FINANCING OF THE CENTRAL GOVERNMENT IN JULY 2025

1. Government debt data

The debt of the central government increased by HUF 4,695.9 billion in July due to the following reasons:

- **The first increasing factor** is the net forint issuance of HUF 2,460.4 billion, which finances the deficit of the central government budget.
- **The second – increasing – factor** is the net foreign currency issuance of HUF 2,828.7 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 485.2 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 108.0 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	31.07.2025		change
	Debt stock (preliminary data)	Breakdown	January to July				Debt stock (preliminary data)	Breakdown	percent
1. HUF denominated debt	**38,701.620**	*69.8%*	**11,155.145**	**8,694.703**	**0.000**	**2,460.443**	**41,162.063**	***68.4%***	***-1.35%***
1.1. Loans	**878.653**	*1.6%*	**40.363**	**30.659**	**0.000**	**9.704**	**888.357**	***1.5%***	***-0.11%***
1.1.1. Foreign	878.653	*1.6%*	40.363	30.659	0.000	9.704	888.357	***1.5%***	***-0.11%***
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%*	**11,114.782**	**8,664.043**	**0.000**	**2,450.739**	**40,273.706**	***66.9%***	***-1.25%***
1.2.1. Bonds	24,106.380	*43.5%*	3,172.867	1,462.402	0.000	1,710.465	25,816.846	***42.9%***	***-0.55%***
1.2.2. Discount T-bills	2,453.677	*4.4%*	4,040.856	3,414.912	0.000	625.943	3,079.620	***5.1%***	***0.70%***
1.2.3. Retail securities	11,262.911	*20.3%*	3,901.059	3,786.729	0.000	114.330	11,377.241	***18.9%***	***-1.39%***
2. Foreign currency denominated debt	**16,557.782**	*29.8%*	**3,086.700**	**258.006**	**-485.233**	**2,343.462**	**18,901.243**	***31.4%***	***1.57%***
2.1. Loans	**3,431.497**	*6.2%*	**163.359**	**1.511**	**-95.007**	**66.840**	**3,498.337**	***5.8%***	***-0.37%***
2.1.1. Foreign	3,431.497	*6.2%*	160.073	1.511	*-91.721*	66.840	3,498.337	***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%*	**2,923.342**	**256.495**	**-390.225**	**2,276.622**	**15,402.906**	***25.6%***	***1.94%***
2.2.1. Issued abroad	12,559.179	*22.6%*	2,858.065	227.062	-375.654	2,255.350	14,814.528	***24.6%***	***1.98%***
2.2.1.1. Foreign currency bond	12,369.996	*22.3%*	2,677.985	45.146	-364.637	2,268.202	14,638.198	***24.3%***	***2.03%***
2.2.1.2. ECP program	189.183	*0.3%*	180.080	181.915	-11.017	-12.853	176.330	***0.3%***	***-0.05%***
2.2.2. Issued in Hungary	567.106	*1.0%*	65.277	29.433	-14.572	21.272	588.378	***1.0%***	***-0.04%***
Total	**55,259.402**	***99.6%***	**14,241.846**	**8,952.709**	**-485.233**	**4,803.904**	**60,063.306**	***99.8%***	***0.21%***
Other debt	219.613	*0.4%*	929.403	1,034.883	-2.552	-108.032	111.581	***0.2%***	***-0.21%***
Total central government debt	**55,479.015**	***100.0%***	**15,171.249**	**9,987.592**	**-487.785**	**4,695.872**	**60,174.887**	***100.0%***	***0.00%***

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The foreign currency debt of the central government increased by HUF 2,343.5 billion in 2025 and amounted to HUF 18,901.2 billion at the end of July 2025. The share of foreign currency denominated debt within the total debt increased from 29.8% to 31.4% 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 2,460.4 billion to HUF 41,162.1 billion. The share of HUF-denominated debt reached 68.4% of the total debt, while in December 2024 this proportion was 69.8%.

The stock of retail securities increased by HUF 114.3 billion since the end of 2024 to HUF 11,377.2 billion at the end of July. The portfolio of Premium Hungarian Government Security with a long-term maturity decreased by HUF 2,704.1 billion, thus amounted to HUF 4,256.9 billion. The Fixed Hungarian Government Security increased by HUF 1,769.0 billion and amounted to HUF 2,785.9 billion at the end of the month. The sale of Bonus Hungarian Government Security also increased: the stock of Bonus Hungarian Government Security increased by HUF 1,151.1 billion and amounted to HUF 2,360.0 billion at the end of July. The Hungarian Government Security Plus (dematerialised and printed MÁP Plusz), together with previously sold MÁP Plusz, increased by HUF 161.5 billion compared to the previous month and amounted to HUF 924.1 billion.

The volume of non-resident holdings of Hungarian government securities increased by HUF 711.6 billion to HUF 6,262.0 in July. 99.7% of non-resident holdings was Hungarian Government Bonds, which amounted to HUF 6,246.2 billion. The non-resident holdings of Discount Treasury Bills amounted to HUF 15.8 billion, that represented only 0.3% of total non-resident holdings. The duration of the non-resident stock was 5.4 years at the end of July 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 seven months of the year marked-to-market and other deposits decreased by HUF 108.0 billion and reached HUF 111.6 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 2.8 to 2.2. The bid-to-cover ratio of Hungarian Government Bonds auctions decreased from 3.5 to 2.8 in July.

The average yield of the last 3-month Discount Treasury Bill auction in July was 6.15%, 9 basis points higher than in the previous month and the 6-month Treasury bill was 6.19%, 6 basis points higher than at the end of June. The average yield of the last 12-month Discount Treasury Bill auction in July was 6.22%, 14 basis points higher compared to June.

The average yield of the latest 3-year Hungarian Government Bond auctions in July was 6.44% and 1 basis points higher compared to the auction in June. The average yield of the 5-year Hungarian Government Bond auction in July was 6.64%, 19 basis points higher than in June. The average yield of the 10-year Hungarian Government Bond auction in July was 7.20%, 12 basis points higher than in the previous month. The average yield of the latest 15-year Hungarian Government Bond auction was 7.24%, higher by 16 basis points compared to the last May's average yield. The average yield of the latest 20-year Hungarian Government Bond auction was 7.57%, higher by 25 basis points compared to the last June's average yield.

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