THE NATIONAL TREASURY
PUBLIC DEBT BULLETIN
MAY 2026

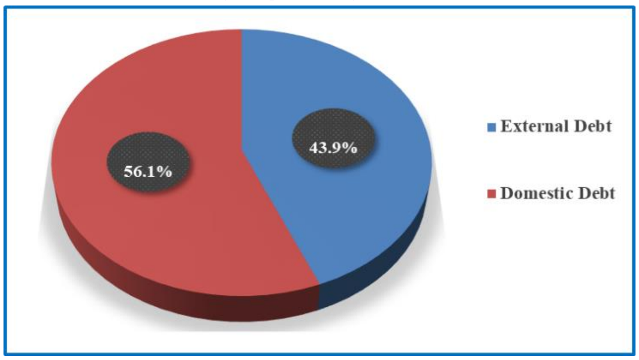
1. Introduction

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 May 2026, highlighting the debt stock, debt structure, recent borrowing, and repayments.

2. Public Debt Stock

As at the end of May 2026, total public debt stood at Ksh 12,896.38 billion. This represented 68.8 percent of GDP[1]. Domestic debt stock amounted to Ksh 7,239.08 billion (38.6 percent of GDP). External debt stock was Ksh 5,657.30 billion (30.2 percent of GDP). The composition of total debt was 56.1 percent domestic and 43.9 percent external debt (see Chart 1).

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

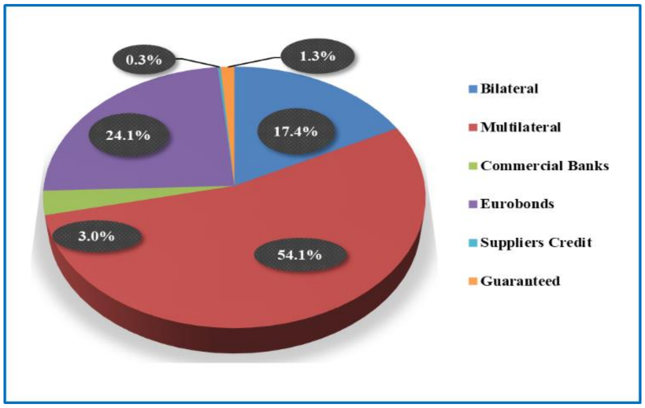


Source: National Treasury

3. External Debt

The total external debt stock decreased on account of repayments by Ksh 13.33 billion from Ksh 5,670.63 billion at the end of April 2026 to Ksh 5,657.30 billion as at the end of May 2026. Bilateral external debt increased by Ksh 7.97 billion from Ksh 974.38 billion to Ksh 982.35 billion and multilateral debt decreased by Ksh 13.06 billion from Ksh 3,072.00 billion to Ksh 3,058.95 billion. Commercial debt decreased by Ksh 8.41 billion from Ksh 1,553.39 billion to Ksh 1,544.98 billion while guaranteed debt also increased by Ksh 0.18 billion from Ksh 70.85 billion to Ksh 71.02 billion during the same period (see Annex II). **Chart 2** shows the composition of external debt as at end of May 2026.

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



Source: National Treasury

3.1 Movement in Exchange Rates

As at end May 2026, the Kenya Shilling traded at Ksh. 129.55 per US Dollar, Ksh. 19.13 per Chinese Yuan and Ksh 81.31 per 100 Japanese Yen, compared to Ksh 129.19, Ksh 18.89 and Ksh 80.65 at the end of April. This represented depreciations of 0.28 percent, 0.24 percent and 0.82 percent, respectively. In contrast, the Shilling marginally strengthened against the Euro and the Sterling Pound, moving from Ksh 150.99 and Ksh 174.13 in April to Ksh 150.76 and Ksh 174.07

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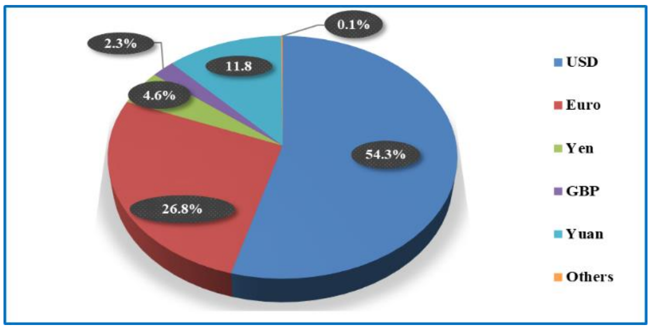
[1] *Ksh 18,757.50 billion*

respectively in May. This represented appreciations of 0.23 percent and 0.06 percent, respectively.

3.2 Currency Composition of External Debt

As at the end of May 2026, external debt was predominantly denominated in US dollars, accounting for 54.3 percent. The Euro comprised 26.8 percent, while the Chinese Yuan and the Japanese Yen represented 11.8 percent and 4.6 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-May 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 May 2026 was Ksh 669.12 billion against the financial year budget of Ksh 673.76 billion. Debt service to bilateral creditors accounted for 24 percent of the total cumulative debt service, while debt service to commercial and multilateral creditors accounted for 58 percent and 17 percent, respectively, for the period ending May 2026. External debt service for May 2026 was Ksh 36.04 billion, comprising principal repayments of Ksh 24.15 billion and interest payments of Ksh 11.89 billion.

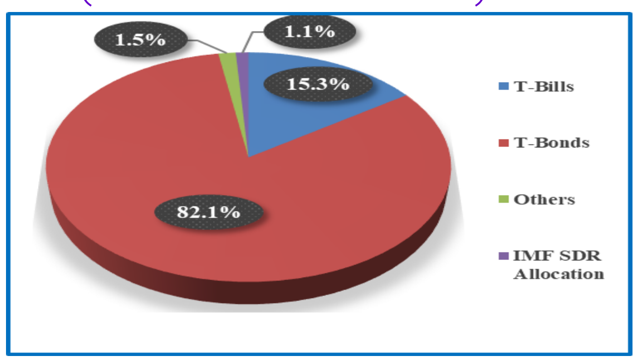
4. Domestic Debt

Domestic debt stock increased on account of net borrowing by Ksh 53.31 billion from Ksh 7,185.77 billion as at end of April 2026 to Ksh 7,239.08 billion as at end of May 2026. The stock of Treasury Bills decreased by Ksh 28.48 billion from Ksh 1,135.39 billion as at end April 2026 to Ksh 1,106.91 billion as at end May 2026 while the stock of Treasury Bonds increased by Ksh 64.93 billion from Ksh 5,879.52 billion to Ksh 5,944.45 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 16.85 billion from Ksh 170.86 billion to Ksh 187.71 billion during the same period (see Annex III).

4.1 Domestic Debt by Instruments

As at the end of May 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 1.1 percent of total domestic debt stock during the same period (**Chart 4**).

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

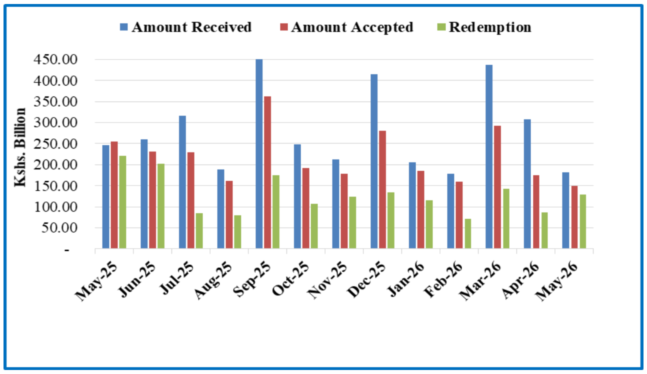


Source: National Treasury

4.2 Domestic Borrowing

During May 2026, government securities amounting to Ksh 226.00 billion were advertised comprising Ksh 96.00 billion treasury bills and Ksh 130.00 billion treasury bonds. Bids worth Ksh 437.66 billion were received, comprising Ksh 104.35 billion and Ksh 189.36 billion in treasury bills and treasury bonds, respectively. Bids worth Ksh 291.62 billion were accepted, of which Ksh 100.36 billion and Ksh 159.70 billion were treasury bills and treasury bonds, respectively. Monthly redemption at cost amounted to Ksh 124.17 billion in treasury bills (**Chart 5**).

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



Source: National Treasury

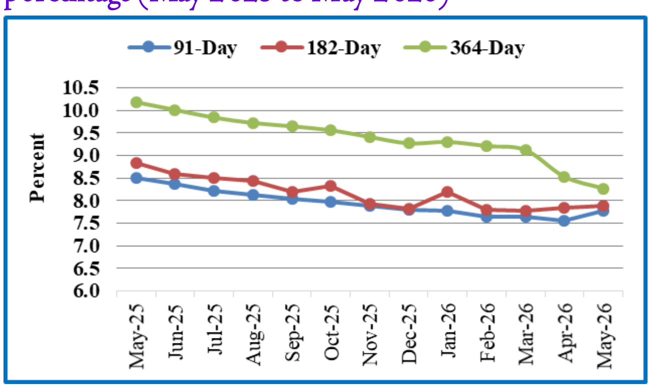
4.3 Net Domestic Financing

The net cumulative domestic financing at the end of May 2026 was Ksh 946.55 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 182-day treasury bills in May 2026 increased by 52.0 basis points and 32.0 basis points from 7.78 percent and 7.89 percent to 8.30 percent and 8.21 percent, respectively. The 364-day treasury bills also increased by 28.0 basis points from 8.27 percent to 8.55 percent during the period under review.

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



Source: National Treasury

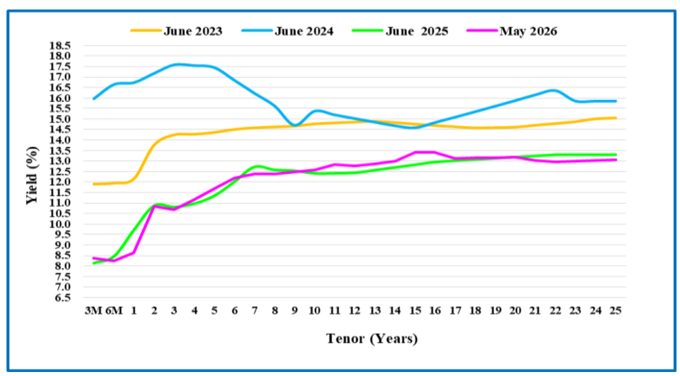
4.5 Domestic Interest Payments

As at the end of May 2026, cumulative total domestic interest payments amounted to Ksh 804.27 billion against an annual budget of Ksh 883.76 billion for FY 2025/26. In May 2026, the actual domestic interest payment amounted to Ksh 94.96 billion. Interest payments for treasury bonds and bills in May 2026 were Ksh 84.02 billion and Ksh 10.51 billion respectively, while total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft amounted to Ksh 0.44 billion.

4.6 Government Securities Yields

Treasury bonds secondary market trading yields for 2026 remained below the 2025 yield curve. In May 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 May 2026, the Average Time to Maturity (ATM) for treasury bonds increased marginally to 8.0 years, up from 7.92 years in April 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 Caa1 while revising the outlook to stable from positive (see Table 1). 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 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	25 July 2025
	B-	Stable	25 July 2024
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 MAY 2026 IN KSH (MILLIONS)

DOMESTIC DEBT BY HOLDER	Apr-26	May-26	Change
Banks	2,542,930.70	2,525,548.35	(17,382.35)
Non-Financial Corporations	104,467.89	105,443.29	975.40
Pensions	994,315.65	1,008,867.65	14,552.00
Insurance Companies	964,554.68	982,433.28	17,878.60
Households	444,691.58	447,030.98	2,339.40
Non- Residents	300,254.70	297,580.35	(2,674.35)
Other Financial Corporations	1,106,812.47	1,116,808.92	9,996.45
Non-Profit Institutions	67,883.94	68,027.24	143.30
General Government	488,995.63	499,623.33	10,627.70
Others	170,863.42	187,713.51	16,850.10
TOTALS	**7,185,770.65**	**7,239,076.89**	**53,306.25**

Source: Central Bank of Kenya

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

CREDITOR	Stock at the End April 2026	Stock at the End May 2026	CHANGE
BILATERAL			
BELGIUM	24,944.38	24,799.61	(144.77)
Hungary	595.49	597.15	1.66
AUSTRIA	1,520.67	1,518.34	(2.33)
DENMARK	43.10	43.03	(0.07)
FINLAND	-	-	-
FRANCE	102,753.74	102,764.21	10.47
GERMANY	56,627.64	56,619.95	(7.68)
ITALY	43,854.79	43,944.63	89.84
JAPAN	77,227.01	77,854.94	627.93
USA	8,097.24	8,119.81	22.56
SPAIN	16,185.58	16,325.19	139.61
Other PARIS CLUB	8,063.92	8,051.58	(12.35)
Other NON -PARIS CLUB	23,063.69	22,738.22	(325.47)
CHINA	611,402.34	618,974.26	7,571.93
Sub Total	**974,379.60**	**982,350.93**	**7,971.33**
MULTILATERAL			
ADB/ADF	568,062.84	569,177.83	1,114.99
EEC/EIB	28,112.62	27,997.19	(115.43)
IDA	1,693,133.06	1,687,054.62	(6,078.44)
IFAD	41,386.26	42,294.53	908.27
IMF	460,575.76	451,092.99	(9,482.77)
Others	280,736.90	281,334.51	597.61
Sub Total	**3,072,007.45**	**3,058,951.68**	**(13,055.77)**
COMMERCIAL			
Commercial Bank	168,772.99	168,655.38	(117.60)
International Sovereign Bond	1,371,965.11	1,361,956.17	(10,008.94)
Suppliers Credit	12,651.54	14,366.51	1,714.97
Sub Total	**1,553,389.64**	**1,544,978.07**	**(8,411.58)**
Total Central Government	**5,599,776.69**	**5,586,280.68**	**(13,496.01)**
GUARANTEED			
JAPAN	60,771.83	60,915.11	143.27
GERMANY	393.94	393.33	(0.60)
Kenya Airways (Commercial Debt)	9,686.29	9,713.28	26.99
Sub Total	70,852.06	71,021.72	169.66
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	**5,670,628.75**	**5,657,302.40**	**(13,326.35)**

Source: National Treasury

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

	Apr-26	May-26	Difference
T-Bills	1,135,387.75	1,106,912.50	(28,475.25)
T-Bonds	5,879,519.48	5,944,450.88	64,931.40
Others	91,932.48	108,674.66	16,742.18
IMF SDR Allocation	78,930.94	79,038.86	107.92
TOTALS	**7,185,770.65**	**7,239,076.89**	**53,306.25**

Source: National Treasury

ANNEX IV: NEW LOANS CONTRACTED BY THE GOVERNMENT OF KENYA FROM 1 ST MARCH 2026 TO 30TH APRIL 2026

During the period 1st March 2026 and 30th April 2026, the Government contracted new loans from the NEXI-Samurai, International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) as shown in the table below.

Loan Title / Description	Implementing Agency	Creditor	Signing Date	Amount	Key Terms	Status	Purpose / Benefits
Additional Financing for the Financing Locally Led Climate Action Program	The National Treasury	International Development Association (IDA)	17th March 2026	USD 30,000,000	The loan will be repaid in 40 equal semi-annual repayments; a grace period of 4 years, 7 months. The interest rate is 1.5 percent per annum plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance	Not disbursed; Conditions Precedent Pending	To deliver locally led climate resilience actions and strengthen county and national governments' capacity to manage climate risks.
Housing Finance, Lands, and Sustainable Investments Project	The National Treasury	International Development Association (IDA)	22nd April 2026	Loan A USD 168,000,000 Loan B	Loan A grace period is 4 years 6 months, and will be repaid in 40 equal semi-annual repayments. Loan B will be repaid in 11 equal semi-annual repayments. The interest rate is 1.5 percent per annum, plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance. Loan B grace period is 5 years 6 months, and will be repaid in 11 equal semi-annual repayments. The interest rate is	Not disbursed; Conditions Precedent Pending	To expand access to affordable housing finance to underserved beneficiaries, improve efficiency in property registration, and support Kenya's commitments on environment and energy access, effectively contributing to job creation.

				USD 182,000,000	1.5 percent per annum, plus the Basis Adjustment to the interest charge. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.		
Housing Finance, Lands, and Sustainable Investments Project	The National Treasury	International Bank for Reconstruction and Development (IBRD)	22nd April 2026	USD 125,000,000	The loan will be repaid in 17 equal semi-annual. The interest rate is the reference rate plus the variable spread and a front-end fee of 0.25 per cent of the loan amount. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn loan balance.	Not disbursed; Conditions Precedent Pending	To expand access to affordable housing finance to underserved beneficiaries, improve efficiency in property registration, and support Kenya's commitments on environment and energy access, effectively contributing to job creation.
General Budget Support, Implementation of the National Automotive Policy (NAP) and reduction of energy losses	State Department for Energy State Department for Industry	Samurai	31st March 2026	JPY 25,000,000,000	7- year maturity, 3 Years 6 months grace: interest, floating rate per annum plus margin of 0.95% per annum: Commitment fee, 35% of the margin per annum:	Not disbursed; Conditions Precedent Pending	Support the automotive industrialization programme and electricity loss reduction initiatives