



THE NATIONAL TREASURY & ECONOMIC PLANNING

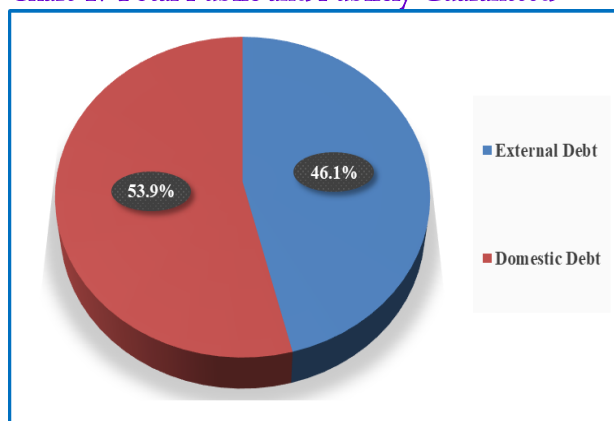
MONTHLY DEBT BULLETIN

MARCH 2025

I.0 Introduction

The total nominal public and publicly guaranteed debt stock as at end of March 2025 was Ksh. 11,364.86 billion (66.7 percent of GDP¹) equivalent to USD² 87.88 billion. The domestic debt stock was Ksh. 6,126.57 billion (36.0 percent of GDP), equivalent to USD 47.38 billion, while the external debt stock was Ksh. 5,238.30 billion (30.8 per cent of GDP), equivalent to USD 40.51 billion. Domestic and external debt stock accounted for 53.9 percent and 46.1 percent of total debt stock, respectively (Chart 1).

Chart 1: Total Public and Publicly Guaranteed



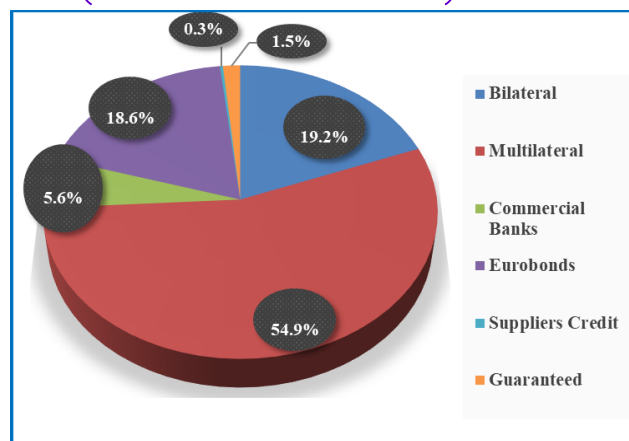
Source: National Treasury

2.0 External Debt

Overall, the National Government's external debt stock increased by Ksh. 166.79 billion from Ksh. 5,071.51 billion as at end February 2025 to Ksh. 5,238.30 billion as at end March 2025. This is majorly attributed to disbursements made during the month. Debt owed to bilateral creditors reduced by Ksh. 6.53 billion from Ksh. 1,009.93 billion to Ksh. 1,003.40 billion while multilateral debt increased by Ksh. 52.37 billion from Ksh. 2,824.58 billion to Ksh. 2,876.95 billion. Commercial debt increased by Ksh.

122.32 billion from Ksh. 1,155.55 billion to Ksh. 1,277.87 billion during the same period. Guaranteed debt reduced by Ksh. 1.37 billion from Ksh. 81.45 billion in February 2025 to Ksh. 80.08 billion in March 2025 due to payment of maturing debt (Chart 2).

Chart 2: External Debt Composition as at end March 2025 (Percent of total External Debt)



Source: National Treasury

2.1 Currency Composition of External Debt

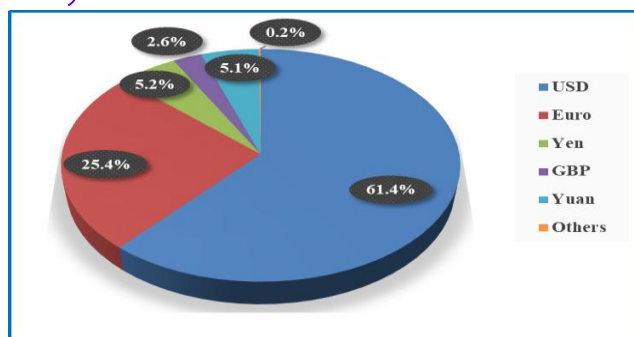
The proportion of external debt denominated in USD, Euro, Yen, Sterling Pound and Yuan was at 62.0 percent, 24.8 percent, 5.2 percent, 2.5 percent and 5.3 percent respectively. Other currencies³ accounted for 0.2 percent of total external debt (Chart 3).

¹ Kshs. 17,032.50 billion

² An exchange rate of USD to Kshs. of 129.3165

³ Other currencies include Danish Kroner, Kuwait Dinar, Korean won, Indian Rupee, Canadian Dollar, Saudi Riyal, Swedish Kroner and Emirati Dirham

Chart 3: External Debt by Currency Composition as at end March 2025 (As percent of Total External Debt)



Source: National Treasury

2.2 Movement in Exchange Rates

During the month under review, the Kenya shilling appreciated against the Japanese Yen by 0.7 percent and depreciated against US dollar, Euro, Chinese Yuan and Sterling pound by 0.1 percent, 3.9 percent, 0.4 percent and 2.9 percent respectively. The base⁴ exchange rates for the aforementioned five currencies, notably the USD Dollar, Yen, Euro, Yuan and Sterling Pound were Ksh. 129.23, Ksh 86.31, Ksh. 134.23, Ksh. 17.73 and Ksh. 162.61 respectively.

2.3 External Debt Service

The actual cumulative external debt service as at end March 2025 was Ksh. 486.41 billion against the financial year target of Ksh. 704.92 billion. Debt service to bilateral creditors accounted for 37.8 percent of the total cumulative debt service while commercial, multilateral creditors and KQ guaranteed accounted for 42.0 percent, 16.1 percent and 4.0 percent respectively for the period ending March 2025. External debt service during the month of March 2025 was Ksh 105.42 billion, comprising principal repayments and interest payments of Ksh. 90.26 billion and Ksh. 15.16 billion respectively.

3.0 Domestic Debt

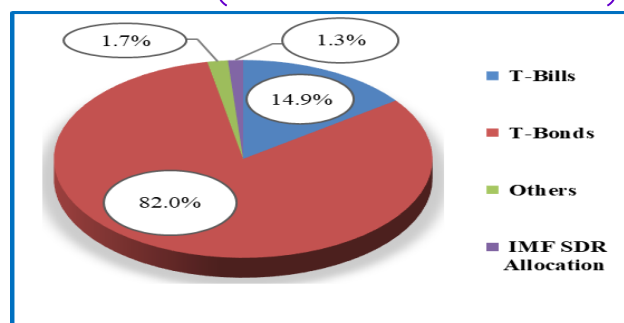
The domestic debt stock increased by Ksh. 63.87 billion from Ksh. 6,062.70 billion as at end February 2025 to Ksh. 6,126.57 billion as at end March 2025. The stock of Treasury bills increased by Ksh. 28.61

billion from Ksh. 886.83 billion to Ksh. 915.44 billion and the stock of Treasury bonds increased by Ksh. 8.52 billion from Ksh. 5,016.91 billion to Ksh. 5,025.43 billion during the same period. Others including pre-1997 Government debt, Government overdraft at the Central Bank of Kenya, advances from commercial banks and IMF SDR Allocation, increased by Ksh. 26.74 billion from Ksh. 158.96 billion to Ksh. 185.70 billion during the same period.

3.1 Domestic Debt by Instruments

As at the end of March 2025, the ratio of Treasury bonds to Treasury bills as a percentage of total domestic debt was 82:15. The Government overdraft at the Central Bank of Kenya and historical bank advances from commercial banks accounted for 1.7 percent while IMF SDR Utilization accounted for 1.3 percent of domestic debt stock during the same period (**Chart 4**).

Chart 4: Stock of Domestic debt instruments as at end March 2025 (Percent of Total Domestic Debt)



Source: National Treasury

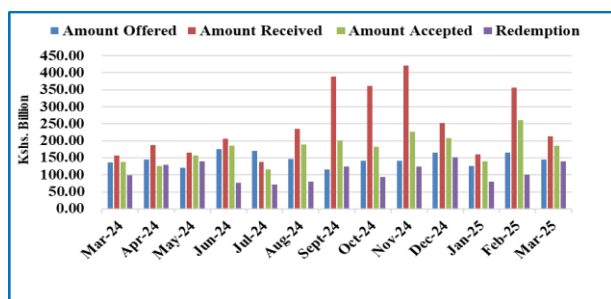
3.2 Domestic Borrowing

During the month of March 2025, Government securities amounting to Ksh. 145.00 billion were advertised comprising Ksh. 120.00 billion and Ksh. 25.00 billion Treasury Bills and Treasury Bonds, respectively. Bids worth Ksh. 213.35 billion were received, comprising of Ksh. 166.33 billion and Ksh. 47.01 billion Treasury bills and bonds respectively. Bids worth Ksh. 186.17 billion were successful, out of which Ksh. 150.93 billion and Ksh. 35.25 billion were Treasury bills and bonds respectively. The

⁴ End February 2025 is the base month for all parameters

monthly redemption at cost amounted to Ksh. 139.43 billion, out of which Ksh. 113.63 billion and Ksh. 25.80 billion were Treasury bills and bonds respectively. (Chart 5).

Chart 5: Government Securities Performance from March 2024 to March 2025 in Ksh. Billions



Source: National Treasury

3.3 Net Domestic Financing

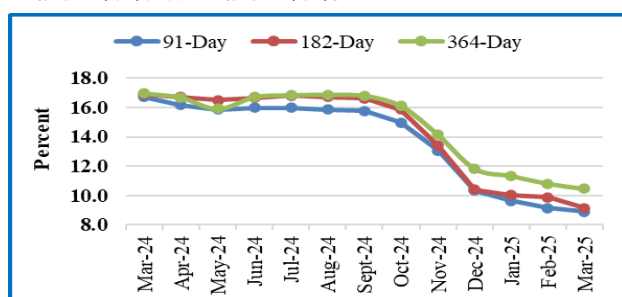
The net domestic financing as at end of March 2025 was Ksh. 616.28 billion against the annual target of Ksh. 605.67 billion for FY 2024/25 supplementary II budget.

3.4 Interest rates on Government Securities

On average, there was a decrease in interest rate for Treasury bills during the month. The average interest rates for 91-day, 182-day, and 364-day Treasury bills reduced to 8.88 percent, 9.13 percent and 10.45 percent in March 2025 from 9.14 percent, 9.88 percent and 10.80 percent in February 2025 respectively as shown in Chart 6.

The average interest rates for the 91-day, 182-day and 364-day Treasury bills decreased by 26, 75 and 35 basis points, respectively.

Chart 6: Average Interest rates for Treasury Bills from March 2024 to March 2025



Source: National Treasury

3.5 Domestic Interest Payments

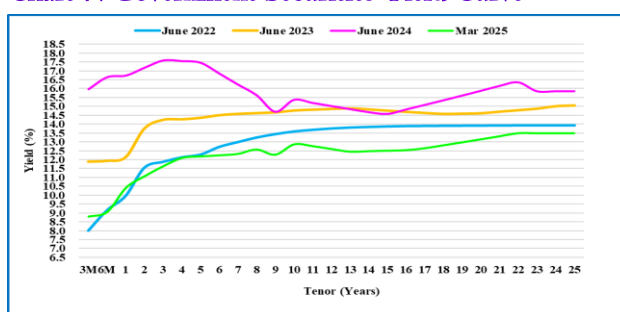
As at end of March 2025, the actual cumulative domestic interest payment amounted to Ksh. 571.69 billion against a cumulative target of Ksh. 767.24 billion for FY 2024/25 in supplementary II budget. Interest payments for Treasury bonds and bills in the month of March 2025 amounted to Ksh. 50.16 billion and Ksh. 8.26 billion, respectively. The total interest payment on the overdraft and interest on Pre-1997 Government Overdraft was Ksh. 0.78 billion.

3.6 Government Securities Yields

In June 2022, the yield curve exhibited a typical upward slope reflecting a normal term premium and stable growth expectations. By June 2023, the curve slightly flattened suggesting compressed term spreads and potential market uncertainty.

In June 2024, the curve turned downward sloping signaling a possible inversion or a flight to quality in short maturities. Meanwhile, in March 2025, the yield curve was at its lowest since 2022 especially for government securities in the mid-to-long end but remained indifferent to that of June 2022, in the short end indicating suppressed long-term rate expectations while maintaining stability in the short term maturities as shown in Chart 7.

Chart 7: Government Securities Yield Curve



Source: Nairobi Securities Exchange

3.7 Average Time to Maturity for Treasury Bonds

The Average Time to Maturity (ATM) for Treasury Bonds during the month of March 2025 was 7.76 years.

Sovereign Credit Rating

In January 2025, Moody's rated Kenya at CAAI with a positive outlook rating, this was driven by

likelihood of Kenya's liquidity risks easing and debt affordability improving over time.

In order for Kenya to graduate to investment grade (BBB-) and attract cheaper debt from global markets, the Government should continue actualizing the fiscal consolidation plan; improve the export sector performance in order to expand foreign reserves accumulation; promote economic growth to boost GDP per Capita; improve food production, access and affordability in order to lower and stabilize the Consumer Price Index (CPI) and Real Effective Exchange Rate (REER), among others.

ANNEX I: KENYA'S CREDIT RATING

Agency	Rating	Outlook	Date
Fitch	B-	Stable	Jan 31 2025
Moody's	CaaI	Positive	Jan 24 2025
Standard and Poors	B-	Stable	Aug 23 2024
Fitch	B-	Stable	Aug 02, 2024,
Moody's	CAAI	Negative	July 092024
Moody's	B3	Negative	July 28 2023
Fitch	B	Negative	July 20 2023
Standard and Poors	B	Negative	Feb 28 2023
Fitch	B	Stable	Dec 14 2022
Standard and Poors	B	Stable	Aug 25 2022
Standard and Poors	B	Stable	Mar 05 2021
Standard and Poors	B+	Negative	Jul 14 2020
Fitch	B+	Negative	Jun 19 2020
Moody's	B2	Negative	May 07 2020
Moody's	B2	Stable	Feb 13 2018
Fitch Rating	B+	Stable	Feb 09 2018
Moody's	B1	Under Review	Oct 02 2017
Standard and Poors	B+	Stable	Oct 14 2016
Standard and Poors	B+	Negative	Oct 16 2015
Fitch Rating	B+	Negative	Jul 17 2015
Moody's	B1	Stable	Nov 08 2012
Standard and Poors	B+	Stable	Nov 19 2010
Fitch Rating	B+	Stable	Jan 16 2009
Standard and Poors	B	Positive	Aug 04 2008
Standard and Poors	B	Stable	Mar 10 2008
Standard and Poors	B	Negative	Feb 04 2008
Fitch Rating	B+	Negative	Jan 30 2008
Fitch Rating	B+	Stable	Dec 12 2007
Standard and Poors	B+	Stable	Sept 08 2006

Source: National Treasury

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

CREDITOR	Stock at the End February 2025	Stock at the End March 2025	CHANGE
BILATERAL			
BELGIUM	22,057.20	22,644.68	587.47
Hungary	329.29	329.52	0.23
AUSTRIA	1,508.94	1,568.29	59.36
DENMARK	115.19	119.67	4.48
FINLAND	159.48		(159.48)
FRANCE	87,640.61	91,152.94	3,512.32
GERMANY	49,298.62	50,772.83	1,474.21
ITALY	40,787.30	42,339.41	1,552.11
JAPAN	83,298.74	82,738.34	(560.40)
USA	31,994.50	24,146.19	(7,848.31)
SPAIN	12,476.35	12,824.08	347.73
Other PARIS CLUB	1,137.27	758.71	(378.56)
Other NON -PARIS CLUB	22,379.76	22,351.95	(27.81)
CHINA	656,745.19	651,652.93	(5,092.26)
Sub Total	1,009,928.44	1,003,399.55	(6,528.89)
MULTILATERAL			
ADB/ADF	508,330.70	517,407.14	9,076.44
EEC/EIB	24,918.90	25,284.53	365.63
IDA	1,536,765.82	1,572,308.81	35,543.00
IFAD	34,884.35	35,473.68	589.33
IMF	456,117.60	462,239.51	6,121.91
Others	263,562.68	264,239.68	677.00
Sub Total	2,824,580.05	2,876,953.35	52,373.30
COMMERCIAL			
Commercial Bank	289,369.63	291,891.10	2,521.47
International Sovereign Bond	852,888.96	972,312.76	119,423.80
Suppliers Credit	13,287.19	13,661.15	373.97
Sub Total	1,155,545.78	1,277,865.01	122,319.23
Total Central Government	4,990,054.27	5,158,217.92	168,163.65
GUARANTEED			
JAPAN	70,711.94	69,291.72	(1,420.22)
GERMANY	1,050.59	1,091.92	41.33
Kenya Airways (Commercial Debt)	9,688.96	9,695.78	6.82
Sub Total	81,451.50	80,079.42	(1,372.08)
CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT	5,071,505.76	5,238,297.33	166,791.57

Source: National Treasury

ANNEX III: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END MARCH 2025 IN KSH (MILLIONS)

HOLDER	Stock at End February 2025	Stock at End March 2025	CHANGE
Commercial Banks			
	2,596,517.15	2,601,297.65	4,780.50
Insurance Companies			
	438,475.66	436,551.09	(1,924.57)
Pension Funds Including NSSF			
	1,717,036.88	1,733,880.28	16,843.40
Others⁵			
	1,310,670.27	1,354,836.69	44,166.43
TOTAL DOMESTIC DEBT	6,062,699.95	6,126,565.71	63,865.75

Source: Central Bank of Kenya

Information in this publication may be reproduced Without restriction provided that due acknowledgment of the source is made

⁵ Others include Financial Institutions, Parastatals, Building Societies, Non-resident and Central Bank of Kenya.