



PRESS RELEASE

TRISURA GROUP REPORTS FIRST QUARTER 2021 RESULTS

TORONTO, May 5, 2021 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance provider, today announced financial results for the first quarter of 2021.

David Clare, President and CEO of Trisura, stated, “Trisura’s momentum continued in the first quarter of 2021, with net income of \$19.3 million, an increase of 130.8% over the prior year. Strong underwriting performance and premium growth, supported by investment gains, contributed to a 16.1% return on equity, meeting our mid-teens target ahead of plan.

Premium growth was significant, increasing 82.6% over the prior year, while disciplined underwriting in Canada contributed to an industry-leading 65.3% combined ratio. Our US business sustained its trajectory of growth, binding a new record \$224.7 million of gross premiums, and generating \$6.4 million in net income. Reinsurance contributed to earnings through appropriate asset liability matching.

Our balance sheet is well-funded to support future growth, with flexibility afforded by our 8.0% debt-to-capital ratio and a newly achieved investment grade rating.”

Highlights

- ✓ EPS of \$1.84 in Q1 2021 compared to \$0.94 in Q1 2020.
- ✓ Book value per share of \$30.04, an increase of 6.4% from December 31, 2020, driven by strong earnings.
- ✓ Gross and net written premiums growth of 82.6% and 86.4% in Q1 2021 was supported by continued momentum in US fronting and growth in Canada.
- ✓ Quarterly net income of \$19.3 million grew 130.8% compared to prior year, driven by strong growth and underwriting in Canada, growing profitability in the US, improved asset liability matching in our Reinsurance business and investment gains.
- ✓ ROE of 16.1% compared to 6.8% in Q1 2020, meeting our mid-teens target despite dilution from our equity raise in May 2020, and achieved in the context of significant growth.
- ✓ GPW in Canada increased by 73.7% in Q1 2021. Strong underwriting performance across all lines contributing to a 65.3% combined ratio and a 27.4% ROE.
- ✓ US premium and fee income growth, which reached \$224.7 million and \$9.5 million in the quarter, contributed to improved net income of \$6.4 million and a 13.2% ROE despite an increase in the capital base.

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Amounts in C\$ millions	Q1 2021	Q1 2020	Variance
Gross premiums written	310.3	170.0	82.6%
Net income	19.3	8.4	130.8%
EPS - diluted, \$	1.84	0.94	95.7%
Adjusted EPS - diluted, \$	1.62	0.86	88.4%
Book value per share, \$	30.04	21.23	41.5%
Debt-to-Capital ratio	8.0%	15.3%	(7.3pts)
ROE	16.1%	6.8%	9.3pts
Adjusted ROE	15.8%	11.9%	3.9pts
Combined ratio - Canada	65.3%	82.0%	(16.7pts)
Fronting operational ratio - US	67.2%	69.3%	(2.1pts)

COVID-19

- Trisura staff continue to work effectively from home. We have introduced safety measures in physical offices and began a gradual return to work in jurisdictions where it is safe.
- Despite resilience in the quarter, a recent third wave globally and the potential for a weaker than anticipated economic recovery may threaten momentum.
- 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 and vaccines in driving a sustained re-opening. Depending on these factors, premium growth could slow and claims activity could increase.

Insurance Operations

- Disciplined underwriting in Canada contributed to a loss ratio of 13.3% for the quarter. The lower loss ratio as well as a lower expense ratio in the quarter resulted in a combined ratio of 65.3%, in the context of 73.7% growth in premiums.
- GPW in the US of \$224.7 million in Q1 2021 compared to \$120.7 million in Q1 2020, and fee income of \$9.5 million in Q1 2021 compared to \$4.1 million in Q1 2020.
- Improved asset-liability matching in our Reinsurance business limited volatility through the quarter.



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Capital

- The minimum capital test (“MCT”) ratio of our Canadian operations was 254% as at March 31, 2021 (249% as at December 31, 2020), which comfortably exceeded regulatory requirements of 150%.
- Capital in our US operations of \$126.6 million USD at March 31, 2021 (\$122.6 million USD at December 31, 2020) was in excess of the various Company Action Levels of the states in which Trisura Specialty is licensed.
- Consolidated debt-to-capital ratio of 8.0% as at March 31, 2021 is below our long-term target of 20.0%.

Investments

- Investment loss was \$5.3 million in Q1 2021, driven by the impact of movements in European interest rates on the long duration assets supporting certain reserves in our Reinsurance business. Importantly, these investment losses are offset by reductions in reserves in the Reinsurance business.
- In Canada and the US, interest and dividend income rose 2.3% versus the prior year. The US portfolio benefited from improved diversification after rebalancing through COVID-related volatility, and increased capital following the equity raise in May 2020.
- Net gains were greater in Q1 2021 as a result of gains in our share-based compensation hedging program and favourable foreign exchange movements.

Corporate Development

- Trisura continues to grow its admitted licenses, with 48 state admitted licenses today and the intention of securing admitted licenses in all 50 states.
- In the quarter Trisura bound \$7.6 million in admitted premiums; we expect the admitted business to be a more significant opportunity for growth in the second half of 2021.
- In March 2021, DBRS Morningstar assigned Trisura Canada and Trisura US a Financial Strength Rating of A (low), and Trisura Group Ltd. an Issuer Rating of BBB.



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Financial Statement Presentation – Update

- In Q4 2020 we adjusted the presentation of our consolidated income statement to reflect a more representative view of our business, removing net underwriting income, which in the context of a business with life reserves on the Balance sheet, diluted the utility of the measure.
- Adjusted EPS and adjusted ROE were also introduced in Q4 2020, to adjust for non-recurring items and better reflect earnings for our core operations, providing a more representative depiction of the run-rate operations of the business.

Earnings Conference Call

Trisura will host its inaugural Earnings Conference Call to review financial results at 9:00 a.m. ET on Thursday May 6th, 2021.

To listen to the call via live audio webcast, please follow the link below:

<https://edge.media-server.com/mmc/p/bshtsh2a>

A replay of the call will be available through the link above.



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About Trisura Group

Trisura Group Ltd. is an international specialty insurance provider operating in the surety, risk solutions, corporate insurance, fronting 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.

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Trisura Group Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2021 and December 31, 2020
(in thousands of Canadian dollars, except as otherwise noted)

As at	March 31, 2021	December 31, 2020
Cash and cash equivalents	129,649	136,519
Investments	524,393	503,684
Premiums and accounts receivable, and other assets	211,078	178,883
Recoverable from reinsurers	784,381	676,972
Deferred acquisition costs	215,880	188,190
Capital assets and intangible assets	14,356	13,907
Deferred tax assets	6,769	8,577
Total assets	1,886,686	1,706,732
Accounts payable, accrued and other liabilities	49,697	57,343
Reinsurance premiums payable	180,858	151,707
Unearned premiums	668,417	592,711
Unearned reinsurance commissions	106,675	100,281
Unpaid claims and loss adjustment expenses	545,307	487,271
Loan payable	26,970	27,555
Total liabilities	1,577,924	1,416,868
Shareholders' equity	308,762	289,864
Total liabilities and shareholders' equity	1,886,686	1,706,732



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

	Q1 2021	Q1 2020
Gross premiums written	310,274	169,952
Net premiums written	77,365	41,500
Net premiums earned	52,624	30,567
Fee income	13,784	7,541
Net investment (loss) income	(5,317)	8,534
Net gains (losses)	3,834	(2,054)
Total revenues	64,925	44,588
Net claims and loss adjustment expenses	(4,107)	(14,186)
Net commissions	(18,559)	(11,233)
Operating expenses	(17,014)	(12,085)
Interest expense	(187)	(400)
Total claims and expenses	(39,867)	(37,904)
Income before income taxes	25,058	6,684
Income tax (expense) benefit	(5,740)	1,687
Net income	19,318	8,371
Other comprehensive income (loss)	762	(11,370)
Comprehensive income (loss)	20,080	(2,999)



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

	Q1 2021	Q1 2020
Net income from operating activities	19,318	8,371
Non-cash items	10,681	(1,813)
Stock options granted	261	152
Change in working capital	2,453	(539)
Realized gains on investments	(870)	(2,821)
Income taxes paid	(1,191)	(3,279)
Interest paid	(250)	(436)
Net cash from (used in) operating activities	30,402	(365)
Proceeds on disposal of investments	36,844	27,062
Purchases of investments	(69,935)	(33,769)
Net purchases of capital and intangible assets	(856)	(371)
Net cash used in investing activities	(33,947)	(7,078)
Shares issued	257	-
Shares purchased under the restricted share units plan	(1,814)	-
Loans received	26,970	32,700
Repayment of loan payable	(27,555)	(29,700)
Lease payments	(334)	(480)
Net cash (used in) from financing activities	(2,476)	2,520
Net decrease in cash and cash equivalents	(6,021)	(4,923)
Cash and cash equivalents, beginning of period	136,519	85,905
Currency translation	(849)	3,370
Cash and cash equivalents, end of period	129,649	84,352

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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, the Company 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.