FINANCING OF THE CENTRAL GOVERNMENT IN JANUARY 2025

1. Government debt data

The debt of the central government increased by HUF 1,602.7 billion in January due to the following reasons:

- **The first increasing factor** is the net foreign currency issuance of HUF 1,074.3 billion, which finances the deficit and increased the foreign currency deposit, and also increased the debt of the central government.
- **The second – increasing – factor** is the net forint issuance of HUF 629.0 billion, which finances the deficit of the central government budget.
- **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 3.9 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 104.5 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	31.01.2025		change
	Debt stock (preliminary data)	Breakdown	January				Debt stock (preliminary data)	Breakdown	percent
1. HUF denominated debt	**38,701.620**	***69.8%***	**1,539.890**	**910.886**	**0.000**	**629.003**	**39,330.624**	***68.9%***	***-0.86%***
1.1. Loans	**878.653**	***1.6%***	**0.000**	**0.000**	**0.000**	**0.000**	**878.653**	***1.5%***	***-0.04%***
1.1.1. Foreign	878.653	*1.6%*	0.000	0.000	0.000	0.000	878.653	***1.5%***	***-0.04%***
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%***	**1,539.890**	**910.886**	**0.000**	**629.003**	**38,451.971**	***67.4%***	***-0.81%***
1.2.1. Bonds	24,106.380	*43.5%*	504.411	39.537	0.000	464.875	24,571.255	***43.0%***	***-0.41%***
1.2.2. Discount T-bills	2,453.677	*4.4%*	389.203	272.117	0.000	117.086	2,570.763	***4.5%***	***0.08%***
1.2.3. Retail securities	11,262.911	*20.3%*	646.276	599.233	0.000	47.043	11,309.953	***19.8%***	***-0.49%***
2. Foreign currency denominated debt	**16,557.782**	***29.8%***	**1,077.891**	**3.637**	**-104.531**	**969.722**	**17,527.503**	***30.7%***	***0.86%***
2.1. Loans	**3,431.497**	***6.2%***	**31.923**	**0.366**	**-18.858**	**12.700**	**3,444.197**	***6.0%***	***-0.15%***
2.1.1. Foreign	3,431.497	*6.2%*	31.067	0.366	*-18.002*	12.700	3,444.197	***6.0%***	***-0.15%***
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%***	**1,045.968**	**3.272**	**-85.674**	**957.022**	**14,083.307**	***24.7%***	***1.01%***
2.2.1. Issued abroad	12,559.179	*22.6%*	1,035.675	0.000	-82.600	953.075	13,512.254	***23.7%***	***1.03%***
2.2.1.1. Foreign currency bond	12,369.996	*22.3%*	1,035.675	0.000	-81.658	954.017	13,324.013	***23.3%***	***1.05%***
2.2.1.2. ECP program	189.183	*0.3%*	0.000	0.000	-0.942	-0.942	188.241	***0.3%***	***-0.01%***
2.2.2. Issued in Hungary	567.106	*1.0%*	10.293	3.272	-3.074	3.947	571.053	***1.0%***	***-0.02%***
Total	**55,259.402**	***99.6%***	**2,617.780**	**914.524**	**-104.531**	**1,598.725**	**56,858.127**	***99.6%***	***0.00%***
Other debt	219.613	*0.4%*	183.393	178.043	-1.405	3.944	223.558	***0.4%***	***0.00%***
Total central government debt	**55,479.015**	***100.0%***	**2,801.173**	**1,092.567**	**-105.937**	**1,602.669**	**57,081.685**	***100.0%***	***0.00%***

The foreign currency debt of the central government increased by HUF 969.7 billion in 2025 and amounted to HUF 17,527.5 billion at the end of January 2025. The share of foreign currency denominated debt within the total debt increased from 29.8% to 30.7% 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 drawdown of foreign currency loans further increased the share of foreign currency debt.

The forint denominated debt increased by HUF 629.0 billion to HUF 39,330.6 billion. The share of HUF-denominated debt reached 68.9% of the total debt, while in December 2024 this proportion was 69.8%.

The stock of retail securities increased by HUF 47.0 billion since the end of 2024 to HUF 11,310.0 billion at the end of January. The portfolio of Premium Hungarian Government Security with a long-term maturity decreased by HUF 335.8 billion, thus amounted to HUF 6,625.2 billion. The 3-year Fixed Hungarian Government Security increased by HUF 363.7 billion and amounted to HUF 1,380.7 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 75.0 billion and amounted to HUF 1,283.9 billion at the end of January. The Hungarian Government Security Plus (dematerialised and printed MÁP Plusz), together with previously sold MÁP Plusz, amounted to HUF 798.9 billion. The 1-Year Hungarian Government Security is being phased out from June 2024, which stock decreased by HUF 114.1 billion to HUF 268.3 billion at the end of January.

The volume of non-resident holdings of Hungarian government securities increased by HUF 757.9 billion to HUF 5,428.3 in January. 99.6% of non-resident holdings was Hungarian Government Bonds, which amounted to HUF 5,405.9 billion. The non-resident holdings of Discount Treasury Bills amounted to HUF 22.4 billion, that represented only 0,4% of total non-resident holdings. The duration of the non-resident stock was 5.9 years at the end of January 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 month of the year marked-to-market and other deposits increased by HUF 3.9 billion and reached HUF 223.6 billion (EUR 0.5 billion) at the end of the month.

2. Forint yields

The average bid-to-cover ratio of Discount Treasury bill auctions decreased from 2.6 to 0.9. The bid-to-cover ratio of Hungarian Government Bonds auctions also decreased from 3.8 to 2.9 in January.

The average yield of the last 3-month Discount Treasury Bill auction in January was 5.98%, 73 basis points higher than in the previous month and the 6-month Treasury bill was 6.01%, 78 basis points higher than at the end of December. The average yield of the last 12-month Discount Treasury Bill auction in January was 5.99%, 57 basis points higher compared to December.

The average yield of the latest 3-year Hungarian Government Bond auctions in January was 6.26% and 18 basis points higher compared to the auction in December. The average yield of the 5-year Hungarian Government Bond auction in January was 6.34%, 68 basis points higher than in December. The average yield of the 10-year Hungarian Government Bond auction in January was 6.79%, 49 basis points higher than in the previous month. The average yield of the latest 15-year bond auction was 7.05%, higher by 19 basis points compared to the last October's average yield.

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