



PRESS RELEASE

TRISURA GROUP REPORTS SECOND QUARTER 2020 RESULTS

TORONTO, August 5, 2020 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance provider, today announced financial results for the second quarter of 2020.

David Clare, President and CEO of Trisura, stated, “In Q2, Trisura generated net income of \$6.6 million, driven by operational strength from our specialty platforms in North America, investment gains and partially offset by reserve strengthening in our Reinsurance entity.

In Canada, disciplined underwriting and consistent investment returns sustained our industry-leading 19.7% return on equity despite the disruption of COVID-19. Our U.S. platform maintained its growth trajectory, binding \$144.8 million of quarterly gross premiums and generating \$4.0 million in net income.

We experienced volatility in our reinsurance operations, the result of heightened market volatility and redeployment of our assets as the new manager established an improved portfolio.

Following our equity raise, our balance sheet is further strengthened and positioned to support growth.”

Highlights

- ✓ Gross and net written premiums growth of 85.4% and 26.3% in Q2, supported by momentum in our U.S. operations and continued growth in Canada.
- ✓ Net income of \$6.6 million in the quarter, driven by strong underwriting in Canada, growing profitability in the U.S and investment gains.
- ✓ Consolidated LTM ROE of 11.8%, which includes the impact of negative results in our reinsurance business and dilution from the equity raises in September 2019 and May 2020, compared to 3.3% at Q2 2019.
- ✓ Book value per share of \$26.24, a 21.6% increase from December 31, 2019, driven by the equity raise and supported by positive net income.
- ✓ EPS of \$0.68 in Q2 2020, compared to \$(0.63) in Q2 2019.
- ✓ Successfully completed a \$65.1 million equity raise to sustain growth in the US supported by existing and new shareholders.
- ✓ Industry-leading results from our Canadian business, achieving a combined ratio of 78.9% in Q2 2020, producing a 19.7% LTM ROE.
- ✓ Continued acceleration in our U.S. business, producing \$144.8 million in GPW in the quarter and \$4.0 million in net income, driving a 9.5% LTM ROE.

PRESS RELEASE

- ✓ Improved financial flexibility demonstrated by a debt-to-capital ratio of 9.9%, below our long-term target of 20.0%.

Amounts in C\$ millions	Q2 2020	Q2 2019	Variance	Q2 2020 YTD	Q2 2019 YTD	Variance
Gross premiums written	202.7	109.3	85.4%	372.6	190.7	95.4%
Net premiums written	46.9	37.1	26.3%	88.4	65.5	34.8%
Net underwriting (loss) income	(0.2)	(8.9)	(97.7%)	0.4	(17.2)	nm
Net investment income	6.3	5.8	9.3%	14.8	10.1	47.2%
Net income (loss)	6.6	(4.1)	nm	15.0	(1.6)	nm
EPS - diluted, \$	0.68	(0.63)	nm	1.61	(0.25)	nm
Book value per share, \$	26.24	19.55	34.2%	26.24	19.55	34.2%
Debt-to-Capital ratio	9.9%	18.7%	(8.8pts)	9.9%	18.7%	(8.8pts)
LTM ROE	11.8%	3.3%	8.5pts	11.8%	3.3%	8.5pts
Combined ratio - Canada	78.9%	91.4%	(12.5pts)	80.3%	87.8%	(7.5pts)
LTM ROE - Canada	19.7%	21.7%	(2.0pts)	19.7%	21.7%	(2.0pts)

COVID-19

- Trisura staff globally continue to work effectively from home. We have introduced safety measures in physical offices in preparation for a gradual return to work acknowledging best practices and local jurisdiction protocols.
- Despite resilience in the quarter, fears of a second wave in the US and weaker than anticipated economic recovery may threaten momentum. We have observed slowing conditions across the US and continue to monitor closely.
- Premium generation and claims activity may be impacted depending on the length and depth of the pandemic-related economic slowdown, as well as the effectiveness of government support programs. Depending on these factors, premium growth could slow and claims activity could increase.

Insurance Operations

- Disciplined underwriting in Canada, achieving a loss ratio of 16.2% in the quarter, supported by strong claims experience across all lines. Improvements in expense ratio driven by operational efficiency resulted in a combined ratio of 78.9%.
- Strong growth in our U.S. platform, with GPW of \$144.8 million in Q2 2020 compared to \$120.7 million in Q1 2020, and fee income of \$5.6 million in Q2 2020 compared to \$4.1 million in Q1 2020.
- Volatility in the asset-liability matching in our international reinsurance operations negatively impacted consolidated net underwriting income in the quarter.



PRESS RELEASE

Capital

- The minimum capital test (“MCT”) ratio of our Canadian operations was 255% (258% as at December 31, 2019), which comfortably exceeded regulatory requirements of 150%.
- Trisura Specialty’s capital of \$112.8 million USD as at June 30, 2020 (\$83.3 million USD as at December 31, 2019) was in excess of the minimum requirement of the states in which Trisura Specialty is licensed.
- Trisura International’s capital of \$11.7 million USD as at June 30, 2020 (\$14.2 million USD as at December 31, 2019) was appropriate in the context the regulatory capital requirements it is subject to.
- Consolidated debt-to-capital ratio of 9.9% as at June 30, 2020 is below our long-term target of 20.0%.

Investments

- In Q2 2020, net investment income of \$6.3 million compared to \$5.8 million in Q2 2019. The improvement was driven by an increase in interest and dividend income in North America, as well as longer duration reinsurance assets, which generated strong results in a declining interest rate environment.
- In Canada, interest and dividend income was consistent in Q2 2020, versus the prior period.
- In the U.S., interest and dividend income increased 80.6% in Q2 2020, over the prior period, as we benefited both from diversification of the portfolio and increased capital following equity raises in September 2019 and May 2020.
- European rates fell in Q2 2020, which contributed to a net investment gain of \$3.6 million in Trisura International, offset by reserve reductions. Investment income at Trisura International increased 72.7% over the prior YTD period.
- Other comprehensive income was positively impacted by unrealized gains in the equity, preferred share and fixed income portfolios in both Canada and the US, following the recovery in financial markets since the end of Q1 2020.

Corporate Development

- Trisura continues to grow its admitted licenses, with 30 state licenses today and the intention of securing admitted licenses in all 50 states.



PRESS RELEASE

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 US and Trisura International Insurance Ltd. in Barbados. Trisura Group Ltd. 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 Ltd. 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



PRESS RELEASE

Trisura Group Ltd.
Consolidated Statements of Financial Position
As at June 30, 2020 and December 31, 2019
(in thousands of Canadian dollars, except as otherwise noted)

As at	June 30, 2020	December 31, 2019
Cash and cash equivalents, and short-term securities	99,165	85,905
Investments	465,680	392,617
Premiums and accounts receivable, and other assets	136,076	86,669
Recoverable from reinsurers	465,215	293,068
Deferred acquisition costs	139,873	104,197
Capital assets and intangible assets	13,872	14,477
Deferred tax assets	7,732	1,460
Total assets	1,327,613	978,393
Accounts payable, accrued and other liabilities	44,337	40,916
Reinsurance premiums payable	109,852	80,186
Unearned premiums	445,980	328,091
Unearned reinsurance commissions	80,446	51,291
Unpaid claims and loss adjustment expenses	348,066	257,880
Loan payable	29,494	29,700
Total liabilities	1,058,175	788,064
Shareholders' equity	269,438	190,329
Total liabilities and shareholders' equity	1,327,613	978,393



PRESS RELEASE

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

	Q2 2020	Q2 2019	Q2 2020 YTD	Q2 2019 YTD
Gross premiums written	202,683	109,313	372,635	190,696
Net premiums written	46,881	37,133	88,381	65,543
Net premiums earned	36,776	25,982	67,343	48,075
Fee income	5,867	1,752	13,408	6,101
Total underwriting revenue	42,643	27,734	80,751	54,176
Net claims and loss adjustment expenses	(15,961)	(16,263)	(30,147)	(31,157)
Net commissions	(12,138)	(9,056)	(23,371)	(17,574)
Operating expenses and premium taxes	(14,753)	(11,325)	(26,838)	(22,615)
Total claims and expenses	(42,852)	(36,644)	(80,356)	(71,346)
Net underwriting (loss) income	(209)	(8,910)	395	(17,170)
Net investment income	6,308	5,771	14,842	10,084
Settlement from structured insurance assets	-	-	-	8,077
Net gains	3,504	533	1,450	1,188
Interest expense	(267)	(342)	(667)	(687)
Income (loss) before income taxes	9,336	(2,948)	16,020	1,492
Income tax expense	(2,749)	(1,190)	(1,062)	(3,113)
Net income (loss)	6,587	(4,138)	14,958	(1,621)
Other comprehensive income (loss)	8,828	(1,710)	(2,542)	948
Comprehensive income (loss)	15,415	(5,848)	12,416	(673)



PRESS RELEASE

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

	Q2 2020	Q2 2019	Q2 2020 YTD	Q2 2019 YTD
Net income (loss) from operating activities	6,587	(4,138)	14,958	(1,621)
Non-cash items to be deducted	9,184	(2,538)	7,371	(1,160)
Stock options granted	228	153	380	218
Change in working capital operating items	14,485	16,713	13,946	14,278
Realized gains on investments	(14,377)	(325)	(17,198)	(1,746)
Income taxes paid	(8)	(1,007)	(3,287)	(1,867)
Interest paid	(259)	(423)	(695)	(706)
Net cash from operating activities	15,840	8,435	15,475	7,396
Proceeds on disposal of investments	113,202	15,009	140,264	28,549
Purchases of investments	(175,157)	(39,451)	(208,926)	(63,244)
Net purchases of capital and intangible assets	(135)	(104)	(506)	(304)
Net cash used in investing activities	(62,090)	(24,546)	(69,168)	(34,999)
Dividends paid	-	(24)	-	(48)
Shares issued	65,143	-	65,143	-
Loans received	-	-	32,700	-
Repayment of loan payable	(3,000)	-	(32,700)	-
Lease payments	(398)	(182)	(878)	(495)
Net cash from (used in) financing activities	61,745	(206)	64,265	(543)
Net increase (decrease) in cash	15,495	(16,317)	10,572	(28,146)
Cash at beginning of the period	84,352	82,072	85,905	95,212
Currency translation	(682)	(806)	2,688	(2,117)
Cash at the end of the period	99,165	64,949	99,165	64,949

PRESS RELEASE

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 the Company and its subsidiaries, 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,” “likely,” “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 our Company 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: developments related to COVID-19, including the impact of COVID-19 on the economy and global financial markets; the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour 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; changes in capital requirements; changes in reinsurance arrangements; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; and other risks and factors detailed from time to time in our documents filed with 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 Ltd. undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be a result of new information, future events or otherwise.