



JAMES RIVER GROUP HOLDINGS, LTD.

**Compounding Value through an
Unrelenting Focus on Underwriting Profit**

**First Quarter 2018
Investor Presentation**

Disclosure

Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, such forward-looking statements may be identified by terms such as believe, expect, seek, may, will, intend, project, anticipate, plan, estimate, guidance or similar words. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Although it is not possible to identify all of these risks and factors, they include, among others, the following: the inherent uncertainty of estimating reserves and the possibility that incurred losses may be greater than our loss and loss adjustment expense reserves; inaccurate estimates and judgments in our risk management which may expose us to greater risks than intended; the potential loss of key members of our management team or key employees and our ability to attract and retain personnel; adverse economic factors resulting in the sale of fewer policies than expected or an increase in frequency or severity of claims, or both; a decline in our financial strength rating resulting in a reduction of new or renewal business; reliance on a select group of brokers and agents for a significant portion of our business and the impact of our potential failure to maintain such relationships; reliance on a select group of customers for a significant portion of our business and the impact of our potential failure to maintain such relationships; a failure of any of the loss limitations or exclusions we utilize to shield us from unanticipated financial losses or legal exposures, or other liabilities; losses from catastrophic events which substantially exceed our expectations and/or exceed the amount of reinsurance we have purchased to protect us from such events; potential effects on our business of emerging claim and coverage issues; exposure to credit risk, interest rate risk and other market risk in our investment portfolio; changes in laws or government regulation, including tax or insurance law and regulations; our ability to obtain reinsurance coverage at prices and on terms that allow us to transfer risk and adequately protect our company against financial loss; losses resulting from reinsurance counterparties failing to pay us on reinsurance claims or insurance companies with whom we have a fronting arrangement failing to pay us for claims; the potential impact of internal or external fraud, operational errors, systems malfunctions or cyber security incidents; our ability to manage our growth effectively; inadequacy of premiums we charge to compensate us for our losses incurred; the recently enacted Public Law No. 115-97, informally titled the Tax Cuts and Jobs Act, may have a significant effect on us including, among other things, by potentially increasing our tax rate, as well as on our shareholders; in the event we do not qualify for the insurance company exception to the passive foreign investment company (“PFIC”) rules and are therefore considered a PFIC, there could be material adverse tax consequences to an investor that is subject to U.S. federal income taxation; the Company or any of its foreign subsidiaries becoming subject to U.S. federal income taxation; failure to maintain effective internal controls in accordance with Sarbanes-Oxley Act of 2002, as amended; and changes in our financial condition, regulations or other factors that may restrict our subsidiaries’ ability to pay us dividends. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those in the forward-looking statements, is contained in our filings with the SEC, including our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 1, 2018. These forward-looking statements speak only as of the date of this release and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

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 and tangible equity 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 29 & 30 of this presentation for a reconciliation of the non-GAAP financial measures to the equivalent GAAP equivalents.

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Overview

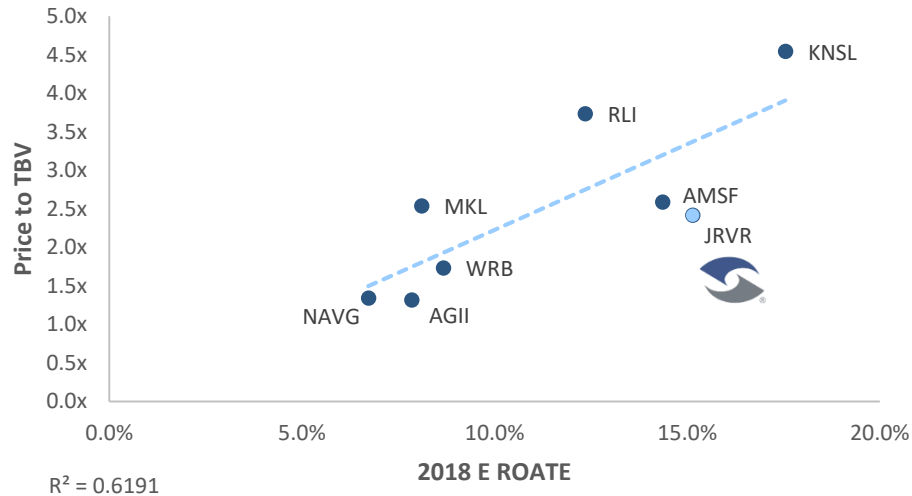
Strategy and Overview

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

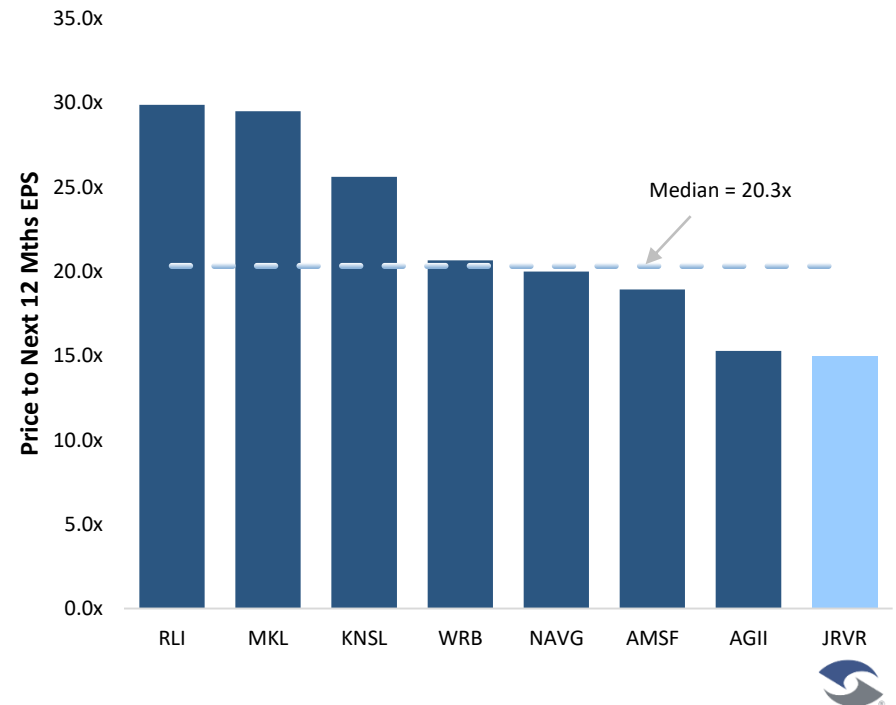
- We are active managers of capital, seeking to generate top tier returns and return excess capital, while maintaining the ability to respond quickly to match capital to evolving risk opportunities
- We are underwriters first, and target low volatility risks with our 'A' rated balance sheet
- We are focused on profitably growing our niche portfolio of new economy, excess and surplus, and workers' compensation risks
- We continue to meaningfully build fee income in our Specialty Admitted segment, and increase the proportion of earnings represented by fees
- We seek meaningful investment returns, largely generated from niche strategies representing a small portion of our portfolio
- We mitigate volatility via portfolio construction, low retentions and little property exposure – 1:1000 PML represents \$10 million

Our current valuation supports meaningful upside

P/TBV vs Operating ROATE¹



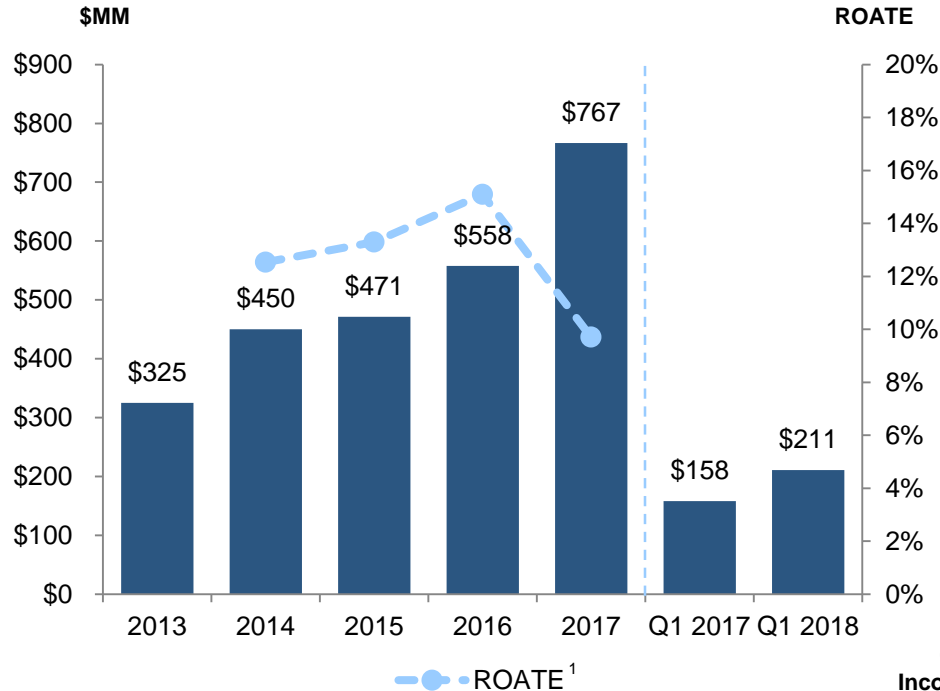
Price/Next Twelve Month Consensus Earnings



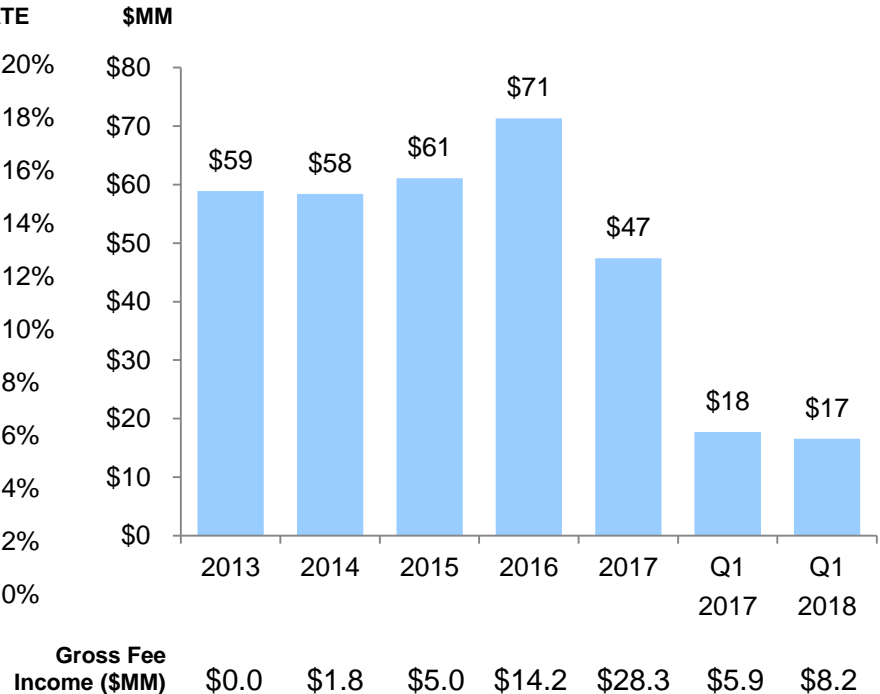
Source: SNL Financial, company filings.
Market data as of 5/7/18

We have a history of profitable growth and disciplined underwriting

Net Written Premiums & Operating ROATE



Operating Income



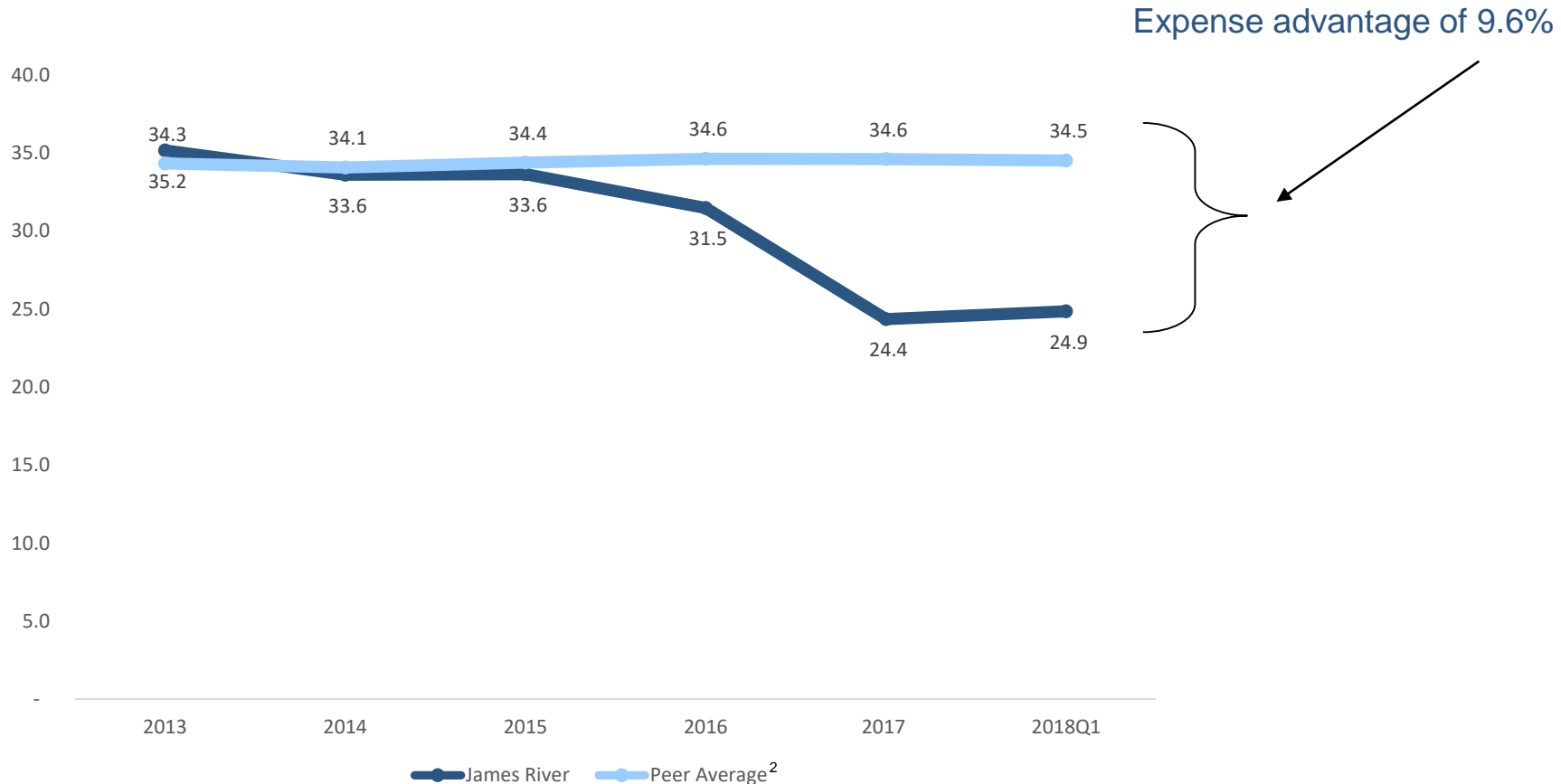
- Strong, consistent underwriting, profitable growth
- Efficient operator (24.9% expense ratio for Q1 2018)
- Increasing E&S contribution
- Growing fee income

Source: Company filings.

¹ Adjusted Operating Return on Average Tangible Equity for the full financial year

Growth and Benefits of Scale

Our material expense advantage positions us well for profitability



1 GAAP expense ratio; all corporate/other expenses adjusted for inclusion in the expense ratio.

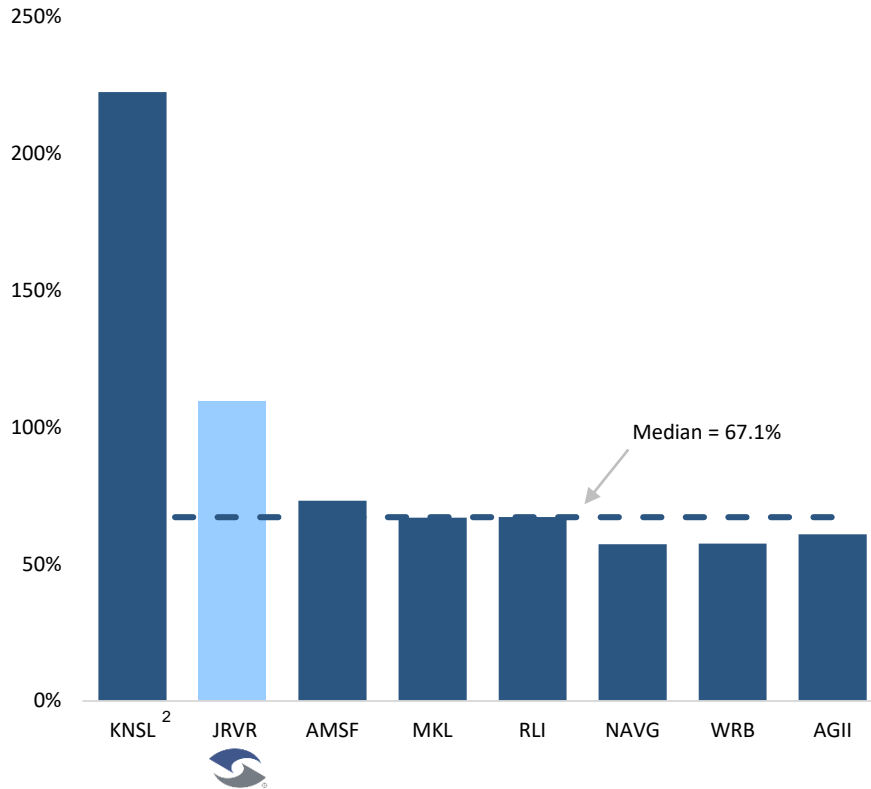
2 Peer Group: Amerisafe Inc., Argo Group International Holdings, Ltd., Kinsale Capital Group Inc., Market Corp., Navigators Group Inc., RLI Corp. and W. R. Berkley Corp.

Source: SNL Financial, company filings

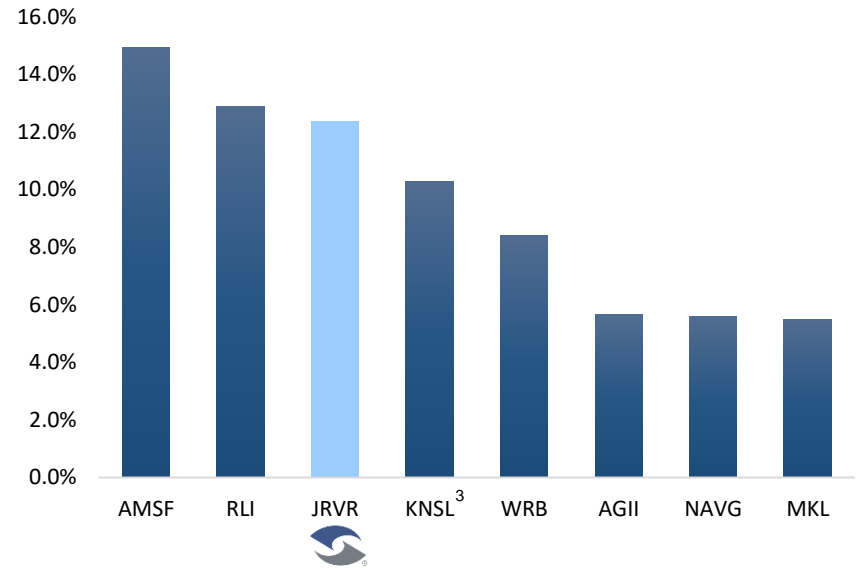
Leading Value Creation

We have delivered best in class shareholder returns since becoming a public company

Total Shareholder Return Since JRVR IPO¹



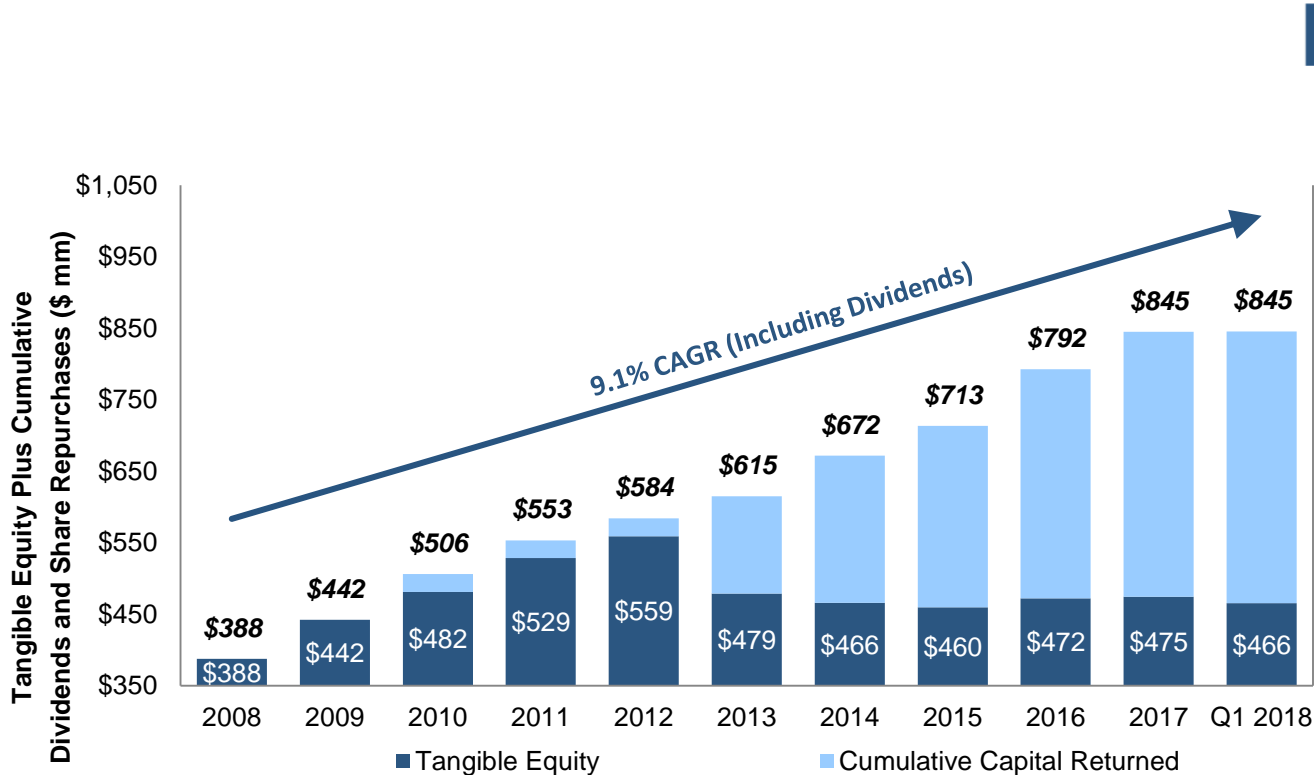
3 Year Avg Operating ROATE



1. Shareholder return represents the dividend-adjusted share price appreciation from James River's initial public offering date of December 12, 2014 until May 7, 2018.
2. KNSL's total shareholder return is calculated since its July 27, 2016 initial public offering.
3. KNSL data is 2 Year Avg Operating ROATE.

Source: SNL Financial, company filings

Capital Management Maximizes Shareholder Value



Capital Management History

- \$380 million of capital returned since 2008
- \$174 million of capital returned to shareholders since December 2014 IPO, or 37.3% of tangible book value at that time
- Last twelve month dividend yield of 4.5%¹

1. Calculated as dividends paid over last 4 quarters of \$1.70 divided by May 7, 2018 closing share price of \$37.64.

Source: Company filings



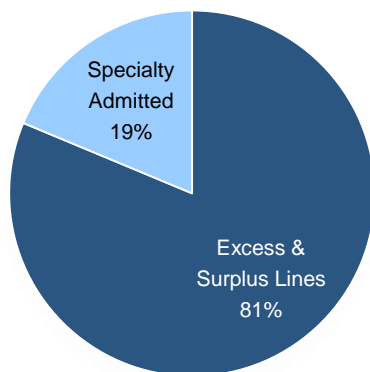
Franchise

Franchise Overview

- We are a specialty, low volatility underwriting company with a proven history of generating consistent profits
- Our area of focus is small and medium sized commercial account Excess & Surplus Lines casualty business with \$1 million per occurrence limits and \$20,000 average account premiums
- We expect to deliver 12% or better operating returns on tangible equity for the 2018 fiscal year and a combined ratio of 94% to 97%
- 2017 result: 9.7% OROATE; Q1 2018 YTD result: 14.1% OROATE

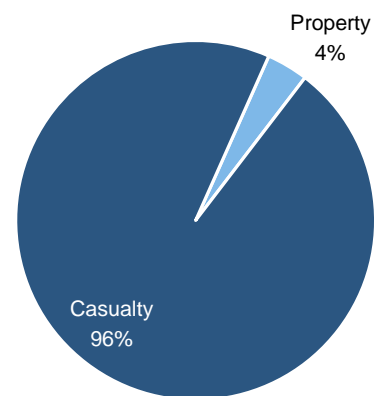
2017 Group-wide Net Written Premiums by Type

2017 Group-wide NWP: \$767mm

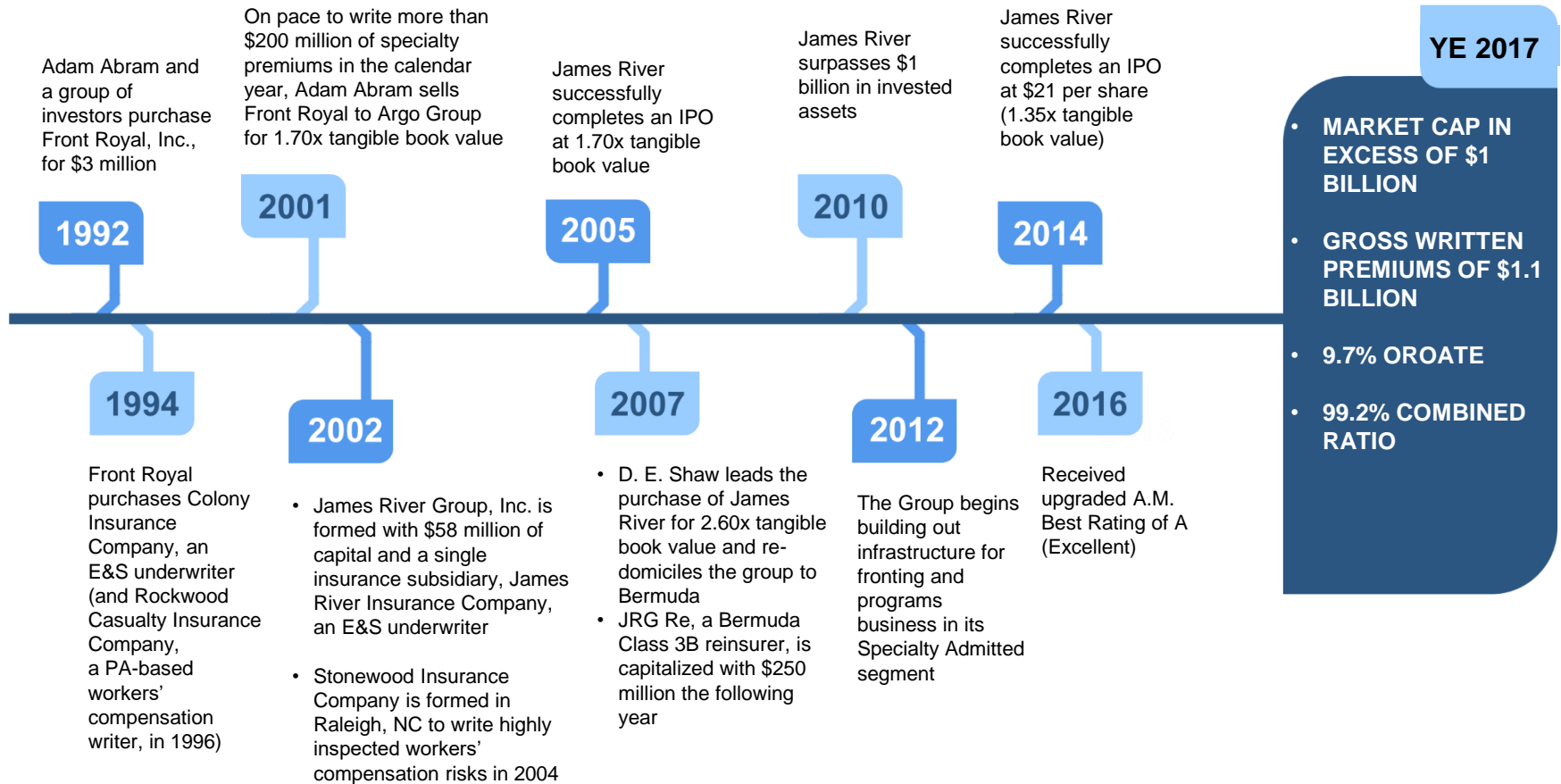


2017 Group-wide Net Written Premiums by Coverage

Negligible Primary Property Exposure



Our Specialty Market History



E&S Focus | Profitable, niche specialty underwriting

- Our business is heavily concentrated in E&S Casualty (81% of 2017 premium).
- E&S is the most profitable part of the property/casualty market and has been gaining market share.

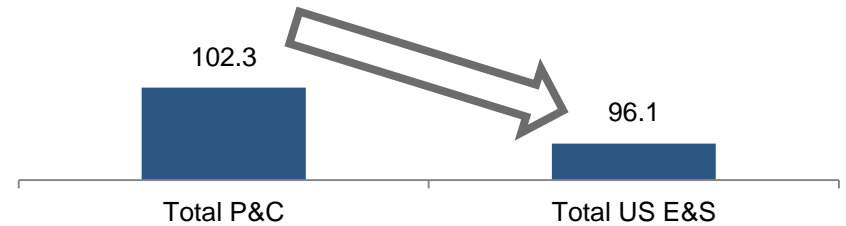
E&S segment GWP grew by 43% during 2017 and 54% YTD Q1 2018.

Source: A.M. Best data and research, SNL.

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

Avg. Combined Ratios 1999–2016

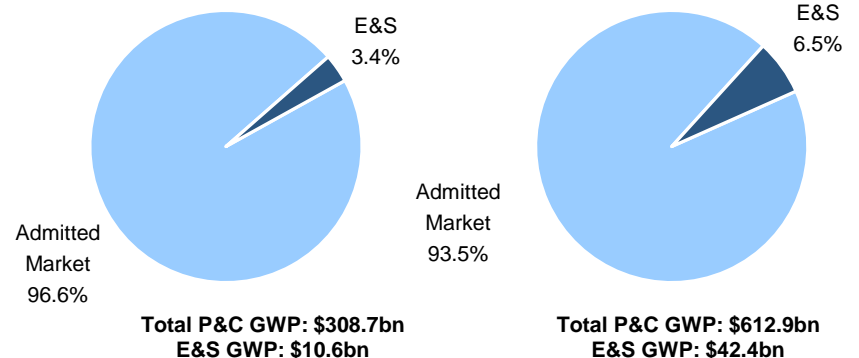
Difference of 6 percentage points



E&S Gaining Share of P&C Insurance Market

1999 P&C Market

2016 P&C Market





Operating Segments

Segment Review

E&S Segment

- E&S business underwritten by specialists in 13 divisions organized by product or industry segment
- 81.9% average combined ratio from 2013-2017
- Focus on small and medium-sized commercial accounts; 97% casualty and no primary property
- Distributes through 120+ broker groups

PROFITABLE SPECIALTY UNDERWRITING

Specialty Admitted Segment

- Specialty admitted insurance coverages in the US, including a growing fee income business
- Segment comprises:
 - Core book of workers' compensation in select Southeastern and Eastern U.S. states
 - Fee-based fronting business
- Gross fee income of \$11.3MM in 2017 and \$3.3MM YTD Q1 2018

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
- 64% of the segment's Gross Written Premium consisted of E&S risks during 2017
- At December 31, 2017, 99% of third party treaties were written as quota share arrangements and 67% contained loss mitigation features (example: sliding scale commissions or deficit carryforwards)

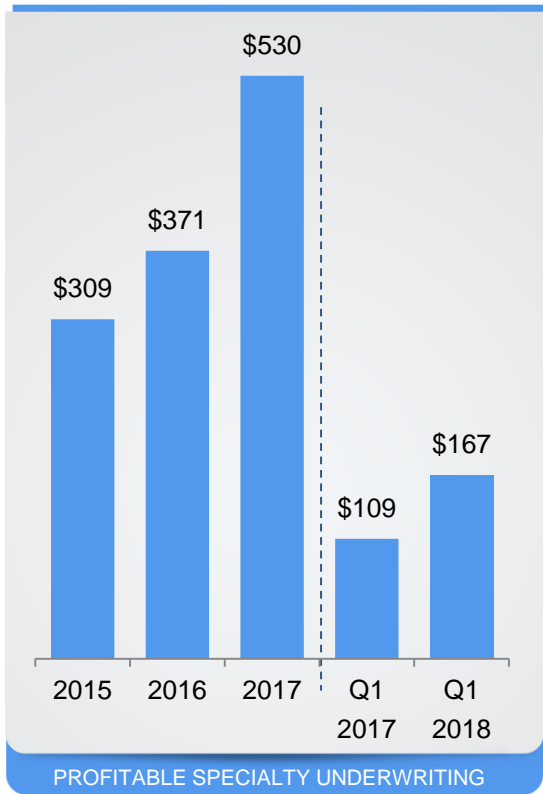
LOW VOLATILITY UNDERWRITING

Attractive Growth in Gross Written Premium

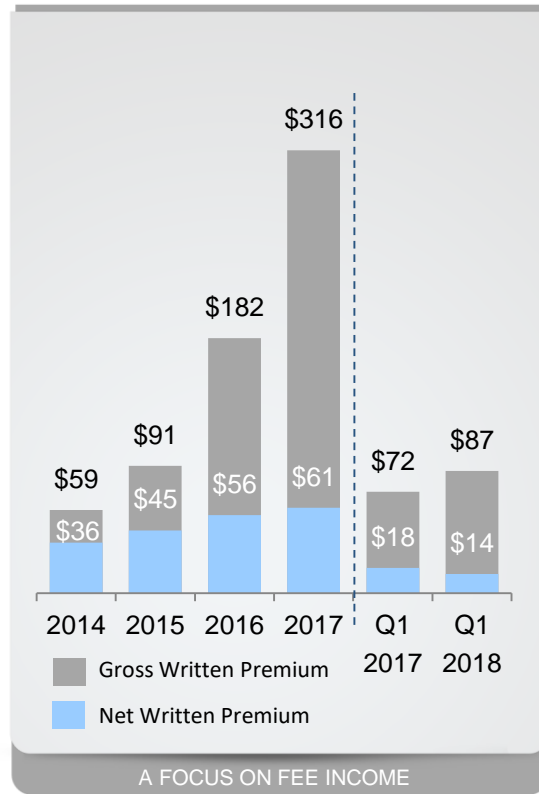
Growth driven by new economy risks, core E&S growth, and expansion of fronting business

(\$ in Millions)

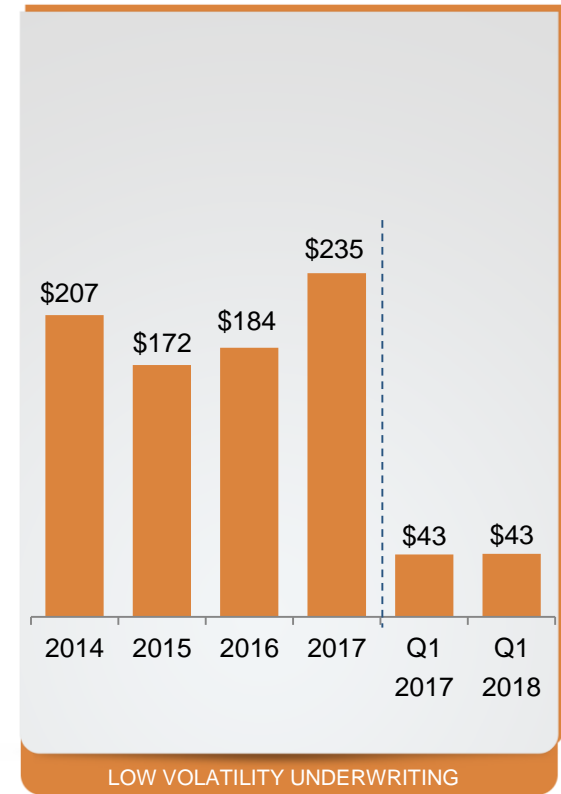
E&S Segment



Specialty Admitted Segment



Casualty Reinsurance Segment





Financial Highlights

Broad risk appetite permits us to 'pick our spots'

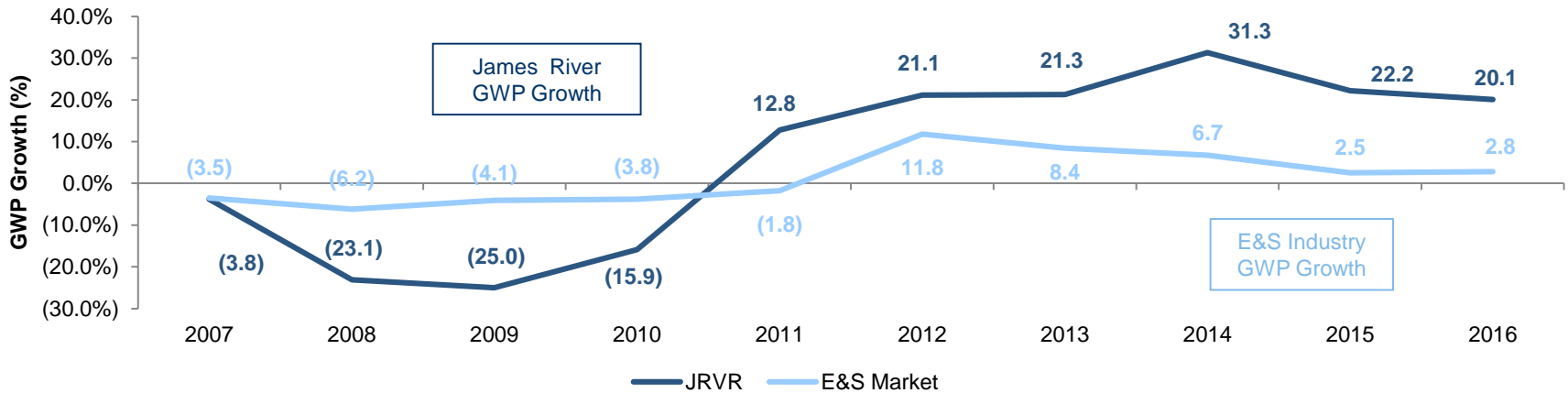
Each Excess & Surplus lines policy is underwritten by in-house specialists with deep technical expertise across 13 underwriting divisions

| Division | Lead U/W Years of Industry Experience | Gross Written Premiums | | | Description |
|----------------------------------|------------------------------------------------|-------------------------------------|----------------------------------|----------------------------------|--------------------------------------------------------------------|
| | | Quarter Ended Mar 31, 2018 | Year Ended Dec 31, 2017 | Year Ended Dec 31, 2016 | |
| Commercial Auto | 30 | \$77.2 | \$248.0 | \$110.1 | Hired / non-owned auto, ride share |
| Manufacturers & Contractors (MC) | 34 | 17.6 | 85.7 | 83.3 | Products liability & completed operations exposure |
| Excess Casualty | 34 | 9.8 | 51.2 | 43.5 | Following form excess on risks similar to GC and MC |
| General Casualty (GC) | 30 | 14.6 | 38.1 | 36.9 | Premises ops (e.g., apartments, offices & restaurants) |
| Energy | 46 | 11.5 | 29.7 | 29.7 | Oil & gas contractors, mining, alternative energy & utilities |
| Allied Health | 24 | 21.1 | 19.2 | 14.4 | Long-term care, outplacement facilities & social services |
| Excess Property | 32 | 3.4 | 14.4 | 14.1 | CAT-exposed excess property > 1/100 year return period |
| Life Sciences | 34 | 3.3 | 13.0 | 11.1 | Nutrition products, medical devices and human clinical trials |
| Small Business | 30 | 3.2 | 11.3 | 9.1 | Small accounts similar to GC and MC |
| Environmental | 46 | 2.3 | 7.9 | 5.3 | Environmental contractors and consultants |
| Professional Liability | 24 | 1.7 | 6.3 | 8.4 | E&O for non-medical professionals (lawyers, architects, engineers) |
| Sports & Entertainment | 30 | 1.2 | 3.0 | 2.2 | Amusement parks, campgrounds, arenas |
| Medical Professional | 24 | 0.6 | 2.3 | 2.7 | Non-standard physicians and dentists |
| Total | | \$167.5 | \$530.1 | \$370.8 | |

Demonstrated underwriting discipline

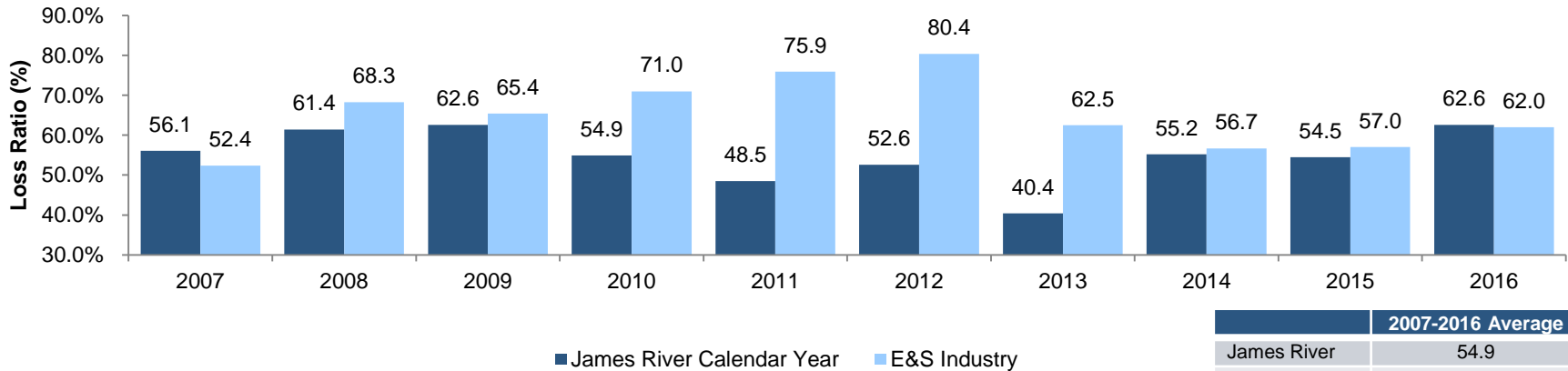
We have proven our willingness to expand and contract when market conditions dictate, and have a strong track record of profitable underwriting

E&S Segment – GWP Growth vs. E&S Industry



Source: A.M. Best report

E&S Segment Loss Ratio vs. E&S Industry

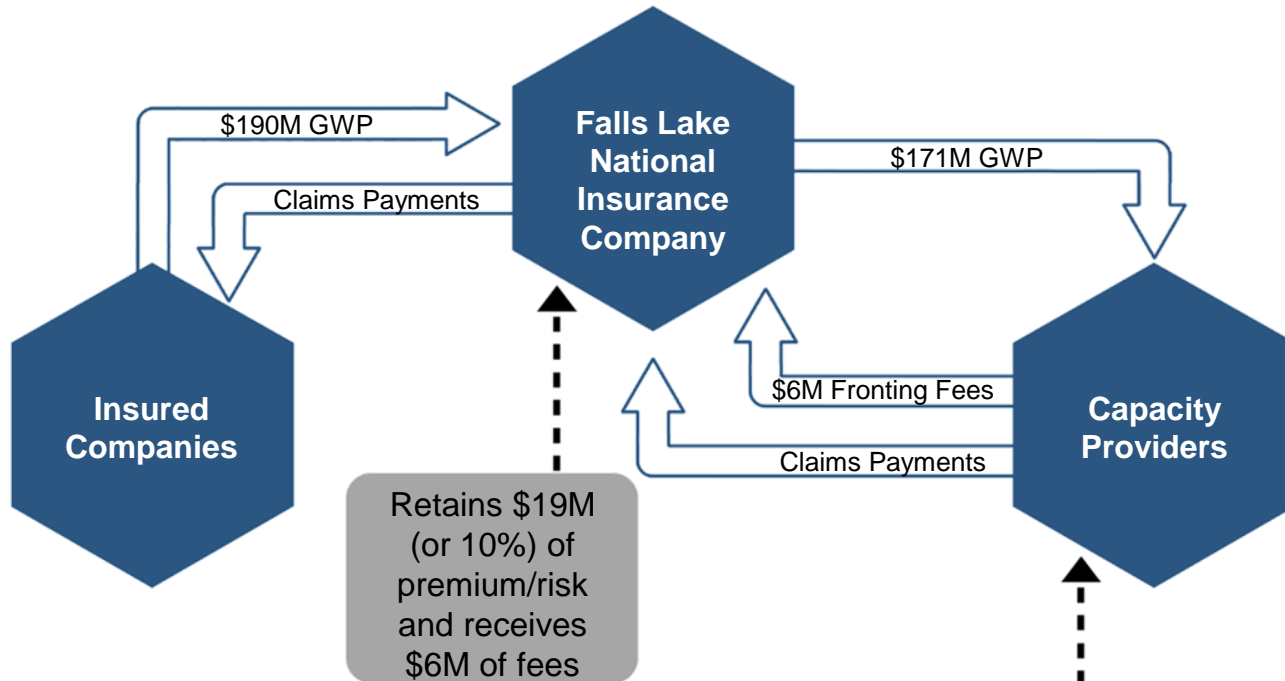


| | 2007-2016 Average |
|--------------|-------------------|
| James River | 54.9 |
| E&S Industry | 65.2 |

Source: Company filings, A.M. Best data and research

A Growing Fee Business

Fee income example



The effect of fee income in underwriting

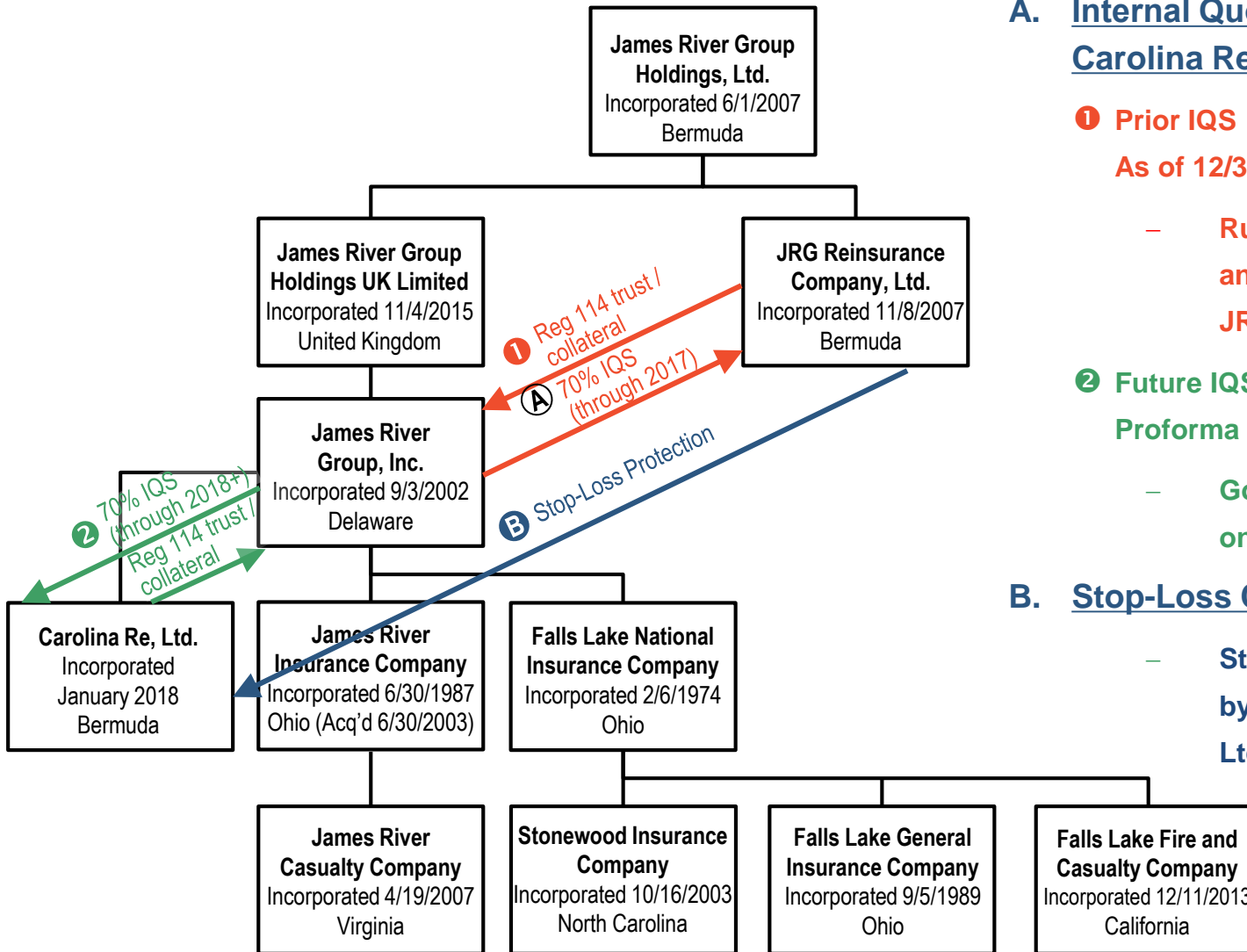
Example: Program renewed 7/1/17
Expected GWP: \$190M annually
Retention: 10% quota share retention
Fee: 3.35% of \$171M cession
Result: \$6 million in fees, 30% benefit

Prudent Reserving Philosophy

Commentary

- Over \$126 million of net favorable reserve development since 2008
- As of March 31, 2018, 65.6% of net reserves were attributable to IBNR
- Full internal reserve reviews performed quarterly, external reserve reviews performed during Q3 and Q4

Updated Structure: Carolina Re



A. Internal Quota Share (“IQS”) -> Carolina Re

1 Prior IQS

As of 12/31/2017:

- Runoff of IQS liabilities 2017 and prior (remaining at JRGR)

2 Future IQS

Proforma 1/1/2018:

- Go forward IQS liabilities only

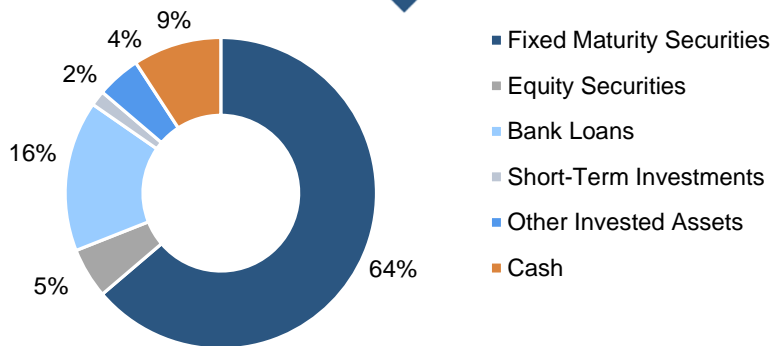
B. Stop-Loss Cover

- Stop-loss protection written by JRG Re to Carolina Re, Ltd.

Ⓐ Reflects 70% IQS of pool from U.S. statutory companies.

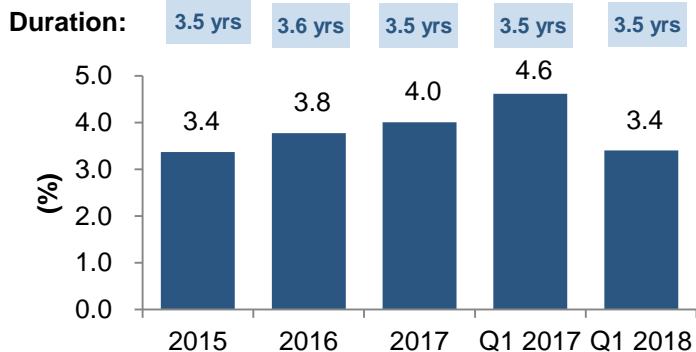
Traditional investment approach augmented by higher yielding alternatives

Investment Portfolio (as of March 31, 2018)



Total Cash and Investments: \$1,643MM

Net Investment Yield

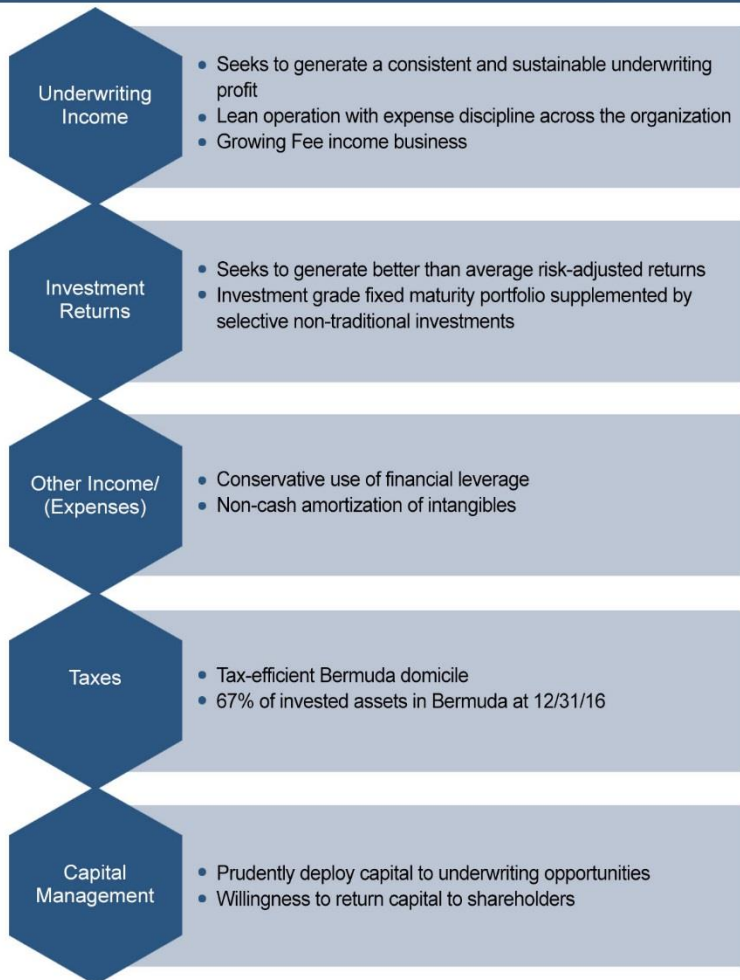


Commentary

- 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;
 - 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

Composition of Operating Return on Average Tangible Equity

Return on Average Tangible Equity ("ROATE") Drivers



ROATE Buildup (\$ in millions)

| | 2016 | 2017 | |
|----------------------------------------------|---------------|---------------|----------|
| Net Premiums Earned/Tangible Book Value | 1.1x | 1.5x | |
| Underwriting Profit Ratio | 5.7% | 0.8% | |
| Underwriting Contribution | 6.0% | 1.2% | A |
| Cash & Invested Assets / Tangible Book Value | 2.8x | 3.2x | |
| Investment Yield | 3.8% | 3.9% | |
| Investment Contribution | 10.7% | 12.5% | B |
| Other¹ | (1.5)% | (1.6)% | C |
| Tax Impact | (0.7)% | (2.4)% | D |
| ROATE | 14.6% | 9.7% | |

= **A** + **B** + **C** + **D**

¹ Includes interest expense, amortization of intangibles and other income.

Consistent Top Tier Returns

Extremely attractive risk reward proposition



Source: SNL Financial
Data as of March 31, 2018



Appendix

James River Group Key Metrics

| | |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ● Exchange/Ticker | NASDAQ / “JRVR” |
| ● Initial Public Offering | \$21.00 (December 12, 2014) |
| ● Current Share Price | \$37.64 (Closing Price May 7, 2018) |
| ● Market Capitalization | \$1.124 billion (May 7, 2018 market close) |
| ● LTM Dividend / Yield | \$1.70 per share declared 4.5% yield ¹ |
| ● Gross Written Premium | \$1,082 million in 2017 |
| ● Total Capitalization | \$888 million as of March 31, 2018 |
| ● AM Best Rating | ‘A’ (Excellent) |
| ● Analyst Coverage and Rating ² | Dowling (Neutral) – Aaron Woomer FBR (Neutral) – Randy Binner JMP (Outperform) – Matthew Carletti KBW (Outperform) – Meyer Shields SunTrust (Buy) – Mark Hughes UBS (Neutral) – Brian Meredith |

1. Based on Q2 2017, Q3 2017, Q4 2017 and Q1 2018 dividends and closing price of \$37.64 on May 7, 2018.

2. As of May 7, 2018.

Non-GAAP Measures Reconciliation

Non-GAAP Reconciliation

| Underwriting Profit (Loss) | | | | | | |
|--------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (\$mm) | 2014 | 2015 | 2016 | 2017 | Q1 2017 | Q1 2018 |
| Underwriting profit (loss) of the operating segments: | | | | | | |
| Excess and Surplus Lines | \$ 35.1 | \$ 47.6 | \$ 47.2 | \$ 29.7 | \$ 8.8 | \$ 11.3 |
| Specialty Admitted Insurance | 0.0 | 1.1 | 2.9 | 3.2 | 0.8 | 1.6 |
| Casualty Reinsurance | 0.7 | (2.6) | (0.2) | (1.8) | 1.1 | 1.7 |
| Total underwriting profit of operating segments | 35.8 | 46.1 | 49.9 | 31.1 | 10.7 | 14.7 |
| Operating expenses of Corporate segment | (9.1) | (18.5) | (20.4) | (25.3) | (6.5) | (7.4) |
| Underwriting profit | 26.7 | 27.6 | 29.5 | 5.8 | 4.3 | 7.2 |
| Net investment income | 43.0 | 44.8 | 52.6 | 61.1 | 16.7 | 13.3 |
| Net realized investment (losses) gains | (1.3) | (4.5) | 7.6 | (2.0) | 1.0 | (0.8) |
| Other income and expenses | (15.8) | (0.5) | (1.3) | (0.2) | 0.2 | 0.1 |
| Interest expense | (6.3) | (7.0) | (8.5) | (9.0) | (2.1) | (2.5) |
| Amortization of intangible assets | (0.6) | (0.6) | (0.6) | (0.6) | (0.1) | (0.1) |
| Impairment of intangible assets | - | - | - | - | - | - |
| Income before taxes | \$ 45.6 | \$ 59.8 | \$ 79.3 | \$ 55.1 | \$ 20.0 | \$ 17.1 |

Non-GAAP Measures Reconciliation

Non-GAAP Reconciliation

| (\$mm) | | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Adj. Net Operating Income | 2014 | 2015 | 2016 | 2017 | Q1 2017 | Q1 2018 |
| Income as reported | \$ 44.7 | \$ 53.5 | \$ 74.5 | \$ 43.6 | \$ 18.5 | \$ 15.6 |
| Net realized inv. (gains) losses | (0.9) | 4.1 | (5.2) | 1.4 | (0.8) | 0.7 |
| Initial public offering costs | 13.2 | - | - | - | - | - |
| Dividend withholding taxes | - | 2.5 | - | 1.0 | - | - |
| Other expenses | 1.0 | 0.6 | 1.1 | 0.6 | (0.1) | - |
| Interest expense | 0.4 | 0.4 | 0.9 | 0.8 | 0.2 | 0.3 |
| Adjusted net operating income | \$ 58.4 | \$ 61.1 | \$ 71.3 | \$ 47.3 | \$ 17.7 | \$ 16.6 |

| Tangible Equity | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Q1 2017 | Q1 2018 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Shareholders' equity | \$ 677.8 | \$ 724.7 | \$ 714.2 | \$ 762.4 | \$ 784.0 | \$ 701.5 | \$ 687.9 | \$ 681.0 | \$ 693.2 | \$ 694.7 | \$ 708.3 | \$ 685.8 |
| Goodwill & intangible assets | (289.7) | (282.4) | (232.7) | (233.8) | (225.0) | (222.6) | (222.0) | (221.4) | (220.8) | (220.2) | (220.6) | (220.0) |
| Tangible equity | \$ 388.0 | \$ 442.3 | \$ 481.5 | \$ 528.5 | \$ 559.0 | \$ 478.9 | \$ 466.0 | \$ 459.7 | \$ 472.5 | \$ 474.5 | \$ 487.6 | \$ 465.8 |
| Shares Outstanding (000's) | 35,718 | 35,718 | 35,718 | 35,718 | 36,030 | 28,540 | 28,540 | 28,942 | 29,258 | 29,697 | 29,344 | 29,868 |
| Tangible Equity per Share | \$ 10.86 | \$ 12.38 | \$ 13.48 | \$ 14.80 | \$ 15.52 | \$ 16.78 | \$ 16.33 | \$ 15.88 | \$ 16.15 | \$ 15.98 | \$ 16.62 | \$ 15.59 |

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 Q1 2017 and Q1 2018, which are as of March 31.



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