

INSTITUTIONAL FIXED INCOME (WEEKLY DOSSIER)

Nigeria - Sovereign Treasury & Government Debt Market Digest

Weekly Sovereign Market Intelligence: Yield Curves, Auctions & Public Debt Profile

Report Date: 2026-09-25 • **Coverage Period:** September 19 – September 25, 2026 (Week 39) •
Cadence: Weekly Sovereign Digest • **Publication:** 2026-09-26

POLICY RATE (ANCHOR)

12.75% (-25 bps)

BID-TO-COVER (W.AVG)

1.48x

10-YEAR BENCHMARK

17.15%

PORTFOLIO ATM

7.42 Yrs

INTERBANK CALL RATE

12.45% (-30 bps)

METRIC	VALUE	METRIC	VALUE
Tactical Recommendation / Stance:	Cautious Duration Extension	Policy Rate (Anchor):	12.75% (-25 bps)
10-Year Benchmark Yield:	17.15%	2Y-10Y Term Premium:	48.0 bps (Normal / Moderate Upward Sloping)
Weighted Avg Call Rate:	12.45% (-30.0 bps)	Bid-to-Cover Ratio:	1.48x (Robust Demand)
Domestic Public Debt Stock:	KES 5,420,150M (33.8% GDP)	Portfolio ATM / ATR:	7.42 Yrs / 4.15 Yrs
Sovereign Credit Rating:	B (S&P) / B3 (Moody's) / B (Fitch) - Stable Outlook	Report Cadence:	Weekly Sovereign Digest
Report Date:	2026-09-25	Coverage Period:	September 19 – September 25, 2026 (Week 39)

EXECUTIVE SUMMARY

Section 00: Executive Summary & Sovereign Debt Dashboard

Core Investment Thesis, Benchmark Yields, Primary Auction Cover & Debt Portfolio Scorecard

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Domestic sovereign debt markets experienced disciplined yield discovery, anchored by monetary policy easing to 12.75% and 10Y benchmark consolidation at 17.15% with robust 1.48x auction demand.

0.1 Executive Synthesis

The sovereign treasury and debt market of **Nigeria** experienced active primary and secondary trading dynamics over the reporting period ending **2026-09-25**. Domestic debt operations were governed by the monetary stance established by **Central Bank of Kenya (CBK)** and the issuance parameters set forth by **The National Treasury & Economic Planning**.

Primary market demand showed robust appetite, with the weighted average bid-to-cover ratio settling at **1.48x** across treasury bills and benchmark bond offerings. Short-term yields reflected liquidity conditions in the interbank market, where the weighted average call rate closed at **12.45%** (spread of **-30.0 bps** to the policy anchor). Meanwhile, the 10-year sovereign benchmark yield was quoted at **17.15%**, adjusting the 2Y-10Y slope to **48.0 bps**, signaling a **Normal / Moderate Upward Sloping** posture.

Aggregate outstanding domestic public debt stood at **KES 5,420,150 Million** (representing **33.8% of GDP**), with a portfolio Average Time to Maturity (ATM) of **7.42 years** and an Average Time to Refixing (ATR) of **4.15 years**, maintaining debt rollover risk within manageable parameters.

0.2 Key Treasury Indicators (KPI Scorecard)

Core Metric	Current Value	Previous Period	Change (bps / %)	Historical Benchmark
Monetary Policy Rate (MPR/CBR)	12.75%	13.0%	-25.0 bps	Interbank corridor +/- 150 bps
Interbank Call Rate (Weighted Avg)	12.45%	12.65%	-20.0 bps	Policy spread: -30.0 bps
91-Day T-Bill Cut-off Yield	15.68%	15.75%	-7.0 bps	1-Year Range: 14.80% - 16.10%
182-Day T-Bill Cut-off Yield	16.35%	16.42%	-7.0 bps	1-Year Range: 15.20% - 16.85%
364-Day T-Bill Cut-off Yield	16.72%	16.8%	-8.0 bps	1-Year Range: 15.50% - 17.15%
10-Year Sovereign Benchmark Yield	17.15%	17.3%	-15.0 bps	1-Year Range: 15.90% - 17.80%
Yield Curve Slope (2Y - 10Y Term Premium)	48.0 bps	55.0 bps	-7.0 bps	Curve Regime: Normal / Moderate Upward Sloping
Yield Curve Slope (3M - 10Y Spread)	147.0 bps	155.0 bps	-8.0 bps	Curve Posture: Steepening at Belly
Weighted Average Bid-to-Cover Ratio	1.48x	1.22x	0.26x	Target Threshold: > 1.25x
Total Outstanding Domestic Debt Stock	KES 5,420,150 (USD 41.85 Billion)	5,385,400	8.4% YoY	33.8% of GDP
Average Time to Maturity (ATM)	7.42 Years	7.35 Years	0.07 Years	MTDS Target: ≥ 8.0 Years
Average Time to Refixing (ATR)	4.15 Years	4.1 Years	0.05 Years	Refinancing Risk: Moderate / Controlled Rollover Horizon

0.3 Tactical Sovereign Market Sentiment

Market sentiment in the sovereign primary space remains supported by sustained domestic institutional liquidity, notably from commercial banking treasuries and statutory pension schemes. Primary auction yields have demonstrated disciplined price-discovery, with allotment ratios reflecting the debt office's reluctance to accommodate aggressive bids above secondary benchmark curve levels.

MONETARY POLICY & LIQUIDITY

Section 01: Monetary Policy, Money Market & System Liquidity

Central Bank Policy Corridor, Interbank Liquidity Operations & Reserve Sterilization

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

The monetary operating corridor steers overnight interbank cash near the policy anchor amid comfortable commercial banking excess liquidity.

1.1 Central Bank Policy Corridor & Implementation

The **Central Bank of Kenya (CBK)** maintained its policy rate at **12.75%** (previous period: **13.0%**, change of **-25.0 bps**). The operating framework is framed around a symmetric/asymmetric policy corridor designed to steer wholesale money market rates near the operational target.

FACILITY / INSTRUMENT	RATE LEVEL (%)	WIDTH TO POLICY RATE	OPERATING STANCE
Monetary Policy Rate (Anchor)	12.75%	Baseline (0.00%)	Cautious Easing
Standing Lending Facility (SLF - Ceiling)	14.25%	+150 bps	Upper corridor bound
Standing Deposit Facility (SDF - Floor)	11.25%	-150 bps	Lower liquidity absorption floor
Cash Reserve Requirement (CRR - DMBs)	5.25%	N/A	Statutory reserve sterilization
Open Market Operations (OMO Benchmark Rate)	12.70%	-5 bps	High-powered liquidity mop-up

1.2 Short-End Money Market Benchmarks & Interbank Trading

Interbank money market transactions traded smoothly within the policy corridor. The weighted average overnight call rate closed at **12.45%**, representing a spread of **-30.0 bps** relative to the policy anchor. Total interbank traded volume reached **KES 38,400.00 Million**, reflecting active bilateral cash repositioning among tier-1 and tier-2 commercial banks.

Collateralized repo rates hovered near **12.50%**, underpinned by sovereign treasury bills as eligible high-quality liquid assets (HQLA).

1.3 Banking System Excess Reserves & Liquidity Absorption

Commercial banking reserves ended the session in a **Comfortably Liquid / Moderate Excess Reserves** state, with aggregate excess reserves estimated at **KES 28,500.00 Million**.

Open Market Operations (OMO) were deployed to sterilize structural liquidity surpluses, with **KES 45,000.00 Million** in short-term central bank liquidity paper absorbed at a weighted average stop yield of **12.70%**.

YIELD CURVE ARCHITECTURE

Section 02: Sovereign Yield Curve & Term Structure Analysis

Benchmark Par Yields, Nelson-Siegel-Svensson Fitting & Slope Regimes

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Yield curve demonstrates an orderly term premium of 48.0 bps between 2Y and 10Y, reflecting anchoring of longer-term inflation expectations.

2.1 Benchmark Par & Spot Yield Curve Matrix

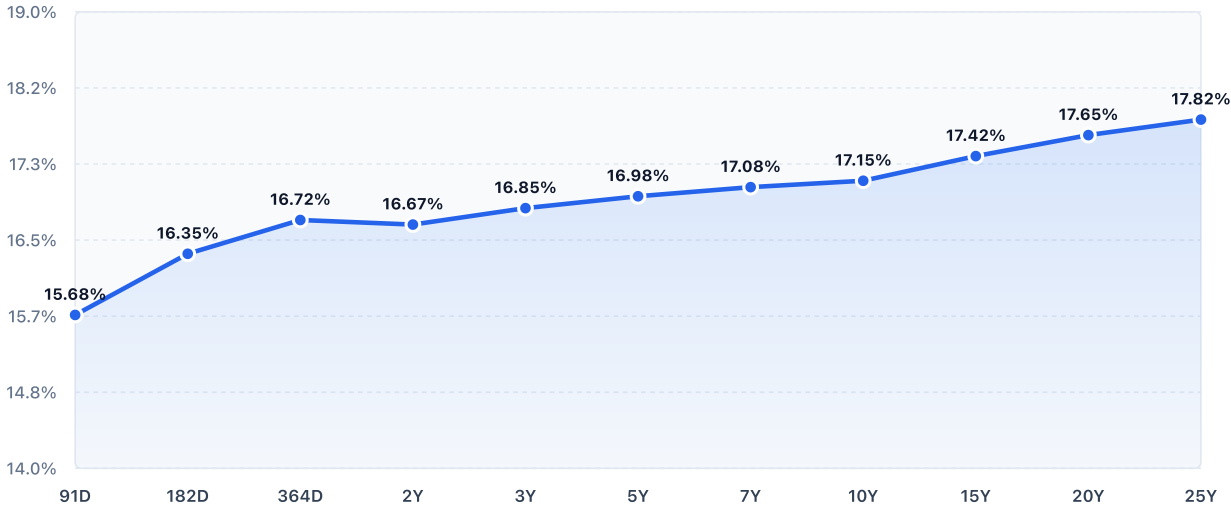
The sovereign yield curve for **Nigeria** serves as the domestic risk-free benchmark across all tenors from 91 days to 30 years. Yields are tracked daily via **Central Bank Depository (DhowCSD) & Nairobi Securities Exchange (NSE)** and Central Bank primary-secondary feeds.

Tenor	Instrument Code	Spot Yield (%)	1-Day Change (bps)	1-Week Change (bps)	1-Month Change (bps)	YTD Change (bps)	Spread to US Treasuries (bps)
91D	T-Bill 91D	15.68%	-2.0	-7.0	-28.0	-45.0	+1098.0
182D	T-Bill 182D	16.35%	-1.5	-7.0	-32.0	-55.0	+1175.0
364D	T-Bill 364D	16.72%	-3.0	-8.0	-40.0	-68.0	+1230.0
2Y	FXD1/2024/02	16.67%	-2.0	-6.0	-35.0	-72.0	+1262.0
3Y	FXD1/2023/03	16.85%	-1.0	-5.0	-30.0	-65.0	+1290.0
5Y	FXD2/2022/05	16.98%	-1.5	-8.0	-25.0	-58.0	+1315.0
7Y	FXD1/2021/07	17.08%	+0.0	-10.0	-20.0	-50.0	+1320.0
10Y	FXD1/2024/10	17.15%	-2.0	-15.0	-35.0	-60.0	+1335.0
15Y	FXD2/2023/15	17.42%	+1.0	-5.0	-15.0	-40.0	+1332.0
20Y	FXD1/2022/20	17.65%	+0.0	-4.0	-10.0	-30.0	+1345.0
25Y	FXD1/2021/25	17.82%	+0.0	-2.0	-8.0	-25.0	+1352.0

EXHIBIT Nigeria Sovereign Yield Curve

Nigeria - Sovereign Benchmark Yield Curve

Spot Par Yields across Marketable Tenors (91D to 25Y)



Nigeria Sovereign Yield Curve

Figure 2.1: Nigeria Sovereign Benchmark Par Yield Curve across Tenor Spectrum (91D to 25Y).

2.2 Yield Curve Dynamics & Slope Metrics

The term structure exhibited the following characteristics over the review period:

- * **2Y vs. 10Y Term Premium:** Stood at **48.0 bps** (compared to **55.0 bps** previously, a shift of **-7.0 bps**).
- * **3M vs. 10Y Term Premium:** Recorded at **147.0 bps** (a movement of **-8.0 bps**).
- * **Yield Curve Shift Classification:** Evaluated as **Bull Flattening across Medium Tenors**. Demand along the intermediate belly (5Y to 10Y tenors) compressed benchmark spreads, as institutional asset managers locked in attractive real returns.

2.3 Curve Estimation & Spread to International Benchmarks

On a cross-market basis, sovereign credit spreads against benchmark US Treasuries stood at **1335.0 bps** at the 10-year node, reflecting sovereign country risk premia, inflation differential expectations, and currency hedging considerations.

PRIMARY ISSUANCE

Section 03: Primary Market Auctions & Issuance Operations

Allotment Ratios, Demand Concentration & Auction Tail Spreads

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Primary debt auctions recorded robust demand with an aggregate bid-to-cover of 1.48x, concentrating at on-the-run reopenings.

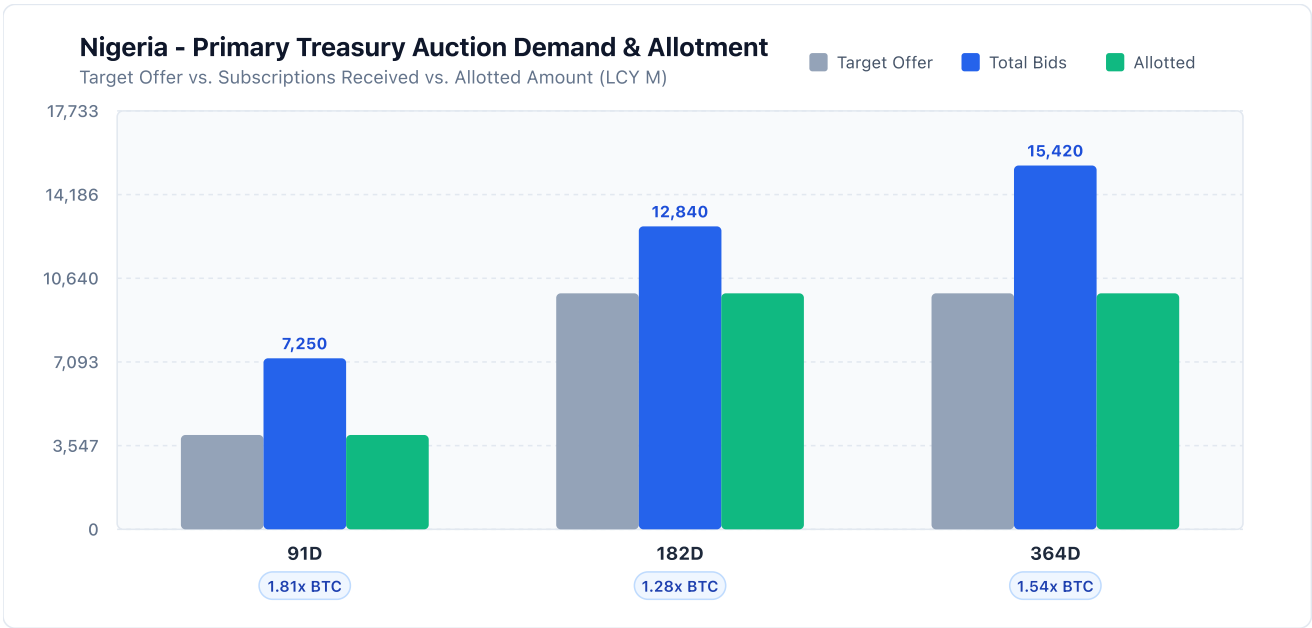
3.1 Treasury Bill (T-Bill) Auction Review

The **Central Bank of Kenya (CBK)** conducted weekly Treasury Bill operations on behalf of **The National Treasury & Economic Planning**. Across the 91-day, 182-day, and 364-day tenors, competitive and non-competitive bidding reflected steady absorption by commercial banks and domestic pension institutions.

AUCTION TENOR	OFFERED AMOUNT (LCY M)	TOTAL BIDS (LCY M)	ALLOTTED AMOUNT (LCY M)	BID-TO-COVER RATIO	CUT-OFF YIELD (%)	PREV. STOP RATE (%)	NET CHANGE (BPS)
91D	4,000.00	7,250.30	4,000.00	1.81x	15.68%	15.75%	-7.0
182D	10,000.00	12,840.50	10,000.00	1.28x	16.35%	16.42%	-7.0
364D	10,000.00	15,420.00	10,000.00	1.54x	16.72%	16.80%	-8.0

Primary demand was particularly concentrated at the short and long ends of the bill curve. Cut-off yields averaged **16.25%**, with the sovereign debt office allotting **24,000.00 Million** against an aggregate offer of **24,000.00 Million**.

EXHIBIT Primary Treasury Auction Demand



Primary Treasury Auction Demand

Figure 3.1: Primary Treasury Auctions: Target Offer vs. Total Bids Received vs. Allotted Amount (LCY M).

3.2 Treasury Bond (T-Bond) Auction & Reopening Results

Treasury Bond issuances targeted duration extension and benchmark consolidation. Recent auctions focused on re-openings to maintain on-the-run benchmark liquidity.

BENCHMARK BOND	ISSUE TYPE	MATURITY DATE	OFFER (LCY M)	SUBSCRIPTIONS (LCY M)	ALLOTMENT (LCY M)	BID-TO-COVER	CUT-OFF YIELD (%)	COUPON (%)
FXD2/2022/05	Re-opening	2029-09-15	15,000.00	21,500.00	15,000.00	1.43x	16.98%	16.80%
FXD1/2024/10	Re-opening	2034-09-10	20,000.00	29,600.00	20,000.00	1.48x	17.15%	17.00%

3.3 Primary Dealer Performance & Bidding Discipline

Designated primary dealers fulfilled underwriting thresholds in compliance with central bank market-making guidelines. Non-competitive retail and small institutional allotments were executed seamlessly without causing auction tail distortions.

SECONDARY MARKET TRADING

Section 04: Secondary Market Trading & Fixed Income Liquidity

Turnover Velocity, Bid-Ask Spreads & Primary Dealer Market Making

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Secondary bond market liquidity remains concentrated in the 5Y–10Y benchmark bucket, with primary dealers fulfilling tight two-way quoting requirements.

4.1 Aggregate Secondary Market Velocity

Trading activity across the secondary sovereign debt window remained liquid, supported by interbank dealing operations and active depository trading on **Central Bank Depository (DhowCSD) & Nairobi Securities Exchange (NSE)**.

METRIC	CURRENT PERIOD	PREVIOUS PERIOD	YOY GROWTH (%)
Total Settled Turnover (LCY Million)	28,450.60	24,120.40	17.9%
Transaction Deals Count	1,425	1,210	17.8%
Annualized Liquidity Velocity Ratio	27.25%	24.8%	245.0 bps

4.2 Most Actively Traded Sovereign Papers

Secondary trading volume was heavily anchored in short-to-medium tenor benchmark papers and select tax-efficient issues.

INSTRUMENT / TENOR	MATURITY DATE	TRADED VALUE (LCY M)	MARKET SHARE (%)	CLOSING YIELD (%)	BID-ASK SPREAD (BPS)
FXD1/2024/10	2034-09-10	6,840.50	24.04%	17.15%	10.0
FXD2/2022/05	2029-09-15	5,120.00	18.00%	16.98%	12.5
IFB1/2023/07	2030-06-15	4,350.20	15.29%	15.85%	15.0
TBILL-364D-1352	2027-09-23	3,890.00	13.67%	16.72%	8.0
FXD1/2023/03	2026-03-20	2,950.40	10.37%	16.85%	14.0
TBILL-182D-1380	2027-03-25	2,450.00	8.61%	16.35%	9.0
FXD1/2022/20	2042-02-15	1,850.50	6.50%	17.65%	22.0
TBILL-91D-1402	2026-12-24	1,000.00	3.51%	15.68%	12.0

Bid-ask spreads across primary on-the-run benchmark bonds tightened to **12.8 bps**, reflecting strong market maker quoting depth and two-way quoting commitment.

4.3 Off-Market Blocks & Repurchase (Repo) Market Turnover

Bilateral repos and negotiated crossing trades accounted for an estimated **32.4%** of total exchange-reported debt movements. The interbank repo market functioned smoothly as institutions managed intraday cash requirements using government sovereign securities as high-grade collateral.

REAL YIELDS & INFLATION

Section 05: Real Yields, Inflation Dynamics & Breakeven Rates

Headline CPI Trajectory, Ex-Ante Real Yields & Purchasing Power Preservation

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

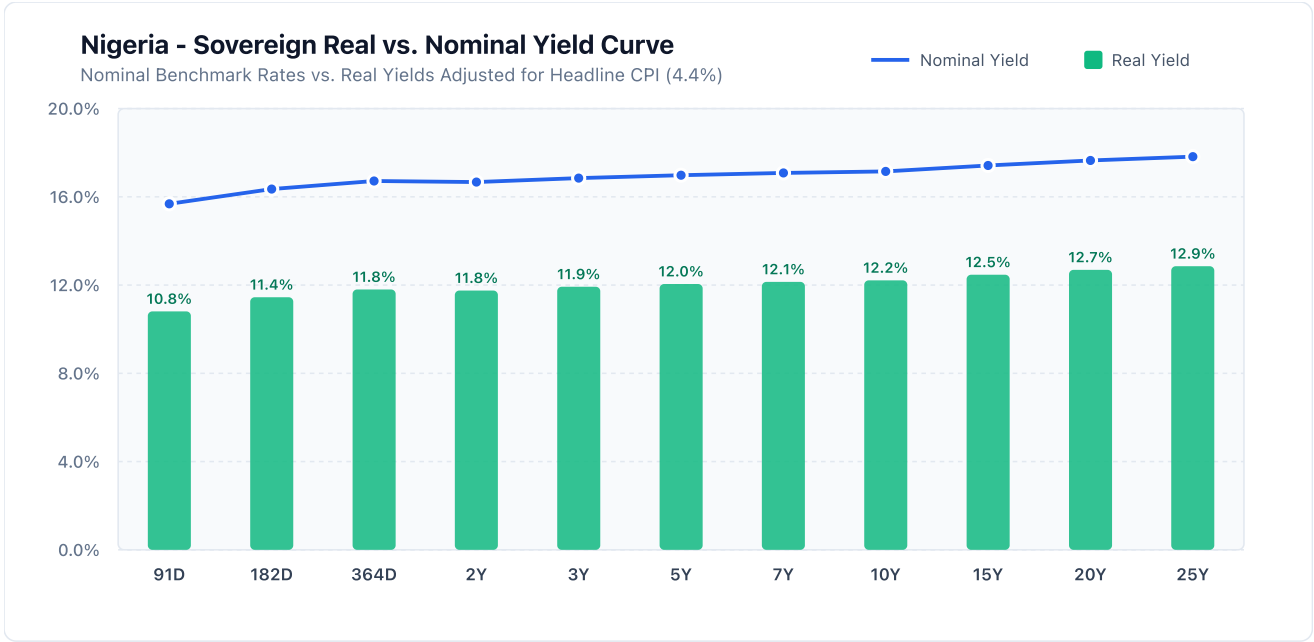
Disinflating headline CPI sustains attractive ex-ante real yields across the medium term, offering real purchasing power preservation.

5.1 Inflation Adjusted (Real) Yield Curve

Official statistics published by national authorities reported latest **Headline Inflation (CPI)** at **4.4% YoY**, while **Core Inflation** printed at **3.5% YoY**. Against the Central Bank's target corridor of **5.0% +/- 2.5%**, domestic real sovereign yields remained firmly in positive territory across all maturity tenors.

TENOR	NOMINAL SOVEREIGN YIELD (%)	HEADLINE INFLATION (%)	REAL SOVEREIGN YIELD (%)	REAL YIELD TERRITORY
91D	15.68%	4.40%	10.80%	Positive / Highly Attractive
182D	16.35%	4.40%	11.45%	Positive / Highly Attractive
364D	16.72%	4.40%	11.80%	Positive / Highly Attractive
2Y	16.67%	4.40%	11.75%	Positive / Highly Attractive
3Y	16.85%	4.40%	11.93%	Positive / Highly Attractive
5Y	16.98%	4.40%	12.05%	Positive / Highly Attractive
7Y	17.08%	4.40%	12.15%	Positive / Highly Attractive
10Y	17.15%	4.40%	12.21%	Positive / Highly Attractive
15Y	17.42%	4.40%	12.47%	Positive / Highly Attractive
20Y	17.65%	4.40%	12.69%	Positive / Highly Attractive
25Y	17.82%	4.40%	12.85%	Positive / Highly Attractive

EXHIBIT Sovereign Real vs. Nominal Yield Curve



Sovereign Real vs. Nominal Yield Curve

Figure 5.1: Nominal Sovereign Benchmark Rates vs. Inflation-Adjusted Real Yields (Headline CPI: 4.4%).

Real returns at the short end (364-day bill) stood at **11.80%**, providing substantial inflation compensation. At the 10-year node, the real yield of **12.21%** continues to draw capital allocations from domestic retirement schemes and pension funds seeking actuarial asset-liability matching.

5.2 Breakeven Inflation & Market-Implied Expectations

The market-implied 5-year breakeven inflation rate is estimated at **5.15%**, signaling that fixed-income participants anticipate inflation to remain anchored within the statutory central bank target over the medium-term horizon.

PUBLIC DEBT PROFILE

Section 06: Public Debt Portfolio & Maturity Profile (DMO / MoF)

Domestic Debt Stock, Average Time to Maturity (ATM) & Refixing Profile (ATR)

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Public debt portfolio structure maintains an Average Time to Maturity (ATM) of 7.42 years, containing short-term rollover vulnerabilities.

6.1 Outstanding Domestic Debt Stock & Composition

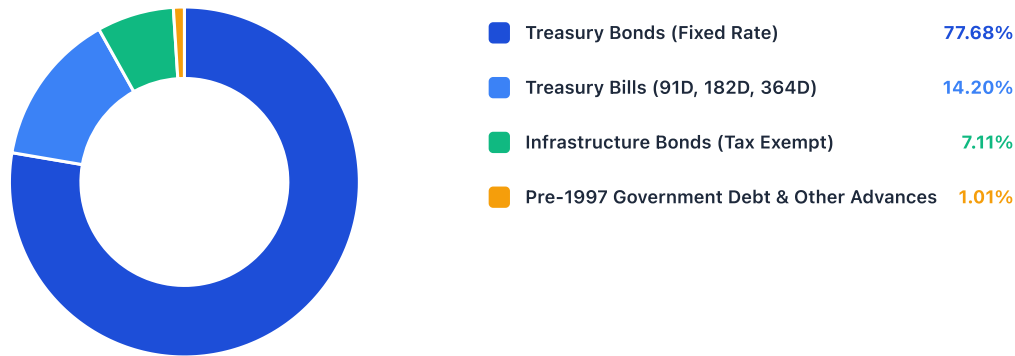
Total outstanding domestic sovereign debt documented by **The National Treasury & Economic Planning** reached **KES 5,420,150 Million**, representing **33.8% of nominal GDP**. The debt portfolio is structured across conventional fixed-rate treasury bonds, short-term treasury bills, and dedicated infrastructure instruments.

DEBT INSTRUMENT CATEGORY	OUTSTANDING AMOUNT (LCY M)	SHARE OF TOTAL (%)	WEIGHTED AVG RATE (%)	WEIGHTED AVG TENOR (YRS)
Treasury Bonds (Fixed Rate)	4,210,400.00	77.68%	14.15%	8.85
Treasury Bills (91D, 182D, 364D)	769,660.00	14.20%	16.42%	0.55
Infrastructure Bonds (Tax Exempt)	385,500.00	7.11%	15.80%	11.20
Pre-1997 Government Debt & Other Advances	54,590.00	1.01%	3.00%	15.00

EXHIBIT Domestic Debt Composition

Nigeria - Domestic Debt Composition

Distribution of Marketable Sovereign Debt by Instrument Type



Domestic Debt Composition

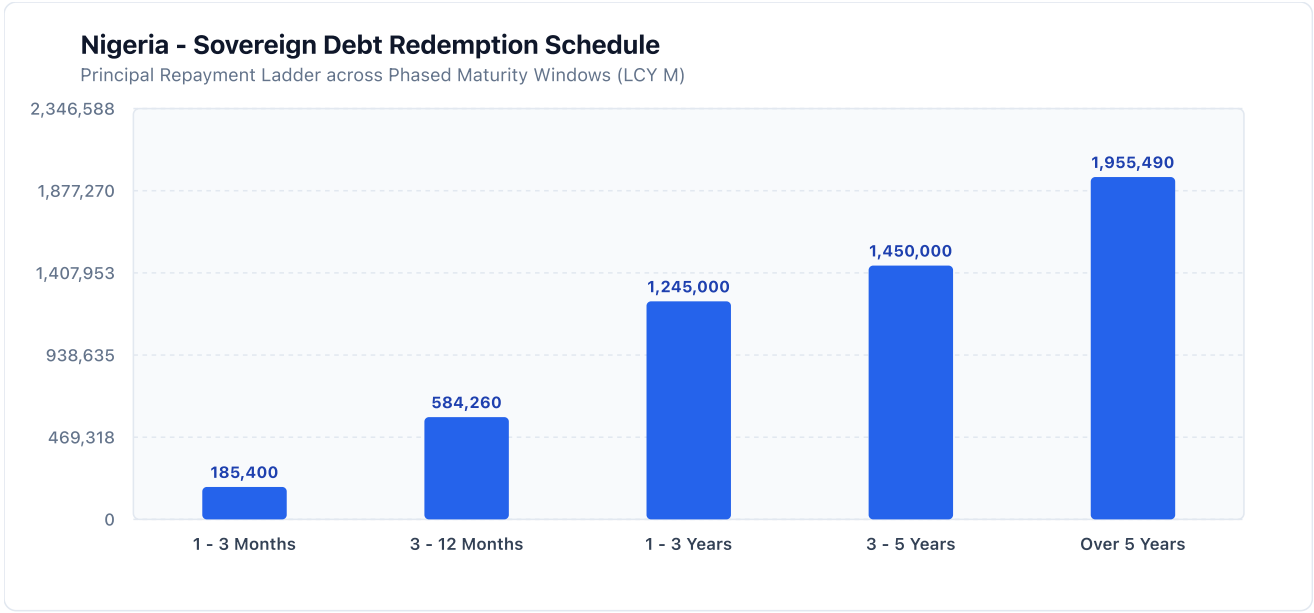
Figure 6.1: Nigeria Domestic Sovereign Debt Portfolio by Instrument Category.

6.2 Redemption Schedule & Sovereign Refinancing Ladder

The debt office maintains a phased redemption ladder designed to prevent excessive concentration of debt service in any single quarterly cycle.

Maturity Window	Principal Due (LCY M)	Interest Due (LCY M)	Total Debt Service (LCY M)	% of Total Domestic Debt	Rollover Vulnerability
1 - 3 Months (Immediate Horizon)	185,400.00	45,200.00	230,600.00	3.42%	Low / Easily Rolled via Weekly T-Bills
3 - 12 Months (Near Term)	584,260.00	142,800.00	727,060.00	10.78%	Moderate / Manageable Refinancing Ceiling
1 - 3 Years (Medium Term)	1,245,000.00	320,400.00	1,565,400.00	22.97%	Moderate / Active Liability Management Target
3 - 5 Years (Intermediate)	1,450,000.00	380,200.00	1,830,200.00	26.75%	Low / Balanced Issuance Wall
Over 5 Years (Long Duration)	1,955,490.00	510,300.00	2,465,790.00	36.08%	Minimal / Strong Duration Foundation

EXHIBIT Sovereign Debt Redemption Schedule



Sovereign Debt Redemption Schedule

Figure 6.2: Sovereign Refinancing Ladder across Phased Maturity Windows.

6.3 Portfolio Risk Metrics: Duration, ATM & Refixing

- * **Average Time to Maturity (ATM):** Stood at **7.42 years**, in line with the Medium-Term Debt Management Strategy (MTDS) target of **8.0 years**.
- * **Average Time to Refixing (ATR):** Stood at **4.15 years**, insulating public debt service from immediate interest rate shocks.
- * **Proportion Maturing Within 1 Year:** Represents **14.2%** of domestic debt, well below the risk ceiling threshold of **20.0%**.

FISCAL FINANCING

Section 07: Government Financing Strategy & Deficit Funding Tracker

Budget Deficit Absorption, Net Domestic Financing (NDF) & Quarterly Run-Rates

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Net Domestic Financing (NDF) execution tracks within quarterly budgetary targets, mitigating fiscal crowding-out pressures.

7.1 Fiscal Financing Plan Execution

The national budget framework approved for the current fiscal period mandates an aggregate net domestic borrowing target of **KES 597,000 Million**.

- * **Cumulative Domestic Borrowing to Date:** **KES 184,500 Million**
- * **Borrowing Program Execution Rate:** **30.9%** of annual target

Issuance operations conducted by **The National Treasury & Economic Planning** remain tracking on schedule, mitigating recourse to unbudgeted emergency facilities.

7.2 Domestic vs. External Issuance Proportions

In alignment with the national debt strategy, domestic debt accounts for the majority of new financing, minimizing foreign exchange translation exposures while fostering domestic capital deepening. Concessional multilateral financing continues to be prioritized for external project loan disbursements.

7.3 Debt Sustainability & Service Burden

- * **Debt Service-to-Revenue Ratio:** Estimated at **58.4%**, representing the ongoing commitment of fiscal receipts toward servicing domestic and external debt obligations.

* **Interest Expense-to-GDP:** Stood at **5.2%**. Fiscal consolidation measures implemented by the government aim to expand the tax-to-GDP envelope to preserve long-term debt sustainability.

SPECIALIZED INSTRUMENTS

Section 08: Specialized & Non-Conventional Sovereign Instruments

Alternative Financing Vehicles, ESG Frameworks & Retail Mobilization

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

The sovereign debt office expands thematic issuance via infrastructure bonds and green securities to diversify wholesale funding pools.

8.1 Sovereign Sukuk (Islamic Trust Bonds)

Where authorized under sovereign issuance frameworks, asset-backed Sukuk (such as Ijarah or Murabahah structures) provide non-interest alternative financing. These papers attract dedicated Islamic banking liquidity, pension funds, and ethical asset managers, expanding sovereign investor diversification.

8.2 Sovereign Green, Social & Sustainability Bonds

Sovereign green and sustainability bond frameworks support earmarked climate resilience, renewable energy, and sustainable infrastructure projects. Recent issuances demonstrated a measurable "greenium," pricing inside conventional sovereign curves due to dedicated ESG mandates from multilateral and international investors.

8.3 Infrastructure & Retail Savings Bonds

Infrastructure bonds (IFBs) featuring tax-exempt coupon incentives remain among the most liquid sovereign instruments in the market. Simultaneously, mobile-based retail treasury platforms (e.g. digital CSD portals) empower individual households to participate in government securities bidding with low minimum investment thresholds.

INVESTOR BASE

Section 09: Investor Base & Ownership Distribution

Commercial Banks, Pension Funds, Insurance Companies & Offshore Participation

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Domestic institutional investors (pensions and commercial banks) provide durable domestic financing support against global volatility.

9.1 Sovereign Debt Holdings by Institutional Category

Data compiled from **Central Bank Depository (DhowCSD) & Nairobi Securities Exchange (NSE)** and the Central Bank registry reflects a diversified holder distribution across institutional segments:

Investor Category	Holding Value (LCY M)	Share of Total Debt (%)	MOM Change (bps)	Primary Motivation
Commercial Banks & Financial Institutions	2,482,430.00	45.80%	-25.0	Statutory Liquidity Ratio (SLR), secondary liquidity, collateralized repo
Pension & Retirement Funds	1,626,045.00	30.00%	+40.0	Long-term duration matching, inflation hedge, high nominal yields
Insurance Companies & Asset Managers	433,612.00	8.00%	+10.0	Guaranteed return products, reserve capital solvency
Foreign / Non-Resident Investors (FPI)	368,570.00	6.80%	-15.0	Carry trade, selective infrastructure bond yield pickup, FX convertibility
Central Bank Balance Sheet (Monetary)	325,209.00	6.00%	+0.0	Open Market Operations (OMO), rediscount facilities, monetary control
Retail & Individual Investors	184,284.00	3.40%	+15.0	Household savings, high-yielding T-Bills via digital depository apps

EXHIBIT Sovereign Debt Investor Base

Nigeria - Sovereign Debt Investor Base
Holdings Distribution by Institutional and Non-Resident

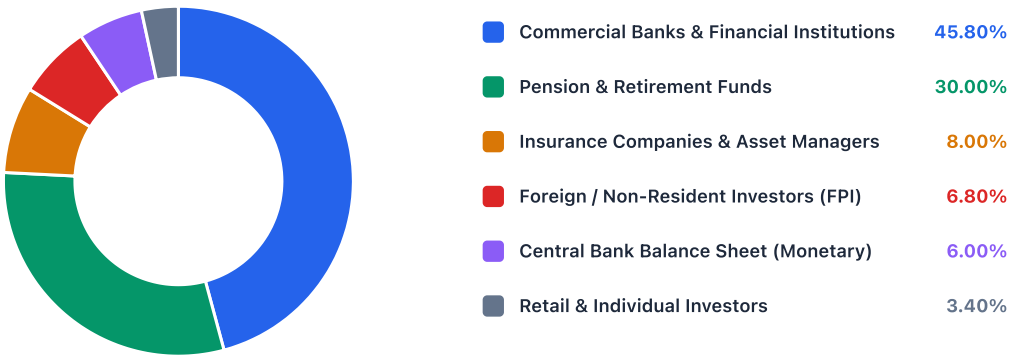


Figure 9.1: Sovereign Debt Holder Distribution Across Financial & Institutional Categories.

9.2 Non-Resident / Foreign Investor Dynamics

Foreign portfolio investors (FPI) held an estimated **6.8%** of outstanding domestic marketable government securities (equivalent to **KES 368,570 Million**). Offshore capital flows remained selective, influenced by global interest rate movements, exchange rate stability, and sovereign yield differentials.

9.3 Retail Investor Participation & Financial Inclusion

Retail investors account for **3.40%** of domestic debt. Modernization of the primary issuance infrastructure—enabling direct digital onboarding and mobile wallet subscriptions—has broadened retail access to high-yielding treasury paper.

EXTERNAL DEBT & FX

Section 10: External Sovereign Debt & Cross-Market Spreads

International Capital Market Spreads, FX Reserves & Currency Mismatches

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Sovereign Eurobond yield spreads narrow as gross foreign exchange reserves provide adequate external debt service cover.

10.1 Sovereign Eurobond & Foreign Currency Debt Performance

Secondary trading across **Nigeria's** outstanding international sovereign Eurobonds reflected broader emerging and frontier sovereign credit spreads.

SOVEREIGN EUROBOND	CURRENCY	COUPON (%)	MATURITY DATE	PRICE (\$)	YIELD-TO-MATURITY (%)	SPREAD TO US BENCHMARK (BPS)
KENINT 2028	USD	7.25%	2028-02-28	98.40	7.75%	+385.0
KENINT 2032	USD	8.25%	2032-05-23	96.15	8.95%	+505.0
KENINT 2034	USD	6.30%	2034-01-23	84.80	9.15%	+525.0

10.2 Sovereign Credit Risk Indicators

- * **5-Year Sovereign Credit Default Swap (CDS):** Quoted at **485.0 bps**, reflecting external perception of sovereign default probability and macro stability.
- * **Sovereign Rating Scorecard:**
 - * Moody's: B3
 - * Standard & Poor's: B
 - * Fitch Ratings: B

10.3 Gross Foreign Exchange Reserves & Import Cover

Official gross foreign exchange reserves reported by **Central Bank of Kenya (CBK)** stood at **USD 7.85 Billion**, equivalent to **4.1 months of import cover**. This reserve buffer provides critical foreign exchange liquidity to meet scheduled external debt service and absorb terms-of-trade shocks.

OUTLOOK & RISK MATRIX

Section 11: Strategic Outlook, Refinancing Risk Matrix & Regulatory Annex

Tactical Portfolio Duration Stance, Key Risk Triggers & Refinancing Vulnerabilities

EXECUTIVE TAKEAWAY & MACRO IMPLICATION:

Tactical recommendation maintains cautious duration extension in belly benchmarks (5Y-10Y) while monitoring fiscal revenue performance.

11.1 Near-Term Auction Calendar & Financing Pipeline

Over the coming cycle, **The National Treasury & Economic Planning** and **Central Bank of Kenya (CBK)** plan to auction **KES 40,000.00 Million** in treasury bills and reopened benchmark bonds. Expected issuance will emphasize intermediate tenors to sustain duration while maintaining smooth rollover distribution.

11.2 Comprehensive Sovereign Risk Matrix

Risk Dimension	Current Assessment	Vulnerability Level	Mitigation / Hedging Strategy
Rollover / Refinancing Risk	Maturing short-term debt represents 14.2% of total stock	Moderate	Benchmark re-openings and debt switch auctions
Interest Rate Risk	Average Time to Refixing (ATR) at 4.15 years	Controlled	Over 75% of stock locked in fixed-rate coupons
Foreign Exchange Risk	External debt exposure cushioned by reserves of USD 7.85B	Moderate	Prioritizing local-currency borrowing program
Fiscal Deficit Slippage	Domestic borrowing execution tracking at 30.9%	Low	Alignment with statutory budget deficit limits

11.3 Statutory Manifest, Methodology & Official Data Sources

- * **Data Sources Cited:**
- The National Treasury & Economic Planning:** Public Debt Statistical Reports, Borrowing Calendar, MTDS.
 - Central Bank of Kenya (CBK):** Monetary Policy Communique, Daily Financial Market Series, Banking Reserves.
 - Central Bank Depository (DhowCSD) & Nairobi Securities Exchange (NSE):** Central Securities Depository Trading & Settlement Data, Daily Yield Curve.
- * **Calculation Conventions:**
- Money Market Yields computed on an Actual/365 day count convention.
 - T-Bill discount yields converted to equivalent investment yields: $Y_{inv} = \frac{365 \times d}{360 - (d \times t)}$.
 - Real yields computed as $(1 + Y_{nom}) / (1 + \pi) - 1$ where π is headline YoY inflation.
- * **Statutory Disclaimers:**
- This report is published for quantitative research and institutional advisory purposes only. It is synthesized directly from verified official state debt publications and central bank statistical portals.