THE NATIONAL TREASURY
PROVISIONAL JUNE 2026 PUBLIC DEBT BULLETIN

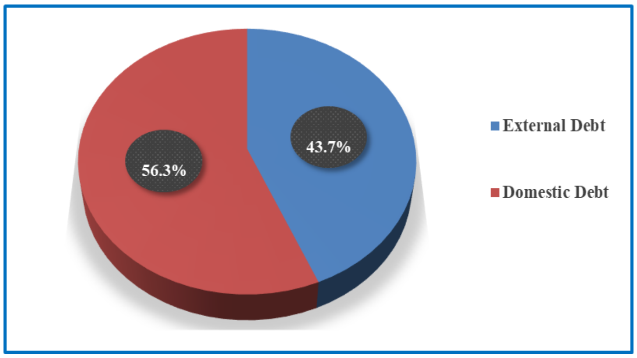
1. Introduction

The Public Debt Bulletin is a monthly publication of the National Treasury providing information on public debt aimed at informing the public and other stakeholders. This bulletin covers developments during the month of June 2026, highlighting the debt stock, debt structure, recent borrowing and repayments.

2. Public Debt Stock

As at the end of June 2026, total public debt stood at Ksh 13,013.21 billion. This represented 68.5 percent of GDP[1]. Domestic debt stock amounted to Ksh 7,328.52 billion (38.6 percent of GDP). External debt stock was Ksh 5,684.69 billion (29.9 percent of GDP). The composition of total debt was 56.3 percent domestic and 43.7 percent external debt (see Chart 1).

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

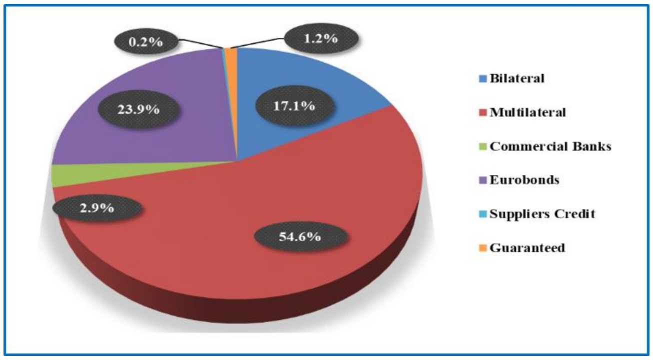


Source: National Treasury

3. External Debt

The total external debt stock increased by Ksh 27.37 billion from Ksh 5,657.30 billion at the end of May 2026 to Ksh 5,684.69 billion as at the end of June 2026. Bilateral external debt decreased by Ksh 9.25 billion from Ksh 982.35 billion to Ksh 973.10 billion and multilateral debt increased by Ksh 43.47 billion from Ksh 3,058.95 billion to Ksh 3,102.43 billion. Commercial debt decreased by Ksh 5.67 billion from Ksh 1,544.98 billion to Ksh 1,539.31 billion while guaranteed debt also decreased by Ksh 1.17 billion from Ksh 71.02 billion to Ksh 69.85 billion during the same period (see Annex II). **Chart 2** shows the composition of external debt as at end of June 2026.

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



Source: National Treasury

3.1 Movement in Exchange Rates

As at end June 2026, the Shilling marginally strengthened against US Dollar, Chinese Yuan, Japanese Yen, Euro and the Sterling Pound, moving from Ksh 129.55, Ksh 19.13, Ksh 81.31, Ksh 150.76 and Ksh 174.07 in May to Ksh 129.50, Ksh 79.81, Ksh 147.51, Ksh 19.06 and Ksh 171.33 respectively in June 2026. This represented appreciations of 0.04 percent, 1.85

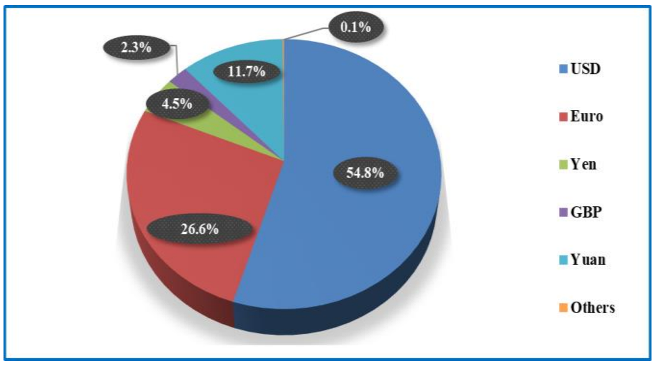
[1] *Ksh 18,993.49 billion*

percent, 2.16 percent, 0.37 percent and 1.57 percent, respectively.

3.2 Currency Composition of External Debt

As at the end of June 2026, external debt was predominantly denominated in US dollars, accounting for 54.8 percent. The Euro comprised 26.6 percent, while the Chinese Yuan and the Japanese Yen represented 11.7 percent and 4.5 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-June 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 June 2026 was Ksh 716.10 billion against the financial year budget of Ksh 673.76 billion. Debt service to bilateral creditors accounted for 24.40 percent of the total cumulative debt service, while debt service to commercial and multilateral creditors accounted for 54.32 percent and 21.28 percent, respectively, for the period ending June 2026. External debt service for June 2026 was Ksh 13.52 billion, comprising principal repayments of Ksh 10.56 billion and interest payments of Ksh 2.95 billion.

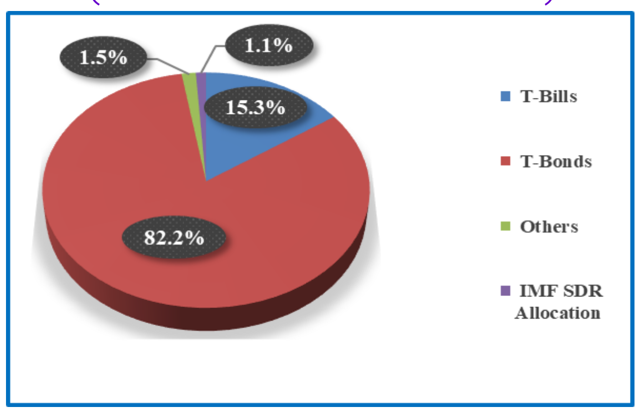
4. Domestic Debt

Domestic debt stock increased on account of net borrowing by Ksh 89.44 billion from Ksh 7,239.08 billion as at end of May 2026 to Ksh 7,328.52 billion as at end of June 2026. The stock of Treasury Bills increased by Ksh 11.24 billion from Ksh 1,106.91 billion as at end May 2026 to Ksh 1,118.15 billion as at end June 2026, the stock of Treasury Bonds increased by Ksh 76.70 billion from Ksh 5,944.45 billion to Ksh 6021.15 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) increased by Ksh 1.50 billion from Ksh 187.71 billion to Ksh 189.21 billion during the same period (see Annex III).

4.1 Domestic Debt by Instruments

As at the end of June 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 2.6 percent of total domestic debt stock during the same period (**Chart 4**).

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

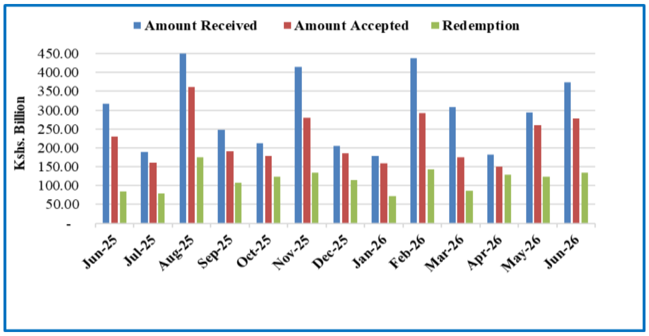


Source: National Treasury

4.2 Domestic Borrowing

During June 2026, government securities amounting to Ksh 235.00 billion were advertised comprising Ksh 120.00 billion treasury bills and Ksh 115.00 billion treasury bonds. Bids worth Ksh 373.98 billion were received, comprising Ksh 187.60 billion and Ksh 186.38 billion in treasury bills and treasury bonds, respectively. Bids worth Ksh 278.39 billion were accepted, of which Ksh 162.13 billion and Ksh 116.26 billion were treasury bills and treasury bonds, respectively. Monthly redemption at cost amounted to Ksh 134.60 billion in treasury bills (**Chart 5**).

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



Source: National Treasury

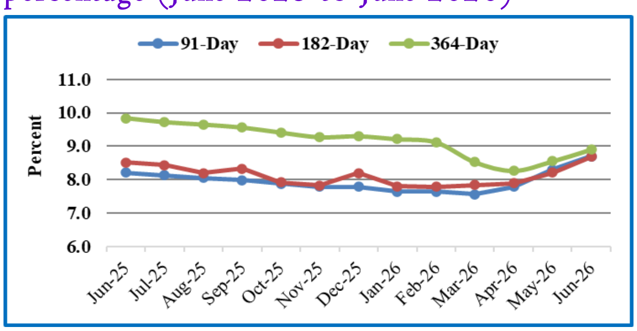
4.3 Net Domestic Financing

The net cumulative domestic financing at the end of June 2026 was Ksh 850.34 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, 182-day and 364-day paper treasury bills in June 2026 increased by 40.0 basis points, 47.0 basis points and 35.0 basis points from 8.30 percent, 8.21 per cent and 8.55 percent to 8.70 percent, 8.68 percent and 8.90 percent, respectively during the period under review.

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



Source: National Treasury

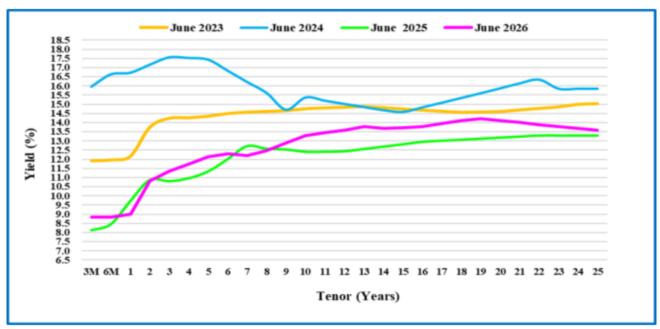
4.5 Domestic Interest Payments

As at the end of June 2026, cumulative total domestic interest payments amounted to Ksh 862.65 billion against an annual budget of Ksh 883.76 billion for FY 2025/26. In June 2026, the actual domestic interest payment amounted to Ksh 56.44 billion. Interest payments for treasury bonds and bills in June 2026 were Ksh 47.79 billion and Ksh 8.18 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft amounted to Ksh 0.47 billion.

4.6 Government Securities Yields

Treasury bonds secondary market trading yields for 2026 remained below the 2025 yield curve. In June 2026, the yield curve remained upward sloping and moderately steep, reflecting easing monetary conditions, strong demand for Government securities and persistent long-term fiscal and inflation risk premiums. The positive slope indicated expectations of stable economic conditions while compensating investors for the higher risks associated with longer maturities.

Chart 7: Government Securities Yield Curve.



Source: Nairobi Securities Exchange

4.7 Average Time to Maturity for Treasury Bonds

In June 2026, the Average Time to Maturity (ATM) for treasury bonds remained 8.0 years. This was due to 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 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, 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	B	Stable	22 Aug 2025
s	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 DOMESTIC DEBT BY HOLDERS AS AT THE END JUNE 2026 IN KSH (MILLIONS)

DOMESTIC DEBT BY HOLDER	May-26	Jun-26*	Change
Banks	2,525,548.35	2,538,621.85	13,073.50
Non-Financial Corporations	105,443.29	107,902.19	2,458.90
Pensions	1,008,867.65	1,028,357.15	19,489.50
Insurance Companies	982,433.28	1,009,761.68	27,328.40
Households	447,030.98	451,180.48	4,149.50
Non- Residents	297,580.35	297,410.95	(169.40)
Other Financial Corporations	1,116,808.92	1,130,271.07	13,462.15
Non-Profit Institutions	68,027.24	69,597.19	1,569.95
General Government	499,623.33	506,202.88	6,579.55
Others	187,713.51	189,218.61	1,505.10
TOTALS	7,239,076.89	7,328,524.04	89,447.15

**Provisional*

Source: Central Bank of Kenya

Disclaimer: Numbers in this Bulletin are provisional and subject to change

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

CREDITOR	Stock at the End May 2026	Stock at the End June 2026*	CHANGE
BILATERAL			
BELGIUM	24,799.61	24,228.14	(571.47)
Hungary	597.15	596.92	(0.23)
AUSTRIA	1,518.34	1,412.30	(106.04)
DENMARK	43.03	42.10	(0.94)
FINLAND	-	-	-
FRANCE	102,764.21	101,013.65	(1,750.55)
GERMANY	56,619.95	54,128.23	(2,491.72)
ITALY	43,944.63	42,304.84	(1,639.79)
JAPAN	77,854.94	77,765.48	(89.46)
USA	8,119.81	8,088.11	(31.70)
SPAIN	16,325.19	15,785.60	(539.59)
Other PARIS CLUB	8,051.58	7,878.00	(173.57)
Other NON -PARIS CLUB	22,738.22	22,959.00	220.78
CHINA	618,974.26	616,895.77	(2,078.49)
Sub Total	982,350.93	973,098.14	(9,252.79)
MULTILATERAL			
ADB/ADF	569,177.83	566,583.20	(2,594.64)
EEC/EIB	27,997.19	27,464.47	(532.72)
IDA	1,687,054.62	1,699,552.71	12,498.09
IFAD	42,294.53	41,714.16	(580.37)
IMF	451,092.99	442,589.34	(8,503.65)
Others	281,334.51	324,522.70	43,188.18
Sub Total	3,058,951.68	3,102,426.57	43,474.89
COMMERCIAL			
Commercial Bank	168,655.38	163,740.64	(4,914.74)
International Sovereign Bond	1,361,956.17	1,361,430.52	(525.65)
Suppliers Credit	14,366.51	14,138.50	(228.01)
Sub Total	1,544,978.07	1,539,309.67	(5,668.40)
Total Central Government	5,586,280.68	5,614,834.38	28,553.71
GUARANTEED			
JAPAN	60,915.11	60,142.89	(772.21)
GERMANY	393.33	-	(393.33)
Kenya Airways (Commercial Debt)	9,713.28	9,709.54	(3.75)
Sub Total	71,021.72	69,852.43	(1,169.30)
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	**5,657,302.40**	**5,684,686.81**	**27,384.41**

**Provisional*

Source: National Treasury

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

	May-26	Jun-26*	Difference
T-Bills	1,106,912.50	1,118,151.35	11,238.85
T-Bonds	5,944,450.88	6,021,154.08	76,703.20
Others	108,674.66	110,179.76	1,505.10
IMF SDR Allocation	79,038.86	79,038.86	-
TOTALS	7,239,076.89	7,328,524.04	89,447.15

**Provisional*

Source: National Treasury