



PRESS RELEASE

TRISURA GROUP REPORTS THIRD QUARTER 2019 RESULTS

TORONTO, November 7, 2019 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance provider, today announced financial results for the third quarter of 2019.

David Clare, President and CEO of Trisura, stated, “In Q3, Trisura Group Ltd. generated net income of \$2.5 million, driven by strong performance from our specialty P&C platforms in North America.

In Canada, consistent underwriting and enhanced investment returns yielded a 19.1% TTM ROE. Our U.S. platform continued its trajectory of growth, with net income of \$1.4 million alongside GPW of \$71.2 million.

Declining interest rates in Europe drove strengthening in our reinsurance annuity reserves, offset by improved investment income as well as the adoption of a reserving methodology consistent with Solvency II.”

Highlights

- ✓ Gross and net premiums written growth of 99.6% and 24.5% in Q3 2019, supported by strong momentum in our U.S. business and continued growth in Canada.
- ✓ Q3 2019 net income of \$2.5 million, driven by strong underwriting performance and investment income in Canada and the U.S., offset by an increase in our reinsurance reserves due to a decrease in European interest rates.
- ✓ Consolidated Trailing Twelve Months (“TTM”) ROE of 1.9% at September 30, 2019, compared to 5.6% at September 30, 2018. Excluding the impact of our reinsurance business in 2019, consolidated TTM ROE is approximately 8.5%.
- ✓ Successfully completed a \$55.7 million equity raise to sustain growth in the US, and further improve asset liability matching in our reinsurance company, supported by existing and new shareholders.
- ✓ Stable results from our Canadian business, achieving a 92.6% combined ratio, driving a 19.1% TTM ROE.
- ✓ Accelerating premium generation in our US fronting platform, with \$71.2 million in GPW, and increasing earned fee income generating consistent profitability.
- ✓ Basic and diluted EPS of \$0.37 in Q3 2019, compared to \$0.62 in Q3 2018; \$0.29 per share when adjusted for the share count at quarter end.
- ✓ Book value per share of \$21.41, a 10.6% increase over September 30, 2018.



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Amounts in millions of Canadian dollars	Q3 2019	Q3 2018	Variance	Q3 2019 YTD	Q3 2018 YTD	Variance
Gross Premiums Written	114.4	57.3	99.6%	305.1	150.8	102.3%
Net Premiums Written	37.4	30.1	24.5%	103.0	84.4	22.1%
Net Underwriting (Loss) Income	(6.6)	2.1	nm	(23.8)	3.3	nm
Net Investment Income	10.0	3.6	174.6%	20.7	7.6	171.1%
Net Income	2.5	4.2	(38.9%)	0.9	7.0	(86.8%)
Earnings Per Common Share - basic, \$	0.37	0.62	(40.4%)	0.13	1.05	(87.8%)
Adjusted Earnings Per Common Share, \$*	0.29	n/a	n/a	0.10	n/a	n/a
Book Value Per Share, \$	21.41	19.35	10.6%	21.41	19.35	10.6%
Debt-to-Capital Ratio	13.6%	18.8%	(5.2pts)	13.6%	18.8%	(5.2pts)
ROE TTM	1.9%	5.6%	(3.7pts)	1.9%	5.6%	(3.7pts)
Combined Ratio - Canadian Specialty P&C	92.6%	85.5%	7.1pts	89.5%	87.2%	2.3pts
Canadian Specialty P&C ROE - TTM	19.1%	15.8%	3.3pts	19.1%	15.8%	3.3pts

* Net income attributable to common shareholders for the reporting period divided by the ending number of common shares as at the reporting date

Underwriting

- Stable performance from our Canadian operations, achieving NPE growth of 10.7% and a 92.6% combined ratio supported by strong underwriting across all lines.
- Accelerating premium growth in our U.S. platform, with GPW of \$71.2 million in Q3 2019 compared to \$55.5 million in Q2 2019. Earned fee income of \$2.4 million, compared to \$1.5 million in Q2 2019, helped support annualized quarterly ROE of 8.3%.
- Weakening interest rates in Europe drove reserve strengthening in our reinsurance subsidiary, partially offset by investment income.
- Adoption of a new reserving methodology, consistent with Solvency II, resulted in \$5.8 million reduction in reserves.

Capital

- The minimum capital test (“MCT”) ratio of our Canadian subsidiary was 233% (239% as at December 31, 2018), which comfortably exceeds regulatory requirements of 150%.
- Trisura Specialty’s capital of \$60.2 million USD as at September 30, 2019 (\$48.8 million USD as at December 31, 2018) was in excess of the minimum requirement of the Oklahoma Insurance Department.
- Trisura International’s capital of \$14.5 million USD as at September 30, 2019 (\$21.1 million USD as at December 31, 2018) was sufficient to meet the FSC’s regulatory capital requirement.
- Consolidated debt-to-capital ratio of 13.6% as at September 30, 2019 is below our long-term target of 20%.



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- AM Best affirmed the Financial Strength Rating A- (Excellent) and the Long-Term Credit Rating of “a-” of Trisura Guarantee and Trisura Specialty. The outlook of these Credit Ratings remains stable.

Investments

- Net investment income of \$10.0 million in Q3 2019 compared to \$3.6 million in Q3 2018, driven by deployment of reinsurance assets into long-dated European government bonds, which generated strong results in a declining interest rate environment.
- In Canada, interest and dividend income increased 42.4% over the prior period as we continued to benefit from the reallocation of the Canadian portfolio.
- In the fourth quarter we continued to deploy reinsurance capital into long-dated European government bonds which has further improved our asset liability matching, as well as increasing our expected interest income.

Corporate Development

- On June 22, Trisura applied for approval from the Pennsylvania Insurance Department to acquire control of 21st Century Preferred Insurance Company. The company is a shell entity, with 13 admitted state licenses that will enhance the offering of our US fronting platform.
- Regulatory approval was received on October 22, and the transaction closed November 1.



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About Trisura Group

Trisura Group Ltd. is an international specialty insurance provider 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 U.S. 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.

For more information, please contact:

Name: Bryan Sinclair

Tel: 416 607 2135

Email: bryan.sinclair@trisura.com



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Trisura Group Ltd.
Consolidated Statements of Financial Position
As at September 30, 2019 and December 31, 2018
(in thousands of Canadian dollars, except as otherwise noted)

As at	September 30, 2019	December 31, 2018
Cash and cash equivalents	131,913	95,212
Investments	340,130	282,874
Premiums and accounts receivable, and other assets	72,504	46,276
Deferred acquisition costs	91,912	63,715
Recoverable from reinsurers	238,872	109,567
Capital assets and intangible assets	10,201	2,512
Deferred tax assets	1,361	826
Total assets	886,893	600,982
Accounts payable, accrued and other liabilities	33,719	24,167
Reinsurance premiums payable	62,750	41,406
Unearned premiums	285,268	182,623
Unearned reinsurance commissions	40,932	19,137
Unpaid claims and loss adjustment expenses	245,693	173,997
Loan payable	29,700	29,700
Total liabilities	698,062	471,030
Shareholders' equity	188,831	129,952
Total liabilities and shareholders' equity	886,893	600,982



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

	Q3 2019	Q3 2018	Q3 2019 YTD	Q3 2018 YTD
Gross premiums written	114,354	57,282	305,050	150,767
Net premiums written	37,429	30,072	102,972	84,361
Net premiums earned	29,719	25,281	77,794	65,826
Fee income	2,530	370	8,631	4,049
Total underwriting revenue	32,249	25,651	86,425	69,875
Net claims	(18,092)	(4,583)	(49,249)	(13,482)
Net commissions	(10,265)	(8,313)	(27,839)	(23,358)
Premium taxes	(1,491)	(1,418)	(3,889)	(3,480)
Operating expenses	(9,020)	(9,245)	(29,237)	(26,250)
Net claims and expenses	(38,868)	(23,559)	(110,214)	(66,570)
Net underwriting (loss) income	(6,619)	2,092	(23,789)	3,305
Net investment income	9,991	3,639	20,679	7,628
Settlement from structured insurance assets	-	-	8,077	-
Foreign exchange gains (losses)	512	171	1,096	(153)
Interest expense	(333)	(243)	(1,020)	(709)
Income before income taxes	3,551	5,659	5,043	10,071
Income tax expense	(1,008)	(1,499)	(4,121)	(3,064)
Net income	2,543	4,160	922	7,007
Other comprehensive income (loss)	1,048	(2,712)	1,996	(468)
Comprehensive income	3,591	1,448	2,918	6,539



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

	Q3 2019	Q3 2018	Q3 2019 YTD	Q3 2018 YTD
Net income from operating activities	2,543	4,160	922	7,007
Non-cash items to be deducted	(348)	529	(1,508)	2,918
Stock options granted	146	(72)	364	171
Change in working capital operating items	25,704	9,255	39,982	7,010
Realized gains on AFS investments	(1,054)	(1,083)	(2,800)	(782)
Income taxes paid	(592)	(426)	(2,459)	(2,367)
Interest paid	(350)	(256)	(1,056)	(725)
Net cash from operating activities	26,049	12,107	33,445	13,232
Proceeds on disposal of investments	13,098	49,607	41,647	81,725
Purchases of investments	(27,832)	(55,982)	(91,076)	(160,731)
Net purchases of capital and intangible assets	(104)	(269)	(408)	(584)
Net cash used in investing activities	(14,838)	(6,644)	(49,837)	(79,590)
Dividends paid	(24)	(24)	(72)	(72)
Shares issued	55,669	-	55,669	-
Issuance of new loan payable	-	-	-	29,700
Repayment of loan payable	-	-	-	(29,700)
Principal portion of lease payments	(265)	-	(760)	-
Net cash from (used in) financing activities	55,380	(24)	54,837	(72)
Net increase (decrease) in cash	66,591	5,439	38,445	(66,430)
Cash at beginning of the period	64,949	97,739	95,212	165,675
Currency translation	373	(490)	(1,744)	3,443
Cash at the end of the period	131,913	102,688	131,913	102,688

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 future results, performance or achievement expressed or implied by such forward-looking statements and information.



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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.