



PRESS RELEASE

TRISURA GROUP REPORTS FOURTH QUARTER AND 2018 ANNUAL RESULTS

Book Value Per Share Increased to \$19.63

TORONTO, February 14, 2019 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance holding company, today announced financial results for the fourth quarter and year ended December 31, 2018.

David Clare, CEO of Trisura, stated, “We are very pleased with our fourth quarter and full year results for 2018. Strong underwriting and topline growth continued for our Canadian subsidiary, yielding industry leading returns. We continue to build momentum in our US fronting platform, binding 14 programs and generating over \$50 million in gross premiums written in 2018.”

Highlights

- ✓ Gross premiums written growth of 77% in Q4 2018 and 49% in full year 2018, driven by continued growth in our Canadian Specialty P&C business and strong momentum in our US Specialty business.
- ✓ Net income in Q4 2018 of \$1.6 million, an increase of \$1.7 million over Q4 2017, and full year income of \$8.6 million, an increase of \$3.8 million (excluding Minority Interests) over 2017, driven by our Canadian Specialty P&C business.
- ✓ Consolidated ROE (trailing 12 months) of 6.9% at December 31, 2018, compared to 5.6% at September 30, 2018 and 4.1% at June 30, 2018.
- ✓ Strong Q4 and full year results from our Canadian Specialty P&C business, achieving an 83.9% combined ratio in Q4 and an 86.3% combined ratio for the full year, driving a 19.1% ROE for the trailing 12 months.
- ✓ Basic and diluted EPS of \$0.24 in Q4 2018 and \$1.29 (basic) and \$1.27 (diluted) in full year 2018.
- ✓ Book value per share of \$19.63, a 7.0% increase over December 2017.



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Amounts in millions of Canadian dollars	Q4 2018	Q4 2017	Variance	Q4 2018 YTD	Q4 2017 YTD	Variance
Gross Premiums Written	68.3	38.7	76.5%	219.0	146.8	49.3%
Net Premiums Written	31.1	26.4	17.7%	115.5	99.6	15.9%
Net Underwriting Income (Loss)	1.0	(0.5)	nm	4.3	3.6	20.5%
Net Investment Income	2.8	1.0	180.9%	10.5	5.4	93.3%
Net Income (Loss)	1.6	(0.1)	nm	8.6	(0.3)	nm
EPS – Basic, \$	0.24	(0.01)	nm	1.29	0.37*	nm
EPS – Diluted, \$	0.24	(0.01)	nm	1.27	0.37*	nm
Book Value Per Share, \$	19.63	18.35	7.0%	19.63	18.35	7.0%
Debt-to-Capital Ratio	18.6%	19.6%	(1.0pts)	18.6%	19.6%	(1.0pts)
ROE Trailing Twelve Months (“TTM”)	6.9%	3.9%	3.0pts	6.9%	3.9%	3.0pts
Combined Ratio - Canadian Specialty P&C	83.9%	93.7%	(9.8pts)	86.3%	88.9%	(2.6pts)
Canadian Specialty P&C ROE - TTM	19.1%	13.7%	5.4pts	19.1%	13.7%	5.4pts

* For period June 22, 2017 to December 31, 2017 i.e. after spinoff from Brookfield Asset Management Inc.

Underwriting

- Excellent performance from our Canadian Specialty P&C insurance operations, in particular Surety, achieving a 2018 ROE (trailing 12 months) of 19.1% and combined ratios of 83.9% in Q4 2018 and 86.3% in full year 2018.
- Continued strong premium growth in our Canadian Specialty P&C business, increasing GPW by 6.3% in Q4 and 12.7% for the full year driven by Risk Solutions and Corporate Insurance.
- Strong and accelerating premium growth in our US Specialty platform, with GPW of \$27.2 million in Q4 2018 and \$53.7 million since commencing business in early 2018. The US platform accounting for 74% of premium growth in 2018.

Capital

- The minimum capital test (“MCT”) ratio of our Canadian subsidiary was 239% as at December 31, 2018 (255% as at December 31, 2017), which comfortably exceeds regulatory requirements of 150%.
- Trisura Specialty’s capital and surplus of \$66.5 million as at December 31, 2018 (\$56.5 million as at December 31, 2017) was in excess of the minimum Risk Based Capital Ratio requirement of the Oklahoma Insurance Department.
- Trisura International’s capital of \$28.7 million as at December 31, 2018 (\$26.6 million as at December 31, 2017) was sufficient to meet the FSC’s regulatory capital requirement.
- Consolidated debt-to-capital ratio of 18.6% as at December 31, 2018 is below our long-term target of 20%.



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Investments

- Net investment income of \$2.8 million in Q4 2018 compared to \$1.0 million in Q4 2017, and \$10.5 million in full year 2018 compared to \$5.4 million in full year 2017. Interest and dividend income increased for the year as we continued to benefit from the deployed US portfolio. In Canada, investment income reflected higher interest income and realized gains from rebalancing of the portfolio.

Ratings

- A.M. Best reaffirmed the Financial Strength Rating of A- (Excellent) of both our Canadian subsidiary, Trisura Guarantee and our US subsidiary, Trisura Specialty with stable outlook.

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 December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars, except as otherwise noted)

As at	December 31, 2018	December 31, 2017
Cash and cash equivalents	95,212	165,675
Investments	282,874	190,641
Premiums and accounts receivable, and other assets	46,276	23,172
Deferred acquisition costs	63,715	40,266
Recoverable from reinsurers	109,567	65,254
Capital assets and intangible assets	2,512	2,612
Deferred tax assets	826	740
Total assets	600,982	488,360
Accounts payable, accrued and other liabilities	24,167	19,795
Reinsurance premiums payable	41,406	17,555
Unearned premiums	182,623	115,357
Unearned reinsurance commissions	19,137	5,566
Unpaid claims and loss adjustment expenses	173,997	178,885
Loan payable	29,700	29,700
Total liabilities	471,030	366,858
Shareholders' equity	129,952	121,502
Total liabilities and shareholders' equity	600,982	488,360



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Trisura Group Ltd.
Consolidated Statements of Comprehensive Income (Loss)
For the three and twelve months ended December 31
(in thousands of Canadian dollars, except as otherwise noted)

	Q4 2018	Q4 2017	Q4 2018 YTD	Q4 2017 YTD
Gross premiums written	68,274	38,689	219,041	146,763
Net premiums written	31,114	26,439	115,475	99,615
Net premiums earned	22,983	19,866	88,809	79,433
Fee income	675	127	4,724	3,400
Total underwriting revenue	23,658	19,993	93,533	82,833
Net claims	(5,920)	(5,187)	(19,402)	(17,653)
Net commissions	(6,545)	(5,195)	(29,903)	(24,882)
Premium taxes	(1,278)	(1,227)	(4,758)	(4,463)
Operating expenses	(8,934)	(8,913)	(35,184)	(32,279)
Net claims and expenses	(22,677)	(20,522)	(89,247)	(79,277)
Net underwriting income (loss)	981	(529)	4,286	3,556
Net investment income	2,829	1,007	10,457	5,411
Foreign exchange (losses) gains	(559)	103	(712)	(35)
Interest expense	(261)	(197)	(970)	(1,009)
Change in minority interests	-	-	-	(5,156)
Income before income taxes	2,990	384	13,061	2,767
Income tax expense	(1,359)	(461)	(4,423)	(3,109)
Net income (loss)	1,631	(77)	8,638	(342)
Other comprehensive income (loss)	152	1,141	(316)	(4,495)
Comprehensive income (loss)	1,783	1,064	8,322	(4,837)



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Trisura Group Ltd.
Consolidated Statements of Cash Flows
For the three and twelve months ended December 31
(in thousands of Canadian dollars, except as otherwise noted)

	Q4 2018	Q4 2017	Q4 2018 YTD	Q4 2017 YTD
Net income (loss) from operating activities	1,631	(77)	8,638	(342)
Non-cash items to be deducted	456	1,145	3,374	2,354
Stock options granted	53	143	224	143
Change in working capital operating items	6,081	3,000	13,091	23,722
Realized gains (losses) on AFS investments	96	(228)	(686)	(932)
Income taxes paid	(987)	(967)	(3,354)	(7,090)
Interest paid	(270)	(232)	(995)	(1,042)
Net cash from operating activities	7,060	2,784	20,292	16,813
Proceeds on disposal of investments	18,004	18,664	99,729	39,050
Purchases of investments	(35,632)	(7,539)	(196,363)	(139,403)
Net purchases of capital and intangible assets	(82)	(925)	(666)	(1,070)
Net cash (used in) from investing activities	(17,710)	10,200	(97,300)	(101,423)
Change in minority interests	-	-	-	5,156
Dividends paid	(24)	(8)	(96)	(8)
Common shares issued	-	-	-	140,270
Common shares redeemed	-	(4,031)	-	(4,031)
Issuance of new loan payable	-	-	29,700	-
Repayment of note payable	(30)	-	(30)	(355)
Repayment of loan payable	-	(200)	(29,700)	(4,400)
Net cash (used in) from financing activities	(54)	(4,239)	(126)	136,632
Net (decrease) increase in cash	(10,704)	8,745	(77,134)	52,022
Cash at beginning of the period	102,688	156,321	165,675	122,096
Currency translation	3,228	609	6,671	(8,443)
Cash at the end of the period	95,212	165,675	95,212	165,675

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



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cause the actual results, performance or achievements of Trisura Group 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 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.