FINANCING OF THE CENTRAL GOVERNMENT IN MARCH 2025

1. Government debt data

The debt of the central government increased by HUF 2,283.5 billion in March due to the following reasons:

- **The first increasing factor** is the net forint issuance of HUF 1,767.2 billion, which finances the deficit of the central government budget.
- **The second – increasing – factor** is the net foreign currency issuance of HUF 877.6 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 5.1 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 366.4 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	31.03.2025		change
	Debt stock (preliminary data)	Breakdown	January to March				Debt stock (preliminary data)	Breakdown	percent
1. HUF denominated debt	**38,701.620**	***69.8%***	**5,280.522**	**3,513.340**	**0.000**	**1,767.182**	**40,468.802**	***70.1%***	***0.30%***
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%***	**5,280.522**	**3,513.340**	**0.000**	**1,767.182**	**39,590.150**	***68.5%***	***0.36%***
1.2.1. Bonds	24,106.380	*43.5%*	1,715.929	238.607	0.000	1,477.322	25,583.702	***44.3%***	***0.84%***
1.2.2. Discount T-bills	2,453.677	*4.4%*	1,508.606	1,161.483	0.000	347.123	2,800.800	***4.8%***	***0.43%***
1.2.3. Retail securities	11,262.911	*20.3%*	2,055.987	2,113.251	0.000	-57.263	11,205.647	***19.4%***	***-0.90%***
2. Foreign currency denominated debt	**16,557.782**	***29.8%***	**1,122.032**	**244.445**	**-366.370**	**511.217**	**17,068.999**	***29.6%***	***-0.29%***
2.1. Loans	**3,431.497**	***6.2%***	**49.387**	**0.897**	**-69.592**	**-21.102**	**3,410.395**	***5.9%***	***-0.28%***
2.1.1. Foreign	3,431.497	*6.2%*	48.532	0.897	*-68.736*	-21.102	3,410.395	***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%***	**1,072.645**	**243.548**	**-296.778**	**532.319**	**13,658.604**	***23.6%***	***-0.01%***
2.2.1. Issued abroad	12,559.179	*22.6%*	1,035.675	230.975	-285.301	519.399	13,078.577	***22.6%***	***0.00%***
2.2.1.1. Foreign currency bond	12,369.996	*22.3%*	1,035.675	49.232	-277.862	708.581	13,078.577	***22.6%***	***0.35%***
2.2.1.2. ECP program	189.183	*0.3%*	0.000	181.743	-7.439	-189.183	0.000	***0.0%***	***-0.34%***
2.2.2. Issued in Hungary	567.106	*1.0%*	36.970	12.573	-11.477	12.921	580.027	***1.0%***	***-0.02%***
Total	**55,259.402**	***99.6%***	**6,402.554**	**3,757.786**	**-366.370**	**2,278.399**	**57,537.801**	***99.6%***	***0.01%***
Other debt	219.613	*0.4%*	595.062	586.444	-3.532	5.086	224.699	***0.4%***	***-0.01%***
Total central government debt	**55,479.015**	***100.0%***	**6,997.617**	**4,344.230**	**-369.902**	**2,283.485**	**57,762.500**	***100.0%***	***0.00%***

The foreign currency debt of the central government increased by HUF 511.2 billion in 2025 and amounted to HUF 17,069.0 billion at the end of March 2025. The share of foreign currency denominated debt within the total debt decreased from 29.8% to 29.6% in 2025.

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 1,767.2 billion to HUF 40,468.8 billion. The share of HUF-denominated debt reached 70.1% of the total debt, while in December 2024 this proportion was 69.8%.

The stock of retail securities decreased by HUF 57.3 billion since the end of 2024 to HUF 11,205.6 billion at the end of March. The portfolio of Premium Hungarian Government Security with a long-term maturity decreased by HUF 1 475.8 billion, thus amounted to HUF 5,485.2 billion. The 3-year Fixed Hungarian Government Security increased by HUF 1 016.5 billion and amounted to HUF 2,033.4 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 475.5 billion and amounted to HUF 1,684.5 billion at the end of March. The Hungarian Government Security Plus (dematerialised and printed MÁP Plusz), together with previously sold MÁP Plusz, increased by HUF 108.4 billion compared to the previous month and amounted to HUF 870.9 billion. The 1-Year Hungarian Government Security is being phased out from June 2024, which stock decreased by HUF 267.5 billion to HUF 114.9 billion at the end of March.

The volume of non-resident holdings of Hungarian government securities decreased by HUF 245.2 billion to HUF 5,419.9 in March. 99.7% of non-resident holdings was Hungarian Government Bonds, which amounted to HUF 5,403.4 billion. The non-resident holdings of Discount Treasury Bills amounted to HUF 16.5 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 March 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 three months of the year marked-to-market and other deposits increased by HUF 5.1 billion and reached HUF 224.7 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 decreased from 2.2 to 2.1. The bid-to-cover ratio of Hungarian Government Bonds auctions decreased from 2.6 to 1.9 in March.

The average yield of the last 3-month Discount Treasury Bill auction in March was 6.35%, 30 basis points higher than in the previous month and the 6-month Treasury bill was 6.34%, 28 basis points higher than at the end of February. The average yield of the last 12-month Discount Treasury Bill auction in March was 6.35%, 28 basis points higher compared to February.

The average yield of the latest 3-year Hungarian Government Bond auctions in March was 6.76% and 39 basis points higher compared to the auction in February. The average yield of the 5-year Hungarian Government Bond auction in March was 6.83%, 58 basis points higher than in February. The average yield of the 10-year Hungarian Government Bond auction in March was 7.15%, 46 basis points higher than in the previous month. The average yield of the latest 15-year bond auction was 7.32%, higher by 27 basis points compared to the last January's average yield.

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