



JAMES RIVER GROUP HOLDINGS, LTD.

**Third Quarter 2019
Investor Presentation**

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Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures as defined by Regulation G of the rules of the SEC. These non-GAAP measures, such as underwriting profit, adjusted net operating income, tangible equity and adjusted net operating return on average tangible equity (which is calculated as adjusted net operating income divided by the average tangible equity for the trailing five quarters) are not in accordance with, nor are they a substitute for, GAAP measures. We believe these non-GAAP measures provide users of our financial information useful insight into our performance. Investors should consider non-GAAP measures in addition to, and not as a substitute for, or superior to, the comparable GAAP measures. Please refer to pages 21 & 22 of this presentation for a reconciliation of the non-GAAP financial measures to the equivalent GAAP equivalents.

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Franchise Overview

Our Strategy

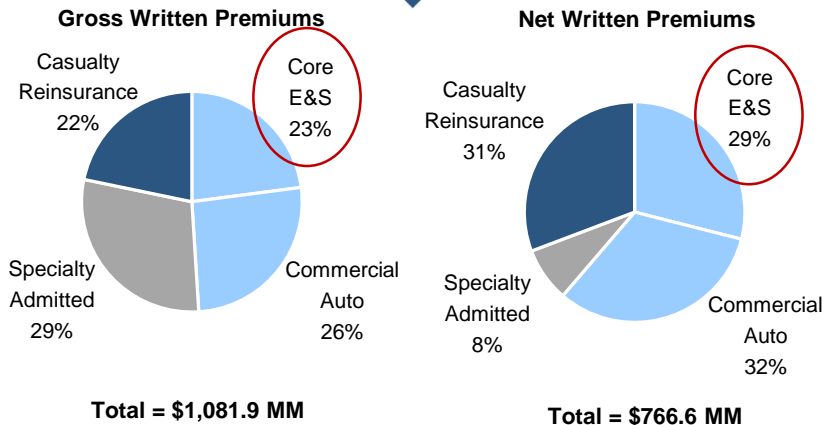
We seek to deliver consistent, top tier returns on tangible equity and generate sector leading value creation

- Our strategy is to generate superior underwriting margins from our niche casualty focused risks, while growing both non risk fee income and investment income
- Our largest business is our small and middle market, core Excess and Surplus Lines business, where we have earned superior returns over our 17 year history
- We target niche low volatility casualty risks for our 'A' rated balance sheet, with low retentions and little property exposure
- We seek out new opportunities to meaningfully build fee income and increase the proportion of total company non-risk earnings
- We are optimizing investment returns, much of which are generated from niche strategies representing a small portion of our portfolio

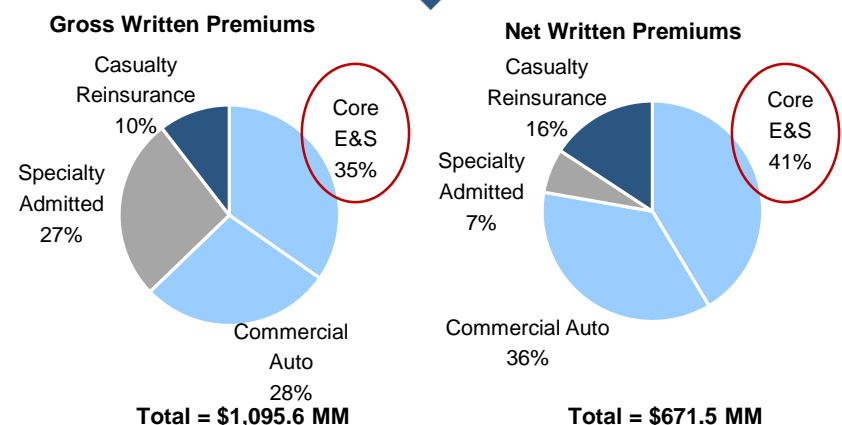
Focus on Attractive Part of P&C Market

- We are a specialty, low volatility underwriting company with a proven history of generating consistent profits
- Our focus has been to significantly grow our two primary businesses given the attractive opportunities to put capital to work
- Our key area of focus is small and medium sized commercial account Excess & Surplus Lines casualty business (eg “Core E&S”) with \$1 million per occurrence limits and approximately \$20,000 average account premiums. This business represented over 75% of our group net earned premium in the third quarter of 2019, significantly more than in 2017
- We look to marry that with a growing fee business, through our fronting strategy within our specialty admitted segment
- Our niche workers’ compensation and third-party casualty reinsurance businesses help provide attractive returns on capital
- We expect to deliver low double digit or better operating returns on tangible equity for the 2020 year

2017 Full Year Premiums



2019 9-Month YTD Premiums



Source: Company filings

Our Business

E&S Segment

- Represents over 75% of group premium and is underwritten by specialists in 13 divisions utilizing our seventeen years of expertise in writing hard to place risks
- Significant strength in current market; ten consecutive quarters of positive renewal rate increases
- Core E&S has grown over 50% year to date as compared to the prior year
- Focus on small and medium-sized commercial accounts where pricing has generally been better; 97% casualty and no primary property
- Bulk of commercial auto book will be in run off as of January 1, 2020
- Distributes through 120+ broker groups

PROFITABLE SPECIALTY UNDERWRITING

Specialty Admitted Segment

- Specialty admitted insurance coverages in the US, including a growing fee income business
- Added four new fronted programs during 2019, representing over \$50 million of gross written premium
- Growing, transactional driven fee based fronting business
- Targeted book of workers' compensation risks
- Gross fee income of \$14.8MM in 2018 and \$11.6MM YTD Q3 2019

A FOCUS ON FEE INCOME

Casualty Reinsurance Segment

- Third-party proportional and working-layer excess casualty business focused on small and medium U.S. specialty lines
- Significantly downsized during 2018 to optimize group returns and structure; remains core to group
- 97% of the segment's Gross Written Premium consisted of E&S risks in 2018
- At December 31, 2018, 97% of third party treaties were written as quota share arrangements and 82% contained loss mitigation features to drive low volatility

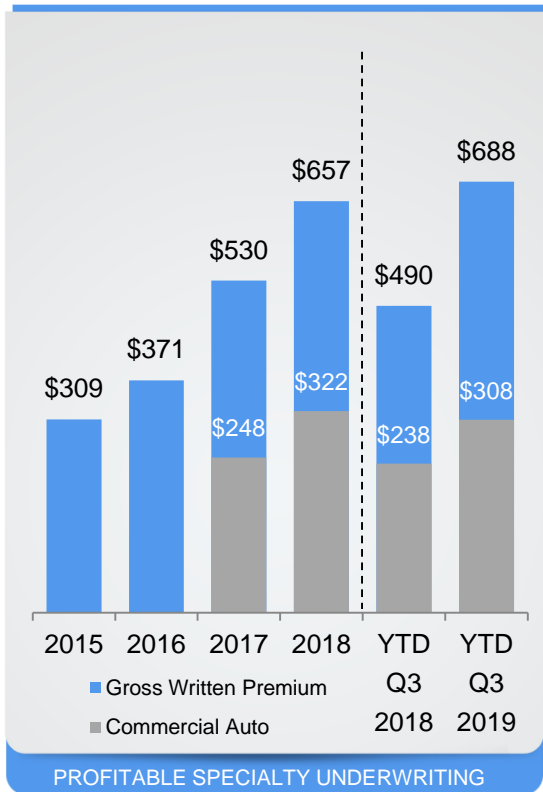
LOW VOLATILITY UNDERWRITING

Targeted Growth in Gross Written Premium

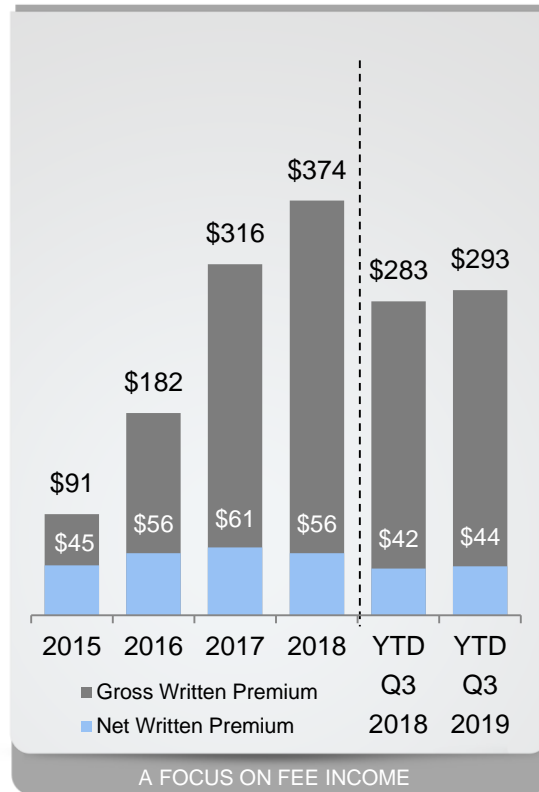
Growth driven by strong renewal pricing and submission growth in core E&S and expansion of our fee based fronting business

(\$ in Millions)

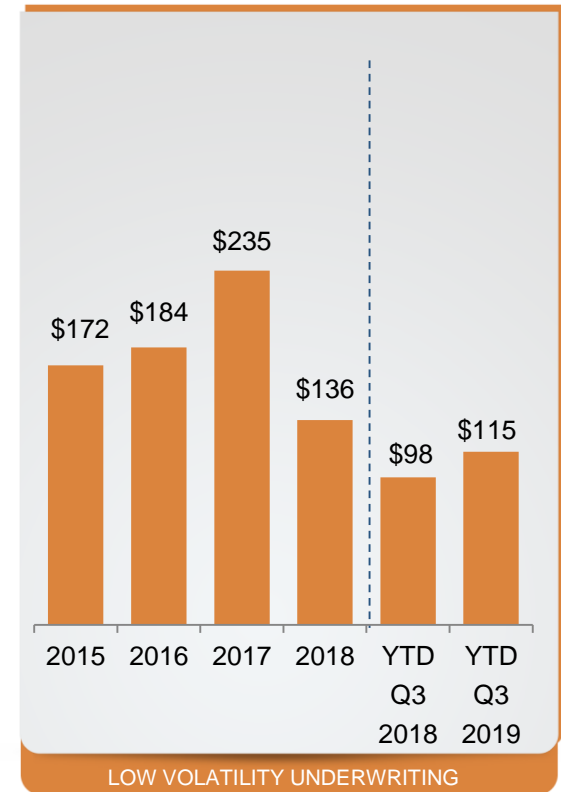
E&S Segment



Specialty Admitted Segment

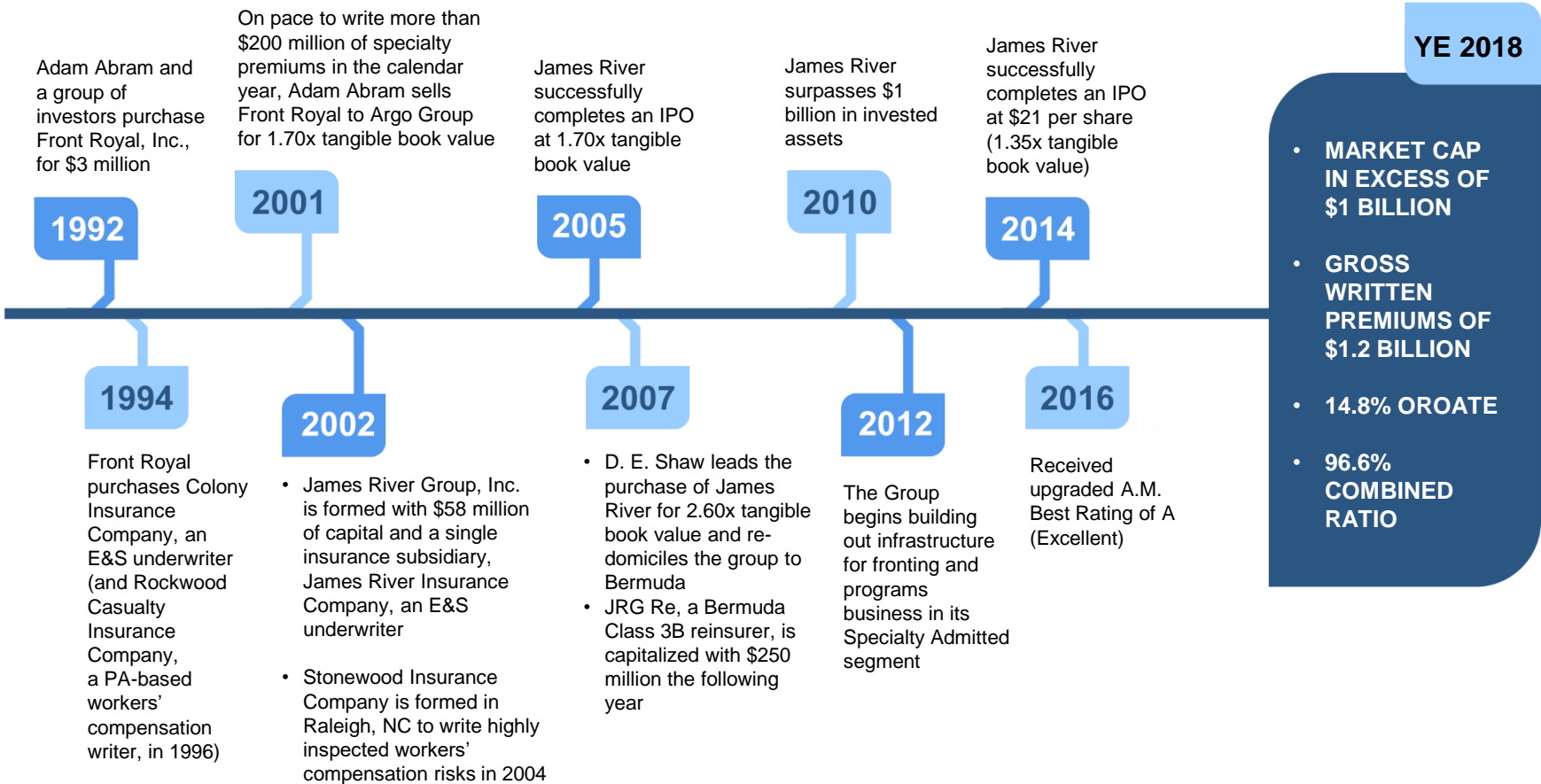


Casualty Reinsurance Segment



Our Specialty Market History

We have a long history of success in building niche businesses and generating top tier returns for investors



E&S Focus | Profitable, Niche Specialty Underwriting

- Our business is heavily concentrated in E&S Casualty (92% of 2018 NWP; generated by both the E&S and Casualty Reinsurance segments).
- We have focused on building an attractive portfolio of new economy risks
- E&S is the most profitable part of the property/casualty market and has been gaining market share.

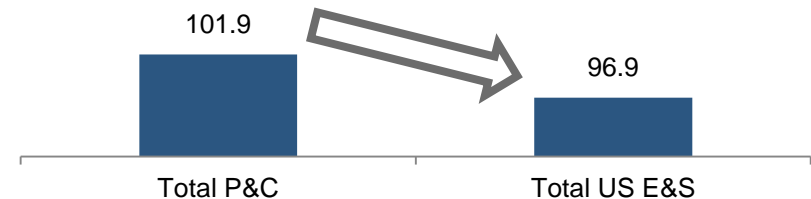
E&S segment GWP grew by 24% during 2018 and 40% YTD Q3 2019 over YTD Q3 2018

Source: Market data per A.M. Best data and research and Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable)

Profitability of E&S vs. Total P&C Industry

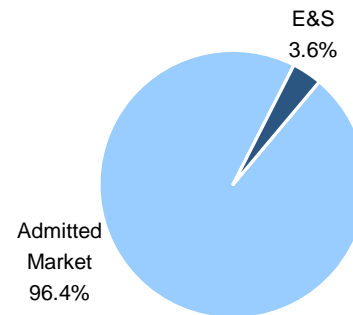
Avg. Combined Ratios 2000–2018

Difference of 5 percentage points



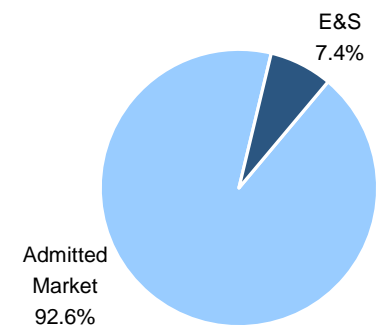
E&S Gaining Share of P&C Insurance Market

2000 P&C Market



Total P&C GWP: \$327.3bn
E&S GWP: \$11.7bn

2018 P&C Market



Total P&C GWP: \$678.0bn
E&S GWP: \$49.9bn

Broad Risk Appetite Permits Us to 'Pick Our Spots'

Our high caliber underwriting team, and use of proprietary technology, provide significant expertise to price our increased submission flow of highly underwritten risks

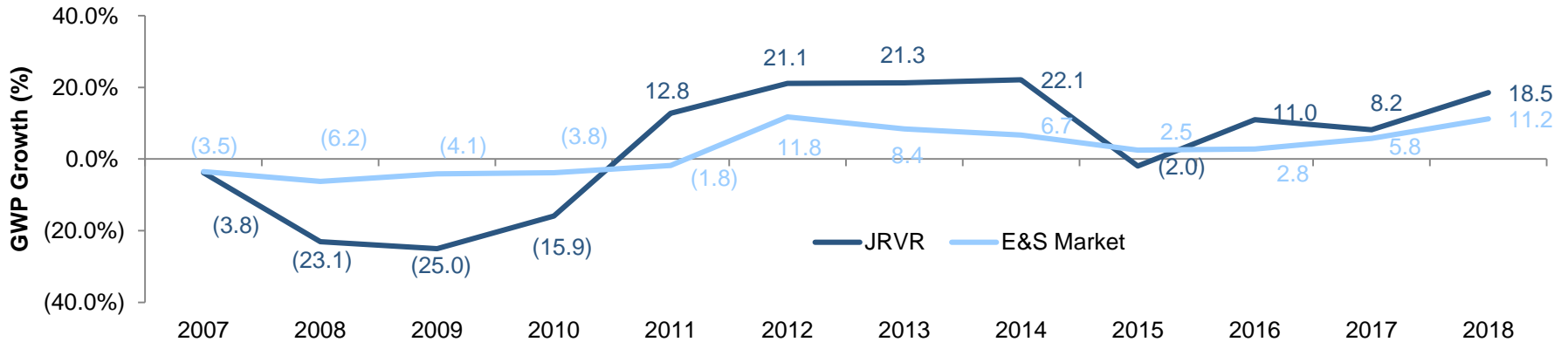
- During the first three quarters of 2019, rates have increased 3.9% across our core (non-commercial auto) E&S business (the tenth consecutive quarter of rate increases), while submissions grew 29% in the third quarter

Division	Lead U/W Years of Industry Experience	Gross Written Premiums			Description
		Nine Months Ended Sep 30, 2019	Year Ended Dec 31, 2018	Year Ended Dec 31, 2017	
Commercial Auto	31	\$307.9	\$322.1	\$248.0	Hired / non-owned auto, ride share
General Casualty (GC)	31	90.0	54.1	38.1	Premises ops (e.g., apartments, offices & restaurants)
Excess Casualty	35	78.7	66.5	51.2	Following form excess on risks similar to GC and MC
Manufacturers & Contractors (MC)	35	76.9	79.2	85.7	Products liability & completed operations exposure
Energy	47	35.8	33.9	29.7	Oil & gas contractors, mining, alternative energy & utilities
Excess Property	33	24.1	16.9	14.4	CAT-exposed excess property > 1/100 year return period
Allied Health	25	21.9	30.4	19.2	Long-term care, outplacement facilities & social services
Life Sciences	35	16.9	16.7	13.0	Nutrition products, medical devices and human clinical trials
Small Business	31	14.6	14.8	11.3	Small accounts similar to GC and MC
Environmental	47	11.9	10.5	7.9	Environmental contractors and consultants
Professional Liability	25	4.9	5.9	6.3	E&O for non-medical professionals (lawyers, architects, engineers)
Sports & Entertainment	31	2.8	3.7	3.0	Amusement parks, campgrounds, arenas
Medical Professional	25	1.5	1.8	2.3	Non-standard physicians and dentists
Total		\$687.9	\$656.5	\$530.1	
Core E&S		\$380.0	\$334.4	\$282.1	
Commercial Auto		\$307.9	\$322.1	\$248.0	

Demonstrated Underwriting Discipline

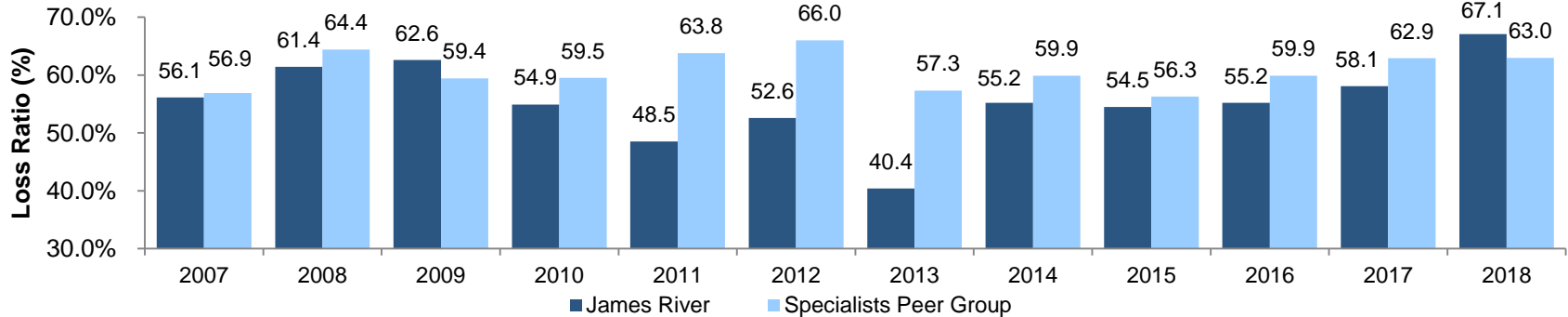
We have proven our willingness to expand and contract when market conditions dictate, and have a strong track record of profitable underwriting

Core E&S – GWP Growth vs. Total E&S Industry



Source: A.M. Best report

Core E&S Segment Loss Ratio vs. Surplus Line Specialists Peer Group*

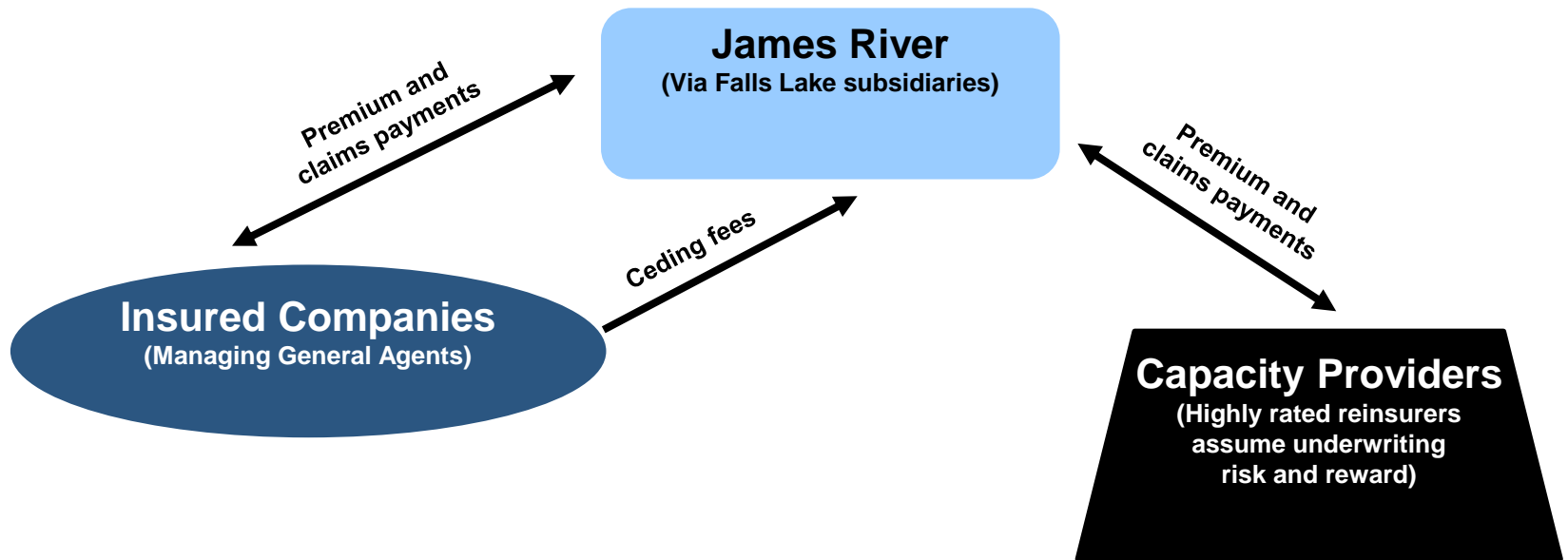


Source: Company filings, A.M. Best data and research, and S&P Global Market Intelligence (and its affiliates, as applicable)
 * Specialists Peer Group = Alleghany Insurance Holdings Group, Argo Group, Crum & Forster Insurance Group, Global Indemnity Group, HIIG Group, Houston Casualty Group, IFG Companies, Kinsale Insurance Company, Market Corporation Group, RLI Group, W.R. Berkley Insurance Group

	2007-2018 Average
James River	55.6
Specialists Peer Group	60.8

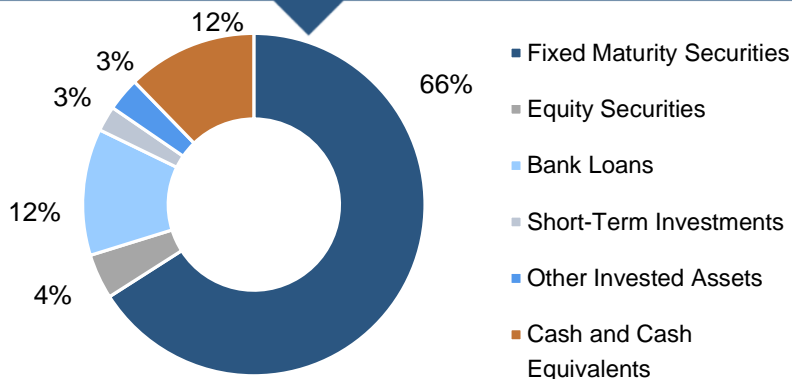
A Growing Fee Business

Fee Income Example



Traditional Investment Approach Augmented by Higher Yielding Alternatives

Investment Portfolio (as of September 30, 2019)



Total Cash and Investments: \$2,088MM

Net Investment Yield



Source: Company filings.

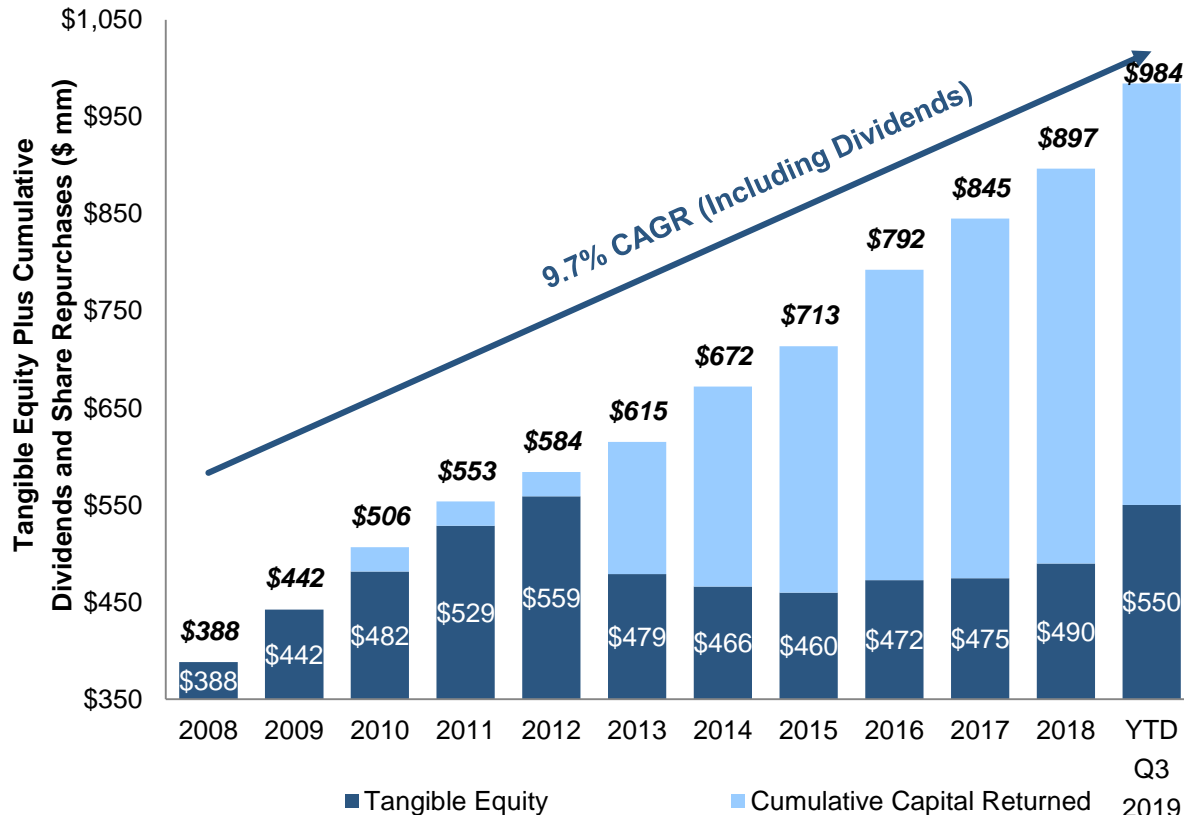
Commentary

- Our investment portfolio consists of investment grade fixed maturity securities, selectively supplemented by non-traditional investments
- Examples of non-traditional investments we have made include:
 - Participations in floating rate syndicated bank loans, generally senior secured loans with an average credit rating¹ of “B”;
 - Equity and debt investments in renewable energy project limited partnerships (~ \$40MM carrying value);
 - Investment in a limited partnership that invests in the equity tranches of collateralized loan obligations (CLOs)
- Weighted average credit rating¹: “A”
- Negligible exposure to equity markets or correlated equity market exposure

1. Per S&P, or an equivalent rating from another nationally recognized rating agency; credit ratings of fixed maturity securities and bank loans as of September 30, 2019. Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Capital Management Maximizes Shareholder Value

Capital Management History



- Current focus on growing book value given the attractive opportunities to put capital to work in our core E&S business
- 16.3% growth in tangible book value per share year to date 2019, or 10.8% after payment of the quarterly dividend
- Efficient in returning capital to shareholders when market conditions warrant; \$434 million of capital returned since 2008
- Last twelve month dividend yield of 3.4%¹

1. Calculated as dividends paid over last 4 quarters of \$1.20 divided by November 7, 2019 closing share price of \$34.95.

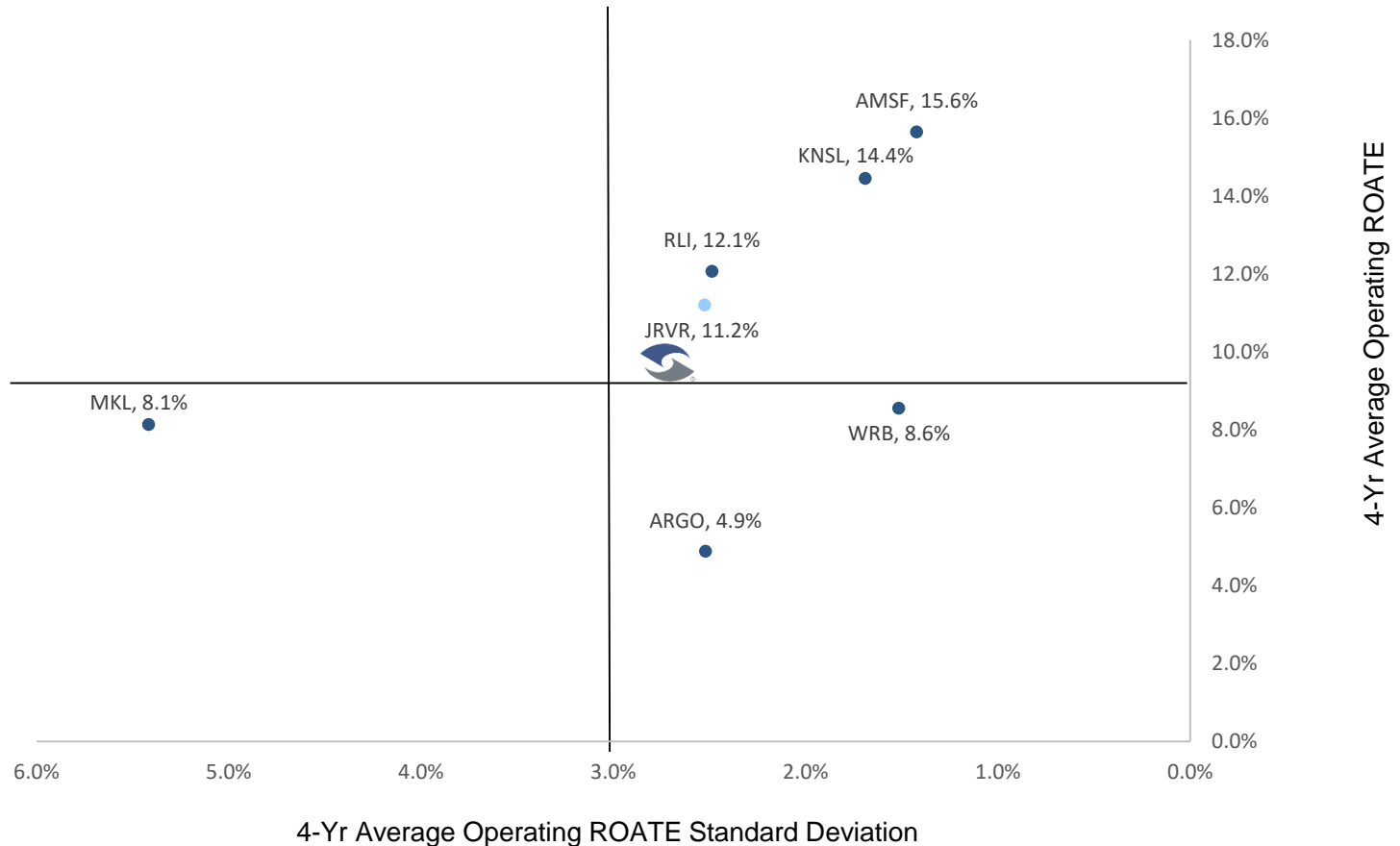
Source: Company filings



Comparative Market Highlights

Consistent Top Tier Returns

Best in class risk reward generated with low volatility, sector-leading returns

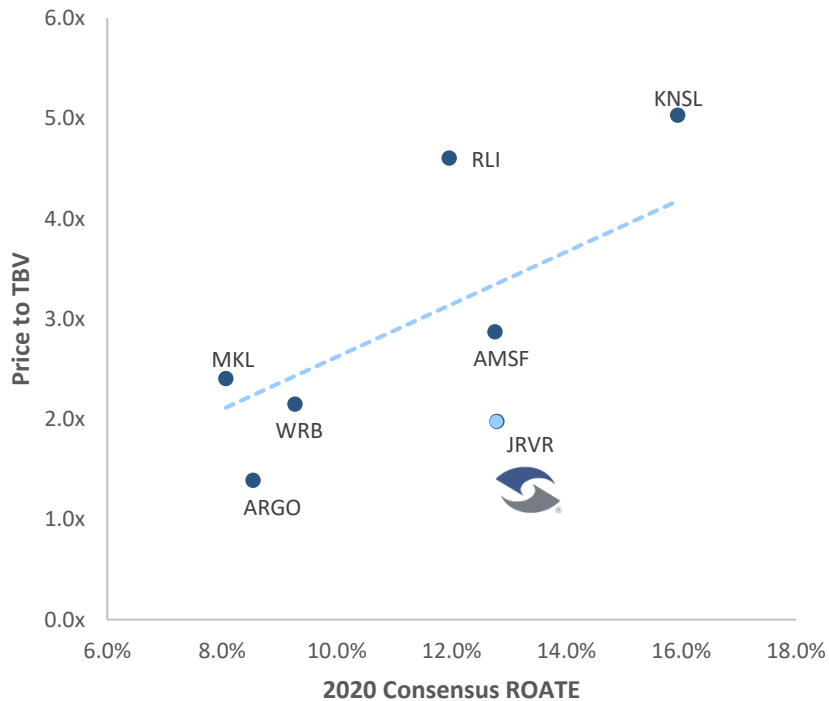


Source: data Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable). Data as of November 7, 2019.

Operating ROATE calculated as trailing twelve month operating returns per share through September 30, 2019 divided by the average of the trailing 5 quarters tangible book value (TBV) per share. TBV per share data for KNSL commences Q4 2015.

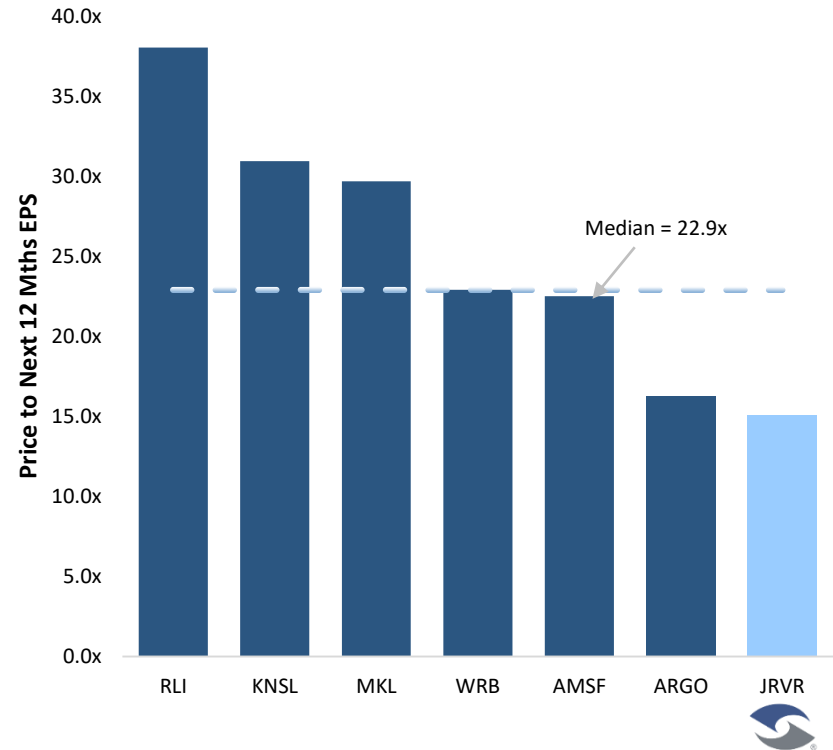
Our Current Valuation Supports Meaningful Upside

P/TBV vs Operating ROTE¹



R² = 0.4833

Price/Next Twelve Month Consensus Earnings



Source: data Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable). Data as of November 7, 2019.

¹ Analyst consensus operating earnings per share for the full financial year divided by September 30, 2019 tangible equity per share.



Appendix

James River Group Key Metrics

● Exchange/Ticker	NASDAQ / “JRVR”
● Initial Public Offering	\$21.00 (December 12, 2014)
● Current Share Price	\$34.95 (Closing Price November 7, 2019)
● Market Capitalization	\$1.062 billion (November 7, 2019 market close)
● LTM Dividend / Yield	\$1.20 per share = 3.4% yield ¹
● Gross Written Premium	\$1.167 billion in 2018
● Total Capitalization	\$971 million as of September 30, 2019
● AM Best Rating	‘A’ (Excellent)
● Analyst Coverage and Rating ²	JMP (Outperform) – Matthew Carletti Dowling (Neutral) – Aaron Woomer KBW (Neutral) – Meyer Shields SunTrust (Neutral) – Mark Hughes UBS (Neutral) – Brian Meredith B. Riley FBR (Sell) – Randy Binner

1. Based on Q4 2018, Q1 2019, Q2 2019 and Q3 2019 dividends and closing price of \$34.95 on November 7, 2019.

2. Current coverage and ratings as of November 7, 2019.

Non-GAAP Measures Reconciliation

Non-GAAP Reconciliation

Underwriting Profit (Loss)					YTD Q3	YTD Q3
(\$mm)	2015	2016	2017	2018	2018	2019
Underwriting profit (loss) of the operating segments:						
Excess and Surplus Lines	\$ 47.6	\$ 47.2	\$ 29.7	\$ 42.8	\$ 32.7	\$ (0.4)
Specialty Admitted Insurance	1.1	2.9	3.2	7.0	4.4	3.8
Casualty Reinsurance	(2.6)	(0.2)	(1.8)	5.1	5.0	(4.1)
Total underwriting profit of operating segments	46.1	49.9	31.1	54.9	42.1	(0.7)
Operating expenses of Corporate segment	(18.5)	(20.4)	(25.3)	(26.9)	(21.2)	(22.7)
Underwriting profit	27.6	29.5	5.8	28.0	20.9	(23.4)
Net investment income	44.8	52.6	61.1	61.3	45.8	54.8
Net realized investment (losses) gains	(4.5)	7.6	(2.0)	(5.5)	(0.4)	0.3
Other income and expenses	(0.5)	(1.3)	(0.2)	(0.8)	0.3	(0.2)
Interest expense	(7.0)	(8.5)	(9.0)	(11.6)	(8.5)	(8.1)
Amortization of intangible assets	(0.6)	(0.6)	(0.6)	(0.6)	(0.4)	(0.4)
Income before taxes	\$ 59.8	\$ 79.3	\$ 55.1	\$ 70.8	\$ 57.7	\$ 23.0

Source: Company filings.

Non-GAAP Measures Reconciliation

Non-GAAP Reconciliation

(\$mm)						
Adj. Net Operating Income	2015	2016	2017	2018	YTD Q3 2018	YTD Q3 2019
Income as reported	\$ 53.5	\$ 74.5	\$ 43.6	\$ 63.8	\$ 52.2	\$ 17.9
Net realized inv. (gains) losses	4.1	(5.2)	1.4	4.4	0.4	1.0
Initial public offering costs	-	-	-	-	-	-
Dividend withholding taxes	2.5	-	1.0	-	-	-
Other expenses	0.6	1.1	0.5	1.1	-	0.8
Interest expense	0.4	0.9	0.8	1.3	0.9	-
Adjusted net operating income	\$ 61.1	\$ 71.3	\$ 47.3	\$ 70.6	\$ 53.5	\$ 19.7

Tangible Equity	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD Q3 2018	YTD Q3 2019
Shareholders' equity	\$ 677.8	\$ 724.7	\$ 714.2	\$ 762.4	\$ 784.0	\$ 701.5	\$ 687.9	\$ 681.0	\$ 693.2	\$ 694.7	\$ 709.2	\$ 697.4	\$ 769.0
Goodwill & intangible assets	(289.8)	(282.4)	(232.7)	(233.9)	(225.0)	(222.6)	(221.9)	(221.3)	(220.7)	(220.2)	(219.3)	(219.7)	(219.0)
Tangible equity	\$ 388.0	\$ 442.3	\$ 481.5	\$ 528.5	\$ 559.0	\$ 478.9	\$ 466.0	\$ 459.7	\$ 472.5	\$ 474.5	\$ 489.9	\$ 477.7	\$ 550.0
Shares Outstanding (000's)	35,718	35,718	35,718	35,718	36,030	28,540	28,540	28,942	29,258	29,697	29,988	29,950	30,331
Tangible Equity per Share	\$ 10.86	\$ 12.38	\$ 13.48	\$ 14.80	\$ 15.52	\$ 16.78	\$ 16.33	\$ 15.89	\$ 16.15	\$ 15.98	\$ 16.34	\$ 15.95	\$ 18.13

Note: In the Tangible Equity Table, 2008 to 2013 shares outstanding are retroactively adjusted for 50/1 stock split. Additionally, all amounts are as of December 31 for each period indicated, except YTD Q3 2018 and YTD Q3 2019 which are as of September 30.

Source: Company filings.



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