Trisura Group Ltd.

Management's Discussion and Analysis

For the second quarter ended June 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the results of operations and financial condition of Trisura Group Ltd. for the three and six months ended June 30, 2018. This MD&A should be read in conjunction with our Interim consolidated financial statements, the MD&A and the audited Consolidated financial statements for the year ended December 31, 2017, and all of the financial statements included in our Prospectus dated May 12, 2017.

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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In this MD&A, all references to "$" are to Canadian dollars unless otherwise specified or the context otherwise requires.

This MD&A is dated August 9, 2018. Additional information is available on SEDAR at www.sedar.com.

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SECTION 1 - OVERVIEW

OUR BUSINESS

Our Company is a leading international specialty insurance holding company operating in the Surety, Risk Solutions, Corporate Insurance and Reinsurance niche segments of the market. Our operating subsidiaries include a Canadian specialty insurance company, a recently launched US specialty insurance company, and an international reinsurance company. Our Canadian specialty insurance subsidiary started writing business in 2006 and has a strong underwriting track record over its 12 years of operation. Our US specialty insurance company participates in the non-admitted markets and is licensed as an excess and surplus lines carrier in Oklahoma with the ability to write business across 50 states.

Our international reinsurance business has been in operation for more than 16 years and although we ceased writing new reinsurance business in 2008, we will evaluate writing new business in the context of market conditions and in support of our Canadian and US subsidiaries.

Our Company benefits from an experienced management team, a strong distribution network and partners, and a specialized underwriting focus. We plan to grow by building our business in the US, and by expanding our Canadian and international businesses both organically and through strategic acquisitions. We believe our Company can capitalize on favourable market conditions through our multi-line and multi-jurisdictional platform.

Significant achievements in the second quarter of 2018 include:

- ✓ Bound seven additional insurance programs and wrote $7.6 million in gross premiums in our newly licensed and rated US subsidiary, Trisura Specialty Insurance Company ("Trisura Specialty"). We are actively pursuing additional transactions from a strong pipeline of business opportunities.
- ✓ Continued strong operational performance from our Canadian Specialty P&C insurance operations, achieving a 92.5% Q2 combined ratio and an 88.3% YTD combined ratio.
- ✓ 35.4% growth in Gross Premium Written, with significant contributions from Risk Solutions and Corporate Insurance in Canada and our US operations.
- ✓ Continued the build out of our in-house investment management function including deployment of our US portfolio assets and development of portfolio administration systems.

ORGANIZATIONAL STRUCTURE & REGULATORY FRAMEWORK

The Company was incorporated under the *Business Corporations Act* (Ontario) ("OBCA") in January 2017. We have three regulated wholly owned insurance subsidiaries:

(i) Trisura Guarantee Insurance Company ("Trisura Guarantee") is our Canadian specialty insurance company. Trisura Guarantee is federally incorporated in Canada, is licensed in all provinces and territories of Canada and is subject to both prudential regulation by the Office of the Superintendent of Financial Institutions ("OSFI") and market conduct regulation by each of the insurance regulatory authorities of the provinces and territories in which it conducts business.

(ii) Trisura Specialty is our US specialty insurance company. Trisura Specialty was incorporated on May 31, 2017 and is licensed by the Oklahoma Insurance Department as a domestic surplus line insurer and can write business as a non-admitted surplus line insurer in all states within the United States.

(iii) Trisura International Insurance Ltd. ("Trisura International"), is our international reinsurance company. Trisura International is incorporated in Barbados, is licensed to write international reinsurance business and is regulated by the Financial Services Commission ("FSC") in Barbados.

SECTION 2 – FINANCIAL HIGHLIGHTS IN Q2 2018

- ✓ Significant progress in our US Specialty Insurance platform, with $7.6 million of gross premium written.
- ✓ Continued strong premium growth in our Canadian Specialty P&C business, increasing GPW by 18% in both Q2 and YTD driven by Risk Solutions and Corporate Insurance.
- ✓ 13.2% ROE on trailing 12 months basis for Canadian Specialty P&C business compared to 8.6% at Q2 2017.
- ✓ Profitable underwriting in our Canadian Specialty P&C business, producing a 92.5% Q2 combined ratio versus 83.5% in Q2 2017 (and 88.3% compared to 85.5% on a YTD comparison).
- ✓ 4.1% trailing 12 months consolidated ROE, $0.14 Q2 EPS (basic and diluted) and $0.42 YTD EPS (basic and diluted), $19.13 in Book Value per Share, a 5.2% increase over Q2 2017.
- ✓ Net income of $1.0 million compared to net income of $1.8 million in Q2 2017. Q2 2018 was impacted by higher claims activity in our Canadian Specialty P&C business, and the costs of building out our US platform.
- ✓ Continued strong capital position across the Group including MCT of 227% in our Canadian Subsidiary, capital in our US business to support its AM Best A- Rating (VII size category) and strong capital position at our reinsurer.
- ✓ Debt-to-capital ratio of 19.0% at Q2 2018 down from 19.6% at Q4 2017 and is in line with our long-term 20% target debt-to-capital ratio.

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

SECTION 3 – FINANCIAL REVIEW

INCOME STATEMENT ANALYSIS

	Q2 2018	Q2 2017	$ variance	% variance	Q2 2018 YTD	Q2 2017 YTD	$ variance	% variance
Gross premiums written	58,661	43,336	15,325	35.4%	93,485	71,951	21,534	29.9%
Net premiums written	30,378	26,968	3,410	12.6%	54,289	46,434	7,855	16.9%
Net premiums earned	21,291	19,948	1,343	6.7%	40,545	37,577	2,968	7.9%
Fee income	403	128	275	214.8%	3,679	3,057	622	20.4%
Total underwriting revenue	21,694	20,076	1,618	8.1%	44,224	40,634	3,590	8.8%
Net claims	(4,196)	(3,072)	(1,124)	36.6%	(8,899)	(7,337)	(1,562)	21.3%
Net commissions	(7,448)	(6,256)	(1,192)	19.1%	(15,045)	(12,888)	(2,157)	16.7%
Premium taxes	(1,126)	(1,093)	(33)	3.0%	(2,062)	(1,990)	(72)	3.6%
Operating expenses	(8,884)	(8,227)	(657)	8.0%	(17,005)	(15,562)	(1,443)	9.3%
Net claims and expenses	(21,654)	(18,648)	(3,006)	16.1%	(43,011)	(37,777)	(5,234)	13.9%
Net underwriting income	40	1,428	(1,388)	(97.2%)	1,213	2,857	(1,644)	(57.5%)
Net investment income	2,079	1,593	486	30.5%	3,989	2,337	1,652	70.7%
Foreign exchange (losses) gains	(207)	130	(337)	nm	(324)	115	(439)	nm
Interest expense	(235)	(263)	28	(10.7%)	(466)	(539)	73	(13.5%)
Change in minority interests	-	-	-	-	-	(5,158)	5,158	nm
Income (loss) before income taxes	1,677	2,888	(1,211)	(41.9%)	4,412	(388)	4,800	nm
Income tax expense	(693)	(1,128)	435	(38.6%)	(1,565)	(1,887)	322	(17.1%)
Net income (loss)	984	1,760	(776)	(44.1%)	2,847	(2,275)	5,122	nm
Other comprehensive income (loss)	1,942	(3,436)	5,378	nm	2,244	(2,671)	4,915	nm
Comprehensive income (loss)	2,926	(1,676)	4,602	nm	5,091	(4,946)	10,037	nm
Earnings per common share - basic and diluted - in dollars	0.14	0.05*	nm	nm	0.42	0.05*	nm	nm
Book value per share $	19.13	18.18	0.95	5.2%	19.13	18.18	0.95	5.2%
ROE trailing twelve months	4.1%	n/a	n/a	n/a	4.1%	n/a	n/a	n/a

**Following spin-off from Brookfield Asset Management Inc. on June 22, 2017*

Premium Revenue and Fee Income

Strong premium growth continued in Q2 2018 with a 35.4% increase in GPW driven by Risk Solutions in Canada and our US Specialty contributing strongly by writing $7.6 million of new premiums. NPW growth of 12.6% is lower than GPW growth due to an increase in the proportion of our business that is ceded to reinsurers primarily as a result of our fronting business model in US Specialty and Risk Solutions in Canada.

Year to date, GPW growth of 29.9% and NPW growth of 16.9% was supported by Risk Solutions and Corporate Insurance in Canada, as well as new premiums from US Specialty P&C. Fee income increased by 20.4% on a YTD basis in part due to the contribution from the block of surety business transitioned from RSA to Trisura Guarantee in late 2017. As a result of these factors, YTD underwriting revenue grew 8.8% compared to the corresponding period in 2017.

Net Claims

Net claims in Q2 2018 increased by $1.1 million over Q2 2017 arising mainly from our Canadian Specialty P&C where lower favourable PYD resulted in a loss ratio of 24.3% compared to the particularly low ratio of 15.1% in Q2 2017. These increases were partially offset by favourable development on our Reinsurance P&C reserves.

Q2 2018 YTD net claims were $1.6 million higher than the corresponding period in 2017 reflecting higher exposure/earned premium and some higher loss activity on the Corporate Insurance business within our Canadian Specialty P&C (see Section 4 Underwriting Performance Review).

Operating Expenses

The increases in operating expenses in both Q2 2018 and Q2 2018 YTD over the corresponding periods in 2017 mainly reflected expenses at US Specialty P&C as it commenced active underwriting.

Net Underwriting Income

The lower net underwriting income in the 2018 quarter and YTD periods arose mainly from the commencement of business at Trisura Specialty where, as expected in its early development phase operating expenses exceeded underwriting revenue and investment income. In Q2 2018 increase in net underwriting income on our Reinsurance business largely offset lower net underwriting income on our Canadian Specialty P&C business.

Minority Interests

The $5.2 million increase in Minority interests in Q2 2017 YTD reflected the 40% minority interest in Trisura Guarantee which was owned by its management team. In late 2017 we acquired full ownership of Trisura Guarantee through the issuance of common shares at Trisura Group Ltd. Consequently, we now own 100% of Trisura Guarantee and no longer reflect minority interests in our financial statements.

Net Investment Income and Other Comprehensive Income

See Section 5 – Investment Performance Review.

Net Income

Net income of $1.0 million compared to $1.8 million net income in Q2 2017 due to expected early stage development losses at US Specialty P&C which had net loss of $0.4 million in Q2 2018. The quarter was also impacted by lower net income at our Canadian Specialty P&C business due mainly to lower favourable PYD than in Q2 2017.

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

EPS, Book Value per Share and ROE

We provide performance metrics including EPS, book value per share and ROE from June 22, 2017 when the Company effected a spin-off from Brookfield Asset Management Inc. and commenced regular way trading on the TSX. Q2 2018 EPS (basic and diluted) was $0.14 and for Q2 2018 YTD EPS was $0.42 (basic and diluted). Book value per share in Q2 2018 of $19.13 reflects 5.2% growth in book value since June 30, 2017. ROE on a trailing 12 months basis was 4.1%, and reflected the early developmental stage of the US business.

BALANCE SHEET ANALYSIS

As at	June 30, 2018	December 31, 2017	$ variance
Cash and cash equivalents	97,739	165,675	(67,936)
Investments	263,298	190,641	72,657
Premiums and accounts receivable, and other assets	31,679	23,172	8,507
Deferred acquisition costs	50,927	40,266	10,661
Recoverable from reinsurers	81,330	65,254	16,076
Capital assets and intangible assets	2,600	2,612	(12)
Deferred tax assets	781	740	41
Total assets	528,354	488,360	39,994
Accounts payable, accrued and other liabilities	19,092	19,795	(703)
Reinsurance premiums payable	21,732	17,555	4,177
Unearned premiums	148,014	115,357	32,657
Unearned reinsurance commissions	11,076	5,566	5,510
Unpaid claims and loss adjustment expenses	172,074	178,885	(6,811)
Loan payable	29,700	29,700	-
Total liabilities	401,688	366,858	34,830
Shareholders' equity	126,666	121,502	5,164
Total liabilities and shareholders' equity	528,354	488,360	39,994

Total assets at June 30, 2018 were $40.0 million higher compared to December 31, 2017 as a result of new business growth at our Canadian and US specialty P&C businesses which led to increases across a number of assets categories including investments, premiums and accounts receivable, deferred acquisitions costs and recoverables from reinsurers. The increase in investments also arose from our in-house investment management team deploying cash for the US Specialty P&C investment portfolio in the US. Cash and cash equivalents reduced correspondingly.

On the liabilities side the main increase was in unearned premiums, again arising from new business growth. The on-going run-off of the in-force business at our Reinsurer and some large claim settlements at our Canadian Specialty P&C business in Q1 2018 resulted in a reduction in unpaid claims and loss adjustment expenses.

Shareholder's equity increased due to retained earnings.

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).

As at June 30, 2018, 6,621,680 common shares and 64,000 preferred shares of the Company were issued and outstanding which is unchanged from December 31, 2017.

LIQUIDITY

Liquidity sources immediately available to the Company include: (i) existing cash and cash equivalents; (ii) our portfolio of highly rated, highly liquid investments (iii) cash flow from operating activities which include receipt of net premiums, fee income and investment income and; (iv) bank loan facilities including our revolving credit facility. These funds are used primarily to pay claims and operating expenses, service the Company's banking facility and purchase investments to support claims reserves and capital requirements.

We expect to have sufficient liquidity to fund our operations and to meet our current business plans. However, should the need arise, additional liquidity sources include further bank loans and new issuances of debt or shares in the private or public markets.

CAPITAL

The MCT ratio of Trisura Guarantee was 227% at June 30, 2018 (242% at March 31, 2018), which comfortably exceeds the 150% regulatory requirements prescribed by OSFI. The reduction in MCT arose primarily from a temporary capital charge related to collateral supporting reinsurance ceded to an unregistered reinsurer on one Risk Solutions program. It is anticipated that this charge will not arise at Q3 2018 or later quarters. Redeployment of the investment portfolio also contributed to the reduction in MCT.

Trisura Specialty's capital and surplus of $65.1 million as at June 30, 2018 ($56.5 million as at December 31, 2017) was in excess of the $19.8 million minimum capital requirements of the Oklahoma Insurance Department.

Trisura International's capital of $28.0 million as at June 30, 2018 ($26.6 million as at December 31, 2017) was well in excess of FSC's regulatory capital requirement of $0.2 million.

We had a debt-to-capital ratio of 19.0% as at June 30, 2018 (19.4% as at March 31, 2018) which is in line with our long-term 20% target debt-to-capital ratio.

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

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

SECTION 4 – UNDERWRITING PERFORMANCE REVIEW

We operate through the following four business lines: Surety, Risk Solutions, Corporate Insurance and Reinsurance.

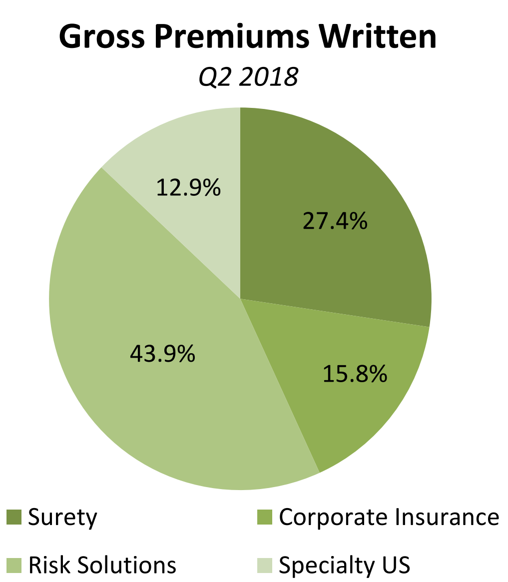
SPECIALTY P&C

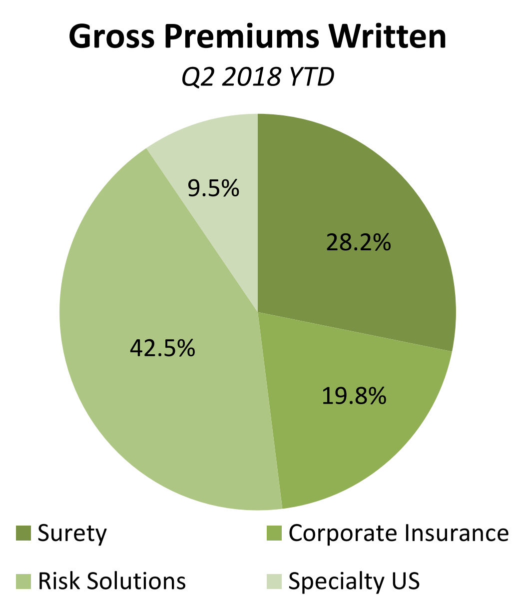
Our Specialty P&C business consists of our Surety, Risk Solutions and Corporate Insurance business lines which we write in Canada through Trisura Guarantee and in the United States through Trisura Specialty.

The tables and charts below provide a segmentation of our Specialty P&C GPW and NPW for the three and six months ended June 30, 2018 and 2017 respectively. The majority of our Specialty P&C premiums in 2017 and in Q1 2018 were written in Canada with Risk Solutions continuing to grow strongly in 2018. US Specialty P&C commenced writing business in Q1 2018 and contributed meaningfully to growth in Q2 2018 by writing $7.6 million GPW.

	Q2 2018		Q2 2017		Q2 2018 YTD		Q2 2017 YTD	
Surety	16,044	27.4%	15,335	35.4%	26,341	28.2%	25,651	35.7%
Corporate Insurance	9,279	15.8%	8,052	18.6%	18,524	19.8%	15,869	22.0%
Risk Solutions	25,729	43.9%	19,905	46.0%	39,692	42.5%	30,387	42.3%
Specialty US	7,585	12.9%	n/a	n/a	8,879	9.5%	n/a	n/a
Total GPW	58,637	100.0%	43,292	100.0%	93,436	100.0%	71,907	100.0%
GPW growth %(1)		35.4%		25.5%		29.9%		20.1%

(1) % growth relative to prior year period



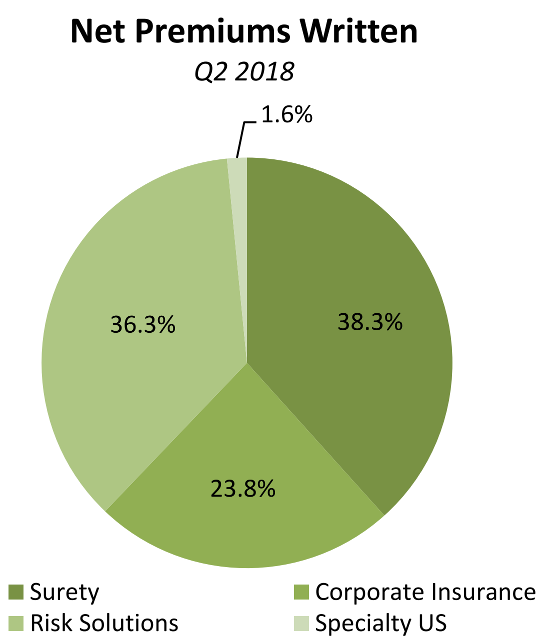


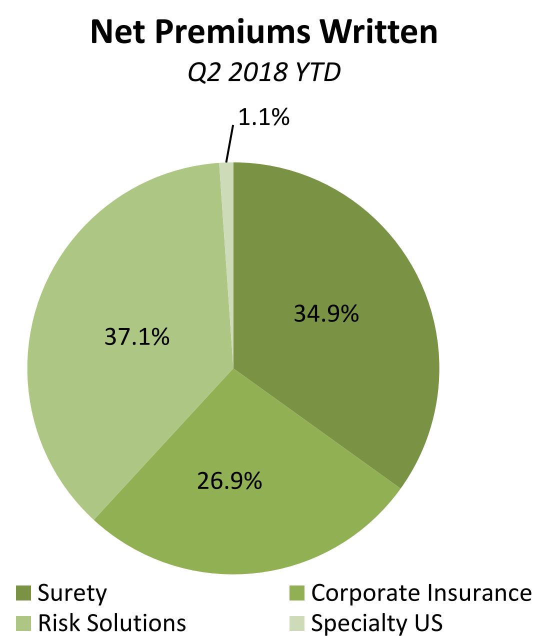
(in thousands of Canadian dollars, except as otherwise noted)

Our NPW has grown by 12.6% in Q2 2018 and by 16.9% in Q2 2018 YTD compared to the corresponding periods in 2017 with the growth coming from all Canadian business lines and from US Specialty P&C in Q2 2018.

	Q2 2018		Q2 2017		Q2 2018 YTD		Q2 2017 YTD	
Surety	11,639	38.3%	10,857	40.3%	18,941	34.9%	17,704	38.1%
Corporate Insurance	7,223	23.8%	6,261	23.3%	14,605	26.9%	12,423	26.8%
Risk Solutions	11,021	36.3%	9,808	36.4%	20,101	37.1%	16,264	35.1%
Specialty US	473	1.6%	n/a	n/a	596	1.1%	n/a	n/a
Total NPW	30,356	100.0%	26,926	100.0%	54,243	100.0%	46,391	100.0%
NPW growth %(1)		12.7%		7.8%		17.0%		9.8%

(1) % growth relative to prior year period





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

SPECIALTY P&C – CANADA

The table below presents financial highlights for our Canadian Specialty P&C business.

	Q2 2018	Q2 2017	$ variance	% variance	Q2 2018 YTD	Q2 2017 YTD	$ variance	% variance
Gross premiums written	51,052	43,292	7,760	17.9%	84,557	71,907	12,650	17.6%
Net premiums written	29,883	26,925	2,958	11.0%	53,647	46,391	7,256	15.6%
Net premiums earned	21,175	19,905	1,270	6.4%	40,395	37,534	2,861	7.6%
Fee income	346	119	227	190.8%	3,616	3,048	568	18.6%
Net underwriting revenue	21,521	20,024	1,497	7.5%	44,011	40,582	3,429	8.5%
Net underwriting income	1,582	3,267	(1,685)	(51.6%)	4,732	5,461	(729)	(13.4%)
Net investment income	1,722	1,128	594	52.7%	2,177	2,138	39	1.8%
Net income	2,612	3,004	(392)	(13.0%)	5,324	5,708	(384)	(6.7%)
Comprehensive income	3,020	1,715	1,305	76.1%	4,403	5,521	(1,118)	(20.3%)
Loss ratio: current accident year	28.7%	26.2%		2.5pts	31.3%	28.4%		2.9pts
Loss ratio: Prior years' development	(4.4%)	(11.1%)		6.7pts	(7.8%)	(7.2%)		(0.6pts)
Loss ratio	24.3%	15.1%		9.2pts	23.5%	21.2%		2.3pts
Expense ratio	68.2%	68.4%		(0.2pts)	64.8%	64.3%		0.5pts
Combined ratio	92.5%	83.5%		9.0pts	88.3%	85.5%		2.8pts
ROE trailing twelve months	13.2%	8.6%		4.6pts	13.2%	8.6%		4.6pts

Our Canadian Specialty P&C business produced strong growth in GPW in 2018, increasing by 17.9% in Q2 2018 and 17.6% YTD driven mainly by Risk Solutions and Corporate Insurance. Fee income increased by 18.6% YTD in part due to the contribution from the surety business transitioned from RSA to Trisura Guarantee in late 2017. Overall, net underwriting revenue increased by 7.5% in Q2 2018 and 8.5% in Q2 2018 YTD compared to the corresponding periods in 2017.

Net underwriting income in Q2 2018 was $1.6 million which was lower than Q2 2017 which benefitted from higher favourable PYD leading to a particularly low loss ratio of 15.1%. A change in mix in Risk Solutions led to higher commissions which also negatively impacted overall net underwriting income compared to Q2 2017.

On a YTD basis, net underwriting income was $0.7 million lower than the corresponding period in 2017, driven by lower prior year reserve development in Q1 2018. Loss ratio of 23.5% for Q2 2018 YTD was 2 pts higher than 2017 while our expense ratio of 64.8% was in line with 2017. Overall our combined ratio of 88.3% was 3 pts higher than the same period in 2017.

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

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; and
- ✓ Developer surety bonds, comprising mainly bonds to secure real estate developers' legislated deposit and warranty obligations on residential projects.

In Q2 2018, Surety accounted for 27% and 38% of our overall GPW and NPW, respectively. For Q2 2018 YTD, Surety accounted for 28% and 35% of our overall GPW and NPW, respectively.

	Q2 2018	Q2 2017	$ variance	% variance	Q2 2018 YTD	Q2 2017 YTD	$ variance	% variance
Gross premiums written	16,044	15,335	709	4.6%	26,341	25,651	690	2.7%
Net premiums written	11,639	10,857	782	7.2%	18,941	17,704	1,237	7.0%
Net premiums earned	9,100	8,094	1,006	12.4%	16,378	14,412	1,966	13.6%
Fee income	345	119	226	189.9%	3,606	3,042	564	18.5%
Net underwriting revenue	9,445	8,213	1,232	15.0%	19,984	17,454	2,530	14.5%
Net underwriting income	1,249	1,297	(48)	(3.7%)	4,350	3,785	565	14.9%
Loss ratio: current accident year	21.3%	16.2%		5.1pts	22.6%	18.4%		4.2pts
Loss ratio: Prior years' development	(5.8%)	(10.3%)		4.5pts	(11.7%)	(11.0%)		(0.7pts)
Loss ratio	15.5%	5.9%		9.6pts	10.9%	7.4%		3.5pts
Expense ratio	70.7%	78.1%		(7.4pts)	62.6%	66.3%		(3.7pts)
Combined ratio	86.2%	84.0%		2.2pts	73.5%	73.7%		(0.2pts)

GPW growth has been modest in 2018 whereas there has been stronger growth in NPW and particularly in NPE leading to net underwriting revenue growth of 15.0% in Q2 2018 and on a YTD basis. GPW in Q2 2017 benefitted from some large, non-recurring policies, impacting and reducing the comparable growth rate in Q2 2018. Federal infrastructure spending is expected to support surety premium growth going forward. The increase in fee income in Q2 2018 was partly attributable to underwriting fees from surety business transitioned from RSA in late 2017. In Surety, fee income generally represents fees charged to insureds to maintain their bonding facility with the Company. These fees are typically collected at the beginning of the year.

Net underwriting income in Q2 2018 was comparable to Q2 2017 where a higher loss ratio (resulting from lower PYD) was offset by a lower expense ratio.

On a YTD basis, net underwriting income was $0.6 million higher than the prior year period mainly due to the growth in fee income. Our combined ratio of 73.5% was similar to Q2 2017 YTD as small improvements in the expense ratio offset an equivalent increase in the loss ratio.

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

Risk Solutions

Risk Solutions includes specialty insurance contracts which are structured to meet the specific requirements of program administrators, managing general agencies, captive insurance companies, affinity groups and reinsurers. Our Risk Solutions business line consists primarily of warranty programs.

In Q2 2018, Risk Solutions accounted for 44% and 36% of our overall GPW and NPW, respectively. For Q2 2018 YTD, Risk Solutions accounted for 43% and 37% of our overall GPW and NPW, respectively.

	Q2 2018	Q2 2017	$ variance	% variance	Q2 2018 YTD	Q2 2017 YTD	$ variance	% variance
Gross premiums written	25,729	19,905	5,824	29.3%	39,692	30,387	9,305	30.6%
Net premiums written	11,021	9,808	1,213	12.4%	20,101	16,264	3,837	23.6%
Net premiums earned	5,282	5,617	(335)	(6.0%)	10,759	10,870	(111)	(1.0%)
Fee income	-	-	n/a	n/a	10	15	(5)	(33.3%)
Net underwriting revenue	5,282	5,617	(335)	(6.0%)	10,769	10,885	(116)	(1.1%)
Net underwriting income	281	771	(490)	(63.6%)	825	931	(106)	(11.4%)
Loss ratio: current accident year	25.3%	27.5%		(2.2pts)	31.8%	30.0%		1.8pts
Loss ratio: Prior years' development	(2.9%)	(0.7%)		(2.2pts)	(10.4%)	(1.1%)		(9.3pts)
Loss ratio	22.4%	26.8%		(4.4pts)	21.4%	28.9%		(7.5pts)
Expense ratio	72.3%	59.5%		12.8pts	70.9%	62.7%		8.2pts
Combined ratio	94.7%	86.3%		8.4pts	92.3%	91.6%		0.7pts

The very strong growth of 29.3% in GPW in Q2 2018 and on a YTD basis was the result of the onboarding of a variety of programs and by the earlier timing of some renewals. The mix of business booked in Q2 2018 and, more generally, in 2018 YTD has resulted in a higher proportion of business ceded to reinsurers and comparatively lower growth in NPW in 2018. The reduction in NPE reflects the slower earning pattern of the multi-year warranties of many of the programs in Risk Solutions written recently. The diversity of structure and earnings profiles in Risk Solutions creates some variability in gross versus net premium growth trends.

The Q2 2018 combined ratio increased to 94.7% due to higher commissions on the business mix booked during the quarter which drove a higher expense ratio, partially offset by a reduction on the loss ratio.

YTD net underwriting income of $0.8 million and the combined ratio of 92.3% are comparable to 2017. YTD loss ratio benefitted from higher favourable PYD than the corresponding 2017 period while the expense ratio increased due to higher commissions on the business mix booked so far in 2018.

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

Corporate Insurance

The main products offered by our Corporate Insurance business line are D&O insurance for public, private and non-profit enterprises, E&O liability insurance for both enterprises and professionals, business office package insurance for both enterprises and professionals and fidelity insurance for both commercial and financial institutions.

In Q2 2018, Corporate Insurance accounted for 16% and 24% of our overall GPW and NPW, respectively. For Q2 2018 YTD, Corporate Insurance accounted for 20% and 27% of our overall GPW and NPW, respectively.

	Q2 2018	Q2 2017	$ variance	% variance	Q2 2018 YTD	Q2 2017 YTD	$ variance	% variance
Gross premiums written	9,279	8,052	1,227	15.2%	18,524	15,869	2,655	16.7%
Net premiums written	7,223	6,261	962	15.4%	14,605	12,423	2,182	17.6%
Net premiums earned	6,793	6,194	599	9.7%	13,258	12,252	1,006	8.2%
Net underwriting revenue	6,793	6,194	599	9.7%	13,258	12,243	1,015	8.3%
Net underwriting income (loss)	45	1,206	(1,161)	(96.3%)	(443)	760	(1,203)	nm
Loss ratio: current accident year	41.3%	38.1%		3.2pts	41.5%	38.5%		3.0pts
Loss ratio: Prior years' development	(3.7%)	(21.6%)		17.9pts	(0.8%)	(8.0%)		7.2pts
Loss ratio	37.6%	16.5%		21.1pts	40.7%	30.5%		10.2pts
Expense ratio	61.8%	64.0%		(2.2pts)	62.6%	63.2%		(0.6pts)
Combined ratio	99.4%	80.5%		18.9pts	103.3%	93.7%		9.6pts

GPW grew strongly in Q2 2018 at 15.2% and at 16.7% YTD compared to the same periods in 2017. This continued to be due to a combination of new business, better retention rates and an increase in multi-year premium where we recognize the premiums at the time these multi-year policies are written but earn these premiums over the full policy terms. This can cause differences in written and earned premium growth rates, as was observed in 2018 when NPE grew at lower rates than NPW.

Corporate Insurance had a breakeven net underwriting income position and a combined ratio of 99.4% in Q2 2018 compared to Q2 2017 which had net underwriting income of $1.2 million and a combined ratio of 80.5% driven mainly by favourable PYD.

On a YTD basis, Corporate Insurance produced an underwriting loss of $0.4 million and combined ratio of 103.3% compared to an underwriting profit of $0.8 million and a combined ratio of 93.7% in 2017. The better result in 2017 was largely due to favourable PYD. Like most specialty commercial insurance lines we can experience volatility in underwriting results on a quarterly basis arising from the occurrence of higher severity, lower frequency claims and the impact of PYD. This continues to be the case in 2018 for Corporate Insurance. Our full year results for 2017 reflected a combined ratio of 96% as subsequent quarters offset the underwriting loss in Q1 2017. It is important to view underwriting performance of such business lines over an appropriate time period.

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

SPECIALTY P&C – UNITED STATES

Our US specialty insurance business is now operational as a non-admitted surplus line insurer in all states, primarily as a hybrid fronting carrier with a fee based business model.

Having bound our first transactions in early 2018 we have continued to write strong volumes of new business throughout Q2 2018 accounting for 13% of our overall GPW in Q2 2018. The net loss in 2018 arose from earned premium and fee income lagging operating expenses at this early stage of operations partially offset by investment income.

Fee income in our US Specialty P&C business is comprised of fronting fees received from reinsurers. These fees are recognized over the life of the insurance contracts they are associated with, similar to the premium earning profile. Given the early stage of our US business, we have recognized only a small portion of our total fee income written to date.

	Q2 2018	Q2 2018 YTD
Gross premiums written	7,585	8,879
Net premiums written	473	596
Net premiums earned	94	104
Fee income	57	63
Net underwriting revenue	151	167
Net underwriting loss	(845)	(1,458)
Net investment income	398	662
Net loss	(447)	(796)

REINSURANCE

Our international reinsurance business ceased writing new business in 2008 but previously wrote quota share reinsurance (prospective), loss portfolio transfers (retrospective) and niche, specialty contracts covering international risks across multiple commercial lines. Currently our international reinsurance business is managing its remaining portfolio of in-force reinsurance contracts and is preparing to write new business in support of our on-shore subsidiaries and evaluating writing new third-party business in the context of market conditions.

The remaining in-force portfolio of reinsurance contracts is dominated by one large life annuity reinsurance contract denominated in euros. We measure the performance of our reinsurance business by reference to net income in order to capture (i) the change in annuity reserves which is included in net underwriting income; and (ii) the offsetting change in the value of the supporting assets, which is included in net investment income as these supporting assets are designated FVTPL.

	Q2 2018	Q2 2017	$ variance	Q2 2018 YTD	Q2 2017 YTD	$ variance
Net underwriting income (loss)	303	(759)	1,062	(645)	(691)	46
Net investment (loss) income	(51)	466	(517)	1,130	199	931
Net income (loss)	102	(191)	293	311	(398)	709
Operating expenses	520	713	(193)	1,127	1,322	(195)

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

Our reinsurance business had small positive net income of $0.1 million compared to a small net loss of $0.2 million in Q2 2017. Q2 2018 benefited from some favourable reserve development on our P&C transactions and lower operating expenses partially offset by lower investment income across various asset classes including structured investment assets.

On a year to date basis, the improvement in net income over the corresponding period in 2017 was largely attributable to favourable reserve development on our P&C transactions. The higher YTD net investment income arose in large measure from investment gains in the assets supporting our large life annuity reinsurance contract in Q1 2018 in response to falling European interest rates during that quarter which also led to offsetting reserve increases on this business.

CORPORATE

Our corporate results represent operating expenses that do not relate specifically to any one business line of the Company as well as debt servicing costs and, in 2017, changes in the valuation of the Minority interests.

During Q2 2018, we incurred corporate expenses of $1.0 million which, although similar to Q2 2017, included a number of one-time items including professional advisor fees on banking and tax matters. We expect quarterly corporate expenses to normalize in the coming quarters.

On a year-to-date basis, corporate expenses are $0.5 million lower than 2017 which was impacted by some one-off costs related to the formation and development of the Company and our US subsidiary, Trisura Specialty. We also benefitted from some one-time savings in Q1 2018.

The $5.2 million increase in Minority interests in Q2 2017 YTD reflected the 40% minority interest in Trisura Guarantee which was owned by its management team at that time. In late 2017 we acquired full ownership of Trisura Guarantee following the issuance of common shares at Trisura Group in exchange for this Minority interest. Consequently, we now own 100% of Trisura Guarantee and we no longer reflect minority interests in our financial statements.

	Q2 2018	Q2 2017	$ variance	Q2 2018 YTD	Q2 2017 YTD	$ variance
Corporate expenses	1,000	1,079	(79)	1,416	1,913	(497)
Increase in minority interests	-	-	-	-	5,158	(5,158)
Debt servicing	235	263	(28)	466	539	(73)
Corporate	1,235	1,342	(107)	1,882	7,610	(5,728)

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

SECTION 5 – INVESTMENT PERFORMANCE REVIEW

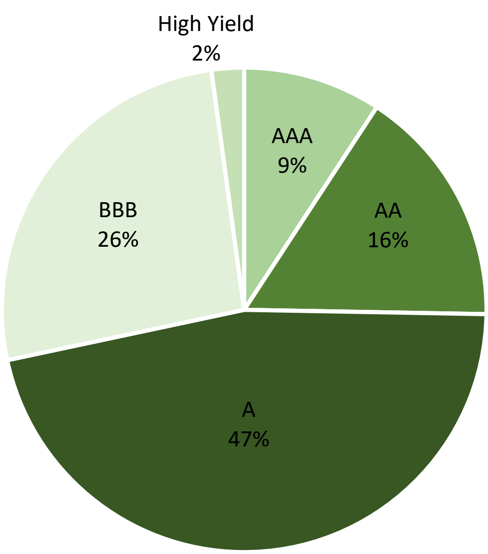
OVERVIEW

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 continue to develop our investment management capabilities; today we manage our Canadian and US assets internally, and intend to shift our international assets in house over the second half of the year.

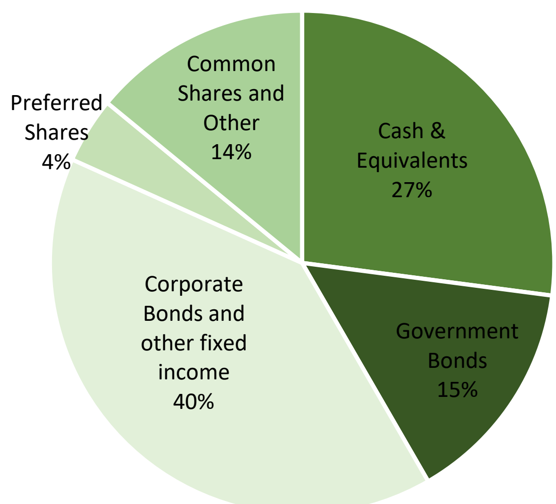
SUMMARY OF INVESTMENT PORTFOLIO

Our $361 million investment portfolio consists of cash and cash equivalents, government and corporate bonds, preferred shares, common shares and a small amount of fund investments. Ninety-eight percent of our fixed income holdings are highly liquid, investment grade bonds. A significant portion of the consolidated investment portfolio remains invested in cash and cash equivalents, reflective of capital in our international entity, a significant portion of which is held as collateral against our reinsurance policies.

Fixed Income Securities by Rating



Investment Portfolio by Asset Class



INVESTMENT PERFORMANCE

Net Investment Income

	Q2 2018	Q2 2017	$ variance	Q2 2018 YTD	Q2 2017 YTD	$ variance
Specialty P&C - Canada	1,722	1,128	594	2,177	2,138	39
Specialty P&C - US	398	-	398	662	-	662
Reinsurance	(41)	465	(506)	1,150	199	951
Net investment income	2,079	1,593	486	3,989	2,337	1,652

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

The Company's operations currently include Specialty P&C insurance (Surety, Risk Solutions, and Corporate Insurance business lines) in Canada, Specialty P&C insurance in the US and international reinsurance through Trisura International. These businesses focus on different market segments, geographic regions and risks, and accordingly, hold different assets and currencies to support their liabilities. Consequently, investment returns are most appropriately viewed at a business unit level.

Canadian Specialty P&C net investment income is driven by interest and dividend income on portfolio assets. Interest and dividend income in Q2 2018 was comparable to Q2 2017, and investment income reflected a gain on the disposition of assets as we rebalanced the portfolio, primarily in the preferred share portfolio. The market based yield of the Canadian Specialty P&C portfolio as at June 30, 2018 was 3.4%.

We began deploying capital in our US P&C portfolio in February, following dramatic movement in US interest rates. Currently the portfolio is limited to investment grade bonds, as we prioritize maintaining minimum capital levels and lower volatility in the start-up phase of the business. The market based yield of the US Specialty P&C portfolio as at June 30, 2018 was 3.9%. Investment income is driven by interest income on this portfolio of investment grade bonds. Our market yield improved versus Q1 2018 as we redeployed government securities into higher yielding corporate securities.

Cash and investments held at the Reinsurance business reduced by $39 million between Q2 2017 and Q2 2018, resulting in a reduction in net investment income on cash and bonds. Euro-denominated bonds supporting the annuity reserves are held at FVTPL. Investment returns on these assets were lower in Q2 2018 compared with Q2 2017 due to the increase in Euro interest rates, which had a negative impact on the valuation of these assets. Importantly, there was a partially offsetting reduction in reserves alongside the rise in interest rates. The market based yield of the Reinsurance portfolio as at June 30, 2018 was 1.5%.

Other Comprehensive Income ("OCI")

	Q2 2018	Q2 2017	$ variance	Q2 2018 YTD	Q2 2017 YTD	$ variance
Unrealized (losses) gains in OCI	11	(1,229)	1,240	(1,973)	17	(1,990)
Cumulative translation	1,931	(2,207)	4,138	4,217	(2,688)	6,905
OCI	1,942	(3,436)	5,378	2,244	(2,671)	4,915

The Company records changes in the value of its AFS assets through OCI. The mark to market effect of these assets on OCI was a small gain in Q2 2018 driven by positive market movements in our Canadian equity portfolio, balanced by the continued weakness in fixed income markets. Market conditions in Q2 2018 were less volatile than Q1, and we benefitted from the strength of oil's recovery, specifically in our Canadian equity portfolio. Our Q2 YTD results continue to reflect weakness of the Canadian equity and global fixed income markets experienced through Q1 2018.

Foreign exchange differences arising from the translation of the financial statements of Trisura International and Trisura Specialty to Canadian dollars are recognized as cumulative translation gains or losses, which are a constituent part of overall OCI. The cumulative translation gains in Q2 2018 were due to the continued strengthening of the US dollar against the Canadian dollar, driving high Canadian dollar valuations of capital and securities held outside of Canada.

Refer to Note 14 Investment income in the Interim consolidated financial statements for more detail on the components of investment returns.

SECTION 6 – 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. 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. 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.

In the US, the specialty P&C insurance industry is more fragmented than the standard marketplace. It is estimated that the top ten players capture just under 40% of market share, with the top 25 players averaging one to two percent market share positions. An estimated $150 to $200 billion of specialty insurance direct premiums (including excess and surplus) were written in 2016.

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 12 years and in the international specialty reinsurance market for over 16 years, establishing a conservative underwriting and investing track record.

In Canada, we have built our brand through Trisura Guarantee to serve our clients, brokers and institutional partners as a leading provider of niche specialty insurance products. Trisura Guarantee will continue to build out its product offerings in existing and new niche segments of the market with suitably skilled underwriters and professionals. Trisura Guarantee remains committed to its broker distribution channel to promote and sell its insurance products. Trisura Guarantee is 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 150 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.

Our US specialty insurance business, Trisura Specialty, is fully operational and commenced binding transactions in 2018. It is licensed as a domestic surplus lines insurer in Oklahoma. Trisura Specialty can operate as a non-admitted surplus lines insurer in all states and is rated A- (Excellent) by A.M. Best with stable outlook. It is our belief that the conditions are favourable for the continued growth of Trisura Specialty, which operates as a hybrid fronting carrier using a fee based business model. Its focus is to source high quality business opportunities by partnering with a core base of established and well-managed program administrators. From our business activity to date these program administrators welcome our new capacity as there is currently a lack of fronting carriers and the products and arrangements currently offered to them by the existing market do not always meet the needs of their business and clients.

Furthermore, we believe there is a strong supply of highly rated international reinsurance capacity keen to gain exposure to this business, allowing Trisura Specialty to cede the majority of the risk on its policies to these reinsurers on commercially favourable terms. This belief has been supported by our early experiences in the market. We are confident that this platform will generate attractive, stable fee income while maintaining a small risk position, limiting underwriting risk and aligning our interests with our program distribution partners and reinsurers. As Trisura Specialty grows, we expect that our US operations will become a more significant component of our Company.

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

We also intend to consider acquisitions on an opportunistic basis and pursue those that fit with our strategic plan. Building on the knowledge and expertise of our existing operations, we intend to initially target businesses in the US that operate in similar niches of the specialty insurance market. Additionally, our reinsurance business will commence writing new business in support of our on-shore subsidiaries and will continue to evaluate writing third party new business in the context of market conditions.

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

SECTION 7 – OTHER INFORMATION

RATINGS

Trisura Guarantee has been rated A- (Excellent) by A.M. Best since 2012. This rating was reaffirmed with stable outlook by A.M. Best in April 2018. Trisura Specialty obtained an A- (Excellent) rating with stable outlook from A.M. Best in September 2017. A.M Best increased the financial size category of Trisura Specialty from VI to VII (US $50 million to US $100 million capital) in May 2018.

CASH FLOW SUMMARY

	Q2 2018	Q2 2017	$ variance	Q2 2018 YTD	Q2 2017 YTD	$ variance
Net income (loss) from operating activities	984	1,760	(776)	2,847	(2,275)	5,122
Non-cash items to be deducted	1,443	98	1,345	2,632	336	2,296
Change in working capital operating items	4,819	14,702	(9,883)	(2,245)	8,652	(10,897)
Realized (losses) gains on AFS investments	(191)	(336)	145	301	(364)	665
Income taxes paid	(1,010)	(967)	(43)	(1,941)	(5,155)	3,214
Interest paid	(236)	(256)	20	(469)	(524)	55
Net cash from operating activities	5,809	15,001	(9,192)	1,125	670	455
Proceeds on disposal of investments	26,356	15,420	10,936	32,118	19,832	12,286
Purchases of investments	(40,532)	(115,618)	75,086	(104,749)	(119,662)	14,913
Net purchases of capital and intangible assets	(86)	(66)	(20)	(315)	(107)	(208)
Net cash used in investing activities	(14,262)	(100,264)	86,002	(72,946)	(99,937)	26,991
Change in minority interests	-	-	-	-	5,158	(5,158)
Dividends paid	(24)	-	(24)	(48)	-	(48)
Common shares issued	-	140,270	(140,270)	-	140,270	(140,270)
Issuance of new loan payable	-	-	-	29,700	-	29,700
Repayment of note payable	-	(36)	36	-	(355)	355
Repayment of loan payable	-	(1,000)	1,000	(29,700)	(3,700)	(26,000)
Net cash (used in) from financing activities	(24)	139,234	(139,258)	(48)	141,373	(141,421)
Net (decrease) increase in cash	(8,477)	53,971	(62,448)	(71,869)	42,106	(113,975)
Cash at beginning of the period	104,627	109,344	(4,717)	165,675	122,096	43,579
Currency translation	1,589	(2,971)	4,560	3,933	(3,858)	7,791
Cash at the end of the period	97,739	160,344	(62,605)	97,739	160,344	(62,605)

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

The main cash flow activities in Q2 2018 were investing activities and reflected the purchase and disposal of investments, primarily related to activity in our bond portfolios and preferred share portfolio. A significant component of the bond purchases in Q2 2018 included US Specialty P&C deploying cash and cash equivalents from its initial capital injection. In Q2 2017, purchases of investments were primarily related to the purchase of Trisura International and Trisura Guarantee from Brookfield. In Q2 2017 cash from financing activities was primarily from the Company issuing common shares to Brookfield for cash.

The change in working capital operating items in Q2 2018 was primarily related to an increase in unearned premium as a result of growth in GPW. The change in working capital operating items for Q2 2017 was primarily related to an increase in accounts payable at Trisura International.

During Q2 2018 YTD, the Company replaced the outstanding Loan payable of $29.7 million held at an intermediary holding company, with a new credit facility with an outstanding balance of $29.7 million (see Note 11 in the Interim consolidated financial statements). The net impact of this transaction was $nil. In Q2 2017 YTD the Company reflected the impact of the change in value of the Minority interests in its financial statements, however in Q4 2017 the Minority interests were purchased by the Company and therefore this movement in financing activity is no longer reflected in the statements of cash flows in Q2 YTD 2018 (see Note 12 in the Interim consolidated financial statements).

SEGMENTED REPORTING

As at	June 30, 2018				
	Trisura Guarantee	Trisura International[2]	Trisura Specialty	Corporate[3]	Total[4]
Assets[1]	338,972	108,513	82,139	(1,270)	528,354
Liabilities[1]	267,075	87,370	17,038	30,205	401,688
Shareholder's Equity	71,897	21,143	65,101	(31,475)	126,666
Book Value Per Share, $[5]	10.86	3.19	9.83	(4.75)	19.13

(1) Trisura International includes the assets and liabilities of its holding company.
(2) Subdiary results include adjustments for intercompany loans.
(3) Corporate includes consolidation adjustments and intercompany loans.
(4) Total reflects the Group's Assets, Liabilities, and Book Value Per Share after consolidation adjustments.
(5) Number of common shares used in the calculation of book value per share equals to the Group's total number of common shares outstanding as at June 30, 2018.

As at	December 31, 2017				
	Trisura Guarantee[1]	Trisura International[2]	Trisura Specialty	Corporate[3]	Total[4]
Assets[1]	317,124	114,608	56,888	(260)	488,360
Liabilities[1]	243,979	92,658	426	29,795	366,858
Shareholder's Equity	73,145	21,950	56,462	(30,055)	121,502
Book Value Per Share, $[5]	11.05	3.31	8.53	(4.54)	18.35

(1) Operating companies include the assets and liabilities of their holding companiess, except for the loans payable of $29,700 held in 6436978 Canada Limited which is included in Corporate.
(2) Subdiary results include adjustments for intercompany loans.
(3) Corporate includes consolidation adjustments and intercompany loans.
(4) Total reflects the Group's Assets, Liabilities, and Book Value Per Share after consolidation adjustments.
(5) Number of common shares used in the calculation of book value per share equals to the Group's total number of common shares outstanding as at December 31, 2017.

FINANCIAL INSTRUMENTS

See Note 4 to the Company's Interim consolidated financial statements.

OPERATING METRICS

We use operating metrics to assess our operating performance. The combined ratio is 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 net premiums earned, or underwriting margin. A combined ratio under 100% indicates a profitable underwriting result. A combined ratio over 100% indicates an unprofitable underwriting result. The loss ratio is claims and loss adjustment expenses incurred as a percentage of net premiums earned. The expense ratio is all expenses incurred net of fee income as a percentage of net premiums earned. In our MD&A for Q1 through Q3 2017, the expense ratio was all expenses incurred net of commissions on fee income as a percentage of net premiums earned.

We use ROE as a measure of operating performance. ROE is calculated based on net income, divided by the average amount of shareholders' equity of the Company for a given time period.

We report the results of our MCT as prescribed by OSFI's *Guideline A — Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies*, as amended, restated or supplemented from time to time. MCT determines the supervisory regulatory capital levels required by Trisura Guarantee.

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

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 regulations. 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 Trisura Group Ltd. 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," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" 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 Trisura Group Ltd. 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; 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; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; 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, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Trisura Group Ltd. 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
CTA	Cumulative Translation Adjustment
D&O	Directors' and Officers' insurance
E&O	Errors and Omissions Insurance
EPS	Earnings Per Share
FVTPL	Fair Value Through Profit & Loss
GPW	Gross Premium Written
MCT	Minimum Capital Test
Minority interests	The liability to participating shareholders
n/a	not available
NII	Net Investment Income
nm	not meaningful
NPE	Net Premium Earned
NPW	Net Premium Written
NUI	Net Underwriting Income
OCI	Other Comprehensive Income
pts	Percentage points
PYD	Prior Years' Net Reserve Development
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
YTD	Year to Date