Trisura Group Ltd.

Management's Discussion and Analysis

For the quarter ended September 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the results of operations and financial condition of Trisura Group Ltd. for the three and nine months ended September 30, 2024. This MD&A should be read in conjunction with our unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2024 and the audited Consolidated Financial Statements for the year ended December 31, 2023.

Unless the context indicates otherwise, references in this MD&A to the "Company" refer to Trisura Group Ltd. and references to "us", "we" or "our" refer to the Company and its subsidiaries and consolidated entities.

The Company's Condensed Interim Consolidated Financial Statements are in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In this MD&A, all references to "$" are to Canadian dollars unless otherwise specified or the context otherwise requires.

This MD&A is dated November 7, 2024. Additional information is available on SEDAR+ at www.sedarplus.ca.

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SECTION 1 – OVERVIEW

OUR BUSINESS

Our Company is a leading specialty insurance provider operating in the Surety, Warranty, Corporate Insurance, and Fronting business lines of the market. Our operating subsidiaries include Canadian and US specialty insurance companies. Our Canadian specialty insurance subsidiary started writing business in 2006 and has a strong underwriting track record over its 18 years of operation. Our US specialty insurance company has participated as a highly reinsured entity in the non-admitted markets since early 2018 and is licensed as an excess and surplus lines insurer in Oklahoma with the ability to write business across 50 states. Our US specialty insurance company can also write business on an admitted basis in 49 states. We continue the process of applying for licenses in the remaining state.

Our Company has an experienced management team, strong partnerships with brokers, program administrators and reinsurers, and a specialized underwriting focus. We plan to grow by building our business in the US and Canada, both organically and through strategic acquisitions. We believe our Company can capitalize on favourable market conditions through our multi-line and multi-jurisdictional platform.

Effective Q2 2024, we have refined the naming convention used for our operating segments. What was previously referred to as Trisura Canada has been renamed Trisura Specialty and includes US generated business in the Surety and Corporate Insurance lines. Trisura US has been renamed Trisura US Programs, acknowledging the range of structures in the segment. There have been no changes to what is operationally reflected in the two segments.

SECTION 2 – FINANCIAL HIGHLIGHTS IN Q3 2024

- ✓ Insurance revenue of $807.6 million, increased by 10.5% compared to Q3 2023, demonstrating continued momentum across the organization.
- ✓ Net income of $36.1 million was greater than Q3 2023 as Q3 2023 included certain costs associated with a run-off program. Operating net income[(1)] of $33.2 million increased 4.7% over Q3 2023, despite particularly strong Loss ratios in Trisura Specialty in 2023, as a result of growth in the business, growing earnings from US Programs and higher Net investment income (loss).
- ✓ EPS of $0.74 in the quarter was greater than Q3 2023 as a result of costs in 2023 associated with a run-off program. Operating EPS[(2)] of $0.68 in the quarter increased by 1.5% demonstrating the strength of core operations[(3)] through continued growth and profitability, despite a particularly strong comparative period.
- ✓ ROE[(4)] was 16.7% as at Q3 2024 demonstrating a return to our mid-teens target despite the impact of a run-off program in 2023. Operating ROE[(2)] of 18.6% was lower than Q3 2023, as a result of a higher Loss ratio at Trisura Specialty, as well as higher Shareholders' equity as a result of unrealized gains on the investment portfolio in 2024.
- ✓ BVPS[(4)] of $15.64 increased by 24.3% over Q3 2023, primarily the result of earnings in the operations of Trisura Specialty and US Programs, and unrealized gains.
- ✓ Trisura Specialty:
  - Insurance revenue growth of 18.4% in the quarter reflects increased market share, expansion of distribution and fronting relationships, and growth of US Surety which showed significant growth in the quarter with GPW[(1)] of $36.5 million.
  - Combined ratio[(2)] of 85.6% was strong, but higher than Q3 2023 as a result of a higher Loss ratio, which was exceptionally low in Q3 2023, as well as a higher Expense ratio, which was the result of a shift in business mix towards fronting, which has higher variable expenses.
  - Net income of $25.1 million drove a 26.5% ROE. Operating net income of $21.7 million increased 2.7% over Q3 2023 and resulted in a 24.9% Operating ROE, a reduction from recent levels partially driven by a larger equity base.
- ✓ Trisura US Programs:
  - Insurance revenue of $546.0 million in the quarter grew by 7.1% over Q3 2023, as a result of favourable market conditions, and maturation of existing programs.
  - Fee income[(1)] in the quarter of $23.5 million reflects a larger premium base and a 13.0% increase over Q3 2023.
  - Net income of $12.5 million was greater than Q3 2023 as net income in Q3 2023 was impacted by costs associated with a run-off program. Operating net income of $12.7 million increased 11.6% as a result of growth in the business and drove a 15.0% Operating ROE.
- ✓ Net investment income (loss) growth of 20.4% in the quarter was driven by higher yields and a larger portfolio.
- ✓ In the quarter, Trisura continued the process of expanding its licensing and rate filing for US Corporate Insurance and US Surety for our new Treasury Listed entity.

(1) These are non-IFRS financial measures. Non-IFRS financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Company to which the measure relates and might not be comparable to similar financial measures disclosed by other companies. See Section 10 – Accounting and Disclosure Matters for details and an explanation of how it provides useful information to an investor.
(2) These are non-IFRS ratios. Non-IFRS ratios are not standardized under the financial reporting framework used to prepare the financial statements of the Company to which the ratio relates and might not be comparable to similar ratios disclosed by other companies. See non-IFRS ratios in Section 10 – Accounting and Disclosure Matters for details on composition, as well as each non-IFRS financial measure used as a component of the ratio, and an explanation of how it provides useful information to an investor.
(3) See Section 10 – Accounting and Disclosure Matters, definition of Operating Net Income, for further explanation of "core operations".
(4) These are supplementary financial measures. Refer to Section 10 – Accounting and Disclosure Matters for its composition.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SECTION 3 – FINANCIAL PERFORMANCE REVIEW

INCOME STATEMENT ANALYSIS

Table 3.1

	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	807,645	730,714	76,931	10.5%	2,324,160	2,034,234	289,926	14.3%
Insurance service expenses	(702,514)	(562,419)	(140,095)	24.9%	(1,866,111)	(1,630,079)	(236,032)	14.5%
Net income (expense) from reinsurance contracts assets	(69,539)	(143,546)	74,007	(51.6%)	(355,604)	(322,979)	(32,625)	10.1%
Insurance service result	35,592	24,749	10,843	43.8%	102,445	81,176	21,269	26.2%
Operating insurance service result(1)	39,988	40,124	(136)	(0.3%)	113,771	104,613	9,158	8.8%
Net investment income (loss)	16,252	13,493	2,759	20.4%	49,907	35,463	14,444	40.7%
Net gains (losses)	11,379	(8,708)	20,087	nm	24,117	(17,790)	41,907	nm
Net credit impairment reversals (losses)	(324)	(258)	(66)	25.6%	(2,304)	(31)	(2,273)	nm
Total investment income (loss)	27,307	4,527	22,780	503.2%	71,720	17,642	54,078	306.5%
Finance income (expenses) from insurance contracts	(29,356)	(11,521)	(17,835)	1.5	(71,507)	(48,159)	(23,348)	48.5%
Finance income (expenses) from reinsurance contracts	25,130	10,623	14,507	136.6%	61,824	42,248	19,576	46.3%
Net insurance finance income (expenses)	(4,226)	(898)	(3,328)	370.6%	(9,683)	(5,911)	(3,772)	63.8%
Net financial result	23,081	3,629	19,452	536.0%	62,037	11,731	50,306	428.8%
Net insurance and financial result	58,673	28,378	30,295	106.8%	164,482	92,907	71,575	77.0%
Other income	816	847	(31)	(3.7%)	6,998	6,927	71	1.0%
Other operating expenses	(11,056)	(7,094)	(3,962)	55.9%	(36,128)	(22,601)	(13,527)	59.9%
Other finance costs	(998)	(643)	(355)	55.2%	(2,323)	(1,844)	(479)	26.0%
Income before income taxes	47,435	21,488	25,947	120.8%	133,029	75,389	57,640	76.5%
Income tax expense	(11,347)	(6,650)	(4,697)	70.6%	(33,367)	(19,768)	(13,599)	68.8%
Net income	36,088	14,838	21,250	143.2%	99,662	55,621	44,041	79.2%
Operating net income(2)	33,228	31,725	1,503	4.7%	97,668	84,327	13,341	15.8%
Earnings per common share - diluted - in dollars	0.74	0.31	0.43	138.7%	2.05	1.18	0.87	73.7%
Operating earnings per common share - diluted - in dollars	0.68	0.67	0.01	1.5%	2.01	1.80	0.21	11.7%
Book value per share – in dollars	15.64	12.58	3.06	24.3%	15.64	12.58	3.06	24.3%
Debt-to-capital ratio(3)	11.6%	11.1%	n/a	0.5pts	11.6%	11.1%	n/a	0.5pts
ROE	16.7%	2.8%	n/a	13.9pts	16.7%	2.8%	n/a	13.9pts
Operating ROE(4)	18.6%	20.2%	n/a	(1.6pts)	18.6%	20.2%	n/a	(1.6pts)

(1) *This is a non-IFRS financial measure. See Table 10.5 in Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.*
(2) *This is a non-IFRS financial measure. See Table 10.2 in Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.*
(3) *This is a supplementary financial measure. See Section 10 – Accounting and Disclosure Matters for its composition.*
(4) *This is a non-IFRS ratio. See Table 10.18 in Section 10 – Accounting and Disclosure Matters for details on composition, as well as each non-IFRS financial measure used as a component of this ratio, and an explanation of how it provides useful information to an investor.*

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

INCOME STATEMENT ANALYSIS (CONTINUED)

Refer to Section 10 – Accounting and Disclosure Matters for details regarding the composition of the line items presented below.

<table>
<tr><th></th><th>Q3 2024 vs Q3 2023</th><th>Q3 2024 YTD vs Q3 2023 YTD</th></tr>
<tr><td>Insurance revenue</td><td colspan="2">• Insurance revenue increased in the quarter and YTD period as a result of growth led by expansion of Fronting and Surety, supported by Warranty.</td></tr>
<tr><td>Insurance service expenses</td><td colspan="2">• Insurance service expenses increased in the quarter and YTD period as a result of growth in the business, as commissions and claims expense grew accordingly.</td></tr>
<tr><td>Net income (expense) from reinsurance contracts assets</td><td>• Net income (expense) from reinsurance contracts assets decreased in the quarter as a result of higher claims recoveries in the period.</td><td>• Net income (expense) from reinsurance contract assets increased for the YTD period as a result of growth in the business, and in particular from US Programs.</td></tr>
<tr><td>Insurance service result</td><td colspan="2">• Insurance service result increased in the quarter and YTD period as a result of run-off costs incurred in 2023, as well as growth in the business.</td></tr>
<tr><td>Operating insurance service result</td><td>• Operating insurance service result was slightly lower than the prior year as a result of a lower Loss ratio at Trisura Specialty in 2023, which was an exceptionally strong quarter.</td><td>• Operating insurance service result increased as a result of growth in the business, in both Canada and the US.</td></tr>
<tr><td>Net investment income (loss), Net gains (losses), and Net credit impairment reversals (losses)</td><td colspan="2">• See Section 4 – Investment Performance Review.</td></tr>
<tr><td rowspan="2">Finance income (expenses) from insurance contracts</td><td colspan="2">• Finance income (expenses) from insurance contracts was an expense in the quarter and YTD period, reflecting the unwinding of discounted claims compounded by a downward shift in yield curves in the quarter, which impacted the rates at which claims were discounted.</td></tr>
<tr><td>• Finance income (expenses) from insurance contracts was greater than Q3 2023, as a result of upward movement in yield curves in Q3 2023, which offset the discount unwind.</td><td>• Finance income (expenses) from insurance contracts for the YTD period was greater than the prior year as a result of growth in insurance contract liabilities, as well as an upward shift in yield curves in 2023, which offset a component of the discount unwind in 2023.</td></tr>
<tr><td rowspan="2">Finance income (expenses) from reinsurance contracts</td><td colspan="2">• Finance income (expenses) from reinsurance contracts was a recovery in the quarter and YTD period, reflecting the unwinding of discounted ceded claims, compounded by a downward shift in yield curves in the quarter, which impacted the rates at which ceded claims were discounted.</td></tr>
<tr><td>• Finance income (expenses) from reinsurance contracts was greater than Q3 2023, as there was an upward movement in yield curves in that quarter which offset the discount unwind.</td><td>• Finance income (expenses) from reinsurance contracts for the YTD period was greater than the prior year reflecting growth in reinsurance contract assets, as well as an upward movement in the yield curve in 2023, which offset the discount unwind.</td></tr>
<tr><td>Net insurance and financial result</td><td colspan="2">• Net insurance and financial result increased in the quarter and YTD period as a result of growth in the business, higher Net gains (losses) and higher Net investment income (loss), and greater profitability from US Programs.</td></tr>
<tr><td>Other income</td><td colspan="2">• Other income consists of fees for surety services.
• Other income was stable in the quarter and YTD periods, reflecting a similar amount of fee generating activity over the periods. Q1 is the most significant quarter for surety fee income.</td></tr>
</table>

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

INCOME STATEMENT ANALYSIS (CONTINUED)

	Q3 2024 vs Q3 2023 / Q3 2024 YTD vs Q3 2023 YTD
Other operating expenses	• **Other operating expenses** increased in the quarter and YTD period as a result of growth in the business. • **Other operating expenses** for the quarter and YTD period grew as a result of growth in the business, as well as the impact of movement in the value of SBC. The growth in Other operating expenses in the quarter and YTD period was impacted by SBC, as the change in value of our share price led to an increase in the value of certain outstanding options and other forms of SBC. Other operating expenses excluding SBC(1) increased 10.9% in the quarter and 21.8% YTD reflective primarily of growth in the Canadian and US operations. • The movement in SBC was mitigated through a program using derivatives, the movement of which is presented in Net gains (losses). The impact of Corporate and other costs, net of mitigation is shown in Section 3 – Financial Performance Review, Corporate and Other.
Other finance costs	• Debt servicing costs were greater in Q3 and YTD 2024 than the prior year as a result of a higher amount of debt outstanding.
Income tax expense	• **Income tax expense** was greater in the quarter and YTD period compared to 2023 as a result of higher Net income before taxes. • For additional information, see Note 17 of the Condensed Interim Consolidated Financial Statements.
Net income	• **Net income** was greater in the quarter and YTD period as a result of growth in the business, higher Net gains (losses), and higher Net investment income (loss), and greater profitability from US Programs.
Operating net income	• **Operating net income** increased in the quarter and YTD period as a result of growth in Trisura Specialty and US Programs, and growth in Net investment income (loss).
EPS	• **EPS** of $0.74 in the quarter and $2.05 for the YTD period was greater than the prior year as a result of growth in the business, higher Net gains (losses), higher Net investment income (loss), and improved profitability at Trisura US Programs, offset by higher shares outstanding.
Operating EPS	• **Operating EPS** is meant to reflect EPS, adjusted for certain items to normalize earnings in order to reflect our specialty core operations. A detailed reconciliation between EPS and Operating EPS is included in Section 10 – Accounting and Disclosure Matters, under Non-IFRS ratios. • **Operating EPS** grew in the quarter and YTD period, primarily due to growth in the business in both Trisura Specialty and the Trisura US Programs, and higher Net investment income (loss), despite a particularly strong comparative period, and offset by higher shares outstanding.
BVPS	• **BVPS** increased by 24.3% over Q3 2023 primarily as a result of strong earnings in the Trisura Specialty operations, higher Net investment income (loss), and unrealized gains on the investment portfolio.
Debt-to-capital ratio	• The Company's Q3 2024 D**ebt-to-capital ratio** was higher than Q3 2023 due to additional funds drawn from the revolving credit facility, partially offset by the increase to Shareholders' equity from positive net income and unrealized gains on the investment portfolio. • The **Debt-to-capital ratio** was below the Company's long-term target of 20.0%.
ROE	• **ROE** increased compared to the prior year primarily due to improved profitability in the Trisura US Programs.
Operating ROE	• **Operating ROE** was lower than Q3 2023, as strong profitability from core operations continued, but was partially offset by higher Shareholders' equity generated from unrealized gains.

(1) Other operating expenses excluding SBC is a non-IFRS financial measure, see Table 10.1 in Section 10 – Accounting and Disclosure Matters for details on composition.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SPECIALTY P&C

Our Specialty P&C business consists of Surety, written in Canada and the US, as well as Warranty, Canadian Fronting and Corporate Insurance which we primarily write in Canada. Together these lines are referred to as Trisura Specialty. Our Specialty P&C business also consists of a broad range of admitted and surplus lines in the US written through a fronting model, referred to as the Trisura US Programs.

The table below provides a split of our Specialty P&C Insurance revenue for Q3 2024.

Table 3.2

Insurance revenue	Q3 2024	Q3 2023	% growth over prior year	Q3 2024 YTD	Q3 2023 YTD	% growth over prior year
Surety	52,113	43,745	19.1%	128,278	106,028	21.0%
Warranty	31,806	27,726	14.7%	90,848	80,801	12.4%
Canadian Fronting	133,151	105,371	26.4%	372,855	287,333	29.8%
Corporate Insurance	44,613	44,223	0.9%	130,060	123,264	5.5%
US Programs	545,962	509,649	7.1%	1,602,119	1,436,808	11.5%
Total Insurance revenue	807,645	730,714	10.5%	2,324,160	2,034,234	14.3%

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA SPECIALTY

The table below presents financial highlights for our Trisura Specialty operations.

Table 3.3

	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	261,683	221,065	40,618	18.4%	722,041	597,426	124,615	20.9%
Insurance service expenses	(198,864)	(112,907)	(85,957)	76.1%	(521,406)	(368,673)	(152,733)	41.4%
Net income (expense) from reinsurance contracts assets	(36,880)	(77,388)	40,508	(52.3%)	(136,727)	(159,498)	22,771	(14.3%)
Insurance service result	25,939	30,770	(4,831)	(15.7%)	63,908	69,255	(5,347)	(7.7%)
Operating Insurance service result(1)	25,097	26,174	(1,077)	(4.1%)	65,601	64,659	942	1.5%
Other income(2)	816	847	(31)	(3.7%)	6,998	6,927	71	1.0%
Net income	25,142	22,031	3,111	14.1%	64,209	52,073	12,136	23.3%
Operating net income(3)	21,687	21,123	564	2.7%	60,495	53,888	6,607	12.3%
Loss ratio	18.9%	10.4%		8.5pts	18.1%	14.4%		3.7pts
Expense ratio	66.7%	64.6%		2.1pts	67.7%	64.9%		2.8pts
Combined ratio(4)	85.6%	75.0%		10.6pts	85.8%	79.3%		6.5pts
Operating combined ratio(4)	85.2%	79.0%		6.2pts	85.1%	80.9%		4.2pts
ROE	26.5%	28.8%		(2.3pts)	26.5%	28.8%		(2.3pts)
Operating ROE(5)	24.9%	29.7%		(4.8pts)	24.9%	29.7%		(4.8pts)

(1) *This is a non-IFRS financial measure. See Table 10.6 in Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.*
(2) *Other income, refers to fees for surety services.*
(3) *This is a non-IFRS financial measure. See Table 10.3 in Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.*
(4) *This is a non-IFRS ratio. See Section 10 – Accounting and Disclosure Matters, Table 10.21, and Other Financial Measures for details on its composition, as well as each non-IFRS financial measure used as a component of this ratio, and an explanation of how it provides useful information to an investor.*
(5) *This is a non-IFRS ratio. See Table 10.19 in Section 10 – Accounting and Disclosure Matters for details on composition, as well as each non-IFRS financial measure used as a component of this ratio, and an explanation of how it provides useful information to an investor.*

TRISURA SPECIALTY (CONTINUED)

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Insurance revenue	• **Insurance revenue** growth continued across all lines in the quarter and YTD periods, led by Surety and Canadian Fronting.	
Insurance service expenses	• **Insurance service expenses** was higher for the quarter and YTD periods than the prior year, as a result of growth in the business, as well as a higher Loss ratio.	
Net income (expense) from reinsurance contracts assets	• **Net income (expense) from reinsurance contracts assets** decreased for the quarter and YTD period as claims recoveries increased in the periods.	
Insurance service result	• **Insurance service result** decreased for the quarter and YTD period as a result of higher Loss ratios, certain non-recurring revenue items in 2023, the impact of non-recurring costs in 2024, as well as higher US Corporate Insurance start up costs.	
Operating insurance service result	• **Operating insurance service result** was lower than the prior year for the quarter as a result of a higher Loss ratio and higher US Corporate Insurance start up costs.	• **Operating insurance service result** was greater than the prior year for the YTD period as a result of growth in the business, offset by a higher Loss ratio and higher US Corporate Insurance start-up costs.
Other income	• **Other income**, which reflects fees for surety services, was approximately the same as the prior year which reflects a similar level of fee-generating activity for the quarter and YTD periods.	
Net income	• **Net income** grew in the quarter and YTD period as a result of growth in the business, higher Net investment income (loss), and higher Net gains (losses).	
Operating net income	• **Operating net income** removes the impact of Net gains (losses) on the investment portfolio, which includes unrealized gains or losses, as well as the impact of non-recurring surety revenue, as well as other one-time items, and the impact of yield curve movement on claims. • **Operating net income** grew for the quarter and YTD period as a result of growth in the business, strong underwriting and higher Net investment income (loss), despite a strong comparative period. Revenue generation combined with disciplined underwriting demonstrated the benefit of our specialty focus and the ability of our platform to perform through volatile markets.	
Loss ratio	• The **Loss ratio** increased in the quarter and YTD period as a result of higher Loss ratios in Surety and Corporate Insurance, compared to unusually low levels in Q3 2023.	
Expense ratio	• The **Expense ratio** in the quarter and YTD period was greater than the prior year as a result of start-up costs associated with US Corporate Insurance, a shift in the business mix towards fronting, which has a higher Expense ratio, as well as certain non-recurring revenues generated in Q3 2023.	
Combined ratio	• The **Combined ratio** was greater than the prior year quarter and YTD period as a result of a higher Loss ratio in Surety and Corporate Insurance, a higher Expense ratio, as a result of a shift in the business mix towards Fronting, which has a higher Expense ratio, start-up costs associated with US Corporate Insurance, and certain non-recurring revenues in 2023.	
Operating combined ratio	• The **Operating combined ratio** was greater than the prior year for the quarter and YTD period as a result of a higher Loss ratio in Surety and Corporate Insurance, start-up costs associated with US Corporate Insurance, and a shift in the business mix with a greater proportion of business generated from Fronting, which has a higher Expense ratio.	

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA SPECIALTY (CONTINUED)

Surety

The main products offered by our Surety business line are:

- ✓ Contract surety bonds, such as performance and labour and material payment bonds, primarily for the construction industry;
- ✓ Commercial surety bonds, such as license and permit, tax and excise, and fiduciary bonds, which are issued on behalf of commercial enterprises and professionals to governments, regulatory bodies or courts to guarantee compliance with legal or fiduciary obligations;
- ✓ Developer surety bonds, comprising mainly bonds to secure real estate developers' legislated deposit and warranty obligations on residential projects; and
- ✓ New home warranty insurance for residential homes.

Table 3.4

	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	52,113	43,745	8,368	19.1%	128,278	106,028	22,250	21.0%
Insurance service expenses	(47,823)	(28,998)	(18,825)	64.9%	(104,552)	(77,189)	(27,363)	35.4%
Net income (expense) from reinsurance contracts assets	7,072	(584)	7,656	nm	(655)	(3,585)	2,930	(81.7)%
Insurance service result	11,362	14,163	(2,801)	(19.8%)	23,071	25,254	(2,183)	(8.6%)
Loss ratio	19.8%	7.5%		12.3pts	17.7%	12.3%		5.4pts

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Insurance revenue	• **Insurance revenue** grew significantly in the quarter and YTD period driven by growth in our US Surety platform and contract surety in Canada which was positively impacted by increased construction values which impacts the amount of premium charged. In the quarter, premium from US Surety grew considerably to $36.5 million of GPW as a result of a new relationship. Although this relationship is expected to continue, premium generated through it is unlikely to repeat as strongly in each quarter.	
Insurance service expenses	• **Insurance service expenses** increased in the quarter and YTD period as a result of growth in commissions, claims, and operating expenses, which have increased alongside growth in Insurance revenue.	
Net income (expense) from reinsurance contracts assets	• **Net income (expense) from reinsurance contracts assets** was a recovery in the quarter, as a result of claims recoveries which exceeded reinsurance ceded.	• **Net income (expense) from reinsurance contracts assets** was lower than the prior year as a result of greater reinsurance recoveries in the period than in the prior year.
Insurance service result	• **Insurance service result** was lower than as the prior year for the quarter and YTD period as a result of certain one-time revenue items which were generated in Q3 2023. Without those items, Insurance service result would have been greater than the prior year as a result of growth in the business, as well as certain non-recurring commission adjustments which occurred in Q3 2024.	
Loss ratio	• The **Loss ratio** was higher for the quarter and YTD period compared to the prior year as a result of higher claims activity, though claims activity was unusually low in 2023.	

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA SPECIALTY (CONTINUED)

Warranty

Warranty includes specialty insurance contracts which are structured to meet the specific requirements of program administrators, managing general agents, captive insurance companies, and affinity groups. Our Warranty business line consists primarily of warranty programs in the automotive and consumer goods space. Warranty also sells products which serve as complementary products to our insurance policies.

Table 3.5

	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	31,806	27,726	4,080	14.7%	90,848	80,801	10,047	12.4%
Insurance service expenses	(26,422)	(24,234)	(2,188)	9.0%	(79,088)	(71,370)	(7,718)	10.8%
Net income (expense) from reinsurance contracts assets	(585)	(651)	66	(10.1%)	(735)	(1,525)	790	(51.8%)
Insurance service result	4,799	2,841	1,958	68.9%	11,025	7,906	3,119	39.5%

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Insurance revenue	• **Insurance revenue** increased in the quarter and YTD period compared to the prior year as a result of several programs which are continuing to mature. Premium generation growth slowed in the quarter as growth on certain programs moderated. • Certain Warranty programs have seen growth as a result of automobile sales increasing in the periods.	
Insurance service expenses	• **Insurance service expenses** increased for the quarter and YTD period as a result of an increase in commissions expense as a result of growth in the business. • In Q3 2023, there was higher claims activity, which contributed to a lower Insurance service result.	• For the YTD period, claims were greater than the prior year as a result of growth in the business.
Net income (expense) from reinsurance contracts assets	• **Net income (expense) from reinsurance contracts assets** was approximately the same as the prior year and reflects similar levels of reinsurance ceded on certain programs.	• On a YTD basis, **Net income (expense) from reinsurance contracts assets** is lower than the prior year as a result of certain claims recoveries in 2024.
Insurance service result	• **Insurance service result** was greater for the quarter and YTD period compared to the prior year as a result of growth in the business, and improved profitability on certain programs which was particularly strong in Q3 2024.	

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA SPECIALTY (CONTINUED)

Canadian Fronting

Canadian Fronting includes fronting for reinsurers through licensed brokers and MGAs, which the company began writing in 2020. For fronted business in the Canadian operations, we generally target a fronting fee in the range of 4.0% to 8.0% of GPW depending on the nature of the arrangement.

Table 3.6

	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	133,151	105,371	27,780	26.4%	372,855	287,333	85,522	29.8%
Insurance service expenses	(96,334)	(37,215)	(59,119)	158.9%	(253,401)	(152,776)	(100,625)	65.9%
Net income (expense) from reinsurance contracts assets	(31,368)	(62,797)	31,429	(50.0%)	(102,780)	(119,405)	16,625	(13.9%)
Insurance service result	5,449	5,359	90	1.7%	16,674	15,152	1,522	10.0%

	Q3 2024 vs Q3 2023 Q3 2024 YTD vs Q3 2023 YTD
Insurance revenue	• **Insurance revenue** increased in the quarter and YTD period compared to the prior year as a result of growth in the business due to platform maturation and new business.
Insurance service expenses	• **Insurance service expenses** increased in the quarter and YTD period largely as a result of growth in the business, which resulted in greater claims and commissions expense.
Net income (expense) from reinsurance contracts assets	• **Net income (expense) from reinsurance contracts assets** decreased as a result of higher claims recoveries in the period, which has offset higher levels of reinsurance ceded.
Insurance service result	• **Insurance service result** increased for the quarter and YTD period as a result of growth in the business. Growth in Insurance service result was less than growth in Insurance revenue as a result of higher Loss ratios on certain programs for which Trisura Specialty retains risk.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA SPECIALTY (CONTINUED)

Corporate Insurance

The main products offered by our Corporate Insurance business are Directors' & Officers' insurance for private, non-profit and public enterprises, professional liability insurance for both enterprises and professionals, technology and cyber liability insurance for enterprises, commercial package insurance for both enterprises and professionals and fidelity insurance for both commercial enterprises and financial institutions.

Table 3.7

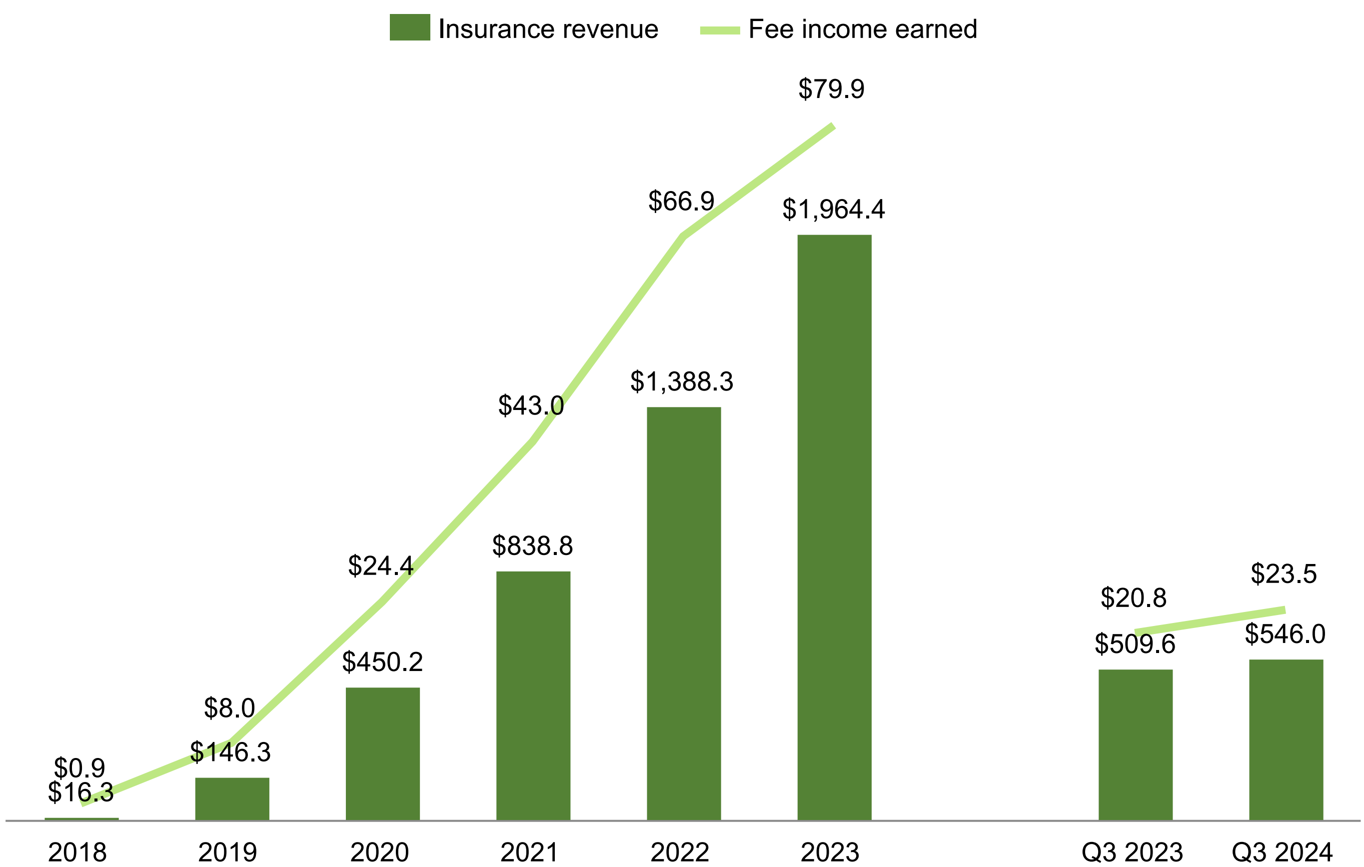
	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	44,613	44,223	390	0.9%	130,060	123,264	6,796	5.5%
Insurance service expenses	(28,285)	(22,460)	(5,825)	25.9%	(84,365)	(67,338)	(17,027)	25.3%
Net income (expense) from reinsurance contracts assets	(11,999)	(13,356)	1,357	(10.2%)	(30,488)	(34,983)	4,495	(12.8%)
Insurance service result	4,329	8,407	(4,078)	(48.5%)	15,207	20,943	(5,736)	(27.4%)
Loss ratio	35.6%	12.6%		23.0pts	30.3%	21.4%		8.9pts

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Insurance revenue	• **Insurance revenue** was roughly flat for the quarter, and premium generation was slightly lower in certain more highly reinsured lines, reflecting balancing market conditions in certain segments of the line.	• **Insurance revenue** continues to grow for the YTD period due to new business growth, stable policy retentions, and continued support from our distribution partners, despite balancing market conditions in certain segments of the line. Premium generation was roughly the same as the prior year as a result of balancing conditions in certain segments of the line.
Insurance service expenses	• **Insurance service expenses** increased in the quarter and YTD period as a result of higher claims, and operating expense associated with the start-up of US Corporate Insurance.	
Net income (expense) from reinsurance contracts assets	• **Net income (expense) from reinsurance contracts assets** decreased in the quarter and YTD period as a result of higher claims recoveries compared to the prior period.	
Insurance service result	• **Insurance service result** was lower in the quarter and YTD period than the prior year as a result of a higher Loss ratio, and additional costs associated with the build-out of US Corporate Insurance.	
Loss ratio	• In Q3 and YTD 2024, the **Loss ratio** was higher than the prior period as a result of more normalized claims activity, although remains within long term expectations.	

TRISURA US PROGRAMS

Our US Programs platform functions as a non-admitted surplus line insurer in all states, participating as a highly reinsured carrier with a fee-based business model.

Our US Programs operations continued to grow Insurance revenue, producing $546.0 million in the quarter and $1,602.1 million for the YTD period across 70 programs. The graph below shows the evolution of Insurance revenue, fee income(1), and the number of programs bound in the US. Amounts are presented in millions of Canadian dollars.



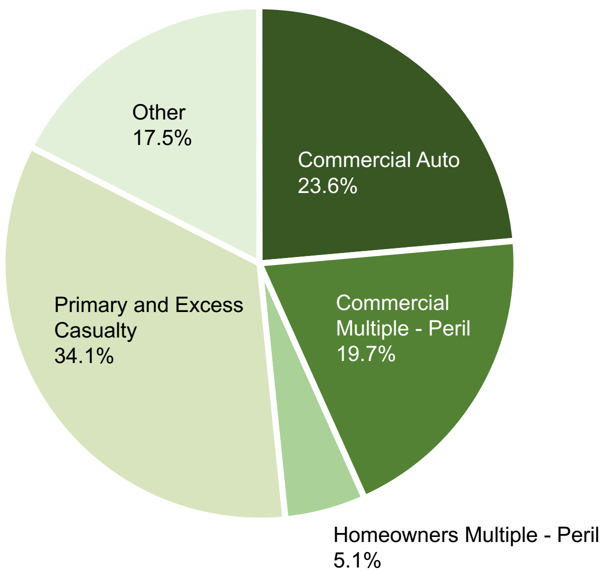
Number of Programs Bound	14	29	48	62	69	74	71	70

(1) Fee income is a non-IFRS financial measure. See Section 10 – Accounting and Disclosure Matters for details and an explanation of how it provides useful information to an investor.

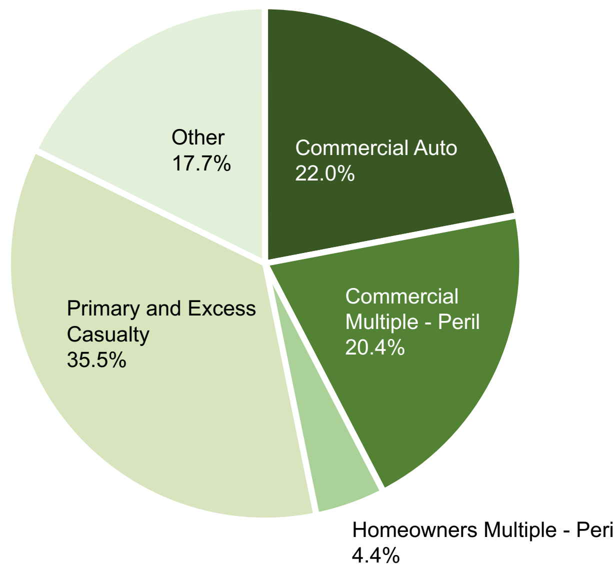
TRISURA US PROGRAMS (CONTINUED)

The charts below provide a segmentation by class of business of our US Programs Insurance revenue for Q3 2024.

Insurance Revenue Q3 2024(1)



Insurance Revenue Q3 2024 YTD(1)



(1) *"Other" includes Allied Lines – Flood, Auto Physical Damage, Burglary and Theft, Boiler and Machinery, Dwelling Fire, Farmowners Multiple – Peril, Inland Marine, MonoLine Property, Prepaid Legal, Private Auto, Product Liability, and Surety.*

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA US PROGRAMS (CONTINUED)

The table below presents financial highlights for our Trisura US Programs operations.

Table 3.8

	Q3 2024	Q3 2023	$ variance	% variance	Q3 2024 YTD	Q3 2023 YTD	$ variance	% variance
Insurance revenue	545,962	509,649	36,313	7.1%	1,602,119	1,436,808	165,311	11.5%
Insurance service expenses	(503,650)	(449,545)	(54,105)	12.0%	(1,344,705)	(1,261,314)	(83,391)	6.6%
Net income (expense) from reinsurance contracts assets	(32,659)	(66,158)	33,499	(50.6%)	(218,877)	(163,481)	(55,396)	33.9%
Insurance service result	9,653	(6,054)	15,707	nm	38,537	12,013	26,524	59.9%
Operating Insurance service result(1)	14,891	13,917	974	7.0%	48,170	40,046	8,124	20.3%
Net income	12,498	(6,470)	18,968	nm	36,408	7,772	28,636	368.5%
Operating net income(2)	12,719	11,398	1,321	11.6%	39,617	32,877	6,740	20.5%
Fee income(3)	23,461	20,757	2,704	13.0%	67,659	57,661	9,998	17.3%
Operating loss ratio(4)	75.1%	70.6%			69.9%	70.8%		
Retention rate(5)	9.6%	7.6%			10.4%	5.4%		
Fees as a % of ceded premium(5)	4.8%	4.7%			4.8%	4.6%		
Operating FOR(4)	87.4%	86.0%			85.7%	84.2%		
ROE	9.1%	(18.2%)			9.1%	(18.2%)		
Operating ROE(6)	15.0%	15.2%			15.0%	15.2%		

(1) This is a non-IFRS financial measure. See Table 10.6 in Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.
(2) This is a non-IFRS financial measure. See Table 10.4 in Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.
(3) Fee income is a component of Net income (expense) from reinsurance contracts assets, see Table 10.12 for its composition.
(4) This is a non-IFRS ratio. See Section 10 – Accounting and Disclosure Matters, Table 10.22, and Other Financial Measures for details on its composition, as well as each non-IFRS financial measure used as a component of this ratio, and an explanation of how it provides useful information to an investor.
(5) This is a non-IFRS ratio. See Table 10.23 in Section 10 – Accounting and Disclosure Matters for details on composition.
(6) This is a non-IFRS ratio. See Table 10.20 in Section 10 – Accounting and Disclosure Matters for details on composition, as well as each non-IFRS financial measure used as a component of this ratio, and an explanation of how it provides useful information to an investor.

The table below shows Deferred fee income as at September 30, 2024, compared to December 31, 2023.

Table 3.9

As at	September 30, 2024	December 31, 2023	$ variance	% variance
Deferred fee income	42,304	39,854	2,450	6.1%

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA US PROGRAMS (CONTINUED)

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Insurance revenue	• **Insurance revenue** grew in the quarter and YTD period primarily as a result of maturing programs, despite non renewing certain programs which either did not achieve sufficient scale, or were no longer within Trisura's risk appetite. Premium generation decreased in the quarter as a result of those non-renewals. • In the quarter $125.5 million of **Insurance revenue** was generated by admitted programs compared to $75.5 million in Q3 2023.	• For the YTD period, $322.4 million of **Insurance revenue** was generated by admitted programs, compared to $189.1 million in YTD 2023.
Insurance service expenses	• **Insurance service expenses** increased in the quarter compared to the prior year primarily as a result of an increase in claims expense in the quarter compared to the prior year.	• **Insurance service expenses** for the YTD period increased as a result of growth in claims and commission expense due to an increase in insurance revenue.
Net income (expense) from reinsurance contracts assets	• **Net income (expense) from reinsurance contracts assets** decreased for the quarter as a result of greater claims recoveries in the quarter compared to the prior year.	• **Net income (expense) from reinsurance contract assets** increased in the YTD period compared to 2023 as a result of additional ceded reinsurance which has increased due to growth in insurance revenue.
Insurance service result	• **Insurance service result** for the quarter and YTD period was greater than the prior year as a result of growth in the business, and the impact of a run-off program in Q3 2023.	
Operating insurance service result	• **Operating insurance service result** for the quarter and YTD period was greater than the prior year as a result of growth in the business.	
Retention Rate	• Our US Programs operations retained 9.6% of GPW in the quarter and 10.4% for the YTD period, which was greater than the prior year. The remainder of premiums were ceded to third party reinsurers. The increase in retention reflects a greater average retention on the programs written in 2024 than 2023. • We target a quota share retention between 5.0% and 15.0% on all programs, and have been selectively increasing retentions on programs as we continue to grow.	
Fee income	• **Fee income** in our Trisura US Programs operations reflects fronting fees received from reinsurers which are recognized over the life of the insurance contracts with which they are associated. • The earnings pattern of **Fee income** is similar to that of Insurance revenue, and is reflected as part of Net income (expense) from reinsurance contracts assets. • **Fee income** grew in the quarter and YTD period as a result of premium growth over the past year.	
Fees as a % of ceded premium	• **Fees as a percentage of ceded premium** increased compared to the prior quarter and YTD period as a result of growth in maturing programs, as well as non-renewal of a large program with a lower average fronting fee.	
Operating loss ratio	• The **Operating loss ratio** was greater than the prior year as a result of higher claims activity associated with certain programs including certain programs impacted by weather events, as well as the impact of a lower yield curve which decreased the rate at which claims are discounted.	• For the YTD period, the **Operating loss ratio** was lower than the prior year as a result of lower claims activity on certain programs.
Operating FOR	• The **Operating FOR** was higher than the prior year as a result of a higher Operating loss ratio.	• The **Operating FOR** for the YTD period was higher than the prior year as a result of a greater retention, which leads to a higher FOR, as well as continued investment in internal infrastructure.
Net income	• **Net income** was higher for the quarter and YTD period compared to the prior year as a result of growth in the business, the losses from a run-off program in 2023, higher net investment income (loss), as well as higher Net gains (losses).	

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

TRISURA US PROGRAMS (CONTINUED)

	Q3 2024 vs Q3 2023 / Q3 2024 YTD vs Q3 2023 YTD
Operating net income	• **Operating net income** was higher in the quarter and YTD period compared to the prior year as a result of growth in the business, and higher Net investment income (loss).
ROE	• **ROE** was 9.1%, as a result of the impact of a run-off program in 2023 and was greater than the prior year as a result of the Q4 2022 write down of reinsurance recoverables.
Operating ROE	• **Operating ROE** was 15.0%, which is approximately the same as the prior year due to growth in the business, offset by growth in internal infrastructure and higher Shareholders' equity.

CORPORATE AND OTHER

Our corporate results represent expenses that do not relate specifically to any one segment of the Company as well as debt servicing costs and certain derivative gains and losses on derivatives instruments used to mitigate the movement of SBC.

Table 3.10

	Q3 2024	Q3 2023	$ variance	Q3 2024 YTD	Q3 2023 YTD	$ variance
Corporate expenses and other	(523)	(1,143)	620	(2,831)	(3,086)	255
SBC, net of derivatives used to mitigate the impact	(406)	(359)	(47)	(1,322)	(1,182)	(140)
Net expenses(1)	(929)	(1,502)	573	(4,153)	(4,268)	115

(1) Refer to Table 10.26 for details to reconcile to Note 16 – Segmented Information in the Company's Condensed Interim Consolidated Financial Statements.

	Q3 2024 vs Q3 2023 / Q3 2024 YTD vs Q3 2023 YTD
Corporate expenses and other	• **Corporate expenses and other**, which includes some residual expense associated with a run-off of in-force reinsurance contracts of our Reinsurance operations, decreased in the quarter and YTD period as a result of certain higher costs in Q3 2023.
SBC, net of derivatives used to mitigate the impact	• **SBC** includes payment to directors and senior management and can be impacted by movement in the share price. As a result, we employ a strategy using derivatives to mitigate volatility. SBC is presented net of the impact of this mitigation strategy. • **SBC**, net of derivatives for the quarter and YTD period increased slightly as a result of growth in the business.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SECTION 4 – INVESTMENT PERFORMANCE REVIEW

OVERVIEW

The Company's investment policy seeks to achieve attractive total returns without incurring an undue level of investment risk while supporting our liabilities and maintaining strong regulatory and economic capital levels. We take a centralized investment approach across all subsidiary portfolios and invest with a global posture.

INVESTMENT PERFORMANCE

Net Investment Income (Loss)

Table 4.1

	Q3 2024	Q3 2023	$ variance	Q3 2024 YTD	Q3 2023 YTD	$ variance
Net investment income (loss)	16,252	13,493	2,759	49,907	35,463	14,444
Net gains (losses) excluding derivative losses (gains)(1)	10,755	(6,401)	17,156	21,093	(13,105)	34,198
Net credit impairment reversals (losses)	(324)	(258)	(66)	(2,304)	(31)	(2,273)
Total investment income (loss) excluding derivative losses (gains)(2)	26,683	6,834	19,849	68,696	22,327	46,369

(1) This is a non-IFRS financial measure. See Table 10.7 in Section 10 – Accounting and Disclosure Matters for details to reconcile to Note 16 – Segmented Information in the Condensed Interim Consolidated Financial Statements.
(2) Total investment income (loss) excluding derivative losses (gains) is a non-IFRS financial measure and is equal to the sum of Net investment income (loss), Net gains (losses) excluding derivative losses (gains), and Net credit impairment reversals (losses).

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Net investment income (loss)	• **Net investment income (loss)** is driven by interest and dividend income on invested assets, the majority of which are investment grade bonds or cash. • **Net investment income (loss)** was greater than the prior year for the quarter and YTD period as a result of a larger investment portfolio and higher portfolio yields.	
Net gains (losses) excluding derivative losses (gains)	• **Net gains (losses) excluding derivative losses (gains)** represent realized gains and losses from sales of investments, unrealized gains and losses on securities held that are classified as FVTPL, the impact of foreign exchange related to the investment portfolio and the operations of the business, and gains and losses on derivative instruments, with the exception of those mitigating SBC. • **Net gains (losses)** in Q3 2024 were primarily as a result of gains on equity and fixed income investments. In the quarter, net foreign currency losses were the result of weakening of the US dollar.	• **Net gains (losses)** for the YTD period were driven by unrealized gains on securities classified as FVTPL, as equity and fixed income investments increased in value. On a YTD basis, foreign currency gains were driven by strengthening of the US dollar.
Net credit impairment reversals (losses)	• Effective January 1, 2023, **Net credit impairment reversals (losses)** represent the impairment allowances on the Company's debt instruments that are classified as FVOCI. The Expected Credit Loss ("ECL") impairment model is used to calculate Net credit impairment reversals (losses). • The increase in the ECL balance in Q3 was driven by an increase in the amount of debt instruments that are classified as FVOCI.	• The widening of credit spreads for certain positions in the Company's fixed income portfolio resulted in an increase in the ECL balance for the YTD period of 2024.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

INVESTMENT PERFORMANCE REVIEW (CONTINUED)

Other comprehensive income (loss)

Table 4.2

	Q3 2024	Q3 2023	$ variance	Q3 2024 YTD	Q3 2023 YTD	$ variance
Unrealized gains (losses) in OCI	19,993	(4,159)	24,152	22,511	(1,673)	24,184
Cumulative translation gains (losses)	(5,653)	5,985	(11,638)	4,138	(451)	4,589
Other comprehensive income (loss)	14,340	1,826	12,514	26,649	(2,124)	28,773

<table>
<tr><th></th><th>Q3 2024 vs Q3 2023</th><th>Q3 2024 YTD vs Q3 2023 YTD</th></tr>
<tr><td>Unrealized gains (losses) in OCI</td><td colspan="2">• Unrealized gains (losses) in OCI reflect the mark to market impact of securities characterized as FVOCI, which was positive in Q3 and YTD 2024, largely as result of an increase in the value of preferred shares and investment grade bonds.
• Refer to Notes 14 and 15 in Condensed Interim Consolidated Financial Statements for more detail on the components of investment returns.</td></tr>
<tr><td rowspan="2">Cumulative translation gains (losses)</td><td colspan="2">• Foreign exchange differences arising from the translation of the financial statements of international operations to Canadian dollars are recognized as cumulative translation gains or losses, which are also a component of OCI.</td></tr>
<tr><td>• Cumulative translation gains (losses) in Q3 2024 reflected the weakening of the US dollar against the Canadian currency.</td><td>• Cumulative translation gains (losses) for the YTD period reflected the strengthening of the US dollar against the Canadian currency, driving higher Canadian dollar valuations of capital held outside of Canada.</td></tr>
</table>

SECTION 5 – OUTLOOK & STRATEGY

INDUSTRY

The specialty insurance market offers products and services that are not written by most insurance companies. The risks covered by specialty insurance policies generally require specialist underwriting knowledge and technical financial and actuarial expertise. Specialty lines are niche segments of the market that tend to involve more complex risks and a more concentrated set of competitors. Consequently, these risks are difficult to place in the standard insurance market where many carriers are unable or unwilling to underwrite them. As a result, specialty insurers have more pricing and policy form flexibility than traditional market insurers whose prices and policy forms are subject to authorization and approval by insurance regulators. Specialty lines are less commoditized areas of the market where relationships, product expertise and product structure are not easily replicated. For this reason, specialty insurers have historically, and are expected to continue to outperform the standard markets by having lower claims ratios and combined ratios than traditional insurance companies.

In contrast to the standard P&C insurance market, which is divided almost evenly between personal and commercial lines, specialty insurers are focused almost exclusively on commercial lines. Even within the commercial sector, the business mix of the specialty insurers can vary significantly from that of the overall P&C industry. Although no standard definition for the specialty insurance market exists, some common examples of business written by specialty insurers include non-standard insurance, niche market segments (such as Surety, D&O and E&O) and products that require tailored underwriting. Many insurance groups with a specialty focus have several different carriers and licenses and allocate business between these carriers depending on market conditions and regulatory requirements. The agency channel is the primary distribution channel for specialty insurance. Managing general agents often serve an important role in helping carriers distribute specialty insurance products.

The specialty market is more fragmented than the broader P&C industry. In the US, it is estimated that the top ten excess and surplus participants capture less than 33% market share, with the top 25 averaging 2% market share. An estimated $86.5 billion USD of excess and surplus insurance direct premiums were written in 2023 (excluding Lloyd's), growth of 15% year-on-year, compared with the broader P&C industry which grew by 11% year-on-year to $968.5 billion USD. In Canada, specialty market[1] growth was estimated to be 8% year-on-year for 2023 to $9.1 billion in direct written premium[2], as compared to the P&C industry at 7% growth and $95.5 billion in direct written premium. Direct written premium is a measure of Gross written premium, which excludes assumed premium, and is a commonly used metric in the industry.

(1) Growth figures for the specialty market in Canada include Boiler and Machinery, Credit, Credit Protection, Fidelity, Hail, Legal Expense, Cyber Liability, Directors and Officers Liability, Excess Liability, Professional Liability, Umbrella Liability, Pollution Liability, Surety, Equipment Warranty, and Marine. Market data is based on the latest available data from MSA Research Inc. (FY 2023).

(2) This is a non-IFRS financial measure. Non-IFRS financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Company to which the measure relates and might not be comparable to similar financial measures disclosed by other companies. See Section 10 – Accounting and Disclosure Matters for details and an explanation of how it provides useful information to an investor.

OUTLOOK AND STRATEGY

Our Company has an experienced management team with strong industry relationships and excellent reputations with rating agencies, insurance regulators and business partners. We have operated in the Canadian Specialty P&C insurance market for more than 18 years, establishing a conservative underwriting and investing track record.

In Canada, we have built our brand through serving our clients, brokers and institutional partners as a leading provider of niche specialty insurance products. We will continue to build out our product offerings in existing and new niche segments of the market with suitably skilled underwriters and professionals. We remain committed to our broker distribution channel to promote and sell insurance products. We are selective in partnering with a limited brokerage force, focusing its efforts on leading brokerage firms in the industry with expertise in specialty lines. This distribution network currently comprises over 163 major international, national and regional brokerage firms operating across Canada in all provinces and territories as well as boutique niche brokers with a focus on specialty lines. We have expanded our surety and corporate insurance offerings to the US, as part of the Company's growing US Surety and Corporate Insurance business.

Our US Programs business is demonstrating scale and profitability. It is licensed as a domestic excess and surplus lines insurer in Oklahoma operating as a non-admitted surplus lines insurer in all states, and as an admitted carrier in 49 states. We are in the process of obtaining admitted licenses in the remaining state. It is our belief that conditions are favourable for the continued growth of our US Programs platform, which operates using a high proportion of reinsurance resulting in a fee-based business model. Our focus is to source high quality business opportunities by partnering with a core base of established and well-managed program administrators. From our experience to date, these program administrators welcome our capacity.

Furthermore, we continue to benefit from a strong supply of highly rated international reinsurance capacity keen to partner with us to gain exposure to this business, allowing us to cede the majority of the risk on policies to these reinsurers on commercially favourable terms. We are confident that this platform will generate attractive, stable fee income while maintaining a small risk position, right-sizing underwriting risk and aligning our interests with our program distribution partners and capacity providers. Our US Programs business is the largest component of insurance revenue, and as we continue to grow, we expect that it will become an increasingly significant contributor to profitability.

We will continue to develop our distribution network, building on our existing partner network in Canada and the US and our core base of program administrators in the US. Our Company will strive to increase the penetration of our products with our partners by providing the support they require to enhance the effectiveness of their sales and marketing efforts.

We also intend to consider acquisitions on an opportunistic basis and pursue those that fit with our strategic plan. Building on the knowledge and expertise of our existing operations, we intend to initially target businesses in the US that operate in similar niches of the specialty insurance market, or that can expand our licensing. The closing of a US treasury listed surety acquisition, is a demonstration of the willingness and capabilities our team has to pursue these acquisitions.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”)

We believe that acting responsibly toward all stakeholders is fundamental to operating a productive, profitable and sustainable business. This underlies our philosophy of conducting business with a long-term perspective in a sustainable and ethical manner.

In Q1 2022 the Company entered into an Amended and Restated Credit Agreement which includes a sustainability-linked loan (“SLL”) structure. This structure allows for the borrowing rate to be adjusted based on the achievement of certain key performance indicators (“KPI”). As a first of its kind for insurers in Canada, the SLL is linked to our ambition to further incorporate ESG considerations into our investment activities. The structure introduces an incentive mechanism tied to KPIs around our responsible activities, including disclosure.

In connection with the SLL, we have implemented a Responsible Investing Policy applicable to our investment portfolio, which mandates the inclusion of ESG factors into our investment decisions, starting with the due diligence of a potential investment through to the ultimate exit process. As part of the policy, during the initial due diligence phase, we utilize both internal and third-party research to identify material ESG risks and opportunities relevant to the potential investment. By the end of 2023, our policy applied to at least 50% of our investment portfolio. Our goal is to align disclosure of our responsible investing activities in accordance with a recognized framework.

Environmental

Climate change is one of the greatest challenges of our times. Countries, including United Kingdom, United States, Germany, Italy, France and Japan, have committed to achieving net-zero emissions by 2050. Canada has made intensive efforts to target 40-50 percent emission reduction by 2030. Climate-related risks are strategically relevant to our business over time.

Although the Company’s property exposure is primarily reinsured, physical and weather-related risks have an impact on the property-exposed business that the Company retains, and we continue to adapt our business to the impacts of climate change through enhanced catastrophe modelling, adjustments to pricing practices related to severe weather, continuing to refine how we select property-exposed business and structure appropriate reinsurance coverage.

Social

We recognize the importance of taking responsibility for charitable efforts, both globally and within the communities in which we operate.

We value our employees, actively seek opportunities to develop them and to ensure they are engaged. We are committed to fostering, cultivating, and preserving a culture of diversity and inclusion. Equity and inclusion are imperative to our business. To that effect, the Company has also engaged a service provider to assist with the development of an equity framework, which Trisura intends to implement.

In order to provide our clients with the products and services they require and to ensure that we make informed underwriting and claims decisions, it is necessary that we obtain private information about our clients and/or their businesses. We take all necessary and reasonable precautions to protect the privacy of the information provided to us by our clients. We use manual and electronic controls to protect personal information that has been entrusted to us. These controls include restricted access to our premises, user authentication, encryption, firewall technology and the use of detection software.

We have a Cyber Security Incident Response Policy that communicates the overall process and guidelines for the identification, reporting and response to cyber security events, incidents and data breach at the Company. It is intended to help us respond to a security event or incident in a way that is consistent with our obligations, including legal obligations, to our customers, colleagues, and shareholders.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”) (CONTINUED)

Governance

The Board has ultimate oversight of ESG strategy, which includes oversight of climate related risks and opportunities. The Board receives regular updates on the Company’s ESG initiatives throughout the year.

The Governance Committee is responsible for implementing the board diversity policy, monitoring progress towards the achievement of its objectives and recommending to the Board any necessary changes that should be made to the policy. The Board committed to meeting the gender diversity target of at least 30% of Directors identifying as women. With the election of Sacha Haque at our 2024 annual meeting of shareholders the Board has exceeded this target with 4 out of 9 Directors identifying as women.

Refer to our Management Information Circular dated April 12, 2024 for detailed information on Governance.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SECTION 6 – FINANCIAL CONDITION REVIEW

BALANCE SHEET ANALYSIS

Table 6.1

As at	September 30, 2024	December 31, 2023	$ variance
Cash and cash equivalents	262,850	604,016	(341,166)
Investments	1,324,286	890,157	434,129
Other assets	39,692	53,712	(14,020)
Reinsurance contract assets	2,418,331	2,003,589	414,742
Capital assets and intangible assets	28,764	16,657	12,107
Deferred tax assets	37,204	16,314	20,890
Total assets	4,111,127	3,584,445	526,682
Insurance contract liabilities	3,107,035	2,769,951	337,084
Other liabilities	158,439	120,065	38,374
Loan payable	98,272	75,000	23,272
Total liabilities	3,363,746	2,965,016	398,730
Shareholders' equity	747,381	619,429	127,952
Total liabilities and shareholders' equity	4,111,127	3,584,445	526,682

	September 30, 2024 vs December 31, 2023
Cash and cash equivalents	• **Cash and cash equivalents** has decreased as a result of cash having been deployed to the investment portfolio, as well as cash held on balance sheet as collateral being moved to collateral trust accounts.
Investments	• **Investments** have increased as a result of additional cash deployed to the investment portfolio, as well as unrealized gains in the portfolio.
Other assets	• **Other assets** have decreased as a result of a decrease in tax recoveries, which is offset by an increase in Deferred tax assets.
Reinsurance contract assets	• **Reinsurance contract assets** have increased largely as a result of growth in the business, as well as an increase in Assets for remaining coverage, due to a shift in collateral to trust accounts. These recoverables are monitored in accordance with the Company's reinsurance risk management policies and generally, are owing from reinsurers with A.M. Best ratings of A- or higher or who otherwise have posted an agreed upon level of collateral.
Capital assets and intangible assets	• **Capital assets** have increased as a result of an increase in Intangible assets related to the acquisition of the new Treasury Listed surety company.
Deferred tax assets	• **Deferred tax assets** have increased as a result of a reallocation between current and deferred tax recoveries, and are largely offset by a corresponding decrease in Other assets.
Insurance contract liabilities	• **Insurance contract liabilities** have increased as a result of growth in Insurance revenue in both Trisura Specialty and US Programs.
Other liabilities	• **Other liabilities** have increased as a result of holding more deposits in trust related to the Surety business line.
Loan payable	• **Loan payable** increased as additional funds were drawn from the revolving credit facility.
Shareholders' equity	• **Shareholders' equity** at September 30, 2024 has increased from December 31, 2023 due to movement in retained earnings as a result of positive net income in the period. • Shareholders' equity also increased due to increases in other comprehensive income from unrealized gains on the investment portfolio as well as the impact of foreign exchange movement which was positive for the YTD period as a result of strengthening of the US dollar.

SHARE CAPITAL

Our authorized share capital consists of: (i) an unlimited number of common shares; (ii) an unlimited number of non-voting shares; and (iii) an unlimited number of preference shares (issuable in series).

On August 21, 2023, the Company completed a public offering of 1,620,000 common shares. As at September 30, 2024, 47,779,021 common shares were issued and outstanding.

As at September 30, 2024, 1,506,645 options were outstanding which could be converted to common shares (including unvested options). As at September 30, 2024, 220,249 RSU's were outstanding which could be converted to common shares (including unvested RSUs).

LIQUIDITY

Both short-term and long-term liquidity sources are available to the Company. Short-term liquidity sources immediately available include: (i) cash and cash equivalents (see Balance Sheet); (ii) our portfolio of highly rated, highly liquid investments (see Note 4 of the Condensed Interim Consolidated Financial Statements); (iii) cash flow from operating activities which include receipt of insurance revenue and investment income (see Statements of Cash Flows) and; (iv) bank loan facilities including our revolving credit facility (see Note 11 of the Condensed Interim Consolidated Financial Statements). These funds are used primarily to pay claims and operating expenses, service the Company's Loan payable and purchase investments to support claims reserves and capital requirements.

CAPITAL

The MCT ratio[(1)] of Trisura's regulated Canadian operating subsidiary was 263% as at September 30, 2024 (251% as at December 31, 2023), which comfortably exceeds the 150% regulatory requirements prescribed by OSFI, as well as the Company's internal target[(2)].

As at December 31, 2023, the RBC[(3)] of the regulated US insurance companies of Trisura were in excess of the various company action levels of the states in which they are licensed.

The Company is well-capitalized and we expect to have sufficient capital to meet our regulatory capital requirements, and fund our operations.

The Company's debt-to-capital ratio of 11.6% as at September 30, 2024 (10.8% as at December 31, 2023), was below the Company's long-term target of 20.0%.

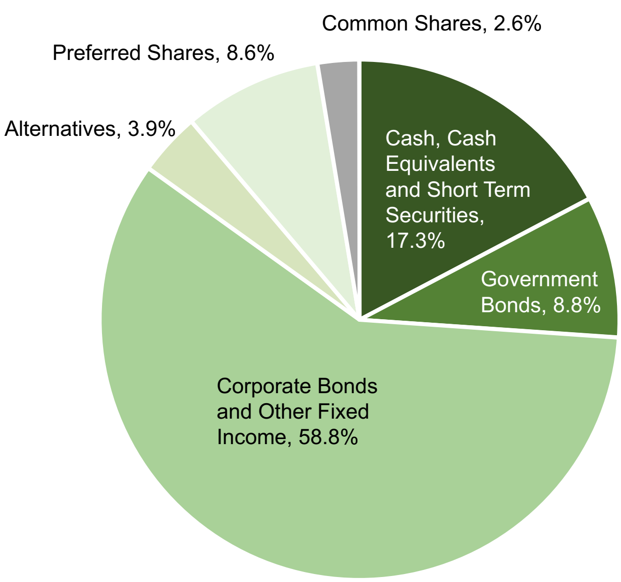
In 2024, the Company increased the size of its revolving credit facility to $75 million, and drew down $17 million USD to support further capitalization of our new US Surety balance sheet. In Q3 2023, the Company issued a Letter of Credit through its banking facility, which lowered the undrawn capacity by $10 million USD. The letter of credit was drawn in relation to a partnership arrangement to support the growth of the Company's US Surety operations and remains outstanding.

(1) *This measure is calculated in accordance with the Office of the Superintendent of Financial Institutions Canada's (OSFI's) Guideline A, Minimum Capital Test.*
(2) *This target is in accordance with OSFI's Guideline A-4, Regulatory Capital and Internal Capital Targets.*
(3) *This measure is calculated in accordance with the National Association of Insurance Commissioners, ("NAIC") Risk Based Capital ("RBC") for Insurers Model Act.*

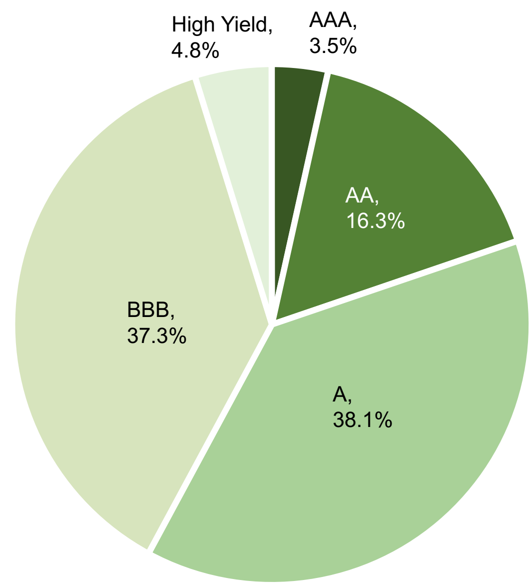
SUMMARY OF CASH AND INVESTMENTS

Our $1.6 billion investment portfolio consists of cash and cash equivalents, short-term securities, government and corporate bonds, preferred shares, common shares, and alternative investments. Approximately 95% of our fixed income holdings are highly liquid(1), investment grade bonds(2).

Investment Portfolio by Asset Class



Fixed Income Securities by Rating(3)



(1) Highly liquid refers to the Company's ability to sell a fixed income investment within a short period of time.
(2) Investment grade bonds refers to all bonds rated 'BBB-' and higher.
(3) This is a supplementary financial measure. Composition: balance for each credit rating, divided by total balance for fixed income investments.

SECTION 7 – RISK MANAGEMENT

RISKS AND UNCERTAINTIES

Please refer to the "Risk Management" section in our year end 2023 MD&A. Risks have not changed materially from those disclosed in the year end 2023 MD&A.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SECTION 8 – OTHER INFORMATION

RATINGS

Trisura's regulated Canadian operating subsidiary has been rated A- (Excellent) by A.M. Best since 2012. Trisura's regulated US operating subsidiary obtained an A- (Excellent) rating from A.M. Best in September 2017. A.M Best increased the financial size category of the Trisura entities from VIII to IX (US $250 million to US $500 million capital) in December 2021, based on the Company's consolidated balance sheet.

Table 8.1

	A.M. Best	DBRS
Latest review	**April 18, 2024**	**December 13, 2023**
Outlook	**Stable**	**Stable**
Credit ratings		
Financial strength ratings - principal Canadian operating subsidiary	**A- (Excellent)**	**A (Low)**
Financial strength ratings - principal US operating subsidiary	**A- (Excellent)**	**A (Low)**
Senior Unsecured Notes rating - Trisura Group Ltd.	**n/a**	**BBB**

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

CASH FLOW SUMMARY

Table 8.2

	Q3 2024	Q3 2023	$ variance	Q3 2024 YTD	Q3 2023 YTD	$ variance
Net income	36,088	14,838	21,250	99,662	55,621	44,041
Non-cash items	(11,776)	8,758	(20,534)	(17,390)	16,991	(34,381)
Change in working capital	51,527	130,075	(78,548)	(34,022)	93,736	(127,758)
Realized gains losses	(2,253)	1,740	(3,993)	(1,530)	2,181	(3,711)
Income taxes paid	(12,031)	(432)	(11,599)	(25,707)	(8,105)	(17,602)
Interest paid	(362)	(85)	(277)	(1,656)	(1,324)	(332)
Net cash flows from (used in) operating activities	61,193	154,894	(93,701)	19,357	159,100	(139,743)
Proceeds on disposal of investments	77,167	36,619	40,548	201,926	89,598	112,328
Purchases of investments	(281,477)	(52,352)	(229,125)	(573,793)	(178,120)	(395,673)
Acquisition of subsidiary	-	-	-	(15,015)	-	(15,015)
Net purchases of capital and intangible assets	(690)	(339)	(351)	(3,188)	(746)	(2,442)
Net cash flows from (used in) investing activities	(205,000)	(16,072)	(188,928)	(390,070)	(89,268)	(300,802)
Shares issued	410	50,859	(50,449)	2,989	51,570	(48,581)
Shares purchased under RSU plan	65	(175)	240	(3,137)	(1,845)	(1,292)
Loans received	23,339	-	23,339	46,607	-	46,607
Loans repaid	(23,335)	-	(23,335)	(23,335)	-	(23,335)
Principal portion of lease payments	(642)	(502)	(140)	(1,772)	(1,524)	(248)
Net cash flows from (used in) financing activities	(163)	50,182	(50,345)	21,352	48,201	(26,849)
Net increase (decrease) in cash and cash equivalents during the period	(143,970)	189,004	(332,974)	(349,361)	118,033	(467,394)
Cash and cash equivalents, beginning of period	405,590	340,825	64,765	604,016	406,368	197,648
Currency translation	1,230	1,655	(425)	8,195	7,083	1,112
Cash and cash equivalents, end of period	262,850	531,484	(268,634)	262,850	531,484	(268,634)

	Q3 2024 vs Q3 2023	Q3 2024 YTD vs Q3 2023 YTD
Net cash flows from (used in) operating activities	• In Q3, **Net cash flows from (used in) operating activities** was positive as a result of positive net income and a positive change in working capital, in both Trisura Specialty and US Programs. • **Net cash flow from (used in) operating activities** was lower than 2023 for the quarter and YTD period as a result of a lower change in working capital in 2024.	• **Net cash flow from (used in) operating activities** was positive for the YTD period as a result of positive net income in both Trisura Specialty and US Programs.
Net cash flows from (used in) investing activities	• **Net cash flows from (used in) investing activities** in 2024 reflected primarily the purchase and disposal of portfolio investments in operating subsidiaries, and was higher than 2023 for both the quarter and YTD periods. • In Q3 and YTD 2024, Proceeds on disposal of investments were greater than 2023, as there were more disposals during 2024. Purchases of investments were greater in Q3 and YTD 2024 than in 2023 as a result of more purchases in 2024, partially related to the deployment of funds in the new Treasury listed Surety company. Acquisition of subsidiary refers to the acquisition of the new Treasury Listed surety company.	
Net cash flows from (used in) financing activities	• **Net cash flows from (used in) financing activities** was lower than 2023 for the quarter and YTD period as Q3 2023 included the proceeds of an equity issuance.	

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SEGMENTED REPORTING

Table 8.3

As at	September 30, 2024			
	Trisura Specialty	Trisura US Programs	Corporate and other	Total(1)
Assets(2)	1,379,239	2,687,426	44,462	4,111,127
Liabilities(2)	916,102	2,368,561	79,083	3,363,746
Shareholders' Equity(2)	463,137	318,865	(34,621)	747,381
Book Value Per Share, $	9.69	6.67	(0.72)	15.64

Table 8.4

As at	December 31, 2023			
	Trisura Specialty	Trisura US Programs	Corporate and other	Total(1)
Assets(2)	1,008,169	2,463,918	112,358	3,584,445
Liabilities(2)	718,385	2,193,711	52,920	2,965,016
Shareholders' Equity(2)	289,784	270,207	59,438	619,429
Book Value Per Share, $	6.09	5.68	1.25	13.02

(1) Total reflects the Group's Assets, Liabilities, and Book Value Per Share.
(2) Individual segmented amounts are supplementary financial measures. The total amount is presented in the Condensed Interim Consolidated Financial Statements.

FINANCIAL INSTRUMENTS

See Notes 4, 5, 6, 14, and 15 in the Company's Condensed Interim Consolidated Financial Statements for financial statement classification of the change in fair value of financial instruments, significant assumptions made in determining the fair values, amounts of income, expenses, gains and losses associated with the instruments.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

SECTION 9 – SUMMARY OF RESULTS

SELECTED QUARTERLY RESULTS

Table 9.1

	2024			2023				2022[(1)]
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Insurance revenue	807,645	772,249	744,266	754,953	730,714	664,420	639,100	595,742
Insurance service result[(2)]	35,592	31,405	35,448	4,159	24,749	39,712	16,715	(53,762)
Net income (loss)[(2)]	36,088	27,141	36,433	11,320	14,838	26,807	13,976	(40,710)
EPS, basic (in dollars)	0.76	0.57	0.77	0.23	0.32	0.58	0.30	(0.89)
EPS, diluted (in dollars)	0.74	0.56	0.75	0.23	0.31	0.57	0.30	(0.87)
Total assets[(2)]	4,111,127	3,919,393	3,736,787	3,584,445	3,404,909	3,120,190	2,977,074	2,798,865
Total non-current financial liabilities[(3)]	98,272	98,268	75,000	75,000	75,000	75,000	75,000	75,000

(1) Amounts have been restated to reflect the adoption of IFRS 17, but not IFRS 9 which is applied prospectively with effect from January 1, 2023. See Section 10 – Accounting and Disclosure Matters.
(2) Certain balances from 2022 Insurance service result, 2022 Net income (loss), as well as 2022 Total assets have been reclassified from the presentation in Table 9.1 in the Q1 2023 MD&A and Q2 2023 MD&A to reflect the adoption of IFRS 17 on these balances. The reclassifications are limited to Table 9.1 only.
(3) See Note 11 in the Company's Condensed Interim Consolidated Financial Statements for details on Loan payable.

Insurance revenue	• **Insurance revenue** has generally grown over time, and quarter over quarter reflecting growth in the business. • Growth was lower in Q1 2024 than Q4 2023 reflecting some seasonality in the business with Q4 2023 being particularly high.
Insurance service result	• **Insurance service result** has generally grown when compared to the prior year, reflecting growth in the business, with some exceptions. Insurance service result in Q3 2024 was greater than Q3 2023, due to growth in the business, as well as the impact of a run-off program in Q3 2023. • **Insurance service result** in Q2 2024 was lower than Q2 2023 as a result of a positive impact from a run-off program in Q2 2023, which caused Insurance service result to be particularly high in that quarter. In Q1 2024, Insurance service result was greater than Q1 2023, reflecting growth in the business and a smaller impact from a run-off program in Q1 2024 than Q1 2023. In Q4 2023, a loss from a run-off program caused insurance service result to be low, however it remained greater than Q4 2022 due to the impact of the write down on reinsurance recoverables in Q4 2022.
Net income (loss)	• **Net income (loss)** has generally grown quarter over quarter, but also experienced volatility quarter over quarter as a result of Net gains (losses) on the investment portfolio. Net income (loss) has also been impacted as a result of the write down on reinsurance recoverables in Q4 2022, and the impact of a run-off program in 2023. Net income in Q3 2024 was greater than Q3 2023 as a result of growth in the business, the impact of a run-off program in Q3 2023, as well as greater Net gains (losses) on the investment portfolio in Q3 2024. • **Net income** in Q2 2024 was greater than Q2 2023 as a result of growth in the business, despite Net income in Q2 2023 being unusually high as a result of a positive impact in that quarter from a run-off program. Net income in Q1 2024 was greater than the prior year reflecting growth in the business and a smaller impact from a run-off program in Q1 2024. Net income in Q4 2023 was greater than Net income in Q4 2022 largely as a result of the impact of the write down on reinsurance recoverables in Q4 2022.
EPS, basic **EPS, diluted**	• **EPS, Basic (in dollars)** and **EPS, diluted (in dollars)**, have been impacted by the same factors as Net income (loss).
Total assets	• **Total assets** have generally grown over time and quarter over quarter as the business has grown.
Total non-current financial liabilities	• **Total non-current financial liabilities** reflect outstanding debt. In Q2 2024, the company drew down additional borrowing from its revolving credit facility.

SECTION 10 – ACCOUNTING AND DISCLOSURE MATTERS

OPERATING METRICS

We use operating metrics to assess our operating performance.

Operating Metrics	Definition and *Usefulness*
BVPS	Shareholders' equity, divided by total number of shares outstanding. *Used to calculate the per-share value of a company based on equity available to common shareholders.*
Ceded Premiums Written	Premiums ceded to reinsurers in the period. *Used by Management for internal measurement, budgeting and forecasting purposes. Management views the figure to be useful forward-looking information to measure growth and profitability.*
Combined Ratio	The sum of the Loss ratio and the Expense ratio. The difference between 100% and the combined ratio represents underwriting income as a percentage of NPE, or underwriting margin. A Combined ratio under 100% indicates a profitable underwriting result. *A Combined ratio over 100% indicates an unprofitable underwriting result. A measure to evaluate pre-tax underwriting profitability.*
Debt-to-Capital Ratio	Total Debt outstanding at the end of the reporting period, divided by the sum of: Debt outstanding balance and Shareholders' equity. *A measure used to assess the Company's financial leverage.*
Deferred Fee Income	Reflects unrecognized revenue associated with Fee income and is expected to be earned over the lifetime of the associated policies. *A precursor to Net income (expense) from reinsurance contracts assets, which can be used to assist with estimates of future pre-tax underwriting profitability.*
Expense Ratio	Net expenses as a percentage of NPE. *A measure to evaluate pre-tax underwriting profitability.*
Fee Income	A portion of Net income (expense) from reinsurance contracts assets, which reflects fees received from reinsurers paid in exchange for fronting services. *A measure used to evaluate profitability.*
Fees as a Percentage of Ceded Premium	Fee income, adjusted to reflect the portion of fee income bound in a period, rather than recognized as revenue in a period, divided by Ceded Premiums Written excluding certain non-recurring items. *Illustrates the rate of fee income generated from ceded premium, and can supplement measurements of pre-tax underwriting profitability.*
FOR	The sum of Net claims and loss adjustment expenses and Net expenses divided by the sum of NPE and Fee income. *A measure of pre-tax underwriting profitability.*
Gross Premiums Written	Insurance revenue, adjusted to reflect insurance revenue bound in the period inclusive of any portion of that premium not yet recognized as revenue. *Used by Management for internal measurement, budgeting and forecasting purposes. Management views the figure to be useful forward-looking information to measure growth.*
Loss Ratio	Net claims and loss adjustment expenses as a percentage of NPE. *A measure of claims used to evaluate pre-tax underwriting profitability.*
LTM Average Equity	Shareholders' equity over the last twelve month period, adjusted for significant capital transactions and equity raises, if appropriate. *A measure used in calculating ROE and Operating ROE.*
MCT	Our regulated Canadian operations report the results of its MCT as prescribed by OSFI's Guideline A — Minimum Capital Test, as amended, restated or supplemented from time to time. *MCT determines the supervisory regulatory capital levels required by our regulated Canadian operations.*
Net Claims and Loss Adjustment Expenses	The portion of Insurance service expenses related to movement in the Liability for Incurred claims, less the portion of Net income (expense) from reinsurance contracts assets related to the Asset for incurred claims, plus the Finance income (expenses) from insurance/reinsurance contracts. *A measure of pre-tax underwriting profitability.*

Operating Metrics	Definition and *Usefulness*
Net Commission Expense	The portion of Insurance service expenses related to gross commissions, less the portion of Net income (expense) from reinsurance contracts assets related to ceded commissions. *A measure of pre-tax underwriting profitability.*
Net expenses	Net commission expense, plus other directly attributable expenses and insurance acquisition cash flows excluding commission, plus Other operating expenses (net of Other income, which reflects surety fee income, in our Trisura Specialty operations). *A measure of pre-tax underwriting profitability.*
Net Premiums Earned	The sum of Net Premiums Written and an adjustment to reflect the portion of Net Premiums Written that has been recognized as revenue in a given period. *Used by Management for internal measurement, budgeting and forecasting purposes. Management views the figure to be useful to measure growth and profitability.*
Net Premiums Written	The difference of Gross Written Premium less Ceded Premiums Written. *Used by Management for internal measurement, budgeting and forecasting purposes. Management views the figure to be useful forward-looking information to measure growth and profitability.*
Net Underwriting Income	Insurance Service Result, plus Other operating expenses, plus Other income and Finance income (expenses) from insurance/reinsurance contracts. *A measure of pre-tax underwriting profitability.*
Operating Combined Ratio	Combined ratio, incorporating the adjustments to Operating net income, which impact the Combined ratio, in order to reflect our core operations. *A measure to evaluate pre-tax underwriting profitability.*
Operating FOR	FOR, incorporating the adjustments to Operating net income, which impact the FOR, in order to reflect our core operations. A measure to evaluate pre-tax underwriting profitability.
Operating Insurance Service Result	Insurance service result, incorporating the adjustments to Operating net income, which impact the Insurance service result, in order to reflect our core operations. *A measure of pre-tax underwriting profitability.*
Operating Loss Ratio	Loss ratio, incorporating the adjustments to Operating net income, which impact the Loss ratio, in order to reflect our core operations. *A measure to evaluate pre-tax underwriting profitability.*
Operating Net Income	Net income, adjusted to remove impact of certain items to normalize earnings in order to reflect our specialty operations, which are considered core operations. Items which are not core to operations include Net gains (losses), ECL, and the impact of movement in the yield curve included in Finance income (expense) from insurance/reinsurance contracts. Adjustments also include items which may not be recurring, such as the write down of reinsurance recoverables, loss from run-off programs, non-recurring surety revenue, loss on sale of structured insurance assets, and certain tax adjustments. Adjustments also include SBC. *A measure of after-tax profitability, used in calculating Operating EPS and Operating ROE.*
Operating Net Underwriting Income	Net underwriting income, incorporating the adjustments to Operating net income, which impact the Net underwriting income, in order to reflect our core operations. *A measure of pre-tax underwriting profitability.*
Operating ROE	ROE calculated using Operating net income for the twelve month period preceding the reporting date. *An alternate measure of after-tax profitability, adjusted for certain items to normalize earnings to core operations in order to reflect our operations.*
RBC	Our regulated US operations report the results of its RBC as prescribed by the NAIC's Risk-Based Capital for Insurers Model Act, as amended, restated or supplemented from time to time. *RBC determines the statutory minimum amount of capital required by our regulated US operations.*
Retention Rate	NPW as a percentage of GPW. *A measure of gross written premium that is not ceded to reinsurers, which can be used to evaluate insurance risk.*
ROE	Net income for the twelve month period preceding the reporting date, divided by LTM Average Equity. *A historical measure of after-tax profitability.*

These operating metrics are operating performance measures that highlight trends in our core business or are required ratios used to measure compliance with OSFI and other regulatory standards. Our Company also believes that securities analysts, investors and other interested parties use these operating metrics to compare our Company's performance against others in the specialty insurance industry. Our Company's management also uses these operating metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Such operating metrics should not be considered as the sole indicators of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

NON-IFRS FINANCIAL MEASURES AND OTHER FINANCIAL MEASURES

We report certain financial information using non-IFRS financial measures. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in our industry. They are used by management and financial analysts to assess our performance.

Further, they provide users with an enhanced understanding of our results and related trends and increase transparency and clarity into the core results of the business.

Non-IFRS Financial Measures

Table 10.1 – Other operating expenses excluding SBC: useful to show growth in expenses excluding volatility from SBC due to movement in our share price, as we attempt to mitigate this item through the use of derivatives, whose offsetting movement is reflected in Net gains (losses).

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Operating expenses, as presented in the financial statements	**(11,056)**	(7,094)	**(36,128)**	(22,601)
Less: SBC	**1,030**	(1,948)	**4,346**	(3,503)
Other operating expenses excluding SBC	**(10,026)**	(9,042)	**(31,782)**	(26,104)
Year-over-year % increase, Other operating expenses	**55.9%**		**59.9%**	
Year-over-year % increase, Other operating expenses excluding SBC	**10.9%**		**21.8%**	

Table 10.2 – Reconciliation of reported Net income to Operating net income[(1)]: reflects Net income, adjusted for certain items to normalize earnings to core operations in order to reflect our specialty operations.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net income, see Table 3.1	**36,088**	14,838	**99,662**	55,621
Adjustments				
Non-recurring Surety revenues	**-**	(4,596)	**-**	(4,596)
Loss from run-off program	**-**	19,971	**3,714**	28,033
Impact of certain changes in Fronting reinsurance structures	**-**	-	**2,535**	-
Claims from exited programs and other non-recurring items	**4,226**	-	**5,565**	-
Impact of SBC, see Table 10.1	**1,030**	(1,948)	**4,346**	(3,503)
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**2,061**	(1,204)	**1,602**	(1,348)
Net (gains) losses, see Table 3.1	**(11,379)**	8,708	**(24,117)**	17,790
Net credit impairment losses (reversals), see Table 3.1	**324**	258	**2,304**	31
Tax impact of above items, and other tax adjustments	**878**	(4,302)	**2,057**	(7,700)
Operating net income, as presented in Table 3.1	**33,228**	31,725	**97,668**	84,328

(1) Operating net income, a component of Operating EPS, is a non-IFRS financial measure (details on Operating EPS presented in Table 10.17).

Table 10.3 – Reconciliation of reported Trisura Specialty Net income to Operating net income: reflects Net income, adjusted for certain items to normalize earnings to core operations in order to reflect our Trisura Specialty operations.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net income	**25,142**	22,031	**64,209**	52,073
Adjustments				
Non-recurring Surety revenues	**-**	(4,596)	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**2,535**	-
Other non-recurring items	**(1,012)**	-	**(842)**	-
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**1,399**	(839)	**1,058**	(985)
Net (gains) losses	**(5,228)**	4,120	**(10,424)**	8,027
Net credit impairment losses (reversals)	**176**	82	**2,640**	19
Tax impact of above items, and other tax adjustments	**1,210**	325	**1,319**	(650)
Operating net income	**21,687**	21,123	**60,495**	53,888

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

Table 10.4 – Reconciliation of reported Trisura US Programs Net income to Operating net income: reflects Net income, adjusted for certain items to normalize earnings to core operations in order to reflect our Trisura US Programs operations.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net income	**12,498**	(6,470)	**36,408**	7,772
Adjustments				
Loss from run-off program	**-**	19,971	**3,714**	28,033
Claims from exited programs and other non-recurring items	**5,238**	-	**5,919**	-
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**662**	(365)	**543**	(363)
Net (gains) losses	**(5,770)**	2,774	**(7,273)**	3,977
Net credit impairment losses (reversals)	**148**	266	**(36)**	160
Tax impact of above items, and other tax adjustments	**(57)**	(4,778)	**342**	(6,702)
Operating net income	**12,719**	11,398	**39,617**	32,877

Table 10.5 – Reconciliation of reported Insurance service result to Operating insurance service result: reflects Insurance service result, adjusted for certain items to normalize earnings to core operations in order to reflect our specialty operations.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance service result, see Table 3.1	**35,592**	24,749	**102,445**	81,176
Adjustments				
Non-recurring Surety revenues	**-**	(4,596)	**-**	(4,596)
Loss from run-off program	**-**	19,971	**3,714**	28,033
Impact of certain changes in Fronting reinsurance structures	**-**	-	**2,535**	-
Claims from exited programs and other non-recurring items	**4,396**	-	**5,077**	-
Operating insurance service result, as presented in Table 3.1	**39,988**	40,124	**113,771**	104,613

Table 10.6 – Reconciliation of reported Trisura Specialty and Trisura US Programs Insurance service result to Operating insurance service result: reflects Insurance service result, adjusted for certain items to normalize earnings to core operations in order to reflect our Trisura Specialty and Trisura US Programs operations.

Trisura Specialty	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance service result	**25,939**	30,770	**63,908**	69,255
Adjustments				
Non-recurring Surety revenues	**-**	(4,596)	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**2,535**	-
Other non-recurring items	**(842)**	-	**(842)**	-
Operating insurance service result	**25,097**	26,174	**65,601**	64,659
Trisura US Programs	**Q3 2024**	**Q3 2023**	**Q3 2024 YTD**	**Q3 2023 YTD**
Insurance service result	**9,653**	(6,054)	**38,537**	12,013
Adjustments				
Loss from run-off program	**-**	19,971	**3,714**	28,033
Claims from exited programs and other non-recurring items	**5,238**	-	**5,919**	-
Operating insurance service result	**14,891**	13,917	**48,170**	40,046

Table 10.7 – Reconciliation of Net gains (losses) to Net gains (losses) excluding derivative losses (gains) from SBC mitigation: represents realized gains and losses, impact of foreign exchange related to investment portfolio.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net gains (losses), as presented in the financial statements	**11,379**	(8,708)	**24,117**	(17,790)
Derivative losses (gains) from SBC mitigation, from Table 10.26	**(624)**	2,307	**(3,024)**	4,685
Net gains (losses) excluding derivative losses (gains), as presented in Table 4.1	**10,755**	(6,401)	**21,093**	(13,105)

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

Table 10.8 – Reconciliation of Average equity[(1)] to LTM average equity[(2)]: LTM average equity is used in calculating Operating ROE.

	Q3 2024	Q3 2023
Average equity	**673,034**	567,857
Adjustments: days in quarter proration	**(10,554)**	(41,808)
LTM average equity, as presented in Table 10.18	**662,480**	526,049

(1) *Average equity is calculated as the sum of opening equity and closing equity over the last twelve months, divided by two.*
(2) *LTM average equity, a component of ROE and Operating ROE, is a non-IFRS financial measure (details on ROE and Operating ROE presented in Table 10.18.*

Table 10.9 – Reconciliation of Insurance revenue to GPW, NPW, and NPE

	Insurance revenue	Change in unearned gross premiums	Gross premiums written	Reinsurance premiums ceded	Net premiums written	Change in unearned net premiums	Net premiums earned
For the three months ended September 30, 2024							
Trisura Specialty	261,683	16,724	278,407	(119,860)	158,547	(27,517)	131,030
Trisura US Programs	545,962	(56,613)	489,349	(442,193)	47,156	7,273	54,429
For the three months ended September 30, 2023							
Trisura Specialty	221,065	20,678	241,743	(108,783)	132,960	(22,573)	110,387
Trisura US Programs	509,649	18,552	528,201	(488,006)	40,195	2,136	42,331
For the nine months ended September 30, 2024							
Trisura Specialty	722,041	92,545	814,586	(387,390)	427,196	(76,373)	350,823
Trisura US Programs	1,602,119	30,183	1,632,302	(1,461,773)	170,529	(23,104)	147,425
For the nine months ended September 30, 2023							
Trisura Specialty	597,426	62,535	659,961	(321,099)	338,862	(43,803)	295,059
Trisura US Programs	1,436,808	135,386	1,572,194	(1,487,019)	85,175	66,492	151,667

Table 10.10 – Net underwriting income – Trisura Specialty

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Line items, as presented in the financial statements, note 16:				
Insurance service result	**25,939**	30,770	**63,908**	69,255
Other operating expenses	**(5,813)**	(4,169)	**(16,623)**	(12,937)
Other income	**816**	847	**6,998**	6,927
Net insurance finance income (expenses)	**(2,149)**	165	**(4,537)**	(2,039)
Net underwriting income	**18,793**	27,613	**49,746**	61,206
Adjustments				
Non-recurring Surety revenues	**-**	(4,596)	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**2,535**	-
Other non-recurring items	**(1,012)**	-	**(842)**	-
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**1,399**	(839)	**1,058**	(985)
Operating net underwriting income	**19,180**	22,178	**52,497**	55,625

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

Table 10.11 – Net underwriting income – Trisura US Programs

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Line items, as presented in the financial statements, note 16:				
Insurance service result	**9,653**	(6,021)	**38,537**	11,921
Other operating expenses	**(3,690)**	(3,697)	**(12,328)**	(10,173)
Net insurance finance income (expenses)	**(2,077)**	(1,063)	**(5,146)**	(3,872)
Net underwriting income	**3,886**	(10,781)	**21,063**	(2,124)
Adjustments				
Loss from run-off program	**-**	19,971	**3,714**	28,033
Claims from exited programs and other non-recurring items	**5,238**	-	**5,919**	-
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**662**	(365)	**543**	(363)
Operating net underwriting income	**9,786**	8,825	**31,239**	25,546

Table 10.12 – Reconciliation of Net income (expense) from reinsurance contracts assets to Fee income – Trisura US Programs

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 16	**(32,659)**	(66,158)	**(218,877)**	(163,481)
Less: Ceded commissions, ceded claims, ceded premiums earned, and other directly attributable expenses – reinsurance	**56,120**	86,915	**286,536**	221,142
Fee income, as presented in Table 3.8	**23,461**	20,757	**67,659**	57,661

Table 10.13 – Reconciliation of Insurance service expenses and Net income (expense) from reinsurance contracts assets to Net claims and loss adjustment expenses – Trisura Specialty: used in the calculation of Net underwriting income and Loss ratio**.**

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance service expenses, as presented in the financial statements, note 16	**(198,864)**	(112,907)	**(521,406)**	(368,673)
Finance income (expenses) from insurance contracts, as presented in the financial statements, note 16	**(6,978)**	658	**(14,897)**	(5,905)
Subtotal	**(205,842)**	(112,249)	**(536,303)**	(374,578)
Less: Gross commissions and other directly attributable expenses	**102,764**	86,824	**286,812**	239,037
Gross claims and loss adjustment expenses	**(103,078)**	(25,425)	**(249,491)**	(135,541)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 16	**(36,880)**	(77,388)	**(136,727)**	(159,498)
Finance income (expenses) from reinsurance contracts, as presented in the financial statements, note 16	**4,829**	(493)	**10,360**	3,866
Subtotal	**(32,051)**	(77,881)	**(126,367)**	(155,632)
Less: Ceded commissions and ceded premiums earned	**110,325**	91,832	**312,239**	248,778
Ceded claims and loss adjustment expenses	**78,274**	13,951	**185,872**	93,146
Net claims and loss adjustment expenses	**(24,804)**	(11,474)	**(63,619)**	(42,395)

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

Table 10.14 – Reconciliation of Insurance service expenses and Net income (expense) from reinsurance contracts assets to Net claims and loss adjustment expenses – Trisura US Programs: used in the calculation of Net underwriting income and Loss ratio.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance service expenses, as presented in the financial statements, note 16	**(503,650)**	(449,545)	**(1,344,705)**	(1,261,314)
Finance income (expenses) from insurance contracts, as presented in the financial statements, note 16	**(22,378)**	(12,179)	**(56,610)**	(42,254)
Subtotal	**(526,028)**	(461,724)	**(1,401,315)**	(1,303,568)
Less: Gross commissions and other directly attributable expenses – insurance	**116,295**	102,570	**361,318**	319,322
Gross claims and loss adjustment expenses	**(409,733)**	(359,154)	**(1,039,997)**	(984,246)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 16	**(32,659)**	(66,158)	**(218,877)**	(163,481)
Finance income (expenses) from reinsurance contracts, as presented in the financial statements, note 16	**20,301**	11,116	**51,464**	38,382
Subtotal	**(12,358)**	(55,042)	**(167,413)**	(125,099)
Less: Ceded commissions, ceded premiums earned, Fee income, and other directly attributable expenses – reinsurance	**375,305**	370,352	**1,095,851**	990,735
Ceded claims and loss adjustment expenses	**362,947**	315,310	**928,438**	865,636
Net claims and loss adjustment expenses	**(46,786)**	(43,844)	**(111,559)**	(118,610)

Table 10.15 – Reconciliation of Insurance service expenses and Net income (expense) from reinsurance contracts assets to Net expenses – Trisura Specialty: used in the calculation of Net underwriting income and Expense ratio.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance service expenses, as presented in the financial statements, note 16	**(198,864)**	(112,907)	**(521,406)**	(368,673)
Less: Gross claims and loss adjustment expenses (net of Finance income (expenses) from insurance contracts)	**96,099**	26,082	**234,591**	129,635
Gross commissions and other directly attributable expenses	**(102,765)**	(86,825)	**(286,815)**	(239,038)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 16	**(36,880)**	(77,388)	**(136,727)**	(159,498)
Less: Ceded claims and loss adjustment expenses (net of Finance income (expenses) from reinsurance contracts) and ceded premiums earned	**57,207**	96,233	**195,709**	213,086
Ceded commissions	**20,327**	18,845	**58,982**	53,588
Net commissions and other directly attributable expenses	**(82,438)**	(67,980)	**(227,833)**	(185,450)
Other income, as presented in the financial statements, note 16	**816**	847	**6,998**	6,927
Other operating expenses, as presented in the financial statements, note 16	**(5,813)**	(4,169)	**(16,623)**	(12,937)
Net expenses	**(87,435)**	(71,302)	**(237,458)**	(191,460)

Table 10.16 – Reconciliation of Insurance service expenses and Net income (expense) from reinsurance contracts assets to Net expenses – Trisura US Programs: used in the calculation of Net underwriting income and FOR.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Insurance service expenses, as presented in the financial statements, note 16	**(503,650)**	(449,500)	**(1,344,705)**	(1,261,314)
Less: Gross claims and loss adjustment expenses (net of Finance income (expenses) from insurance contracts)	**387,351**	346,942	**983,383**	941,992
Gross commissions and other directly attributable expenses	**(116,299)**	(102,558)	**(361,322)**	(319,322)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 16	**(32,659)**	(66,158)	**(218,877)**	(163,481)
Less: Ceded claims and loss adjustment expenses (Finance income (expenses) from reinsurance contracts), ceded premiums earned, and Fee income	**125,427**	142,355	**510,063**	400,225
Ceded commissions and other directly attributable expenses	**92,768**	76,197	**291,186**	236,744
Net commissions and other directly attributable expenses	**(23,531)**	(26,361)	**(70,136)**	(82,578)
Other operating expenses, as presented in the financial statements, note 16	**(3,690)**	(3,697)	**(12,328)**	(10,173)
Net expenses	**(27,221)**	(30,058)	**(82,464)**	(92,751)

Non-IFRS Ratios

Table 10.17 – Operating earnings per common share: reflect EPS, adjusted for certain items to normalize earnings to core operations in order to reflect our specialty operations; a measure of after-tax profitability.

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Operating net income	**33,228**	31,725	**97,668**	84,327
Weighted-average number of common shares outstanding – basic (in thousands of shares)	**47,755**	46,671	**47,683**	46,174
Operating earnings per common share – basic (in dollars)	**0.70**	0.68	**2.05**	1.83
Operating net income	**33,228**	31,725	**97,668**	84,327
Weighted-average number of common shares outstanding – diluted (in thousands of shares)	**48,584**	47,475	**48,500**	46,962
Operating earnings per common share – diluted (in dollars)	**0.68**	0.67	**2.01**	1.80

Table 10.18 – ROE and Operating ROE: a measure of the Company's use of equity.

	Q3 2024	Q3 2023
LTM net income	**110,982**	14,911
LTM average equity, from Table 10.8	**662,480**	526,049
ROE	**16.7%**	2.8%
LTM net income	**110,982**	14,911
Adjustments:		
Non-recurring Surety revenues	**-**	(4,596)
Loss from run-off program	**22,910**	28,032
Write down on reinsurance recoverables	**-**	81,473
Impact of certain changes in Fronting reinsurance structures	**2,535**	-
Claims from exited programs and other non-recurring items	**10,115**	-
Impact of SBC	**5,935**	488
Net credit impairment losses (reversals)	**1,378**	31
Net (gains) losses	**(32,249)**	13,678
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**3,673**	(1,093)
Tax impact of above items, and other tax adjustments	**(1,736)**	(26,671)
Operating LTM net income(1)	**123,543**	106,253
Operating LTM ROE(1)	**18.6%**	20.2%

(1) Operating LTM net income, a component of Operating LTM ROE, is a non-IFRS financial measure.

Table 10.19 – Trisura Specialty ROE and Operating ROE: a measure of Trisura Specialty's use of equity.

	Q3 2024	Q3 2023
LTM net income(1)	**83,824**	65,813
LTM average equity(1)	**315,058**	228,823
ROE	**26.9%**	28.8%
LTM net income	**83,824**	65,813
Non-operating adjustments	**(5,286)**	2,135
Operating LTM net income(1)	**78,538**	67,948
Operating LTM ROE	**24.9%**	29.7%

(1) LTM net income, LTM average equity, and Operating LTM net income balances exclude the impact of the US Treasury Listed entity.

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

Table 10.20 – Trisura US Programs ROE and Operating ROE: a measure of Trisura US Programs' use of equity.

	Q3 2024	Q3 2023
LTM net income	**27,546**	(45,884)
Currency translation	**(990)**	(3,792)
Subtotal	**26,556**	(49,676)
LTM average equity(1)	**292,879**	272,266
ROE	**9.1%**	(18.2)%
LTM net income	**27,546**	(45,884)
Non-operating adjustments	**23,110**	88,665
Currency translation	**(6,614)**	(1,363)
Operating LTM net income	**44,042**	41,418
Operating LTM ROE	**15.0%**	15.2%

(1) LTM average equity balances have been translated at the average USD:CAD foreign exchange rate over the last 12 months from the corresponding period-end dates.

Table 10.21 – Loss ratio and Expense ratio – Trisura Specialty

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net premiums earned, as presented in Table 10.9	**131,030**	110,387	**350,823**	295,059
Net claims and loss adjustment expenses, as presented in Table 10.13	**24,804**	11,474	**63,619**	42,395
Net expenses, as presented in Table 10.15	**87,435**	71,302	**237,458**	191,460
Loss ratio	**18.9%**	10.4%	**18.1%**	14.4%
Expense ratio	**66.7%**	64.6%	**67.7%**	64.9%
Combined ratio	**85.7%**	75.0%	**85.8%**	79.3%
Non-operating adjustments	**(0.5)%**	4.0%	**(0.7)%**	1.6%
Operating combined ratio	**85.2%**	79.0%	**85.1%**	80.9%

Table 10.22 – Loss ratio and FOR – Trisura US Programs

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Net premiums earned, as presented in Table 10.9	**54,429**	42,331	**147,425**	151,667
Fee income, as presented in Table 10.12	**23,461**	20,757	**67,659**	57,661
Net claims and loss adjustment expenses, as presented in Table 10.14	**46,786**	43,811	**111,559**	118,702
Net expenses, as presented in Table 10.16	**27,221**	30,058	**82,464**	92,751
Loss ratio	**86.0%**	**103.5%**	**75.7%**	**78.3%**
Non-operating adjustments	**(10.9)%**	**(32.9)%**	**(5.8)%**	**(7.5)%**
Operating loss ratio	**75.1%**	**70.6%**	**69.9%**	**70.8%**
FOR	**95.0%**	**117.1%**	**90.2%**	**101.0%**
Non-operating adjustments	**(7.6)%**	**(31.1)%**	**(4.5)%**	**(16.8)%**
Operating FOR	**87.4%**	**86.0%**	**85.7%**	**84.2%**

Table 10.23 – Retention rate and Fees as a percentage of ceded premium – Trisura US Programs

	Q3 2024	Q3 2023	Q3 2024 YTD	Q3 2023 YTD
Retention rate				
Net premiums written, as presented in Table 10.9	**47,156**	40,195	**170,529**	85,175
Gross premiums written, as presented in Table 10.9	**489,349**	528,201	**1,632,302**	1,572,194
Retention rate	**9.6%**	7.6%	**10.4%**	5.4%
Fees as a percentage of ceded premium				
Gross fee income	**21,444**	22,768	**69,299**	65,668
Ceded written premium, as presented in Table 10.9	**442,193**	488,006	**1,461,773**	1,487,019
Adjustment: non-recurring items	**-**	(4,780)	**(4,878)**	(67,518)
Ceded written premium excluding certain non-recurring items	**442,193**	483,226	**1,456,895**	1,419,501
Fees as a percentage of ceded premium	**4.8%**	4.7%	**4.8%**	4.6%

(in thousands of Canadian dollars, except per share numbers and as otherwise noted)

Additional Information

Table 10.24 – Reconciliation of Note 16 – Segmented information in the Company's Condensed Interim Consolidated Financial Statements to results including tax impacts (as per MD&A Table 3.3 and 3.8)

	For the three months ended September 30, 2024			For the nine months ended September 30, 2024		
	FS Note 16 – Net income before tax	**Tax impact**	**MD&A Table 3.3 and 3.8 – Net income**	**FS Note 16 – Net income before tax**	**Tax impact**	**MD&A Table 3.3 and 3.8 – Net income**
Trisura Specialty	**33,143**	**(8,001)**	**25,142**	**85,572**	**(21,363)**	**64,209**
Trisura US Programs	**16,147**	**(3,649)**	**12,498**	**47,844**	**(11,436)**	**36,408**

Table 10.25 – Reconciliation of Note 16 – Segmented information in the Company's Condensed Interim Consolidated Financial Statements to results including tax impacts (as per MD&A Table 3.3 and 3.8)

	For the three months ended September 30, 2023			For the nine months ended September 30, 2023		
	FS Note 16 – Net income before tax	Tax impact	MD&A Table 3.3 and 3.8 – Net income	FS Note 16 – Net income before tax	Tax impact	MD&A Table 3.3 and 3.8 – Net income
Trisura Specialty	29,833	(7,802)	22,031	70,317	(18,244)	52,073
Trisura US Programs	(7,754)	1,284	(6,470)	9,970	(2,198)	7,772

Corporate and Other

Table 10.26 – Reconciliation of Note 16 – Segmented information in the Company's Condensed Interim Consolidated Financial Statements to Section 3 – Corporate and Other, Table 3.10

	Q3 2024	Q3 2023	**Q3 2024 YTD**	Q3 2023 YTD
Other operating expenses Corporate and other, as presented in Note 16	**(1,553)**	772	**(7,177)**	509
Insurance service expenses – Reinsurance	**-**	33	**-**	(92)
Derivative (losses) gains from mitigation strategies(1)	**624**	(2,307)	**3,024**	(4,685)
Net expenses, as presented in Table 3.10	**(929)**	(1,502)	**(4,153)**	(4,268)

(1) Derivative (losses) gains from SBC mitigation are presented in Net gains (losses) in the Condensed Interim Consolidated Financial Statements.

Table 10.27 – Reconciliation from SBC, gross of mitigation strategies to SBC, net of mitigation strategies

	Q3 2024	Q3 2023	**Q3 2024 YTD**	Q3 2023 YTD
SBC, gross of mitigation strategies(1)	**(1,030)**	1,948	**(4,346)**	3,503
Add: Derivative (losses) gains from mitigation strategies(2)	**624**	(2,307)	**3,024**	(4,685)
SBC, net of mitigation strategies as presented in Table 3.10	**(406)**	(359)	**(1,322)**	(1,182)

(1) Included in Other operating expenses in Corporate and Other segment of FS Note 16.
(2) Derivative (losses) gains from mitigation strategies are presented in Net gains (losses) in the Condensed Interim Consolidated Financial Statements.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of our Company and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "likely," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts", "potential" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; insurance risks including pricing risk, concentration risk and exposure to large losses, and risks associated with estimates of loss reserves; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements and availability and cost of reinsurance; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; risks associated with reliance on distribution partners, capacity providers and program administrators; third party risks; risk that models used to manage the business do not function as expected; climate change risk; risk of economic downturn; risk of inflation; risks relating to cyber-security; risks relating to credit ratings; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
AFS	Available for Sale Financial Asset
BVPS	Book Value Per Share
D&O	Directors' and Officers' insurance
E&O	Errors and Omissions Insurance
EPS	Diluted Earnings Per Share
FOR	Fronting Operational Ratio
Fronted lines	Fronted lines are referring to US Fronting and Canadian Fronting
FVTPL	Fair Value Through Profit & Loss
FVTOCI	Fair Value Through Other Comprehensive Income
GPW	Gross Premium Written
LAE	Loss Adjustment Expenses
LTM	Last Twelve Months
MCT	Minimum Capital Test
MGA	Managing General Agent
n/a	not applicable
nm	not meaningful
NPE	Net Premiums Earned
NPW	Net Premium Written
NUI	Net Underwriting Income
OCI	Other Comprehensive Income
Primary lines	Primary lines are lines of insurance business not classified as fronting, such as Surety, Corporate Insurance, and Warranty.
pts	Percentage points
Q1, Q2, Q3, Q4	The three months ended March 31, June 30, September 30 and December 31 respectively
Q2 YTD	The six months ended June 30
Q3 YTD	The nine months ended September 30
Q4 YTD	The twelve months ended December 31
ROE	Return on Shareholders' Equity over the last twelve months
RSUs	Equity-settled restricted share units
USD	United States Dollar
YTD	Year to Date