THE NATIONAL TREASURY
PUBLIC DEBT BULLETIN
JULY 2026

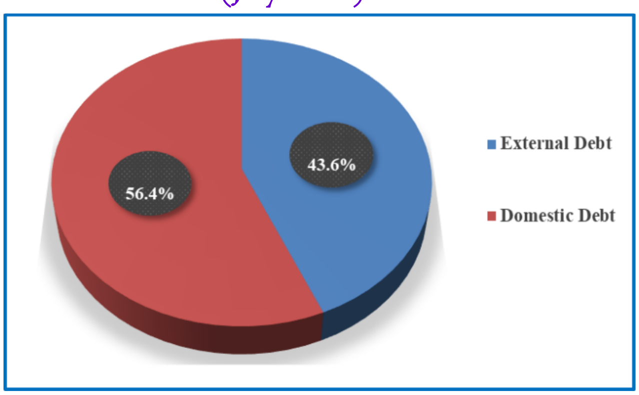
1. Introduction

The Public Debt Bulletin is a monthly National Treasury publication that provides information on public debt to inform the public and other stakeholders. This bulletin covers developments during the month of July 2026, highlighting the debt stock, debt structure, recent borrowing and repayments.

2. Public Debt Stock

As at the end of July 2026, total public debt stood at Ksh 13,228.89 billion up from Ksh 13,120.87 as at end June 2026. This represented 71.0 percent of GDP[1]. Domestic debt stock amounted to Ksh 7,463.16 billion (40.1 percent of GDP). External debt stock was Ksh 5,765.73 billion (31.0 percent of GDP). The composition of total debt was 56.4 percent domestic and 43.6 percent external debt (see Chart 1).

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

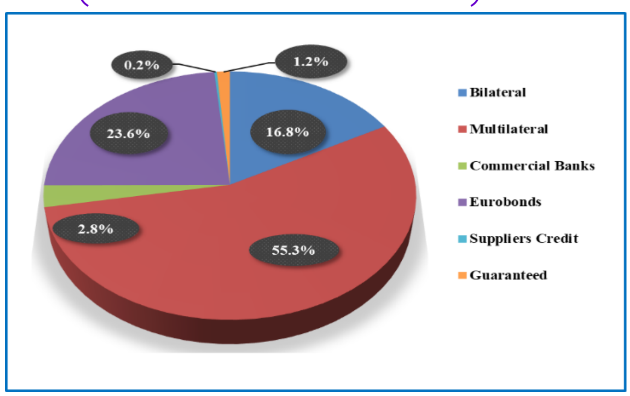


Source: National Treasury

3. External Debt

The total external debt stock decreased by Ksh 27.93 billion from Ksh 5,793.67 billion at the end of June 2026 to Ksh 5,765.73 billion as at the end of July 2026. Bilateral external debt decreased by Ksh 22.88 billion from Ksh 990.07 billion to Ksh 967.18 billion and multilateral debt increased by Ksh 10.48 billion from Ksh 3,180.40 billion to Ksh 3,190.88 billion. Commercial debt decreased by Ksh 15.48 billion from Ksh 1,552.80 billion to Ksh 1,537.32 billion while guaranteed debt decreased by Ksh 0.05 billion from Ksh 70.40 billion to Ksh 70.35 billion during the same period (see Annex II). **Chart 2** shows the composition of external debt as at end of July 2026.

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



Source: National Treasury

3.1 Movement in Exchange Rates

As at end July 2026, the Shilling marginally strengthened against US Dollar and depreciated against the Chinese Yuan, Japanese Yen, Euro and the Sterling Pound, moving from Ksh 129.50, Ksh 19.06, Ksh 79.81, Ksh 147.51 and Ksh 171.33 in June to Ksh 129.40, Ksh 19.17, Ksh .80.55, Ksh 148.91, and Ksh 174.01 respectively in July 2026. This represented appreciation of 0.08 percent, and depreciations of 0.58

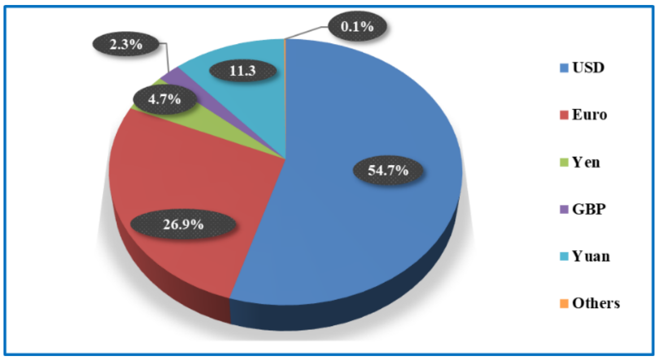
[1] *Ksh 18,627.48 billion*

percent, 0.93 percent, 0.95 percent and 1.56 percent, respectively.

3.2 Currency Composition of External Debt

As at the end of July 2026, external debt was predominantly denominated in US dollars, accounting for 54.7 percent. The Euro comprised 26.9 percent, while the Chinese Yuan and the Japanese Yen represented 11.3 percent and 4.7 percent, respectively. The Sterling Pound accounted for 2.3 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-July 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 July 2026 was Ksh 49.49 billion against the financial year budget of Ksh 680.38 billion. Debt service to bilateral creditors accounted for 73 percent of the total cumulative debt service, while debt service to commercial and multilateral creditors accounted for 13 percent and 14 percent, respectively, for the period ending July 2026. External debt service for July 2026 was Ksh 49.49 billion, comprising principal repayments of Ksh 31.27 billion and interest payments of Ksh 18.22 billion.

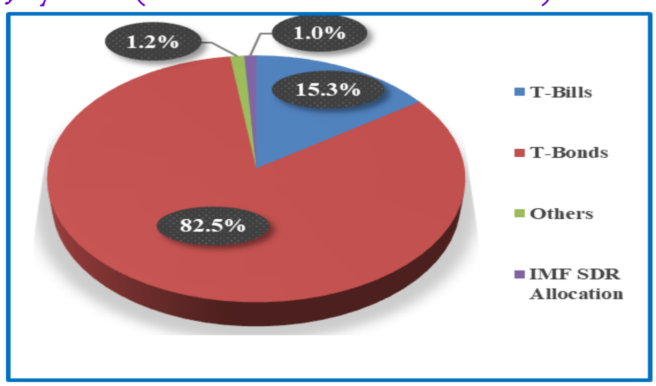
4. Domestic Debt

Domestic debt stock increased due to net borrowing of Ksh 135.95 billion, from Ksh 7,327.20 billion as at the end of June 2026 to Ksh 7,463.16 billion as at the end of July 2026. The stock of Treasury Bills increased by Ksh 25.48 billion from Ksh 1,118.15 billion as at end June 2026 to Ksh 1,143.64 billion as at end July 2026, the stock of Treasury Bonds increased by Ksh 136.03 billion from Ksh 6,021.15 billion to Ksh 6,157.18 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 25.56 billion from Ksh 187.89 billion to Ksh 162.34 billion during the same period (see Annex III).

4.1 Domestic Debt by Instruments

As at the end of July 2026, the ratio of treasury bonds to treasury bills was 84:16, 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 July 2026 (Percent of Total Domestic Debt).

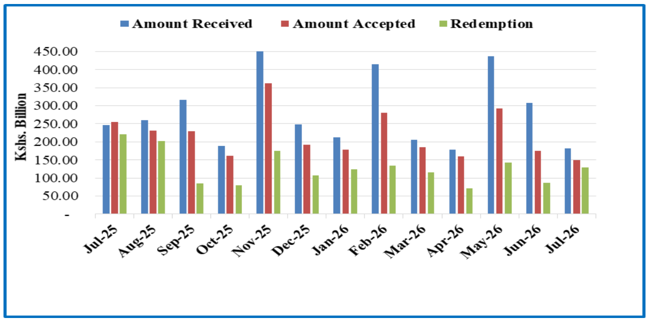


Source: National Treasury

4.2 Domestic Borrowing

During July 2026, government securities amounting to Ksh 218.00 billion were advertised comprising Ksh 108.00 billion treasury bills and Ksh 110.00 billion treasury bonds. Bids worth Ksh 397.87 billion were received, comprising Ksh 167.43 billion and Ksh 230.40 billion in treasury bills and treasury bonds, respectively. Bids worth Ksh 261.26 billion were accepted, of which Ksh 115.13 billion and Ksh 146.13 billion were treasury bills and treasury bonds, respectively. Monthly redemption at cost amounted to Ksh 88.88 billion in treasury bills (**Chart 5**).

Chart 5: Government Securities Performance (June 2025 to July 2026) in Ksh billions.



Source: National Treasury

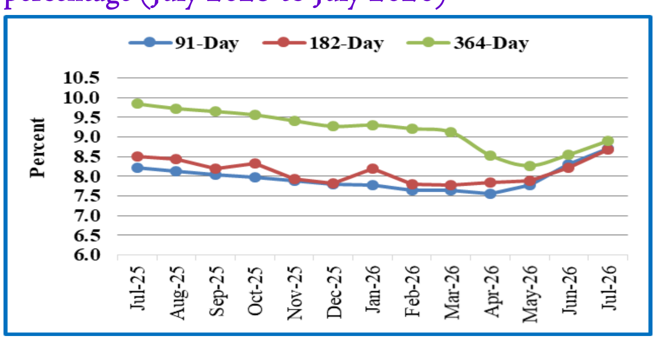
4.3 Net Domestic Financing

The net cumulative domestic financing at the end of July 2026 was Ksh 141.59 billion against an annual borrowing target of Ksh 987.36 billion for FY 2026/27.

4.4 Interest Rates on Government Securities

The average interest rates for the 91-day, 182-day and 364-day treasury bills in July 2026 increased by 14.0 basis points, 30.0 basis points and 10.0 basis points from 8.70 percent, 8.68 percent and 8.90 percent to 8.84 percent, 8.98 percent and 9.0 percent, respectively during the period under review.

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



Source: National Treasury

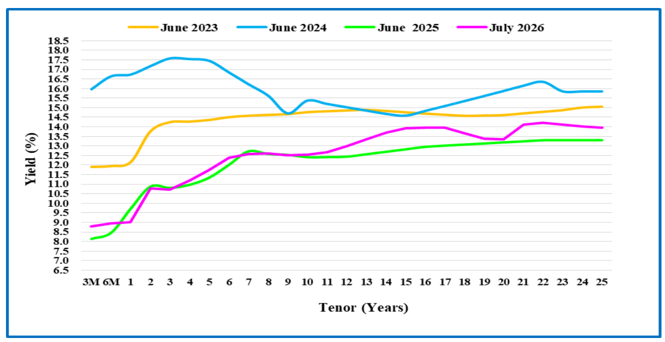
4.5 Domestic Interest Payments

As at the end of July 2026, cumulative total domestic interest payments amounted to Ksh 73.79 billion against an annual budget of Ksh 986.73 billion for FY 2026/27. In July 2026, the actual domestic interest payment amounted to Ksh 73.79 billion. Interest payments for treasury bonds and bills in July 2026 were Ksh 66.16 billion and Ksh 7.56 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft amounted to Ksh 0.07 billion.

4.6 Government Securities Yields

Treasury bonds secondary market trading yields for 2026 remained below the 2025 yield curve. In July 2026, the Government securities yield curve remained generally upward sloping, with yields increasing as maturities lengthened. This indicated that investors demanded higher returns for committing funds to longer-term government securities, reflecting the greater uncertainty and risks associated with longer investment horizons. The positive slope indicated relatively stable short-term borrowing costs but a higher term premium at the medium- and long-term end.

Chart 7: Government Securities Yield Curve.



Source: Nairobi Securities Exchange

4.7 Average Time to Maturity for Treasury Bonds

In July 2026, the Average Time to Maturity (ATM) for treasury bonds was 8.22 years compared to 8.0 years in June 2026. This reflected the gradual extension of the maturity profile of domestic debt, supported by liability management operations and a greater focus on issuing longer-term securities compared with short-term instruments.

5. Sovereign Credit Rating

On 17th July 2026, Fitch Ratings affirmed Kenya's B- long-term issuer default ratings and maintained the Stable Outlook while other ratings from Moody's and Standard and Poor's remained unchanged (see Table 1). The upgrade and affirmation reflected 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, 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 1: 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	17 July 2026
	B-	Stable	25 July 2025
Moody's	B3	Stable	27 Jan 2026
	Caa1	Positive	25-Aug 2025

Source: National Treasury

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

DOMESTIC DEBT BY HOLDER	Jun-26	Jul-26	Change
Banks	2,538,621.85	2,585,738.88	47,117.03
Non-Financial Corporations	107,902.19	112,515.59	4,613.40
Pensions	1,028,357.15	1,059,150.39	30,793.25
Insurance Companies	1,009,761.68	1,029,282.53	19,520.85
Households	451,180.48	455,077.55	3,897.07
Non- Residents	297,410.95	307,219.25	9,808.30
Other Financial Corporations	1,130,271.07	1,162,911.52	32,640.45
Non-Profit Institutions	69,597.19	70,483.74	886.55
General Government	506,202.88	518,436.68	12,233.80
Others	187,896.66	162,339.09	(25,557.56)
TOTALS	**7,327,202.09**	**7,463,155.22**	**135,953.14**

Source: Central Bank of Kenya

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

CREDITOR	Stock at the End June 2026	Stock at the End July 2026	CHANGE
BILATERAL			
BELGIUM	24,178.35	24,399.97	221.62
Hungary	596.92	596.46	(0.46)
AUSTRIA	1,412.30	1,425.70	13.40
DENMARK	42.10	30.36	(11.74)
FINLAND	-	-	-
FRANCE	100,078.18	101,075.05	996.87
GERMANY	55,126.57	55,166.08	39.51
ITALY	42,304.84	42,706.35	401.51
JAPAN	91,199.74	91,725.92	526.17
USA	8,088.11	8,081.86	(6.25)
SPAIN	16,321.30	16,112.38	(208.92)
Other PARIS CLUB	7,878.00	7,665.69	(212.31)
Other NON -PARIS CLUB	23,019.54	23,107.44	87.90
CHINA	619,819.43	595,089.67	(24,729.76)
Sub Total	**990,065.38**	**967,182.94**	**(22,882.44)**
MULTILATERAL			
ADB/ADF	565,285.97	567,306.46	2,020.50
EEC/EIB	27,362.34	27,559.63	197.28
IDA	1,768,679.00	1,785,931.73	17,252.73
IFAD	42,504.02	42,438.72	(65.29)
IMF	452,122.54	443,723.34	(8,399.19)
Others	324,447.85	323,923.11	(524.74)
Sub Total	**3,180,401.71**	**3,190,882.99**	**10,481.28**
COMMERCIAL			
Commercial Bank	177,232.47	162,710.64	(14,521.83)
International Sovereign Bond	1,361,430.52	1,360,379.22	(1,051.30)
Suppliers Credit	14,138.50	14,233.10	94.60
Sub Total	**1,552,801.50**	**1,537,322.97**	**(15,478.53)**
Total Central Government	**5,723,268.58**	**5,695,388.90**	**(27,879.69)**
GUARANTEED			
JAPAN	60,687.59	60,643.52	(44.07)
GERMANY	-	-	-
Kenya Airways (Commercial Debt)	9,709.54	9,702.04	(7.50)
Sub Total	**70,397.13**	**70,345.56**	**(51.57)**
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	**5,793,665.71**	**5,765,734.46**	**(27,931.25)**

Source: National Treasury

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

	Jun-26	Jul-26	Difference
T-Bills	1,118,151.35	1,143,635.80	25,484.45
T-Bonds	6,021,154.08	6,157,180.33	136,026.25
Others	109,574.95	88,400.12	(21,174.83)
IMF SDR Allocation	78,321.70	73,938.97	(4,382.73)
TOTALS	**7,327,202.09**	**7,463,155.22**	**135,953.14**

Source: National Treasury

ANNEX IV: NEW LOANS CONTRACTED BY THE GOVERNMENT OF KENYA FROM 1STMAY 2026 TO 30TH JUNE 2026

During the period under review, the Government contracted new loans from the International Bank for Reconstruction and Development, International Development Association and Danske Bank A/S as shown in the table below.

Loan Title / Description	Implementing Agency	Creditor	Signing Date	Amount	Key Terms	Status	Purpose / Benefits
Second Kenya Fiscal Sustainability and Resilient Growth Development Policy Operation	The National Treasury	International Bank for Reconstruction and Development	29TH June, 2026	USD 340,000,000	27-year maturity, 8-year grace period; Front-end fee is one quarter of 1% (0.25 % p.a), Commitment charge is one quarter of 1% (0.25% p.a), Interest rate is the reference rate + variable spread or such rate as may apply following a conversion	Disbursed	To provide financing in support of the program
Second Kenya Fiscal Sustainability and Resilient Growth Development Policy Operation	The National Treasury	International Development Association	29th June 2026	USD 397,500,000	25-year maturity,5-year grace period; commitment charge is one-half percent (1/2 of 1% p. a.); interest charge is the greater of; a) the sum of one and half percent (1.15% p.a)	Disbursed	To provide Financing in support of the program
Thika and Githunguri water supply and sanitation improvement project	Athi Water Works Development Agency	Danske Bank A/S	20TH May 2026	EUR 93,788,253	15-year maturity, Grace period 3 years, Irrevocable structuring fee at the rate of 0.375% flat, irrevocable commitment fee of 0.25% p.a	Disbursed	To finance consultancy services for design, procurement, and institutional development for Athi Water Works Development Agency, as well as Thika and Githunguri Water and Sewerage Companies.
Second Additional Financing for the coastal Region Water security and climate Resilience Project	Coastal Water Works Development Agency (CWWDA)	International Development Association	11th May 2026	USD 105,000,000	24-year maturity, 5-year Grace period, Maximum commitment charge rate is ½ of 1% p.a on the unwithdrawn Financing Balance. Interest charge is greater of: a) the sum of 1.5% p.a plus basis adjustment to the interest change and b) 0% p.a or such rate as may apply following currency conversion on withdrawn credit balance.	Not disbursed	To increase bulk water supply to Mombasa County and Kwale County and increase access to water in Kwale County.