ATLAS
FINANCIAL HOLDINGS, INC.

Nasdaq: AFH

2017 First Quarter Conference Call May 9, 2017

Safe Harbor

Statements in this presentation, including the information set forth as to the future financial or operating performance of Atlas Financial Holdings, Inc., American Country Insurance Company, American Service Insurance Company, Gateway Insurance Company and/or Global Insurance Company of New York (collectively, “Atlas”), that are not current or historical factual statements may constitute “forward looking” information within the meaning of securities laws. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Atlas, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this presentation, such statements may include, among other terms, such words as “may,” “will,” “expect,” “believe,” “plan,” “anticipate,” “intend,” “estimate” and other similar terminology. These statements reflect current expectations, estimates and projections regarding future events and operating performance and speak only as to the date of this presentation. Readers should not place undue importance on forward looking statements and should not rely upon this information as of any other date. These forward looking statements involve a number of risks and uncertainties. Some of the factors facing Atlas that could cause actual results to differ materially from those expressed in or underlying such forward looking statements include: (i) market fluctuations, changes in interest rates or the need to generate liquidity; (ii) access to capital; (iii) recognition of future tax benefits on realized and unrealized investment losses; (iv) managing expansion effectively; (v) conditions affecting the industries in which we operate; (vi) competition from industry participants; (vii) attracting and retaining independent agents and brokers; (viii) comprehensive industry regulation; (ix) our holding company structure; (x) our ratings with A.M. Best; (xi) new claim and coverage issues; (xii) claims payments and related expenses; (xiii) reinsurance arrangements; (xiv) credit risk; (xv) our ability to retain key personnel; (xvi) our ability to replace or remove management or Directors; (xvii) future sales of common shares; (xviii) public company challenges; and (xix) failure to effectively execute our business plan. The foregoing list of factors is not exhaustive. See also “Risk Factors” listed in the Company’s most recent registration statement filed with the SEC. Many of these issues can affect Atlas’ actual results and could cause the actual results to differ materially from those expressed or implied in any forward looking statements made by, or on behalf of, Atlas. Readers are cautioned that forward looking statements are not guarantees of future performance, and should not place undue reliance on them. In formulating the forward looking statements contained in this presentation, it has been assumed that business and economic conditions affecting Atlas will continue substantially in the ordinary course. These assumptions, although considered reasonable at the time of preparation, may prove to be incorrect.

When discussing our business operations, we may use certain terms of art which are not defined under U.S. GAAP. In the event of any unintentional difference between presentation materials and our GAAP results, investors should rely on the financial information in our public filings.

Corporate Headquarters	Elk Grove Village, IL (Chicago suburb)	
Core Target Markets	Taxi / Limo / Livery / Paratransit	
NASDAQ: AFH	**At 3/31/2017**	**At 12/31/2016**
Cash and Investments	$226.6 million	$224.8 million
Total Assets	$458.3 million	$423.6 million
Total Atlas Shareholders’ Equity	$132.7 million	$127.3 million
Common Shares Outstanding (includes Restricted Share Units)	12,045,519	12,045,519
Book Value Per Outstanding Common Share	$10.99	$10.54

2017 Q1 Financial and Underwriting Results

Premium Results

GPW increased 53.8% to $98.5 million
- Overall premium shifted toward limo / paratransit during period

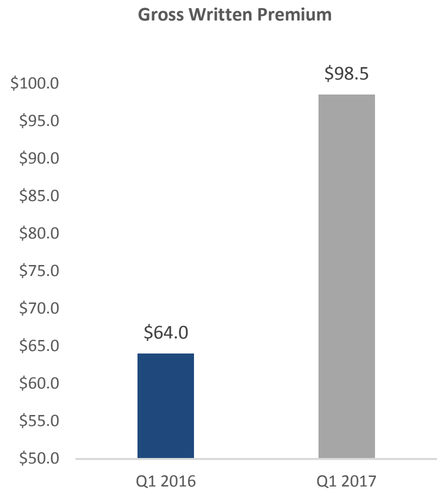
Underwriting Results

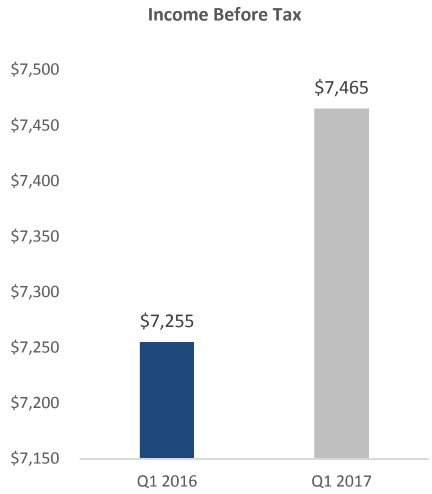
Combined ratio was 86.9% as compared to 84.4% for the prior year period

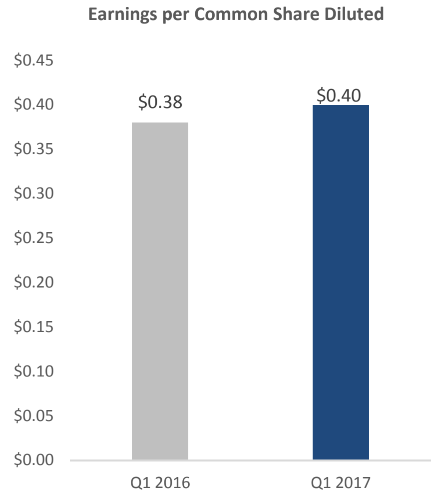
Book Value Growth

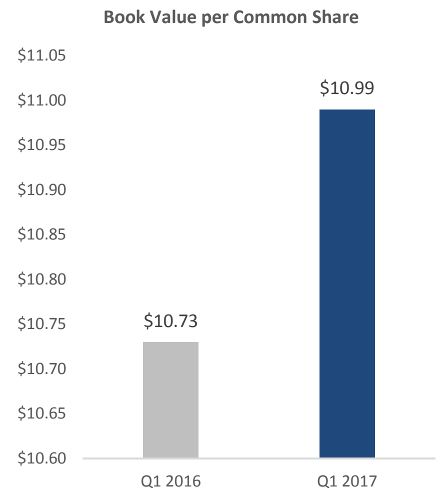
Atlas increased book value to $10.99 at 3/31/2017, $10.54 at 12/31/2016, and $10.73 at 3/31/2016

$ in millions except per share data





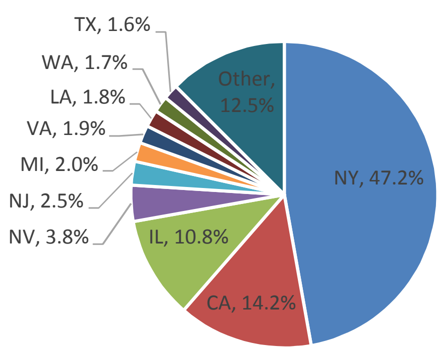


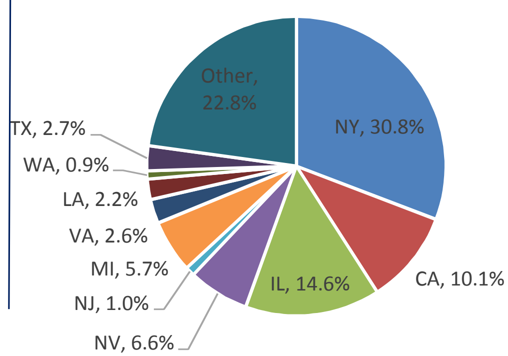


Geographic Diversification

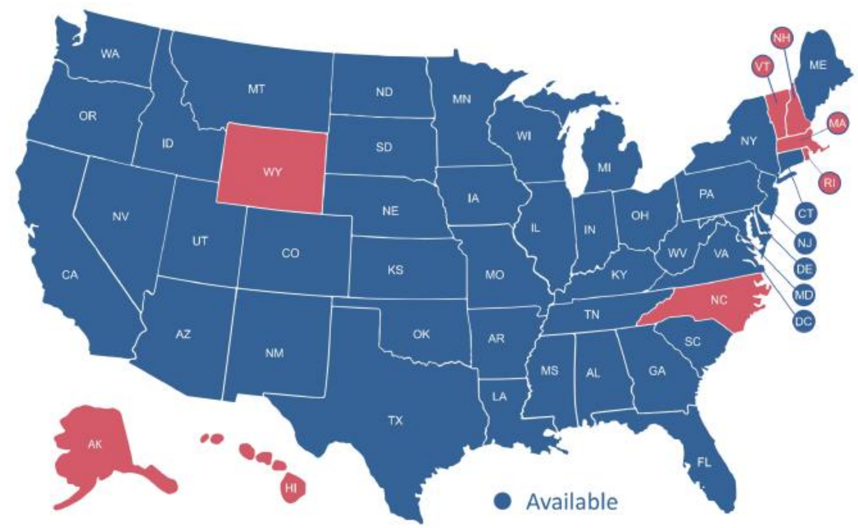
Gross premium written by state (in $000)

	Three Month Periods Ended					
	March 31, 2017			March 31, 2016		
New York	$	46,538	47.2 %	$	19,691	30.8 %
California		14,029	14.2 %		6,495	10.1 %
Illinois		10,672	10.8 %		9,322	14.6 %
Nevada		3,747	3.8 %		4,208	6.6 %
New Jersey		2,418	2.5 %		633	1.0 %
Michigan		1,921	2.0 %		3,669	5.7 %
Virginia		1,847	1.9 %		1,654	2.6 %
Louisiana		1,737	1.8 %		1,430	2.2 %
Washington		1,708	1.7 %		566	0.9 %
Texas		1,567	1.6 %		1,704	2.7 %
Other		12,312	12.5 %		14,653	22.8 %
Total	$	98,496	100.0 %	$	64,025	100.0 %





Nationwide market share is estimated at approximately 10%, with proportionate share forecast at 20%



Business Mix Analysis

Taxi premium increase 8% from the sequential quarter

Continue to see positive sights of stability in this segment
- Ave premium per vehicle increased
- Accounts reporting fewer vehicles being taken out of service, with modest return of some drivers
- Current livery drivers who were on a taxi policy one year ago remains at approx. 10%

Strong growth from Limo and paratransit

- Limo and paratransit still show strong growth at 98.4% and 38.7% yr/yr, respectively from Q1 2016 to Q1 2017
- TNC companies incenting drivers to try their service, many start w “ride share”, without Commercial Insurance but often pursue coverage down the road

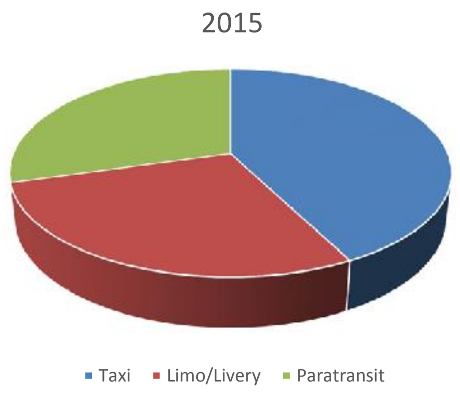
Expectations:

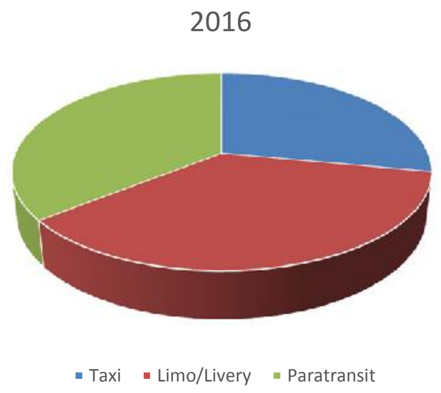
Taxi growth will be flat to low single digit %

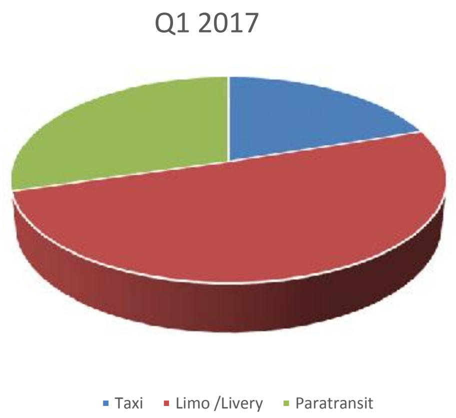
Commercial drivers who migrated to TNCs will pursue commercial insurance

Hit ratio for new and renewal business will increase as a result of implementation of targeted predictive analytics

Atlas Business Mix







2015 to 2016

Taxi Shrunk 29%

Limo/Livery Grew 39%

Paratransit Grew 30%

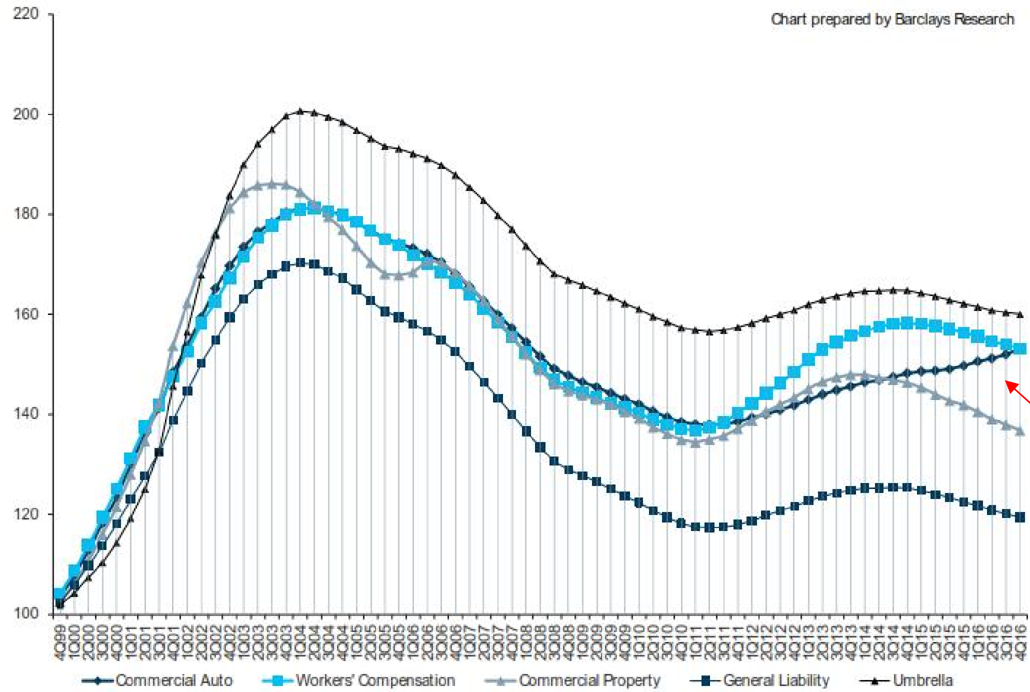
Q1 2016 to Q1 2017

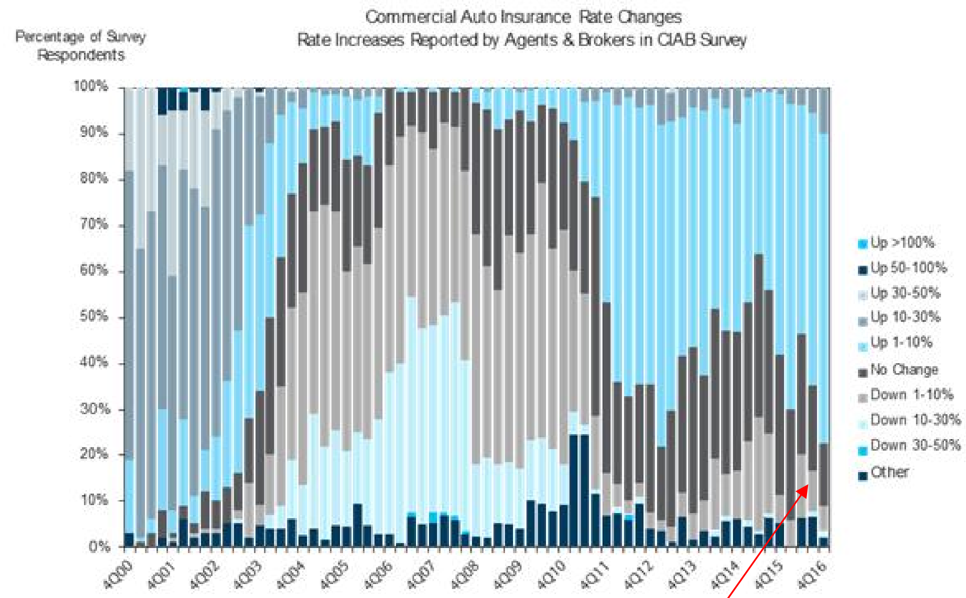
Taxi Grew 8%

Limo/Livery Grew 98%

Paratransit Grew 39%

Commercial Auto Insurance Competitive Landscape





Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

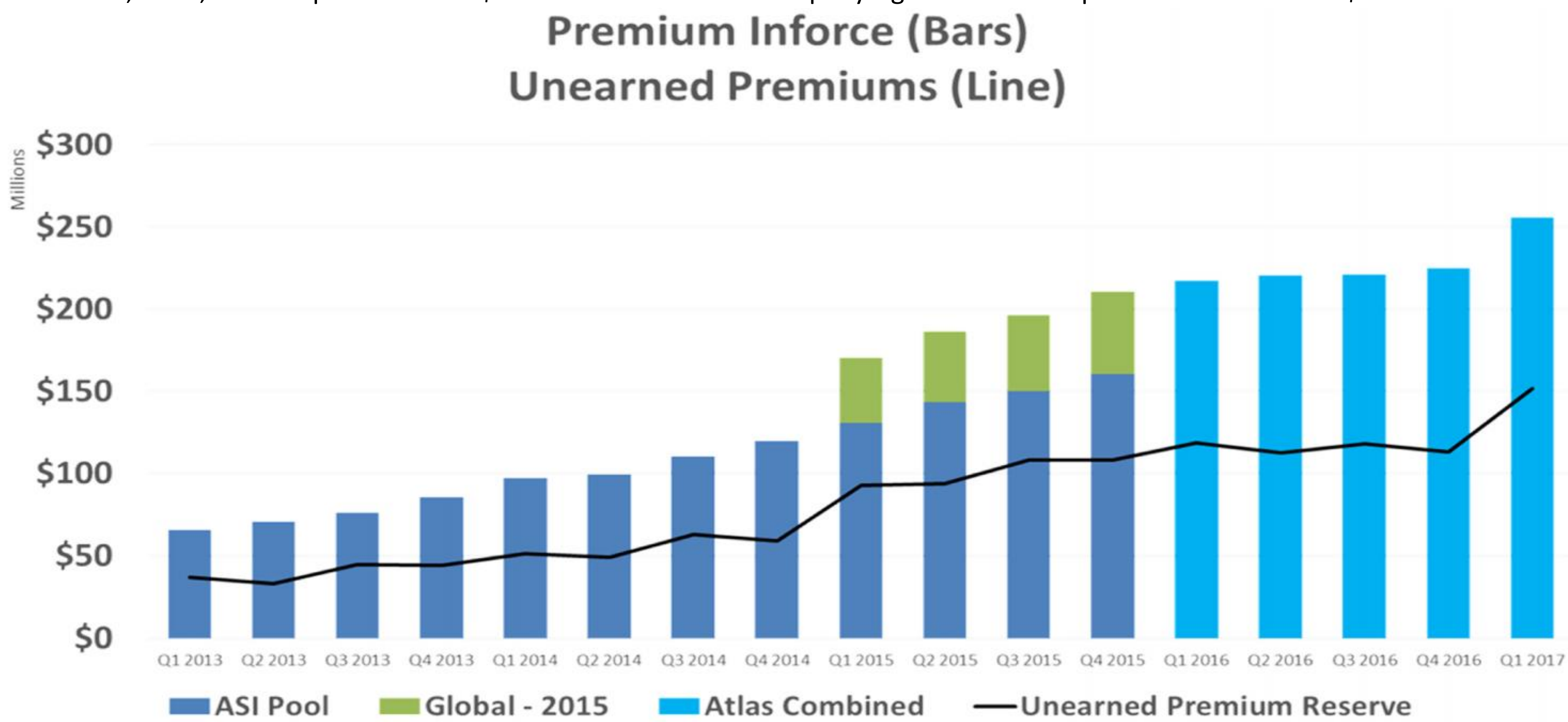
Commercial Auto is the only large segment with rate changes trending up

Rate increases "retrenching" as result of industry reserve strengthening

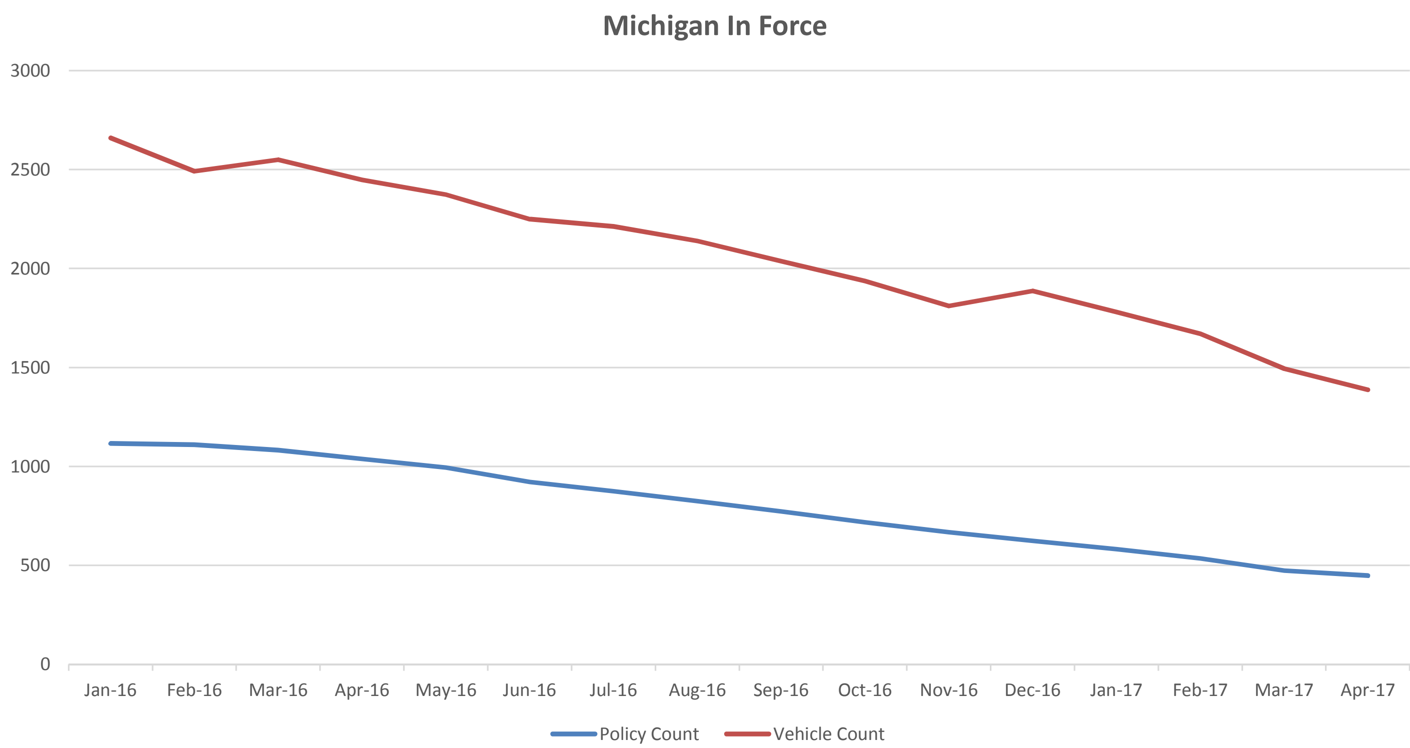
Note: Update not yet available at time materials were compiled.

Written Premium: In-force

At March 31, 2017, in-force premium was $255.8 million and the Company’s gross unearned premium reserve was $151.6 million.



Michigan


Michigan In Force
3000
2500
2000
1500
1000
500
0
Jan-16
Feb-16
Mar-16
Apr-16
May-16
Jun-16
Jul-16
Aug-16
Sep-16
Oct-16
Nov-16
Dec-16
Jan-17
Feb-17
Mar-17
Apr-17
Policy Count
Vehicle Count

Atlas 2017 Initiatives

Share Repurchase Program

- Announced March 21, 2017
- Over the next 12 months, the Company may purchase up to 650,000 shares of common stock
- The Company will be establishing a 10b5 plan following current blackout period

Senior Notes Offering (NASDAQ: AFHBL)

- Closed April 26, 2017
- 6.625% Senior Notes due 2022, at a price equal to 100% of the aggregate principal amount of the Senior Notes
- Net proceeds of approximately $23.9 million
- Company used proceeds in combination with cash on hand, for the repayment of $19.4 million in outstanding indebtedness under its secured credit facility (which was then terminated) and intends to utilize the balance for general corporate purposes including, but not limited to, repurchasing common stock, supporting organic growth, and funding potential acquisitions

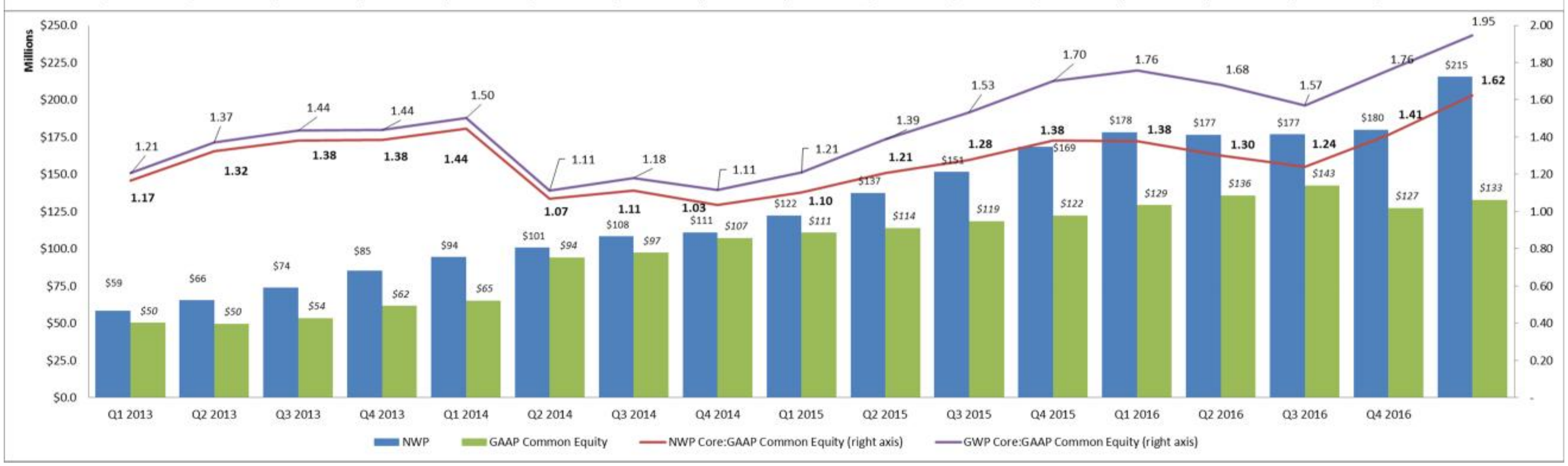
Financial Highlights

Operating Leverage (Actual through Q1 2017)

Continue to hold sufficient capital on hand to self-fund profitable growth in the foreseeable future

STATUTORY Version

GAAP Version



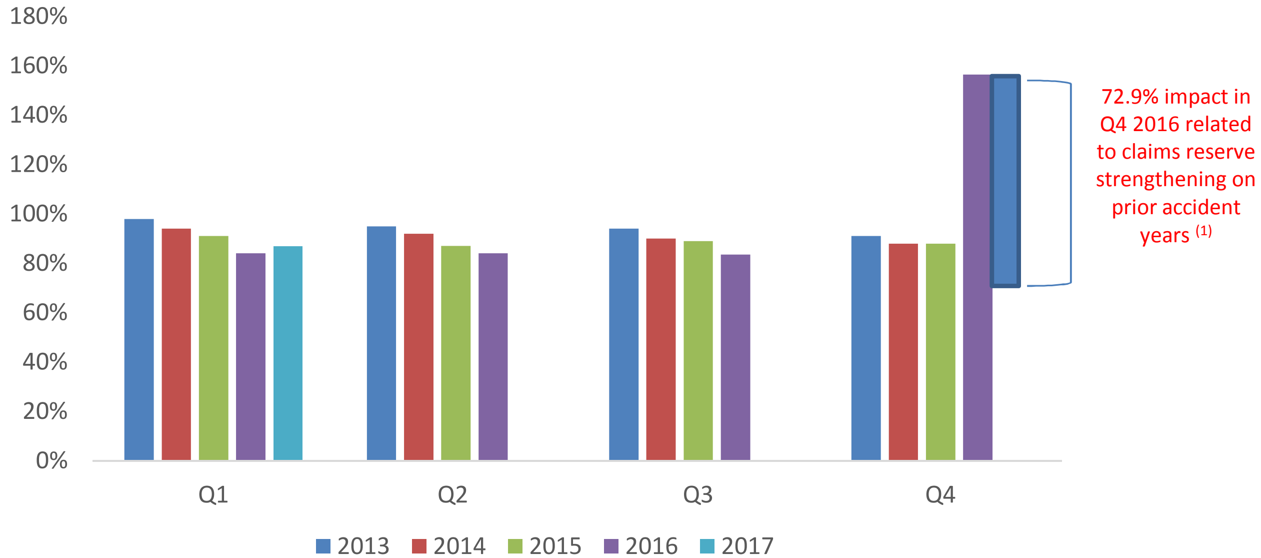
Combined Ratio Analysis

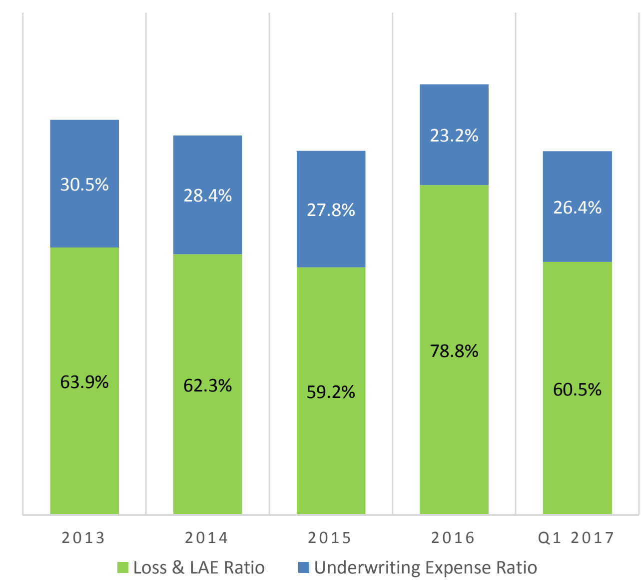
The table below details the comparisons of each component of the Company's combined ratio for the periods indicated (after accounting for the effect of quota share reinsurance):

	Three Month Periods Ended	
	March 31, 2017	**March 31, 2016**
Loss Ratio	**60.5%**	**59.7%**
Underwriting Expense Ratio:		
Acquisition cost ratio	10.5%	9.7%
Other underwriting expense ratio	15.2%	15.0%
Underwriting expense ratio before expenses related to stock purchase agreements and share-based compensation expenses	25.7%	24.7%
Expenses recovered related to stock purchase agreement ratio	—%	(1.0)%
Share-based compensation expense ratio	0.7%	1.0%
Underwriting expense ratio	**26.4%**	**24.7%**
Total combined ratio	**86.9%**	**84.4%**

Consistent Quarterly Year/Year Margin Improvement Since 2013 U.S. IPO

Combined Operating Ratio





	Three Month Periods Ended	
	Mar. 31, 2017	Mar. 31, 2016
Loss ratio	60.5%	59.7%
Underwriting expense ratio	26.4%	24.7%
Combined Operating Ratio	**86.9%**	**84.4%**

(1) Includes 19.1% impact for the full year 2016 related to claims reserves strengthening related to prior accident years

Strong Balance Sheet with Availability of Capital to Support Growth

- Attractive investment leverage
- Credit Facility [(1)] :
  - $5 million one-year revolver, LIBOR + 2.75% ($3.9 million drawn as of 3-31-2017)
  - $30 million five-year draw facility, LIBOR + 4.5% ($15.5 million drawn as of 3-31-2017)

($ in millions)	March 31,2017	December 31,2016
Cash and Investments	$226.6	$224.8
Total Assets	$458.3	$423.6
Claim Reserves (Gross of Reinsurance)	$128.0	$139.0
Unearned Premiums	$151.6	$113.2
Atlas Shareholders' Equity	$132.7	$127.3

(1) Credit Facility was paid in full with cash on hand and proceeds from April 2017 $25 million Debt Offering.

Investment Portfolio

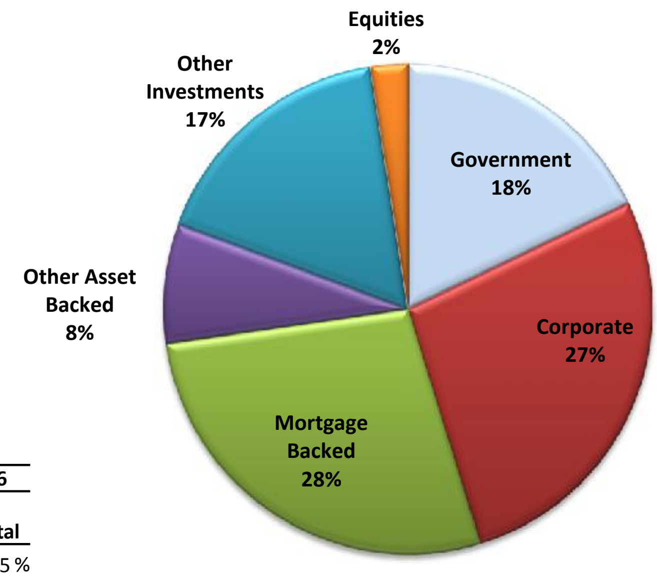
Conservative Investment Approach

- Emphasize preservation of capital, market liquidity to support payment of liabilities and diversification of risk
- Investment duration re-positioned to match core commercial auto reserve liabilities (3.5 years)

Investment Portfolio

- As of March 31, 2017, total cash and invested assets were $226.6 million, of which fixed income consisted of 68.0%
- Predominantly corporate and government bonds
- Average S&P rating of AA
- 28.3% AAA
- 83.0% A or better

Investment Portfolio (3/31/2017)



Credit ratings of fixed income securities portfolio (in '000s)

As of:	March 31, 2017		December 31, 2016	
	Amount	% of Total	Amount	% of Total
AAA/Aaa	$ 43,694	28.3 %	$ 44,521	28.5 %
AA/Aa	61,155	39.7 %	64,324	41.1 %
A/A	23,068	15.0 %	23,427	15.0 %
BBB/Baa	24,901	16.1 %	22,886	14.6 %
BB	870	0.6 %	1,114	0.7 %
B	491	0.3 %	215	0.1 %
Total Fixed Income Securities	154,179	100.0 %	156,487	100.0 %

2017 First Quarter Financial Highlights

2017 First Quarter Financial and Operating Information

Quarterly Premiums Affected by Rate Decisions / Shift in Market Dynamics

- Gross Written Premium generated by the Company for the first quarter ended March 31, 2017 grew by 53.8% to $98.5 million
- In-force premium at March 31, 2017 increased 16% to $255.8 million, compared to $220.6 million

Underwriting Performance

- Underwriting income for the first quarter of 2017 was $6.3 million, compared to $6.5 million, which included a $402,000 recovery of expenses pursuant to the contingent adjustments of the Gateway stock purchase agreement
- Atlas' underwriting expense ratio(1) for the three months ended March 31, 2017, excluding the impact of share-based compensation expenses and expenses related to stock purchase agreements, was 25.7% which falls within the Company's annual target range of 24.5% to 26.5%.
- Combined Ratio(1) ("CR") was 86.9%
- Net income was $4.9 million or $0.40 per common shared diluted

(1) Ratios are computed as a percentage of net premium earned.

Book Value / Return on Equity

- Book value per share increased YoY 4.2% to $10.99
- Annualized return on equity was 14.9% in the first quarter 2017 compared to 14.5% in the prior year period

2017 Financial Expectations

- ✓ Relative stability regarding target market with continued growth
- ✓ Emphasis remains on underwriting profit as priority
- ✓ Expense ratio is a range of 24.5% to 26.5%
- ✓ Exceed P&C industry Return on Equity ("ROE") by 500 – 1,000 bps

No indicators of new market entry and Company continues to expect price leadership to optimize return on deployed capital via underwriting

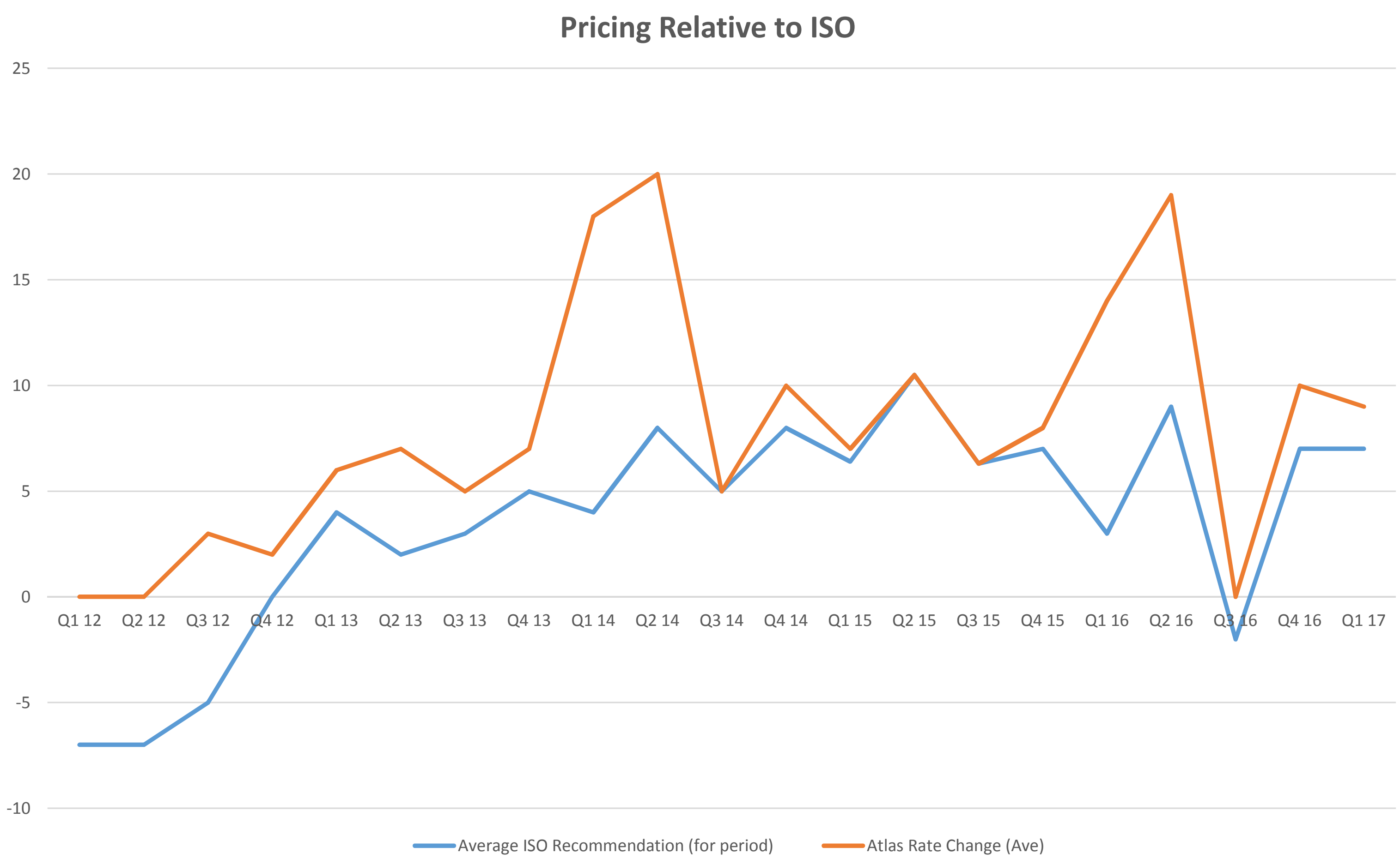
Detailed Impact of Changes to Book Value per Common Share

Book value per common share of $10.99 increased by $0.45 relative to December 31, 2016 as follows:

$0.40	increase related to net income after tax and before items indicated below;
$0.01	increase related to the change in net realized investment gains after tax;
$0.01	increase related to the change in unrealized gains/losses after tax; and
$0.03	increase related to share based compensation
$0.45	***total increase from December 31, 2016 book value per common share***

Concluding Remarks

Written Premium: Rate Activity



Operating Activities: Underwriting

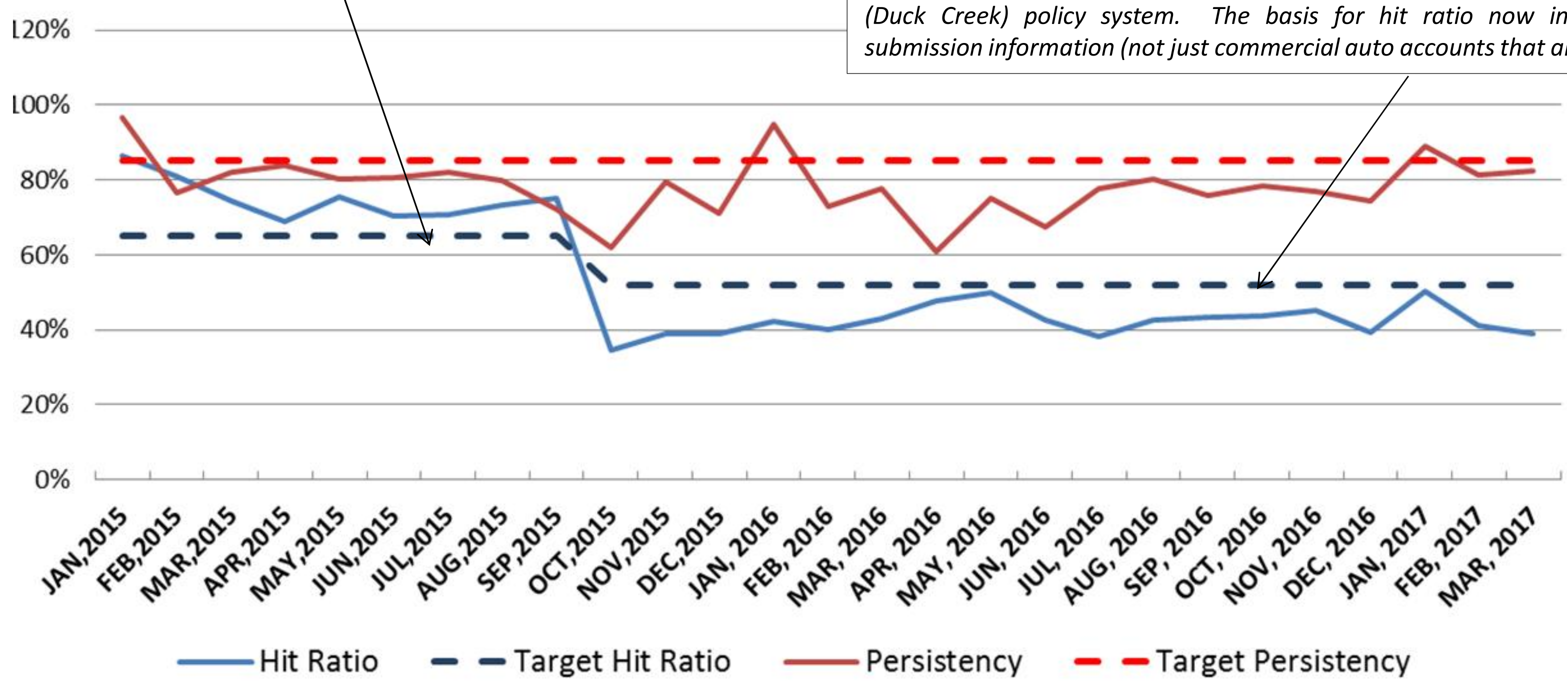
(commercial business only: excludes Global Liberty)

Mid single digit rate increases are now being pursued for profitable renewals and desirable new accounts. Less deviation from predictive model (1-4 unit accounts quoted directly via POS using predictive analytics). Hit ratios are strongest in most desired score bands.

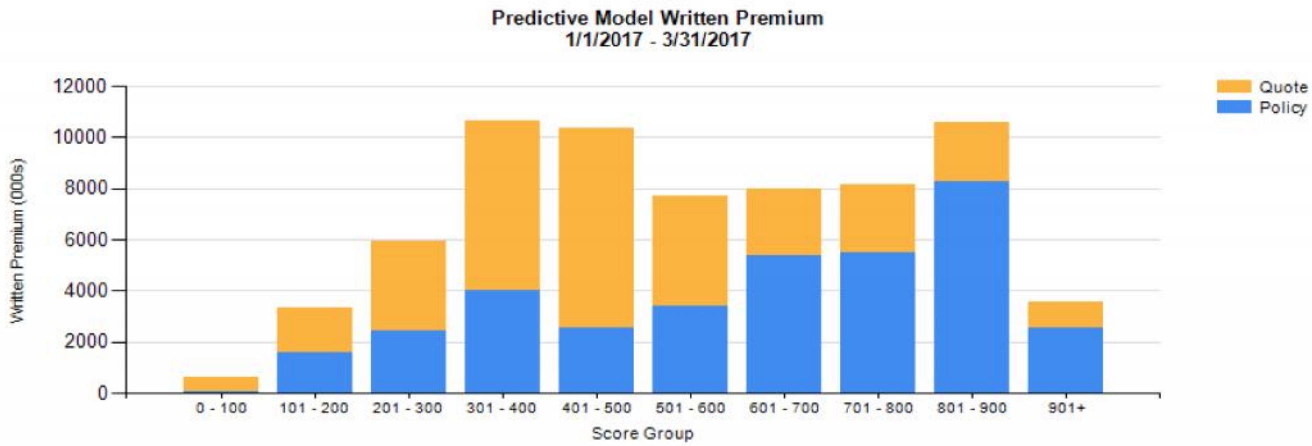
Target of 85% based on current market conditions.

Current target of 52%. Market conditions continue to show support for mid single digit rate increases (magnitude varies by geography.

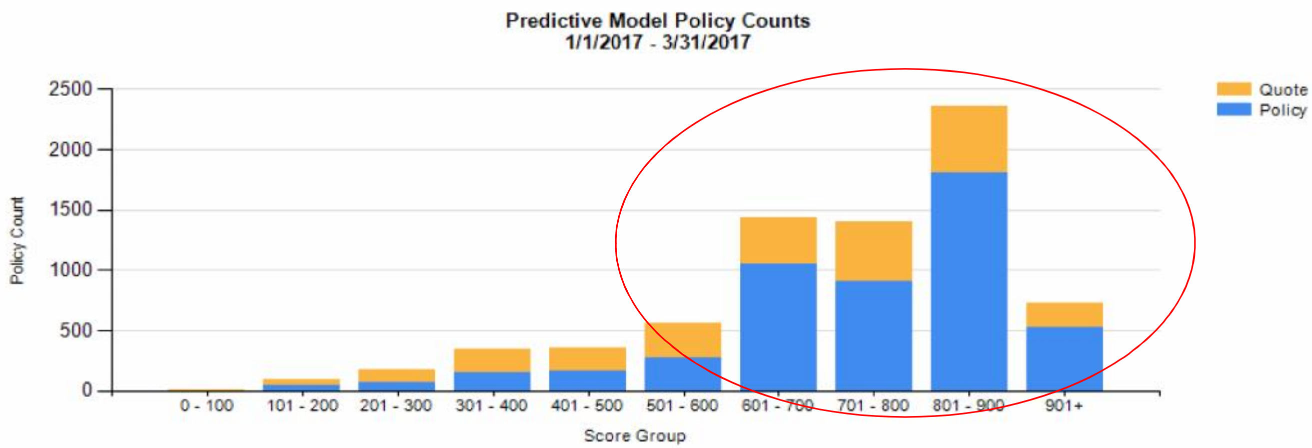
Note: From Q4 '15 forward, data is compiled from the newly launched Atlas Xpress (Duck Creek) policy system. The basis for hit ratio now includes additional submission information (not just commercial auto accounts that are quoted)



Incremental Benefit of Predictive Analytics
Pricing & Underwriting



Key Reasons for Quotes "More" than Model
- Limit on POS external credit use
- Association accounts
- MI limitations on credit use

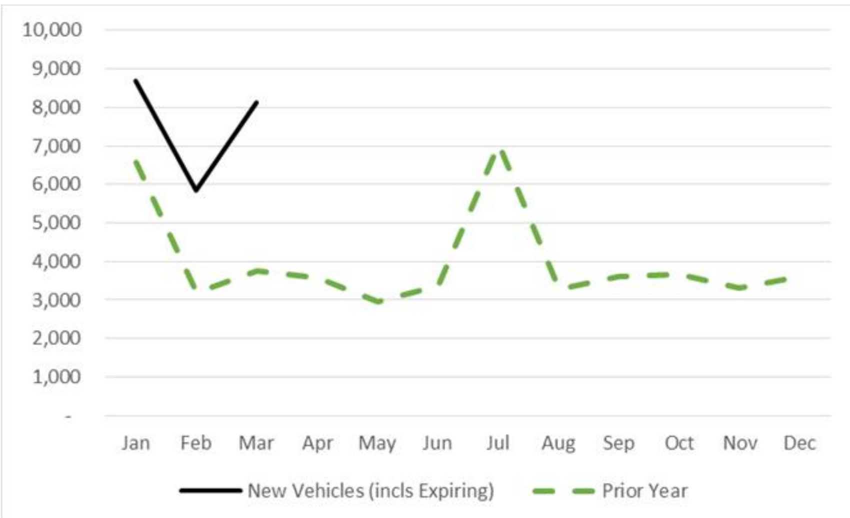


Continued desired bias towards better predicted L/R accounts with higher hit ratio on "right" end of scale.

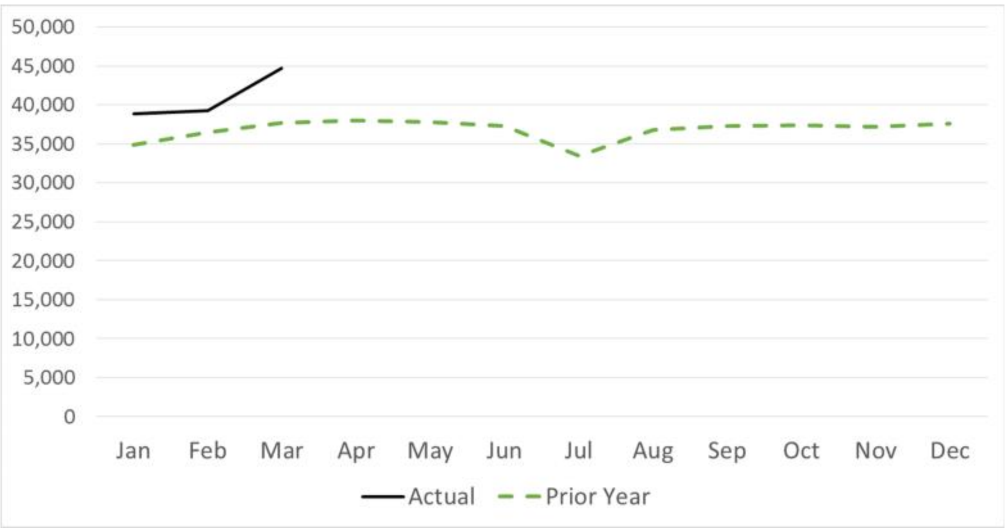
Operating Activities: Underwriting

(commercial business only: excludes Global Liberty)

New Business Submissions (Monthly Vehicles Submitted)



Vehicles In Force



Nasdaq: AFH

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A reconciliation of Non-GAAP financial measurements can be found on slide 25

Reconciliation of Non-U.S. GAAP Financial Measurements

We use these non-GAAP financial measures in order to present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. The non-GAAP financial measures that we present may not be comparable to similarly-named measures reported by other companies.

Adjusted operating income, before tax includes both underwriting income and loss and net investment income, but excludes net realized capital gains and losses, legal and professional expense incurred related to business combinations, interest expense, net impairment charges recognized in earnings and other items. Underwriting income is derived by reducing net premiums earned by losses and loss adjustment expenses incurred, policy acquisition costs and general operating expenses.

Reconciliation of U.S. GAAP Net Income to Adjusted Operating Income, Before Tax ($ in '000s, except per share data

	Three Month Periods Ended			
	March 31, 2017		March 31, 2016	
Net income	$ 4,852	$ 0.40	$ 4,811	$ 0.38
Add: income tax expense	2,613	0.21	2,444	0.19
Add: expenses recovered pursuant to stock purchase agreement	—	—	(402)	(0.03)
Add: interest expense	268	0.02	233	0.02
Less: net realized investment gains	134	0.01	239	0.02
Less: other income	114	0.01	102	0.01
Adjusted operating income, before tax	$ 7,485	$ 0.61	$ 6,745	$ 0.53

After-tax return on average common equity is derived by subtracting preferred share dividends accrued from net income and dividing by average common equity. Common equity is total shareholders' equity less preferred shares and cumulative preferred share dividends accrued. Average common equity is the average of common equity at the beginning and the ending of the reporting period.

Reconciliation of U.S. GAAP Shareholders' Equity to Common Equity ($ in '000s)

As of:	March 31, 2017	December 31, 2016	March 31, 2016	December 31, 2015
Total shareholders' equity	$ 132,683	$ 127,342	$ 136,341	$ 129,622
Less: preferred shares	—	—	(6,539)	(6,941)
Less: accrued dividends on preferred shares	(333)	(333)	(543)	(460)
Total common equity	$ 132,350	$ 127,009	$ 129,259	$ 122,221

Reconciliation of U.S. GAAP Return on Equity to Return on Common Equity ($ in '000s)

	Three Month Periods Ended	
	March 31, 2017	March 31, 2016
Net income	$ 4,852	$ 4,811
Average equity	130,012	132,981
Return on equity	14.9%	14.5%
Net income	$ 4,852	$ 4,811
Preferred share dividends accrued	—	(83)
Net income attributable to common shareholders	$ 4,852	$ 4,728
Average common equity	129,679	125,739
Return on average common equity	15.0%	15.0%