4Q 2016 Investor Presentation

Forward-Looking Statements

This presentation may include forward-looking statements, both with respect to Argo Group and its industry, that reflect our current views with respect to future events and financial performance. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "expect," "intend," "plan," "believe," "do not believe," "aim," "project," "anticipate," "seek," "will," "likely," "assume," "estimate," "may," "continue," "guidance," "objective," "outlook," "trends," "future," "could," "would," "should," "target," "on track" and similar expressions of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond Argo Group's control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) unpredictability and severity of catastrophic events; 2) rating agency actions; 3) adequacy of our risk management and loss limitation methods; 4) cyclicality of demand and pricing in the insurance and reinsurance markets; 5) statutory or regulatory developments including tax policy, reinsurance and other regulatory matters; 6) our ability to implement our business strategy; 7) adequacy of our loss reserves; 8) continued availability of capital and financing; 9) retention of key personnel; 10) competition; 11) potential loss of business from one or more major insurance or reinsurance brokers; 12) our ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 13) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 14) the integration of businesses we may acquire or new business ventures we may start; 15) the effect on our investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 16) acts of terrorism or outbreak of war; and 17) availability of reinsurance and retrocessional coverage, as well as management's response to any of the aforementioned factors.

In addition, any estimates relating to loss events involve the exercise of considerable judgment and reflect a combination of ground-up evaluations, information available to date from brokers and cedants, market intelligence, initial tentative loss reports and other sources. The actuarial range of reserves and management's best estimate is based on our then current state of knowledge including explicit and implicit assumptions relating to the pattern of claim development, the expected ultimate settlement amount, inflation and dependencies between lines of business. Our internal capital model is used to consider the distribution for reserving risk around this best estimate and predict the potential range of outcomes. However, due to the complexity of factors contributing to the losses and the preliminary nature of the information used to prepare these estimates, there can be no assurance that Argo Group's ultimate losses will remain within the stated amount.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in our most recent reports on Form 10-K and Form 10-Q and other documents of Argo Group on file with or furnished to the U.S. Securities and Exchange Commission ("SEC"). Any forward-looking statements made in this presentation are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Argo Group will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Argo Group or its business or operations. Except as required by law, Argo Group undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Argo Group at a Glance

Exchange / Ticker:	**NASDAQ / "AGII"**
Share Price:	**$65.95**
Market Capitalization:	**$2.0 billion**
Quarterly Dividend / Annual Yield:	**$0.22 per share / 1.3%**
Gross Written Premium:	**$2.2 billion**
Capital:	**$2.2 billion**
Analyst Coverage:	**Raymond James (Strong Buy) – Greg Peters** **Compass Point (Underperform) – Ken Billingsley** **Dowling & Partners (Neutral) – Aaron Woomer** **JMP (Market Perform) – Matthew Carletti** **KBW (Market Perform) – Arash Soleimani** **William Blair (Market Perform) – Adam Klauber**

Atlanta • Bermuda • Boston • Brussels • Chicago • Dallas • Denver • Dubai • Fresno • Hamilton Township
Hong Kong • Houston • Irvine • Jersey City • London • Los Angeles • Malta • New York • Paris
Peoria • Portland • Richmond • Rio de Janeiro • Rockwood • San Antonio • San Francisco
Sao Paulo • Scottsdale • Seattle • Singapore • Springfield • Zurich

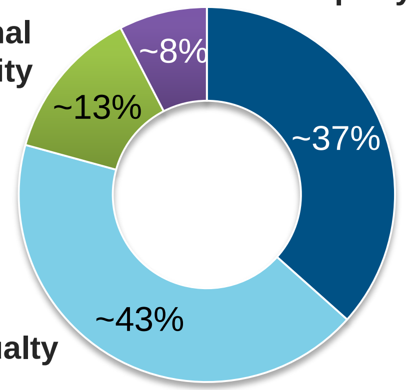
 Note: Market information as of February 13, 2017 and annual performance figures as of TTM December 30, 2016.

Leading Specialty Franchise

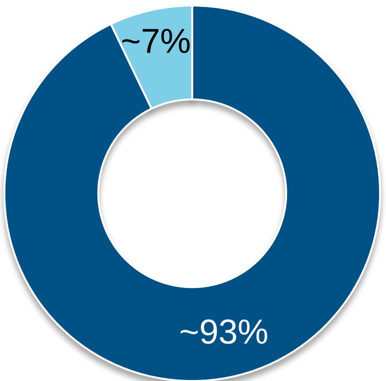
Argo Franchise Overview

- **Global underwriter of specialty insurance & reinsurance**
- **Strategically located in major insurance centers**
  - U.S., Bermuda and London
- **Established presence in attractive markets**
  - Leader in U.S. Excess & Surplus Lines
  - Top Quartile Lloyd's Syndicate by stamp
  - Strong core Commercial Specialty franchise
  - Leading Bermuda reinsurance & excess casualty platform
- **Diversified by geography, product & distribution**
- **Broad and strong producer relationships**
  - Agents, brokers, wholesalers, and coverholders
- **"A" (excellent) A.M. Best rating**

2016 GWP by Business Mix



2016 GWP by Business Type

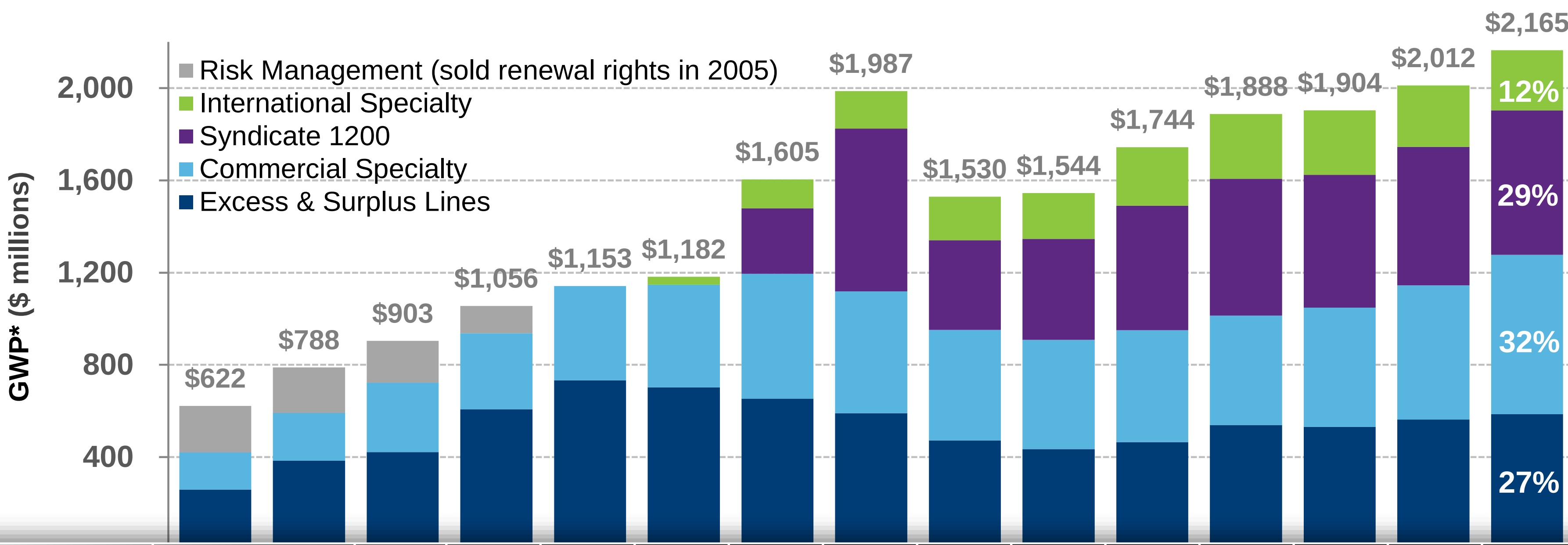


Strategy Aligned Toward Shareholder Value

- **Sustainable competitive advantage**
  - Niche markets
  - Underwriting expertise
  - Superior customer service
  - Product innovation
- **Profitable organic & strategic growth**
  - Profitable through cycles
  - Key underwriters/teams
  - Deals that meet stringent criteria
- **Deep, tenured management team**
- **Active capital management**

Maximize Shareholder Value through growth in Book Value per Share

Evolution of Growth and Diversification



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
BVPS			$22.81	$25.17	$29.36	$33.92	$32.74	$38.84	$43.43	$41.77	$45.64	$48.73	$52.93	$54.31	$59.73
Total Capital (Millions)			$717	$860	$992	$1,754	$1,763	$1,975	$1,986	$1,840	$1,915	$1,966	$2,025	$2,040	$2,160

2001
- **Acquired Colony and Rockwood**
- **Founded Trident (Public Entity)**

2005
- **Sold Risk Management business**

2007
- **Rebranded Argo Group**
- **Completed acquisition in Bermuda**
- **Formed Argo Re**

2008
- **Acquired Lloyd's Syndicate 1200**

2011
- **Established local presence in Brazil**

ARGO GROUP

*Excludes GWP recorded in runoff and corporate & other.
Reflects reclassification of Argo Pro from Excess & Surplus lines to Commercial Specialty.
Note: BVPS (book value per common share) adjusted for June 2013, March 2015 and June 2016 stock dividend.

Important "Bolt-On" Addition to the Argo Franchise

- **Ariel enhances Argo's scale at Lloyd's and in Bermuda but does not alter Argo's focus on specialty insurance**

ARGO GROUP

Excess & Surplus Lines

- Leader in U.S. Excess & Surplus lines
- Strong relationships with national, local, and regional wholesale brokers
- Seasoned underwriting expertise is a competitive advantage
- Target all sizes of non-standard risks with focus on small/medium accounts
- Underwrites on largely non-admitted basis and across all business enterprises

Commercial Specialty

- Distributed primarily through retail brokers / agents
- Argo insurance – designs customized programs for retail grocery stores
- Trident – SME public-sector U.S. entities
- Rockwood – Workers comp for coal mining industry
- Surety – Top 25 writer
- Programs – underwrites select specialty programs and provides fronting for State-sponsored funds

International Specialty

- Includes property reinsurance business and insurance business in Bermuda and Brazil
- Distributed through retail and wholesale brokers and retail agents
- Building diversity through expansion in Brazil and throughout the Eurozone

Ariel

- Underwrites a global portfolio through offices in London, Bermuda and the U.S., employing ~100 people
- Business is primarily produced through its Bermuda operations but underwritten via Syndicate 1910
- Distributed primarily through brokers
- Top ranked Lloyd's syndicate in profitability(1)

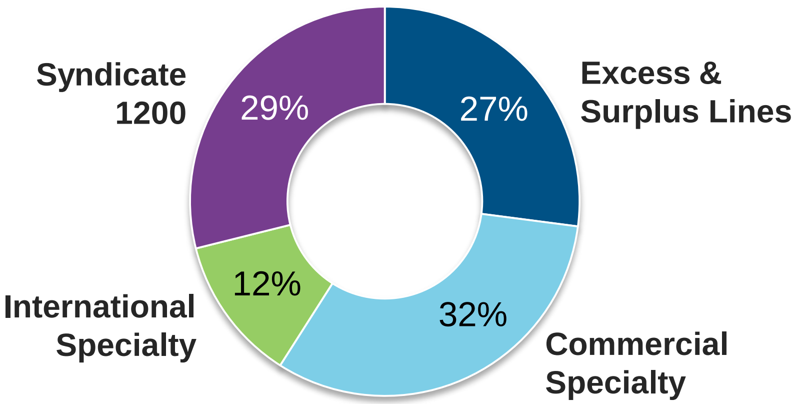
Syndicate 1200

- Well-established multi-class platform at Lloyd's
- Ranks among the largest Syndicates at Lloyd's by stamp capacity
- Regional offices in Dubai, Singapore and China
- 2015 GWP of ~$600 mm
- Pro forma for the acquisition, Argo's Lloyd's franchise would be the 12th largest with almost £700 mm in stamp capacity

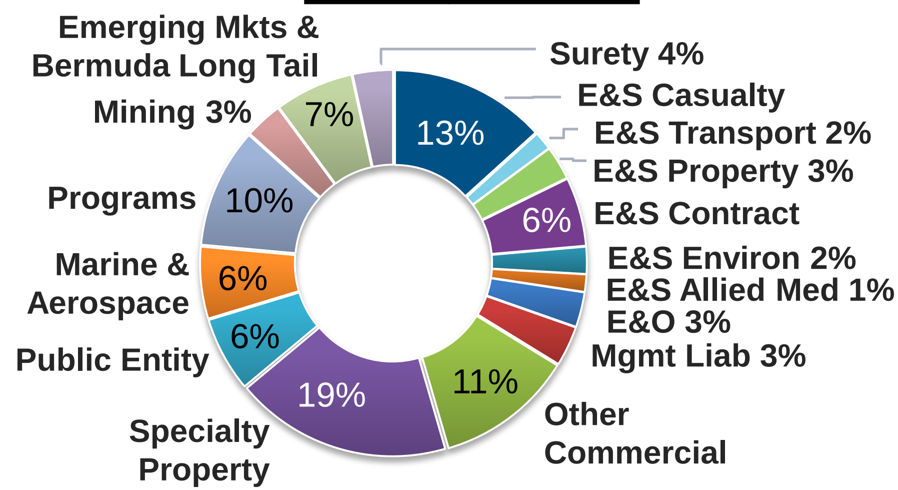
(1) Ranking calculated on a year of account basis and relative to the Lloyd's Top 40 reinsurance syndicates

Argo Group Business Mix ($2.2b in GWP)

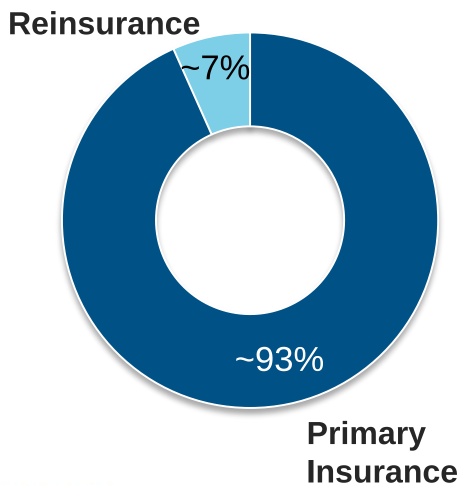
GWP by Segment



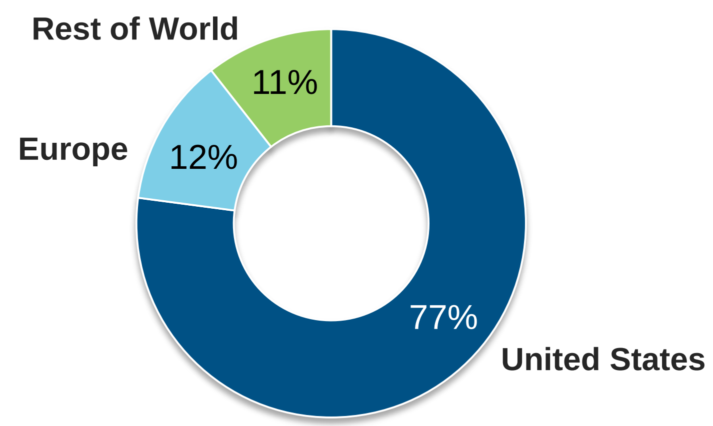
GWP by Product



GWP by Business Type



GWP by Geography



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*Data is based on Full Year 2016. Excludes GWP recorded in runoff and corporate & other.

Multi-Channel Distribution Strategy

		Retail Broker / Agent	General Agency	Wholesale Broker	Lloyd's Market	Reinsurance Broker
Commercial Specialty	Rockwood	X				
	Argo Insurance	X				
	Trident	X				
	E&O	X		X		
	D&O	X		X		
	Surety	X		X		
	Commercial Programs	X				
	Alteris		X			
Excess & Surplus Lines	Contract		X			
	Transportation		X			
	Casualty			X		
	Environmental			X		
	Allied Medical	X		X		
	Specialty Property			X		
Syndicate 1200	Liability				X	
	Property				X	
	Aviation				X	
	Marine				X	
International Specialty	Excess Casualty	X		X		
	Professional Liability	X		X		
	Emerging Markets	X		X		
	Reinsurance					X

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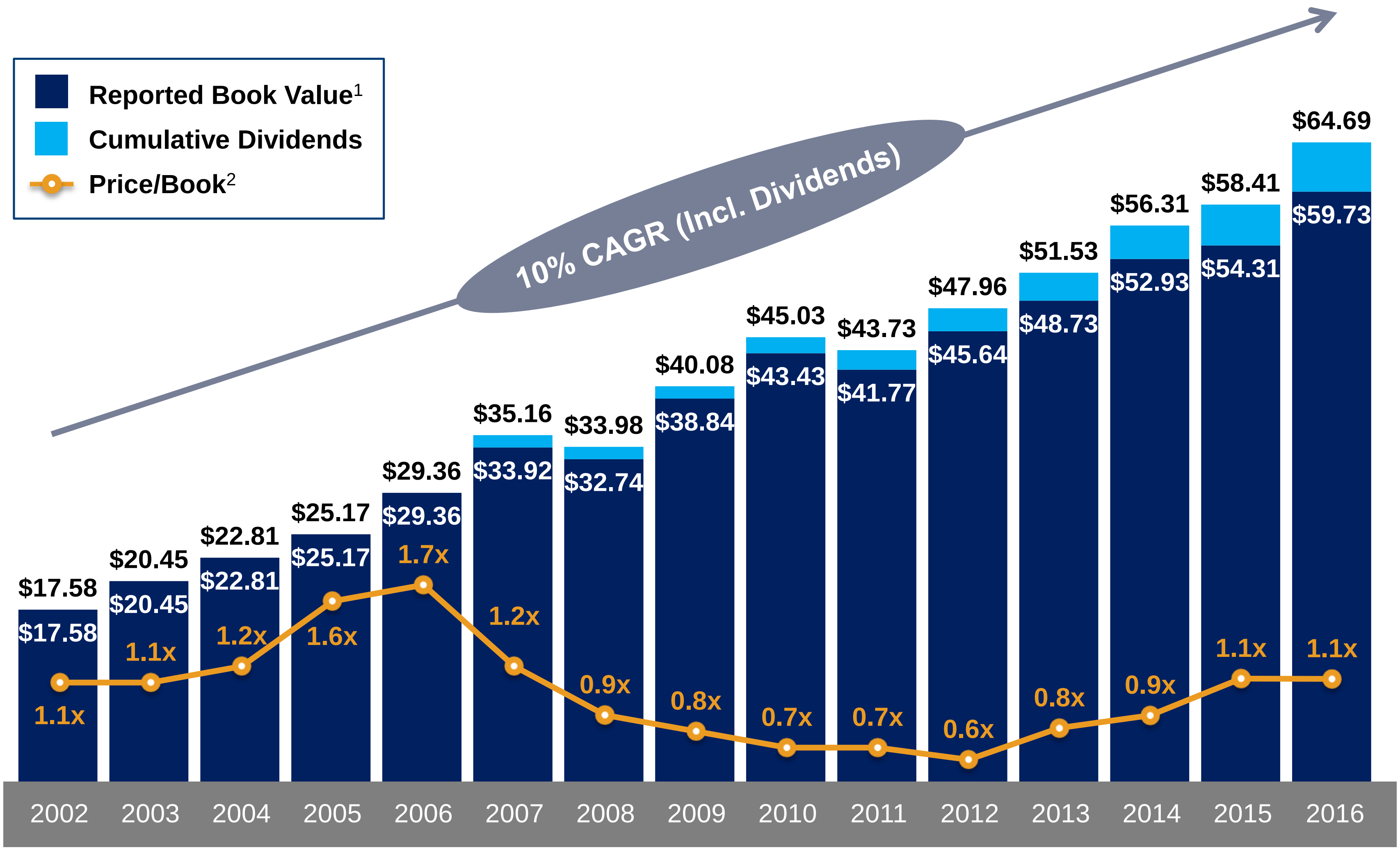
Maximizing Shareholder Value – BVPS Growth



(1) Book value per common share:
- Adjusted for June 2013, March 2015 and June 2016 stock dividend
- 2008-2011 restated to reflect adoption of ASU 2010-26 (related to accounting for costs associated with acquiring or renewing insurance contracts); 2007 and prior not restated
- 2006 and prior years adjusted for PXRE merger
- 2003-2006 includes impact of Series A Mandatory Convertible Preferred on an as-if converted basis. Preferred stock fully converted into common shares as of Dec. 31, 2007

(2) Price / book represents the high for the YTD period

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Substantial Growth and Financial Strength

Scale ($m)	2002	2006	2016	'02-'16 Factor
Gross Written Premiums	**$622.1**	**$1,155.6**	**$2,164.8**	***3.5x***
Net Written Premiums	484.0	847.0	1,440.2	***3.0x***
Net Earned Premiums	378.4	813.0	1,410.8	***3.7x***

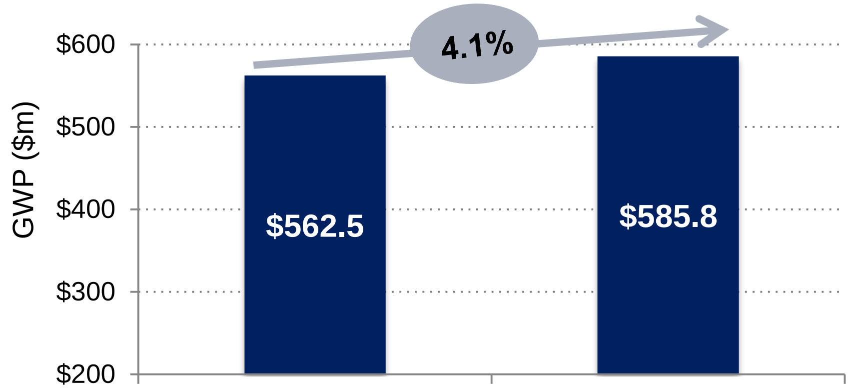
Financial Strength ($m)	2002	2006	2016	'02-'16 Factor
Total Assets	**$2,208.9**	**$3,721.5**	**$7,205.0**	***3.3x***
Total Investments	1,181.3	2,514.1	4,324.3	***3.7x***
Shareholder's Equity	327.7	847.7	1,792.7	***5.5x***
BVPS[1]	$17.58	$29.36	$59.73	***3.4x***
Total Capital	**$327.7**	**$992.0**	**$2,160.3**	***6.6x***
Debt+TRUPs / Total Capital	0.0%	14.5%	17.0%	
A.M. Best Rating	A	A	A	

(1) Book value per common share:
- Adjusted for June 2013, March 2015 and June 2016 stock dividend
- 2006 adjusted for PXRE merger and includes impact of Series A Mandatory Convertible Preferred on an as-if converted basis. Preferred stock fully converted into common shares as of Dec. 31, 2007

2016 YoY Gross Written Premium & Combined Ratio

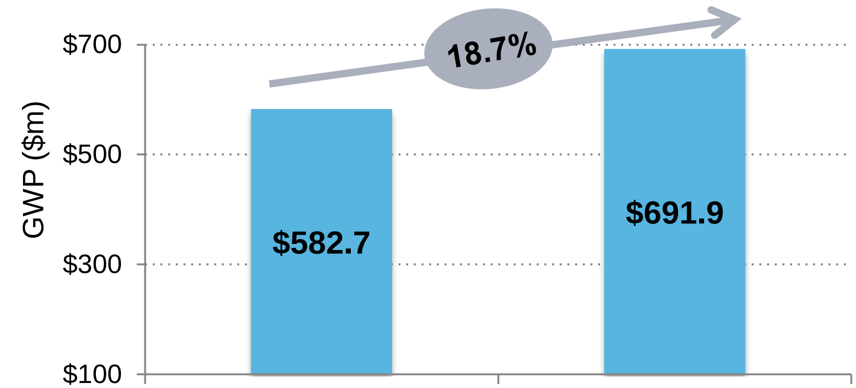
Consolidated GWP up 7.6% and Combined Ratio increased 1.2% in 2016 vs. 2015

Excess & Surplus Lines



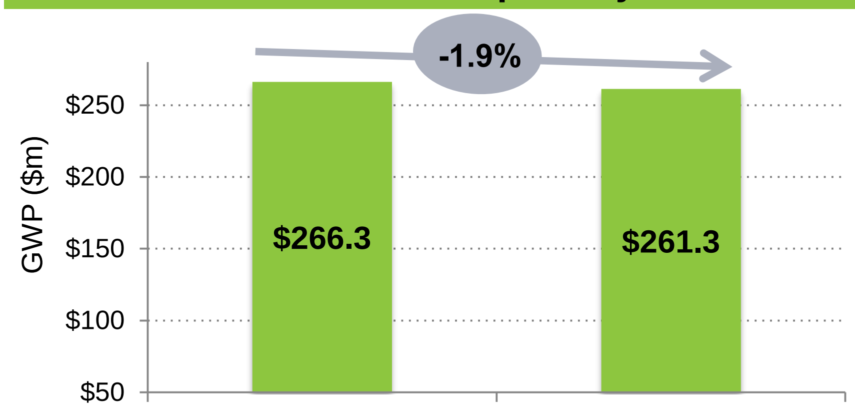
Combined Ratio 88.4% → *1.5%* → 89.9%

Commercial Specialty



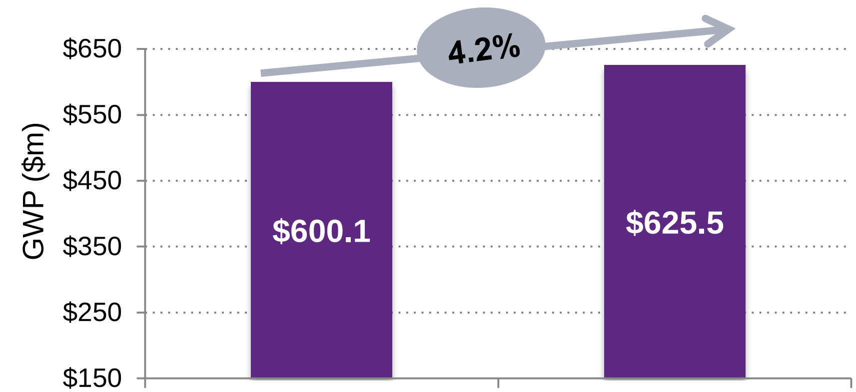
Combined Ratio 91.3% → *-8.5%* → 82.8%

International Specialty



Combined Ratio 85.9% → *-1.5%* → 84.4%

Syndicate 1200



Combined Ratio 93.0% → *6.6%* → 99.6%

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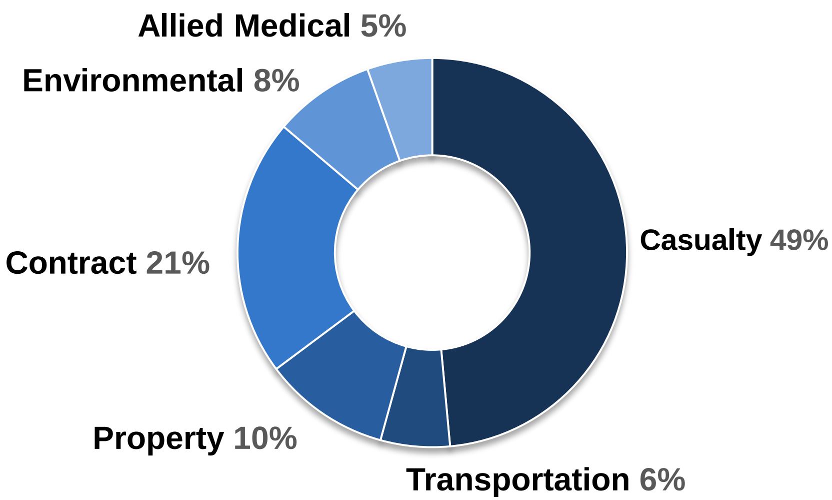
Reflects reclassification of Argo Pro from Excess & Surplus lines to Commercial Specialty.

Excess & Surplus Lines Segment *(27% of TTM GWP)*

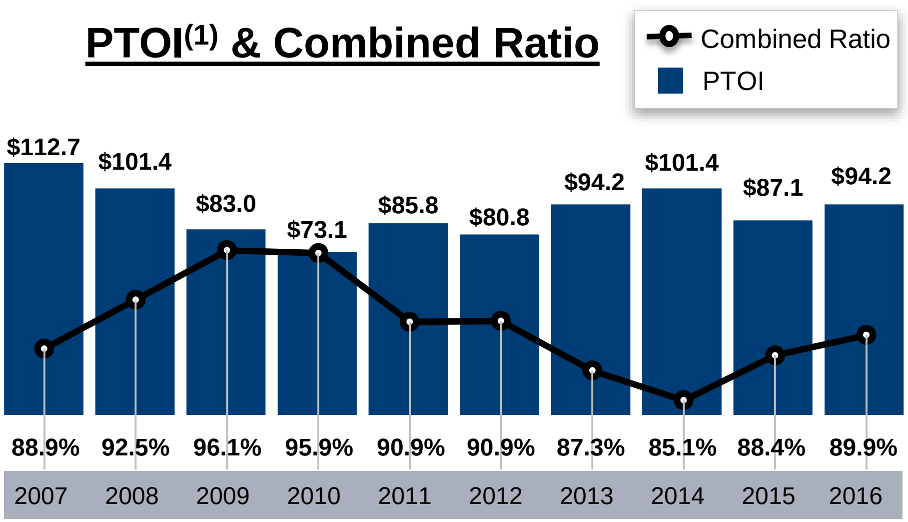
GWP by Business Unit (2016)



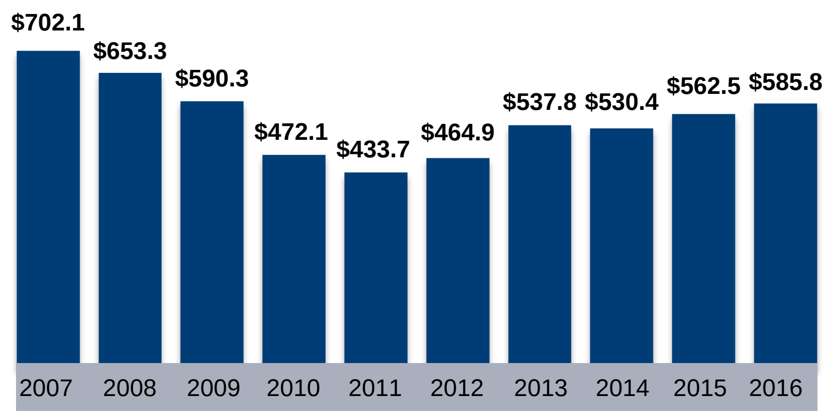
About Us

- Leader in U.S. Excess & Surplus Lines
- Strong relationships with national, local and regional wholesale brokers
- Seasoned U/W expertise is a competitive advantage
- Target all sizes of non-standard (hard-to-place) risks, with focus on small/medium accounts
- Underwrites on largely non-admitted basis and across all business enterprises via the Colony Specialty brand

PTOI(1) & Combined Ratio



Gross Written Premium



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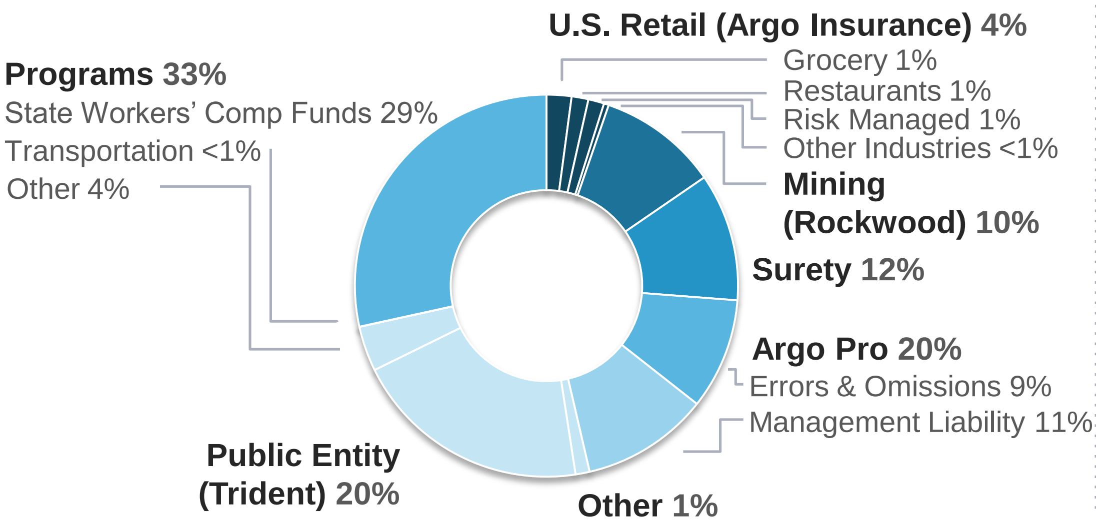
All data in millions except for ratio calculations.
Reflects reclassification of Argo Pro from Excess & Surplus lines to Commercial Specialty.
(1) PTOI = Pre-Tax Operating Income. Excludes interest expense.

Commercial Specialty Segment *(32% of TTM GWP)*

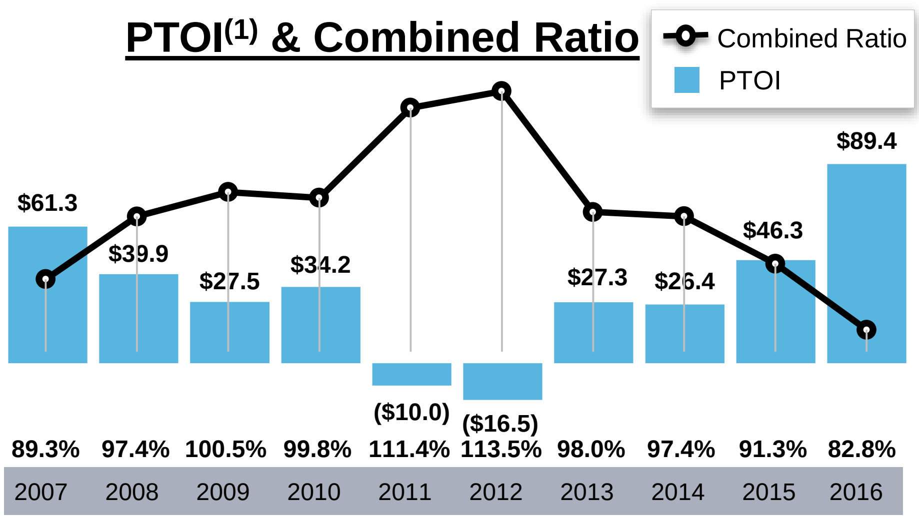
GWP by Business Unit (2016)



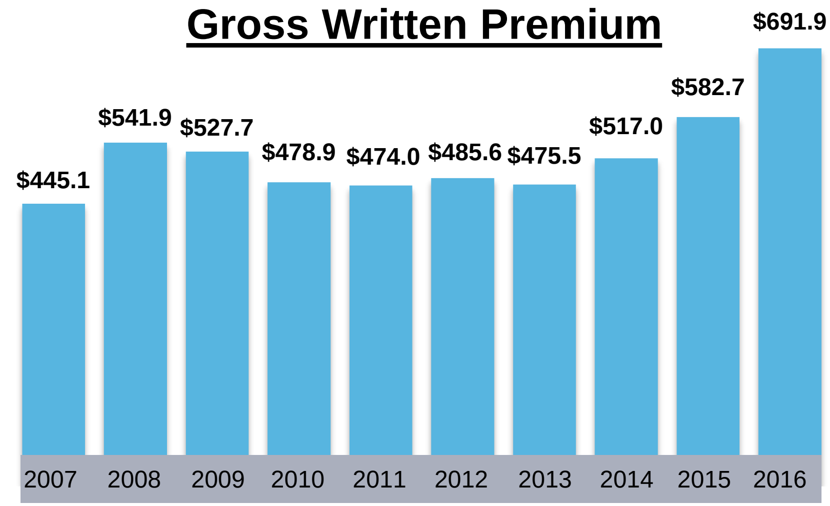
About Us

- Business primarily placed through retail distribution partners
- Argo Insurance – designs customized commercial insurance programs for retail grocery stores
- Trident – One of the largest specialty commercial insurance providers for small to middle market public-sector entities in the U.S.
- Rockwood – Leading provider of workers compensation for the coal mining industry
- Surety – Top 25 surety writer
- Programs – underwrites select specialty programs and provides fronting for State-sponsored funds
- Argo Pro – Innovative D&O and E&O specialty platform

PTOI[1] & Combined Ratio



Gross Written Premium



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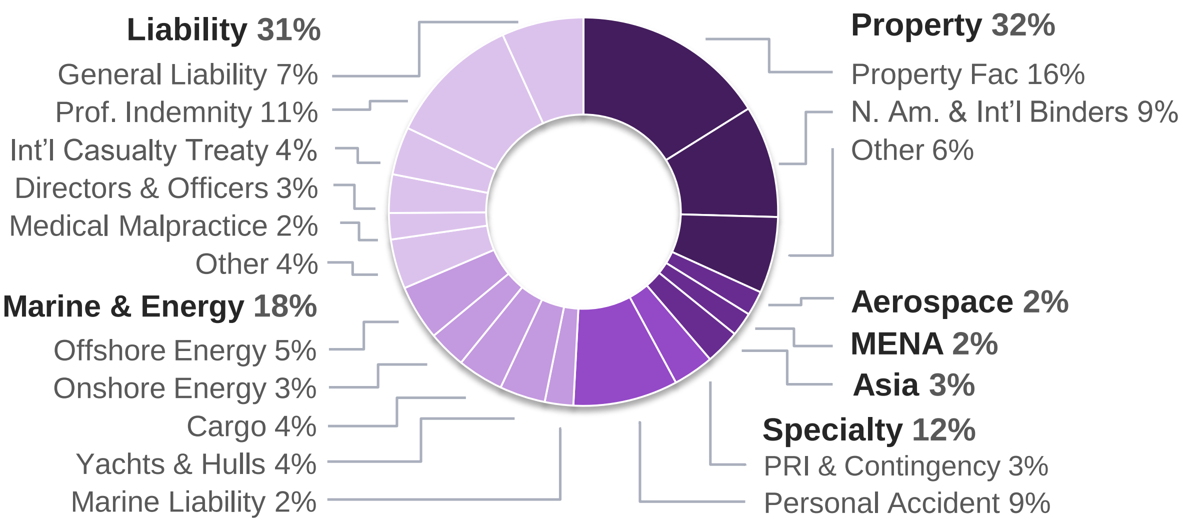
All data in millions except for ratio calculations.
Reflects reclassification of Argo Pro from Excess & Surplus lines to Commercial Specialty.
(1) PTOI = Pre-Tax Operating Income. Excludes interest expense.

Syndicate 1200 Segment *(29% of TTM GWP)*

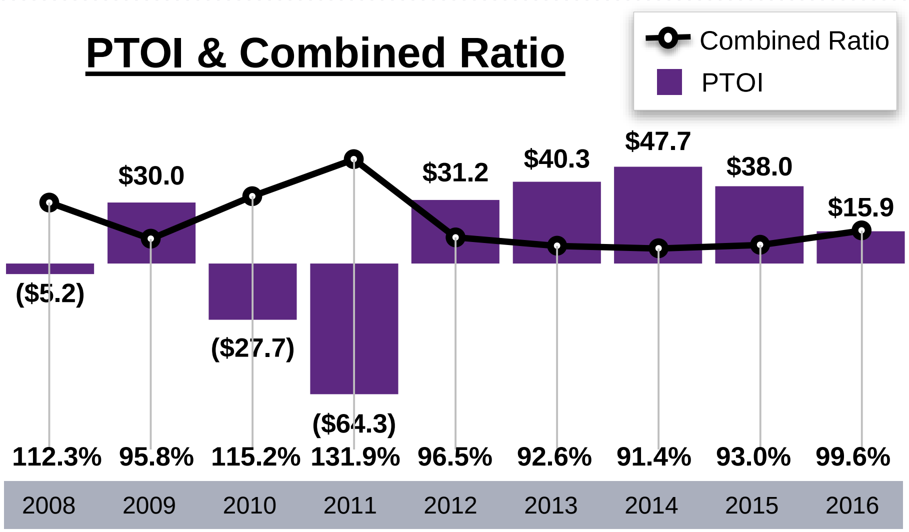
GWP by Business Unit (2016)



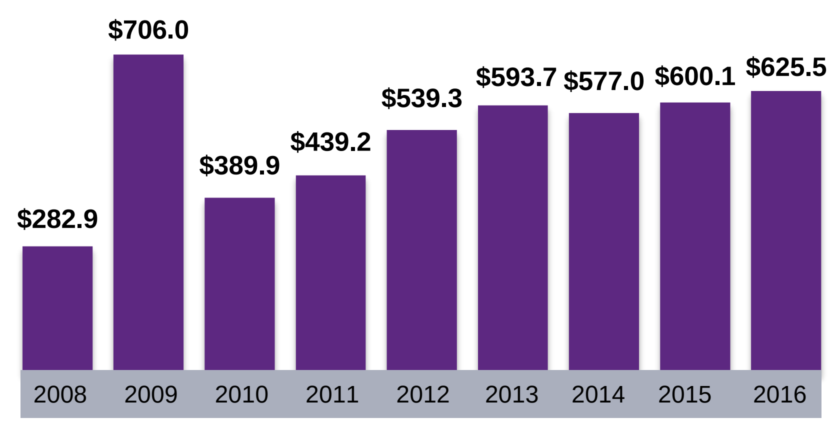
About Us

- **Well-established multi-class platform at Lloyd's of London**
- **Ranks among the largest Syndicates at Lloyd's by Stamp Capacity**
- **Lloyd's market ratings:**
  - 'A' (Excellent) by A.M. Best
  - 'A+' (Strong) by S&P
- **Regional offices in Dubai, Singapore and China**

PTOI & Combined Ratio



Gross Written Premium



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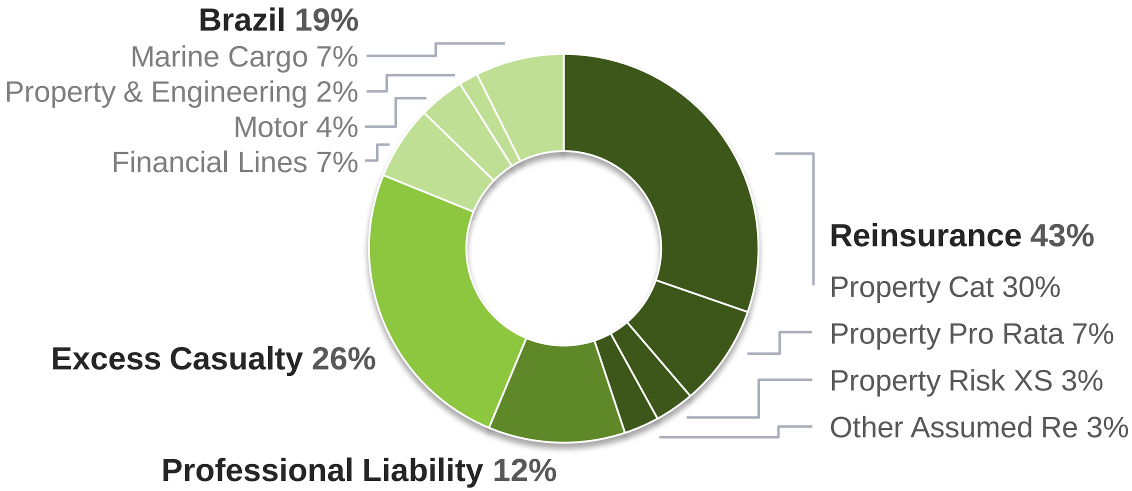
All data in millions except for ratio calculations.
(1) PTOI = Pre-Tax Operating Income. Excludes interest expense.

International Specialty Segment *(12% of TTM GWP)*

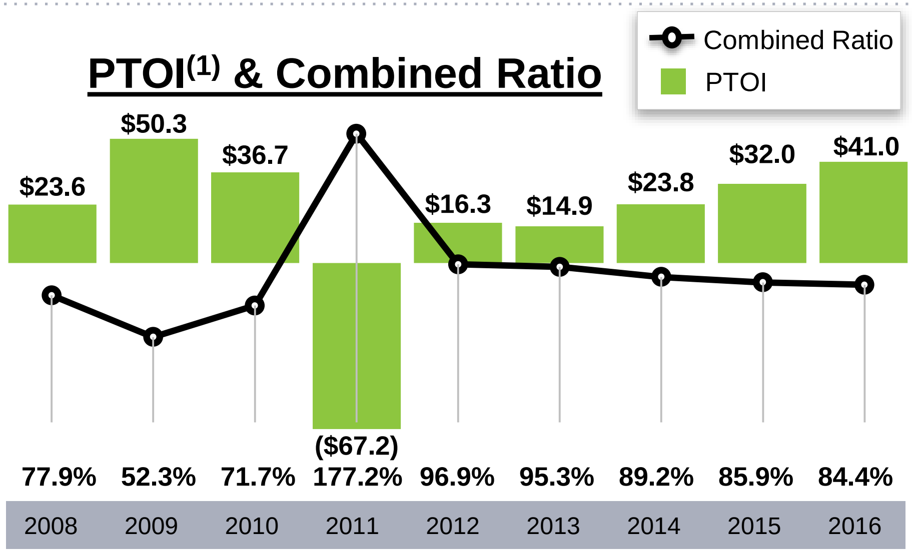
GWP by Business Unit (2016)



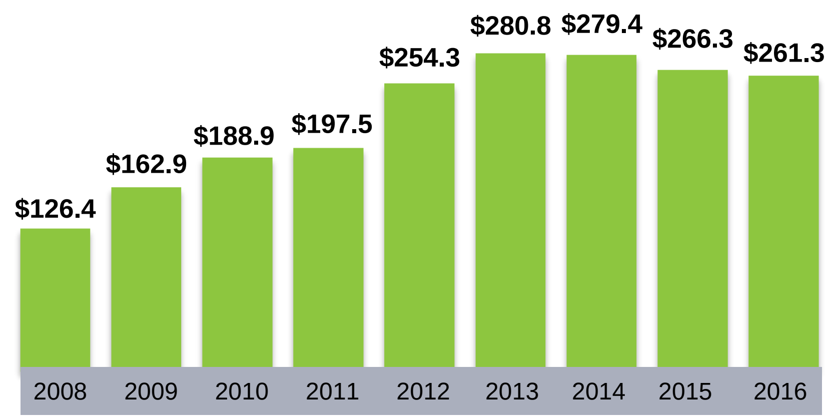
About Us

- **Bermuda team underwrites:**
  - Property cat, short tail per risk and proportional treaty reinsurance worldwide
  - Excess casualty and professional liability for Fortune 1000 accounts
- **Building diversity through international expansion:**
  - Established primary operations in Brazil
  - Established operations in Eurozone
- **Distributes through brokers**

PTOI[1] & Combined Ratio



Gross Written Premium



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All data in millions except for ratio calculations.
(1) PTOI = Pre-Tax Operating Income. Excludes interest expense.

4Q 2016 & Full Year 2016 Operating Results

	4Q 2016	4Q 2015	Full Year 2016	Full Year 2015
Gross Written Premiums	$499.0	$446.2	$2,164.8	$2,012.1
Net Written Premiums	333.5	308.3	1,440.2	1,402.1
Earned Premiums	362.3	345.3	1,410.8	1,371.9
Losses and Loss Adjustment Expenses	214.1	191.8	810.1	766.1
Underwriting, Acquisition and Insurance Expenses	144.0	134.8	547.0	536.7
Underwriting Income	**$4.2**	**$18.7**	**$53.7**	**$69.1**
Net Investment Income	25.5	20.1	115.1	88.6
Fee and other income (expense), net	0.0	(3.5)	2.1	(3.6)
Interest Expense	5.0	4.7	19.6	19.0
Operating Income	**$24.7**	**$30.6**	**$151.3**	**$135.1**
Net Realized Investment and Other Gains	13.3	3.7	26.1	24.1
Foreign Currency Exchange Gain (Loss)	9.0	9.9	4.5	18.3
Income Before Taxes	**$47.0**	**$44.2**	**$181.9**	**$177.5**
Income Tax Provision	14.1	3.0	35.2	14.3
Net Income	**$32.9**	**$41.2**	**$146.7**	**$163.2**
Operating Income per Common Share (Diluted)[1]	**0.65**	**0.78**	**3.92**	**3.44**
Net Income per Common Share (Diluted)	**$1.07**	**$1.31**	**$4.75**	**$5.20**
Loss Ratio[2]	59.1%	55.5%	57.4%	55.8%
Expense Ratio[3]	39.7%	39.0%	38.8%	39.2%
Combined Ratio	**98.8%**	**94.5%**	**96.2%**	**95.0%**

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All data in millions except for per share data and ratio calculations.
(1) Op income calculated using an assumed tax rate of 20%. Share count adjusted for June 2016 stock dividend
(2) Defined as Losses and Loss Adjustment Expenses / Earned Premiums.
(3) Defined as Underwriting, Acquisition and Insurance Expenses / Earned Premiums.

Conservative Investment Strategy

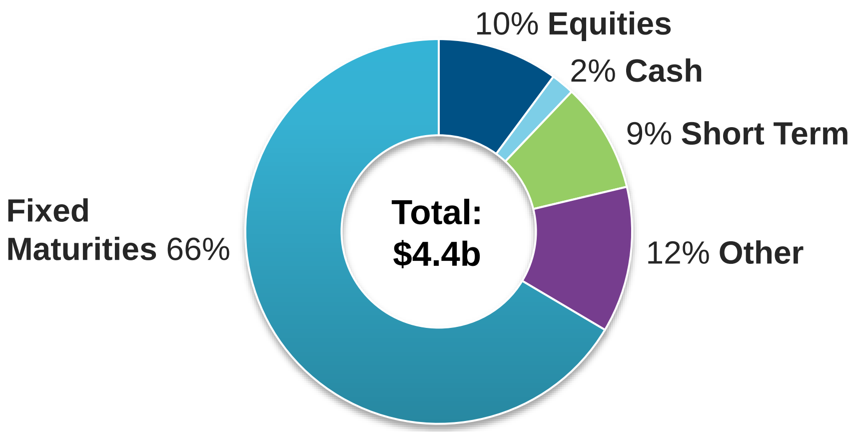
As of December 30, 2016

Portfolio Characteristics

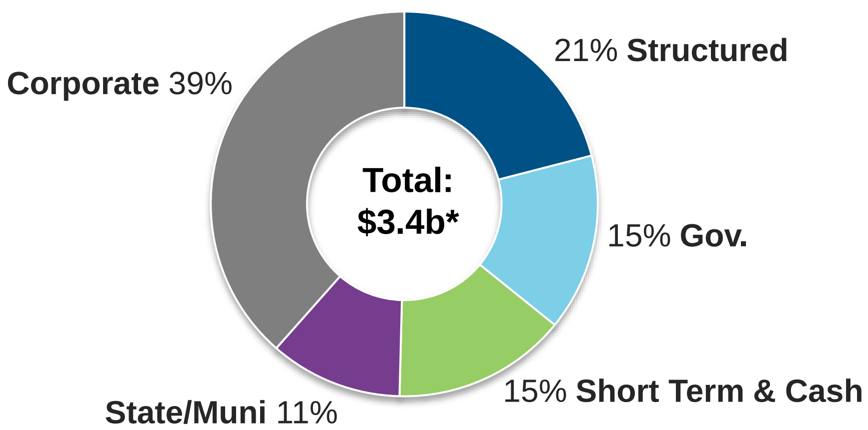
- Duration of 2.2 years
- Average rating of ‘A1/A+’
- Book yield of 2.4%*
- Very liquid
- Conservatively managed

**Book yield is pre-tax & includes all fixed maturities*
**Duration includes cash & equivalents*

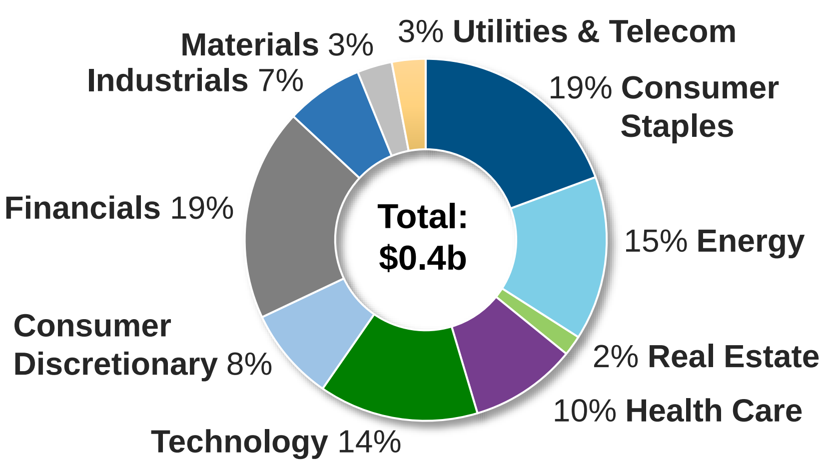
Asset Allocation



Fixed Maturities by Type



Equity Investments by Sector



ARGO GROUP **$2.9 billion in fixed maturities, $0.5 billion in short term & cash*

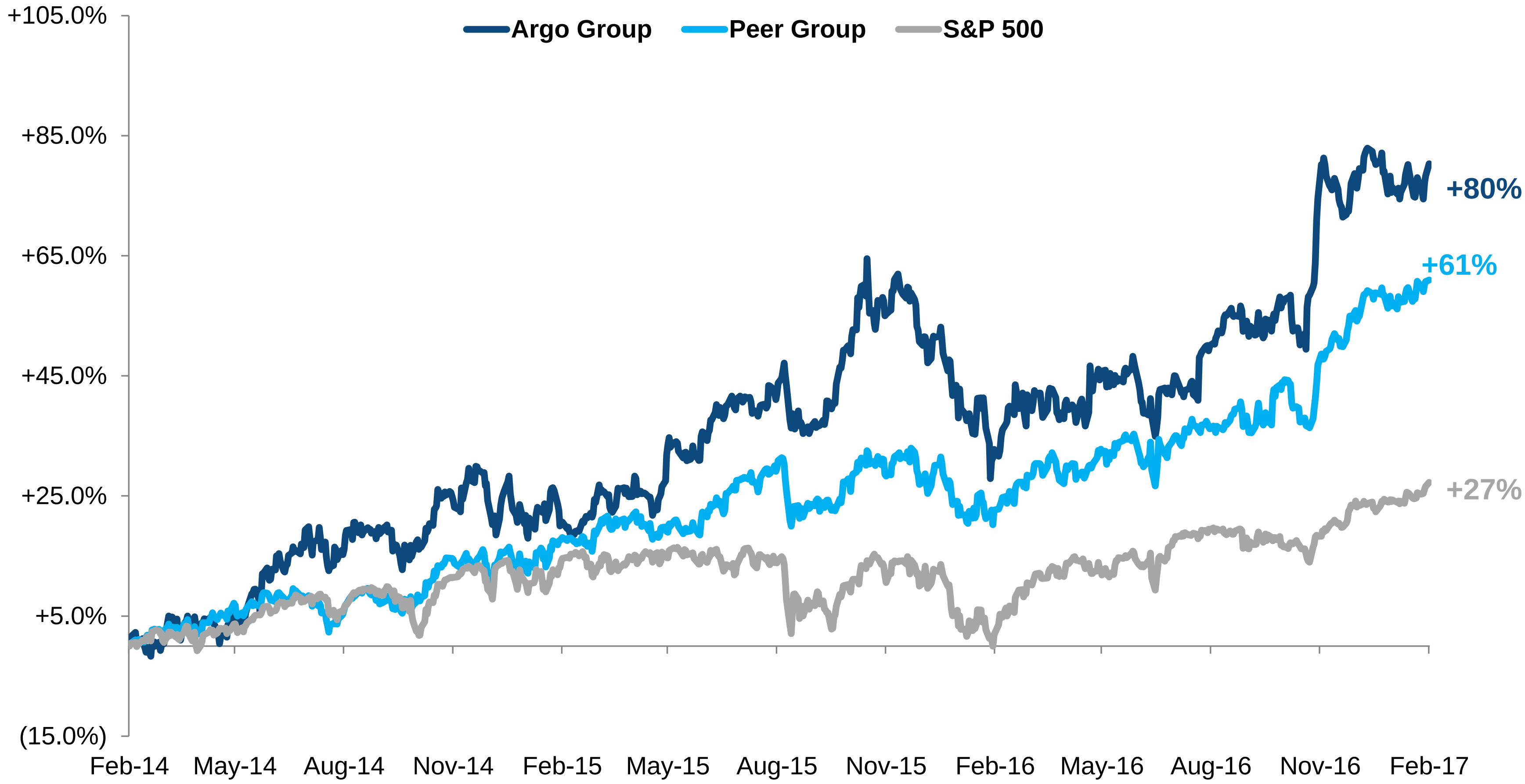
Active Capital Management

Through share repurchases and dividends, we have returned $496 million of capital and repurchased 32% of shares outstanding from 2010 through 2016

	2010	2011	2012	2013	2014	2015	2016	2010-2016 Total
Total Shares O/S	31,206,796	31,285,469	31,384,271	34,066,889	34,318,224	37,105,922	40,042,330	
Less: Treasury Shares	3,363,560	4,971,305	6,459,613	7,558,345	8,606,489	9,181,644	10,028,755	
Net Shares	**27,843,236**	**26,314,164**	**24,924,658**	**26,508,544**	**25,711,735**	**27,924,278**	**30,013,575**	
Shares Repurchased	**3,217,561**	**1,607,745**	**1,488,308**	**1,098,732**	**1,048,144**	**575,155**	**847,111**	**9,882,756**
As % of Beg. Net Shares	10%	6%	6%	4%	4%	2%	3%	32%
Avg. Repurchase Price/sh	$33.05	$30.69	$29.89	$42.32	$48.45	$51.55	$55.61	$37.74
Total Repurchased ($mm)	**$105.2**	**$49.5**	**$44.2**	**$46.5**	**$50.8**	**$29.7**	**$47.1**	**$372.9**
Dividends/sh	$0.48	$0.48	$0.48	$0.60	$0.69	$0.82	$0.88	$4.43
Dividend Payments ($mm)	**$14.2**	**$13.1**	**$12.3**	**$15.8**	**$18.2**	**$22.7**	**$26.5**	**$122.8**
Repurchases + Dividends ($mm)	**$119.4**	**$62.6**	**$56.5**	**$62.3**	**$68.9**	**$52.4**	**$73.6**	**$495.8**

Note: Not adjusted for June 2013 or March 2015 stock dividend.

Stock Price Performance – Last 3 Years

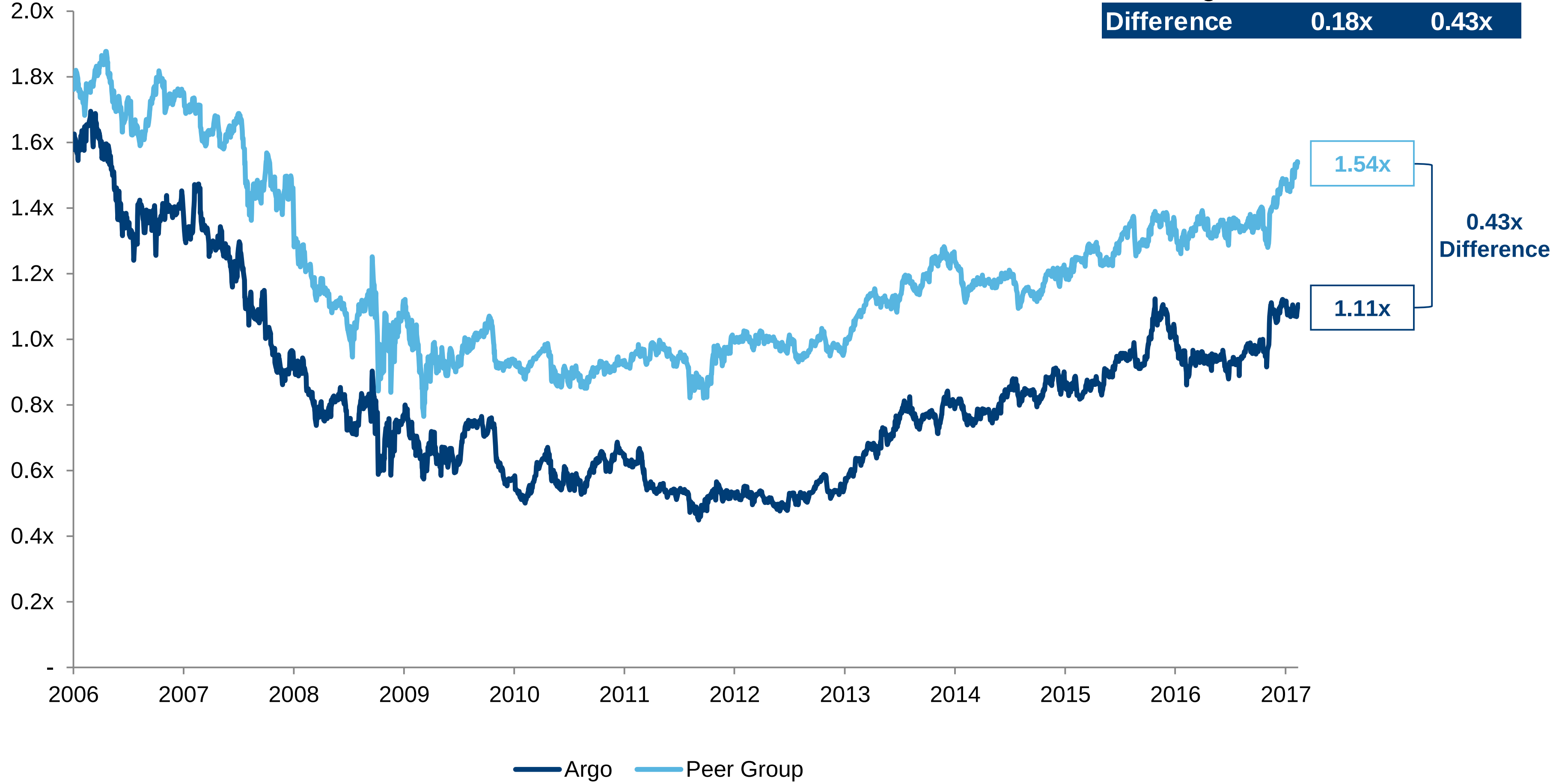


Source: SNL Financial (as of 02/13/17).
Note: Peer Group consists of: Allied World, American Financial, Arch Capital, Aspen, AXIS Capital, Endurance, Global Indemnity, Markel, Navigators, OneBeacon, RLI Corp, Selective Group, W.R. Berkley.

ARGO GROUP

Compelling Valuation vs. Peer Group

Price/Book	Jan-06	Feb-17
Argo	1.58x	1.11x
Peer Avg.	1.76x	1.54x
Difference	0.18x	0.43x



Source: SNL Financial (as of 02/13/17).
Note: Price to book is average price/book across all peer companies based on latest reported book value. Peer Group consists of: Allied World, American Financial, Arch Capital, Aspen, AXIS Capital, Endurance, Global Indemnity, Markel, Navigators, OneBeacon, RLI Corp, Selective Group, W.R. Berkley.

Well Positioned for Value Creation in 2017 and Beyond

We believe that Argo Group has potential to generate substantial value for new and existing investors

Operations

- **Significant changes to premium composition completed**
- **Results of underwriting initiatives evident in financials**
- **Continue to employ and attract some of the best talent in the industry**
- **Incremental yield improvements can have a favorable impact on ROE**

Capital

- **Moderate financial leverage**
- **Strong balance sheet with adequate reserves and excellent asset quality**

Valuation

- **Compelling investment case**
- **Stock trading at a discount to peers**
- **Upside potential as past and ongoing efforts continue**