



# THE NATIONAL TREASURY & ECONOMIC PLANNING

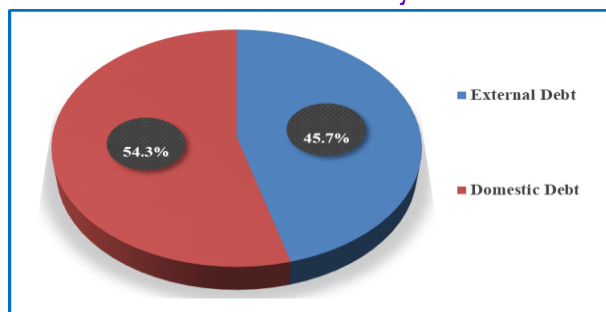
## MONTHLY DEBT BULLETIN

### JULY 2025

#### I.0 Introduction

The total nominal public and publicly guaranteed debt stock at the end of July 2025 was Ksh 11,772.66 billion (66.9 percent of GDP<sup>1</sup>) equivalent to USD<sup>2</sup> 91.09 billion. Domestic debt stock was Ksh 6,387.37 billion (36.3 percent of GDP), equivalent to USD 49.42 billion, while the external debt stock was Ksh 5,385.30 billion (30.6 per cent of GDP), equivalent to USD 41.67 billion. Domestic and external debt stock accounted for 54.3 percent and 45.7 percent of total debt stock, respectively.

Chart I: Total Public and Publicly Guaranteed Debt



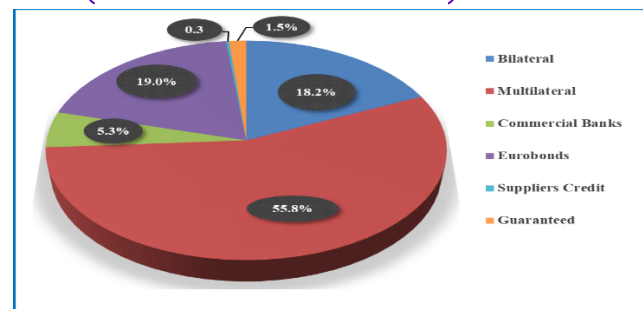
Source: National Treasury

#### 2.0 External Debt

The total external debt stock decreased by Ksh 103.18 billion from Ksh 5,488.46 billion at the end of June 2025 to Ksh 5,385.29 billion as at the end July 2025. The reduction was majorly due to decrease in the outstanding debt balance in the Bilateral, Multilateral, Commercial and Guaranteed due to currency appreciation. Bilateral debt decreased by Ksh 55.35 billion from Ksh 1,032.81 billion to Ksh 977.47 billion, Multilateral debt decreased by Ksh 38.96 billion from Ksh 3,045.39 billion to Ksh 3,006.43 billion. Commercial debt decreased by Ksh 6.39 billion from Ksh 1,327.02 billion to Ksh 1,320.63 billion and

Guaranteed debt by Ksh 2.48 billion from Ksh 83.24 billion to Ksh 80.77 billion during the same period. **Chart 2** shows percentage composition of external debt as at end of July 2025.

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

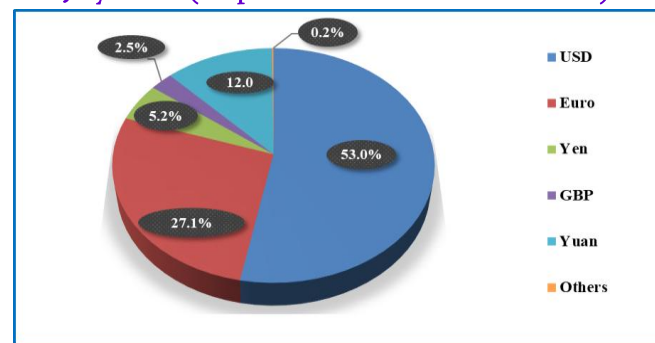


Source: National Treasury

#### 2.1 Currency Composition of External Debt

The proportion of external debt denominated in USD, Euro, Yuan, Yen, and Sterling Pound was at 53.0 percent, 27.1 percent, 12.0 percent, 5.2 percent and 2.5 percent respectively. Other currencies<sup>3</sup> accounted for 0.2 percent of total external debt

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



Source: National Treasury

<sup>1</sup> Ksh 17,593.76 billion

<sup>2</sup> An Exchange rate of USD to Ksh 129.2394

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

## 2.2 Movement in Exchange Rates

During the month under review, the Kenya shilling depreciated against the USD Dollar by 0.004 percent while it appreciated against Japanese Yen, the Euro, Yuan and Sterling Pound by 3.4 percent, 2.5 percent, 0.4 percent and 3.4 per cent respectively. The base<sup>4</sup> exchange rates for the aforementioned five currencies, notably the USD Dollar, Japanese Yen (100), Euro, Yuan and Sterling Pound were Ksh 129.23, Ksh 89.84, Ksh 151.65, Ksh 18.04 and Ksh 177.52 respectively.

## 2.3 External Debt Service

The actual cumulative external debt service as at the end of July 2025 was Ksh 67.24 billion against the financial year target of Ksh 716.46 billion. Debt service to bilateral creditors accounted for 85.3 percent of the total cumulative debt service while commercial and multilateral creditors debt accounted for 10.1 percent and 4.6 percent respectively for the period ending July 2025. External debt service during the month of July 2025 was Ksh 67.24 billion, comprising principal repayments and interest payments of Ksh 45.64 billion and Ksh 21.60 billion respectively.

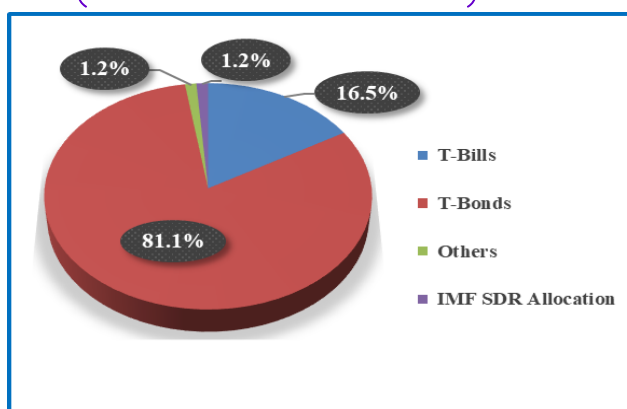
## 3.0 Domestic Debt

The domestic debt stock increased by Ksh 61.36 billion from Ksh 6,326.01 billion as at end June 2025 to Ksh 6,387.37 billion as at end July 2025. The stock of Treasury bills increased by Ksh 15.12 billion from Ksh 1,036.87 billion to Ksh 1,052 billion while the stock of Treasury bonds increased by Ksh 70.20 billion from Ksh 5,110.01 billion to Ksh 5,180.21 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 reduced by Ksh 23.97 billion from Ksh 179.12 billion to Ksh 155.16 billion during the same period.

## 3.1 Domestic Debt by Instruments

As at the end of July 2025, the ratio of Treasury bonds to Treasury bills as a percentage of total domestic debt was 81:16. The Government overdraft at the Central Bank of Kenya and historical bank advances from commercial banks accounted for 1.2 percent while IMF SDR Allocation accounted for 1.2 percent of domestic debt stock during the same period (**Chart 4**).

**Chart 4: Composition of Domestic debt as at end July 2025 (Percent of Total Domestic Debt)**



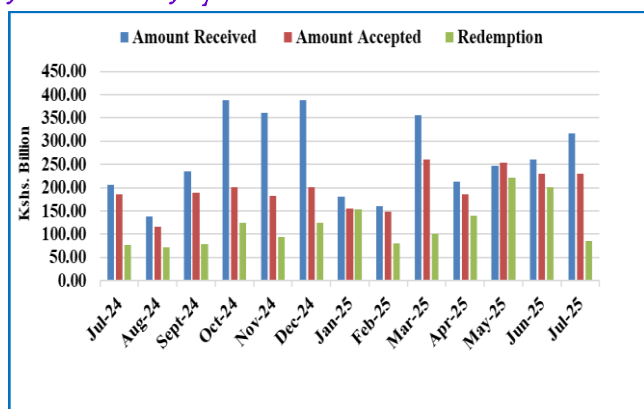
*Source: National Treasury*

## 3.2 Domestic Borrowing

During the month of July 2025, Government securities amounting to Ksh 146.00 billion were advertised comprising Ksh. 96.00 billion and Ksh. 50.00 billion Treasury Bills and Treasury Bonds, respectively. Bids worth Ksh 189.35 billion were received, comprising Ksh 112.44 billion and Ksh 76.91 billion Treasury bills and bonds respectively. Bids worth Ksh 160.80 billion were successful, of which Ksh 94.15 billion and Ksh 66.65 billion were Treasury bills and bonds respectively. The monthly redemption at cost amounted to Ksh 79.25 billion which were Treasury bills (**Chart 5**).

<sup>4</sup> End June 2025 is the base month for all parameters

**Chart 5: Government Securities Performance from June 2024 to July 2025 in Ksh Billions**



*Source: National Treasury*

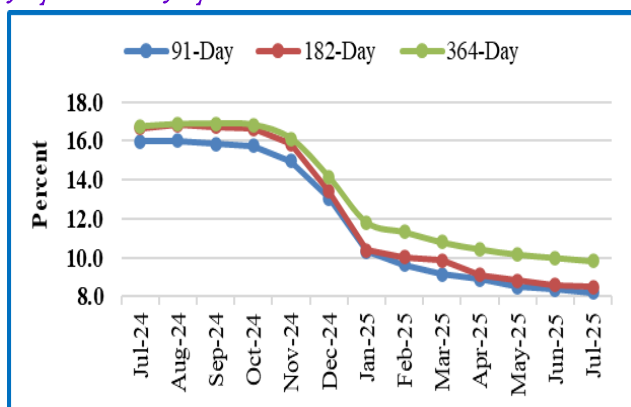
### 3.3 Net Domestic Financing

The net domestic financing at end of July 2025 was Ksh 108.98 billion against an annual target of Ksh 613.55 billion for FY 2025/26.

### 3.4 Interest rates on Government Securities

On average, the interest rates for Treasury bills decreased during the month. The average interest rates for the 91-day, 182-day and 364-day Treasury bills decreased by 7.9, 7 and 12 basis points, respectively from 8.21 percent, 8.51 percent and 9.84 percent in June 2025 to 8.13 percent, 8.44 percent and 9.72 percent in July 2025.

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



*Source: National Treasury*

### 3.5 Domestic Interest Payments

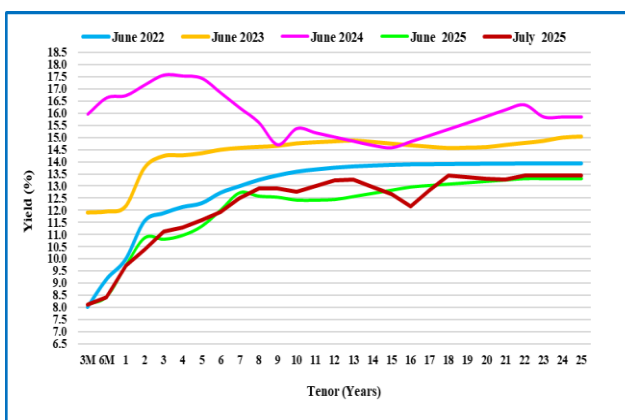
As at end of July 2025, the actual domestic interest payment amounted to Ksh 53.50 billion against an annual target of Ksh 851.42 billion for FY 2025/26. Interest payments for Treasury bonds and bills in the month of July 2025 amounted to Ksh 47.75 billion and Ksh 5.29 billion, respectively. The total interest payment on the overdraft and interest on the Pre-1997 Government Overdraft was Ksh 0.47 billion.

### 3.6 Government Securities Yields

In June 2022, the yield curve exhibited a normal upward sloping shape reflecting a normal term premium and healthy economic expectations and liquidity. In June 2023, the curve appeared humped suggesting intermediate maturities yielded more than short and long ends, indicating uncertainty and market distortion. This was likely driven by high government borrowing and tightened liquidity.

In June 2024, the curve was still characterized by the humped shape, though with peak yields retreating from previous highs in late 2023. This indicated sustained elevated borrowing costs, driven by cyclical fiscal pressures. Meanwhile, in June 2025, the yield curve was at its lowest since 2022 especially for government securities in the mid-to-long end with a steeply inverted shape driven by fiscal pressures and investor risk aversion. This indicates that term premiums are higher for longer maturities. In July 2025, the yield curve was upward sloping. This alignment reflects relatively low yields at the short end and elevated yields at the long end.

**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 in the month of July 2025 increased to 7.60 years as compared to 7.49 years in June 2025, signaling reduced refinancing risk.

### 4.0 Sovereign Credit Rating

As of August 22, 2025, S&P Global upgraded Kenya's long-term sovereign credit rating to B from B-, with a stable outlook. This upgrade reflects improved foreign exchange reserves, robust export earnings, and strong diaspora remittances, all of which have eased near-term external liquidity risks. Earlier, on February 25, 2025, S&P assigned a B- rating with a stable outlook, a view later affirmed by Fitch Ratings on July 25, 2025. Moody's affirmed Kenya's Caa1 rating (January 25, 2025,) for both local and foreign currency long-term issuer obligations but improved the outlook from negative to positive, highlighting growing confidence in Kenya's external and fiscal prospects. The country's Eurobond liability management and recent monetary easing have helped manage debt amortization and stimulate private-sector credit growth.

#### 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 <sup>th</sup> Feb 2024
	B-	Stable	25 July 2024
Fitch			25-feb 2025
	Caa1	Positive	25-Jan 2025
Moody's	Caa1	Negative	25 Aug 2025

*Source: National Treasury*

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

CREDITOR	Stock at the End June 2025	Stock at the End July 2025	CHANGE
BILATERAL			
BELGIUM	25,442.27	24,798.26	(644.01)
HUNGARY	329.31	387.64	58.33
AUSTRIA	1,629.44	1,588.81	(40.62)
DENMARK	130.11	54.35	(75.76)
FINLAND	-	0.00	0.00
FRANCE	101,369.63	96,938.33	(4,431.30)
GERMANY	56,024.84	54,946.09	(1,078.75)
ITALY	44,704.58	43,590.07	(1,114.50)
JAPAN	88,876.50	85,912.85	(2,963.65)
USA	23,968.93	23,931.39	(37.55)
SPAIN	13,479.44	13,300.51	(178.92)
OTHER PARIS CLUB	758.23	758.26	0.03
OTHER NON-PARIS CLUB	22,990.44	22,982.40	(8.03)
CHINA	653,107.85	608,276.26	(44,831.59)
<b>SUB TOTAL</b>	<b>1,032,811.56</b>	<b>977,465.23</b>	<b>(55,346.33)</b>
MULTILATERAL			
ADB/ADF	550,235.25	543,368.55	(6,866.70)
EEC/EIB	29,816.26	28,790.10	(1,026.17)
IDA	1,665,403.10	1,643,120.34	(22,282.76)
IFAD	38,093.72	37,483.31	(610.41)
IMF	478,797.70	472,164.16	(6,633.54)
OTHERS	283,044.97	281,501.10	(1,543.87)
<b>SUB TOTAL</b>	<b>3,045,391.00</b>	<b>3,006,427.56</b>	<b>(38,963.44)</b>
COMMERCIAL			
COMMERCIAL BANK	289,901.42	283,643.11	(6,258.31)
INTERNATIONAL SOVEREIGN BOND	1,022,700.80	1,022,741.16	40.36
SUPPLIERS CREDIT	14,419.14	14,246.87	(172.27)
<b>SUB TOTAL</b>	<b>1,327,021.36</b>	<b>1,320,631.14</b>	<b>(6,390.22)</b>
<b>TOTAL CENTRAL GOVERNMENT</b>	<b>5,405,223.92</b>	<b>5,304,523.93</b>	<b>(100,699.98)</b>
GUARANTEED			
JAPAN	72,759.74	70,303.69	(2,456.05)
GERMANY	791.31	771.58	(19.73)
KENYA AIRWAYS (Commercial Debt)	9,689.61	9,690.00	0.38
<b>SUB TOTAL</b>	<b>83,240.66</b>	<b>80,765.27</b>	<b>(2,475.40)</b>
<b>CENTRAL GOVERNMENT+ GUARANTEED TOTAL DEBT</b>	<b>5,488,464.58</b>	<b>5,385,289.20</b>	<b>(103,175.38)</b>

*Source: National Treasury*

#### ANNEX II: STOCK OF DOMESTIC DEBT BY HOLDERS AS AT THE END JULY 2025 IN KSH (MILLIONS)

HOLDER	Stock at End June 2025	Stock at End July 2025	CHANGE
Commercial Banks	2,692,070.36	2,727,812.69	35,742.32
Insurance Companies	457,354.96	466,743.97	9,389.01
Pension Trust	1,820,414.54	1,853,802.19	33,387.65
Others	1,356,169.44	1,339,007.59	(17,161.84)
<b>Total Domestic Debt</b>	<b>6,326,009.29</b>	<b>6,387,366.43</b>	<b>61,357.14</b>

*Source: Central Bank of Kenya*

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