

**THE NATIONAL TREASURY**  
**PUBLIC DEBT BULLETIN**  
**MARCH 2026**

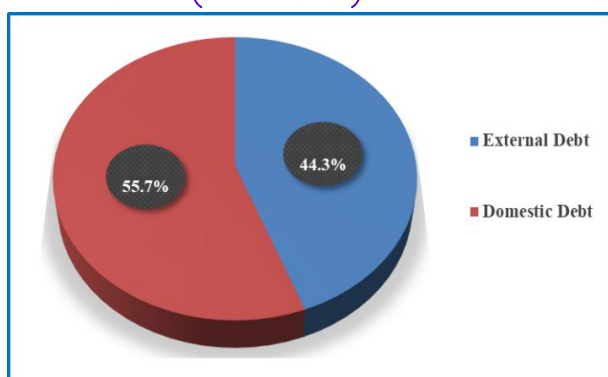
**I. Introduction**

The Public Debt Bulletin is a monthly publication of the National Treasury that provides information on public and publicly guaranteed debt. This bulletin covers developments during March 2026, highlighting the debt stock, debt structure, recent borrowing, and repayments aimed at informing the public and other stakeholders on Kenya’s public debt.

**2. Public Debt Stock**

As at the end of March 2026, total public and publicly guaranteed debt stood at Ksh 12,832.95 billion, equivalent to USD<sup>1</sup> 98.77 billion. This represented 70.2 percent of GDP<sup>2</sup>. Domestic debt stock amounted to Ksh 7,149.72 billion (39.1 percent of GDP), equivalent to USD 55.03 billion. External debt stock was Ksh 5,683.22 billion (31.1 percent of GDP), equivalent to USD 43.74 billion. The composition of total debt was 55.7 percent domestic and 44.3 percent external debt (see Chart I).

**Chart I: Composition of Public and Publicly Guaranteed Debt (March 2026)**

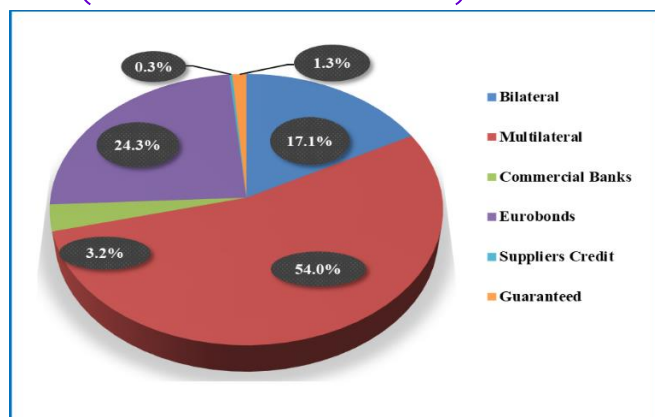


*Source: National Treasury*

**3. External Debt**

The total external debt stock decreased by Ksh 95.85 billion from Ksh 5,779.07 billion at the end of February 2026 to Ksh 5,683.22 billion as at the end of March 2026. This is on account of principal repayments of Ksh 85.06 billion and Ksh 10.79 billion as a result of exchange rate appreciation. Bilateral external debt decreased by Ksh 14.50 billion from Ksh 984.06 billion to Ksh 969.56 billion, while multilateral debt decreased by Ksh 20.45 billion from Ksh 3,088.40 billion to Ksh 3,067.94 billion. Commercial debt decreased by Ksh 58.78 billion from Ksh 1,632.97 billion to Ksh 1,574.19 billion while guaranteed debt also declined by Ksh 2.12 billion from Ksh 73.65 billion to Ksh 71.53 billion during the same period (see Annex I). **Chart 2** shows the composition of external debt as at end of March 2026.

**Chart 2: External Debt Categories as at end of March 2026 (Percent of Total External Debt)**



*Source: National Treasury*

**3.1 Movement in Exchange Rates**

As at end March 2026, the Kenya Shilling depreciated against the US Dollar by 0.705 percent. In contrast, it appreciated against the Chinese Yuan, Euro, Japanese Yen and Sterling Pound by 0.16 percent, 2.362 percent,

<sup>1</sup> An Exchange rate of USD to Ksh 129.9300

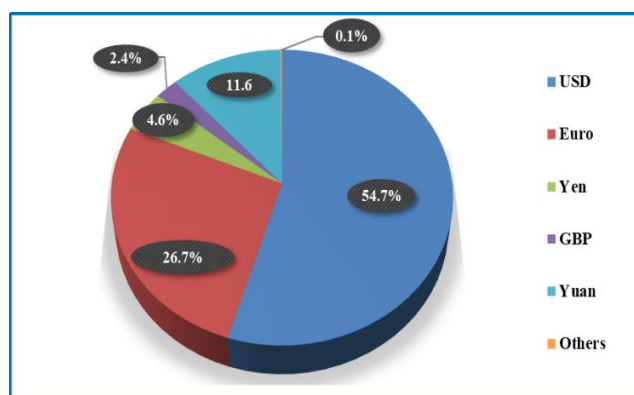
<sup>2</sup> Ksh 18,285.52 billion

1.618 percent, and 1.580 percent, respectively. The exchange rates at end of February 2026 stood at Ksh 129.02 per US Dollar, Ksh 82.82 per 100 Japanese Yen Ksh 152.39 per Euro, Ksh 18.82 per Yuan, and Ksh 174.10 per Sterling Pound.

### 3.2 Currency Composition of External Debt

As at end of March 2026, external debt was predominantly denominated in the US dollar, which accounted for 54.7 percent. The Euro comprised of 26.7 percent, while the Chinese Yuan and the Japanese Yen represented 11.6 percent, and 4.6 percent, respectively. The Sterling Pound accounted for 2.4 percent of the total external debt stock. Other currencies collectively accounted for 0.1 percent of the external public debt stock.

**Chart 3: External Debt by Currency Composition as of End-March 2026 (Percent of Total External Debt)**



*Source: National Treasury*

### 3.3 External Debt Service

The actual cumulative external debt service as at the end of March 2026 was Ksh 588.85 billion against the financial year budget of Ksh 673.76 billion. Debt service to bilateral creditors accounted for 27 percent of the total cumulative debt service while debt service to commercial and multilateral creditors accounted for 59 percent and 15 percent, respectively, for the period ending March 2026. External debt service for March 2026 was Ksh 104.95 billion, comprising principal repayments and interest payments of Ksh 85.06 billion and Ksh 19.89 billion, respectively.

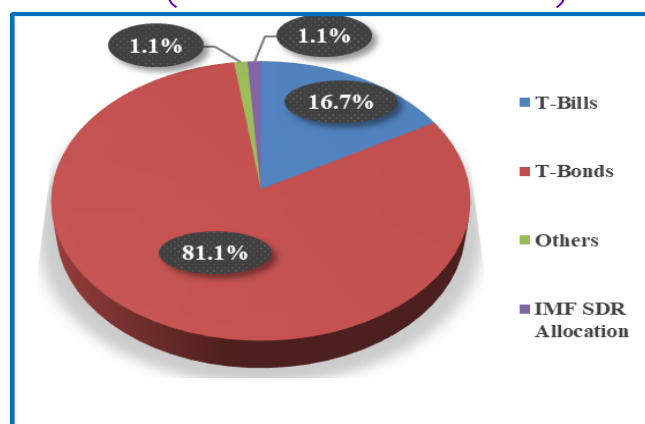
## 4. Domestic Debt

Domestic debt stock increased by Ksh 84.27 billion from Ksh 7,065.45 billion as at end of February 2026 to Ksh 7,149.72 billion as at end of March 2026. The stock of Treasury Bills increased by Ksh 37.79 billion from Ksh 1,154.60 billion as at end February 2026 to Ksh 1,192.39 billion as at end March 2026 while the stock of Treasury Bonds increased by Ksh 59.23 billion from Ksh 5,738.93 billion to Ksh 5,798.16 billion over 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 decreased by Ksh 12.81 billion from Ksh 171.92 billion to Ksh 159.11 billion during the same period (see Annex II).

### 4.1 Domestic Debt by Instruments

As at the end of March 2026, the ratio of treasury bonds to treasury bills was 83:17, government overdraft at the Central Bank of Kenya, bank advances from commercial banks, and the IMF SDR allocation together accounted for 1.1 percent of total domestic debt stock during the same period (**Chart 4**).

**Chart 4: Composition of Domestic Debt as of End March 2026 (Percent of Total Domestic Debt)**



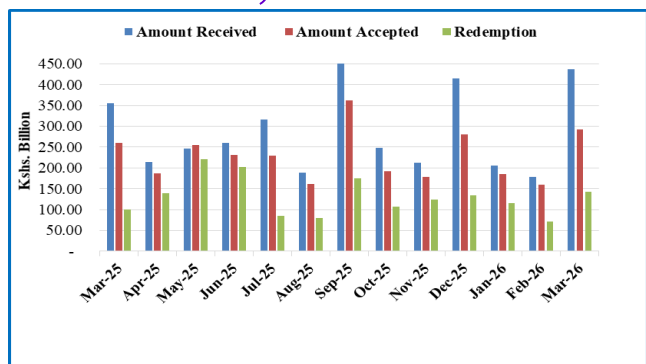
*Source: National Treasury*

### 4.2 Domestic Borrowing

During the month of March 2026, government securities amounting to Ksh 156.00 billion were advertised comprising Ksh 96.00 billion treasury bills and Ksh 60.00 billion treasury bonds. Bids worth Ksh

307.78 billion were received, comprising Ksh 190.35 billion and Ksh 117.43 billion in treasury bills and treasury bonds, respectively. Bids worth Ksh 174.61 billion were accepted, of which Ksh 113.62 billion and Ksh 60.99 billion were treasury bills and treasury bonds, respectively. Monthly redemption at cost amounted to Ksh 87.77 billion in treasury bills (Chart 5).

**Chart 5: Government Securities Performance (March 2025 to March 2026) in Ksh billions.**



Source: National Treasury

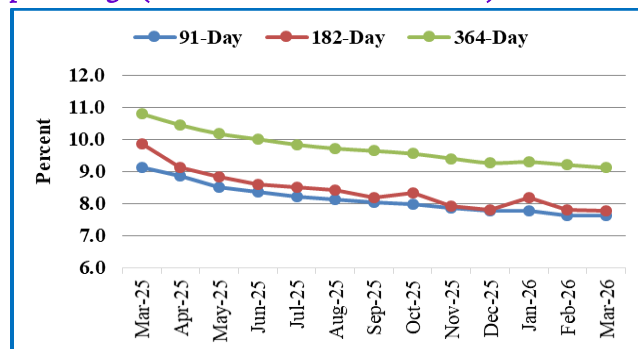
### 4.3 Net Domestic Financing

The net cumulative domestic financing at the end of March 2026 was Ksh 738.01 billion against an annual borrowing target of Ksh 994.82 billion for FY 2025/26.

### 4.4 Interest rates on Government Securities

The average interest rates for the 91-day and 364-day treasury bills in the month of March 2026 decreased by 8.0 basis points and 5.9 basis points from 7.64 percent and 9.12 percent to 7.56 percent and 8.53 percent, respectively. In contrast, the 182-day treasury bills increased by 6.0 basis points from 7.78 percent to 7.84 percent during the period under review.

**Chart 6: Average Interest Rates for Treasury Bills in percentage (March 2025 to March 2026)**



Source: National Treasury

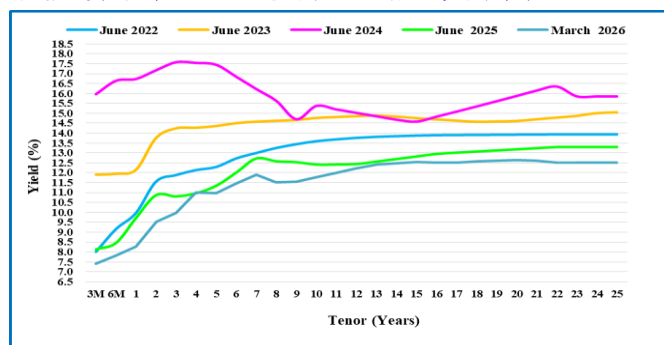
### 4.5 Domestic Interest Payments

As at the end of March 2026, cumulative total domestic interest payments amounted to Ksh 636.97 billion against an annual budget of Ksh 883.76 billion for FY 2025/26. In March 2026, the actual domestic interest payment amounted to Ksh 56.09 billion. Interest payments for treasury bonds and bills in March 2026 were Ksh 49.68 billion and Ksh 6.22 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft amounted to Ksh 0.18 billion.

### 4.6 Government Securities Yields

Treasury bonds secondary market trading yields for 2026 remained below the 2025 yield curve. In March 2026, the yield curve remained upward sloping with a slight hump observed in the medium-term tenors. This structure reflects prevailing monetary conditions, alongside robust investor demand for long-dated government securities.

**Chart 7: Government Securities Yield Curve.**



Source: Nairobi Securities Exchange

#### 4.7 Average Time to Maturity for Treasury Bonds

In March 2026, the Average Time to Maturity (ATM) for treasury bonds increased marginally to 7.89 years, up from 7.86 years in February 2026. This improvement reflects the gradual lengthening of domestic debt through liability management operations and increased issuance of longer-tenor instruments relative to short-term debt securities.

#### 5. Sovereign Credit Rating

On January 27, 2026, Moody's upgraded Kenya's local and foreign currency long term issuer ratings as well as foreign currency senior unsecured debt ratings to B3 from CaaI while revising the outlook to stable from positive (see Table I). The upgrade reflects Kenya's improved external sector liquidity and sustained market access. External liquidity has strengthened, reflected in higher foreign exchange reserves, a narrower current account deficit, and a more stable exchange rate. These developments have eased balance of payments pressures. The recent Eurobond liability management operations, have contributed to smoother debt amortization and supported private sector credit growth, against the backdrop of improving macroeconomic and civil stability. These measures have helped to position the country more favorably to international lenders and investors.

**TABLE 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 Feb 2024
Fitch	B-	Stable	25 July 2025
	B-	Stable	25 July 2024
Moody's	B3	Stable	27 Jan 2026
	CaaI	Positive	25-Aug 2025

Source: National Treasury

**ANNEX I: STOCK OF PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT BY SOURCE AS AT THE END OF MARCH 2026 IN KSH (MILLIONS)**

CREDITOR	Stock at the End February 2026	Stock at the End March 2026	CHANGE
<b>BILATERAL</b>			
BELGIUM	25,526.37	24,678.40	(847.97)
Hungary	386.98	389.71	2.73
AUSTRIA	1,534.80	1,498.55	(36.25)
DENMARK	43.52	42.49	(1.03)
FINLAND	-	-	-
FRANCE	98,680.55	101,297.35	2,616.80
GERMANY	58,600.84	55,793.76	(2,807.08)
ITALY	44,267.09	43,221.60	(1,045.49)
JAPAN	80,227.70	78,021.93	(2,205.76)
USA	15,939.51	8,143.62	(7,795.89)
SPAIN	16,405.20	15,885.10	(520.11)
Other PARIS CLUB	5,438.98	7,946.64	2,507.66
Other NON -PARIS CLUB	21,644.90	23,207.19	1,562.29
CHINA	615,361.29	609,432.71	(5,928.58)
<b>Sub Total</b>	<b>984,057.73</b>	<b>969,559.07</b>	<b>(14,498.67)</b>
<b>MULTILATERAL</b>			
ADB/ADF	569,356.71	565,273.93	(4,082.78)
EEC/EIB	28,671.66	27,728.40	(943.26)
IDA	1,704,555.97	1,691,756.38	(12,799.59)
IFAD	40,939.08	40,426.64	(512.45)
IMF	463,946.34	461,154.20	(2,792.13)
Others	280,925.41	281,605.23	679.82
<b>Sub Total</b>	<b>3,088,395.16</b>	<b>3,067,944.77</b>	<b>(20,450.39)</b>
<b>COMMERCIAL</b>			
Commercial Bank	194,663.01	180,035.61	(14,627.40)
International Sovereign Bond	1,423,748.73	1,379,823.73	(43,925.00)
Suppliers Credit	14,558.51	14,332.55	(225.97)
<b>Sub Total</b>	<b>1,632,970.26</b>	<b>1,574,191.88</b>	<b>(58,778.37)</b>
<b>Total National Government</b>	<b>5,705,423.15</b>	<b>5,611,695.72</b>	<b>(93,727.43)</b>
<b>GUARANTEED</b>			
JAPAN	63,579.19	61,397.38	(2,181.81)
GERMANY	397.60	388.21	(9.39)
Kenya Airways (Commercial Debt)	9,673.55	9,741.78	68.23
<b>Sub Total</b>	<b>73,650.33</b>	<b>71,527.36</b>	<b>(2,122.97)</b>
<b>NATIONAL GOVERNMENT+ GUARANTEED TOTAL DEBT</b>	<b>5,779,073.48</b>	<b>5,683,223.08</b>	<b>(95,850.40)</b>

Source: National Treasury

**ANNEX II: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END MARCH 2026 IN KSH (MILLIONS)**

DOMESTIC DEBT BY HOLDER	Feb-26	Mar-26	Change
<b>Banks</b>	2,478,365.77	2,562,937.45	84,571.68
Non-Financial Corporations	118,623.49	109,036.09	(9,587.40)
Pensions	974,571.85	980,460.05	5,888.20
Insurance Companies	937,010.68	948,920.38	11,909.70
Households	436,121.31	438,886.73	2,765.41
Non- Residents	325,110.30	307,396.35	(17,713.95)
Other Financial Corporations	1,073,585.56	1,090,644.12	17,058.56
Non-Profit Institutions	64,739.04	65,898.29	1,159.25
General Government	485,402.28	486,431.38	1,029.10
Others	171,922.70	159,111.37	(12,811.33)
<b>TOTALS</b>	<b>7,065,452.98</b>	<b>7,149,722.20</b>	<b>84,269.22</b>

Source: Central Bank of Kenya

### ANNEX III: NEW LOANS CONTRACTED BETWEEN 1<sup>ST</sup> JANUARY 2026 AND 28<sup>TH</sup> FEBRUARY, 2026

Between 1<sup>st</sup> January 2026 and 28<sup>th</sup> February 2026, the Government contracted new loans from the World Bank, the Export-Import Bank of China and International Capital Markets (Eurobond) as shown in the table below.

Loan Title / Description	Implementing Agency	Creditor	Signing Date	Amount	Key Terms	Status	Purpose / Benefits
Support to Higher Education Science and Technology	State Department for Higher Education	African Development Fund	February 10, 2026	AUA 55,160,000.00 million	30-year maturity, 5-year grace; Interest: 1 percent + basis adj.; Service charge: 1percent; Commitment fee: 0.75 percent.	Not disbursed; Conditions precedent pending	To improve relevance and equitable access to quality higher education training and research in STEM for inclusive economic growth and employment in Kenya by 2030.
International Sovereign Bond 2026	National Treasury	Citigroup Global Markets Limited  The Standard Bank of South Africa Limited.	26 February 2026	USD 1,350,000,000  USD 900,000,000	USD 2.25 billion dual-tranche ISB: US\$ 900 million maturing in 2034 at 7.8% coupon rate, and USD 1.35 billion maturing in 2039 at 8.7% coupon rate	Fully disbursed	Liability Management Operations and support general budgetary needs