

“

Safaricom announces approval
for a KES 40.0bn Medium Term
Note Programme – The Largest
Corporate Bond on the Bourse

”

WEEKLY FIXED INCOME REPORT

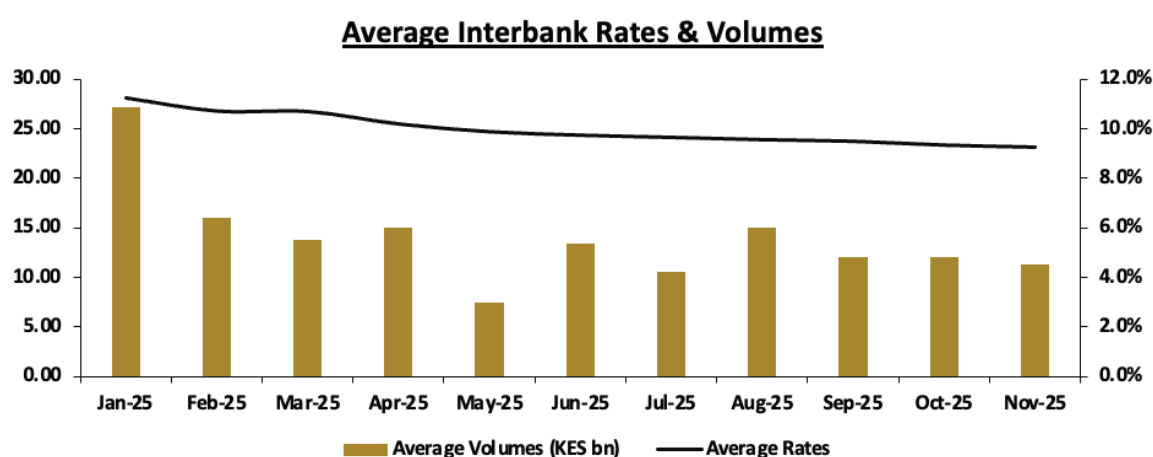
Central Bank successfully buys back KES 20.0bn, while simultaneously raising KES 54.8bn as demand surges for longer-term papers

MONEY MARKET STATISTICS

Interbank lending edged lower during the week, with the average traded volumes slipping by 28.15% w/w to KES 10.00bn, from KES 13.92bn the prior week. Consequently, the number of interbank deals declined by 30.77% w/w to 18. The Kenya Shilling Overnight Interbank Average (KESONIA) notched higher (+0.52bps w/w) to an average of 9.24%. Notably, no actor utilized the CBK borrowing window in the week.

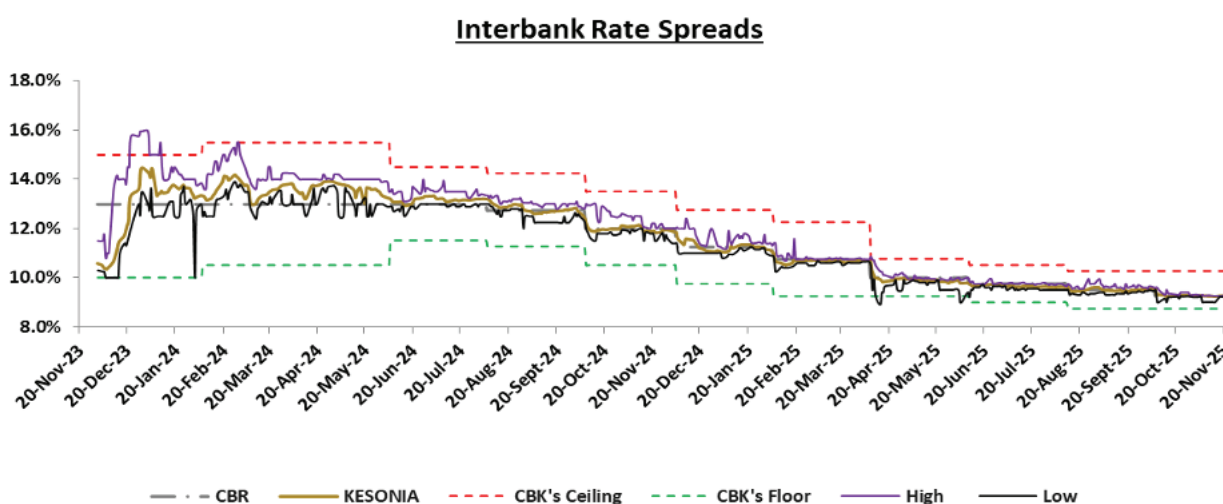
Average	Previous Week – ended 13 th November 2025	Current Week – ended 20 th November 2025	Change
Interbank Deals	26	18	(30.77%)
Inter-Bank volumes (KES bn)	13.92	10.00	(28.15%)
KESONIA (bps)	9.23%	9.24%	0.52
Window Borrowing Volumes (KES bn)	-	-	n/a

Source: Central Bank of Kenya (CBK), Table: SIB



Source: Central Bank of Kenya (CBK), Chart: SIB

The weighted average interbank rate continues to closely track the Central Bank Rate, underscoring the stability and effectiveness of the monetary policy framework:



Source: Central Bank of Kenya (CBK), Chart: SIB

GOVERNMENT SECURITIES MARKET

T-Bills:

The T-bill auction for the week was oversubscribed for the seventh time, with overall performance increasing to 180.9% from 127.3% in the previous week. Investors submitted sought to invest KES 43.42bn, of which the fiscal agent accepted 99.9% of the bids. This quantum was above the maturity amounts, resulting in a net borrowing of KES 4.34bn. In absolute terms, the 364-day paper received the highest interest, with the paper garnering 59.3% of the total bids. Additionally, the 91-day paper reported the highest subscription rate at 336.6%, while the 182-day paper recorded a relatively softer performance of 42.3%. Ultimately, KES 43.39bn was accepted at 7.78% (-0.62bps), 7.80% (+0.66bps), and 9.38% (+2.15bps) for the 91-day, 182-day, and 364-day papers, respectively, as shown below;

KES Bn

24-Nov-25	91-day	182-day	364-day	Totals
	23-Feb-26	25-May-26	23-Nov-26	
Amount offered	4.00	10.00	10.00	24.00
Bids received	13.46	4.23	25.73	43.42
Subscription rate (%)	336.6%	42.3%	257.3%	180.9%
Amount accepted	13.45	4.23	25.72	43.39
Acceptance rate (%)	99.9%	100.0%	100.0%	99.9%
Of which: Competitive Bids	9.09	0.06	20.23	29.38
Non-competitive bids	4.36	4.17	5.49	14.02
Rollover/Redemptions	7.73	7.81	23.51	39.05
New Borrowing/(Net Repayment)	5.71	-3.58	2.21	4.34
Weighted Average Rate of Accepted Bids	7.78%	7.80%	9.38%	
Inflation	4.6%	4.6%	4.6%	
Real Return	3.2%	3.2%	4.8%	

Source: Central Bank of Kenya (CBK), Table: SIB

T-Bonds:

In the primary bond market, the fiscal agent successfully bought back KES 20.01bn, redeeming 26.2% of the outstanding amount for FXD1/2023/003. The auction was slightly oversubscribed, with the offer a subscription of 114.32%. The weighted average interest rates of accepted bids came in at 7.80%, close to the 182-day T-Bill (7.79% as of 18th November 2025). A significant amount of KES 14.2bn was rejected, which suggests either a cautious approach to cash flow management or rejection of aggressive bids. This is particularly relevant in light of the recent news about the freezing of the KES 96.6bn budget support loan from the World Bank over efforts for the government to manage the budget deficit. Notably, the market weighted average rate was 7.78%, which was close to the cut-off rate of 7.80%. Nonetheless, the buy-back reiterates the National Treasury's liquidity management strategy that focuses on managing maturity risk and smoothing the redemption profile of domestic debt. See a summary of the performance below:

19-Nov-25	FXD1/2023/003
Due Date	11-May-26
Amount offered (KES bn)	30.00
Bids received (KES bn)	34.30
Subscription rate (%)	114.3%
Amount accepted	20.08
Acceptance rate (%)	58.5%
Of which: Competitive Bids (KES bn)	17.66
Non-competitive bids (KES bn)	2.41
Net payment	-20.08
Price per Kshs 100 at average yield	103.29
Weighted average rate of accepted bids	7.80%
Coupon Rate	14.23%
Outstanding Amount (KES bn)	56.46

Source: Central Bank of Kenya (CBK), SIB Estimates | Table: SIB

Meanwhile, the fiscal agent successfully raised KES 54.8bn through two reopened bonds: FXD3/2019/015 and FXD1/2022/025. Markedly, the Government opted to absorb slightly more funds than its target of KES 40.0bn, rejecting expensive bids in the process. Indeed, the auction garnered bids worth KES 115.9bn, more than double the amount sought in the auction. As expected, FXD1/2022/025 attracted the most interest, signaling investor preference for higher returns despite a longer duration, in a stabilizing environment. The weighted average rate of accepted bids stood at 12.57% and 13.75% for FXD3/2019/015 (within our expected outcome range) and FXD1/2022/025 (slightly higher than our expected outcome range), respectively. See below a summary of the performance:

24-Nov-25	FXD3/2019/015	FXD1/2022/025	Totals
Due Date	01-Jul-34	23-Sept-47	
Amount offered (KES 'Mn)			40,000.00
Bids received (KES 'Mn)	33,714.18	82,144.11	115,858.29
Subscription rate (%)	84.29%	205.36%	289.65%
Amount accepted	20,188.58	34,572.16	54,760.74
Acceptance rate (%)	59.88%	42.09%	47.27%
Of which: Competitive Bids	14,992.62	23,133.58	38,126.20
Non-competitive bids	5,195.96	11,438.58	16,634.54
Bid to Cover ratio	1.67	2.38	2.12
Redemptions	0.00	0.00	0.00
New Borrowing/(Net Repayment)			54,760.74
Market weighted average rate of accepted bids	12.57%	13.75%	
Coupon Rate	12.34%	14.19%	
Price per Kshs 100 at average yield	103.02	104.37	
Inflation	4.60%	4.60%	
Real Return	7.97%	9.15%	

Source: Central Bank of Kenya (CBK) Table: SIB

A noteworthy development this week is that **Safaricom announced that it had received regulatory approval to establish a KES 40.0bn Medium Term Note programme**, which will be issued under various tranches. Additionally, the notice highlighted that Safaricom may issue various forms of notes, including green notes, social notes, or sustainability-linked notes. The announcement comes on the back of EABL's successful issuance in the month, which achieved a performance rate of 152.4%. The company received bids totaling KES 16.7 billion against a target of KES 11.0 billion. Notably, the issuer received approval to increase the total allotment for Tranche 1 to accommodate the oversubscription, remaining within the KES 20.0bn MTN limit previously approved by the Capital Markets Authority (CMA).

We opine that Safaricom's foray into the corporate debt segment seeks to take advantage of the stabilizing and lower interest rate environment as government yields trend lower, coupled with the view that debt is considered cheaper and less complicated than equity financing. Additionally, we portend that the firm's cash generation ability, balance sheet strength, consistent returns, and the bond's listing on NSE (boosting market liquidity and visibility) will make Safaricom one of the more accessible investment-grade issuers locally.

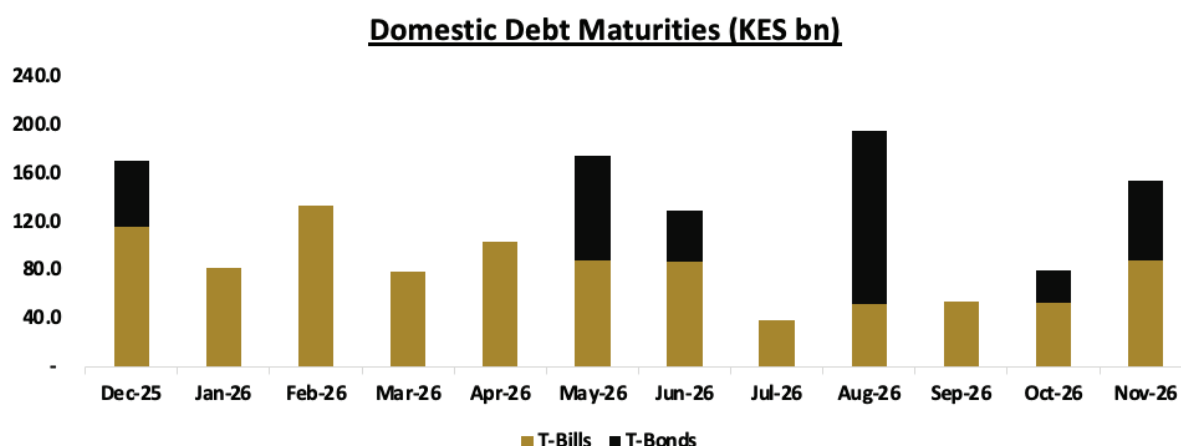
Furthermore, **Family Bank issued a book closure notice in relation to its 2021 MTN programme (Tranche 1)**. In particular, the lender announced that its 9th interest payment for FBKBC0052 and FBKBC0053 is slated for 4th December 2025, with the payment expected on 19th December 2025.

Looking at the secondary bond market, turnover eased to KES 34.9bn (-37.5% w/w) in the week from KES 55.9bn posted in the previous week, likely linked to increased focus on the primary auctions.

Outstanding Debt Maturities (T-Bills and T-Bonds):

As of this week, the Government's outstanding maturities to November 2026 are at c.KES 977.76bn in T-Bills and c.KES 420.6bn in T-Bonds (including scheduled amortization of IFBs). When we factor in coupons, the total maturity profile comes in at c.KES 2.0tn. Markedly, the next domestic bond maturity is expected in December (KES 54.9bn; FXD2/2010/015 at KES 25.2bn on 8th December 2025 & 50% amortization of IFB1/2022/006 at KES 29.7bn on 1st December 2025).

See the chart below;

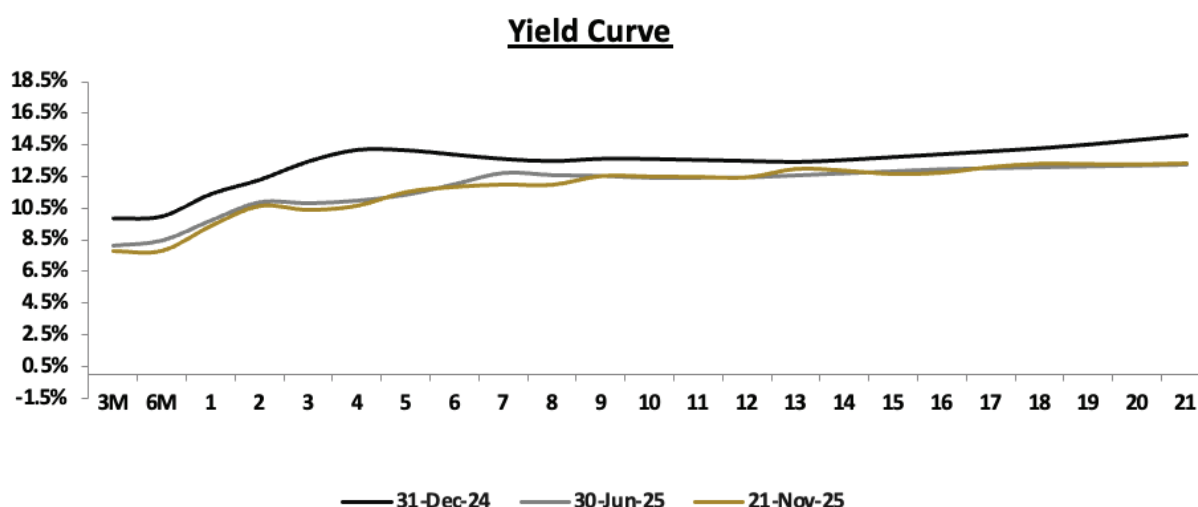


Source: Nairobi Securities Exchange (NSE), Chart: SIB

This week's auction pushed the Government's net domestic borrowing position to KES c.457.6bn, above the prorated target (performance rate of c.181.4%).

Yield Curve:

Week-on-week, yields rose by an average of 9.6bps w/w, with declines offset by upticks. In particular, yields towards the tail end of the yield curve steepened, while those at the belly of the curve recorded a decline. Below is a visual representation;



Source: Nairobi Securities Exchange (NSE), Chart: SIB

THE INTERNATIONAL SCENE

Kenyan Eurobonds:

During the week, yields on Kenyan Eurobonds remained largely stable, with rates increasing by an average of 5.8bps w/w. The table below summarizes the performance across maturities:

Kenyan Eurobonds					
Issuance	KENINT 02/28/2028	KENINT 02/16/2031	KENINT 05/22/2032	KENINT 01/23/2034	KENINT 02/28/2048
Maturity Date	28-Feb-28	16-Feb-31	22-May-32	1-Jun-34	28-Feb-48
Tenor to Maturity	2.3	5.2	6.5	8.5	22.3
31-Dec-24	9.1%	10.1%	10.1%	10.1%	10.3%
13-Nov-25	6.1%	7.9%	8.1%	8.5%	9.2%
14-Nov-25	6.1%	7.9%	8.2%	8.6%	9.2%
17-Nov-25	6.1%	7.9%	8.1%	8.5%	9.2%
18-Nov-25	6.1%	7.9%	8.2%	8.6%	9.2%
19-Nov-25	6.3%	8.0%	8.2%	8.7%	9.2%
20-Nov-25	6.1%	7.9%	8.2%	8.6%	9.2%
Weekly Change	0.049%	0.027%	0.059%	0.128%	0.029%
YTD Change	(3.0%)	(2.2%)	(1.9%)	(1.5%)	(1.1%)

Source: Central Bank of Kenya (CBK), Table: SIB

Currency Performance

The Kenyan shilling exhibited mixed performance against the currencies we track during the week. In particular, the Kenyan Shilling lost ground against the Tanzanian Shilling and US Dollar (breaking the stability it experienced since June 2025) by 0.9%w/w and 0.5%w/w, respectively. The U.S. Dollar index rose by 1.0% over the week, driven by stronger non-farm payrolls data and generally hawkish rhetoric from Fed officials. The local unit remained largely stable against the British Pound and Ugandan Shilling. Additionally, the Kenyan shilling strengthened against the Euro and Japanese Yen.

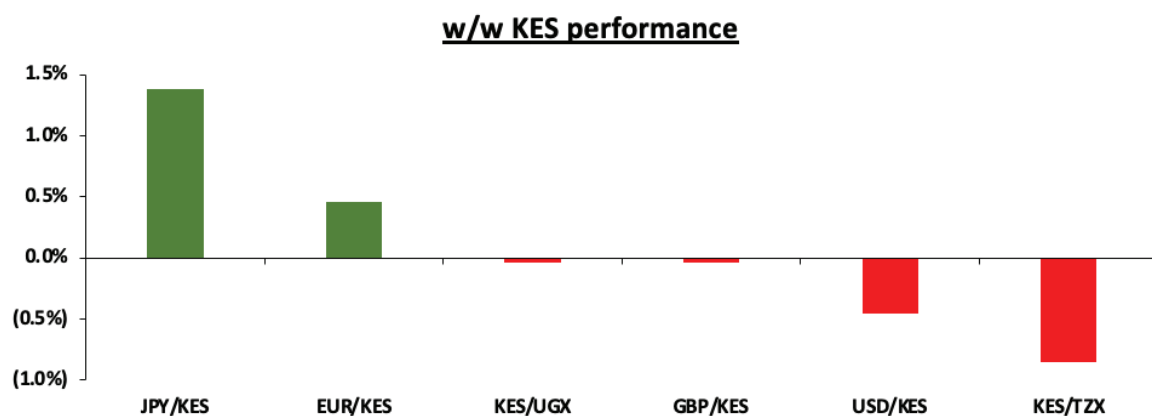
See the table below;

Currencies	31 Dec 2024	Previous Week	Current	w/w Change	YTD change
JPY/KES	82.12	83.73	82.57	1.4%	(0.6%)
EUR/KES	134.29	150.55	149.86	0.5%	(11.6%)
KES/UGX	28.41	28.04	28.03	(0.0%)	(1.3%)
GBP/KES	162.27	169.97	170.04	(0.0%)	(4.8%)
USD/KES	129.29	129.29	129.87	(0.5%)	(0.4%)
KES/TZS	18.99	18.87	18.71	(0.9%)	(1.5%)

Source: Central Bank of Kenya (CBK), Chart: SIB

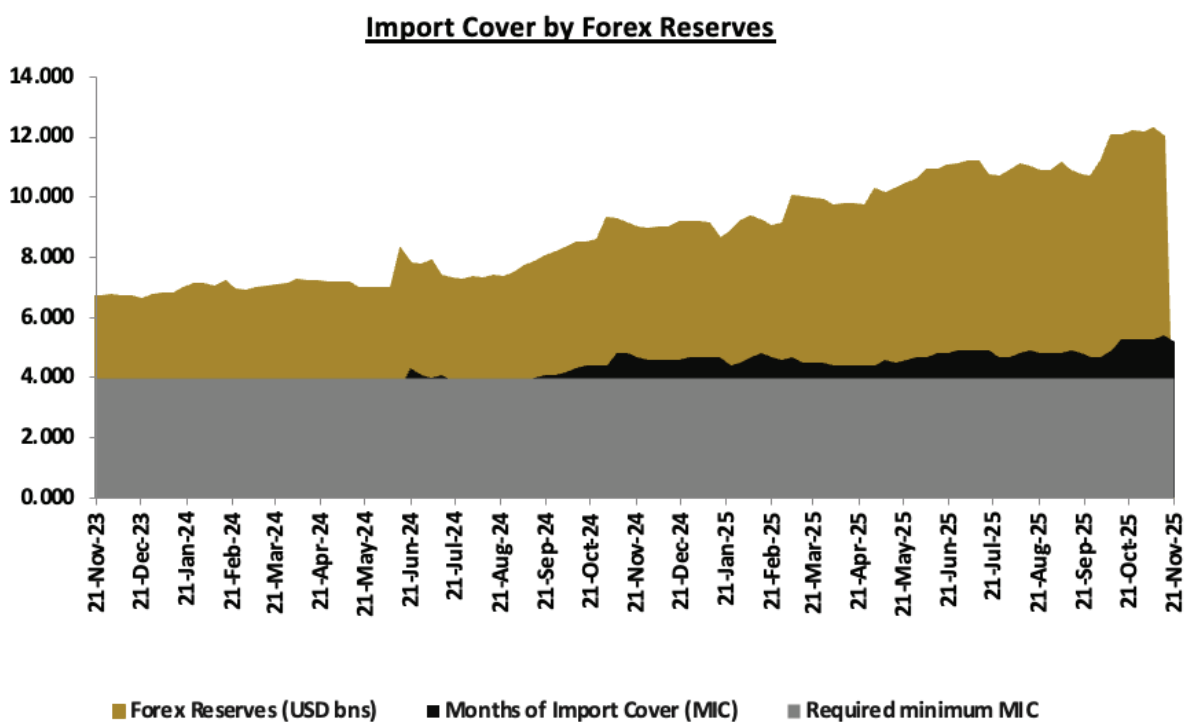
Abb: GBP – British Pound, EUR – Euro, USD – US Dollar, UGX – Ugandan Shilling, TZS – Tanzanian Shilling, JPY – Japanese Yen | FX rate is determined by calculating the weighted average rate of recorded spot trades in the interbank market

See also a visual representation;



Source: Central Bank of Kenya (CBK), Chart: SIB

Kenya's foreign exchange reserves declined to USD 12.20bn (-2.3% w/w), maintaining the import cover at 5.2 months. See the chart below for a visual summary;



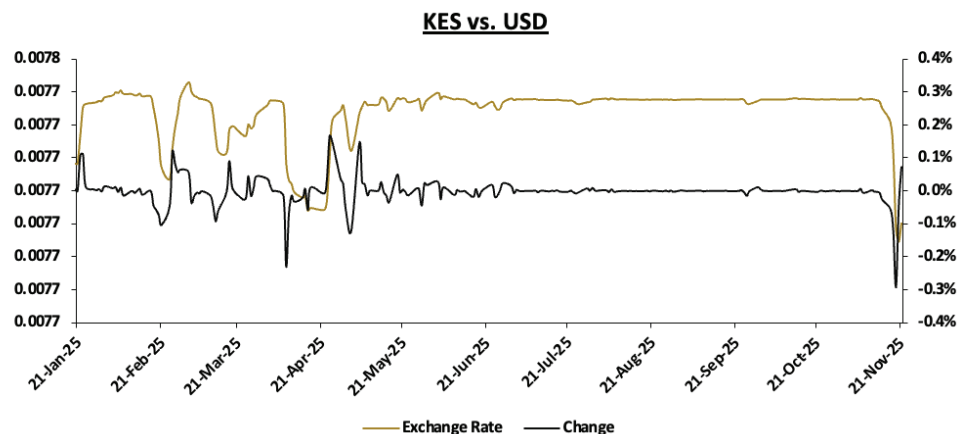
Source: Central Bank of Kenya (CBK), Chart: SIB

Hot on the Horizon:

1. November 2025 inflation numbers

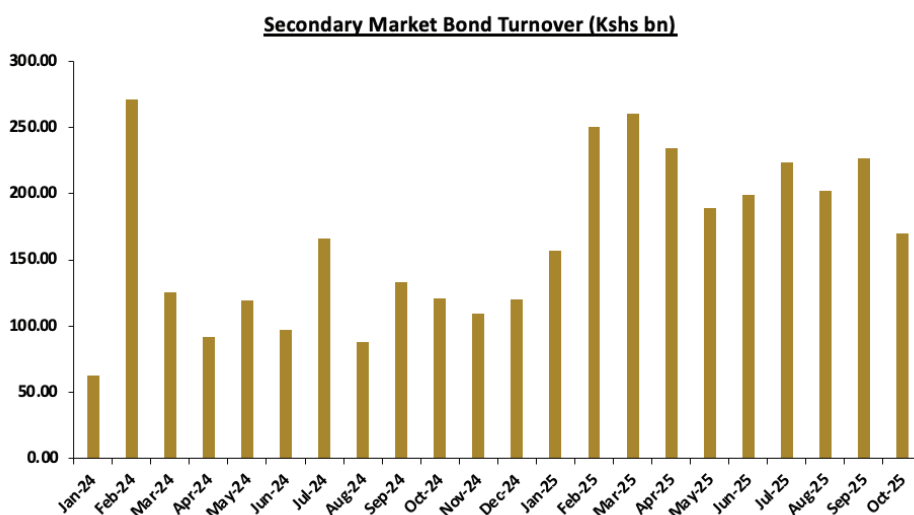
BACKGROUND CHARTS

KES/USD Performance



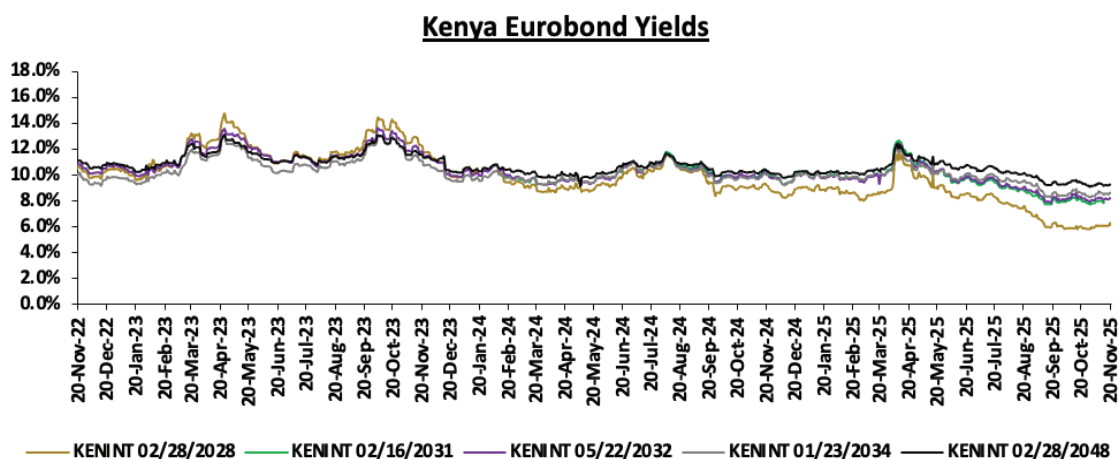
Source: Central Bank of Kenya (CBK)

Bond Turnover



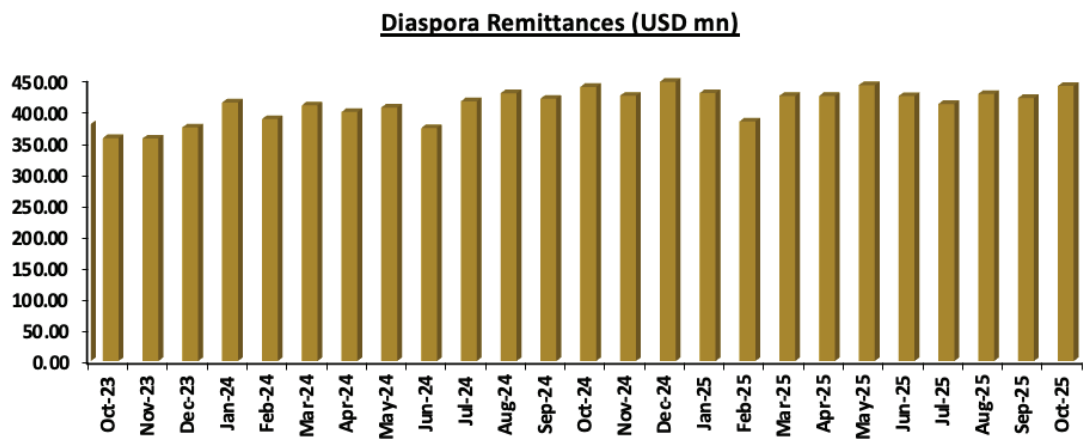
Source: Central Bank of Kenya (CBK)

Kenyan Eurobonds



Source: Central Bank of Kenya (CBK)

Diaspora Remittances



Source: Central Bank of Kenya (CBK)

Disclosure and Disclaimer

Analyst Certification Disclosure: The research analyst or analysts responsible for the content of this research report certify that: (1) the views expressed and attributed to the research analyst or analysts in the research report accurately reflect their personal opinion(s) about the subject securities and issuers and/or other subject matter as appropriate; and, (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Shariah Compliant Disclosure: The research analyst or analysts responsible for the content of this research report certify that: The information provided in this report reflects SIB's approach to Sharia Compliant investing as at the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report. Any references to Halal equities or similar terms in this report are intended as references to the internally defined criteria of the Firm or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition.

Global Disclaimer: Standard Investment Bank (SIB) and/or its affiliates makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document. The information in this document is provided for information purposes only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices, or represent that any such future movements will not exceed those shown in any illustration. The stated price of the securities mentioned herein, if any, is as of the date indicated and is not any representation that any transaction can be effected at this price. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors of fact or for any opinion expressed herein. The contents of this document may not be suitable for all investors as it has not been prepared with regard to the specific investment objectives or financial situation of any particular person. Any investments discussed may not be suitable for all investors. Users of this document should seek professional advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document and should understand that statements regarding future prospects may not be realised. Opinions, forecasts, assumptions, estimates, derived valuations, projections and price target(s), if any, contained in this document are as of the date indicated and are subject to change at any time without prior notice. Our recommendations are under constant review. The value and income of any of the securities or financial instruments mentioned in this document can fall as well as rise and an investor may get back less than invested. Future returns are not guaranteed, and a loss of original capital may be incurred. Foreign-currency denominated securities and financial instruments are subject to fluctuation in exchange rates that could have a positive or adverse effect on the value, price or income of such securities and financial instruments. Past performance is not indicative of comparable future results and no representation or warranty is made regarding future performance. While we endeavour to update on a reasonable basis the information and opinions contained herein, there may be regulatory, compliance or other reasons that prevent us from doing so. Accordingly, information may be available to us which is not reflected in this material, and we may have acted upon or used the information prior to or immediately following its publication. SIB is not a legal or tax adviser, and is not purporting to provide legal or tax advice. Independent legal and/or tax advice should be sought for any queries relating to the legal or tax implications of any investment. SIB and/or its affiliates may have a position in any of the securities, instruments or currencies mentioned in this document. SIB has in place policies and procedures and physical information walls between its Research Department and differing business functions to help ensure confidential information, including 'inside' information is not disclosed unless in line with its policies and procedures and the rules of its regulators. Data, opinions and other information appearing herein may have been obtained from public sources. SIB makes no representation or warranty as to the accuracy or completeness of such information obtained from public sources. You are advised to make your own independent judgment (with the advice of your professional advisers as necessary) with respect to any matter contained herein and not rely on this document as the basis for making any trading, hedging or investment decision. SIB accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental, consequential, punitive or exemplary damages) from the use of this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents or associated services. This material is for the use of intended recipients only and, in any jurisdiction in which distribution to private/retail customers would require registration or licensing of the distributor which the distributor does not currently have, this document is intended solely for distribution to professional and institutional investors.

CONTACTS

Research

Eric Musau
emusau@sib.co.ke

Wesley Manambo
wmanambo@sib.co.ke

Melodie Gatuguta
mgatuguta@sib.co.ke

Equity Trading

Tony Waweru
awaweru@sib.co.ke

Foreign Equity Sales

John Mucheru
jmucheru@sib.co.ke

Fixed Income Trading

Brian Mutunga
bmutunga@sib.co.ke

Barry Omotto
bomotto@sib.co.ke

Global Markets

Nahashon Mungai
nmungai@sib.co.ke

Nickay Wangunyu
nwangunyu@sib.co.ke

Corporate Finance

Job Kihumba
jkihumba@sib.co.ke

Lorna Wambui
wndungi@sib.co.ke

Marketing & Communications

Victor Ooko
communications@sib.co.ke

Client Services
clientservices@sib.co.ke

Investment Solutions

Robin Mathenge
rmathenge@sib.co.ke

Private Client Services

Boniface Kiundi
bkiundi@sib.co.ke

Frankline Kirigia
fkirigia@sib.co.ke

Laban Githuki
lgithuki@sib.co.ke



Headquarters

JKUAT Towers (Formerly ICEA Building),
16th Floor , Kenyatta Avenue, Nairobi,
Kenya.

Telephone: +254 777 333 000,
+254 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke