Maiden Holdings, Ltd.
Form 10-Q
November 08, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-34042

MAIDEN HOLDINGS, LTD.
(Exact name of registrant as specified in its charter)

Bermuda	98-0570192
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
131 Front Street, Hamilton, Bermuda	HM12
(Address of principal executive offices)	(Zip Code)

(441) 298-4900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act). Yes o No x

As of November 1, 2016, the number of the Registrant's Common Stock ($.01 par value) outstanding was 86,131,861.

INDEX

		Page
PART I - Financial Information		
Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets as of September 30, 2016 (unaudited) and December 31, 2015 (audited)	3
	Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2016 and 2015 (unaudited)	4
	Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2016 and 2015 (unaudited)	5
	Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine months ended September 30, 2016 and 2015 (unaudited)	6
	Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2016 and 2015 (unaudited)	7
	Notes to Condensed Consolidated Financial Statements (unaudited)	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	32
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	53
Item 4.	Controls and Procedures	54
PART II - Other Information		
Item 1.	Legal Proceedings	56
Item 1A.	Risk Factors	56
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	56
Item 3.	Defaults Upon Senior Securities	56
Item 4.	Mine Safety Disclosures	56
Item 5.	Other Information	56
Item 6.	Exhibits	57
	Signatures	58

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements
MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars, except share and per share data)

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost 2016: $3,660,873; 2015: $3,562,864)	$3,748,342	$3,508,088
Fixed maturities, held-to-maturity, at amortized cost (fair value 2016: $798,081; 2015: $598,975)	759,973	607,843
Other investments, at fair value (cost 2016: $10,860; 2015: $10,816)	12,268	11,812
Total investments	4,520,583	4,127,743
Cash and cash equivalents	67,459	89,641
Restricted cash and cash equivalents	366,563	242,859
Accrued investment income	33,884	32,288
Reinsurance balances receivable, net (includes $220,555 and $147,365 from related parties in 2016 and 2015, respectively)	535,015	377,318
Reinsurance recoverable on unpaid losses	97,070	71,248
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses, net (includes $388,099 and $341,025 from related parties in 2016 and 2015, respectively)	451,698	397,548
Goodwill and intangible assets, net	80,135	81,920
Other assets	147,580	115,038
Total assets	$6,467,962	$5,703,578
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes $1,676,647 and $1,443,639 from related parties in 2016 and 2015, respectively)	$2,759,518	$2,510,101
Unearned premiums (includes $1,204,853 and $1,077,460 from related parties in 2016 and 2015, respectively)	1,571,435	1,354,572
Accrued expenses and other liabilities	150,741	135,897
Liability for securities purchased	78,581	3,976
Senior Notes - principal amount	362,500	360,000
Less unamortized issuance costs	11,172	10,067
Senior notes, net	351,328	349,933
Total liabilities	4,911,603	4,354,479
Commitments and Contingencies		
EQUITY		
Preference shares	315,000	480,000
Common shares ($0.01 par value: 87,178,902 and 74,735,785 shares issued in 2016 and 2015, respectively; 86,128,999 and 73,721,140 shares outstanding in 2016 and 2015, respectively)	872	747
Additional paid-in capital	747,203	579,178
Accumulated other comprehensive income (loss)	123,876	(23,767)
Retained earnings	373,340	316,184
Treasury shares, at cost (1,049,903 and 1,014,645 shares in 2016 and 2015, respectively)	(4,991)	(4,521)

Total Maiden shareholders' equity	1,555,300	1,347,821
Noncontrolling interest in subsidiaries	1,059	1,278
Total equity	1,556,359	1,349,099
Total liabilities and equity	$6,467,962	$5,703,578

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(in thousands of U.S. dollars, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues:				
Gross premiums written	$706,854	$628,501	$2,259,290	$2,136,935
Net premiums written	$690,653	$599,153	$2,133,911	$2,025,754
Change in unearned premiums	7,625	59,367	(182,060)	(180,495)
Net premiums earned	698,278	658,520	1,951,851	1,845,259
Other insurance revenue	2,345	2,177	8,696	9,408
Net investment income	35,666	32,843	107,291	96,260
Net realized gains on investment	1,900	1,216	4,511	2,327
Total other-than-temporary impairment losses	—	(1,060)	—	(1,060)
Portion of loss recognized in other comprehensive income (loss)	—	—	—	—
Net impairment losses recognized in earnings	—	(1,060)	—	(1,060)
Total revenues	738,189	693,696	2,072,349	1,952,194
Expenses:				
Net loss and loss adjustment expenses	466,751	444,172	1,297,361	1,236,505
Commission and other acquisition expenses	206,706	197,639	587,501	551,678
General and administrative expenses	16,952	16,453	49,738	48,951
Interest and amortization expenses	6,856	7,266	21,314	21,796
Accelerated amortization of senior note issuance cost	—	—	2,345	—
Amortization of intangible assets	616	710	1,846	2,130
Foreign exchange and other gains	(687)	(1,427)	(6,474)	(4,062)
Total expenses	697,194	664,813	1,953,631	1,856,998
Income before income taxes	40,995	28,883	118,718	95,196
Income tax expense	199	368	1,206	1,636
Net income	40,796	28,515	117,512	93,560
Loss attributable to noncontrolling interest	56	69	166	116
Net income attributable to Maiden shareholders	40,852	28,584	117,678	93,676
Dividends on preference shares	(9,023)	(6,085)	(27,723)	(18,253)
Net income attributable to Maiden common shareholders	$31,829	$22,499	$89,955	$75,423
Basic earnings per share attributable to Maiden common shareholders	$0.42	$0.31	$1.20	$1.03
Diluted earnings per share attributable to Maiden common shareholders	$0.40	$0.30	$1.15	$0.99
Dividends declared per common share	$0.14	$0.13	$0.42	$0.39

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(in thousands of U.S. dollars)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income	$40,796	$28,515	$117,512	$93,560
Net unrealized holding gains (losses) on available-for-sale fixed maturities arising during the period	8,888	(17,191)	155,052	(80,725)
Adjustment for reclassification of net realized (gains) losses recognized in net income	(1,202)	(11)	578	(5)
Foreign currency translation adjustment	(2,730)	(741)	(7,927)	8,316
Other comprehensive income (loss), before tax	4,956	(17,943)	147,703	(72,414)
Income tax benefit (expense) related to components of other comprehensive income	11	18	(28)	82
Other comprehensive income (loss), after tax	4,967	(17,925)	147,675	(72,332)
Comprehensive income	45,763	10,590	265,187	21,228
Net loss attributable to noncontrolling interest	56	69	166	116
Other comprehensive (income) loss attributable to noncontrolling interest	(17)	(1)	(32)	46
Comprehensive loss attributable to noncontrolling interest	39	68	134	162
Comprehensive income attributable to Maiden shareholders	$45,802	$10,658	$265,321	$21,390

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(in thousands of U.S. dollars)

For the Nine Months Ended September 30,	2016	2015
Preference shares		
Beginning balance	$480,000	$315,000
Less: mandatory conversion of Preference Shares - Series B	(165,000)	—
Ending balance	315,000	315,000
Common shares		
Beginning balance	747	739
Exercise of options and issuance of shares	4	8
Shares issued on mandatory conversion of Preference Shares - Series B	121	—
Ending balance	872	747
Additional paid-in capital		
Beginning balance	579,178	578,445
Exercise of options and issuance of common shares	662	3,072
Share-based compensation expense	2,625	2,519
Mandatory conversion of Preference Shares - Series B	164,879	—
Others	(141)	—
Ending balance	747,203	584,036
Accumulated other comprehensive income		
Beginning balance	(23,767)	95,293
Change in net unrealized gains (losses) on investments, net	155,602	(80,648)
Foreign currency translation adjustments	(7,959)	8,362
Ending balance	123,876	23,007
Retained earnings		
Beginning balance	316,184	255,084
Net income attributable to Maiden shareholders	117,678	93,676
Dividends on preference shares	(27,723)	(18,253)
Dividends on common shares	(32,799)	(28,711)
Ending balance	373,340	301,796
Treasury shares		
Beginning balance	(4,521)	(3,867)
Shares repurchased for treasury	(470)	(654)
Ending balance	(4,991)	(4,521)
Noncontrolling interest in subsidiaries		
Beginning balance	1,278	472
Change in minority interest	(54)	1,710
Dividend paid to noncontrolling interest	(31)	(303)
Loss attributable to noncontrolling interest	(166)	(116)
Foreign currency translation adjustments	32	(46)
Ending balance	1,059	1,717
Total equity	$1,556,359	$1,221,782

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands of U.S. dollars)

For the Nine Months Ended September 30,	2016	2015
Cash flows from operating activities:		
Net income	$117,512	$93,560
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,841	7,077
Net realized gains on investment	(4,511)	(2,327)
Net impairment losses recognized in earnings	—	1,060
Foreign exchange and other gains	(6,474)	(4,062)
Changes in assets – (increase) decrease:		
Reinsurance balances receivable, net	(154,091)	14,093
Reinsurance recoverable on unpaid losses	(26,281)	(17,374)
Accrued investment income	(1,537)	(3,110)
Deferred commission and other acquisition expenses	(49,713)	(57,838)
Other assets	(32,027)	(64,512)
Changes in liabilities – increase (decrease):		
Reserve for loss and loss adjustment expenses	250,937	291,123
Unearned premiums	204,752	238,726
Accrued expenses and other liabilities	10,749	29,596
Net cash provided by operating activities	326,157	526,012
Cash flows from investing activities:		
Purchases of fixed maturities – available-for-sale	(732,001)	(1,095,162)
Purchases of other investments	(167)	(144)
Proceeds from sales of fixed maturities – available-for-sale	101,923	116,093
Proceeds from maturities and calls of fixed maturities	442,490	467,910
Proceeds from redemption of other investments	572	344
(Increase) decrease in restricted cash and cash equivalents, net	(103,685)	41,022
Other, net	(521)	(715)
Net cash used in investing activities	(291,389)	(470,652)
Cash flows from financing activities:		
Senior notes issuance, net of issuance costs	106,424	—
Redemption of 2011 senior notes	(107,500)	—
Common share issuance	666	3,080
Repurchase of common shares for treasury	(470)	(654)
Dividends paid to common shareholders	(31,062)	(28,616)
Dividends paid to preference shareholders	(27,723)	(18,253)
Net cash used in financing activities	(59,665)	(44,443)
Effect of exchange rate changes on foreign currency cash	2,715	(1,485)
Net (decrease) increase in cash and cash equivalents	(22,182)	9,432
Cash and cash equivalents, beginning of period	89,641	108,119
Cash and cash equivalents, end of period	$67,459	$117,551

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Maiden Holdings, Ltd. ("Maiden Holdings") and its subsidiaries (the "Company" or "Maiden") and have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP" or "U.S. GAAP") for interim financial statements and with the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All significant inter-company transactions and accounts have been eliminated.

These interim unaudited Condensed Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim period and all such adjustments are of a normal recurring nature. The results of operations for the interim period are not necessarily indicative, if annualized, of those to be expected for the full year. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

These unaudited Condensed Consolidated Financial Statements, including these notes, should be read in conjunction with the Company's audited Consolidated Financial Statements, and related notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. Certain reclassifications have been made for 2015 to conform to the 2016 presentation and have no impact on net income and total equity previously reported.

2. Significant Accounting Policies

There have been no material changes to our significant accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2015 with the exception of the following:

Transition related to Accounting Standards Update ("ASU") No. 2015-03: Simplifying the Presentation of Debt Issuance Costs

Effective January 1, 2016, the Company adopted the new guidance under ASU 2015-03 which requires that debt issuance costs be presented as a direct deduction from the related debt liability rather than as an asset in the balance sheet. The amortization of such costs is reported as an interest expense. The Company applied this new guidance retrospectively to all prior periods presented. The adoption of this new guidance reduced the December 31, 2015 audited consolidated total assets and total liabilities by $10,067, respectively, representing the amount of unamortized issuance costs related to our Senior Notes which was previously presented as part of other assets. There was no impact on the net income, related per-share amounts or the retained earnings for the periods affected by the adoption of this guidance.

Recently Issued Accounting Standards Not Yet Adopted

Disclosures about Short-Duration Contracts

In May 2015, the Financial Accounting Standards Board ("FASB") issued ASU 2015-09 which is aimed at providing users of financial statements with more transparent information about an insurance entity’s initial claim estimates and

subsequent adjustments to those estimates, methodologies and judgments in estimating claims, and the timing, frequency and severity of claims. The new disclosures are required for short-duration insurance contracts issued by insurers. For public business entities, this guidance will be effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted and should be applied retrospectively by providing comparative disclosures for each period presented. As this guidance is disclosure-related only, the adoption of this guidance will not have a material impact on the Company’s statements of operations and financial position.

Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the FASB issued ASU 2016-01 that will change how entities measure certain equity investments and present changes in the fair value of financial liabilities measured under the fair value option that are attributable to their own credit. The new guidance also changes certain disclosure requirements and other aspects of current U.S. GAAP. It does not change the guidance for classifying and measuring investments in debt securities and loans. Under the new guidance, entities will have to measure many equity investments at fair value and recognize any changes in fair value in net income unless the investments qualify for the new practicability exception. This includes investments in partnerships, unincorporated joint ventures and limited liability companies that do not result in consolidation and are not accounted for under the equity method. Entities will no longer be able to recognize unrealized holding gains and losses on equity securities they classify today as available for sale ("AFS") in Accumulated Other Comprehensive Income ("AOCI"). They also will no longer be able to use the cost method of accounting for equity securities that do not have readily determinable fair values. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. The Company is evaluating the impact of this new guidance on its consolidated results of operations and financial condition.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

2. Significant Accounting Policies (continued)

Accounting for Leases

In February 2016, the FASB issued final Accounting Standards Codification ("ASC") 842 guidance that requires lessees to put most leases on their balance sheets but recognize expenses on their income statement in a manner similar to today's accounting. The guidance also eliminates today's real-estate-specific provisions for all entities. All entities classify leases to determine how to recognize lease-related revenue and expense. The U.S. GAAP standard is effective for public business entities and certain not-for-profit entities and employee benefit plans for annual periods beginning after December 15, 2018, and interim periods within those years. Early adoption is permitted for all entities. The Company is evaluating the impact of this new guidance on its consolidated results of operations and financial condition.

Improvements to Employee Share-Based Payment Accounting

In March 2016, the FASB issued ASU 2016-09 guidance that outlines changes for certain aspects of share-based payments to employees, such as accounting for forfeitures, which applies to the Company. Under the new guidance, the entities can elect to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. The guidance is effective for public business entities for fiscal year beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted for all entities, in any annual or interim period for which financial statements haven't been issued or made available for issuance, but all of the guidance must be adopted in the same period. The Company is evaluating the impact of this new guidance on its consolidated results of operations and financial condition.

Accounting for Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13 guidance that changes the impairment model for most financial assets and certain other instruments that are not measured at fair value through net income. The standard will replace today's "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost and require entities to record allowances for available-for-sale debt securities rather than reduce the carrying amount, as they do today under the other-than-temporary impairment model. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. Entities will apply the standard's provisions as a cumulative effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The guidance is effective for public business entities for annual periods beginning after December 15, 2019, and interim periods therein. The Company is evaluating the impact of this new guidance on its consolidated results of operations and financial condition.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued ASU 2016-15 guidance to clarify how entities should classify certain cash receipts and cash payments on the statement of cash flows. The new guidance amends ASC 230 Statement of Cash Flows, a principles based requiring judgment to determine the appropriate classification of cash flow as operating, investing or financing activities which created diversity in how certain cash receipts and cash payments were classified. The new guidance clarifies that if a receipt or payment has aspects of more than one class of cash flows and cannot be separated, the classification will depend on the predominant source or use. While the new guidance attempts to clarify how the predominance principle should be applied, judgment will still be required. The guidance is effective for

public business entities for annual periods beginning after December 15, 2017 and interim periods therein. Early adoption is permitted. Entities will have to apply the guidance retrospectively, but if it is impracticable to do so for an issue, the amendments related to that issue would be applied prospectively. The Company is evaluating the impact of this new guidance on its consolidated results of operations and financial condition.

Intra-Entity Assets Other Than Inventory

In October 2016, the FASB issued ASU 2016-16 guidance that will require entities to recognize the income tax effects of intercompany sales and transfers of assets other than inventory as expense or benefit, in the period in which the transfer occurs as opposed to being deferred the income tax effects until the intercompany asset has been sold to an outside party, according to the current guidance in effect. The new guidance will require companies to defer the income tax effects only of intercompany transfers of inventory. The companies will be required to apply a modified retrospective approach with a cumulative catch-up adjustment to opening retained earnings in the period of adoption. In addition, companies will record deferred tax balances with an offset to opening retained earnings for amounts they haven't recognized under the new guidance. If a valuation allowance is necessary on the date of the adoption, that allowance will be recorded with an offset to opening retained earnings. The new guidance is effective for public business entities for annual periods beginning after December 15, 2017 and interim periods therein. Early adoption is permitted. The Company is evaluating the impact of this new guidance on its consolidated results of operations and financial condition.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Reporting

The Company currently has two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies primarily located in the U.S. and Europe. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance Ltd. ("Maiden Bermuda") by subsidiaries of AmTrust Financial Services, Inc. ("AmTrust"), primarily the AmTrust Quota Share and the European Hospital Liability Quota Share. Please refer to "Note 7. Related Party Transactions" for additional information. In addition to our reportable segments, the results of operations of the former NGHC Quota Share segment and the remnants of the U.S. excess and surplus ("E&S") business have been included in the "Other" category.

The Company evaluates segment performance based on segment profit separately from the results of our investment portfolio. General and administrative expenses are allocated to the segments on an actual basis except salaries and benefits where management’s judgment is applied. The Company does not allocate general corporate expenses to the segments. In determining total assets by reportable segment, the Company identifies those assets that are attributable to a particular segment such as reinsurance balances receivable, reinsurance recoverable on unpaid losses, deferred commission and other acquisition expenses, loans, goodwill and intangible assets, restricted cash and cash equivalents and investments and prepaid reinsurance premiums. All remaining assets are allocated to Corporate.

The following tables summarize our reporting segment's underwriting results and the reconciliation of our reportable segments and Other category's underwriting results to our consolidated net income:

For the Three Months Ended September 30, 2016	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$186,750	$520,104	$—	$706,854
Net premiums written	$179,092	$511,561	$—	$690,653
Net premiums earned	$175,141	$523,137	$—	$698,278
Other insurance revenue	2,345	—	—	2,345
Net loss and loss adjustment expenses ("LAE")	(132,396)	(334,310)	(45)	(466,751)
Commission and other acquisition expenses	(39,868)	(166,836)	(2)	(206,706)
General and administrative expenses	(9,038)	(759)	—	(9,797)
Underwriting income (loss)	$(3,816)	$21,232	$(47)	$17,369
Reconciliation to net income				
Net investment income and realized gains on investment				37,566
Interest and amortization expenses				(6,856)
Amortization of intangible assets				(616)
Foreign exchange and other gains				687
Other general and administrative expenses				(7,155)
Income tax expense				(199)
Net income				$40,796
Net loss and LAE ratio [1]	74.6%	63.9%		66.6%
Commission and other acquisition expense ratio [2]	22.5%	31.9%		29.5%
General and administrative expense ratio [3]	5.1%	0.1%		2.4%
Combined ratio [4]	102.2%	95.9%		98.5%

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Reporting (continued)

For the Three Months Ended September 30, 2015	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$174,307	$454,194	$—	$628,501
Net premiums written	$163,710	$435,443	$—	$599,153
Net premiums earned	$193,207	$465,313	$—	$658,520
Other insurance revenue	2,177	—	—	2,177
Net loss and LAE	(142,468)	(297,780)	(3,924)	(444,172)
Commission and other acquisition expenses	(51,714)	(146,008)	83	(197,639)
General and administrative expenses	(8,218)	(656)	—	(8,874)
Underwriting income (loss)	$(7,016)	$20,869	$(3,841)	$10,012
Reconciliation to net income				
Net investment income and realized gains on investment				34,059
Net impairment losses recognized in earnings				(1,060)
Interest and amortization expenses				(7,266)
Amortization of intangible assets				(710)
Foreign exchange and other gains				1,427
Other general and administrative expenses				(7,579)
Income tax expense				(368)
Net income				$28,515
Net loss and LAE ratio [1]	72.9%	63.9%		67.2%
Commission and other acquisition expense ratio [2]	26.5%	31.4%		29.9%
General and administrative expense ratio [3]	4.2%	0.1%		2.5%
Combined ratio [4]	103.6%	95.4%		99.6%

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Reporting (continued)

For the Nine Months Ended September 30, 2016	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$667,388	$1,591,902	$—	$2,259,290
Net premiums written	$626,522	$1,507,389	$—	$2,133,911
Net premiums earned	$538,152	$1,413,699	$—	$1,951,851
Other insurance revenue	8,696	—	—	8,696
Net loss and LAE	(395,718)	(898,703)	(2,940)	(1,297,361)
Commission and other acquisition expenses	(139,895)	(447,604)	(2)	(587,501)
General and administrative expenses	(26,717)	(2,308)	—	(29,025)
Underwriting income (loss)	$(15,482)	$65,084	$(2,942)	$46,660
Reconciliation to net income				
Net investment income and realized gains on investment				111,802
Interest and amortization expenses				(21,314)
Accelerated amortization of senior note issuance cost				(2,345)
Amortization of intangible assets				(1,846)
Foreign exchange and other gains				6,474
Other general and administrative expenses				(20,713)
Income tax expense				(1,206)
Net income				$117,512
Net loss and LAE ratio [1]	72.4%	63.5%		66.2%
Commission and other acquisition expense ratio [2]	25.6%	31.7%		30.0%
General and administrative expense ratio [3]	4.8%	0.2%		2.5%
Combined ratio [4]	102.8%	95.4%		98.7%

12

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Reporting (continued)

For the Nine Months Ended September 30, 2015	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$631,294	$1,505,642	$(1)	$2,136,935
Net premiums written	$602,693	$1,423,060	$1	$2,025,754
Net premiums earned	$570,694	$1,274,563	$2	$1,845,259
Other insurance revenue	9,408	—	—	9,408
Net loss and LAE	(417,846)	(811,016)	(7,643)	(1,236,505)
Commission and other acquisition expenses	(152,332)	(399,291)	(55)	(551,678)
General and administrative expenses	(25,976)	(2,200)	—	(28,176)
Underwriting income (loss)	$(16,052)	$62,056	$(7,696)	$38,308
Reconciliation to net income				
Net investment income and realized gains on investment				98,587
Net impairment losses recognized in earnings				(1,060)
Interest and amortization expenses				(21,796)
Amortization of intangible assets				(2,130)
Foreign exchange and other gains				4,062
Other general and administrative expenses				(20,775)
Income tax expense				(1,636)
Net income				$93,560
Net loss and LAE ratio [1]	72.0%	63.6%		66.7%
Commission and other acquisition expense ratio [2]	26.3%	31.3%		29.7%
General and administrative expense ratio [3]	4.5%	0.2%		2.7%
Combined ratio [4]	102.8%	95.1%		99.1%

(1) Calculated by dividing net loss and LAE by net premiums earned and other insurance revenue.
(2) Calculated by dividing commission and other acquisition expenses by net premiums earned and other insurance revenue.

(3) Calculated by dividing general and administrative expenses by net premiums earned and other insurance revenue.
(4) Calculated by adding together the net loss and LAE ratio, commission and other acquisition expense ratio and general and administrative expense ratio.

The following tables summarize the total assets of our reportable segments including the reconciliation to our consolidated assets at September 30, 2016 and December 31, 2015:

September 30, 2016	Diversified Reinsurance	AmTrust Reinsurance	Total
Total assets - reportable segments	$ 1,929,455	$ 3,937,523	$ 5,866,978
Corporate assets	—	—	600,984
Total Assets	$ 1,929,455	$ 3,937,523	$ 6,467,962

December 31, 2015	Diversified Reinsurance	AmTrust Reinsurance	Total
Total assets - reportable segments	$ 1,644,541	$ 3,178,859	$ 4,823,400
Corporate assets	—	—	880,178
Total Assets	$ 1,644,541	$ 3,178,859	$ 5,703,578

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Reporting (continued)

The following tables set forth financial information relating to net premiums written and earned by major line of business and reportable segment for the three and nine months ended September 30, 2016 and 2015:

For the Three Months Ended September 30,	2016		2015	
Net premiums written	Total	% of Total	Total	% of Total
Diversified Reinsurance				
Property	$30,606	4.4 %	$29,574	4.9 %
Casualty	115,360	16.7 %	101,191	16.9 %
Accident and Health	14,845	2.2 %	12,918	2.2 %
International	18,281	2.6 %	20,027	3.3 %
Total Diversified Reinsurance	179,092	25.9 %	163,710	27.3 %
AmTrust Reinsurance				
Small Commercial Business	314,677	45.6 %	231,416	38.6 %
Specialty Program	98,895	14.3 %	86,612	14.5 %
Specialty Risk and Extended Warranty	97,989	14.2 %	117,415	19.6 %
Total AmTrust Reinsurance	511,561	74.1 %	435,443	72.7 %
	$690,653	100.0%	$599,153	100.0%

For the Three Months Ended September 30,	2016		2015	
Net premiums earned	Total	% of Total	Total	% of Total
Diversified Reinsurance				
Property	$29,921	4.3 %	$39,593	6.0 %
Casualty	105,893	15.2 %	115,646	17.6 %
Accident and Health	18,436	2.6 %	14,093	2.1 %
International	20,891	3.0 %	23,875	3.6 %
Total Diversified Reinsurance	175,141	25.1 %	193,207	29.3 %
AmTrust Reinsurance				
Small Commercial Business	320,596	45.9 %	257,296	39.1 %
Specialty Program	89,856	12.9 %	80,302	12.2 %
Specialty Risk and Extended Warranty	112,685	16.1 %	127,715	19.4 %
Total AmTrust Reinsurance	523,137	74.9 %	465,313	70.7 %
	$698,278	100.0%	$658,520	100.0%

14

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Reporting (continued)

For the Nine Months Ended September 30,	2016		2015	
Net premiums written	Total	% of Total	Total	% of Total
Diversified Reinsurance				
Property	$123,991	5.8 %	$128,482	6.3 %
Casualty	365,332	17.1 %	359,530	17.8 %
Accident and Health	68,140	3.2 %	53,483	2.7 %
International	69,059	3.2 %	61,198	3.0 %
Total Diversified Reinsurance	626,522	29.3 %	602,693	29.8 %
AmTrust Reinsurance				
Small Commercial Business	983,601	46.1 %	857,617	42.3 %
Specialty Program	268,193	12.6 %	262,068	12.9 %
Specialty Risk and Extended Warranty	255,595	12.0 %	303,375	15.0 %
Total AmTrust Reinsurance	1,507,389	70.7 %	1,423,060	70.2 %
Other	—	— %	1	— %
	$2,133,911	100.0%	$2,025,754	100.0%

For the Nine Months Ended September 30,	2016		2015	
Net premiums earned	Total	% of Total	Total	% of Total
Diversified Reinsurance				
Property	$103,023	5.3 %	$112,878	6.1 %
Casualty	313,736	16.1 %	350,549	19.0 %
Accident and Health	55,788	2.8 %	41,361	2.2 %
International	65,605	3.4 %	65,906	3.6 %
Total Diversified Reinsurance	538,152	27.6 %	570,694	30.9 %
AmTrust Reinsurance				
Small Commercial Business	864,699	44.3 %	734,731	39.8 %
Specialty Program	251,543	12.9 %	210,690	11.4 %
Specialty Risk and Extended Warranty	297,457	15.2 %	329,142	17.9 %
Total AmTrust Reinsurance	1,413,699	72.4 %	1,274,563	69.1 %
Other	—	— %	2	— %
	$1,951,851	100.0%	$1,845,259	100.0%

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

4. Investments

(a) Fixed Maturities and Other Investments

The original or amortized cost, estimated fair value and gross unrealized gains and losses of investment in fixed maturities and other investments as of September 30, 2016 and December 31, 2015 are as follows:

September 30, 2016	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
AFS fixed maturities:				
U.S. treasury bonds	$5,183	$ 317	$—	$5,500
U.S. agency bonds – mortgage-backed	1,572,387	34,128	(737)	1,605,778
U.S. agency bonds – other	4,256	362	—	4,618
Non-U.S. government and supranational bonds	35,579	264	(3,181)	32,662
Asset-backed securities	205,534	7,306	(49)	212,791
Corporate bonds	1,775,739	75,202	(31,688)	1,819,253
Municipal bonds	62,195	5,545	—	67,740
Total AFS fixed maturities	3,660,873	123,124	(35,655)	3,748,342
Held-to-maturity ("HTM") fixed maturities:				
Corporate bonds	759,973	38,941	(833)	798,081
Total HTM fixed maturities	759,973	38,941	(833)	798,081
Other investments	10,860	1,408	—	12,268
Total investments	$4,431,706	$ 163,473	$(36,488)	$4,558,691

December 31, 2015	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
AFS fixed maturities:				
U.S. treasury bonds	$5,714	$ 312	$(16)	$6,010
U.S. agency bonds – mortgage-backed	1,471,782	15,399	(10,190)	1,476,991
U.S. agency bonds – other	23,734	577	—	24,311
Non-U.S. government and supranational bonds	35,128	—	(4,584)	30,544
Asset-backed securities	165,719	1,174	(1,089)	165,804
Corporate bonds	1,798,610	38,070	(97,012)	1,739,668
Municipal bonds	62,177	2,583	—	64,760
Total AFS fixed maturities	3,562,864	58,115	(112,891)	3,508,088
HTM fixed maturities:				
Corporate bonds	607,843	3,458	(12,326)	598,975
Total HTM fixed maturities	607,843	3,458	(12,326)	598,975
Other investments	10,816	1,091	(95)	11,812
Total investments	$4,181,523	$ 62,664	$(125,312)	$4,118,875

During the second quarter of 2016, we designated additional fixed maturities with a total fair value of $155,538 as HTM reflecting our intent to hold these securities to maturity. The net unrealized holding gain of $15,770 at the designation date was reported in the carrying value of the HTM securities and is amortized through Other Comprehensive Income over the remaining life of the securities using the effective interest method in a manner consistent with the amortization of any premium or discount.

The contractual maturities of our fixed maturities are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without prepayment penalties.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

	AFS fixed maturities		HTM fixed maturities	
September 30, 2016	Amortized cost	Fair value	Amortized cost	Fair value
Maturity				
Due in one year or less	$124,653	$120,322	$—	$—
Due after one year through five years	483,935	486,485	223,261	226,753
Due after five years through ten years	1,260,222	1,308,224	531,624	566,140
Due after ten years	14,142	14,742	5,088	5,188
	1,882,952	1,929,773	759,973	798,081
U.S. agency bonds – mortgage-backed	1,572,387	1,605,778	—	—
Asset-backed securities	205,534	212,791	—	—
Total fixed maturities	$3,660,873	$3,748,342	$759,973	$798,081

The following tables summarize fixed maturities and other investments in an unrealized loss position and the aggregate fair value and gross unrealized loss by length of time the security has continuously been in an unrealized loss position:

	Less than 12 Months		12 Months or more		Total	
September 30, 2016	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Fixed maturities						
U.S. agency bonds – mortgage-backed	$13,029	$ (27)	$54,566	$ (710)	$67,595	$ (737)
Non–U.S. government and supranational bonds	1,081	(41)	27,645	(3,140)	28,726	(3,181)
Asset-backed securities	21,746	(49)	—	—	21,746	(49)
Corporate bonds	171,844	(1,551)	355,317	(30,970)	527,161	(32,521)
Total temporarily impaired fixed maturities	$207,700	$ (1,668)	$437,528	$ (34,820)	$645,228	$ (36,488)

As of September 30, 2016, there were approximately 132 securities in an unrealized loss position with a fair value of $645,228 and unrealized losses of $36,488. Of these securities, there are 94 securities that have been in an unrealized loss position for 12 months or greater with a fair value of $437,528 and unrealized losses of $34,820.

	Less than 12 Months		12 Months or more		Total	
December 31, 2015	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Fixed maturities						
U.S. treasury bonds	$1,119	$(16)	$—	$—	$1,119	$(16)
U.S. agency bonds – mortgage-backed	443,331	(4,113)	170,053	(6,077)	613,384	(10,190)
Non–U.S. government and supranational bonds	6,958	(365)	22,586	(4,219)	29,544	(4,584)
Asset-backed securities	89,838	(1,089)	—	—	89,838	(1,089)
Corporate bonds	752,911	(41,352)	399,779	(67,986)	1,152,690	(109,338)
Total temporarily impaired fixed maturities	1,294,157	(46,935)	592,418	(78,282)	1,886,575	(125,217)
Other investments	4,905	(95)	—	—	4,905	(95)
Total temporarily impaired fixed maturities and other investments	$1,299,062	$(47,030)	$592,418	$(78,282)	$1,891,480	$(125,312)

17

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

As of December 31, 2015, there were approximately 270 securities in an unrealized loss position with a fair value of $1,891,480 and unrealized losses of $125,312. Of these securities, there are 93 securities that have been in an unrealized loss position for 12 months or greater with a fair value of $592,418 and unrealized losses of $78,282.

Other-Than-Temporary Impairments ("OTTI")

The Company performs quarterly reviews of its investment portfolio in order to determine whether declines in fair value below the amortized cost basis were considered other-than-temporary in accordance with applicable guidance. At September 30, 2016, we have determined that the unrealized losses on fixed maturities were primarily due to widening of credit spreads since their date of purchase. Because we do not intend to sell these securities and it is not more likely than not that we will be required to do so until a recovery of fair value to amortized cost, we currently believe it is probable that we will collect all amounts due according to their respective contractual terms. Therefore, we do not consider these fixed maturities to be other-than-temporarily impaired at September 30, 2016. For the three and nine months ended ended September 30, 2016, the Company recognized no OTTI. For the three and nine months ended September 30, 2015, there was a credit impairment in respect of one corporate bond which resulted in the recognition of OTTI of $1,060 for both periods.

The following summarizes the credit ratings of our fixed maturities:

Ratings* as of September 30, 2016	Amortized cost	Fair value	% of Total fair value
Fixed maturities			
U.S. treasury bonds	$5,183	$5,500	0.1 %
U.S. agency bonds	1,576,643	1,610,396	35.4 %
AAA	164,038	173,127	3.8 %
AA+, AA, AA-	244,901	255,882	5.6 %
A+, A, A-	1,300,659	1,344,515	29.6 %
BBB+, BBB, BBB-	964,197	990,817	21.8 %
BB+ or lower	165,225	166,186	3.7 %
Total	$4,420,846	$4,546,423	100.0%

Ratings* as of December 31, 2015	Amortized cost	Fair value	% of Total fair value
Fixed maturities			
U.S. treasury bonds	$5,714	$6,010	0.1 %
U.S. agency bonds	1,495,516	1,501,302	36.6 %
AAA	170,190	170,391	4.1 %
AA+, AA, AA-	222,506	223,084	5.4 %
A+, A, A-	1,075,550	1,066,794	26.0 %
BBB+, BBB, BBB-	1,077,064	1,039,228	25.3 %
BB+ or lower	124,167	100,254	2.5 %
Total	$4,170,707	$4,107,063	100.0%

*Based on Standard & Poor’s ("S&P"), or equivalent, ratings

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

(b) Other Investments

The following table shows our portfolio of other investments:

	September 30, 2016		December 31, 2015	
	Fair value	% of Total fair value	Fair value	% of Total fair value
Investment in quoted equity	$5,560	45.3 %	$4,905	41.5 %
Investments in limited partnerships	5,708	46.5 %	5,907	50.0 %
Other	1,000	8.2 %	1,000	8.5 %
Total other investments	$12,268	100.0%	$11,812	100.0%

The Company has an unfunded commitment on its investments in limited partnerships of approximately $525 at September 30, 2016.

(c) Realized Gains on Investment

Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method. The following provides an analysis of net realized gains on investment included in the unaudited Condensed Consolidated Statements of Income:

For the Three Months Ended September 30, 2016	Gross gains	Gross losses	Net
AFS fixed maturities	$1,813	$ —	$1,813
Other investments	87	—	87
Net realized gains on investment	$1,900	$ —	$1,900
For the Three Months Ended September 30, 2015	**Gross gains**	**Gross losses**	**Net**
AFS fixed maturities	$1,216	$ —	$1,216
Net realized gains on investment	$1,216	$ —	$1,216
For the Nine Months Ended September 30, 2016	**Gross gains**	**Gross losses**	**Net**
AFS fixed maturities	$4,953	$(891)	$4,062
Other investments	449	—	449
Net realized gains on investment	$5,402	$(891)	$4,511
For the Nine Months Ended September 30, 2015	**Gross gains**	**Gross losses**	**Net**
AFS fixed maturities	$2,264	$ —	$2,264
Other investments	63	—	63
Net realized gains on investment	$2,327	$ —	$2,327

Proceeds from sales of AFS fixed maturities were $15,260 and $101,923 for the three and nine months ended September 30, 2016, respectively (September 30, 2015 - $29,595 and $116,093, respectively). Net unrealized gains

were as follows:

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

	September 30, 2016	December 31, 2015
Fixed maturities	$ 100,196	$ (55,024)
Other investments	1,408	996
Total net unrealized gain (loss)	101,604	(54,028)
Deferred income tax expense	(114)	(84)
Net unrealized gains, net of deferred income tax	$ 101,490	$ (54,112)
Change in net unrealized gains, net of deferred income tax	$ 155,602	

(d) Restricted Cash and Cash Equivalents and Investments

We are required to maintain assets to serve as collateral for our reinsurance liabilities under various reinsurance agreements. We also utilize trust accounts to collateralize business with our reinsurance counterparties. The assets in trust as collateral are primarily cash and highly rated fixed maturity securities. The fair value of our restricted assets was as follows:

	September 30, 2016	December 31, 2015
Restricted cash and cash equivalents – third party agreements	$ 112,038	$ 102,837
Restricted cash and cash equivalents – related party agreements	254,433	139,944
Restricted cash and cash equivalents – U.S. state regulatory authorities	92	78
Total restricted cash and cash equivalents	366,563	242,859
Restricted investments AFS – in trust for third party agreements at fair value (amortized cost: 2016 – $1,233,629; 2015 – $1,081,202)	1,256,528	1,067,602
Restricted investments AFS – in trust for related party agreements at fair value (amortized cost: 2016 – $1,969,268; 2015 – $1,781,178)	2,011,761	1,754,705
Restricted investments HTM – in trust for related party agreements at fair value (amortized cost: 2016 – $759,973; 2015 – $607,843)	798,081	598,975
Restricted investments AFS – in trust for U.S. state regulatory authorities (amortized cost: 2016 – $4,055; 2015 – $4,071)	4,312	4,303
Total restricted investments	4,070,682	3,425,585
Total restricted cash and cash equivalents and investments	$ 4,437,245	$ 3,668,444

5. Fair Value of Financial Instruments

(a) Fair Values of Financial Instruments

FASB ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between open market participants at the measurement date. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 — Valuations based on unadjusted quoted market prices for identical assets or liabilities that we have the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does

not entail a significant degree of judgment. Examples of assets and liabilities utilizing Level 1 inputs include: exchange-traded equity securities and U.S. treasury bonds;

Level 2 — Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data. Examples of assets and liabilities utilizing Level 2 inputs include: U.S. government-sponsored agency securities; non-U.S. government and supranational obligations; commercial mortgage-backed securities ("CMBS"); collateralized loan obligations ("CLO"); corporate and municipal bonds; and

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

- Level 3 — Valuations based on models where significant inputs are not observable. The unobservable inputs reflect our own assumptions about assumptions that market participants would use. Examples of assets and liabilities utilizing Level 3 inputs include: insurance and reinsurance derivative contracts; and hedge and credit funds with partial transparency.

The availability of observable inputs can vary from financial instrument to financial instrument and is affected by a wide variety of factors, including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in Level 3. We use prices and inputs that are current at the measurement date. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified between levels.

For investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these prices in the amounts disclosed in the Level 1 hierarchy. The Company receives the quoted market prices from a third party nationally recognized pricing service provider ("the Pricing Service"). When quoted market prices are unavailable, the Company utilizes the Pricing Service to determine an estimate of fair value. The fair value estimates are included in the Level 2 hierarchy. The Company will challenge any prices for its investments which are considered not to be representation of fair value. If quoted market prices and an estimate from the Pricing Service are unavailable, the Company produces an estimate of fair value based on dealer quotations for recent activity in positions with the same or similar characteristics to that being valued or through consensus pricing of a pricing service. The Company determines whether the fair value estimate is in the Level 2 or Level 3 hierarchy depending on the level of observable inputs available when estimating the fair value. The Company bases its estimates of fair values for assets on the bid price as it represents what a third party market participant would be willing to pay in an orderly transaction.

ASC 825, “Disclosure About Fair Value of Financial Instruments", requires all entities to disclose the fair value of their financial instruments, both assets and liabilities recognized and not recognized in the balance sheet, for which it is practicable to estimate fair value.

The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held at September 30, 2016.

U.S. government and U.S. agencies — Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association and the Federal National Mortgage Association. The fair values of U.S. treasury bonds are based on quoted market prices in active markets, and are included in the Level 1 fair value hierarchy. We believe the market for U.S. treasury bonds is an actively traded market given the high level of daily trading volume. The fair values of U.S. agency bonds are determined using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of U.S. agency bonds are included in the Level 2 fair value hierarchy.

Non-U.S. government and supranational bonds — These securities are generally priced by independent pricing services. The Pricing Service may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the Pricing Service typically uses analytical models which may incorporate spreads, interest rate

data and market/sector news. As the significant inputs used to price non-U.S. government and supranational bonds are observable market inputs, the fair values of non-U.S. government and supranational bonds are included in the Level 2 fair value hierarchy.

Asset-backed securities — These securities comprise CMBS and CLO originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CMBS and CLO are observable market inputs, the fair value of the CMBS and CLO is included in the Level 2 fair value hierarchy.

Corporate bonds — Bonds issued by corporations that on acquisition are rated BBB-/Baa3 or higher. These securities are generally priced by independent pricing services. The spreads are sourced from broker/dealers, trade prices and the new issue market. Where pricing is unavailable from pricing services, we obtain non-binding quotes from broker-dealers. As the significant inputs used to price corporate bonds are observable market inputs, the fair values of corporate bonds are included in the Level 2 fair value hierarchy.

Municipal bonds — Bonds issued by U.S. state and municipality entities or agencies. The fair values of municipal bonds are generally priced by independent pricing services. The pricing services typically use spreads obtained from broker-dealers, trade prices and the new issue market. As the significant inputs used to price the municipal bonds are observable market inputs, municipal bonds are classified within Level 2.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

Other investments — Includes both quoted and unquoted investments. The fair value of our quoted equity investment is obtained from the Pricing Service and is classified within Level 1. Unquoted other investments comprise investments in limited partnerships and an investment in preference shares of a start-up insurance producer. The fair values of the limited partnerships are determined by the fund manager based on recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals, and as such, the fair values are included in the Level 3 fair value hierarchy. The fair value of the investment in preference shares of a start-up insurance producer was determined using recent private market transactions and as such, the fair value is included in the Level 3 fair value hierarchy.

Reinsurance balances receivable — The carrying values reported in the accompanying condensed consolidated balance sheets for these financial instruments approximate their fair value due to short term nature of the assets.

Loan to related party — The carrying value reported in the accompanying condensed consolidated balance sheets for this financial instrument approximates its fair value.

Senior notes — The amount reported in the accompanying condensed consolidated balance sheets for these financial instruments represents the carrying value of the notes. The fair values are based on indicative market pricing obtained from a third-party service provider and as such, are included in the Level 2 hierarchy.

(b) Fair Value Hierarchy

The Company’s estimates of fair value for financial assets and financial liabilities are based on the framework established in ASC 820. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the ASC 820 hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Company’s significant market assumptions. We classified our financial instruments measured at fair value on a recurring basis in the following valuation hierarchy:

September 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
AFS fixed maturities				
U.S. treasury bonds	$5,500	$—	$ —	$5,500
U.S. agency bonds – mortgage-backed	—	1,605,778	—	1,605,778
U.S. agency bonds – other	—	4,618	—	4,618
Non-U.S. government and supranational bonds	—	32,662	—	32,662
Asset-backed securities	—	212,791	—	212,791
Corporate bonds	—	1,819,253	—	1,819,253
Municipal bonds	—	67,740	—	67,740

Other investments	5,560		—		6,708		12,268	
Total	$11,060		$3,742,842		$ 6,708		$3,760,610	
As a percentage of total assets	0.2	%	57.9	%	0.1	%	58.2	%

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
AFS fixed maturities				
U.S. treasury bonds	$6,010	$—	$ —	$6,010
U.S. agency bonds – mortgage-backed	—	1,476,991	—	1,476,991
U.S. agency bonds – other	—	24,311	—	24,311
Non-U.S. government and supranational bonds	—	30,544	—	30,544
Asset-backed securities	—	165,804	—	165,804
Corporate bonds	—	1,739,668	—	1,739,668
Municipal bonds	—	64,760	—	64,760
Other investments	4,905	—	6,907	11,812
Total	$10,915	$3,502,078	$ 6,907	$3,519,900
As a percentage of total assets	0.2 %	61.4 %	0.1 %	61.7 %

The Company utilized a Pricing Service to estimate fair value measurements for approximately 99.9% of its fixed maturities at September 30, 2016 and December 31, 2015, respectively. The Pricing Service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturities other than U.S. treasury bonds generally do not trade on a daily basis, the Pricing Service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing and these have been classified as Level 2. At September 30, 2016 and December 31, 2015, 0.1% of the fixed maturities are valued using the market approach. At each date, a total of two securities, or approximately $5,451 and $4,943, respectively, of Level 2 fixed maturities, were priced using a quotation from a broker and/or custodian as opposed to the Pricing Service due to lack of information available. At September 30, 2016 and December 31, 2015, we have not adjusted any pricing provided to us based on the review performed by our investment managers. There have not been any transfers between Level 1 and Level 2 during the periods represented by these unaudited Condensed Consolidated Financial Statements.

(c) Level 3 Financial Instruments

The Company has determined that its investments in Level 3 securities are not material to its financial position or results of operations. The following table presents changes in Level 3 for our financial instruments measured at fair value on a recurring basis:

	For the Three Months Ended	
Other investments:	September 30, 2016	September 30, 2015
Balance at beginning of period	$6,562	$ 6,906
Total realized gains – included in net realized gains on investment	87	—

Change in total unrealized gains – included in other comprehensive income (loss)	29	161
Purchases	75	—
Redemptions	(45)	(270)
Balance at end of period	$6,708	$ 6,797

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

Other investments:	For the Nine Months Ended September 30, 2016	September 30, 2015
Balance at beginning of period	$6,907	$ 6,581
Total realized gains – included in net realized gains on investment	449	63
Change in total unrealized gains – included in other comprehensive income (loss)	(243)	353
Purchases	167	144
Redemptions	(572)	(344)
Balance at end of period	$6,708	$ 6,797

(d) Financial Instruments not measured at Fair Value

The following table presents the fair value and carrying value of the financial instruments not measured at fair value:

	September 30, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
HTM - corporate bonds	$759,973	$798,081	$607,843	$598,975
Total financial assets	$759,973	$798,081	$607,843	$598,975
Financial Liabilities				
MHNA - 8.25%	$—	$—	$107,500	$110,424
MHNB - 8.00%	100,000	102,608	100,000	105,328
MHNC - 7.75%	152,500	164,395	152,500	165,456
MHLA - 6.625%	110,000	114,752	—	—
Total financial liabilities	$362,500	$381,755	$360,000	$381,208

6. Long-Term Debt

Senior Notes

Maiden Holdings and its wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA"), completed public debt offerings on four separate occasions, with the issuance of Senior Notes in 2011, 2012, 2013 and 2016, respectively, (the "Senior Notes"). Each of the issuances made by Maiden NA, namely the 2011, 2012 and 2013 Senior Notes, is fully and unconditionally guaranteed by the Company. The Senior Notes are an unsecured and unsubordinated obligation of the Company.

On June 14, 2016, Maiden Holdings issued $110,000 6.625% Senior Notes for cash.

On June 15, 2016, Maiden NA fully redeemed all of its 2011 Senior Notes using the proceeds from the 2016 Senior Notes issuance. The 2011 Senior Notes were redeemed at a redemption price equal to 100% of the principal amount of $107,500 plus accrued and unpaid interest on the principal amount being redeemed up to, but not including, the redemption date. As a result, the Company accelerated the amortization of the remaining debt issuance cost of $2,345.

The following table details the Company's outstanding Senior Notes issuances as of September 30, 2016:

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

6. Long-Term Debt (continued)

	2012 Senior Notes	2013 Senior Notes	2016 Senior Notes
Principal	$100,000	$152,500	$110,000
Debt Issuance Costs	3,406	5,054	3,715
Net Proceeds	$96,594	$147,446	$106,285
Unamortized debt issuance costs	$2,894	$4,574	$3,704
Other details:			
Maturity date	March 27, 2042	December 1, 2043	June 14, 2046
Earliest redeemable date (for cash)	March 27, 2017	December 1, 2018	June 14, 2021
Coupon rate	8.00 %	7.75 %	6.625 %
Effective interest rate	8.31 %	8.04 %	7.07 %

7. Related Party Transactions

The Founding Shareholders of the Company are Michael Karfunkel, George Karfunkel and Barry Zyskind. Michael Karfunkel passed away on April 27, 2016. As of September 30, 2016, Leah Karfunkel (wife of Michael Karfunkel), George Karfunkel and Barry Zyskind own or control approximately 17.4% of the outstanding shares of the Company. Leah Karfunkel and George Karfunkel are directors of AmTrust, and Barry Zyskind is the president, CEO and chairman of AmTrust, and combined they own or control approximately 49.3% of the outstanding shares of AmTrust. AmTrust owns 11.6% of the issued and outstanding shares of National General Holdings Corporation ("NGHC") common stock, and the Michael Karfunkel 2005 Family Trust (which is controlled by Leah Karfunkel) owns 43.0% of the common stock of NGHC. Barry Zyskind is the non-executive chairman of NGHC.

AmTrust

The following describes transactions between the Company and AmTrust.

AmTrust Quota Share Reinsurance Agreement

Effective July 1, 2007, the Company and AmTrust entered into a master agreement, as amended (the "Master Agreement"), by which Maiden Bermuda, a wholly owned subsidiary of the Company, and AmTrust's Bermuda reinsurance subsidiary, AmTrust International Insurance, Ltd. ("AII"), to enter into a quota share reinsurance agreement (the "Reinsurance Agreement"). Under the Reinsurance Agreement, AII retrocedes to Maiden Bermuda an amount equal to 40% of the premium written by subsidiaries of AmTrust, net of the cost of unaffiliated inuring reinsurance (and in the case of AmTrust's U.K. insurance subsidiary, AmTrust Europe Limited ("AEL"), net of commissions) and 40% of losses. The Master Agreement further provided that AII receives a ceding commission of 31% of ceded written premiums.

On June 11, 2008, Maiden Bermuda and AII amended the Reinsurance Agreement to add Retail Commercial Package Business to the Covered Business. AII receives a ceding commission of 34.375% on Retail Commercial Package

Business.

On July 1, 2016 the agreement was renewed through June 30, 2019. The agreement automatically renews for successive three-year periods thereafter unless AII or Maiden Bermuda elects to so terminate the Reinsurance Agreement by giving written notice to the other party not less than nine months prior to the expiration of any successive three-year period. Either party is entitled to terminate on thirty days' notice or less upon the occurrence of certain early termination events, which include a default in payment, insolvency, change in control of AII or Maiden Bermuda, run-off, or a reduction of 50% or more of the shareholders' equity of Maiden Bermuda or the combined shareholders' equity of AII and the AmTrust subsidiaries.

In 2015, Maiden Bermuda and AII entered into an agreement to commute certain liabilities as of December 31, 2015. The commuted reserve value of $107,000, represents full and final settlement of all liabilities related to this business and as a result of this agreement, this business is no longer being ceded to Maiden.

Additionally, for the Specialty Program portion of Covered Business only, AII will be responsible for ultimate net loss otherwise recoverable from Maiden Bermuda to the extent that the loss ratio to Maiden Bermuda, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95%. Above and below the defined corridor, Maiden Bermuda will continue to reinsure losses at its proportional 40% share per the Reinsurance Agreement.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

7. Related Party Transactions (continued)

AmTrust European Hospital Liability Quota Share Agreement ("European Hospital Liability Quota Share")

Effective April 1, 2011, Maiden Bermuda, entered into a quota share reinsurance contract with AEL and AmTrust International Underwriters Limited ("AIUL"), both wholly owned subsidiaries of AmTrust. Pursuant to the terms of the contract, Maiden Bermuda assumed 40% of the premiums and losses related to policies classified as European Hospital Liability, including associated liability coverages and policies covering physician defense costs, written or renewed on or after April 1, 2011. The contract also covers policies written or renewed on or before March 31, 2011, but only with respect to losses that occur, accrue or arise on or after April 1, 2011. The maximum limit of liability attaching shall be €5,000 (€10,000 effective January 1, 2012) or currency equivalent (on a 100% basis) per original claim for any one original policy. Maiden Bermuda will pay a ceding commission of 5%. The agreement has been renewed through March 31, 2017 and can be terminated at any April 1 by either party on four months notice.

Effective July 1, 2016, the contract was amended such that Maiden Bermuda assumes from AEL 32.5% of the premiums and losses of all policies written or renewed on or after July 1, 2016 until June 30, 2017 and 20% of all policies written or renewed on or after July 1, 2017.

The Company recorded approximately $163,336 and $447,767 of ceding commission expense for the three and nine months ended September 30, 2016, respectively (September 30, 2015 - $141,348 and $389,501, respectively) as a result of both these quota share arrangements with AmTrust.

Other Reinsurance Agreements

Effective September 1, 2010, the Company, through a subsidiary, entered into a quota share reinsurance agreement with Technology Insurance Company, Inc. ("Technology"), a subsidiary of AmTrust. Under the agreement, we ceded (a) 90% of its gross liability written under the Open Lending Program ("OPL") and (b) 100% of its surplus lines general liability business under the Naxos Avondale Specialty Casualty Program ("NAXS"). Our involvement is limited to certain states where Technology was not fully licensed. The agreement also provides that we receive a ceding commission of 5% of ceded written premiums.

The OPL program was terminated on December 31, 2011, on a run-off basis, and the NAXS program was terminated on October 31, 2012. We recorded $0 and $12 of ceded premiums and $0 and $1 ceding commission income for the three and nine months ended September 30, 2016, (September 30, 2015 - $14 and $59 of premiums ceded and $0 and $3 of ceding commission income, respectively).

Effective April 1, 2012, the Company, through a subsidiary, entered into a reinsurance agreement with AmTrust's wholly owned subsidiary, AmTrust North America, Inc. ("AmTrust NA"). We indemnify AmTrust NA, on an excess of loss basis, as a result of losses occurring on AmTrust NA's new and renewal policies relating to the lines of business classified as Automobile Liability by AmTrust NA in its annual statement utilizing the specific underwriting guidelines defined in the reinsurance agreement. AmTrust NA shall retain the first $1,000 of loss, per any one policy or per any one loss occurrence. This agreement has a term of one year and automatically renews annually unless terminated pursuant to the terms of the agreement. Under this agreement, for the three and nine months ended September 30, 2016, the Company recorded approximately $305 and $745 net premiums earned and $87 and $187 of commission expense, respectively, (September 30, 2015 - $154 and $483 net premiums earned and $35 and $117 commission expense, respectively).

Collateral provided to AmTrust

a) AmTrust Quota Share Reinsurance Agreement

In order to provide AmTrust's U.S. insurance subsidiaries with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of the AmTrust's insurance subsidiaries, has established trust accounts ("Trust Accounts") for their benefit. Maiden Bermuda has agreed to provide appropriate collateral to secure its proportional share under the Reinsurance Agreement of AII's obligations to the AmTrust subsidiaries to whom AII is required to provide collateral. This collateral may be in the form of (a) assets loaned by Maiden Bermuda to AII for deposit into the Trust Accounts, pursuant to a loan agreement between those parties, (b) assets transferred by Maiden Bermuda for deposit into the Trust Accounts, (c) a letter of credit obtained by Maiden Bermuda and delivered to an AmTrust subsidiary on AII's behalf, or (d) premiums withheld by an AmTrust subsidiary at Maiden Bermuda's request in lieu of remitting such premiums to AII. Maiden Bermuda may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Bermuda's proportionate share of its obligations under the Reinsurance Agreement with AII.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

7. Related Party Transactions (continued)

Maiden Bermuda satisfied its collateral requirements under the Reinsurance Agreement with AII as follows:

•by lending funds in the amount of $167,975 at September 30, 2016 and December 31, 2015 pursuant to a loan agreement entered into between those parties. This loan was assigned to AmTrust effective December 31, 2014 and is carried at cost. Interest is payable at a rate equivalent to the one-month LIBOR plus 90 basis points per annum; and

•effective December 1, 2008, the Company entered into a Reinsurer Trust Assets Collateral agreement to provide to AII sufficient collateral to secure its proportional share of AII's obligations to the U.S. AmTrust subsidiaries. The amount of the collateral, at September 30, 2016, was approximately $2,805,607 (December 31, 2015 - $2,256,383) and the accrued interest was $18,400 (December 31, 2015 - $15,448). Please refer to "Note 4. (d) Investments" for additional information.

b) European Hospital Liability Quota Share

AEL requested that Maiden Bermuda provide collateral to secure its proportional share under the European Hospital Liability Quota Share agreement. Please refer to "Note 4. (d) Investments" for additional information.

Brokerage Agreement

Effective July 1, 2007, the Company entered into a reinsurance brokerage agreement with AII Reinsurance Broker Ltd. ("AIIB"), a wholly owned subsidiary of AmTrust. Pursuant to the brokerage agreement, AIIB provides brokerage services relating to the Reinsurance Agreement and, the European Hospital Liability Quota Share agreement for a fee equal to 1.25% of the premium assumed. The brokerage fee is payable in consideration of AIIB's brokerage services. AIIB is not the Company's exclusive broker. The agreement may be terminated upon 30 days written notice by either party. Maiden Bermuda recorded approximately $6,652 and $18,330 of reinsurance brokerage expense for the three and nine months ended September 30, 2016, respectively (September 30, 2015 - $5,854 and $16,161, respectively) and deferred reinsurance brokerage of $15,051 at September 30, 2016 (December 31, 2015 - $13,464) as a result of this agreement.

Asset Management Agreement

Effective July 1, 2007, the Company entered into an asset management agreement with AII Insurance Management Limited ("AIIM"), a wholly owned subsidiary of AmTrust, pursuant to which AIIM has agreed to provide investment management services to the Company. AIIM provides investment management services for a quarterly fee of 0.0375% if the average value of the account for the previous calendar quarter is greater than $1 billion. The agreement may be terminated upon 30 days written notice by either party. The Company recorded approximately $1,780 and $5,122 of investment management fees for the three and nine months ended September 30, 2016, respectively (September 30, 2015 - $1,518 and $4,455, respectively) as a result of this agreement.

Other

The Company entered into time sharing agreements for the lease of aircraft owned by AmTrust Underwriters, Inc. ("AUI"), a wholly owned subsidiary of AmTrust, and by AmTrust on March 1, 2011 and November 5, 2014, respectively.

The agreements automatically renew for successive one-year terms unless terminated in accordance with the provisions of the agreements. Pursuant to the agreements, the Company will reimburse AUI and AmTrust for actual expenses incurred as allowed by Federal Aviation Regulations. For the three and nine months ended September 30, 2016, the Company recorded an expense of $22 and $61, respectively (September 30, 2015 - $20 and $70, respectively) for the use of the aircraft.

NGHC

The following describes transactions between the Company and NGHC and its subsidiaries:

NGHC Quota Share Reinsurance Agreement ("NGHC Quota Share")

Maiden Bermuda, effective March 1, 2010, had a 50% participation in the NGHC Quota Share, by which it received 25% of net premiums of the personal lines automobile business and assumed 25% of the related net losses. On August 1, 2013, the Company and NGHC mutually agreed the termination of the NGHC Quota Share on a run-off basis effective on that date. Consequently, Maiden Bermuda recorded no ceding commission expense for the three and nine months ended September 30, 2016 and 2015, respectively, as a result of this transaction.

Other

Effective April 1, 2015, Maiden US renewed the Medical Excess of Loss reinsurance agreement with wholly owned subsidiaries of NGHC, Distributors Insurance Company PCC, AIBD Insurance Company IC and Professional Services Captive Corporation IC. Pursuant to this agreement, Maiden US indemnified on an excess of loss basis, for the amounts of net loss, paid from April 1,

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

7. Related Party Transactions (continued)

2015 through March 31, 2016. Maiden US was liable for 100% of the net loss for each covered person per agreement year in excess of the $1,175 retention (each covered person per agreement year). Maiden US' liability did not exceed $8,825 per covered person per agreement year. In addition, Maiden US continued to indemnify extra contractual obligations with a maximum liability of $2,000. This agreement terminated on March 31, 2016 and Maiden US was relieved of all liability hereunder for losses incurred or paid subsequent to such termination date. Under these agreements, Maiden US recorded approximately $0 and $157 of premiums earned for the three and nine months ended September 30, 2016, respectively (September 30, 2015 - $218 and $328, respectively).

Effective May 1, 2015, Maiden US entered into an agreement with several NGHC subsidiaries for medical excess of loss programs. This program covers employer aggregate and traditional specific medical stop loss policies underwritten by the Managing General Agent that they support. The NGHC companies covered under the treaty are Integon Indemnity Insurance Company, Integon National Insurance Company and National Health Insurance Company. This agreement was renewed for another year and now terminates on April 30, 2017 with either party having the right to cancel by giving 60 days notice to the other party in the event that other party fails to maintain certain financial and other criteria. Upon expiration of this agreement, coverage remains in full force and effect on all assumed liability for policies in force on the date of expiration until expiration, cancellation or next anniversary date of such subject policies.

The treaty limit of the aggregate medical stop loss is subject to a limit of $4,000 in excess of $1,000 any one insured person. The treaty limit on the traditional specific medical stop loss Layer 1 is subject to a limit of $1,000 in excess of $1,000 any one insured person; Layer 2 is subject to a limit of $3,000 in excess of $2,000 any one insured person and Layer 3 is subject to a limit of $5,000 in excess of $5,000. In addition to these limits, the Company shall cover extra contractual obligations arising under this agreement with a maximum liability of $2,000.

Under these agreements, Maiden US recorded approximately $136 and $295 of premiums earned for the three and nine months ended September 30, 2016, respectively (September 30, 2015 - $19 and $22, respectively).

8. Earnings per Common Share

The following is a summary of the elements used in calculating basic and diluted earnings per common share:

For the Three Months Ended September 30,	2016	2015
Numerator:		
Net income attributable to Maiden shareholders	$ 40,852	$ 28,584
Dividends on preference shares - Series A	(3,094)	(3,094)
Dividends on convertible preference shares - Series B	(2,991)	(2,991)
Dividends on preference shares - Series C	(2,938)	—
Amount allocated to participating common shareholders[1]	(19)	(17)
Numerator for basic EPS - net income allocated to Maiden common shareholders	$ 31,810	$ 22,482
Potentially dilutive securities		
Dividends on convertible preference shares - Series B	2,991	2,991
Numerator for diluted EPS - net income allocated to Maiden common shareholders after assumed conversion	$ 34,801	$ 25,473
Denominator:		

Weighted average number of common shares outstanding – basic	75,993,451	73,638,980
Potentially dilutive securities:		
Share options and restricted share units	1,100,206	1,294,767
Convertible preference shares[(2)]	9,057,294	10,809,258
Adjusted weighted average number of common shares and assumed conversions – diluted	86,150,951	85,743,005
Basic earnings per share attributable to Maiden common shareholders:	$ 0.42	$ 0.31
Diluted earnings per share attributable to Maiden common shareholders:	$ 0.40	$ 0.30

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

8. Earnings per Common Share (continued)

For the Nine Months Ended September 30,	2016	2015
Numerator:		
Net income attributable to Maiden shareholders	$ 117,678	$ 93,676
Dividends on preference shares - Series A	(9,282)	(9,282)
Dividends on convertible preference shares - Series B	(8,971)	(8,971)
Dividends on preference shares - Series C	(9,470)	—
Amount allocated to participating common shareholders[1]	(55)	(59)
Numerator for basic EPS - net income allocated to Maiden common shareholders	$ 89,900	$ 75,364
Potentially dilutive securities		
Dividends on convertible preference shares- Series B	8,971	8,971
Numerator for diluted EPS - net income allocated to Maiden common shareholders after assumed conversion	$ 98,871	$ 84,335
Denominator:		
Weighted average number of common shares outstanding – basic	74,625,839	73,403,998
Potentially dilutive securities:		
Share options and restricted share units	1,085,740	1,272,746
Convertible preference shares[2]	10,306,440	10,809,258
Adjusted weighted average number of common shares and assumed conversions – diluted	86,018,019	85,486,002
Basic earnings per share attributable to Maiden common shareholders:	$ 1.20	$ 1.03
Diluted earnings per share attributable to Maiden common shareholders:	$ 1.15	$ 0.99

(1) This represents earnings allocated to the holders of non-vested restricted shares issued to the Company's employees under the 2007 Share Incentive Plan.
(2) Please refer to "Notes to Consolidated Financial Statements" included under Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2015 for the terms and conditions of each of these anti-dilutive instruments. The mandatory convertible preference shares - series B were included in the calculation of diluted earnings per share only for the period that they were outstanding. On September 15, 2016, the Company's $165,000 mandatory convertible preference shares - Series B were automatically converted into 12,069,090 of the Company's common shares at a conversion rate of 3.6573 per preference share.

9. Shareholders' Equity

At September 30, 2016, the aggregate authorized share capital of the Company is 150,000,000 shares from which the Company has issued 87,178,902 common shares, of which 86,128,999 are outstanding, and issued 12,600,000 preference shares. The remaining 50,221,098 are undesignated at September 30, 2016. For further discussion on the components of Shareholders' Equity, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Mandatory Convertible Preference Shares - Series B

On September 15, 2016, each of the then outstanding Preference Share - Series B were automatically converted into 12,069,090 of the Company's common shares at a conversion rate of 3.6573 per preference share.

Treasury Shares

On January 1, 2016, February 15, 2016, February 17, 2016 and March 10, 2016, the Company repurchased 3,351 shares at a price per share of $14.91, 10,255 shares at a price per share of $13.16, 1,183 shares at a price per share of $13.36 and 20,469 shares
at a price per share of $13.16, respectively, from employees, which represent withholdings in respect of tax obligations on the vesting of restricted shares and performance based shares.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

9. Shareholders' Equity (continued)

Accumulated Other Comprehensive Income

The following tables set forth financial information regarding the changes in the balances of each component of AOCI:

For the Three Months Ended September 30, 2016	Change in net unrealized gains on investments	Foreign currency translation adjustments	Total
Beginning balance	$ 93,793	$ 25,034	$ 118,827
Other comprehensive income before reclassifications	8,899	(2,730)	6,169
Amounts reclassified from AOCI to net income, net of tax	(1,202)	—	(1,202)
Net current period other comprehensive income	7,697	(2,730)	4,967
Ending balance	101,490	22,304	123,794
Less: AOCI attributable to noncontrolling interest	—	(82)	(82)
Ending balance, Maiden shareholders	$ 101,490	$ 22,386	$ 123,876

For the Three Months Ended September 30, 2015	Change in net unrealized gains on investments	Foreign currency translation adjustments	Total
Beginning balance	$ 15,115	$ 25,722	$ 40,837
Other comprehensive loss before reclassifications	(17,173)	(741)	(17,914)
Amounts reclassified from AOCI to net income, net of tax	(11)	—	(11)
Net current period other comprehensive loss	(17,184)	(741)	(17,925)
Ending balance	(2,069)	24,981	22,912
Less: AOCI attributable to noncontrolling interest	—	(95)	(95)
Ending balance, Maiden shareholders	$ (2,069)	$ 25,076	$ 23,007

For the Nine Months Ended September 30, 2016	Change in net unrealized gains on investments	Foreign currency translation adjustments	Total
Beginning balance	$ (54,112)	$ 30,231	$ (23,881)
Other comprehensive income before reclassifications	155,024	(7,927)	147,097
Amounts reclassified from AOCI to net income, net of tax	578	—	578
Net current period other comprehensive income	155,602	(7,927)	147,675
Ending balance	101,490	22,304	123,794
Less: AOCI attributable to noncontrolling interest	—	(82)	(82)
Ending balance, Maiden shareholders	$ 101,490	$ 22,386	$ 123,876

For the Nine Months Ended September 30, 2015	Change in net unrealized	Foreign currency translation	Total

	gains on investments	adjustments	
Beginning balance	$ 78,579	$ 16,665	$95,244
Other comprehensive loss before reclassifications	(80,643)	8,316	(72,327)
Amounts reclassified from AOCI to net income, net of tax	(5)	—	(5)
Net current period other comprehensive loss	(80,648)	8,316	(72,332)
Ending balance	(2,069)	24,981	22,912
Less: AOCI attributable to noncontrolling interest	—	(95)	(95)
Ending balance, Maiden shareholders	$ (2,069)	$ 25,076	$23,007

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

10. Commitments and Contingencies

There are no material changes from the commitments and contingencies previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Dividends Declared

On August 3, 2016, the Company's Board of Directors authorized the following quarterly dividend:

	Dividend per Share	Payable on:	Record date:
Common shares	$ 0.14	October 19, 2016	October 5, 2016

Legal Proceedings

From time to time, the Company is subject to routine legal proceedings, including arbitrations, arising in the ordinary course of business. These legal proceedings generally relate to claims asserted by or against the Company in the ordinary course of insurance or reinsurance operations. Based on the Company's opinion, the eventual outcome of these legal proceedings is not expected to have a material adverse effect on its financial condition or results of operations.

In April 2009, the Company learned that Bentzion S. Turin, the former Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Bermuda, sent a letter to the U.S. Department of Labor claiming that his employment with the Company was terminated in retaliation for corporate whistle blowing in violation of the whistle blower protection provisions of the Sarbanes-Oxley Act of 2002. Mr. Turin alleged concerns regarding corporate governance with respect to negotiation of the terms of the Trust Preferred Securities Offering and seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Bermuda, back pay and legal fees incurred. On December 31, 2009, the U.S. Secretary of Labor found no reasonable cause for Mr. Turin’s claim and dismissed the complaint in its entirety. Mr. Turin objected to the Secretary's findings and requested a hearing before an administrative law judge in the U.S. Department of Labor. The Company moved to dismiss Mr. Turin's complaint, and its motion was granted by the Administrative Law Judge on June 30, 2011.

On July 13, 2011, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. The Company filed its brief in opposition to the petition for review on October 19, 2011. On March 29, 2013, the Administrative Review Board reversed the dismissal of the complaint on procedural grounds, and remanded the case to the administrative law judge. The administrative hearing began in September 2014, and we expect it to conclude in 2017. The Company believes that it had ample reason for terminating such employment for good and sufficient legal cause, and the Company believes that the claim is without merit and is vigorously defending this claim.

11. Subsequent Events

On November 1, 2016, the Company's Board of Directors authorized the following quarterly dividends:

	Dividend per Share	Payable on:	Record date:

Common shares	$0.15	January 17, 2017	January 3, 2017
Preference shares - Series A	$0.515625	December 15, 2016	December 1, 2016
Preference shares - Series C	$0.445313	December 15, 2016	December 1, 2016

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Form 10-Q" or this "Report"). References in this Form 10-Q to the terms "we", "us", "our", "the Company" or other similar terms mean the consolidated operations of Maiden Holdings, Ltd. and its subsidiaries, unless the context requires otherwise. References in this Form 10-Q to the term "Maiden Holdings" means Maiden Holdings, Ltd. only. Amounts in tables may not reconcile due to rounding differences. Certain reclassifications have been made for 2015 to conform to the 2016 presentation and have no impact on net income and total equity previously reported.

Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q includes projections concerning financial information and statements concerning future economic performance and events, plans and objectives relating to management, operations, products and services, and assumptions underlying these projections and statements. These projections and statements are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 and are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These projections and statements may address, among other things, our strategy for growth, product development, financial results and reserves. Our actual results and financial condition may differ, possibly materially, from these projections and statements and therefore you should not place undue reliance on them. Factors that could cause our actual results and financial condition to differ, possibly materially, from those in the specific projections and statements are discussed throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations and in "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 1, 2016. The projections and statements in this Report speak only as of the date of this Report and we undertake no obligation to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

Overview

We are a Bermuda-based holding company formed in June 2007 primarily focused on serving the needs of regional and specialty insurers in the U.S. and Europe by providing innovative reinsurance and capital solutions designed to support their capital needs. We specialize in reinsurance solutions that optimize financing by providing coverage within the more predictable and actuarially credible lower layers of coverage and/or reinsuring risks that are believed to be lower hazard, more predictable and generally not susceptible to significant claims from natural catastrophes. Our tailored solutions include a variety of value added services focused on helping our clients grow and prosper.

We have operations in Bermuda and the United States which provide reinsurance through our wholly owned subsidiaries, Maiden Reinsurance Ltd. ("Maiden Bermuda") and Maiden Reinsurance North America, Inc. ("Maiden US"). Maiden Life Försäkrings AB ("Maiden LF") is a life insurer organized in Sweden and writes credit life insurance on a primary basis in support of Maiden Global Holdings, Ltd.'s ("Maiden Global") business development efforts.

Our business consists of two reportable segments: Diversified Reinsurance and AmTrust Reinsurance.

The market conditions in which we operate have historically been cyclical, experiencing periods of price erosion followed by rate strengthening as a result of catastrophes or other significant losses that affect the overall capacity of

the industry to provide coverage. The global reinsurance market continues to experience significant competition in most lines of business. Abundant new capital investment from sources not considered traditional investors in the reinsurance industry, primarily in the property catastrophe segment of the reinsurance market, continues to impact overall industry competitive conditions. Developments that could lead to a change in those competitive conditions have either not occurred or have been slow to emerge and the present outlook is for a continuation of the current levels of competition being experienced.

While the business we write as part of our business model remains somewhat more insulated from these competitive conditions, we continue to experience residual pricing pressures as a result of these broader industry conditions. As market conditions evolve, we continue to maintain our adherence to disciplined underwriting by declining business when pricing, terms and conditions do not meet our underwriting and pricing standards. We believe that we are well positioned to take advantage of market conditions should the pricing environment become more favorable.

Since our founding in 2007, we have entered into a series of significant strategic and capital transactions that have transformed the scope and scale of our business while maintaining our low volatility, non-catastrophe risk profile. These transactions have supported the growth in our gross premiums written to in excess of $2.6 billion in 2015 while significantly enhancing our total capital resources. Total capital resources are approximately $1.9 billion at September 30, 2016.

Most recently, on September 15, 2016, the Company's $165.0 million mandatory convertible preference shares - Series B were automatically converted into 12,069,090 of the Company's common shares at a conversion rate of 3.6573 per preference share.

On June 14, 2016, Maiden Holdings issued $110.0 million 6.625% Senior Notes and used the cash proceeds to fully redeem all of Maiden Holdings North America, Ltd.'s ("Maiden NA") 8.25% 2011 Senior Notes due 2041 on June 15, 2016, thus lowering our cost of capital.

Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for further information.

Three and nine months ended September 30, 2016 and 2015 Financial Highlights

For the Three Months Ended September 30,	2016	2015	% Change
	($ in Millions except per share data)		
Summary Consolidated Statement of Income Data:			
Net Income	$40.7	$28.5	43.1 %
Net income attributable to Maiden common shareholders	31.8	22.5	41.5 %
Net operating earnings attributable to Maiden common shareholders[1]	30.2	25.8	17.2 %
Diluted earnings per common share:			
Net income attributable to Maiden common shareholders[2]	$0.40	$0.30	33.3 %
Net operating earnings attributable to Maiden common shareholders[1]	$0.39	$0.34	14.7 %
Dividends per common share	$0.14	$0.13	7.7 %
Gross premiums written	$706.9	$628.5	12.5 %
Net premiums earned	698.3	658.5	6.0 %
Underwriting income [3]	17.3	10.0	73.5 %
Net investment income	35.7	32.8	8.6 %
Combined ratio[4]	98.5 %	99.6 %	(1.1)%
Annualized operating return on average common shareholders' equity[1]	11.0 %	11.3 %	(2.7)%

For the Nine Months Ended September 30,	2016	2015	% Change
	($ in Millions except per share data)		
Summary Consolidated Statement of Income Data:			
Net Income	$117.5	$93.5	25.6 %
Net income attributable to Maiden common shareholders	90.0	75.4	19.3 %
Net operating earnings attributable to Maiden common shareholders[1]	87.0	80.8	7.7 %
Diluted earnings per common share:			
Net income attributable to Maiden common shareholders[2]	$1.15	$0.99	16.2 %
Net operating earnings attributable to Maiden common shareholders[1]	$1.11	$1.05	5.7 %
Dividends per common share	$0.42	$0.39	7.7 %
Gross premiums written	$2,259.3	$2,136.9	5.7 %
Net premiums earned	1,951.8	1,845.2	5.8 %
Underwriting income [3]	46.6	38.3	21.8 %
Net investment income	107.3	96.2	11.5 %
Combined ratio[4]	98.7 %	99.1 %	(0.4)%
Annualized operating return on average common shareholders' equity[1]	11.8 %	11.8 %	— %

	September 30, 2016	December 31, 2015	% Change
	($ in Millions except per share data)		
Summary Consolidated Balance Sheet Data:			
Total investments and cash and cash equivalents[5]	$4,954.6	$4,460.2	11.1 %
Total assets	6,468.0	5,703.6	13.4 %
Reserve for loss and LAE	2,759.5	2,510.1	9.9 %
Senior notes, net	351.3	349.9	0.4 %
Maiden common shareholders' equity	1,240.3	867.8	42.9 %
Maiden shareholders' equity	1,555.3	1,347.8	15.4 %
Total capital resources[6]	1,917.8	1,707.8	12.3 %
Ratio of debt to total capital resources	18.9 %	21.1 %	(10.4)%
Book Value:			
Book value per common share[7]	$14.40	$11.77	22.3 %
Accumulated dividends per common share	3.17	2.75	15.3 %
Book value per common share plus accumulated dividends	$17.57	$14.52	21.0 %
Change in book value per common share plus accumulated dividends	$3.05		
Diluted book value per common share[8]	$14.20	$11.61	22.3 %

(1) Operating earnings, operating earnings per common share and annualized operating return on average common shareholders' equity are non-GAAP financial measures. See "Key Financial Measures" for additional information and a reconciliation to the nearest GAAP financial measure (net income).

(2) Please refer to "Note 8. Earnings per Common Share" of the Notes to Condensed Consolidated Financial Statements for the calculation of basic and diluted earnings per common share.

(3) Underwriting income is calculated as net premiums earned plus other insurance revenue less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities.

(4) Calculated by adding together the net loss and LAE ratio, commission and other acquisition expense ratio and general and administrative expense ratio.

(5) Total investments and cash and cash equivalents includes both restricted and unrestricted.

(6) Total capital resources is the sum of the Company's principal amount of debt and Maiden shareholders' equity. See "Key Financial Measures" for additional information.

(7) Book value per common share is calculated using common shareholders’ equity (shareholders' equity excluding the aggregate liquidation value of our preference shares) divided by the number of common shares outstanding.

(8) Diluted book value per common share is calculated by dividing common shareholders' equity, adjusted for assumed proceeds from the exercise of dilutive options, by the number of outstanding common shares plus dilutive options and restricted share units (assuming exercise of all dilutive stock based awards). The Mandatory Convertible Preference Shares - Series B are excluded at December 31, 2015, as they are anti-dilutive.

Key Financial Measures

In addition to the Consolidated Balance Sheets and Consolidated Statements of Income and Comprehensive Income, management uses certain key financial measures, some of which are non-GAAP measures, to evaluate its financial performance and the overall growth in value generated for the Company's common shareholders. Management believes that these measures, which may be defined differently by other companies, better explain the Company's results in a manner that allows for a more complete understanding of the underlying trends in the Company's business. The non-GAAP measures should not be viewed as a substitute for those determined in accordance with U.S. GAAP. These key financial measures are:

Operating Earnings and Operating Earnings per Common Share: Management believes that the use of operating earnings and diluted operating earnings per share enables investors and other users of the Company's financial information to analyze its performance in a manner similar to how management analyzes performance. Management also believes that these measures follow industry practice and, therefore, allow the users of financial information to compare the Company's performance with its industry peer group, and that the equity analysts and certain rating agencies which follow the Company, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. Operating earnings should not be viewed as a substitute for U.S. GAAP net income.

Operating earnings are a performance measure used by management to focus on the underlying fundamentals of the Company's operations by excluding, on a recurring basis: (1) net realized gains or losses on investment; (2) foreign exchange and other gains or losses; (3) amortization of intangible assets and non-cash deferred tax expenses; and (4) loss and related activity from our run-off operations comprised of our former segment NGHC Quota Share and our divested U.S. E&S business. We exclude net realized gains or losses on investment and foreign exchange and other gains or losses as we believe these are influenced by market opportunities and other factors. We do not believe amortization of intangible assets and loss and related activity from our run-off operations are representative of our ongoing business. We believe all of these amounts are largely independent of our business and underwriting process and including them distorts the analysis of trends in our operations.

We also excluded certain non-recurring expenditures that are material to understanding our results of operations. For the nine months ended September 30, 2016, we exclude the accelerated amortization of senior note issuance cost. For the three and nine months ended September 30, 2015, we also excluded net impairment losses on investment recognized in earnings.

Operating earnings and diluted operating earnings per common share can be reconciled to the nearest U.S. GAAP financial measure as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions except per share data)			
Net income attributable to Maiden common shareholders	$31.8	$22.5	$90.0	$75.4
Add (subtract):				
Net realized gains on investment	(1.9)	(1.2)	(4.5)	(2.3)
Net impairment losses recognized in earnings	—	1.1	—	1.1
Foreign exchange and other gains	(0.7)	(1.5)	(6.4)	(4.1)
Amortization of intangible assets and non-cash deferred tax expense	0.9	1.0	2.7	3.0
Divested E&S business and NGHC run-off	0.1	3.9	2.9	7.7
Accelerated amortization of senior note issuance costs	—	—	2.3	—
Net operating earnings attributable to Maiden common shareholders	$30.2	$25.8	$87.0	$80.8
Diluted earnings per common share attributable to Maiden shareholders	$0.40	$0.30	$1.15	$0.99
Add (subtract):				
Net realized gains on investment	(0.02)	(0.01)	(0.05)	(0.03)
Net impairment losses recognized in earnings	—	0.01	—	0.01
Foreign exchange and other gains	(0.01)	(0.02)	(0.08)	(0.05)
Amortization of intangible assets and non-cash deferred tax expense	0.02	0.02	0.03	0.04
Divested E&S business and NGHC run-off	—	0.04	0.03	0.09
Accelerated amortization of senior note issuance cost	—	—	0.03	—
Diluted operating earnings per common share attributable to Maiden shareholders	$0.39	$0.34	$1.11	$1.05

Operating Return on Average Common Equity ("Operating ROACE"): Management uses Operating ROACE as a measure of profitability that focuses on the return attributable to Maiden common shareholders. It is calculated using operating earnings attributable to common shareholders (as calculated above) divided by average Maiden common shareholders' equity. Management has set a long-term target of Operating ROACE at 15%, on average, which management believes provides an attractive return to our common shareholders for the risk they are assuming from investing in our business.

Operating ROACE for the three and nine months ended September 30, 2016 and 2015 was computed as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions)			
Net operating earnings attributable to Maiden common shareholders	$30.2	$25.8	$87.0	$80.8
Opening common shareholders' equity	1,049.7	908.7	867.8	925.7
Ending common shareholders' equity	1,240.3	905.1	1,240.3	905.1
Average common shareholders' equity[1]	1,091.2	906.9	981.2	915.4
Operating ROACE	11.0 %	11.3 %	11.8 %	11.8 %

(1) Average common shareholders' equity for the three and nine months ended September 30, 2016 is adjusted for the period the Mandatory Convertible Preference Shares - Series B are outstanding (prior to mandatory conversion date of September 15, 2016).

Book Value per Common Share and Diluted Book Value per Common Share: Management uses growth in both of these metrics as a prime measure of the value we are generating for our common shareholders, as management believes that growth in each metric ultimately results in growth in the Company's common share price. These metrics are impacted by the Company's net income and external factors, such as interest rates, which can drive changes in unrealized gains or losses on our investment portfolio. At September 30, 2016, the book value per common share and diluted book value per common share both increased by 22.3% compared to December 31, 2015 (see "Liquidity and Capital Resources - Investments" on page 45 for further information). Book value per common share and diluted book value per common share at September 30, 2016 and December 31, 2015 was computed as follows:

	September 30, 2016	December 31, 2015
	($ in Millions except per share data)	
Ending common shareholders' equity	$1,240.3	$ 867.8
Proceeds from assumed conversion of dilutive options	13.1	13.4
Numerator for diluted book value per common share calculation	$1,253.4	$ 881.2
Common shares outstanding	86,128,999	73,721,140
Shares issued from assumed conversion of dilutive options and restricted share units	2,166,892	2,166,545
Denominator for diluted book value per common share calculation	88,295,891	75,887,685
Book value per common share	$14.40	$ 11.77
Diluted book value per common share[(1)]	$14.20	$ 11.61

(1) The Mandatory Convertible Preference Shares - Series B are excluded at December 31, 2015, as they are anti-dilutive.

Ratio of Debt to Total Capital Resources: Management uses this measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the the sum of total capital resources. The ratio of Debt to Total Capital Resources at September 30, 2016 and December 31, 2015 was computed as follows:

	September 30, 2016	December 31, 2015
	($ in Millions)	
Senior notes	$362.5	$ 360.0
Maiden shareholders' equity	1,555.3	1,347.8
Total capital resources	$1,917.8	$ 1,707.8
Ratio of debt to total capital resources	18.9 %	21.1 %

Certain Operating Measures and Relevant Factors

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for a general discussion on "Certain Operating Measures" utilized by the Company and the "Relevant Factors" associated with these Certain Operating Measures.

Critical Accounting Policies and Estimates

The Company's critical accounting policies and estimates are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 1, 2016. The critical accounting policies and estimates should be read in conjunction with "Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 2. Significant Accounting Policies" included in this Form 10Q and "Notes to Consolidated Financial Statements Note 2. Significant Accounting Policies" included in the audited Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC. There have been no material changes in the application of our critical accounting estimates subsequent to that report.

Results of Operations

Selected unaudited Condensed Consolidated Statements of Income data:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions)		($ in Millions)	
Gross premiums written	$706.9	$628.5	$2,259.3	$2,136.9
Net premiums written	$690.7	$599.2	$2,133.9	$2,025.8
Net premiums earned	$698.3	$658.5	$1,951.8	$1,845.2
Other insurance revenue	2.3	2.2	8.7	9.4
Net loss and loss adjustment expense	(466.8)	(444.2)	(1,297.4)	(1,236.5)
Commission and other acquisition expenses	(206.7)	(197.6)	(587.5)	(551.6)
General and administrative expenses	(9.8)	(8.9)	(29.0)	(28.2)
Underwriting income	17.3	10.0	46.6	38.3
Other general and administrative expenses	(7.2)	(7.6)	(20.7)	(20.8)
Net investment income	35.7	32.8	107.3	96.2
Net realized gains on investment	1.9	1.2	4.5	2.3
Net impairment losses recognized in earnings	—	(1.1)	—	(1.1)
Accelerated amortization of senior note issuance costs	—	—	(2.3)	—
Amortization of intangible assets	(0.6)	(0.7)	(1.8)	(2.1)
Foreign exchange and other gains	0.7	1.5	6.4	4.1
Interest and amortization expenses	(6.9)	(7.3)	(21.3)	(21.8)
Income tax expense	(0.2)	(0.3)	(1.2)	(1.6)
Net Income	40.7	28.5	117.5	93.5
Loss attributable to noncontrolling interest	0.1	0.1	0.2	0.2
Dividends on preference shares	(9.0)	(6.1)	(27.7)	(18.3)
Net income attributable to Maiden common shareholders	$31.8	$22.5	$90.0	$75.4
Ratios				
Net loss and LAE ratio[1]	66.6%	67.2%	66.2%	66.7%
Commission and other acquisition expense ratio[2]	29.5%	29.9%	30.0%	29.7%
General and administrative expense ratio[3]	2.4%	2.5%	2.5%	2.7%
Expense ratio[4]	31.9%	32.4%	32.5%	32.4%
Combined ratio[5]	98.5%	99.6%	98.7%	99.1%

(1) Calculated by dividing net loss and LAE by net premiums earned and other insurance revenue.

(2) Calculated by dividing commission and other acquisition

expenses by net premiums earned and other insurance revenue.
(3) Calculated by dividing general and administrative expenses by net premiums earned and other insurance revenue.
(4) Calculated by adding together the commission and other acquisition expense ratio and general and administrative expense ratio.
(5) Calculated by adding together the net loss and LAE ratio and expense ratio.

Net Income

Net income for the three and nine months ended September 30, 2016 was $40.7 million and $117.5 million compared to $28.5 million and $93.5 million for the same periods in 2015, respectively.

The increase in net income for the three months ended September 30, 2016 compared to the same period in 2015 was due to higher underwriting income and, to a lesser extent, investment income offset partially by lower foreign exchange gains. Underwriting income was favorably impacted by an increase in net premiums earned in our AmTrust Reinsurance segment and lower unfavorable development on our run-off business reported in our Other category.

The increase in net income for the nine months ended September 30, 2016 compared to the same period in 2015 was primarily driven by an increase in net investment income and, to a lesser extent, improvements in underwriting income. Other factors

positively impacting net income included slight increases of $2.3 million in foreign exchange gains and $2.2 million in realized gains on investment.

The following is a summary of the results of our operations for the three and nine months ended ended September 30, 2016, compared to the same periods in 2015:

Net Premiums Written

Net premiums written increased by $91.5 million, or 15.3%, and $108.1 million or 5.3%, for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. The increase in net premiums written for the three and nine months ended September 30, 2016 compared to the same periods in 2015 included growth in both the AmTrust Reinsurance and Diversified Reinsurance segments.

The following tables compare net premiums written by our reportable segments, reconciled to the total consolidated net premiums written:

For the Three Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
	($ in Millions)		($ in Millions)		($ in Millions)	
Diversified Reinsurance	$179.1	25.9%	$163.7	27.3%	$15.4	9.4%
AmTrust Reinsurance	511.6	74.1%	435.5	72.7%	76.1	17.5%
Total reportable segments	$690.7	100.0%	$599.2	100.0%	$91.5	15.3%

For the Nine Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
	($ in Millions)		($ in Millions)		($ in Millions)	
Diversified Reinsurance	$626.5	29.3%	$602.7	29.8%	$23.8	4.0%
AmTrust Reinsurance	1,507.4	70.7%	1,423.1	70.2%	84.3	5.9%
Total reportable segments	$2,133.9	100.0%	$2,025.8	100.0%	$108.1	5.3%

The increases in net premiums written in our AmTrust Reinsurance segment for the three and nine months ended September 30, 2016 compared to the same periods in 2015 are due to organic growth as well as acquisitions made by AmTrust, partially offset by the impact of the 2015 partial commutation. For the three months ended September 30, 2016, the initial cession of certain of these acquisitions resulted in a growth rate compared to the same period in 2015 that may not be representative of quarterly growth rates on a prospective basis. Please refer to the analysis of our AmTrust Reinsurance segment on page 42 for further details.

Net premiums written in our Diversified Reinsurance segment increased by $15.4 million or 9.4% and $23.8 million or 4.0% for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. The increase was mainly due to growth in the Diversified Reinsurance segment's U.S. casualty and accident and health premiums and the European treaty contracts written by Maiden Bermuda in 2016. Please refer to the analysis of our Diversified Reinsurance segment on page 40 for further details.

Net Premiums Earned

Net premiums earned increased by $39.8 million or 6.0% and $106.6 million or 5.8% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. The increase in net premiums earned

was primarily the result of strong growth in our AmTrust Reinsurance segment offset by the decrease in our Diversified Reinsurance segment earned premiums.

The following tables compare net premiums earned by our reportable segments, reconciled to the total consolidated net premiums earned:

For the Three Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
	($ in Millions)		($ in Millions)		($ in Millions)	
Diversified Reinsurance	$175.2	25.1 %	$193.2	29.3 %	$(18.0)	(9.4)%
AmTrust Reinsurance	523.1	74.9 %	465.3	70.7 %	57.8	12.4 %
Total reportable segments	$698.3	100.0%	$658.5	100.0%	$39.8	6.0 %

For the Nine Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
	($ in Millions)		($ in Millions)		($ in Millions)	
Diversified Reinsurance	$538.1	27.6 %	$570.7	30.9 %	$(32.6)	(5.7)%
AmTrust Reinsurance	1,413.7	72.4 %	1,274.5	69.1 %	139.2	10.9 %
Total reportable segments	$1,951.8	100.0%	$1,845.2	100.0%	$106.6	5.8 %

The increase in net premiums earned in the AmTrust Reinsurance segment for the three and nine months ended September 30, 2016, compared to the same periods in 2015, reflects the impact of AmTrust's strong growth in 2015 from a combination of acquisition activity and ongoing organic growth. Please refer to the analysis of our AmTrust Reinsurance segment on page 42 for further discussion.

Net premiums earned in our Diversified Reinsurance segment decreased by $18.0 million or 9.4% and $32.6 million or 5.7% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. Earned premiums decreased due to the impact of lower 2015 net premiums written for the segment. Please refer to the analysis of our Diversified Reinsurance segment on page 40 for further discussion.

Other Insurance Revenue

All of our Other Insurance Revenue is produced by our Diversified Reinsurance segment. Please refer to page 42 for further discussion.

Net Investment Income and Net Realized Gains on Investment

Net Investment Income - Net investment income increased by $2.9 million or 8.6% and $11.1 million or 11.5% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively.

For the three and nine months ended September 30, 2016, average investable assets grew by 14.0% and 15.0% compared to the same periods in 2015, respectively. The Company's average book yield for the three months ended September 30, 2016 was marginally lower compared to the same period in 2015. The growth in net investment income, particularly when compared with the growth in invested assets, continues to be impacted by the low current interest rate environment along with elevated levels of cash maintained by the Company in response to recent volatility within that interest rate environment.

The following table details the Company's average investable assets and average book yield:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions)		($ in Millions)	
Average investable assets[1]	$4,991.5	$4,376.7	$4,842.1	$4,210.6
Average book yield[2]	2.9 %	3.0 %	3.0 %	3.0 %

[1]The average of the sum of the cost or amortized cost of the Company's investments, cash and cash equivalents (including restricted cash), loan to related party and due to broker at the beginning and end of each quarter during the last three months and twelve months, respectively.
[2]Annualized ratio of net investment income over average investable assets.

Net Realized Gains on Investment - Net realized gains on investment were $1.9 million and $4.5 million for the three and nine months ended September 30, 2016, compared to $1.2 million and $2.3 million for the same periods in 2015, respectively.

Net Loss and Loss Adjustment Expenses

Net loss and LAE increased by $22.6 million or 5.1% and $60.9 million or 4.9% for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. This increase reflects the continued growth of the business combined with net adverse development experienced in the Diversified Reinsurance segment.

The net loss and LAE ratios were generally stable at 66.6% and 66.2% for the three and nine months ended September 30, 2016 compared to 67.2% and 66.7% for the same periods in 2015, respectively. The impact on the net loss and LAE ratios should be considered in conjunction with the commission and other acquisition expense ratio as changes to either ratio arise primarily due to changes in the mix of business and the impact of the change in the commission and other acquisition expense rates on quota share contracts with loss sensitive features.

Commission and Other Acquisition Expenses

Commission and other acquisition expenses increased by $9.1 million or 4.6% and $35.9 million or 6.5% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. The commission and other acquisition expense ratio decreased to 29.5% and increased to 30.0% for the three and nine months ended September 30, 2016 compared to 29.9% and 29.7% for the same periods in 2015, respectively. Please refer to the reasons for the changes in the ratio discussed in the Net Loss and Loss Adjustment Expenses section above.

General and Administrative Expenses

General and administrative expenses include expenses which are segregated for analytical purposes as a component of underwriting income and comprise:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions)		($ in Millions)	
General and administrative expenses – segments	$9.8	$8.9	$29.0	$28.2
General and administrative expenses – corporate	7.2	7.6	20.7	20.8
Total general and administrative expenses	$17.0	$16.5	$49.7	$49.0
General and administrative expense ratio	2.4 %	2.5 %	2.5 %	2.7 %

Total general and administrative expenses increased by $0.5 million or 3.0%, and $0.7 million or 1.6% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively.

Interest and Amortization Expenses

The interest and amortization expenses related to our Senior Notes were $6.9 million and $21.3 million for the three and nine months ended September 30, 2016, compared to $7.3 million and $21.8 million for the same periods in 2015, respectively. The weighted average effective interest rate for the Company's debt was 7.8% and 8.1% for the three and nine months ended September 30, 2016, respectively, compared to 8.3% for both the three and nine months ended September 30, 2015. Refer to "Notes to Consolidated Financial Statements Note 7. Long Term Debt" included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of the Company’s Senior Notes.

On June 15, 2016, Maiden NA fully redeemed all of its 2011 Senior Notes using the proceeds from the 2016 Senior Notes issuance. The 2011 Senior Notes were redeemed at a redemption price equal to 100% of the principal amount of $107.5 million plus accrued and unpaid interest on the principal amount being redeemed up to, but not including, the redemption date. As a result, the Company accelerated the amortization of the remaining debt issuance cost of $2.3 million.

Income Tax Expense

The Company recorded an income tax expense of $0.2 million and $1.2 million for the three and nine months ended September 30, 2016 compared to $0.3 million and $1.6 million for the same periods in 2015, respectively. These amounts relate to income tax on the earnings of our international subsidiaries and state taxes incurred by our U.S. subsidiaries. The effective rate of income tax was 0.5% and 1.0% for the three and nine months ended September 30, 2016, compared to 1.3% and 1.7% for the same periods in 2015, respectively.

Dividends on Preference Shares

For the three and nine months ended September 30, 2016, dividends paid to preference shareholders increased by $2.9 million or 48.3% and $9.4 million or 51.9% compared to the same periods in 2015, respectively. The increase is attributable to the issuance of 6,600,000 7.125% Preference Shares - Series C on November 25, 2015.

Underwriting Results by Reportable Segment

Diversified Reinsurance Segment

The underwriting results and associated underwriting ratios for the Diversified Reinsurance segment were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions)			
Gross premiums written	$186.8	$174.3	$667.4	$631.3
Net premiums written	$179.1	$163.7	$626.5	$602.7
Net premiums earned	$175.2	$193.2	$538.1	$570.7
Other insurance revenue	2.3	2.2	8.7	9.4
Net loss and LAE	(132.4)	(142.5)	(395.7)	(417.9)
Commission and other acquisition expenses	(39.9)	(51.7)	(139.9)	(152.3)
General and administrative expenses	(9.0)	(8.2)	(26.7)	(26.0)
Underwriting loss	$(3.8)	$(7.0)	$(15.5)	$(16.1)
Ratios				
Net loss and LAE ratio	74.6%	72.9%	72.4%	72.0%
Commission and other acquisition expense ratio	22.5%	26.5%	25.6%	26.3%
General and administrative expense ratio	5.1%	4.2%	4.8%	4.5%
Expense ratio	27.6%	30.7%	30.4%	30.8%
Combined ratio	102.2%	103.6%	102.8%	102.8%

The combined ratio for the three and nine months ended September 30, 2016 decreased to 102.2% and remained flat at 102.8% compared to 103.6% and 102.8% for the same periods in 2015, respectively. Reserve development in commercial auto continued to unfavorably impact the Diversified Reinsurance segment resulting in underwriting losses both for the three and nine months ended September 30, 2016 and 2015.

Premiums - Gross premiums written increased by $12.5 million or 7.1% and $36.1 million or 5.7% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. The increase was primarily due to growth in U.S. casualty and accident and health premiums and the European treaty contracts written by Maiden Bermuda in 2016.

Net premiums written increased by $15.4 million or 9.4% and $23.8 million or 4.0% for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively, due to the same circumstances as described above related to this segment's gross premiums written. The following tables illustrate net premiums written by line of business in this segment:

For the Three Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
Net Premiums Written	($ in Millions)		($ in Millions)		($ in Millions)	
Property	$30.6	17.1%	$29.6	18.1%	$1.0	3.5%
Casualty	115.4	64.4%	101.2	61.8%	14.2	14.0%
Accident and Health	14.8	8.3%	12.9	7.9%	1.9	14.9%
International	18.3	10.2%	20.0	12.2%	(1.7)	(8.7)%
Total Diversified Reinsurance	$179.1	100.0%	$163.7	100.0%	$15.4	9.4%

For the Nine Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
Net Premiums Written	($ in Millions)		($ in Millions)		($ in Millions)	

Property	$124.0	19.8	%	$128.5	21.3	%	$(4.5)	(3.5)%
Casualty	365.3	58.3	%	359.5	59.7	%	5.8	1.6 %
Accident and Health	68.1	10.9	%	53.5	8.9	%	14.6	27.4 %
International	69.1	11.0	%	61.2	10.1	%	7.9	12.8 %
Total Diversified Reinsurance	$626.5	100.0	%	$602.7	100.0	%	$23.8	4.0 %

Net premiums earned decreased by $18.0 million or 9.4% for the three months ended September 30, 2016 compared to the same period in 2015 and decreased by $32.6 million or 5.7% for the nine months ended September 30, 2016 compared to the same period in 2015. The following table shows net premiums earned by line of business:

For the Three Months Ended September 30,	2016		2015		Change in	
Net Premiums Earned	Total ($ in Millions)	% of Total	Total ($ in Millions)	% of Total	$ ($ in Millions)	%
Property	$29.9	17.1 %	$39.6	20.5 %	$(9.7)	(24.4)%
Casualty	105.9	60.5 %	115.6	59.8 %	(9.7)	(8.4)%
Accident and Health	18.5	10.5 %	14.1	7.3 %	4.4	30.8 %
International	20.9	11.9 %	23.9	12.4 %	(3.0)	(12.5)%
Total Diversified Reinsurance	$175.2	100.0%	$193.2	100.0%	$(18.0)	(9.4)%

For the Nine Months Ended September 30,	2016		2015		Change in	
Net Premiums Earned	Total ($ in Millions)	% of Total	Total ($ in Millions)	% of Total	$ ($ in Millions)	%
Property	$103.0	19.1 %	$112.9	19.8 %	$(9.9)	(8.7)%
Casualty	313.7	58.3 %	350.5	61.4 %	(36.8)	(10.5)%
Accident and Health	55.8	10.4 %	41.4	7.2 %	14.4	34.9 %
International	65.6	12.2 %	65.9	11.6 %	(0.3)	(0.5)%
Total Diversified Reinsurance	$538.1	100.0%	$570.7	100.0%	$(32.6)	(5.7)%

Within the Diversified Reinsurance segment, the business written by both Maiden US and our non-U.S. operations experienced a decrease in net premiums earned for the three and nine months ended September 30, 2016 compared to the same periods in 2015 due to the decline in written premium in 2015. Net premiums earned were also reduced further due to the impact of higher ceded premiums related to the retrocessional quota share agreement entered in 2015. These decreases, however, were slightly reduced by earned premiums from the European treaty contracts written by Maiden Bermuda in 2016.

Other Insurance Revenue - Other insurance revenue increased by $0.1 million, or 7.7% and decreased by $0.7 million or 7.6%, for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. The net decrease for the nine months ended September 30, 2016 compared to the same period in 2015 was mainly caused by weaker auto sales in Europe.

Net Loss and Loss Adjustment Expense - Net loss and LAE decreased by $10.1 million or 7.1% for the three months ended September 30, 2016 and decreased by $22.2 million or 5.3% for the nine months ended September 30, 2016 compared to the same periods in 2015, respectively.

Net loss and LAE ratios were 74.6% and 72.4% for the three and nine months ended September 30, 2016 compared to 72.9% and 72.0% in the same periods in 2015, respectively. The impact on the net loss and LAE ratios should be considered in conjunction with the commission and other acquisition expense ratio as changes to these ratios are significantly impacted by changes in the mix of business and the impact of loss sensitive features. The loss and LAE ratios in 2016 continue to be impacted by adverse development in U.S. commercial auto.

Commission and Other Acquisition Expenses - Commission and other acquisition expenses decreased by $11.8 million, or 22.9% for the three months ended September 30, 2016 and decreased by $12.4 million or 8.2% for the nine months ended September 30, 2016 compared to the same periods in 2015, respectively. The commission and other acquisition expense ratios were 22.5% and 25.6% for the three and nine months ended September 30, 2016 compared

to 26.5% and 26.3% for the same periods in 2015, respectively. Please refer to the reasons for the changes in the ratio discussed in the Net Loss and Loss Adjustment Expenses section above.

General and Administrative Expenses - General and administrative expenses increased by $0.8 million, or 10.0% for the three months ended September 30, 2016 and increased by $0.7 million or 2.9%, for the nine months ended September 30, 2016 compared to the same periods in 2015, respectively. The general and administrative expense ratios were 5.1% and 4.8% for the three and nine months ended September 30, 2016, compared to 4.2% and 4.5% for the same periods in 2015, respectively.

AmTrust Reinsurance Segment

The AmTrust Reinsurance segment reported continuing profitable growth for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. However, the segment experienced a modest increase in the combined ratio to 95.9% from 95.4% during the three months ended September 30, 2016 and to 95.4% from 95.1% during the nine months ended September 30, 2016 compared to the same periods in 2015, respectively. These increases were largely due to changes in the mix of business and higher commercial auto loss ratios.

The following table details the underwriting results and associated ratios for the AmTrust Reinsurance segment:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	($ in Millions)			
Gross premiums written	$520.1	$454.2	$1,591.9	$1,505.6
Net premiums written	$511.6	$435.5	$1,507.4	$1,423.1
Net premiums earned	$523.1	$465.3	$1,413.7	$1,274.5
Net loss and LAE	(334.3)	(297.8)	(898.7)	(811.0)
Commission and other acquisition expenses	(166.8)	(146.0)	(447.6)	(399.2)
General and administrative expenses	(0.8)	(0.7)	(2.3)	(2.2)
Underwriting income	$21.2	$20.8	$65.1	$62.1
Ratios				
Net loss and LAE ratio	63.9%	63.9%	63.5%	63.6%
Commission and other acquisition expense ratio	31.9%	31.4%	31.7%	31.3%
General and administrative expense ratio	0.1%	0.1%	0.2%	0.2%
Expense ratio	32.0%	31.5%	31.9%	31.5%
Combined ratio	95.9%	95.4%	95.4%	95.1%

Premiums - Gross premiums written increased by $65.9 million, or 14.5% and $86.3 million or 5.7% for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. Growth in our AmTrust Reinsurance segment is due to additional 2016 premium relating to acquisitions made by AmTrust ceded for the first time and ongoing organic growth and also reflects the removal of certain classes of business which we commuted with AmTrust in the fourth quarter of 2015. These items significantly impacted the comparisons between the respective periods reported herein for 2016 and 2015.

The following tables details net premiums written by line of business in this segment:

For the Three Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
Net Premiums Written	($ in Millions)		($ in Millions)		($ in Millions)	
Small Commercial Business	$314.7	61.5%	$231.5	53.1%	$83.2	36.0%
Specialty Program	98.9	19.3%	86.6	19.9%	12.3	14.2%
Specialty Risk and Extended Warranty	98.0	19.2%	117.4	27.0%	(19.4)	(16.5)%
Total AmTrust Reinsurance	$511.6	100.0%	$435.5	100.0%	$76.1	17.5%

For the Nine Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
Net Premiums Written	($ in Millions)		($ in Millions)		($ in Millions)	
Small Commercial Business	$983.6	65.3%	$857.6	60.3%	$126.0	14.7%
Specialty Program	268.2	17.8%	262.1	18.4%	6.1	2.3%
Specialty Risk and Extended Warranty	255.6	16.9%	303.4	21.3%	(47.8)	(15.7)%
Total AmTrust Reinsurance	$1,507.4	100.0%	$1,423.1	100.0%	$84.3	5.9%

Net premiums earned increased by $57.8 million or 12.4% and $139.2 million or 10.9%, for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. The increase is primarily due to

AmTrust's prior year written premium growth.

The following tables detail net premiums earned by line of business:

For the Three Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
Net Premiums Earned	($ in Millions)		($ in Millions)		($ in Millions)	
Small Commercial Business	$320.6	61.3 %	$257.3	55.3 %	$63.3	24.6 %
Specialty Program	89.8	17.2 %	80.3	17.3 %	9.5	11.9 %
Specialty Risk and Extended Warranty	112.7	21.5 %	127.7	27.4 %	(15.0)	(11.8)%
Total AmTrust Reinsurance	$523.1	100.0%	$465.3	100.0%	$57.8	12.4 %

For the Nine Months Ended September 30,	2016		2015		Change in	
	Total	% of Total	Total	% of Total	$	%
Net Premiums Earned	($ in Millions)		($ in Millions)		($ in Millions)	
Small Commercial Business	$864.7	61.2 %	$734.7	57.7 %	$130.0	17.7 %
Specialty Program	251.5	17.8 %	210.7	16.5 %	40.8	19.4 %
Specialty Risk and Extended Warranty	297.5	21.0 %	329.1	25.8 %	(31.6)	(9.6)%
Total AmTrust Reinsurance	$1,413.7	100.0%	$1,274.5	100.0%	$139.2	10.9 %

Net Loss and Loss Adjustment Expense - Net loss and LAE increased by $36.5 million or 12.3% and $87.7 million or 10.8% for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. Net loss and LAE ratios were 63.9% and 63.5% for the three and nine months ended September 30, 2016, compared to 63.9% and 63.6% in the same periods in 2015, respectively. The loss ratio for the nine months ended September 30, 2016 has improved primarily due to continued change in the segment's mix of business.

Commission and Other Acquisition Expenses - Commission and other acquisition expenses increased by $20.8 million or 14.3% and $48.4 million or 12.1% for the three and nine months ended September 30, 2016, compared to the same periods in 2015, respectively. The commission and other acquisition expense ratios were 31.9% and 31.7% for the three and nine months ended September 30, 2016 compared to 31.4% and 31.3% for the same periods in 2015, respectively. The increase in the ratio during the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively, reflects the higher proportion of net premiums earned from the Reinsurance Agreement, which has a higher commission rate than the European Hospital Liability Quota Share.

General and Administrative Expenses - General and administrative expenses increased by $0.1 million or 15.7% and $0.1 million or 4.9% for the three and nine months ended September 30, 2016 compared to the same periods in 2015, respectively. The general and administrative expense ratios remained flat at 0.1% and 0.2% for the three and nine months ended September 30, 2016 and 2015, respectively.

Liquidity and Capital Resources

Liquidity

Maiden Holdings is a holding company and transacts no business of its own. We therefore rely on cash flows in the form of dividends, advances and loans and other permitted distributions from our subsidiary companies to make dividend payments on our common and preference shares.

The jurisdictions in which our operating subsidiaries are licensed to write business impose regulations requiring companies to maintain or meet statutory solvency and liquidity requirements. Some jurisdictions also place restrictions on the declaration and payment of dividends and other distributions.

The regulatory and liquidity requirements of the Company's operating segments are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 1, 2016.

Our sources of funds primarily consist of premiums received (net of commissions), investment income, net proceeds from capital raising activities, which may include the issuance of debt, common and preference shares, and proceeds from sales and redemption of investments. Cash is used primarily to pay loss and LAE, general and administrative expenses, interest expense and dividends, with the remainder in excess of our operating requirements, made available to our investment managers for investment in accordance with our investment policy. The following table summarizes the cash flows provided by (used in) operating, investing and financing activities:

For the Nine Months Ended September 30,	2016	2015
	($ in Millions)	
Operating activities	$326.2	$526.0
Investing activities	(291.4)	(470.7)
Financing activities	(59.7)	(44.4)
Effect of exchange rate changes on foreign currency cash	2.7	(1.5)
Total (decrease) increase in cash and cash equivalents	$(22.2)	$9.4

Cash Flows - Operating Activities

Cash flows from operations for the nine months ended September 30, 2016 were $326.2 million compared to $526.0 million for the same period in 2015, a 38.0% decrease. This decrease in cash flows from operating activities arises primarily due to the settlement of the $107.0 million commutation with AmTrust during the first quarter of 2016. Operating cash flows in 2015 were also favorably impacted by AmTrust's integration of Tower Group which now has been completed. The increase in reserve for loss and LAE during the nine months ended September 30, 2016 compared to the same period in 2015 was lower by $17.5 million while the increase in unearned premiums during the nine months ended September 30, 2016 was lower by $15.0 million compared to the nine months ended September 30, 2015.

Cash Flows - Investing Activities

Cash flows from investing activities consist primarily of proceeds from sales and maturities of investments and payments for investments acquired. Net cash used in investing activities was $291.4 million for the nine months ended September 30, 2016 compared to $470.7 million for the same period in 2015. Purchases of fixed maturity investments exceeded the proceeds from the sales, maturities and calls by $187.6 million for the nine months ended September 30, 2016. In addition there was an increase in restricted cash and cash equivalents of $103.7 million and a net outflow in other items of $0.1 million for the nine months ended September 30, 2016.

Cash Flows - Financing Activities

Cash flows used in financing activities were $59.7 million for the nine months ended September 30, 2016, compared to $44.4 million for the same period in 2015. The increase in net cash outflow for the nine months ended September 30, 2016 compared to the same period in 2015 was due to the increase in the dividends paid to both common and preference shareholders of $2.4 million and $9.5 million, respectively, representing the increase in the dividend per common share from $0.13 to $0.14 and the dividend on the Preference shares - Series C of $9.5 million following issuance on November 25, 2015. Furthermore, on June 15, 2016, Maiden NA fully redeemed all of its 2011 Senior Notes using the net proceeds from the 6.625% 2016 Senior Notes issuance of $106.5 million on June 14, 2016. The 2011 Senior Notes were redeemed at a redemption price equal to 100% of the principal amount of $107.5 million. Also, during the nine months ended September 30, 2016, the proceeds from the issuance of common shares were lower by $2.4 million compared to the same period last year.

Restrictions, Collateral and Specific Requirements

The Company's restrictions, collateral and specific requirements are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 1, 2016.

At September 30, 2016 and December 31, 2015, cash and cash equivalents and fixed maturity investments used as collateral were $4.4 billion and $3.7 billion, respectively. This collateral represents 89.1% and 82.6% of the fair value of our total fixed maturity investments and cash and cash equivalents (including restricted cash and and cash

equivalents) at September 30, 2016 and December 31, 2015, respectively. The increase was primarily attributable to the increase in assets provided as collateral for the AmTrust Reinsurance segment reflecting continued growth.

Investments

The investment of our funds is designed to ensure safety of principal while generating current income. Accordingly, our funds are invested in liquid, investment-grade fixed income securities and are designated as either available-for-sale ("AFS") or held-to-maturity ("HTM").

The value of the Company's fixed maturity investments increased by $392.4 million or 9.5% at September 30, 2016 compared to December 31, 2015. The net increase is a combination of: 1) purchases of $786.6 million, comprising of primarily investment grade corporate bonds; and 2) net unrealized gains and amortization of $146.2 million; offset by 3) maturities and calls totaling $540.4 million.

During the nine months ended September 30, 2016, the yield on the 10-year U.S. treasury bond decreased by 67 basis points to 1.60%. The 10-year U.S. treasury is the key risk-free determinant in the fair value of many of the securities in our AFS portfolio. The decrease in interest rates for the nine months ended September 30, 2016 reflects slower than expected global economic growth, various conflicting economic indicators, combined with equity market volatility and increased global geopolitical uncertainties.

The increase in unrealized gain in our AFS fixed maturity portfolio was $142.2 million, primarily due to the decrease in interest rates and the recovery of market values of corporate bonds. This gain also includes unrealized foreign exchange gains of $8.1 million arising on our non-U.S. dollar denominated investment portfolio, primarily on our euro-denominated investments, following the strengthening of the euro at September 30, 2016, relative to the U.S. dollar. The increase was substantially offset by increases in our non-U.S. dollar net liabilities which are reflected in the movement of cumulative translation adjustment, which is also a component of AOCI, in our shareholders' equity. See "Liquidity and Capital Resources - Capital Resources" on page 51 for further information.

At September 30, 2016, we consider the levels of cash and cash equivalents we are holding to be above our targeted ranges. However, this is consistent with our practice during prior periods when interest rates and fixed income markets have experienced elevated levels of volatility. We continue to assess current market conditions and are seeking opportunities, within our defined risk appetite to deploy available cash.

In order to limit our exposure to unexpected interest rate increases which would reduce the value of our fixed income securities and reduce our shareholders' equity, we attempt to maintain the duration of our fixed maturity investment portfolio combined with our cash and cash equivalents, both restricted and unrestricted, within a reasonable range of the duration of our loss reserves.

At September 30, 2016 and December 31, 2015, these respective durations in years were as follows:

	September 30, 2016	December 31, 2015
Fixed maturities and cash and cash equivalents	4.1	4.7
Reserve for loss and LAE	4.2	4.4

The decrease of 0.6 years in the weighted average duration of our fixed maturity investment portfolio arises predominantly due to decrease in the duration of our U.S. agency bonds – mortgage-backed securities ("MBS") portfolio reflecting the impact of the volatility in interest rates on paydowns combined with the purchase of corporate bonds during the period with a lower duration than the fixed maturity investment portfolio at December 31, 2015 and a more elevated cash level compared to December 31, 2015.

The differential in duration between these assets and liabilities may fluctuate over time and in the case of fixed maturities, is affected by factors such as market conditions, changes in asset mix and prepayment speeds in the case of both our Agency MBS and commercial mortgage-backed securities ("CMBS").

The average yield and average duration of our fixed maturities, by asset class, and our cash and cash equivalents (restricted and unrestricted) are as follows:

September 30, 2016	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield*	Average duration
	($ in Millions)					
AFS fixed maturities						
U.S. treasury bonds	$5.2	$ 0.3	$ —	$5.5	3.0 %	2.6 years
U.S. agency bonds – mortgage-backed	1,572.4	34.1	(0.7)	1,605.8	2.7 %	3.6 years
U.S. agency bonds – other	4.2	0.4	—	4.6	5.8 %	9.0 years
Non-U.S. government and supranational bonds	35.6	0.3	(3.2)	32.7	2.5 %	3.6 years
Asset-backed securities	205.6	7.3	(0.1)	212.8	3.8 %	2.3 years
Corporate bonds	1,775.7	75.2	(31.7)	1,819.2	3.4 %	5.1 years
Municipal bonds	62.2	5.5	—	67.7	4.2 %	6.7 years

Total AFS fixed maturities	3,660.9	123.1	(35.7)	3,748.3	3.1 %	4.3 years
HTM fixed maturities						
Corporate bonds	760.0	38.9	(0.8)	798.1	3.6 %	5.3 years
Total HTM fixed maturities	760.0	38.9	(0.8)	798.1		
Cash and cash equivalents	434.0	—	—	434.0	0.2 %	0.0 years
Total	$4,854.9	$ 162.0	$ (36.5)	$4,980.4	2.9 %	4.1 years

December 31, 2015	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield*	Average duration
	($ in Millions)					
AFS fixed maturities						
U.S. treasury bonds	$5.7	$ 0.3	$ —	$6.0	2.9 %	2.5 years
U.S. agency bonds – mortgage-backed	1,471.8	15.4	(10.2)	1,477.0	2.8 %	4.5 years
U.S. agency bonds – other	23.8	0.5	—	24.3	3.6 %	8.5 years
Non-U.S. government and supranational bonds	35.1	—	(4.6)	30.5	2.6 %	4.0 years
Asset-backed securities	165.7	1.2	(1.1)	165.8	4.1 %	4.6 years
Corporate bonds	1,798.6	38.1	(97.0)	1,739.7	3.8 %	5.0 years
Municipal bonds	62.2	2.6	—	64.8	4.2 %	6.3 years
Total AFS fixed maturities	3,562.9	58.1	(112.9)	3,508.1	3.4 %	4.8 years
HTM fixed maturities						
Corporate bonds	607.8	3.5	(12.3)	599.0	3.9 %	6.4 years
Total HTM fixed maturities	607.8	3.5	(12.3)	599.0		
Cash and cash equivalents	332.5	—	—	332.5	0.2 %	0.0 years
Total	$4,503.2	$ 61.6	$ (125.2)	$4,439.6	3.2 %	4.7 years

*Average yield is calculated by dividing annualized investment income for each sub-component of AFS securities and cash and cash equivalents (including amortization of premium or discount) by amortized cost.

The following summarizes the Company's fixed maturity investment portfolio holdings by contractual maturity:

	September 30, 2016		December 31, 2015	
	AFS fixed maturities	HTM fixed maturities	AFS fixed maturities	HTM fixed maturities
Maturity	Fair value	Amortized cost	Fair value	Amortized cost
	($ in Millions)		($ in Millions)	
Due in one year or less	$120.3	$ —	$180.4	$ —
Due after one year through five years	486.5	223.3	475.1	67.3
Due after five years through ten years	1,308.2	531.6	1,180.2	540.5
Due after ten years	14.7	5.1	29.6	—
	1,929.7	760.0	1,865.3	607.8
U.S. agency bonds – mortgage-backed	1,605.8	—	1,477.0	—
Asset-backed securities	212.8	—	165.8	—
Total fixed maturities	$3,748.3	$ 760.0	$3,508.1	$ 607.8

Substantially all of the Company’s U.S. agency bond holdings are mortgage-backed. Additional details on the MBS component of our U.S. agency bonds portfolio are as follows:

	September 30, 2016		December 31, 2015	
	Fair Value ($ in Millions)	% of Total	Fair Value ($ in Millions)	% of Total
U.S. agency bonds - mortgage-backed:				
Residential mortgage-backed (RMBS)				
GNMA – fixed rate	$340.1	21.1 %	$139.5	9.3 %
FNMA – fixed rate	711.4	44.2 %	791.7	52.7 %
FNMA – variable rate	18.7	1.2 %	22.1	1.5 %
FHLMC – fixed rate	530.1	32.9 %	517.3	34.5 %
FHLMC – variable rate	5.5	0.3 %	6.4	0.4 %
Total U.S. agency bonds - mortgage-backed	1,605.8	99.7 %	1,477.0	98.4 %
Non-MBS fixed rate U.S. agency bonds	4.6	0.3 %	24.3	1.6 %
Total U.S. agency bonds	$1,610.4	100.0%	$1,501.3	100.0%

The following summarizes changes in fair value associated with our U.S. agency bonds - mortgage-backed portfolio:

For the Three Months Ended September 30,	2016	2015
	($ in Millions)	
U.S. agency bonds - mortgage-backed:		
Beginning balance	$1,451.8	$1,388.3
Purchases	267.0	—
Sales and paydowns	(104.1)	(78.2)
Net realized gains on sales – included in net income	—	—
Change in net unrealized gains – included in other comprehensive income	(7.1)	15.0
Amortization of bond premium and discount	(1.8)	(1.6)
Ending balance	$1,605.8	$1,323.5

For the Nine Months Ended September 30,	2016	2015
	($ in Millions)	
U.S. agency bonds - mortgage-backed:		
Beginning balance	$1,477.0	$1,322.4
Purchases	366.4	356.6
Sales and paydowns	(261.2)	(363.5)
Net realized gains on sales – included in net income	0.2	0.1
Change in net unrealized gains – included in other comprehensive income	28.2	12.1
Amortization of bond premium and discount	(4.8)	(4.2)
Ending balance	$1,605.8	$1,323.5

Our total Agency MBS portfolio represents 35.6% of our fixed maturity investments at September 30, 2016. Given the relative size of this portfolio to our total investments, if faster prepayment patterns were to occur over an extended period of time, this could potentially limit the growth in our investment income in certain circumstances, or even potentially reducing the total amount of investment income we earn.

At September 30, 2016 and December 31, 2015, 96.4% and 97.5%, respectively, of our fixed maturity investments consisted of investment grade securities. We define a security as being below investment grade if it has an Standard & Poor's ("S&P") credit rating of BB+, or equivalent, or less. See "Part I, Item I - Notes to Condensed Consolidated Financial Statements (unaudited) Note 4. Investments" for additional information on the credit rating of our fixed

income portfolio.

The security holdings by sector and financial strength rating by S&P of our corporate bond holdings (AFS and HTM) are as follows:

	Ratings*						
September 30, 2016	AAA	AA+, AA, AA-	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds portfolio
						($ in Millions)	
Corporate bonds							
Basic Materials	— %	— %	1.6 %	4.4 %	2.4 %	$ 218.9	8.4 %
Communications	— %	0.5 %	1.0 %	7.1 %	— %	224.0	8.6 %
Consumer	— %	0.9 %	14.3 %	8.0 %	0.3 %	615.2	23.5 %
Energy	— %	0.8 %	3.7 %	2.8 %	2.1 %	246.7	9.4 %
Financial Institutions	1.6 %	2.5 %	23.0 %	11.5 %	0.2 %	1,015.1	38.8 %
Industrials	— %	1.0 %	2.0 %	2.9 %	0.7 %	172.5	6.6 %
Technology	— %	2.4 %	1.2 %	0.4 %	0.7 %	124.9	4.7 %
Total Corporate bonds	1.6 %	8.1 %	46.8 %	37.1 %	6.4 %	$ 2,617.3	100.0 %

	Ratings*						
December 31, 2015	AAA	AA+, AA, AA-	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds portfolio
						($ in Millions)	
Corporate bonds							
Basic Materials	— %	— %	1.1 %	5.4 %	1.3 %	$ 182.5	7.8 %
Communications	— %	0.6 %	0.8 %	7.7 %	— %	212.0	9.1 %
Consumer	— %	1.0 %	12.3 %	9.3 %	0.3 %	535.2	22.9 %
Energy	— %	1.3 %	1.7 %	3.2 %	1.9 %	189.8	8.1 %
Financial Institutions	1.7 %	1.6 %	23.5 %	14.3 %	0.1 %	963.1	41.2 %
Industrials	— %	0.5 %	1.7 %	3.7 %	0.5 %	149.9	6.4 %
Technology	— %	2.3 %	1.6 %	0.4 %	0.2 %	106.2	4.5 %
Total Corporate bonds	1.7 %	7.3 %	42.7 %	44.0 %	4.3 %	$ 2,338.7	100.0 %

*Based on Standard & Poor’s ("S&P"), or equivalent, ratings

During the nine months ended September 30, 2016, the Company decreased its exposure to securities rated BBB (including those with a + or - modifier) from 23.3% as at December 31, 2015 to 19.8% of the total fair value of investments and cash and cash equivalents.

The Company’s 10 largest corporate holdings, 64.5% of which are in the Financial Institutions sector, are as follows:

September 30, 2016	Fair Value/Amortized cost	% Based on Carrying Value Investments	Rating*
	($ in Millions)		
Morgan Stanley FLT, Due 10/18/2016 (1)	$ 40.0	0.9 %	BBB+
Australia and New Zealand Banking Group, 3.7% Due 11/16/2025	27.4	0.6 %	AA-
Schlumberger Holdings Corporation, 4.0% Due 12/21/2025	21.8	0.5 %	AA-
JP Morgan Chase & Co, 3.9% Due 7/15/2025	21.6	0.5 %	A-
BNP Paribas, 5.0% Due 1/15/2021	21.4	0.5 %	A
IBM Corporation, 7.0% Due 10/30/2025	20.9	0.5 %	AA-
Rabobank, 3.9% Due 2/08/2022	20.9	0.5 %	A+
Mondelez International, 4.0% Due 2/1/2024	20.5	0.4 %	BBB
Brookfield Asset Management Inc, 4.0%, Due 1/15/2025	20.5	0.4 %	A-
AT&T Inc, 2.6%, Due 12/1/2022	20.3	0.4 %	BBB+
Total	$ 235.3	5.2 %	

*Based on S&P, or equivalent, ratings

(1) Securities with the notation FLT are floating rate securities.

We own the following securities not denominated in U.S. dollars:

	September 30, 2016		December 31, 2015	
	Fair Value ($ in Millions)	% of Total	Fair Value ($ in Millions)	% of Total
Non-U.S. dollar denominated corporate bonds	$389.4	92.5 %	$323.3	91.6 %
Non-U.S. government and supranational bonds	31.7	7.5 %	30.5	8.4 %
Total non-U.S. dollar AFS fixed maturities	$421.1	100.0%	$353.8	100.0%

These non-U.S. dollar fixed maturities were invested in the following currencies:

	September 30, 2016		December 31, 2015	
	Fair Value ($ in Millions)	% of Total	Fair Value ($ in Millions)	% of Total
Euro	$357.4	84.9 %	$299.3	84.8 %
British pound	41.8	9.9 %	41.4	11.7 %
Australian dollar	11.1	2.6 %	4.0	1.1 %
Swedish krona	5.7	1.4 %	5.8	1.7 %
All other	5.1	1.2 %	3.3	0.7 %
Total non-U.S. dollar AFS fixed maturities	$421.1	100.0%	$353.8	100.0%

The net increase in non-U.S. denominated fixed maturities is primarily due to the investment of net premiums received and the increase in unrealized gains related to euro denominated investments. We do not have any government and government related obligations of Greece, Ireland, Italy, Portugal and Spain at September 30, 2016 and December 31, 2015. At both September 30, 2016 and December 31, 2015, 100.0% of the Company's non-U.S. government and supranational issuers were rated A+ or higher by S&P, respectively.

For our non-U.S. dollar denominated corporate bonds, the following summarizes the composition of the fair value of our fixed maturity investments at the dates indicated by ratings:

Ratings*	September 30, 2016		December 31, 2015	
	Fair Value ($ in Millions)	% of Total	Fair Value ($ in Millions)	% of Total
AAA	$34.6	8.9 %	$32.8	10.1 %
AA+, AA, AA-	33.0	8.5 %	17.3	5.4 %
A+, A, A-	180.0	46.2 %	149.3	46.2 %
BBB+, BBB, BBB-	133.5	34.3 %	117.9	36.5 %
BB+ or lower	8.3	2.1 %	6.0	1.8 %
Total non-U.S. dollar denominated corporate bonds	$389.4	100.0%	$323.3	100.0%

*Based on S&P, or equivalent, ratings

The Company does not employ any credit default protection against any of the fixed maturities held in non-U.S. denominated currencies.

Other Changes in Financial Position

The following summarizes other changes in our financial position:

	September 30, 2016	December 31, 2015	Change	Change
	($ in Millions)			%
Reinsurance balances receivable, net	$535.0	$ 377.3	$157.7	41.8 %
Reserve for loss and LAE	2,759.5	2,510.1	249.4	9.9 %
Unearned premiums	1,571.4	1,354.6	216.8	16.0 %

The reinsurance balances receivable, net increased by $157.7 million, or 41.8%, primarily due to the continued growth of our AmTrust Reinsurance segment during the first nine months of 2016 compared to December 31, 2015 which was lowered by the commutation agreement with AmTrust of $107.0 million. The reserve for net loss and LAE increased following the continued growth in our AmTrust Reinsurance segment and, to a lesser extent, adverse loss development experienced in our Diversified Reinsurance segment and our divested U.S. E&S business. The unearned premiums also increased following the continued growth in our AmTrust Reinsurance segment combined with the impact of greater number of renewals in the first quarter relative to renewals in the fourth quarter.

Capital Resources

Refer to the "Liquidity and Capital Resources" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for a general discussion of our shareholders' equity and capital resources.

Capital resources consist of funds deployed or available to be deployed in support of our business operations. Our total capital resources were $1,917.8 million at September 30, 2016, a net increase of $210.0 million, or 12.3%, from December 31, 2015.

The movement in total capital resources is as follows:

	September 30, 2016	December 31, 2015	Change	Change
	($ in Millions)			%
Preference shares	$315.0	$480.0	$(165.0)	(34.4)%
Common shareholders' equity	1,240.3	867.8	372.5	42.9 %

Total Maiden shareholders' equity	1,555.3	1,347.8	207.5	15.4	%
Senior notes	362.5	360.0	2.5	0.7	%
Total capital resources	$1,917.8	$1,707.8	$210.0	12.3	%

The major factors contributing to the net increase in capital resources were as follows:

Maiden shareholders' equity

Maiden shareholders' equity at September 30, 2016 increased by $207.5 million, or 15.4%, compared to December 31, 2015 primarily due to:

- increase in AOCI of $147.6 million. This increase arose due to: 1) increase of $155.6 million which arose from the net increase in our U.S. dollar denominated investment portfolio of $130.6 million relating to market price movements and the increase in our non-U.S. dollar denominated investment portfolio of $25.0 million. The increase in our non-U.S. dollar denominated investment portfolio was $8.1 million primarily as a result of the strengthening of the euro, relative to U.S. dollar at September 30, 2016 compared to December 31, 2015, and $16.9 million as a result of market price movements during the nine months ended September 30, 2016. See "Liquidity and Capital Resources - Investments" on page 45 for further information; offset by 2) decrease in the cumulative translation adjustment of $8.0 million due to the effect of the depreciation of the U.S. dollar relative to the original currencies on our non-U.S. dollar net liabilities (excluding non- U.S. dollar denominated AFS fixed maturities);

- net income attributable to Maiden shareholders of $117.7 million. See "Results of Operations - Net Income" on page 37 for a discussion of the Company’s net income for the nine months ended September 30, 2016;

- increase in additional paid in capital of $2.6 million resulting from share-based transactions; and

- increase in common shares and additional paid in capital of $165.6 million as result of the conversion of the Company's Preference Shares - Series B into common shares on September 15, 2016 and exercise of options.

These increases were offset by the following:

- dividends declared of $60.5 million on the Company’s common and preference shares during the nine months ended September 30, 2016;

- increase in shares repurchased for treasury of $0.5 million which represents withholdings from employees surrendered in respect of tax obligations on the vesting of restricted shares and performance based shares; and

- decrease in Preference Shares - Series B of $165.0 million as result of the conversion into common shares on September 15, 2016.

On July 24, 2014, the Company's Board of Directors has approved the repurchase of up to $75.0 million of the Company's common shares from time to time at market prices. No share repurchases have taken place to date under this plan.

Senior Notes

On June 14, 2016, Maiden Holdings issued $110.0 million 6.625% 2016 Senior Notes for cash to be used for the repayment of outstanding, higher coupon indebtedness. Refer to "Notes to Condensed Consolidated Financial Statements Note 6. Long-Term Debt" for further information regarding the new issuance.

Following the issuance of 2016 Senior Notes, on June 15, 2016, Maiden NA fully redeemed all of its 8.25% 2011 Senior Notes due 2041. The Notes were redeemed at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest on the principal amount of the Notes being redeemed to, but not including, the redemption date. As a result, the Company accelerated the amortization of the remaining debt issuance cost of $2.3 million.

Except as discussed above, there were no further changes in the Company’s Senior Notes at September 30, 2016 compared to December 31, 2015 and the Company did not enter into any short-term borrowing arrangements during the nine months ended ended September 30, 2016. Refer to "Notes to Consolidated Financial Statements Note 7. Long Term Debt" included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of the Company’s Senior Notes.

We have, and expect to continue, to fund a portion of our capital requirements through issuances of senior securities, including secured, unsecured and convertible debt securities, or issuances of common or preference shares. For flexibility, we have a current universal shelf registration statement that allows for the public offering and sale of our debt securities, common shares, preference shares and warrants to purchase such securities. The issuance of debt or equity securities will depend on future market conditions, funding needs and other factors and there can be no assurance that any such issuance will occur or be successful.

Financial Strength Ratings

Our principal operating subsidiaries are rated "BBB+" (Good) with a stable outlook by Standard & Poor's ("S&P"), which is the eighth highest of twenty-two rating levels. On September 1, 2016, A.M. Best Company ("A.M. Best") upgraded our principal operating subsidiaries' financial strength rating to A (Excellent) with a stable outlook, which rating is the third highest of sixteen rating levels, from A- (Excellent) with a positive outlook, as previously disclosed in the "Financial Strength Ratings" of the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Aggregate Contractual Obligations

In the normal course of its business, the Company is a party to a variety of contractual obligations as summarized in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015. These contractual obligations are considered by the Company when assessing its liquidity requirements and the Company is confident in its ability to meet all of its obligations. At September 30, 2016, there are no material changes in the Company’s contractual obligations as disclosed in the Company’s table of contractual obligations included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

Currency and Foreign Exchange

We conduct business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro, the British pound, the Australian dollar, the Swedish krona and the Canadian dollar. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact our results and financial position. Our principal exposure to foreign currency risk is our obligation to settle claims in foreign currencies. In addition, in order to minimize this risk we maintain and expect to continue to maintain a portion of our investment portfolio in investments denominated in currencies other than the U.S. dollar. We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be reduced by fluctuations in foreign currency exchange rates which could materially adversely affect our financial condition and results of operations. At September 30, 2016, no such hedges or hedging strategies were in force or had been entered into.

Assets and liabilities of subsidiaries and divisions whose functional currency is not the U.S. dollar are translated at the prevailing exchange rates at each balance sheet date. Revenues and expenses are translated at average exchange rates during the period. The net effect of the translation adjustments is included in AOCI, net of applicable deferred income tax. Monetary assets and liabilities, such as premiums receivable and the reserve for losses and LAE, denominated in foreign currencies are revalued at the exchange rate in effect at the balance sheet date with the resulting foreign exchange gains and losses included in net income. Accounts that are classified as non-monetary, such as deferred acquisition costs and the unearned premium reserves, are not revalued. In the case of foreign currency denominated fixed maturity securities which are classified as AFS, the change in exchange rates between the local currency in which the investments are denominated and the Company’s functional currency at each balance sheet date is included in unrealized appreciation or decline in value of securities, a component of AOCI, net of applicable deferred income tax.

We recorded net foreign exchange gains of $0.7 million and $1.5 million for the three months ended September 30, 2016 and 2015, respectively, as a result of the strengthening of the U.S. dollar versus the British pound partially offset by the weakening of the U.S. dollar against the euro. For the nine months ended September 30, 2016 and 2015, we recorded net foreign exchange gains of $6.4 million and $4.1 million, respectively, as a result of the strengthening of the U.S. dollar, in particular versus the euro and British pound.

Effects of Inflation

The effects of inflation are considered implicitly in pricing and estimating reserves for loss and LAE. The effects of inflation could cause the severity of claims to rise in the future. To the extent inflation is greater than anticipated in the pricing of our business and to the extent unanticipated inflation causes these costs, particularly medical treatments and litigation costs, to increase above reserves established for these claims, the Company will be required to increase the reserve for loss and LAE with a corresponding reduction in its earnings and shareholders' equity in the period in which the deficiency is identified. The actual effects of inflation on the results of operations of the Company cannot be accurately known until claims are ultimately settled.

Off-Balance Sheet Arrangements

At September 30, 2016, we did not have any off-balance sheet arrangements as defined by Item 303(a)(4) of Regulation S-K.

Recent Accounting Pronouncements

See "Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 2. Significant Accounting Policies" for a discussion on recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk that we will incur losses on our investments due to adverse changes in market rates and prices. Market risk is directly influenced by the volatility and liquidity in the market in which the related underlying assets are invested. We believe that we are principally exposed to three types of market risk: changes in interest rates; changes in credit quality of issuers of investment securities and reinsurers; and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that we may incur economic losses due to adverse changes in interest rates. The primary market risk to the investment portfolio is interest rate risk associated with investments in AFS fixed maturity securities. Fluctuations in interest rates have a direct impact on the market valuation of these securities. At September 30, 2016, we had AFS fixed maturity securities with a fair value of $3.7 billion that are subject to interest rate risk.

The following table summarizes the interest rate risk associated with our AFS fixed maturity securities by illustrating the sensitivity of the fair value and carrying value of our fixed maturity securities at September 30, 2016 to selected hypothetical changes in interest rates, and the associated impact on our shareholders' equity. Temporary changes in the fair value of our fixed maturity securities that are held as AFS do impact the carrying value of these securities and are reported in our shareholders' equity as a component of other comprehensive income. The selected scenarios are not predictions of future events, but rather are intended to illustrate the effect such events may have on the fair value and carrying value of our fixed maturity securities and on our shareholders' equity at September 30, 2016:

Hypothetical Change in Interest Rates	Fair Value	Estimated Change in Fair Value	Hypothetical % (Decrease) Increase in Shareholders' Equity
	($ in Millions)		
200 basis point increase	$3,429.5	$(318.8)	(20.5)%
100 basis point increase	3,583.8	(164.5)	(10.6)%
No change	3,748.3	—	— %
100 basis point decrease	3,913.7	165.4	10.6 %
200 basis point decrease	4,076.6	328.3	21.1 %

The interest rate sensitivity on the $168.0 million loan to related party, which carries an interest rate of one month LIBOR plus 90 basis points, is that increases of 100 and 200 basis points in LIBOR would increase our earnings and cash flows by $1.7 million and $3.4 million, respectively, on an annual basis, but would not affect the carrying value of the loan.

Counterparty Credit Risk

The concentrations of the Company's counterparty credit risk exposures at September 30, 2016 have not changed materially compared to December 31, 2015. The Company has exposure to credit risk primarily as a holder of fixed maturity securities. The Company controls this exposure by emphasizing investment grade credit quality in our

security purchases. The Company believes this high quality concentration reduces its exposure to credit risk on fixed income securities to an acceptable level. The following table summarizes the Company's fixed maturity investments by major rating category:

	September 30, 2016		December 31, 2015	
Ratings*				
AA+ or better	40.6	%	42.3	%
AA, AA-, A+, A, A-	34.1	%	29.9	%
BBB+, BBB, BBB-	21.7	%	25.4	%
BB+ or lower	3.6	%	2.4	%
	100.0	%	100.0	%

* Based on S&P, or equivalent, ratings

At September 30, 2016, the Company is not exposed to any significant credit concentration risk on its investments, excluding securities issued by the U.S. government which are rated AA+ by S&P (see "Liquidity and Capital Resources - Investments" on

page 45), with the single largest corporate issuer and the top 10 corporate issuers accounting for only 0.9% and 5.2% of the Company's total fixed income securities fair value, respectively.

The Company is exposed to credit risk for business written through brokers if any of the Company's brokers are unable to fulfill their contractual obligations with respect to payments to the Company. In addition, in some jurisdictions, if the broker fails to make payments to the insured under the Company's policy, the Company might remain liable to the insured for the deficiency. The Company's exposure to such credit risk is somewhat mitigated in certain jurisdictions by contractual terms. See "Business and Risk Factors" in Item 1 and 1A of Part I of the Annual Report on Form 10-K filed on March 1, 2016, respectively, for detailed information on three brokers that accounted for approximately 36.9% of the Company's gross premiums written in the Diversified Reinsurance segment for the year ended December 31, 2015.

The Company is also exposed to credit risk on reinsurance balances receivable and reinsurance recoverable on paid and unpaid losses. We are also subject to the credit risk that AII and/or AmTrust will fail to perform their obligations to pay interest on and repay principal of amounts loaned to AmTrust. Reinsurance balances receivable from the Company's clients at September 30, 2016 were $535.0 million, including balances both currently due and accrued. The Company believes that credit risk related to these balances is mitigated by several factors, including but not limited to, credit checks performed as part of the underwriting process and monitoring of aged receivable balances. In addition, as the vast majority of its reinsurance agreements give the Company the contractual right to offset reinsurance balances receivable from clients, and the loan to related party in the case of AmTrust, against losses payable to them, the Company believes that the credit risk in this area is substantially reduced. Provisions are made for amounts considered potentially uncollectible. There was no allowance for uncollectible reinsurance balances receivable at September 30, 2016.

The Company requires its reinsurers to have adequate financial strength. The Company evaluates the financial condition of its reinsurers and monitors its concentration of credit risk on an ongoing basis. Provisions are made for amounts considered potentially uncollectible. The balance of reinsurance recoverable on unpaid losses was $97.1 million at September 30, 2016 compared to $71.2 million at the end of December 31, 2015. Of these reinsurance recoverables, at September 30, 2016, $17.0 million or 17.5%, compared to $35.0 million or 49.2%, at December 31, 2015 relates to reinsurance claims from Superstorm Sandy.

The following table summarizes the credit ratings by A.M. Best of the Company's exposure to reinsurance counterparties:

	September 30, 2016		December 31, 2015	
A or better	97.1	%	99.1	%
B++ or lower	2.9	%	0.9	%
	100.0	%	100.0	%

At September 30, 2016, 98.4% (December 31, 2015 - 69.4%) of reinsurance recoverables were collateralized.

Foreign Currency Risk

The Company is generally able to match foreign currency denominated assets against its net reinsurance liabilities both by currency and duration to protect the Company against foreign exchange and interest rate risks. However, a natural offset does not exist for all currencies. For the nine months ended and as at September 30, 2016, $140.9 million or 6.6%, of our net premiums written and $280.9 million or 10.2%, of our reserve for loss and LAE were transacted in euro, respectively.

Refer to the "Quantitative and Qualitative Disclosures about Market Risk" section included under Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2015 for a general overview on the uncertain economic issues relating to the euro that may impact our ability to conduct normal business operations in its participating countries.

We may employ various strategies to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be reduced by fluctuations in foreign currency exchange rates and could materially adversely affect our financial condition and results of operations. At September 30, 2016, no hedging instruments have been entered into.

Our principal foreign currency exposure is to the euro and British pound, however, assuming all other variables remain constant and disregarding any tax effects, a strengthening (weakening) of the U.S. dollar exchange rate of 10% or 20% relative to the non-U.S. currencies held by the Company would result in a decrease (increase) in the Company's net assets of $7.8 million and $15.6 million, respectively.

Item 4. Controls and Procedures

Our management, with the participation and under the supervision of our Chief Executive Officer and Chief Financial Officer, have evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and that such information is accumulated and communicated

to management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosures. Our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, such disclosure controls and procedures were effective. Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide an absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

During the most recent fiscal quarter, there were no changes in the Company's internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

There are no material changes from the legal proceedings previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015.

Item 1A. Risk Factors

Our business is subject to a number of risks, including those identified in Item 1A. of Part I of our Annual Report on Form 10-K for the year ended December 31, 2015, that could have a material adverse effect on our business, results of operations, financial condition and/or liquidity and that could cause our operating results to vary significantly from period to period. The risks described in our 2015 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could have a material adverse effect on our business, results of operations, financial condition and/or liquidity.

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015 and Quarterly Report 10-Q for the period ended June 30, 2016.

Item 2. Unregistered Sales of Equity and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Executive Ownership and Sales. From time to time, some of the Company’s executives may determine that it is advisable to diversify their investments for personal financial planning reasons, or may seek liquidity for other reasons, and may sell common shares of the Company in the open market, in private transactions or to the Company. To effect such sales, some of the Company’s executives have entered into, and may in the future enter into, trading plans designed to comply with the Company’s Insider Trading and Outside Investments Policy and the provisions of Rule 10b5-1 under the Securities Exchange Act of 1934. The trading plans will not reduce any of the executives’ ownership of the Company’s shares below the applicable executive stock ownership guidelines. The Company does not undertake any obligation to report Rule 10b5-1 plans that may be adopted by any employee or director of the Company in the future, or to report any modifications or termination of any publicly announced plan.

On November 1, 2016, the Board of Directors elected Steven H. Nigro to the newly-created position of Lead Independent Director, effective immediately. In this new role, Mr. Nigro will, among other things, preside at Board meetings when the Chairman is not present, serve as liaison between the Chairman and the independent directors, assist with Board meetings schedules and agendas, and be authorized to call meetings of the independent directors.

56

Item 6. Exhibits.

Exhibit No.	Description
10.1	Endorsement No. 4 to the Amended and Restated Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2011 filed with the SEC on August 8, 2011 (No. 001-34042)
31.1	Section 302 Certification of CEO
31.2	Section 302 Certification of CFO
32.1	Section 906 Certification of CEO
32.2	Section 906 Certification of CFO
101.1	The following materials from Maiden Holdings, Ltd. Quarterly Report on Form 10-Q, formatted in XBRL (eXtensive Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets, (ii) the unaudited Condensed Consolidated Statements of Income, (iii) the unaudited Condensed Consolidated Statements of Comprehensive Income, (iv) the unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity, (v) the unaudited Condensed Consolidated Statements of Cash Flows, and (vi) Notes to unaudited Condensed Consolidated Financial Statements.

SIGNATURES

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.

MAIDEN HOLDINGS, LTD.
By:

November 8, 2016 /s/ Arturo M. Raschbaum
Arturo M. Raschbaum
President and Chief Executive Officer

/s/ Karen L. Schmitt
Karen L. Schmitt
Chief Financial Officer

/s/ Michael J. Tait
Michael J. Tait
Chief Accounting Officer