

Trisura Group Reports Third Quarter 2018 Results

Book Value Per Share Increased to \$19.35

TORONTO, Nov. 08, 2018 -- Trisura Group Ltd. ("Trisura" or "Trisura Group") (TSX: TSU), a leading international specialty insurance holding company, today announced financial results for the third quarter of 2018.

David Clare, CEO of Trisura, stated, "Strong underwriting and topline growth continued in Q3 for our Canadian subsidiary, with correspondingly strong returns. We are also very pleased with the development of our US business, which continues to bind programs, producing gross premiums written of \$17.7 million in the third quarter of 2018."

Highlights

- Net income of \$4.2 million compared to \$2.0 million in Q3 2017. Net income was driven by strong Canadian results, favourable reserve development in our Reinsurance segment and lower operating expenses.
- Profitable underwriting in our Canadian business, producing an 85.5% third quarter combined ratio versus 90.2% in Q3 2017 (and 87.2% compared to 87.2% on a YTD comparison) driving a 15.8% trailing twelve-month ROE in Canada.
- Continued premium growth in our Canadian Specialty P&C business, increasing gross premiums written by 10% in Q3 and 15% YTD.
- Significant progress in our US operations, with \$17.7 million of gross written premium in Q3 and bound 12 bound programs YTD.
- Basic and diluted EPS of \$0.62 for the quarter and \$1.05 (basic) and \$1.03 (diluted) on a YTD basis.
- Book value per share of \$19.35, a 7.4% increase over past 12 months.

Amounts in millions of Canadian dollars	Q3 2018	Q3 2017	variance	Q3 2018 YTD	Q3 2017 YTD	variance
Gross Premiums Written	57.3	36.1	58.6%	150.8	108.1	39.5%
Net Premiums Written	30.1	26.7	12.5%	84.4	73.2	15.3%
Net Underwriting Income	2.1	1.2	70.4%	3.3	4.1	(19.1%)
Net Investment Income	3.6	2.1	76.1%	7.6	4.4	73.2%
Net Income (Loss)	4.2	2.0	107.0%	7.0	(0.3)	nm
EPS – Basic, \$	0.62	0.35	78.5%	1.05	0.39	168.5%
EPS –Diluted, \$	0.62	0.35	78.5%	1.03	0.39	165.1%
Book Value Per Share, \$	19.35	18.02	7.4%	19.35	18.02	7.4%
Debt-to-Capital Ratio	18.8%	22.2%	(3.4pts)	18.8%	22.2%	(3.4pts)
ROE Trailing Twelve Months ('TTM')	5.6%	n/a	n/a	5.6%	n/a	n/a
Combined Ratio - Canadian Specialty P&C	85.5%	90.2%	(4.7pts)	87.2%	87.2%	(0.0pts)
Canadian Specialty P&C ROE - TTM	15.8%	8.6%	7.2pts	15.8%	8.6%	7.2pts

Underwriting

- \$17.7 million of gross premiums written by our new US Specialty P&C business.
- Our Canadian Specialty P&C business generated strong underwriting income with a combined ratio of 85.5% compared to 90.2% in Q3 2017 driven by strong performance in Surety.

Capital

- The minimum capital test ("MCT") ratio of our Canadian subsidiary was 247% as at September 30, 2018 (255% as at December 31, 2017), which comfortably exceeds regulatory requirements of 150%.
- The capital and surplus in our US subsidiary of \$63.4 million as at September 30, 2018 is well in excess of the \$19.4 million minimum capital requirements of the Oklahoma Insurance Department.
- Our international subsidiary had capital of \$28.4 million as at September 30, 2018 which was well in excess of its regulatory capital requirement of \$0.2 million.
- Consolidated debt-to-capital ratio of 18.8% as at September 30, 2018 is below our long-term target of 20%.

Investments

- Net investment income of \$3.6 million compared to \$2.1 million in Q3 2017. Interest and dividend income were slightly higher in Q3 2018, 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 Insurance and our US subsidiary, Trisura Specialty with stable outlook.

Management Appointment

- On October 16, 2018 Trisura announced that David Clare would be succeeding Greg Morrison as President and CEO of Trisura Group.
- Greg Morrison will continue to act as a director of Trisura Group.

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.

For more information, please contact:

Name: Bryan Sinclair

Tel: 416 607 2135

Email: bryan.sinclair@trisura.com

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

As at	September 30, 2018	December 31, 2017
Cash and cash equivalents	102,688	165,675
Investments	266,318	190,641
Premiums and accounts receivable, and other assets	33,388	23,172
Deferred acquisition costs	56,095	40,266
Recoverable from reinsurers	95,841	65,254
Capital assets and intangible assets	2,636	2,612
Deferred tax assets	805	740
Total assets	557,771	488,360
Accounts payable, accrued and other liabilities	21,481	19,795
Reinsurance premiums payable	30,709	17,555
Unearned premiums	159,881	115,357
Unearned reinsurance commissions	14,441	5,566
Unpaid claims and loss adjustment expenses	173,419	178,885
Loan payable	29,700	29,700
Total liabilities	429,631	366,858
Shareholders' equity	128,140	121,502
Total liabilities and shareholders' equity	557,771	488,360

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

	Q3 2018	Q3 2017	Q3 2018 YTD	Q3 2017 YTD
Gross premiums written	57,282	36,123	150,767	108,074

Net premiums written	30,072	26,742	84,361	73,176
Net premiums earned	25,281	21,990	65,826	59,567
Fee income	370	216	4,049	3,273
Total underwriting revenue	25,651	22,206	69,875	62,840
Net claims	(4,583)	(5,129)	(13,482)	(12,466)
Net commissions	(8,313)	(6,799)	(23,358)	(19,687)
Premium taxes	(1,418)	(1,246)	(3,480)	(3,236)
Operating expenses	(9,245)	(7,804)	(26,250)	(23,366)
Net claims and expenses	(23,559)	(20,978)	(66,570)	(58,755)
Net underwriting income	2,092	1,228	3,305	4,085
Net investment income	3,639	2,067	7,628	4,404
Foreign exchange (losses) gains	171	(253)	(153)	(138)
Interest expense	(243)	(273)	(709)	(812)
Change in minority interests	-	2	-	(5,156)
Income before income taxes	5,659	2,771	10,071	2,383
Income tax expense	(1,499)	(761)	(3,064)	(2,648)
Net income (loss)	4,160	2,010	7,007	(265)
Other comprehensive loss	(2,712)	(2,965)	(468)	(5,636)
Comprehensive income (loss)	1,448	(955)	6,539	(5,901)

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 2018	Q3 2017	Q3 2018 YTD	Q3 2017 YTD
Net income (loss) from operating activities	4,160	2,010	7,007	(265)
Non-cash items to be deducted	457	873	3,089	1,209
Change in working capital operating items	9,255	12,070	7,010	20,722
Realized gains (losses) on AFS investments	(1,083)	(340)	(782)	(704)
Income taxes paid	(426)	(968)	(2,367)	(6,123)
Interest paid	(256)	(286)	(725)	(810)
Net cash from operating activities	12,107	13,359	13,232	14,029
Proceeds on disposal of investments	49,607	554	81,725	20,386
Purchases of investments	(55,982)	(12,202)	(160,731)	(131,864)
Net purchases of capital and intangible assets	(269)	(38)	(584)	(145)
Net cash used in investing activities	(6,644)	(11,686)	(79,590)	(111,623)
Change in minority interests	-	(2)	-	5,156
Dividends paid	(24)	-	(72)	-
Common shares issued	-	-	-	140,270
Issuance of new loan payable	-	-	29,700	-
Repayment of note payable	-	-	-	(355)
Repayment of loan payable	-	(500)	(29,700)	(4,200)
Net cash (used in) from financing activities	(24)	(502)	(72)	140,871
Net increase (decrease) in cash	5,439	1,171	(66,430)	43,277
Cash at beginning of the period	97,739	160,344	165,675	122,096
Currency translation	(490)	(5,194)	3,443	(9,052)
Cash at the end of the period	102,688	156,321	102,688	156,321

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.