



PRESS RELEASE

TRISURA GROUP REPORTS 2018 SECOND QUARTER RESULTS

Book Value Per Share Increased to \$19.13

TORONTO, August 9, 2018 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance holding company, today announced financial results for the second quarter of 2018.

Greg Morrison, CEO of Trisura, stated, “Our Canadian business continues to demonstrate strong topline growth and profitable underwriting. We are very pleased with the progress of our US business, which received significant support from our distribution partners and the international reinsurance markets, resulting in gross premiums written of over \$7 million in the second quarter of 2018, alongside an attractive pipeline of future opportunities. We look forward to continuing to develop across all business lines in the second half of the year.”

Highlights

- ✓ Continued strong premium growth in our Canadian Specialty P&C business, increasing gross premiums written by 18% in both Q2 and YTD driven by Risk Solutions and Corporate Insurance.
- ✓ Significant progress of our US platform, with \$7.6 million of gross written premium.
- ✓ Profitable underwriting in our Canadian business, producing a 92.5% second quarter combined ratio versus 83.5% in Q2 2017 (and 88.3% compared to 85.5% on a YTD comparison) and driving a 13.2% trailing twelve-month ROE in Canada.
- ✓ Consolidated 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 costs of building out our US platform See Section 3 for further detail.
- ✓ Basic and diluted EPS of \$0.14 for the quarter and \$0.42 on a year-to-date basis.
- ✓ Book value per share of \$19.13, a 5.2% increase over past 12 months.
- ✓ A.M. Best reaffirmed the Financial Strength Rating of A- (Excellent) of Trisura Guarantee Insurance with stable outlook and increased the financial size category of Trisura Specialty’s A- (Excellent) rating from VI to VII.



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Amounts in millions of Canadian dollars	Q2 2018	Q2 2017	variance	Q2 2018 YTD	Q2 2017 YTD	variance
Gross Premiums Written	58.7	43.3	35.4%	93.5	72.0	29.9%
Net Premiums Written	30.4	27.0	12.6%	54.3	46.4	16.9%
Net Underwriting Income	0.0	1.4	(97.2%)	1.2	2.9	(57.5%)
Net Investment Income	2.1	1.6	30.5%	4.0	2.3	70.7%
Net Income (Loss)	1.0	1.8	(44.1%)	2.8	(2.3)	5.1
EPS – Basic and Diluted, \$	0.14	0.05*	nm*	0.42	0.05*	nm*
Book Value Per Share, \$	19.13	18.18	5.2%	19.13	18.18	5.2%
Debt-to-Capital Ratio	19.0%	22.3%	(3.3pts)	19.0%	22.3%	(3.3pts)
ROE Trailing Twelve Months	4.1%	n/a	n/a	4.1%	n/a	n/a
Combined Ratio - Canadian Specialty P&C	92.5%	83.5%	9.0pts	88.3%	85.5%	2.8pts
Canadian Specialty P&C ROE - Trailing 12 months	13.2%	8.6%	4.6pts	13.2%	8.6%	4.6pts

*Following spin-off from Brookfield Asset Management Inc. on June 22, 2017. Variance is not meaningful.

Underwriting

- Over \$7 million gross premiums written by our new US Specialty P&C business.
- Our Canadian Specialty P&C business generated underwriting profits with a combined ratio of 92.5% compared to 83.5% in Q2 2017 with the increase mainly due to lower favourable prior year claims development in Q2 2018.

Capital

- The minimum capital test (“MCT”) ratio of our Canadian subsidiary was 227% as at June 30, 2018 (242% as at March 31, 2018), which comfortably exceeds regulatory requirements of 150%. The reduction in MCT was due to a short-term collateral charge which is anticipated to reverse in Q3 2018.
- The capital and surplus in our US subsidiary of \$65.1 million as at June 30, 2018 is well in excess of the \$19.8 million minimum capital requirements of the Oklahoma Insurance Department.
- Our international subsidiary had capital of \$27.9 million as at June 30, 2018 which was well in excess of its regulatory capital requirement of \$0.2 million.
- Consolidated debt-to-capital ratio of 19.0% as at June 30, 2018 is below our long-term target maximum of 20%.

Investments

- Net investment income of \$2.1 million compared to \$1.6 million in Q2 2017. Interest and dividend income was slightly higher in Q2 2018, as we continued to benefit from the deployed US portfolio. In Canada, investment income reflected a realized gain from the rebalancing of our preferred share portfolio.
- We continued to develop our in-house investment management capabilities including implementation of portfolio administration systems.



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About Trisura Group

Trisura Group Ltd. is an international specialty insurance holding company operating in the surety, risk solutions, corporate insurance and reinsurance segments of the market. Trisura has three principal regulated subsidiaries: Trisura Guarantee Insurance Company in Canada, Trisura Specialty Insurance Company in the US and Trisura International Insurance Ltd. in Barbados. Trisura Group is listed on the Toronto Stock Exchange under the symbol "TSU".

Further information is available at <http://www.trisura.com/group>. Important information may be disseminated exclusively via the website; investors should consult the site to access this information. Details regarding the operations of Trisura Group are also set forth in regulatory filings. A copy of the filings may be obtained on Trisura Group's SEDAR profile at www.sedar.com.

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Trisura Group Ltd.
Consolidated Statements of Financial Position
As at June 30, 2018 and December 31, 2017
 (in thousands of Canadian dollars, except as otherwise noted)

As at	June 30, 2018	December 31, 2017
Cash and cash equivalents	97,739	165,675
Investments	263,298	190,641
Premiums and accounts receivable, and other assets	31,679	23,172
Deferred acquisition costs	50,927	40,266
Recoverable from reinsurers	81,330	65,254
Capital assets and intangible assets	2,600	2,612
Deferred tax assets	781	740
Total assets	528,354	488,360
Accounts payable, accrued and other liabilities	19,092	19,795
Reinsurance premiums payable	21,732	17,555
Unearned premiums	148,014	115,357
Unearned reinsurance commissions	11,076	5,566
Unpaid claims and loss adjustment expenses	172,074	178,885
Loan payable	29,700	29,700
Total liabilities	401,688	366,858
Shareholders' equity	126,666	121,502
Total liabilities and shareholders' equity	528,354	488,360



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Trisura Group Ltd.
Consolidated Statements of Comprehensive Income (Loss)
For the three and six months ended June 30
(in thousands of Canadian dollars, except as otherwise noted)

	Q2 2018	Q2 2017	Q2 2018 YTD	Q2 2017 YTD
Gross premiums written	58,661	43,336	93,485	71,951
Net premiums written	30,378	26,968	54,289	46,434
Net premiums earned	21,291	19,948	40,545	37,577
Fee income	403	128	3,679	3,057
Total underwriting revenue	21,694	20,076	44,224	40,634
Net claims	(4,196)	(3,072)	(8,899)	(7,337)
Net commissions	(7,448)	(6,256)	(15,045)	(12,888)
Premium taxes	(1,126)	(1,093)	(2,062)	(1,990)
Operating expenses	(8,884)	(8,227)	(17,005)	(15,562)
Net claims and expenses	(21,654)	(18,648)	(43,011)	(37,777)
Net underwriting income	40	1,428	1,213	2,857
Net investment income	2,079	1,593	3,989	2,337
Foreign exchange (losses) gains	(207)	130	(324)	115
Interest expense	(235)	(263)	(466)	(539)
Change in minority interests	-	-	-	(5,158)
Income (loss) before income taxes	1,677	2,888	4,412	(388)
Income tax expense	(693)	(1,128)	(1,565)	(1,887)
Net income (loss)	984	1,760	2,847	(2,275)
Other comprehensive income (loss)	1,942	(3,436)	2,244	(2,671)
Comprehensive income (loss)	2,926	(1,676)	5,091	(4,946)



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Trisura Group Ltd.
Consolidated Statements of Cash Flows
For the three and six months ended June 30
(in thousands of Canadian dollars, except as otherwise noted)

	Q2 2018	Q2 2017	Q2 2018 YTD	Q2 2017 YTD
Net income (loss) from operating activities	984	1,760	2,847	(2,275)
Non-cash items to be deducted	1,443	98	2,632	336
Change in working capital operating items	4,819	14,702	(2,245)	8,652
Realized gains (losses) on AFS investments	(191)	(336)	301	(364)
Income taxes paid	(1,010)	(967)	(1,941)	(5,155)
Interest paid	(236)	(256)	(469)	(524)
Net cash from operating activities	5,809	15,001	1,125	670
Proceeds on disposal of investments	26,356	15,420	32,118	19,832
Purchases of investments	(40,532)	(115,618)	(104,749)	(119,662)
Net purchases of capital and intangible assets	(86)	(66)	(315)	(107)
Net cash used in investing activities	(14,262)	(100,264)	(72,946)	(99,937)
Change in minority interests	-	-	-	5,158
Dividends paid	(24)	-	(48)	-
Common shares issued	-	140,270	-	140,270
Issuance of new loan payable	-	-	29,700	-
Repayment of note payable	-	(36)	-	(355)
Repayment of loan payable	-	(1000)	(29,700)	(3,700)
Net cash (used in) from financing activities	(24)	139,234	(48)	141,373
Net (decrease) increase in cash	(8,477)	53,971	(71,869)	42,106
Cash at beginning of the period	104,627	109,344	165,675	122,096
Currency translation	1,589	(2,971)	3,933	(3,858)
Cash at the end of the period	97,739	160,344	97,739	160,344

Cautionary Statement Regarding Forward-Looking Statements and Information

Note: This news release 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, 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 to differ materially from anticipated



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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 behavior 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 cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the 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 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.