

# BIDDING GUIDE: Re-opened SDB1/2011/030 and FXD1/2021/025



NCBA CS - Public Use

# NCBA

The Central bank of Kenya acting in its capacity as fiscal agent for the Republic of Kenya is offering an opportunity to participate in the **Re-opened bonds SDB1/2011/030** and **FXD1/2021/025** seeking to raise **KES 40.00Bn** for budgetary support.

NCBA Investment Bank Ltd is an authorized placing agent.

## Why invest in the bond?

1. Opportunity to lock in **attractive coupons**.
2. The bonds qualify for statutory liquidity ratio requirements for commercial banks and Non-Banking Financial Institutions as stipulated in the Banking Act CAP 488 of the Laws of Kenya.
3. An opportunity to make **capital gains**.

## Bidding guide

Our recommended bidding range is:

Issue	SDB1/2011/030 - Re-opened	FXD1/2021/025-Re-opened
Tenor to Maturity	15.16 Yrs	21.9 Yrs
Coupon Rate	<b>12.00%</b>	<b>13.92%</b>
<b>Offered Amount</b>	<b>KES 40Bn</b>	
Period of Sale	27th November 2025 to 3rd Dec 2025	
Value Date	8th December 2025	
Minimum Bidding Amount	KES 50,000.00	
<b>Taxation</b>	<b>10.00%</b>	
<b>Our Recommended Bidding Guide</b>	<b>13.50% - 13.70%</b>	<b>13.60% - 13.80%</b>

Source: CBK, NCBA IB Research

## Steady Liquidity to Subscription

We expect a strong subscription on the back of ample market liquidity and December's KES 189Bn obligations. We opine the FXD1/2021/025 will garner more interest given a slightly more attractive coupon.

## Comparable Papers

### SDB1/2011/030

	Tenor to Maturity	Outstanding Amount Shs'M.	Fixed Coupon Rate	Implied Yield To Maturity
FXD2/2019/015	8.4 Years	81,644	12.7340%	12.1741%

### FXD1/2021/025

	Tenor to Maturity	Outstanding Amount Shs'M.	Fixed Coupon Rate	Implied Yield To Maturity
FXD1/2021/025	20.42 Years	90,490	13.9240%	13.5914%

# DISCOVER THE MARKETS



NCBA



## Investment Case

### Demand

We opine that with the ample liquidity in the market, there will be an appetite for FXD by both active and passive investors due to their tenor, coupon and trading stances respectively

### Interest rates

The downward trend in T-Bill yields continues, with 91-day, 182-day, and 364-day papers recording m/m declines. The easing pace is expected to be more measured as the short-term returns tend towards convergence with the inflation rate.

Prevailing rates	28/11/2025	21/11/2025	W/W change (bps)
91 Day	7.78%	7.78%	(0.14)
182 Day	7.80%	7.80%	-
364 Day	9.38%	9.38%	(0.30)

Source: CBK, NCBA IB Research

### Inflation

Headline inflation remained stable at **4.6%** in October and September 2025, largely supported by easing prices of select food items. Core inflation declined to 2.7% from 2.9% in September, while non-core inflation increased to 9.9% from 9.6% over the same period

Looking ahead into Q4, inflation is projected to remain around the 5% mark, supported by domestic policy measures. The long-term viability of these interventions, however, remains uncertain, particularly against the backdrop of a widening fiscal deficit.

Statistic	Current	Previous	Change (bps)
Inflation	4.60%	4.60%	0.00

Source: CBK, NCBA IB Research

### Monetary Policy Committee Cut Policy Rate to 9.25% from 9.50%

On 7<sup>th</sup> Oct, the Monetary Policy Committee (MPC) lowered the Central Bank Rate (CBR) by 25 basis points to 9.25%. Cumulatively, the CBR is down 375-basis points y-o-y.

According to the committee, overall inflation remains stable, and expectations are firmly anchored within the target. Notably, inflation is projected to trend below the 5% mid-point of the target up to 1Q2026. In the near term, despite seasonal factors that induced pressure on vegetable costs as seen by respondents in the agriculture survey, the onset of the maize harvest season, stable energy prices as well as exchange rate stability underpins the favorable outlook.

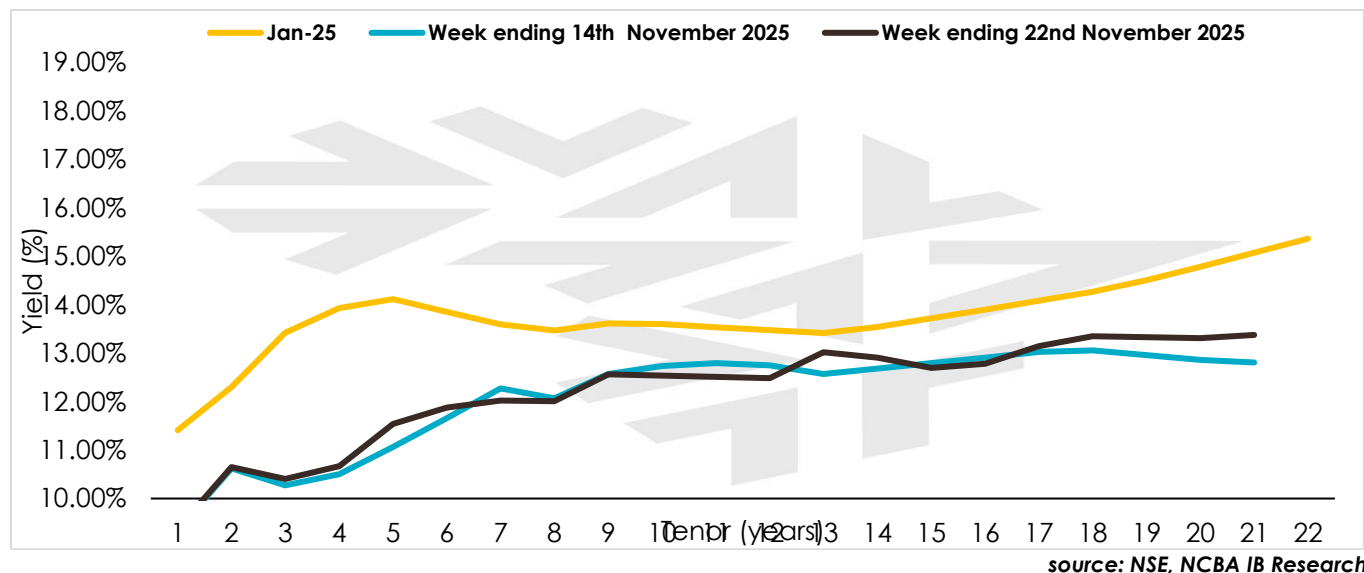
Statistic	Current	Previous	Change (bps)
CBR	9.25%	9.50%	(25.00)

Source: CBK, NCBA IB Research



We expect yields on government securities to maintain a downward trajectory, albeit at a moderate pace, supported by CBK's ongoing monetary easing stance aimed at spurring private sector credit growth.

The elevated fiscal deficit, however, continues to necessitate increased domestic borrowing, which may temper the decline in yields and potentially exert upward pressure over the medium term.



## Liquidity

Liquidity conditions in the interbank space remained **stable**. Indicatively, the overnight average interbank rate closed at **9.25%**

The demand for funds decreased by 39%, with daily traded volumes averaging **KES7Bn** from KES 11Bn observed in the previous week.

Statistic	21/11/2025	14/11/2025	Change
Average Kesonian Rate	9.25%	9.23%	0.02%
Average Kesonian Volume	10.00	12.90	(22.48%)

Source: CBK, KNBS, NCBA IB Research



## Kenya Government Debt Maturities Schedule –December 2025

Total domestic debt maturities in December are KES **189Bn** compared to **KES 215Bn** in November.

Dec 25 Coupon payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD2/2010/015	8-Dec-25	8-Dec-25	25,199.80	9.00%	1,133.99
FXD1/2008/020	8-Dec-25	5-Jun-28	58,844.60	13.75%	4,045.57
FXD2/2018/010	8-Dec-25	4-Dec-28	63,820.20	12.50%	3,989.40
FXD1/2010/025	8-Dec-25	28-May-35	20,192.50	11.25%	1,135.83
FXD1/2018/025	15-Dec-25	25-May-43	165,653.46	13.40%	11,098.78
IFB1/2022/018	8-Dec-25	21-May-40	79,827.50	13.74%	5,484.95
IFB1/2022/006	1-Dec-25	27-Nov-28	59,424.35	13.22%	3,926.46
IFB1/2023/007	15-Dec-25	10-Jun-30	213,251.60	15.84%	16,886.33
<b>Total</b>					<b>47,701.31</b>

Treasury Bond Maturities			
Issue No.	Maturity Date	Fixed Coupon Rate	Outstanding Amount KES 'Mn
FXD2/2010/015	December 8, 2025	11.00%	25,199.80
<b>Total</b>			<b>25,199.80</b>

Treasury Bills	
Payment Date	Amount KES 'Mn
December 1, 2025	43,194.85
December 8, 2025	32,629.01
December 15, 2025	24,969.68
December 22, 2025	10,389.93
December 29, 2025	4,931.44
<b>Total</b>	<b>116,114.91</b>

Source: CBK, NCBA IB Research

## DISCLAIMER AND DISCLOSURES

### 1. General Disclaimer

This research report (Report) has been prepared by NCBA Investment Bank (NCBA-IB) and contains detailed industry analyses, statistics and forecasts exclusively for informational purposes and is intended solely for the use of NCBA-IB clients and may not be distributed, published, or reproduced, in whole or in part, nor may its contents be disclosed to any other party without the express written consent of NCBA-IB. While this Report contains analyses and insights aimed at assisting customers in making investment decisions regarding various securities, it does not constitute an offer, solicitation, or recommendation to buy or sell any securities, and it is not intended to provide the basis for any evaluation of the securities discussed herein. NCBA-IB expressly disclaims any responsibility for errors and omissions in this Report. The Information set forth in this Report has been obtained from sources believed reliable and developed through the application of independent judgement, but NCBA-IB does not warrant its completeness or accuracy. Opinions expressed in this Report are current viewpoints as of the date of issue and are subject to change without notice. Furthermore, NCBA-IB is under no obligation to update or keep the information current. While every effort has been made to ensure the accuracy and completeness of the information provided, no representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied upon as, a promise or representation as to the future performance of any securities or financial product and market conditions which may change and this might materially impact the accuracy and validity of such analysis.

### 2. Use of Information

The information presented in this Report is intended solely for informational purposes and is not a comprehensive treatment of the topic at hand. NCBA-IB makes every effort to use reliable, comprehensive information, but we do not represent that the information is accurate or complete. NCBA-IB is not responsible for errors or omissions nor for results obtained from the use of this information. All information is provided "as is", without warranty of any kind, express or implied.

### 3. No Guarantees on Performance

NCBA-IB, its affiliates, employees, or any associated entities provide no guarantee, warranty, or representation regarding the potential performance or expected outcomes of any investment or financial transaction referenced within this document. Investment values can fluctuate, and the past performance of a security, industry, sector, market, financial product, trading strategy, or individual investment does not guarantee future results or returns.

### 4. Independent Decision Making

Recipients of this Report are strongly advised to make investment decisions based on their own investment objectives, careful consideration of their financial situation, operational capacity, and the availability of resources. It is recommended that all clients conduct thorough due diligence and, where appropriate, consult independent financial, legal, tax, or other professional advisors to assess the suitability of any potential investment.



## 5. Limitation of Liability

The Bank, its affiliates, and their respective officers, directors, employees, or agents accept no liability whatsoever for any direct or consequential loss or damage arising from the use of this Report or the information contained herein. Past performance is not necessarily indicative of future results, and NCBA-IB does not undertake that the recipient of this report will obtain profits or avoid incurring losses. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in these reports is suitable for their particular circumstances and, if necessary, seek professional advice, including tax advice.

## 6. Authority to Enter Contracts

Please be advised that legally binding obligations on behalf of NCBA-IB can only be established through formal written agreements, duly signed by authorized representatives of NCBA-IB. No electronic communications or implied agreements through informal communications shall be considered binding under any circumstances.

## 7. Disclosure Statement

NCBA-IB may, from time to time, participate or invest in transactions with the companies mentioned herein, perform services for or solicit business from company(s) mentioned, and/or have a position or effect transactions in the securities or options thereof. Members of NCBA-IB, its principals or affiliates, may have a financial interest in securities of the companies mentioned in this report.

## 8. Conflicts of Interest

NCBA-IB may engage in transactions in a manner that is inconsistent with the recommendations made in this Report, and it may have commercial relationships with entities mentioned in this Report. NCBA-IB may have provided advice or investment services relating to the investments concerned or a related investment to any company mentioned in this Report prior to its publication. Further, NCBA-IB may receive compensation for these services and acts as a market maker or liquidity provider in the securities that are the subject of this report. NCBA-IB does not prepare research on entities within its corporate group ("the NCBA Group") or other entities where a real or perceived conflict of interest may exist.

## 9. Confidentiality

This Report is confidential and is intended only for the person or entity to which it is addressed. It may contain confidential, proprietary, or legally privileged information. No confidentiality or privilege is waived or lost by any misdelivery or transmission errors. If you are not the intended recipient, please immediately delete it and all copies of it from your system, destroy any hard copies of it, and notify the sender. You must not, directly or indirectly, use, disclose, distribute, print, or copy any part of this report if you are not the intended recipient.

## 10. Intellectual Property Rights

All content, data, analyses, graphics, and logos provided in this Report are the exclusive property of NCBA-IB and/or its affiliates, unless otherwise noted, and cannot be copied, distributed, transmitted, displayed, published, or broadcast without the prior written permission of NCBA-IB.

## 11. Regulatory Compliance

This Report is also subject to regulatory restrictions and obligations that may affect its use. NCBA-IB produces research reports which adhere to regulatory standards. This document may not be distributed in any jurisdiction where its distribution may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.



## 12. Use and Distribution

These materials are intended only for clients of NCBA-IB, and may not be reproduced, redistributed, or copied in whole or in part for any purpose without the express written consent of NCBA-IB

© 2024 NCBA-IB. All rights reserved. This document contains intellectual property belonging to NCBA-IB. Unauthorized use is prohibited. For further information regarding the methodologies used or data in the report, contact NCBA-IB at [ncbaresearch@ncbagroup.com](mailto:ncbaresearch@ncbagroup.com)