

THE NATIONAL TREASURY PUBLIC DEBT BULLETIN FEBRUARY 2026

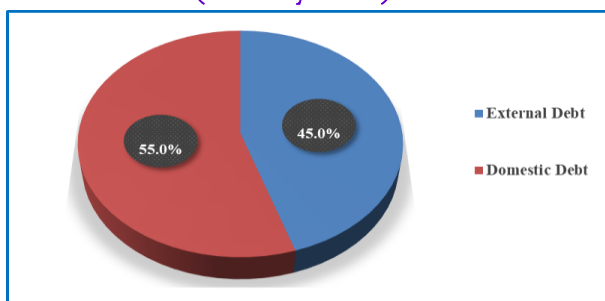
I. Introduction

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 February 2026, highlighting the debt stock, debt structure, recent borrowing and repayments, to inform the public and other stakeholders about how public debt is evolving.

2. Public Debt Stock

At the end of February 2026, the total public and publicly guaranteed debt stood at Ksh 12,844.52 billion, equivalent to USD¹ 99.55 billion. This represented 69.5 percent of GDP². Domestic debt stock amounted to Ksh 7,065.45 billion (38.2 percent of GDP), equivalent to USD 54.76 billion. External debt stock was Ksh 5,779.07 billion (31.2 percent of GDP), equivalent to USD 44.79 billion. The composition of total debt was 55.0 percent domestic and 45.0 percent external debt.

Chart 1: Composition of Public and Publicly Guaranteed Debt (February 2026)



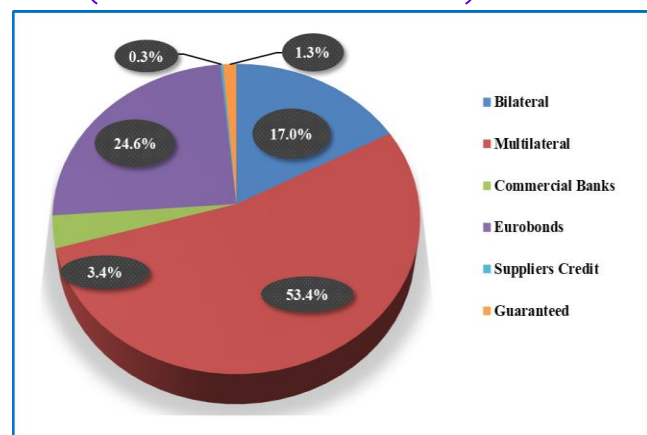
Source: National Treasury

3. External Debt

The total external debt stock increased by a net of Ksh 272.08 billion from Ksh 5,506.99 billion at the end of

January 2026 to Ksh 5,779.07 billion as at the end of February 2026. Bilateral external debt increased by Ksh 7.78 billion from Ksh 976.27 billion to Ksh 984.06 billion, while Multilateral debt decreased by Ksh 11.12 billion from Ksh 3,099.52 billion to Ksh 3,088.40 billion. Commercial debt increased by Ksh 276.30 billion from Ksh 1,356.67 billion to Ksh 1,632.97 billion while guaranteed debt decreased by Ksh 0.875 billion from Ksh 74.53 billion down to Ksh 73.65 billion during the same period (see annex I). **Chart 2** shows composition of external debt as at end of February 2026.

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



Source: National Treasury

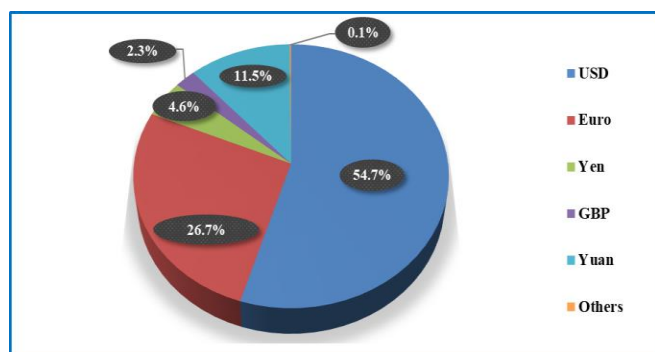
3.1 Currency Composition of External Debt

The external debt was predominantly denominated in the US dollar, which accounted for 54.7 percent of the total. The Euro followed with 26.7 percent, while the Chinese Yuan represented 11.5 percent. The Japanese Yen contributed 4.6 percent, and the Sterling Pound made up 2.3 percent. Other currencies collectively accounted for just 0.1 percent of the external debt stock.

¹ An Exchange rate of USD to Ksh 129.0200

² Ksh 18,480.30 billion

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



Source: National Treasury

3.2 Movement in Exchange Rates

During the month under review, the Kenya Shilling appreciated marginally against the US Dollar, Japanese Yen, Euro, and Sterling Pound by 0.008 percent, 1.134 percent, 0.917 percent and 1.871 percent respectively, while weakening by 1.40 percent against the Yuan. The base exchange rates for the respective currencies were Ksh 129.03 for the US Dollar, Ksh 82.77 for the Japanese Yen (per 100 units), Ksh 152.80 for the Euro, Ksh 18.56 for the Yuan, and Ksh 177.42 for the Sterling Pound.

3.3 External Debt Service

The actual cumulative external debt service as at the end of February 2026 was Ksh 483.90 billion against the financial year target of Ksh 716.46 billion. Debt service to bilateral creditors accounted for 30.2 percent of the total cumulative debt service while commercial and multilateral creditors debt service accounted for 53.7 percent and 16.1 percent, respectively, for the period ending February 2026. External debt service during the month of February 2026 was Ksh 50.94 billion, comprising principal repayments and interest payments of Ksh 28.11 billion and Ksh 22.83 billion, respectively.

4. Domestic Debt

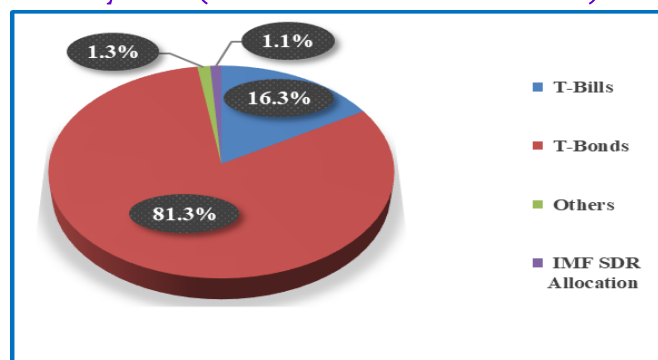
The domestic debt stock increased by Ksh 175.92 billion from Ksh 6,889.54 billion as at end of January 2026 to Ksh 7,065.45 billion as at end of February 2026. The stock of treasury bills increased by Ksh

61.42 billion from Ksh 1,093.18 billion to Ksh 1,154.60 billion and the stock of treasury bonds increased by Ksh 99.89 billion from Ksh 5,639.04 billion to Ksh 5,738.93 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 14.60 billion from Ksh 157.32 billion to Ksh 171.92 billion during the same period (see annex II).

4.1 Domestic Debt by Instruments

As at the end of February 2026, the ratio of treasury bonds to treasury bills, expressed as a percentage of government securities, 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 February 2026 (Percent of Total Domestic Debt).



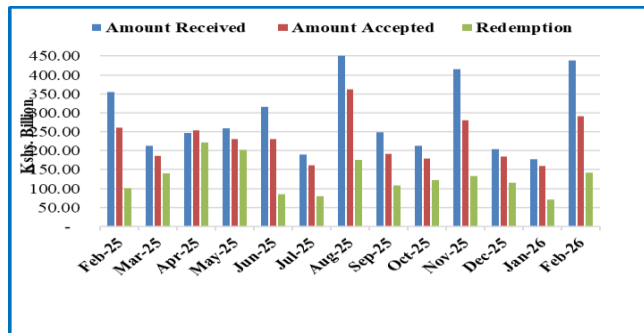
Source: National Treasury

4.2 Domestic Borrowing

During the month of February 2026, 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 437.66 billion were received, comprising Ksh 223.92 billion and Ksh 213.74 billion in treasury bills and bonds, respectively. Bids worth Ksh 291.62 billion were accepted, of which Ksh 191.68 billion and Ksh 100.54 billion were treasury bills and bonds respectively.

Monthly redemption at cost amounted to Ksh 142.35 billion in treasury bills (Chart 5).

Chart 5: Government Securities Performance (February 2025 to February 2026) in Ksh Billions.



Source: National Treasury

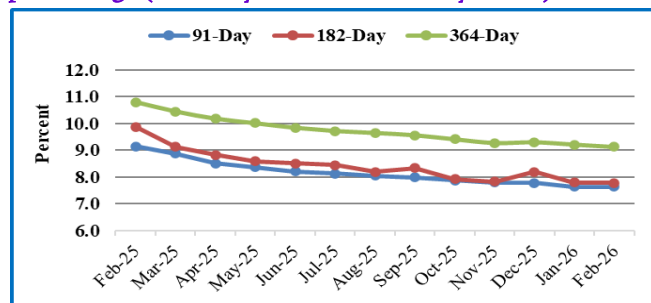
4.3 Net Domestic Financing

The net cumulative domestic financing at end of February 2026 was Ksh 463.45 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 remained at 7.64 percent in February 2026, while 182-day and 364-day decreased by 2.0 basis points and 9.0 basis points from 7.80 percent and 9.21 percent to 7.78 percent and 9.12 percent respectively during the period under review.

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



Source: National Treasury

4.5 Domestic Interest Payments

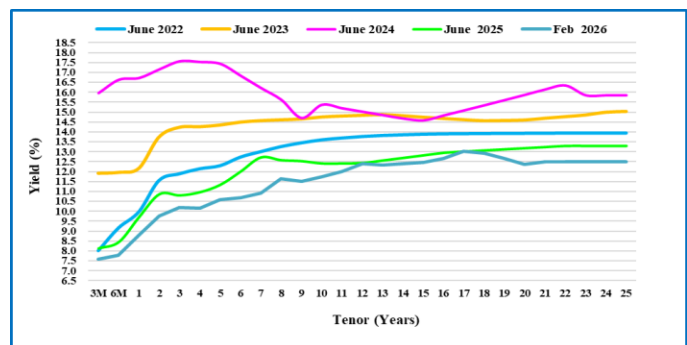
As at the end of February 2026, cumulative total domestic interest payment amounted to Ksh 580.89

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 101.22 billion. Interest payments for treasury bonds and bills in February 2026 were Ksh 91.07 billion and Ksh 9.91 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft was Ksh 0.23 billion.

4.6 Government Securities Yields

In February 2026, the yield curve remained upward sloping, though yields at several maturities declined slightly compared to previous months. Short-term securities recorded relatively lower yields, with yields increasing gradually across the yield curve before flattening at the long-term maturities. This pattern indicates stable macroeconomic expectations in the near term, with investors demanding higher returns for longer maturities but remaining cautious about long-term fiscal risks and debt sustainability.

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 February 2026 was 7.86 years compared to 7.85 years in January 2026. A slight improvement in the Average Time to Maturity (ATM) was observed, reflecting the gradual lengthening of domestic debt through liability management operations and increased issuance of longer-tenor instruments relative to short-term 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 Caa1 while revising the outlook to stable from positive (see table I). The upgrade reflects that Kenya's near-term default risk has declined. External liquidity has strengthened, reflected in higher foreign-exchange reserves, a narrower current account deficit, and more stable exchange rate. These developments have eased balance of payments pressures and increased funding flexibility. The recent Eurobond liability management operations, together with recent monetary easing, have contributed to smoother debt amortisation and supported private-sector credit growth, against the backdrop of improving macroeconomic and civil stability.. These measures have helped to position the country more favourably 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 th Feb 2024
Fitch	B-	Stable	25 July 2025
	B-	Stable	25 July 2024
Moody's	B3	Stable	27 Jan 2026
	Caa1	Positive	25-Aug 2025

Source: National Treasury

¹ Others include: Government overdraft, uncleared items, advances, IMF funds on lent to Government and Pre 1997 Government Overdraft.

ANNEXI: STOCK OF PUBLIC AND PUBLICLY GUARANTEED EXTERNAL DEBT BY SOURCE AS AT THE END OF FEBRUARY 2026 IN KSH (MILLIONS)

CREDITOR	Stock at the End January 2026	Stock at the End February 2026	CHANGE
BILATERAL			
BELGIUM	25,925.63	25,526.37	(399.26)
Hungary	387.01	386.98	(0.03)
AUSITRIA	1,562.53	1,534.80	(27.73)
DENMARK	43.93	43.52	(0.42)
FINLAND	-	-	-
FRANCE	98,744.65	98,680.55	(64.10)
GERMANY	58,113.01	58,600.84	487.83
ITALY	44,675.38	44,267.09	(408.29)
JAPAN	81,468.07	80,227.70	(1,240.37)
USA	15,976.19	15,939.51	(36.68)
SPAIN	15,630.90	16,405.20	774.31
Other PARIS CLUB	5,485.69	5,438.98	(46.70)
Other NON-PARIS CLUB	22,208.77	21,644.90	(563.86)
CHINA	606,050.89	615,361.29	9,310.39
Sub Total	976,272.66	984,057.73	7,785.08
MULTILATERAL			
ADB/ADF	573,488.26	569,356.71	(4,131.55)
EB/IB	28,936.11	28,671.66	(264.45)
IDA	1,708,371.92	1,704,555.97	(3,815.96)
IFAD	41,182.86	40,939.08	(243.78)
IMF	466,191.39	463,946.34	(2,245.05)
Others	281,349.59	280,925.41	(424.18)
Sub Total	3,099,520.12	3,088,395.16	(11,124.97)
COMMERCIAL			
Commercial Bank	208,474.35	194,663.01	(13,811.34)
International Sovereign Bond	1,133,541.58	1,423,748.73	290,207.15
Suppliers Credit	14,657.65	14,558.51	(99.13)
Sub Total	1,356,673.58	1,632,970.26	276,296.68
Total Central Government	5,432,466.36	5,705,423.15	272,956.79
GUARANTEED			
JAPAN	64,450.24	63,579.19	(871.05)
GERMANY	401.26	397.60	(3.67)
Kenya Airways (Commercial Debt)	9,674.30	9,673.55	(0.75)
Sub Total	74,525.80	73,650.33	(875.46)
CENTRAL GOVERNMENT + GUARANTEED TOTAL DEBT	5,506,992.16	5,779,073.48	272,081.32

Source: National Treasury

ANNEXII: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END FEBRUARY 2026 IN KSH (MILLIONS)

DOMESTIC DEBT BY HOLDER	Jan-26	Feb-26	Change
Banks	2,363,118.86	2,478,365.77	115,246.91
Non-Financial Corporations	119,259.94	118,623.49	(636.45)
Pensions	988,362.10	974,571.85	(13,790.25)
Insurance Companies	916,124.03	937,010.68	20,886.65
Households	431,560.80	436,121.31	4,560.51
Non-Residents	315,158.10	325,110.30	9,952.20
Other Financial Corporations	1,054,538.23	1,073,585.56	19,047.33
Non-Profit Institutions	61,054.39	64,739.04	3,684.65
General Government	483,038.88	485,402.28	2,363.40
Others	157,321.48	171,922.70	14,601.22
TOTALS	6,889,536.81	7,065,452.98	175,916.17

Source: National Treasury

