



PRESS RELEASE

TRISURA GROUP REPORTS FOURTH QUARTER AND 2017 ANNUAL RESULTS

TORONTO, February 16, 2018 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance company, today announced financial results for the fourth quarter and year ended December 31, 2017.

Greg Morrison, CEO of Trisura, stated “2017 was a transformational year for Trisura, as we achieved a number of strategic goals alongside strong underwriting and premium growth in our Canadian P&C business. Of note, we received a regulatory license and an A- rating from AM Best in the US and bound our first insurance transaction in early 2018. Trisura Group is well positioned for future growth after acquiring full ownership of our Canadian P&C business through an accretive share exchange with Trisura Guarantee’s management group.”

Fourth Quarter and Annual 2017 Financial Results

Highlights

- ✓ Excellent premium growth through 2017; net premiums written increased by 21% in the fourth quarter and by 14% for the full year driven by increased activity in our Risk Solutions and Surety business lines.
- ✓ Strong underwriting performance in 2017 in our P&C business with combined ratios of 93.7% and 88.9% in the fourth quarter and full year respectively. ROE on P&C business for 2017 was a solid 13.7%.
- ✓ Net income and earnings per share in Q4 2017 were slightly negative at (\$0.1) million and (\$0.01) per share due to overhead expenses incurred from the establishment of our US entity and the Group functions.
- ✓ Achieved our target debt-to-capital ratio of 20%.
- ✓ Rationalized our shareholder base through a shareholder-approved consolidation and split process, which reduces on-going administrative expenses.

Amounts in C\$ millions	Q4 2017	Q4 2016	Variance	2017	2016	Variance
Gross Premiums Written	38.7	33.4	15.9%	146.8	125.0	17.4%
Net Premiums Written	26.4	21.8	21.1%	99.6	87.1	14.4%
Combined Ratio - P&C Business	93.7%	105.1%	(11.4) pts	88.9%	92.2%	(3.3) pts
ROE on P&C Business (annualized for Q4 periods)	9.0%	4.1%	4.9 pts	13.7%	8.4%	5.3 pts
Net Underwriting (Loss) Income	(0.5)	(1.8)	1.3	3.6	(6.4)	10.0
Net (Loss) Income	(0.1)	0.1	(0.2)	(0.3)	3.0	(3.3)
Earnings Per Common Share, Basic and Diluted, \$	(0.01)	n/a	n/a	0.37*	n/a	n/a
Book Value Per Share, \$	18.35	18.18**	0.9%	18.35	18.18**	0.9%
ROE (Annualized)	(0.3%)	n/a	n/a	3.9%*	n/a	n/a
Debt-to-Capital Ratio	19.6%	32.5%	(12.9) pts	19.6%	32.5%	(12.9) pts

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

** As at June 30, 2017



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Capital

- We actively manage our capital allocation to optimize our returns. During 2017 we reallocated capital of \$26.7 million from Trisura International Insurance Company to fund Trisura Specialty Insurance Company as well as to pay out small shareholders as part of the share consolidation/split process.
- The minimum capital test ("MCT") ratio of Trisura Guarantee Insurance Company was 255% as at December 31, 2017 (272% as at December 31, 2016), which comfortably exceeds regulatory requirements of 150%.
- Trisura Specialty Insurance Company's capital and surplus of \$56.5 million as at December 31, 2017 is strong versus the \$18.8 million minimum capital requirements of the Oklahoma Insurance Department.
- Trisura International Insurance Company had capital of \$26.6 million as at December 31, 2017 which was well in excess of its regulatory capital requirement of \$0.2 million.
- Consolidated debt-to-capital ratio of 19.6% as at December 31, 2017 (32.5% as at December 31, 2016) achieving its long-term target maximum of 20%.

Investments

- Trisura's net investment income in Q4 2017 was \$1.0 million compared to \$2.6 million in Q4 2016. Interest and dividend income was comparable period over period, however Q4 2016 benefitted from a revaluation of our structured insurance asset.

Corporate Development

- Trisura Group completed two significant corporate objectives in Q4 2017 which position us well for our future development plans namely:
 - The acquisition of full ownership of Trisura Guarantee following the issuance of common shares at Trisura Group in exchange for Trisura Guarantee's management group's 40% ownership interest in the business ("the Buyout"). The Buyout is expected to be accretive to earnings and book value per share in 2018.
 - The rationalization of our shareholder base as a result of a 10 for 1 share consolidation of Trisura Group common shares followed immediately by a 1 for 10 share split. This transaction, which was approved by shareholders at a special meeting in December 2017, resulted in smaller shareholders receiving liquidity and lowered current and future administrative costs significantly while keeping the holdings of any holder of 10 or more common shares unchanged.



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Appointment of David Clare to the Senior Management Team

On August 10, 2017, Trisura entered into a management services agreement with its largest shareholder, Partners Value Investments LP ("PVI"), pursuant to which PVI provided David Clare to act as Chief Investment Officer of Trisura Group. We are pleased to announce that Trisura Group will be terminating this agreement as Mr. Clare has agreed to join the Company as a full-time employee, where he will be a Senior Vice President responsible for investments, corporate development and investor relations. He will play an important role in developing Trisura's in-house investment management function.

Since 2015, Mr. Clare has been an executive at PVI, where he led an initiative to build and manage a global portfolio of securities in multiple jurisdictions across equity, fixed income and derivative instruments. Prior to that, Mr. Clare worked at Power Corporation of Canada where he focused on corporate development and strategy in the financial services industry.

"David is well-known to our investors and has been an integral part of Trisura's development since prior to our spinoff from Brookfield Asset Management. We were eager to bring David in-house to continue his work supervising Trisura's investments and strategic initiatives. We look forward to David playing a strong leadership role as we continue to execute our growth strategy." said Greg Morrison, CEO of Trisura.

About Trisura Group

Trisura Group Ltd. is an international specialty insurance 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: David Clare

Tel: 647-503-6516

Email: dclare@pvii.ca

Cautionary Statement Regarding Forward-Looking Statements and Information



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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.



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Trisura Group Ltd.
Audited Consolidated Statements of Financial Position
As at December 31, 2017 and December 31, 2016
(in thousands of Canadian dollars, except as otherwise noted)

As at	2017	2016	\$ variance
Cash and cash equivalents	165,675	122,096	43,579
Investments	190,641	194,393	(3,752)
Premiums and accounts receivable, and other assets	23,172	22,069	1,103
Deferred acquisition costs	40,266	30,985	9,281
Recoverable from reinsurers	65,254	47,120	18,134
Capital assets and intangible assets	2,612	2,116	496
Deferred tax assets	740	622	118
Total assets	488,360	419,401	68,959
Accounts payable, accrued and other liabilities	19,795	25,434	(5,639)
Reinsurance premiums payable	17,555	13,461	4,094
Unearned premiums	115,357	90,612	24,745
Unearned reinsurance commissions	5,566	4,928	638
Unpaid claims and loss adjustment expenses	178,885	163,970	14,915
Loan payable	29,700	34,100	(4,400)
Minority interests	-	16,008	(16,008)
Total liabilities	366,858	348,513	18,345
Shareholders' equity	121,502	70,888	50,614
Total liabilities and shareholders' equity	488,360	419,401	68,959



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

	Q4 2017	Q4 2016	2017	2016
Gross premiums written	38,689	33,406	146,763	124,965
Net premiums written	26,439	21,837	99,615	87,064
Net premiums earned	19,866	18,591	79,433	72,255
Fee income	127	214	3,400	3,365
Total underwriting revenue	19,993	18,805	82,833	75,620
Net claims	(5,187)	(5,636)	(17,653)	(28,800)
Net commissions	(5,195)	(5,106)	(24,882)	(23,070)
Premium taxes	(1,227)	(962)	(4,463)	(3,591)
Operating expenses	(8,913)	(8,862)	(32,279)	(26,604)
Net claims and expenses	(20,522)	(20,566)	(79,277)	(82,065)
Net underwriting (loss) income	(529)	(1,761)	3,556	(6,445)
Net investment income	1,007	2,575	5,411	12,424
Foreign exchange gains (losses)	103	(123)	(35)	(528)
Interest expense	(197)	(152)	(1,009)	(481)
Change in minority interests	-	2	(5,156)	(155)
Income before income taxes	384	541	2,767	4,815
Income tax expense	(461)	(455)	(3,109)	(1,862)
Net (loss) income	(77)	86	(342)	2,953
Other comprehensive income (loss)	1,141	999	(4,495)	2,156
Comprehensive income (loss)	1,064	1,085	(4,837)	5,109

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

	Q4 2017	Q4 2016	2017	2016
Net (loss) income from operating activities	(77)	86	(342)	2,953
Non-cash items to be deducted	1,145	(3,817)	2,354	(387)
Stock options granted	143	-	143	-
Change in working capital operating items	3,000	(1,381)	23,722	9,673
Realized losses on AFS investments	(228)	(93)	(932)	(1,936)
Income taxes paid	(967)	-	(7,090)	(1,797)
Interest paid	(232)	(292)	(1,042)	(625)
Net cash from (used in) operating activities	2,784	(5,497)	16,813	7,881
Proceeds on disposal of investments	18,664	26,470	39,050	61,140
Purchases of investments	(7,539)	(2,019)	(139,403)	(33,934)
Net purchases of capital and intangible assets	(925)	40	(1,070)	(803)
Net cash from (used in) investing activities	10,200	24,491	(101,423)	26,403
Change in minority interests	-	(2)	5,156	155
Dividends paid	(8)	4	(8)	(17,699)
Common shares issued	-	-	140,270	-
Shares redeemed	(4,031)	-	(4,031)	(21,000)
Repayment of notes payable	-	(38)	(355)	(346)
Loans received	-	-	-	35,000
Repayment of loans payable	(200)	(918)	(4,400)	(7,518)
Net cash (used in) from financing activities	(4,239)	(954)	136,632	(11,408)
Net increase in cash	8,745	18,040	52,022	22,876
Cash at beginning of the period	156,321	101,988	122,096	101,387
Currency translation	609	2,068	(8,443)	(2,167)
Cash at the end of the period	165,675	122,096	165,675	122,096