Toa Re America

2025 Results and 2026 Forecast

The U.S. economic outlook remains clouded with ongoing conflict in the Middle East and related impacts on inflation. Real GDP increased at an annualized rate of 1.6% during the first quarter of 2026; real GDP increased 0.5% in the fourth quarter of 2025. The U.S. unemployment rate remained unchanged in May 2026, holding steady at 4.3% (compared to April), while the underemployment rate was 7.7% in May 2026. As of May 2026, the Consumer Price Index (for all items including food and energy) increased 4.2% over the last twelve months, driven by a 23.5% increase in the energy index.

A.M. Best estimates that net investment income for the U.S. property and casualty industry increased 9% in 2025, while net realized capital gains declined 72% in 2025. A.M. Best notes that the U.S. property and casualty industry posted a $60.9 billion net underwriting gain in 2025, almost tripling the $22.1 billion posted in 2024. Growth of 6% in net earned premiums and reduced incurred losses and loss adjustment expenses contributed to increased underwriting gains, due in part to lower catastrophe losses. The P/C industry's estimated combined ratio for 2025 improved to 92.2%, 3.7 points better than the 2024 combined ratio of 95.9%. Overall, in 2025 U.S. property and casualty industry net income declined 10% from 2024 to $150.9 billion, primarily driven by reduced realized capital gains.

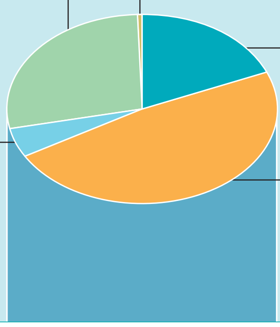
North America non-life reinsurance renewal rate activity, which had strengthened for several years through mid-year 2023, has returned to a more predictable market driven by supply and demand dynamics. The January 2026 renewal season saw a mix of trends, with property catastrophe rates softening due to increased capacity and strong reinsurer earnings, while casualty and specialty lines saw more stable or slightly increased pricing. Standard & Poor's maintained its stable outlook for the global reinsurance industry, with expectations that reinsurers will continue to earn their cost of capital in 2026. A.M. Best revised its positive outlook to stable for the global reinsurance industry, expecting continued market pressure on property pricing for reinsurers over the next year, partially offset by underwriting discipline.

Toa Re America's 2025 gross premiums written increased 0.5% from 2024. Toa Re America developed a GAAP combined ratio of 102.3% for 2025. Non catastrophe loss development from accident years 2024 and prior contributed 6.2 points to the combined ratio. Property catastrophe losses contributed 0.5 point to the combined ratio. U.S. GAAP comprehensive income was $87.5 million (driven by both net income and other comprehensive income) and net cash flow from operations was an outflow of $46.1 million during 2025. For the year, the market value of Toa Re America's cash and invested assets increased by $12.0 million or 0.7%. Toa Re America's bond portfolio (84.2% of cash and invested assets) had an overall gross return of 7.5% for 2025. Shareholders' equity increased 16.0% to $631.3 million during 2025.

Toa Re America seeks to write a diversified and well balanced portfolio of reinsurance risks in the North American marketplace for P&C business, and worldwide for agricultural reinsurance. Toa Re America evaluates diversification by customer type, product line, peril, and geography. Toa Re America pursues a balanced relationship between classes of business underwritten and premium to limits exposed. Central to Toa Re America's approach is a well-defined underwriting philosophy based on risk selection, exposure evaluation, limit management, and pricing. Through our efforts, Toa Re America endeavors to access business opportunities at the correct exposure adjusted price for risk transfer. Toa Re America's desired portfolio consists of clients who understand and appreciate that reinsurance transactions must represent a fair trade for both parties.

While it is our intention to be a market of choice, Toa Re America will not put continuity of offer ahead of profitability. Toa Re America must generate acceptable returns to honor the commitments made to all of our stakeholders. Toa Re America will consistently apply a set of objective standards to business under consideration to make certain it conforms to our profitability targets while seeking to minimize our exposure to natural catastrophe perils, through all available means.

Gross Premiums by Class



Financial Highlights

U.S. GAAP
Thousands of U.S. dollars

Years ended 31st December	2025	2024	Percentage Change
Summary of Operations			
Gross Premiums Written	$ 520,402	$ 517,771	0.5%
Net Premiums Written	390,110	381,825	2.1
Pre-Tax Net Income (Loss)	51,629	27,833	85.4
After-Tax Net Income (Loss)	42,628	17,892	138.2
Balance Sheets			
Total Assets	2,321,952	2,266,226	2.4
Total Liabilities	1,690,630	1,722,408	(1.8)
Total Stockholders' Equity	631,321	543,818	16.0
Cash Flows			
Net Cash from Operations	(46,062)	(97,102)	(52.5)