

# Toa Re Europe

## 2024 Results and 2025 Forecast

The main economy in focus of Toa Re Europe is the European Union which has recorded an increase in GDP of 1.0% for the 2024 year. The EU economy is expected to see a slightly higher, however still quite modest growth in 2025 with forecast now at ca. 1.1% according to the spring economic forecast prepared by the European Commission. The outlook includes the impact of increased tariffs and the heightened uncertainty caused by the recent abrupt changes in US trade policy and the unpredictability of the tariffs' final configuration.

The volume of government consumption expanded vigorously and provided a larger-than-expected contribution to EU growth, mainly through employment growth in the government sector. Growth in private consumption also exceeded expectations towards the end of the year, driven by solid increases in disposable income as the economy added over 1.7 million jobs, and nominal wages recovered the purchasing power lost to surging inflation. Despite a minor rise in the saving rate (from a still high level), consumption expanded by 1.3%.

After averaging 2.4% in 2024, headline inflation in the euro area is expected to decrease to an average of 2.1% in 2025. Underlying price pressures remain somewhat sustained but broadly consistent with the headline target.

As disinflationary pressures intensify, markets anticipate a marginally looser monetary policy over the forecast horizon. Based on market pricing, policy rates are expected to reach the lower end of the 1.75%-2.25% range that the ECB considers neutral.

In 2024, the European property and casualty (P&C) insurance market demonstrated robust performance, marked by premium growth and improved underwriting profitability. European P&C insurance premiums experienced an annual growth rate of approximately 4.2% in 2024, reflecting increased demand for insurance coverage and favorable market conditions. The market's underwriting profitability improved, with combined ratios falling below 100% in most European jurisdictions, indicating underwriting gains despite rising claims costs.

Following from a stable 2024, recent renewal has seen further differentiation amongst lines of business and territories. Generally, loss free territories seen some softening with catastrophe placement being most affected at -5-10% risk adjusted (after exposure change) with terms and conditions remaining broadly unchanged.

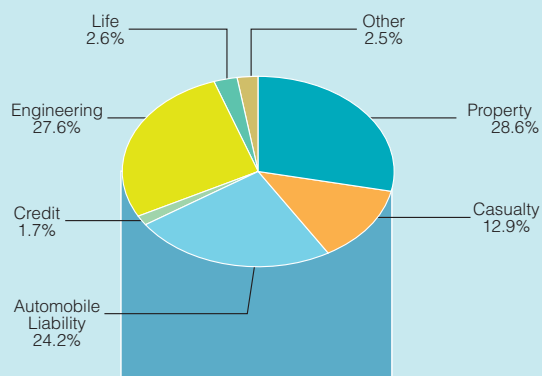
Capacity levels were very healthy which allowed for very orderly renewal. Demand continued to increase slightly with inflation working its way through the insurance sector.

Toa Re Europe's 2024 gross premiums written increased by 12.6% from 2023 as the market remained stable overall. Total gross written premium amounted to 265.4 million CHF of which third party business was 264.8 million CHF and internal group related business was 0.6 million CHF. Toa Re Europe had a GAAP Net Earned combined ratio of 93.3% for 2024, which shows a continuation of the improvement from previous year. GAAP after-tax net income was 17.6 million CHF for 2024. For the year, the market value of Toa Re Europe's cash and invested assets increased by 99.4 million CHF. Toa Re Europe's invested assets recorded an overall gross return of 1.4% for 2024. Shareholders' equity increased by 24.5 million CHF (6.7%) to 390.3 million CHF during 2024 mainly driven by the positive technical and investment results for the financial year 2024.

The Toa 21st Century (TTFC) is a fully owned subsidiary of The Toa Reinsurance Company Ltd. (Toa Re). It provides reinsurance protection for all lines of business to its parent company and since 2018 also to third party clients with a primary focus on the EMEA region and global specialties (e.g. engineering) as approved by the TTFC board and allowed by TTFC's insurance license. TTFC's current strategic objective is to optimise value to the group and clients by writing life and non-life third party business in the EMEA region and selected specialty business with worldwide focus. The business unit providing reinsurance to third party is labelled and marketed as Toa Re Europe (TRE).

Toa Re Europe's forecast for 2025 anticipates that gross EPI of third party business will continue increasing modestly according to the business plan. Underwriting is expected to be profitable due to the prudent risk assessment. The Toa Re Europe team will continue to build the franchise in the EMEA region and expand its business and client base.

## Gross Premiums by Class



## Financial Highlights

	U.S. GAAP Thousands of CHF		
Years ended 31st December	2024	2023	Percentage Change
<b>Summary of Operations</b>			
Gross Premiums Written	265,367	235,661	12.6%
Net Premiums Written	246,026	214,715	14.6%
Pre-Tax Net Income (Loss)	26,927	9,571	181.3%
After-Tax Net Income (Loss)	17,655	2,583	583.5%
<b>Balance Sheets</b>			
Total Assets	1,086,508	977,519	11.1%
Total Liabilities	696,171	611,697	13.8%
Total Stockholders' Equity	390,337	365,822	6.7%
<b>Cash Flows</b>			
Net Cash from Operations	83,374	66,830	24.8%