

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 8, 2015**

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

**Bermuda**  
(State or other jurisdiction  
of incorporation)

**001-34042**  
(Commission File  
Number)

**98-0570192**  
(IRS Employer  
Identification No.)

**131 Front Street, Hamilton HM12, Bermuda**  
(Address of principal executive offices and zip code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01 Regulation FD Disclosure.**

The slide presentation will be referenced during investor/analyst meetings during September 2015. A copy of the slide presentation is furnished as Exhibit 99.1 to this report.

The information under this Item 7.01 and the Investor Presentation attached to this Form 8-K as Exhibit 99.1 shall be deemed to be "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company.

**Cautionary Statement Regarding Forward-Looking Statements**

Any forward-looking statements made in the presentation in Exhibit 99.1 reflect our current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements. For example, our forward-looking statements could be affected by pricing and policy term trends; increased competition; the impact of acts of terrorism and acts of war; greater frequency or severity of unpredictable catastrophic events; negative rating agency actions; the adequacy of our loss reserves; the Company or its subsidiaries becoming subject to significant income taxes in the United States or elsewhere; changes in regulations or tax laws; changes in the availability, cost or quality of reinsurance or retrocessional coverage; adverse general economic conditions; and judicial, legislative, political and other governmental developments, as well as management's response to these factors, and other factors identified in our filings with the U.S. Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We are under no obligation (and expressly disclaim any such 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.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	Slides from presentation by management.

**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.

Date: September 8, 2015

**MAIDEN HOLDINGS, LTD.**

By: /s/ Lawrence F. Metz  
Lawrence F. Metz  
Senior Vice President, General Counsel and Secretary

# Maiden Holdings, Ltd.

Investor Presentation  
September 2015



MAIDEN HOLDINGS LTD

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# Forward Looking Statements



MAIDEN HOLDINGS LTD

This presentation 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 current expectations and beliefs of Maiden Holdings, Ltd. (the “Company”) 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 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, decreases in existing and new client projected premiums, 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, 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. The Company undertakes no obligation to publicly update any forward-looking statements, except as may be required by law. 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, 2014.

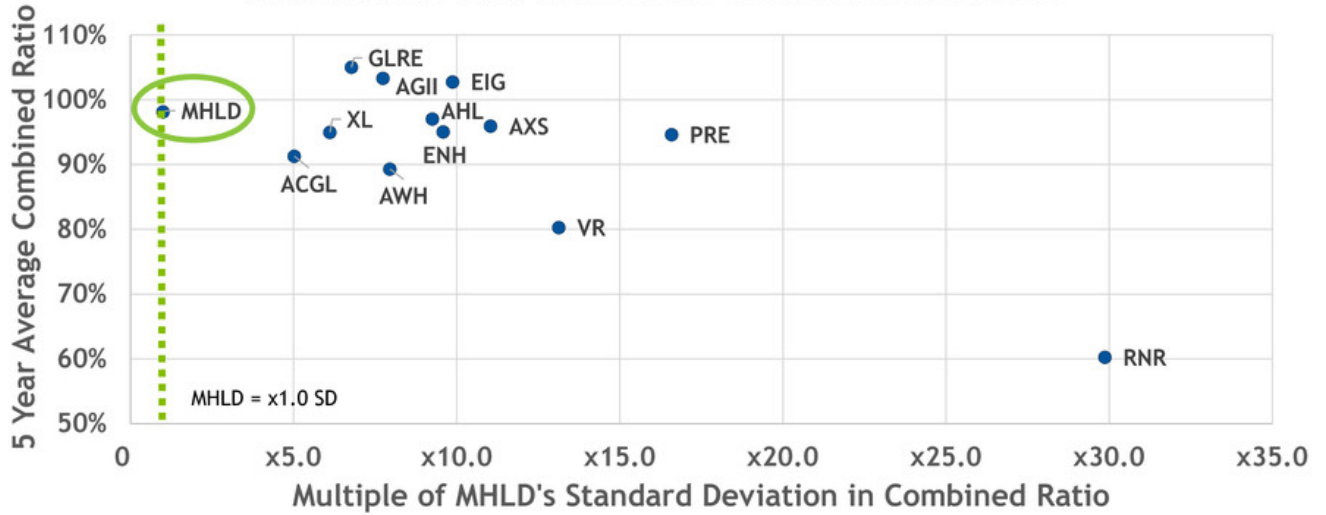
# Maiden's Value Proposition

- 1 Significant line of business and geographical diversity across low volatility underwriting portfolio
  - Not focused on the property catastrophe reinsurance market
- 2 Long-term relationships with targeted regional and specialty P&C insurers - 32-year operating history
- 3 Successful and stable multi-year strategic reinsurance relationship with AmTrust Financial Services, Inc. ("AmTrust") since 2007
- 4 Predictable and stable operating results
- 5 Highly efficient and scalable operating platform
- 6 Growing balance sheet scale and capital efficiency supported by the low-volatility model
- 7 Conservative investment portfolio
- 8 Strong commitment to rewarding shareholders through dividends

Maiden targets consistent underwriting profitability, above industry average growth and an operating ROAE of 15% or greater

# Predictable and Stable Operating Performance

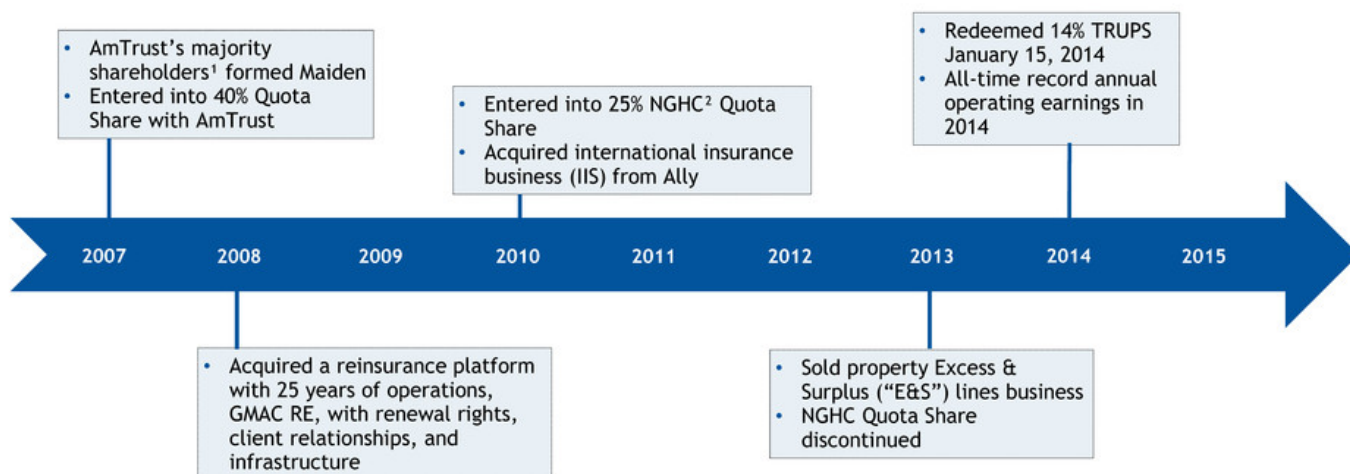
## 5 Year Average Quarterly Combined Ratio and Standard Deviation in Combined Ratio



Relatively stable and profitable combined ratio reflecting low volatility underwriting portfolio

Data Source: Quarterly Combined Ratio Data from SNL Financial - 2Q 2010 to 2Q 2015

# Maiden's History



(GPW in \$ millions)	2007	2008	2009	2010	2011	2012	2013	2014	Q2 2015
Gross Premiums Written ("GPW")	\$247	\$727	\$1,049	\$1,298	\$1,813	\$2,001	\$2,204	\$2,507	\$2,733 <sup>4</sup>
Employees	5	129	139	204	213	214	185	194	206
Founding Shareholders <sup>1</sup> Ownership	18.6%	30.1%	30.1%	28.3%	28.3%	28.4%	28.4%	28.1%	20.3% <sup>3</sup>

<sup>1</sup> AmTrust's majority shareholders include holdings of Michael Karfunkel, Leah Karfunkel, George Karfunkel, and Barry Zyskind ("Founding Shareholders").

<sup>2</sup> National General Holdings Corporation ("NGHC"), formerly known as American Capital Acquisition Corporation ("ACAC"), acquired GMAC Personal Lines Business in 2010.

<sup>3</sup> As of most recent filings

<sup>4</sup> Last twelve months as of June 30, 2015.

# Maiden's Key Business Segments Today

## Diversified Reinsurance Segment

**Diversified Reinsurance - Focus on lower volatility “working layer” reinsurance needs of regional and specialty P&C insurers in the U.S. and select international markets**

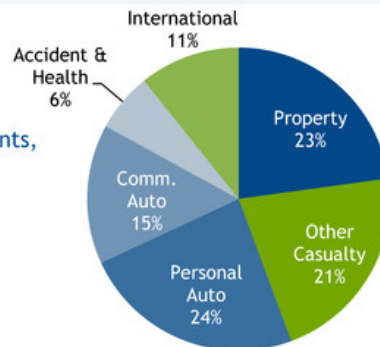
### In the U.S.:

#### **Multi-Functional Teams:**

- Underwriters, actuaries, accountants, legal and claims specialists

#### **Focus on traditional lines:**

- Personal & commercial auto
- Commercial multi-peril
- General liability
- Workers' compensation
- Non-cat property



LTM\* Q2 2015 Gross Premiums Written = \$862mm

### In select international markets:

#### **OEM oriented business development team:**

- Personal Auto
- Credit Life

#### **Bermuda team - offering capital solutions in Europe:**

- Multi-line regional opportunities

### Dual Underwriting Distribution:

- 43% direct / 57% brokered distribution

### Competitive Advantages:

- Lasting, profitable, long-term relationships with clients - 32-year operating history
- Dedicated Financial Trust® offers highly rated security
- Deep multi-functional client service support
- Purpose built balance sheet and operating platform

(\*) "LTM" = Last twelve months



# Maiden's Key Business Segments Today

## AmTrust Quota Share Reinsurance Segment

AmTrust Quota Share - Providing strategically important capital support to AmTrust since 2007

### Specialty Risk and Extended Warranty (U.S., Europe):

- Consumer and commercial goods warranty
- European Hospital liability
- Other

### Underwriting:

- **Multi-year quota-share reinsurance relationship since 2007**
  - Master Agreement in place through 2016, with negotiated contract modifications and term extensions renewed twice previously
  - Actively managed by Maiden to preserve targeted economics
- **Strong controls and governance**
  - Independent underwriting and reserving
  - All related party transactions require independent Audit Committee approvals

### AmTrust's Strengths:

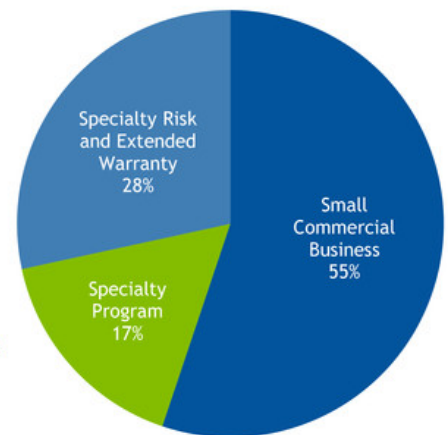
- Significant driver of growth with profitable combined ratios
- AmTrust's leading competitive position in specialty markets
- Highly efficient with strong technological core competency

### Small Commercial (U.S.):

- Workers' compensation
- Commercial package
- Commercial lines

### Specialty Program:

- Commercial package for specialty risks / segments

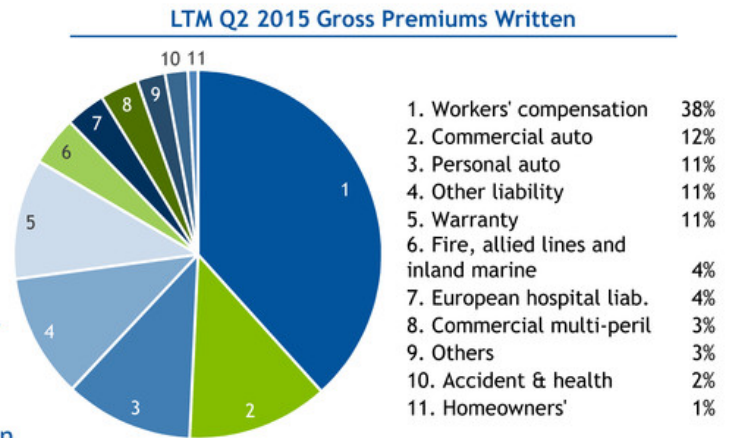


LTM\* Q2 2015 Gross Premiums Written = \$1,871mm

(\*) "LTM" = Last twelve months

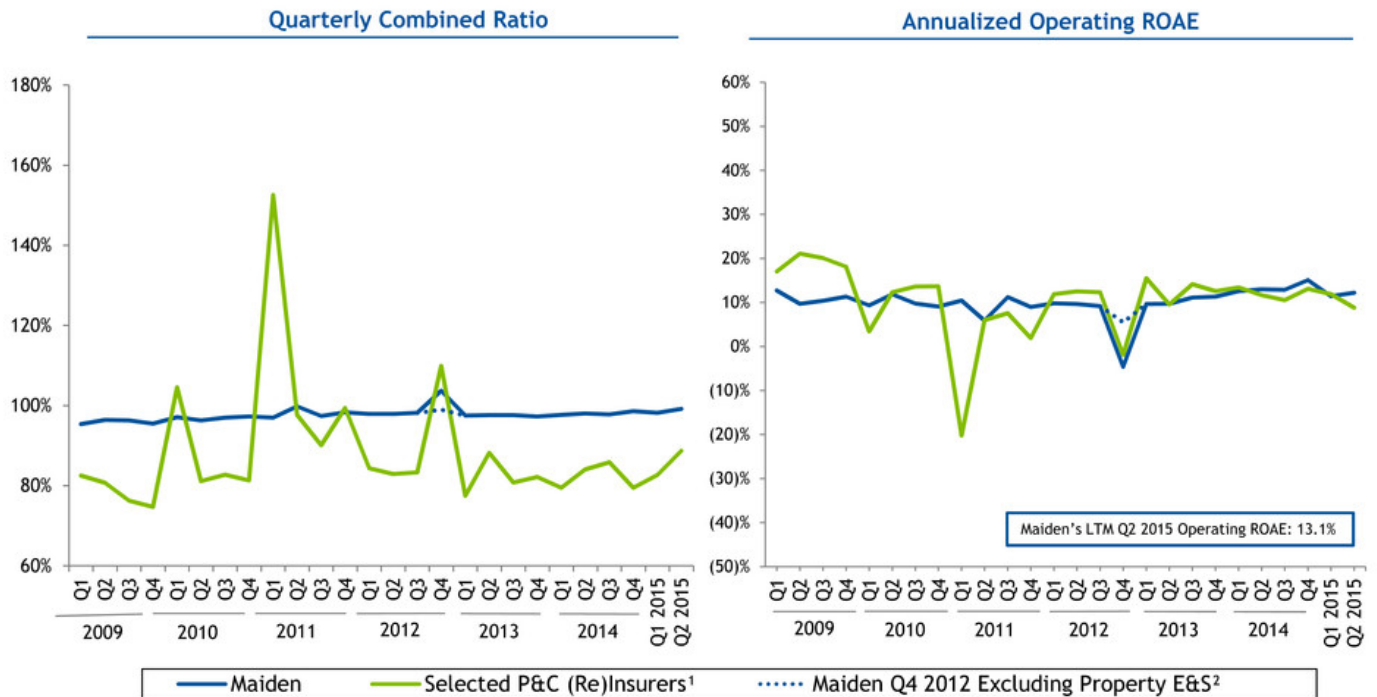
# Balanced Portfolio of Low Volatility Underwriting Business

- Majority of business made up of lower volatility proportional reinsurance
- Low-hazard, profitable workers' compensation business
  - 38% of LTM gross premiums written
  - Focus on small premium, small-employer policies
  - Significantly lower workers' compensation loss ratio vs. industry mainly reflecting AmTrust's specialization and leading position in low-hazard segment



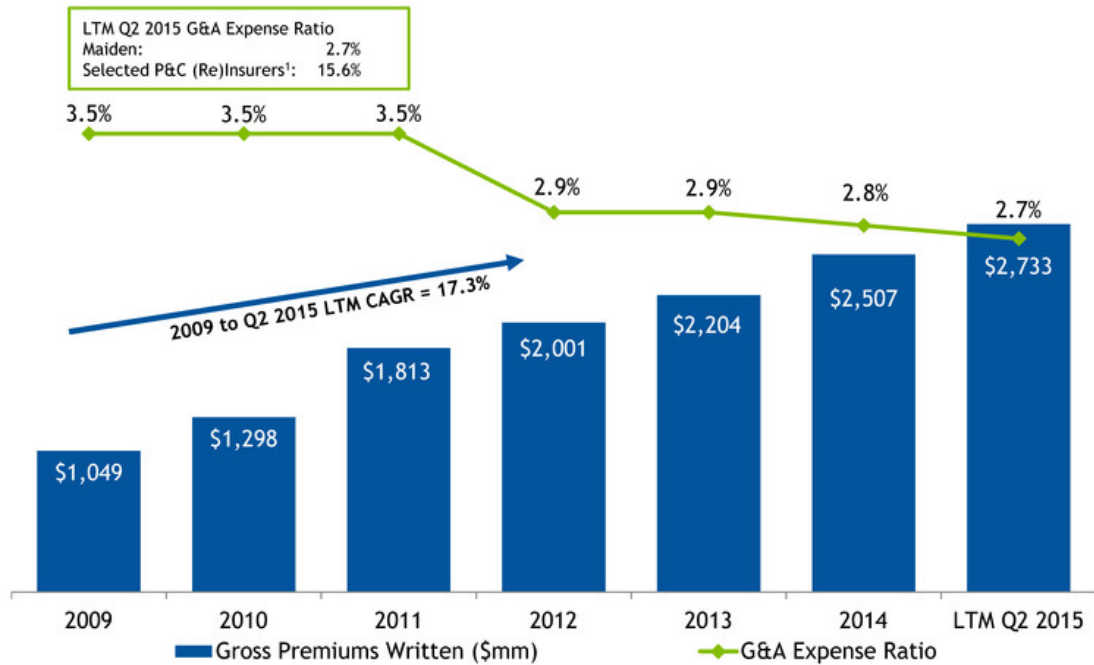
Last Twelve Months Q2 2015 Gross Premiums Written = \$2,733mm

# Maiden Has Predictable And Stable Operating Performance



<sup>1</sup>Aspen, Arch, Axis, AWAC, Endurance, EverestRe, PartnerRe, RenRe, Validus, XL  
<sup>2</sup>Property E&S was sold to Brit in 2013.  
 Source SNL Financial.

# Unique Operating Platform and Business Model Drive Highly Efficient Expense Relativities



<sup>1</sup>Aspen, Arch, Axis, AWAC, Endurance, EverestRe, PartnerRe, RenRe, Validus, XL  
 Source: SNL and Company Financials

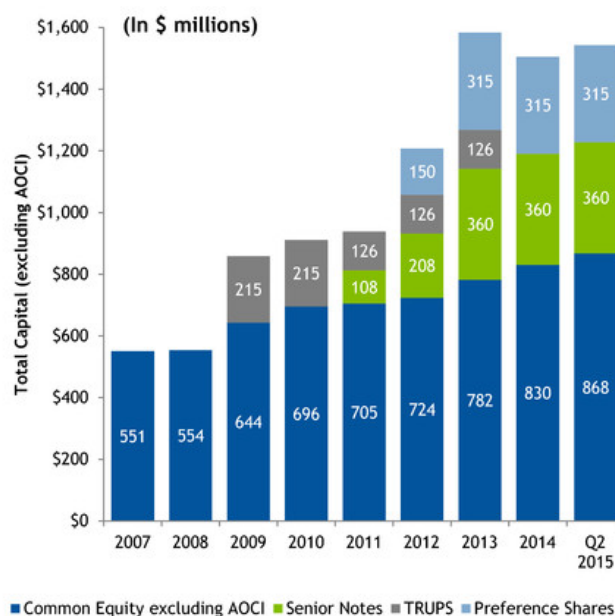
# Balanced and Diversified Capital Structure



MAIDEN HOLDINGS LTD

- Access to capital markets has enabled Maiden to fund growth with long-term and perpetual securities
  - **January 2009:** 14% Junior Subordinated Debt (“TRUPS”) Offering of \$260 million to finance the acquisition of GMAC RE with significant support from Founding Shareholders (Called in January 2014)
  - **June 2011:** 30-Year, 8.25% Senior Notes Offering of \$107.5 million, replacing a portion of 14% TRUPS (NYSE:MHNA)\*
  - **March 2012:** 30-Year, 8% Senior Notes Offering of \$100 million (NYSE:MHNH)\*
  - **August 2012:** 8.25% Non-Cumulative Perpetual Preferred Share Offering of \$150 million (NYSE:MHPRA)\*
  - **October 2013:** 7.25% Mandatory Convertible Preference Share Offering of \$165 million, supporting reinsurance business growth (NASDAQ:MHLDO)\*
  - **November 2013:** 30-Year, 7.75% Senior Notes Offering of \$152.5 million, proceeds used to redeem remaining 14% TRUPS on January 15, 2014 (NYSE:MHNC)\*
- Continued exploration of shareholder friendly, diverse and alternative sources of capital
- Renewable quota share retrocession of between \$150 million and \$200 million effective January 1, 2015

## Balanced and Diversified Capital Structure



(\*) MHNA, MHNH, MHNC & MHPRA have 5 year call provisions at par. MHLDO will mandatorily convert to common equity in September 2016.

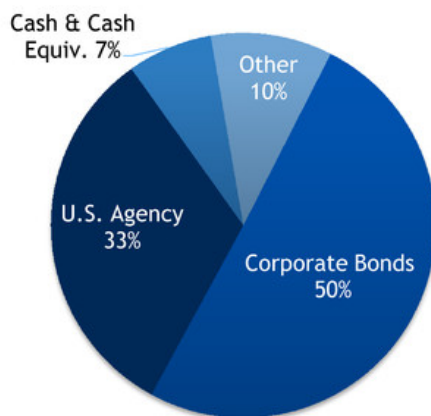
# Maiden Maintains a Conservative Investment Portfolio



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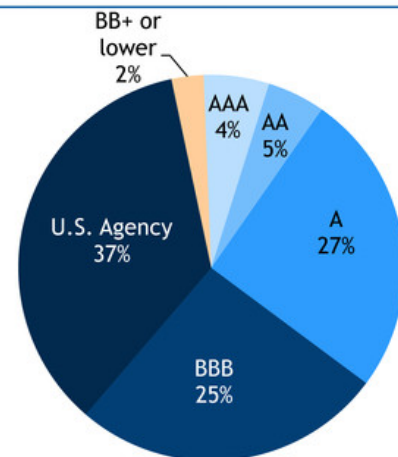
- Continued emphasis on investing in GSE and high-grade corporate debt; new money yield on fixed maturities in 2Q15 was 2.74%; overall 2Q15 book yield (excluding cash equivalents) is 3.40%
- June 30, 2015 average duration of investable assets (including cash equivalents) of 4.68 years compared to duration of liabilities of 4.39 years at June 30, 2015
- Profitable growth & positive cash flow have expanded invested assets that will enhance earnings
- New purchases of investments in 2Q15 were \$768.9 million

**Investable Assets\* Composition**



**Total: \$4.3bn\*\***

**Strong Credit Quality of Investments**



**Total: \$3.8bn\*\***

(\*) Investable assets include cash and cash equivalents, fixed maturities, other investments and loan to related party  
 (\*\*) As of June 30, 2015

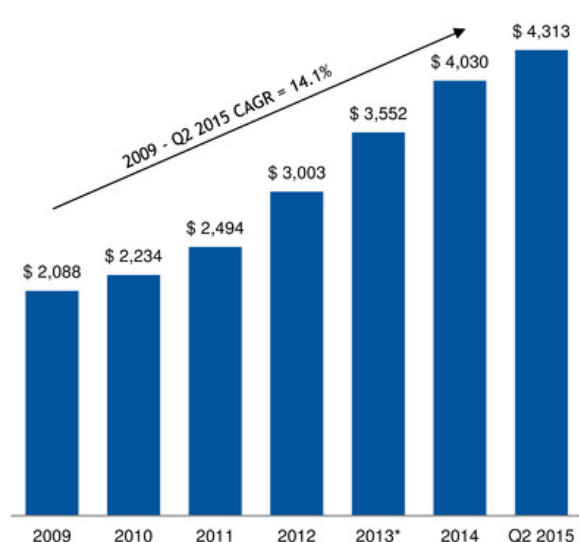
# Low-Volatility Business Model Supporting Asset and Investment Income Growth



Growing Net Investment Income (\$mm)



Expanding Investable Assets Base (\$mm)



(\*) Investable assets at December 31, 2013 include net proceeds of \$147.4 million from November 2013 Senior Note offering. Maiden primarily utilized the proceeds of its Senior Notes offering in November 2013, as well as cash on hand, to redeem the \$152.5 million face value TRUPs on January 15, 2014.

# Investment Opportunity



MAIDEN HOLDINGS LTD

- ☑ Differentiated P&C reinsurance business model with focus on low-volatility, predictable lines of business and strong long-lasting client relationships
- ☑ Demonstrated predictable, stable and highly efficient operating performance targeting ROAE of 15% or greater
- ☑ Shareholder-friendly capital management
- ☑ Strong commitment to rewarding shareholders through dividends
- ☑ Well-positioned for continued disciplined growth; significant opportunities to further enhance profitability



# Maiden Holdings, Ltd.



MAIDEN HOLDINGS LTD

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- Strategic Initiatives
- Targeted Operating Metrics
- Summary Balance Sheet
- Summary Income Statement
- Non-GAAP Financial Measures - Reconciliation
- Non-GAAP Financial Measures



## Maiden IIS is continuing to develop OEM opportunities with additional expansion under development

- Several new auto accounts won in U.K., Germany, and Russia - U.K. and German opportunities include reinsurance

## Maiden/Allianz payment protection insurance (PPI) joint venture partnership

- Strong European PPI pipeline identified
- Joint venture should be ready to accept business in early Q4 2015

## Maiden capital solutions activity in Europe actively marketing and entertaining numerous prospect quoting opportunities

- Opportunities under development in multiple global markets including France, U.K., Nordic region, Gibraltar, and U.S.
- Currently actively marketing in the U.K., Spain, France, Italy, Gibraltar, Germany, Ireland and the U.S.

## Maiden Re team in U.S. continues to identify opportunities to expand existing client relationships and customers

- Developing capital solutions model for U.S. similar to Maiden Bermuda approach in Europe

# Maiden Well Positioned to Achieve a 15% Operating ROAE



MAIDEN HOLDINGS LTD

Appendix

## Targeted Operating Metrics

- Medium-term Operating ROAE  $\geq$  15%
- Combined ratio  $\leq$  96%
  - G&A expense ratio  $<$  4%
- NPW CAGR of 10%+
- Core regional insurer client retention rate of  $\geq$  85%
- Modeled annual aggregate exposure to cat events  $<$  annual net income

15% operating ROAE attainable with improved underwriting results, growth in invested assets and current capital structure

# Summary Balance Sheet



MAIDEN HOLDINGS LTD

Appendix

	2009	2010	2011	2012	2013	2014	Q2 2015
	(\$ in millions)						
<b>Investable Assets</b>							
Investments	\$ 1,667.2	\$ 1,880.3	\$ 2,022.9	\$ 2,621.6	\$ 3,167.2	\$ 3,469.5	\$ 3,836.2
Cash & Cash Equivalents	252.3	185.9	303.0	213.8	217.2	392.5	309.1
Loan to Related Party	168.0	168.0	168.0	168.0	168.0	168.0	168.0
Total Investable Assets	2,087.5	2,234.2	2,493.9	3,003.4	3,552.4	4,030.0	4,313.3
Net Reinsurance Receivable	211.3	226.3	423.4	522.6	560.1	513.0	600.2
Deferred Acquisition Costs	173.0	203.6	248.4	270.7	304.9	372.5	443.2
Other Assets	164.3	318.5	229.4	341.5	296.0	248.6	307.4
<b>Total Assets</b>	<b>\$ 2,636.1</b>	<b>\$ 2,982.6</b>	<b>\$ 3,395.1</b>	<b>\$ 4,138.2</b>	<b>\$ 4,713.4</b>	<b>\$ 5,164.1</b>	<b>\$ 5,664.1</b>
Loss and LAE Reserve	\$ 1,002.7	\$ 1,226.8	\$ 1,398.4	\$ 1,740.3	\$ 1,957.8	\$ 2,271.3	\$ 2,459.3
Unearned Premiums	583.5	657.6	832.0	936.5	1,034.8	1,207.7	1,483.9
Senior Notes	-	-	107.5	207.5	360.0	360.0	360.0
Trust Preferred Securities	215.1	215.2	126.3	126.3	126.4	-	-
Other Liabilities	158.3	132.5	161.9	112.0	110.1	83.9	135.2
<b>Total Liabilities</b>	<b>1,959.6</b>	<b>2,232.1</b>	<b>2,626.1</b>	<b>3,122.6</b>	<b>3,589.1</b>	<b>3,922.9</b>	<b>4,438.4</b>
<b>Equity</b>	<b>676.5</b>	<b>750.5</b>	<b>769.0</b>	<b>1,015.6</b>	<b>1,124.3</b>	<b>1,241.2</b>	<b>1,225.7</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 2,636.1</b>	<b>\$ 2,982.6</b>	<b>\$ 3,395.1</b>	<b>\$ 4,138.2</b>	<b>\$ 4,713.4</b>	<b>\$ 5,164.1</b>	<b>\$ 5,664.1</b>
<b>Book Value per Common Share</b>	<b>\$ 9.62</b>	<b>\$ 10.40</b>	<b>\$ 10.64</b>	<b>\$ 11.96</b>	<b>\$ 11.14</b>	<b>\$ 12.69</b>	<b>\$ 12.35</b>
<b>Growth in Total Investable Assets</b>	<b>13.8%</b>	<b>7.0%</b>	<b>11.6%</b>	<b>20.4%</b>	<b>18.3%</b>	<b>13.4%</b>	<b>7.0%</b>
<b>Ratio of Total Investable Assets to Equity</b>	<b>308.6%</b>	<b>297.7%</b>	<b>324.3%</b>	<b>295.7%</b>	<b>316.0%</b>	<b>324.7%</b>	<b>351.9%</b>

# Summary Income Statement



Appendix

	2009	2010	2011	2012	2013	2014	Q2 2015
	(\$ in millions)						
Gross Premiums Written	\$ 1,048.7	\$ 1,298.1	\$ 1,812.6	\$ 2,001.0	\$ 2,204.2	\$ 2,507.4	\$ 1,508.4
Net Premiums Written	\$ 1,030.4	\$ 1,227.8	\$ 1,723.5	\$ 1,901.3	\$ 2,096.3	\$ 2,458.1	\$ 1,426.6
Net Premiums Earned	\$ 919.9	\$ 1,169.8	\$ 1,552.4	\$ 1,803.8	\$ 2,000.9	\$ 2,251.7	\$ 1,186.7
Net Investment Income	62.9	71.6	74.9	81.2	91.4	117.2	63.4
Interest and Amortization Expenses	34.4	36.5	34.1	36.4	39.5	29.6	14.5
Net Income attributable to Maiden common shareholders	\$ 61.1	\$ 69.9	\$ 28.5	\$ 46.5	\$ 87.9	\$ 77.1	\$ 52.9
Operating Earnings *	\$ 66.2	\$ 72.7	\$ 69.6	\$ 48.5	\$ 87.5	\$ 117.7	\$ 55.0
Operating EPS *	\$ 0.95	\$ 1.02	\$ 0.96	\$ 0.66	\$ 1.18	\$ 1.53	\$ 0.71
Operating ROE **	11.2%	10.2%	9.2%	5.9%	10.5%	13.6%	12.1%
Loss Ratio	66.2%	64.6%	66.6%	69.5%	67.0%	66.1%	66.3%
Expense Ratio	29.7%	32.3%	31.5%	30.0%	30.5%	31.9%	32.4%
Combined Ratio	95.9%	96.9%	98.1%	99.5%	97.5%	98.0%	98.7%

- (\*) 2011 Includes \$9.5 million or 0.6% in loss ratio and combined ratio impact from U.S. thunderstorm and tornado activity in 2Q11. 2012 includes \$31.1 million or 1.7% in loss ratio and combined ratio impact from Superstorm Sandy in 4Q12.
- (\*\*) Q2 2015 Operating ROE is annualized.
- Please see the non-GAAP reconciliation table in the appendix of this presentation for additional important information.

# Non-GAAP Financial Measures Reconciliation

	2009	2010	2011	2012	2013	2014	Q2 2015
	(\$ in millions)						
Net income	\$ 61.1	\$ 69.9	\$ 28.5	\$ 50.2	\$ 102.8	\$ 101.5	\$ 65.0
(Income) loss attributable to noncontrolling interest	-	-	-	(0.1)	(0.1)	\$ (0.1)	\$ 0.1
Dividends on preference shares	-	-	-	(3.6)	(14.8)	\$ (24.3)	\$ (12.2)
Add (subtract):							
Net realized and unrealized (gains) losses on investment	(0.3)	(6.6)	(0.5)	(1.9)	(3.6)	(1.2)	(1.1)
Net impairment losses recognized in earnings	-	-	-	-	-	2.4	-
Foreign exchange and other (gains) losses	(2.5)	0.6	(0.3)	(1.6)	(2.8)	(4.2)	(2.6)
Amortization of intangible assets	6.6	5.8	5.0	4.4	3.8	3.3	1.4
Divested excess and surplus business and NGHC run-off	-	-	-	-	-	10.4	3.8
Junior subordinated debt repurchase expense	-	-	15.1	-	-	-	-
Accelerated amortization of junior subordinated debt discount and issuance cost	-	-	20.3	-	-	28.2	-
Interest expense incurred related to 2013 Senior Notes prior to actual redemption of the junior subordinated debt	-	-	-	-	1.2	0.5	-
Non-recurring general and administrative expenses relating to							
IIS Acquisition	-	1.8	0.2	-	-	-	-
Non-cash deferred tax expense	1.3	1.2	1.3	1.1	1.0	1.2	0.6
Operating earnings	<u>\$ 66.2</u>	<u>\$ 72.7</u>	<u>\$ 69.6</u>	<u>\$ 48.5</u>	<u>\$ 87.5</u>	<u>\$ 117.7</u>	<u>\$ 55.0</u>
Operating earnings per common share:							
Basic operating earnings per share	\$ 0.95	\$ 1.03	\$ 0.97	\$ 0.67	\$ 1.21	\$ 1.61	\$ 0.75
Diluted operating earnings per share	\$ 0.95	\$ 1.02	\$ 0.96	\$ 0.66	\$ 1.18	\$ 1.53	\$ 0.71

Note: Please see the definition of non-GAAP financial measures on next page for additional important information.

# Non-GAAP Financial Measures



MAIDEN HOLDINGS LTD

Appendix

- In presenting the Company's results, management has included and discussed in this presentation certain non generally accepted accounting principles ("non-GAAP") financial measures within the meaning of Regulation G as promulgated by the U.S. Securities and Exchange Commission. Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain the company's results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company's business. However, these measures should not be viewed as a substitute for those determined in accordance with generally accepted accounting principles ("U.S. GAAP").
- *Operating Earnings and Operating Earnings per Common Share:* In addition to presenting net income determined in accordance with U.S. GAAP, we believe that showing operating earnings enables investors, analysts, rating agencies and other users of our financial information to more easily analyze our results of operations in a manner similar to how management analyzes our underlying business performance. Operating earnings should not be viewed as a substitute for U.S. GAAP net income. Operating earnings are an internal performance measure used in the management of our operations and represents operating results excluding, as applicable on a recurring basis, net realized and unrealized gains or losses on investment, foreign exchange and other gains or losses, amortization of intangible assets and non-cash deferred tax expenses. We exclude net realized and unrealized gains or losses on investment and foreign exchange and other gains or losses as we believe that both are heavily influenced in part by market opportunities and other factors. We do not believe amortization of intangible assets 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 exclude certain non-recurring expenditures that are material to understanding our results of operations. As of the third quarter of 2014, we exclude impairment losses. Beginning in the second quarter of 2014, we exclude our divested E&S business as it has been in run-off for over one year following the sale to Brit effective May 1, 2013. Similarly, beginning in the fourth quarter of 2014, we exclude results from NGHC as this business segment has been in run-off for one year following the mutual cancellation on a run-off basis of our contract. Furthermore, in Q1 of 2014 and Q2 2011, we exclude the accelerated amortization of the Junior Subordinated Debt discount and the write off of the associated issuance costs. In Q1 2014 and Q4 2013, we also exclude the interest expense incurred on our 2013 Senior Notes prior to the redemption of the outstanding Junior Subordinated Debt given the one time nature of the additional funding cost. For 2011 and 2010, we exclude transaction expenses related to the IIS Acquisition as these are non-recurring.
- *Operating Return on Average Common Equity ("Operating ROACE"):* 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 (as defined above) divided by average Maiden common shareholders' equity. Management has set as a target a long-term average of 15% Operating ROACE, which management believes provides an attractive return to shareholders for the risk assumed from our business. The repayment of the Junior Subordinated Debt in the first quarter of 2014 is a crucial step in advancing the Company closer to that goal.
- See the previous page of this presentation for a reconciliation of non-GAAP measures used in this presentation to their most directly comparable GAAP measures.



