



THE NATIONAL TREASURY
PUBLIC DEBT BULLETIN
JANUARY 2026

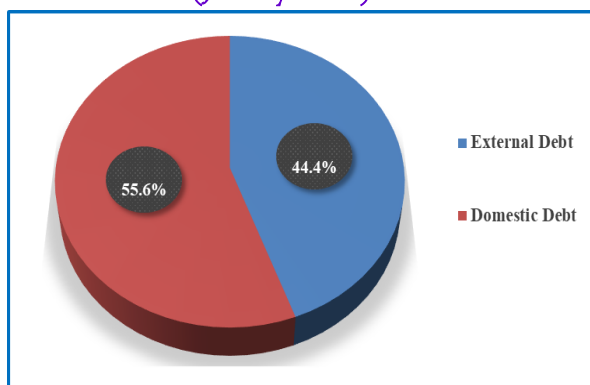
I. Introduction

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 January 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 January 2026, the total public and publicly guaranteed debt stood at Ksh 12,396.53, equivalent to USD¹ 96.07 billion. This represented 67.6 percent of GDP². Domestic debt stock amounted to Ksh 6,889.54 billion (37.6 percent of GDP), equivalent to USD 53.39 billion. External debt stock was Ksh 5,506.99 billion (30.0 percent of GDP), equivalent to USD 42.68 billion. The composition of total debt was 55.6 percent domestic and 44.4 percent external debt.

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



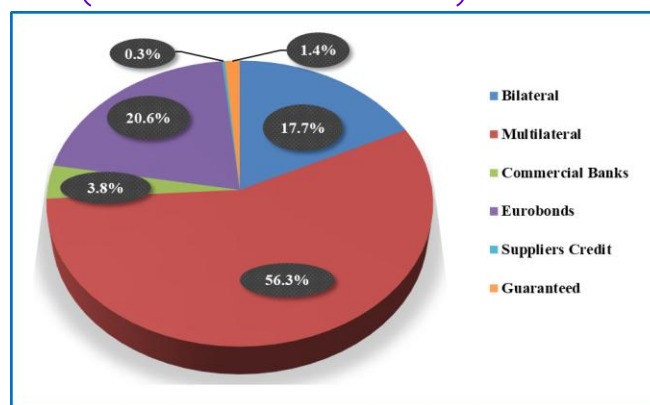
Source: National Treasury

3. External Debt

The total external debt stock increased by a net of Ksh 45.03 billion from Ksh 5,461.97 billion at the end of

December 2025 to Ksh 5,506.99 billion as at the end of January 2026. Bilateral external debt decreased by Ksh 21.76 billion from Ksh 998.03 billion to Ksh 976.27 billion, while Multilateral debt increased by Ksh 65.49 billion from Ksh 3,034.03 billion to Ksh 3,099.52 billion. Commercial debt increased by Ksh 0.28 billion from Ksh 1,356.39 billion to Ksh 1,356.67 billion while guaranteed debt increased by Ksh 1.01 billion from Ksh 73.51 billion to Ksh 74.53 billion during the same period due to change in the exchange rates as the Kenyan Shilling weakened more significantly against the Japanese Yen, the Euro, and the Sterling Pound. **Chart 2** shows composition of external debt as at end of January 2026.

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



Source: National Treasury

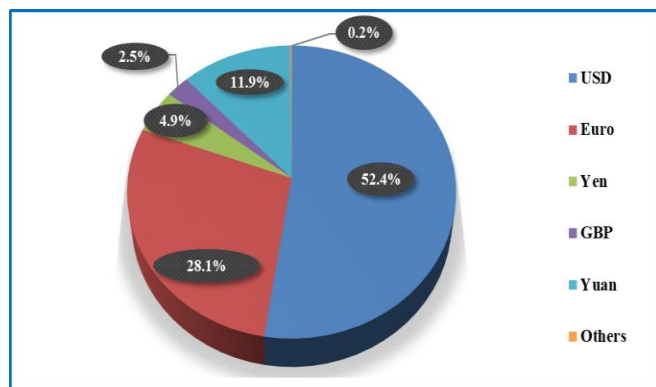
3.1 Currency Composition of External Debt

The external debt was predominantly denominated in the US dollar, which accounted for 52.4 percent of the total. The Euro followed with 28.1 percent, while the Chinese Yuan represented 11.9 percent. The Japanese Yen contributed 4.9 percent, and the Sterling Pound made up 2.5 percent. Other currencies collectively accounted for just 0.2 percent of the external debt stock.

¹ An Exchange rate of USD to Ksh 129.0300

² Ksh 18,349.58 billion

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



Source: National Treasury

3.2 Movement in Exchange Rates

During the month under review, the Kenya Shilling depreciated marginally against the US Dollar and the Chinese Yuan, by 0.015 percent and 0.5 percent respectively. In contrast, it weakened more significantly against the Japanese Yen, the Euro, and the Sterling Pound, recording declines of 1.7 percent, 1.6 percent, and 2.2 percent respectively. The base exchange rates for these five currencies were Ksh 129.01 for the US Dollar, Ksh 82.39 for the Japanese Yen (per 100 units), Ksh 151.43 for the Euro, Ksh 18.46 for the Yuan, and Ksh 173.65 for the Sterling Pound.

3.3 External Debt Service

The actual cumulative external debt service as at the end of January 2026 was Ksh 432.95 billion against the financial year target of Ksh 716.46 billion. Debt service to bilateral creditors accounted for 31.0 percent of the total cumulative debt service while commercial and multilateral creditors debt service accounted for 53.0 percent and 16.0 percent, respectively, for the period ending January 2026. External debt service during the month of January 2026 was Ksh 55.70 billion, comprising principal repayments and interest payments of Ksh 34.15 billion and Ksh 21.55 billion, respectively.

4. Domestic Debt

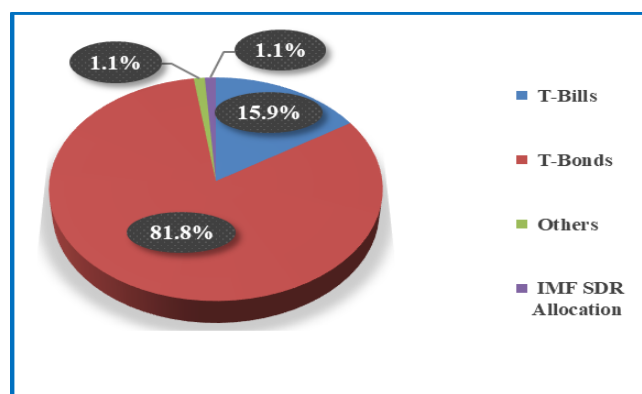
The domestic debt stock increased by Ksh 52.03 billion from Ksh 6,837.51 billion as at end of December 2025

to Ksh 6,889.54 billion as at end of January 2026. The stock of treasury bills increased by Ksh 18.73 billion from Ksh 1,074.45 billion to Ksh 1,093.18 billion and the stock of treasury bonds increased by Ksh 60.06 billion from Ksh 5,578.98 billion to Ksh 5,639.04 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 reduced by Ksh 26.76 billion from Ksh 184.08 billion to Ksh 157.32 billion during the same period.

4.1 Domestic Debt by Instruments

As at the end of January 2026, the ratio of treasury bonds to treasury bills, expressed as a percentage of government securities, was 82:16. government overdraft at the Central Bank of Kenya, bank advances from commercial banks, and the IMF SDR allocation together accounted for 2.2 percent of total domestic debt stock during the same period (**Chart 4**).

Chart 4: Composition of Domestic Debt as of End-January 2026 (Percent of Total Domestic Debt).



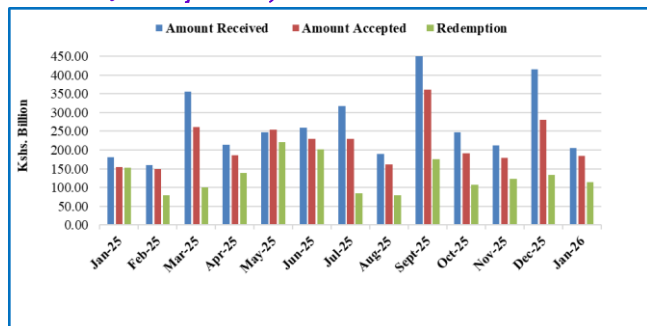
Source: National Treasury

4.2 Domestic Borrowing

During the month of January 2026, government securities amounting to Ksh 206.00 billion were advertised comprising Ksh. 96.00 billion treasury bills and Ksh. 110.00 billion treasury bonds. Bids worth Ksh 177.90 billion were received, comprising Ksh 106.36 billion and Ksh 71.54 billion in treasury bills and bonds, respectively. Bids worth Ksh 159.39 billion were

accepted, of which Ksh 98.81 billion and Ksh 60.58 billion were treasury bills and bonds respectively. Monthly redemption at cost amounted to Ksh 71.50 billion in treasury bills (**Chart 5**).

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



Source: National Treasury

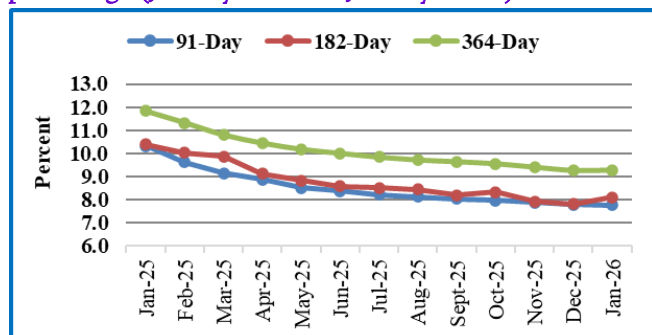
4.3 Net Domestic Financing

The net cumulative domestic financing at end of January 2026 was Ksh 458.25 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 12.8 basis points, from 7.77 percent in December 2025 to 7.64 percent in January 2026, while 182-day and 364-day decreased by 31.4 basis points and 7.4 basis points from 8.11 percent and 9.28 percent to 7.80 percent and 9.21 percent respectively during the period under review.

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



Source: National Treasury

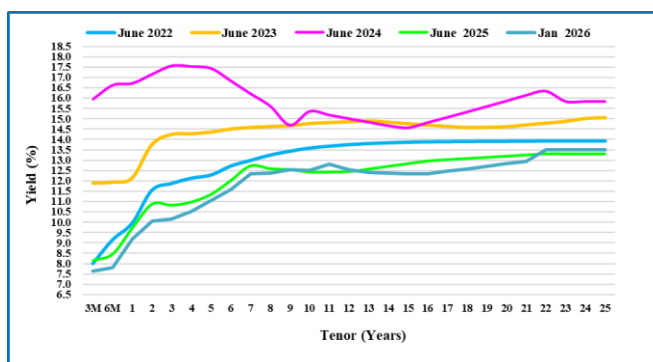
4.5 Domestic Interest Payments

As at the end of January 2026, cumulative total domestic interest payment amounted to Ksh 479.67 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 65.56 billion. Interest payments for treasury bonds and bills in January 2026 were Ksh 59.31 billion and Ksh 6.01 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft was Ksh 0.24 billion.

4.6 Government Securities Yields

In January 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, while yields increased gradually across the curve before flattening at the long end. 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 January 2026 was 7.85 years compared to 7.78 years in December 2025. 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 foreign currency senior unsecured debt ratings to B3 from CaaI while revising the outlook to stable from positive (see Annex 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. 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 aid 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 as at End of January 2026. Lastly, Annex IV details New Loans Contracted by The Government of Kenya from 1st November 2025 to 31st December, 2025.

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 th 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

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

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

CREDITOR	Stock at the End December 2025	Stock at the End January 2026	CHANGE
BILATERAL			
BELGIUM	25,533.37	25,925.63	392.26
Hungary	386.95	387.01	0.06
AUSTRIA	1,538.41	1,562.53	24.12
DENMARK	55.62	43.93	(11.69)
FINLAND	-	-	-
FRANCE	101,500.62	98,744.65	(2,755.97)
GERMANY	57,047.93	58,113.01	1,065.08
ITALY	43,985.67	44,675.38	689.71
JAPAN	80,125.80	81,468.07	1,342.27
USA	15,973.73	15,976.19	2.46
SPAIN	15,321.38	15,630.99	309.52
Other PARIS CLUB	5,698.71	5,485.69	(213.02)
Other NON - PARIS CLUB	22,182.64	22,208.77	26.13
CHINA	628,679.33	606,050.89	(22,628.43)
Sub Total	998,030.15	976,272.66	(21,757.50)
MULTILATERAL			
ADB/ADF	563,387.38	573,488.26	10,100.87
EEC/EIB	28,554.02	28,936.11	382.09
IDA	1,657,639.54	1,708,371.92	50,732.39
IFAD	40,818.77	41,182.86	364.09
IMF	462,224.58	466,191.39	3,966.81
Others	281,406.19	281,349.59	(56.60)
Sub Total	3,034,030.48	3,099,520.12	65,489.64
COMMERCIAL			
Commercial Bank	208,533.62	208,474.35	(59.26)
International Sovereign Bond	1,133,366.76	1,133,541.58	174.82
Suppliers Credit	14,490.10	14,657.65	167.55
Sub Total	1,356,390.47	1,356,673.58	283.11
Total Central Government	5,388,451.11	5,432,466.36	44,015.25
GUARANTEED			
JAPAN	63,446.67	64,450.24	1,003.57
GERMANY	395.07	401.26	6.19
Kenya Airways (Commercial Debt)	9,672.80	9,674.30	1.49
Sub Total	73,514.55	74,525.80	1,011.25
CENTRAL GOVERNMENT + GUARANTEED TOTAL DEBT	5,461,965.65	5,506,992.16	45,026.51

Source: National Treasury

ANNEX III: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END JANUARY 2026 IN KSH (MILLIONS)

DOMESTIC DEBT BY HOLDER	Dec-25	Jan-26	Change
Banks	2,322,878.26	2,363,118.86	40,240.60
Non-Financial Corporations	119,141.54	119,259.94	118.40
Pensions	975,806.72	988,362.10	12,555.38
Insurance Companies	896,044.02	916,124.03	20,080.02
Households	428,833.55	431,560.80	2,727.25
Non- Residents	311,273.50	315,158.10	3,884.60
Other Financial Corporations	1,052,578.63	1,054,538.23	1,959.60
Non-Profit Institutions	56,473.59	61,054.39	4,580.80
General Government	490,401.58	483,038.88	(7,362.70)
Others	184,079.34	157,321.48	(26,757.86)
TOTALS	6,837,510.72	6,889,536.81	52,026.09

Source: National Treasury

ANNEX IV: NEW LOANS CONTRACTED BY THE GOVERNMENT OF KENYA FROM 1ST NOVEMBER 2025 TO 31ST DECEMBER, 2025

During the period beginning 1st November, 2025 and ending on the 31st December, 2025, the Government contracted new loans from the Government of the Federal Republic of Germany and the Export-Import Bank of China as shown in the table below.

Loan Title/ Description	Implementing Agency	Creditor	Signing Date	Amount	Key Terms	Status	Purpose / Benefit
Supporting Access to Finance and Enterprise Recovery (SAFER) Project	The State Department for Micro, Small and Medium Enterprises (MSMEs) Development	Government of the Federal Republic of Germany.	20th November 2025	EUR 38,000,000	67-year maturity; 5 years' grace; interest rate 2%; service charge; management fee 0.25%; commitment fee 0.25%.	Not Disbursed conditions pending	To finance the liquidity support for MSMEs and consulting services to support the project implementation
Kenya Nairobi Intelligent Transport Systems (ITS) Establishment and Junction Improvement Project	State Department of Transport	The Export - Import Bank of China	26th November 2025	CNY 1,330,426,438.5	27-year maturity; 6.33 Years grace; interest 2% p.a; service charge; Management fee 0.25%; commitment fee 0.2%	Not Disbursed	To establish Kenya Nairobi Intelligent Transport System (ITS) and junction improvement
Digitization for Technical and Vocational Education and Training (Promotion of Technical and Vocational Education and Training (TVET) and Empowerment III and Digitization of TVET)	State Department for Technical and Vocational Education and Training	Government of the Federal Republic of Germany	11th December 2025	EUR 28,000,000	66-year maturity; 5.42 years grace; interest 0.75% under portion I and 1.20% under portion II; Service charge; commitment fee 0.25%	Fully Disbursed	To finance measures to support the Kenyan Government in the digitization for Technical and Vocational Education and Training