

Argo Group Investor Presentation

November 2019



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) regulatory or rating agency actions; 3) adequacy of our risk management and loss limitation methods; 4) cyclical nature 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; 17) availability of

reinsurance and retrocessional coverage, as well as management's response to any of the aforementioned factors and; 18) costs associated with shareholder activism and the independent directors' review of governance and compensation matters.

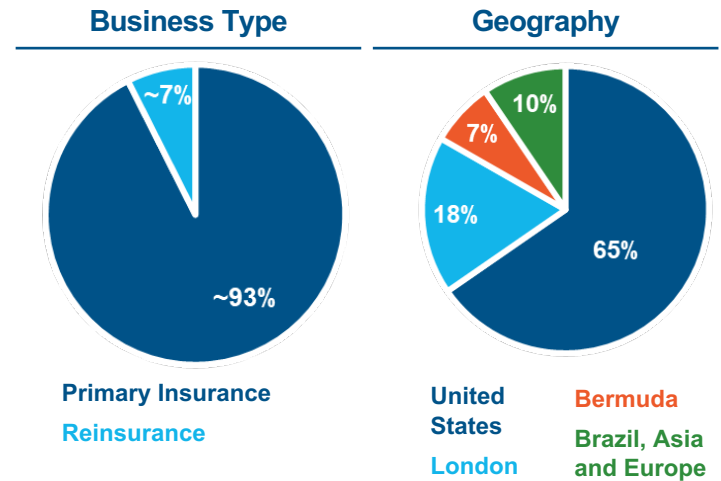
In addition, any estimates relating to loss events involve the exercise of considerable judgment and reflect a combination of ground-up evaluations, information available to date from brokers and cedents, market intelligence, initial tentative loss reports and other sources. The actuarial range of reserves 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 press release 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.

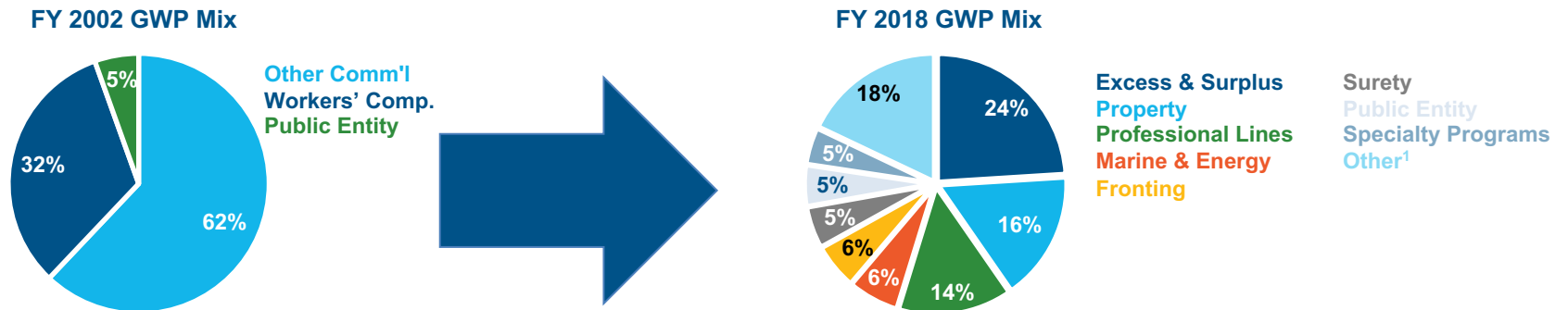
Distinctive Specialty Insurance Platform

- **Global underwriter of specialty insurance and reinsurance**
 - Trailing Twelve Months (“TTM”) Gross Written Premiums (“GWP”): \$3.1BN
- **Established presence in desirable markets**
 - Differentiated U.S. specialty franchise
 - Lloyd’s Syndicate operations grant solid strategic position
 - Strong Bermuda insurance and reinsurance platforms
- **Diversified by product, geography and profit streams**
- **Strategically located in major insurance centers**
 - Across the U.S. | Bermuda | London
 - Select international insurance centers
- **Broad and strong producer relationships**
 - Agents, brokers, wholesalers and coverholders
- **Supported by a strong balance sheet with modest financial leverage**

Q3 2019 TTM NWP: \$1,780MM



Business Mix Evolution Through M&A and Organic Growth



(1) Other includes mining, personal accident, environmental, transportation and other specialty and casualty, each of which makes up less than 5% of total GWP.

Argo's Fundamental Operating Strategy

- **Diversified Specialty P&C Insurance Platform**

- Broad product, geography and distribution to meet client's needs and maintain a balanced portfolio of risks
- Focused on niche market segments with attractive expected returns on capital
- Established leader and important market to our customers and distribution partners

- **Underwriting Profitability**

- Focused on prudent risk selection and expense ratio improvement
- Superior loss ratios and improving expense ratio leading to solid underwriting profitability

- **Total Return Investing**

- Balanced investment strategy focused on total return and current income
- Material contributor to overall return on equity

- **Invest in Technology**

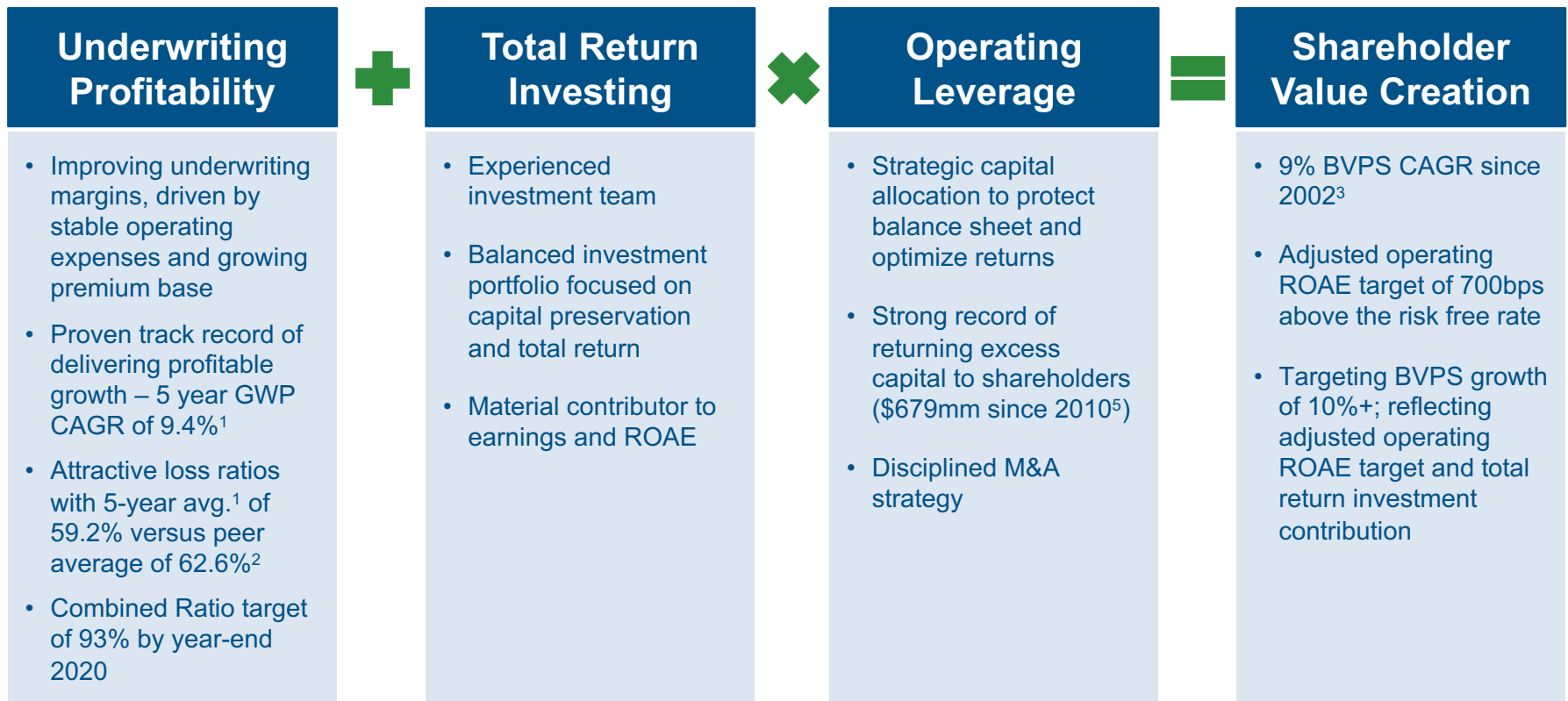
- Support our colleagues and partners with strong technology offerings
- Implement digital tools and process optimization to drive improved risk selection, efficiency and scale

- **Leverage Capital Resources**

- Deploy capital to opportunities where we believe we can achieve attractive returns (underwriting and investing)
- Use third-party capital and reinsurance to leverage our expertise as underwriters / originators of risk
- Return excess capital to shareholders when attractive growth opportunities are not present

Strategy Aligned Toward Shareholder Value Creation

Argo's strategy, which is predicated on underwriting excellence, prudent investment management, and thoughtful capital allocation has generated a 9% CAGR in book value per share (BVPS) since 2002, the first full year following the formation of Argo Group



Source: SNL Financial.

(1) 5 year period of 2013 – 2018.

(2) Represents the median of operating peers, which include Alleghany, American Financial, Arch, Axis, Global Indemnity, Hallmark, Hanover, James River, Markel, Protective, RLI, Selective, and W.R. Berkley.

(3) Includes dividends.

(4) Adjustment removes net realized investment gains / (losses) and foreign currency exchange losses / (gains) and assumes tax rate of 15%.

(5) When regular dividends and share repurchases were reinstated.

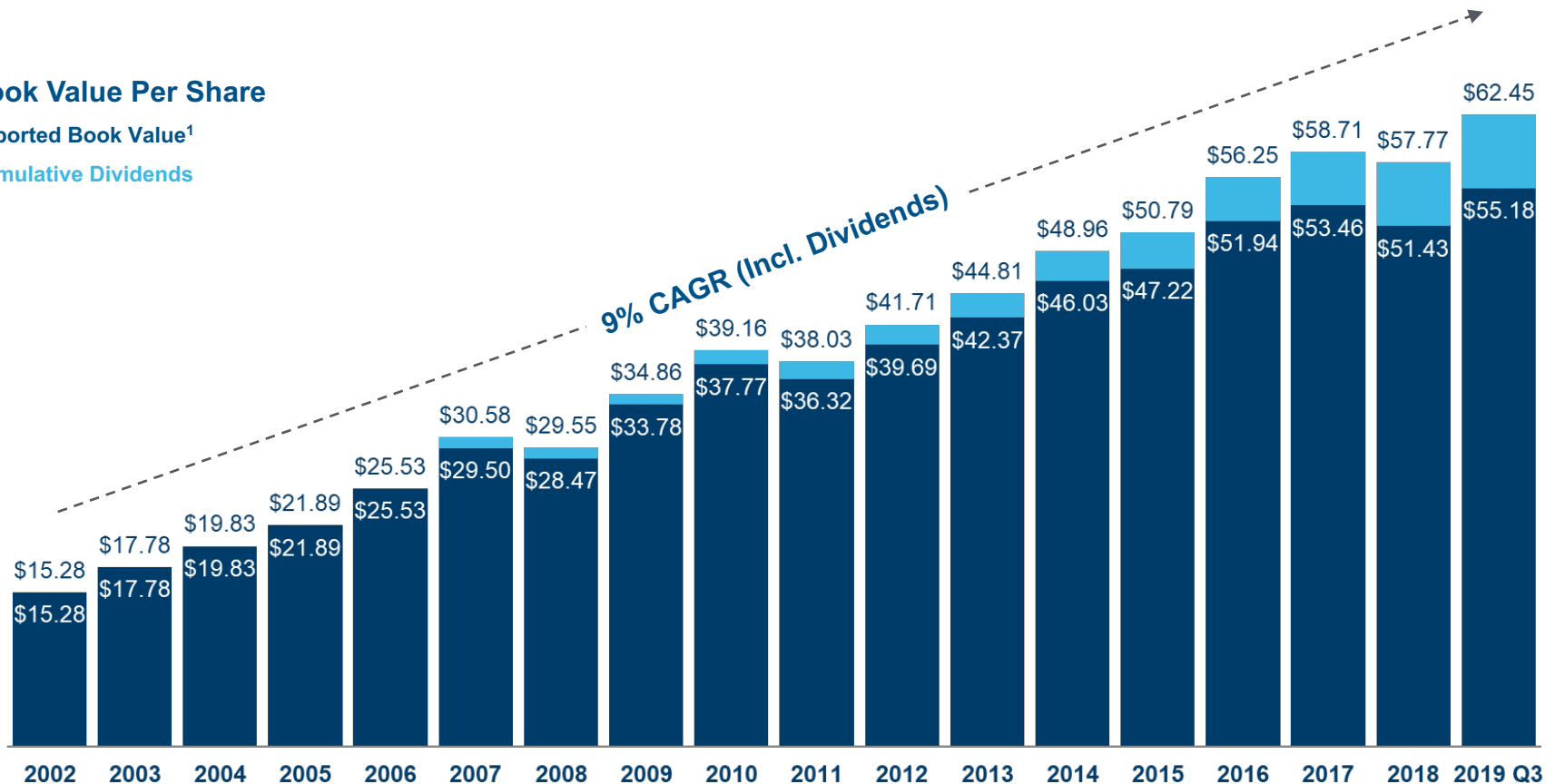
BVPS Growth Driving Long-Term Value

We consider growth in book value per share (which is a product of ROAE and capital management actions), inclusive of cash dividends paid to our shareholders, to be the key financial measure of building shareholder value

Book Value Per Share

Reported Book Value¹

Cumulative Dividends

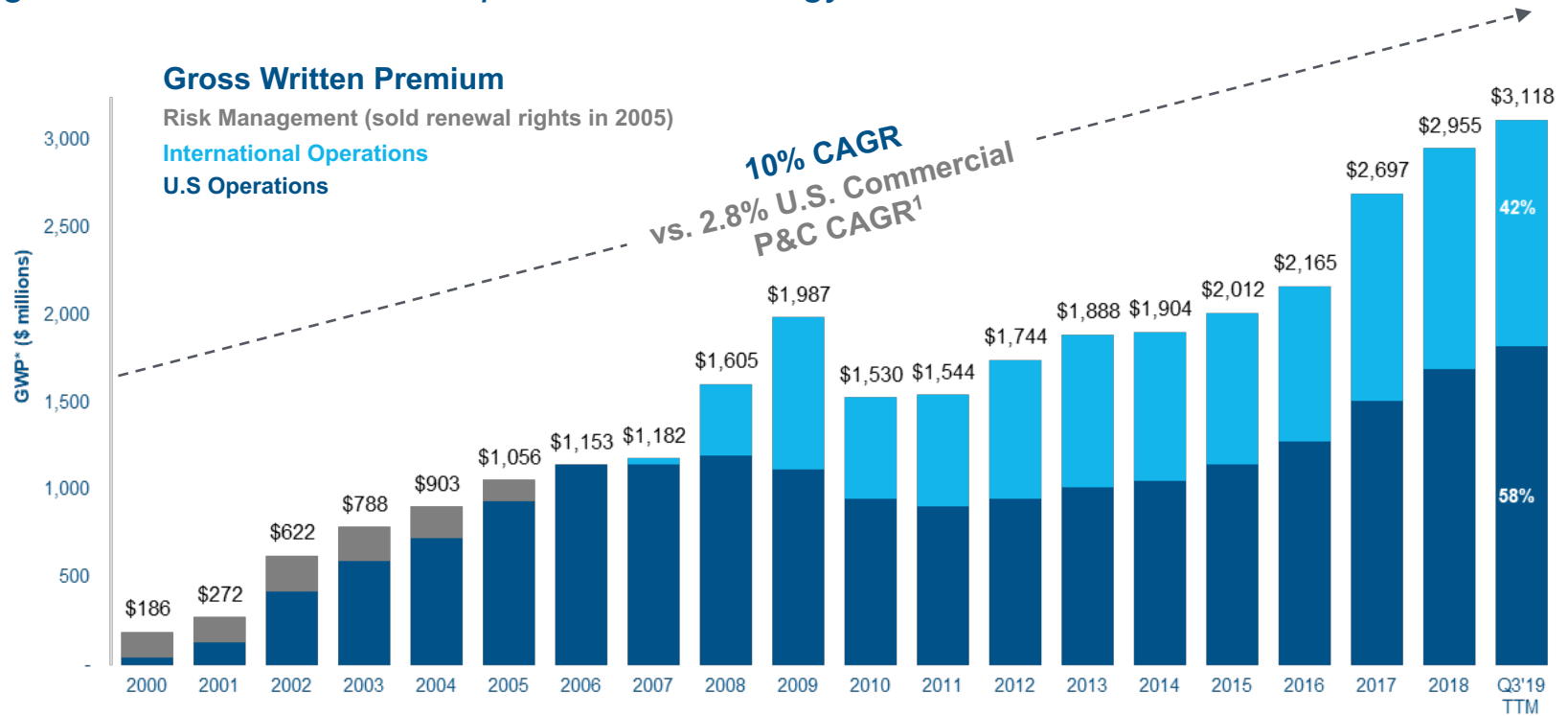


(1) Book value per common share:

- Adjusted for June 2013, March 2015, June 2016 and March 2018 stock dividends.
- 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.

Evolution of Argo's Specialty Insurance Platform

Argo has delivered sustainable and increasingly profitable premium growth through both organic channels and a disciplined M&A strategy



2001

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

2005 - 2007

- Sold Risk Management business
- Completed PXRE acquisition in Bermuda
- Rebranded Argo Group
- Formed Argo Re

2008 - 2010

- Acquired Lloyd's Syndicate 1200
- Established local presence in Dubai

2011 - 2014

- Established local presence in Brazil, Singapore and Shanghai

2016 - 2018

- Acquired Ariel Re / Syndicate 1910
- Acquired Italian insurer Ariscom

\$ in millions.

(1) Commercial Line Direct Premium Written CAGR per SNL Financial.

Operating Growth Momentum

Argo has achieved scale in highly desirable markets that will support continued margin improvement and growth in book value per share

Scale	2002	2006	2019 Q3	'02-Q3'19 Factor
Gross Written Premiums	\$622	\$1,156	\$3,118	5.0x
Net Written Premiums	484	847	1,780	3.7x
Net Earned Premiums	378	813	1,756	4.6x

Financial Strength	2002	2006	2019 Q3	'02-Q3'19 Factor
Total Assets	\$2,209	\$3,722	\$10,446	4.7x
Total Investments	1,181	2,514	5,127	4.3x
Shareholder's Equity	328	848	1,893	5.8x

Innovative and Diverse Operating Platform

Geographic and product line diversification prevents dependency on any single market and provides broad spread of risk and earnings streams

U.S. Operations

Leading Performance With 5-Year Average Combined Ratio of 89.7%¹

- **Leader in selected U.S. specialty commercial lines**
 - 20+ year underwriting history
 - Strong relationships with national and local wholesale brokers
 - Target non-standard risks with focus on small/medium accounts
 - 2013 – 2018 gross written premium growth from \$1.0 billion to \$1.7 billion, combined ratio over the period averaged under 90%
- **Sizable amount of business distributed through retail brokers / agents**
 - Argo Pro – Customer service focused D&O and E&O specialty platform
 - Surety – Top 15 commercial underwriter
 - Trident – Small and medium sized public-sector U.S. entities
 - Rockwood – Designs custom workers comp and other programs for businesses in the mining sector



International Operations

Growing Platform With Robust 5-Year Premium CAGR of 8%¹

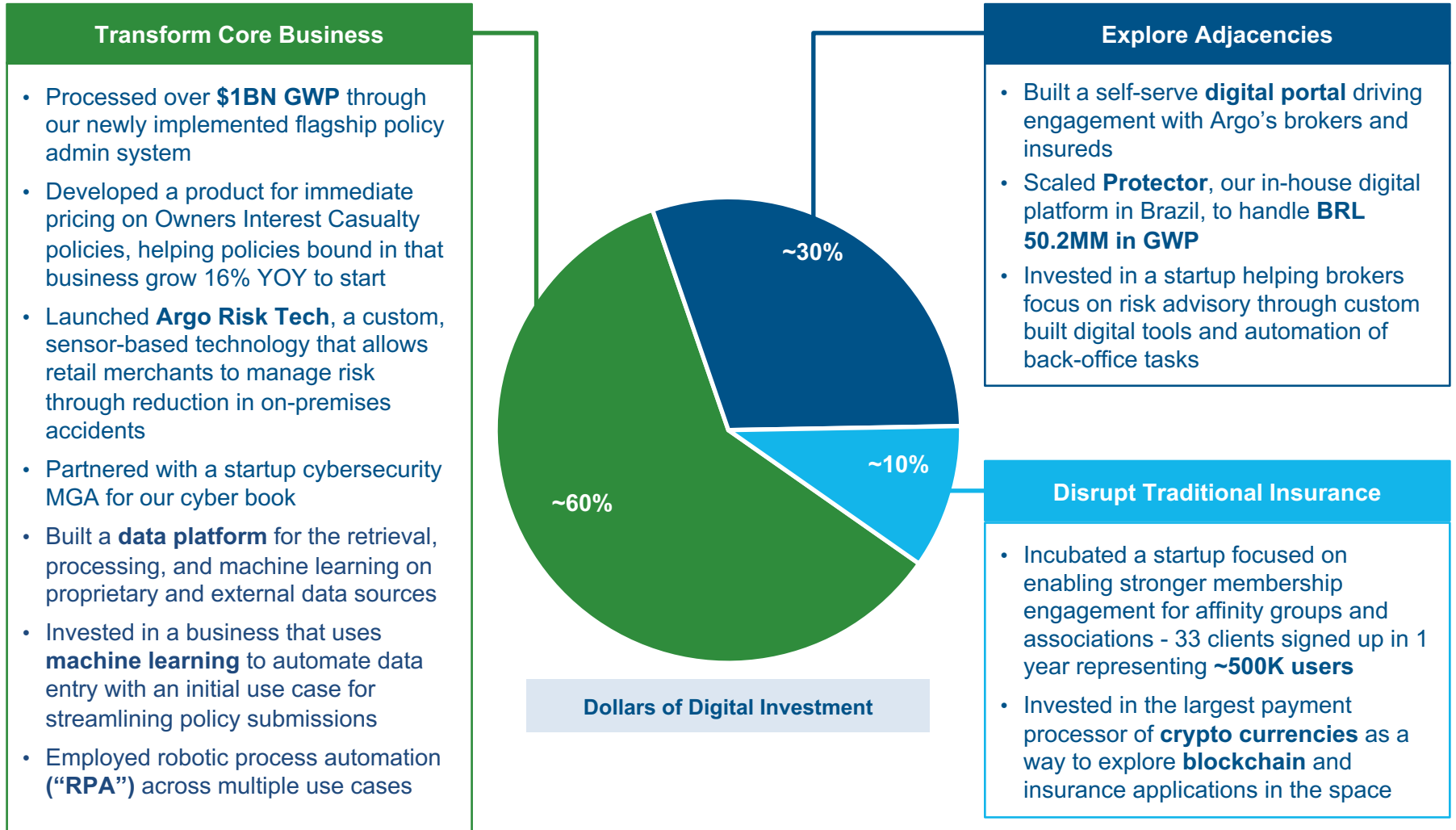
- **Well-established multi-class Lloyd's Syndicate platform**
 - A top Lloyd's Syndicate platform by stamp capacity with multi-class expertise
 - Regional offices in Bermuda and Dubai
- **Strong Bermuda trading platform**
 - Includes property insurance and reinsurance business
 - Seasoned book of mid / large account professional lines and excess casualty business
- **Strategic growth opportunities**
 - Leveraging Argo's underwriting expertise through local presence in Europe and Brazil
 - A growing portion of the Brazil business being distributed via digital channels through the in-house Protector platform



Transforming Argo into a digital-first carrier using a unique thesis-driven and iterative approach

Argo Continues to Drive Its Digital Transformation

Over the last 5 years Argo has achieved a 43% improvement in GWP per employee



Transform Core Business

- Processed over **\$1BN GWP** through our newly implemented flagship policy admin system
- Developed a product for immediate pricing on Owners Interest Casualty policies, helping policies bound in that business grow 16% YOY to start
- Launched **Argo Risk Tech**, a custom, sensor-based technology that allows retail merchants to manage risk through reduction in on-premises accidents
- Partnered with a startup cybersecurity MGA for our cyber book
- Built a **data platform** for the retrieval, processing, and machine learning on proprietary and external data sources
- Invested in a business that uses **machine learning** to automate data entry with an initial use case for streamlining policy submissions
- Employed robotic process automation (“**RPA**”) across multiple use cases

Explore Adjacencies

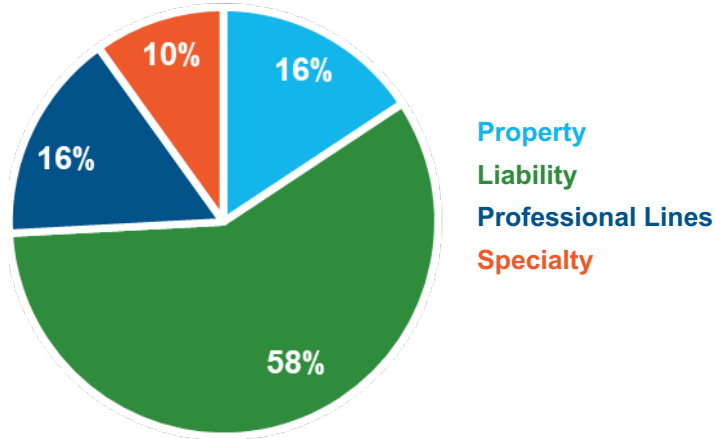
- Built a self-serve **digital portal** driving engagement with Argo’s brokers and insureds
- Scaled **Protector**, our in-house digital platform in Brazil, to handle **BRL 50.2MM in GWP**
- Invested in a startup helping brokers focus on risk advisory through custom built digital tools and automation of back-office tasks

Disrupt Traditional Insurance

- Incubated a startup focused on enabling stronger membership engagement for affinity groups and associations - 33 clients signed up in 1 year representing **~500K users**
- Invested in the largest payment processor of **crypto currencies** as a way to explore **blockchain** and insurance applications in the space

U.S. Operations (58% of GWP)

GWP by Business Mix (TTM 9/30/2019)



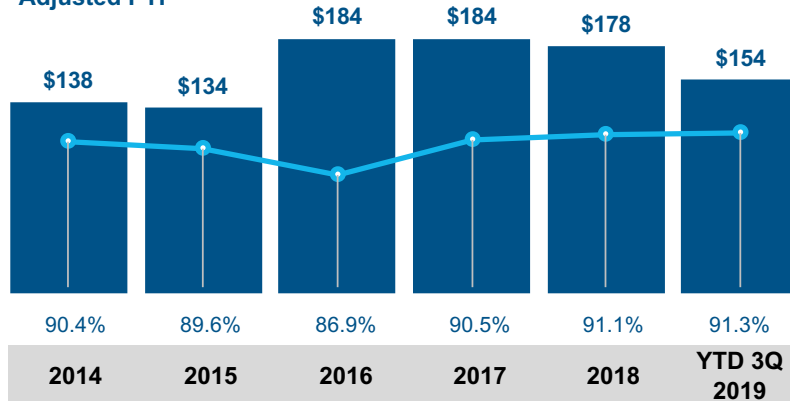
Segment Overview

- **Excess & Surplus Lines** – Non-standard (hard-to-place) risks, with focus on small/medium accounts
- **Argo Pro** – Customer service focused D&O and E&O specialty platform
- **Argo Surety** – Top 15 commercial surety writer
- **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 and other programs for the mining industry
- **Programs** – Underwrites select specialty programs and provides fronting for state-sponsored funds
- **Argo Insurance** – Designs customized commercial insurance programs for retail grocery stores

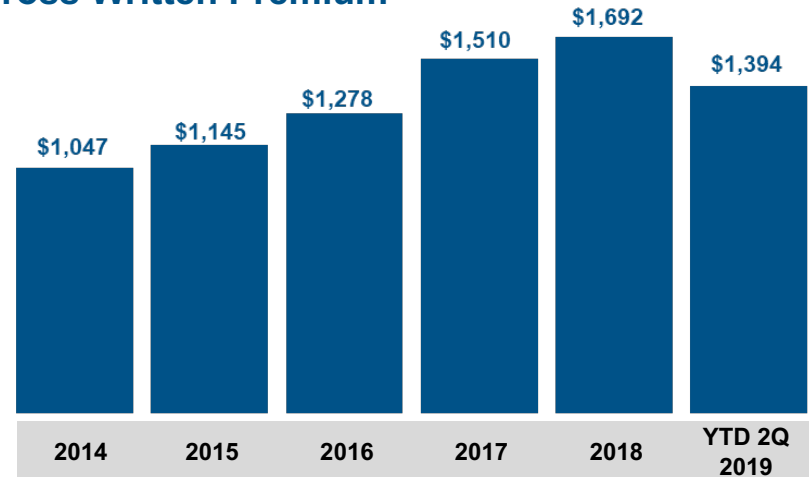
Adjusted PTI⁽¹⁾ & Combined Ratio

Combined Ratio

Adjusted PTI



Gross Written Premium

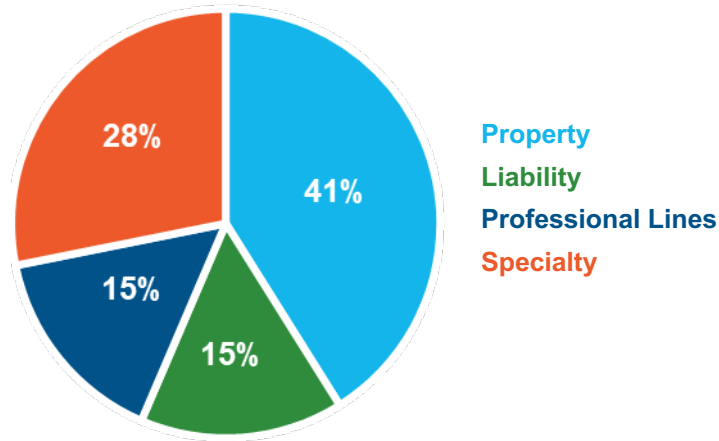


All data in millions except for ratio calculations. *TTM = trailing twelve months.

(1) Adjusted PTI = Adjusted Pre-Tax Income, which is equal to "Income Before Income Taxes" excluding "Interest Expense" as shown in Argo's 10-Qs and 10-Ks.

International Operations (42% of GWP)

GWP by Business Mix (TTM 9/30/2019)



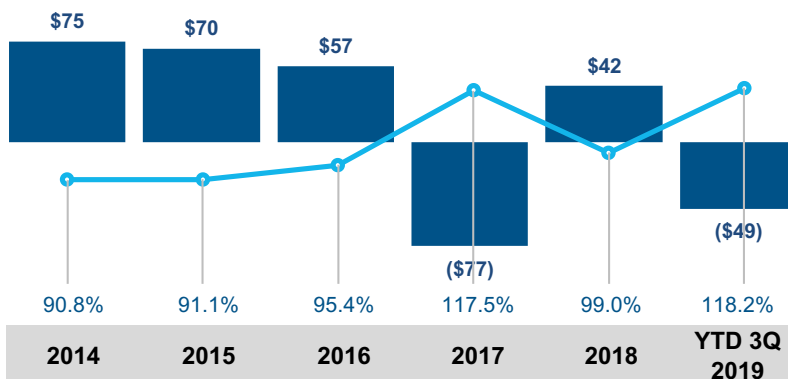
Segment Overview

- **Bermuda platform underwrites excess casualty, property and professional lines insurance as well as property reinsurance**
 - Property cat, short tail per risk and proportional treaty reinsurance worldwide
 - Excess casualty, professional liability, and property insurance for Fortune 1000 accounts
- **Well-established multi-class platform at Lloyd's of London**
 - Underwritten through Syndicates 1200 and 1910 (Ariel Re)
 - Top Lloyd's Syndicate by stamp capacity
- **Building diversity through international expansion in Brazil and throughout Europe**

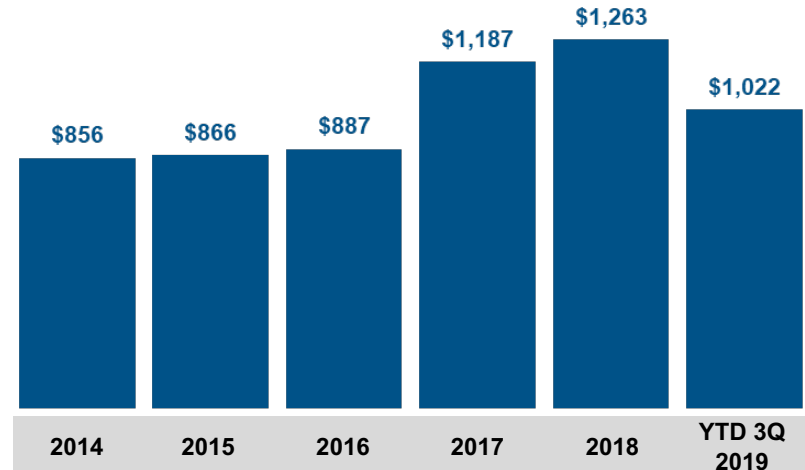
Adjusted PTI⁽¹⁾ & Combined Ratio

Combined Ratio

Adjusted PTI



Gross Written Premium

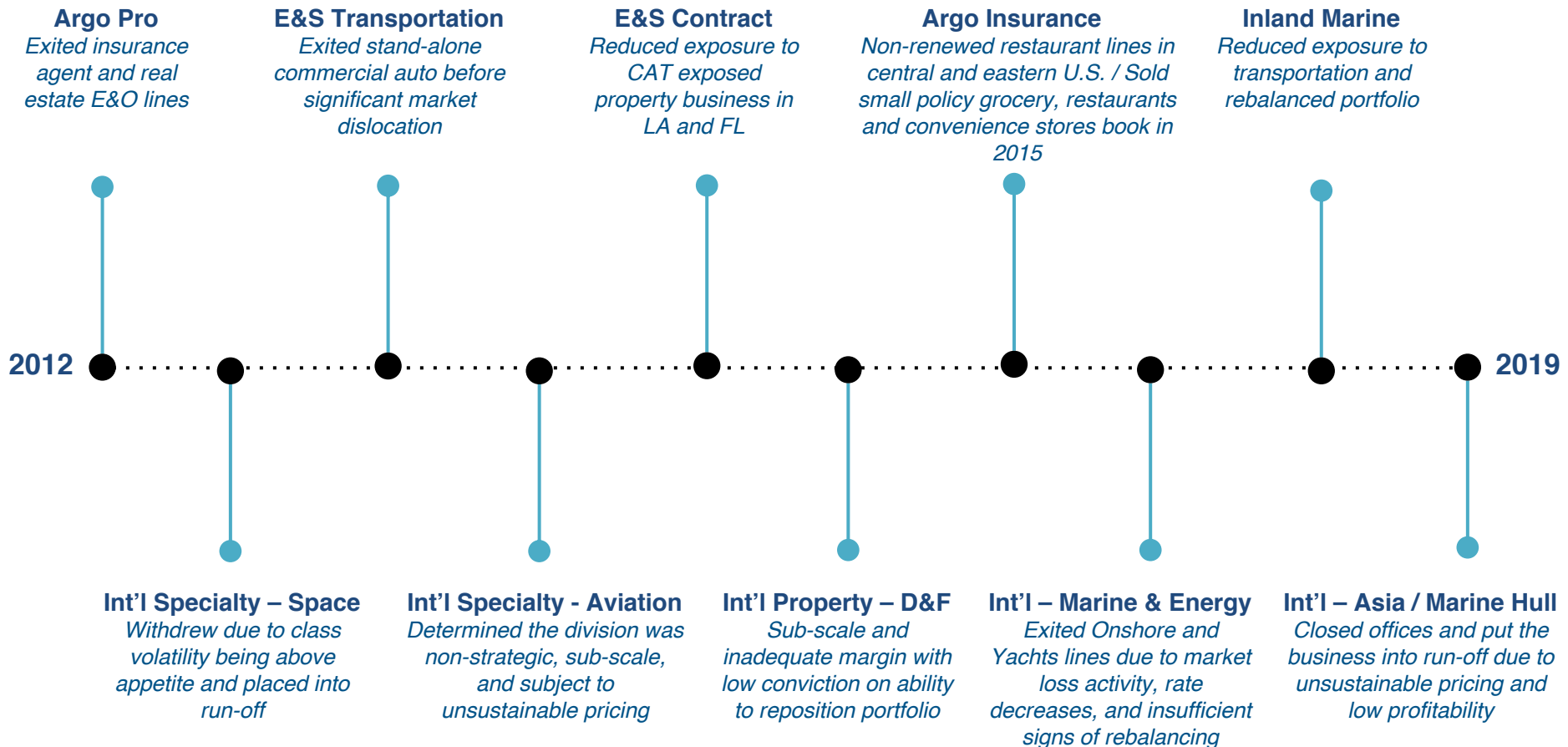


All data in millions except for ratio calculations. *TTM = trailing twelve months.

(1) Adjusted PTI = Adjusted Pre-Tax Income, which is equal to "Income Before Income Taxes" excluding "Interest Expense" as shown in Argo's 10-Qs and 10-Ks.

Historical Portfolio Rationalization

Argo takes thoughtful and strategic action to improve underwriting performance, by reducing exposure or exiting certain product lines when returns are not expected meet our targets



Loss Ratio Performance

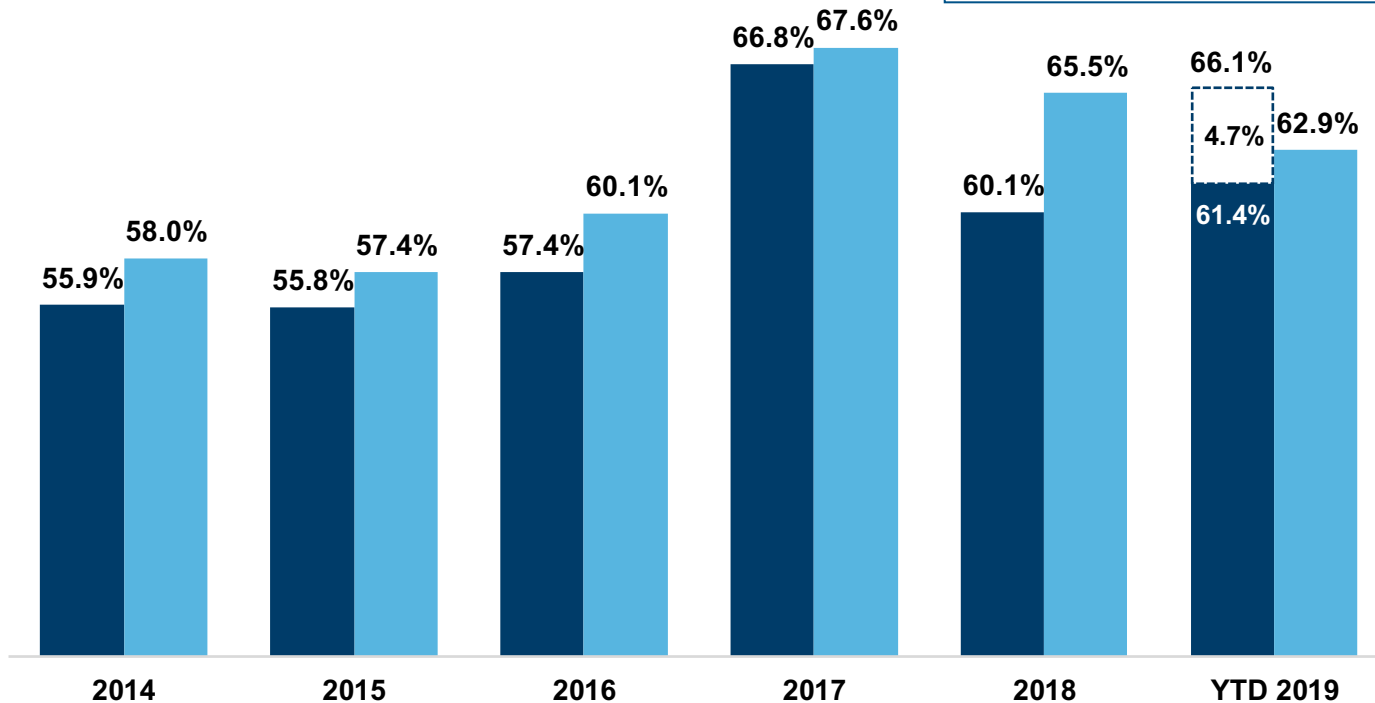
Argo's loss ratio performance reflects our specialty product focus and disciplined risk selection

Argo Group

Peer Group Average

2014 to YTD 2019 Average:

- Argo Group – 60.4%
- Peer Group – 61.9%



**2019
PYD**

Source: SNL Financial

Note: YTD 2019 reflects YTD through Q3 2019

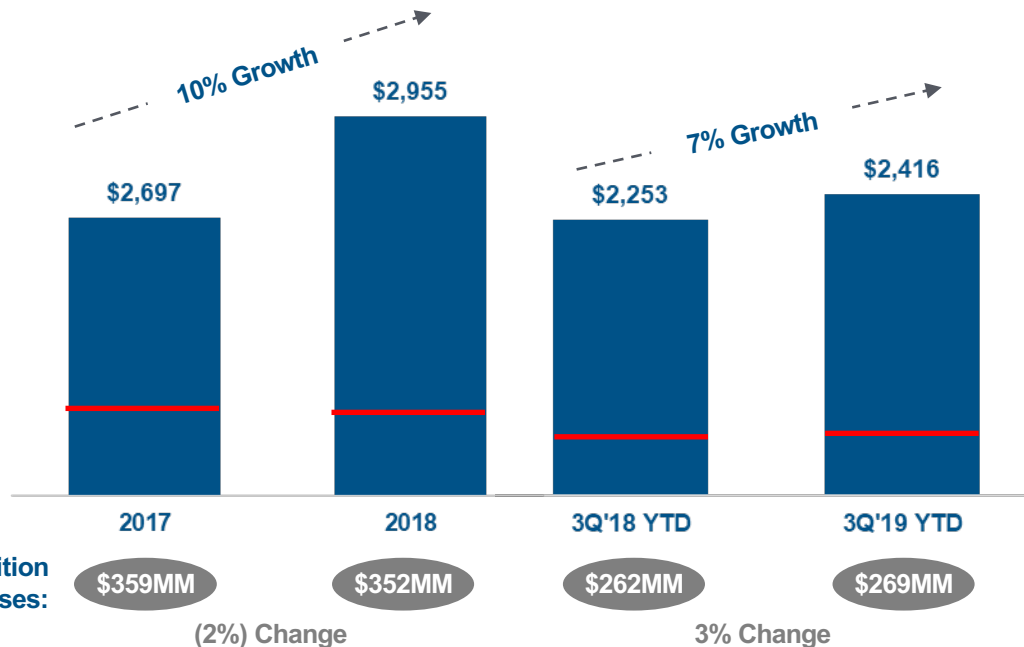
Note: 2019 PYD = prior year reserve strengthening reported during Q1 to Q3 2019

Peer Group consists of: Alleghany, American Financial, Arch, Axis, Global Indemnity, Hallmark, Hanover, James River, Markel, Protective, RLI, Selective and W.R. Berkley

Argo 2.0 Process and Technology Program – Enables Cost Effective Scale

Argo began a process called Argo 2.0 approximately 5 years ago; investments in technology, process optimization and outsourcing have enabled profitable growth and the financial benefits will accelerate as additional scale is achieved

Gross Written Premiums Non-acquisition Expenses



Key Argo 2.0 Achievements:

- IT infrastructure modernization (2017 - Present)
- IT Infrastructure support outsourced (2017)
- IT application support outsourced (2017)
- Business Process Outsourcing (Started in 2010, Accelerated in 2016)
- Business Process Optimization (2015 - Present)
- Robotics Process Automation (2016 - Present)
- UW System Enhancements (2014 - Present)

\$ in millions.

Note, 3Q19-YTD non-acquisition expenses exclude \$11.7 million of expenses associated with proxy solicitation and related activities.

Recent Operating Results

	2017	2018	3Q'18 YTD	3Q'19 YTD
Gross Written Premiums	\$2,697.2	\$2,955.2	\$2,253.2	\$2,416.4
Earned Premiums	1,572.3	1,731.7	1,279.3	1,303.7
Underwriting Income	(113.3)	36.2	34.1	(43.4)
Adjusted Operating Income¹	\$5.5	\$111.7	\$92.9	\$43.1
Adjusted Operating Income per Common Share (Diluted)	\$0.16	\$3.22	\$2.68	\$1.24
Net Income	\$50.3	\$63.6	\$107.2	\$94.9
Net Income per Common Share (Diluted)	\$1.42	\$1.83	\$3.09	\$2.73
Loss Ratio	66.8%	60.1%	59.4%	66.1%
Expense Ratio	40.4%	37.8%	37.9%	37.2%
Combined Ratio	107.2%	97.9%	97.3%	103.3%
ROAE	2.8%	3.6%	7.9%	7.0%
Adjusted Operating ROAE	0.3%	6.3%	6.8%	3.2%
Book Value Per Share	\$53.46	\$51.43	\$53.63	\$55.18
<i>BVPS + Dividends Growth</i>	4.7%	-1.8%	1.8%	9.1%
Shareholders' Equity	\$1,819.7	\$1,746.7	\$1,818.1	\$1,893.4

Note: 2018 net income was negatively impacted by the adoption of the recent accounting rule change.

\$ in millions except for per share data and ratio calculations.

(1) Adjusted operating income calculated using an assumed 20% and 15% tax rate for 2018 and 2019, respectively.

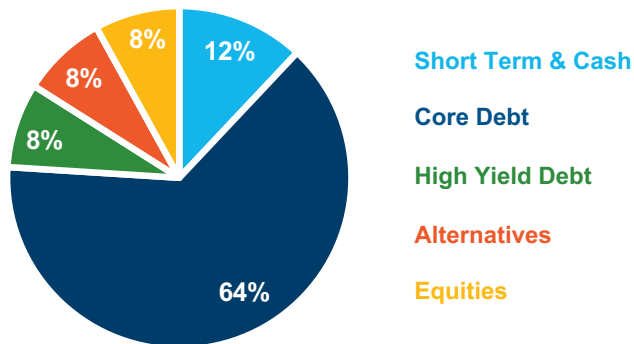
Conservative Total Return Focused Investment Portfolio

Portfolio Characteristics

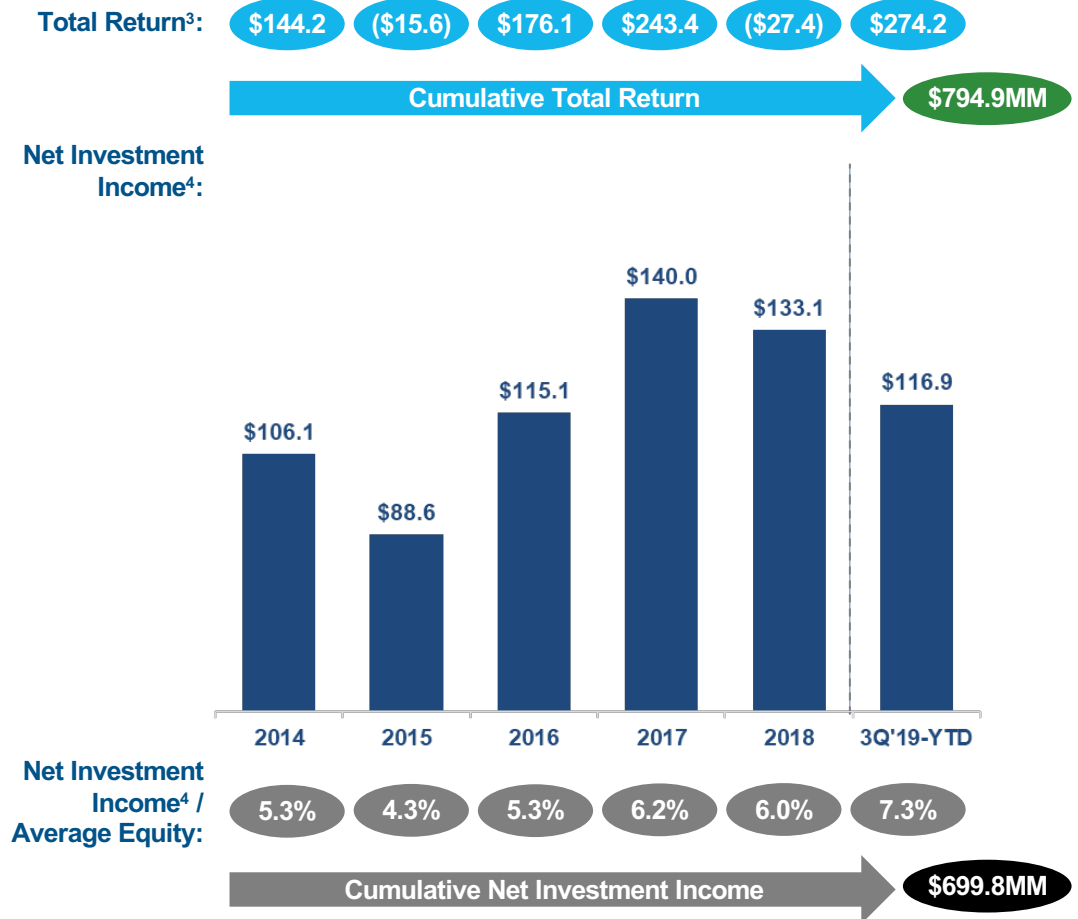
- Duration of 2.8 years¹ – focused on asset-liability management
- Average rating of ‘A1/A+’
- Fixed income book yield of 3.2%²
- Liability-driven investment portfolio
 - Liability-hedging portfolio: ~75% of total assets focused on meeting capital needs of day-to-day insurance business
 - Performance-seeking portfolio: ~25% of total assets focused on diversification and total return

Asset Allocation (3Q 2019)

Total: \$5.3BN



Investment Returns (\$MM)



(1) Duration includes cash & equivalents.

(2) Book yield is pre-tax & includes all fixed maturities.

(3) Total return defined as the sum of net investment income, realized and unrealized gains / (losses) and change in fair value of equities (2018 and 3Q'19-YTD only).

(4) Assumes 20% and 15% tax rate through 2018 and 3Q'19-YTD respectively. 3Q'19-YTD ratio is annualized.

Active Steward of Shareholder Capital

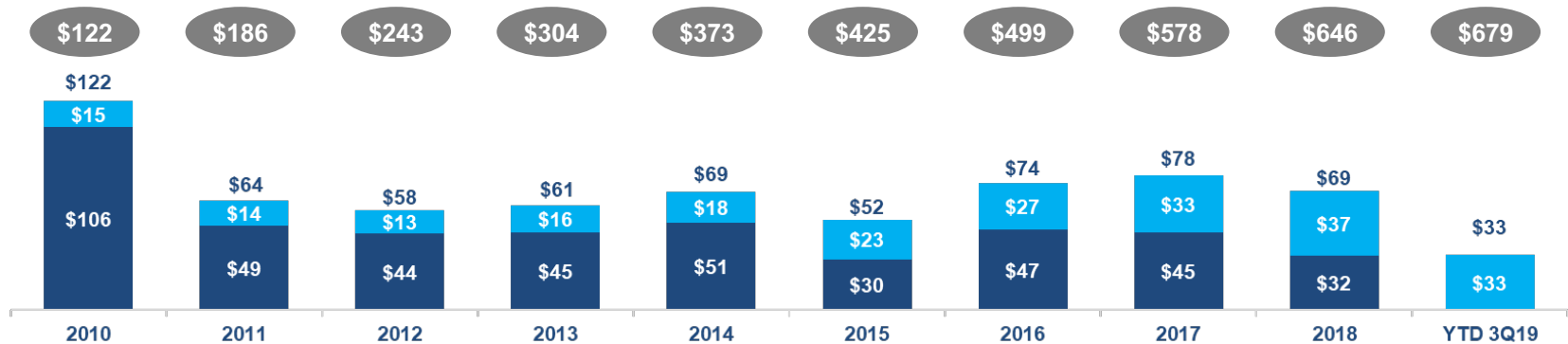
From 12/31/10 to 9/30/19, GAAP book value grew from \$1.6BN to \$1.9BN and \$679 million of capital was returned to shareholders

- While our #1 priority remains deploying capital into the businesses where we see attractive returns, we have a strong track record of returning excess capital to shareholders
- +15% dividend per share CAGR from 2010 to Q3 2019 (approximately 300% increase)

Cumulative Capital Returned to Shareholders

Cash Dividends

Share Repurchases



Well Positioned to Create Value in 2020 and Beyond

- ✓ Diversified specialty P&C insurance operations focused on niche products
- ✓ Global platform positioned for attractive growth in select markets
- ✓ Improving underwriting profitability, driven by a lower expense ratio
- ✓ Investing in technology to improve operating efficiency and risk selection
- ✓ Conservative total return investment portfolio contributing to book value growth
- ✓ Leveraging third-party capital and reinsurance to manage underwriting volatility
- ✓ Track record of returning excess capital to shareholders