

# THE NATIONAL TREASURY

## PUBLIC DEBT BULLETIN

### OCTOBER 2025

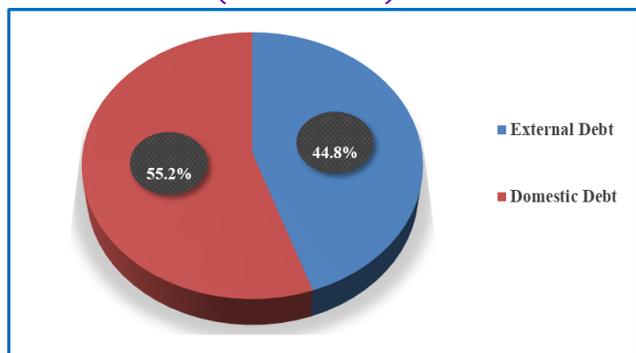
#### I. Introduction

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 October, highlighting the stock and structure of the debt, recent borrowing and repayments, and key trends affecting debt sustainability, to help the public and other stakeholders understand how public debt is evolving.

#### 2. Total Public Debt

The total nominal public and publicly guaranteed debt stock at the end of October 2025 was Ksh 12,194.78 billion (67.9 percent of GDP<sup>1</sup>) equivalent to USD<sup>2</sup> 94.36 billion. Domestic debt stock was Ksh 6,737.57 billion (37.5 percent of GDP), equivalent to USD 52.13 billion, while the external debt stock was Ksh 5,457.21 billion (30.4 percent of GDP), equivalent to USD 42.23 billion. The ratio of domestic and external in total debt was 55.2 percent and 44.8 percent respectively.

**Chart 1: Composition of Public and Publicly Guaranteed Debt (October 2025)**



Source: National Treasury

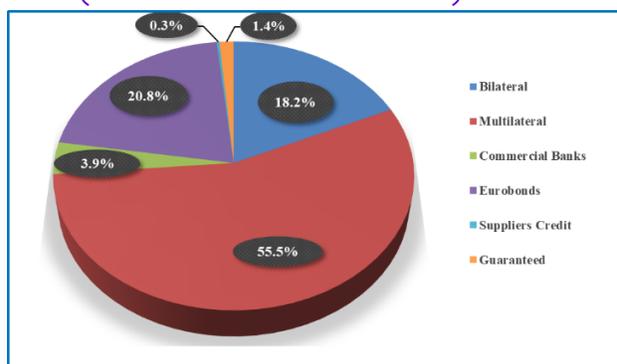
#### 3. External Debt

The total external debt stock increased by a net of Ksh 63.68 billion from Ksh 5,393.53 billion at the end of September 2025 to Ksh 5,457.21 billion as at the end

of October 2025. The increase was majorly due to higher disbursements, particularly in commercial debt following the issuance of International Sovereign Bond of USD 1.5 billion, which was accompanied by a partial payment of the 2028 Eurobond. Bilateral external debt reduced by Ksh 5.36 billion from Ksh 996.55 billion to Ksh 991.18 billion, while Multilateral debt decreased by Ksh 27.67 billion from Ksh 3,057.76 billion to Ksh 3,030.09 billion due to repayments during the month.

Commercial debt increased by Ksh 99.19 billion from Ksh 1,261.05 billion to Ksh 1,360.24 billion while guaranteed debt decreased by Ksh 2.47 billion from Ksh 78.17 billion to Ksh 75.70 billion during the same period. **Chart 2** shows composition of external debt at end of October 2025.

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



Source: National Treasury

#### 3.1 Currency Composition of External Debt

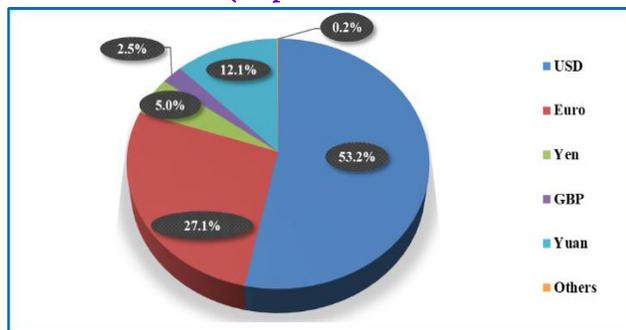
The proportion of external debt denominated in USD, Euro, Yuan, Yen, and Sterling Pound were at 53.2 percent, 27.1 percent, 12.1 percent, 5.0 percent and 2.5

<sup>1</sup> Ksh 17,958.42 billion

<sup>2</sup> An Exchange rate of USD to Ksh 129.2394

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 October 2025 (As percent of Total External Debt)**



Source: National Treasury

### 3.2 Movement in Exchange Rates

During the month under review, the Kenya Shilling remained stable against US Dollar while appreciating marginally against other major currencies. It appreciated against the Japanese Yen, the Euro and Sterling Pound by 3.6 percent, 1.3 percent and 1.9 percent respectively. However, the Kenya Shilling depreciated against Chinese Yuan by 0.08 percent. The base<sup>4</sup> exchange rates for the five currencies, notably the US Dollar, Japanese Yen (100), Euro, Yuan and Sterling Pound were Ksh 129.24, Ksh 86.98, Ksh 151.65, Ksh 18.15 and Ksh 173.46 respectively.

### 3.3 External Debt Service

The actual cumulative external debt service as at the end of October 2025 was Ksh 338.67 billion against the financial year target of Ksh 716.46 billion. Debt service to bilateral creditors accounted for 24.4 percent of the total cumulative debt service while commercial and multilateral debt service accounted for 63.5 percent and 12.1 percent, respectively, for the period ending October 2025. External debt service during the month of October 2025 was Ksh 125.58 billion, comprising principal repayments and interest payments of Ksh 110.11 billion and Ksh 15.47 billion,

respectively, the high repayment during the month was due the partial repayment of 2028 Euro Bond of Ksh 88.99 billion.

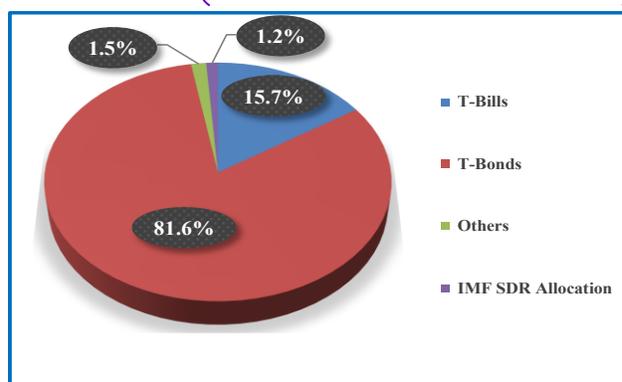
## 4. Domestic Debt

The domestic debt stock increased by Ksh 77.15 billion from Ksh 6,660.42 billion at end of September 2025 to Ksh 6,737.57 billion as at end October 2025. The stock of Treasury Bills reduced by Ksh 24.64 billion from Ksh 1,081.69 billion to Ksh 1,057.05 billion and the stock of Treasury Bonds increased by Ksh 85.52 billion from Ksh 5,415.54 billion to Ksh 5,501.06 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 16.21 billion from Ksh 163.25 billion to Ksh 179.46 billion during the same period.

### 4.1 Domestic Debt by Instruments

As at the end of October 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, Pre-1997 Government Debt and bank advances from commercial banks as well as IMF SDR Allocation accounted for 2.7 percent of domestic debt stock during the same period (**Chart 4**).

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



Source: National Treasury

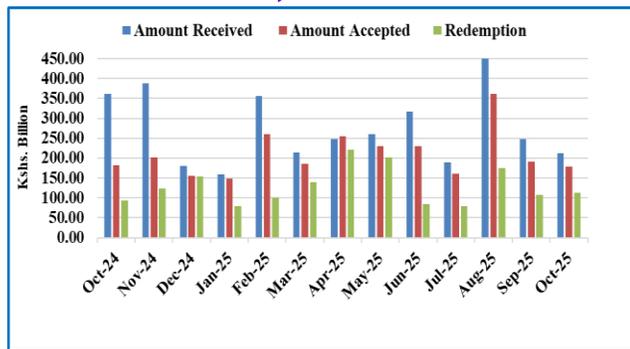
<sup>3</sup> Other currencies include Danish Kroner, Kuwait Dinar, Korean won, Indian Rupee, Canadian Dollar, Saudi Riyal, Swedish Kroner and Emirati Dirham

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

### 4.2 Domestic Borrowing

During the month of October 2025, Government securities amounting to Ksh 146.00 billion were advertised comprising Ksh 96.00 billion Treasury bills and Ksh 50.00 billion Treasury Bonds. Bids worth Ksh 212.61 billion were received, comprising Ksh 93.72 billion Treasury Bills and Ksh 118.89 billion Treasury Bonds. Bids worth Ksh 178.66 billion were accepted, of which Ksh 93.38 billion were Treasury Bills and Ksh 85.27 billion were Treasury Bonds. Monthly redemption at cost amounted to Ksh 113.07 billion in Treasury Bills (Chart 5).

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



Source: National Treasury

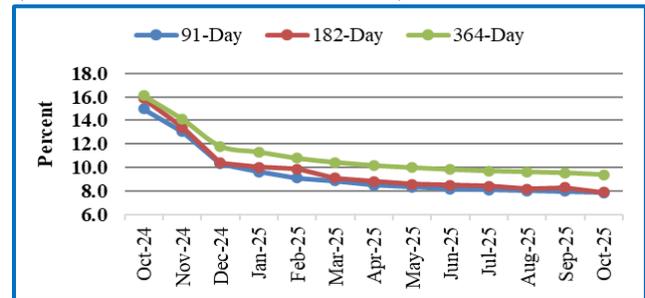
### 4.3 Net Domestic Financing

The net cumulative domestic financing at end of October 2025 was Ksh 341.35 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, 182-day and 364-day Treasury bills decreased by 10.4, 40.8 and 14.9 basis points, respectively from 7.98 percent, 8.33 percent and 9.56 percent in September 2025, to 7.88 percent, 7.92 percent and 9.41 percent in October 2025.

**Chart 6: Average Interest rates for Treasury Bills (October 2024 to October 2025)**



Source: National Treasury

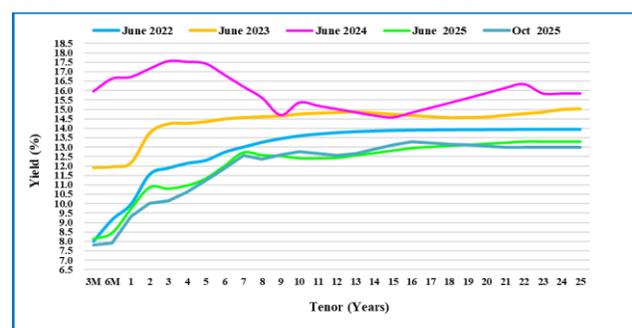
### 4.5 Domestic Interest Payments

As at the end of October 2025, cumulative total domestic interest payment amounted to Ksh 261.44 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 60.43 billion. Interest payments for Treasury bonds and bills in October 2025 were Ksh 48.93 billion and Ksh 11.29 billion, respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft was Ksh 0.21 billion.

### 4.6 Government Securities Yields

Chart 7 shows Government Securities Yield Curve. In October 2025, the yield curve was generally upward sloping, with longer-tenor bonds yielding more than shorter-term ones, reflecting investors' expectations of normal economic conditions and a term premium for holding securities with longer maturities.

**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 October 2025 was 7.62 years compared to 7.60 years in September 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 favorably with international lenders and investors.

#### 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 OCTOBER 2025 IN KSH (MILLIONS)

| CREDITOR   | Stock at the End September 2025 | Stock at the End October 2025 | CHANGE           |
|--|---------------------------------|-------------------------------|------------------|
| <b>BILATERAL</b>                                 |                                 |                               |                  |
| BELGIUM  | 24,966.31                       | 24,491.38                     | (474.93)         |
| Hungary  | 387.64                          | 387.64                        | 0.00             |
| AUSTRIA  | 1,616.06                        | 1,594.57                      | (21.49)          |
| DENMARK  | 55.73                           | 54.97                         | (0.76)           |
| FRANCE   | 103,424.13                      | 101,356.26                    | (2,067.87)       |
| GERMANY  | 55,267.98                       | 56,369.56                     | 1,101.58         |
| ITALY  | 44,704.79                       | 44,105.45                     | (599.34)         |
| JAPAN  | 85,742.42                       | 82,622.28                     | (3,120.14)       |
| USA  | 16,030.33                       | 16,030.21                     | (0.12)           |
| SPAIN  | 15,856.76                       | 15,467.75                     | (389.01)         |
| Other PARIS CLUB                                 | 5,707.30                        | 5,636.42                      | (70.88)          |
| Other NON-PARIS CLUB                             | 22,425.50                       | 22,315.51                     | (109.99)         |
| CHINA  | 620,360.80                      | 620,750.89                    | 390.09           |
| Sub Total  | 996,545.75                      | 991,182.88                    | (5,362.87)       |
| <b>MULTILATERAL</b>                              |                                 |                               |                  |
| ADB/ADF  | 568,177.89                      | 562,523.30                    | (5,654.59)       |
| EBC/EIB  | 28,724.63                       | 28,318.01                     | (406.62)         |
| IDA  | 1,663,617.43                    | 1,648,261.25                  | (15,356.18)      |
| IFAD   | 37,857.97                       | 37,561.32                     | (296.65)         |
| IMF  | 477,266.05                      | 471,874.20                    | (5,391.85)       |
| Others   | 282,118.59                      | 281,549.95                    | (568.64)         |
| Sub Total  | 3,057,762.56                    | 3,030,088.04                  | (27,674.52)      |
| <b>COMMERCIAL</b>                                |                                 |                               |                  |
| Commercial Bank                                  | 223,788.68                      | 210,489.50                    | (13,299.18)      |
| International                                    | 1,022,749.08                    | 1,135,381.18                  | 112,632.10       |
| Sovereign Bond                                   |                                 |                               |                  |
| Suppliers Credit                                 | 14,512.79                       | 14,370.91                     | (141.88)         |
| Sub Total  | 1,261,050.55                    | 1,360,241.59                  | 99,191.04        |
| Total Central Government                         | 5,315,358.86                    | 5,381,512.51                  | 66,153.65        |
| <b>GUARANTEED</b>                                |                                 |                               |                  |
| JAPAN  | 67,688.00                       | 65,224.85                     | (2,463.15)       |
| GERMANY  | 791.31                          | 780.79                        | (10.52)          |
| Kenya Airways (Commercial Debt)                  | 9,690.07                        | 9,690.00                      | (0.07)           |
| Sub Total  | 78,169.38                       | 75,695.63                     | (2,473.75)       |
| <b>CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT</b> | <b>5,393,528.24</b>             | <b>5,457,208.14</b>           | <b>63,679.90</b> |

Source: National Treasury

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

| DOMESTIC DEBT BY HOLDER             | Sep-25              | Oct-25              | Change           |
|-------------------------------------|---------------------|---------------------|------------------|
| <b>Banks</b>                        | 2,296,925.91        | 2,294,070.81        | (2,855.10)       |
| <b>Non-Financial Corporations</b>   | 139,706.84          | 134,973.54          | (4,733.30)       |
| <b>Pensions</b>                     | 943,324.53          | 952,707.43          | 9,382.90         |
| <b>Insurance Companies</b>          | 847,845.12          | 861,138.57          | 13,293.45        |
| <b>Households</b>                   | 425,198.95          | 427,213.70          | 2,014.75         |
| <b>Non-Residents</b>                | 302,816.25          | 305,349.45          | 2,533.20         |
| <b>Other Financial Corporations</b> | 1,009,540.43        | 1,043,347.68        | 33,807.25        |
| <b>Non-Profit Institutions</b>      | 55,124.04           | 56,509.29           | 1,385.25         |
| <b>General Government</b>           | 476,870.28          | 482,798.73          | 5,928.45         |
| <b>Others<sup>5</sup></b>           | 163,066.01          | 179,464.16          | 16,398.15        |
| <b>Totals</b>                       | <b>6,660,418.34</b> | <b>6,737,573.34</b> | <b>77,155.00</b> |

Source: Central Bank of Kenya

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