



AmTrust
FINANCIAL

AmTrust Financial

We are a niche specialty property and casualty insurance company with nearly 8,000 employees worldwide. We focus on underserved markets in areas of small commercial business, specialty risk and extended warranty, and specialty programs. We are rated “A” (Excellent) with a Financial Size of “XV” by A.M. Best.

Building a best-in-class global insurance and risk solutions provider

AmTrust is building upon the vision and business model that has allowed us to deliver outstanding service to our agents, distributors, partners, and policyholders. Today, we are positioned to continue growing profitably and sustainably across our U.S. and global operations.

TO OUR STAKEHOLDERS,

As AmTrust proudly enters its twentieth year in business, we have much to celebrate. Our position today is remarkable considering our humble beginnings.

Since our founding in 1998, AmTrust has grown gross written premium from \$10 million to \$8.4 billion in 2017, launching us into the Fortune 500. There are very few financial services start-ups that become Fortune 500 members, even fewer that can do it within a brief 20-year span. We are very proud to have laid stake to this claim in 2017, but we did not do it alone.

Our business has been built upon our relationships with agents, brokers, partners and policyholders across all of our lines of business. From day one, we have been committed to them through underwriting and actuarial excellence and best-in-class service. We appreciate their business and remain deeply committed to ongoing investment in products and service that support their continued success in an ever-shifting landscape of exposures.

A year of financial transformation

Throughout 2017, we took steps that fundamentally transformed our balance sheet to strengthen our capital base and position our Company for continued success as a global insurance and risk solutions provider. We also invested meaningfully in our financial reporting organization and made significant progress in implementing the financial systems and processes required to support an enterprise of our size and scale.

We also moved ahead to unlock value in our Company through the transfer of a majority equity interest in our U.S. fee business to Madison Dearborn Partners, creating a business now known as The Amynta Group. This is a business that we built over many years through strategic investments in businesses ancillary to our core activities. Being able to monetize that business in a transaction valued at \$1.15 billion has created an even deeper capital base for AmTrust that supports our existing book of business. It also allows us to continue to write new business with our agents, brokers and policyholders and to be a stronger partner for the long term. At the same time, our approximately 49% ownership stake in Amynta means that we will continue to participate in its earnings in the future.

Financial highlights

2017 was a year of continued top-line growth, driven by contributions from strategic acquisitions, as well as organic improvement in core areas of our business as we serve Main Street America with an expanding suite of products.

Our accomplishments are impressive:

- Gross written premiums of \$8.4 billion represent growth of more than 6% versus 2016;
- Net earned premiums of \$5.1 billion represent growth of more than 8%;
- Net investment income of \$227 million represents growth of more than 9%;
- Total revenues of \$6.0 billion represent growth of more than 9%; and
- Total assets of \$25.2 billion at December 31, 2017, were up from \$22.6 billion at December 31, 2016.

While our premiums and revenues grew, we reported a net loss on a GAAP basis of \$415.2 million for 2017. The loss was driven in large part by previously reported catastrophe losses of \$109 million related primarily to the U.S hurricane season, the impact of already disclosed prior period adverse reserve development on the 2017 results, and a one-time charge of \$72.5 million for the write-down of deferred tax assets related to the Tax Cuts and Job Act. This GAAP result is substantially mitigated by our purchase and use of an adverse development cover (ADC). Approximately \$400 million of this loss (on a pre-tax basis) was offset from a statutory accounting standpoint because it was ceded under the ADC to a third party, thereby preserving the surplus and financial strength of our insurance entities. There was no adverse reserve development in the fourth quarter of 2017 and our statutory capital continues be strong.

“As I look back over our history, I am very proud of what we’ve accomplished. We could not have done it without the hard work and dedication to excellence of our leadership team and our talented employees who live our vision and values every day.”

Committed to service and innovation

We remain focused on continuing to bring our partners and customers innovative insurance products and solutions to address emerging risks and ease complexity. We are leveraging our deep expertise as a leading provider of workers’ compensation insurance for small business by offering an expanding portfolio of products such as businessowner policies, cyber liability and general liability coverage. In our international business, where we are the 13th largest Lloyd’s of London manager by capacity, we continue to deliver high-quality bespoke solutions, backed by outstanding financial security for a wide range of risks in the U.K. and around the world.

Over the past two decades, as we have developed a powerful capability to create new products and improve service, we have also developed a process to identify and partner with emerging companies with technology to enhance and automate agent interactions and streamline insurance business processes including underwriting, claims and payments.

Our journey forward

The Company has entered into a definitive agreement with Evergreen Parent, L.P. for AmTrust to go private, subject to regulatory and stockholder approval. The Company has filed a preliminary proxy statement with the Securities and Exchange Commission that more fully describes the terms and conditions of the proposed merger.

We believe that this transaction represents an exciting step forward for AmTrust, our employees, and the agents, brokers, partners, and customers we serve. As we enter this next phase of our journey, as a private enterprise, we look forward to building on our legacy. We are well-positioned to continue meeting our policyholders’ needs, supporting our brokers and agents, and developing our partner relationships.

As I look back over our history, I am very proud of what we’ve accomplished. We could not have done it without the hard work and dedication to excellence of our leadership team and our team of nearly 8,000 people across our global operations who live our vision and values every day.

We look forward to the many opportunities that lie before us in 2018 and beyond.

Sincerely,



BARRY ZYSKIND
Chairman, President and CEO



\$8.4B

AmTrust achieved another consecutive year of top-line growth with record gross written premiums.

\$3.4B

GAAP SURPLUS CAPITAL

Actions taken in 2017 have established the strongest capital base in AmTrust's history.

\$25.2B

We closed 2017 with record total assets.

FORTUNE[®] 500

— 2017 —

BECAME A FORTUNE 500 MEMBER
IN 2017.

FORTUNE Magazine June 15, 2017 © Time Inc. FORTUNE and FORTUNE 500[®] are registered trademarks of Time Inc. and are used under License. FORTUNE and Time Inc. are not affiliated with, and do not endorse products or services of, AmTrust Financial Services.

“Our growth over the past 20 years has taken—and will continue to demand—constant innovation in product and quality of service without raising our risk profile. The future is about moving AmTrust in a strategically smart direction while staying true to our vision.”

CHRISTOPHER LONGO
Executive Vice President and Chief Operating Officer



Enduring spirit

The year 2018 marks the 20th anniversary of AmTrust’s founding. From the beginning, the Company has been defined by a spirit of entrepreneurialism and innovation. It is the unique blend of AmTrust’s people and culture, our vision, mission and core values that will continue to differentiate us as we carve out the next 20 years of our success.

“We are fundamentally strong because we are very focused on what we do best—underwriting selective risk in niche markets. That’s our DNA. Our understanding of these markets will allow us to grow just by getting better at what we do well already. It’s a conservative approach, but it means we are positioned to be here for our agents, distributors, partners, and policyholders for many decades to come.”

ADAM KARKOWSKY
Executive Vice President and Chief Financial Officer



Strong foundation

Middle-market and small business expertise. Strict underwriting discipline and risk management. Actuarial and operational excellence. A superior and proprietary technology infrastructure built for scale and competitive advantage. Above all, an unwavering commitment to our policyholders. These qualities have been the foundation of our success since 1998, allowing us to build the 15th largest P&C insurer in the United States and the 13th largest Lloyd’s of London manager by capacity, serving 70 countries.

“Small business owners face a wide range of risks in addition to those that we cover today through workers’ compensation, and we can help manage those risks. Our strategy is to offer our customers the best products and service experience driven by innovation, transformative technology and excellence in data analytics.”

DELYNN TRIVISON
Executive Vice President Sales



Expanding solutions

As we move forward, we will build on our foundation in workers’ compensation insurance with an expanding portfolio of products to cover the abundance of risks facing small businesses. Momentum is already building for products such as our small package, cyber liability, businessowner policies and disability insurance products. At the same time, we are evolving our distribution channels to meet consumer needs more effectively. We also have significant international opportunities, particularly the Lloyd’s of London market, our warranty business and niche lines.



AmTrust
FINANCIAL

OUR VISION

To be the best-in-class global insurance and risk solutions provider.

OUR MISSION

To deliver outstanding insurance and risk solutions to our clients and partners around the world through innovation, niche expertise and unparalleled service.

OUR VALUES

Our values define AmTrust's spirit. Living those values ensures we are aligned on our priorities and goals and allows us to achieve our vision and mission.



Excellence: We set high standards in all areas of our performance. We deliver outstanding solutions, products and services to our agents, brokers, partners, customers, and communities. Our actions drive financial strength and stability.



Innovation: We are nimble, responsive, service oriented, and entrepreneurial. We leverage technology to create value for our agents, brokers, partners, customers, employees and stockholders. We challenge traditional solutions and create new approaches.



Integrity: We act honestly, fairly and with high ethical standards. We question actions inconsistent with our values. We are trusted by our colleagues, customers and partners. We honor our promises and obligations.



Responsibility: We are dependable and our agents, brokers, partners, customers, colleagues, and communities can count on us. We do what we say we will do. We take responsibility for our actions and those of our team.



Inclusion: We embrace and value diverse individuals, opinions, cultures, and abilities, and actively seek them out. We respect all people and appreciate our differences. Simply put, we treat others the way we would like to be treated.



Teamwork: We are one global AmTrust team. Building relationships and collaborating help us achieve success. We welcome spirited discussion. We know we will achieve more together than as individuals.



CORPORATE HEADQUARTERS

AmTrust Financial Services, Inc.
59 Maiden Lane, 43rd Floor
New York, NY 10038

ph: 212.220.7120

AmTrustFinancial.com