Toa Re Europe

2025 Results and 2026 Forecast

The main economy in focus of Toa Re Europe is the European Union which has recorded an increase in GDP of 1.5% for the 2025 year. The EU economy is expected to see a slightly higher, however still quite modest growth in 2026 with forecast now at ca. 1.5% according to the spring economic forecast prepared by the European Commission. Elevated uncertainty from global trade tensions and climate-related disasters pose downside risks to growth. However, easing EU-US trade tensions, expanding trade, higher defence spending, and reforms to boost competitiveness could support the growth and resilience of the EU economy. Government and household consumption continued to support activity, although momentum moderated. In Q4 2025, household final consumption expenditure increased by 0.5% in the EU, while government final consumption expenditure rose by 0.6%. The labour market remained resilient: employment increased by 0.5% in the EU in 2025, after 0.8% in 2024. The Commission's Autumn 2025 forecast continued to expect private consumption growth of around 1.5%, supported by a resilient labour market, improving purchasing power and a mild decline in saving.
After averaging 2.1% in 2025, headline inflation in the euro area is expected to increase to an average of 2.6% in 2026. The disinflation narrative has become less straightforward in 2026 mainly due to a sharp rise in energy inflation. Against this backdrop, monetary policy is no longer best described as moving toward a looser stance. At its 30 April 2026 meeting, the ECB kept its key rates unchanged, with the deposit facility rate at 2.00%. The deposit rate therefore remains within the previously cited neutral range of roughly 1.75%–2.25%, but the near-term inflation rebound has made the policy outlook more cautious.

In 2025, the European property and casualty (P&C) insurance market continued to perform solidly, supported by further premium growth, resilient demand for protection and generally profitable underwriting conditions. European P&C insurance premiums experienced an annual growth rate of approximately 2.7% in 2025, reflecting continuous demand for insurance coverage and favorable market conditions. The market's underwriting profitability remains stable, with combined ratios below 100% in most European jurisdictions, indicating underwriting gains despite rising claims costs. The ongoing trade policy uncertainty, persistent supply chain disruptions and labor shortages will put pressure on margins going forward.

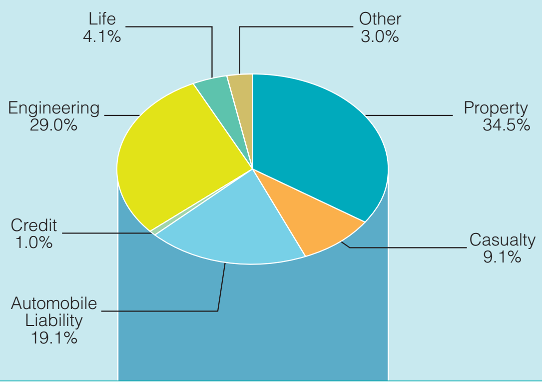
Following from a very good performance and lack of major events in 2025, recent renewal has seen price pressures across all business with differentiation in terms of magnitude amongst lines of business and territories. Generally, softening with catastrophe placement being most affected at -10-15% risk adjusted (after exposure change) with terms and conditions remaining broadly unchanged. Capacity levels were very healthy which allowed for very orderly renewal, but also put quite some pressure on maintaining the signed line sizes. Demand continued to increase slightly with inflation still being present.

Toa Re Europe's 2025 gross premiums written decreased by 6.4% from 2024 as the market showed early signs of softening. Total gross written premium amounted to 248.2 million CHF of which third party business was 247.9 million CHF and internal group related business was 0.3 million CHF. Toa Re Europe had a GAAP Net Earned combined ratio of 90.9% for 2025, which shows a continuation of the improvement from previous year. GAAP after-tax net income was 25.6 million CHF for 2025. For the year, the market value of Toa Re Europe's cash and invested assets increased by 124.5 million CHF.
Toa Re Europe's invested assets recorded an overall gross return of 2.0% for 2025. Shareholders' equity increased by 28.7 million CHF (7.4%) to 419.0 million CHF during 2025 mainly driven by the positive technical and investment results for the financial year 2025.

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 objectives 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 2026 anticipates that gross EPI of third party business will stabilize with very modest growth expected 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	2025	2024	Percentage Change
Summary of Operations			
Gross Premiums Written	248,255	265,367	(6.4)%
Net Premiums Written	225,536	246,026	(8.3)
Pre-Tax Net Income (Loss)	31,107	26,927	15.5
After-Tax Net Income (Loss)	25,654	17,655	45.3
Balance Sheets			
Total Assets	1,212,804	1,086,508	11.6
Total Liabilities	793,759	696,171	14.0
Total Stockholders' Equity	419,045	390,337	7.4
Cash Flows			
Net Cash from Operations	140,801	83,374	68.9