FINANCING OF THE CENTRAL GOVERNMENT IN FEBRUARY 2025

1. Government debt data

The debt of the central government increased by HUF 2,101.8 billion in February due to the following reasons:

- **The first increasing factor** is the net forint issuance of HUF 1,454.5 billion, which finances the deficit of the central government budget.
- **The second – increasing – factor** is the net foreign currency issuance of HUF 1,051.6 billion, which finances the deficit and increased the foreign currency deposit, and also increased the debt of the central government.
- **The third – also increasing factor —** is the change of the foreign currency exchange rates and other factors that increased the mark-to-market deposits placed at GDMA by HUF 18.0 billion.
- **The fourth – 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 422.4 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	**28.02.2025**		**change**
	Debt stock (preliminary data)	**Breakdown**	**January to February**				**Debt stock (preliminary data)**	**Breakdown**	**percent**
1. HUF denominated debt	**38,701.620**	***69.8%***	**3,900.578**	**2,446.067**	**0.000**	**1,454.511**	**40,156.131**	***69.7%***	***-0.02%***
1.1. Loans	**878.653**	***1.6%***	**0.000**	**0.000**	**0.000**	**0.000**	**878.653**	***1.5%***	***-0.06%***
1.1.1. Foreign	878.653	*1.6%*	0.000	0.000	0.000	0.000	878.653	***1.5%***	***-0.06%***
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%***	**3,900.578**	**2,446.067**	**0.000**	**1,454.511**	**39,277.478**	***68.2%***	***0.04%***
1.2.1. Bonds	24,106.380	*43.5%*	1,460.774	159.008	0.000	1,301.766	25,408.146	***44.1%***	***0.67%***
1.2.2. Discount T-bills	2,453.677	*4.4%*	988.931	967.016	0.000	21.914	2,475.591	***4.3%***	***-0.12%***
1.2.3. Retail securities	11,262.911	*20.3%*	1,450.874	1,320.043	0.000	130.831	11,393.742	***19.8%***	***-0.51%***
2. Foreign currency denominated debt	**16,557.782**	***29.8%***	**1,108.625**	**56.991**	**-422.362**	**629.271**	**17,187.053**	***29.8%***	***0.00%***
2.1. Loans	**3,431.497**	***6.2%***	**49.387**	**0.366**	**-81.386**	**-32.365**	**3,399.132**	***5.9%***	***-0.28%***
2.1.1. Foreign	3,431.497	*6.2%*	48.532	0.366	*-80.531*	-32.365	3,399.132	***5.9%***	***-0.28%***
2.1.2. Domestic	*0.000*	*0.0%*	*0.856*	*0.000*	*-0.856*	*0.000*	*0.000*	***0.0%***	***0.00%***
2.2. Government securities	**13,126.285**	***23.7%***	**1,059.238**	**56.626**	**-340.976**	**661.636**	**13,787.920**	***23.9%***	***0.29%***
2.2.1. Issued abroad	12,559.179	*22.6%*	1,035.675	49.232	-327.474	658.969	13,218.148	***23.0%***	***0.32%***
2.2.1.1. Foreign currency bond	12,369.996	*22.3%*	1,035.675	49.232	-323.095	663.348	13,033.344	***22.6%***	***0.34%***
2.2.1.2. ECP program	189.183	*0.3%*	0.000	0.000	-4.379	-4.379	184.804	***0.3%***	***-0.02%***
2.2.2. Issued in Hungary	567.106	*1.0%*	23.563	7.394	-13.502	2.666	569.772	***1.0%***	***-0.03%***
Total	**55,259.402**	***99.6%***	**5,009.203**	**2,503.059**	**-422.362**	**2,083.782**	**57,343.184**	***99.6%***	***-0.02%***
Other debt	219.613	*0.4%*	337.136	314.765	-4.384	17.988	237.601	***0.4%***	***0.02%***
Total central government debt	**55,479.015**	***100.0%***	**5,346.339**	**2,817.824**	**-426.746**	**2,101.769**	**57,580.785**	***100.0%***	***0.00%***

The foreign currency debt of the central government increased by HUF 629.3 billion in 2025 and amounted to HUF 17,187.1 billion at the end of February 2025. The share of foreign currency denominated debt within the total debt was 29.8% in February, unchanged from the level at the end of 2024.

The increase is mainly due to the foreign currency bond issuances in January 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 forint denominated debt increased by HUF 1,454.5 billion to HUF 40,156.1 billion. The share of HUF-denominated debt reached 69.7% of the total debt, while in December 2024 this proportion was 69.8%.

The stock of retail securities increased by HUF 130.8 billion since the end of 2024 to HUF 11,393.7 billion at the end of February. The portfolio of Premium Hungarian Government Security with a long-term maturity decreased by HUF 860.0 billion, thus amounted to HUF 6,101.0 billion. The 3-year Fixed Hungarian Government Security increased by HUF 724.3 billion and amounted to HUF 1,741.2 billion at the end of the month. The sale of Bonus Hungarian Government Security also increased: the stock of 3- and 5-year Bonus Hungarian Government Security increased by HUF 315.4 billion and amounted to HUF 1,524.3 billion at the end of February. The Hungarian Government Security Plus (dematerialised and printed MÁP Plusz), together with previously sold MÁP Plusz, increased by HUF 71.4 billion compared to the previous month and amounted to HUF 834.0 billion. The 1-Year Hungarian Government Security is being phased out from June 2024, which stock decreased by HUF 190.8 billion to HUF 191.6 billion at the end of February.

The volume of non-resident holdings of Hungarian government securities increased by HUF 236.8 billion to HUF 5,665.1 in February. 99.7% of non-resident holdings was Hungarian Government Bonds, which amounted to HUF 5,650.3 billion. The non-resident holdings of Discount Treasury Bills amounted to HUF 14.8 billion, that represented only 0,3% of total non-resident holdings. The duration of the non-resident stock was 5.6 years at the end of February 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 two months of the year marked-to-market and other deposits increased by HUF 18.0 billion and reached HUF 237.6 billion (EUR 0.6 billion) at the end of the month.

2. Forint yields

The average bid-to-cover ratio of Discount Treasury bill auctions increased from 0.9 to 2.2. The bid-to-cover ratio of Hungarian Government Bonds auctions decreased from 2.9 to 2.6 in February.

The average yield of the last 3-month Discount Treasury Bill auction in February was 6.05%, 7 basis points higher than in the previous month and the 6-month Treasury bill was 6.06%, 5 basis points higher than at the end of January. The average yield of the last 12-month Discount Treasury Bill auction in February was 6.07%, 8 basis points higher compared to January.

The average yield of the latest 3-year Hungarian Government Bond auctions in February was 6.37% and 11 basis points higher compared to the auction in January. The average yield of the 5-year Hungarian Government Bond auction in February was 6.25%, 9 basis points lower than in January. The average yield of the 10-year Hungarian Government Bond auction in February was 6.69%, 10 basis points lower than in the previous month. The average yield of the latest 30-year bond auction was 6.94%, lower by 2 basis points compared to the last October’s average yield.

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