which was a result of the lower average use of this instrument and a lower average annual level of the deposit rate,

## Value of deposit facilities and the average annual level of deposit rate

PLN million / %	2024	2023	Change
Total value of deposit facilities*	1,886,041.5	1,908,132.6	-22,091.1
Average annual deposit rate**	5.25	5.95	-0.7 p.p.

\* Value calculated for the days of use.

\*\* All calendar days from 1 January to 31 December were taken into account for the calculation of the average annual level of the interest rate.

*Other interest income/expenses*

The item *Other interest income/expenses* comprises mainly interest expenses on accounts operated by NBP for the State budget and interest income and expenses related to settlements in TARGET. The item also comprises interest expenses on lease liabilities (see Note 6 and Note 11).

PLN million	Income		Expenses		Result		
	2024	2023	2024	2023	2024	2023	Change
Interest expenses on current and auxiliary accounts as well as term deposits with NBP, of which	-	-	-2,059.1	-1,603.3	-2,059.1	-1,603.3	-455.8
- in foreign currency	-	-	-1,877.0	-1,350.6	-1,877.0	-1,350.6	-526.4
- in domestic currency	-	-	-182.1	-252.7	-182.1	-252.7	70.6
Interest income/expenses related to settlements in TARGET	66.5	66.6	-	-0.4	66.5	66.3	0.2
Other interest income/expenses	1.6	1.7	-7.9	-7.4	-6.3	-5.7	-0.6
<b>Total</b>	<b>68.1</b>	<b>68.3</b>	<b>-2,067.0</b>	<b>-1,611.0</b>	<b>-1,998.9</b>	<b>-1,542.7</b>	<b>-456.2</b>

**Note 17 Net result on financial operations****Note 17.1 Net realised gains/losses**

- **Realised foreign exchange gains/losses on transactions in foreign currency and on transactions in gold**

Gains and losses on transactions in foreign currency and transactions in gold are recognised in the financial result on the day when the change took place, in the amount of:

- the difference between the value in domestic currency resulting from a decrease of a foreign currency holding (or a gold holding) and the value determined according to the average daily purchase cost of foreign currency (or gold) - as regards inflow and outflow of foreign currency (or gold) on a given operating day,
- the difference between the value in domestic currency resulting from a decrease of a foreign currency holding (or a gold holding) and the value determined according to the average cost of a holding of foreign currency (or gold) – as regards a surplus of outflow of foreign currency (or gold) over inflow on a given operating day (net outflow).

In the case of a short position in a given foreign currency (or gold) a reverse approach is applied.

- **Realised price gains/losses**

Gains or losses resulting from spot sale transactions in debt securities or in ETFs bearing the same code are recognised in the financial result on the settlement day, in the amount equal to the difference between the sale amount and the amount determined according to the average cost of holding of the debt securities or the ETFs at the end of the given operating day.

The result of the settlement of forward transactions in debt securities or in ETFs is calculated:

- in the case of a forward purchase transaction – as the difference between the market price and an agreed price, adjusted for revaluation losses recognised as at the balance sheet date,
- in the case of a forward sale transaction – as the difference between an agreed price, adjusted for revaluation losses recognised as at the balance sheet date, and the average cost of a debt securities or ETFs holding.

If more than one transaction for the forward purchase or sale of debt securities or ETFs has been entered, valuation and settlement of these transactions are carried out separately.

Daily changes in the market prices of futures are recognised in the financial result on a daily basis, including also on the day of closing the open position in futures.

PLN million	2024	2023	Change
Realised foreign exchange gains/losses on transactions in foreign currency	-656.0	-2,741.3	2,085.2
Realised gains/losses on transactions in gold	0.0	0.4	-0.4
Realised price gains/losses, of which	-72.1	-1,073.9	1,001.8
- on spot transactions in debt securities	112.4	-1,825.8	1,938.1
- on spot transactions in ETFs	3.1	-	3.1
- on off-balance-sheet financial instruments, of which	-187.6	751.8	-939.4
* on forward transactions in debt securities	76.6	-186.2	262.8
* on forward transactions in ETFs	-2.6	0.0	-2.6
• on futures, of which:	-261.6	938.0	-1,199.6
# on bond futures	-238.3	-301.2	62.9
# on depo futures	-26.3	-22.9	-3.4
# on equity index futures	2.9	1,262.1	-1,259.1
Other income/expenses on operations*	0.5	2.5	-1.9
<b>Total</b>	<b>-727.6</b>	<b>-3,812.3</b>	<b>3,084.7</b>

\* The item includes the result of the valuation of the balance of Account No. 2 for the IMF (PLN 0.5 million in 2024 as compared with PLN 2.5 million in 2023 – see Note 10.1).

#### *Net result on realised foreign exchange gains/losses on transactions in foreign currency*

PLN million	2024	2023	Change
USD	795.6	2,494.8	-1,699.2
EUR	-416.6	-1,038.7	622.1
GBP	207.1	-302.8	509.8
CAD	-240.4	-546.7	306.4
AUD	-286.0	-924.9	638.8
NOK	-412.5	-1,523.1	1,110.6
NZD	-303.6	-896.2	592.6
CHF	2.5	3.6	-1.1
SDR	-3.1	-8.8	5.7
Other	1.0	1.5	-0.5
<b>Total</b>	<b>-656.0</b>	<b>-2,741.3</b>	<b>2,085.2</b>

In 2024, the increase in the net result stemmed mainly from developments in the average annual difference between the transaction price and the average cost of a foreign currencies holding, i.e. a decrease in the negative difference, for AUD, NZD, EUR, CAD and NOK, and a decrease in the positive difference for USD and the occurrence of a positive difference for GBP, with a decrease in the sale of all the basic foreign currencies (see Note 3 and Note 17.2).

### Net result on realised price gains/losses

#### Net result on realised price gains/losses on the sale of debt securities in spot transactions

PLN million	2024	2023	Change
USD	-330.2	-817.3	487.1
EUR	334.7	-10.8	345.5
GBP	-6.1	-559.6	553.5
CAD	167.2	-143.3	310.5
AUD	-6.5	-190.4	183.9
NOK	-67.0	-60.6	-6.4
NZD	20.4	-43.7	64.1
<b>Total</b>	<b>112.4</b>	<b>-1,825.8</b>	<b>1,938.1</b>

#### Net result on realised price gains/losses on forward transactions in debt securities

PLN million	2024	2023	Change
USD	28.7	-26.4	55.0
EUR	10.7	-8.4	19.1
GBP	-11.0	-5.1	-5.9
CAD	27.2	-6.9	34.1
AUD	26.1	-138.3	164.4
NZD	-5.1	-1.1	-4.0
<b>Total</b>	<b>76.6</b>	<b>-186.2</b>	<b>262.8</b>

#### Net result on realised price gains/losses on daily revaluation of futures contracts

PLN million	USD	EUR	GBP	CAD	AUD	Total
<b>Bond futures</b>						
<b>2024</b>	-194.3	-40.8	-4.9	6.1	-4.4	<b>-238.3</b>
<b>2023</b>	-132.1	-58.8	-58.8	-37.1	-14.4	<b>-301.2</b>
<b>Change</b>	-62.1	18.0	53.9	43.2	10.0	<b>62.9</b>
<b>Depo futures</b>						
<b>2024</b>	-26.3	-	-	-	-	<b>-26.3</b>
<b>2023</b>	-25.1	-	2.2	-	-	<b>-22.9</b>
<b>Change</b>	-1.3	-	-2.2	-	-	<b>-3.4</b>
<b>Equity index futures</b>						
<b>2024</b>	1.9	-1.4	0.4	0.1	2.0	<b>2.9</b>
<b>2023</b>	724.4	565.9	-20.2	0.4	-8.4	<b>1,262.1</b>
<b>Change</b>	-722.6	-567.3	20.7	-0.4	10.4	<b>-1,259.1</b>

The higher net result on realised price gains/losses in 2024 was mostly related to sale transactions in debt securities amid similar levels of average annual yields in foreign markets, with a simultaneous lower net result on investment in equity index futures due to lower investment in these instruments.

## Note 17.2 Unrealised losses

### ▪ Currency revaluation losses

Currency revaluation losses are determined by comparing the average cost of a foreign currency holding with the average NBP exchange rate, which is lower than the average cost (in the case of a positive foreign currency holding) or by comparing the average cost of a foreign currency holding with the average NBP exchange rate, which is higher than the average cost (in the case of a negative foreign currency holding) – see Note 14.1.

### ▪ Price revaluation losses

Price revaluation losses on debt securities of ETFs are determined by comparing the average cost of the debt securities or ETFs holding with the average market price of these securities or ETFs, which is lower than the average cost of holding.

Price revaluation losses on forward transactions in debt securities are determined by comparing the contract price, discounted as at the settlement date of the spot transaction, with a lower (in the case of forward purchase transactions) or a higher (in the case of forward sale transactions) current market price of the instrument.

PLN million	2024	2023	Change
Currency revaluation losses	-7,684.2	-28,236.8	20,552.6
Price revaluation losses, of which	-2,402.7	-535.9	-1,866.8
- on debt securities	-2,400.5	-514.2	-1,886.3
- on ETFs	-	-21.8	21.8
- on off-balance-sheet financial instruments	-2.2	-	-2.2
<b>Total</b>	<b>-10,086.9</b>	<b>-28,772.7</b>	<b>18,685.8</b>

Currency revaluation losses by foreign currency are presented below.

<i>PLN million</i>	2024	2023	Change
USD	-	-7,854.9	7,854.9
EUR	-1,504.5	-5,634.4	4,129.9
GBP	-	-3,400.3	3,400.3
CAD	-1,888.6	-4,171.0	2,282.4
AUD	-2,008.0	-3,633.5	1,625.4
NOK	-1,449.0	-2,614.8	1,165.9
NZD	-833.9	-878.0	44.1
SDR	-	-49.6	49.6
Other	-0.2	-0.3	0.1
<b>Total</b>	<b>-7,684.2</b>	<b>-28,236.8</b>	<b>20,552.6</b>

Price revaluation losses by NBP-held debt securities denominated in foreign currencies are presented below.

<i>PLN million</i>	2024	2023	Change
Debt securities in USD	-1,243.6	-146.4	-1,097.2
Debt securities in EUR	-42.9	-41.5	-1.5
Debt securities in GBP	-587.7	-67.1	-520.6
Debt securities in CAD	-17.4	-29.7	12.3
Debt securities in AUD	-55.4	-53.6	-1.9
Debt securities in NOK	-453.4	-175.8	-277.5
Debt securities in NZD	-	-0.1	0.1
<b>Total</b>	<b>-2,400.5</b>	<b>-514.2</b>	<b>-1,886.3</b>

Price revaluation losses by NBP-held ETFs denominated in foreign currencies are presented below.

<i>PLN million</i>	2024	2023	Change
ETFs in USD	-	-0.6	0.6
ETFs in EUR	-	-21.1	21.1
ETFs in CAD	-	-0.0	0.0
<b>Total</b>	<b>-</b>	<b>-21.8</b>	<b>21.8</b>

In 2024, the increase in unrealised price revaluation losses on debt securities denominated in foreign currencies was mainly a result of the increase in the market yields compared to 2023 (see Note 3). In 2024, NBP did not report unrealised price revaluation losses on ETFs (see Note 14.1). In 2024, price revaluation losses on off-balance-sheet financial instruments related to forward sale transactions in debt securities denominated in AUD and USD (see Note 15.2).

**Note 18 Net result on commissions and fees**

<i>PLN million</i>	2024	2023	Change
Income on the execution of payment orders	45.4	40.0	5.3
Expenses on the opening and operation of NBP accounts (including gold and debt securities accounts)	-20.2	-17.8	-2.4
Expenses on the execution of own payment orders	-11.3	-10.4	-0.9
Other commissions and fees income/expenses	-4.3	-6.4	2.1
<b>Net result on commissions and fees</b>	<b>9.5</b>	<b>5.4</b>	<b>4.1</b>

The increase in the net result on commissions and fees in 2024 was mainly the effect of:

- higher income on the execution of payment orders – mainly in relation with a rise in the number of the payment orders executed.
- a decrease in expenses on futures, primarily in relation with the lower trade in equity index futures (see Note 3, Note 15.3 and Chapter 17.1).

**Note 19 Income on equity instruments and participating interests**

Income on dividends from shares and participating interests held by NBP is recognised in the financial result on the day an asset originates. Dividends received in foreign currency are converted into domestic currency at the average NBP exchange rate prevailing on that day.

The item includes income on dividends from shares and participating interests in domestic and foreign entities held by NBP (see Note 5) and income on dividends from the ETFs held (see Note 3). The increase in the income on dividends is primarily a result of NBP's higher investment in ETFs in 2024.



PLN million	2024	2023	Change
Dividends on held ETFs that replicate stock market indices, of which	490.5	11.9	478.6
- ETFs in USD	212.4	1.6	210.8
- ETFs in EUR	140.7	0.0	140.6
- ETFs in GBP	72.2	9.1	63.1
- ETFs in CAD	27.7	1.2	26.6
- ETFs in AUD	37.5	-	37.5
Dividends on held shares, of which	37.0	30.7	6.4
- Bank for International Settlements	15.7	12.3	3.3
- Krajowy Depozyt Papierów Wartościowych S.A.	8.6	7.2	1.4
- Krajowa Izba Rozliczeniowa S.A.	12.7	11.1	1.6
<b>Total</b>	<b>527.6</b>	<b>42.6</b>	<b>485.0</b>

## Note 20 Salaries

PLN million	2024	2023	Change
Expenses on salaries	-671.8	-594.9	-76.9
Expenses on provisions for liabilities to employees	-47.3	-43.7	-3.7
Expenses on social contributions, of which	-154.8	-136.8	-18.0
- Occupational Pension Scheme	-42.2	-37.1	-5.0
<b>Total</b>	<b>-873.9</b>	<b>-775.4</b>	<b>-98.5</b>

In 2024, the average headcount at NBP amounted to 3,263 employees and was lower by 26 employees as compared with 2023.

In 2024, higher salaries resulted mainly from the adopted HR and remuneration policy. Information on the gross remuneration of: governor of NBP, deputy governor of NBP, member of the Management Board of NBP, director of a regional branch, director of a department, deputy director of a regional branch, deputy director of a department and persons at salary bands equal to those of a director of a department and deputy director of a department are presented in the NBP Bulletin of Public Information (<https://bip.nbp.pl/>).<sup>20</sup>

The increase in expenses on provisions for liabilities to employees in 2024 was mainly driven by higher expenses on the creation of the provision for retirement severance payments and jubilee awards. In 2024 and 2023, expenses on the creation of provisions for liabilities to employees by categories were as follows (see Note 12):

<sup>20</sup> In accordance with Article 66(6) of the Act on NBP.

PLN million	2024		2023	
	Expenses on provisions	of which actuarial gains/losses*	Expenses on provisions	of which actuarial gains/losses*
<b>Expenses on provisions for liabilities to employees, of which</b>	<b>-47.3</b>	<b>-23.7</b>	<b>-43.7</b>	<b>-19.2</b>
- due to retirement severance payments	-23.9	-13.1	-21.2	-9.9
- due to disability severance payments	-0.3	0.0	-0.4	0.0
- due to jubilee awards	-19.6	-10.7	-18.8	-9.3
- due to untaken leaves	-3.4	-	-3.2	-

\* Actuarial gains and losses result from changes in the actuarial assumptions, such as the probability of an employee quitting job, death rate, discount rate or the level of future remunerations. Actuarial gains are presented with a (+) sign, while actuarial losses with a (-) sign.

## Note 21 Administrative expenses

PLN million	2024	2023	Change
Materials and energy used	-52.5	-101.8	49.4
Benefits for employees and other eligible persons	-19.4	-17.8	-1.6
Business travel	-2.9	-2.6	-0.4
Services from third parties	-323.6	-290.8	-32.9
Taxes and fees	-13.7	-13.0	-0.8
Transfers to Employee Benefit Fund	-9.4	-7.0	-2.4
Other administrative expenses	-6.7	-12.0	5.3
<b>Total</b>	<b>-428.2</b>	<b>-444.9</b>	<b>16.7</b>

The decrease in administrative expenses in 2024 was mainly a result of:

- a decrease in expenses on materials and energy used – mainly electricity and heating, with a simultaneous
- increase in expenses on services from third parties – mainly related to the upgrade, maintenance and technical support of IT systems.

## Note 22 Depreciation and amortisation expenses

PLN million	2024	2023	Change
Tangible fixed assets depreciation expenses	-59.7	-57.2	-2.5
Right-of-use assets depreciation expenses	-14.0	-15.1	1.0
Intangible assets amortisation expenses	-16.7	-18.3	1.7
<b>Total</b>	<b>-90.4</b>	<b>-90.6</b>	<b>0.2</b>

## Note 23 Expenses on issue of banknotes and coins

Expenses on the issue of banknotes and coins are recognised in the financial result on the date a liability arose, regardless of the date the banknotes and coins are put into circulation.

The item comprises expenses on the issue of banknotes and coins, including collector banknotes and coins.

In 2024, the item amounted to PLN 386.1 million and was by PLN 127.2 million lower as compared with 2023. The decrease in the item resulted mainly from lower expenses on the issue of general circulation banknotes and coins as a result, among others, of a fall in the overall number of ordered banknotes and coins.

## Note 24 Other income and other expenses

Other income/expenses include mainly income on the sale of collector coins and banknotes, and expenses corresponding to the nominal value of collector coins and banknotes sold. The decrease in the balance of surplus of other income over expenses was mainly the result a decrease in income/expenses from the sale of collector banknotes and coins.

## 5. Other explanatory notes

### Note 25 Other issues

#### *Russia's military aggression against Ukraine*

Narodowy Bank Polski has carefully analysed the impact of Russia's military aggression against Ukraine on the economic situation in Poland, standing ready to immediately take preventive actions against possible negative trends on the financial and FX markets.

Both as at 31 December 2024 and as at 31 December 2023, NBP did not have direct exposures to Russian or Belarussian entities which were subject to the economic sanctions. NBP monitored, on an ongoing basis, the adverse effects of the Russian military aggression on risk in the foreign reserves management and in monetary policy operations. It specifically analysed the credit risk and the financial standing of commercial banks in which funds are deposited under the foreign reserves management, as well as issuers of corporate bonds held in NBP's portfolio. None of NBP's counterparties which cooperate with NBP under the foreign reserves management (including issuers of securities) had its seat in the territory of Ukraine. The analyses (including the analyses of entities' ratings) did not indicate that the credit risk has grown significantly.

Moreover, NBP monitored, on an ongoing basis, the level of operational risk and cybersecurity risk. The Bank had contingency procedures, including NBP's business continuity plan, in place.

### *Swap arrangements*

In 2024 and 2023, NBP was party to a swap arrangement with the Swiss National Bank (SNB), the National Bank of Ukraine (NBU) and one of international financial organisations.<sup>21</sup> No transactions were carried out under the arrangements with the central banks, therefore these arrangements had no impact on the NBP balance sheet and profit and loss account in 2024 and 2023. On the other hand, income from transactions executed under an arrangement with one of international financial organisations was recognised in NBP's net result on interest.

## **Note 26 Events after the balance sheet date**

### *Change of the strategic benchmark*

In January 2025, NBP started adjusting its strategic asset allocation to a modified strategic benchmark. It stipulates, first of all, a change in the currency composition (see Chapter 6.1.4), and larger investments in ETFs replicating stock market indices.

### *Purchase of gold*

Narodowy Bank Polski has continued to purchase gold, and will do so until the share of gold reaches the target of 20% in NBP's reserve assets<sup>22</sup> (see Note 1).

## **6. Financial, operational and tax risk**

Narodowy Bank Polski operates a risk management system which is a continuous and repeatable decision-making process that supports the attainment of NBP goals, while using appropriate organisational, procedural and technical solutions. It includes:

- as relates to financial risk – the activity of the NBP Head Office department responsible for financial risk management;
- as relates to operational risk (see Chapter 6.2) – management at the following levels:
  - decentralised operational risk management by directors of the Head Office departments and NBP regional branches who, on an ongoing basis, monitor operational risk, perform the assessment of its level and take measures mitigating risk occurrence in their units and report such incidents in accordance with internal regulations,
  - the activity of the NBP Head Office department, which – on an ongoing basis – monitors and analyses operational risk in NBP as a whole, prepares regulations and draft measures related to changes to operational risk management. It also prepares reports on operational risk for the Commission for Operational Risk Management and the Management Board of NBP,

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<sup>21</sup> The swap arrangement with SNB was concluded in 2012, the arrangements with the ECB and the NBU in 2022, whereas the arrangement with one of international financial organisations in 2023. In 2024 agreements with the NBU and the ECB expired.

<sup>22</sup> As at 31 December 2024, this share amounted to 16.9%.

- operational risk management effectiveness assessed by the Commission for Operational Risk Management, which among others assesses the current level of operational risk, performs analysis of the causes underlying materialisation of risk, in particular one whose level is unacceptable, and also submits proposed solutions and changes in the system of operational risk management to the Management Board of NBP,
- strategic decision-making by the NBP Management Board related to operational risk.

The tasks carried out as part of risk management include:

- on-going identification and analysis of individual types of risk,
- measurement of risk level and its acceptance or non-acceptance,
- selection of the risk mitigation mechanisms,
- monitoring and day-to-day control of the efficiency of the risk mitigation mechanisms applied,
- provision of cyclical information about the results of risk management.

## 6.1. Financial risk

The main types of financial risk underlying the activities of NBP are: credit risk, liquidity risk and market risk, i.e. interest rate risk, foreign exchange rate risk, risk of changes in the prices of ETFs replicating stock market indices or in the prices of equity index future. The accepted level of financial risk is set through the system of investment limits, determination of which takes also into account mitigation of concentration risk. NBP's exposure to individual types of risk stems from its performance of statutory tasks of the central bank, i.e. managing the foreign reserves and implementing monetary policy, including regulating the liquidity of banks and providing them with refinancing facilities. The Financial Risk Management Department monitors, on an ongoing basis, the Bank's exposure to financial risk and presents financial risk analysis to the Management Board of NBP.

### 6.1.1. Credit risk

Credit risk is related to potential financial losses arising from counterparty default (in particular, failure to repay, in full or in part, principal or interest within the agreed time), or due to a decline in the market value of investment instruments arising from a deterioration in the issuer's creditworthiness.

#### 6.1.1.1. Credit risk in foreign reserve management

Exposure to credit risk in the process of NBP foreign reserve management is mitigated using the following methods:

- limiting the share of term deposit transactions and non-government securities,
- counterparty selection criteria and on-going monitoring of their creditworthiness,
- limits imposed on counterparties of term deposit transactions and foreign currency transactions,
- limitation of the maturity of term deposit transactions,
- selection criteria for issuers of securities and on-going monitoring of their creditworthiness,
- limits for issuers of securities,

- entering into master agreements with counterparties,
- collateral in repo/reverse repo transactions.

Credit risk analysis is conducted by NBP using both data related to the financial position of counterparties and assignments of rating agencies as well as risk valuation reflected in market quotations.

Narodowy Bank Polski's exposure to credit risk due to the main investment instruments of foreign reserves is presented below.<sup>23</sup>

PLN million	31.12.2024	31.12.2023	Balance sheet item	Note
Current accounts in gold	77,874.7	39,020.3	A.1	1
Term deposits in gold	40,335.6	27,211.4	A.1	1
Current accounts in foreign currency*	1,462.8	18,971.9	A.2.2	3
Term deposits in foreign currency	70,954.6	44,777.9	A.2.2	3
Reverse repo transactions	68,675.3	66,812.9	A.2.2	3
Debt securities denominated in foreign currency	557,292.7	499,316.5	A.2.2	3
Margins related to futures transactions	26.8	270.5	A.2.2	3
Interest on term deposits in gold	2.4	2.1	A.2.2	3
Other	1.7	0.0	A.2.2	3
<b>Total</b>	<b>816,626.6</b>	<b>696,383.5</b>		

\* Current accounts excluding the current accounts in the ECB used for settlements in TARGET (see Note 3).

The dominant portion of foreign reserves is invested in government securities of high rating countries characterised by the highest level of safety and liquidity. Non-government securities held in the investment portfolios are issued primarily by international institutions and government agencies. The scale of investment in the corporate bond market is small. Around 1% of debt securities held by NBP is classified as green bonds and sustainable bonds.<sup>24</sup> The share of term deposits in foreign reserves is low – transactions are concluded for short periods with banks of high creditworthiness. NBP also holds funds in current accounts, mainly operated by central banks, in the process of foreign reserves management.

The creditworthiness ratings of the country of the debt securities issuer are, among others, used for estimating the credit quality of debt securities issued by governments and central banks. The credit quality of issuers of other securities, as well as counterparties with which term deposits are concluded (except for central banks), is assessed based on the scoring models that take into account, among others, ratings assigned by rating agencies and individual issuer's financial data. The financial standing of issuers and NBP's counterparties is subject to on-going monitoring based on daily information about

<sup>23</sup> It is assumed that the exposure to the IMF (receivables from the IMF – see Note 2) does not generate credit risk.

<sup>24</sup> Green bonds or sustainable bonds are issues whose proceeds are used to finance or re-finance green projects or in the case of the latter – social projects. These may include projects linked to energy efficiency, renewable energy, prevention of environment pollution, sustainable management of natural resources, biodiversity, provision of essential infrastructure and services or food security, and support for socio-economic progress.

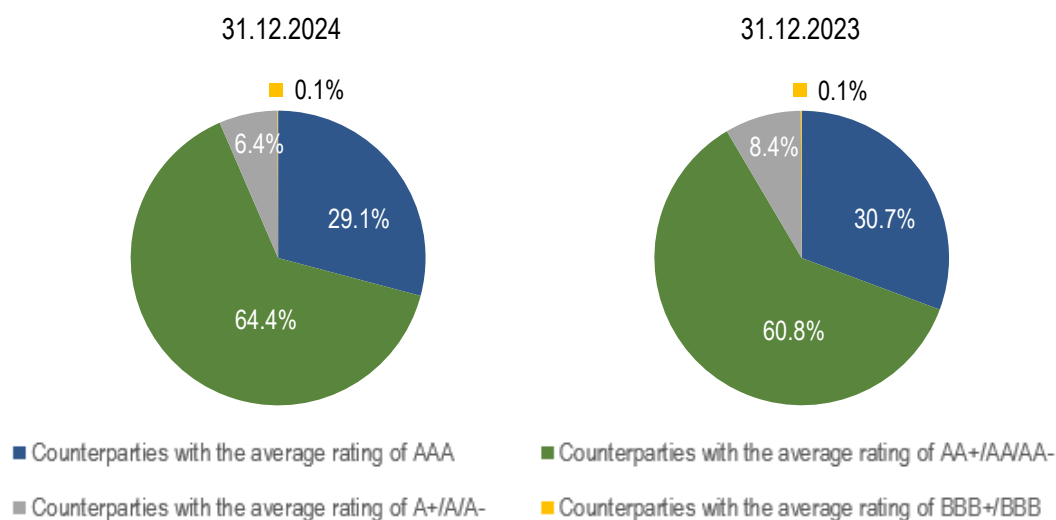
changes in creditworthiness ratings and rating forecasts provided by rating agencies, as well as implied ratings derived from CDS (Credit Default Swap).

The results of an analysis of data as of 31 December 2024 indicate that no cases of impairment of held-to-maturity debt securities have occurred.

Exposure to credit risk related to deposits and debt securities related to foreign reserve management, by issuer/counterparty's sector, geographical location and credit rating, is presented below.

<i>PLN million</i>	31.12.2024	31.12.2023
General government institutions	531,777.9	459,175.8
- Foreign central government institutions	514,507.6	441,881.6
- Other	17,270.4	17,294.2
Monetary financial institutions	123,061.7	89,265.4
- Foreign credit institutions	84,572.2	72,522.9
- Central Banks	38,489.5	16,742.5
International financial organisations	38.5	1,770.2
Non-monetary financial institutions	7,736.5	11,020.5
Non-financial sector	5,970.6	10,076.1
<b>Total</b>	<b>668,585.3</b>	<b>571,307.9</b>

<i>PLN million</i>	31.12.2024	31.12.2023
United States	221,729.9	185,595.3
Euro area	183,962.3	142,525.3
United Kingdom	87,839.9	77,539.9
Canada	66,292.1	58,898.5
Australia	51,968.2	46,291.0
Norway	28,045.2	25,864.7
New Zealand	11,349.9	11,435.9
Asian countries	10,721.7	12,201.9
Denmark	3,231.4	1,666.1
Switzerland	3,184.1	7,436.6
Sweden	174.3	62.5
Other	86.2	1,790.1
<b>Total</b>	<b>668,585.3</b>	<b>571,307.9</b>



#### 6.1.1.2. Credit risk underlying domestic operations

##### 6.1.1.2.1. Debt securities

As a result of purchase operations in Treasury debt securities conducted in the years 2020-2021 on the secondary market, as part of its open market operations, as of 31 December 2024, NBP held Treasury debt securities in zloty and debt securities guaranteed by the State Treasury in zloty for a total accounting book value of PLN 129,208.2 million (PLN 138,887.6 million as of 31 December 2023 – see Note 4). Purchased securities denominated in domestic currency are held for monetary policy purposes and valued according to their clean price, adjusted for the accrued discount and premium, less impairment.

Debt securities held for monetary policy purposes were issued or fully guaranteed by the State Treasury. The results of the analysis performed as at 31 December 2024 show that no indications of their impairment have occurred.

##### 6.1.1.2.2. Claims on credit operations

To support the financial system liquidity, NBP may grant a refinancing loan in zloty to banks to supplement their financial resources. Specifically, banks use intraday credit and marginal lending facility (Lombard credit). Banks also use intraday credit in euro. On request by a bank, NBP may also grant a refinancing loan in another form specified by the Management Board of NBP.

The total amount of credit used during the year\*

PLN million / EUR	2024	2023	Change
Lombard credit	70.7	89.0	-18.4
Intraday credit	23,205,015.2	19,889,150.3	3,315,864.9
Intraday credit in EUR	72,093.7	55,163.0	16,930.7

\* The values of credits are the sum total of their daily drawing and result from banks' individual liquidity needs.



The risk underlying these operations is mitigated through the use of eligible collateral that meets the criteria set by NBP. When setting the required level of collateral, the haircut rate is applied, with the purpose to take into account the risk of unfavourable changes of the market value of collateral, in particular of market prices and exchange rates.

Treasury and NBP securities denominated in PLN and debt securities guaranteed by the State Treasury denominated in PLN are the primary collateral presented by banks. The list of assets accepted as collateral also comprises other securities deposited with the Central Securities Depository of Poland [Krajowy Depozyt Papierów Wartościowych S.A.] – covered bonds, municipal bonds, corporate bonds, bonds issued by the European Investment Bank denominated in PLN, as well as – in the case of Lombard credit – EUR-denominated Treasury bonds.

In the case of a refinancing loan granted in another form specified by the Management Board of NBP, a wider range of collateral may apply.

Intraday credit in euro is extended in accordance with the principles laid down in the Agreement on the terms of opening and maintaining an account in euro in the TARGET-NBP system, and it may be collateralised by Treasury bonds participating in BondSpot S.A. fixing and accepted by the ECB (in addition, haircut related to the exchange rate risk is taken into account).

### **6.1.2. Liquidity risk**

Liquidity risk is associated with the possibility of incurring additional expenses, if an urgent need arises to raise liquid funds.

As NBP has the exclusive right to issue banknotes and coins of the Republic of Poland, NBP is capable of creating liquidity in domestic currency. This is, however, constrained by the responsibility of NBP for the stability of domestic currency. The assumptions of monetary policy are set annually by the MPC, which, based on the above assumptions, also approves the financial plan of NBP.

In the process of foreign currency reserves management, NBP provides adequate liquidity of funds by matching current and expected cash flows. Investments are made in the markets that ensure immediate availability of funds – reserve currencies and investment instruments are principally characterised by high liquidity.

#### ***Maturity analysis for financial liabilities in foreign currency***

The table below presents an analysis of the maturity of financial liabilities of NBP denominated in foreign currency as at 31 December 2024 and 31 December 2023.<sup>25</sup>

<sup>25</sup> Liabilities due to FX spot and FX forward transactions recognised on off-balance-sheet accounts are presented in Note 15.1. Liabilities due to NBP's own administrative activities are not included, as bearing no material impact.

Moreover, when joining the IMF borrowing programmes (see Note 2), NBP committed to grant foreign-currency-denominated loans to the IMF under, respectively:

- new arrangements to borrow – up to the amount of EUR 2,570.8 million (SDR 2,570.8 million as at 31 December 2023), of which the outstanding amount of the NBP's commitment as at 31 December 2024 was SDR 2,570.8 million (SDR 2,568.2 million as at 31 December 2023),
- bilateral borrowing agreements – up to the amount of EUR 2,701.0 million (EUR 2,701.0 million as at 31 December 2023), of which the outstanding amount of the NBP's commitment as at 31 December 2024 was EUR 2,701.0 million (EUR 2,701.0 million as at 31 December 2023).

31.12.2024										
	TOTAL	Avista	From 1 day to 1 month	Over 1 month to 3 months	Over 3 months	Balance-sheet value	L.7 Liabilities to residents denominated in foreign currency	L.8 Liabilities to non-residents denominated in foreign currency	L.9 SDR allocation	L.11 Other liabilities
<i>PLN million</i>										
Current/auxiliary accounts in foreign currency operated by NBP	19,162.6	19,162.6	-	-	-	19,162.6	10,493.9	8,668.8	-	-
Term deposit accounts in foreign currency operated by NBP	36,393.6	-	36,393.6	-	-	36,369.1	36,369.1	-	-	-
Repo transactions	68,842.1	-	57,401.4	4,480.0	6,960.6	68,654.3	-	68,654.3	-	-
Other financial liabilities denominated in foreign currency	105.4	-	105.3	0.1	-	105.4	95.6	7.8	-	2.0
SDR allocation	28,274.3	-	232.6	-	28,041.7	28,197.8	-	-	28,197.8	-
<b>TOTAL</b>	<b>152,777.9</b>	<b>19,162.6</b>	<b>94,132.9</b>	<b>4,480.1</b>	<b>35,002.3</b>	<b>152,489.3</b>	<b>46,958.6</b>	<b>77,330.9</b>	<b>28,197.8</b>	<b>2.0</b>

31.12.2023										
	TOTAL	Avista	From 1 day to 1 month	Over 1 month to 3 months	Over 3 months	Balance-sheet value	L.7 Liabilities to residents denominated in foreign currency	L.8 Liabilities to non-residents denominated in foreign currency	L.9 SDR allocation	L.11 Other liabilities
<i>PLN million</i>										
Current/auxiliary accounts in foreign currency operated by NBP	37,763.1	37,763.1	-	-	-	37,763.1	37,690.7	72.4	-	-
Term deposit accounts in foreign currency operated by NBP	7,764.4	-	7,764.4	-	-	7,745.3	7,745.3	-	-	-
Repo transactions	66,950.1	-	54,707.6	9,978.5	2,264.1	66,800.2	-	66,800.2	-	-
Other financial liabilities denominated in foreign currency	853.8	-	853.7	0.1	-	853.8	209.6	642.4	-	1.8
SDR allocation	27,974.3	-	288.3	-	27,686.0	27,878.5	-	-	27,878.5	-
<b>TOTAL</b>	<b>141,305.6</b>	<b>37,763.1</b>	<b>63,613.9</b>	<b>9,978.6</b>	<b>29,950.1</b>	<b>141,040.8</b>	<b>45,645.5</b>	<b>67,515.1</b>	<b>27,878.5</b>	<b>1.8</b>

In the case of liabilities denominated in foreign currency due to current and auxiliary accounts, NBP generally holds liquid funds in current accounts and overnight term deposits on the assets side. For liabilities due to accepted term deposits, appropriate funds on the assets side are invested in term deposits of the same maturity date. On the other hand, repo transactions are executed simultaneously with reverse repo transactions of the same maturity date (see Note 3).

### 6.1.3. Interest rate risk

Interest rate risk is related to a potential decline in the market value of financial instruments due to an unfavourable change in their yields.

The primary measure of interest rate risk applied by NBP is modified duration (MD), which specifies the sensitivity of investment portfolio values to changes in the yields on financial instruments.

To mitigate the interest rate risk in the process of managing foreign currency reserves, NBP defines the benchmark level of MD of foreign currency reserves, along with admissible fluctuation bands. In 2024, the MD of the reserves remained at the level close to the level applicable in 2023.

Sensitivity analysis, conducted based on MD<sup>26</sup>, has shown that a change in interest rates by 100 basis points (for each foreign currency portfolio, evenly distributed along the yield curve) would result in a change of the value of securities portfolios by PLN 15,735.1 million as at 31 December 2024 (as at 31 December 2023 – by PLN 14,719.0 million). The change in value of securities portfolios in individual currencies in response to a 100 bps change in interest rates, as estimated based on MD analysis, is presented below.

MD-based estimate of a change in values of securities portfolios in individual currencies in response to a 100 bps change in interest rates

PLN million	31.12.2024	31.12.2023	Change
USD	4,996.5	4,947.2	49.3
EUR	3,624.9	3,194.3	430.6
GBP	1,952.5	1,775.0	177.5
CAD	1,719.8	1,564.5	155.3
AUD	2,001.9	1,837.3	164.6
NOK	995.5	953.5	42.0
NZD	444.1	447.3	-3.2
<b>Total</b>	<b>15,735.1</b>	<b>14,719.0</b>	<b>1,016.1</b>

In accordance with the accounting principles of NBP, price revaluation gains on securities denominated in foreign currency at the end of the year are recorded as revaluation accounts on the liabilities side of the balance sheet, while price revaluation losses on these securities are debited to NBP's financial result.

Debt securities denominated in foreign currency held to maturity and debt securities denominated in domestic currency held for monetary policy purposes are valued at clean price, adjusted for the accrued discount and premium, less impairment (see Note 3 and Note 4).

#### 6.1.4. Foreign exchange rate risk and gold price risk

Foreign exchange rate risk arises out of a potential decline in the value of foreign currency holdings as a result of fluctuations of foreign currency rates in the foreign exchange market.

<sup>26</sup> In its sensitivity analysis NBP applied the MD ratio for individual foreign-currency securities portfolios, as at 31 December 2024 and as at 31 December 2023, as a linear measure of the relationship between price and yield, as well as the holding of securities portfolios as at 31 December 2024 and as at 31 December 2023 (in both cases, excluding the portfolio of held-to-maturity debt securities) based on values used in the monitoring of MD.

The assessment of exposure to foreign exchange rate risk is carried out based on the parametric Value at Risk (VaR) methodology. The level of VaR calculated as at the balance sheet date is taken into account for calculating the amount of the FX risk provision (see Chapter 2.6 and Note 14).

In the process of foreign currency reserves management, NBP defines the currency composition of the strategic benchmark<sup>27</sup> alongside an admissible fluctuation band (see Note 3 and Note 17.1).

As at 31 December 2024 and 31 December 2023, the currency composition of the strategic benchmark included (see Note 26):

Currency composition of the strategic benchmark		
Currency	31.12.2024	31.12.2023
	% share	
USD	36%	36%
EUR	22%	22%
GBP	13%	13%
CAD	11%	11%
AUD	9%	9%
NOK	6%	6%
NZD	3%	3%

The risk of a change in the price of gold (see Note 1) arises out of a potential decline in the value of gold as a result of changes in the market price of gold.

The impact of a decline in the price of gold, as expressed in PLN, on the financial result is limited by unrealised gold revaluation gains and gold revaluation account (see Note 14.1).

The balance-sheet values of foreign currency holdings and gold holding of NBP as at 31 December 2024 and 31 December 2023 by currency are presented below, wherein items in foreign currency related to own administrative activities are presented as part of PLN holdings since they are immaterial.

<sup>27</sup> The strategic currency benchmark is a reference portfolio for a portion of actively managed foreign currency reserves, mirroring long-term assumptions for the investment strategy by setting the foreign currency composition and the level of modified duration. The strategic benchmark does not include the portfolio of held-to-maturity debt securities, as it is not actively managed.

31.12.2024	PLN	USD	EUR	GBP	CAD	AUD	NOK	NZD	SDR	Gold	Other currencies	Total
PLN million												
<b>ASSETS</b>												
1. Gold and gold receivables	-	-	-	-	-	-	-	-	-	154,308.7	-	154,308.7
2. Claims on non-residents denominated in foreign currency	-	273,413.4	204,274.9	87,976.3	70,190.9	48,521.5	32,427.8	16,175.3	28,457.6	-	142.5	761,580.1
3. Claims on residents denominated in foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
4. Claims on non-residents denominated in domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
5. Claims on credit institutions related to monetary policy operations denominated in domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
6. Other claims on credit institutions denominated in domestic currency	0.0	-	-	-	-	-	-	-	-	-	-	0.0
7. Securities of residents denominated in domestic currency	129,208.2	-	-	-	-	-	-	-	-	-	-	129,208.2
8. Claims on general government denominated in domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
9. Items in course of settlement	-	-	-	-	-	-	-	-	-	-	-	-
10. Other assets	1,314.7	80.6	164.2	2.9	11.7	41.1	28.4	18.7	53.6	-	0.1	1,716.0
<b>TOTAL ASSETS</b>	<b>130,523.0</b>	<b>273,493.9</b>	<b>204,439.1</b>	<b>87,979.1</b>	<b>70,202.6</b>	<b>48,562.7</b>	<b>32,456.2</b>	<b>16,193.9</b>	<b>28,511.2</b>	<b>154,308.7</b>	<b>142.7</b>	<b>1,046,813.1</b>
<b>LIABILITIES</b>												
1. Banknotes and coins in circulation	413,393.6	-	-	-	-	-	-	-	-	-	-	413,393.6
2. Liabilities to credit institutions related to monetary policy operations denominated in domestic currency	153,832.3	-	-	-	-	-	-	-	-	-	-	153,832.3
3. Other liabilities to credit institutions denominated in domestic currency	1,281.6	-	-	-	-	-	-	-	-	-	-	1,281.6
4. Liabilities due to issued debt securities denominated in domestic currency	283,672.1	-	-	-	-	-	-	-	-	-	-	283,672.1
5. Liabilities to other residents denominated in domestic currency	19,044.2	-	-	-	-	-	-	-	-	-	-	19,044.2
6. Liabilities to non-residents denominated in domestic currency	2,015.3	-	-	-	-	-	-	-	-	-	-	2,015.3
7. Liabilities to residents denominated in foreign currency	-	1,453.2	45,363.6	1.1	0.0	-	-	-	-	-	140.6	46,958.6
8. Liabilities to non-residents denominated in foreign currency	-	16,259.6	35,115.2	16,283.3	9,672.7	-	-	-	-	-	-	77,330.9
9. SDR allocation	-	-	-	-	-	-	-	-	28,197.8	-	-	28,197.8
10. Items in course of settlement	-	-	-	-	-	-	-	-	-	-	-	-
11. Other liabilities	413.9	79.1	60.9	3.2	10.9	45.5	20.9	19.6	-	-	0.2	654.3
12. Provisions	242.1	-	-	-	-	-	-	-	-	-	-	242.1
13. Revaluation accounts	73,262.2	4,499.3	1,012.1	130.5	860.7	236.0	-	239.2	-	-	-	80,239.9
14. Capital and reserves	1,500.0	-	-	-	-	-	-	-	-	-	-	1,500.0
15. Loss of previous years	-48,201.7	-	-	-	-	-	-	-	-	-	-	-48,201.7
16. Profit/Loss for the financial year	-13,347.9	-	-	-	-	-	-	-	-	-	-	-13,347.9
<b>TOTAL LIABILITIES</b>	<b>887,107.7</b>	<b>22,291.4</b>	<b>81,551.7</b>	<b>16,418.2</b>	<b>10,544.3</b>	<b>281.5</b>	<b>20.9</b>	<b>258.8</b>	<b>28,197.8</b>	<b>-</b>	<b>140.8</b>	<b>1,046,813.1</b>

31.12.2023	PLN	USD	EUR	GBP	CAD	AUD	NOK	NZD	SDR	Gold	Other currencies	Total
PLN million												
<b>ASSETS</b>												
1. Gold and gold receivables	-	-	-	-	-	-	-	-	-	93,591.4	-	93,591.4
2. Claims on non-residents denominated in foreign currency	-	246,735.9	165,045.6	77,572.7	60,871.6	44,228.4	29,523.5	14,827.9	28,497.2	-	2,374.1	669,677.0
3. Claims on residents denominated in foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
4. Claims on non-residents denominated in domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
5. Claims on credit institutions related to monetary policy operations denominated in domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
6. Other claims on credit institutions in domestic currency	0.0	-	-	-	-	-	-	-	-	-	-	0.0
7. Securities of residents denominated in domestic currency	138,887.6	-	-	-	-	-	-	-	-	-	-	138,887.6
8. Claims on general government denominated in domestic currency	-	-	-	-	-	-	-	-	-	-	-	-
9. Items in course of settlement	-	-	-	-	-	-	-	-	-	-	-	-
10. Other assets	1,261.4	21.5	132.9	2.8	0.2	6.7	10.5	-	52.9	-	0.1	1,489.0
<b>TOTAL ASSETS</b>	<b>140,149.1</b>	<b>246,757.4</b>	<b>165,178.5</b>	<b>77,575.5</b>	<b>60,871.8</b>	<b>44,235.1</b>	<b>29,534.1</b>	<b>14,827.9</b>	<b>28,550.2</b>	<b>93,591.4</b>	<b>2,374.1</b>	<b>903,645.1</b>
<b>LIABILITIES</b>												
1. Banknotes and coins in circulation	377,521.4	-	-	-	-	-	-	-	-	-	-	377,521.4
2. Liabilities to credit institutions related to monetary policy operations denominated in domestic currency	74,421.1	-	-	-	-	-	-	-	-	-	-	74,421.1
3. Other liabilities to credit institutions denominated in domestic currency	2,581.9	-	-	-	-	-	-	-	-	-	-	2,581.9
4. Liabilities due to issued debt securities denominated in domestic currency	303,071.1	-	-	-	-	-	-	-	-	-	-	303,071.1
5. Liabilities to other residents denominated in domestic currency	11,946.9	-	-	-	-	-	-	-	-	-	-	11,946.9
6. Liabilities to non-residents denominated in domestic currency	4,081.6	-	-	-	-	-	-	-	-	-	-	4,081.6
7. Liabilities to residents denominated in foreign currency	-	9,431.6	33,868.2	0.0	0.0	-	-	-	-	-	2,355.7	45,645.5
8. Liabilities to non-residents denominated in foreign currency	-	19,695.6	25,811.9	14,511.0	7,496.5	-	-	-	-	-	-	67,515.1
9. SDR allocation	-	-	-	-	-	-	-	-	27,878.5	-	-	27,878.5
10. Items in course of settlement	-	-	-	-	-	-	-	-	-	-	-	-
11. Other liabilities	399.1	17.0	14.6	4.2	0.1	6.6	10.8	-	-	-	0.1	452.4
12. Provisions	213.8	-	-	-	-	-	-	-	-	-	-	213.8
13. Revaluation accounts	29,927.4	1,255.8	1,645.8	917.0	514.3	534.7	83.8	138.7	-	-	-	35,017.4
14. Capital and reserves	1,500.0	-	-	-	-	-	-	-	-	-	-	1,500.0
15. Loss of previous years	-27,401.7	-	-	-	-	-	-	-	-	-	-	-27,401.7
16. Profit/Loss for the financial year	-20,800.0	-	-	-	-	-	-	-	-	-	-	-20,800.0
<b>TOTAL LIABILITIES</b>	<b>757,462.6</b>	<b>30,399.9</b>	<b>61,330.6</b>	<b>15,432.2</b>	<b>8,011.0</b>	<b>541.4</b>	<b>94.5</b>	<b>138.7</b>	<b>27,878.5</b>	<b>-</b>	<b>2,355.8</b>	<b>903,645.1</b>

### 6.1.5. Equity (equity indices) price risk

In 2024, NBP had an exposure to risk of stock price changes through its investment in ETFs that replicate the performance of equity indices. NBP invested in ETFs of the markets in the United States, the euro area, the United Kingdom, Canada and Australia, and additionally it used equity index futures quoted

on these markets to manage its positions. The risk of a change in the prices of ETFs is related to a potential loss of their value, arising mainly from unfavourable changes in the prices of replicated equity indices. The risk of a change in the price of equity index futures is related to a potential loss of value of these contracts, arising mainly from unfavourable changes in the prices of the underlying instrument (equity index). Limits on investment in ETFs and equity index futures as well as their selection criteria serve to mitigate a risk related to a change in the value of equity indices.

Daily changes in the market prices of futures are recognised in the financial result on a daily basis, including also on the day of closing the open position in futures, as realised price gains/losses (see Note 17.1).

As at the balance sheet date, ETFs are valued at market price, separately for each ETF holding. In accordance with the accounting principles of NBP, price revaluation gains on ETFs at the end of the year are recorded as revaluation accounts on the liabilities side of the balance sheet, while losses on price revaluation of these instruments are debited to NBP's financial result.

#### **6.1.6. Risk related to the market value of financial assets and liabilities and off-balance-sheet financial instruments**

Narodowy Bank Polski values financial assets and liabilities and off-balance-sheet financial instruments using market prices (mark-to-market valuation) or valuation models accepted in market practice (mark-to-model valuation) with prices or market parameters as input factors, with the exception of:

- claims and liabilities due to bank accounts, including deposits and term deposits,
- credits and loans granted,
- held-to-maturity debt securities,<sup>28</sup>
- debt securities held for monetary policy purposes,<sup>28</sup>
- banknotes and coins in circulation,
- debt securities issued by NBP,
- other financial assets and liabilities (presented in Assets item A.10 Other assets and in Liabilities item 11. Other liabilities).

As regards other financial instruments, bearing in mind their nature (e.g. short-term character, uniqueness of the instrument), it was assumed that their balance sheet value approximately equals their market/current value.

Financial assets and liabilities as well as off-balance-sheet financial instruments are classified into one of the following three levels based on the methods of determining the market value for price valuation used by NBP:

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<sup>28</sup> Debt securities held to maturity and debt securities denominated in domestic currency held for monetary policy purposes are valued at clean price, adjusted for the accrued discount/premium, less impairment.

Level 1	Level 2	Level 3
Financial assets and liabilities and off-balance-sheet financial instruments whose market value is determined directly on the basis of (unadjusted) prices quoted on active markets for identical assets, liabilities or off-balance-sheet financial instruments.	Financial assets and liabilities and off-balance-sheet financial instruments whose market value is determined on the basis of valuation models, for which all significant input data are observable in the market directly (as prices) or indirectly (as based on prices).	Financial assets and liabilities as well as off-balance-sheet financial instruments whose market value is estimated using valuation models for which input data are not based on data observable in the market.
NBP has classified into this category debt securities and ETFs denominated in foreign currency purchased by NBP, except for debt securities valued by reference to yield curve values.*	NBP has classified into this category : <ul style="list-style-type: none"> <li>debt securities priced based on the yield curve values for a given type of securities having the same credit risk of the issuer,</li> <li>forward transactions in debt securities for the revaluation of which it uses the model with input parameters coming directly from the market.</li> </ul>	As at 31 December 2024 and 31 December 2023, NBP did not classify any financial assets and liabilities and off-balance-sheet financial instruments into this category.

\* Gold is also subject to revaluation according to market prices. To measure its value, NBP uses the average market price of gold which is converted into domestic currency at the average NBP exchange rate of the US dollar prevailing as at the balance sheet date.

Financial assets and liabilities and off-balance-sheet financial instruments that are shown in the balance sheet as at 31 December 2024 and 31 December 2023 according to market value, assigned to individual levels, are presented below.

31.12.2024 PLN million	Level 1	Level 2	Level 3	Balance sheet value	Balance sheet item
ASSETS					
Securities purchased by NBP	483,169.4	14,981.0	-	498,150.4	A.2.2
ETFs	30,443.7	-	-	30,443.7	A.2.2
Forward transactions in debt securities (revaluation gains)	-	0.0	-	0.0	A.10.3
LIABILITIES					
Forward transactions in debt securities (revaluation losses)	-	2.2	-	2.2	L.11.1

31.12.2023 PLN million	Level 1	Level 2	Level 3	Balance sheet value	Balance sheet item
ASSETS					
Securities purchased by NBP	439,229.0	20,344.5	-	459,573.5	A.2.2
ETFs	7,884.4	-	-	-	A.2.2
Forward transactions in debt securities (revaluation gains)	-	0.0	-	0.0	A.10.3
LIABILITIES					
Forward transactions in debt securities (revaluation losses)	-	-	-	0.0	L.11.1

In 2024 and 2023 there were no transfers between Level 1 and Level 2.

Narodowy Bank Polski also invests in futures transactions. These contracts are marked to market (Level 1) and settled on a daily basis (see Chapter 2.4 and Note 17.1).

## 6.2. Operational risk

The concept of operational risk in NBP includes the possibility of incurring financial or non-financial damages, including the failure to carry out tasks or a negative impact on the reputation of NBP, both resulting from inadequate or failed internal processes and systems as well as personnel or external events.

In 2024, the operational risk in NBP was divided into five sub-categories: safety risk, personnel risk, legal risk, cybersecurity risk and technological risk, which includes ICT technological risk (related, inter alia, to IT and ICT systems, IT software and hardware) and non-ICT technological risk (related, inter alia, to construction facilities and elements of mobile equipment).<sup>29</sup>

The operational risk mitigation mechanisms used at NBP include, in particular:

- external and internal regulations,
- the scope of job responsibilities and division of duties,
- data reconciliation, and the “four-eyes” principle,
- the system of (financial, time) limits and restrictions,
- introduction of access control system as well as IT and telecommunications, physical and electronic safeguards,
- generation of back-up copies of electronic files,
- development of contingency and evacuation plans as well as training and tests related to securing business continuity in NBP,
- insurance,
- control and internal audit.

In 2024, operational risks in NBP activity were monitored on an ongoing basis. In 2024, the Commission for Operational Risk Management held 12 sessions during which topics were discussed related to the assessment of the current activities aimed to ensure the proper execution of NBP tasks, including risks related to cybersecurity contingency plans. In 2024, the level of risk at NBP was monitored on an ongoing basis and mitigating measures were also systematically adopted.

## 6.3. Tax risk

Due to the legal status of NBP and its specificity resulting from the functions it performs as a central bank, the scope of the provisions of tax law and provisions relating to other public levies applicable to NBP includes, under:

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<sup>29</sup> As of 1 January 2025, the category technological risk has been replaced by two separate categories – ICT risk and technical risk.



- the Tax on Goods and Services (VAT) – splitting the activity of NBP into activity not subject to regulations on VAT in respect of which NBP engages as public authority and is bound by provisions of law, in particular: the Constitution of the Republic of Poland, the Act on NBP, the Public Finance Act<sup>30</sup>, the Foreign Exchange Law<sup>31</sup> and the Banking Law Act, and – in the remaining scope – the activity subject to regulations on VAT, in respect of which NBP usually acts as VAT taxpayer,
- the Corporate Income Tax (CIT)<sup>32</sup> – benefiting from full personal exemption as CIT taxpayer and being subject to obligations as a tax remitter of withholding tax on general terms,
- the Personal Income Tax (PIT) – being subject to obligations as a tax remitted, including with respect to withholding tax, on general terms,
- the Tax on Civil Law Activities and the Stamp Duty – benefiting from full personal exemption from this tax and this duty, on a par with budgetary units,
- the Immovable Property Tax – being subject to obligations as a taxpayer of this tax on general terms,
- the Tax on Certain Financial Institutions – NBP is not subject to this tax.

At NBP, internal rules apply which define, taking into account the above legal context, the scope of responsibilities for NBP's tax settlements. The monitoring and management of tax risk are centralised at the Accounting and Finance Department. At NBP, the set action framework is oriented towards ensuring security, transparency, predictability and rationality of tax settlements. Accuracy, timeliness and completeness of tax settlements are subject to periodic verification (at least every 3 years) by an external, professional entity through tax review.

<sup>30</sup> The Public Finance Act of 27 August 2009 (Journal of Laws of 2024, item 1530, as amended).

<sup>31</sup> The Act of 27 July 2022 – Foreign Exchange Law (Journal of Laws of 2024, item 1131).

<sup>32</sup> In accordance with the Act on NBP, 95% of NBP's profit is remitted to the State budget (see Note 14).

## 7. Other information about the financial statements of NBP

### 7.1. Bodies of NBP

In accordance with the Constitution of the Republic of Poland and the Act on NBP, the bodies of NBP are: the Governor of NBP, the Monetary Policy Council and the Management Board of NBP.

The composition of NBP bodies as at 31 December 2024 was as follows:

#### Governor of NBP

*Adam Glapiński*

#### Monetary Policy Council

<b>Chairperson</b>	<i>Adam Glapiński</i>		
<b>Members</b>	<i>Ireneusz Dąbrowski</i>	<i>Cezary Kochalski</i>	<i>Gabriela Mastowska</i>
	<i>Iwona Duda</i>	<i>Ludwik Kotecki</i>	<i>Joanna Tyrowicz</i>
	<i>Wiesław Janczyk</i>	<i>Przemysław Litwiniuk</i>	<i>Henryk Wnorowski</i>

#### Management Board of NBP

<b>Chairperson</b>	<i>Adam Glapiński</i>		
<b>First Deputy Governor of NBP</b>	<i>Marta Kightley</i>		
<b>Deputy Governor of NBP</b>	<i>Adam Lipiński</i>		
<b>Members</b>	<i>Marta Gajęcka</i>	<i>Piotr Pogonowski</i>	<i>Rafał Sura</i>
	<i>Paweł Mucha</i>	<i>Artur Soboń</i>	<i>Paweł Szalamacha</i>

### 7.2. Information on the adoption and approval of NBP financial statements for the year 2023

The annual financial statements of NBP prepared as at 31 December 2023 were adopted by the MPC by Resolution No. 1/2024 on 3 April 2024 (NBP Official Journal, item 1) and approved by the Council of Ministers by Resolution No. 83 on 23 July 2024. The certified auditor in charge of auditing the financial statements on behalf of the auditing firm KPMG Audyt Spółka z o. o. sp.k. issued an unmodified (unqualified) opinion on the audited financial statements.

In the financial statements prepared as at 31 December 2023, NBP recorded a negative net financial result of PLN -20,800.0 million. Therefore, in 2024 NBP paid no contribution from profit to the State budget, neither did it allocate a contribution to NBP's reserve fund.

### 7.3. Certified auditor and its selection

The annual financial statements of NBP prepared as at 31 December 2024 are subject to audit by the audit firm KPMG Audyt Spółka z o. o. sp.k., with its registered office in Warsaw. The audit firm was appointed by the Monetary Policy Council in 2023 on the basis of Article 69 para. 1 of the Act on NBP. The selection was made following an open tendering, pursuant to the Act of 11 September 2019 – Public Procurement Law (Journal of Laws of 2022, item 1710, as amended), for a period of three years (audit of the financial statements for the years 2023, 2024 and 2025) with the option to extend the agreement for another three-year period (audit of the financial statements for the years 2026, 2027 and 2028).

Warsaw, 20 March 2025

Director of the Accounting  
and Finance Department  
of Narodowy Bank Polski

/-/ Krzysztof Kruszewski

Management Board  
of Narodowy Bank Polski

/-/ Adam Glapiński  
/-/ Marta Kightley  
/-/ Adam Lipiński  
/-/ Marta Gajęcka  
/-/ Paweł Mucha  
/-/ Piotr Pogonowski  
/-/ Artur Soboń  
/-/ Rafał Sura  
/-/ Paweł Szałamacha

## Explanation of selected abbreviations

Act on NBP – The Act of 29 August 1997 on Narodowy Bank Polski (Journal of Laws of 2022, item 2025)

Banking Law – The Act of 29 August 1997 – Banking Law (Journal of Laws of 2024, item 1646, as amended)

BBA – Bilateral Borrowing Agreement (<https://www.imf.org/> – see Note 2)

BFG – Bank Guarantee Fund (<https://www.bfg.pl/>)

BIS – Bank for International Settlements (<https://www.bis.org/>)

BoE – Bank of England (<https://www.bankofengland.co.uk/>)

ECB – European Central Bank (<https://www.ecb.europa.eu/>)

ECB Guideline – Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31)

ESCB – European System of Central Banks (<https://www.ecb.europa.eu/ecb/orga/escb/>)

ETF – Exchange Traded Fund – securities in the form of units in investment funds in foreign currency (see Note 3 and Note 19)

Euro STOXX 50 Net Return – a leading blue-chip index for the euro area (see Note 3)

Fed – Federal Reserve System (<https://www.federalreserve.gov/>)

FTP – Financial Transactions Plan (<https://www.imf.org/> – see Note 2)

FTSE 100 Net Tax – the index of the 100 blue-chip companies with the highest market capitalisation listed on the London Stock Exchange (see Note 3)

FX risk provision – a provision against the foreign exchange rate risk of the zloty, created as provided for in Article 65 of the Act on NBP (see Note 14.2)

ISIN – International Securities Identification Number

KSKOK – National Association of Cooperative Savings and Credit Unions (<https://www.skok.pl/>)

MD (Modified Duration) – an interest rate risk measure applied by NBP (see Chapter 6.1.3).

IMF – International Monetary Fund (<https://www.imf.org/> – see Note 2)

MPC – Monetary Policy Council

NAB – New Arrangements to Borrow (<https://www.imf.org/> – see Note 2)

NASDAQ 100 – the index of the 100 largest non-financial companies listed on the Nasdaq Stock Market

NBP – Narodowy Bank Polski (<https://nbp.pl/en>)

PRG-HIPC – Trust for Special Poverty Reduction and Growth Operations for the Heavily Indebted Poor Countries and Interim ECF Subsidy Operations (<https://www.imf.org/> – see Note 2)

Resolution No. 6/2019 of the MPC – Resolution No. 6/2019 of the Monetary Policy Council of 5 November 2019 on the principles for creating and releasing the provision against the foreign exchange rate risk of the zloty at Narodowy Bank Polski (NBP Official Journal, item 14)

Resolution No. 13/2020 of the MPC – Resolution No. 13/2020 of the Monetary Policy Council of 6 November 2020 on the accounting principles of Narodowy Bank Polski, the format of the balance sheet, the profit and loss account and the contents of the notes (NBP Official Journal of 2025, item 1)

Resolution No. 64/2020 of the MPC – Resolution No. 64/2020 of the Management Board of Narodowy Bank Polski of 21 December 2020 on the accounting organisation rules at Narodowy Bank Polski (as amended)

RP – Republic of Poland

SDR – Special Drawing Right (<https://www.imf.org/> – see Note 2)

Solactive Australia 200 – the index of the 200 companies with the highest market capitalisation, listed on the Australian Securities Exchange, published by Solactive AG (see Note 3)

Statute of the ESCB and of the ECB – the Statute of the European System of Central Banks and of the European Central Bank

S.W.I.F.T. – Society for Worldwide Interbank Financial Telecommunication (<https://www.swift.com/>)

S&P 500 Total Return – the index includes 500 leading US companies with high market capitalisation, covering approximately 80% of available market capitalisation (see Note 3)

S&P ASX 200 Total Return – the index of the 200 largest companies with the highest market capitalisation, listed on the Australian Securities Exchange, published by Standard & Poor's (see Note 3)

S&P TSX Capped Composite Total Return – the index of companies listed on the Toronto Stock Exchange representing a total of approx. 95% of available market capitalisation, where weight of any company's issue is capped at 10% of the index total (see Note 3)