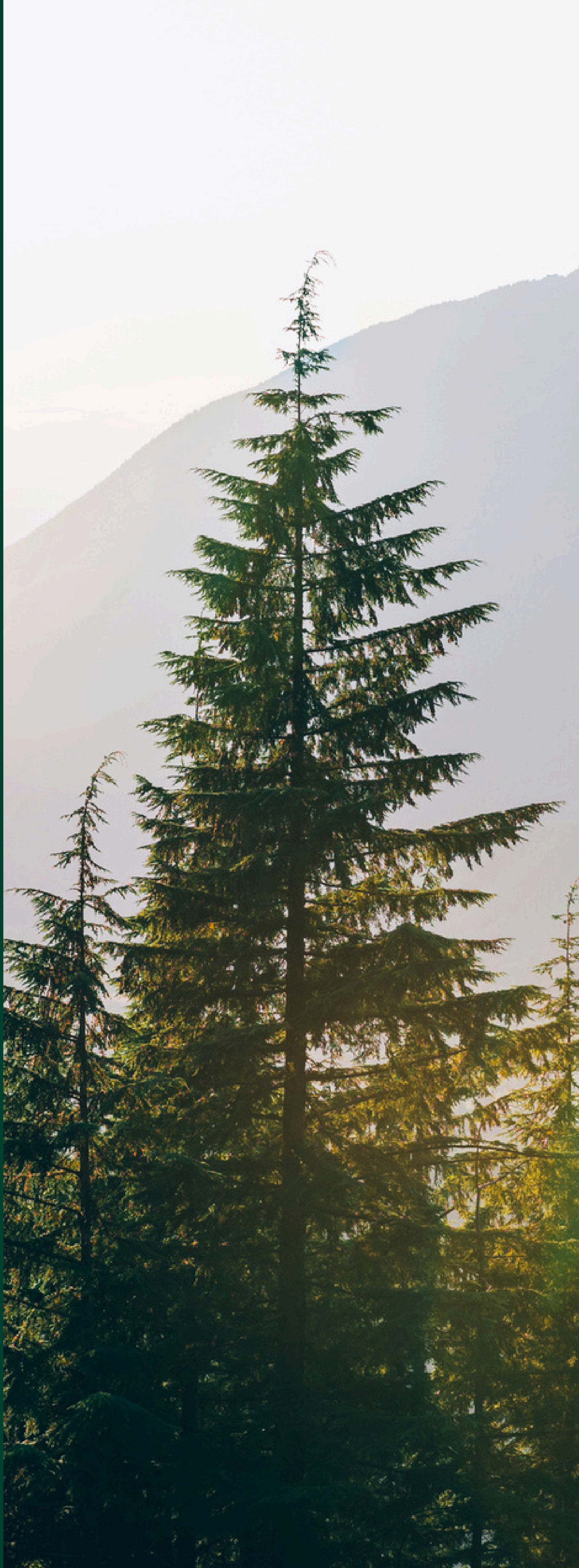
2024

Annual Report



TRISURA®

Letter to our Shareholders

Trisura continues to benefit from a focus on specialty insurance, demonstrating profitable underwriting and structuring in niche lines of business, and achieving strong operational results while expanding. Momentum continued in 2024 with revenue growing 14% across Surety, Corporate Insurance and Warranty (our lines with the highest profitability margin), while Canadian Fronting and US Programs grew 11% as we scale the platform in Canada and curate our portfolio in the US. Underwriting strength yielded an 89% combined ratio and alongside increased investment returns and favourable foreign exchange, drove book value per share growth of 26%. This exceeded our 5-year compound annual growth rate of 25%.

We achieved record Operating and Net Income of $136 million and $119 million respectively this year. Reported and Operating return on equity of 17% and 19% respectively exceeded our mid-teens target and demonstrated resilience through growth. Our expanding footprint and relevance with partners, alongside our highest ever capital base of $785 million, have driven meaningful progress towards our goal of being a North American specialty insurer of scale.

OPERATING AND FINANCIAL HIGHLIGHTS

Trisura Specialty continued to build momentum, expanding lines of business we know well and providing consistent support to distribution partners through the cycle, achieving 19% growth in the year. Our Surety operations maintained a track record of underwriting excellence, achieving a 15% Loss ratio while expanding into the US. Warranty and Canadian Fronting operations continued to grow their contribution to earnings as both business lines expanded. Corporate Insurance grew over the prior year and delivered a strong 28% Loss ratio in the context of a balancing market – demonstrating our ability to grow and underwrite through the cycle.

We made exciting progress on growth initiatives in 2024. Our US Surety platform grew premiums by 197%, broadened its presence and licensing, and developed significant distribution relationships. By Q3 2024 we were ranking in the top 35 sureties in the US up from 51 at the end of 2023 – significant progress in a market meaningfully larger than Canada. We further capitalized our Treasury listed balance sheet, setting the stage for dedicated infrastructure.

In US Corporate Insurance we began binding premium, growing our broker network and building our infrastructure. Despite the investment in both nascent US platforms, Trisura Specialty grew Operating net income 20% in 2024, supporting a 25% Operating return on equity.

US Programs benefit from a secular trend of growth in Managing General Agents (“MGAs”) as Trisura remains uniquely positioned to source, structure, and monitor program business with distribution partners and reinsurers across Excess and Surplus and Admitted markets. We believe the diversification of our portfolio, strong rating, size and permanence of capital make Trisura a preferred partner to the US MGA market, with over $2 billion in revenue and $91 million in fee income across 70 programs.

As our platform continues to mature we non-renewed certain programs and strategically exited relationships where we did not see a path to appropriate profitability. Beyond these non-renewals, we took decisive actions to strengthen reserves to prudent levels. Through comprehensive analysis, we proactively addressed increasing frequency and severity trends observed industrywide, driven by both social and economic inflation in liability lines.

Growth of US Programs excluding certain non-renewed programs was 27% for the year, and our ongoing portfolio of US Programs generated an 81% Operating combined ratio, demonstrating that both growth and profitability remain the expectation.

Our investment portfolio performed well in 2024, growing investment income by 30% and contributing to book value growth through mark-to-market gains. Profitable growth alongside higher rates allowed Trisura to secure higher yields through deployment, while reducing volatility. Our portfolio maintains the highest proportion of investment grade corporate and government bonds of any time in our history.

We continue to invest in our team, elevating long-tenured management to drive best practices, as well as lead our growth initiatives. I would like to congratulate Richard Grant on taking leadership of underwriting across Trisura Group, as well as stepping in as CEO of Trisura Specialty. Chris Sekine, the former CEO of Trisura Specialty, is continuing his involvement as an Executive Director across subsidiary boards and maintains involvement in strategic initiatives in surety, reinsurance and distribution. Trisura Group's board has evolved as well, and in 2024 we benefitted from the contributions of our two newest directors, Lilia Sham and Sacha Haque.

SPECIALTY INSURANCE OPERATING ENVIRONMENT

North American Specialty Insurance and US MGA premiums continue to grow faster than the broader Insurance market. We believe our focus in these areas will drive differentiated growth and profitability in the long term.

Reinsurance markets have been challenging over the past two years, but capacity was more available as we progressed through 2024. We observed orderly renewals in our reinsurance programs in the year and for January 1, 2025. In the US, property markets showed balance following the dislocation of 2022 and 2023. In some cases, we observed rate reductions in the property reinsurance market as capacity returned. Casualty reserve adequacy has been a focus in the industry as social and economic inflation have impacted claims. We expect a continued focus on casualty trends which may drive pricing in casualty even as property balances. US Program submissions continue to favour the E&S market, a trend we expect to continue as complexity, risk and inflationary trends are sustained.

Surety markets remain highly competitive, but are supported by stability in interest rates, an optimistic economic environment and commitments to increased infrastructure spending. Corporate Insurance markets have balanced following strength in recent years, while Warranty is benefitting from better auto inventory and consumer spending as interest rates normalize in Canada.

We expect Trisura to perform well across the insurance cycle. We have enhanced scale and diversification in primary lines, which is expected to outperform traditional lines through hard and soft markets. The majority of our growth in 2024 was in these areas, where our profitability margin is the highest. Balancing our established platform, US Programs and Canadian fronting can benefit from greater reinsurance capacity typical in soft markets.

In Surety, Corporate Insurance and Warranty we continue to take a targeted, long-term approach to lines where we have deep expertise. Our US Programs and Canadian Fronting platforms represent a diverse and uncorrelated portfolio of business that benefits from its broad posture and structured retention. In all our segments, we intend to act as a consistent partner through the cycle.

STRATEGIC PRIORITIES

We remain committed to the pursuit of profitable growth, expanding Primary lines where we have underwriting expertise and developing a diverse program and fronted business to generate stable fee income. Above average and growing underwriting profitability alongside enhanced investment income is expected to drive consistent increases in book value. We continue to pursue our target of $1 billion in book value by the end of 2027.

The expansion of Surety and Corporate Insurance to the US builds on a history of disciplined underwriting over the last two decades. We continue to grow our US footprint with teams across multiple regions, where local expertise is supported by established infrastructure, risk management and underwriting experience. Our risk appetite is consistently applied across North America, though the market opportunity is significantly larger in the US. As nascent US platforms mature we anticipate they will equal or exceed the contributions to earnings of their Canadian counterparts. With $75 million in US Surety premium in 2024 and an expectation for a combined ratio in 2025 comparable to our Canadian surety operations, we have early evidence of how attractive geographic expansion can be.

Growing scale has catalyzed an expansion of appetite in Canadian Surety as we move into larger limit bonding. Recent strategic hires added expertise that allow Trisura to target parts of the market we have not historically participated in. A greater breadth of offering has already resulted in more touchpoints with broker partners.

While most MGA premium is placed with primary insurers, the portion addressed by highly reinsured models like ours continues to grow. We are the third largest participant in this market in the US with an estimated 10% market share. In recent years we have taken steps to curate our program portfolio, prioritizing partners we expect to grow profitably over the long term and removing exposure to lines no longer within our risk appetite. We are confident in the path forward and excited to demonstrate the potential of the portfolio.

Inorganic growth levers have been an important part of Trisura's evolution. US acquisitions, book rollovers and strategic hires have provided access to new markets, amplified growth, and expanded capabilities. We continue to pursue and are well-positioned to execute more significant inorganic opportunities should they align with our risk appetite and meet our return thresholds.

Our strategic initiatives are well-funded – Trisura's capital base of $785 million is the highest in the company's history. Debt capacity approaching $100 million below our 20% debt-to-capital target and expanding earnings represent support for both organic and inorganic initiatives. An attractive but measured growth profile in addition to strong profitability establishes a self-funding posture in the near term. 2024 marked the first year since 2018 that Trisura did not raise capital, as we expanded with the benefit of internally generated capital.

Progress made through 2024 and our optimism for 2025 has reinforced our expectations of premium growth, operating ROE and book value per share growth in excess of 15%, targeting $1 billion in book value by the end of 2027.

CLOSING

Our earnings are supported by an attractive and diverse mix of underwriting income, fee income, and stable investment income. Through substantial growth we have expanded earnings and maintained a high teens return on equity. We continue to expect a greater degree of stability in our earnings growth, enhanced by portfolio curation in US Programs and a prudent approach to reserving.

We remain committed to the principles that have driven profitable growth and compounding book value: a strategic focus in specialty insurance, buoyed by structural tailwinds; experienced, profitable underwriting; consistent support and exceptional service for our distribution and capacity partners; and, a conservative approach to growth, risk appetite and reinsurance structuring.

We continue to plan for growth and expect that market volatility will provide opportunities to win business and strengthen our reputation. Our capital base is the strongest in our history and we continue to expand - we are optimistic for the years ahead.

Thank you to our employees, brokers, partners and shareholders for the continued support in pursuing our goal of becoming a North American specialty insurer of scale.

Sincerely,

David Clare

President and CEO
Trisura Group Ltd.
February 13, 2025

Trisura Group Ltd.

Management's Discussion and Analysis

For the year ended December 31, 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 twelve months ended December 31, 2024. This MD&A should be read in conjunction with our audited Consolidated Financial Statements for the year ended December 31, 2024.

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 Consolidated Financial Statements are in Canadian dollars and are prepared in accordance with IFRS Accounting 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 February 13, 2025. 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, Program 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 Q4 2024

- ✓ Book value reached a new record of $785.3 million and BVPS[(1)] reached $16.44 increasing by 5.1% for the quarter and 26.3% over Q4 2023, the combined result of earnings from Trisura Specialty, unrealized gains and foreign exchange.
- ✓ ROE[(1)] was 16.9% at Q4 2024. Operating ROE[(2)] of 19.4% was strong, although slightly lower than Q4 2023, as profitability from core operations[(3)] continued, but Shareholders' equity increased disproportionately from unrealized gains and foreign exchange.
- ✓ Net income of $19.3 million increased 70.1% compared to Q4 2023 as a result of growth in the business, higher Net investment income, as well as a lower Loss ratio[(2)]. Operating net income[(4)] of $38.2 million increased 47.6% over Q4 2023, as a result of growth in the business, a lower Loss ratio and higher Net investment income.
- ✓ Insurance revenue of $794.2 million, increased by 5.2% compared to Q4 2023, reflecting stronger growth from Surety and Warranty in particular. Trisura's Primary lines (Surety, Corporate Insurance and Warranty) grew by 17.7% in the quarter, which are the lines of business where the profitability margin on GPW[(1)] is the highest.
- ✓ The Operating combined ratio[(2)] for TGL was 81.5% for the quarter reflecting a lower Loss ratio than the prior year, driven by strong results in Surety and Corporate Insurance, slightly offset by investments in our US expansion. The Combined ratio was 96.7% in the quarter, which improved over the prior year as strong profitability in Trisura Specialty offset the impacts of Exited lines[(5)].
- ✓ EPS of $0.40 in the quarter was greater than Q4 2023, as a result of growth in the business, higher Net investment income, and improved profitability. EPS in the quarter was impacted by a higher Loss ratio associated with Exited lines. Operating EPS[(2)] of $0.79 in the quarter increased by 46.3% demonstrating the strength of core operations through continued growth and profitability.
- ✓ Trisura Specialty:
  - The Operating combined ratio of 79.4% was strong, and lower than Q4 2023 largely as a result of a lower Loss ratio, driven by profitable underwriting in Surety and Corporate Insurance.
  - Net income of $32.1 million increased by 53.3% over the prior year and drove a 27.4% ROE. Operating net income of $27.2 million increased 40.6% over Q4 2023 and drove a 24.9% Operating ROE, a reduction from recent levels partially driven by a larger equity base.
- ✓ Trisura US Programs:
  - Growth of US Programs Insurance revenue was 26.4% in the quarter, excluding certain non-renewed programs in the year, indicative of ongoing business and reflecting continued momentum and potential of the platform.
- ✓ Net investment income growth of 5.8% in the quarter was driven by a larger investment portfolio.
- ✓ In the quarter, Trisura continued the process of expanding the US Corporate Insurance and US Surety licensing and rate filing for our new Treasury Listed entity.

(1) These are supplementary financial measures. Refer to Section 10 – Accounting and Disclosure Matters for its composition.
(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 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.
(5) Please refer to Table 3.11 for details on composition of Exited lines.

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

SECTION 3 – FINANCIAL PERFORMANCE REVIEW

CONSOLIDATED PERFORMANCE

Table 3.1

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	794,162	754,953	39,209	5.2%	3,118,322	2,789,187	329,135	11.8%
Operating ISR[1]	41,264	26,932	14,332	53.2%	155,035	131,545	23,490	17.9%
ISR	13,787	4,159	9,628	231.5%	116,232	85,335	30,897	36.2%
Net insurance finance (expenses) income	(1,107)	(4,205)	3,098	(73.7%)	(10,790)	(10,116)	(674)	6.7%
Other income	508	727	(219)	(30.1%)	7,506	7,654	(148)	(1.9%)
Other operating expenses	(7,011)	(8,261)	1,250	(15.1%)	(35,962)	(31,371)	(4,591)	14.6%
Net underwriting income[1]	6,177	(7,580)	13,757	(181.5%)	76,986	51,502	25,484	49.5%
Net investment income	17,138	16,206	932	5.8%	67,045	51,669	15,376	29.8%
Net gains (losses)	2,886	9,058	(6,172)	(68.1%)	24,699	(8,763)	33,462	nm
Operating expenses corporate	207	(2,085)	2,292	nm	(6,970)	(1,576)	(5,394)	342.3%
Other finance costs	(947)	(565)	(382)	67.6%	(3,270)	(2,409)	(861)	35.7%
Income before income taxes	25,461	15,034	9,396	62.5%	158,490	90,423	72,806	80.5%
Income tax expense	(6,208)	(3,714)	(2,494)	67.2%	(39,575)	(23,482)	(16,093)	68.5%
Net income	19,253	11,320	7,933	70.1%	118,915	66,941	51,974	77.6%
Non-operating adjustments	18,928	14,555	4,373	30.0%	16,935	43,260	(26,325)	(60.9%)
Operating net income[1]	38,181	25,875	12,306	47.6%	135,850	110,201	25,649	23.3%
Operating loss ratio[2]	31.7%	44.4%		(12.7pts)	32.9%	34.9%		(2.0pts)
Operating expense ratio[2]	49.8%	43.7%		6.1pts	50.0%	47.0%		3.0pts
Operating combined ratio	81.5%	88.1%		(6.6pts)	82.9%	81.9%		1.0pts
Combined ratio	96.7%	105.4%		(8.7pts)	88.8%	91.2%		(2.4pts)
EPS - diluted - in dollars	0.40	0.23	0.17	73.9%	2.45	1.42	1.03	72.5%
OEPS - diluted - in dollars	0.79	0.54	0.25	46.3%	2.80	2.34	0.46	19.7%
BVPS – in dollars	16.44	13.02	3.42	26.3%	16.44	13.02	3.42	26.3%
Debt-to-capital ratio[3]	11.1%	10.8%	n/a	0.3pts	11.1%	10.8%	n/a	0.3pts
ROE	16.9%	12.2%	n/a	4.7pts	16.9%	12.2%	n/a	4.7pts
Operating ROE[2]	19.4%	20.0%	n/a	(0.6pts)	19.4%	20.0%	n/a	(0.6pts)

(1) This is a non-IFRS financial measure. See 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 ratio. See Section 10 – Accounting and Disclosure Matters 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.
(3) This is a supplementary financial measure. See Section 10 – Accounting and Disclosure Matters for its composition.

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

CONSOLIDATED PERFORMANCE (CONTINUED)

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

	Q4 2024 vs Q4 2023	2024 vs 2023
Insurance revenue	• **Insurance revenue** increased in the quarter compared to the prior year as a result of growth in Trisura Specialty led by the expansion in Surety and Warranty. Primary lines grew by 17.7% in the quarter.	• **Insurance revenue** increased in the YTD period led by Trisura Specialty in particular by the expansion in Surety, Canadian Fronting, and Warranty. Primary lines grew by 13.9% for the YTD period.
Operating insurance service result	• **Operating insurance service result** increased in the quarter and YTD period as a result of growth in the business and a lower loss ratio, offset by higher US Corporate Insurance and US Surety start-up costs.	
Insurance service result	• **Insurance service result** increased in the quarter and YTD period as a result of growth in the business and a lower loss ratio, offset by higher US Corporate Insurance and US Surety start-up costs. In Q4 2024 US Programs experienced higher claims activity on certain programs included in Exited lines. Programs included in Exited lines are non-renewed, are not considered part of core operations and therefore not included in Operating results.	
Net insurance finance (expense) income	• **Net insurance finance expense** in Q4 2024 was lower than Q4 2023 as a result of the impact of an increase in the yield curve in Q4 2024, which offset the impact of the unwind of the discount.	• **Net insurance finance expense** for the YTD period was greater than the prior year as a result of a greater impact from downward movement of the yield curve on a YTD basis in 2024.
Other income	• **Other income** consists of fees for surety services and was approximately the same as the prior year, reflecting a similar amount of fee generating activity over the periods. Q1 is the most significant quarter for surety fee income.	
Other operating expenses	• **Other operating expenses** decreased for the quarter over the prior year as a result of lower costs in US Programs due to lower variable compensation costs.	• **Other operating expenses** increased for the YTD period as a result of growth in the business as well as US Corporate Insurance and US Surety start-up costs.
Net underwriting income	• **Net underwriting income** was greater in the quarter and YTD period as a result of growth in the business and a lower loss ratio, offset by the impact of Exited lines.	
Net investment income and Net gains (losses)	• See Section 4 – Investment Performance Review.	
Operating expenses corporate	• **Operating expenses corporate** for Q4 2024 was a recovery as a result of the impact of movement in the value of SBC, as the change in value of our share price led to a decrease in the value of certain outstanding options and other forms of SBC. 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. • Operating expenses corporate excluding SBC(1) increased 27.4% in the quarter as a result of growth in the business.	• **Operating expenses corporate** for the YTD period grew as a result of the impact of movement in the value of SBC. The growth in Operating expenses corporate 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. • Operating expenses corporate excluding SBC(1) were approximately the same in 2024 as 2023.
Other finance costs	• Debt servicing costs were greater in the quarter and YTD periods than the prior year as a result of a higher amount of debt outstanding.	

(1) Operating expenses corporate 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)

CONSOLIDATED PERFORMANCE (CONTINUED)

	Q4 2024 vs Q4 2023	2024 vs 2023
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. The effective tax rate was approximately the same in 2024 as 2023. • For additional information, see Note 20 of the Consolidated Financial Statements.	
Net income	• **Net income** was greater in the quarter as a result of growth in the business, higher Net investment income, as well as a lower Loss ratio. Net income was impacted by the performance of US Programs, where certain programs included in Exited lines, experienced higher loss ratios. These programs no longer fit within Trisura's risk appetite. As Exited lines do not reflect the performance of core operations, their impact is shown separately and is not included in Operating results.	• **Net income** was greater for the YTD period as a result of growth in the business, higher Net gains (losses) for the year, higher Net investment income, and a lower Loss ratio. The results for the YTD period were also impacted by Exited lines.
Non-operating adjustments	• **Non-operating adjustments** in 2024 were primarily related to the impact of Exited lines, and were greater than the prior year. Non-operating adjustments in 2023 were primarily related to costs associated with the run-off program.	• **Non-operating adjustments** decreased in the YTD period compared to the prior year due to the impact of a run-off program in 2023 being greater than the impact of Exited lines in 2024.
Operating net income	• **Operating net income,** which excludes non-operating items such as the impact of Exited lines in 2024 and the run-off program in 2023, and other items not considered part of core operations, increased in the quarter and YTD period as a result of growth in the business, a lower Loss ratio than the prior year and growth in Net investment income.	
Operating loss ratio	• The **Operating loss ratio** for the quarter was lower than the prior year as a result of lower Loss ratios at both Trisura Specialty and US Programs.	• The **Operating loss ratio** for the YTD period was lower than the prior year as a result of a lower Loss ratio at Trisura US Programs.
Operating expense ratio	• The **Operating expense ratio** for the quarter and YTD period was higher than the prior year as a result of greater retention from Trisura US Programs, which leads to a higher Expense ratio, as well as US Corporate Insurance and US Surety start-up costs.	
Operating combined ratio	• The **Operating combined ratio** was lower in Q4 2024 compared to the prior year as a result of a lower Loss ratio.	• The **Combined ratio** was slightly higher than the prior year for the YTD period as a result of greater retention from Trisura US Programs, which leads to a higher Expense ratio, as well as US Corporate Insurance and US Surety start-up costs, but reflected strong results in both years.
Combined ratio	• The **Combined ratio** was lower in the quarter and YTD period compared to the prior year as a result of a lower Loss ratio, while Expense ratio was approximately the same as the prior year.	
EPS	• **EPS** of $0.40 in the quarter was greater than the prior year as a result of growth in the business, higher Net investment income, and a lower Loss ratio, offset by higher shares outstanding. EPS in the quarter was also impacted by a higher Loss ratio associated with Exited lines.	• **EPS** of $2.45 for the YTD period was greater than the prior year as a result of growth in the business, higher Net gains (losses) for the year, higher Net investment income, and a lower Loss ratio.
Operating EPS	• **Operating EPS** is meant to reflect EPS, adjusted for certain items to normalize earnings in order to reflect our 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, higher Net investment income and a lower Loss ratio offset by higher shares outstanding.	

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

CONSOLIDATED PERFORMANCE (CONTINUED)

	Q4 2024 vs Q4 2023 / 2024 vs 2023
BVPS	• **BVPS** increased by 26.3% over Q4 2023 primarily as a result of strong earnings from the operations of Trisura Specialty, higher Net investment income, and unrealized gains on the investment portfolio and foreign exchange movement.
Debt-to-capital ratio	• The Company's Q4 2024 **Debt-to-capital ratio** was higher than Q4 2023 due to additional funds drawn from the revolving credit facility to further capitalize our US Surety platform, 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 at US Programs.
Operating ROE	• **Operating ROE** was slightly lower than Q4 2023, as strong profitability from core operations continued, but was partially offset by disproportionately higher Shareholders' equity as a result of unrealized gains and foreign exchange.

SPECIALTY P&C

Our Specialty P&C business consists of Surety and Corporate Insurance, written in Canada and the US, as well as Warranty and Canadian Fronting. 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 focused on the programs space written through a highly reinsured model, referred to as the Trisura US Programs.

The table below provides a split of our Specialty P&C Insurance revenue for Q4 2024.

Table 3.2

Insurance revenue	Q4 2024	Q4 2023	% growth over prior year	2024	2023	% growth over prior year
Surety	48,818	36,393	34.1%	177,096	142,421	24.3%
Corporate Insurance	45,343	42,277	7.3%	175,403	165,541	6.0%
Warranty	31,779	28,371	12.0%	122,627	109,172	12.3%
Canadian Fronting	132,746	120,367	10.3%	505,601	407,700	24.0%
US Programs	535,476	527,545	1.5%	2,137,595	1,964,353	8.8%
Total Insurance revenue	794,162	754,953	5.2%	3,118,322	2,789,187	11.8%

(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

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	258,686	227,408	31,278	13.8%	980,727	824,834	155,893	18.9%
Operating ISR[1]	31,536	21,959	9,577	43.6%	97,137	86,618	10,519	12.1%
ISR	34,636	20,753	13,883	66.9%	98,544	90,008	8,536	9.5%
Net insurance finance income (expenses)	(633)	(2,107)	1,474	(70.0%)	(5,170)	(4,146)	(1,024)	24.7%
Other income[2]	508	727	(219)	(30.1%)	7,506	7,654	(148)	(1.9%)
Other operating expenses	(4,720)	(3,877)	(843)	21.7%	(21,343)	(16,814)	(4,529)	26.9%
Net underwriting income	29,791	15,496	14,295	92.2%	79,537	76,702	2,835	3.7%
Net income	32,076	20,929	11,147	53.3%	96,285	73,002	23,283	31.9%
Non-operating adjustments	(4,860)	(1,573)	(3,287)	209.0%	(8,575)	242	(8,817)	nm
Operating net income	27,216	19,356	7,860	40.6%	87,710	73,244	14,466	19.8%
Operating loss ratio	12.9%	19.2%		(6.3pts)	16.4%	16.1%		0.3pts
Operating expense ratio	66.5%	64.1%		2.4pts	67.2%	65.4%		1.8pts
Operating combined ratio	79.4%	83.3%		(3.9pts)	83.6%	81.5%		2.1pts
ROE	27.4%	29.1%		(1.7pts)	27.4%	29.1%		(1.7pts)
Operating ROE	24.9%	29.2%		(4.3pts)	24.9%	29.2%		(4.3pts)

(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.

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

TRISURA SPECIALTY (CONTINUED)

	Q4 2024 vs Q4 2023	2024 vs 2023
Insurance revenue	• **Insurance revenue** increased in the quarter driven by Surety and Warranty. Primary lines (Surety, Corporate Insurance, and Warranty) grew by 17.7% in the quarter.	• **Insurance revenue** growth continued across all lines in the YTD period, led by Surety.
Operating insurance service result	• **Operating insurance service result** was greater than the prior year for the quarter as a result of growth in the business and a lower Loss ratio, offset by higher US Corporate Insurance and US Surety 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 and US Surety start-up costs.
Insurance service result	• **Insurance service result** increased for the quarter as a result of growth in the business, and a lower Loss ratio, offset by higher US Corporate Insurance and US Surety start-up costs.	• **Insurance service result** increased for the YTD period as a result of growth in the business, offset by a higher Loss ratio and higher US Corporate Insurance and US Surety start-up costs.
Net insurance finance income (expenses)	• **Net insurance finance income (expenses)** for the quarter was lower than the prior year as a result of the impact of a larger downward shift in the yield curve in Q4 2023 than Q4 2024.	• **Net insurance finance income (expenses)** for the YTD period was greater than the prior year as a result of growth in net insurance contract liabilities, as well as the impact of a larger downward shift in the yield curve in 2024 than 2023.
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.	
Other operating expenses	• **Other operating expenses** increased for the quarter and YTD periods as a result of growth in the business.	
Net underwriting income	• **Net underwriting income** increased for the quarter as a result of growth in the business and a lower Loss ratio.	• **Net underwriting income** increased for the YTD period as a result of growth in the business, offset by a slightly higher Combined ratio.
Net income	• **Net income** grew in the quarter as a result of growth in the business, a lower Loss ratio, and higher Net investment income, offset by lower Net gains (losses).	• **Net income** grew in the YTD period as a result of growth in the business, higher Net investment income, and higher Net gains (losses), offset by a slightly higher Combined ratio.
Non-operating adjustments	• **Non-operating adjustments** for the quarter were primarily related to net gains from the investment portfolio in 2024 and 2023 as well as certain favourable non-recurring recoveries in 2024, which were backed out of operating results.	• **Non-operating adjustments** for the YTD period were primarily related to Net gains from the investment portfolio in 2024 which were greater than Net gains in 2023. Non-operating adjustments in 2023 also included the impact of backing out non-recurring surety revenue.
Operating net income	• **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. Revenue generation combined with disciplined underwriting demonstrated the benefit of our specialty focus and the ability of our platform to perform across product lines, geographies and market cycles.	
Operating loss ratio	• The **Operating loss ratio** decreased in the quarter as a result of lower Loss ratios in Surety and Corporate Insurance.	• The **Operating loss ratio** increased slightly in the YTD period primarily as a result of a higher Loss ratio in Corporate Insurance, however remains strong on an absolute basis.
Operating expense ratio	• The **Operating expense ratio** in the quarter and YTD period was greater than the prior year as a result of a shift in the business mix towards fronting, which has a higher Expense ratio, as well as start-up costs associated with US Corporate Insurance and US Surety.	
Operating combined ratio	• The **Operating combined ratio** in the quarter was lower than the prior year as a result of a lower Loss ratio.	• The **Operating combined ratio** in the YTD period was greater than the prior year as a result of higher Loss and Expense ratios, but remains strong on an absolute basis.

TRISURA SPECIALTY (CONTINUED)

<table>
<tr><th></th><th>Q4 2024 vs Q4 2023</th><th>2024 vs 2023</th></tr>
<tr><td>ROE</td><td colspan="2">• ROE was slightly lower than the prior year, as strong profitability continued, but was offset by a larger equity base.</td></tr>
<tr><td>Operating ROE</td><td colspan="2">• Operating ROE was lower than the prior year, as strong profitability continued, but was offset by a larger equity base.</td></tr>
</table>

(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

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	48,818	36,393	12,425	34.1%	177,096	142,421	34,675	24.3%
Insurance service result	18,640	4,290	14,350	334.5%	41,709	29,544	12,165	41.2%
Loss ratio	6.6%	28.0%		(21.4pts)	14.5%	16.3%		(1.8pts)

	Q4 2024 vs Q4 2023 / 2024 vs 2023
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 continued to be positively impacted by increased construction values. In the quarter and YTD period, premium from US Surety continued to benefit from a new distribution relationship and experienced growth in existing operations.
Insurance service result	• **Insurance service result** grew significantly in the quarter and YTD period as a result of growth in the business and a lower Loss ratio.
Loss ratio	• The **Loss ratio** was lower for the quarter and YTD period compared to the prior year as a result of lower claims activity in the periods.

(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 3.5

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	45,343	42,277	3,066	7.3%	175,403	165,541	9,862	6.0%
Insurance service result	6,786	6,859	(73)	(1.1%)	21,995	27,802	(5,807)	(20.9%)
Loss ratio	21.5%	33.8%		(12.3pts)	28.1%	24.7%		3.4pts

	Q4 2024 vs Q4 2023	2024 vs 2023
Insurance revenue	• **Insurance revenue** grew in the quarter and 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.	
Insurance service result	• **Insurance service result** was lower in the quarter than the prior year as a result of additional costs associated with the build-out of US Corporate Insurance partly offset by a lower Loss ratio.	• **Insurance service result** was lower in the YTD period than the prior year as a result of the Loss ratio returning to a more normalized level, as well as additional costs associated with the build-out of US Corporate Insurance.
Loss ratio	• The **Loss ratio** was lower in the quarter as a result of lower claims activity.	• The **Loss ratio** was higher for the YTD period as a result of more normalized claims activity, although it remains within long term expectations.

(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 requirements of program administrators, managing general agents, captive insurance companies, and affinity groups. Our Warranty business 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 3.6

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	31,779	28,371	3,408	12.0%	122,627	109,172	13,455	12.3%
Insurance service result	3,031	3,340	(309)	(9.3%)	14,056	11,246	2,810	25.0%

	Q4 2024 vs Q4 2023	2024 vs 2023
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 and expansion of an existing program in the quarter. Certain Warranty programs have experienced growth as a result of automobile sales increasing in the periods.	
Insurance service result	• **Insurance service result** was lower than the prior year for the quarter primarily due to higher claims activity on certain programs.	• **Insurance service result** was greater for the YTD period compared to the prior year as a result of growth in the business and improved profitability on certain programs.

(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 3.7

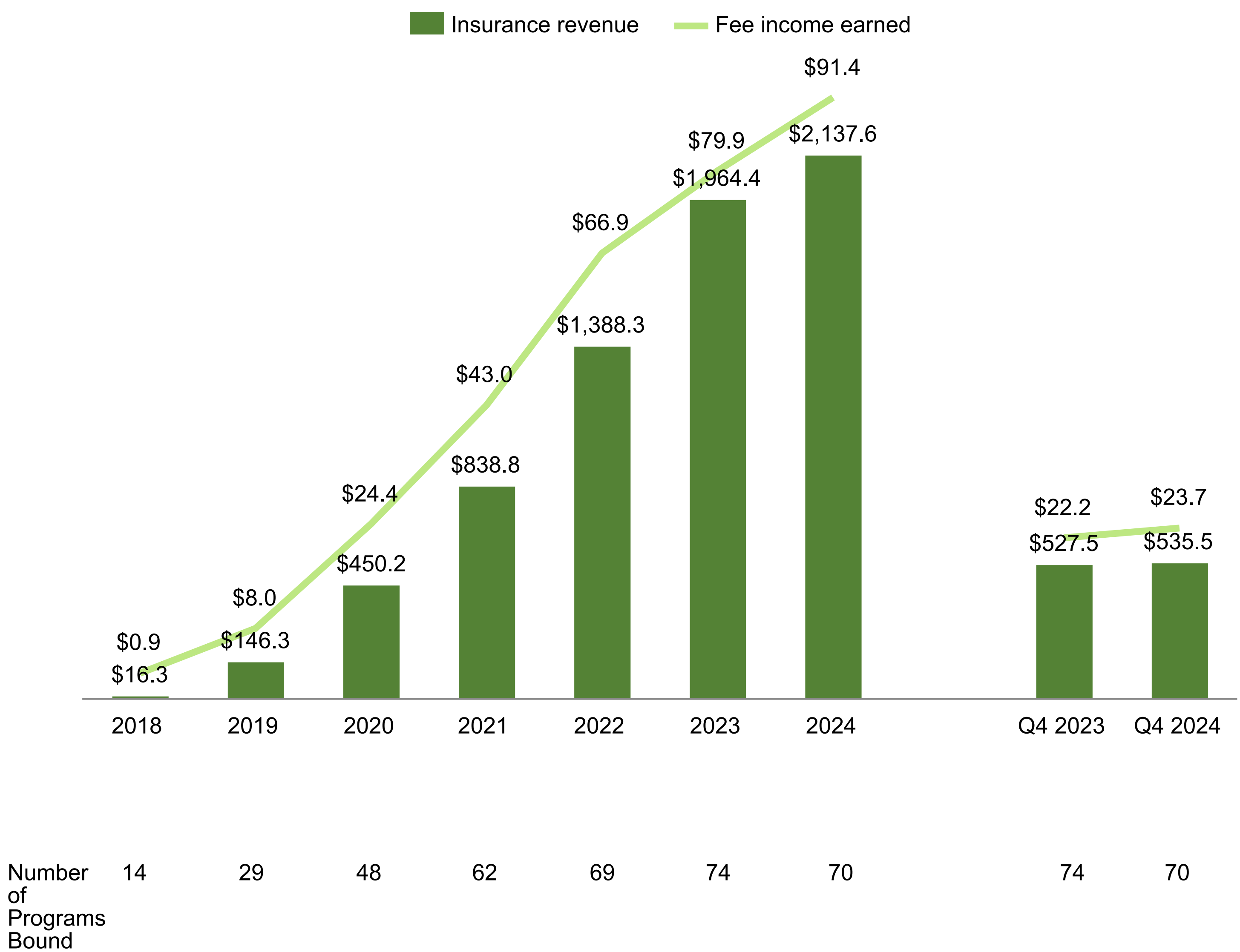
	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	132,746	120,367	12,379	10.3%	505,601	407,700	97,901	24.0%
Insurance service result	6,179	6,264	(85)	(1.4%)	22,853	21,416	1,437	6.7%

	Q4 2024 vs Q4 2023	2024 vs 2023
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 result	• **Insurance service result** was slightly lower for the quarter as a result of a higher Loss ratio on certain programs for which Trisura Specialty retains risk.	• **Insurance service result** was greater for the YTD period as a result of growth in the business, partially offset by a higher Loss ratio on certain programs for which Trisura Specialty retains risk.

TRISURA US PROGRAMS

Our US Programs platform functions as a non-admitted surplus line insurer in all states, with the ability to write admitted business in 49 states, participating as a highly reinsured program insurer with a fee-based business model.

Our US Programs operations continued to grow Insurance revenue, producing $535.5 million in the quarter and $2,137.6 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.

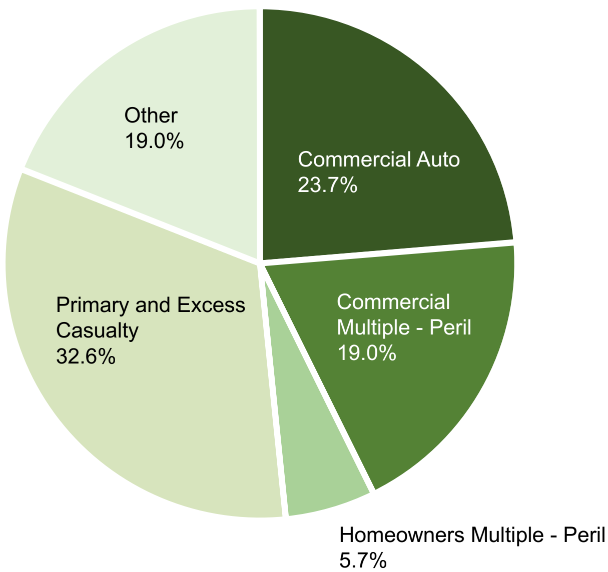


(1) Fee income is a non-IFRS financial measure. See Section 10 – Accounting and Disclosure Matters for details and an explanation of how it provides useful information to an investor.

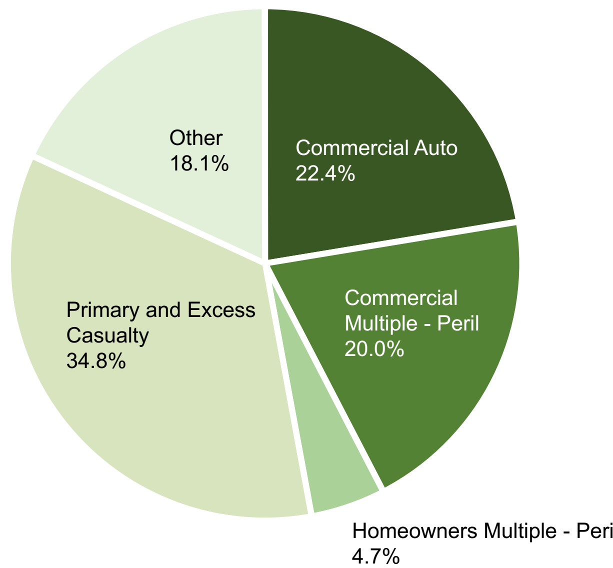
TRISURA US PROGRAMS (CONTINUED)

The charts below provide a segmentation by class of business of our US Programs Insurance revenue for Q4 2024.

Insurance Revenue Q4 2024(1)



Insurance Revenue Q4 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[1]

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue	535,476	527,545	7,931	1.5%	2,137,595	1,964,353	173,242	8.8%
Fee income[2]	23,725	22,199	1,526	6.9%	91,384	79,860	11,524	14.4%
Fees as a % of ceded premium[3]	5.2%	5.0%			4.8%	4.7%		
Retention rate[3]	8.6%	6.8%			10.1%	5.7%		
ROE	7.3%	(1.0%)			7.3%	(1.0%)		
Operating ROE	16.7%	13.6%			16.7%	13.6%		

(1) All ratios in Table 3.8 include both Trisura US Ongoing Programs and Exited lines.
(2) Fee income is a component of Net income (expense) from reinsurance contracts assets, see Table 10.12 for its composition.
(3) This is a non-IFRS ratio. See Table 10.24 in Section 10 – Accounting and Disclosure Matters for details on composition.

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

Table 3.9

As at	December 31, 2024	December 31, 2023	$ variance	% variance
Deferred fee income	41,865	39,854	2,011	5.0%

	Q4 2024 vs Q4 2023	2024 vs 2023
Insurance revenue	• **Insurance revenue** grew in the quarter and YTD period primarily as a result of maturing programs, offset by the impact of non-renewed programs. • Growth of US Programs Insurance revenue excluding certain non-renewed programs was 26.4% for the quarter and 27.0% for the YTD period, indicative of ongoing business. • In the quarter $150.3 million of **Insurance revenue** was generated by admitted programs compared to $93.6 million in Q4 2023.	• For the YTD period, $472.6 million of **Insurance revenue** was generated by admitted programs, compared to $282.6 million in YTD 2023.
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, as well as higher average fronting fees.	
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 an evolution of the platform towards programs with higher average fees.	
Retention rate	• The **Retention rate** was greater for the quarter and YTD period than the prior year which reflects a greater average retention from programs written in 2024 than 2023. Lower reinsurance costs in 2024 than 2023 also contributed to the increase. • 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.	
ROE	• **ROE** was 7.3%, as a result of the impact of Exited lines and was greater than the prior year as a result of the impact of the 2023 run-off program.	
Operating ROE	• **Operating ROE** was 16.7%, which is greater than the prior year due to growth in the business and improved profitability, partially offset by growth in infrastructure and higher Shareholders' equity.	
Deferred fee income	• **Deferred fee income**, a precursor to earned fees reached $41.9 million.	

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

TRISURA US PROGRAMS (CONTINUED)

Trisura US Ongoing Programs

The table below presents financial highlights for our Trisura US Ongoing Programs[1] operations. The results of this table exclude the impact from Exited lines. Refer to Table 3.11 for details on composition of Exited lines. Comparative year and prior quarters were not restated to exclude the Exited lines.

Table 3.10

	Q4 2024	Q4 2023	$ variance	% variance	2024	2023	$ variance	% variance
Insurance revenue[2]	470,020	527,545	(57,525)	(10.9%)	2,072,139	1,964,353	107,786	5.5%
Fee income[2]	21,177	22,199	(1,022)	(4.6%)	88,836	79,860	8,976	11.2%
Operating ISR[3]	9,728	4,973	4,755	95.6%	57,898	44,927	12,971	28.9%
ISR[2]	9,728	(16,594)	26,322	nm	48,265	(4,673)	52,938	nm
Net insurance finance income (expenses)	(474)	(2,098)	1,624	(77.4%)	(5,620)	(5,970)	350	(5.9%)
Other operating expenses	(2,291)	(4,384)	2,093	(47.7%)	(14,619)	(14,557)	(62)	0.4%
Net underwriting income	6,963	(23,076)	30,039	nm	28,026	(25,200)	53,226	nm
Net income[2]	10,054	(8,862)	18,916	nm	46,462	(1,090)	47,552	nm
Non-operating adjustments	1,659	14,663	(13,004)	(88.7%)	4,869	39,768	(34,899)	(87.8%)
Operating net income[4]	11,713	5,801	5,912	101.9%	51,331	38,678	12,653	32.7%
Operating loss ratio[5]	80.3%	108.7%			72.5%	86.0%		
Operating expense ratio[5]	6.5%	(8.3%)			8.7%	(3.2)%		
Operating combined ratio[5]	86.8%	100.4%			81.2%	82.8%		
Operating FOR[5]	90.7%	100.3%			86.9%	88.8%		

(1) Trisura US Ongoing Programs excludes the impact of Exited lines, as presented in Table 3.11. The figures presented in Table 3.11 represent non-IFRS ratios and financial measures. See Section 10 – Accounting and Disclosure Matters for details on composition and an explanation of how it provides useful information to an investor.
(2) These metrics exclude the impact of Exited lines.
(3) 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.
(4) 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.
(5) The ratios contained in Table 3.10 reflect non-operating adjustments with the ratios for Trisura US Ongoing Programs. These are non-IFRS ratios. 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.

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

TRISURA US PROGRAMS (CONTINUED)

	Q4 2024 vs Q4 2023	2024 vs 2023
Insurance revenue	• **Insurance revenue** in the quarter was lower than the prior year as a result of the impact of non-renewed programs. • Growth of US Programs Insurance revenue excluding certain non-renewed programs was 26.4% for the quarter and 27.0% for the YTD period, indicative of ongoing business.	• **Insurance revenue** grew in the YTD period primarily as a result of maturing programs, offset by the impact of non-renewed programs.
Fee income	• **Fee income** in the quarter was lower than the prior year as a result of the impact of non-renewed programs, which have not been removed from comparative quarters. Excluding Exited lines from 2024 and 2023, Fee income grew by 13.0%.	• **Fee income** grew in the YTD period as a result of premium growth over the past year, as well as higher average fronting fees.
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, a lower Loss ratio in 2024 and the impact of lower reinsurance costs.	
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 2023.	
Net insurance finance income (expenses)	• **Net insurance finance income (expenses)** was lower than the prior year as a result of the impact of an upward shift in the yield curve in the quarter, compared to a downward shift in the yield curve in Q4 2023.	• **Net insurance finance income (expenses)** was approximately the same as the prior year as a result of a similar impact from the unwind of discounting, and similar movement in the yield curve.
Other operating expenses	• **Other operating expenses** decreased in the quarter primarily as a result of lower variable compensation costs.	• **Other operating expenses** for the YTD period were approximately the same as the prior year reflecting growth in the business, offset by lower variable compensation costs in Q4 2024.
Net underwriting income	• **Net underwriting income** 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 2023.	
Net income	• **Net income** was higher for the quarter compared to the prior year as a result of growth in the business and losses from a run-off program in 2023.	• **Net income** was higher for the YTD period compared to the prior year as a result of growth in the business, higher Net investment income, higher Net gains (losses), and losses from a run-off program in 2023.
Non-operating adjustments	• **Non-operating adjustments** in Q4 2024 were primarily related to Net gains (losses), which were lower than the Non-operating adjustments in Q4 2023, which were primarily related to losses from the run-off program.	• **Non-operating adjustments** for the YTD period are primarily related to Non-recurring items and Net gains (losses), which were lower than the Non-operating adjustments in 2023, which were primarily related to losses from a run-off program.
Operating net income	• **Operating net income** was higher in the quarter compared to the prior year as a result of growth in the business, and a lower Loss ratio.	• **Operating net income** was higher in the YTD period as a result of growth in the business, a lower Loss ratio, and higher Net investment income.
Operating loss ratio	• The **Operating loss ratio** was lower in Q4 and YTD 2024 than the prior year as a result of higher reinsurance costs in 2023, which impacted the Loss ratio by reducing net premiums earned, as well as higher claims activity in 2023. In Q4 2024, claims were impacted by 6% points related to south east wind events in the second half of the year. When the impact of the programs referred to as Exited lines are removed from the YTD results, rather than Q4 only as reflected in the Operating loss ratio, the Operating loss ratio for the full year is 58.3%.	
Operating expense ratio	• The **Operating expense ratio** is presented net of Fee income, and can therefore become a recovery in instances where fees exceed other acquisition and operating expenses. • The **Operating expense ratio** was greater in the quarter and YTD period than the prior year as a result of greater retention from US Programs, which leads to a higher Expense ratio.	
Operating combined ratio	• The **Operating combined ratio** improved over the prior year for the quarter as a result of a lower Loss ratio in 2024, partially offset by a higher Expense ratio.	
Operating FOR	• The **Operating FOR** was improved for the quarter and YTD period over the prior year as a result of a lower Loss ratio, and lower reinsurance costs.	

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

TRISURA US PROGRAMS (CONTINUED)

Exited Lines

Beginning Q4 2024 the Company is presenting the impact of certain programs referred to as Exited lines, which have had a significant impact on the results, separately from Operating results. Exited lines refer to certain programs which have non-renewed and have been put into run-off. These programs no longer fit within Trisura's risk appetite. This could be due to a change in the risk profile of the business written through the programs or due to a strategic decision to modify our risk appetite. The results of these programs are considered non-operating as they are no longer part of the core business and are not expected to have a significant impact going forward. Comparative year and prior quarters were not restated to exclude the Exited lines. In 2024, $226.8 million of GPW was generated from Exited lines. In the quarter, Exited lines generated negative premium, the result of policy cancellations.

We are continuously monitoring these lines of business, ensuring our reserves estimates are reasonable and appropriate.

The table below presents financial highlights for Exited lines.

Table 3.11

	Q4 2024
GPW	(1,232)
Insurance revenue	65,456
Net premiums earned	8,517
Fee income	2,548
Net claims[1]	(40,963)
Net expenses	(679)
ISR[1]	(30,577)
Income tax benefit (expense)	6,421
Net income (loss) from Exited lines	**(24,156)**

(1) Net claims and ISR are shown on an undiscounted basis and exclude the impact of any risk adjustment.

The table below reconciles ISR and Net income (loss) from Trisura US Ongoing Programs and Exited lines to Trisura US Programs.

Table 3.12

	Q4 2024	Q4 2023	2024	2023
ISR, Trisura US Ongoing Programs	9,728	(16,594)	48,265	(4,673)
ISR from Exited lines	(30,577)	-	(30,577)	-
ISR, Trisura US Programs	(20,849)	(16,594)	17,688	(4,673)
Net income (loss), Trisura US Ongoing Programs	10,054	(8,862)	46,462	(1,090)
Net income (loss) from Exited lines	(24,156)	-	(24,156)	-
Net income (loss), Trisura US Programs	(14,102)	(8,862)	22,306	(1,090)

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

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 gains and losses on derivatives instruments used to mitigate the movement of SBC.

Table 3.13

	Q4 2024	Q4 2023	$ variance	2024	2023	$ variance
Corporate expenses	(632)	(494)	(138)	(3,463)	(3,575)	112
SBC, net of derivatives used to mitigate the impact	(517)	(345)	(172)	(1,839)	(1,528)	(311)
Net expenses[1]	(1,149)	(839)	(310)	(5,302)	(5,103)	(199)

(1) Refer to Table 10.27 for details to reconcile to Note 19 – Segmented Information in the Company's Consolidated Financial Statements.

	Q4 2024 vs Q4 2023 / 2024 vs 2023
Corporate expenses	• **Corporate expenses**, were approximately the same in 2024 as 2023.
SBC, net of derivatives used to mitigate the impact	• **SBC** includes payments 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.

NON-OPERATING RESULTS

Non-operating results includes items which are not representative of our core business, such as Net gains (losses), the impact of movement in the yield curve included in Finance income (expense) from insurance/reinsurance contracts, and Exited lines. Adjustments also include items which may not be recurring.

Table 3.14[1]

	Q4 2024	Q4 2023	$ variance	2024	2023	$ variance
Non-recurring items	(2,283)	18,680	(20,963)	8,013	37,443	(29,430)
Impact of exited lines	24,156	-	24,156	24,156	-	24,156
Movement in yield curve	(294)	1,594	(1,888)	908	559	349
Net gains (losses)	(2,034)	(6,887)	4,853	(18,720)	6,665	(25,385)
Impact of SBC	(617)	1,168	(1,785)	2,578	(1,407)	3,985
Non-operating results	18,928	14,555	4,373	16,935	43,260	(26,325)

(1) Numbers in Table 3.14 are shown net of tax.

(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

Table 4.1

	Q4 2024	Q4 2023	$ variance	2024	2023	$ variance
Net investment income	17,138	16,206	932	67,045	51,669	15,376
Net gains (losses) excl. derivative losses (gains)(1)	4,242	7,814	(3,572)	23,031	(5,322)	28,353
Investment income excl. derivatives(2)	21,380	24,020	(2,640)	90,076	46,347	43,729

(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 19 – Segmented Information in the Consolidated Financial Statements.
(2) Total investment income excluding derivative losses (gains) is a non-IFRS financial measure and is equal to the sum of Net investment income, Net gains (losses) excluding derivative losses (gains).

	Q4 2024 vs Q4 2023	2024 vs 2023
Net investment income	• **Net investment income** is driven by interest and dividend income on invested assets, the majority of which are investment grade bonds.	
	• **Net investment income** was greater than the prior year for the quarter as a result of a larger investment portfolio.	• **Net investment income** was greater than the prior year for the 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)** were less than the prior year for the quarter due to unrealized losses on securities classified as FVTPL offset by net foreign currency gains which were the result of strengthening of the US dollar.	• **Net gains (losses)** were greater than the prior year for the YTD period due to 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.

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

INVESTMENT PERFORMANCE (CONTINUED)

Other comprehensive income (loss)

Table 4.2

	Q4 2024	Q4 2023	$ variance	2024	2023	$ variance
Unrealized gains (losses) in OCI	(8,326)	14,520	(22,846)	14,186	12,848	1,338
Cumulative translation gains (losses)	25,519	(6,067)	31,586	29,657	(6,520)	36,177
Other comprehensive income (loss)	17,193	8,453	8,740	43,843	6,328	37,515

	Q4 2024 vs Q4 2023	2024 vs 2023
Unrealized gains (losses) in OCI	• **Unrealized gains (losses) in OCI** reflect the mark to market impact of securities characterized as FVOCI. • **Unrealized gains (losses) in OCI** was negative for the quarter as a result of a decrease in the value of investment grade bonds.	• **Unrealized gains (losses) in OCI** was positive for the YTD period as a result of a increase in the value of preferred shares and investment grade bonds.
Cumulative translation gains (losses)	• 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. • **Cumulative translation gains (losses)** for the quarter and YTD period reflected the strengthening of the US dollar against the Canadian currency, driving higher Canadian dollar valuations of capital held outside of Canada.	

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 167 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. 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 or high quality 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 an appropriate risk position, right-sizing underwriting risk and aligning our interests with our program distribution partners and capacity providers.

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 actively consider strategic 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 target businesses in Canada or the US that operate in similar niches of the specialty insurance market, or that can expand our offering. The recent 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.

The Company's revolving credit facility 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 2024, our policy applied to at least 70% 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 developed 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	December 31, 2024	December 31, 2023	$ variance
Cash and cash equivalents	270,378	604,016	(333,638)
Investments	1,434,534	890,157	544,377
Other assets	42,392	53,712	(11,320)
Reinsurance contract assets	2,771,163	2,003,589	767,574
Capital assets and intangible assets	29,383	16,657	12,726
Deferred tax assets	44,043	16,314	27,729
Total assets	4,591,893	3,584,445	1,007,448
Insurance contract liabilities	3,546,053	2,769,951	776,102
Other liabilities	162,302	120,065	42,237
Loan payable	98,272	75,000	23,272
Total liabilities	3,806,627	2,965,016	841,611
Shareholders' equity	785,266	619,429	165,837
Total liabilities and shareholders' equity	4,591,893	3,584,445	1,007,448

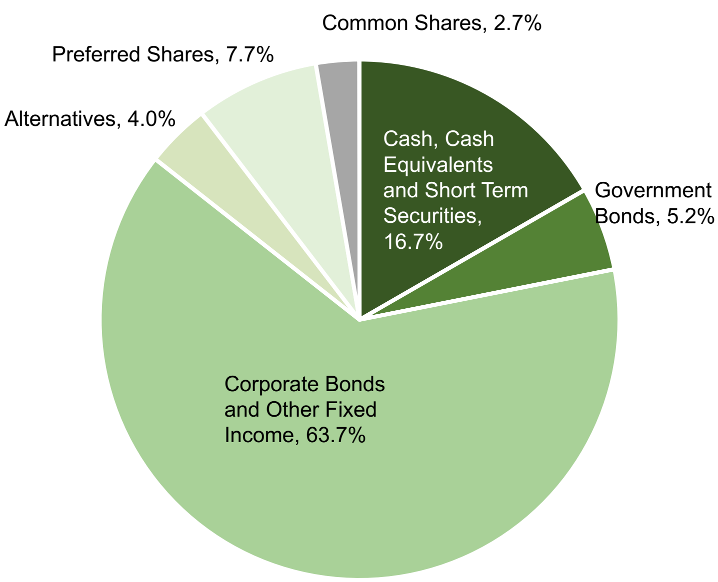
	December 31, 2024 vs December 31, 2023
Cash and cash equivalents	• **Cash and cash equivalents** has decreased as a result of cash having been deployed to the investment portfolio, as well as cash held on balance sheet as collateral being transferred to collateral trust accounts.
Investments	• **Investments** 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 largely 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 transfer of 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 offset by a 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 December 31, 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.

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

SUMMARY OF CASH AND INVESTMENTS

Our $1.7 billion investment portfolio consists of cash and cash equivalents, short-term securities, government and corporate bonds, preferred shares, common shares, and alternative investments. Approximately 96% of our fixed income holdings are highly liquid(1), investment grade bonds(2).

Investment Portfolio by Asset Class



Fixed Income Securities by Rating(3)

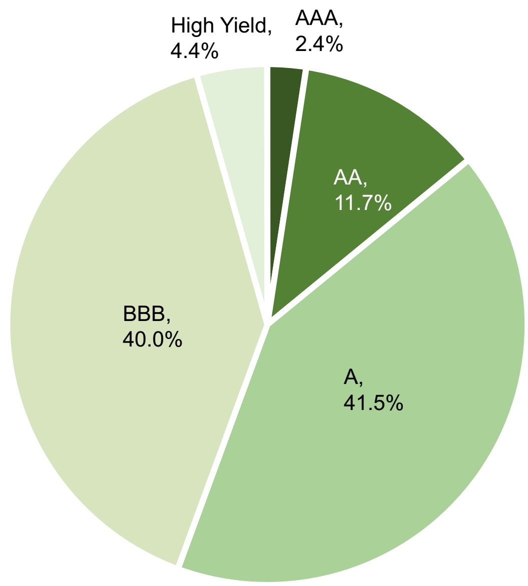


Table 6.2

By asset class	December 31, 2024	December 31, 2023
Cash, cash equivalents and short-term securities	16.7%	40.9%
Government bonds	5.2%	5.3%
Corporate bonds and other fixed income	63.7%	39.8%
Alternatives	4.0%	3.8%
Preferred shares	7.7%	7.7%
Common shares	2.7%	2.5%

Table 6.3

By rating	December 31, 2024	December 31, 2023
AAA	2.4%	6.4%
AA	11.7%	11.8%
A	41.5%	38.8%
BBB	40.0%	36.2%
High Yield	4.4%	6.8%

(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.

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

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 December 31, 2024, 47,779,021 common shares were issued and outstanding.

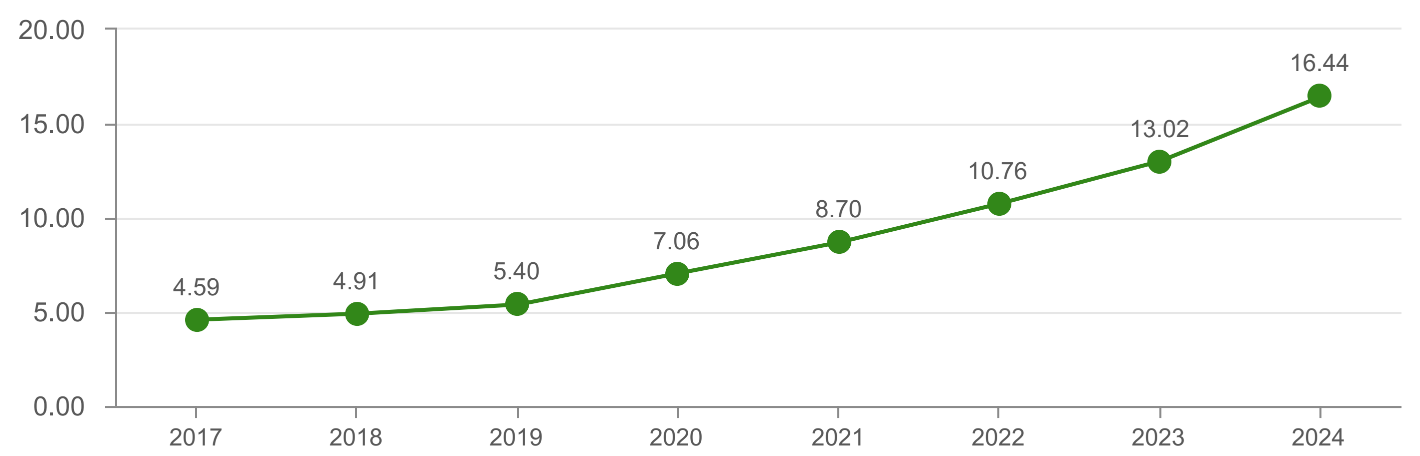
On December 6, 2024, the Company initiated a normal course issuer bid ("NCIB") program to purchase for cancellation during the next twelve months up to 3% of the Company's issued and outstanding common shares. As at December 31, 2024, no shares were repurchased.

As at December 31, 2024, 1,556,645 options were outstanding which could be converted to common shares (including unvested options). As at December 31, 2024, 191,749 RSU's were outstanding which could be converted to common shares (including unvested RSUs).

Table 6.4

	Q4 2024	Change in %	2024	Change in %
BVPS, beginning of period	**$15.64**	**n/a**	**$13.02**	**n/a**
Net income	$0.40	2.6 %	$2.49	19.1 %
Realized and unrealized gains (losses), net of tax	($0.17)	(1.1)%	$0.28	2.1 %
Cumulative translation gains (losses)	$0.54	3.5 %	$0.60	4.6 %
Net impact of share-based compensation	$0.03	0.2 %	$0.05	0.4 %
BVPS, end of period	**$16.44**	**5.1 %**	**$16.44**	**26.3 %**

BVPS increase over time[(1)]



(1) *Adjusted to reflect the four-for-one stock split effective July 9, 2021. Per-share disclosures prior to July 9, 2021 are presented on a post-split basis.*

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

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 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 14 of the 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 276% as at December 31, 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, 2024, the RBC(3) of the regulated US insurance companies of Trisura are expected to be in excess of the various company action levels of the states in which they are licensed. Calculations are finalized as statutory returns are completed.

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 11.1% as at December 31, 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 $23.2 million 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 $13.5 million. 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.

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 6.5

	A.M. Best	DBRS
Latest review	**April 18, 2024**	**December 11, 2024**
Outlook	**Stable**	**Positive**
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**

(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.

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

SECTION 7 – CASH FLOW SUMMARY

Table 7.1

	Q4 2024	Q4 2023	$ variance	2024	2023	$ variance
Net income	19,253	11,320	7,933	118,915	66,941	51,974
Non-cash items	(3,127)	(11,727)	8,600	(20,517)	5,264	(25,781)
Change in working capital	102,620	100,302	2,318	68,598	194,038	(125,440)
Realized gains (losses)	(784)	1,769	(2,553)	(2,314)	3,950	(6,264)
Income taxes paid	(16,609)	(1,736)	(14,873)	(42,316)	(9,841)	(32,475)
Interest paid	(984)	(1,115)	131	(2,640)	(2,439)	(201)
Net cash flows from (used in) operating activities	100,369	98,813	1,556	119,726	257,913	(138,187)
Proceeds on disposal of investments	140,380	12,894	127,486	342,306	102,492	239,814
Purchases of investments	(221,476)	(41,001)	(180,475)	(795,269)	(219,121)	(576,148)
Acquisition of subsidiary	-	-	-	(15,015)	-	(15,015)
Net purchases of capital and intangible assets	(647)	32	(679)	(3,835)	(714)	(3,121)
Net cash flows from (used in) investing activities	(81,743)	(28,075)	(53,668)	(471,813)	(117,343)	(354,470)
Shares issued	-	(63)	63	2,989	51,507	(48,518)
Shares purchased under RSU plan	922	436	486	(2,215)	(1,409)	(806)
Loans received	-	-	-	46,607	-	46,607
Loans repaid	-	-	-	(23,335)	-	(23,335)
Principal portion of lease payments	(234)	(510)	276	(2,006)	(2,034)	28
Net cash flows from (used in) financing activities	688	(137)	825	22,040	48,064	(26,024)
Net increase (decrease) in cash and cash equivalents during the period	19,314	70,601	(51,287)	(330,047)	188,634	(518,681)
Cash and cash equivalents, beginning of year	262,850	531,484	(268,634)	604,016	406,368	197,648
Currency translation	(11,786)	1,931	(13,717)	(3,591)	9,014	(12,605)
Cash and cash equivalents, end of year	270,378	604,016	(333,638)	270,378	604,016	(333,638)

CASH FLOW SUMMARY (CONTINUED)

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

	Q4 2024 vs Q4 2023	2024 vs 2023
Net cash flows from (used in) operating activities	• **Net cash flows from (used in) operating activities** was positive for the quarter 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 higher than 2023 for the quarter as a result of a larger change in working capital in 2024 and higher Net income.	• **Net cash flows from (used in) operating activities** was positive for the YTD period as a result of positive Net income and working capital. • **Net cash flow from (used in) operating activities** was lower than 2023 for the full year, primarily as a result of a lower change in working capital.
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 Q4 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 Q4 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 approximately the same as 2023 for the quarter reflecting shares purchased as part of the Company's RSU program.	• **Net cash flows from (used in) financing activities** was lower than 2023 for the YTD period as 2023 included the proceeds of an equity issuance.

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

SECTION 8 – SUMMARY OF RESULTS

SELECTED QUARTERLY RESULTS

Table 8.1

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Insurance revenue	794,162	807,645	772,249	744,266	754,953	730,714	664,420	639,100
Insurance service result	13,787	35,592	31,405	35,448	4,159	24,749	39,712	16,715
Net income (loss)	19,253	36,088	27,141	36,433	11,320	14,838	26,807	13,976
EPS, basic (in dollars)	0.40	0.76	0.57	0.77	0.23	0.32	0.58	0.30
EPS, diluted (in dollars)	0.40	0.74	0.56	0.75	0.23	0.31	0.57	0.30
Total assets	4,591,893	4,111,127	3,919,393	3,736,787	3,584,445	3,404,909	3,120,190	2,977,074
Total non-current financial liabilities[1]	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000

(1) See Note 14 in the Company's 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. Insurance revenue was lower in Q1 2024 than Q4 2023 reflecting some seasonality in the business with Q4 2023 being particularly high. • **Insurance revenue** in Q4 2024 was lower than Q3 2024 as a result of lower premium generation from US Programs in the quarter.
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 Q4 2024 was greater than Q4 2023 as a result of growth in the business, and improved profitability, reflected in a lower Combined ratio. 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.
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 impact of a run-off program in 2023. • **Net income** in Q4 2024 was greater than Q4 2023, as a result of growth in the business, improved profitability reflected in a lower combined ratio, and higher net investment income, offset by lower net gains (losses). 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.
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 which has not changed during 2024 or 2023.

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

SELECTED ANNUAL RESULTS

Table 8.2

	2024	2023	2022[(1)]
Insurance revenue	3,118,322	2,789,187	2,014,915
Insurance service result	116,232	85,335	29,186
Net income	118,915	66,941	27,795
EPS, basic (in dollars)	2.49	1.44	0.64
EPS, diluted (in dollars)	2.45	1.42	0.63
Total assets	4,591,893	3,584,445	2,798,865
Total non-current financial liabilities[(2)]	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) See Note 14 in the Company's Consolidated Financial Statements for details on Loan payable.

Selected Annual Results	• The balances presented above have generally grown over time, reflecting growth in the business.

SECTION 9 – RISK MANAGEMENT

Our Company has developed an enterprise risk management framework and internal controls processes to identify, measure, monitor and mitigate risk. This framework is central to our business decision making including the business we choose to write and the business we choose to decline. Furthermore, for the business we write the risk management framework informs our determination of whether to retain the risk fully or to apply risk mitigation measures such as reinsurance.

CORPORATE GOVERNANCE

The Board of Directors is responsible for oversight of risk management and internal control systems and policies. The Board of Directors has established Board of Directors level risk committees at group and subsidiary levels, whose members are mostly independent of management. These committees meet quarterly to oversee and challenge the development and effectiveness of risk management frameworks and priorities and to review risk reporting. The Group Risk Management function, under the direction of the Group Chief Risk Officer, promotes sound and effective risk management across the Company by (i) ensuring that effective processes are in place to identify, assess, monitor, manage and report the risks to which the Company is or might be exposed, (ii) facilitating the setting of risk tolerances, limits and appetite by the Board and (iii) providing comprehensive and timely information on material risks which enables the Board and the Risk Committee to understand the overall risk profile of the Company. The Group Chief Risk Officer liaises with Risk Officers at subsidiary levels to develop consistency of approach with respect to risk identification, assessment, monitoring, management and reporting tailored to the operations of the subsidiaries. All Risk Officers at group and subsidiary levels report directly to their relevant risk committees. In addition, there are management level risk and underwriting committees at group and subsidiary levels with escalation processes to Board of Directors level committees.

CORPORATE GOVERNANCE (CONTINUED)

The following factors in addition to the other information set forth in this MD&A and in the Company's Consolidated Financial Statements and Annual Information Form should be considered in assessing the risks to the Company and the industry and markets in which we operate. If any of the following risks occur our business, financial condition, results of operations and prospects would likely suffer. The following list of risks are those that the Company believes are the most significant. They are not the only risks that we face or may face in the future and other risks may emerge that could have a material adverse effect on our financial condition and results of operations.

RISKS AND UNCERTAINTIES

Highly Competitive Specialty Insurance Business

The specialty insurance business is highly competitive. Elements of competition include pricing, availability and quality of products, capacity, quality and speed of service, credit and financial strength ratings, financial strength, distribution and technology systems and technical expertise. Our Company competes with many other insurance companies. Many of these competitors are larger and have greater financial resources than are available to our Company and have a greater ability to compete on the basis of price. Some of our competitors may offer a broader range of policy administration or other services or be willing to take on significantly more underwriting risk. Any increase in competition in this segment, especially by one or more larger companies, could materially and adversely affect our Company's business, financial condition, results of operations and prospects. Competitors may also acquire distributors to our detriment. Consolidation amongst insurance companies and distribution partners could also impact our ability to compete. As competitors introduce new products and as new competitors enter the market, our Company may encounter additional and more intense competition. Technological change implemented by insurers or new market entrants can result in a change to the competitive landscape and adversely impact our ability to compete. There can be no assurance that we will continue to increase revenues or be profitable. To a large degree, future revenues of our Company are dependent upon our ability to continue to develop and market our products and to enhance the capabilities of our products to meet changes in customer needs in a competitive marketplace. We seek to manage competition risks by fostering strong relationships with our distribution partners and by focusing on their needs, delivering excellence in service and providing valuable product expertise.

Cyclical and Volatile Nature of Insurance Industry

The financial performance of the insurance industry has historically tended to fluctuate in cyclical patterns of "soft" markets characterized generally by increased competition, resulting in lower premium rates and underwriting standards, followed by "hard" markets characterized generally by lessening competition, stricter underwriting standards and increasing premium rates. The profitability of insurance companies tends to follow this cyclical market pattern with profitability generally increasing in hard markets and decreasing in soft markets. These factors could result in fluctuations in the underwriting results and net income of our Company. Many of these factors are beyond our Company's control. The profitability of specialty insurers can also be affected significantly by many factors, including regulatory regimes, developing trends in tort and class action litigation, adoption of consumer initiatives regarding premium rates or claims handling procedures, and privacy and consumer protection laws that prevent insurers from assessing risk, or factors that have a high correlation with risks considered, such as credit scoring. An economic downturn in those jurisdictions in which our Company writes business or otherwise conducts business activities, or adverse political conditions, could result in less demand for specialty insurance and lower policy premiums.

RISKS AND UNCERTAINTIES (CONTINUED)

Risk of Economic Downturn

The insurance policies that we underwrite are exposed to various risks that may increase during economic downturns, recessions, or other periods of turmoil in the economy. These scenarios of economic turmoil can result in lower premium volumes due to reduced insurance spending, fewer construction starts, lower discretionary spending, slower growth for insureds, and other causes. These scenarios may also result in an increase in claims expense driven by reduced access and increased cost of credit for policyholders, insolvencies of policyholders, inflation, reduced spending on controls by policyholders, increases in crime and other factors that may impact policyholders. The Company reviews pricing assumptions regularly to ensure that they reflect up-to-date claims experience and expected future changes in that experience, as well as market conditions. The Company further mitigates the impact of pricing risk through the employment of experienced underwriting staff. The Company applies risk management practices, including the use of reinsurance, monitoring and regularly reviewing its portfolio of insurance risks in order to make adjustments as needed in order to ensure exposures are within appropriate tolerances.

Our investment portfolio is also sensitive to volatile economic conditions. Changes in interest rates, credit spreads, foreign exchange rates, inflation, and other changes in market prices may cause realized and unrealized losses. Rising interest rates generally result in mark to market losses in our fixed income portfolio which can take years to resolve as bonds mature and are replaced by higher yielding securities. A recession or other economic downturn could also result in investment losses due to changes in market prices of held securities in any asset class or credit events. See Note 23.2 (Credit risk) and Note 23.4 (Market risk) to the Consolidated Financial Statements for more information on the management of this risk.

Risk of Inflation

Claims costs associated with the insurance policies that we sell are exposed to inflation that can increase the cost of fulfilling our obligations under those policies whether related to new claims or related to unpaid claims reserves. These inflationary processes may be generalized and related to the inflation in the general economy or may be localized to a particular class of business for example as construction cost inflation or trends in tort and class action litigation. Inflation may increase the cost of reinsurance. Inflation may also increase the costs of running our Company including increased wages, rent, utilities and other expenses. High inflation has led to tightening of monetary policy in the countries in which we do business, which could pose a risk to economic growth. Growth in our investments may not keep pace with rising claims and other expenses due to inflation. The Company reviews pricing assumptions regularly to ensure that they reflect up-to-date claims experience and other expenses. However, if market forces in our competitive insurance industry prevent fully passing on cost increases to the customer or if implemented risk mitigation strategies are inadequate or not timely, results of operations or financial condition could deteriorate.

RISKS AND UNCERTAINTIES (CONTINUED)

Reliance on Distribution Partners, Capacity Providers and Program Administrators

Trisura Specialty distributes its products primarily through a network of distribution partners. These distribution partners also sell our competitors' products and may, subject to certain limitations, reduce or stop selling our products altogether. Strong competition exists among insurers for distribution partners with demonstrated ability to sell insurance products. Premium volume and profitability could be materially adversely affected if there is a material decrease in the number of distribution partners that choose to sell our Company's products. Trisura offers fronting arrangements to capacity providers that want to access specific insurance business. Capacity providers may be under common control with a particular program administrator or may be independent. An independent capacity provider may reinsure a single book or multiple books with various program administrators. A single program administrator may control a single book with one capacity provider or multiple books with various capacity providers. Other specialty insurance companies may compete with Trisura for this business. These capacity providers and program administrators may choose to enter into fronting arrangements with Trisura's competitors or program administrators, or capacity providers may terminate fronting arrangements with Trisura if they no longer need access to its fronting capacity or for other reasons.

Consolidation among capacity providers could also reduce the availability of capacity available to our Company. A significant decrease in business from any of these distribution partners, capacity providers or program administrators would cause our Company to lose premiums and require us to find other partners to replace those lost premiums. We seek to manage these risks by using a diversified group of distribution partners, capacity providers and program administers. We further foster strong relationships with our business partners by delivering excellence in service and product expertise. Where we have granted binding authority to our distribution partners and program administrators we limit such authority to agreed underwriting guidelines and monitor the business underwritten. Nonetheless, situations could arise where binding authority business could result in unanticipated losses that have a significant impact on our results of operations and financial condition.

Insurance Risks:

Insurance risk is the risk that the ultimate cost of claims and loss adjustment expense, as well as acquisition expenses, related to insurance contracts will exceed premiums received in respect of those contracts. This could occur where the frequency or severity of claims is greater than expected. Some additional components of insurance risk such as product and pricing risk, concentrations of insurance risk and exposure to large losses, and estimates of loss reserves are described below.

For more information on insurance risk and the management of insurance risk see Note 2.2 (Insurance contracts), Note 7.1 (Roll-forward of net liability for insurance contracts showing LRC and LIC), and Note 23.1 (Insurance risk) to the Consolidated Financial Statements.

1 – Product and Pricing

The pricing process relies on estimates of future loss costs and loss adjustment expenses. If we do not accurately assess and price for the risks assumed in our insurance policies, profitability could be negatively affected. On the other hand, setting premiums too high could impact competitiveness and growth. We price our products considering numerous factors, including claims frequency and severity trends, product line expense ratios, special risk factors, reinsurance costs, the capital required to support the product line, the investment income earned on that capital, and the competitive landscape of the insurance markets where we compete. Our Company's pricing processes are designed to ensure an appropriate return on capital. These factors are reviewed and adjusted periodically to ensure they reflect the current environment. For example, technological change implemented by insureds could change the profile of the risks insured by our policies. Our Company seeks to manage this risk through the effective use of underwriting policies and guidelines, and by disciplined risk selection. Careful oversight is applied and guidelines are reviewed to reflect emerging trends. Insurance risk is further mitigated through effective claims and expense management and through the use of reinsurance.

RISKS AND UNCERTAINTIES (CONTINUED)

2 – Concentration of insurance risk and exposure to large losses

Concentration risk is the risk that our Company's insurance products are concentrated within a particular geographic area, industry, class of business, or insured, thereby increasing the exposure of our Company to a single event or a series of related events. Unexpected large losses may result from events such as the unforeseen failure of a large contractor, as a result of accumulations of large numbers of insurance or reinsurance contracts exposed to similar perils, adverse economic conditions, exposure to mass torts, terrorism, natural or man-made catastrophes or global pandemics. Climate change may increase the frequency or severity on natural catastrophes. Large losses could also be the result of future unforeseen changes in the legal environment that could broaden our insurance coverage beyond the policy's original intent. Exposure could also aggregate through cyber-attacks whether directly covered under our policies or through "silent cyber" where potential losses are not specifically included nor excluded in the policy wording. Certain policy exclusions could also be found to be unenforceable. When a large loss or a concentration of losses is identified, we may be required to strengthen reserves which could decrease earnings in that period. We seek to mitigate this risk through monitoring and modeling techniques to review the portfolio for concentration and aggregation of risks and through the purchase of reinsurance. We make adjustments as needed in order to ensure exposures are within tolerances. The active management of our reinsurance programs and collateral requirements is also an important element in maintaining net claims exposures within the Company's risk tolerance.

3 – Estimates of Loss Reserves

The liability for unpaid claims and loss adjustment expense represents an estimate of the ultimate cost of all claims incurred but not paid by the statement of financial position date. The reserving process employed in determining future claims and loss adjustment expense payments includes consideration of individual case claims and loss adjustment expense estimates on open reported claims as well as provisions for future development of such estimates and claims and loss adjustment expense related to incurred but not reported claims. Under IFRS 17, further provisions are made for the time value of money by applying discount rates based on risk free yield curves, adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Company uses qualified actuaries in its reserving processes.

In estimating liabilities for incurred claims, a range of actuarial techniques are used. Typically, these techniques consider historical loss development factors and payment patterns. They require the use of assumptions relating to future development of claims and loss adjustment expense, future rates of claims frequency and severity, claims inflation, the level of insurance fraud, payment patterns and reinsurance recoveries, taking into consideration the nature of the insurance policies. Most or all of these factors are not directly quantifiable, particularly on a prospective basis, and the effects of these and unforeseen factors could negatively impact our Company's ability to accurately assess the reserves required for the policies that we write. Typically, the delay to ultimate settlement of claims increases the uncertainty of the estimate of the ultimate cost of those claims and loss adjustment expense. The uncertainty in estimation tends to be higher for long-tail lines where information typically emerges over time. The measurement of insurance contract liabilities includes a risk adjustment for non-financial risk to be applied to the present value of the estimated future cash flows. The risk adjustment is our Company's compensation for bearing the uncertainty relating to non-financial risk. The non-financial risk pertains to the amount and timing of cash flows as our Company fulfills insurance contracts. The liabilities for incurred claims are reviewed regularly and evaluated in light of emerging claims experience and changing circumstances. Nonetheless, although our Company's management believes our overall reserve levels as at the date of the financial statements are adequate to meet our obligations under existing policies, actual losses may deviate, perhaps substantially, from the reserves reflected in our Company's financial statements. To the extent reserves prove to be inadequate, our Company would have to increase such reserves and incur a charge to earnings.

RISKS AND UNCERTAINTIES (CONTINUED)

Availability and Cost of Reinsurance

Our reinsurance arrangements are with a number of reinsurers. A decline in the availability of reinsurance or an increase in the cost of reinsurance could increase costs or materially impact the amount of business we could underwrite. There can be no assurance that developments may not occur in the future which might cause a shortage of reinsurance capacity in those classes of business which we underwrite.

Ability to Recover Amounts Due from Reinsurers

Our Company uses reinsurance in the ordinary course of business to reduce its exposure to any one claim or event under the policies we issue. Reinsurance is also a key component of the Trisura hybrid fronting model. Reinsurance does not relieve our Company of its obligations to policyholders. Our Company is ultimately at risk on the limits of coverage provided under insurance policies we write, regardless of whether we have ceded a portion of this exposure to reinsurers. If a reinsurer is unwilling or unable to satisfy its obligations, our Company does not have the right to correspondingly reduce its claims payment obligations. A reinsurer may be unwilling or unable to satisfy its obligations to our Company for multiple reasons, including due to disagreement over the reinsurer's obligations under a reinsurance contract, or a financial failure of the reinsurer.

If our Company fails to realize a reinsurance recoverable owed under these arrangements our financial condition could be materially and adversely affected. The Company has a reinsurance risk management policy in place to manage the credit risk associated with Recoverables from reinsurers including criteria for using licensed reinsurers, minimum credit ratings and concentration limits. When the Company uses un-registered or un-rated reinsurers, agreed upon collateral is used to manage credit risk.

For more information on reinsurance and the Company's management of its recoverable amounts due from reinsurers, see Note 7.3 – Reinsurance contracts, Note 7.2 (Roll-forward of net asset for reinsurance contracts held showing Asset for remaining coverage (ARC) and Asset for incurred claims (AIC)), and Note 23.2 (Credit risk) to the Consolidated Financial Statements.

Financial Risks:

The significant financial risks are credit risk, liquidity risk and market risk (comprising currency risk, interest rate risk and other price risks such as equity risk). The notes to our Company's Consolidated Financial Statements provide further detail on these risks and the ways in which we monitor and control these risks. To the extent that those risks emerge, they could have a material adverse effect on our Company's business, financial condition and performance.

1 – Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause our Company to incur a financial loss. Credit risk arises mainly from investments in bonds and short-term securities, and balances receivable from insurance brokers and reinsurers. Concentrations of credit risk can arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar risk characteristics, for example they may operate in the same or similar industries. For premiums receivable, our Company uses insurance brokers, managing general agents, and program administrators as intermediaries for the distribution of its product offerings and is therefore subject to the risk that these agents fail to remit the premiums they have collected on its behalf. With respect to credit risk associated with recoveries under reinsurance contracts, see the section "Ability to Recover Amounts Due from Reinsurers". Our investment policies mitigate credit risk through requirements relating to type, credit quality, size and duration of permitted investments among other factors. Management monitors credit quality on an ongoing basis. For premiums receivable, the Company monitors accounts receivable and follows up all past due amounts to ensure satisfactory collection arrangements are in place. See Note 23.2 (Credit risk) to the Consolidated Financial Statements for more information on the management of credit risk.

RISKS AND UNCERTAINTIES (CONTINUED)

2 – Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Generally, our Company's financial liabilities are settled by delivering cash from the cash flow generated from its operations to satisfy its liquidity requirements, which are primarily operating expenses and claims and loss adjustment payments. By their nature, the timing and quantum of claims and loss adjustment payments are subject to significant uncertainty and are estimated actuarially. Although our Company has reinsurance treaties in place under which a portion of the claim payments may be recovered, including by way of set off against premiums payable to the reinsurers, such recoveries usually follow the making of payments and often delays of a number of months can occur. Hence our Company must have access to sufficient liquid resources to fund gross amounts payable when required. To manage its liquidity requirements, the Company keeps some of its assets in cash and cash equivalents and has a highly rated, highly liquid investment portfolio. The Company's investment policy sets out credit quality criteria and has limits on single issuer exposures. See Note 23.3 (Liquidity risk) to the Consolidated Financial Statements for more information on the management of liquidity risk.

3 – Market Risk

Exposure to this risk results from business activities including investment transactions involving the purchase or sale of financial instruments. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which could be driven by financial market conditions, general economic conditions, political conditions, or other factors. Market risk includes currency risk, interest rate risk and other price risks such as equity risk. See Note 23.4 (Market risk) of the Consolidated Financial Statements for more information on the management of market risk.

i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company has operations in the United States and Canada and therefore has exposure to currency risk arising from fluctuations in exchange rates of the Canadian dollar against the USD. The Company also has currency risk as a result of holding investments in the Company's Canadian operations denominated in USD. The foreign currency positions of the Company are monitored regularly and the Company may use derivatives to manage foreign exchange risks.

ii) Interest Rate Risk

Interest rate risk is the potential for financial loss resulting from changes in interest rates. Bonds and preferred shares are subject to interest rate risk although, in the case of bonds, to the extent they are held to maturity, the risk is limited to the reinvestment yield being different from the original yield to maturity. The fair value of bonds generally changes inversely with changes in market rates of interest, with greater impact to bonds with longer durations. The Company's unpaid claims balance is also subject to interest rate risk which typically acts as a natural hedge to the interest rate of the asset portfolio. The Company manages its interest rate risk through its investment policy which considers average duration of bonds held as well as asset liability matching.

iii) Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's exposure to equity price risk is managed and mitigated through its investment policy which sets out maximum exposures to equities at aggregate and per issuer levels as well as requiring diversification across different industry sectors.

RISKS AND UNCERTAINTIES (CONTINUED)

Cyber-Security

Our information technology systems may be subject to cyber terrorism intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer malware, social engineering, cyber-attacks and other means, and could originate from a wide variety of sources, including internal, known or unknown third parties. If our information systems are compromised, do not operate or are disabled, this could have a material adverse effect on our business prospects, financial condition, or results of operations. Additionally, if our information systems are compromised and personally identifiable information is released, there could be regulatory reporting obligations leading to material reputational harm or even litigation. In order to mitigate these risks, we have taken proactive actions and are continuously enhancing our cyber-security posture through strong network security , network monitoring, third party vulnerability assessments, employee training and awareness, data backups, disaster recovery testing, cyber-security incident planning and table-top exercises.

Credit Ratings

Rating agencies evaluate our ability to honour financial obligations and for our insurance subsidiaries, our ability to pay claims. The ratings are subject to periodic review using, among other things, proprietary capital adequacy models, and are subject to revision or withdrawal at any time. Ratings are an important factor in establishing and maintaining our competitive position in the specialty insurance market and especially in commercial insurance. See the Company's Annual Information Form for more information on credit ratings.

There can be no assurances that Trisura will be able to maintain its current ratings. Any downgrade in these ratings would likely adversely affect our business through the loss of certain existing and potential policyholders to other companies with higher ratings, and through certain insurance brokerage firms with which we now do business seeking a higher rated issuing carrier to write their business. A downgrade of our issuer credit rating could result in materially higher borrowing cost. Credit downgrades could impact our ability to raise capital or increase the cost of capital we can raise.

Risks of pandemics epidemics and other public health emergencies

Existing or future outbreaks of pandemics, epidemics, and infectious diseases could have a material adverse effect on the economy, on our ability to operate, on our financial condition and on results of operations. The nature and extent of the impact of such events as well as any response to them are highly uncertain and difficult to predict. There can be no assurance that strategies implemented by the company or governments to address these risks will mitigate the adverse impacts related to an outbreak.

Such developments may result in a material adverse effect on our assets, liquidity, financial condition and the operating results of our insurance business due to its impact on the economy and global financial markets. There can be no assurance that strategies to address these risks will mitigate any adverse impacts related to pandemics, epidemics or public health emergencies.

Negative Publicity in the Specialty Insurance Industry

A number of our Company's products and services are ultimately distributed to individual consumers. From time to time, consumer advocacy groups or the media may focus attention on products and service of the specialty insurance industry or our Company, thereby subjecting the specialty insurance industry or our Company to periodic negative publicity. Negative publicity may also result in increased regulation and legislative scrutiny of practices in the specialty insurance industry as well as increased litigation. Such consequences may increase our Company's costs of doing business and adversely affect our Company's profitability by impeding our ability to market our products and services or increasing the regulatory burdens under which our Company operates.

RISKS AND UNCERTAINTIES (CONTINUED)

Reliance on Key Personnel and Talent Retention

The success of our Company depends upon the personal efforts of our senior management. The loss of the services of such key personnel could have a material adverse effect on the operations of our Company. In addition, our Company's continued growth depends on our ability to attract and retain skilled management and employees and the ability of our key personnel to manage our Company's growth. Recruiting and retaining skilled personnel is costly and highly competitive. If our Company fails to retain, hire, train and integrate qualified employees and contractors, we may not be able to maintain and expand our business. Certain key personnel are not bound by non-competition covenants. If such personnel depart our Company and subsequently compete with our Company or determine to devote significantly more time to other business interests, such activities could have a material adverse effect on our Company's business, financial condition and performance. The Company's strategies to manage this risk include succession planning for key employees, employee engagement surveys and third-party compensation reviews.

Litigation Risk

The Company is subject to claims and litigation in the ordinary course of business resulting from alleged errors and omissions in placing specialty insurance and in handling claims. The placement of specialty insurance and the handling of claims involve substantial amounts of money. Since negligence claims against our Company may allege our Company's potential liability for all or part of the amounts in question, claimants may seek large damage awards and these claims can involve significant defense costs. Claims of negligence against our Company could include, for example, errors and omissions or intentional wrongful acts by the Company's employees or agents, in the adjudication of claims, in the placing of coverage, in the handling of consumer complaints, in failing to appropriately and adequately disclose insurer fee arrangements to consumers, or in the handling of funds that we hold for our customers on a fiduciary basis. It is not always possible to prevent or detect errors and omissions, and the precautions our Company takes may not be effective in all cases. In addition to litigation associated with our insurance policies, we also face risk associated with general corporate and commercial litigation. To the extent that these risks emerge, they could have a material adverse effect on our Company's business, financial condition and performance. In addition, litigation may harm our Company's reputation or divert management resources away from operating our business.

Holding Company

Trisura Group Ltd. is a holding company and its material assets consist primarily of interests in our operating subsidiaries. Consequently, we depend on distributions and other payments from our operating businesses to provide us with the funds necessary to meet our holding company financial obligations. Our operating businesses are legally distinct from Trisura Group Ltd. and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to Trisura Group Ltd. pursuant to local law, regulatory requirements and their contractual agreements, including agreements governing their financing arrangements. Our operating businesses are generally required to meet their policyholder and other obligations before making distributions to Trisura Group Ltd.

RISKS AND UNCERTAINTIES (CONTINUED)

Adverse Effects of Regulatory Changes

The specialty insurance industry is heavily regulated. Changes in the regulations governing the specialty insurance industry in any jurisdiction in which we operate, or increased regulations, may significantly affect the operations and financial results of our Company. Our Company is subject to the laws, rules and regulations of the jurisdictions in which we carry on business, including Canada, the US and Barbados. These laws, rules and regulations cover many aspects of our business, the assets in which we may invest, the levels of capital and surplus and the standards of solvency that we must maintain, and the amounts of dividends which we may declare and pay. Changes to laws, rules or regulations are difficult to predict and could materially adversely affect our Company's business, results of operations and financial condition. In addition, more restrictive laws, rules or regulations may be adopted in the future that could make compliance more difficult or expensive. Our principal Canadian regulated insurance company is regulated by OSFI and other provincial regulators in the provinces in which it conducts business. Our principal US operating subsidiaries are regulated by the Department of Insurance in Oklahoma and the New Jersey Department of Banking and Insurance, as well as other state regulatory agencies in which they conduct business. Each of these regulators has broad supervisory and regulatory powers available to them in connection with licenses, solvency capital requirements, investments, dividends, corporate governance, requirements for key personnel, conduct of business rules, periodic examinations and reporting requirements. The regulators have the authority to take enforcement actions and impose sanctions, including directing the regulated entity to refrain from a course of action or to perform acts necessary to remedy situations, imposing fines or assessments and the withdrawal of authorization. In certain circumstances, the regulators may take control of regulated insurance or reinsurance companies. There is no guarantee that these regulators would not take such actions under certain circumstances with respect to our Canadian or US operating entities. The imposition of such actions could have a material adverse effect on our business, financial condition and performance.

Change of Control Restrictions of US Insurance Laws

The laws of the State of Oklahoma, where a principal operating subsidiary is domiciled, require prior approval by the Department of Insurance in Oklahoma of any change of control of an insurer. "Control" is defined as the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the regulated insurance company, whether through the ownership of voting securities, by contract or otherwise. Control is presumed to exist through the direct or indirect ownership of 10% or more of the voting securities of an insurance company domiciled in Oklahoma or any entity that controls an insurance company domiciled in Oklahoma. Any person wishing to acquire "control" of our Company would first be required to obtain the approval of the Department of Insurance in Oklahoma or file appropriate disclaimers. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control of our Company, including through transactions (and in particular, unsolicited transactions), that some or all of our shareholders might consider to be desirable.

RISKS AND UNCERTAINTIES (CONTINUED)

Regulatory Challenges to Use of Fronting Arrangements

Trisura enters into arrangements under which it permits its licensed status to be used in partnerships with high quality and/or collateralized reinsurers to issue insurance policies originated by program administrators or brokers. The program administrator underwrites (consistent with rates and forms agreed to by Trisura and its reinsurers), and administers the business, and the reinsurers reinsure a large portion of the risks. This is considered a hybrid "fronting" arrangement. In some instances, all insurance risk is ceded. Trisura receives a fee, and shares its proportionate share in the profits or losses of the business it writes with the reinsurers. Some insurance regulators may object to Trisura's fronting arrangements.

Notwithstanding the state law restrictions on ceding insurers, the Non-admitted and Reinsurance Reform Act contained in the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "NRRA") provides that all laws of a ceding insurer's nondomestic state (except those with respect to taxes and assessments on insurers or insurance income) are pre-empted to the extent that they otherwise apply the laws of the state to reinsurance agreements of nondomestic ceding insurers. The NRRA places the power to regulate reinsurer financial solvency primarily with the reinsurer's domiciliary state and requires credit for reinsurance to be recognized for a nondomestic ceding company if it is allowed by the ceding company's domiciliary state. A state insurance regulator might not view the NRRA as pre-empting a state regulator's determination that an unauthorized reinsurer must obtain a license or that a statute prohibits Trisura from engaging in a fronting business. However, such a determination or a conflict between state law and the NRRA could cause regulatory uncertainty about Trisura's fronting business, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Future Acquisitions

Part of our Company's growth strategy involves seeking acquisition opportunities. We face competition for acquisitions, including from our competitors, many of whom will have greater financial resources than us. There can be no assurance that we will complete acquisitions. In addition, future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our Company's business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including our Company's management's time and attention; the difficulty of managing the growth of a larger organization; the risk of not attaining expected benefits; the risk of entering markets in which we have little experience; the risk of becoming involved in labour, commercial or regulatory disputes or litigation related to the new enterprise; the risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by, the operating business being acquired. It is possible that due diligence investigations into businesses being acquired may fail to uncover all material risks, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by us, thereby resulting in a dispute.

Inability to Generate Necessary Amount of Cash to Service Existing Debt

Our Company's ability to pay principal and interest on our outstanding debt will depend on its future financial performance. Our Company's ability to generate cash will depend on many factors, some of which may be beyond its control, including general economic, financial and regulatory conditions. If our Company cannot generate enough cash flow in the future to service its debt or cannot renew the credit facility or other outstanding debt on its existing terms, it may need to refinance its debt, obtain additional financing (on terms that may be less favourable than existing financing terms) or sell assets. Our Company might not be able to implement any of these strategies on satisfactory terms or on a timely basis, if at all. If our Company is unable to meet its debt service obligations or comply with its covenants, a default under the credit facility of other outstanding debt would result.

RISKS AND UNCERTAINTIES (CONTINUED)

Future Capital Requirements

Our Company's future capital requirements will depend upon many factors, including the performance of the Canadian operations, continued development of our US business, and the status of competition and regulatory and rating agency requirements. There can be no assurance that financing will be available to our Company on acceptable terms, or at all. Actions to reduce inflation, including raising interest rates, increase our cost of borrowing, which in turn could make it more difficult to obtain financing on favourable terms. If additional funds are raised by issuing equity securities, dilution to our existing shareholders will result. If adequate funds are not available, our Company may be required to delay, scale back or abandon growth plans. An inability to obtain financing or similar financial support could have a material adverse effect on our Company's business, financial condition and results of operations.

Potential Volatility of Common Share Price

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our Company's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in our Company's quarterly results of operations; (ii) changes in estimates of our Company's future financial performance; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to our Company; (v) the addition or departure of our executive officers and other key personnel; (vi) sales or anticipated sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving our Company or our competitors; (viii) actual or prospective changes in government laws, rules or regulations affecting our businesses; (ix) the general state of the securities markets; (x) changes and developments in general economic, political, or social conditions, including as a result of global pandemics and the global economic shutdown; (xi) the depth and liquidity of the market for the Common Shares; (xii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets; and (xiii) the materialization of other risks described in this section.

Financial markets have in the past experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if our Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our Company's operations and the trading price of the Common Shares may be materially adversely affected.

Small Company Liquidity Risk

Trisura is a relatively small company in terms of market capitalization. As such, the share price of the Common Shares may be more volatile than the shares of larger, more established companies. The Common Shares may trade less frequently and in smaller volume than shares of large companies. As a result, it may be difficult to buy or sell the Common Shares in a timely fashion relative to buying or selling shares of large companies on the secondary market. We may also have relatively few Common Shares outstanding at any given time, so a sale or purchase of Common Shares may have a greater impact on the price of the Common Shares.

RISKS AND UNCERTAINTIES (CONTINUED)

Future Sales of Substantial Amount of Share Capital

The articles of incorporation, as amended, of Trisura provide that the Company may issue an unlimited number of Common Shares, an unlimited number of non-voting shares and an unlimited number of preference shares (issuable in series), subject to the rules of any stock exchange on which Trisura's securities may be listed from time to time. If Trisura was to issue any additional Common Shares, non-voting shares or preference shares, or such other classes of authorized shares that are convertible or exchangeable for Common Shares, the percentage ownership of existing holders may be reduced and diluted. We cannot foresee the terms and conditions of any future offerings of our securities nor the effect of such offerings on the market price of the Common Shares. Any issuance of a significant percentage of Trisura's securities, or the perception that such issuances may occur, could have a material adverse effect on the market price of the Common Shares and limit our ability to fund our operations through capital raising transactions in the future. The Board of Directors has the authority to issue non-voting shares and preference shares and determine the price, designation, rights (including voting and dividend rights), preferences, privileges, restrictions and conditions of the preference shares, and to determine to whom non-voting and preference shares shall be issued.

Business Interruption from Unpredictable Catastrophic Events

Our company's operations may be subject to losses resulting from the disruption in operations. Regular functioning of our operations may be disrupted by natural catastrophes such as hurricanes, windstorms, earthquakes, hailstorms, explosions, severe winter weather and fires, by man-made catastrophic events include hostilities, terrorist acts, riots, crashes and derailments, by a disruption in key suppliers for example power grids, internet service providers, and cloud computing providers, or by an epidemic or pandemic. Certain events may also cause damage to our Company's physical property or may impact key personnel or trading positions. Our Company maintains business continuity plans and technology disaster recovery plans. If these plans cannot be put into action or are in-effective or do not take such events into account, losses may further increase.

Dependence on Technology

Our Company is heavily dependent on systems technology to process large volumes of transactions and our business would suffer if the technology employed is inadequate or inappropriate to support current and future business needs and objectives. To ensure our Company is able to effectively respond to potential technology failures and mitigate the inherent risk, our Company maintains technology disaster recovery plans for each of our operating companies.

Climate Change Risk

We are exposed to the physical risks associated with climate change which could impact the frequency and severity of severe weather events. We are also exposed to risks related to managing the shift to a lower carbon economy which may cause changes in asset values in some sectors as well as increase the legal and reputational risks of Trisura and its policyholders related to the perceived management of climate related risks. The occurrence of any of these events could result in an increase in the frequency or severity of insured claims, business disruption, reductions in the value of investments, litigation against Trisura, and reputational damage.

RISKS AND UNCERTAINTIES (CONTINUED)

Third Party Risk

We engage in significant arrangements with third party suppliers, vendors, and business partners. We also rely on capacity providers and program administrators. Third parties are exposed to risks as part of their operations. Third parties may fail or may face incidents that could compromise their ability to provide service to Trisura or could expose confidential information. We are exposed to the potential failure on the part of any of these parties, whether through error, fraud, crime, failure to comply with regulatory standards, failure to comply with internal policies, business disruption or otherwise. An economic downturn, supply chain disruption, and other global political, economic, or social conditions could increase supplier failure risk. Failure of the power grid, telephone system, internet service providers and other utilities in the regions in which we operate could disrupt our operations and lead to substantial reputational damage.

The internal processes that we have in place may not be effective in all cases at identifying or mitigating these situations in time. It is not always possible to identify and correct these failures or replace suppliers quickly or economically. In such a case, our reputation, financial condition and results of operations could be negatively impacted. Depending on the length of the failure, significant opportunity costs could also be incurred.

We manage third party risk throughout the lifecycle of our relationships from due diligence through ongoing monitoring and maintenance of the relationship to ultimate termination. Due diligence and ongoing management are proportionate to the level of criticality of each relationship.

Model Risk

We rely on estimates and models in the course of our business whether internal models or vendor models. These models have a high degree of uncertainty and are based on historical data, scenarios and judgement that may not accurately reflect future conditions. For example, models are used in the estimation of Probable Maximal Loss in the contract surety and property business, in informing reinsurance purchase decisions, in investment decisions, in pricing, and in reserving. Models estimates could deviate materially from actual experience and thereby have a material negative impact on our financial condition and results of operations.

Taxation Risk

Our Company is subject to income taxes and premium taxes in the jurisdictions in which we carry on business, including Canada, the US and Barbados. Changes to tax laws or the interpretation of these tax laws by government authorities prospectively or retrospectively could have a material adverse impact on our profitability. Deferred tax assets are only recognized to the extent that it is probable that they will be realized. Estimates are used to determine the value of the deferred tax asset balance based on the assumption that the Company will generate taxable income in future years. Estimates are used to determine the taxes payable balance based on applicable tax legislation. If our Company were not to achieve the expected level of profitability, the deferred tax asset may not be realized which could have a material negative impact on our financial condition and results of operations.

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

SEGMENTED REPORTING

Table 9.1

As at	December 31, 2024			
	Trisura Specialty	Trisura US Programs	Corporate and other	Total[1]
Assets[2]	1,503,011	3,045,012	43,870	4,591,893
Liabilities[2]	1,000,568	2,730,669	75,390	3,806,627
Shareholders' Equity[2]	502,443	314,343	(31,520)	785,266
Book Value Per Share, $	10.52	6.58	(0.66)	16.44

Table 9.2

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 Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS

Table 9.3

As at December 31, 2024	Payments due by period			
	Total	Less than 1 year	1 - 5 Years	Thereafter
Debt outstanding	98,272	23,272	75,000	-
Interest payments on debt[1]	3,041	2,050	990	-
Lease liabilities[2]	10,598	2,754	5,498	2,346
Insurance contract liabilities - LIC	2,978,681	1,241,821	1,469,288	267,572
Unfunded commitments	18,724	18,724	-	-
Total contractual obligations	3,109,316	1,288,621	1,550,776	269,918

Table 9.4

As at December 31, 2023	Payments due by period			
	Total	Less than 1 year	1 - 5 Years	Thereafter
Debt outstanding	75,000	-	75,000	-
Interest payments on debt[1]	4,952	1,981	2,971	-
Lease liabilities[2]	10,908	2,571	5,737	2,600
Insurance contract liabilities - LIC	2,069,108	1,151,710	814,663	102,735
Unfunded commitments	22,666	22,666	-	-
Total contractual obligations	2,182,634	1,178,928	898,371	105,335

(1) Based on the Company's fixed borrowing rate on the outstanding senior unsecured notes and the interest due on the Company's revolving credit facility. For details, see Note 14 in the Company's Consolidated Financial Statements.
(2) See Note 9 in the Company's Consolidated Financial Statements for details on Leases.

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

FINANCIAL INSTRUMENTS

See Notes 4, 5, 6, 17, and 18 in the Company's 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.

ACCOUNTING ESTIMATES

The preparation of Consolidated Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial statements is included below. Any changes in estimates are recorded in the year in which they are determined. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements.

Reference to our Consolidated Financial Statements for the year ended December 31, 2024:

Description	Reference
Valuation of insurance contract liabilities, reinsurance contract assets	Note 2.2
Measurement of recoverable from reinsurers	Note 2.2
Impairment of goodwill	Note 21(b)
Valuation of level 3 assets	Note 2.3
ECL calculations	Note 2.3
Impairment of financial assets	Note 2.3
Measurement of income taxes, recoverability of deferred tax assets	Note 2.7 and Note 20

See Note 3 in the Company's Consolidated Financial Statements for further detail on accounting estimates.

See Note 2 in the Company's Consolidated Financial Statements for future accounting policy changes including accounting policy changes related to IAS 12 – *Income taxes, International tax reform – Pillar Two Model Rules.*

SECTION 10 – ACCOUNTING AND DISCLOSURE MATTERS

DISCLOSURE CONTROLS AND PROCEDURES

We maintain information systems, procedures and controls to ensure that new information disclosed externally is complete, reliable and timely. Management of the Company, at the direction and under the supervision of the Chief Executive Officer and the Chief Financial Officer of the Company evaluated the effectiveness of the Company's "disclosure controls and procedures" (as defined in "National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109")) as at December 31, 2024, and have concluded that the disclosure controls and procedures are effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The control framework used to design the Company's internal control over financial reporting is the Internal Control – Integrated Framework (2013), published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). We maintain "internal control over financial reporting" (as defined in NI 52-109) and the Chief Executive Officer and the Chief Financial Officer of the Company have concluded that the internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has evaluated whether there were changes in our internal control over financial reporting during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting and has determined that there have been no such changes.

OPERATING METRICS AND OTHER FINANCIAL MEASURES

We use operating metrics and other financial measures to assess our operating performance.

Metrics/Measures	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, net of Fee income, 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.*
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.*

Metrics/Measures	Definition and *Usefulness*
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.*
Non-recurring items	Non-recurring items refers to items which are not expected to recur on an ongoing basis and are not representative of core operations of the business. Examples include run-off costs, non-recurring surety revenues, the impact of certain changes in Fronting reinsurance structures, or system implementation costs. *Non-recurring items are a component of Non-operating items and are used to calculate Operating metrics.*
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, Operating Expense Ratio, Operating Combined Ratio	The Operating loss ratio and Operating expense ratio are equal to the Loss ratio and Expense ratio respectively, adjusted for the applicable non-operating adjustments to the financial measures which are inputs to calculating those ratios and correspond to those applies to Operating net underwriting income. Operating combined ratio is equal to the sum of Operating loss ratio and Operating expense ratio. *These ratios are measures used to evaluate pre-tax underwriting profitability.*
Operating Net Income	Net income, adjusted to remove impact of certain items, referred to as Non-operating items, to normalize earnings in order to reflect our specialty operations, which are considered core operations and better reflects our underlying business performance over time. Items which are not core to operations include Net gains (losses), the impact of movement in the yield curve included in Finance income (expense) from insurance/reinsurance contracts, and Exited Lines. Adjustments also include items which may not be recurring, such as loss from run-off programs, non-recurring surety revenue, 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 and other financial measures 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 and other financial measures 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 and other financial measures 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.

Section	Non-GAAP financial measure	Closest GAAP measures
3.1	Net underwriting income	Insurance service result
	Operating net underwriting income	Insurance service result
	Operating insurance service result	Insurance service result
	Operating net income	Net income

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).

	Q4 2024	Q4 2023	2024	2023
Operating expenses corporate, as presented in the financial statements, note 19	**207**	(2,085)	**(6,970)**	(1,576)
Less: SBC	**(839)**	1,589	**3,507**	(1,914)
Operating expenses corporate excluding SBC	**(632)**	(496)	**(3,463)**	(3,490)
Year-over-year % increase, Operating expenses corporate	**(109.9)%**		**342.3%**	
Year-over-year % increase, Operating expenses corporate excluding SBC	**27.4%**		**(0.8)%**	

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.

	Q4 2024	Q4 2023	2024	2023
Net income, see Table 3.1	**19,253**	11,320	**118,915**	66,941
Adjustments				
Non-recurring Surety revenues	**-**	-	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**1,435**	-
Loss from run-off program	**-**	19,196	**3,714**	47,229
Non-recurring items	**(3,100)**	4,549	**3,565**	4,549
Impact of Exited lines	**30,577**	-	**30,577**	-
Impact of SBC, see Table 10.1	**(839)**	1,589	**3,507**	(1,914)
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**(396)**	2,071	**1,207**	723
Net (gains) losses, see Table 3.1	**(2,886)**	(9,058)	**(24,699)**	8,763
Tax impact of above items, and other tax adjustments	**(4,428)**	(3,792)	**(2,371)**	(11,494)
Operating net income, as presented in Table 3.1	**38,181**	25,875	**135,850**	110,201

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

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

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.

	Q4 2024	Q4 2023	2024	2023
Net income	**32,076**	20,929	**96,285**	73,002
Adjustments				
Non-recurring Surety revenues	**-**	-	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**1,435**	-
Non-recurring items	**(3,100)**	1,206	**(2,842)**	1,206
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**(38)**	1,480	**1,020**	495
Net (gains) losses	**(3,476)**	(4,822)	**(11,260)**	3,224
Tax impact of above items, and other tax adjustments	**1,754**	563	**3,072**	(87)
Operating net income	**27,216**	19,356	**87,710**	73,244

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.

	Q4 2024	Q4 2023	2024	2023
Net income	**(14,102)**	(8,862)	**22,306**	(1,090)
Adjustments				
Loss from run-off program	**-**	19,196	**3,714**	47,229
Non-recurring items	**-**	3,116	**5,919**	3,116
Impact of exited lines	**30,577**	-	**30,577**	-
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**(358)**	591	**185**	228
Net (gains) losses	**2,437**	(4,389)	**(4,872)**	(252)
Tax impact of above items, and other tax adjustments	**(6,841)**	(3,851)	**(6,498)**	(10,553)
Operating net income	**11,713**	5,801	**51,331**	38,678

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.

	Q4 2024	Q4 2023	2024	2023
Insurance service result, see Table 3.1	**13,787**	4,159	**116,232**	85,335
Adjustments				
Non-recurring Surety revenues	**-**	-	**-**	(4,596)
Loss from run-off program	**-**	19,196	**3,714**	47,229
Impact of exited lines	**30,577**	-	**30,577**	-
Impact of certain changes in Fronting reinsurance structures	**-**	-	**1,435**	-
Non-recurring items	**(3,100)**	3,577	**3,077**	3,577
Operating insurance service result, as presented in Table 3.1	**41,264**	26,932	**155,035**	131,545

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

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	Q4 2024	Q4 2023	2024	2023
Insurance service result	**34,636**	20,753	**98,544**	90,008
Adjustments				
Non-recurring Surety revenues	**-**	-	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**1,435**	-
Non-recurring items	**(3,100)**	1,206	**(2,842)**	1,206
Operating insurance service result	**31,536**	21,959	**97,137**	86,618
Trisura US Programs	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Insurance service result(1)	**(20,849)**	(16,594)	**17,688**	(4,673)
Adjustments				
Impact of Exited lines	**30,577**	-	**30,577**	-
Loss from run-off program	**-**	19,196	**3,714**	47,229
Non-recurring items	**-**	2,371	**5,919**	2,371
Operating insurance service result	**9,728**	4,973	**57,898**	44,927

(1) Trisura US Programs figures for Q4 2023 and 2023 include $14 and ($78), respectively, of Insurance service expenses previously classified as Corporate and Other.

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.

	Q4 2024	Q4 2023	2024	2023
Net gains (losses), as presented in Table 3.1	**2,886**	9,058	**24,699**	(8,763)
Derivative losses (gains) from SBC mitigation, from Table 10.27	**1,356**	(1,244)	**(1,668)**	3,441
Net gains (losses) excluding derivative losses (gains), as presented in Table 4.1	**4,242**	7,814	**23,031**	(5,322)

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

	Q4 2024	Q4 2023
Average equity	**702,348**	556,538
Adjustments: days in quarter proration	**(336)**	(6,866)
LTM average equity, as presented in Table 10.18	**702,012**	549,672

(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 December 31, 2024							
Trisura Specialty	258,686	15,515	274,201	(121,355)	152,846	(22,476)	130,370
Trisura US Programs	535,476	(96,190)	439,286	(401,574)	37,712	20,757	58,469
For the three months ended December 31, 2023							
Trisura Specialty	227,408	46,686	274,094	(132,575)	141,519	(32,143)	109,376
Trisura US Programs	527,545	(62,444)	465,101	(433,426)	31,675	(202)	31,473
For the twelve months ended December 31, 2024							
Trisura Specialty	980,727	108,061	1,088,788	(508,746)	580,042	(98,849)	481,193
Trisura US Programs	2,137,595	(66,008)	2,071,587	(1,863,348)	208,239	(2,345)	205,894
For the twelve months ended December 31, 2023							
Trisura Specialty	824,834	109,221	934,055	(453,674)	480,381	(75,946)	404,435
Trisura US Programs	1,964,353	72,942	2,037,295	(1,920,445)	116,850	66,290	183,140

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

Table 10.10 – Net underwriting income – Trisura Specialty

	Q4 2024	Q4 2023	2024	2023
Line items, as presented in the financial statements, note 19:				
Insurance service result	**34,636**	20,753	**98,544**	90,008
Other operating expenses	**(4,720)**	(3,877)	**(21,343)**	(16,814)
Other income	**508**	727	**7,506**	7,654
Net insurance finance expenses	**(633)**	(2,107)	**(5,170)**	(4,146)
Net underwriting income	**29,791**	15,496	**79,537**	76,702
Adjustments				
Non-recurring Surety revenues	**-**	-	**-**	(4,596)
Impact of certain changes in Fronting reinsurance structures	**-**	-	**1,435**	-
Non-recurring items	**(3,100)**	1,206	**(2,842)**	1,206
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**(38)**	1,480	**1,020**	495
Operating net underwriting income	**26,653**	18,182	**79,150**	73,807

Table 10.11 – Net underwriting income – Trisura US Programs

	Q4 2024	Q4 2023	2024	2023
Line items, as presented in the financial statements, note 19:				
Insurance service result(1)	**(20,849)**	(16,594)	**17,688**	(4,673)
Other operating expenses	**(2,291)**	(4,384)	**(14,619)**	(14,557)
Net insurance finance expenses	**(474)**	(2,098)	**(5,620)**	(5,970)
Net underwriting income	**(23,614)**	(23,076)	**(2,551)**	(25,200)
Adjustments				
Loss from run-off program	**-**	19,196	**3,714**	47,229
Impact of Exited lines	**30,577**	-	**30,577**	-
Non-recurring items	**-**	3,116	**5,919**	3,116
Impact of movement in yield curve within Finance income (expenses) from insurance and reinsurance contracts	**(358)**	591	**185**	228
Operating net underwriting income	**6,605**	(173)	**37,844**	25,373

(1) Trisura US Programs figures for Q4 2023 and 2023 include $14 and ($78), respectively, of Insurance service expenses previously classified as Corporate and Other.

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

	Q4 2024	Q4 2023	2024	2023
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 19	**87,677**	(103,661)	**(131,200)**	(267,142)
Less: Ceded commissions, ceded claims, ceded premiums earned, and other directly attributable expenses – reinsurance	**(63,952)**	125,860	**222,584**	347,002
Fee income, as presented in Table 3.8	**23,725**	22,199	**91,384**	79,860

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

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.

	Q4 2024	Q4 2023	2024	2023
Insurance service expenses, as presented in the financial statements, note 19	**(237,997)**	(174,689)	**(759,403)**	(543,362)
Finance expenses from insurance contracts, as presented in the financial statements, note 19	**(1,988)**	(5,983)	**(16,885)**	(11,888)
Subtotal	**(239,985)**	(180,672)	**(776,288)**	(555,250)
Less: Gross commissions and other directly attributable expenses	**100,194**	87,033	**387,007**	326,070
Gross claims and loss adjustment expenses	**(139,791)**	(93,639)	**(389,281)**	(229,180)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 19	**13,947**	(31,966)	**(122,780)**	(191,464)
Finance income from reinsurance contracts, as presented in the financial statements, note 19	**1,355**	3,876	**11,715**	7,742
Subtotal	**15,302**	(28,090)	**(111,065)**	(183,722)
Less: Ceded commissions and ceded premiums earned	**107,854**	99,203	**420,091**	347,981
Ceded claims and loss adjustment expenses	**123,156**	71,113	**309,026**	164,259
Net claims and loss adjustment expenses	**(16,635)**	(22,526)	**(80,255)**	(64,921)

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.

	Q4 2024	Q4 2023	2024	2023
Insurance service expenses, as presented in the financial statements, note 19(1)	**(644,002)**	(440,478)	**(1,988,707)**	(1,701,884)
Finance expenses from insurance contracts, as presented in the financial statements, note 19	**(5,027)**	(21,733)	**(61,637)**	(63,987)
Subtotal	**(649,029)**	(462,211)	**(2,050,344)**	(1,765,871)
Less: Gross commissions and other directly attributable expenses(1)	**103,557**	92,462	**464,875**	411,876
Gross claims and loss adjustment expenses	**(545,472)**	(369,749)	**(1,585,469)**	(1,353,995)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 19	**87,677**	(103,661)	**(131,200)**	(267,142)
Finance income from reinsurance contracts, as presented in the financial statements, note 19	**4,553**	19,635	**56,017**	58,017
Subtotal	**92,230**	(84,026)	**(75,183)**	(209,125)
Less: Ceded commissions, ceded premiums earned, and Fee income	**372,521**	396,124	**1,468,372**	1,380,725
Ceded claims and loss adjustment expenses	**464,751**	312,098	**1,393,189**	1,171,600
Net claims and loss adjustment expenses	**(80,721)**	(57,651)	**(192,280)**	(182,395)

(1) *Trisura US Programs figures for Q4 2023 and 2023 include $14 and ($78), respectively, of Insurance service expenses previously classified as Corporate and Other.*

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.

	Q4 2024	Q4 2023	2024	2023
Insurance service expenses, as presented in the financial statements, note 19	**(237,997)**	(174,689)	**(759,403)**	(543,362)
Less: Gross claims and loss adjustment expenses (net of Finance income (expenses) from insurance contracts)	**137,807**	87,656	**372,398**	217,292
Gross commissions and other directly attributable expenses	**(100,190)**	(87,033)	**(387,005)**	(326,070)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 19	**13,947**	(31,966)	**(122,780)**	(191,464)
Less: Ceded claims and loss adjustment expenses (net of Finance income (expenses) from reinsurance contracts) and ceded premiums earned	**6,511**	50,796	**202,221**	263,882
Ceded commissions	**20,458**	18,830	**79,441**	72,418
Net commissions and other directly attributable expenses	**(79,732)**	(68,203)	**(307,564)**	(253,652)
Other income, as presented in the financial statements, note 19	**508**	727	**7,506**	7,654
Other operating expenses, as presented in the financial statements, note 19	**(4,720)**	(3,877)	**(21,343)**	(16,814)
Net expenses	**(83,944)**	(71,353)	**(321,401)**	(262,812)

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.

	Q4 2024	Q4 2023	2024	2023
Insurance service expenses, as presented in the financial statements, note 19[1]	**(644,002)**	(440,478)	**(1,988,707)**	(1,701,884)
Less: Gross claims and loss adjustment expenses (net of Finance income (expenses) from insurance contracts)	**540,445**	348,016	**1,523,831**	1,290,008
Gross commissions and other directly attributable expenses	**(103,557)**	(92,462)	**(464,876)**	(411,876)
Net income (expense) from reinsurance contracts assets, as presented in the financial statements, note 19	**87,677**	(103,661)	**(131,200)**	(267,142)
Less: Ceded claims and loss adjustment expenses (net of Finance income (expenses) from reinsurance contracts), ceded premiums earned, and Fee income	**(6,915)**	181,411	**503,145**	587,770
Ceded commissions	**80,762**	77,750	**371,945**	320,628
Net commissions and other directly attributable expenses	**(22,795)**	(14,712)	**(92,931)**	(91,248)
Other operating expenses, as presented in the financial statements, note 19	**(2,291)**	(4,384)	**(14,619)**	(14,557)
Net expenses[1]	**(25,086)**	(19,096)	**(107,550)**	(105,805)

(1) Trisura US Programs figures for Q4 2023 and 2023 include $14 and ($78), respectively, of Insurance service expenses previously classified as Corporate and Other.

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.

	Q4 2024	Q4 2023	2024	2023
Operating net income	**38,181**	25,875	**135,850**	110,201
Weighted-average number of common shares outstanding – basic (in thousands of shares)	**47,779**	47,579	**47,707**	46,529
Operating earnings per common share – basic (in dollars)	**0.80**	0.54	**2.85**	2.37
Operating net income	**38,181**	25,875	**135,850**	110,201
Weighted-average number of common shares outstanding – diluted (in thousands of shares)	**48,597**	48,349	**48,523**	47,296
Operating earnings per common share – diluted (in dollars)	**0.79**	0.54	**2.80**	2.34

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

	Q4 2024	Q4 2023
LTM net income	**118,915**	66,941
LTM average equity, from Table 10.8	**702,012**	549,672
ROE	**16.9%**	12.2%
Operating LTM net income[1], from Table 10.2	**135,850**	110,201
Operating LTM ROE[1]	**19.4%**	20.0%

(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.

	Q4 2024	Q4 2023
LTM net income[1]	**94,356**	73,002
LTM average equity[1]	**343,443**	251,130
ROE	**27.4%**	29.1%
Operating LTM net income[1]	**85,782**	73,244
Operating LTM ROE	**24.9%**	29.2%

(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.

	Q4 2024	Q4 2023
LTM net income	**22,306**	(1,090)
Currency translation	**(281)**	(1,700)
Subtotal	**22,025**	(2,790)
LTM average equity(1)	**303,079**	272,072
ROE	**7.3%**	(1.0)%
LTM net income	**22,306**	(1,090)
Non-operating adjustments	**29,025**	39,768
Currency translation	**(796)**	(1,712)
Operating LTM net income	**50,534**	36,966
Operating LTM ROE	**16.7%**	13.6%

(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 – Combined ratio – Trisura Specialty

	Q4 2024	Q4 2023	2024	2023
Net premiums earned, as presented in Table 10.9	**130,370**	109,376	**481,193**	404,435
Non-operating adjustments	**(1,100)**	-	**1,435**	(4,596)
Operating net premiums earned	**129,270**	109,376	**482,628**	399,839
Net claims and loss adjustment expenses, as presented in Table 10.13	**16,635**	22,526	**80,255**	64,921
Non-operating adjustments	**38**	(1,480)	**(1,020)**	(495)
Operating net claims and loss adjustment expenses	**16,673**	21,046	**79,235**	64,426
Net expenses, as presented in Table 10.15	**83,944**	71,353	**321,401**	262,812
Non-operating adjustments	**2,000**	(1,206)	**2,842**	(1,206)
Operating net expenses	**85,944**	70,147	**324,243**	261,606
Loss ratio	**12.8%**	20.6%	**16.7%**	16.1%
Expense ratio	**64.4%**	65.2%	**66.8%**	65.0%
Combined ratio	**77.2%**	85.8%	**83.5%**	81.1%
Operating loss ratio	**12.9%**	19.2%	**16.4%**	16.1%
Operating expense ratio	**66.5%**	64.1%	**67.2%**	65.4%
Operating combined ratio	**79.4%**	83.3%	**83.6%**	81.5%

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

Table 10.22 – Combined ratio and FOR – Trisura US Programs

	Q4 2024	Q4 2023	2024	2023
Net premiums earned, as presented in Table 10.9	**58,469**	31,473	**205,894**	183,140
Non-operating adjustments	**(8,517)**	11,423	**(4,956)**	(36,005)
Operating net premiums earned	**49,952**	42,896	**200,938**	147,135
Fee income, as presented in Table 10.12	**23,725**	22,199	**91,384**	79,860
Non-operating adjustments	**(2,548)**	-	**(2,548)**	(50)
Operating fee income	**21,177**	22,199	**88,836**	79,810
Net claims and loss adjustment expenses, as presented in Table 10.14	**80,721**	57,651	**192,280**	182,395
Non-operating adjustments	**(40,605)**	(11,043)	**(46,671)**	(55,900)
Operating net claims and loss adjustment expenses	**40,116**	46,608	**145,609**	126,495
Net expenses, as presented in Table 10.16	**25,086**	19,096	**107,550**	105,805
Non-operating adjustments	**(679)**	(436)	**(1,228)**	(30,726)
Operating net expenses	**24,407**	18,660	**106,322**	75,079
Loss ratio	**138.1%**	183.2%	**93.4%**	99.6%
Expense ratio	**2.3%**	(9.8)%	**7.9%**	14.1%
Combined ratio	**140.4%**	173.4%	**140.4%**	173.4%
Operating loss ratio	**80.3%**	108.7%	**72.5%**	86.0%
Operating expense ratio	**6.5%**	(8.3)%	**8.7%**	(3.2)%
Operating combined ratio	**86.8%**	100.4%	**81.2%**	82.8%
FOR	**128.7%**	143.0%	**100.9%**	109.6%
Operating FOR	**90.7%**	100.3%	**86.9%**	88.8%

Table 10.23 – Combined ratio – Consolidated

	Q4 2024	Q4 2023	2024	2023
Net premiums earned, as presented in Tables 10.21 and 10.22	**188,839**	140,849	**687,087**	587,575
Non-operating adjustments	**(9,617)**	11,423	**(3,521)**	(40,601)
Operating net premiums earned	**179,222**	152,272	**683,566**	546,974
Fee income, as presented in Table 10.22	**23,725**	22,199	**91,384**	79,860
Non-operating adjustments	**(2,548)**	-	**(2,548)**	(50)
Operating fee income	**21,177**	22,199	**88,836**	79,810
Net claims and loss adjustment expenses, as presented in Tables 10.21 and 10.22	**97,356**	80,177	**272,535**	247,316
Non-operating adjustments	**(40,567)**	(12,523)	**(47,692)**	(56,395)
Operating net claims and loss adjustment expenses	**56,789**	67,654	**224,843**	190,921
Net expenses, as presented in Tables 10.21 and 10.22	**109,030**	90,449	**428,951**	368,617
Non-operating adjustments	**1,321**	(1,642)	**1,614**	(31,932)
Operating net expenses	**110,351**	88,807	**430,565**	336,685
Loss ratio	**51.6%**	61.3%	**39.7%**	42.1%
Expense ratio	**45.2%**	44.1%	**49.1%**	49.1%
Combined ratio	**96.7%**	105.4%	**88.8%**	91.2%
Operating loss ratio	**31.7%**	44.4%	**32.9%**	34.9%
Operating expense ratio	**49.8%**	43.7%	**50.0%**	47.0%
Operating combined ratio	**81.5%**	88.1%	**82.9%**	81.9%

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

Table 10.24 – Retention rate and Fees as a percentage of ceded premium – Trisura US Programs

	Q4 2024	Q4 2023	2024	2023
Retention rate				
Net premiums written, as presented in Table 10.9	**37,712**	31,675	**208,239**	116,850
Gross premiums written, as presented in Table 10.9	**439,286**	465,101	**2,071,587**	2,037,295
Retention rate	**8.6%**	6.8%	**10.1%**	5.7%
Fees as a percentage of ceded premium				
Gross fee income	**20,696**	21,389	**89,994**	87,057
Ceded written premium, as presented in Table 10.9	**401,574**	433,426	**1,863,348**	1,920,445
Adjustment: non-recurring items	**938**	(8,189)	**(3,941)**	(75,707)
Ceded written premium excluding certain non-recurring items	**402,512**	425,237	**1,859,407**	1,844,738
Fees as a percentage of ceded premium	**5.2%**	5.0%	**4.8%**	4.7%

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

Additional Information

Table 10.25 – Reconciliation of Note 19 – Segmented information in the Company's Consolidated Financial Statements to results including tax impacts (as per MD&A Table 3.3 and 3.8)

	For the three months ended December 31, 2024			For the twelve months ended December 31, 2024		
	FS Note 19 – Net income before tax	**Tax impact**	**MD&A Table 3.3 and 3.8 – Net income**	**FS Note 19 – Net income before tax**	**Tax impact**	**MD&A Table 3.3 and 3.8 – Net income**
Trisura Specialty	**43,319**	**(11,243)**	**32,076**	**128,891**	**(32,606)**	**96,285**
Trisura US Programs	**(19,365)**	**5,263**	**(14,102)**	**28,479**	**(6,173)**	**22,306**

Table 10.26 – Reconciliation of Note 19 – Segmented information in the Company's Consolidated Financial Statements to results including tax impacts (as per MD&A Table 3.3 and 3.8)

	For the three months ended December 31, 2023			For the twelve months ended December 31, 2023		
	FS Note 19 – Net income before tax	Tax impact	MD&A Table 3.3 and 3.8 – Net income	FS Note 19 – Net income before tax	Tax impact	MD&A Table 3.3 and 3.8 – Net income
Trisura Specialty	28,152	(7,223)	20,929	98,469	(25,467)	73,002
Trisura US Programs	(11,558)	2,696	(8,862)	(1,588)	498	(1,090)

Corporate and Other

Table 10.27 – Reconciliation of Note 19 – Segmented information in the Company's Consolidated Financial Statements to Section 3 – Corporate and Other, Table 3.13

	Q4 2024	Q4 2023	**2024**	2023
Other operating expenses Corporate and other, as presented in Note 19	**207**	(2,085)	**(6,970)**	(1,576)
Insurance service expenses - Reinsurance	**-**	2	**-**	(86)
Derivative (losses) gains from mitigation strategies(1)	**(1,356)**	1,244	**1,668**	(3,441)
Net expenses, as presented in Table 3.13	**(1,149)**	(839)	**(5,302)**	(5,103)

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

Table 10.28 – Reconciliation from SBC, gross of mitigation strategies to SBC, net of mitigation strategies

	Q4 2024	Q4 2023	**2024**	2023
SBC, gross of mitigation strategies(1)	**839**	(1,589)	**(3,507)**	1,913
Add: Derivative (losses) gains from mitigation strategies(2)	**(1,356)**	1,244	**1,668**	(3,441)
SBC, net of mitigation strategies as presented in Table 3.13	**(517)**	(345)	**(1,839)**	(1,528)

(1) Included in Other operating expenses in Corporate and Other segment of FS Note 19.
(2) Derivative (losses) gains from mitigation strategies are presented in Net gains (losses) in the 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
Exited lines	Exited lines refer to certain programs which have non-renewed and have been put into run-off. These programs no longer fit within Trisura's risk appetite.
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
ISR	Insurance Service Result
LAE	Loss Adjustment Expenses
LTM	Last Twelve Months
MCT	Minimum Capital Test
MGA	Managing General Agent
n/a	not applicable
Net gains (losses)	Net gains (losses) is inclusive of Net credit impairment reversals (losses)
nm	not meaningful
NPE	Net Premiums Earned
NPW	Net Premium Written
NUI	Net Underwriting Income
OCI	Other Comprehensive Income
OEPS	Diluted Operating Earnings Per Share
Operating expenses Corporate	Operating expenses Corporate refers only to the portion of Other operating expenses relates to Corporate and Other.
Other operating expenses	Other operating expenses refers only to portion of Other operating expenses that relates to Trisura Specialty and Trisura US Programs.
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

TRISURA®

Trisura Group Ltd.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Trisura Group Ltd.

Opinion

We have audited the consolidated financial statements of Trisura Group Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Insurance Contract Liabilities - Refer to Notes 2.2(a), 3.1(b) and 7 to the financial statements

Key Audit Matter Description

The Company establishes an insurance contract liability for its property and casualty insurance business. The liability for the incurred claims component of the insurance contract liabilities represents an estimate of the ultimate cost of all claims incurred but not paid by the statement of financial position date. The estimation process employed in determining future claims and loss adjustment expense payments includes consideration of individual case estimates of claims and loss adjustment expense payments on reported claims, provision for future development of case estimates on reported claims, and a provision for claims and loss adjustment expense related to incurred but not reported ("IBNR") claims.

In estimating the IBNR claims liabilities, the Company uses a range of actuarial methodologies which consider assumptions related to historical loss development factors and payment patterns. While there are several assumptions used in determining the IBNR claims liabilities, the assumptions with the highest degree of subjectivity related to the future development of claims and loss adjustment expenses that have not yet been reported and payment patterns ("significant assumptions"). Auditing the selection of the actuarial methodologies and the significant assumptions involves a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of actuarial specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the selection of the actuarial methodologies and the significant assumptions used to value the IBNR claims liabilities for the property and casualty insurance business included the following, among others:

- On a sample basis, tested the completeness and accuracy of the underlying data used to determine the IBNR claims liabilities.
- With the assistance of actuarial specialists, evaluated management's actuarial methodologies and the significant assumptions in accordance with actuarial principles and practices under generally accepted actuarial standards of practice.
- With the assistance of actuarial specialists, developed independent estimates for the IBNR claims liabilities for selected lines of business and compared our estimates to management's estimates.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report
- Financial Supplement

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis, Annual Report, and Financial Supplement prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Jonathon Dueck.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

February 13, 2025

TRISURA GROUP LTD.
Consolidated Financial Statements

Table of contents for the Consolidated Financial Statements of Trisura Group Ltd.

TRISURA GROUP LTD.

Consolidated Statements of Financial Position

(in thousands of Canadian dollars, except as otherwise noted)

As at	*Note*	**December 31, 2024**	December 31, 2023
Assets			
Cash and cash equivalents		**270,378**	604,016
Investments	*4,6*	**1,434,534**	890,157
Other assets	*8*	**42,392**	53,712
Reinsurance contract assets	*7.2*	**2,771,163**	2,003,589
Capital assets and intangible assets	*9,10,11*	**29,383**	16,657
Deferred tax assets	*20*	**44,043**	16,314
Total assets		**4,591,893**	3,584,445
Liabilities			
Insurance contract liabilities	*7.1*	**3,546,053**	2,769,951
Other liabilities	*12*	**162,302**	120,065
Loan payable	*14*	**98,272**	75,000
		3,806,627	2,965,016
Shareholders' equity			
Common shares	*15*	**481,797**	481,023
Contributed surplus		**9,796**	7,491
Retained earnings		**262,489**	143,574
Accumulated other comprehensive income (loss)		**31,184**	(12,659)
		785,266	619,429
Total liabilities and shareholders' equity		**4,591,893**	3,584,445

See accompanying notes to the Consolidated Financial Statements

On behalf of the Board

George Myhal
Director

David Clare
Director

TRISURA GROUP LTD.
Consolidated Statements of Income
(in thousands of Canadian dollars, except as otherwise noted)

For the twelve months ended December 31,	*Note*	**2024**	2023
Insurance revenue	*7.1*	**3,118,322**	2,789,187
Insurance service expenses		**(2,748,110)**	(2,245,246)
Net income (expense) from reinsurance contracts assets	*7.2*	**(253,980)**	(458,606)
Insurance service result		**116,232**	85,335
Net investment income (loss)	*17*	**67,045**	51,669
Net gains (losses)	*18*	**26,996**	(9,658)
Net credit impairment reversals (losses)	*4.2*	**(2,297)**	895
Total investment income (loss)		**91,744**	42,906
Finance income (expenses) from insurance contracts		**(78,522)**	(75,875)
Finance income (expenses) from reinsurance contracts		**67,732**	65,759
Net insurance finance income (expenses)		**(10,790)**	(10,116)
Net financial result		**80,954**	32,790
Net insurance and financial result		**197,186**	118,125
Other income		**7,506**	7,654
Other operating expenses		**(42,932)**	(32,947)
Other finance costs		**(3,270)**	(2,409)
Income before income taxes		**158,490**	90,423
Income tax expense	*20*	**(39,575)**	(23,482)
Net income attributable to shareholders		**118,915**	66,941
Weighted average number of common shares outstanding during the year (in thousands) – basic		**47,707**	46,529
Earnings per common share (in dollars) – basic	*16*	**2.49**	1.44
Earnings per common share (in dollars) – diluted	*16*	**2.45**	1.42

See accompanying notes to the Consolidated Financial Statements

TRISURA GROUP LTD.
Consolidated Statements of Comprehensive Income
(in thousands of Canadian dollars, except as otherwise noted)

For the twelve months ended December 31,	*Note*	**2024**	2023
Net income attributable to shareholders		**118,915**	66,941
Items that may be or are reclassified subsequently to Net income			
Net unrealized gains (losses) on FVOCI investments		**8,838**	17,632
Income tax benefit (expense)		**(3,027)**	(4,185)
FVOCI amounts		**5,811**	13,447
Net realized losses (gains)		**1,821**	(1,156)
Net credit impairment losses (reversals)	*4.2*	**2,297**	(895)
Income tax expense (benefit)		**(757)**	260
Items reclassified to Net income		**3,361**	(1,791)
Net unrealized gains (losses) on FVOCI investments		**6,493**	1,169
Net realized gains (losses) on FVOCI investments		**284**	273
Income tax benefit (expense) on FVOCI investments		**(1,763)**	(250)
Items that will not be reclassified to Net income		**5,014**	1,192
Items other than Cumulative translation gains (losses)		**14,186**	12,848
Cumulative translation gains (losses)		**29,657**	(6,520)
Other comprehensive income (loss)		**43,843**	6,328
Total comprehensive income		**162,758**	73,269

See accompanying notes to the Consolidated Financial Statements

TRISURA GROUP LTD.
Consolidated Statements of Changes in Equity
(in thousands of Canadian dollars, except as otherwise noted)

	Note	**Common shares**	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive income (loss) (net of income taxes)**	**Total**
Balance as at January 1, 2024		481,023	7,491	143,574	(12,659)	**619,429**
Net income		-	-	118,915	-	**118,915**
Other comprehensive income (loss)		-	-	-	43,843	**43,843**
Total comprehensive income		-	-	118,915	43,843	**162,758**
Share issuance	*15*	2,989	-	-	-	**2,989**
Shares purchased under Restricted Share Units ("RSUs") plan	*15*	(2,215)	-	-	-	**(2,215)**
Share based payments		-	2,305	-	-	**2,305**
Balance as at December 31, 2024		**481,797**	**9,796**	**262,489**	**31,184**	**785,266**

		Common shares	Contributed surplus	Retained earnings	Accumulated other comprehensive loss (net of income taxes)	Total
Balance at January 1, 2023, as restated		430,262	5,743	76,633	(18,987)	493,651
Net income		-	-	66,941	-	66,941
Other comprehensive income (loss)		-	-	-	6,328	6,328
Total comprehensive income		-	-	66,941	6,328	73,269
Share issuance	*15*	52,170	-	-	-	52,170
Shares purchased under Restricted Share Units ("RSUs") plan	*15*	(1,409)	-	-	-	(1,409)
Share based payments		-	1,748	-	-	1,748
Balance as at December 31, 2023		481,023	7,491	143,574	(12,659)	619,429

See accompanying notes to the Consolidated Financial Statements

TRISURA GROUP LTD.
Consolidated Statements of Cash Flows
(in thousands of Canadian dollars, except as otherwise noted)

For the twelve months ended December 31,	Note	2024	2023
Operating activities			
Net income		**118,915**	66,941
Items not involving cash:			
Depreciation and amortization		**1,434**	1,661
Unrealized losses (gains)		**(25,766)**	3,231
Net credit impairment losses (reversals)	*4.2*	**2,297**	(895)
Stock options granted		**1,518**	1,267
Change in working capital	*22*	**68,598**	194,038
Realized losses (gains) on investments		**(2,314)**	3,950
Income taxes paid		**(42,316)**	(9,841)
Interest paid		**(2,640)**	(2,439)
Net cash flows from (used in) operating activities		**119,726**	257,913
Investing activities			
Proceeds on disposal of investments		**342,306**	102,492
Purchases of investments		**(795,269)**	(219,121)
Purchases of capital assets		**(3,398)**	(277)
Acquisition of subsidiary	*21*	**(15,015)**	-
Purchases of intangible assets		**(437)**	(437)
Net cash flows from (used in) investing activities		**(471,813)**	(117,343)
Financing activities			
Shares issued	*15*	**2,989**	51,507
Shares purchased under RSU plan	*15*	**(2,215)**	(1,409)
Loans received	*14*	**46,607**	-
Loans repaid	*14*	**(23,335)**	-
Principal portion of lease payments		**(2,006)**	(2,034)
Net cash flows from (used in) financing activities		**22,040**	48,064
Net increase (decrease) in cash and cash equivalents during the year		**(330,047)**	188,634
Cash, beginning of year		**559,741**	381,485
Cash equivalents, beginning of year		**44,275**	24,883
Cash and cash equivalents, beginning of year		**604,016**	406,368
Impact of foreign exchange on cash and cash equivalents		**(3,591)**	9,014
Cash, end of year		**250,383**	559,741
Cash equivalents, end of year		**19,995**	44,275
Cash and cash equivalents, end of year		**270,378**	604,016

See accompanying notes to the Consolidated Financial Statements

Note 1 – The Company

Trisura Group Ltd. (the "Company") was incorporated under the Business Corporations Act (Ontario) (the "Act") on January 27, 2017. The Company's head office is located at 333 Bay Street, Suite 1610, Box 22, Toronto Ontario, M5H 2R2.

The Company has investments in wholly owned subsidiaries through which it conducts insurance operations. Those operations are primarily in Canada and the United States.

The Company's Canadian business operates as a Canadian property and casualty insurance company, licensed in all provinces and territories. Certain lines of the Canadian business operate as a fronting carrier with a large portion of gross premiums written ceded to reinsurers. The Company's US business is a domestic surplus lines insurer that can write business as a non-admitted surplus line insurer in all states and admitted business in most states. A large portion of the US business operates as a hybrid fronting carrier where a large portion of its gross premiums written are ceded to reinsurers.

The common shares of the Company are publicly traded on the Toronto Stock Exchange under the symbol "TSU".

Note 2 – Summary of material accounting policies

2.1 Basis of presentation

These Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Consolidated Financial Statements comprise the financial results of the Company and all entities controlled by the Company, on a consolidated basis of presentation. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In accordance with IFRS, presentation of assets and liabilities on the Consolidated Statements of Financial Position is in order of liquidity. The Company's functional and presentation currency is Canadian dollars.

These Consolidated Financial Statements were authorized for issuance by the Company's Board of Directors on February 13, 2025.

2.2 Insurance Contracts

Classification of Insurance Contracts

When significant insurance risk exists, the Company's products are classified at contract inception as insurance contracts.

Significant insurance risk exists when the Company agrees to compensate policyholders of the contract or ceding companies for specified uncertain future events that adversely affect the policyholder and whose amount and timing is unknown. The level of insurance risk is assessed by considering whether there are any scenarios with commercial substance in which the Company is required to pay significant additional benefits. These benefits are those which exceed the amounts payable if no insured or reinsured event were to occur.

Measurement model

There are two main measurement models to account for insurance contracts: the general measurement model ("GMM") and the premium allocation approach ("PAA"). Under the GMM, insurance contracts must be valued using current estimates of discounted future cash flows, an explicit risk adjustment for non-financial risk, and a contractual service margin that reflects the present value of the expected profit from fulfilling the contracts which is to be recognized into income over the coverage period. The PAA is a more simplified measurement model that is to be applied to insurance contracts with coverage periods of one year or less or where the liability for remaining coverage ("LRC") under the PAA is not materially different to the LRC under the GMM.

The Company uses a model for evaluating whether the LRC under the GMM differs materially from the LRC under the PAA for any insurance contracts with a coverage period greater than one year, and based on management's analysis, no material differences in LRC were noted. Accordingly, the Company is applying PAA to all its insurance contracts.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues, however, adapted to reflect the features of reinsurance contracts that differ from insurance contracts issued, for example the recognition of expenses or reduction in expenses rather than revenue. For reinsurance contracts, on initial recognition, the Company measures the asset for remaining coverage ("ARC") at the amount of ceding premiums paid.

(in thousands of Canadian dollars, except as otherwise noted)

Note 2 – Summary of material accounting policies (Continued)

The Company measures the carrying amount of the LRC at the end of each reporting period as the LRC at the beginning of the year, plus premiums received in the year, minus insurance acquisition cash flows paid, plus any amounts relating to the amortization of the acquisition cash flows recognized as an expense in the reporting period for the Company, plus any adjustment to the financing component, where applicable, minus the amount recognized as insurance revenue for the coverage period, minus any investment component paid or transferred to the liability for incurred claims.

Insurance contract liabilities

The liability for incurred claims ("LIC") represents an estimate of the ultimate cost of all claims incurred but not paid by the Statement of Financial Position date.

Insurance contract liabilities - judgment, assumptions and estimation uncertainty

The estimation process employed in determining future claims and loss adjustment expense ("LAE") payments includes consideration of individual case estimates of claims and LAE payments on reported claims, provision for future development of case estimates on reported claims, and provision for claims and LAE related to incurred but not reported ("IBNR") claims. Further provisions are made for the time value of money. The Company uses qualified actuaries in its reserving processes.

In estimating the IBNR claims, the Company uses a range of actuarial methodologies which consider assumptions related to historical loss development factors and payment patterns. While there are several assumptions that go into determining the IBNR claims, significant management judgment is applied regarding the use of assumptions relating to future development of claims and LAE that have not yet been reported, future rates of claims frequency and severity, claims inflation, payment patterns and reinsurance recoveries, taking into consideration the circumstances of the Company and the nature of the insurance policies. Typically, the delay to ultimate settlement of claims increases the uncertainty of the estimate of the ultimate cost to settle the LIC balance.

As a result of the uncertainly in estimation, actual future claims and LAE payments may deviate in quantum and timing, perhaps materially, from the liability recorded in the LIC on the Consolidated Statements of Financial Position. The LIC is reviewed regularly and evaluated in light of emerging claims experience and changing circumstances. Any resulting adjustments to the estimates of the ultimate liability are recorded as Insurance service expense in the year in which such changes are made.

Discounting of insurance contract liabilities

Estimates of future cash flows are discounted to reflect the time value of money and financial risks related to those cash flows. The Company discounts estimates of future cash flows using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts.

Discount rates applied for discounting of future cash flows are listed below:

		As at December 31, 2024					As at December 31, 2023				
Insurance contracts issued and reinsurance contracts	**Currency**	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**	1 year	5 years	10 years	20 years	30 years
	CAD	**3.82%**	**4.20%**	**4.73%**	**5.07%**	**4.97%**	5.39%	4.75%	4.79%	4.91%	4.78%
	USD	**4.72%**	**5.17%**	**5.32%**	**4.98%**	**4.92%**	6.02%	4.72%	4.54%	4.21%	3.97%

Risk adjustment

The measurement of insurance contract liabilities includes a risk adjustment for non-financial risk to be applied to the present value of the estimated future cash flows. The risk adjustment is the Company's compensation for bearing the uncertainty relating to non-financial risk. The non-financial risk pertains to the amount and timing of cash flows as the Company fulfils insurance contracts. The risk adjustment replaces the provision for adverse deviation. The Company is applying a quantile approach for its non-financial risks. As at December 31, 2024, the liability for incurred claims, including the risk adjustment, was calculated at a 73% level of confidence (December 31, 2023 - 73%).

For reinsurance contract assets, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Onerous contracts

To determine if a group of contracts are onerous, the Company considers facts and circumstances based on the expected fulfillment cash flows, pricing data, the outcomes of similar contracts, and the operating and regulatory environment. At initial recognition, the Company assumes that no contracts are onerous, unless facts and circumstances indicate otherwise, as all the Company's contracts meet the PAA criteria. If at any time during the coverage period, the facts and circumstances indicate that a

Note 2 – Summary of material accounting policies (Continued)

group of insurance contracts is onerous, the Company establishes a loss component as the difference between fulfillment cash flows that relate to the remaining coverage of the group over the carrying amount of the LRC of the group.

Insurance acquisition cash flows

Insurance acquisition cash flows consist of costs of selling, underwriting, and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company defers insurance acquisition cash flows and these expenses are recognized as insurance service expenses as the related premiums are recognized as Insurance revenue.

Insurance revenue and Insurance service expenses

The Company recognizes insurance revenue for each period over the coverage period of a group of contracts. The Company recognizes groups of insurance contracts from the earliest of the following: the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group is due, or for a group of onerous contracts, when the group becomes onerous. Premiums are earned over the terms of the related policies, generally on a pro rata basis. There are some instances where premiums are earned over the term of the policy in accordance with the risk profile of those policies with more premiums being earned when the risk exposure from the policy is greatest.

Insurance service expenses consist of amortization of insurance acquisition cash flows, incurred claims and other insurance expenses, and losses on onerous groups of contracts and reversals of such losses.

In the normal course of business, the Company enters into fronting arrangements with third parties, whereby the Company assumes the insurance risk but then cedes all or most of the risk to other insurers and reinsurers. In certain instances, security arrangements are established to offset the Company's risk exposure. Fronting arrangements do not discharge the Company as the primary insurer for its obligations to policyholders.

Presentation and disclosures

Presentation of insurance and reinsurance related items in the Consolidated statements of income include:

- Income and expenses from insurance contracts issued is presented separately from net income (expense) from reinsurance contract assets,
- All directly attributable insurance acquisition expenses are included in the insurance service expenses line item, while the remainder of expenses is recorded under other operating expenses.

The Company has presented separately, in the Statement of Financial Position, the carrying amount of portfolios of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts that are assets and groups of reinsurance contracts that are liabilities, if any.

Reinsurance contracts

Reinsurance contracts are measured on the same basis as insurance contracts, but adapted to reflect the features of insurance contracts that differ from reinsurance contracts. A group of reinsurance contracts that covers the losses of separate insurance contracts on a proportionate basis is recognized at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract, and in all other cases, from the beginning of the coverage period of the group of contracts.

The Company uses reinsurance in the ordinary course of business to reduce its exposure to any one claim or event under the policies it issues. A large portion of this reinsurance is affected under reinsurance agreements known as treaty reinsurance. In some instances, it is negotiated on a facultative (one-off) basis for individual policies, generally when the exposures under these policies are not sufficiently mitigated by the treaty reinsurance.

The Company's fronting operations cede the majority of the insurance revenue generated through it to third-party reinsurers. As such, Reinsurance contract assets are significant to the Company's financial position, and the associated credit risk is monitored each reporting period.

Reinsurance does not relieve the Company of its obligations to policyholders. The Company's obligation to pay policyholders is not contingent on the reinsurers paying, or honouring its contractual obligations. For this reason, the Company evaluates the financial condition of its reinsurers and monitors concentration of credit risk to minimize its exposure to losses from reinsurer insolvencies or contract disputes. Reinsurers providing reinsurance policies are generally required to have a minimum A.M. Best credit rating of A- at the inception of each policy or are otherwise required to post agreed upon levels of collateral. Unlicensed reinsurers must post an agreed upon level of collateral.

Note 2 – Summary of material accounting policies (Continued)

Reinsurance contract assets - judgment, assumptions and estimation uncertainty

Reinsurance contract assets, including the Assets for Incurred Claims ("AIC"), are determined using methodologies similar to that of insurance contract liabilities, including the LIC, and require the use of judgment and contain estimation uncertainty in a similar manner to those required to measure the LIC. For reinsurance contract assets, there is also estimation uncertainty and judgment included in the calculation of the provision for reinsurance non-performance. Measurement of recoverable from reinsurers, of which the AIC is a part of, involves estimation.

Level of aggregation

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant possibility of becoming onerous, and the remainder.

Net income or expense from reinsurance contracts

The Company presents on the face of the statements of income and comprehensive income, the income and expenses from a group of reinsurance contracts, other than insurance finance income or expenses, as a single amount, including the amounts expected to be recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. The Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when the Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks or when both of the following criteria are satisfied: the Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio and the pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk.

The Company records insurance finance income or expenses on insurance contracts issued in net income, including the impact of changes in market interest rates on the value of the insurance assets and liabilities. The Company's related financial assets backing the portfolios are predominantly measured at FVOCI.

Critical accounting judgments and estimates

Judgment is involved in applying the accounting policies used to prepare financial statements. For insurance and reinsurance contracts, judgments are used to determine whether contracts should be classified as insurance or investment contracts. For LRC, LIC, ARC and AIC, judgments are used:

- to determine whether groups of contracts are onerous;
- in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contracts. Other key circumstances affecting the reliability of assumptions include variation in interest rates, cost of capital, delays in settlement and changes in foreign currency exchange rates;
- when selecting discount rates to apply to insurance liabilities. Estimates of future cash flows are discounted to reflect time value of money and financial risks related to those cash flows;
- to identify the methods and assumptions used to determine the risk adjustment for non-financial risk;
- in determining whether contracts which are greater than one year qualify for PAA;
- in determining which contracts constitute a portfolio, and in determining the materiality threshold and the coverage period on certain contracts.

Note 2 – Summary of material accounting policies (Continued)

2.3 Financial Instruments

Financial assets must be classified and measured at fair value, with changes in fair value through profit and loss ("FVTPL") as they arise, unless certain criteria are met for classifying and measuring the asset at either amortized cost or fair value through other comprehensive income ("FVOCI").

Classification and measurement

Financial assets are classified as amortized cost, FVOCI, or FVTPL based on the Company's business model for managing the assets and the asset's contractual cash flow characteristics. Judgment is used in determining the classification.

The Company's classification of its significant financial instruments is as follows:

Financial instruments	**Classification**
Investments	
Common shares and Alternatives	FVTPL
Preferred shares	FVTPL or FVOCI – equity instruments
Fixed income	FVTPL or FVOCI – debt instruments
Derivatives	FVTPL
Other financial assets	Amortized cost
Financial liabilities	Amortized cost

Classifications of financial instruments

i) Fair Value Through Profit or Loss ("FVTPL")

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value. This category includes debt instruments whose cash flow characteristics fail the Solely Payments of Principal and Interest ("SPPI") test or are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell.

FVTPL financial instruments are carried at fair value and recognized on the trade date, with the changes in fair value recognized in net income. Transaction costs related to FVTPL financial instruments are expensed in net investment income.

ii) Fair Value Through Other Comprehensive Income ("FVOCI")

The Company applies this category for debt instruments measured at FVOCI when both of the following conditions are met: the instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset meet the SPPI test.

Debt instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions.

The Company also applies the category equity instruments when the following conditions are met: the instrument is not held for trading, passes the SPPI test, and the Company has elected the OCI option for the instrument.

These instruments largely comprise certain Preferred shares. Instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions.

FVOCI financial instruments are carried at fair value and recognized on the trade date, with changes in fair value recorded as unrealized gains/losses in other comprehensive income. Transaction costs related to financial instruments classified as FVOCI are capitalized on initial recognition and, where applicable, amortized to interest income using the effective interest method.

iii) Amortized Cost

Debt instruments are held at amortized cost if both of the following conditions are met: the instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows, and the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Note 2 – Summary of material accounting policies (Continued)

Financial instruments are held at amortized cost when they have fixed or determinable payments and are not quoted in an active market. Transaction costs are capitalized on initial recognition and are recognized in investment income using the effective interest rate method. The Company has classified the financial instruments included in other assets (excluding derivative assets) as amortized cost. Derivative assets which are grouped with other assets are carried at fair value.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Except for preferred shares that are classified as FVOCI, any gain or loss arising on derecognition is recognized directly in net income and presented in realized gains or losses on investments. For preferred shares classified as FVOCI, any gain or loss arising on derecognition remains in OCI and will not be reclassified to Net income.

Financial liabilities, such as Loan payable and other liabilities are measured at amortized cost. Derivative liabilities and cash-settled Share based payments, which are grouped with other liabilities, are carried at fair value

Subsequent Measurement

i) Financial assets at FVTPL

Financial assets at FVTPL are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in net income. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using a contractual interest rate on an effective interest rate basis. Dividend income from equity instruments measured at FVTPL is recorded in net income as net investment income when the right to the payment has been established.

ii) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in net income in the same manner as for financial assets measured at amortized cost. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to net income.

iii) Equity instruments at FVOCI

FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Foreign exchange gains and losses are included as unrealized gains (losses) within OCI. Dividend income is recognized in net income in the same manner as for financial assets measured at amortized cost. No impairment or ECL calculation is performed for FVOCI equity instruments. On derecognition, cumulative gains or losses previously recognized in OCI are not reclassified from OCI to net income.

iv) Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values by management, which includes input from the Company's third-party investment managers.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Investments carried at fair value are classified in accordance with a valuation hierarchy that reflects the significance of the inputs used in determining their fair value. Under Level 1 of this hierarchy, fair value is derived from unadjusted quoted prices in active markets for identical investments. Under Level 2, fair value is derived from market inputs that are directly or indirectly observable, other than unadjusted quoted prices for identical investments. Level 2 financial instruments comprise fixed income securities such as over the counter bonds and derivative financial instruments such as foreign currency forwards, equity and interest rate swap agreements which are not considered as actively traded or for which fair values are based on valuation techniques. Inputs used in their valuation include prevailing market rates for fixed income securities with similar characteristics and risk profiles.

Note 2 – Summary of material accounting policies (Continued)

Valuation of Level 3 assets

Under Level 3, fair value is derived from inputs, some of which are not based on observable market data.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant unobservable inputs and valuation adjustments are regularly reviewed. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the evidence obtained from the third parties is assessed in light of the requirements of IFRS, including the level in the fair value hierarchy in which such investments should be classified.

If the inputs used to measure the fair value of an asset or a liability is categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Valuation of Level 3 assets - assumptions and estimation uncertainty

Valuation of Level 3 assets involves assumptions and estimation uncertainty to determine appropriate valuation methodology and valuation inputs.

Impairment of financial assets

Management assesses financial instruments for objective evidence of impairment at each reporting date and there are inherent risks and uncertainties in performing this assessment of impairment loss, including factors such as general economic conditions and issuers' financial conditions.

Impairment of financial assets - judgment, assumptions and estimation uncertainty

The measurement of impairment losses across relevant financial assets requires judgment, assumptions and estimation uncertainty, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

Expected credit loss ("ECL")

ECL is based on probability of default, loss given default and exposure at default inputs and takes into account the expected timing of the loss. The ECL model also incorporates forward-looking economic information. The Company records an allowance for ECLs for all debt instruments measured at amortized cost or FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL" or LTECL).

The majority of the Company's debt instruments at FVOCI comprise quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure such instruments on a 12-month ECL basis.

ECL - assumptions and estimation uncertainty

Significant assumptions are made with respect to the allowance for ECL. The ECL model incorporates forward-looking economic information. The economic environment gives rise to uncertainty and affects significant estimates and assumptions made, such as the allowance for expected credit losses.

(in thousands of Canadian dollars, except as otherwise noted)

Note 2 – Summary of material accounting policies (Continued)

The effective interest rate method

Interest income is recorded using the effective interest rate ("EIR") method for all financial assets measured at amortized cost. Interest income on interest bearing financial assets measured at FVOCI is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

Derivative financial instruments

Derivative financial instruments are classified as FVTPL. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

Derivative financial instruments are typically entered into with the intention to settle in the near future. These instruments are recorded at fair value. Based on market prices, fair value adjustments and realized gains or losses are recognized in Net gains (losses) in the Consolidated Statements of Income.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statements of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.4 Cash and cash equivalents

Cash and cash equivalents include short-term investments with original maturities of 90 days or less. The Company has classified cash and cash equivalents at amortized cost, which approximates fair value.

2.5 Capital assets

Capital assets are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of these assets using the following rates and methods:

Office equipment	30% – 40%, declining balance; or 3-5 years, straight-line
Furniture and fixtures	20% – 25%, declining balance; or 3-5 years, straight-line
Leasehold improvements	Straight-line over the term of the lease

Right-of-use ("ROU") assets are measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated over the earlier of the end of the useful life of the underlying asset or the end of the term of the underlying lease contracts. The lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term leases or leases of low-value assets are accounted for by recognizing the lease payments associated with those leases as an expense on a straight-line basis over the term of the leases.

The carrying amounts of the Company's non-financial assets are assessed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and the carrying value is reduced to the estimated recoverable amount by means of an impairment charge to net income. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

2.6 Intangible assets

Intangible assets are carried at cost less accumulated amortization. Amortization is provided over the estimated useful lives of those assets. A 40% amortization rate and the declining balance method of amortization; or 3 years, straight-line method of amortization are applied to computer software. A 20% amortization rate and the declining balance method of amortization are applied to the customer lists recorded as intangible assets. Licenses and goodwill have indefinite useful lives and are not amortized.

Note 2 – Summary of material accounting policies (Continued)

2.7 Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities, and are measured using the tax rates and laws that are expected to be in effect in the periods in which the deferred income tax assets or liabilities are expected to be settled or realized, where those tax rates and laws have been substantively enacted.

Deferred tax assets are only recognized to the extent that it is probable that they will be realized.

Income taxes – assumptions and estimation uncertainty

Estimates are used to determine the value of the deferred tax asset balance based on the assumption that the Company will generate taxable income in future years. Estimates are used to determine the taxes payable balance based on applicable tax legislation. For items in other comprehensive income (loss) ("OCI"), the related tax is also presented in other comprehensive income (loss). To the extent that the Company's interpretations of tax laws differ from those of tax authorities or that the timing of realization of deferred tax assets is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

2.8 Foreign currency

a) Functional and presentation currency

The Company's functional and presentation currency is Canadian dollars. Foreign currency transactions are translated into Canadian dollars at the foreign exchange rate in effect on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate in effect at the Statement of Financial Position date. Foreign exchange differences arising on translation are recognized in net income. Foreign currency non-monetary assets and liabilities which are measured at historical cost are recorded at the exchange rate in effect at the date of transaction. Foreign currency non-monetary assets and liabilities which are measured at fair value are recorded at the exchange rate in effect at the date that fair value was determined.

For debt securities with fixed maturities classified as FVOCI, foreign exchange differences resulting from changes in amortized cost are recognized in net income, while foreign exchange differences arising from unrealized fair value gains and losses are included as unrealized gains (losses) within other comprehensive income (loss). For other financial instruments classified as FVOCI, foreign exchange differences are included as unrealized gains (losses) within other comprehensive income (loss).

b) Financial statements of foreign operations

For foreign operations that have a functional currency other than Canadian dollars, the results and financial position of such operations are translated into Canadian dollars. Assets and liabilities of the foreign operations are translated at the foreign exchange rates in effect at the Statement of Financial Position date, and income and expenses are translated at average rates approximating the foreign exchange rates in effect at the dates of the transactions.

Foreign exchange differences arising from the translation to Canadian dollars are recognized as cumulative translation adjustment in other comprehensive income (loss).

2.9 Transaction costs

The Company accounts for transaction costs that are incremental and directly attributable to an equity transaction as a deduction from equity.

2.10 Share based compensation

The Company's accounting policies with respect to share based compensation are in accordance with IFRS 2, *Share based payment*.

a) Equity-settled stock option plan

The Company maintains an equity-settled stock option plan, which is described in Note 26.1. The value of equity-settled stock options is measured at the grant date, and the cost is recognized in other operating expenses as an expense over the vesting period. Obligations related to equity-settled stock option plans are recorded in shareholders' equity as contributed surplus. Any consideration paid by stock option holders to exercise the options increases share capital. The Company uses the Black-Scholes model to measure the fair value of stock options. Inputs to the model include a volatility measure, a risk-free rate and expected life of the options.

Note 2 – Summary of material accounting policies (Continued)

b) Cash-settled share based plan

The Company maintains a cash-settled share based plan, which is described in Note 26.2. The cost of cash-settled share based options is recognized in other operating expenses as an expense over the vesting period. Obligations related to cash-settled share based plans are recorded as liabilities at fair value in other liabilities. At each reporting date, obligations related to the plan are re-measured at fair value with reference to the fair value of the Company’s stock price and the number of units that have vested. The corresponding share based compensation expense or recovery is recognized over the vesting period. The Company uses the Black-Scholes model to measure the fair value of cash-settled share based options. Inputs to the model include a volatility measure, a risk-free rate and expected life of the options.

c) Deferred share units plan (“DSU”)

The Company has adopted a non-employee director DSU plan, which is described in Note 26.3. This entitles the participants to receive, following the end of the director’s tenure as a member of the Board, an amount equivalent to the value of a common share at settlement, for each DSU unit that the participant holds. Obligations related to the plan are recorded as liabilities at fair value in other liabilities, and re-measured at each reporting date at fair value with reference to the fair value of the Company’s stock price and the number of units that have vested. The cost of the DSUs is recognized in other operating expenses in the period they are awarded.

d) Equity-settled restricted share units plan (“RSU”)

The Company has adopted an RSU plan, which is described in Note 26.4. This entitles certain employees to receive RSUs based on the market value of the Company’s common shares at the grant date. These RSUs typically vest over the course of three years, however in some instances the vesting period may differ. Obligations related to the equity-settled RSU plan are recorded in shareholders’ equity as contributed surplus. The cost of the RSUs is recognized in other operating expenses over the course of the vesting period.

2.11 New and amended standards and interpretations

a) IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosures in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 enhances disclosure requirements in the following areas: the statement of profit and loss, aggregation and disaggregation of financial information, and management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and will be applied retrospectively. The Company is currently assessing potential impacts of this new standard on the presentation and disclosure in the financial statements.

b) IAS 12 - Income Taxes, International Tax Reform - Pillar Two Model Rules

In May 2023, the IASB issued *International Tax Reform - Pillar Two Model Rules*, which amended IAS 12, *Income Taxes*, for fiscal years on or after December 31, 2023. The Company has applied the mandatory temporary exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to the Pillar Two top-up taxes. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Company operates.

The Company has performed an assessment of the potential exposure to Pillar Two income taxes. This assessment is based on the most recent Country-by-Country reporting and financial performance of the Company's constituent entities. Based on the assessment conducted, the Company qualifies for the transitional safe harbour in all jurisdictions in which it operates, and management is not aware of any circumstances under which this might change. Therefore, the Group has concluded there is no material impact from the implementation of Pillar Two top-up taxes.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Note 3 – Critical accounting judgments and estimates in applying accounting policies

The preparation of Consolidated Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented.

3.1 Critical accounting judgments in applying the Company's accounting policies

Judgments are used in applying the accounting policies used to prepare financial statements. Those judgments affect the carrying amount of certain assets and liabilities and the reported amounts of revenues and expenses recorded during the year.

<table>
<tr><th>Judgment area</th><th>Description</th><th>Reference</th></tr>
<tr><td>a) Insurance and reinsurance contracts</td><td>Judgment is used to determine the following:
i) Classification of insurance contracts:
• whether contracts should be classified as insurance or investment contracts
ii) Onerous contracts:
• whether groups of contracts are onerous;
iii) LIC and AIC measurement:
• assessing the most appropriate technique to estimate insurance liabilities for the claims incurred, as well as reinsurance assets for incurred claims. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contracts. Other key circumstances affecting the reliability of assumptions include variation in interest rates, cost of capital, delays in settlement and changes in foreign currency exchange rates.
iv) Discounting of insurance contract liabilities and reinsurance contract assets:
• selecting discount rates to apply to insurance liabilities and insurance assets. Estimates of future cash flows are discounted to reflect the time value of money and financial risks related to those cash flows.
v) Risk adjustment:
• the methods and assumptions used to determine the risk adjustment for non-financial risk;
vi) Measurement model:
• whether contracts which are greater than one year qualify for PAA;
• For PAA, judgment is also used in determining the materiality threshold and the coverage period on certain contracts;
vii) Level of aggregation:
• which contracts constitute a portfolio.</td><td>Note 2.2</td></tr>
<tr><td>b) Financial assets</td><td>Judgment is used in determining the classification of financial assets as FVOCI, FVTPL or amortized cost. The measurement of impairment losses across relevant financial assets requires judgment, assumptions and estimation uncertainty, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk.</td><td>Note 2.3</td></tr>
<tr><td>c) Determination of reportable segments and allocation methodology in the presentation of segmented information</td><td>Judgment is used in the determination of reportable operating segments, as well as in allocating operating expenses by segment.</td><td>Note 19</td></tr>
</table>

(in thousands of Canadian dollars, except as otherwise noted)

Note 3 – Critical accounting judgments and estimates in applying accounting policies (Continued)

3.2 Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial statements is included below. Any changes in estimates are recorded in the year in which they are determined. Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements:

Description	Reference
(a) Valuation of insurance contract liabilities, reinsurance contract assets	Note 2.2
(b) Measurement of recoverable from reinsurers	Note 2.2 and Note 23.2(d)
(c) Impairment of goodwill	Note 21(b)
(d) Valuation of level 3 assets	Note 2.3 and Note 6
(e) ECL calculations	Note 2.3 and Note 4.2
(f) Impairment of financial assets	Note 2.3 and Note 4.2
(g) Measurement of income taxes, recoverability of deferred tax assets	Note 2.7, 2.11(b) and Note 20

Note 4 – Investments

4.1 Classification of cash and investments

The following table presents the classification of cash and cash equivalents, short-term securities and investments:

As at December 31, 2024	**FVOCI**	**FVTPL**	**Amortized Cost**	**Total**
Cash and cash equivalents	**-**	**-**	**270,378**	**270,378**
Investments				
Short-term securities	**-**	**-**	**14,339**	**14,339**
Fixed income (1)	**1,020,114**	**150,235**	**4,500**	**1,174,849**
Common shares	**-**	**45,704**	**-**	**45,704**
Preferred shares	**69,702**	**61,561**	**-**	**131,263**
Alternatives	**-**	**68,379**	**-**	**68,379**
Total investments	**1,089,816**	**325,879**	**18,839**	**1,434,534**
Total cash, cash equivalents and investments	**1,089,816**	**325,879**	**289,217**	**1,704,912**

As at December 31, 2023	FVOCI	FVTPL	Amortized Cost	Total
Cash and cash equivalents	-	-	604,016	604,016
Investments				
Short-term securities	-	-	7,500	7,500
Fixed income (1)	527,880	144,815	2,500	675,195
Common shares	-	35,412	-	35,412
Preferred shares	50,068	65,204	-	115,272
Alternatives	-	56,778	-	56,778
Total investments	577,948	302,209	10,000	890,157
Total cash, cash equivalents and investments	577,948	302,209	614,016	1,494,173

(1) As at December 31, 2024, included in Fixed income are exchange-traded debt funds amounting to 140,793 (December 31, 2023 - $138,754).

(in thousands of Canadian dollars, except as otherwise noted)

Note 4 – Investments (Continued)

4.2 Unrealized gains and losses and carrying value of investments

The amortized cost and carrying value of investments as at December 31, 2024 and December 31, 2023 were as follows:

As at December 31, 2024	**FVTPL investments**	**FVOCI and amortized cost investments**				**Total investments**
	At carrying value	**Amortized cost**	**Unrealized gains**	**Unrealized losses**	**Carrying value**	**At carrying value**
Short-term securities	**-**	**14,339**	**-**	**-**	**14,339**	**14,339**
Fixed income	**150,235**	**1,028,404**	**-**	**(3,790)**	**1,024,614**	**1,174,849**
Common shares	**45,704**	**-**	**-**	**-**	**-**	**45,704**
Preferred shares	**61,561**	**69,710**	**-**	**(8)**	**69,702**	**131,263**
Alternatives	**68,379**	**-**	**-**	**-**	**-**	**68,379**
	325,879	**1,112,453**	**-**	**(3,798)**	**1,108,655**	**1,434,534**

As at December 31, 2023	FVTPL investments	FVOCI and amortized cost investments				Total investments
	At carrying value	Amortized cost	Unrealized gains	Unrealized losses	Carrying value	At carrying value
Short-term securities	-	7,500	-	-	7,500	7,500
Fixed income	144,815	543,868	-	(13,488)	530,380	675,195
Common shares	35,412	-	-	-	-	35,412
Preferred shares	65,204	56,303	-	(6,235)	50,068	115,272
Alternatives	56,778	-	-	-	-	56,778
	302,209	607,671	-	(19,723)	587,948	890,157

The ECL of $5,589 as at December 31, 2024 (December 31, 2023 – $3,292) does not reduce the carrying amount of these investments in the Consolidated Statements of Financial Position. The movement in ECL is recognized in other comprehensive income (loss) as net credit impairment reversals (losses).

Impairment losses on financial investments subject to impairment assessment

For the twelve months ended December 31, 2024 and 2023, an analysis of changes in the fair value and the corresponding ECL is as follows:

	For the year ended Dec. 31, 2024			For the year ended Dec. 31, 2023		
	12mECL	**LTECL**	**Total**	12mECL	LTECL	Total
Beginning fair value	**527,130**	**750**	**527,880**	441,932	656	442,588
New assets purchased	723,527	-	723,527	164,300	-	164,300
Assets derecognized or matured	(262,250)	-	(262,250)	(85,662)	(542)	(86,204)
Change in fair value	1,955	(702)	1,253	12,693	(479)	12,214
Net foreign exchange income (loss)	29,704	-	29,704	(5,018)	-	(5,018)
Movement between 12mECL and LTECL	(4,504)	4,504	-	(1,115)	1,115	-
Ending fair value	**1,015,562**	**4,552**	**1,020,114**	527,130	750	527,880

(in thousands of Canadian dollars, except as otherwise noted)

Note 4 – Investments (Continued)

	For the year ended Dec. 31, 2024			For the year ended Dec. 31, 2023		
	12mECL	**LTECL**	**Total**	12mECL	LTECL	Total
Beginning ECL	**3,193**	**99**	**3,292**	3,935	252	4,187
New assets purchased	2,317	-	2,317	572	-	572
Assets derecognized or matured	(297)	-	(297)	(225)	(251)	(476)
Movement in ECL	(709)	986	277	(824)	(167)	(991)
Movement between 12mECL and LTECL	(981)	981	-	(265)	265	-
Ending ECL	**3,523**	**2,066**	**5,589**	3,193	99	3,292

4.3 Pledged assets

In the normal course of insurance and reinsurance operations, the Company must secure its obligations under certain insurance and reinsurance contracts by collateralizing them with letters of credit or trust arrangements. As at December 31, 2024, the Company has pledged cash, cash equivalents and short-term deposits amounting to $111 (December 31, 2023 – $479), under insurance and reinsurance trust arrangements and are therefore not readily available for general use by the Company.

As at December 31, 2024, the Company pledged $11,790 (December 31, 2023 – $7,212) of fixed income investments, and $611 (December 31, 2023 – $nil) of cash and cash equivalents, as security deposits to various US state insurance departments to be held in trust for various states and are therefore not readily available for general use by the Company.

Note 5 – Fair value and notional amount of derivatives

The following sets out the fair value and notional amount of derivatives as at December 31, 2024 and December 31, 2023:

As at	**December 31, 2024**			December 31, 2023		
		Fair value			Fair value	
	Notional amount	**Asset**	**Liability**	Notional amount	Asset	Liability
Foreign currency contracts						
Forwards	**136,744**	**-**	**1,611**	136,312	1,052	-
Equity contracts						
Swap agreement	**12,990**	**12,530**	**-**	11,088	10,907	-
	149,734	**12,530**	**1,611**	147,400	11,959	-
Term to maturity						
less than one year	**149,734**	**12,530**	**1,611**	136,762	2,396	-
from one to five years	**-**	**-**	**-**	10,638	9,563	-

The Company uses foreign currency forward contracts to reduce its exposure to fluctuations in the exchange rates that could arise from its USD, EUR and GBP denominated investments, including investments in subsidiaries. The notional amounts of the forwards as at December 31, 2024 are $76,157 USD (December 31, 2023 – $97,664 USD), €1,603 EUR (December 31, 2023 – €1,477 EUR) and £1,240 GBP (December 31, 2023 – £2,349 GBP). The Company also uses swap agreements to mitigate exposure to equity market fluctuations associated with its share based compensation. These derivatives are recorded at fair value (see Note 6, Note 8, Note 12) and gains and losses are recorded in Net gains (losses) (see Note 18).

(in thousands of Canadian dollars, except as otherwise noted)

Note 6 – Fair value measurement

The following sets out the financial instruments classified in accordance with the fair value hierarchy as at December 31, 2024 and December 31, 2023:

As at December 31, 2024	**Total fair value**	**Level 1**	**Level 2**	**Level 3**
Fixed income	**1,170,349**	**-**	**1,170,349**	**-**
Common shares	**45,704**	**45,704**	**-**	**-**
Preferred shares	**131,263**	**120,931**	**10,332**	**-**
Alternatives	**68,379**	**-**	**-**	**68,379**
Total investments	**1,415,695**	**166,635**	**1,180,681**	**68,379**
Derivative financial assets	**12,530**	**-**	**12,530**	**-**
Total assets	**1,428,225**	**166,635**	**1,193,211**	**68,379**
Derivative financial liabilities	**1,611**	**-**	**1,611**	**-**
Total liabilities	**1,611**	**-**	**1,611**	**-**

As at December 31, 2023	Total fair value	Level 1	Level 2	Level 3
Fixed income	672,695	-	672,695	-
Common shares	35,412	35,412	-	-
Preferred shares	115,272	115,272	-	-
Alternatives	56,778	-	-	56,778
Total investments	880,157	150,684	672,695	56,778
Derivative financial assets	11,959	-	11,959	-
Total assets	892,116	150,684	684,654	56,778

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the hierarchy as at December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Balance at beginning of year	**56,778**	47,139
Realized and unrealized gains (losses)	**(1,011)**	(5,787)
Purchase of securities	**10,153**	16,378
Sale of securities	**(2,676)**	-
Foreign exchange	**5,135**	(952)
Balance at end of year	**68,379**	56,778

The following table presents quantitative information about the significant fair value inputs utilized by the Company for Level 3 assets:

	Fair value as at December 31, 2024	Fair value as at December 31, 2023	**Valuation technique**
Private equity funds	**68,379**	56,778	**Net asset value [(1)]**

(1) Based on the net asset value of the equity fund and market transactions which approximate the fair value of the investment.

(in thousands of Canadian dollars, except as otherwise noted)

Note 7 – Insurance and reinsurance contracts

7.1 Roll-forward of net liability for insurance contracts ("ICL") issued showing LRC and LIC

Insurance operations	**2024**			
	LRC	**LIC**		**Total**
		Present value of future cash flows	**Risk adj. for non-financial risk**	
Opening balance of ICL, as at January 1, 2024	**700,843**	**1,841,713**	**227,395**	**2,769,951**
Insurance revenue	(3,118,322)	-	-	(3,118,322)
Insurance service expenses:				
Incurred claims and other directly attributable expenses	57,431	1,619,315	128,132	1,804,878
Changes that relate to past service	-	185,772	(37,315)	148,457
Insurance acquisition cash flows amortization	794,775	-	-	794,775
Insurance service result from insurance contracts	**(2,266,116)**	**1,805,087**	**90,817**	**(370,212)**
Finance expense (income) from insurance contracts	-	78,522	-	78,522
Effects of exchange rate movements	30,907	155,267	20,806	206,980
Total amounts recognized in comprehensive income	**(2,235,209)**	**2,038,876**	**111,623**	**(84,710)**
Cash flows:				
Premiums received	2,913,889	-	-	2,913,889
Claims and other directly attributable expenses paid	-	(1,240,926)	-	(1,240,926)
Insurance acquisition cash flows	(812,151)	-	-	(812,151)
Total cash flows	**2,101,738**	**(1,240,926)**	**-**	**860,812**
Ending balance of ICL, as at December 31, 2024	**567,372**	**2,639,663**	**339,018**	**3,546,053**

Insurance operations	2023			
	LRC	LIC		Total
		Present value of future cash flows	Risk adj. for non-financial risk	
Opening balance of ICL, as at January 1, 2023	654,686	1,349,319	161,098	2,165,103
Insurance revenue	(2,789,187)	-	-	(2,789,187)
Insurance service expenses:				
Incurred claims and other directly attributable expenses	48,782	1,346,982	126,212	1,521,976
Changes that relate to past service	-	61,981	(55,398)	6,583
Insurance acquisition cash flows amortization	716,687	-	-	716,687
Insurance service result from insurance contracts	(2,023,718)	1,408,963	70,814	(543,941)
Finance expense (income) from insurance contracts	-	75,875	-	75,875
Effects of exchange rate movements	(10,784)	(35,003)	(4,517)	(50,304)
Total amounts recognized in comprehensive income	(2,034,502)	1,449,835	66,297	(518,370)
Cash flows:				
Premiums received	2,817,549	-	-	2,817,549
Claims and other directly attributable expenses paid	-	(957,441)	-	(957,441)
Insurance acquisition cash flows	(736,890)	-	-	(736,890)
Total cash flows	2,080,659	(957,441)	-	1,123,218
Ending balance of ICL, as at December 31, 2023	700,843	1,841,713	227,395	2,769,951

For the risk adjustment level of confidence and discount rates applied for discounting of future cash flows, see Note 2.2.

(in thousands of Canadian dollars, except as otherwise noted)

Note 7 – Insurance and reinsurance contracts (Continued)

7.2 Roll-forward of net asset for reinsurance contracts held ("RCA") showing ARC and AIC

	2024			
	ARC	**AIC**		
Reinsurance contracts held		**Present value of future cash flows**	**Risk adj. for non-financial risk**	**Total**
Opening reinsurance contract assets	300,000	1,590,376	201,599	2,091,975
Opening reinsurance contract liabilities	(88,386)	-	-	(88,386)
Net opening balance, as at January 1, 2024	**211,614**	**1,590,376**	**201,599**	**2,003,589**
Allocation of reinsurance premiums (ceding premiums paid)	(2,431,236)	-	-	(2,431,236)
Claims recovered:				
Amounts recoverable for incurred claims and other directly attributable expenses	545,338	1,400,929	113,137	2,059,404
Changes to amounts recoverable for incurred claims	-	152,577	(34,725)	117,852
Net income (expense) from reinsurance contracts assets	**(1,885,898)**	**1,553,506**	**78,412**	**(253,980)**
Finance income (expense) from reinsurance contracts	-	67,732	-	67,732
Effects of exchange rate movements	19,832	139,648	18,840	178,320
Total amounts recognized in comprehensive income	**(1,866,066)**	**1,760,886**	**97,252**	**(7,928)**
Cash flows:				
Premiums paid, net of ceding commissions, claims recovered, and other directly attributable expenses paid	1,848,144	(1,072,642)	-	775,502
Total cash flows	**1,848,144**	**(1,072,642)**	**-**	**775,502**
Ending balance of RCA, as at December 31, 2024	**193,692**	**2,278,620**	**298,851**	**2,771,163**

	2023			
	ARC	AIC		
Reinsurance contracts held		Present value of future cash flows	Risk adj. for non-financial risk	Total
Opening reinsurance contract assets	245,681	1,162,668	141,963	1,550,312
Opening reinsurance contract liabilities	(22,513)	-	-	(22,513)
Net opening balance, as at January 1, 2023	223,168	1,162,668	141,963	1,527,799
Allocation of reinsurance premiums	(2,120,754)	-	-	(2,120,754)
Claims recovered:				
Amounts recoverable for incurred claims and other directly attributable expenses	415,017	1,119,566	112,934	1,647,517
Changes to amounts recoverable for incurred claims	-	63,791	(49,160)	14,631
Net income (expense) from reinsurance contracts assets	(1,705,737)	1,183,357	63,774	(458,606)
Finance income (expense) from reinsurance contracts	-	65,759	-	65,759
Effects of exchange rate movements	(5,642)	(31,709)	(4,138)	(41,489)
Total amounts recognized in comprehensive income	(1,711,379)	1,217,407	59,636	(434,336)
Cash flows:				
Premiums paid, net of ceding commissions, and other directly attributable expenses paid	1,699,825	(789,699)	-	910,126
Total cash flows	1,699,825	(789,699)	-	910,126
Ending balance of RCA, as at December 31, 2023	211,614	1,590,376	201,599	2,003,589

(in thousands of Canadian dollars, except as otherwise noted)

Note 7 – Insurance and reinsurance contracts (Continued)

7.3 Reinsurance Contracts

The Company uses reinsurance in the ordinary course of business to reduce its exposure to any one claim or event under the policies it issues. A large portion of this reinsurance is affected under reinsurance agreements known as treaty reinsurance. In some instances, it is negotiated on a facultative (one-off) basis for individual policies, generally when the exposures under these policies are not sufficiently mitigated by the treaty reinsurance.

The Company's fronting operations cede the majority of the insurance revenue generated through it to third-party reinsurers. As such, reinsurance contract assets are significant to the Company's financial position, and the associated credit risk is monitored each reporting period.

Reinsurance does not relieve the Company of its obligations to policyholders. The Company's obligation to pay policyholders is not contingent on the reinsurers paying, or honouring its contractual obligations. For this reason, the Company evaluates the financial condition of its reinsurers and monitors the concentration of credit risk to minimize its exposure to losses from reinsurer insolvencies or contract disputes. Reinsurers providing reinsurance policies are generally required to have a minimum A.M. Best credit rating of A- at the inception of each policy or are otherwise required to post agreed upon levels of collateral. Unlicensed reinsurers must post an agreed upon level of collateral.

There is a provision for reinsurer non-performance of $13,507 as at December 31, 2024 (December 31, 2023 – $14,472).

Note 8 – Other assets

As at December 31, 2024 and December 31, 2023, other assets consist of:

As at	**December 31, 2024**	December 31, 2023
Accrued investment income	**14,000**	6,929
Derivative financial assets	**12,530**	11,959
Tax recoveries	**4,118**	23,954
Prepaid expenses	**2,711**	2,008
Other assets	**9,033**	8,862
	42,392	53,712

(in thousands of Canadian dollars, except as otherwise noted)

Note 9 – Leases

The Company leases office premises for its own use. As at December 31, 2024, ROU assets of $8,613 (December 31, 2023 – $9,042) are recorded in Capital assets and intangible assets, along with $20,770 (December 31, 2023 – $7,615) of other capital assets and intangible assets.

Information about leases for which the Company is a lessee is presented below:

As at	**December 31, 2024**	December 31, 2023
Right-of-use assets	**Premises**	Premises
Balance, beginning of year	**9,042**	11,109
Additions	**1,549**	465
Depreciation	**(2,239)**	(2,325)
Disposals	**(74)**	(109)
Foreign exchange	**335**	(98)
Balance, end of year	**8,613**	9,042

As at	**December 31, 2024**	December 31, 2023
Lease liabilities maturity analysis		
Less than one year	**2,754**	2,571
One to five years	**5,498**	5,737
More than five years	**2,346**	2,600
Total undiscounted lease liabilities	**10,598**	10,908
Lease liabilities included in the Statements of Financial Position	**9,302**	9,698
Total cash outflow for leases recognized in the Statements of Cash Flows	**2,415**	2,371

Amounts recognized in Consolidated Statements of Income for the years ended	**December 31, 2024**	December 31, 2023
Interest on lease liabilities	**408**	338
Expenses relating to leases of low-value assets	**-**	8
Income from subleasing right-of-use assets	**7**	34

Note 10 – Capital assets

The Company's capital assets consist of the following as at December 31, 2024 and December 31, 2023:

	As at December 31, 2024			As at December 31, 2023		
	Cost	**Accumulated depreciation**	**Carrying value**	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	**4,366**	**(2,200)**	**2,166**	2,986	(1,638)	1,348
Office equipment	**4,245**	**(2,677)**	**1,568**	3,226	(1,864)	1,362
Furniture and fixtures	**1,949**	**(897)**	**1,052**	1,202	(631)	571
	10,560	**(5,774)**	**4,786**	7,414	(4,133)	3,281

(in thousands of Canadian dollars, except as otherwise noted)

Note 11 – Intangible assets

The Company's intangible assets consist of the following as at December 31, 2024 and December 31, 2023:

	December 31, 2024					December 31, 2023			
	Computer software	**Customer list**	**Licenses**	**Goodwill**	**Total**	Computer software	Customer list	Licenses	Total
Opening, carrying value	**597**	**1,069**	**2,668**	**-**	**4,334**	387	1,336	2,732	4,455
Additions	**437**	**-**	**-**	**10,847**	**11,284**	437	-	-	437
Amortization	**(313)**	**(214)**	**-**	**-**	**(527)**	(227)	(267)	-	(494)
Foreign exchange	**-**	**-**	**232**	**661**	**893**	-	-	(64)	(64)
Closing, carrying value	**721**	**855**	**2,900**	**11,508**	**15,984**	597	1,069	2,668	4,334

Note 12 – Other liabilities

As at December 31, 2024 and December 31, 2023, other liabilities consist of:

As at	**December 31, 2024**	December 31, 2023
Deposits in trust [(1)]	**100,608**	51,083
Accrued liabilities	**27,224**	26,457
Share based payment plan	**11,301**	9,742
Lease liabilities	**9,302**	9,698
Taxes payable	**6,722**	15,133
Derivative financial liabilities	**1,611**	-
Deferred tax liabilities	**694**	-
Other liabilities	**4,840**	7,952
	162,302	120,065

(1) The Company periodically holds deposits in trust from counterparties as a form of collateral.

(in thousands of Canadian dollars, except as otherwise noted)

Note 13 – Capital management

The Company's capital is its shareholders' equity, which consists of common shares, contributed surplus, retained earnings and accumulated other comprehensive income (loss). The Company reviews its capital structure on a regular basis to ensure an appropriate capital structure in keeping with all regulatory, business and shareholder obligations.

Oversight of the capital of the Company rests with management and the board of directors. Their objectives are twofold: (i) to ensure the Company is prudently capitalized relative to the amount and type of risks assumed and the requirements established by the laws and regulations applicable to the Company's regulated subsidiaries; and (ii) to ensure shareholders receive an appropriate return on their investment.

In Canada, under guidelines established by the Office of the Superintendent of Financial Institutions which apply to the regulated Canadian insurance company of Trisura Specialty, Canadian property and casualty insurance companies must maintain minimum levels of capital as determined in accordance with a prescribed test, the minimum capital test ("MCT"), which expresses available capital (actual capital plus or minus specified adjustments) as a percentage of required capital. Companies are expected to maintain MCT level of at least 150% and are further required to establish their own target MCT level based on the nature of their operations and the business they write. Management, with the board of directors' approval, has established Trisura Specialty's target MCT level in accordance with these requirements.

In the US, regulated insurance companies are subject to externally imposed regulatory capital requirements by either the Oklahoma Insurance Department or the New Jersey Department of Banking and Insurance, depending on the state in which the Trisura entity is domesticated. A requirement of the regulators is that the US insurance companies' Risk Based Capital exceed certain minimum thresholds as well as Company Action Levels ("CALs"), below which the companies would have to notify the regulators. In addition, the Company's carriers are subject to the various capital requirements of each US state in which it is licensed.

Note 14 – Loan Payable

14.1 Loan payable

The Company maintains a five-year revolving credit facility (the "Facility") with a Canadian Schedule I bank (the "Bank") which allows for drawings of up to $75,000 (December 31, 2023 – $50,000). Under this arrangement, the Company is able to draw funds in the form of Canadian prime rate advances, base rate advances, Canadian Overnight Repo Rate Average ("CORRA") loans or Secured Overnight Financing Rate ("SOFR") loans. The interest rate is based on the Canadian prime rate, base rate, CORRA or SOFR loans rate, plus a margin. The loan balance is accounted for at amortized cost, which is equal to the carrying value. The minimum required annual payment consists only of interest, with no mandatory principal payments required.

In Q3 2023, the Company issued a Letter of Credit for $13,500 through this facility. As at December 31, 2024, the loan balance is $23,272 (December 31, 2023 – $nil). The undrawn capacity is $38,228 (December 31, 2023 – $36,500).

As part of the covenants of the current loan arrangement, the Company is required to maintain certain financial ratios, which were fully met as at December 31, 2024 and December 31, 2023.

14.2 Senior unsecured notes

In June 2021, the Company completed an offering of senior unsecured notes (the "Notes"), with a principal amount of $75,000, which will mature on June 11, 2026. The Notes bear interest at a fixed annual rate of 2.64%. Interest is payable in semi-annual instalments which commenced on December 11, 2021. The Notes are direct unsecured obligations and will rank equally with all other unsecured and unsubordinated indebtedness of the Company.

The following table provides details of the total debt outstanding as at December 31, 2024 and December 31, 2023.

						Carrying value	
	Maturity date	Term (years)	Fixed rate	Coupon (payment)	Principal amount	Dec. 31, 2024	Dec. 31, 2023
Revolving credit facility					23,272	**23,272**	-
Senior unsecured notes	June 11, 2026	5	2.64%	Jun, Dec	75,000	**75,000**	75,000
					98,272	**98,272**	75,000

Note 15 – Share capital

The Company's 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). As at December 31, 2024 and December 31, 2023, no non-voting shares were issued and no preferred shares are outstanding.

In August 2023, the Company completed a public offering of 1,620,000 common shares for gross proceeds of $53,298. The Company incurred costs of $2,132 in commission paid to underwriters as well as $371 of costs directly attributable to the share issuance, which have been deducted from equity. As at December 31, 2023, the net impact of the share issuance was an increase in common shares of $51,458, net of tax impact of $663 related to the share issuance costs.

For the twelve months ended December 31, 2024, 199,986 stock options (December 31, 2023 – 77,798 stock options) issued under the Company's existing stock option plan were exercised. Consideration paid by stock option holders to exercise the options resulted in an increase to share capital.

The Company commenced a normal course issuer bid ("NCIB") effective December 6, 2024 to December 5, 2025, to purchase up to 1,433,371 of its common shares. The purchase of the Company's common shares is intended to offset dilution resulting from the issuance of common shares pursuant to the Company's equity incentive programs. During the twelve months ended December 31, 2024, the Company did not repurchase and subsequently cancel any common shares under the NCIB.

The following table shows the common shares issued and outstanding, excluding treasury shares:

As at	**December 31, 2024**		December 31, 2023	
	Number of common shares	**Amount (in thousands)**	Number of common shares	Amount (in thousands)
Balance, beginning of year	**47,439,770**	**481,023**	45,783,528	430,262
Shares under RSUs plan	**(23,854)**	**(2,215)**	(41,556)	(1,409)
Common shares issued	**199,986**	**2,989**	1,697,798	52,170
Balance, end of year	**47,615,902**	**481,797**	47,439,770	481,023

As part of the RSUs plan, the Company purchases its own shares which are classified as treasury shares and the costs of these shares are recorded as a reduction to equity. As at December 31, 2024, the Company has an aggregate of 47,779,021 common shares (December 31, 2023 – 47,579,035 common shares) outstanding, which includes 163,119 treasury shares (December 31, 2023 – 139,265 treasury shares).

Note 16 – Earnings per share

Basic earnings per common share are calculated by dividing the net income attributable to common shareholders for the reporting period by the weighted-average number of common shares.

Diluted earnings per share is calculated by dividing the net income attributable to common shareholders for the reporting period by the weighted-average number of common shares adjusted for the effects of all dilutive potential common shares, which consist of stock options.

	Twelve months ended December 31	
	2024	2023
Net income attributable to common shareholders	**118,915**	66,941
Weighted-average number of common shares outstanding (in shares)	**47,707,201**	46,528,778
EPS – basic (in dollars)	**2.49**	1.44
Dilutive effect of the conversion of options on common shares (in shares)	**815,634**	766,998
Diluted weighted-average number of common shares outstanding (in shares)	**48,522,835**	47,295,776
EPS – diluted (in dollars)	**2.45**	1.42

(in thousands of Canadian dollars, except as otherwise noted)

Note 17 – Net investment income (loss)

	Twelve months ended December 31	
	2024	2023
Cash and cash equivalents, and short-term securities	**19,006**	16,874
FVOCI bonds	**34,105**	20,334
FVTPL bonds	**7,396**	6,372
Interest income	**60,507**	43,580
FVTPL common shares	**2,724**	4,234
FVTPL preferred shares	**3,878**	3,837
FVOCI preferred shares	**3,464**	2,777
Dividend income	**10,066**	10,848
Investment expenses	**(3,528)**	(2,759)
Net investment income (loss)	**67,045**	51,669

Note 18 – Net gains (losses)

	Twelve months ended December 31	
	2024	2023
FVOCI financial instruments:		
FVOCI fixed income	**1,712**	(1,004)
FVTPL financial instruments:		
FVTPL fixed income	**939**	3,419
FVTPL equity securities	**14,645**	1,969
FVTPL alternatives	**(831)**	(5,741)
	16,465	(1,357)
Derivatives [(1)]:		
Swap agreements	**1,053**	(3,625)
Embedded derivatives	**(630)**	724
Net foreign currency gains (losses)	**10,108**	(5,400)
Net gains (losses)	**26,996**	(9,658)

(1) Excluding foreign currency contracts, which are reported in the line Net foreign currency gains (losses).

(in thousands of Canadian dollars, except as otherwise noted)

Note 19 – Segmented information

As at December 31, 2024, the Company has two reportable segments. The operations of Trisura Specialty (formerly Trisura Canada) comprise Surety and Corporate Insurance business underwritten in both Canada and the United States, as well as Risk Solutions and Fronting products primarily underwritten in Canada. Trisura US Programs (formerly Trisura US) provides specialty fronting insurance solutions underwritten in the United States. There have been no changes to what is operationally reflected in the two segments. Judgment is used in the determination of segments, as well as in allocating operating expenses by segment.

The following tables show the results for the twelve months ended December 31, 2024 and 2023:

Twelve Months Ended December 31, 2024	**Trisura Specialty**	**Trisura US Programs**	**Corporate and Other**	**Total**
Insurance revenue	980,727	2,137,595	-	**3,118,322**
Insurance service expenses	(759,403)	(1,988,707)	-	**(2,748,110)**
Net income (expense) from reinsurance contracts assets	(122,780)	(131,200)	-	**(253,980)**
Insurance service result	98,544	17,688	-	**116,232**
Net investment income (loss)	38,329	26,335	2,381	**67,045**
Net gains (losses)	13,890	4,839	8,267	**26,996**
Net credit impairment reversals (losses)	(2,630)	33	300	**(2,297)**
Total investment income (loss)	49,589	31,207	10,948	**91,744**
Finance income (expenses) from insurance contracts	(16,885)	(61,637)	-	**(78,522)**
Finance income (expenses) from reinsurance contracts	11,715	56,017	-	**67,732**
Net insurance finance income (expenses)	(5,170)	(5,620)	-	**(10,790)**
Net financial result	44,419	25,587	10,948	**80,954**
Net insurance and financial result	142,963	43,275	10,948	**197,186**
Other income	7,506	-	-	**7,506**
Other operating expenses	(21,343)	(14,619)	(6,970)	**(42,932)**
Other finance costs	(235)	(177)	(2,858)	**(3,270)**
Income before income taxes	**128,891**	**28,479**	**1,120**	**158,490**

Twelve Months Ended December 31, 2023	Trisura Specialty	Trisura US Programs	Corporate and Other	Total
Insurance revenue	824,834	1,964,353	-	2,789,187
Insurance service expenses	(543,362)	(1,701,806)	(78)	(2,245,246)
Net income (expense) from reinsurance contracts assets	(191,464)	(267,142)	-	(458,606)
Insurance service result	90,008	(4,595)	(78)	85,335
Net investment income (loss)	25,214	23,387	3,068	51,669
Net gains (losses)	(3,523)	(157)	(5,978)	(9,658)
Net credit impairment reversals (losses)	299	409	187	895
Total investment income (loss)	21,990	23,639	(2,723)	42,906
Finance income (expenses) from insurance contracts	(11,888)	(63,987)	-	(75,875)
Finance income (expenses) from reinsurance contracts	7,742	58,017	-	65,759
Net insurance finance income (expenses)	(4,146)	(5,970)	-	(10,116)
Net financial result	17,844	17,669	(2,723)	32,790
Net insurance and financial result	107,852	13,074	(2,801)	118,125
Other income	7,654	-	-	7,654
Other operating expenses	(16,814)	(14,557)	(1,576)	(32,947)
Other finance costs	(223)	(105)	(2,081)	(2,409)
Income (loss) before income taxes	98,469	(1,588)	(6,458)	90,423

(in thousands of Canadian dollars, except as otherwise noted)

Note 19 – Segmented information (Continued)

As at December 31, 2024	**Trisura Specialty**	**Trisura US Programs**	**Corporate and Other**	**Total**
Assets	**1,503,011**	**3,045,012**	**43,870**	**4,591,893**
Liabilities	**1,000,568**	**2,730,669**	**75,390**	**3,806,627**

As at December 31, 2023	Trisura Specialty	Trisura US Programs	Corporate and Other	Total
Assets	1,008,169	2,463,918	112,358	3,584,445
Liabilities	718,385	2,193,711	52,920	2,965,016

Note 20 – Income taxes

	Statements of Financial Position		**Statements of Comprehensive Income**	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
Deferred taxes related to:				
Loss available for carry forward	**2,460**	3,159	**704**	(2,097)
Net insurance contract liabilities	**12,190**	13,995	**2,919**	(10,572)
Deferred expenses for tax purposes	**30,440**	1,056	**(28,329)**	8,927
Investments – unrealized gains and losses	**4,008**	4,344	**665**	2,347
	49,098	22,554	**(24,041)**	(1,395)
Less deferred taxes related to:				
Deferred revenues for tax purposes	**(5,478)**	(6,101)	**(1,102)**	390
Capital, intangible and other assets	**(273)**	(139)	**122**	(423)
	(5,751)	(6,240)	**(980)**	(33)
Deferred income taxes	**43,347**	16,314	**(25,021)**	(1,428)
Reported in:				
Deferred tax assets	**44,043**	16,314	**-**	-
Deferred tax liabilities	**(696)**	-	**-**	-
Income tax (recovery) expense reported to net income	**-**	-	**(24,540)**	(2,822)
Income tax (recovery) expense reported to OCI	**-**	-	**(481)**	2,056
Income tax recovery reported to retained earnings	**-**	-	**-**	(662)

The Company exercises judgment in estimating the provision for income taxes.

A deferred income tax asset is recognized only to the extent that realization of the related income tax benefit through future taxable profits is probable. Management has assessed the recoverability of the deferred income tax asset carrying values based on future years' taxable income projections and believes the carrying values of the deferred income tax assets as at December 31, 2024 and December 31, 2023 are recoverable.

(in thousands of Canadian dollars, except as otherwise noted)

Note 20 – Income taxes (Continued)

The following shows the major components of income tax expense (benefit) for the twelve months ended December 31, 2024 and 2023:

	Twelve months ended December 31	
	2024	2023
Current tax expense (benefit)	**64,115**	26,304
Deferred tax expense (benefit)	**(24,540)**	(2,822)
Income tax expense (benefit)	**39,575**	23,482
Income taxes recorded in other comprehensive income (loss):		
Net changes in unrealized gains (losses) on FVOCI investments	**3,695**	2,129
Reclassification of net gains (losses) on FVOCI investments	**2,333**	(260)
Origination and reversal of temporary differences	**(481)**	2,056
Total income tax expense (benefit) recorded in other comprehensive income (loss)	**5,547**	3,925

The following is a reconciliation of income taxes calculated at the statutory income tax rate to the income tax provision included in the Consolidated Statements of Income for the twelve months ended December 31, 2024 and 2023:

	Twelve months ended December 31	
	2024	2023
Income before income taxes	**158,490**	90,423
Statutory income tax rate	**26.5%**	26.5%
	42,000	23,962
Variations due to:		
Permanent differences	**(758)**	(1,399)
International operations subject to different tax rates	**(1,891)**	1,125
Unrecognized tax loss	**614**	116
Rate differentials:		
Change in future rate	**-**	(5)
True up	**(390)**	(317)
Income tax expense (benefit)	**39,575**	23,482

The permanent differences relate primarily to investment income or losses that are non-taxable or taxed at rates lower than the statutory income tax rate, such as non-taxable dividend income and capital gains. In certain circumstances, permanent differences relate to expenses not deductible for tax purposes.

As at December 31, 2024, the Company has unused tax losses of $9,284 (December 31, 2023 – $10,689), which will expire in the following years:

	December 31, 2024
2043	**6,928**
2044	**2,356**
	9,284

(in thousands of Canadian dollars, except as otherwise noted)

Note 21 – Acquisition and goodwill

a) Acquisition

On March 15, 2024, the Company closed its acquisition of 100% of the issued share capital of First Founders Assurance Company ("FFAC"), for cash consideration of $18.8 million. FFAC is a US Treasury listed surety company and is a business as defined by IFRS 3 *Business Combinations*. This acquisition will allow the Company to access a broader portion of a larger surety market within the US, resulting in increased insurance revenue.

The initial amounts assigned to the identifiable assets acquired, goodwill and liabilities assumed on March 15, 2024 are as set out in the table below.

Cash and cash equivalents	3,791
Investments	6,359
Other assets	83
Insurance contract liabilities	(888)
Other liabilities	(1,372)
Total identifiable assets and liabilities assumed	7,973
Goodwill	10,833
Total consideration transferred in cash	**18,806**

Cash outflow arising on acquisition:	
Cash consideration	18,806
Less: cash and cash equivalents acquired	(3,791)
Net cash flow on acquisition	**15,015**

The goodwill represents the excess of the purchase price over the fair value of the net assets, and is attributable to the future economic benefits and other synergies expected from the Treasury listing certificate obtained and other assets acquired that are not individually identified and separately recognized in the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

b) Impairment testing of goodwill

The Company determines whether goodwill is impaired at least annually and when events or changes in circumstances indicate that the carrying amounts may not be recoverable at the cash generating unit ("CGU") level. For this acquisition, the CGU is the net assets of the consolidated US holding company that holds FFAC and the newly written surety business associated with the FFAC license.

The annual impairment test for the CGU was performed as at December 31, 2024, which included a qualitative assessment of impairment indicators, and a quantitative test by comparing the carrying amount of this group of assets to their recoverable amount, which has been determined based on a value in use calculation using the following key estimates and assumptions:

- Cash flow projections for the next four years are based on financial budget and forecasts, determined using budgeted margins based on past performance and management expectations for the CGU and the industry;
- Cash flow projections for the fifth future year are extrapolated using an estimated terminal value growth rate of 3%, based mainly on US gross domestic product growth, and is consistent with reported industry trends;
- Pre-tax discount rate is set at 11%, based on the US P&C industry average cost of debt.

The key assumptions used to determine the recoverable amount were tested for sensitivity by applying a reasonably possible change to those assumptions. The sensitivity analysis did not result in an impairment of the CGU.

No impairment loss on goodwill has been recognized for this CGU for the year ended December 31, 2024.

Impairment of goodwill - assumptions and estimation uncertainty

Determining any impairment of goodwill involves assumptions and estimation uncertainty regarding the assessment of impairment indicators including cash flow projections, growth rates, and economic factors.

(in thousands of Canadian dollars, except as otherwise noted)

Note 22 – Additional information on the Consolidated Statements of Cash Flows

The following table shows the changes in working capital for the twelve months ended December 31, 2024 and December 31, 2023:

For the twelve months ended December 31,	2024	2023
Insurance contract liabilities	**775,215**	604,848
Leases and accrued liabilities	**50,004**	46,387
Income taxes	**23,288**	18,842
Other operating liabilities	**5,063**	398
Other operating assets	**(17,398)**	(647)
Reinsurance contract assets	**(767,574)**	(475,790)
	68,598	194,038

Note 23 – Risk management

As a provider of insurance products, effective risk management is critical to the Company's ability to protect the interests of its stakeholders. The most significant risks include those associated with insurance and reinsurance contracts and holding financial instruments. The Company has policies and procedures governing the identification, measurement, monitoring, mitigating and controlling of risks associated with insurance contracts and holding financial instruments. The most significant risk associated with insurance contracts is insurance risk, which includes pricing risk, concentration risk and reserving risk. The significant risks associated with financial instruments are credit risk, liquidity risk and market risk (comprising currency risk, interest rate risk and other price risks such as equity risk). Sensitivity analyses are performed on these significant risks which could impact the Company's results and financial condition. Results of the sensitivity analyses should only be viewed as directional estimates as they can differ materially from actual results.

The following sections describe how the Company manages its insurance risk and risks associated with financial instruments.

23.1 Insurance risk

Insurance risk is the risk that the ultimate cost of claims, as well as acquisition expenses, related to insurance contracts will exceed premiums received in respect of those contracts. This could occur because either the frequency or severity of claims is greater than expected.

The Company's objective for managing insurance risk is to mitigate the risk while continuing to grow and to achieve profitable underwriting results within its identified product lines. Senior management seeks to achieve this objective through effective use of underwriting and pricing policies, procedures and guidelines, which it has developed for pricing and issuing bonds and policies. In addition, careful oversight is applied to the underwriting process to ensure that these policies, procedures and guidelines are followed. Furthermore, the Company regularly reviews its underwriting practices to ensure that they reflect emerging trends in its existing business and in the marketplace. Insurance risk is further mitigated through effective claims and expense management, and through the use of reinsurance.

The insurance risks associated with insurance contracts underwritten by the Company are subject to a number of variables such as estimated loss ratios and estimated claims settlement costs, which are sensitive to various assumptions which can impact the estimation of claims liabilities (see Note 2.2).

There were no significant changes in the Group's objectives, policies and processes for managing risk and the methods used to measure risk compared to the previous period.

Some additional factors that impact insurance risk include pricing risk, reserving risk, and concentration risk, which are described below:

a) *Pricing risk*

Pricing risk is the risk that an insurance product has been priced using assumptions about claims activity that are different from the actual experience of that product line. The Company mitigates the impact of pricing risk through the use of guidelines, which are designed such that premium rates take into account claims frequency and severity, expense levels, investment returns and profit margins required to support a particular product line. The Company reviews pricing assumptions regularly to ensure that they reflect up-to-date claims experience and expected future changes in that experience, as well as market conditions. The Company further mitigates the impact of pricing risk through the employment of experienced underwriting staff.

b) *Reserving risk*

Reserving risk is the risk that future claims arising on past exposure periods exceed the liability recorded in respect of Liability for incurred claims. The Company's management of reserving risk is discussed in Note 3.1(a).

c) *Concentration of insurance risk*

Concentration risk is the risk that the Company's insurance products are concentrated within a particular geographic area, particular class of business, or a particular insured, thereby increasing the exposure of the Company to a single event or a series of related events. Concentration of risk could arise as a result of accumulations of large numbers of insurance or reinsurance contracts exposed to similar perils, classes of business or geographic areas.

To mitigate the impact of concentration of risk, the Company applies risk management practices, including the use of reinsurance, monitoring and modelling techniques, and regularly reviews its portfolio of insurance risks for concentration and aggregation of risks and makes adjustments as needed in order to ensure exposures are within tolerances. The active management of its reinsurance programs and collateral requirements is also an important element in maintaining net claims exposures and concentration and aggregation risks within the Company's risk tolerance.

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

The following table shows the mix of the Company's insurance policies by product line and geography, which reflects the Company's diversification of insurance risk:

	December 31, 2024		December 31, 2023	
	Canada	**US**	Canada	US
Surety	**93,685**	**83,411**	121,018	21,403
Corporate Insurance	**175,272**	**131**	165,541	-
Warranty	**122,627**	**-**	109,172	-
US Programs and Canadian Fronting	**505,601**	**2,137,595**	407,700	1,964,353
Insurance revenues	**897,185**	**2,221,137**	803,431	1,985,756

d) Sensitivity to insurance risk

The insurance risks associated with the lines of business underwritten by the Company are sensitive to various assumptions which can impact the estimation of the liability for incurred claims. The relevant risk variables for the Company's estimation of the liability for incurred claims are subject to assumptions that impact the ultimate value of the estimated loss ratio as well as the estimated claims settlement costs. The loss ratio is used to calculate losses of the Company as a percentage of insurance revenue, after taking into account the impact of reinsurance. Below is an analysis showing the impact of a 5% increase in the loss ratio, as a percentage of insurance revenue, before and after taking into account the impact of reinsurance, and a 5% increase in claims settlement costs of claims reserves, based on an increase in the current LIC and AIC balances. Such variances in the estimation were considered reasonably possible during the twelve months ended December 31, 2024 and 2023. The impacts described in the table below are independent of one another. A 5% decrease to the loss ratio and a 5% decrease in claims settlement costs would have the opposite effect on profit before tax and shareholders' equity.

	Dec.31, 2024	Dec.31, 2023	**Dec.31, 2024**	Dec.31, 2023	**Dec.31, 2024**	Dec.31, 2023	**Dec.31, 2024**	Dec.31, 2023
Sensitivity factor	**Impact on profit before tax, gross of reinsurance**		**Impact on profit before tax, net of reinsurance**		**Impact on shareholders' equity, gross of reinsurance**		**Impact on shareholders' equity, net of reinsurance**	
5% increase to loss ratio	**(158,043)**	(145,429)	**(34,107)**	(28,897)	**(122,611)**	(113,011)	**(26,037)**	(22,041)
5% increase to claims settlement costs	**(207,102)**	(156,567)	**(27,520)**	(21,955)	**(162,139)**	(122,793)	**(21,862)**	(17,382)

e) Prior year claims development

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

In setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The following table presents the net cumulative claim payments to date and estimate of net undiscounted liabilities for incurred claims, including effect of the risk adjustment for non-financial risk, at the end of the year:

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

Net claims loss development

Accident year	All prior years	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**	**Total**
Estimate of net ultimate claims incurred		18,997	28,378	21,741	23,207	36,330	55,965	96,758	166,838	232,183	**253,117**	
One year later		15,878	26,772	19,059	20,121	33,230	56,892	91,307	178,721	226,247		
Two years later		14,365	26,380	17,409	19,916	31,277	59,785	108,120	202,495			
Three years later		14,421	25,826	16,467	19,492	30,371	62,596	121,049				
Four years later		13,340	26,739	15,222	19,276	31,656	68,550					
Five years later		12,730	26,198	14,698	18,150	32,723						
Six years later		12,682	25,867	14,323	18,587							
Seven years later		12,640	25,980	14,191								
Eight years later		12,358	25,758									
Nine years later		12,619										
Estimate of net ultimate claim incurred		12,619	25,758	14,191	18,587	32,723	68,550	121,049	202,495	226,247	**253,117**	
Cumulative claim payments to date		(11,976)	(24,604)	(13,495)	(16,619)	(29,171)	(57,701)	(86,092)	(143,442)	(130,539)	**(59,972)**	
Net undiscounted LIC	2,201	643	1,154	696	1,968	3,552	10,849	34,957	59,053	95,708	**193,145**	**403,926**
Effect of discounting	(49)	(31)	(58)	(46)	(112)	(334)	(1,573)	(4,140)	(7,645)	(11,388)	**(17,496)**	**(42,872)**
Effect of the risk adjustment for non-financial risk	221	66	111	67	174	383	1,631	4,143	7,646	10,094	**15,620**	**40,156**
Total net LIC	**2,373**	**678**	**1,207**	**717**	**2,030**	**3,601**	**10,907**	**34,960**	**59,054**	**94,414**	**191,269**	**401,210**

Reconciliation to Note 7.1 Roll-forward of net ICL showing LIC and Note 7.2 Roll-forward of net RCA showing AIC

As at December 31, 2024	*Note*	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Insurance contract liabilities - LIC	*7.1*	**2,639,663**	**339,018**	**2,978,681**
Reinsurance contract assets - AIC	*7.2*	**(2,278,620)**	**(298,851)**	**(2,577,471)**
Total net LIC	*23.1(e)*	**361,043**	**40,167**	**401,210**

Note 23 – Risk management (Continued)

23.2 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. Credit risk arises mainly from investments in bonds and short-term securities, and balances receivable from insurance brokers and reinsurers.

For fixed income securities, the Company manages its credit risk by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty or based on the collateral supporting the counterparty risk. Management also limits its aggregate fixed income securities credit risk by placing limits on aggregate values of securities at different credit rating levels. Management monitors credit quality of its fixed income securities on an on-going basis through its reviews of the investment portfolio.

For Premiums receivable, which form a component of the LRC, the Company uses insurance brokers, managing general agents, and program administrators as intermediaries for the distribution of its product offerings and is therefore subject to the risk that these intermediaries fail to remit the premiums they have collected on its behalf. The Company primarily deals with intermediaries with which it has entered into a contract that details, among other things, the intermediary's responsibilities and payment obligations. These intermediaries are typically regulated and licensed by insurance regulators. Further, the Company monitors receivables and follows up on all past due amounts to ensure satisfactory collection arrangements are in place.

For balances receivable from reinsurers, which form a component of the Reinsurance Contract Assets, the Company applies its reinsurance risk management policy to manage the associated credit risk. The Company is ultimately at risk on the limits of coverage provided under its product offerings, regardless of whether it has ceded a portion of this exposure to reinsurers. If a reinsurer is unwilling or unable to satisfy its obligations, the Company does not have the right to correspondingly reduce its claims payment obligations. The Company's reinsurance is well-diversified and controls are in place to manage exposure to reinsurance counterparties.

The Company uses both licensed and unlicensed reinsurers. When using licensed reinsurers, the Company generally uses those with an A.M. Best credit rating of A-, and management monitors these ratings on a regular basis. If the reinsurer has an A.M. Best rating of below A- an agreed upon level of collateral is provided. Furthermore, the Company's reinsurance risk management policy places limits on the participation of individual reinsurers in the Company's reinsurance arrangements. These participations and limits are reviewed regularly.

When the Company uses an unlicensed or unrated reinsurer an agreed upon level of collateral is required, generally in the form of a custodial account secured under a reinsurance security agreement, a letter of credit or other forms of security acceptable to the Company.

Derivative assets and other assets are monitored with reference to the credit quality of the counterparty, and an impairment allowance is made if deemed appropriate.

The nature of the Company's exposure to credit risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

a) *Maximum exposure to credit risk of the Company*

The following table sets out the Company's maximum exposure to credit risk related to financial instruments. The maximum credit exposure is the carrying value of the asset net of any allowances for losses.

As at	December 31, 2024	December 31, 2023
Cash and cash equivalents, and short-term securities	**284,717**	611,516
Fixed income	**1,174,849**	675,195
Accrued investment income	**14,000**	6,929
Reinsurance contract assets - AIC	**2,577,471**	1,791,975
Derivative assets	**12,530**	11,959
Other assets	**9,033**	8,861
	4,072,600	3,106,435

b) *Concentration of credit risk of the Company*

Concentrations of credit risk can arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar risk characteristics, for example they may operate in the same or similar industries. The following table provides details of the carrying value of fixed income securities by industry sector:

As at	December 31, 2024	December 31, 2023
	Fixed income	Fixed income
Financial	**384,804**	229,844
Real Estate	**137,150**	50,999
Consumer Discretionary	**100,437**	30,891
Government	**87,866**	79,450
Energy	**83,604**	50,211
Industrial	**73,393**	54,732
Automotive	**59,574**	39,875
Consumer Staples	**54,497**	31,729
Telecom Services	**48,969**	45,135
Utility	**46,827**	17,501
Power & Pipelines	**42,997**	20,139
Other	**54,731**	24,689
Total credit risk exposure	**1,174,849**	675,195

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

c) Asset quality on financial assets

The following table summarizes the credit ratings for fixed income securities, cash equivalents and short-term securities:

As at	December 31, 2024	December 31, 2023
Fixed income securities – underlying items		
AAA	**28,754**	43,372
AA	**124,139**	79,398
A	**503,068**	261,909
BBB	**466,799**	244,683
Below BBB	**52,089**	45,833
Total	**1,174,849**	675,195
Cash equivalents and short-term securities		
R-1 (high)	**29,995**	51,775
R-1 (medium)	**4,339**	-
Total	**34,334**	51,775
	1,209,183	726,970

d) Recoverable from reinsurers

The following table shows a breakdown of the reinsurance contract assets (which includes reinsurance payable), and corresponding collateral held, by A.M. Best rating of the reinsurers:

As at	December 31, 2024		December 31, 2023	
A.M. Best rating	Reinsurance contract assets	Collateral held (1)	Reinsurance contract assets	Collateral held (1)
A++	**211,039**	**-**	160,009	-
A+	**1,074,359**	**90,118**	783,430	31,274
A	**250,879**	**134,430**	298,578	114,010
A-	**387,514**	**76,319**	345,585	65,683
B++	**45,631**	**79,280**	76,747	77,311
Below B++	**133,012**	**149,444**	17,997	19,797
Unrated	**668,729**	**770,766**	321,243	369,318
	2,771,163	**1,300,357**	2,003,589	677,393

(1) Collateral held excludes certain forms of collateral for a total of $56,847 received after December 31, 2024 (December 31, 2023 - $8,876).

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

23.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from a number of potential areas including, for example, duration mismatch between assets and liabilities.

Generally, the Company's financial liabilities are settled by delivering cash and it is able to rely on the cash flow generated from its operations to satisfy its liquidity requirements, which are primarily operating expenses and claim payments.

By their nature, the timing and quantum of claims payments are subject to significant uncertainty and are estimated actuarially as set out in Note 3.1(a). Although the Company has reinsurance treaties in place under which a portion of the claims payments may be recovered, including by way of set off against premiums payable to the reinsurers, such recoveries usually follow the making of payments and often delays of a number of months can occur. This timing difference between gross cash outflows and expected reinsurance recoveries gives rise to liquidity risk. Hence the Company must have access to sufficient liquid resources to fund gross amounts payable when required.

To manage its liquidity requirements, the Company maintains a minimum balance of cash and cash equivalents, and short-term securities and a highly rated, highly liquid investment portfolio. The Company's investment policy sets out credit quality criteria and has limits on single issuer exposures. In addition, the investment policy stipulates average duration targets.

The following tables set out the Company's financial assets and liabilities by contractual maturity, and summarize the maturity profile of groups of insurance contracts issued that are liabilities and reinsurance contracts that are assets of the Company.

As at December 31, 2024	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
Cash and cash equivalents, short-term securities	**24,292**	**-**	**-**	**246,086**	**270,378**
Investments	**146,814**	**479,140**	**587,354**	**221,226**	**1,434,534**
Other financial assets	**39,681**	**-**	**-**	**-**	**39,681**
Reinsurance contract assets - AIC	**1,081,147**	**1,266,512**	**229,812**	**-**	**2,577,471**
Financial and insurance assets	**1,291,934**	**1,745,652**	**817,166**	**467,312**	**4,322,064**

As at December 31, 2023	Up to 1 year	1 to 5 years	Over 5 years	No specific maturity	Total
Cash and cash equivalents, short-term securities	44,275	-	-	559,741	604,016
Investments	101,168	436,720	168,432	183,837	890,157
Other financial assets	36,654	15,050	-	-	51,704
Reinsurance contract assets - AIC	1,010,528	698,680	82,767	-	1,791,975
Financial and insurance assets	1,192,625	1,150,450	251,199	743,578	3,337,852

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

As at December 31, 2024	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
Financial liabilities	**102,411**	**-**	**-**	**59,891**	**162,302**
Loan payable	**23,272**	**75,000**	**-**	**-**	**98,272**
Insurance contract liabilities - LIC	**1,241,821**	**1,469,288**	**267,572**	**-**	**2,978,681**
Financial and insurance liabilities	**1,367,504**	**1,544,288**	**267,572**	**59,891**	**3,239,255**

As at December 31, 2023	Up to 1 year	1 to 5 years	Over 5 years	No specific maturity	Total
Financial liabilities	96,713	-	-	23,352	120,065
Loan payable	-	75,000	-	-	75,000
Insurance contract liabilities - LIC	1,151,710	814,663	102,735	-	2,069,108
Financial and insurance liabilities	1,248,423	889,663	102,735	23,352	2,264,173

23.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes currency risk, interest rate risk and other price risks such as equity price risk.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company faces currency risk as a result of having operations primarily in the United States and Canada and therefore has exposure to currency risk arising from fluctuations in exchange rates of the Canadian dollar against the United States dollar. The Company also has currency risk as a result of having investments in the Company's Canadian operations denominated in foreign currencies. The foreign currency positions of the Company are monitored regularly and the Company uses derivatives throughout the year to manage foreign exchange risks where appropriate.

i) Exposure to currency risk

The Company manages its currency risk through its investment policy which considers duration of investments held as well as asset liability matching.

The following table summarizes the net currency exposure of Canadian domiciled entities categorized by major currency. The balances in the table below are presented in the foreign currency indicated:

	USD		**EUR**		**GBP**		**BRL**	
As at December 31,	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Cash and Investments	**87,121**	132,912	**1,611**	1,498	**1,233**	2,406	**3,971**	4,411
Less: foreign-currency derivatives, notional amount	**(76,157)**	(97,664)	**(1,603)**	(1,477)	**(1,240)**	(2,349)	-	-
Total net exposure	**10,964**	35,248	**8**	21	**-**	57	**3,971**	4,411

The following table summarizes the carrying value of net assets of US domiciled entities in their functional currency of USD.

	USD	
As at December 31,	**2024**	2023
Consolidated net assets of US domiciled entities	**291,599**	205,503
Less: foreign-currency derivatives, notional amount	**(18,031)**	-
Total net exposure	**273,568**	205,503

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

ii) Sensitivity to currency risk

	Impact on comprehensive income and shareholders' equity			
As at December 31,	**2024**	2023	**2024**	2023
Sensitivity factor	10% increase in CAD versus USD		10% decrease in CAD versus USD	
USD investments supporting Canadian domiciled entities	**(1,053)**	(3,114)	**1,159**	3,428
Consolidated net assets of subsidiaries	**(28,122)**	(19,624)	**30,939**	21,601

b) Interest rate risk

Interest rate risk is the potential for financial loss resulting from changes in interest rates. Fixed income investments, and preferred shares are subject to interest rate risk although, in the case of fixed income investments, to the extent they are held to maturity, the risk is limited to the reinvestment yield being different from the original yield to maturity. The fair value of bonds changes inversely with changes in market rates of interest, with greater impact to bonds with longer durations. The Company's discounted Insurance contract liabilities - LIC and Reinsurance contract assets - AIC are also subject to interest rate risk.

In respect of insurance or reinsurance contract assets or liabilities for remaining coverage, the Company expects that the time between providing each part of the coverage and the related premium due date is no more than a year apart, and so the time value of money is not required to be taken into account. In respect of insurance contract assets or liabilities for incurred claims, if cash flows are expected to be paid or received more than one year from the date the claims are incurred, then the insurance or reinsurance contract liability or asset would be adjusted using a discount rate updated at end of each reporting period, resulting in the balance being sensitive to interest rate movements.

The Company manages its interest rate risk through its investment policy which considers duration of investments held as well as asset liability matching.

As at December 31, 2024 Sensitivity factor	**Fixed income (including preferred shares)**	**Reinsurance contract assets**	**Insurance contract liabilities**	**Impact on profit before tax**	**Impact on equity**
100 basis point increase in the yield curve (1)	**(51,359)**	**(55,918)**	**64,617**	**(42,660)**	**(32,108)**
100 basis point decrease in the yield curve (1)	**51,384**	**59,037**	**(68,055)**	**42,366**	**31,899**

As at December 31, 2023 Sensitivity factor	Fixed income (including preferred shares)	Reinsurance contract assets	Insurance contract liabilities	Impact on profit before tax	Impact on equity
100 basis point increase in the yield curve (1)	(23,433)	(25,294)	29,759	(18,968)	(14,303)
100 basis point decrease in the yield curve (1)	23,433	26,318	(30,988)	18,763	14,145

(1) Assumes parallel shift in the yield curve, and all other variables remain constant.

(in thousands of Canadian dollars, except as otherwise noted)

Note 23 – Risk management (Continued)

c) *Equity price risk*

Equity price risk is the uncertainty associated with the valuation of financial assets arising from changes in equity markets.

The Company's exposure to equity price risk is managed and mitigated through its investment policy which sets out maximum exposures to equities at aggregate and per issuer levels as well as requiring diversification across different industry sectors.

As at December 31,	**2024**	2023
Sensitivity factor	**Impact on net income** (1)	
10% increase in equity prices (1)	**6,828**	5,196
10% decrease in equity prices (1)	**(6,828)**	(5,196)

(1) The methodology used to calculate the change is based on 10% of the fair value of the equities (excluding preferred shares and any funds which hold predominantly fixed income securities), net of tax, at the Statement of Financial Position dates.

Note 24 – Benefits

The Company has established and contributes to a number of group retirement savings plan arrangements under which the Company makes contributions. Contributions are charged to other operating expenses and are recognized as incurred.

Note 25 – Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any executive officers or directors of the Company.

The following transactions were carried out with key management personnel:

For the twelve months ended December 31,	**2024**	2023
Salaries and other employee benefits	**4,244**	3,804
Share based payments	**3,957**	(1,432)

For 2023, the share based payments amount is a recovery due to movement in the underlying share price.

(in thousands of Canadian dollars, except as otherwise noted)

Note 26 – Share based compensation

26.1 Equity-settled stock options

The Company currently administers a stock option plan. Under the stock option plan, the exercise price of each stock option will be established at the time that the option is granted. It is expected that the vesting period will normally be 20% per year over five years and the expiry date of stock options granted will not exceed ten years, however in some instances the vesting period may differ.

The following is a continuity schedule of stock options outstanding as at December 31, 2024 and 2023:

	December 31, 2024		December 31, 2023	
	Number of options	**Weighted average exercise price (in dollars)**	Number of options	Weighted average exercise price (in dollars)
Outstanding, beginning of year	**1,598,078**	**16.62**	1,541,639	14.83
Exercised during the year	**(199,986)**	**12.15**	(77,798)	7.34
Granted during the year	**158,553**	**39.78**	134,237	31.85
Outstanding, end of year	**1,556,645**	**19.56**	1,598,078	16.62

As at December 31, 2024, the outstanding stock options consist of the following:

Exercise price range per share (in dollars)	**Number of options outstanding**	**Range for average remaining contractual life (in years)**	**Number of options exercisable**
31 to 45	**449,660**	**7.19 to 9.91**	**110,798**
16 to 30	**222,135**	**6.01 to 6.14**	**107,820**
0 to 15	**834,850**	**2.64 to 5.15**	**761,694**

As at December 31, 2023, the outstanding stock options consist of the following:

Exercise price range per share (in dollars)	Number of options outstanding	Range for average remaining contractual life (in years)	Number of options exercisable
31 to 45	134,237	9.24 to 9.87	-
16 to 30	261,391	7.01 to 7.14	89,908
0 to 15	987,586	3.64 to 6.15	737,086

As at December 31, 2024, 980,312 (December 31, 2023 – 875,967) equity-based stock options were vested. As at December 31, 2024, the Company had recorded $5,683 (December 31, 2023 – $4,725) in share reserve related to the options in the contributed surplus balance of the Consolidated Statements of Financial Position. For the year ended December 31, 2024, the Company recorded $1,518 (December 31, 2023 – $1,266) of expense related to the options, in other operating expenses. The fair value of the options issued were determined using the Black-Scholes option pricing model. Inputs to the model include expected volatility, option life and risk free rate. The volatility estimate was based on the historical volatility of the Company's stock price. The weighted average fair value of stock options issued in 2024 at the measurement date was $13.00 (in dollars) (December 31, 2023 – $9.71 (in dollars)).

(in thousands of Canadian dollars, except as otherwise noted)

Note 26 – Share based compensation (Continued)

26.2 Cash-settled stock options

As at December 31, 2024, 187,480 options were outstanding (December 31, 2023 –187,480) which had been issued to officers of the Company by the board of directors as part of a cash-settled share based payment plan, with a vesting period of 20% per year over five years, and an expiration date of ten years. As at December 31, 2024, 183,956 options were vested (December 31, 2023 – 180,432). As at December 31, 2024, the Company had recorded $6,113 (December 31, 2023 – $5,198) in liabilities related to the options in the Consolidated Statements of Financial Position. For the year ended December 31, 2024, the Company recorded $915 of loss (December 31, 2023 – $2,006 gain) related to the options, in other operating expenses. The fair value of the options issued were determined using the Black-Scholes option pricing model. Inputs to the model include expected volatility, option life and risk free rate. The volatility estimate was based on the historical volatility of the Company's stock price. As at December 31, 2024, the weighted average fair value of share options issued was $32.62 (in dollars) (December 31, 2023 – $27.84 (in dollars)).

26.3 Cash-settled DSUs

DSUs are awarded to certain directors of the Company at the market value of the Company's common shares at the grant date. These DSUs are awarded in lieu of directors fees at the option of the Directors. Each DSU entitles the holder to receive an amount equivalent to the value of a common share at settlement. As at December 31, 2024, 133,096 (December 31, 2023 – 133,665) DSUs were awarded to directors who are not employees of the Company or one of its affiliates.

The following table shows the movement in the number of DSUs issued during the year:

For the twelve months ended December 31,	**2024 (in units)**	2023 (in units)
Opening balance	**133,665**	120,673
Granted during the year	**12,822**	12,992
Exercised during the year	**(13,391)**	-
Ending balance	**133,096**	133,665

As at December 31, 2024, 13,391 units had been exercised (December 31, 2023 – nil) and $5,188 (December 31, 2023 – $4,545) had been recorded as liabilities. The liability was measured based on the fair value of the common shares of the Company at December 31, 2024. For the year ended December 31, 2024, the Company recorded $1,216 of loss (December 31, 2023 – $931 of gain) related to the DSUs in other operating expenses.

26.4 Equity-settled RSUs

The Company awards certain employees RSUs based on the fair value of the Company's common shares at the grant date. These RSUs will typically vest over three years, however in some instances the vesting period may differ.

The following table shows the RSUs issued and outstanding as at December 31, 2024 and 2023:

As at	**December 31, 2024 (in units)**	December 31, 2023 (in units)
Outstanding, beginning of year	**172,225**	130,669
Vested during the year	**(95,525)**	(69,422)
Cancelled during the year	**(4,330)**	(2,386)
Granted during the year	**119,379**	113,364
Outstanding, end of year	**191,749**	172,225

During the year ended December 31, 2024, compensation expense of $4,493 (December 31, 2023 – $2,970) related to the RSUs was recorded in other operating expenses.

Note 27 – Commitments

The Company has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the private equity investments and subject to the terms and conditions of each limited partnership agreement.

As at December 31, 2024, the unfunded commitments for the Company are $18,724 (December 31, 2023 – $22,666).

CORPORATE INFORMATION

DIRECTORS

George Myhal[1]
Chair of the Board

Paul Gallagher[2]
Corporate Director

Barton Hedges[3]
Corporate Director

Robert Taylor
Corporate Director

David Clare
Corporate Director

Janice Madon
Corporate Director

Anik Lanthier
Corporate Director

Lilia Sham
Corporate Director

Sacha Haque
Corporate Director

1. Chair of the Governance and Compensation Committee
2. Chair of the Audit Committee
3. Chair of the Investment and Risk Committee

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EXCHANGE LISTING

TSX Stock Symbol: TSU

OFFICERS

David Clare
President and Chief Executive Officer
Chief Investment Officer

David Scotland
Chief Financial Officer

Michael Beasley
President and Chief Executive Officer
Trisura Specialty Insurance Company

Richard Grant
Chief Underwriting Officer
President and Chief Executive Officer
Trisura Guarantee Insurance Company

Phillip Shirtliff
Chief Risk Officer

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