

**KENYA REINSURANCE CORPORATION LIMITED**

ResearchNote<sup>^</sup>  
[AGCKREC01]  
31 May 2026

Using Annual Report 2025

African-African Nexus<sup>^^</sup>

Market Cap  
Kshs 18.5 Billion  
[USD143 Million]  
[Slightly Higher than Revenue 2025]

P/E Ratio 4.7x  
Expanded P/E Rating<sup>\*\*</sup> case

Sovereign Securities CAGR [2020-2025] 9%  
Kshs 26.5 Billion vs Investment Properties Kshs 13 Billion vs Quoted Equities Kshs 2 Billion

Investment in Associate Kshs 9.9 Billion – ZEP Re [20.2%]

Total Assets to Market Cap 3.89x!

Interest Revenue Kshs 4.5 Billion key!

Insurance Expenses incl. Claims & Benefits Kshs 11 Billion

Free Float: 30+%  
GOK 60%  
104,000+ shareholders  
Foreign Investors 1.82%

	2025	GROU
	KShs'000	
<b>Long-term business</b>		
Group life	2,825,426	
Ordinary life	130,784	
<b>Total</b>	<b>2,956,210</b>	
<b>Short-term business</b>		
Agriculture	92,089	
Aviation	133,794	
Engineering	1,700,747	
Fire Domestic	120,203	
Fire Industrial	5,239,909	
Liability	264,827	
Marine	758,263	
Medical	3,093,340	
Miscellaneous	1,612,106	
Motor Commercial	227,255	
Motor Private	247,900	
Personal Accident	432,762	
Theft	182,522	
Workmen Compensation	7,591	
<b>Total</b>	<b>14,113,308</b>	
<b>Total</b>	<b>17,069,518</b>	

	Note	As at 31 2025	KShs '000
<b>Assets</b>			
Property and equipment	15	74,812	
Investment properties	16	13,420,999	
Deferred tax asset	29(i)	225,350	
Defined benefit asset	30	96,905	
Investment in associate	17	9,989,115	
Intangible assets	19	76,283	
Mortgage loans	20	906,443	
Unquoted equity instruments	21	934,712	
Quoted equity instruments	22	2,055,301	
Corporate bonds	23	225,595	
Government securities	24(a)	26,510,495	
Inventory	25	26,205	
Reinsurance contract assets	28	192,236	
Income tax receivable	11(c)	1,899,376	
Other receivables	26	553,378	
Deposits with financial institutions	27	13,996,911	
Cash and bank balances	33(b)	1,020,600	
<b>Total assets</b>		<b>72,204,716</b>	
<b>Equity</b>			
Share capital	13	13,998,982	
Revaluation reserve	14	37,904	
Fair value reserve	14	1,015,334	
Translation reserve	14	2,090,555	
Statutory reserve	14	10,791,002	
Retained earnings	14	26,580,505	
<b>Total equity</b>		<b>54,514,282</b>	
<b>Liabilities</b>			
Insurance contract liabilities	28	13,952,186	
Reinsurance contract liabilities	28	1,060,287	
Deferred tax liability	29(i)	1,702,582	
Other payables	32	975,379	
<b>Total liabilities</b>		<b>17,690,434</b>	
<b>Net assets</b>		<b>54,514,282</b>	

*Retained earnings*  
The retained earnings balance represents the amounts available for distribution to the shareholders of the Group, except for cumulative fair value gains on the Group's investment properties amounting to KShs 8,713,099,738 (2024: KShs 8,407,276,087) whose distribution is subject to restrictions imposed by legislation.

*Revaluation reserve*  
The revaluation reserve relates to property and equipment of the foreign associate which carries property and equipment at the revalued amount. Although the group's policy is to measure property and equipment at cost, the revaluation reserve of the foreign associate is immaterial for group purposes and has thus not been adjusted to reflect the cost model. The reserve is non-distributable.  
The revaluation surplus represents the surplus on the revaluation of property and equipment, net of deferred tax. Movements in the revaluation reserve are shown in the statement of changes in equity.

	Note	2025	KShs '000
Total insurance revenue	6(a)	17,069,518	
Ceding commission	6(b)	(4,488,196)	
<b>Insurance revenue</b>		<b>12,581,322</b>	
Insurance service expenses	9(a)	(11,119,692)	
Net expenses from reinsurance contracts	6(c)	(1,353,170)	
<b>Insurance service result</b>		<b>108,460</b>	
Interest revenue calculated using the effective interest method	7(a)	4,542,384	
Impairment gain/(loss) on financial assets	10	143,287	
Share of results of associate	17	816,498	
Fair value gains on revaluation of investment properties	16	305,824	
Other investment income	7(b)	1,035,560	
Net foreign exchange (loss)		(247,651)	
<b>Net investment income</b>		<b>6,704,362</b>	
Finance (expenses) from insurance contracts	9(b)	(252,042)	
Finance income/(expenses) from reinsurance contracts	9(c)	29,823	
<b>Net insurance finance (expenses)</b>		<b>(222,219)</b>	
<b>Net insurance and investment result</b>		<b>6,482,143</b>	
Other income	8	136,550	
Operating and other expenses	10	(1,793,498)	
<b>Profit before income tax</b>		<b>4,825,195</b>	
Income tax expense	11	(901,602)	
<b>Profit for the year</b>		<b>3,923,593</b>	
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gains on revaluation of quoted equity instruments classified as FVTOCI	22	669,524	
Net gains on revaluation of unquoted equity instruments	21	122,131	
Share of movement in associate reserves:			
– fair value reserve	17	269,209	
Share of gain on property revaluation of associate	17	993	
Remeasurement gain/losses on defined benefit plans, net of tax	30	37,749	
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains on revaluation of held at FVTOCI government securities	24	63,973	
Foreign exchange differences on translation of foreign operations	14	436,930	
Share of movement in associate reserves:			
– currency translation	17	157,655	
<b>Total other comprehensive income/(loss)</b>		<b>1,758,164</b>	
<b>Total comprehensive income</b>		<b>5,681,757</b>	
<b>Earnings per share - basic and diluted</b>	12	<b>0.70</b>	

**MEMBER STATES**

**20**

- Angola
- Burundi
- Cameroon
- Democratic Republic of Congo
- Djibouti
- Eritrea
- Ethiopia
- Kenya
- Lesotho
- Madagascar
- Malawi
- Mauritius
- Mozambique
- Rwanda
- Somalia
- Sudan
- Tanzania
- Uganda
- Zambia
- Zimbabwe

**ZEP-RE**  
(PTA Reinsurance Company)

**RATINGS**

**AM BEST**  
FSR: B++ | ICR: bbb+  
\*Very Strong Balance Sheet\*  
Outlook: Stable

**GCR**  
AAA (IG)  
\*Strong Financial Profile\*

**Profit for the Year (US\$'000)**

Y-o-y growth: 32.8% | 5-year CAGR: 11.1%

Nationality	Shareholders	Shares held	% Shareholding
Local Institutional Investors	5,254	4,330,285,020	77.33%
Local Individual Investors	98,564	1,167,295,274	20.85%
Foreign Investors	440	102,012,250	1.82%
<b>Total</b>	<b>104,258</b>	<b>5,599,592,544</b>	<b>100%</b>

**\*\*\*P/E Rerating generally occurs when the market changes the valuation multiple (the "Price") it is willing to pay for a company's earnings (the "E"). It signifies a shift in investor sentiment rather than just a change in profits. If a stock price rises while its earnings stay the same, it is being rerated upward (expanded); if the price falls while earnings remain stable, it is being derated (compressed).** A Price Earnings Ratio Conundrum is a Market Capitalization Deficiency Conundrum. NSE Market Cap vs GDP Kenya trends, and the current very low metric is observed. Other countries' high, very high, Market Cap vs GDP have been observed. Change in Sentiment on Kenya Re is required: "Investor sentiment acts as the primary catalyst for stock rerating by altering how the market values a company's underlying earnings, shifting valuation multiples without requiring an immediate change in current financial data". What would trigger this shift?

Kenyan Investors have shown great keenness on other markets. Foreign Institutional Investors Participation Rate at the NSE-Kenya is one key metric, and they are one source of the shift above, but the security may be required to meet their minimum Average Traded Value Ratio, which for some may include ties to MSCI Frontier Markets or Liquidity Levels & Free Float. It is encouraged that publicly listed companies reveal these ratios. Stakeholders continue to work to introduce higher African Retail Investors Participation Rate<sup>^^</sup>, African Diaspora Investors Participation Rate<sup>^^</sup> on exchanges. African Institutional Investors Participation Rate<sup>^^</sup> is another key source and may also require the security to meet a minimum Average Traded Value Ratio as entry and exit becomes a key consideration on top of Exchange Rate Movement.

*\*using 5.599 billion shares at Kshs 3.31; <https://www.kenyare.com/ke/investor-relations/>; <https://zep-re.com/>; all sources are subject to individual disclaimers; <sup>^</sup>unsolicited; previous Notes refer;*

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