FINANCING OF THE CENTRAL GOVERNMENT IN AUGUST 2025

1. Government debt data

The debt of the central government increased by HUF 4,587.1 billion in August due to the following reasons:

- **The first increasing factor** is the net forint issuance of HUF 2,462.6 billion, which finances the deficit of the central government budget.
- **The second – increasing – factor** is the net foreign currency issuance of HUF 2,842.0 billion, which finances the deficit and increased the foreign currency deposit, and also increased the debt of the central government.
- **The third – which had contrary effect than the above mentioned factors –** is the appreciation of the forint that decreased the HUF value of the foreign currency debt by HUF 623.4 billion.
- **The fourth – also decreasing factor —** is the change of the foreign currency exchange rates and other factors that decreased the mark-to-market deposits placed at GDMA by HUF 94.2 billion.

According to the preliminary data **the domestic and foreign currency debt of the central government** was the following in 2025.

Central government gross debt and debt transactions in 2025

	31.12.2024		Issuance (increase in debt)	Redemption (decrease in debt)	Other changes	Net change	**31.08.2025**		**change**
	Debt stock (preliminary data)	**Breakdown**	**January to August**				**Debt stock (preliminary data)**	**Breakdown**	**percent**
1. HUF denominated debt	**38,701.620**	***69.8%***	**12,202.269**	**9,739.672**	**0.000**	**2,462.597**	**41,164.217**	***68.5%***	***-1.23%***
1.1. Loans	**878.653**	***1.6%***	**40.363**	**30.659**	**0.000**	**9.704**	**888.357**	***1.5%***	***-0.10%***
1.1.1. Foreign	878.653	*1.6%*	40.363	30.659	0.000	9.704	888.357	***1.5%***	***-0.10%***
1.1.2. Domestic	0.000	*0.0%*	0.000	0.000	0.000	0.000	0.000	***0.0%***	***0.00%***
1.2. Government securities	**37,822.968**	***68.2%***	**12,161.906**	**9,709.013**	**0.000**	**2,452.893**	**40,275.860**	***67.1%***	***-1.12%***
1.2.1. Bonds	24,106.380	*43.5%*	3,515.573	1,594.671	0.000	1,920.902	26,027.282	***43.3%***	***-0.12%***
1.2.2. Discount T-bills	2,453.677	*4.4%*	4,493.065	4,123.106	0.000	369.959	2,823.636	***4.7%***	***0.28%***
1.2.3. Retail securities	11,262.911	*20.3%*	4,153.268	3,991.235	0.000	162.032	11,424.943	***19.0%***	***-1.28%***
2. Foreign currency denominated debt	**16,557.782**	***29.8%***	**3,123.131**	**281.098**	**-623.388**	**2,218.645**	**18,776.427**	***31.3%***	***1.41%***
2.1. Loans	**3,431.497**	***6.2%***	**184.818**	**1.511**	**-120.595**	**62.712**	**3,494.209**	***5.8%***	***-0.37%***
2.1.1. Foreign	3,431.497	*6.2%*	181.532	1.511	*-117.309*	62.712	3,494.209	***5.8%***	***-0.37%***
2.1.2. Domestic	*0.000*	*0.0%*	*3.286*	*0.000*	*-3.286*	*0.000*	*0.000*	***0.0%***	***0.00%***
2.2. Government securities	**13,126.285**	***23.7%***	**2,938.313**	**279.587**	**-502.793**	**2,155.933**	**15,282.218**	***25.4%***	***1.78%***
2.2.1. Issued abroad	12,559.179	*22.6%*	2,858.065	227.062	-483.801	2,147.202	14,706.381	***24.5%***	***1.85%***
2.2.1.1. Foreign currency bond	12,369.996	*22.3%*	2,677.985	45.146	-471.180	2,161.659	14,531.655	***24.2%***	***1.90%***
2.2.1.2. ECP program	189.183	*0.3%*	180.080	181.915	-12.621	-14.457	174.726	***0.3%***	***-0.05%***
2.2.2. Issued in Hungary	567.106	*1.0%*	80.248	52.525	-18.992	8.731	575.837	***1.0%***	***-0.06%***
Total	**55,259.402**	***99.6%***	**15,325.400**	**10,020.770**	**-623.388**	**4,681.242**	**59,940.644**	***99.8%***	***0.19%***
Other debt	219.613	*0.4%*	965.253	1,055.934	-3.474	-94.155	125.458	***0.2%***	***-0.19%***
Total central government debt	**55,479.015**	***100.0%***	**16,290.653**	**11,076.704**	**-626.863**	**4,587.086**	**60,066.102**	***100.0%***	***0.00%***

The foreign currency debt of the central government increased by HUF 2,218.6 billion in 2025 and amounted to HUF 18,776.4 billion at the end of August 2025. The share of foreign currency denominated debt within the total debt increased from 29.8% to 31.3% in 2025.

The increase is mainly due to the foreign currency bond issuances in 2025. On 7 January Hungary's first international bond issuance this year was made in the total amount of EUR 2.5 billion (HUF 1.035,7 billion) by issuing two series with different maturities. One of the two series is a 10-year maturity conventional bond in the amount of EUR 1.5 billion (HUF 621.4 billion) and the other one is a 15-year maturity green bond in the amount of EUR 1.0 billion (HUF 414.3 billion). The second international bond issuance was made on 16 June 2025, with a total amount of USD 4 billion (HUF 1,404.6 billion). The foreign currency bond issue consisted of three series of conventional bond: a 5-year maturity of USD 1.5 billion (HUF 526.7 billion), a 10-year maturity of USD 1 billion (HUF 351.1 billion), and a 30-year maturity of USD 1.5 billion (HUF 526.7 billion). Hungary's third foreign currency bond issuance took place this year on July 22, which was also the country's fifth Panda Bond issuance in China, with a total amount of CNY 5 billion (HUF 237.8 billion). Two series were issued: a 3-year maturity bond in the amount of CNY 4 billion (HUF 190.2 billion) and a 5-year maturity bond in the amount of CNY 1 billion (HUF 47.6 billion). The amount of foreign currency securities issued in 2025 under the ECP (Euro Commercial Paper) program was USD 500 million (HUF 180.1 billion). The drawdown of foreign currency loans further increased the share of foreign currency debt, but the exchange rate appreciation decreased the share of foreign currency debt.

The forint denominated debt increased by HUF 2,462.6 billion to HUF 41,164.2 billion. The share of HUF-denominated debt reached 68.5% of the total debt, while in December 2024 this proportion was 69.8%.

The stock of retail securities increased by HUF 162.0 billion since the end of 2024 to HUF 11,424.9 billion at the end of August. The portfolio of Premium Hungarian Government Security with a long-term maturity decreased by HUF 2,825.2 billion, thus amounted to HUF 4,135.8 billion. The Fixed Hungarian Government Security increased by HUF 1,857.2 billion and amounted to HUF 2,874.2 billion at the end of the month. The stock of Bonus Hungarian Government Security also increased by HUF 1,227.4 billion and amounted to HUF 2,436.3 billion at the end of August. The Hungarian Government Security Plus (dematerialised and printed MÁP Plusz), together with previously sold MÁP Plusz, increased by HUF 157.9 billion and amounted to HUF 920.5 billion.

The volume of non-resident holdings of Hungarian government securities increased by HUF 841.4 billion to HUF 7,103.5 in August. 99.8% of non-resident holdings was Hungarian Government Bonds, which amounted to HUF 7,092.3 billion. The non-resident holdings of Discount Treasury Bills amounted to HUF 11.2 billion, that represented only 0.2% of total non-resident holdings. The duration of the non-resident stock was 5.3 years at the end of August 2025.

In order to reduce counterparty risk associated with the swap transactions concluded by GDMA, so-called marked-to-market deposits are being placed as collateral covering the net value of the swap positions. Such deposits placed at GDMA are counted as part of the government debt as 'other obligations'. During the first eight months of the year marked-to-market and other deposits decreased by HUF 94.2 billion and reached HUF 125.5 billion (EUR 0.3 billion) at the end of the month.

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2. Forint yields

The average bid-to-cover ratio of Discount Treasury bill auctions decreased from 2.2 to 1.6. The bid-to-cover ratio of Hungarian Government Bonds auctions increased from 2.8 to 4.0 in August.

The average yield of the last 3-month Discount Treasury Bill auction in August was 6.11%, 4 basis points lower than in the previous month and the 6-month Treasury bill was 6.05%, 14 basis points lower than at the end of July. The average yield of the last 12-month Discount Treasury Bill auction in August was 6.10%, 12 basis points lower compared to July.

The average yield of the latest 3-year Hungarian Government Bond auctions in August was 6.46% and 2 basis points higher compared to the auction in July. The average yield of the 5-year Hungarian Government Bond auction in August was 6.63%, 1 basis points lower than in July. The average yield of the 10-year Hungarian Government Bond auction in August was 7.03%, 17 basis points lower than in the previous month. The average yield of the latest 15-year Hungarian Government Bond auction was 7.33%, higher by 9 basis points compared to the last July's average yield.

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