

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 2, 2021

**Argo Group International Holdings, Ltd.**

(Exact Name of Registrant as Specified in Charter)

Bermuda  
(State or other jurisdiction  
of incorporation)

001-15259  
(Commission  
File Number)

98-0214719  
(I.R.S. Employer  
Identification No.)

90 Pitts Bay Road  
Pembroke HM 08  
Bermuda  
(Address, Including Zip Code,  
of Principal Executive Offices)

P.O. Box HM 1282  
Hamilton HM FX  
Bermuda  
(Mailing Address)

Registrant's telephone number, including area code: (441) 296-5858

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class   | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|---|----------------------|--|
| Common Stock, par value of \$1.00 per share   | ARGO                 | New York Stock Exchange                      |
| Guarantee of Argo Group U.S., Inc. 6.500% Senior Notes due 2042   | ARGD                 | New York Stock Exchange                      |
| Depository Shares, Each Representing a 1/1,000th Interest in a 7.00% Resettable Fixed Rate Preference Share, Series A, Par Value \$1.00 Per Share | ARGOPrA              | New York Stock Exchange                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

---

---

**Item 2.02. Results of Operations and Financial Condition.**

On November 2, 2021, Argo Group International Holdings, Ltd. (the “Company”) issued a press release regarding its anticipated financial results for the fiscal quarter ended September 30, 2021. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

| No.                  | Exhibit  |
|----------------------|--|
| <a href="#">99.1</a> | <a href="#">Press Release issued by Argo Group International Holdings, Ltd. dated November 2, 2021</a> |
| 104                  | Cover Page Interactive Data File (embedded within the Inline XBRL document)                            |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 2, 2021

ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

By: /s/ Scott Kirk

Name: Scott Kirk

Title: Chief Financial Officer



## Argo Group Reports 2021 Third Quarter Results

*Net Income EPS of \$0.56 per diluted common share and Operating Income EPS of \$0.91 per diluted common share driven by continued strong growth in the ongoing business, reduced catastrophe exposure and increased investment income*

- **Continued Growth:** Strong growth from the ongoing business in both the U.S. and International segments reflecting underwriting actions; market conditions remain favorable for continued growth
- **Reduced Catastrophe Losses:** Total catastrophe losses of \$27.3 million, down from \$71.2 million in the third quarter of 2020
- **Improved Underwriting Margin:** The combined ratio improved 9.8 points, reflecting continued growth in strategic lines, reduced impact of ceded reinsurance on net earned premiums and lower catastrophe losses

**Hamilton, Bermuda - November 2, 2021** - Argo Group International Holdings, Ltd. (NYSE: ARGO) ("Argo" or the "Company") today announced financial results for the three and nine months ended September 30, 2021. Argo reported third quarter 2021 net income attributable to common shareholders of \$19.8 million or \$0.56 per diluted common share, compared to a net loss attributable to common shareholders of \$(25.1) million or \$(0.72) per diluted common share for the 2020 third quarter. Operating income in the third quarter of 2021 was \$31.7 million or \$0.91 per diluted common share, compared to an operating loss of \$(10.0) million or \$(0.29) per diluted common share for the 2020 third quarter.

"Argo continues to pursue profitable growth, improve underwriting margins, reduce volatility and maintain disciplined expense management," said Argo Chief Executive Officer Kevin J. Rehnberg. "The successful implementation of our strategy is evidenced in our financial performance. As we continue to optimize our business mix, the underlying strength of our core lines of business is more clear."

"We are particularly pleased that our efforts to reduce property catastrophe exposure have led to a significant improvement in our results, against the backdrop of the elevated catastrophe losses the insurance industry experienced this quarter."

---

### Third Quarter Consolidated Operating Highlights

| \$ in millions  | Three Months Ended<br>September 30, |            | Q/Q<br>Change | Nine Months Ended<br>September 30, |            | Y/Y<br>Change |
|---|-------------------------------------|------------|---------------|------------------------------------|------------|---------------|
|   | 2021                                | 2020       |               | 2021                               | 2020       |               |
| <b>Consolidated</b>                                   |                                     |            |               |                                    |            |               |
| Gross written premiums                                | \$ 875.6                            | \$ 890.2   | -1.6 %        | \$ 2,447.4                         | \$ 2,515.7 | -2.7 %        |
| Net written premiums                                  | 583.7                               | 533.9      | 9.3 %         | 1,498.3                            | 1,370.5    | 9.3 %         |
| Earned premiums                                       | 487.5                               | 445.5      | 9.4 %         | 1,423.9                            | 1,313.9    | 8.4 %         |
| Underwriting income (loss)                            | \$ (1.3 )                           | \$ (45.3 ) | NM            | \$ 2.2                             | \$ (58.9 ) | NM            |
| Net investment income                                 | 46.1                                | 42         | NM            | 143.2                              | 79         | 81.3 %        |
| Net income (loss) attributable to common shareholders | \$ 19.8                             | \$ (25.1 ) | NM            | \$ 114.1                           | \$ (55.2 ) | NM            |
| Operating income (loss)                               | \$ 31.7                             | \$ (10.0 ) | NM            | \$ 103.4                           | \$ (1.1 )  | NM            |
| Loss ratio  | 64.0 %                              | 73.8 %     | -9.8 pts      | 62.5 %                             | 67.2 %     | -4.7 pts      |
| Acquisition expense ratio                             | 17.1 %                              | 17.1 %     | 0 pts         | 17.2 %                             | 16.5 %     | 0.7 pts       |
| General and administrative expense ratio*             | 19.2 %                              | 19.2 %     | 0 pts         | 20.1 %                             | 20.7 %     | -0.6 pts      |
| Expense ratio*  | 36.3 %                              | 36.3 %     | 0 pts         | 37.3 %                             | 37.2 %     | 0.1 pts       |
| Combined ratio  | 100.3 %                             | 110.1 %    | -9.8 pts      | 99.8 %                             | 104.4 %    | -4.6 pts      |
| CAY ex-CAT loss ratio**                               | 57.1 %                              | 57.4 %     | -0.3 pts      | 56.1 %                             | 56.9 %     | -0.8 pts      |

\*See footnote 1 in the Consolidated Financial Highlights below.

\*\*See footnote 2 in the Consolidated Financial Highlights below.

- Gross written premiums decreased 1.6% to \$875.6 million during the third quarter of 2021, compared to the third quarter of 2020. The decrease in gross written premiums is attributable to the businesses we are exiting, plan to exit or have sold, including sales of Ariel Re in November 2020 and businesses in Italy, Malta and the U.S. grocery business, and re-underwriting actions across our catastrophe exposed lines of business. In the ongoing businesses, premiums grew approximately 17% during the third quarter of 2021 when compared to the third quarter of 2020.
- The combined ratio was 100.3% during the third quarter of 2021, compared to 110.1% in the third quarter of 2020. The improved combined ratio was driven by lower COVID-19 losses and natural catastrophes, as well as an improved current accident year, ex-catastrophe ("CAY ex-CAT"), loss ratio.
- Total catastrophe losses in the third quarter of 2021 were \$27.3 million or 5.6 points on the loss ratio. In the third quarter of 2021, natural catastrophes accounted for \$24.3 million and losses related to the COVID-19 pandemic accounted for \$3.0 million of the total catastrophe losses. Catastrophe losses in the third quarter of 2020 were \$71.2 million or 16.0 points on the loss ratio and included \$16.9 million related to the COVID-19 pandemic.
- Net unfavorable reserve development for the 2021 third quarter was \$6.2 million, or 1.3 points on the loss ratio. Net unfavorable reserve development of \$1.6 million added 0.4 points to the loss ratio in the third quarter of 2020.
- The CAY ex-CAT loss ratio was 57.1% in the third quarter of 2021 compared to 57.4% in the prior year third quarter. The improvement was driven by U.S. Operations and is primarily a result of recent re-underwriting actions and rate increases earning through the results.

- The expense ratio of 36.3% in the third quarter of 2021 was flat compared to the prior year third quarter as improvement in U.S. Operations was offset by a higher expense ratio in International Operations. The acquisition expense ratio of 17.1% and general and administrative expense ratio of 19.2% were both flat compared to the prior year third quarter.
  - The CAY ex-CAT combined ratio was 93.4% in the third quarter of 2021, compared to 93.7% in the prior year third quarter.
  - Net investment income was \$46.1 million in the 2021 third quarter compared to \$42.0 million in the prior year third quarter. Investment income from alternative investments was \$24.2 million in the third quarter of 2021 and included gains from both private equity and hedge fund investments. Results for the prior year third quarter included gains from alternative investments of \$19.3 million. Net investment income excluding alternative investments was \$21.9 million in the third quarter of 2021 and decreased 3.5% from the prior year third quarter due primarily to lower interest rates.
  - Net income attributable to common shareholders was \$19.8 million, or \$0.56 per diluted share, for the third quarter of 2021, compared to a net loss attributable to common shareholders of \$(25.1) million, or \$(0.72) per diluted share, for the 2020 third quarter. The 2021 third quarter result benefited from \$1.3 million of pre-tax foreign currency exchange gains compared to foreign currency exchange losses of \$8.4 million in the prior year third quarter. The 2021 third quarter included \$5.3 million of pre-tax net realized investment losses, while the prior year third quarter included \$5.7 million of pre-tax net realized investment losses. The third quarter of 2021 included \$8.2 million of non-operating expenses compared to \$3.0 million, as adjusted, in the prior year quarter with the increase due to costs associated with the reduction in the Company's real estate footprint. Annualized return on average common shareholders' equity was 4.5% in the third quarter of 2021 compared to (5.9%) in the prior year third quarter.
  - Operating income was \$31.7 million or \$0.91 per diluted share in the third quarter of 2021, compared to an operating loss of \$(10.0) million or \$(0.29) per diluted share in the prior year quarter. The primary driver of the increased operating income was improved underwriting income resulting from a lower level of catastrophe losses in the third quarter of 2021. Annualized operating return on average common shareholders' equity was 7.3% in the third quarter of 2021 compared to (2.3%) in the prior year third quarter.
-

**U.S. Operations:**  
**2020**

| \$ in millions                            | Three Months Ended<br>September 30, |           | Q/Q<br>Change | Nine Months Ended<br>September 30, |            | Y/Y<br>Change |
|---|-------------------------------------|-----------|---------------|------------------------------------|------------|---------------|
|   | 2021                                | 2020      |               | 2021                               | 2020       |               |
|   |                                     |           |               |                                    |            |               |
| Gross written premiums                    | \$ 562.5                            | \$ 542.4  | 3.7 %         | \$ 1,564.9                         | \$ 1,499.1 | 4.4 %         |
| Net written premiums                      | 375                                 | 349.2     | 7.4 %         | 985.2                              | 922.2      | 6.8 %         |
| Earned premiums                           | 323.5                               | 298.7     | 8.3 %         | 952.4                              | 902.8      | 5.5 %         |
| Losses and loss adjustment expenses       | 203.9                               | 205.5     | -0.8 %        | 583.1                              | 566.3      | 3.0 %         |
| Acquisition expenses                      | 49                                  | 46.3      | 5.8 %         | 149.6                              | 130.8      | 14.4 %        |
| General and administrative expenses       | 55.7                                | 51.9      | 7.3 %         | 168.6                              | 158.8      | 6.2 %         |
| Underwriting income                       | \$ 14.9                             | \$ (5.0 ) | NM            | \$ 51.1                            | \$ 46.9    | 9.0 %         |
| Loss ratio                                | 63.0 %                              | 68.8 %    | -5.8 pts      | 61.2 %                             | 62.7 %     | -1.5 pts      |
| Acquisition expense ratio                 | 15.2 %                              | 15.5 %    | -0.3 pts      | 15.7 %                             | 14.5 %     | 1.2 pts       |
| General and administrative expense ratio* | 17.2 %                              | 17.4 %    | -0.2 pts      | 17.7 %                             | 17.6 %     | 0.1 pts       |
| Expense ratio*                            | 32.4 %                              | 32.9 %    | -0.5 pts      | 33.4 %                             | 32.1 %     | 1.3 pts       |
| Combined ratio                            | 95.4 %                              | 101.7 %   | -6.3 pts      | 94.6 %                             | 94.8 %     | -0.2 pts      |
| CAY ex-CAT loss ratio**                   | 59.8 %                              | 61.1 %    | -1.3 pts      | 57.8 %                             | 58.1 %     | -0.3 pts      |

\*See footnote 1 in the Segment Data below.

\*\*See footnote 2 in the Segment Data below.

- In our U.S. Operations, gross written premiums increased 3.7% compared to the third quarter of 2020 due mainly to growth in Liability and Professional lines, while premiums in Property lines declined. Growth in the third quarter of 2021 was driven by strategic growth businesses that include Argo Pro, Casualty, Construction, Environmental, Inland Marine and Surety. These businesses, which represent approximately 60% of U.S. Operations gross written premiums, in total, were up approximately 20% during the quarter. Offsetting this growth was the impact of planned reductions in Property lines and other re-underwriting actions, including the exit of our grocery and restaurant business. Rates on average were up in the mid-single digits, with pricing increases remaining stable in most of our strategic growth businesses.
- The loss ratio for the third quarter of 2021 was 63.0% compared to 68.8% in the prior year third quarter. The decrease in the loss ratio was primarily driven by a \$16.3 million reduction in catastrophe losses and improvement in the CAY ex-CAT loss ratio compared to the prior year third quarter.
- Net unfavorable prior-year reserve development in the third quarter of 2021 was \$0.2 million compared to \$3.2 million of favorable development in the prior year third quarter.
- Catastrophe losses were \$10.0 million, or 3.1 points on the loss ratio, in the third quarter of 2021 compared to \$26.3 million or 8.8 points on the loss ratio in the prior year third quarter with the current third quarter losses primarily related to Hurricane Ida.
- The CAY ex-CAT loss ratio was 59.8% in the third quarter of 2021 compared to 61.1% in the prior year third quarter. The improvement reflects the benefit of pricing and underwriting actions in addition to a reduced number of large losses compared to the prior year third quarter.
- The acquisition expense ratio for the third quarter of 2021 was 15.2%, a decrease of 0.3 points compared to the 2020 third quarter. The decrease was primarily driven by changes in business mix.
- The general and administrative expense ratio was 17.2% in the third quarter of 2021, an improvement of 0.2 points from the prior year third quarter.



**International Operations:**

| <i>\$ in millions</i>                     | Three Months Ended<br>September 30, |                   |                | Q/Q               | Nine Months Ended<br>September 30, |                  | Y/Y |
|---|-------------------------------------|-------------------|----------------|-------------------|------------------------------------|------------------|-----|
| International Operations                  | 2021                                | 2020              | Change         | 2021              | 2020                               | Change           |     |
| Gross written premiums                    | \$ 312.9                            | \$ 347.7          | -10.0 %        | \$ 881.9          | \$ 1,016.2                         | -13.2 %          |     |
| Net written premiums                      | 208.5                               | 184.6             | 12.9 %         | 512.5             | 447.9                              | 14.4 %           |     |
| Earned premiums                           | 163.9                               | 146.7             | 11.7 %         | 471.1             | 410.8                              | 14.7 %           |     |
| Losses and loss adjustment expenses       | 103.8                               | 113               | -8.1 %         | 301.2             | 305.6                              | -1.4 %           |     |
| Acquisition expenses                      | 34.2                                | 29.7              | 15.2 %         | 94.5              | 86.4                               | 9.4 %            |     |
| General and administrative expenses       | 30.5                                | 27.2              | 12.1 %         | 94.3              | 88.4                               | 6.7 %            |     |
| Underwriting income (loss)                | <u>\$ (4.6 )</u>                    | <u>\$ (23.2 )</u> | <u>NM</u>      | <u>\$ (18.9 )</u> | <u>\$ (69.6 )</u>                  | <u>NM</u>        |     |
| Loss ratio                                | 63.3 %                              | 77.1 %            | -13.8 pts      | 63.9              | 74.4                               | -10.5 pts        |     |
| Acquisition expense ratio                 | 20.9 %                              | 20.2 %            | 0.7 pts        | 20.1              | 21.0                               | -0.9 pts         |     |
| General and administrative expense ratio* | 18.6 %                              | 18.5 %            | 0.1 pts        | 20.0              | 21.5                               | -1.5 pts         |     |
| Expense Ratio*                            | <u>39.5 %</u>                       | <u>38.7 %</u>     | <u>0.8 pts</u> | <u>40.1</u>       | <u>42.5</u>                        | <u>-2.4 pts</u>  |     |
| Combined ratio                            | <u>102.8 %</u>                      | <u>115.8 %</u>    | <u>-13 pts</u> | <u>104.0</u>      | <u>116.9</u>                       | <u>-12.9 pts</u> |     |
| CAY ex-CAT loss ratio**                   | 51.6 %                              | 50.3 %            | 1.3 pts        | 52.7              | 54.5                               | -1.8 pts         |     |

\*See footnote 3 in the Segment Data below.

\*\*See footnote 4 in the Segment Data below.

- In our International Operations gross written premiums declined (10.0)% in the third quarter of 2021 compared to the third quarter of 2020. The decrease in gross written premiums is attributable to businesses we are exiting, plan to exit or have sold, including the sale of Ariel Re in November 2020, and the planned exits of businesses in Italy and Malta. In the ongoing business, excluding the increased share of Syndicate 1200's capacity, gross written premiums were up approximately 19% primarily due to higher rates, and growth in Marine and Specialty lines. Rate increases averaged low-double digits during the 2021 third quarter.
- Net written and earned premium in the third quarter of 2021 increased 12.9% and 11.7%, respectively, compared to the 2020 third quarter with the increase attributable to Syndicate 1200. The increase in Syndicate 1200 was driven by changes in ceded reinsurance, rate increases achieved over the last several quarters and reductions in third party capital participation, partially offset by \$5.1 million of reinstatement premiums associated with natural catastrophes during the third quarter of 2021. Reinstatement premiums were \$0.7 million in the third quarter of 2020.
- The loss ratio for the third quarter of 2021 was 63.3% compared to 77.1% in the prior year third quarter. The improvement in the loss ratio is primarily the result of a reduction in catastrophe losses compared to the third quarter of 2020.
- Catastrophe losses totaled 10.5 points on the loss ratio in the third quarter of 2021, attributed to natural catastrophes and losses related to COVID-19, as compared to 30.6 points on the loss ratio for the third quarter of 2020.

- The CAY ex-CAT loss ratio was 51.6% in the third quarter of 2021 compared to 50.3% in the prior year third quarter. The increase in the loss ratio in the third quarter of 2021 is mainly due to the impact from the reinstatement premiums associated with the natural catastrophe events in the third quarter of 2021.
- Net unfavorable prior year reserve development in the third quarter of 2021 was \$2.0 million or 1.2 points on the loss ratio, compared to favorable development of \$5.6 million in prior year third quarter.
- The acquisition ratio increased 0.7 points to 20.9% during the third quarter of 2021 and is attributable largely to reinstatement premiums associated with the natural catastrophe events in the third quarter of 2021.
- The general and administrative expense ratio of 18.6% increased slightly in the third quarter of 2021 when compared to the prior year third quarter primarily due to the impact from reinstatement premiums associated with the natural catastrophe events in the third quarter of 2021.

**Balance Sheet:**

- Book value per common share was \$50.01 at September 30, 2021, compared to \$50.34 at June 30, 2021. Including dividends paid, book value per common share was flat relative to June 30, 2021 as retained earnings were offset by changes in interest rates and net unrealized losses on fixed maturity securities.
-

## CONFERENCE CALL

Argo management will conduct an investor conference call starting at 10 a.m. EST on Wednesday, November 3, 2021. Participants in the U.S. can access the call by dialing (844) 200-6205 (access code 199691). Callers dialing from outside the U.S. can access the call by dialing (929) 526-1599 (access code 199691). Please ask the operator for the Argo earnings call. A live webcast of the conference call can be accessed at <https://events.q4inc.com/attendee/225554513>.

A webcast replay will be available shortly after the live conference call and can be accessed at <https://events.q4inc.com/attendee/225554513>. A telephone replay of the conference call will be available through November 16, 2021, to callers in the U.S. by dialing (866) 813-9403 (access code 467489) and to callers outside the U.S. by dialing +44-204-525-0658 (access code 467489).

## ABOUT ARGO GROUP INTERNATIONAL HOLDINGS, LTD.

Argo Group International Holdings, Ltd. (NYSE: ARGO) is an underwriter of specialty insurance products in the property and casualty market. Argo offers a full line of products and services designed to meet the unique coverage and claims-handling needs of businesses in two primary segments: U.S. Operations and International Operations. Argo and its insurance subsidiaries are rated 'A-' by Standard and Poor's. Argo's insurance subsidiaries are rated 'A-' by A.M. Best. More information on Argo and its subsidiaries is available at [www.argogroup.com](http://www.argogroup.com).

## FORWARD-LOOKING STATEMENTS

This press release includes forward-looking statements that reflect our current views with respect to future events and financial performance. 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," "remain optimistic," "improve," "progress," "path toward," "outlook," "trends," "future," "could," "would," "should," "target," "on track" and similar expressions of a future or forward-looking nature.

Such statements are subject to certain risks and uncertainties that could cause actual events or results to differ materially. For a more detailed discussion of such risks and uncertainties, see Item 1A, "Risk Factors" in Argo's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in other filings with the Securities and Exchange Commission ("SEC"). The inclusion of a forward-looking statement herein should not be regarded as a representation by Argo that Argo's objectives will be achieved. Any forward-looking statements speak only as of the date of this press release. Argo undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such statements.

## NON-GAAP FINANCIAL MEASURES

In presenting the Company's results, management has included and discussed in this press release certain non-generally accepted accounting principles ("non-GAAP") financial measures within the meaning of Regulation G as promulgated by the SEC. Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain the Company's results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company's business. However, these measures should not be viewed as a substitute for those determined in accordance with generally accepted accounting principles ("U.S. GAAP").

"CAY ex-CAT combined ratio" and the "CAY ex-CAT loss ratio" are internal measures used by the management of the Company to evaluate the performance of its underwriting activity and represents the net amount of underwriting income excluding catastrophe related charges and the impact of changes to prior year loss reserves. Although this measure does not replace the GAAP combined ratio, it provides management with a view of the quality of earnings generated by underwriting activity for the current accident year.

---

“Operating income (loss)” is an internal performance measure used in the management of the Company's operations and represents operating results after-tax (at an assumed effective tax rate of 15%) and preferred share dividends excluding, as applicable, net realized investment gains or losses, net foreign exchange gain or loss, non- operating expenses, and other similar non-recurring items. The Company excludes net realized investment gains or losses, net foreign exchange gain or loss, non-operating expenses, and other similar non-recurring items from the calculation of operating income because these amounts are influenced by and fluctuate in part, by market conditions that are outside of management’s control. In addition to presenting net income determined in accordance with U.S. GAAP, the Company believes that showing operating income enables investors, analysts, rating agencies and other users of the Company's financial information to more easily analyze our results of operations and underlying business performance.

"Annualized operating return on average common shareholders' equity" is calculated using operating income (loss) (as defined above and annualized in the manner described for net income (loss) attributable to common shareholders ("ROACE")) and average common shareholders' equity. In calculating ROACE, the net income attributable to common shareholders for the period is multiplied by the number of periods in a calendar year to arrive at annualized net income available to common shareholders. In addition to presenting ROACE determined in accordance with U.S. GAAP, the Company believes that showing annualized operating return on average common shareholders' equity enables investors, analysts, rating agencies and other users of the Company's financial information to more easily analyze our results of operations and underlying business performance.

"Operating income (loss) per common share (diluted)" or "Operating Income EPS" is calculated using operating income (as defined above) and the weighted average common shares (diluted) for the current period. In addition to presenting net income (loss) per common share (diluted) in accordance with U.S. GAAP, the Company believes that showing the operating income (loss) per common share (diluted) enables investors, analysts, rating agencies and other users of the Company's financial information to more easily analyze our results of operations and underlying business performance.

“Underwriting income (loss)” is an internal performance measure used in the management of the Company’s operations and represents net amount earned from underwriting activities (net premium earned less underwriting expenses and claims incurred). Although this measure of profit (loss) does not replace net income (loss) computed in accordance with U.S. GAAP as a measure of profitability, management uses this measure of profit (loss) to focus our reporting segments on generating underwriting income. The Company presents underwriting income as a measure that is commonly recognized as a standard of performance by investors, analysts, rating agencies and other users of its financial information.

The “percentage change in book value per common share” includes (by adding) the effects of cash dividends paid per common share to the calculated book value per common share for the current period. This adjusted amount is then compared to the prior period’s book value per common share to determine the period over period change. The Company believes that including the dividends paid per common share allows users of its financial statements to more easily identify the impact of the changes in book value per common share from the perspective of investors.

Reconciliations of non-GAAP financial measures to their most directly comparable U.S. GAAP measures are included in the attached tables and footnotes.

(financial tables follow)

---

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except per share amounts)

|   | September 30,<br>2021<br>(unaudited) | December 31,<br>2020 |
|---|--------------------------------------|----------------------|
| <b>Assets</b>                                     |                                      |                      |
| Total investments                                 | \$ 5,313.5                           | \$ 5,255.8           |
| Cash  | 202.0                                | 148.8                |
| Accrued investment income                         | 20.9                                 | 21.8                 |
| Receivables                                       | 3,655.9                              | 3,688.8              |
| Goodwill and intangible assets                    | 207.8                                | 207.8                |
| Deferred acquisition costs, net                   | 175.7                                | 163.6                |
| Ceded unearned premiums                           | 572.1                                | 575.1                |
| Other assets                                      | 370.2                                | 404.1                |
| <b>Total assets</b>                               | <b>\$ 10,518.1</b>                   | <b>\$ 10,465.8</b>   |
| <b>Liabilities and Shareholders' Equity</b>       |                                      |                      |
| Reserves for losses and loss adjustment expenses  | \$ 5,439.5                           | \$ 5,406.0           |
| Unearned premiums                                 | 1,540.2                              | 1,464.8              |
| Ceded reinsurance payable, net                    | 763.8                                | 950.4                |
| Senior unsecured fixed rate notes                 | 140.3                                | 140.2                |
| Other indebtedness                                | 58.7                                 | 60.7                 |
| Junior subordinated debentures                    | 258.1                                | 257.8                |
| Other liabilities                                 | 429.9                                | 328.1                |
| <b>Total liabilities</b>                          | <b>8,630.5</b>                       | <b>8,608.0</b>       |
| Preferred shares                                  | 144.0                                | 144.0                |
| Common shareholders' equity                       | 1,743.6                              | 1,713.8              |
| Total shareholders' equity                        | 1,887.6                              | 1,857.8              |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 10,518.1</b>                   | <b>\$ 10,465.8</b>   |
| Book value per common share                       | \$ 50.01                             | \$ 49.40             |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
(in millions, except per share amounts)  
(unaudited)

|   | <b>Three Months Ended<br/>September 30,</b> |             | <b>Nine Months Ended<br/>September 30,</b> |             |
|---|---|-------------|--|-------------|
|   | <b>2021</b>                                 | <b>2020</b> | <b>2021</b>                                | <b>2020</b> |
|   | (unaudited)                                 |             |  |             |
| Gross written premiums                                | \$ 875.6                                    | \$ 890.2    | \$ 2,447.4                                 | \$ 2,515.7  |
| Net written premiums                                  | 583.7                                       | 533.9       | 1,498.3                                    | 1,370.5     |
| Earned premiums                                       | 487.5                                       | 445.5       | 1,423.9                                    | 1,313.9     |
| Net investment income                                 | 46.1  | 42.0        | 143.2                                      | 79.0        |
| Net realized investment gains (losses):               |   |             |  |             |
| Net realized investment (losses) gains                | 0.6   | (5.7)       | 3.3  | 32.7        |
| Change in fair value of equity securities             | (5.1)                                       | 10.5        | 30.7                                       | (13.7)      |
| Credit losses on fixed maturity securities            | (0.8)                                       | (10.5)      | (1.5)                                      | (43.0)      |
| Net realized investment gains (losses)                | (5.3)                                       | (5.7)       | 32.5                                       | (24.0)      |
| Total revenue   | 528.3                                       | 481.8       | 1,599.6                                    | 1,368.9     |
| Losses and loss adjustment expenses                   | 311.7                                       | 328.9       | 890.9                                      | 883.0       |
| Acquisition expenses                                  | 83.4  | 76.2        | 244.3                                      | 217.2       |
| General and administrative expenses                   | 93.7  | 85.7        | 286.5                                      | 272.6       |
| Non-operating expenses                                | 8.2   | 3.0         | 20.9                                       | 9.8         |
| Interest expense                                      | 5.5   | 6.9         | 16.3                                       | 21.7        |
| Fee and other (income) expense, net                   | (1.1)                                       | (0.8)       | (1.8)                                      | (2.7)       |
| Foreign currency exchange (gains) losses              | (1.3)                                       | 8.4         | 4.4  | 13.6        |
| Impairment of goodwill                                | —   | —           | —  | —           |
| Total expenses  | 500.1                                       | 508.3       | 1,461.5                                    | 1,415.2     |
| Income (loss) before income taxes                     | 28.2  | (26.5)      | 138.1                                      | (46.3)      |
| Income tax provision (benefit)                        | 5.8   | (3.4)       | 16.1                                       | 6.9         |
| Net income (loss)                                     | \$ 22.4                                     | \$ (23.1)   | \$ 122.0                                   | \$ (53.2)   |
| Dividends on preferred shares                         | 2.6   | 2.0         | 7.9  | 2.0         |
| Net income (loss) attributable to common shareholders | \$ 19.8                                     | \$ (25.1)   | \$ 114.1                                   | \$ (55.2)   |
| Net income (loss) per common share (basic)            | \$ 0.57                                     | \$ (0.72)   | \$ 3.28                                    | \$ (1.60)   |
| Net income (loss) per common share (diluted)          | \$ 0.56                                     | \$ (0.72)   | \$ 3.26                                    | \$ (1.60)   |
| Weighted average common shares:                       |   |             |  |             |
| Basic   | 34.9  | 34.7        | 34.8                                       | 34.6        |
| Diluted   | 35.0  | 34.7        | 35.1                                       | 34.6        |
| Loss ratio  | 64.0%                                       | 73.8%       | 62.5%                                      | 67.2%       |
| Acquisition expense ratio                             | 17.1%                                       | 17.1%       | 17.2%                                      | 16.5%       |
| General and administrative expense ratio <sup>1</sup> | 19.2%                                       | 19.2%       | 20.1%                                      | 20.7%       |
| Expense ratio <sup>1</sup>                            | 36.3%                                       | 36.3%       | 37.3%                                      | 37.2%       |
| Combined ratio  | 100.3%                                      | 110.1%      | 99.8%                                      | 104.4%      |
| CAY ex-CAT combined ratio <sup>2</sup>                | 93.4%                                       | 93.7%       | 93.4%                                      | 94.1%       |

<sup>1</sup> The Company's calculations of these expense ratios have been modified to reflect the Company's updated accounting practices impacting the classification of non-operating expenses. The adjusted calculations have been applied to all periods presented. For the three months ended September 30, 2020 and the nine months ended September 30, 2020, General and Administrative Expense Ratio and the Expense Ratio decreased from the previously reported ratios by 60 basis points and 40 basis points, respectively, to reflect these updates.

<sup>2</sup> The Company's calculation of CAY ex-CAT loss ratio has been modified to reflect the Company's updated definition of this ratio which no longer includes an adjustment for reinstatement premiums. The adjusted calculation has been applied to all periods presented. For the three months ended September 30, 2020 and the nine months ended September 30, 2020 CAY ex-CAT combined ratio increased from the previously reported ratio by 50 basis points and 20 basis points, respectively, to reflect this update.

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**

**SEGMENT DATA**

(in millions)

(unaudited)

|   | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |            |
|---|-------------------------------------|-----------|------------------------------------|------------|
|   | 2021                                | 2020      | 2021                               | 2020       |
|   | (unaudited)                         |           |                                    |            |
| U.S. Operations                                       |                                     |           |                                    |            |
| Gross written premiums                                | \$ 562.5                            | \$ 542.4  | \$ 1,564.9                         | \$ 1,499.1 |
| Net written premiums                                  | 375.0                               | 349.2     | 985.2                              | 922.2      |
| Earned premiums                                       | 323.5                               | 298.7     | 952.4                              | 902.8      |
| Underwriting income                                   | 14.9                                | (5.0)     | 51.1                               | 46.9       |
| Net investment income                                 | 29.2                                | 30.1      | 91.7                               | 56.1       |
| Interest expense                                      | (3.5)                               | (4.0)     | (10.6)                             | (13.1)     |
| Fee income (expense), net                             | (0.1)                               | (0.1)     | (0.6)                              | (0.5)      |
| Operating income before taxes                         | \$ 40.5                             | \$ 21.0   | \$ 131.6                           | \$ 89.4    |
| Loss ratio  | 63.0%                               | 68.8%     | 61.2%                              | 62.7%      |
| Acquisition expense ratio                             | 15.2%                               | 15.5%     | 15.7%                              | 14.5%      |
| General and administrative expense ratio <sup>1</sup> | 17.2%                               | 17.4%     | 17.7%                              | 17.6%      |
| Expense Ratio <sup>1</sup>                            | 32.4%                               | 32.9%     | 33.4%                              | 32.1%      |
| GAAP combined ratio                                   | 95.4%                               | 101.7%    | 94.6%                              | 94.8%      |
| CAY ex-CAT combined ratio <sup>2</sup>                | 92.2%                               | 94.0%     | 91.2%                              | 90.2%      |
| International Operations                              |                                     |           |                                    |            |
| Gross written premiums                                | \$ 312.9                            | \$ 347.7  | \$ 881.9                           | \$ 1,016.2 |
| Net written premiums                                  | 208.5                               | 184.6     | 512.5                              | 447.9      |
| Earned premiums                                       | 163.9                               | 146.7     | 471.1                              | 410.8      |
| Underwriting income (loss)                            | (4.6)                               | (23.2)    | (18.9)                             | (69.6)     |
| Net investment income                                 | 12.3                                | 9.9       | 38.2                               | 19.0       |
| Interest expense                                      | (1.3)                               | (1.9)     | (4.2)                              | (6.2)      |
| Fee income (expense), net                             | 1.0                                 | 0.7       | 1.5                                | 2.5        |
| Impairment of goodwill                                | —                                   | —         | —                                  | —          |
| Operating income (loss) before taxes                  | \$ 7.4                              | \$ (14.5) | \$ 16.6                            | \$ (54.3)  |
| Loss ratio  | 63.3%                               | 77.1%     | 63.9%                              | 74.4%      |
| Acquisition expense ratio                             | 20.9%                               | 20.2%     | 20.1%                              | 21.0%      |
| General and administrative expense ratio <sup>3</sup> | 18.6%                               | 18.5%     | 20.0%                              | 21.5%      |
| Expense Ratio <sup>3</sup>                            | 39.5%                               | 38.7%     | 40.1%                              | 42.5%      |
| GAAP combined ratio                                   | 102.8%                              | 115.8%    | 104.0%                             | 116.9%     |
| CAY ex-CAT combined ratio <sup>4</sup>                | 91.1%                               | 89.0%     | 92.8%                              | 97.0%      |

<sup>1</sup> The Company's calculations of these expense ratios have been modified to reflect the Company's updated accounting practices impacting the classification of non-operating expenses. The adjusted calculations have been applied to all periods presented. For the three months ended September 30, 2020 and the nine months ended September 30, 2020, General and Administrative Expense Ratio and the Expense Ratio decreased from the previously reported ratios by 30 basis points and 10 basis points, respectively, to reflect these updates.

<sup>2</sup> For the three months ended September 30, 2020 and the nine months ended September 30, 2020 CAY ex-CAT loss ratio increased from the previously reported ratio by 60 basis points and 20 basis points, respectively, to reflect the update described in footnote 2 to the Consolidated Financial Highlights above.

<sup>3</sup> The Company's calculations of these expense ratios have been modified to reflect the Company's updated accounting practices impacting the classification of non-operating expenses. The adjusted calculations have been applied to all periods presented. For the three months ended September 30, 2020 and the nine months ended September 30, 2020, General and Administrative Expense Ratio and the Expense Ratio decreased from the previously reported ratios by 20 basis points and 10 basis points, respectively, to reflect these updates.

<sup>4</sup> For the three months ended September 30, 2020 and the nine months ended September 30, 2020 CAY ex-CAT loss ratio increased from the previously reported ratio by 30 basis points and 30 basis points, respectively, to reflect the update described in footnote 2 to the Consolidated Financial Highlights above.

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**RECONCILIATION OF LOSS RATIOS**  
(unaudited)

|  | Three Months Ended<br>September 30, |         | Nine Months Ended<br>September 30, |         |
|--|-------------------------------------|---------|------------------------------------|---------|
|  | 2021                                | 2020    | 2021                               | 2020    |
| <b>U.S. Operations</b>                       |                                     |         |                                    |         |
| Loss ratio                                   | 63.0%                               | 68.8%   | 61.2%                              | 62.7%   |
| Prior accident year loss reserve development | (0.1)%                              | 1.1%    | 0.1%                               | 0.1%    |
| Catastrophe losses                           | (3.1)%                              | (8.8)%  | (3.5)%                             | (4.7)%  |
| CAY ex-CAT loss ratio                        | 59.8%                               | 61.1%   | 57.8%                              | 58.1%   |
| <b>International Operations</b>              |                                     |         |                                    |         |
| Loss ratio                                   | 63.3%                               | 77.1%   | 63.9%                              | 74.4%   |
| Prior accident year loss reserve development | (1.2)%                              | 3.8%    | —%                                 | 1.1%    |
| Catastrophe losses                           | (10.5)%                             | (30.6)% | (11.2)%                            | (21.0)% |
| CAY ex-CAT loss ratio                        | 51.6%                               | 50.3%   | 52.7%                              | 54.5%   |
| <b>Consolidated</b>                          |                                     |         |                                    |         |
| Loss ratio                                   | 64.0%                               | 73.8%   | 62.5%                              | 67.2%   |
| Prior accident year loss reserve development | (1.3)%                              | (0.4)%  | (0.4)%                             | (0.5)%  |
| Catastrophe losses                           | (5.6)%                              | (16.0)% | (6.0)%                             | (9.8)%  |
| CAY ex-CAT loss ratio                        | 57.1%                               | 57.4%   | 56.1%                              | 56.9%   |



**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**NET PRIOR-YEAR RESERVE DEVELOPMENT & CATASTROPHE LOSSES BY SEGMENT**  
(in millions)  
(unaudited)

|  | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                 |
|--|-------------------------------------|----------------|------------------------------------|-----------------|
|  | 2021                                | 2020           | 2021                               | 2020            |
| <b>Net Prior-Year Development</b>        |                                     |                |                                    |                 |
| <u>(Favorable)/Unfavorable</u>           |                                     |                |                                    |                 |
| U.S. Operations                          | \$ 0.2                              | \$ (3.2)       | \$ (0.7)                           | \$ (0.5)        |
| International Operations                 | 2.0                                 | (5.6)          | 0.1                                | (4.5)           |
| Run-off Lines                            | 4.0                                 | 10.4           | 6.6                                | 11.1            |
| Total net prior-year reserve development | <u>\$ 6.2</u>                       | <u>\$ 1.6</u>  | <u>\$ 6.0</u>                      | <u>\$ 6.1</u>   |
|  |                                     |                |                                    |                 |
|  | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                 |
|  | 2021                                | 2020           | 2021                               | 2020            |
| <b>Catastrophe &amp; COVID-19 Losses</b> |                                     |                |                                    |                 |
| <u>Catastrophe losses</u>                |                                     |                |                                    |                 |
| U.S. Operations                          | \$ 10.0                             | \$ 28.3        | \$ 32.9                            | \$ 35.8         |
| International Operations                 | 14.3                                | 26.0           | 41.0                               | 31.9            |
| Total catastrophe losses                 | <u>24.3</u>                         | <u>54.3</u>    | <u>73.9</u>                        | <u>67.7</u>     |
|  |                                     |                |                                    |                 |
| <u>COVID-19 losses</u>                   |                                     |                |                                    |                 |
| U.S. Operations                          | —                                   | (2.0)          | —                                  | 6.5             |
| International Operations                 | 3.0                                 | 18.9           | 12.0                               | 54.0            |
| Total COVID-19 losses                    | <u>3.0</u>                          | <u>16.9</u>    | <u>12.0</u>                        | <u>60.5</u>     |
|  |                                     |                |                                    |                 |
| <u>Catastrophe &amp; COVID-19 losses</u> |                                     |                |                                    |                 |
| U.S. Operations                          | 10.0                                | 26.3           | 32.9                               | 42.3            |
| International Operations                 | 17.3                                | 44.9           | 53.0                               | 85.9            |
| Total catastrophe & COVID-19 losses      | <u>\$ 27.3</u>                      | <u>\$ 71.2</u> | <u>\$ 85.9</u>                     | <u>\$ 128.2</u> |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**RECONCILIATION OF UNDERWRITING INCOME (LOSS) TO NET INCOME (LOSS)**  
**CONSOLIDATED**  
(in millions)  
(unaudited)

|  | <b>Three Months Ended<br/>September 30,</b> |                  | <b>Nine Months Ended<br/>September 30,</b> |                  |
|--|---|------------------|--|------------------|
|  | <b>2021</b>                                 | <b>2020</b>      | <b>2021</b>                                | <b>2020</b>      |
| Net income (loss)                        | \$ 22.4                                     | \$ (23.1)        | \$ 122.0                                   | \$ (53.2)        |
| Add (deduct):                            |   |                  |  |                  |
| Income tax provision (benefit)           | 5.8   | (3.4)            | 16.1                                       | 6.9              |
| Net investment income                    | (46.1)                                      | (42.0)           | (143.2)                                    | (79.0)           |
| Net realized investment (gains) losses   | 5.3   | 5.7              | (32.5)                                     | 24.0             |
| Fee and other income                     | —   | —                | —  | —                |
| Interest expense                         | 5.5   | 6.9              | 16.3                                       | 21.7             |
| Fee and other (income) expense, net      | (1.1)                                       | (0.8)            | (1.8)                                      | (2.7)            |
| Foreign currency exchange (gains) losses | (1.3)                                       | 8.4              | 4.4  | 13.6             |
| Non-operating expenses                   | 8.2   | 3.0              | 20.9                                       | 9.8              |
| Impairment of goodwill                   | —   | —                | —  | —                |
| Underwriting income (loss)               | <u>\$ (1.3)</u>                             | <u>\$ (45.3)</u> | <u>\$ 2.2</u>                              | <u>\$ (58.9)</u> |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET INCOME (LOSS)**  
**CONSOLIDATED**  
(in millions, except per share amounts)  
(unaudited)

|   | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |           |
|---|-------------------------------------|-----------|------------------------------------|-----------|
|   | 2021                                | 2020      | 2021                               | 2020      |
| Net income (loss), as reported                              | \$ 22.4                             | \$ (23.1) | \$ 122.0                           | \$ (53.2) |
| Income tax provision (benefit)                              | 5.8                                 | (3.4)     | 16.1                               | 6.9       |
| Net income (loss), before taxes                             | 28.2                                | (26.5)    | 138.1                              | (46.3)    |
| Add (deduct):   |                                     |           |                                    |           |
| Net realized investment (gains) losses                      | 5.3                                 | 5.7       | (32.5)                             | 24.0      |
| Foreign currency exchange (gains) losses                    | (1.3)                               | 8.4       | 4.4                                | 13.6      |
| Non-operating expenses                                      | 8.2                                 | 3.0       | 20.9                               | 9.8       |
| Impairment of goodwill                                      | —                                   | —         | —                                  | —         |
| Operating income before taxes and preferred share dividends | 40.4                                | (9.4)     | 130.9                              | 1.1       |
| Provision for income tax, at assumed rate <sup>(1)</sup>    | 6.1                                 | (1.4)     | 19.6                               | 0.2       |
| Preferred share dividends                                   | 2.6                                 | 2.0       | 7.9                                | 2.0       |
| Operating income (loss)                                     | \$ 31.7                             | \$ (10.0) | \$ 103.4                           | \$ (1.1)  |
| Operating income (loss) per common share (diluted)          | \$ 0.91                             | \$ (0.29) | \$ 2.95                            | \$ (0.03) |
| Weighted average common shares, diluted                     | 35.0                                | 34.7      | 35.1                               | 34.6      |

<sup>(1)</sup> For the purpose of calculating Operating Income, an assumed tax rate of 15% was used for all periods presented.

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**RECONCILIATION OF PRE-TAX OPERATING INCOME BY SEGMENT TO NET INCOME (LOSS)**  
(in millions)  
(unaudited)

|   | Three Months Ended<br>September 30, |                  | Nine Months Ended<br>September 30, |                  |
|---|-------------------------------------|------------------|------------------------------------|------------------|
|   | 2021                                | 2020             | 2021                               | 2020             |
| Operating income (loss) before income taxes:      |                                     |                  |                                    |                  |
| U.S. Operations                                   | \$ 40.5                             | \$ 21.0          | \$ 131.6                           | \$ 89.4          |
| International Operations                          | 7.4                                 | (14.5)           | 16.6                               | (54.3)           |
| Run-off Lines                                     | (3.6)                               | (10.2)           | (4.5)                              | (11.0)           |
| Corporate and Other                               | (3.9)                               | (5.7)            | (12.8)                             | (23.0)           |
| Total operating income (loss) before income taxes | 40.4                                | (9.4)            | 130.9                              | 1.1              |
| Net realized investment gains (losses)            | (5.3)                               | (5.7)            | 32.5                               | (24.0)           |
| Foreign currency exchange (losses) gains          | 1.3                                 | (8.4)            | (4.4)                              | (13.6)           |
| Non-operating expenses                            | (8.2)                               | (3.0)            | (20.9)                             | (9.8)            |
| Income (loss) before income taxes                 | 28.2                                | (26.5)           | 138.1                              | (46.3)           |
| Income tax provision (benefit)                    | 5.8                                 | (3.4)            | 16.1                               | 6.9              |
| Net income (loss)                                 | <u>\$ 22.4</u>                      | <u>\$ (23.1)</u> | <u>\$ 122.0</u>                    | <u>\$ (53.2)</u> |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**PREMIUMS BY SEGMENT AND LINE OF BUSINESS**

(in millions)

(unaudited)

**U.S. Operations**

|              | Three months ended September 30, 2021 |             |            | Three months ended September 30, 2020 |             |            |
|--------------|---------------------------------------|-------------|------------|---------------------------------------|-------------|------------|
|              | Gross Written                         | Net Written | Net Earned | Gross Written                         | Net Written | Net Earned |
| Property     | \$ 73.5                               | \$ 54.2     | \$ 35.7    | \$ 90.8                               | \$ 62.3     | \$ 36.6    |
| Liability    | 306.3                                 | 192.4       | 170.1      | 291.6                                 | 183.7       | 165.2      |
| Professional | 129.8                                 | 89.4        | 81.3       | 111.7                                 | 71.9        | 63.3       |
| Specialty    | 52.9                                  | 39.0        | 36.4       | 48.3                                  | 31.3        | 33.6       |
| Total        | \$ 562.5                              | \$ 375.0    | \$ 323.5   | \$ 542.4                              | \$ 349.2    | \$ 298.7   |

  

|              | Nine months ended September 30, 2021 |             |            | Nine months ended September 30, 2020 |             |            |
|--------------|--------------------------------------|-------------|------------|--------------------------------------|-------------|------------|
|              | Gross Written                        | Net Written | Net Earned | Gross Written                        | Net Written | Net Earned |
| Property     | \$ 203.2                             | \$ 108.6    | \$ 116.5   | \$ 237.5                             | \$ 124.5    | \$ 117.3   |
| Liability    | 837.8                                | 514.7       | 501.2      | 804.4                                | 505.8       | 507.4      |
| Professional | 362.0                                | 242.7       | 227.7      | 312.7                                | 193.8       | 177.4      |
| Specialty    | 161.9                                | 119.2       | 107.0      | 144.5                                | 98.1        | 100.7      |
| Total        | \$ 1,564.9                           | \$ 985.2    | \$ 952.4   | \$ 1,499.1                           | \$ 922.2    | \$ 902.8   |

**International Operations**

|              | Three months ended September 30, 2021 |             |            | Three months ended September 30, 2020 |             |            |
|--------------|---------------------------------------|-------------|------------|---------------------------------------|-------------|------------|
|              | Gross Written                         | Net Written | Net Earned | Gross Written                         | Net Written | Net Earned |
| Property     | \$ 87.3                               | \$ 45.0     | \$ 28.3    | \$ 161.0                              | \$ 66.2     | \$ 44.3    |
| Liability    | 69.2                                  | 38.8        | 33.5       | 73.4                                  | 32.6        | 26.7       |
| Professional | 62.5                                  | 52.4        | 43.8       | 49.7                                  | 37.7        | 29.9       |
| Specialty    | 93.9                                  | 72.3        | 58.3       | 63.6                                  | 48.1        | 45.8       |
| Total        | \$ 312.9                              | \$ 208.5    | \$ 163.9   | \$ 347.7                              | \$ 184.6    | \$ 146.7   |

  

|              | Nine months ended September 30, 2021 |             |            | Nine months ended September 30, 2020 |             |            |
|--------------|--------------------------------------|-------------|------------|--------------------------------------|-------------|------------|
|              | Gross Written                        | Net Written | Net Earned | Gross Written                        | Net Written | Net Earned |
| Property     | \$ 247.8                             | \$ 93.5     | \$ 104.2   | \$ 416.5                             | \$ 128.9    | \$ 115.6   |
| Liability    | 192.0                                | 107.8       | 99.2       | 185.8                                | 81.7        | 73.0       |
| Professional | 168.7                                | 120.0       | 113.3      | 156.7                                | 88.0        | 88.0       |
| Specialty    | 273.4                                | 191.2       | 154.4      | 257.2                                | 149.3       | 134.2      |
| Total        | \$ 881.9                             | \$ 512.5    | \$ 471.1   | \$ 1,016.2                           | \$ 447.9    | \$ 410.8   |

**Consolidated**

|              | Three months ended September 30, 2021 |             |            | Three months ended September 30, 2020 |             |            |
|--------------|---------------------------------------|-------------|------------|---------------------------------------|-------------|------------|
|              | Gross Written                         | Net Written | Net Earned | Gross Written                         | Net Written | Net Earned |
| Property     | \$ 160.8                              | \$ 99.2     | \$ 64.0    | \$ 251.8                              | \$ 128.5    | \$ 80.9    |
| Liability    | 375.7                                 | 231.4       | 203.7      | 365.1                                 | 216.4       | 192.0      |
| Professional | 192.3                                 | 141.8       | 125.1      | 161.4                                 | 109.6       | 93.2       |
| Specialty    | 146.8                                 | 111.3       | 94.7       | 111.9                                 | 79.4        | 79.4       |
| Total        | \$ 875.6                              | \$ 583.7    | \$ 487.5   | \$ 890.2                              | \$ 533.9    | \$ 445.5   |

  

|              | Nine months ended September 30, 2021 |             |            | Nine months ended September 30, 2020 |             |            |
|--------------|--------------------------------------|-------------|------------|--------------------------------------|-------------|------------|
|              | Gross Written                        | Net Written | Net Earned | Gross Written                        | Net Written | Net Earned |
| Property     | \$ 451.0                             | \$ 202.1    | \$ 220.7   | \$ 654.0                             | \$ 253.4    | \$ 232.9   |
| Liability    | 1,030.4                              | 623.1       | 600.8      | 990.6                                | 587.9       | 580.7      |
| Professional | 530.7                                | 362.7       | 341.0      | 469.4                                | 281.8       | 265.4      |
| Specialty    | 435.3                                | 310.4       | 261.4      | 401.7                                | 247.4       | 234.9      |
| Total        | \$ 2,447.4                           | \$ 1,498.3  | \$ 1,423.9 | \$ 2,515.7                           | \$ 1,370.5  | \$ 1,313.9 |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**COMPONENTS OF NET INVESTMENT INCOME & NET REALIZED INVESTMENT GAINS (LOSSES)**  
**CONSOLIDATED**  
(in millions)  
(unaudited)

|  | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                |
|--|-------------------------------------|----------------|------------------------------------|----------------|
|  | 2021                                | 2020           | 2021                               | 2020           |
| <b>Net Investment Income</b>                             |                                     |                |                                    |                |
| Net investment income, excluding alternative investments | \$ 21.9                             | \$ 22.7        | \$ 68.4                            | \$ 80.6        |
| Alternative investments                                  | 24.2                                | 19.3           | 74.8                               | (1.6)          |
| Total net investment income                              | <u>\$ 46.1</u>                      | <u>\$ 42.0</u> | <u>\$ 143.2</u>                    | <u>\$ 79.0</u> |

|   | Three Months Ended<br>September 30, |                 | Nine Months Ended<br>September 30, |                  |
|---|-------------------------------------|-----------------|------------------------------------|------------------|
|   | 2021                                | 2020            | 2021                               | 2020             |
| <b>Net Realized Investment Gains (Losses)</b> |                                     |                 |                                    |                  |
| Net realized investment (losses) gains        | \$ 0.6                              | \$ (5.7)        | \$ 14.8                            | \$ 0.9           |
| Change in fair value of equity securities     | (5.1)                               | 10.5            | 30.7                               | (13.7)           |
| Credit losses on fixed maturity securities    | (0.8)                               | (10.5)          | (1.5)                              | (43.0)           |
| Gain (loss) on sale of Trident assets         | —                                   | —               | (11.5)                             | 31.8             |
| Total net realized investments gains (losses) | <u>\$ (5.3)</u>                     | <u>\$ (5.7)</u> | <u>\$ 32.5</u>                     | <u>\$ (24.0)</u> |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**COMPONENTS OF INVESTMENT PORTFOLIO**  
**CONSOLIDATED**  
(in millions)  
(unaudited)

|   | September 30,<br>2021 | December 31,<br>2020 |
|---|-----------------------|----------------------|
| U.S. Governments and government agencies    | \$ 410.1              | \$ 399.8             |
| States and political subdivisions           | 175.8                 | 170.4                |
| Foreign governments                         | 229.1                 | 294.8                |
| Corporate – Financial                       | 926.3                 | 917.8                |
| Corporate – Industrial                      | 901.6                 | 826.6                |
| Corporate – Utilities                       | 195.0                 | 237.4                |
| Asset-backed securities                     | 112.8                 | 122.8                |
| Collateralized loan obligations             | 343.4                 | 289.6                |
| Mortgage-backed securities – Agency         | 463.4                 | 453.4                |
| Mortgage-backed securities – Commercial     | 409.2                 | 339.7                |
| Mortgage-backed securities – Residential    | 30.6                  | 54.8                 |
| Total fixed maturities                      | 4,197.3               | 4,107.1              |
| Common stocks                               | 181.2                 | 175.1                |
| Preferred stocks                            | 0.6                   | 1.6                  |
| Total equity securities available for sale  | 181.8                 | 176.7                |
| Private equity                              | 254.3                 | 211.4                |
| Hedge fund                                  | 102.1                 | 111.2                |
| Overseas deposits                           | 64.6                  | 102.1                |
| Other                                       | 4.8                   | 4.7                  |
| Total other investments                     | 425.8                 | 429.4                |
| Short term investments and cash equivalents | 508.6                 | 542.6                |
| Cash  | 177.0                 | 148.8                |
| Total cash and invested assets              | \$ 5,490.5            | \$ 5,404.6           |

|  | September 30,<br>2021 | December 31,<br>2020 |
|--|-----------------------|----------------------|
| U.S. Governments and government agencies | \$ 873.5              | \$ 853.2             |
| AAA                                      | 818.9                 | 899.1                |
| AA                                       | 391.7                 | 382.0                |
| A  | 885.9                 | 869.9                |
| BBB                                      | 832.8                 | 739.4                |
| BB                                       | 188.9                 | 209.5                |
| B  | 82.6                  | 77.9                 |
| Lower than B                             | 22.0                  | 24.8                 |
| Not rated                                | 101.0                 | 51.3                 |
| Total fixed maturities                   | \$ 4,197.3            | \$ 4,107.1           |

**ARGO GROUP INTERNATIONAL HOLDINGS, LTD.**  
**SHAREHOLDER RETURN ANALYSIS**  
(in millions, except per share data)  
(unaudited)

|  | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|--|-------------------------------------|------------|------------------------------------|------------|
|  | 2021                                | 2020       | 2021                               | 2020       |
| Net income (loss) attributable to common shareholders                      | \$ 19.8                             | \$ (25.1)  | \$ 114.1                           | \$ (55.2)  |
| Adjusted operating (loss) income (1)                                       | 31.7                                | (10.0)     | 103.4                              | (1.1)      |
| Common Shareholders' Equity - Beginning of period                          | \$ 1,753.9                          | \$ 1,707.7 | \$ 1,713.8                         | \$ 1,763.7 |
| Common Shareholders' Equity - End of period                                | 1,743.6                             | 1,704.7    | 1,743.6                            | 1,704.7    |
| Average Common Shareholders' Equity  | \$ 1,748.8                          | \$ 1,706.2 | \$ 1,728.7                         | \$ 1,734.2 |
| Common shares outstanding - End of period                                  | 34.863                              | 34.670     | 34.863                             | 34.670     |
| Book value per common share  | \$ 50.01                            | \$ 49.17   | \$ 50.01                           | \$ 49.17   |
| Cash dividends paid per common share during 2021                           | 0.31                                |            | 0.93                               |            |
| Book value per common share, June 30, 2021 - including cash dividends paid | \$ 50.32                            |            | \$ 50.94                           |            |
| Book value per common share, prior period (2)                              | \$ 50.34                            |            | \$ 49.40                           |            |
| Change in book value per common share during 2021                          | (0.6)%                              |            | 1.2%                               |            |
| Change in book value per common share, plus dividends, during 2021 (2)     | —%                                  |            | 3.1%                               |            |
| Annualized return on average common shareholders' equity                   | 4.5%                                | (5.9)%     | 8.8%                               | (4.2)%     |
| Annualized operating return on average common shareholders' equity         | 7.3%                                | (2.3)%     | 8.0%                               | (0.1)%     |

(1) For the purpose of calculating Operating Income, an assumed tax rate of 15% was used for all periods presented.

(2) The percentage change in book value per common share is calculated by including cash dividends of \$0.31 per common share and \$0.93 per common share paid to shareholders during the three and nine months ended September 30, 2021, respectively. This adjusted amount (Book value per common share, including dividends) is then compared to the book value per common share as of June 30, 2021 and December 31, 2020, respectively, to determine the change for the three and nine months ended September 30, 2021.

Contact:

Gregory Charpentier

AVP, Investor Relations and Corporate Finance

978.387.4150

[gregory.charpentier@argogroupus.com](mailto:gregory.charpentier@argogroupus.com)

David Snowden

Senior Vice President, Communications

210.321.2104

[david.snowden@argogroupus.com](mailto:david.snowden@argogroupus.com)