

Trisura Group Reports First Quarter 2019 Results

Book Value Per Share Increased to \$20.41

TORONTO, May 09, 2019 -- Trisura Group Ltd. ("Trisura" or "Trisura Group") (TSX: TSU), a leading international specialty insurance holding company, today announced financial results for the first quarter of 2019.

David Clare, CEO of Trisura, stated, "Strong performance from both our Canadian and U.S. subsidiaries demonstrated continued progress on our strategic priorities in the first quarter. In Canada, robust top line growth and underwriting profitability, generated industry-leading returns on equity. Our U.S. platform produced over \$41 million in gross premiums written, \$1 million in fee income, generating its first profitable quarter."

Highlights

- Gross premiums written growth of 133.7% in Q1 2019, driven by continued growth in our Canadian Specialty P&C business and strong momentum in our US Specialty business.
- Net income in Q1 2019 of \$2.5 million, an increase of \$0.7 million over Q1 2018, driven by our Canadian Specialty P&C business and supported by profitability from our US Specialty business.
- Consolidated ROE (trailing 12 months) of 7.2% at March 31, 2019, compared to 6.9% at December 31, 2018 and 5.6% at September 30, 2018.
- Strong Q1 2019 results from our Canadian Specialty P&C business, achieving an 83.5% combined ratio, driving a 21.3% ROE for the trailing 12 months.
- Basic and diluted EPS of \$0.38 and \$0.37 in Q1 2019 respectively, compared to \$0.28 and \$0.27 in Q1 2018.
- Book value per share of \$20.41, a 9.3% increase over March 31, 2018.

Amounts in millions of Canadian dollars	Q1 2019	Q1 2018	Variance
Gross Premiums Written	81.4	34.8	133.7%
Net Premiums Written	28.4	23.9	18.8%
Net Underwriting (Loss) Income	(8.3)	1.2	nm
Net Investment Income	4.6	1.9	140.6%
Net Income	2.5	1.9	35.1%
EPS – Basic, \$	0.38	0.28	34.5%
EPS – Diluted, \$	0.37	0.27	36.3%
Book Value Per Share, \$	20.41	18.68	9.3%
Debt-to-Capital Ratio	18.0%	19.4%	(1.4pts)
ROE Trailing Twelve Months ("TTM")	7.2%	4.6%*	2.6pts
Combined Ratio - Canadian Specialty P&C	83.5%	83.6%	(0.1pts)
Canadian Specialty P&C ROE - TTM	21.3%	14.5%	6.8pts

*For period after spin-off from Brookfield Asset Management Inc. on June 22, 2017 (annualized)

Underwriting

- Excellent performance from our Canadian Specialty insurance operations, achieving GPW growth of 17.8% driven by Risk Solutions and Surety and an 83.5% combined ratio driven by strong results in Surety and improved claims experience in Corporate Insurance.
- Strong and accelerating premium growth in our US Specialty platform, with GPW of \$41.9 million in Q1 2019 compared to \$53.7 million in fiscal 2018. Earned fee income of \$1 million helped support our first profitable quarter in the U.S.
- Weakening interest rates in Europe drove reserve strengthening in our Reinsurance subsidiary, largely offset by investment income and gains from a legal settlement.

Capital

- The minimum capital test ("MCT") ratio of our Canadian subsidiary was 242% as at March 31, 2019 (239% as at December 31, 2018), which comfortably exceeds regulatory requirements of 150%.

- Trisura Specialty's capital of \$66.8 million as at March 31, 2019 (\$66.5 million as at December 31, 2018) was in excess of the minimum Risk Based Capital Ratio requirement of the Oklahoma Insurance Department.
- Trisura International's capital of \$27.6 million as at March 31, 2019 (\$28.7 million as at December 31, 2018) was sufficient to meet the FSC's regulatory capital requirement.
- Consolidated debt-to-capital ratio of 18.0% as at March 31, 2019 is below our long-term target of 20%.

Investments

- Net investment income of \$4.6 million in Q1 2019 compared to \$1.9 million in Q1 2018.
- In Canada, interest and dividend income increased 61.1% over the prior period as we continued to benefit from the reallocation of the Canadian portfolio.
- Investment income related to the Reinsurance portfolio increased due to gains from declining interest rates in our sovereign bond portfolio.
- A legal settlement related to our structured insurance asset generated a significant windfall in the quarter.

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 March 31, 2019 and December 31, 2018
(in thousands of Canadian dollars, except as otherwise noted)

As at	March 31, 2019	December 31, 2018
Cash and cash equivalents	82,072	95,212
Investments	297,150	282,874
Premiums and accounts receivable, and other assets	61,087	46,276
Deferred acquisition costs	70,550	63,715
Recoverable from reinsurers	144,987	109,567
Capital assets and intangible assets	10,568	2,512
Deferred tax assets	1,508	826
Total assets	667,922	600,982
Accounts payable, accrued and other liabilities	27,765	24,167
Reinsurance premiums payable	46,636	41,406
Unearned premiums	215,406	182,623
Unearned reinsurance commissions	24,445	19,137
Unpaid claims and loss adjustment expenses	188,802	173,997
Loan payable	29,700	29,700
Total liabilities	532,754	471,030
Shareholders' equity	135,168	129,952
Total liabilities and shareholders' equity	667,922	600,982

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

	Q1 2019	Q1 2018
Gross premiums written	81,383	34,824
Net premiums written	28,410	23,911
Net premiums earned	22,093	19,254
Fee income	4,349	3,276
Total underwriting revenue	26,442	22,530
Net claims	(14,894)	(4,703)
Net commissions	(8,518)	(7,597)
Premium taxes	(1,010)	(936)
Operating expenses	(10,280)	(8,121)
Net claims and expenses	(34,702)	(21,357)
Net underwriting (loss) income	(8,260)	1,173
Net investment income	4,596	1,910
Settlement from structured insurance assets	8,077	-
Foreign exchange gains (losses)	372	(117)
Interest expense	(345)	(231)
Income before income taxes	4,440	2,735
Income tax expense	(1,923)	(872)
Net income	2,517	1,863
Other comprehensive income	2,658	302
Comprehensive income	5,175	2,165

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

	Q1 2019	Q1 2018
Net income from operating activities	2,517	1,863
Non-cash items to be deducted	1,378	1,101
Stock options granted	65	88
Change in working capital operating items	(2,435)	(7,064)
Realized (gains) losses on AFS investments	(1,421)	492
Income taxes paid	(860)	(931)
Interest paid	(283)	(233)
Net cash used in operating activities	(1,039)	(4,684)
Proceeds on disposal of investments	13,540	5,762
Purchases of investments	(23,793)	(64,217)
Net purchases of capital and intangible assets	(200)	(229)
Net cash used in investing activities	(10,453)	(58,684)
Dividends paid	(24)	(24)
Issuance of new loan payable	-	29,700
Repayment of loan payable	-	(29,700)
Principal portion of lease payments	(313)	-
Net cash used in financing activities	(337)	(24)
Net decrease in cash	(11,829)	(63,392)
Cash at beginning of the period	95,212	165,675
Currency translation	(1,311)	2,344
Cash at the end of the period	82,072	104,627

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.

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.