



MAIDEN HOLDINGS, LTD

Aug 4, 2016

**Maiden Holdings, Ltd. Announces Second Quarter 2016 Net Income Attributable to Common Shareholders of \$30.9 Million or \$0.39 Per Diluted Common Share and Operating Earnings<sup>(1)</sup> of \$28.4 Million or \$0.37 Per Diluted Common Share**

**Highlights for the quarter ended June 30, 2016**

- Net income attributable to Maiden common shareholders of \$30.9 million, or \$0.39 per diluted common share compared with net income attributable to Maiden common shareholders of \$20.5 million, or \$0.27 per diluted common share in the second quarter of 2015;
- Annualized return on common equity of 12.3% compared to 8.8% in the second quarter of 2015;
- Net operating earnings<sup>(1)</sup> of \$28.4 million, or \$0.37 per diluted common share compared with net operating earnings of \$28.4 million, or \$0.37 per diluted common share in the second quarter of 2015;
- Annualized operating return on common equity<sup>(7)</sup> of 11.3% compared to 12.2% in the second quarter of 2015;
- Gross premiums written increased 2.1% to \$688.3 million compared to the second quarter of 2015;
- Net premiums written increased 3.3% to \$650.4 million compared to the second quarter of 2015;
- Combined ratio<sup>(12)</sup> of 98.6% compared to 99.2% in the second quarter of 2015;
- Net investment income was \$35.3 million compared to \$35.2 million in the second quarter of 2015;
- Book value per common share<sup>(4)</sup> of \$14.18 at June 30, 2016 increased 7.2% versus at March 31, 2016; and
- In June, Maiden reduced its cost of capital with the issuance of \$110.0 million 6.625% Notes and subsequent redemption of its \$107.5 million Maiden Holdings North America, Ltd. 8.25% Notes.

**Highlights for the six months ended June 30, 2016**

- Net income attributable to Maiden common shareholders of \$58.1 million or \$0.75 per diluted common share compared with \$52.9 million, or \$0.69 per diluted common share in the first six months of 2015;

- Annualized return on common equity of 12.2% compared to 11.6% in the first half of 2015;
- Net operating earnings<sup>(1)</sup> of \$56.8 million, or \$0.73 per diluted common share compared with net operating earnings of \$55.0 million, or \$0.71 per diluted common share in the first six months of 2015;
- Annualized operating return on common equity<sup>(1)</sup> of 11.9% compared to 12.1% in the first half of 2015;
- Gross premiums written increased 2.9% to \$1.6 billion compared to the first half of 2015;
- Net premiums written increased 1.2% to \$1.4 billion in the first half of 2016 compared to the same period last year;
- Combined ratio<sup>(12)</sup> of 98.7% was the same as the first six months of 2015; and
- Net investment income was \$71.6 million, an increase of 12.9% compared to the first half of 2015.

HAMILTON, Bermuda, Aug. 04, 2016 (GLOBE NEWSWIRE) -- Maiden Holdings, Ltd. (NASDAQ:MHL) ("Maiden" or "the Company") today reported second quarter 2016 net income attributable to Maiden common shareholders of \$30.9 million or \$0.39 per diluted common share compared to net income attributable to Maiden common shareholders of \$20.5 million or \$0.27 per diluted common share in the second quarter of 2015. Net operating earnings<sup>(1)</sup> were \$28.4 million, or \$0.37 per diluted common share compared with net operating earnings of \$28.4 million, or \$0.37 per diluted common share in the second quarter of 2015.

Commenting on the Company's results, Art Raschbaum, Chief Executive Officer of Maiden, said: "The second quarter reflects a continued focus on disciplined growth, improving our cost of capital and delivering value to our regional and specialty insurer clients. Notwithstanding a competitive operating environment and continued pressure on investment yields, our overall results reflect continued underwriting profitability and strong growth in book value while achieving an annualized return on common equity of 12.3% and an annualized operating return on common equity of 11.3%. This marks the 12<sup>th</sup> consecutive quarter of double digit operating returns. While revenue growth has moderated for our AmTrust Reinsurance segment versus a strong prior year quarter impacted by acquisitions, the Diversified Reinsurance segment growth continues to benefit primarily from the expansion of existing client relationships in the U.S. and our developing European capital solutions business. Going forward, earnings should benefit from investment of our large quarter-end cash balance and continued implementation of key strategic initiatives in the U.S. and Europe."

## **Results for the quarter ended June 30, 2016**

Maiden reported second quarter 2016 net income attributable to common shareholders of \$30.9 million or \$0.39 per diluted common share compared with \$20.5 million or \$0.27 per diluted common share in the second quarter of 2015. Net operating earnings<sup>(1)</sup> were \$28.4 million, or \$0.37 per diluted common share in the second quarter of 2016 compared with an equivalent result in the second quarter of 2015.

In the second quarter of 2016, gross premiums written increased 2.1% to \$688.3 million from \$674.2 million in the second quarter of 2015. The Diversified Reinsurance segment's gross premiums written totaled \$164.8 million, an increase of 8.7% versus the second quarter of 2015. In the AmTrust Reinsurance segment, gross premiums written were \$523.5 million compared to \$522.5 million in the second quarter of 2015. This segment was impacted by the commutation announced in the fourth quarter of 2015 and slower growth following the completion of AmTrust's integration of Tower Group.

Net premiums written totaled \$650.4 million in the second quarter of 2016, an increase of 3.3% compared to the second quarter of 2015.

Net premiums earned of \$637.6 million increased 4.6% compared to the second quarter of 2015. In the Diversified Reinsurance segment, net premiums earned increased 3.2% to \$190.8 million compared to the second quarter of 2015. The AmTrust Reinsurance segment net earned premiums were up 5.2% to \$446.8 million compared to the second quarter of 2015.

Net loss and loss adjustment expenses of \$427.0 million were up 2.9% compared to the second quarter of 2015.

The loss ratio<sup>(8)</sup> of 66.8% was lower than the 67.8% reported in the second quarter of 2015.

Commission and other acquisition expenses, increased 5.7% to \$185.7 million in the second quarter of 2016, compared to the same quarter a year ago. The expense ratio<sup>(11)</sup> increased to 31.8% for the first quarter of 2016 compared with 31.4% in the same quarter last year, reflecting changes in business mix. General and administrative expenses for the second quarter of 2016 totaled \$17.3 million, a 6.1% increase compared with \$16.3 million in the second quarter of 2015. The general and administrative expense ratio<sup>(10)</sup> was 2.7% in the second quarter of 2016, which is the same as the second quarter of 2015.

The combined ratio<sup>(12)</sup> for the second quarter of 2016 totaled 98.6% compared

with 99.2% in the second quarter of 2015. The Diversified Reinsurance segment combined ratio was 103.4% in the second quarter of 2016, down from 103.6% in the second quarter of 2015, as commercial auto adverse development continued in the quarter. The AmTrust Reinsurance segment reported a combined ratio of 94.9% in the second quarter of 2016 compared to 95.2% in the second quarter of 2015.

Net investment income of \$35.3 million in the second quarter of 2016 increased slightly compared to the second quarter of 2015, which included \$5.9 million of additional income from two called securities. As of June 30, 2016, the average yield on the fixed income portfolio (excluding cash) is 3.29% with an average duration of 4.55 years. Cash and cash equivalents were \$505.8 million at June 30, 2016 or \$173.3 million higher than at year-end 2015 as the Company received higher levels of cash from investment activities and held more cash during the quarter in light of the rate volatility during the second quarter of 2016.

Total assets increased 10.0% to \$6.3 billion at June 30, 2016 compared to \$5.7 billion at year-end 2015. Shareholders' equity was \$1.5 billion, up 13.5% compared to December 31, 2015. Book value per common share was \$14.18 at June 30, 2016 or 20.5% higher than at December 31, 2015.

During the second quarter of 2016, the Board of Directors declared dividends of \$0.14 per common share, \$0.515625 per Series A preference share, \$0.90625 per Series B preference share and \$0.445313 per Series C preference share.

### **Results for the six months ended June 30, 2016**

Net income attributable to Maiden common shareholders was \$58.1 million or \$0.75 per diluted common share in the first six months of 2016 compared to net income attributable to Maiden common shareholders of \$52.9 million or \$0.69 per diluted common share in the first half of 2015. Net operating earnings<sup>(1)</sup> for the first six months of 2016 were \$56.8 million, or \$0.73 per diluted common share compared with \$55.0 million, or \$0.71 per diluted common share in the first half of 2015.

In the first half of 2016, gross premiums written totaled \$1.6 billion, an increase of 2.9% compared to the first six months of 2015. In the first half of 2016, net premiums written totaled \$1.4 billion, an increase of 1.2% compared to the first six months of 2015. Net premiums written in the Diversified Reinsurance segment totaled \$447.4 million, an increase of 1.9% versus the first half of 2015. In the AmTrust Reinsurance segment, net premiums written increased by 0.8% to \$995.8 million compared to the first half of 2015.

Net premiums earned of \$1.3 billion increased 5.6% compared to the first six months of 2015. Net premiums earned decreased 3.8% in the Diversified Reinsurance segment to \$363.0 million compared to the first half of 2015. The AmTrust Reinsurance segment net premiums earned were up 10.0% to \$890.6 million compared to the first half 2015.

Net loss and loss adjustment expenses of \$ 830.6 million were up 4.8% compared to the first six months of 2015. The loss ratio<sup>(8)</sup> of 65.9% was lower than the 66.3% in the first half of 2015.

Commission and other acquisition expenses, increased \$26.8 million to \$380.8 million in the first half of 2016 versus the comparable period a year ago, while the expense ratio<sup>(11)</sup> rose to 32.8% for the first six months of 2016 compared with 32.4% in the same period last year. General and administrative expenses for the first half of 2016 totaled \$32.8 million compared with \$32.5 million in the first six months of 2015. The general and administrative expense ratio<sup>(10)</sup> decreased to 2.6% in the first half of 2016 versus 2.7% in the same period during 2015.

The combined ratio<sup>(12)</sup> for the first half of 2016 was 98.7% and the same as the first six months of 2015. The Diversified Reinsurance segment had a combined ratio of 103.2% in the first half of 2016 compared to 102.3% in the first six months of 2015. The AmTrust Reinsurance segment reported a combined ratio of 95.1% in the first half of 2016 compared to 94.9% in the comparable period in 2015.

Net investment income of \$71.6 million in the first half of 2016 increased 12.9% compared to the first half of 2015.

(1)(4)(7) Please see the Non-GAAP Financial Measures table for additional information on these non-GAAP financial measures and reconciliation of these measures to GAAP measures.

(8)(10)(11)(12) Loss ratio, general and administrative expense ratio, expense ratio and combined ratio are operating metrics. Please see the additional information on these measures under Segment information tables.

### Conference Call

Maiden's Chief Executive Officer, Art Raschbaum and Chief Financial Officer, Karen Schmitt will review these results tomorrow morning via teleconference and live audio webcast beginning at 8:30 a.m. ET.

To participate in the conference call, please access one of the following at least five minutes prior to the start time:

U.S. Callers: 1.877.734.5373

Outside U.S. Callers: 1.973.200.3059

Passcode: 52657857

Webcast: [http://www.maiden.bm/news\\_events](http://www.maiden.bm/news_events)

A replay of the conference call will be available beginning at 11:30 a.m. ET on August 5, 2016 through midnight on August 12, 2016. To listen to the replay, please dial toll free: 1.855.859.2056 (U.S. Callers) or toll: 1.404.537.3406 (callers outside the U.S.) and enter the Passcode: 52657857; or access [http://www.maiden.bm/news\\_events](http://www.maiden.bm/news_events)

#### About Maiden Holdings, Ltd.

Maiden Holdings, Ltd. is a Bermuda-based holding company formed in 2007. Through its subsidiaries, which are each A- rated (excellent) by A.M. Best, the Company is focused on providing non-catastrophic, customized reinsurance products and services to small and mid-size insurance companies in the United States and Europe. As of June 30, 2016, Maiden had \$6.3 billion in assets and shareholders' equity of \$1.5 billion.

#### Forward Looking Statements

This release contains "forward-looking statements" which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those projected as a result of significant risks and uncertainties, including non-receipt of the expected payments, changes in interest rates, effect of the performance of financial markets on investment income and fair values of investments, developments of claims and the effect on loss reserves, accuracy in projecting loss reserves, the impact of competition and pricing environments, changes in the demand for the Company's products, the effect of general economic conditions and unusual frequency of storm activity, adverse state and federal legislation, regulations and regulatory investigations into industry practices, developments relating to existing agreements, heightened competition, changes in pricing environments, and changes in asset valuations. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected is contained in Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 as updated in periodic filings with the SEC. The Company undertakes no obligation

to publicly update any forward-looking statements, except as may be required by law.

**Maiden Holdings, Ltd.**  
**Balance Sheet**  
(in thousands (000's), except per share data)

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
<b>Assets</b>		
Fixed maturities, available-for-sale, at fair value ( <i>Amortized cost 2016: \$3,374,192; 2015: \$3,562,864</i> )	\$ 3,452,605	\$ 3,508,088
Fixed maturities, held-to-maturity, at amortized cost ( <i>Fair value 2016: \$794,671; 2015: \$598,975</i> )	761,713	607,843
Other investments, at fair value ( <i>Cost 2016: \$10,743; 2015: \$10,816</i> )	11,827	11,812
<b>Total investments</b>	<b>4,226,145</b>	<b>4,127,743</b>
Cash and cash equivalents	127,459	89,641
Restricted cash and cash equivalents	378,328	242,859
Accrued investment income	32,572	32,288
Reinsurance balances receivable, net	554,069	377,318
Reinsurance recoverable on unpaid losses	90,805	71,248
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses, net	455,522	397,548
Goodwill and intangible assets, net	80,728	81,920
Other assets	157,396	115,038
<b>Total Assets</b>	<b>\$ 6,270,999</b>	<b>\$ 5,703,578</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Reserve for loss and loss adjustment expenses	\$ 2,636,631	\$ 2,510,101
Unearned premiums	1,583,477	1,354,572
Accrued expenses and other liabilities	168,756	139,873
Senior notes		
Principal amount	362,500	360,000
Less unamortized debt issuance costs	11,252	10,067
Senior notes, net	351,248	349,933
<b>Total Liabilities</b>	<b>4,740,112</b>	<b>4,354,479</b>
<b>Equity</b>		
Preference Shares	480,000	480,000
Common shares	751	747
Additional paid-in capital	581,452	579,178
Accumulated other comprehensive income (loss)	118,926	(23,767)
Retained earnings	353,576	316,184
Treasury shares, at cost	(4,991)	(4,521)
<b>Total Maiden Shareholders' Equity</b>	<b>1,529,714</b>	<b>1,347,821</b>
<b>Noncontrolling interest in subsidiaries</b>	<b>1,173</b>	<b>1,278</b>
<b>Total Equity</b>	<b>1,530,887</b>	<b>1,349,099</b>
<b>Total Liabilities and Equity</b>	<b>\$ 6,270,999</b>	<b>\$ 5,703,578</b>
<b>Book value per common share<sup>(4)</sup></b>	<b>\$ 14.18</b>	<b>\$ 11.77</b>
<b>Common shares outstanding</b>	<b>74,016,525</b>	<b>73,721,140</b>

**Maiden Holdings, Ltd.**  
**Income Statement**  
(in thousands (000's), except per share data)  
(Unaudited)

	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015
<b>Revenues:</b>				
Gross premiums written	\$ 688,322	\$ 674,168	\$ 1,552,436	\$ 1,508,434
Net premiums written	\$ 650,427	\$ 629,618	\$ 1,443,258	\$ 1,426,601
Change in unearned premiums	(12,863)	(20,198)	(189,685)	(239,862)
<b>Net premiums earned</b>	<b>637,564</b>	<b>609,420</b>	<b>1,253,573</b>	<b>1,186,739</b>
Other insurance revenue	1,525	2,252	6,351	7,231
Net investment income	35,323	35,157	71,625	63,417
Net realized gains on investment	334	242	2,611	1,111
<b>Total revenues</b>	<b>674,746</b>	<b>647,071</b>	<b>1,334,160</b>	<b>1,258,498</b>
<b>Expenses:</b>				
Net loss and loss adjustment expenses	426,989	414,927	830,610	792,333
Commission and other acquisition expenses	185,727	175,697	380,795	354,039
General and administrative expenses	17,290	16,301	32,786	32,498
<b>Total expenses</b>	<b>630,006</b>	<b>606,925</b>	<b>1,244,191</b>	<b>1,178,870</b>
<b>Income from operations<sup>(2)</sup></b>	<b>44,740</b>	<b>40,146</b>	<b>89,969</b>	<b>79,628</b>
<b>Other expenses</b>				
Interest and amortization expenses	(7,193)	(7,266)	(14,458)	(14,530)
Accelerated amortization of senior note issuance cost	(2,345)	-	(2,345)	-
Amortization of intangible assets	(615)	(710)	(1,230)	(1,420)
Foreign exchange and other gains (losses)	5,520	(5,191)	5,787	2,635
<b>Total other expenses</b>	<b>(4,633)</b>	<b>(13,167)</b>	<b>(12,246)</b>	<b>(13,315)</b>
<b>Income before income taxes</b>	<b>40,107</b>	<b>26,979</b>	<b>77,723</b>	<b>66,313</b>
Income tax expense	220	468	1,007	1,268
<b>Net income</b>	<b>39,887</b>	<b>26,511</b>	<b>76,716</b>	<b>65,045</b>
Add: loss attributable to noncontrolling interest	46	92	110	47
<b>Net income attributable to Maiden</b>	<b>39,933</b>	<b>26,603</b>	<b>76,826</b>	<b>65,092</b>
Dividends on preference shares <sup>(6)</sup>	(9,023)	(6,084)	(18,700)	(12,168)
<b>Net income attributable to Maiden common shareholders</b>	<b>\$ 30,910</b>	<b>\$ 20,519</b>	<b>\$ 58,126</b>	<b>\$ 52,924</b>
<b>Net operating earnings attributable to Maiden common shareholders<sup>(1)</sup></b>	<b>\$ 28,431</b>	<b>\$ 28,399</b>	<b>\$ 56,778</b>	<b>\$ 55,033</b>
<b>Basic earnings per common share attributable to Maiden shareholders</b>	<b>\$ 0.42</b>	<b>\$ 0.28</b>	<b>\$ 0.79</b>	<b>\$ 0.72</b>
<b>Diluted earnings per common share attributable to Maiden shareholders</b>	<b>\$ 0.39</b>	<b>\$ 0.27</b>	<b>\$ 0.75</b>	<b>\$ 0.69</b>
<b>Basic operating earnings per common share attributable to Maiden shareholders</b>	<b>\$ 0.38</b>	<b>\$ 0.39</b>	<b>\$ 0.77</b>	<b>\$ 0.75</b>
<b>Diluted operating earnings per common share attributable to Maiden shareholders</b>	<b>\$ 0.37</b>	<b>\$ 0.37</b>	<b>\$ 0.73</b>	<b>\$ 0.71</b>



<b>Dividends declared per common share</b>	<b>\$ 0.14</b>	<b>\$ 0.13</b>	<b>\$ 0.28</b>	<b>\$ 0.26</b>
<b>Weighted average number of common shares - basic</b>	73,997,759	73,482,506	73,934,518	73,284,559
<b>Adjusted weighted average number of common shares and assumed conversions - diluted</b>	85,926,626	85,566,706	85,894,062	85,414,344
<b>Net loss and loss adjustment expense ratio<sup>(8)</sup></b>	66.8%	67.8%	65.9%	66.3%
<b>Commission and other acquisition expense ratio<sup>(9)</sup></b>	29.1%	28.7%	30.2%	29.7%
<b>General and administrative expense ratio<sup>(10)</sup></b>	2.7%	2.7%	2.6%	2.7%
<b>Expense ratio<sup>(11)</sup></b>	31.8%	31.4%	32.8%	32.4%
<b>Combined ratio<sup>(12)</sup></b>	98.6%	99.2%	98.7%	98.7%
<b>Annualized return on common equity</b>	12.3%	8.8%	12.2%	11.6%
<b>Annualized operating return on common equity<sup>(7)</sup></b>	11.3%	12.2%	11.9%	12.1%

**Maiden Holdings, Ltd.**  
**Non - GAAP Financial Measure**  
(in thousands (000's), except per share data)  
(Unaudited)

	<b>For the Three Months Ended June 30, 2016</b>	<b>For the Three Months Ended June 30, 2015</b>	<b>For the Six Months Ended June 30, 2016</b>	<b>For the Six Months Ended June 30, 2015</b>
<b>Reconciliation of net income attributable to Maiden common shareholders to net operating earnings:</b>				
Net income attributable to Maiden common shareholders	\$ 30,910	\$ 20,519	\$ 58,126	\$ 52,924
Add (subtract)				
Net realized gains on investment	(334)	(242)	(2,611)	(1,111)
Foreign exchange and other (gains) losses	(5,520)	5,191	(5,787)	(2,635)
Amortization of intangible assets	615	710	1,230	1,420
Divested excess and surplus "E&S" business and NGHC run-off	125	1,931	2,895	3,855
Accelerated amortization of senior note issuance cost	2,345	-	2,345	-
Non-cash deferred tax expense	290	290	580	580
Net operating earnings attributable to Maiden common shareholders <sup>(1)</sup>	<b>\$ 28,431</b>	<b>\$ 28,399</b>	<b>\$ 56,778</b>	<b>\$ 55,033</b>

**Operating earnings per common share attributable to Maiden shareholders:**

Basic earnings per common share attributable to Maiden shareholders	\$ 0.38	\$ 0.39	\$ 0.77	\$ 0.75
Diluted earnings per common share attributable to Maiden shareholders	\$ 0.37	\$ 0.37	\$ 0.73	\$ 0.71

**Reconciliation of net income attributable to Maiden to income from operations:**

Net income attributable to Maiden	\$ 39,933	\$ 26,603	\$ 76,826	\$ 65,092
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Add (subtract)				
Foreign exchange and other (gains) losses	(5,520)	5,191	(5,787)	(2,635)
Amortization of intangible assets	615	710	1,230	1,420
Interest and amortization expenses	7,193	7,266	14,458	14,530
Accelerated amortization of senior note issuance cost	2,345	-	2,345	-
Income tax expense	220	468	1,007	1,268
Loss attributable to noncontrolling interest	(46)	(92)	(110)	(47)
Income from operations <sup>(2)</sup>	<u>\$ 44,740</u>	<u>\$ 40,146</u>	<u>\$ 89,969</u>	<u>\$ 79,628</u>

	June 30, 2016	December 31, 2015
<b>Investable assets:</b>		
Total investments	\$ 4,226,145	\$ 4,127,743
Cash and cash equivalents	127,459	89,641
Restricted cash and cash equivalents	378,328	242,859
Loan to related party	167,975	167,975
Total investable assets <sup>(3)</sup>	<u>\$ 4,899,907</u>	<u>\$ 4,628,218</u>

	June 30, 2016	December 31, 2015
<b>Capital:</b>		
Preference shares	\$ 480,000	\$ 480,000
Common shareholders' equity	1,049,714	867,821
<b>Total Maiden shareholders' equity</b>	<u>1,529,714</u>	<u>1,347,821</u>
2011 Senior Notes	-	107,500
2012 Senior Notes	100,000	100,000
2013 Senior Notes	152,500	152,500
2016 Senior Notes	110,000	-
<b>Total capital resources<sup>(5)</sup></b>	<u>\$ 1,892,214</u>	<u>\$ 1,707,821</u>

(1) Net operating earnings is a non-GAAP financial measure defined by the Company as net income attributable to Maiden common shareholders excluding realized and unrealized investment gains and losses, foreign exchange and other gains and losses, amortization of intangible assets, divested excess and surplus business and NGHC run-off, accelerated amortization of senior note issuance cost and non-cash deferred tax expense and should not be considered as an alternative to net income. The Company's management believes that net operating earnings is a useful indicator of trends in the Company's underlying operations. The Company's measure of net operating earnings may not be comparable to similarly titled measures used by other companies.

(2) Income from Operations is a non-GAAP financial measure defined by the Company as net income attributable to Maiden excluding foreign exchange and other gains and losses, amortization of intangible assets, interest and amortization expenses, accelerated amortization of senior note issuance cost, income tax expense and income or loss attributable to noncontrolling interest and should not be considered as an alternative to net income. The Company's management believes that income from operations is a useful measure of the Company's underlying earnings fundamentals based on its underwriting and investment income before financing costs. This income from operations enables readers of this information to more clearly understand the essential operating results of the Company. The Company's measure of income from operations may not be comparable to similarly titled measures used by other companies.

(3) Investable assets is the total of the Company's investments, cash and cash equivalents and loan to a related party.

(4) 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.

(5) Total capital resources is the sum of the Company's principal amount of debt and Maiden shareholders' equity.

(6) Dividends on preference shares consist of \$3,094 and \$6,188 paid to Preference Shares - Series A and \$2,990 and \$5,980 paid to Preference shares - Series B during the three and six months ended June 30, 2016 and 2015, respectively, and \$2,939 and \$6,532 paid to Preference shares - Series C during the three and six months ended June 30, 2016, respectively.

(7) Operating return on average common equity is a non-GAAP financial measure. Management uses operating return on average common shareholders' equity as a measure of profitability that focuses on the return to Maiden common shareholders. It is calculated using operating earnings available to common shareholders divided by average Maiden common shareholders' equity.

**Maiden Holdings, Ltd.**  
**Supplemental Financial Data - Segment Information**  
(in thousands (000's))  
**(Unaudited)**

<b>For the Three Months Ended June 30, 2016</b>	<b>Diversified Reinsurance</b>	<b>AmTrust Reinsurance</b>	<b>Other</b>	<b>Total</b>
Gross premiums written	\$ 164,834	\$ 523,488	\$ -	\$ 688,322
Net premiums written	\$ 161,294	\$ 489,133	\$ -	\$ 650,427
Net premiums earned	\$ 190,755	\$ 446,809	\$ -	\$ 637,564
Other insurance revenue	1,525	-	-	1,525
Net loss and loss adjustment expenses	(144,246)	(282,619)	(124)	(426,989)
Commissions and other acquisition expenses	(45,496)	(140,230)	(1)	(185,727)
General and administrative expenses	(9,079)	(963)	-	(10,042)
<b>Underwriting income (loss)</b>	<b>\$ (6,541)</b>	<b>\$ 22,997</b>	<b>\$ (125)</b>	<b>\$ 16,331</b>

**Reconciliation to net income**

Net investment income and realized gains on investment	35,657
Interest and amortization expenses	(7,193)
Accelerated amortization of senior note issuance cost	(2,345)
Amortization of intangible assets	(615)
Foreign exchange and other gains	5,520
Other general and administrative expenses	(7,248)
Income tax expense	(220)
<b>Net income</b>	<b>\$ 39,887</b>

Net loss and loss adjustment expense ratio <sup>(8)</sup>	75.0%	63.3%	66.8%
Commission and other acquisition expense ratio <sup>(9)</sup>	23.7%	31.4%	29.1%
General and administrative expense ratio <sup>(10)</sup>	4.7%	0.2%	2.7%
<b>Combined ratio<sup>(12)</sup></b>	<b>103.4%</b>	<b>94.9%</b>	<b>98.6%</b>

<b>For the Three Months Ended June 30, 2015</b>	<b>Diversified Reinsurance</b>	<b>AmTrust Reinsurance</b>	<b>Other</b>	<b>Total</b>
Gross premiums written	\$ 151,646	\$ 522,522	\$ -	\$ 674,168
Net premiums written	\$ 144,785	\$ 484,833	\$ -	\$ 629,618
Net premiums earned	\$ 184,803	\$ 424,617	\$ -	\$ 609,420
Other insurance revenue	2,252	-	-	2,252
Net loss and loss adjustment expenses	(142,992)	(270,142)	(1,793)	(414,927)
Commissions and other acquisition expenses	(42,412)	(133,147)	(138)	(175,697)
General and administrative expenses	(8,438)	(797)	-	(9,235)
<b>Underwriting income (loss)</b>	<b>\$ (6,787)</b>	<b>\$ 20,531</b>	<b>\$ (1,931)</b>	<b>\$ 11,813</b>

**Reconciliation to net income**

Net investment income and realized gains on investment			35,399
Interest and amortization expenses			(7,266)
Amortization of intangible assets			(710)
Foreign exchange and other losses			(5,191)
Other general and administrative expenses			(7,066)
Income tax expense			(468)
<b>Net income</b>			<u>\$ 26,511</u>

Net loss and loss adjustment expense ratio <sup>(8)</sup>	76.4%	63.6%	67.8%
Commission and other acquisition expense ratio <sup>(9)</sup>	22.7%	31.4%	28.7%
General and administrative expense ratio <sup>(10)</sup>	4.5%	0.2%	2.7%
<b>Combined ratio<sup>(12)</sup></b>	<u>103.6%</u>	<u>95.2%</u>	<u>99.2%</u>

**Maiden Holdings, Ltd.**  
**Supplemental Financial Data - Segment Information**  
(in thousands (000's))  
(Unaudited)

<b>For the Six Months Ended June 30, 2016</b>	<u>Diversified Reinsurance</u>	<u>AmTrust Reinsurance</u>	<u>Other</u>	<u>Total</u>
Gross premiums written	\$ 480,638	\$ 1,071,798	-	\$ 1,552,436
Net premiums written	\$ 447,430	\$ 995,828	-	\$ 1,443,258
Net premiums earned	\$ 363,011	\$ 890,562	-	\$ 1,253,573
Other insurance revenue	6,351	-	-	6,351
Net loss and loss adjustment expenses	(263,322)	(564,393)	(2,895)	(830,610)
Commissions and other acquisition expenses	(100,027)	(280,768)	-	(380,795)
General and administrative expenses	(17,679)	(1,549)	-	(19,228)
<b>Underwriting income (loss)</b>	<u>\$ (11,666)</u>	<u>\$ 43,852</u>	<u>\$ (2,895)</u>	<u>\$ 29,291</u>

**Reconciliation to net income**

Net investment income and realized gains on investment				74,236
Interest and amortization expenses				(14,458)
Accelerated amortization of senior note issuance cost				(2,345)
Amortization of intangible assets				(1,230)
Foreign exchange and other gains				5,787
Other general and administrative expenses				(13,558)
Income tax expense				(1,007)
<b>Net income</b>				<u>\$ 76,716</u>

Net loss and loss adjustment expense ratio <sup>(8)</sup>	71.3%	63.4%	65.9%
Commission and other acquisition expense ratio <sup>(9)</sup>	27.1%	31.5%	30.2%
General and administrative expense ratio <sup>(10)</sup>	4.8%	0.2%	2.6%
<b>Combined ratio<sup>(12)</sup></b>	<u>103.2%</u>	<u>95.1%</u>	<u>98.7%</u>

<b>For the Six Months Ended June 30, 2015</b>	<u>Diversified Reinsurance</u>	<u>AmTrust Reinsurance</u>	<u>Other</u>	<u>Total</u>
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Gross premiums written	\$ 456,987	\$ 1,051,448	\$ (1)	\$ 1,508,434
Net premiums written	\$ 438,983	\$ 987,617	\$ 1	\$ 1,426,601
Net premiums earned	\$ 377,487	\$ 809,250	\$ 2	\$ 1,186,739
Other insurance revenue	7,231	-	-	7,231
Net loss and loss adjustment expenses	(275,378)	(513,236)	(3,719)	(792,333)
Commissions and other acquisition expenses	(100,618)	(253,283)	(138)	(354,039)
General and administrative expenses	(17,758)	(1,544)	-	(19,302)
<b>Underwriting income (loss)</b>	<b>\$ (9,036)</b>	<b>\$ 41,187</b>	<b>\$ (3,855)</b>	<b>\$ 28,296</b>

#### Reconciliation to net income

Net investment income and realized gains on investment				64,528
Interest and amortization expenses				(14,530)
Amortization of intangible assets				(1,420)
Foreign exchange and other gains				2,635
Other general and administrative expenses				(13,196)
Income tax expense				(1,268)
<b>Net income</b>				<b>\$ 65,045</b>

Net loss and loss adjustment expense ratio <sup>(8)</sup>	71.6%	63.4%	66.3%
Commission and other acquisition expense ratio <sup>(9)</sup>	26.2%	31.3%	29.7%
General and administrative expense ratio <sup>(10)</sup>	4.5%	0.2%	2.7%
<b>Combined ratio<sup>(12)</sup></b>	<b>102.3%</b>	<b>94.9%</b>	<b>98.7%</b>

(8) Calculated by dividing net loss and loss adjustment expenses by the sum of net premiums earned and other insurance revenue.

(9) Calculated by dividing commission and other acquisition expenses by the sum of net premiums earned and other insurance revenue.

(10) Calculated by dividing general and administrative expenses by the sum of net premiums earned and other insurance revenue.

(11) Calculated by adding together the commission and other acquisition expense ratio and general and administrative expense ratio.

(12) Calculated by adding together the net loss and loss adjustment expense ratio and expense ratio.

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