Frequently Asked Questions (FAQs)

Topic:	**Kenya Airways Shareholder Loan and Balance Sheet Restructuring**
Issued:	**October 2026**
Purpose:	**This FAQ document supports media and stakeholder queries regarding the Government's USD 350 million shareholder loan to Kenya Airways and the proposed balance-sheet restructuring.**

1. Why is Kenya Airways receiving shareholder support?

The approved shareholder support measures are intended to strengthen KQ's financial position, support business continuity, and enable the airline to continue implementing its long-term turnaround strategy.

As Kenya's national carrier, the airline plays a critical role in connecting Kenya to regional and global markets, supporting trade, tourism, investment, and thousands of jobs across the broader aviation and travel ecosystem. The measures announced are intended to support the sustainability of this strategic national asset.

2. Is the USD350 million (approx. KSH 45.15 billion) facility a grant or a bailout?

No. The approved support is purely a shareholder loan, **not** a grant.

The loan is repayable over up to 10 years and disbursed in performance-linked tranches under National Treasury oversight. While it is structured as a loan, it carries an option for conversion into equity subject to approval. The loan is intended to address immediate operational, and liquidity needs and remains subject to agreed terms and applicable approvals. The facility is earmarked for critical operational obligations, including aircraft maintenance, the return to service of grounded aircraft, and other operational requirements necessary to support continuity of operations.

3. How will the funds be used?

The facility is intended to support immediate and non-deferrable operational requirements, including aircraft maintenance activities and the restoration of grounded aircraft to active service. Returning aircraft to service improves fleet availability and operational capacity, enabling the airline to utilize assets already on its balance sheet and better serve customer demand

4. Will some of the funds go towards acquisition of new aircraft?

No. The shareholder loan focuses on immediate operational priorities and business continuity, including aircraft maintenance, returning grounded aircraft to service, and other critical operational obligations required to sustain business continuity. Fleet expansion through new aircraft acquisitions remains part of long-term strategic planning and will be financed independently through commercial channels or future strategic equity investments.

5. What is the purpose of converting existing Government loans into an equity-qualifying instrument?

The proposed conversion is intended to strengthen the Company's balance sheet by restoring it from a negative equity position to a positive equity position.

A stronger balance sheet improves creditworthiness, supports future capital-raising initiatives, and enhances the Company's ability to attract suitable strategic partners and investors as part of its long-term growth and turnaround plans.

6. Does the proposed conversion create additional cash for the airline?

No. The proposed conversion is primarily a balance-sheet restructuring measure, together with the shareholder loan, it forms part of a broader package intended to address recapitalisation, liquidity and balance-sheet requirements while supporting the Company's long-term turnaround programme and return to sustainable profitability.

7. How does the proposed debt conversion affect existing minority and institutional shareholders?

The proposed conversion of existing debt into equity instruments will require approvals from regulatory authorities (including the Capital Markets Authority), the Nairobi Securities Exchange, and shareholders at an Extraordinary General Meeting (EGM). Full disclosures regarding valuation, share dilution, and capital structure changes will be shared with all stakeholders prior to the shareholder vote.

8. What governance mechanisms are in place to ensure proper utilisation of the loan?

To safeguard public funds, the support package includes stringent governance requirements:

- **Tranche Disbursements**: Funds will not be disbursed as a single sum but released in tranches aligned with verified operational milestones.
- **Treasury Oversight**: The National Treasury and Economic Planning will monitor performance and expenditure compliance.
- **Ring-Fencing**: Proceeds are legally restricted to predefined maintenance and operational uses.

9. Why is a strong national carrier important for Kenya?

National carriers play a unique role in supporting economic development by facilitating connectivity, tourism, trade, cargo movement, investment flows and international market access.

Kenya Airways serves as a key link between Kenya, Africa and global destinations, helping connect businesses, visitors and exporters to international markets. Maintaining a financially stable and operationally reliable national carrier supports wider economic activity beyond the aviation sector itself.

Key Facts in Summary

- Government approved a shareholder loan of **USD350 million (approximately KSh45.15 billion)**.
- The facility is intended for immediate operational requirements, including aircraft maintenance and returning grounded aircraft to service.
- Government also approved, in principle, the conversion of approximately **KSh122 billion** of existing Government shareholder loans into an equity-qualifying tradable instrument, subject to approvals.
- The objective is to strengthen the Company's balance sheet, improve creditworthiness and support future capital raising.
- The measures remain subject to shareholder, regulatory and other required approvals.