



# THE NATIONAL TREASURY

## PUBLIC DEBT BULLETIN

### DECEMBER 2025

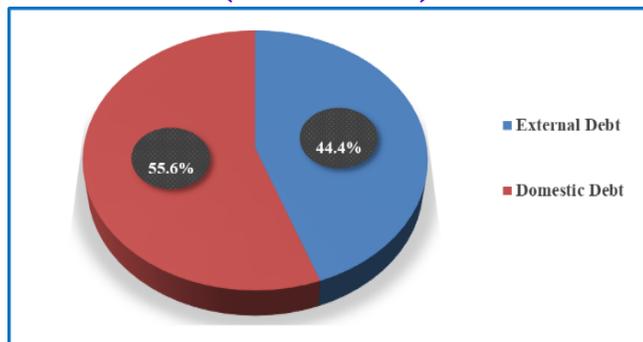
#### I. Introduction

The Public Debt Bulletin is a monthly publication of the National Treasury that provides timely information on public and publicly guaranteed debt. This bulletin covers developments during the month of December 2025, highlighting the debt stock, structure of the debt, recent borrowing and repayments, to help the public and other stakeholders understand how public debt is evolving.

#### 2. Public Debt Stock

The total public and publicly guaranteed debt stock at end December 2025 was Ksh 12,299.48 (67.5 percent of GDP<sup>1</sup>) equivalent to USD<sup>2</sup> 95.34 billion. Domestic debt stock was Ksh 6,837.51 billion (37.5 percent of GDP), equivalent to USD 53.00 billion, while the external debt stock was Ksh 5,461.97 billion (30.0 percent of GDP), equivalent to USD 42.34 billion. The ratios of domestic and external debt in total debt were 55.6 percent and 44.4 percent respectively.

**Chart I: Composition of Public and Publicly Guaranteed Debt. (December 2025)**



*Source: National Treasury*

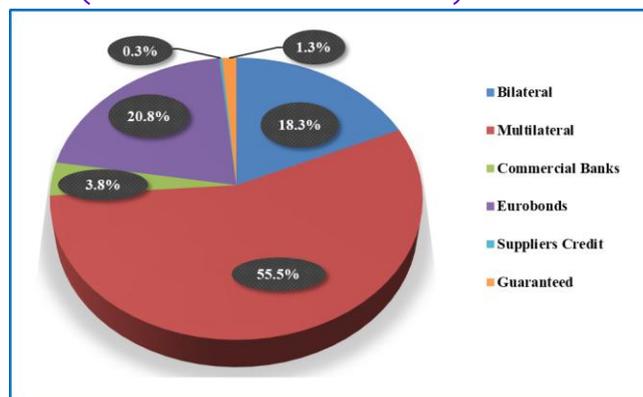
<sup>1</sup> Ksh 18,220.37 billion

<sup>2</sup> An Exchange rate of USD to Ksh 129.0101

#### 3. External Debt

The total external debt stock decreased by a net of Ksh 7.22 billion from Ksh 5,469.19 billion at the end of November 2025 to Ksh 5,461.97 billion as at the end of December 2025. Bilateral external debt decreased by Ksh 1.27 billion from Ksh 999.30 billion to Ksh 998.03 billion, while Multilateral debt increased by Ksh 5.30 billion from Ksh 3,028.73 billion to Ksh 3,034.03 billion. Commercial debt reduced by Ksh 9.99 billion from Ksh 1,366.38 billion to Ksh 1,356.39 billion while guaranteed debt decreased by Ksh 1.27 billion from Ksh 74.78 billion to Ksh 73.51 billion during the same period. **Chart 2** shows composition of external debt as at end of December 2025.

**Chart 2: External Debt Categories as at end December 2025 (Percent of Total External Debt)**



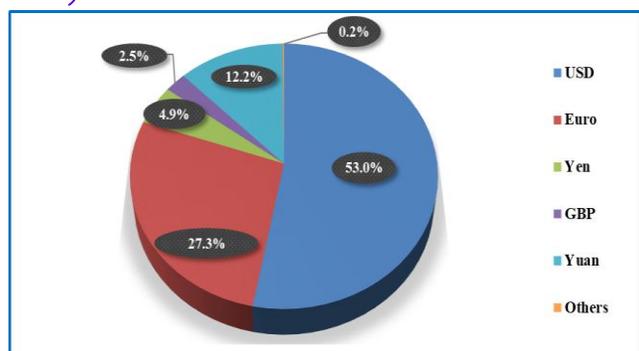
*Source: National Treasury*

#### 3.I Currency Composition of External Debt

The proportion of external debt denominated in USD, Euro, Yuan, Yen, and Sterling Pound were at 53.0 percent, 27.3 percent, 12.2 percent, 4.9 percent and 2.5

percent, respectively. Other currencies<sup>3</sup> accounted for 0.2 percent of total external debt.

**Chart 3: External Debt by Currency Composition as at end December 2025 (As percent of Total External Debt)**



*Source: National Treasury*

### 3.2 Movement in Exchange Rates

During the month under review, the Kenya Shilling slightly appreciated against the US Dollar and Japanese Yen by 0.6 percent and 0.8 percent respectively while it depreciated against the Euro and Chinese Yuan by 0.6 percent respectively and Sterling Pound by 1.1 percent respectively. The base<sup>4</sup> exchange rates for the aforementioned five currencies, notably the US Dollar, Japanese Yen (100), Euro, Yuan and Sterling Pound were Ksh 129.82, Ksh 83.04, Ksh 150.47, Ksh 18.35 and Ksh 171.83 respectively.

### 3.3 External Debt Service

The actual cumulative external debt service as at the end of December 2025 was Ksh 376.42 billion against the financial year target of Ksh 716.46 billion. Debt service to bilateral creditors accounted for 24.9 percent of the total cumulative debt service while commercial and multilateral creditors debt service accounted for 59.0 percent and 16.1 percent, respectively, for the period ending December 2025. External debt service during the month of December 2025 was Ksh 13.24 billion, comprising principal repayments and interest payments of Ksh 10.37 billion and Ksh 2.87 billion, respectively.

<sup>3</sup> Other currencies include Danish Kroner, Kuwait Dinar, Korean won, Indian Rupee, Canadian Dollar, Saudi Riyal, Swedish Kroner and Emirati Dirham

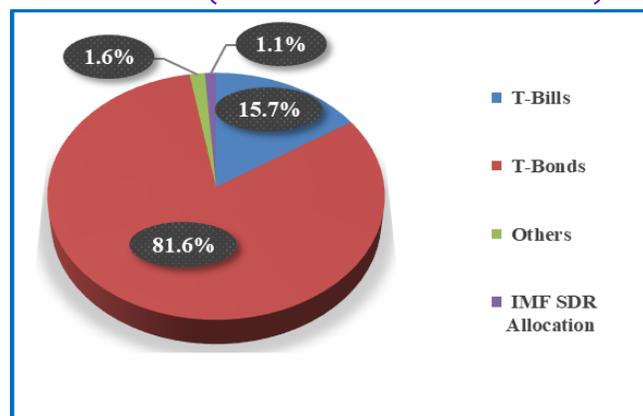
## 4. Domestic Debt

The domestic debt stock increased by Ksh 52.17 billion from Ksh 6,785.34 billion as at end of November 2025 to Ksh 6,837.51 billion as at end December 2025. The stock of Treasury Bills increased by Ksh 24.26 billion from Ksh 1,050.19 billion to Ksh 1,074.45 billion and the stock of Treasury Bonds reduced by Ksh 8.55 billion from Ksh 5,587.54 billion to Ksh 5,578.98 billion during the same period. Other debts including pre-1997 government debt, government overdraft at the Central Bank of Kenya, advances from commercial banks and IMF SDR Allocation increased by Ksh 36.46 billion from Ksh 147.61 billion to Ksh 184.08 billion during the same period.

### 4.1 Domestic Debt by Instruments

As at the end of December 2025, the ratio of Treasury Bonds to Treasury bills as a percentage of government securities was 84:16. Government overdraft at the Central Bank of Kenya and bank advances from commercial banks as well as IMF SDR Allocation accounted for 2.7 percent of total domestic debt stock during the same period (**Chart 4**).

**Chart 4: Composition of Domestic Debt as at End December 2025 (Percent of Total Domestic Debt)**



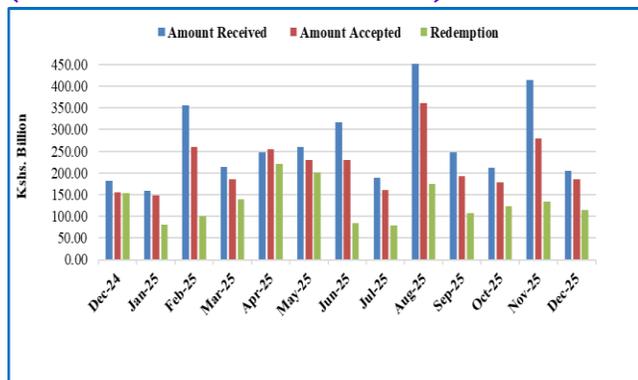
*Source: National Treasury*

<sup>4</sup> End November 2025 is the base month for all parameters measures in this analysis.

## 4.2 Domestic Borrowing

During the month of November 2025, Government securities amounting to Ksh 160.00 billion were advertised comprising Ksh. 120.00 billion Treasury bills and Ksh. 40.00 billion Treasury Bonds. Bids worth Ksh 204.94 billion were received, comprising Ksh 151.80 billion and Ksh 53.13 billion in Treasury Bills and Bonds, respectively. Bids worth Ksh 184.91 billion were accepted, of which Ksh 137.80 billion and Ksh 47.11 billion were Treasury Bills and Bonds respectively. Monthly redemption at cost amounted to Ksh 115.08 billion in Treasury Bills (Chart 5).

**Chart 5: Government Securities Performance (December 2024 to December 2025) in Ksh Billions.**



Source: National Treasury

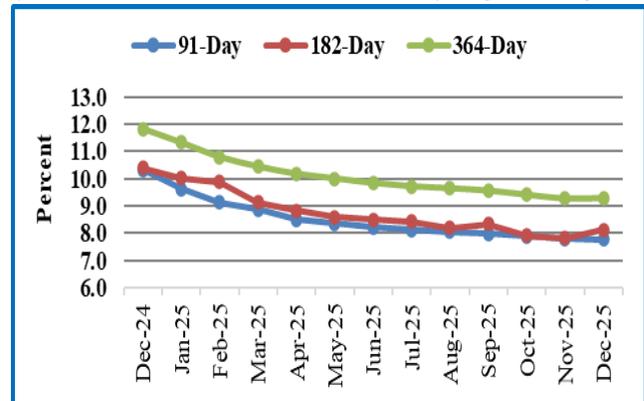
## 4.3 Net Domestic Financing

The net cumulative domestic financing at end of December 2025 was Ksh 554.96 billion against an annual borrowing target of Ksh 634.75 billion for FY 2025/26.

## 4.4 Interest rates on Government Securities

The average interest rates for the 91-day Treasury bills decreased by 2.2 basis points, from 7.79 percent in November 2025 to 7.77 percent in December 2025, while 182 -day and 364-day increased by 29.4 percent and 1.4 percent basis points from 7.82 percent and 9.27 percent to 8.11 percent and 9.28 percent respectively during the period under review.

**Chart 6: Average Interest rates for Treasury Bills (December 2024 to December 2025) in percentage**



Source: National Treasury

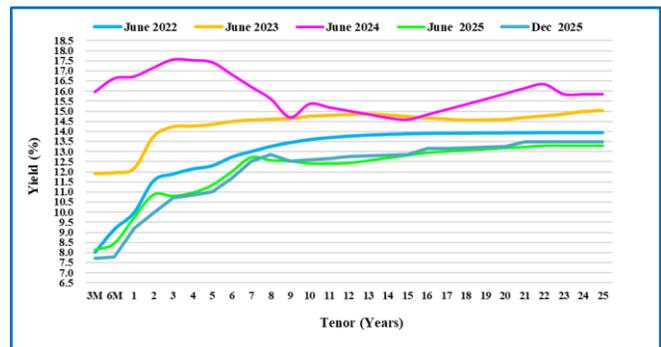
## 4.5 Domestic Interest Payments

As at the end of December 2025, cumulative total domestic interest payment amounted to Ksh 414.11 billion against an annual budget target of Ksh 851.42 billion for FY 2025/26. During the month, the actual domestic interest payment amounted to Ksh 58.46 billion. Interest payments for Treasury bonds and bills in December 2025 were Ksh 51.05 billion and Ksh 6.98 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft was Ksh 0.44 billion.

## 4.6 Government Securities Yields

Chart 7 shows Government Securities Yield Curve. In November 2025, the yield curve was upward sloping and broadly normal, with longer-dated instruments commanding higher yields than short-term securities, which reflected a conventional risk-return relationship in the market.

**Chart 7: Government Securities Yield Curve**



Source: Nairobi Securities Exchange

## 4.7 Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds in December 2025 was 7.78 years compared to 7.71 years in November 2025.

## 5. Sovereign Credit Rating

On August 22, 2025, S&P Global upgraded Kenya's long-term sovereign credit rating to B from B-, maintaining a stable outlook. This upgrade was driven by strengthened foreign exchange reserves, ease of access to various sources of external funding robust export earnings, and consistent diaspora remittances, all of which have helped ease near-term external liquidity pressures. This reflects growing confidence in Kenya's fiscal and external financing prospects. Kenya's efforts in Eurobond liability management and recent monetary easing have also contributed to smoother debt amortization and stimulated private-sector credit growth amidst general economic and civil stability. These measures have helped to position the country more favourably to international lenders and investors.

## 6. Annexes

Annex I. Highlights Kenya's Credit Rating. Annex II Detailed Stock of Public and Publicly Guaranteed External Debt. While Annex III detailed stock of Domestic Debt by holders.

### ANNEX I: KENYA'S CREDIT RATING

Agency	Rating	Outlook	Date
Standard and Poor's	B	Stable	22-Aug 2025
	B-	Stable	22 Aug 2024
	B-	Stable	9 <sup>th</sup> Feb 2024
Fitch	B-	Stable	25 July 2025
	B-	Stable	25 July 2024
Moody's	Caa1	Negative	25 Aug 2025
	Caa1	Positive	25-Jan 2025

Source: National Treasury

### ANNEX II: STOCK OF PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT BY SOURCE AS AT THE END OF DECEMBER 2025 IN KSH (MILLIONS)

CREDITOR	Stock at the End November 2025	Stock at the End December 2025	CHANGE
<b>BILATERAL</b>			
BELGIUM	25,641.82	25,533.37	(108.45)
Hungary	389.38	386.95	(2.43)
AUSTRIA	1,603.52	1,538.41	(65.11)
DENMARK	55.27	55.62	0.35
FINLAND	0.00	0.00	0.00
FRANCE	102,078.50	101,500.62	(577.88)
GERMANY	57,748.78	57,047.93	(700.85)
ITALY	44,353.14	43,985.67	(367.47)
JAPAN	81,864.99	80,125.80	(1,739.19)
USA	16,102.15	15,973.73	(128.42)
SPAIN	15,553.90	15,321.38	(232.52)
Other PARIS CLUB	5,667.64	5,698.71	31.07
Other NON -PARIS CLUB	22,010.77	22,182.64	171.87
CHINA	626,231.20	628,679.33	2,448.13
Sub Total	999,301.05	998,030.15	(1,270.90)
<b>MULTILATERAL</b>			
ADB/ADF	564,757.21	563,387.38	(1,369.83)
EEC/EIB	28,404.78	28,554.02	149.23
IDA	1,648,348.90	1,657,639.54	9,290.63
IFAD	40,475.37	40,818.77	343.40
IMF	463,916.54	462,224.58	(1,691.95)
Others	282,824.20	281,406.19	(1,418.01)
Sub Total	3,028,727.01	3,034,030.48	5,303.48
<b>COMMERCIAL</b>			
Commercial Bank	211,451.98	208,533.62	(2,918.37)
International Sovereign Bond	1,140,476.54	1,133,366.76	(7,109.78)
Suppliers Credit	14,447.27	14,490.10	42.83
Sub Total	1,366,375.80	1,356,390.47	(9,985.32)
<b>Total Central Government</b>	<b>5,394,403.85</b>	<b>5,388,451.11</b>	<b>(5,952.74)</b>
<b>GUARANTEED</b>			
JAPAN	64,268.67	63,446.67	(822.00)
	785.17	395.07	(390.10)
GERMANY			
Kenya Airways (Commercial Debt)	9,733.48	9,672.80	(60.68)
Sub Total	74,787.33	73,514.55	(1,272.78)
<b>CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT</b>	<b>5,469,191.18</b>	<b>5,461,965.65</b>	<b>(7,225.53)</b>

Source: National Treasury

### ANNEX III: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END OF DECEMBER 2025 IN KSH (MILLIONS)

DOMESTIC DEBT BY HOLDER	Nov-25	Dec-25	Change
<b>Banks</b>	2,296,948.50	2,322,878.26	25,929.76
<b>Non-Financial Corporations</b>	137,126.59	119,141.54	(17,985.05)
<b>Pensions</b>	970,105.53	975,806.72	5,701.19
<b>Insurance Companies</b>	880,161.17	896,044.02	15,882.85
<b>Households</b>	430,395.21	428,833.55	(1,561.66)
<b>Non- Residents</b>	308,340.25	311,273.50	2,933.25
<b>Other Financial Corporations</b>	1,064,116.32	1,052,578.63	(11,537.69)
<b>Non-Profit Institutions</b>	57,380.99	56,473.59	(907.40)
<b>General Government</b>	493,151.58	490,401.58	(2,750.00)
<b>Others<sup>5</sup></b>	147,614.92	184,079.34	36,464.41
<b>Totals</b>	<b>6,785,341.05</b>	<b>6,837,510.72</b>	<b>52,169.66</b>

Source: National Treasury

<sup>5</sup> Others include: Government overdraft, uncleared items, advances, IMF funds on lent to Government and Pre 1997 Government Overdraft.