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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2023

☐ **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.)
94 Pitts Bay Road Pembroke Bermuda	HM08
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading symbol(s)**	**Name of Each Exchange on Which Registered**
Common Shares, par value $0.01 per share	MHLD	NASDAQ Capital Market

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 ☒ No ☐

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 ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act).

Yes ☐ No ☒

As of August 4, 2023, 101,605,815 common shares were outstanding. 143,045,163 common shares, par value $0.01 per share, were outstanding when the ownership by our affiliate Maiden Reinsurance Ltd. of 41,738,978 common shares were included. These affiliated shares are treated as treasury shares and are not included in the computation of consolidated book value and earnings per common share.

INDEX

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)

ASSETS	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Investments:		
Fixed maturities, available-for-sale, at fair value *(Amortized cost: 2023 - $300,453; 2022 - $330,439)*	$ 287,324	$ 314,527
Equity securities, at fair value *(cost: 2023 - $41,040; 2022 - $40,509)*	45,251	43,621
Equity method investments	73,216	80,159
Other investments *(Allowance for expected credit losses: 2023 - $1,023)*	150,149	148,753
Total investments	555,940	587,060
Cash and cash equivalents	17,242	30,986
Restricted cash and cash equivalents	10,220	15,638
Accrued investment income	5,751	4,122
Reinsurance balances receivable, net: (includes $8,375 and $8,395 from related parties in 2023 and 2022, respectively. *Allowance for expected credit losses: 2023 - $196)*	11,182	10,707
Reinsurance recoverable on unpaid losses *(Allowance for expected credit losses: 2023 - $4,530)*	561,576	556,116
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses (includes $19,477 and $23,632 from related parties in 2023 and 2022, respectively)	20,522	24,976
Funds withheld receivable: (includes $286,900 and $416,835 from related parties in 2023 and 2022, respectively. *Allowance for expected credit losses: 2023 - $19)*	307,031	441,412
Other assets	7,474	7,874
Total assets	$ 1,664,913	$ 1,846,866
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes $867,975 and $988,684 from related parties in 2023 and 2022, respectively)	$ 1,001,261	$ 1,131,408
Unearned premiums (includes $52,286 and $63,443 from related parties in 2023 and 2022, respectively)	54,620	67,081
Deferred gain on retroactive reinsurance	60,025	47,708
Accrued expenses and other liabilities (includes $10,765 and $33,278 from related parties in 2023 and 2022, respectively)	25,196	60,518
Senior notes - principal amount	262,361	262,500
Less: unamortized debt issuance costs	7,840	6,928
Senior notes, net	254,521	255,572
Total liabilities	1,395,623	1,562,287
Commitments and Contingencies		
EQUITY		
Common shares ($0.01 par value; 2023: 149,726,105 and 2022: 149,224,080 shares issued; 2023: 101,605,815 and 2022: 101,532,151 shares outstanding)	1,497	1,492
Additional paid-in capital	885,462	884,259
Accumulated other comprehensive loss	(37,136)	(41,234)
Accumulated deficit	(462,637)	(442,863)
Treasury shares, at cost (2023: 48,120,290 shares and 2022: 47,691,929 shares)	(117,896)	(117,075)
Total shareholders' equity	269,290	284,579
Total liabilities and equity	$ 1,664,913	$ 1,846,866

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 June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues				
Gross premiums written	$ 6,875	$ 3,339	$ 7,711	$ (6,831)
Net premiums written	$ 6,875	$ 3,186	$ 7,635	$ (7,137)
Change in unearned premiums	4,164	7,257	12,406	18,702
Net premiums earned	11,039	10,443	20,041	11,565
Other insurance revenue, net	78	469	19	520
Net investment income	10,518	7,667	20,063	14,234
Net realized and unrealized investment gains	1,145	2,111	2,150	4,420
Total revenues	22,780	20,690	42,273	30,739
Expenses				
Net loss and loss adjustment expenses	11,532	6,874	21,347	4,591
Commission and other acquisition expenses	4,945	4,885	9,180	7,413
General and administrative expenses	6,839	7,294	16,947	18,180
Interest and amortization expenses	4,773	4,833	8,597	9,665
Foreign exchange and other losses (gains)	2,621	(6,586)	5,437	(10,535)
Total expenses	30,710	17,300	61,508	29,314
(Loss) income before income taxes and interest in income (loss) of equity method investments	(7,930)	3,390	(19,235)	1,425
Less: income tax (benefit) expense	(194)	(713)	(222)	542
Interest in income (loss) of equity method investments	4,803	(3,041)	4,752	(1,770)
Net (loss) income	(2,933)	1,062	(14,261)	(887)
Gain from repurchase of preference shares	—	24,690	—	28,233
Net (loss) income (attributable) available to Maiden common shareholders	$ (2,933)	$ 25,752	$ (14,261)	$ 27,346
Basic and diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.03)	$ 0.29	$ (0.14)	$ 0.31
Weighted average number of common shares - basic	101,754,218	87,092,045	101,653,848	86,821,114
Adjusted weighted average number of common shares and assumed conversions - diluted	101,754,218	87,093,912	101,653,848	86,823,825

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 June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Net (loss) income	$ (2,933)	$ 1,062	$ (14,261)	$ (887)
Other comprehensive income (loss)				
Net unrealized holdings gains (losses) on AFS securities arising during period	847	(24,118)	2,783	(41,582)
Net unrealized holdings gains on equity method investments arising during period	—	—	—	4,414
Adjustment for reclassification of net realized gains recognized in net (loss) income	—	(410)	—	(5,648)
Foreign currency translation adjustment	766	10,256	1,334	15,848
Other comprehensive income (loss), before tax	1,613	(14,272)	4,117	(26,968)
Income tax benefit (expense) related to components of other comprehensive income (loss)	11	114	(19)	243
Other comprehensive income (loss), after tax	1,624	(14,158)	4,098	(26,725)
Comprehensive loss	$ (1,309)	$ (13,096)	$ (10,163)	$ (27,612)

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 Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Preference shares - Series A, C and D				
Beginning balance	$ —	$ 152,338	$ —	$ 159,210
Repurchase of Preference Shares – Series A	—	(10,891)	—	(10,891)
Repurchase of Preference Shares – Series C	—	(11,144)	—	(15,644)
Repurchase of Preference Shares – Series D	—	(10,631)	—	(13,003)
Ending balance	—	119,672	—	119,672
Common shares				
Beginning balance	1,496	933	1,492	923
Issuance of common shares from vesting of stock based compensation	1	1	5	11
Ending balance	1,497	934	1,497	934
Additional paid-in capital				
Beginning balance	885,125	770,910	884,259	768,650
Issuance of common shares from vesting of stock based compensation	(1)	(1)	(5)	(11)
Share-based compensation expense	338	231	1,115	2,271
Repurchase of preference shares	—	1,091	93	1,321
Cash settlement of restricted shares/options granted	—	10	—	10
Ending balance	885,462	772,241	885,462	772,241
Accumulated other comprehensive loss				
Beginning balance	(38,760)	(24,782)	(41,234)	(12,215)
Change in net unrealized investment gains (losses)	858	(24,414)	2,764	(42,573)
Foreign currency translation adjustment	766	10,256	1,334	15,848
Ending balance	(37,136)	(38,940)	(37,136)	(38,940)
Accumulated deficit				
Beginning balance	(459,704)	(496,701)	(442,863)	(498,295)
Opening allowance for expected credit losses	—	—	(5,513)	—
Net (loss) income	(2,933)	1,062	(14,261)	(887)
Gain from repurchase of preference shares	—	24,690	—	28,233
Ending balance	(462,637)	(470,949)	(462,637)	(470,949)
Treasury shares				
Beginning balance	(117,363)	(35,025)	(117,075)	(34,016)
Shares repurchased	(533)	—	(821)	(1,009)
Ending balance	(117,896)	(35,025)	(117,896)	(35,025)
Total shareholders' equity	$ 269,290	$ 347,933	$ 269,290	$ 347,933

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

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

For the Six Months Ended June 30,	**2023**	**2022**
Cash flows from operating activities		
Net loss	$ (14,261)	$ (887)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation, amortization and share-based compensation	(801)	1,845
Interest in (income) loss of equity method investments	(4,752)	1,770
Net realized and unrealized investment gains	(2,150)	(4,420)
Change in allowance for expected credit losses	250	—
Foreign exchange and other losses (gains)	5,437	(10,535)
Changes in assets – (increase) decrease:		
Reinsurance balances receivable, net	(420)	5,751
Reinsurance recoverable on unpaid losses	2,289	4,937
Accrued investment income	(1,607)	(2,943)
Deferred commission and other acquisition expenses	4,431	6,644
Funds withheld receivable	708	2,410
Other assets	373	(1,541)
Changes in liabilities – increase (decrease):		
Reserve for loss and loss adjustment expenses	(4,661)	(182,760)
Unearned premiums	(12,406)	(18,706)
Deferred gain on retroactive reinsurance	—	673
Accrued expenses and other liabilities	(36,092)	109,006
Net cash used in operating activities	(63,662)	(88,756)
Cash flows from investing activities:		
Purchases of fixed maturities	(37,739)	(32,602)
Purchases of other investments	(17,248)	(20,290)
Purchases of equity method investments	(3,585)	(13,723)
Purchases of equity securities	(1,000)	(10,784)
Proceeds from sales of fixed maturities	44,783	104,538
Proceeds from maturities, paydowns and calls of fixed maturities	27,123	43,572
Proceeds from sale and redemption of other investments	16,666	2,414
Proceeds from sale and redemption of equity method investments	15,746	23,263
Proceeds from sale and redemption of equity securities	469	—
Others, net	(32)	(55)
Net cash provided by investing activities	45,183	96,333
Cash flows from financing activities:		
Repurchase of common shares	(821)	(1,009)
Repurchase of preference shares	—	(9,984)
Repurchase of senior notes	(95)	—
Cash settlement of restricted shares granted and options exercised	—	10
Net cash used in financing activities	(916)	(10,983)
Effect of exchange rate changes on foreign currency cash, restricted cash and equivalents	233	(1,213)
Net decrease in cash, restricted cash and cash equivalents	(19,162)	(4,619)
Cash, restricted cash and cash equivalents, beginning of period	46,624	66,087
Cash, restricted cash and cash equivalents, end of period	$ 27,462	$ 61,468
Reconciliation of cash and restricted cash reported within Condensed Consolidated Balance Sheets:		
Cash and cash equivalents, end of period	$ 17,242	$ 37,766
Restricted cash and cash equivalents, end of period	10,220	23,702
Total cash, restricted cash and cash equivalents, end of period	$ 27,462	$ 61,468

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Maiden Holdings, Ltd. ("Parent Company" or "Maiden Holdings") and its subsidiaries (the "Company" or "Maiden"). They have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information 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 U.S. GAAP for complete financial statements. All significant intercompany 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 U.S. 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 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. Certain prior year comparatives have been reclassified to conform to the current period presentation. The effect of these reclassifications had no impact on previously reported shareholders' equity or net income.

Maiden creates shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets primarily in the insurance and related financial services industries where we can leverage our deep knowledge of those markets. We are currently underwriting reinsurance risks on a retroactive basis through our indirect wholly owned subsidiary Genesis Legacy Solutions ("GLS") which provides a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core to operations. GLS works with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. We expect this legacy solutions business to contribute to our active asset and capital management strategies. The Company does not presently underwrite prospective reinsurance risks.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets. Insurance support services are provided to Maiden LF and Maiden GF by our wholly owned subsidiary services company, Maiden Global Holdings Ltd. (“Maiden Global”), which is also a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in the European Union ("EU") and other global markets ("IIS business"). These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance Ltd. (“Maiden Reinsurance”).

The Company also has various historic reinsurance programs underwritten by Maiden Reinsurance which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") reinsurance agreements which were terminated in 2019 as discussed in *"Note 10. Related Party Transactions"*. In addition, the Company has a retroactive reinsurance agreement and a commutation agreement that further reduces its exposure and limits the potential volatility related to AmTrust liabilities, which are discussed in "*Note 8. Reinsurance*". Please see 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, 2022 for further details.

2. Significant Accounting Policies

There have been no material changes to the significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, except for the following:

Recently Adopted Accounting Standards

Accounting for Measurement of Credit Losses on Financial Instruments

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13 *"Financial Instruments: Credit Losses (Topic 326)"* replacing the "incurred loss" impairment methodology with an approach based on "expected losses" to estimate credit losses on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance requires financial assets to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the cost of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset.

ASU 2016-13 also modified the accounting for available-for-sale ("AFS") debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with *Subtopic 326-30, Financial Instruments: Credit Losses Available-for-Sale Debt Securities*. Credit losses relating to AFS debt securities will be recorded through an allowance for credit losses rather than under the previous OTTI methodology.

In April 2019, the FASB issued ASU 2019-04 for targeted improvements related to ASU 2016-13 which clarify that an entity should include all expected recoveries in its estimate of the allowance for credit losses. In addition, for collateral dependent financial assets, the amendments mandate that an allowance for credit losses that is added to the amortized cost basis of the financial asset should not exceed amounts previously written off. It also clarifies FASB’s intent to include all reinsurance recoverables within the scope of *Topic 944* to be within the scope of *Subtopic 326-20*, regardless of the measurement basis of those recoverables. The Company's reinsurance recoverable on unpaid losses is currently the most significant financial asset within the scope of ASU 2016-13.

Topic 326 was adopted by the Company on January 1, 2023 and an opening allowance for expected credit losses of $5,513 was recognized by the Company in the beginning retained earnings on January 1, 2023.

Credit Losses - AFS Fixed Maturity Securities

An AFS fixed maturity security is considered impaired if the fair value of the investment is below its amortized cost. On a quarterly basis, the Company evaluates all AFS fixed maturities for impairment losses. If an AFS fixed maturity security is impaired and the Company intends to sell the security or it is more likely than not that the Company will be required to sell the security before its anticipated recovery, the full amount of the impairment loss is charged immediately to net income (loss) and is included in net investment gains (losses).

If the Company does not intend to sell or will not be required to sell the impaired security before its anticipated recovery, the Company determines whether the decline in fair value below the amortized cost basis has resulted from a credit loss impairment or other factors. If the Company does not anticipate to fully recover the amortized cost, an allowance for expected credit losses is established. The allowance for expected credit losses is limited to the difference between a security's amortized cost basis and its fair value. The allowance for expected credit losses is charged to net income (loss) and is included in net investment gains (losses).

On a quarterly basis, the Company assesses whether unrealized losses on its AFS fixed maturity securities represent credit impairments by considering the following factors: the extent to which its fair value is less than its amortized cost; adverse conditions related to the specific security, industry, or geographical area; any recent downgrades in the security's credit rating by a credit rating agency; and if failure of the issuer to make scheduled principal or interest payments exists.

The length of time a security has been in an unrealized loss position no longer impacts the determination of whether a credit loss impairment exists. If a security is assessed to be credit impaired, it is subject to discounted cash flow analysis by comparing the present value of expected future cash flows with the amortized cost basis. If the present value of expected cash flows is less than the amortized cost, then a credit loss exists and an allowance for expected credit losses is recognized. If the present value of expected future cash flows is equal to or greater than the amortized cost basis, an expected credit loss does not exist. The non-credit impairment amount of the loss related to changes in interest rates and market conditions is recognized in other comprehensive income. The Company reports accrued interest receivable related to AFS securities separately and has elected not to measure an allowance for expected credit losses for accrued interest receivable. Write-offs of accrued interest receivable balances are recognized in net investment gains and losses in the period in which they are deemed uncollectible.

Based on the Company's analysis, there was no allowance for expected credit losses recognized on AFS securities held at June 30, 2023.

Credit Losses - Other Investments

The Company's investments in direct lending entities are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income or loss when determined to be needed from the Company's analysis of expected future cash flows. As of June 30, 2023, the total allowance for expected credit losses on the Company's investment in direct lending entities was $1,023. Please see *"Note 5(d). Fair Value Measurements"* for additional information regarding this investment.

2. Significant Accounting Policies (continued)

Credit Losses - Reinsurance Recoverable on Unpaid Losses

Reinsurance recoverable balances are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. A case-specific allowance for expected credit losses against reinsurance recoverables that the Company deems unlikely to be collected in full, is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs. In addition, a default analysis is used to estimate an allowance for expected credit losses on the remainder of the reinsurance recoverable balance. The principal components of the default analysis are reinsurance recoverable balances by reinsurer and default factors applied to estimate uncollectible amounts based on reinsurers' credit ratings and the length of collection periods. The default factors are based on a model developed by a major rating agency. The default analysis considers both current and forecasted economic conditions in the determination of the credit loss allowance.

The Company records credit loss expenses related to reinsurance recoverable in net incurred losses and loss adjustment expenses in the Company's condensed consolidated statements of income. Any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of reinsurance recoverable balances, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of June 30, 2023, the total allowance for expected credit losses on the Company's reinsurance recoverable balance was $4,530 which is discussed in more detail in *"Note 8. Reinsurance"*.

Credit Losses - Reinsurance Balances Receivable

Reinsurance balances receivable are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. The allowance for expected credit losses is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs, and current economic conditions, together with reasonable and supportable forecasts of short-term economic conditions. The allowance for expected credit losses is recognized in net income (loss) and any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of premium balances receivable, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of June 30, 2023, the total allowance for expected credit losses on the Company's reinsurance balances receivable was $196.

Credit Losses - Funds Withheld Receivable

Funds withheld receivable are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. The allowance for expected credit losses is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs, and current economic conditions, together with reasonable and supportable forecasts of short-term economic conditions. The allowance for expected credit losses is recognized in net income (loss) and any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of funds withheld receivable, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of June 30, 2023, the total allowance for expected credit losses on the Company's funds withheld receivable was $19.

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information

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 located primarily in Europe. This segment also includes transactions entered into by GLS as described in "*Note 1. Basis of Presentation.* Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement (“AmTrust Quota Share”) between Maiden Reinsurance and AmTrust’s wholly owned subsidiary, AmTrust International Insurance, Ltd. (“AII”) and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust’s wholly owned subsidiaries, AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC"), which are both in run-off effective January 1, 2019. Please refer to *"Note 10. Related Party Transactions"* for additional information regarding the AmTrust Reinsurance segment.

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; however, general corporate expenses are not allocated 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, funds withheld receivable, loan to related party and restricted cash and investments. All remaining assets are allocated to Corporate.

The following tables summarize the underwriting results of our reportable segments and the reconciliation of our reportable segments' underwriting results to consolidated net (loss) income for the three months ended June 30, 2023 and 2022, respectively:

For the Three Months Ended June 30, 2023	**Diversified Reinsurance**	**AmTrust Reinsurance**	**Total**
Gross premiums written	$ 6,652	$ 223	$ 6,875
Net premiums written	$ 6,652	$ 223	$ 6,875
Net premiums earned	$ 7,204	$ 3,835	$ 11,039
Other insurance revenue	78	—	78
Net loss and LAE	(3,828)	(7,704)	(11,532)
Commission and other acquisition expenses	(3,514)	(1,431)	(4,945)
General and administrative expenses	(3,058)	(844)	(3,902)
Underwriting loss	$ (3,118)	$ (6,144)	(9,262)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			11,663
Interest and amortization expenses			(4,773)
Foreign exchange and other losses, net			(2,621)
Other general and administrative expenses			(2,937)
Income tax benefit			194
Interest in income of equity method investments			4,803
Net loss			$ (2,933)

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Three Months Ended June 30, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 6,148	$ (2,809)	$ 3,339
Net premiums written	$ 5,995	$ (2,809)	$ 3,186
Net premiums earned	$ 7,125	$ 3,318	$ 10,443
Other insurance revenue	469	—	469
Net loss and LAE	(2,340)	(4,534)	(6,874)
Commission and other acquisition expenses	(3,519)	(1,366)	(4,885)
General and administrative expenses	(3,008)	(1,275)	(4,283)
Underwriting loss	$ (1,273)	$ (3,857)	(5,130)
Reconciliation to net income			
Net investment income and net realized and unrealized investment gains			9,778
Interest and amortization expenses			(4,833)
Foreign exchange and other gains, net			6,586
Other general and administrative expenses			(3,011)
Income tax benefit			713
Interest in loss from equity method investments			(3,041)
Net income			$ 1,062

The following tables summarize the underwriting results of our reportable segments and the reconciliation of our reportable segments' underwriting results to consolidated net loss for the six months ended June 30, 2023 and 2022, respectively:

For the Six Months Ended June 30, 2023	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 13,501	$ (5,790)	$ 7,711
Net premiums written	$ 13,425	$ (5,790)	$ 7,635
Net premiums earned	$ 14,675	$ 5,366	$ 20,041
Other insurance revenue	19	—	19
Net loss and LAE	(6,984)	(14,363)	(21,347)
Commission and other acquisition expenses	(7,170)	(2,010)	(9,180)
General and administrative expenses	(5,647)	(1,401)	(7,048)
Underwriting loss	$ (5,107)	$ (12,408)	(17,515)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			22,213
Interest and amortization expenses			(8,597)
Foreign exchange and other losses, net			(5,437)
Other general and administrative expenses			(9,899)
Income tax benefit			222
Interest in income from equity method investments			4,752
Net loss			$ (14,261)

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Six Months Ended June 30, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 10,884	$ (17,715)	$ (6,831)
Net premiums written	$ 10,578	$ (17,715)	$ (7,137)
Net premiums earned	$ 13,080	$ (1,515)	$ 11,565
Other insurance revenue	520	—	520
Net loss and LAE	(980)	(3,611)	(4,591)
Commission and other acquisition expenses	(7,290)	(123)	(7,413)
General and administrative expenses	(5,106)	(1,760)	(6,866)
Underwriting income (loss)	$ 224	$ (7,009)	(6,785)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			18,654
Interest and amortization expenses			(9,665)
Foreign exchange and other gains, net			10,535
Other general and administrative expenses			(11,314)
Income tax expense			(542)
Interest in loss from equity method investments			(1,770)
Net loss			$ (887)

The following tables summarize the financial position of the Company's reportable segments including the reconciliation to the Company's consolidated total assets at June 30, 2023 and December 31, 2022:

June 30, 2023	Diversified Reinsurance	AmTrust Reinsurance	Total
Total assets - reportable segments	$ 85,563	$ 1,161,547	$ 1,247,110
Corporate assets	—	—	417,803
Total Assets	$ 85,563	$ 1,161,547	$ 1,664,913

December 31, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Total assets - reportable segments	$ 97,290	$ 1,342,852	$ 1,440,142
Corporate assets	—	—	406,724
Total Assets	$ 97,290	$ 1,342,852	$ 1,846,866

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following tables set forth financial information relating to net premiums written by major line of business and reportable segment for the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30,	**2023**	**2022**
Net premiums written	**Total**	**Total**
Diversified Reinsurance		
International	$ 6,652	$ 5,995
Total Diversified Reinsurance	6,652	5,995
AmTrust Reinsurance		
Small Commercial Business	(75)	(2,649)
Specialty Program	1	(62)
Specialty Risk and Extended Warranty	297	(98)
Total AmTrust Reinsurance	223	(2,809)
Total Net Premiums Written	$ 6,875	$ 3,186

For the Six Months Ended June 30,	**2023**	**2022**
Net premiums written	**Total**	**Total**
Diversified Reinsurance		
International	$ 13,425	$ 10,578
Total Diversified Reinsurance	13,425	10,578
AmTrust Reinsurance		
Small Commercial Business	(158)	(14,371)
Specialty Program	157	775
Specialty Risk and Extended Warranty	(5,789)	(4,119)
Total AmTrust Reinsurance	(5,790)	(17,715)
Total Net Premiums Written	$ 7,635	$ (7,137)

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following tables set forth financial information for net premiums earned by major line of business and reportable segment for the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30,	**2023**	**2022**
Net premiums earned	**Total**	**Total**
Diversified Reinsurance		
International	$ 7,204	$ 7,125
Total Diversified Reinsurance	7,204	7,125
AmTrust Reinsurance		
Small Commercial Business	(75)	(2,649)
Specialty Program	1	(62)
Specialty Risk and Extended Warranty	3,909	6,029
Total AmTrust Reinsurance	3,835	3,318
Total Net Premiums Earned	$ 11,039	$ 10,443

For the Six Months Ended June 30,	**2023**	**2022**
Net premiums earned	**Total**	**Total**
Diversified Reinsurance		
International	$ 14,675	$ 13,080
Total Diversified Reinsurance	14,675	13,080
AmTrust Reinsurance		
Small Commercial Business	(158)	(14,359)
Specialty Program	157	776
Specialty Risk and Extended Warranty	5,367	12,068
Total AmTrust Reinsurance	5,366	(1,515)
Total Net Premiums Earned	$ 20,041	$ 11,565

(in thousands of U.S. dollars, except share and per share data)

4. Investments

The Company holds: (i) available-for-sale ("AFS") portfolios of fixed maturity and equity securities, carried at fair value; (ii) other investments, of which certain investments are carried at fair value and investments in direct lending entities are carried at cost less impairment; (iii) equity method investments; and (iv) funds held - directly managed.

a) Fixed Maturities

The amortized cost, gross unrealized gains and losses, and fair value of fixed maturities at June 30, 2023 and December 31, 2022 are as follows:

June 30, 2023	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	$ 62,802	$ 3	$ (121)	$ 62,684
U.S. agency bonds – mortgage-backed	37,175	—	(4,321)	32,854
Collateralized mortgage-backed securities	7,199	—	(406)	6,793
Non-U.S. government bonds	14,834	—	(786)	14,048
Collateralized loan obligations	98,260	—	(3,100)	95,160
Corporate bonds	80,183	—	(4,398)	75,785
Total fixed maturity investments	$ 300,453	$ 3	$ (13,132)	$ 287,324

December 31, 2022	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	$ 55,647	$ 1	$ (116)	$ 55,532
U.S. agency bonds – mortgage-backed	38,767	—	(4,402)	34,365
Collateralized mortgage-backed securities	7,199	—	(432)	6,767
Non-U.S. government bonds	12,643	—	(825)	11,818
Collateralized loan obligations	119,120	—	(5,028)	114,092
Corporate bonds	97,063	—	(5,110)	91,953
Total fixed maturity investments	$ 330,439	$ 1	$ (15,913)	$ 314,527

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 prepay obligations with or without call or prepayment penalties.

June 30, 2023	Amortized cost	Fair value
Due in one year or less	$ 76,632	$ 76,256
Due after one year through five years	72,144	68,153
Due after five years through ten years	9,043	8,108
	157,819	152,517
U.S. agency bonds – mortgage-backed	37,175	32,854
Collateralized mortgage-backed securities	7,199	6,793
Collateralized loan obligations	98,260	95,160
Total fixed maturity investments	$ 300,453	$ 287,324

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The following tables summarize fixed maturities 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	
June 30, 2023	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**
U.S. treasury bonds	$ 48,615	$ (95)	$ 975	$ (26)	$ 49,590	$ (121)
U.S. agency bonds – mortgage-backed	—	—	32,854	(4,321)	32,854	(4,321)
Collateralized mortgage-backed securities	—	—	6,793	(406)	6,793	(406)
Non-U.S. government bonds	—	—	12,088	(786)	12,088	(786)
Collateralized loan obligations	—	—	95,160	(3,100)	95,160	(3,100)
Corporate bonds	1,756	(65)	74,029	(4,333)	75,785	(4,398)
Total temporarily impaired fixed maturities	$ 50,371	$ (160)	$ 221,899	$ (12,972)	$ 272,270	$ (13,132)

At June 30, 2023, there were 79 securities in an unrealized loss position with a fair value of $272,270 and unrealized losses of $13,132. Of these securities in an unrealized loss position, there were 74 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of $221,899 and unrealized losses of $12,972.

	Less than 12 Months		12 Months or More		Total	
December 31, 2022	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**
U.S. treasury bonds	$ 53,094	$ (114)	$ 148	$ (2)	$ 53,242	$ (116)
U.S. agency bonds – mortgage-backed	31,394	(3,697)	2,971	(705)	34,365	(4,402)
Collateralized mortgage-backed securities	6,767	(432)	—	—	6,767	(432)
Non-U.S. government bonds	11,818	(825)	—	—	11,818	(825)
Collateralized loan obligations	17,959	(1,032)	96,133	(3,996)	114,092	(5,028)
Corporate bonds	87,213	(4,325)	4,740	(785)	91,953	(5,110)
Total temporarily impaired fixed maturities	$ 208,245	$ (10,425)	$ 103,992	$ (5,488)	$ 312,237	$ (15,913)

At December 31, 2022, there were 88 securities in an unrealized loss position with a fair value of $312,237 and unrealized losses of $15,913. Of these securities in an unrealized loss position, there were 26 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of $103,992 and unrealized losses of $5,488.

Allowance for Expected Credit Losses & Non-Credit Related Impairment Costs

The Company evaluates AFS securities for impairment when fair value is below amortized cost on a quarterly basis. If the Company intends to sell or will be required to sell the security before its anticipated recovery, the full amount of the impairment loss is charged to net income (loss) and included in net investment gains (losses). If the Company does not intend to sell or will not be required to sell the security before its anticipated recovery, an allowance for expected credit losses is established and the portion of the loss relating to credit factors is recorded in net income (loss). The non-credit impairment amount of the loss (which could be related to interest rates and/or market conditions) is recognized in other comprehensive income.

To estimate the allowance for expected credit losses for most of the AFS securities, the Company analyzes projected cash flows which are primarily driven by assumptions regarding loss severity, probability of default and projected recovery rates. The Company's determination of default and loss severity rates are based on credit rating, credit analysis and macroeconomic forecasts. Unrealized losses on securities issued or backed, either explicitly or implicitly by the U.S. government are not analyzed for credit losses. The Company has concluded that any possibility of a credit loss on these securities is highly unlikely due to the explicit U.S. government guarantee related to certain securities (e.g., Government National Mortgage Association issuances) and the implicit guarantee related to other securities that has been validated by past actions (e.g., U.S. government bailout of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation during the 2008 credit crisis). Although these securities are not analyzed for credit losses, they are evaluated for impairment based on the Company's intention to sell and likely requirement to sell.

Based on the Company's analysis at June 30, 2023 and 2022, respectively, the Company did not recognize any impairment on its AFS fixed maturity securities as the Company expects the amortized cost basis will ultimately be recovered based on projected cash flows as the related securities approach maturity. The Company continues to monitor the credit quality of the AFS securities to assess if it is probable that it will receive contractual or estimated cash flows in the form of principal and interest. Therefore, as the unrealized losses were due to non-credit factors, there was no allowance recorded for expected credit losses on AFS securities for the three and six months ended June 30, 2023.

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The following tables summarize the credit ratings of our fixed maturities as at June 30, 2023 and December 31, 2022:

June 30, 2023	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 62,802	$ 62,684	21.8 %
U.S. agency bonds	37,175	32,854	11.4 %
AAA	91,830	88,911	31.0 %
AA+, AA, AA-	26,254	25,102	8.7 %
A+, A, A-	37,126	34,720	12.1 %
BBB+, BBB, BBB-	39,811	37,980	13.2 %
BB+ or lower	5,455	5,073	1.8 %
Total fixed maturities (1)	$ 300,453	$ 287,324	100.0 %

December 31, 2022	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 55,647	$ 55,532	17.7 %
U.S. agency bonds	38,767	34,365	10.9 %
AAA	112,775	108,136	34.4 %
AA+, AA, AA-	23,974	22,640	7.2 %
A+, A, A-	38,549	35,996	11.4 %
BBB+, BBB, BBB-	55,374	53,094	16.9 %
BB+ or lower	5,353	4,764	1.5 %
Total fixed maturities(1)	$ 330,439	$ 314,527	100.0 %

(1) Ratings above are based on Standard & Poor’s ("S&P"), or equivalent, ratings.

b) Other Investments, Equity Securities and Equity Method Investments

Certain of the Company's other investments and equity method investments are subject to restrictions on redemptions and sales that are determined by the governing documents, which could limit our ability to liquidate those investments. These restrictions may include lock-ups, redemption gates, restricted share classes, restrictions on the frequency of redemption and notice periods. A gate is the ability to deny or delay a redemption request. Certain other investments and equity method investments may not have any restrictions governing their sale, but there is no active market and no guarantee that we will be able to execute a sale in a timely manner. In addition, even if certain other investments and equity method investments are not eligible for redemption or sales are restricted, the Company may still receive income distributions from those investments.

Other investments

The table shows the composition of the Company's other investments as of June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
	Carrying value	% of Total	Carrying value	% of Total
Private equity funds	$ 36,284	24.2 %	$ 32,298	21.7 %
Private credit funds	17,620	11.7 %	26,354	17.7 %
Privately held equity investments	34,845	23.2 %	34,014	22.9 %
Total other investments at fair value	88,749	59.1 %	92,666	62.3 %
Investments in direct lending entities (at cost)	61,400	40.9 %	56,087	37.7 %
Total other investments	$ 150,149	100.0 %	$ 148,753	100.0 %

The Company's investments in direct lending entities of $61,400 at June 30, 2023 (December 31, 2022 - $56,087) are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income when determined. An allowance for expected credit losses of $1,023 was reported on the investments in direct lending entities as at June 30, 2023 and recorded in opening retained earnings on January 1, 2023. Please see *"Note 5(d). Fair Value Measurements"* for additional information regarding this investment.

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

Equity Securities

Equity securities include publicly traded equity investments in common stocks and privately held equity investments in common and preferred stocks. The Company's publicly traded equity investments in common stocks trade on major exchanges. The Company's privately held equity investments in common and preferred stocks are direct investments in companies that the Company believes offer attractive risk adjusted returns or offer other strategic advantages. Each investment may have its own unique terms and conditions and there may be restrictions on disposals. There is no active market for these investments.

The following table provides the cost and fair values of the equity securities held at June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
	Cost	Fair Value	Cost	Fair Value
Publicly traded equity investments in common stocks	$ 90	$ 84	$ 559	$ 386
Privately held common stocks	32,775	32,214	32,775	32,290
Privately held preferred stocks	8,175	12,953	7,175	10,945
Total equity securities	$ 41,040	$ 45,251	$ 40,509	$ 43,621

Equity Method Investments

The equity method investments include real estate investments, hedge fund investments, and other investments. The table below shows the carrying value of the Company's equity method investments as of June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
	Carrying Value	% of Total	Carrying Value	% of Total
Real estate investments	$ 42,602	58.2 %	$ 40,944	51.1 %
Hedge fund investments	—	— %	5,376	6.7 %
Other investments	30,614	41.8 %	33,839	42.2 %
Total equity method investments	$ 73,216	100.0 %	$ 80,159	100.0 %

The equity method investments above include limited partnerships which are variable interests issued by variable interest entities ("VIEs"). The Company does not have the power to direct the activities that are most significant to the economic performance of these VIEs, therefore, the Company is not the primary beneficiary of these VIEs. The Company is deemed to have limited influence over the operating and financial policies of the investee and accordingly, these investments are reported under the equity method of accounting. In applying the equity method of accounting, the investments are initially recorded at cost and are subsequently adjusted based on the Company's proportionate share of the investee's net income or loss. Generally, the maximum exposure to loss on these interests is limited to the amount of commitment made by the Company as more fully described in *"Note 11 - Commitments, Contingencies and Guarantees"* in these condensed consolidated financial statements.

c) Net Investment Income

Net investment income was derived from the following sources for the three and six months ended June 30, 2023 and 2022:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Fixed maturities	$ 2,780	$ 2,161	$ 5,198	$ 4,815
Income on funds withheld	3,187	3,513	6,522	6,137
Interest income from loan to related party	2,927	1,158	5,625	2,037
Cash and cash equivalents and other investments	1,813	989	3,006	1,582
	10,707	7,821	20,351	14,571
Investment expenses	(189)	(154)	(288)	(337)
Net investment income	$ 10,518	$ 7,667	$ 20,063	$ 14,234

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

d) Net Realized and Unrealized Investment Gains (Losses)

Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method. The following tables show the net realized and unrealized investment gains (losses) included in the Condensed Consolidated Statements of Income for the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30, 2023	Gross gains	Gross losses	Net
Fixed maturities	$ —	$ (786)	$ (786)
Equity securities	454	(1)	453
Other investments	2,234	(756)	1,478
Net realized and unrealized investment gains (losses)	$ 2,688	$ (1,543)	$ 1,145

For the Three Months Ended June 30, 2022	Gross gains	Gross losses	Net
Fixed maturities	$ —	$ (47)	$ (47)
Equity securities	3,659	(321)	3,338
Other investments	519	(1,699)	(1,180)
Net realized and unrealized investment gains (losses)	$ 4,178	$ (2,067)	$ 2,111

For the Six Months Ended June 30, 2023	Gross gains	Gross losses	Net
Fixed maturities	$ —	$ (786)	$ (786)
Equity securities	1,478	(379)	1,099
Other investments	3,875	(2,038)	1,837
Net realized and unrealized investment gains (losses)	$ 5,353	$ (3,203)	$ 2,150

For the Six Months Ended June 30, 2022	Gross gains	Gross losses	Net
Fixed maturities	$ 1,238	$ (142)	$ 1,096
Equity securities	3,659	(808)	2,851
Other investments	2,432	(1,959)	473
Net realized and unrealized investment gains (losses)	$ 7,329	$ (2,909)	$ 4,420

Realized and unrealized gains and losses from equity securities detailed above include both sales of equity securities and unrealized gains and losses coming from fair value changes. The unrealized gains recognized in net loss or income for the three and six months ended June 30, 2023 and 2022 for investments held at June 30, 2023 and 2022, respectively, were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Net gains recognized for equity securities	$ 453	$ 3,338	$ 1,099	$ 2,851
Net gains recognized for equity securities divested	(10)	—	(186)	—
Unrealized gains recognized for equity securities still held at reporting date	$ 443	$ 3,338	$ 913	$ 2,851

Proceeds from sales of fixed maturity investments were $43,829 and $44,783 in the three and six months ended June 30, 2023 (2022 - $2,934 and $104,538, respectively). Net unrealized losses at June 30, 2023 and December 31, 2022 included:

	June 30, 2023	December 31, 2022
Fixed maturity investments	$ (13,129)	$ (15,912)
Total net unrealized losses	(13,129)	(15,912)
Deferred income tax	225	244
Net unrealized losses, net of deferred income tax	$ (12,904)	$ (15,668)
Change, net of deferred income tax	$ 2,764	$ (12,975)

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

e) Restricted Cash and Cash Equivalents and Investments

The Company is required to provide collateral for its reinsurance liabilities under various reinsurance agreements and utilizes trust accounts to collateralize business with reinsurance counterparties. The assets in trust as collateral are primarily cash and highly rated fixed maturities. The fair values of restricted assets at June 30, 2023 and December 31, 2022 are:

	June 30, 2023	December 31, 2022
Restricted cash – third party agreements	$ 6,481	$ 13,122
Restricted cash – related party agreements	3,739	2,516
Total restricted cash	10,220	15,638
Restricted investments – in trust for third party agreements at fair value (amortized cost: 2023 – $49,536; 2022 – $48,181)	49,494	48,101
Restricted investments – in trust for related party agreements at fair value (amortized cost: 2023 – $180,755; 2022 – $246,325)	172,886	233,091
Total restricted investments	222,380	281,192
Total restricted cash and investments	$ 232,600	$ 296,830

5. Fair Value of Financial Instruments

(a) Fair Values of Financial Instruments

Fair Value Measurements — Accounting Standards Codification 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 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:

- *Level 1* — Valuations based on unadjusted quoted market prices for identical assets or liabilities that we have the ability to access. Because 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: U.S. Treasury bonds; and publicly traded equity securities;
- *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 severity, 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
- *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 developed on the basis of the best information available in the particular circumstances. Examples of assets and liabilities utilizing Level 3 inputs include: an investment in preference shares of a start-up insurance producer.

The availability of observable inputs can vary 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 the Level 3 hierarchy.

The Company uses prices and inputs that are current as 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 hierarchy levels.

For investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these in the Level 1 hierarchy. The Company receives the quoted market prices from a third party nationally recognized 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 representative 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. 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.

5. Fair Value of Financial Instruments (continued)

ASC 825, *"Disclosure About Fair Value of Financial Instruments"*, requires all entities to disclose the fair value of their financial instruments for 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 that are measured at fair value on a recurring basis held at June 30, 2023 and December 31, 2022.

U.S. government and U.S. agency bonds — Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association and the Federal Farm Credit Banks Funding Corporation. 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 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 bonds are observable market inputs, the fair values of non-U.S. government bonds are included in the Level 2 fair value hierarchy.

Collateralized loan obligations ("CLO") - These asset backed securities are 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 CLO are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Commercial mortgage-backed securities ("CMBS") - These asset backed securities are 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 are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

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

Equity securities - Equity securities include publicly traded common and preferred stocks, and privately held common and preferred stocks. The fair value of publicly traded common and preferred stocks is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. These investments are carried at fair value using observable market pricing data and is included in the Level 1 fair value hierarchy. Any unrealized gains or losses on the investment is recorded in net income in the reporting period in which it occurs. The privately held common and preferred stocks are valued using significant inputs that are unobservable where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine the fair values, therefore, these investments are classified as Level 3 in the fair value hierarchy.

Other investments — Includes unquoted investments comprised of the following types of investments:

- Privately held investments: These are direct equity investments in common and preferred shares of privately held entities. The fair values are estimated using quarterly financial statements and/or recent private market transactions and thus are included under Level 3 of the fair value hierarchy due to unobservable market data used for valuation.

- Private credit funds: These are privately held equity investments in common stock of entities that lend money valued using the most recently available or quarterly net asset value ("NAV") statements as provided by the external fund manager or third-party administrator and therefore measured using the NAV as a practical expedient.

- Private equity funds: These are comprised of private equity funds, private equity co-investments with sponsoring entities and investments in real estate limited partnerships and joint ventures. The fair value is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator. The fair values are therefore measured using the NAV as a practical expedient.

Derivative Instruments - The Company has entered into reinsurance contracts that are accounted for as derivatives. These reinsurance contracts provide indemnification to an insured or cedant as a result of a change in a variable as opposed to an identifiable insurable event. The Company considers these contracts to be part of its underwriting operations. The derivatives are initially valued at cost which approximates fair value. In subsequent measurement periods, the fair values of these derivatives are determined using internally developed discounted cash flow models using appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of these derivatives. The fair value changes in underwriting-related derivative instruments is included within other insurance revenue (expense), net.

(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

The derivative liability on retroactive reinsurance is presented as part of accrued expenses and other liabilities. A significant increase (decrease) in this input in isolation may result in a significantly lower (higher) fair value measurement for the derivative contract. As the significant inputs used to price these derivatives are unobservable, the fair values of these contracts are classified as Level 3 in the fair value 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 valuation methodology whenever available. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active trading markets and the lowest priority to unobservable inputs that reflect significant market assumptions.

At June 30, 2023 and December 31, 2022, the Company classified its financial instruments measured at fair value on a recurring basis in the following valuation hierarchy:

June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	$ 62,684	$ —	$ —	$ —	$ 62,684
U.S. agency bonds – mortgage-backed	—	32,854	—	—	32,854
Collateralized mortgage-backed bonds	—	6,793	—	—	6,793
Non-U.S. government bonds	—	14,048	—	—	14,048
Collateralized loan obligations	—	95,160	—	—	95,160
Corporate bonds	—	75,785	—	—	75,785
Equity securities	84	—	20,013	25,154	45,251
Other investments	—	—	1,385	87,364	88,749
Total investments	$ 62,768	$ 224,640	$ 21,398	$ 112,518	$ 421,324
As a percentage of total assets	3.8%	13.5%	1.3%	6.7%	25.3%
Underwriting-related derivative liability	$ —	$ —	$ 3,984	$ —	$ 3,984

December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	$ 55,532	$ —	$ —	$ —	$ 55,532
U.S. agency bonds – mortgage-backed	—	34,365	—	—	34,365
Collateralized mortgage-backed bonds	—	6,767	—	—	6,767
Non-U.S. government bonds	—	11,818	—	—	11,818
Collateralized loan obligations	—	114,092	—	—	114,092
Corporate bonds	—	91,953	—	—	91,953
Equity securities	386	—	17,806	25,429	43,621
Other investments	—	1,000	1,000	90,666	92,666
Total investments	$ 55,918	$ 259,995	$ 18,806	$ 116,095	$ 450,814
As a percentage of total assets	3.0%	14.1%	1.0%	6.3%	24.4%
Underwriting-related derivative liability	$ —	$ —	$ 14,559	$ —	$ 14,559

(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

The Company utilizes the Pricing Service to assist in determining the fair value of its investments; however, management is ultimately responsible for all fair values presented in the Company's consolidated financial statements. This includes responsibility for monitoring the fair value process, ensuring objective and reliable valuation practices, and pricing of assets and liabilities and use of pricing sources. The Company analyzes and reviews the information and prices received from the Pricing Service to ensure that the prices provided represent a reasonable estimate of fair value.

The Pricing Service was utilized to estimate fair value measurements for 98.2% and 98.5% of our fixed maturities at June 30, 2023 and December 31, 2022, 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 actively 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 within the fair value hierarchy.

At June 30, 2023 and December 31, 2022, approximately 1.8% and 1.5%, respectively, of our fixed maturities were valued using the market approach. At June 30, 2023, one security or $5,073 (December 31, 2022 - one security or $4,764) of our fixed maturity investment portfolio classified as Level 2 in the table above was priced using a quotation from a broker and/or custodian as opposed to the Pricing Service due to lack of information available.

At June 30, 2023 and December 31, 2022, the Company has not adjusted any pricing provided to it based on the review performed by its investment managers. There were no transfers to or from Level 3 during the six months ended June 30, 2023 and 2022.

(c) Level 3 Financial Instruments

At June 30, 2023, the Company holds Level 3 financial instruments which include privately held equity investments of $21,398 (December 31, 2022 - $18,806) which are included in total investments and an underwriting-related derivative liability of $3,984 (December 31, 2022 - $14,559) on a reinsurance contract written by GLS which is included in accrued expenses and other liabilities.

The fair value of privately held equity securities are estimated using quarterly unaudited capital or financial statements provided by the investee or recent private market transactions, where applicable. Any changes to the financial information provided by the investee could result in a significantly higher or lower valuation at the reporting date. The fair value of underwriting-related derivative instruments is determined using a discounted cash flow model in which the Company examines current market conditions, historical results as well as contract specific information that may impact future cash flows in order to assess the reasonableness of inputs used in the valuation model. Due to significant unobservable inputs in these valuations, the Company classifies the fair values as Level 3 within the fair value hierarchy. The following table provides a summary of quantitative information regarding the significant unobservable inputs used in determining the fair value of other investments measured at fair value on a recurring basis under the Level 3 classification at June 30, 2023:

	Fair Value	Valuation Technique	Unobservable Inputs	Range
Privately held equity securities - common shares	$ 7,060	Quarterly financial statements	Price/book ratios of comparable public companies	
Privately held equity securities - preferred shares	14,338	Quarterly financial statements	Privately calculated enterprise valuations	
Total Level 3 investments	$ 21,398			
Underwriting-related derivative liability	$ 3,984	Discounted cash flows	Duration matched discount rates	5.0% to 6.0%

The following table shows the reconciliation of beginning and ending balances for investments measured at fair value on a recurring basis using Level 3 inputs for the three and six months ended June 30, 2023 and 2022. The Company includes any related interest and dividend income in net investment income and are excluded from the reconciliation in the table below:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Balance - beginning of period	$ 21,198	$ 9,660	$ 18,806	$ 7,094
Sales	—	(1,000)	—	(1,000)
Net realized and unrealized gains recognized in the statement of income	200	3,659	1,592	3,659
Purchases	—	3,875	1,000	6,441
Total Level 3 investments - end of period	$ 21,398	$ 16,194	$ 21,398	$ 16,194

(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

(d) Financial Instruments Disclosed, But Not Carried, at Fair Value

The fair value of financial instruments accounting guidance also applies to financial instruments disclosed, but not carried, at fair value, except for certain financial instruments related to insurance contracts.

At June 30, 2023, the carrying values of cash equivalents (including restricted amounts), accrued investment income, reinsurance balances receivable, loan to related party, and certain other assets and liabilities approximate fair values due to their inherent short duration. As these financial instruments are not actively traded, the fair values of these financial instruments are classified as Level 2.

The investments made by direct lending entities are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income when determined. The net carrying value of which approximates fair value. The fair value estimates of these investments are not based on observable market data and, as a result, are classified as Level 3.

The fair values of the Senior Notes (as defined in *"Note 7. Long-Term Debt"*) are based on indicative market pricing obtained from a third-party pricing service which uses observable market inputs, and therefore the fair values of these liabilities are classified as Level 2. The following table presents the respective carrying value and fair value for the Senior Notes as at June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Notes - MHLA – 6.625%	$ 110,000	$ 82,148	$ 110,000	$ 76,560
Senior Notes - MHNC – 7.75%	152,361	121,340	152,500	113,826
Total Senior Notes	$ 262,361	$ 203,488	$ 262,500	$ 190,386

6. Shareholders' Equity

a) Common Shares

On May 3, 2023 at its Annual General Meeting of Shareholders, the Company's common shareholders approved the increase in the authorized share capital of the Company from $1,500 divided into 150,000,000 shares of par value $0.01 each, to $2,000 divided into 200,000,000 shares of par value $0.01 each.

At June 30, 2023, the aggregate authorized share capital of the Company is 200,000,000 shares from which 149,726,105 common shares were issued, of which 101,605,815 common shares are outstanding, and 48,120,290 shares are treasury shares.

The remaining 50,273,895 shares are undesignated at June 30, 2023. At June 30, 2023, 1,020,027 common shares will be issued and outstanding upon vesting of restricted shares.

b) Treasury Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100,000 of the Company's common shares from time to time at market prices. During the three and six months ended June 30, 2023, Maiden Reinsurance repurchased 299,630 common shares at an average price per share of $2.07 under the Company's share repurchase plan (2022 - none). The Company has a remaining authorization of $73,626 for common share repurchases at June 30, 2023 (December 31, 2022 - $74,245).

During the six months ended June 30, 2023, the Company also repurchased 128,731 common shares (2022 - 403,716) at an average price per share of $2.25 (2022 - $2.50) from employees, which represent tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

Treasury shares include 41,738,978 common shares owned by Maiden Reinsurance which includes 41,439,348 shares issued as part of the exchange for preference shares held ("Exchange") and 299,630 shares directly purchased on the open market by Maiden Reinsurance which are not treated as outstanding common shares on the Condensed Consolidated Balance Sheet at June 30, 2023. Please see further information on the Exchange and related preference share repurchases in the Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 15, 2023.

The table below includes the total number of treasury shares outstanding at June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Number of shares held by Maiden Reinsurance treated as treasury shares	41,738,978	41,439,348
Number of treasury shares due to common share repurchases by Maiden Holdings	6,381,312	6,252,581
Total number of treasury shares at the end of the reporting period	48,120,290	47,691,929

(in thousands of U.S. dollars, except share and per share data)

6. Shareholders' Equity (continued)

c) Accumulated Other Comprehensive Loss ("AOCI")

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

For the Three Months Ended June 30, 2023	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ (13,762)	$ (24,998)	$ (38,760)
Other comprehensive income before reclassifications	858	766	1,624
Net current period other comprehensive income	858	766	1,624
Ending balance, Maiden shareholders	$ (12,904)	$ (24,232)	$ (37,136)

For the Three Months Ended June 30, 2022	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ (20,852)	$ (3,930)	$ (24,782)
Other comprehensive (loss) income before reclassifications	(24,004)	10,256	(13,748)
Amounts reclassified from AOCI to net income, net of tax	(410)	—	(410)
Net current period other comprehensive (loss) income	(24,414)	10,256	(14,158)
Ending balance, Maiden shareholders	$ (45,266)	$ 6,326	$ (38,940)

For the Six Months Ended June 30, 2023	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ (15,668)	$ (25,566)	$ (41,234)
Other comprehensive income before reclassifications	2,764	1,334	4,098
Net current period other comprehensive income	2,764	1,334	4,098
Ending balance, Maiden shareholders	$ (12,904)	$ (24,232)	$ (37,136)

For the Six Months Ended June 30, 2022	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ (2,693)	$ (9,522)	$ (12,215)
Other comprehensive (loss) income before reclassifications	(36,925)	15,848	(21,077)
Amounts reclassified from AOCI to net income, net of tax	(5,648)	—	(5,648)
Net current period other comprehensive (loss) income	(42,573)	15,848	(26,725)
Ending balance, Maiden shareholders	$ (45,266)	$ 6,326	$ (38,940)

(in thousands of U.S. dollars, except share and per share data)

7. Long-Term Debt

Senior Notes

At June 30, 2023 and December 31, 2022, Maiden Holdings had outstanding publicly-traded senior notes which were issued in 2016 ("2016 Senior Notes") and its wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA") had outstanding publicly-traded senior notes which were issued in 2013 ("2013 Senior Notes") (collectively "Senior Notes"). The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

The following tables detail the issuances of Senior Notes outstanding at June 30, 2023 and December 31, 2022:

June 30, 2023	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,361	$ 262,361
Less: unamortized issuance costs	3,376	4,464	7,840
Carrying value	$ 106,624	$ 147,897	$ 254,521

December 31, 2022	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,500	$ 262,500
Less: unamortized issuance costs	3,406	3,522	6,928
Carrying value	$ 106,594	$ 148,978	$ 255,572

Other details:		
Original debt issuance costs pertaining to remaining outstanding principal amount	$ 3,715	$ 5,050
Maturity date	June 14, 2046	December 1, 2043
Earliest redeemable date (for cash)	June 14, 2021	December 1, 2018
Coupon rate	6.625 %	7.75 %
Effective interest rate	7.07 %	8.04 %

Total interest and amortization expense incurred on the Senior Notes for the three and six months ended June 30, 2023 was $4,813 and $8,637, respectively (2022 - $4,833 and $9,665, respectively), of which $1,342 was accrued as interest payable at both June 30, 2023 and December 31, 2022, respectively. The issuance costs related to the Senior Notes were capitalized and are amortized over the effective life of the Senior Notes using the effective interest method of amortization.

Under the terms of the 2013 Senior Notes, the 2013 Senior Notes can be redeemed, in whole or in part, at Maiden NA's option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden NA is required to give at least thirty days and not more than sixty days notice prior to the redemption date.

Under the terms of the 2016 Senior Notes, the 2016 Senior Notes can be redeemed, in whole or in part, at Maiden Holdings' option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden Holdings is required to give at least thirty days and not more than sixty days notice prior to the redemption date.

On May 3, 2023, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100,000 of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated.

During the three and six months ended June 30, 2023, the Company repurchased 5,567 notes of the 2013 Senior Notes at an average price per unit of $17.10 for a total cost of $95. Total interest and amortization expenses were partly offset by a gain of $40 that was realized on the repurchase of the 2013 Senior Notes during the three and six months ended June 30, 2023. The Company has a remaining authorization of $99,905 for Senior Notes repurchases at June 30, 2023.

(in thousands of U.S. dollars, except share and per share data)

8. Reinsurance

The Company uses reinsurance and retrocessional agreements ("ceded reinsurance") to mitigate volatility, reduce its exposure to certain risks and provide capital support. Ceded reinsurance provides for the recovery of a portion of loss and LAE under certain circumstances without relieving the Company of its obligations to the policyholders. The Company remains liable to the extent that any of its reinsurers or retrocessionaires fails to meet their obligations. Loss and LAE incurred and premiums earned are reported after deduction for ceded reinsurance. In the event that one or more of our reinsurers or retrocessionaires are unable to meet their obligations under these agreements, the Company would not realize the full value of the reinsurance recoverable balances.

The effect of ceded reinsurance on net premiums written and earned and on net loss and LAE for the six months ended June 30, 2023 and 2022 was as follows:

For the Six Months Ended June 30,	2023	2022
Premiums written		
Direct	$ 13,515	$ 10,890
Assumed	(5,804)	(17,721)
Ceded	(76)	(306)
Net	$ 7,635	$ (7,137)
Premiums earned		
Direct	$ 13,365	$ 10,845
Assumed	6,752	1,031
Ceded	(76)	(311)
Net	$ 20,041	$ 11,565
Loss and LAE		
Gross loss and LAE	$ 20,991	$ 4,951
Loss and LAE ceded	356	(360)
Net	$ 21,347	$ 4,591

The Company's reinsurance recoverable on unpaid losses balance as at June 30, 2023 was $561,576 (December 31, 2022 - $556,116) presented in the Condensed Consolidated Balance Sheets. As of June 30, 2023, the total allowance for expected credit losses on the Company's reinsurance recoverable balance was $4,530.

The following table provides a reconciliation of the beginning and ending balances of the allowance for expected credit losses on reinsurance recoverable for the three and six months ended June 30, 2023:

	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2023
Allowance for expected credit losses on reinsurance recoverable, beginning of period	$ 4,254	4,277
Increase in allowance for expected credit losses on reinsurance recoverable where credit losses were previously recognized	276	253
Allowance for expected credit losses on reinsurance recoverable, end of period	$ 4,530	4,530

On December 27, 2018, Cavello Bay Reinsurance Limited ("Cavello") and Maiden Reinsurance entered into a retrocession agreement pursuant to which certain assets and liabilities associated with the U.S. treaty reinsurance business held by Maiden Reinsurance were 100.0% retroceded to Cavello in exchange for a ceding commission. The reinsurance recoverable on unpaid losses due from Cavello under this retrocession agreement was $54,880 at June 30, 2023 (December 31, 2022 - $60,112). The recoverable due from Cavello is net of an allowance for expected credit losses of $4,008 as at June 30, 2023.

On July 31, 2019, Maiden Reinsurance and Cavello entered into a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement") pursuant to which Cavello assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share in excess of a $2,178,535 retention up to $600,000, in exchange for a retrocession premium of $445,000. The $2,178,535 retention is subject to adjustment for paid losses subsequent to December 31, 2018. The LPT/ADC Agreement provides Maiden Reinsurance with $155,000 in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. The LPT/ADC Agreement meets the criteria for risk transfer and is thus accounted for as retroactive reinsurance. Cumulative ceded losses exceeding $445,000 are recognized as a deferred gain liability and amortized into income over the settlement period of the ceded reserves in proportion to cumulative losses collected over the estimated ultimate reinsurance recoverable.

8. Reinsurance (continued)

The amount of the deferral is recalculated each period based on loss payments and updated estimates. Consequently, cumulative adverse development subsequent to December 31, 2018 may result in significant losses from operations until periods when the deferred gain is recognized as a benefit to earnings.

As of June 30, 2023, the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement was $502,195 while the deferred gain liability under the LPT/ADC Agreement was $57,708 (December 31, 2022 - $490,408 and $45,408, respectively). The recoverable due under the LPT/ADC Agreement is net of an allowance for expected credit losses of $513 as at June 30, 2023. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is estimated to be in 2025.

Cavello provided collateral in the form of a letter of credit in the amount of $445,000 to AmTrust under the LPT/ADC Agreement. Cavello is subject to additional collateral funding requirements as explained in *"Note 10. Related Party Transactions"*. As of June 30, 2023, the amount of collateral required was $471,636. Under the terms of the LPT/ADC Agreement, the covered losses associated with the Commutation and Release Agreement with AmTrust are eligible to be covered but recoverable only when such losses are paid or settled by AII or its affiliates, provided such losses and other related amounts shall not exceed $312,786. Cavello's parent company, Enstar, has credit ratings of BBB from both Standard & Poor's and Fitch Ratings at June 30, 2023.

(in thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses

The Company uses both historical experience and industry-wide loss development factors to provide a reasonable basis for estimating future losses. In the future, certain events may be beyond the control of management, such as changes in law, judicial interpretations of law, and rates of inflation, which may favorably or unfavorably impact the ultimate settlement of the Company's loss and LAE reserves.

The anticipated effect of inflation is implicitly considered when estimating liabilities for loss and LAE. While anticipated changes in claim costs due to inflation are considered in estimating the ultimate claim costs, changes in the average severity of claims are caused by a number of factors that vary with the individual type of policy written. Ultimate losses are projected based on historical trends adjusted for implemented changes in underwriting standards, claims handling, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

The reserving process begins with the collection and analysis of paid losses and incurred claims data for each of the Company's contracts. While reserves are mostly reviewed on a contract by contract basis, paid loss and incurred claims data is also aggregated into reserving segments. The segmental data is disaggregated by reserving class and further disaggregated by either accident year (i.e. the year in which the loss event occurred) or by underwriting year (i.e. the year in which the contract generating the premium and losses incepted). In cases where the Company uses underwriting year information, reserves are subsequently allocated to the respective accident year. The reserve for loss and LAE consists of:

	June 30, 2023	December 31, 2022
Reserve for reported loss and LAE	$ 639,275	$ 702,691
Reserve for losses incurred but not reported ("IBNR")	361,986	428,717
Reserve for loss and LAE	$ 1,001,261	$ 1,131,408

The following table represents a reconciliation of our beginning and ending gross and net loss and LAE reserves:

For the Six Months Ended June 30,	2023	2022
Gross loss and LAE reserves, January 1	$ 1,131,408	$ 1,489,373
Less: reinsurance recoverable on unpaid losses, January 1	556,116	562,845
Net loss and LAE reserves, January 1	575,292	926,528
Net incurred losses related to:		
Current year	13,197	10,918
Prior years	8,150	(6,327)
	21,347	4,591
Net paid losses related to:		
Current year	(266)	(196)
Prior years	(156,361)	(192,248)
	(156,627)	(192,444)
Change in deferred gain on retroactive reinsurance	(12,317)	5,288
GLS run-off business acquired or assumed	767	7,554
Opening allowance for expected credit loss on reinsurance recoverable on unpaid losses	4,277	—
Effect of foreign exchange rate movements	6,946	(31,256)
Net loss and LAE reserves, June 30	439,685	720,261
Reinsurance recoverable on unpaid losses, June 30	561,576	554,846
Gross loss and LAE reserves, June 30	$ 1,001,261	$ 1,275,107

Prior period development arises from changes to loss estimates recognized in the current year that relate to loss reserves established in previous calendar years. The favorable or unfavorable development reflects changes in management's best estimate of the ultimate losses under the relevant reinsurance policies after considerable review of changes in actuarial assessments. The Company recognized net adverse prior year loss development of $4,494 and $8,150 for the three and six months ended June 30, 2023, respectively (2022 - adverse $958 and favorable $6,327, respectively).

In the Diversified Reinsurance segment, there was adverse prior year loss development of $1,317 and $2,074 for the three and six months ended June 30, 2023, respectively (2022 - adverse $826 and favorable $1,385, respectively). Prior year loss development for the three and six months ended June 30, 2023 was driven by adverse development primarily due to a German auto program in run-off from the International unit along with development from other runoff business lines and included the recognition of expected credit losses on reinsurance recoverable on unpaid losses.

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Prior year loss development for the three and six months ended June 30, 2022 was driven by favorable reserve development in German Auto Programs and GLS partly offset by adverse development in European Capital Solutions that occurred in the second quarter of 2022.

In the AmTrust Reinsurance segment, net adverse prior year loss development was $3,177 and $6,076 during the three and six months ended June 30, 2023, respectively (2022 - adverse $132 and favorable $4,942, respectively). Net adverse prior year loss development for the three and six months ended June 30, 2023 was primarily from General Liability and Commercial Auto Liability partly offset by continued favorable development in Workers Compensation. Net adverse prior year loss development for the three months ended June 30, 2022 was driven by modest unfavorable movements in General Liability and Commercial Auto Liability partly offset by continued favorable development in Workers Compensation. The net favorable prior year loss development for the six months ended June 30, 2022 was primarily due to favorable development from Workers Compensation partly offset by deterioration in General Liability and to a lesser extent Commercial Auto Liability.

The increase in the deferred gain on retroactive reinsurance was $12,317 for the six months ended June 30, 2023 (2022 - $5,288 decrease). This included an increase in the deferred gain liability and related reinsurance recoverable on unpaid losses under the LPT/ADC Agreement with Cavello of $12,300 for the six months ended June 30, 2023 (2022 - $4,463 decrease) caused by adverse development on loss reserves covered under the LPT/ADC Agreement (2022 - favorable). The deferred gain on retroactive reinsurance under the LPT/ADC Agreement represents the cumulative adverse development for covered risks in the AmTrust Quota Share as of June 30, 2023 and December 31, 2022. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is estimated to be in 2025.

10. Related Party Transactions

The Founding Shareholders of the Company were Michael Karfunkel, George Karfunkel and Barry Zyskind. Based on each individual's most recent public filing, Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) each own or control less than 5.0% of the Company's outstanding common shares. Leah Karfunkel and George Karfunkel are directors of AmTrust, and Barry Zyskind is the chief executive officer and chairman of AmTrust. Leah Karfunkel, George Karfunkel and Barry Zyskind own or control approximately 55.2% of the ownership interests of Evergreen Parent, L.P., the ultimate parent of AmTrust. The following describes transactions that have transpired between the Company and AmTrust:

AmTrust Quota Share

Effective July 1, 2007, the Company and AmTrust entered into a master agreement, as amended ("Master Agreement"), by which they caused Maiden Reinsurance and AII to enter into the AmTrust Quota Share by which AII retroceded to Maiden Reinsurance an amount equal to 40% of the premium written by subsidiaries of AmTrust, net of the cost of unaffiliated inuring reinsurance and 40% of losses. The Master Agreement further provided that AII receive a ceding commission of 31% of ceded written premiums. On June 11, 2008, Maiden Reinsurance and AII amended the AmTrust Quota Share to add Retail Commercial Package Business to the Covered Business (as defined in the AmTrust Quota Share). 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. Effective July 1, 2018, the amount AEL ceded to Maiden Reinsurance was reduced to 20%.

Effective July 1, 2013, for the Specialty Program portion of Covered Business only, AII was responsible for ultimate net loss otherwise recoverable from Maiden Reinsurance to the extent that the loss ratio to Maiden Reinsurance, 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% ("Loss Corridor"). Above and below the Loss Corridor, Maiden Reinsurance continued to reinsure losses at its proportional 40% share of the AmTrust Quota Share. Effective July 31, 2019, the Loss Corridor was amended such that the maximum amount covered is $40,500, the amount calculated by Maiden Reinsurance for the Loss Corridor coverage as of March 31, 2019. Any development above this maximum amount will be subject to the coverage of the LPT/ADC Agreement.

Effective January 1, 2019, Maiden Reinsurance and AII entered into a partial termination amendment ("Partial Termination Amendment") which amended the AmTrust Quota Share. The Partial Termination Amendment provided for the cut-off of the ongoing and unearned premium of AmTrust’s Small Commercial Business and U.S. Specialty Risk and Extended Warranty ("Terminated Business") as of December 31, 2018. Under the Partial Termination Amendment, the ceding commission payable by Maiden Reinsurance for its remaining in-force business immediately prior to January 1, 2019 increased by five percentage points with respect to in-force remaining business (excluding Terminated Business) and related unearned premium as of January 1, 2019. Subsequently, on January 30, 2019, Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share on a run-off basis effective as of January 1, 2019.

Effective July 31, 2019, Maiden Reinsurance and AII entered into a Commutation and Release Agreement which provided for AII to assume all reserves ceded by AII to Maiden Reinsurance with respect to its proportional 40% share of the ultimate net loss under the AmTrust Quota Share related to the commuted business including: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies and as defined in the AmTrust Quota Share ("Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies ("Commuted New York Business"), and together with the Commuted California Business ("Commuted Business") in exchange for the release and full discharge of Maiden Reinsurance's obligations to AII with respect to the Commuted Business. The Commuted Business excludes any business classified by AII as Specialty Program or Specialty Risk business.

(in thousands of U.S. dollars, except share and per share data)

10. Related Party Transactions (continued)

AII and Maiden Reinsurance also agreed that as of July 31, 2019, the AmTrust Quota Share was deemed amended as applicable so that the Commuted Business is no longer included as part of Covered Business under the AmTrust Quota Share.

On January 30, 2019, in connection with the termination of the reinsurance agreement described above, the Company and AmTrust entered into a second amendment to the Master Agreement between the parties, originally entered into on July 3, 2007, to remove the provisions requiring AmTrust to reinsure business with the Company. Please refer to "*Note 10. Related Party Transactions"* in the Annual Report on Form 10-K for the year ended December 31, 2022 for further details.

European Hospital Liability Quota Share

Effective April 1, 2011, Maiden Reinsurance entered into the European Hospital Liability Quota Share with AEL and AIU DAC. Pursuant to the terms of the European Hospital Liability Quota Share, Maiden Reinsurance 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 European Hospital Liability Quota Share 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 Reinsurance paid a ceding commission of 5% on contracts assumed under the European Hospital Liability Quota Share.

Effective July 1, 2016, the European Hospital Liability Quota Share was amended such that Maiden Reinsurance 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. Thereafter, on January 30, 2019, Maiden Reinsurance, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019.

Effective July 1, 2022, Maiden Reinsurance and AIU DAC entered into an agreement ("Commutation Agreement") which provided for AIU DAC to assume all reserves ceded by AIU DAC to Maiden Reinsurance with respect to AIU DAC’s French Medical Malpractice exposures for underwriting years 2012 through 2018 reinsured by Maiden Reinsurance under the European Hospital Liability Quota Share. In accordance with the Commutation Agreement, Maiden Reinsurance paid $31,291 (€29,401) to AIU DAC, which is the sum of net ceded reserves of $27,625 (€25,956) and an agreed exit cost of $3,666 (€3,444). As a result of the Commutation Agreement, Maiden Reinsurance reduced its exposure to AmTrust's Hospital Liability business, but still has exposure to Italian medical malpractice liabilities under the European Hospital Liability Quota Share.

The table below shows the effect of both of these quota share arrangements with AmTrust on the Company's Condensed Consolidated Income Statements for the three and six months ended June 30, 2023 and 2022, respectively:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Gross and net premiums written	$ 223	$ (2,809)	$ (5,790)	$ (17,715)
Net premiums earned	3,835	3,318	5,366	(1,515)
Net loss and LAE	(7,521)	(4,534)	(14,703)	(3,611)
Commission and other acquisition expenses	(1,431)	(1,366)	(2,010)	(123)

Collateral provided to AmTrust

a) AmTrust Quota Share

To provide AmTrust's U.S. insurance subsidiaries with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of AmTrust's insurance subsidiaries, established trust accounts ("Trust Accounts") for their benefit. Maiden Reinsurance has provided appropriate collateral to secure its proportional share under the AmTrust Quota Share of AII's obligations to the AmTrust subsidiaries to whom AII is required to provide collateral which can include any of the following:

(a) assets loaned by Maiden Reinsurance to AII for deposit into the Trust Accounts, pursuant to a loan agreement between those parties;

(b) assets transferred by Maiden Reinsurance for deposit into the Trust Accounts; or

(c) a letter of credit obtained by Maiden Reinsurance and delivered to an AmTrust subsidiary on AII's behalf.

Maiden Reinsurance may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Reinsurance's proportionate share of its obligations under the AmTrust Quota Share. The collateral requirements under the AmTrust Quota Share with AII was satisfied as follows:

- by lending funds of $167,975 at June 30, 2023 and December 31, 2022 pursuant to a loan agreement entered into between those parties. Advances under the loan are secured by promissory notes and was assigned by AII to AmTrust effective December 31, 2014 and is carried at cost. Interest is payable at a rate equivalent to the Federal Funds Effective Rate ("Fed Funds") plus 200 basis points per annum. Interest income on the loan was $2,927 and $5,625 for the three and six months ended June 30, 2023, respectively (2022 - $1,158 and $2,037, respectively) and the effective yield was 7.0% and 6.7% for the respective periods (2022 - 2.8% and 2.4%).

10. Related Party Transactions (continued)

- on January 30, 2019, in connection with the termination of the reinsurance agreements described above, the Company and AmTrust amended the Loan Agreement between Maiden Reinsurance, AmTrust and AII, originally entered into on November 16, 2007, by extending the maturity date to January 1, 2025 and specifies that due to the termination of the AmTrust Quota Share, no further loans or advances may be made pursuant to the Loan Agreement;
- 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 June 30, 2023 was $13,869 (December 31, 2022 - $42,305) and the accrued interest was $62 (December 31, 2022 - $224). Please refer to *"Note 4. (e) Investments"* for additional information;
- on January 11, 2019, the Company transferred $575,000 to AmTrust as a portion of the existing Trust Accounts used for collateral on the AmTrust Quota Share was converted to a funds withheld arrangement. The funds withheld receivable earns an annual interest rate of 3.5% for 2023, which is subject to annual adjustment (2.1% for 2022). At June 30, 2023, the funds withheld balance was $286,900 (December 31, 2022 - $416,835) and accrued interest was $3,061 (December 31, 2022 - $2,359). The interest income on the funds withheld receivable was $3,061 and $6,342 for the three and six months ended June 30, 2023, respectively (2022 - $3,436 and $5,988, respectively).

Pursuant to the terms of the LPT/ADC Agreement, Maiden Reinsurance, Cavello and AmTrust and certain of its affiliated companies entered into a Master Collateral Agreement (“MCA”) to define and enable the operation of collateral provided under the AmTrust Quota Share. Under the MCA, Cavello provided letters of credit on behalf of Maiden Reinsurance to AmTrust in an amount representing Cavello’s obligations under the LPT/ADC Agreement. Because these letters of credit replaced other collateral previously provided directly by Maiden Reinsurance to AmTrust, the MCA coordinates the collateral protection that will be provided to AmTrust to ensure that no gaps in collateral funding occur by operation of the LPT/ADC Agreement and related MCA. As a result of entering into both the LPT/ADC Agreement and the MCA, certain post-termination endorsements (“PTEs”) to the AmTrust Quota Share between AII and Maiden Reinsurance were required.

Effective July 31, 2019, the PTEs: i) enable the operation of both the LPT/ADC Agreement and MCA by making provision for certain forms of collateral, including letters of credit provided by Cavello on Maiden Reinsurance’s behalf, and further defines the permitted use and return of collateral; and ii) increase the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 105% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Under certain defined conditions, Maiden Reinsurance may be required to increase this funding percentage to 110%.

Effective March 16, 2020, Maiden Reinsurance discontinued as a Bermuda company and completed its re-domestication to the State of Vermont. Bermuda is a Solvency II equivalent jurisdiction and the State of Vermont is not such a jurisdiction; therefore, the collateral provided under the respective agreements with AmTrust subsidiaries was strengthened to reflect the impact of the re-domestication concurrent with the date of Maiden Reinsurance’s re-domestication to Vermont. Maiden Reinsurance and AmTrust agreed to: 1) amend the AmTrust Quota Share pursuant to Post Termination Endorsement No. 2 effective March 16, 2020; and 2) amend the European Hospital Liability Quota Share pursuant to Post Termination Endorsement No. 1 effective March 16, 2020.

Pursuant to the terms of Post Termination Endorsement No. 2 to the AmTrust Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AII by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 110% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Post Termination Endorsement No. 2 also sets forth conditions by which the funding percentage will be reduced and the sequence of how collateral will be utilized as obligations, as defined under the AmTrust Quota Share, are satisfied. Pursuant to the terms of Post Termination Endorsement No. 2, the funding percentage was reduced to 107.5% during the first quarter of 2023.

Pursuant to the terms of Post Termination Endorsement No. 1 to the European Hospital Liability Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AEL and AIU DAC by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to the greater of 120% of the Exposure (as defined therein) and the amount of security required to offset the increase in the Solvency Capital Requirement (“SCR”) that results from the changes in the SCR which arise out of Maiden Reinsurance's re-domestication as compared to the SCR calculation if Maiden Reinsurance had remained domesticated in a Solvency II equivalent jurisdiction with a solvency ratio above 100% and provided collateral equivalent to 100% of the Exposure.

b) European Hospital Liability Quota Share

Collateral has been provided to both AEL and AIU DAC under the European Hospital Liability Quota Share. For AEL, the amount of the collateral held in reinsurance trust accounts at June 30, 2023 was $157,863 (December 31, 2022 - $188,473) and the accrued interest was $1,163 (December 31, 2022 - $966).

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 agreed to provide investment management services to the Company. Effective January 1, 2018, AIIM provides investment management services for a quarterly fee of 0.02125% of the average value of the account. The agreement may be terminated upon 30 days written notice by either party.

(in thousands of U.S. dollars, except share and per share data)

10. Related Party Transactions (continued)

The Company recorded $72 and $145 of investment management fees for the three and six months ended June 30, 2023, respectively (2022 - $104 and $230, respectively) under this agreement.

On September 9, 2020, Maiden Reinsurance, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden Reinsurance and AIIM, and the release by Maiden Reinsurance of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

On November 13, 2020, Maiden LF, Maiden GF, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden LF, Maiden GF and AIIM, and the release by Maiden LF and Maiden GF of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

11. Commitments, Contingencies and Guarantees

There are no material changes from the commitments, contingencies and concentrations previously disclosed in the Company’s Form 10-K for the year ended December 31, 2022.

a) Concentrations of Credit Risk

At June 30, 2023 and December 31, 2022, the Company’s assets where significant concentrations of credit risk may exist include investments, cash and cash equivalents, loan to related party, reinsurance balances receivable, reinsurance recoverable on paid and unpaid losses and funds withheld receivable. Please refer to "*Note 8. Reinsurance*" for additional information regarding the Company's credit risk exposure on its reinsurance counterparties including the impact of the LPT/ADC Agreement effective January 1, 2019. 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 that are considered potentially uncollectible. Letters of credit are provided by its reinsurers for material amounts recoverable as discussed in "*Note 8. Reinsurance*".

The Company manages the concentration of credit risk in its investment portfolio through issuer and sector exposure limitations. The Company believes it bears minimal credit risk in its cash on deposit. The Company also monitors the credit risk related to the loan to related party, reinsurance balances receivable and funds withheld receivable, within which the largest balances are due from AmTrust. AmTrust has a financial strength/credit rating of A- (Excellent) from A.M. Best at June 30, 2023. To mitigate credit risk, the Company generally has a contractual right of offset thereby allowing claims to be settled net of any premiums or loan receivable. The Company believes these balances as at June 30, 2023 will be fully collectible.

Please refer to "*Note 2. Significant Accounting Polices*" for additional information on the Company's credit loss allowances as at June 30, 2023 regarding other investments, reinsurance recoverable on unpaid losses, reinsurance balances receivable and funds withheld receivable that were recorded under Topic 326 which was adopted effective January 1, 2023.

b) Investment Commitments and Related Financial Guarantees

The Company had total unfunded commitments on alternative investments of $103,721 at June 30, 2023 (December 31, 2022 - $112,989) which included commitments for other investments, private equity securities and equity method investments. The table below shows the total unfunded commitments by type of investment as at June 30, 2023 and December 31, 2022:

	June 30, 2023		December 31, 2022	
	Fair Value	% of Total	Fair Value	% of Total
Private equity funds	$ 51,808	49.9 %	$ 54,996	48.7 %
Private credit funds	9,423	9.1 %	13,906	12.3 %
Privately held equity investments	705	0.7 %	705	0.6 %
Total unfunded commitments on other investments	$ 61,936	59.7 %	$ 69,607	61.6 %
Total unfunded commitments on equity securities	$ 16,509	15.9 %	$ 16,509	14.6 %
Total unfunded commitments on equity method investments	$ 25,276	24.4 %	$ 26,873	23.8 %
Total unfunded commitments on alternative investments	$ 103,721	100.0 %	$ 112,989	100.0 %

11. Commitments, Contingencies and Guarantees (continued)

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future.

Any loss for which the Company could be liable would be contingent on the default of a loan by the real estate joint venture entity for which the Company provided a financial guarantee to a lender. While the Company has committed to aggregate limits as to the amount of guarantees it will provide as part of its limited partnerships, guarantees are only provided on an individual transaction basis and are subject to the terms and conditions of each transaction mutually agreed by the parties involved. The Company is not bound to such guarantees without its express authorization.

As discussed above, at June 30, 2023, guarantees of $43,135 (December 31, 2022 - $42,141) were provided to lenders by the Company on behalf of real estate joint ventures, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

c) Operating Lease Commitments

The Company leases office spaces and equipment under various operating leases expiring in various years through 2025. The Company's leases are currently classified as operating leases and none of them have non-lease components. For operating leases that have a lease term of more than twelve months, and whose lease payments are above a certain threshold, the Company recognizes a lease liability and a right-of-use asset in the Condensed Consolidated Balance Sheets at the present value of the remaining lease payments until expiration.

As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 10%, representing its secured incremental borrowing rate, in calculating the present value of the lease liability. At June 30, 2023, the Company's future lease obligations of $329 (December 31, 2022 - $300) were calculated based on the present value of future annual rental commitments excluding taxes, insurance and other operating costs for non-cancellable operating leases discounted using its secured incremental borrowing rate. This amount has been recognized on the Consolidated Balance Sheet as a lease liability within accrued expenses and other liabilities with an equivalent amount for the right-of-use asset presented as part of other assets.

The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.The Company's weighted-average remaining lease term is approximately 1.6 years at June 30, 2023.

Under *Topic 842, Leases*, the Company continues to recognize the related leasing expense on a straight-line basis over the lease term on the Consolidated Statements of Income. The Company's total lease expense was $135 and $255 for three and six months ended June 30, 2023, respectively (2022 - $82 and $159, respectively) recognized within general and administrative expenses consistent with the prior accounting treatment under *Topic 840*.

d) Legal Proceedings

Except as noted below, the Company is not a party to any material legal proceedings. From time to time, the Company is subject to routine legal proceedings, including arbitration, 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 Reinsurance, 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 that he was terminated for raising concerns regarding corporate governance with respect to the negotiation of the terms of the Trust Preferred Securities Offering. He seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, 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. 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 concluded in November 2018. On September 2, 2021, Administrative Law Judge Theresa C. Timlin of the U.S. Department of Labor issued a decision and order which denied Mr. Turin’s complaint in full. On September 16, 2021, 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. On June 29, 2023, the Administrative Review Board issued a decision and order which summarily affirmed the September 2, 2021 decision and order of the Administrative Law Judge.

(in thousands of U.S. dollars, except share and per share data)

11. Commitments, Contingencies and Guarantees (continued)

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019. On February 19, 2020, the Court appointed lead plaintiffs, and on May 1, 2020, lead plaintiffs filed an amended class action complaint (the "Amended Complaint").The Amended Complaint asserts violations of Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) arising in large part from allegations that Maiden failed to take adequate loss reserves in connection with reinsurance provided to AmTrust. Plaintiffs further claim that certain of Maiden Holdings' representations concerning its business, underwriting and financial statements were rendered false by the allegedly inadequate loss reserves, that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company's stock price fell, causing Plaintiffs to incur losses. On September 11, 2020, a motion to dismiss was filed on behalf of all Defendants. On August 6, 2021, the Court issued an order denying, in part, Defendants' motion to dismiss, ordering Plaintiffs to file a shorter amended complaint no later than August 20, 2021, and permitting discovery to proceed on a limited basis. On February 7, 2023, the District Court denied Plaintiffs' motion for reconsideration of the District Court's decision denying Plaintiffs' objection to the Magistrate Judge's December 2021 ruling on discovery. The Company expects to file a dispositive motion in the near future. We believe the claims are without merit and we intend to vigorously defend ourselves. It is possible that additional lawsuits will be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial condition.

12. 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 June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net (loss) income	$ (2,933)	$ 1,062	$ (14,261)	$ (887)
Gain from repurchase of preference shares	—	24,690	—	28,233
Amount allocated to participating common shareholders(1)	—	(137)	—	(154)
Net (loss) income allocated to Maiden common shareholders	$ (2,933)	$ 25,615	$ (14,261)	$ 27,192
Denominator:				
Weighted average number of common shares – basic	101,754,218	87,092,045	101,653,848	86,821,114
Potentially dilutive securities:				
Share options and restricted share units(2)	—	1,867	—	2,711
Adjusted weighted average number of common shares – diluted(2)	101,754,218	87,093,912	101,653,848	86,823,825
Basic and diluted (loss) earnings per share attributable to common shareholders	$ (0.03)	$ 0.29	$ (0.14)	$ 0.31

(1) This represents the share in net income using the two-class method for holders of non-vested restricted shares issued to the Company's employees under the 2019 Omnibus Incentive Plan.

(2) Please refer to *"Note 6. Shareholders' Equity"* and *"Note 14. Share Compensation and Pension Plans"* in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for the terms and conditions of securities that could potentially be dilutive in the future. There were no potentially dilutive securities for the three and six months ended June 30, 2023 (2022 - 1,867 and 2,711, respectively).

13. Income Taxes

The Company recognized an income tax benefit of $194 and $222 for the three and six months ended June 30, 2023, respectively, compared to an income tax benefit of $713 and income tax expense of $542 for the same respective periods in 2022. The effective tax rate on the Company's net loss differs from the statutory rate of zero percent under Bermuda law due to tax on foreign operations, primarily the U.S. and Sweden.

A valuation allowance has been established against the net U.S. deferred tax assets which are primarily attributable to net operating losses and discounting of loss reserves for tax purposes. At this time, the Company believes it is necessary to establish a full valuation allowance against the U.S. net deferred tax assets as more evidence is needed regarding the utilization of these tax benefits in the future.

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", "Maiden" 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. Certain reclassifications have been made for 2022 to conform to the 2023 presentation and have no impact on consolidated 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 for the year ended December 31, 2022 that was filed with the U.S. Securities and Exchange Commission ("SEC") on March 15, 2023, however, these factors should not be construed as exhaustive. Forward-looking statements speak only as of the date they are made 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

Maiden Holdings is a Bermuda-based holding company. We create shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets mostly in the insurance and related financial services industries where we can leverage our deep knowledge of those markets. We also provide a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. We expect our legacy solutions business to contribute to our active asset and capital management strategies.

We are not currently underwriting reinsurance business on new prospective risks but are actively underwriting risks on a retroactive basis through Genesis Legacy Solutions ("GLS"). We also have various historic reinsurance programs underwritten by Maiden Reinsurance Ltd. ("Maiden Reinsurance") which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") which we terminated in 2019 as discussed in "*Note 10. Related Party Agreements*" of the Notes to Condensed Consolidated Financial Statements in Part I Item 1. *"Financial Information"*. In addition, we have a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement") with Cavello Bay Reinsurance Limited ("Cavello") and a commutation agreement that further reduces our exposure to and limits the potential volatility related to our AmTrust liabilities in run-off, as discussed in "*Note 8. Reinsurance*" of the Notes to Condensed Consolidated Financial Statements in Part I Item 1. *"Financial Information"*.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets. Insurance support services are provided to Maiden LF and Maiden GF through our wholly owned subsidiary, Maiden Global Holdings, Ltd. ("Maiden Global") which is also a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets. These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance. During 2023, we are evaluating the strategic value of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of our target return on capital levels. We expect to continue this evaluation during the second half of 2023.

Our business currently consists of 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 located primarily in Europe. This segment also includes transactions entered into by GLS which was formed in November 2020. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement (“AmTrust Quota Share”) between Maiden Reinsurance and AmTrust’s wholly owned subsidiary, AmTrust International Insurance, Ltd. (“AII”) and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust’s wholly owned subsidiaries, AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC"), both of which are in run-off effective as of January 1, 2019.

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, 2022 that was filed on March 15, 2023 for further information on recent developments within the Company.

Business Strategy

We continued to deploy our revised operating strategy during 2023 which leverages the significant assets and capital we retain. In addition to restoring operating profitability, our strategic focus centers on creating the greatest risk-adjusted shareholder returns in order to increase book value for our common shareholders, both near and long-term. We also believe that these areas of strategic focus will enhance our profitability through increased returns, which should also increase the likelihood of fully utilizing the significant net operating loss ("NOL") carryforwards as described further below which would create additional common shareholder value.

This strategy presently has three principal areas of focus:

- <u>Asset management</u> - investing in assets and asset classes in a prudent but expansive manner in order to maximize investment returns and is principally enabled by limiting the amount of insurance risk we assume in relation to the assets we hold and maintaining required regulatory capital at very strong levels to manage our aggregate risk profile;
- <u>Legacy underwriting</u> - judiciously building a portfolio of legacy run-off acquisitions and retroactive reinsurance transactions which we believe will produce attractive underwriting returns; and
- <u>Capital management</u> - effectively managing the capital we hold on our balance sheet and when appropriate, repurchasing securities or returning capital to enhance common shareholder returns.

As our insurance liabilities run-off and these strategies potentially develop along timelines longer than initially anticipated, we may allocate capital to other insurance activities that produce more consistent levels of revenue and profit as we seek to create longer-term shareholder value.

For example, we have not engaged or pursued active reinsurance underwriting of new prospective risks as our assessment of the reinsurance marketplace along with our current operating profile has been that the risk-adjusted returns that may be produced via such underwriting are likely to be lower over the long-term than our cost of capital. However, as interest rates have increased and moved towards historically observed levels, risk-adjusted returns for active reinsurance underwriting of new prospective risks may become more attractive and while we have no immediate plans to resume such underwriting, we continue to evaluate if such a strategy would produce suitable value for shareholders.

Further, we continue to also evaluate our ongoing activities in insurance distribution. To date, our insurance distribution investments have achieved an internal rate of return of 28.3% and a multiple of capital of 1.45x on those investments.

As part of our ongoing evaluation of both the insurance and reinsurance marketplace and the ability of both the distribution and the reinsurance markets to increase our current income, we increasingly believe expansion of those strategies may be appropriate. We are exploring distribution opportunities which are non-risk bearing and capital efficient and given ongoing changes in reinsurance markets, can be potentially complemented by limited and selective deployment of reinsurance capacity to supplement those activities and enhance returns to shareholders.

The measures implemented in recent years have allowed us to more flexibly allocate capital to those activities most likely to produce the greatest returns for shareholders, and we are actively engaged in evaluating and deploying funds in all pillars of the strategies as discussed herein.

The returns expected to be produced by each pillar of our strategy are primarily evaluated in relation to our cost of debt capital, which carries a weighted average effective interest rate of 7.6%. To the extent our experience or belief indicates we cannot exceed the cost of debt capital, we expect to refrain from activities in those areas.

Our ability to execute our asset and capital management initiatives is dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Further, there can be no assurance that our insurance liabilities will run-off at levels that will permit further capital management activities, which we continually review as part of our strategy. Please refer to the *"Liquidity and Capital Resources"* section for further information on our asset and capital management activities.

Asset Management

As part of our expanded asset management activities, as noted we have evaluated and continue to consider investing in various initiatives in the insurance industry across a variety of segments which we believe will produce appropriate risk-adjusted returns while maintaining the option to consider underwriting activities in the future. We believe these expanded activities will produce a broad range of positive impacts on our financial condition, including current income, longer-term gains and in certain instances, fee income.

In recent years, we have invested approximately $268.6 million into alternative investments which include equity securities, other investments and equity method investments in a wide variety of asset classes and we believe these activities will exceed that benchmark cost of capital with adjustments as necessary if those returns do not emerge.

Recent development and trends in financial markets, particularly the rapid rise in interest rates and heightened risk of economic recession, indicate that it may take longer than expected to achieve those returns and we expect that to factor into future capital allocation decisions. In particular, as interest rates have risen to more historically observed levels, we have focused on investing in assets that produce higher levels of current income as opposed to longer-term gains, in order to increase returns to shareholders and increase the opportunity to recognize our deferred tax assets discussed below.

Legacy Underwriting

In November 2020, we formed GLS which specializes in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. We acquire legacy liabilities and (re)insurance reserves from companies and provide retroactive reinsurance coverage for portfolios of (re)insurance business, primarily via loss portfolio transfer contracts (“LPT”). Additionally, we provide reinsurance contracts to other (re)insurers to mitigate some of their risk of future adverse development (an adverse development cover, or “ADC”) on insurance risks relating to prior accident years.

We believe the formation of GLS is highly complementary to our overall longer-term strategy and will produce risk-adjusted returns in excess of our debt cost of capital. In addition, while we anticipate profitable growth from the GLS portfolio as it develops, we expect our required capital to continue to decline as insurance risk incurred by GLS will be more than offset by the run-off of insurance liabilities from our prior reinsurance strategies. GLS, along with other recent insurance industry investments, enables us to leverage our knowledge base while not re-entering active underwriting of new prospective risks and maintaining an efficient operating profile. We believe GLS not only enhances our profitability through both fee income and effective claims management services, but it will also increase our asset base through the addition of blocks of reserves or companies that can be successfully wound down.

Effective October 1, 2021, GLS completed its first loss portfolio transfer transaction which included an ADC cover. GLS continues to write additional retroactive reinsurance transactions consistent with its business plan. In addition to producing long-term returns that may exceed the target cost of capital, we expect the business produced through GLS should further enhance our ability to pursue the asset and capital management pillars of our business strategy. The nature of GLS business plan is that it may take a sustained period of growth in insurance liabilities to produce the targeted returns. In addition, early stage initiatives such as GLS may take a period of time to reach profitability. Finally, the nature of legacy transactions which GLS seeks to execute may be inconsistent as to their timing and not predictable as regards how many transactions may be completed in any fiscal period. As of June 30, 2023, GLS and its subsidiaries hold insurance related liabilities of $27.8 million including total reserves of $21.5 million, an underwriting-related derivative liability of $4.0 million, and net deferred gains on retroactive reinsurance of $2.3 million.

Capital Management

Our capital management strategy is significantly informed by the required capital needed to operate our business in a prudent manner and our ongoing analysis of our loss development trends. Trends in recent years have increased our confidence in our recorded ultimate losses for our insurance liabilities in run-off, however a prudent assessment dictates that the run-off portfolio still requires additional maturity to fully emerge, as evidenced by the adverse loss development we have experienced in 2022 and 2023. While there is no assurance that prior positive long-term loss development trends will resume, as our insurance liabilities further mature we remain confident that we can continue the prudent and disciplined repurchase of both our common shares and senior notes which are authorized for repurchase, which we believe provided the greatest risk-adjusted returns to our common shareholders.

Please refer to *"Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of the Annual Report on Form 10-K for the year ended December 31, 2022 for further information on the common shares issued as part of the exchange for preference shares held by Maiden Reinsurance and other preference shareholders in 2022 ("Exchange").

Completion of the Exchange represented a significant milestone in our capital management plan and we continue to evaluate other capital management options that may be available to us, including repurchase of the Company's common shares and senior notes from time to time at market prices or as may be privately negotiated as approved by our Board in its respective authorizations. The Company expects to deploy its capital management strategy on a long-term and disciplined basis, balanced along with its other strategic initiatives.

Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 6. Shareholders' Equity and Note 7. Long-Term Debt*" included under *Item 1. "Financial Statements"* of this Quarterly Report on Form 10-Q for further information on the recent repurchases made by Maiden Reinsurance during the second quarter of 2023. However, there can be no assurance that we will continue to pursue such capital management initiatives, or that they will provide appropriate risk-adjusted returns.

Maiden Holdings North America ("Maiden NA")

We believe Maiden NA's investments, including its ownership of Maiden Reinsurance and its active asset management strategy, will create opportunities to utilize NOL carryforwards of $295.9 million at June 30, 2023. The NOL carryforwards combined with additional net deferred tax assets ("DTA") primarily related to our insurance liabilities result in net U.S. DTA (before valuation allowance) of $119.3 million or $1.17 per common share at June 30, 2023.

Net U.S. DTA of $119.3 million is not presently recognized on the Company's condensed consolidated balance sheets as a full valuation allowance is carried against it. At this time, while positive evidence in support of reducing the valuation allowance is growing, the Company believes it is necessary to maintain a full valuation allowance against the net U.S. DTA as more evidence is needed regarding the utilization of these losses. As circumstances further develop, we will continuously evaluate the amount of the valuation allowance held against the net U.S. DTA.

For further details please see "*Note 13 — Income Taxes*" included under Item 8 "*Financial Statements and Supplementary Data*" of the Annual Report on Form 10–K for the year ended December 31, 2022. Taken together, we believe these measures should generate additional income for Maiden NA in a tax-efficient manner, while sharing in the improvement in profitability anticipated in Maiden Reinsurance as a result of the measures enacted as described above.

Three and Six Months Ended June 30, 2023 and 2022 Financial Highlights

For the Three Months Ended June 30,	**2023**	**2022**	**Change**
Summary Consolidated Statement of Income Data (unaudited):	($ in thousands except per share data)		
Net (loss) income	$ (2,933)	$ 1,062	$ (3,995)
Gain from repurchase of preference shares	—	24,690	(24,690)
Net (loss) income attributable to Maiden common shareholders	(2,933)	25,752	(28,685)
Basic and diluted (loss) earnings per common share:			
Net (loss) income attributable to common shareholders[2]	(0.03)	0.29	(0.32)
Gain from repurchase of preference securities per common share	—	0.28	(0.28)
Gross premiums written	6,875	3,339	3,536
Net premiums earned	11,039	10,443	596
Underwriting loss[3]	(9,262)	(5,130)	(4,132)
Net investment results[13]	16,466	6,737	9,729
Non-GAAP measures:			
Non-GAAP operating earnings[1]	4,467	16,633	(12,166)
Non-GAAP basic and diluted operating earnings per common share[1]	0.04	0.19	(0.15)
Annualized non-GAAP operating return on average common shareholders' equity[1]	5.6 %	25.2 %	(19.6)

For the Six Months Ended June 30,	**2023**	**2022**	**Change**
Summary Consolidated Statement of Income Data (unaudited):	($ in thousands except per share data)		
Net loss	$ (14,261)	$ (887)	$ (13,374)
Gain from repurchase of preference shares	—	28,233	(28,233)
Net (loss) income attributable to Maiden common shareholders	(14,261)	27,346	(41,607)
Basic and diluted (loss) earnings per common share:			
Net (loss) income attributable to Maiden common shareholders[2]	(0.14)	0.31	(0.45)
Gain from repurchase of preference shares per common share	—	0.33	(0.33)
Gross premiums written	7,711	(6,831)	14,542
Net premiums earned	20,041	11,565	8,476
Underwriting loss[3]	(17,515)	(6,785)	(10,730)
Net investment results[13]	26,965	16,884	10,081
Non-GAAP measures:			
Non-GAAP operating (loss) earnings[1]	(3,426)	9,698	(13,124)
Non-GAAP basic and diluted (loss) operating earnings per common share[1]	(0.03)	0.11	(0.14)
Annualized non-GAAP operating return on average common shareholders' equity[1]	(2.1)%	7.2 %	(9.3)

	June 30, 2023	December 31, 2022	Change
Consolidated Financial Condition	($ in thousands except per share data)		
Total investments and cash and cash equivalents[4]	$ 583,402	$ 633,684	$ (50,282)
Total assets	1,664,913	1,846,866	(181,953)
Reserve for loss and LAE	1,001,261	1,131,408	(130,147)
Senior notes - principal amount	262,361	262,500	(139)
Shareholders' equity	269,290	284,579	(15,289)
Total capital resources[5]	531,651	547,079	(15,428)
Ratio of debt to total capital resources[10]	49.3 %	48.0 %	1.3
Book Value calculations:			
Book value per common share[6]	$ 2.65	$ 2.80	$ (0.15)
Accumulated dividends per common share[12]	4.27	4.27	—
Book value per common share plus accumulated dividends	$ 6.92	$ 7.07	$ (0.15)
Change in book value per common share plus accumulated dividends	(2.1)%		
Diluted book value per common share[7]	$ 2.62	$ 2.79	$ (0.17)
Non-GAAP measures:			
Adjusted book value per common share[8]	$ 3.22	$ 3.25	$ (0.03)
Adjusted shareholders' equity[9]	326,998	329,987	(2,989)
Adjusted total capital resources[9]	589,359	592,487	(3,128)
Ratio of debt to adjusted total capital resources[11]	44.5 %	44.3 %	0.2

(1) Non-GAAP operating earnings (loss), non-GAAP operating earnings (loss) per common share, and annualized non-GAAP operating return on average common shareholders' equity are non-GAAP financial measures. See "*Key Financial Measures*" for additional information.

(2) Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 12. Earnings per Common Share*" for the calculation of basic and diluted income (loss) per common share.

(3) Underwriting income or loss is a non-GAAP measure and 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. See "*Key Financial Measures*" for additional information.

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

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

(6) Book value per common share is calculated using shareholders' equity divided by the number of common shares outstanding. See "*Key Financial Measures*" for additional information.

(7) Diluted book value per common share is calculated by dividing shareholders' equity, adjusted for assumed proceeds from the exercise of dilutive options, by the number of outstanding common shares plus dilutive options and restricted shares (assuming exercise of all dilutive share based awards). See "*Key Financial Measures*" for additional information.

(8) Adjusted book value per common share is a non-GAAP measure that is calculated using shareholders' equity, adjusted by adding to shareholders' equity the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement, divided by the number of common shares outstanding. See "*Key Financial Measures*" for additional information.

(9) Adjusted shareholders' equity and adjusted total capital resources are calculated by adding to shareholders' equity the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement with Cavello relating to losses from the AmTrust Quota Share agreement. Under U.S. GAAP, the deferred gain shall be amortized over the estimated remaining settlement period. See "*Key Financial Measures*" for additional information.

(10) Ratio of debt to total capital resources is calculated using the total principal amount of debt divided by the sum of total capital resources.

(11) Ratio of debt to adjusted total capital resources is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources.

(12) Accumulated dividends per common share includes the cumulative sum of dividends declared and paid in the past on the Company's issued common shares since inception.

(13) Net investment results include the sum of net investment income, net realized and unrealized gains (losses), and interest in income (loss) of equity method investments.

Key Financial Measures

In addition to our key financial measures presented in accordance with GAAP in the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Income and Comprehensive Income, management uses certain non-GAAP financial measures to evaluate the Company's 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, explain the Company's results to investors 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. The calculation of these key financial measures including the reconciliation of non-GAAP measures to the nearest GAAP measure and relevant discussions are found within *Item 2 - "Management's Discussion and Analysis of Financial Condition and Results of Operations"*. These non-GAAP financial measures are:

Non-GAAP operating earnings (loss) and non-GAAP diluted operating earnings (loss) per common share: Management believes that the use of non-GAAP operating earnings and non-GAAP diluted operating earnings per common 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 generally follow industry practice therefore allowing 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. Non-GAAP operating earnings should not be viewed as a substitute for U.S. GAAP net income.

Non-GAAP operating earnings (loss) is an internal performance measure used by management as these measures focus on the underlying fundamentals of the Company's operations by excluding, on a recurring basis: (1) net realized investment gains (losses); (2) foreign exchange and other gains (losses); (3) the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under the LPT/ADC Agreement and related changes in amortization of the deferred gain liability; and (4) interest in income (loss) of equity method investments. We excluded net realized investment gains (losses), interest in income (loss) of equity method investments and foreign exchange and other gains (losses) as we believe these are influenced by market opportunities and other factors. We do not believe that ceded risks under the LPT/ADC Agreement are representative of our ongoing and future business which are different to retroactive reinsurance risks written by GLS that are representative of our ongoing and future business. We believe all of these amounts are substantially independent of our business and any potential future underwriting process, therefore including them would distort the analysis of underlying trends in our operations.

Underwriting income (loss) is a non-GAAP measure and 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. For purposes of these non-GAAP operating measures, the fee-generating business which is included in our Diversified Reinsurance segment, is considered part of the underwriting operations of the Company. Management believes that this measure is important in evaluating the underwriting performance of the Company and its segments. This measure is also a useful tool to measure the profitability of the Company separately from the investment results and is also a widely used performance indicator in the insurance industry. A reconciliation of the Company's underwriting results can be found in the Condensed Consolidated Financial Statements in the "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 3. Segment Information*" included under *Item 1. "Financial Statements"* of this Quarterly Report on Form 10-Q.

The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in this Quarterly Report on Form 10-Q for the three and six months ended June 30, 2023, as it believes that as the run-off of our reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate the financial results of the Company, particularly compared to historical data.

While an important metric of success, underwriting income (loss) does not reflect all components of profitability, as it does not recognize the impact of investment income earned on premiums between the time premiums are received and the time loss payments are ultimately paid to clients. Because we do not manage our cash and investments by segment, investment income and interest expense are not allocated to the reportable segments. Certain general and administrative expenses are generally allocated to segments based on actual costs incurred.

Non-GAAP Operating Return on Average Adjusted Shareholders' Equity ("Non-GAAP Operating ROACE"): Management uses non-GAAP operating return on average adjusted shareholders' equity as a measure of profitability that focuses on the return to common shareholders. It is calculated using non-GAAP operating earnings (loss) available to common shareholders (as defined above) divided by average adjusted shareholders' equity.

Book Value per Common Share and Diluted Book Value per Common Share: Book value per common share and diluted book value per common share are non-GAAP measures. Management uses growth in both of these metrics as a prime measure of the value we are generating for our common shareholders, because 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 fixed income investment portfolio, as well as common share repurchases.

Ratio of Debt to Total Capital Resources: Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of total capital resources.

Non-GAAP underwriting income (loss) and Non-GAAP Net Loss and LAE: Management has further adjusted underwriting income (loss), as defined above, as well as reported net loss and LAE by excluding the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements such as the LPT/ADC Agreement. The losses are estimated to be fully recoverable from Cavello and management believes adjusting for this development shows the ultimate economic benefit of the LPT/ADC Agreement on our underwriting results.

We believe reflecting the economic benefit of this retroactive reinsurance agreement is helpful for understanding future trends in our operations.

Adjusted Total Shareholders' Equity, Adjusted Total Capital Resources, Ratio of Debt to Adjusted Total Capital Resources and Adjusted Book Value per Common Share: Management has adjusted GAAP shareholders' equity by adding to shareholders' equity the unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement. The unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement includes the aggregate impact of: 1) cumulative increases to losses incurred prior to December 31, 2018 for which we have ceded the risk under the LPT/ADC Agreement; and 2) changes in estimated ultimate losses for certain workers' compensation reserves previously commuted by the Company to AmTrust which are subject to specific terms and conditions pursuant to the LPT/ADC Agreement.

As a result, by virtue of this adjustment, management has also adjusted Total Capital Resources and computed the Ratio of Debt to Adjusted Capital Resources and Adjusted Book Value per Common Share. The deferred gain liability on retroactive reinsurance under the LPT/ADC Agreement represents loss reserves estimated to be fully recoverable from Cavello and management believes adjusting for this shows the ultimate economic benefit of the LPT/ADC Agreement. We believe reflecting the economic benefit of this non-recurring retroactive reinsurance agreement is helpful to understand future trends in our operations, which will improve the Company's shareholders' equity over the settlement or contract periods, respectively.

Alternative investments is the total of the Company's holdings of equity securities, other investments and equity method investments as reported on the Company's Condensed Consolidated Balance Sheets.

Certain Operating Measures

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, 2022, filed with the SEC on March 15, 2023, for a general discussion on "*Certain Operating Measures"* utilized by the Company.

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, 2022, filed with the SEC on March 15, 2023.

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 10-Q and "*Notes to Consolidated Financial Statements Note 2. Significant Accounting Policies*" included within the audited Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 15, 2023. There have been no material changes in the application of our critical accounting estimates subsequent to that report.

Results of Operations

The following table sets forth our selected unaudited Condensed Consolidated Statement of Income data for the three and six months ended June 30, 2023 and 2022:

($ in thousands)	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Gross premiums written	$ 6,875	$ 3,339	$ 7,711	$ (6,831)
Net premiums written	$ 6,875	$ 3,186	$ 7,635	$ (7,137)
Net premiums earned	$ 11,039	$ 10,443	$ 20,041	$ 11,565
Other insurance revenue, net	78	469	19	520
Net loss and LAE	(11,532)	(6,874)	(21,347)	(4,591)
Commission and other acquisition expenses	(4,945)	(4,885)	(9,180)	(7,413)
General and administrative expenses[1]	(3,902)	(4,283)	(7,048)	(6,866)
Underwriting loss [2]	(9,262)	(5,130)	(17,515)	(6,785)
Other general and administrative expenses[1]	(2,937)	(3,011)	(9,899)	(11,314)
Net investment income	10,518	7,667	20,063	14,234
Net realized and unrealized investment gains	1,145	2,111	2,150	4,420
Foreign exchange and other (losses) gains	(2,621)	6,586	(5,437)	10,535
Interest and amortization expenses	(4,773)	(4,833)	(8,597)	(9,665)
Income tax benefit (expense)	194	713	222	(542)
Interest in income (loss) of equity method investments	4,803	(3,041)	4,752	(1,770)
Net (loss) income	(2,933)	1,062	(14,261)	(887)
Gain from repurchase of preference shares	—	24,690	—	28,233
Net (loss) income (attributable) available to Maiden common shareholders	$ (2,933)	$ 25,752	$ (14,261)	$ 27,346

(1) Underwriting related general and administrative expenses is a non-GAAP measure. Please refer to *"General and Administrative Expenses"* below for additional information related to these corporate expenses and the reconciliation to those presented in our unaudited Condensed Consolidated Statements of Income.
(2) Underwriting loss is a non-GAAP measure and 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.
(3) The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in its results of operation, as it believes that as the run-off of its reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate our financial results.

Net (Loss) Income

Net loss attributable to Maiden common shareholders for the three months ended June 30, 2023 was $2.9 million compared to net income available to Maiden common shareholders of $25.8 million for the same respective period in 2022. Net income available to Maiden common shareholders for the three months ended June 30, 2022 included $24.7 million of gains from the repurchase of our preference shares.

Excluding the gain on the repurchase of our preference shares in 2022, there was a net loss of $2.9 million for the second quarter of 2023 compared to net income of $1.1 million for the second quarter of 2022, primarily due to the following:

- a higher underwriting loss of $9.3 million for the three months ended June 30, 2023 compared to underwriting loss of $5.1 million in the same period in 2022 largely due to:
    - adverse prior year loss development of $4.5 million in the second quarter of 2023 compared to adverse prior year loss development of $1.0 million during the same period in 2022; and
    - on a current accident year basis, underwriting loss of $4.8 million for the three months ended June 30, 2023 compared to an underwriting loss of $4.2 million for the same period in 2022.
- foreign exchange and other losses were $2.6 million for the three months ended June 30, 2023, compared to foreign exchange and other gains of $6.6 million for the same period in 2022.

The decrease in our quarterly results were partly offset by the following favorable factors:

- increased total income from investment activities to $16.5 million for the three months ended June 30, 2023 compared to $6.7 million for the same period in 2022 which was comprised of:
    - net investment income increased to $10.5 million for the three months ended June 30, 2023 compared to $7.7 million for the same period in 2022;

    - realized and unrealized investment gains were $1.1 million for the three months ended June 30, 2023 compared to gains of $2.1 million for the same period in 2022; and
    - interest in income of equity method investments was $4.8 million for the three months ended June 30, 2023 compared to a loss of $3.0 million for the same period in 2022.
- corporate general and administrative expenses decreased to $2.9 million for the three months ended June 30, 2023 compared to $3.0 million for the same period in 2022.

Net loss attributable to Maiden common shareholders for the six months ended June 30, 2023 was $14.3 million compared to net income available to Maiden common shareholders of $27.3 million for the same period in 2022. The net income for the six months ended June 30, 2022 included $28.2 million of gains from the repurchase of our preference shares.

Excluding the gain on the repurchase of our preference shares in 2022, our net loss for the six months ended June 30, 2023 was $14.3 million compared to a net loss of $0.9 million for the same period in 2022. The net decrease in results for the six months ended June 30, 2023 compared to 2022 was primarily due to:

- a higher underwriting loss of $17.5 million for the six months ended June 30, 2023 compared to an underwriting loss of $6.8 million for the same period in 2022 largely due to:
    - adverse prior year loss development of $8.2 million for the six months ended June 30, 2023 compared to favorable prior year development of $6.3 million for the same period in 2022 primarily related to the quota share reinsurance agreements in the AmTrust Reinsurance segment;
    - on a current accident year basis, an underwriting loss of $9.4 million for the six months ended June 30, 2023 compared to an underwriting loss of $13.1 million for the same period in 2022 primarily due to results within the AmTrust Reinsurance segment as discussed below:
    - significantly higher than expected negative premium adjustments in the AmTrust Reinsurance segment related to adjustments for estimated surcharges on Workers' Compensation policies and inuring AmTrust reinsurance for certain programs in Specialty Risk and Extended Warranty cessions (collectively the "AmTrust Cession Adjustments" which are discussed in greater detail in the AmTrust Reinsurance segment), net of commission and loss adjustments, contributed an underwriting loss of $5.1 million to our reported results for the six months ended June 30, 2022.
- foreign exchange and other losses of $5.4 million for the six months ended June 30, 2023 compared to foreign exchange and other gains of $10.5 million for the same period in 2022.

The decrease in our year-to-date results were partly offset by the following favorable factors:

- increased total income from investment activities of $27.0 million for the six months ended June 30, 2023 compared to $16.9 million for the same period in 2022 which was comprised of:
    - net investment income increased to $20.1 million for the six months ended June 30, 2023 compared to $14.2 million for the same period in 2022;
    - realized and unrealized investment gains were $2.2 million for the six months ended June 30, 2023 compared to realized and unrealized gains of $4.4 million for the same period in 2022; and
    - interest in income of equity method investments was $4.8 million for the six months ended June 30, 2023 compared to a loss of $1.8 million for the same period in 2022.
- corporate general and administrative expenses decreased to $9.9 million for the six months ended June 30, 2023 compared to $11.3 million for the same period in 2022.

Net Premiums Written

The tables below compare net premiums written by our reportable segments, reconciled to the total consolidated net premiums written for the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30,	**2023**	**2022**	**Change in**
($ in thousands)	**Total**	**Total**	**$**
Diversified Reinsurance	$ 6,652	$ 5,995	$ 657
AmTrust Reinsurance	223	(2,809)	3,032
Total	$ 6,875	$ 3,186	$ 3,689

For the Six Months Ended June 30,	**2023**	**2022**	**Change in**
($ in thousands)	**Total**	**Total**	**$**
Diversified Reinsurance	$ 13,425	$ 10,578	$ 2,847
AmTrust Reinsurance	(5,790)	(17,715)	11,925
Total	$ 7,635	$ (7,137)	$ 14,772

Net premiums written for the three and six months ended June 30, 2023 increased to $6.9 million and $7.6 million, respectively, compared to net premiums written of $3.2 million and $(7.1) million for the same respective periods in 2022:

- Premiums written in the Diversified Reinsurance segment increased by $0.7 million and $2.8 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 due to growth in direct premiums for Credit Life programs written by Maiden LF and Maiden GF.
- Premiums written in the AmTrust Reinsurance segment increased by $3.0 million and $11.9 million for the three and six months ended June 30, 2023 compared to the same respective periods in 2022 largely due to significant negative written premiums for the AmTrust Cession Adjustments during the three and six months ended June 30, 2022.

Please refer to the analysis below of our Diversified Reinsurance and AmTrust Reinsurance segments for further details.

Net Premiums Earned

Net premiums earned increased by $0.6 million and $8.5 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022.

The tables below compares net premiums earned by our reportable segments, reconciled to the total consolidated net premiums earned, for the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30,	2023	2022	Change in
($ in thousands)	Total	Total	$
Diversified Reinsurance	$ 7,204	$ 7,125	$ 79
AmTrust Quota Share Reinsurance	3,835	3,318	517
Total	$ 11,039	$ 10,443	$ 596

For the Six Months Ended June 30,	2023	2022	Change in
($ in thousands)	Total	Total	$
Diversified Reinsurance	$ 14,675	$ 13,080	$ 1,595
AmTrust Quota Share Reinsurance	5,366	(1,515)	6,881
Total	$ 20,041	$ 11,565	$ 8,476

Net premiums earned in the Diversified Reinsurance segment for the three and six months ended June 30, 2023 increased by $0.1 million or 1.1% and $1.6 million or 12.2% compared to the same respective periods in 2022 mainly due to growth in Credit Life programs written by Maiden LF and Maiden GF. Please refer to the analysis of our Diversified Reinsurance segment for further discussion.

Net premiums earned in the AmTrust Reinsurance segment for the three and six months ended June 30, 2023 increased by $0.5 million and $6.9 million compared to the same respective periods in 2022 primarily due to significant negative earned premium adjustments made in the first quarter of 2022. Please refer to the analysis of our AmTrust Reinsurance segment for further discussion.

Other Insurance Revenue

All of our Other Insurance Revenue is produced by our Diversified Reinsurance segment. Please refer to the analysis below of our Diversified Reinsurance segment for further discussion.

Net Investment Income

Net investment income increased by $2.9 million or 37.2% and $5.8 million or 41.0% for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022. Annualized average book yields increased to 4.2% and 4.0% for the three and six months ended June 30, 2023, respectively, compared to 2.0% and 1.9% for the same respective periods in 2022 due to the following factors:

- 33.9% of our fixed income investments as of June 30, 2023 are floating rate investments which enabled us to take advantage of a higher interest rate environment by reinvesting at higher yields more quickly;
- higher crediting interest rate on our funds withheld balance with AmTrust which increased to 3.5% in 2023 from 2.1% in 2022, on an average ending balances of $319.2 million and $351.8 million during the three and six months ended June 30, 2023, respectively; and
- higher weighted average interest rate on our loan to related party of $168.0 million which increased to 7.0% and 6.7% during the three and six months ended June 30, 2023, respectively, compared to 2.8% and 2.4% for the same respective periods in 2022.

Average aggregate fixed income assets at June 30, 2023 decreased by 36.8% compared to June 30, 2022 due to the continued run-off of reinsurance liabilities previously written on prospective risks, resulting in negative operating cash flows as we run-off our existing reinsurance liabilities.

The following table details our average aggregate fixed income assets (at cost) and annualized investment book yield for the three and six months ended June 30, 2023 and 2022:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
Average aggregate fixed income assets, at cost (1)	$ 855,506	$ 1,353,007	$ 894,686	$ 1,402,471
Annualized investment book yield	4.2 %	2.0 %	4.0 %	1.9 %

(1) Fixed income assets include available-for-sale ("AFS") securities, cash and restricted cash, funds withheld receivable, and loan to related party. These amounts are an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

Net Realized and Unrealized Investment Gains

Net realized and unrealized investment gains of $1.1 million and $2.2 million were recognized for the three and six months ended June 30, 2023, respectively, compared to net realized and unrealized investment gains of $2.1 million and $4.4 million for the same respective periods in 2022. Total net realized and unrealized investment gains for the three and six months ended June 30, 2023 and 2022 are summarized in the table below by investment category:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Net realized gains (losses):			($ in thousands)	
Fixed income assets(1)	$ (786)	$ (47)	$ (786)	$ 1,096
Other investments, including equity securities	10	—	186	79
Total net realized (losses) gains	(776)	(47)	(600)	1,175
Net unrealized gains:				
Other investments, including equity securities	1,921	2,158	2,750	3,245
Total net unrealized gains	1,921	2,158	2,750	3,245
Total net realized and unrealized investment gains	$ 1,145	$ 2,111	$ 2,150	$ 4,420

(1) Fixed income assets includes AFS securities as well as cash, restricted cash, funds withheld receivable, and loan to related party.

Interest in Income (Loss) of Equity Method Investments

The Company recognized interest in income of equity method investments of $4.8 million and $4.8 million for the three and six months ended June 30, 2023, respectively, compared to an interest in the loss of equity method investments of $3.0 million and $1.8 million for the same respective periods in 2022. Equity method investments consist of real estate investments of $42.6 million and other investments of $30.6 million as of June 30, 2023. Interest in income (loss) of equity method investments for the three and six months ended June 30, 2023 and 2022 is detailed by investment category in the following table:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
Hedge fund investments	$ (84)	$ (3,476)	$ 83	$ (3,544)
Real estate investments	(185)	18	(403)	18
Other investments	5,072	417	5,072	1,756
Interest in income (loss) of equity method investments	$ 4,803	$ (3,041)	$ 4,752	$ (1,770)

Net Loss and LAE

Net loss and LAE increased by $4.7 million for the second quarter of 2023 compared to the same period in 2022 largely due to adverse prior year loss development in both reporting segments. Net losses were impacted by net adverse prior year loss development of $4.5 million for the second quarter of 2023 compared to net adverse prior year loss development of $1.0 million for the same period in 2022.

Net loss and LAE increased by $16.8 million for the six months ended June 30, 2023 compared to the same period in 2022 largely due to adverse prior year loss development in both reporting segments. Net losses were impacted by net adverse prior year loss development of $8.2 million for the six months ended June 30, 2023 compared to favorable prior year reserve development of $6.3 million for the same period in 2022.

The cessation of active reinsurance underwriting on prospective risks included the termination of the AmTrust Quota Share and European Hospital Liability Quota Share effective January 1, 2019. The segment net loss development is discussed in greater detail in the individual segment discussion and analysis and is primarily associated with run-off of unearned premium for terminated reinsurance contracts in the AmTrust Reinsurance and Diversified Reinsurance segments.

Commission and Other Acquisition Expenses

Commission and other acquisition expenses increased by $0.1 million or 1.2% and increased by $1.8 million or 23.8% for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 driven by lower earned premium adjustments in the AmTrust Reinsurance segment in 2023 compared to 2022. This resulted in a corresponding increase in commission costs and brokerage fees. Please see further discussion in the individual segment analysis below.

General and Administrative Expenses

General and administrative expenses include both segment and corporate expenses segregated for analytical purposes as a component of underwriting income. Total general and administrative expenses decreased by $0.5 million, or 6.2% and decreased by $1.2 million or 6.8% for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 primarily due to lower stock-based incentive compensation costs and corporate insurance expenses incurred. General and administrative expenses for the three and six months ended June 30, 2023 and 2022 were comprised of:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
General and administrative expenses – segments	$ 3,902	$ 4,283	$ 7,048	$ 6,866
General and administrative expenses – corporate	2,937	3,011	9,899	11,314
Total general and administrative expenses	$ 6,839	$ 7,294	$ 16,947	$ 18,180

Interest and Amortization Expenses

Total interest and amortization expenses related to outstanding senior notes issued by Maiden Holdings in 2016 and Maiden NA in 2013 ("Senior Notes") were $4.8 million and $8.6 million for the three and six months ended June 30, 2023, respectively, compared to $4.8 million and $9.7 million for the same respective periods in 2022. This included interest expense incurred on the Senior Notes for the three and six months ended June 30, 2023 and 2022 of $4.8 million and $9.6 million, respectively.

The issuance costs related to the Senior Notes were capitalized and are amortized over their effective life using the effective interest method of amortization. Due to a change in the amortization method for the 2013 Senior Notes at June 30, 2023, amortization expenses were $0.0 million and $(0.9) million for the three and six months ended June 30, 2023, respectively, compared to amortization expenses of $0.1 million and $0.1 million for the same respective periods in 2022.

During the three and six months ended June 30, 2023, the Company realized a gain of $39.9 thousand due to the partial repurchase of the 2013 Senior Notes which was offset against total interest and amortization expenses discussed above.

Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long Term Debt*" for further details on the Senior Notes. The weighted average effective interest rate for the Senior Notes was 7.6% for the three and six months ended June 30, 2023 and 2022, respectively.

Foreign Exchange and Other (Losses) Gains

Net foreign exchange and other losses of $2.6 million and losses of $5.4 million were realized during the three and six months ended June 30, 2023, respectively, compared to net foreign exchange and other gains of $6.6 million and gains of $10.5 million for the same respective periods in 2022.

At June 30, 2023, net foreign exchange losses were primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at June 30, 2023 included net loss reserves of $313.5 million. Our foreign currency asset exposures at June 30, 2023 included $172.1 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy as well as $22.6 million of equity method real estate investments denominated in Canadian dollars.

Net foreign exchange losses of $2.6 million and $4.7 million for the three and six months ended June 30, 2023, respectively, were attributable to the weakening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Net foreign exchange gains of $7.9 million and $11.9 million during the three and six months ended June 30, 2022, respectively, were attributable to the strengthening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Underwriting Results by Reportable Segment

Diversified Reinsurance Segment

The underwriting results for our Diversified Reinsurance segment for the three and six months ended June 30, 2023 and 2022 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
Gross premiums written	$ 6,652	$ 6,148	$ 13,501	$ 10,884
Net premiums written	$ 6,652	$ 5,995	$ 13,425	$ 10,578
Net premiums earned	$ 7,204	$ 7,125	$ 14,675	$ 13,080
Other insurance revenue, net	78	469	19	520
Net loss and LAE	(3,828)	(2,340)	(6,984)	(980)
Commission and other acquisition expenses	(3,514)	(3,519)	(7,170)	(7,290)
General and administrative expenses	(3,058)	(3,008)	(5,647)	(5,106)
Underwriting (loss) income	$ (3,118)	$ (1,273)	$ (5,107)	$ 224

Underwriting results in the Diversified Reinsurance segment decreased for the three and six months ended June 30, 2023 compared to the same respective periods in 2022. This was primarily due to an underwriting loss from International and GLS operations for the three and six months ended June 30, 2023 as detailed in the table below.

Underwriting (loss) income by business unit is detailed in the table below for the Diversified Reinsurance segment for the three and six months ended June 30, 2023 and 2022, respectively:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
International	(1,845)	(305)	$ (2,025)	$ 448
GLS	(1,147)	98	(2,211)	(42)
Other run-off lines	(126)	(1,066)	(871)	(182)
Underwriting (loss) income	(3,118)	(1,273)	$ (5,107)	$ 224

Premiums — The growth in written and earned premium was the result of new Credit Life programs written by Maiden LF and Maiden GF in the three and six months ended June 30, 2023.

Gross premiums written increased by $0.5 million or 8.2% and increased by $2.6 million or 24.0% for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022.

Net premiums written increased by $0.7 million or 11.0% and increased by $2.8 million or 26.9% during the three and six months ended June 30, 2023, compared to the same respective periods in 2022.

Net premiums earned increased by $0.1 million or 1.1% and increased by $1.6 million or 12.2% during the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022.

Other Insurance Revenue, Net — Other insurance revenue, net includes fee related income earned from our GLS business, fair value changes in underwriting-related derivatives related to certain coverages on retroactive reinsurance contracts written by GLS, and fee income derived from our IIS business not directly associated with premium revenue assumed by the Company as specified in the table below.

Total other insurance revenue, net decreased by $0.4 million and $0.5 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 primarily due to fair value changes in non-hedged underwriting-related derivatives on GLS contracts.

The table below shows other insurance revenue by source for the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30,	2023	2022	Change
		($ in thousands)	
International	$ —	$ 10	$ (10)
Changes in fair value of non-hedged underwriting-related derivatives	(18)	393	(411)
Other service fee income	96	66	30
Total other insurance revenue, net	$ 78	$ 469	$ (391)
For the Six Months Ended June 30,	**2023**	**2022**	**Change**
		($ in thousands)	
International	$ 97	$ 20	$ 77
Changes in fair value of non-hedged underwriting-related derivatives	(230)	393	(623)
Other service fee income	152	107	45
Total other insurance revenue, net	$ 19	$ 520	$ (501)

Net Loss and LAE — Net loss and LAE increased by $1.5 million and increased by $6.0 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 primarily due to new premium growth in Credit Life programs written by Maiden LF and Maiden GF as well as adverse prior year development experienced in the current year periods.

The net loss and LAE was impacted by net adverse prior year loss development of $1.3 million and $2.1 million for the three and six months ended June 30, 2023, respectively, compared to adverse prior year development of $0.8 million and favorable development of $1.4 million for the same respective periods in 2022.

The net adverse loss development for the three and six months ended June 30, 2023 was primarily from a German auto program in run-off from our International unit along with development from other runoff business lines and included the recognition of expected credit losses on reinsurance recoverable on unpaid losses.

The prior year loss development in 2022 was due to favorable reserve development in German Auto Programs and GLS partly offset by adverse development in European Capital Solutions that occurred in the second quarter of 2022.

Commission and Other Acquisition Expenses — Commission and other acquisition expenses remained flat and decreased by $0.1 million or 1.6% for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022.

General and Administrative Expenses — General and administrative expenses increased by $0.1 million or 1.7% and increased by $0.5 million or 10.6% for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022.

AmTrust Reinsurance Segment

The AmTrust Reinsurance segment reported an underwriting loss of $6.1 million and $12.4 million during the three and six months ended June 30, 2023, respectively, compared to an underwriting loss of $3.9 million and $7.0 million for the same respective periods in 2022.

The decrease in underwriting results for the three and six months ended June 30, 2023 was primarily due to adverse prior year loss development of $3.2 million and $6.1 million during the three and six months ended June 30, 2023, respectively, compared to net prior year loss development of adverse $0.1 million and favorable $4.9 million for the same respective periods in 2022.

The underwriting results for the AmTrust Reinsurance segment for the three and six months ended June 30, 2023 and 2022 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	**2023**	**2022**	**2023**	**2022**
Gross premiums written	$ 223	$ (2,809)	$ (5,790)	$ (17,715)
Net premiums written	$ 223	$ (2,809)	$ (5,790)	$ (17,715)
Net premiums earned	$ 3,835	$ 3,318	$ 5,366	$ (1,515)
Net loss and LAE	(7,704)	(4,534)	(14,363)	(3,611)
Commission and other acquisition expenses	(1,431)	(1,366)	(2,010)	(123)
General and administrative expenses	(844)	(1,275)	(1,401)	(1,760)
Underwriting loss	$ (6,144)	$ (3,857)	$ (12,408)	$ (7,009)

Premiums **—** The tables below show net premiums written by category for the three and six months ended June 30, 2023 and 2022, respectively:

For the Three Months Ended June 30,	**2023**	**2022**	**Change in**
($ in thousands)	**Total**	**Total**	**$**
Net Premiums Written			
Small Commercial Business	$ (75)	$ (2,649)	$ 2,574
Specialty Program	1	(62)	63
Specialty Risk and Extended Warranty	297	(98)	395
Total AmTrust Reinsurance	$ 223	$ (2,809)	$ 3,032

For the Six Months Ended June 30,	**2023**	**2022**	**Change in**
($ in thousands)	**Total**	**Total**	**$**
Net Premiums Written			
Small Commercial Business	$ (158)	$ (14,371)	$ 14,213
Specialty Program	157	775	(618)
Specialty Risk and Extended Warranty	(5,789)	(4,119)	(1,670)
Total AmTrust Reinsurance	$ (5,790)	$ (17,715)	$ 11,925

Furthermore, the termination of the AmTrust Quota Share and the European Hospital Liability Quota Share as of January 1, 2019 resulted in no new business written under these contracts since 2018.

The negative gross and net premiums written for the six months ended June 30, 2023 reflect cession adjustments of $6.1 million due to the cancellation of cases in a certain program within Specialty Risk and Extended Warranty.

The negative gross and net premiums written for the six months ended June 30, 2022 reflect the AmTrust Cession Adjustments which consist of higher than expected adjustments related to the following items:

- $11.0 million of premium reductions on Workers Compensation policy surcharges in Small Commercial Business subsequent to the termination of the AmTrust Quota Share; and
- $4.8 million of premium reductions to AmTrust's inuring reinsurance for certain programs in Specialty Risk and Extended Warranty which reduced the amount of premium ceded to Maiden.

Net premiums earned increased by $0.5 million and $6.9 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 primarily driven by lower negative premium adjustments during the first half of 2023 compared to significantly higher AmTrust Cession Adjustments made in the first half of 2022, largely due to negative premiums earned in Small Commercial Business policies.

The tables below provide detail on net premiums earned in the three and six months ended June 30, 2023 and 2022:

For the Three Months Ended June 30,	2023	2022	Change in
($ in thousands)	Total	Total	$
Net Premiums Earned			
Small Commercial Business	$ (75)	$ (2,649)	$ 2,574
Specialty Program	1	(62)	63
Specialty Risk and Extended Warranty	3,909	6,029	(2,120)
Total AmTrust Reinsurance	$ 3,835	$ 3,318	$ 517

For the Six Months Ended June 30,	2023	2022	Change in
($ in thousands)	Total	Total	$
Net Premiums Earned			
Small Commercial Business	$ (158)	$ (14,359)	$ 14,201
Specialty Program	157	776	(619)
Specialty Risk and Extended Warranty	5,367	12,068	(6,701)
Total AmTrust Reinsurance	$ 5,366	$ (1,515)	$ 6,881

Net Loss and LAE — Net loss and LAE increased by $3.2 million and $10.8 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022 driven by higher adverse prior year loss development in the current year periods. Net adverse prior year loss development was $3.2 million and $6.1 million during the three and six months ended June 30, 2023, respectively compared to net adverse development of $0.1 million and favorable development of $4.9 million for the same respective periods in 2022.

Net adverse prior year loss development for the three and six months ended June 30, 2023 was primarily due to General Liability and Commercial Auto Liability partly offset by continued favorable development in Workers Compensation. Net adverse prior year loss development for the three months ended June 30, 2022 was driven by modest deterioration in General Liability and Commercial Auto partly offset by continued favorable development on Workers Compensation. The net favorable prior year loss development for the six months ended June 30, 2022 was due to favorable runoff of Workers Compensation business and AmTrust Cession Adjustments for Specialty Risk and Extended Warranty.

Commission and Other Acquisition Expenses — Commission and other acquisition expenses increased by $0.1 million and $1.9 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022. This was driven by lower negative earned premium adjustments in the first half of 2023 compared to significantly higher AmTrust Cession Adjustments made in the first half of 2022, largely due to negative premiums earned in Small Commercial Business policies which resulted in a corresponding decrease in commission costs and brokerage fees.

General and Administrative Expenses — General and administrative expenses decreased by $0.4 million for the three and six months ended June 30, 2023, respectively, compared to the same respective periods in 2022.

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, loans and other permitted distributions from our subsidiary companies to pay expenses and make dividend payments on our common 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 and also place restrictions on the declaration and payment of dividends and other distributions.

As of June 30, 2023, the Company had investable assets of $1.06 billion compared to $1.24 billion as of December 31, 2022. Investable assets are the combined total of our investments, cash and cash equivalents (including restricted cash), loan to a related party and funds withheld receivable. The decrease in our investable assets is due to the cessation of active reinsurance underwriting of new prospective risks which results in negative operating cash flows as we settle claim payments from the run-off of our reinsurance portfolio liabilities.

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, 2022, that was filed with the SEC on March 15, 2023.

Maiden Reinsurance re-domesticated from Bermuda to Vermont on March 16, 2020. We continue to be actively engaged with the Vermont Department of Financial Regulation ("Vermont DFR") regarding Maiden Reinsurance's longer term business plan, including its investment policy, changes to which require prior regulatory approval as stipulated by Vermont law or the Vermont DFR for any active underwriting, capital management or other strategic initiatives. Maiden Reinsurance has received all necessary approvals required to date by the Vermont DFR, including its activities via GLS and its investment policy which includes: 1) the expansion of approved asset classes for investment reflecting not only Maiden Reinsurance's solvency position but the material reduction in required capital necessary to operate its business; and 2) the purchase of affiliated securities as demonstrated in previous preference share tender offers and the recently completed Exchange. The Investment Policy, as approved and as amended, maintains our established investment management and governance practices.

In 2022 and 2023, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to that approval, Maiden Reinsurance has paid $31.3 million in dividends to Maiden NA with $6.3 million paid to Maiden NA on a quarterly basis since approval was granted.

We may experience continued volatility in our results of operations which could negatively impact our financial condition and create a reduction in the amount of available distribution or dividend capacity from our regulated reinsurance subsidiaries, which would also reduce liquidity. Further, we and our insurance subsidiaries may need additional capital to maintain compliance with regulatory capital requirements and/or be required to post additional collateral under existing reinsurance arrangements, which could reduce our liquidity.

Operating, investing and financing cash flows

Our sources of funds historically have consisted of premium receipts net of commissions and brokerage, investment income, net proceeds from capital raising activities, and proceeds from sales, maturities, pay downs and redemption of investments. Cash is currently used primarily to pay loss and LAE, ceded reinsurance premium, general and administrative expenses, and interest expense, with the remainder in excess of our operating requirements made available to our investment managers for investment in accordance with our investment policy as well as for capital management such as repurchasing our shares.

Our business has undergone significant changes since 2018. As previously noted, we engaged in a series of transactions that have materially reduced our balance sheet risk and transformed our operations. As a result of these transactions, we are not presently engaged in any active underwriting of new prospective reinsurance business thus our net premiums written will continue to be materially lower and investment income will become a significantly larger portion of our total revenues. We are writing new retroactive risks through GLS, however this will be smaller in relation to the run-off of our prior reinsurance business. Despite the initial inflow of new business from GLS, the run-off of our prior reinsurance business has continued to cause significant negative operating cash flows as we run off the AmTrust Reinsurance segment reserves as shown in the cash flows table below.

While the development of the GLS platform over time should further enhance our ability to pursue the asset and capital management pillars of our business strategy, we continue to expect a trend of negative overall cash flows to continue to reduce our asset base going forward through the remainder of 2023 and beyond.

We expect to use funds from cash and investment portfolios, collected premiums on reinsurance contracts in force or being run-off, investment income and proceeds from investment sales and redemptions to meet our expected claims payments and operational expenses. Claim payments will be principally from the run-off of existing reserves for loss and LAE. A significant portion of those liabilities are collateralized and claim payments will be funded by using this collateral which should provide sufficient funding to fulfill those obligations.

The Company's management believes our current sources of liquidity are adequate to meet cash requirements for the next twelve months as we generally expect negative operating cash flows to be sufficiently offset by positive investing cash flows. While we continue to expect our cash flows to be sufficient to meet our cash requirements and to operate our business, our ability to execute our asset and capital management initiatives are dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Our expanded asset management strategy can be impacted by both investment specific and broader financial market conditions and may not produce the expected liquidity and cash flows these investments are designed to achieve, or the timing thereof may also be impacted by those factors.

At June 30, 2023, unrestricted cash, cash equivalents and fixed maturity investments were $82.2 million compared to $64.3 million held at December 31, 2022, an increase of $17.9 million during the six months ended June 30, 2023. This was driven by $11.0 million of net proceeds from sales and redemption of alternative investments including equity method investments and $30.0 million of collateral released by AmTrust, partly offset by $9.6 million for interest payments on the Senior Notes and $0.6 million for common share repurchases under the Company's authorized repurchase plan.

Please see the related discussion on investing and financing cash flows below. The table below summarizes our operating, investing and financing cash flows for the six months ended June 30, 2023 and 2022:

For the Six Months Ended June 30,	2023	2022
	($ in thousands)	
Operating activities	$ (63,662)	$ (88,756)
Investing activities	45,183	96,333
Financing activities	(916)	(10,983)
Effect of exchange rate changes on foreign currency cash	233	(1,213)
Total decrease in cash, restricted cash and cash equivalents	$ (19,162)	$ (4,619)

Cash Flows used in Operating Activities

Cash flows used in operating activities for the six months ended June 30, 2023 were $63.7 million compared to cash flows used in operating activities of $88.8 million for the six months ended June 30, 2022, a decrease of $25.1 million due to settlement of claim payments to AmTrust using the funds withheld receivable in the current year period whereas cash was primarily used in the prior year period.

Cash Flows provided by Investing Activities

Cash flows provided by investing activities consist primarily of proceeds from the sales and maturities of investments net of payments for investments acquired. Net cash provided by investing activities was $45.2 million for the six months ended June 30, 2023 compared to $96.3 million for the same period in 2022.

Cash flows provided by investing activities included net proceeds of $11.0 million from alternative investments including equity method investments during the six months ended June 30, 2023 compared to net purchases of $19.1 million for the same respective period in 2022.

For the six months ended June 30, 2023, the proceeds from the sales, maturities and calls exceeded the purchases of fixed maturity securities by $34.2 million compared to net proceeds of $115.5 million for the same respective period in 2022 as the size of the fixed income portfolio continues to decrease as claims payments are made for the runoff of existing reserves for terminated AmTrust Quota Share and the European Hospital Liability Quota Share contracts.

Cash Flows used in Financing Activities

Cash flows used in financing activities were $0.9 million for the six months ended June 30, 2023 compared to $11.0 million during the same respective period in 2022. During the six months ended June 30, 2023, the Company repurchased 299,630 common shares at an average price per share of $2.07 under the Company's authorized common share repurchase plan for a total cost of $0.6 million. During the six months ended June 30, 2022, the Company repurchased 1,581,509 preference shares at an average price per share of $6.31 for an aggregate total consideration of $10.0 million pursuant to the 2021 Preference Share Repurchase Program.

No dividends on common shares were paid during the six months ended June 30, 2023 and 2022. Our Board of Directors have not declared any common share dividends since the third quarter of 2018.

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, 2022, that was filed with the SEC on March 15, 2023.

At June 30, 2023 and December 31, 2022, restricted cash and cash equivalents and fixed maturity investments used as collateral were $232.6 million and $296.8 million, respectively. This collateral represents 73.9% and 82.2% of the fair value of total fixed maturity investments, cash, restricted cash and equivalents at June 30, 2023 and December 31, 2022, respectively.

Cash and Investments

Historically, the investment of our funds had generally been designed to ensure safety of principal while generating current income. Accordingly, the majority of our funds had been invested in liquid, investment-grade fixed income securities which are all designated as AFS at June 30, 2023.

As our insurance liabilities continue to run-off and the required capital to operate our business for regulatory purposes decreases, we have modified Maiden Reinsurance’s investment policy which has been approved by the Vermont DFR. Under this modified investment policy, we have expanded the range of asset classes we invest in to enhance the income and total returns our investment portfolio produces. We categorize these investments as alternative investments which include "*Other Investments*", *"Equity Securities"*, and *"Equity Method Investments"* on our Condensed Consolidated Balance Sheets. As of June 30, 2023 and December 31, 2022, our cash and investments consisted of:

	June 30, 2023	December 31, 2022
	($ in thousands)	
Fixed maturities, available-for-sale, at fair value	$ 287,324	$ 314,527
Equity securities, at fair value	45,251	43,621
Equity method investments	73,216	80,159
Other investments	150,149	148,753
Total investments	555,940	587,060
Cash and cash equivalents	17,242	30,986
Restricted cash and cash equivalents	10,220	15,638
Total Investments and Cash and Cash Equivalents	$ 583,402	$ 633,684

In addition to the discussion on Cash and Cash Equivalents and Fixed Maturities that follows herein, please see the "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 4. Investments*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q for further discussion on our AFS fixed income securities.

Under this revised investment policy, we have increased the amount of alternative investments held, and we expect to continue to increase the amounts invested therein. Under our investment policy, alternative investments could include, but are not limited to, privately held investments, private equities, private credit lending funds, fixed-income funds, hedge funds, equity funds, real estate (including joint ventures and limited partnerships) and other non-fixed-income investments.

For further details on our alternative investments, in addition to the discussion of the investments herein, please see "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 4(b). Other Investments, Equity Securities and Equity Method Investments"* included under Part I Item 1 "*Financial Information*" of this Form 10-Q.

Our investment performance is subject to a variety of risks, including risks related to general economic conditions, market volatility, interest rate fluctuations, foreign exchange risk, liquidity risk and credit and default risk. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. An increase in interest rates could result in significant losses, realized or unrealized, in the value of our investment portfolio. A portion of our portfolio consists of alternative investments that subject us to restrictions on redemption, which may limit our ability to withdraw funds for some period of time after the initial investment. The values of, and returns on, such investments may also be more volatile.

We believe our other investments, equity securities and equity method investments portfolio provides diversification against our fixed-income investments and an opportunity for improved risk-adjusted return, however, the returns of these investments may be more volatile and we may experience significant unrealized gains or losses in any particular quarter or year. While we believe the returns produced by these investments will exceed our cost of capital, in particular our cost of debt capital, it is too soon to determine if the actual returns will achieve this objective and it may be an extended period of time before that determination can be made.

We may utilize and pay fees to various companies to provide investment advisory and/or management services related to these investments. These fees, which would be predominantly based upon the amount of assets under management, would be included in net investment income. In addition, costs associated with evaluating, analyzing and monitoring these investments may require additional expenditures than traditional marketable securities.

The substantial majority of our current and future investments are held by Maiden Reinsurance, whose investment policy was approved by the Vermont DFR. Prior to the Exchange, the Company cumulatively invested $176.4 million in preference shares of Maiden Holdings which have since been extinguished and exchanged for 41,439,348 common shares of the Company pursuant to the Exchange. As a result of the Exchange, there are no preference shares outstanding. The market value of our common shares held by Maiden Reinsurance due to the Exchange was $86.9 million at June 30, 2023.

Cash & Cash Equivalents

At June 30, 2023, we consider the levels of cash and cash equivalents held to be within our targeted ranges. During periods when interest rates experience greater volatility, we have periodically maintained more cash and cash equivalents to better assess current market conditions and opportunities within our defined risk appetite, and may do so in future periods.

Fixed Maturity Investments

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 at June 30, 2023 and December 31, 2022, respectively:

June 30, 2023	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield(1)	Average duration(2)
	($ in thousands)					
U.S. treasury bonds	$ 62,802	$ 3	$ (121)	$ 62,684	4.6 %	0.3
U.S. agency bonds – mortgage-backed	37,175	—	(4,321)	32,854	3.2 %	5.5
Collateralized mortgage-backed securities	7,199	—	(406)	6,793	6.5 %	4.2
Non-U.S. government bonds	14,834	—	(786)	14,048	0.7 %	2.0
Collateralized loan obligations	98,260	—	(3,100)	95,160	4.6 %	0.2
Corporate bonds	80,183	—	(4,398)	75,785	1.5 %	2.0
Total fixed maturities	300,453	3	(13,132)	287,324	3.5 %	1.6
Cash and cash equivalents	27,462	—	—	27,462	0.6 %	0.0
Total	$ 327,915	$ 3	$ (13,132)	$ 314,786	3.2 %	1.4

December 31, 2022	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield(1)	Average duration(2)
	($ in thousands)					
U.S. treasury bonds	$ 55,647	$ 1	$ (116)	$ 55,532	4.0 %	0.7
U.S. agency bonds – mortgage-backed	38,767	—	(4,402)	34,365	2.7 %	4.7
Collateralized mortgage-backed securities	7,199	—	(432)	6,767	5.3 %	2.7
Non-U.S. government bonds	12,643	—	(825)	11,818	0.3 %	2.8
Collateralized loan obligations	119,120	—	(5,028)	114,092	3.1 %	0.3
Corporate bonds	97,063	—	(5,110)	91,953	1.5 %	2.1
Total fixed maturities	330,439	1	(15,913)	314,527	2.7 %	1.5
Cash and cash equivalents	46,624	—	—	46,624	1.2 %	0.0
Total	$ 377,063	$ 1	$ (15,913)	$ 361,151	2.5 %	1.3

(1) Average yield is calculated by dividing annualized investment income for each sub-component of fixed maturity securities and cash and cash equivalents (including amortization of premium or discount) by amortized cost.
(2) Average duration in years.

During the six months ended June 30, 2023, the yield on the 10-year U.S. Treasury bond decreased by 7 basis points to 3.81%. The 10-year U.S. Treasury rate is the key risk-free determinant in the fair value of many of the fixed maturity securities in our portfolio. The U.S. Treasury yield curve experienced a slight shift during the six months ended June 30, 2023, reflecting concerns of the U.S. Federal Reserve about reduced but continuing elevated inflation levels and the ongoing strength of the U.S. economy despite significant interest rate increases implemented since 2022. Central banks globally continue to respond in similar fashion and suggest additional interest rate increases may occur; however, the significant majority of rate increases by central banks have largely impacted the short end of the yield curve and the limited movement in 10-year U.S. Treasury yields is consistent with that experience.

The change in the market values of our fixed maturity portfolio during the six months ended June 30, 2023 generated net unrealized gains of $2.8 million which increased our book value per common share by $0.03 during the period. Current outlooks for global monetary policy indicate that quantitative tightening by central banks in the U.S. and globally are likely to moderate in the near term, although expectations remain that central banks will maintain a bias toward further tightening for the foreseeable future. Our investment portfolios, in particular our fixed maturity portfolio, may be adversely impacted by unfavorable market conditions caused by these measures, which could cause continued volatility in our results of operations and negatively impact our financial condition.

Interest rate risk is the price sensitivity of a security to changes in interest rates. Credit spread risk is the price sensitivity of a security to changes in credit spreads. As noted, the fair value of our fixed maturity investments will fluctuate with changes in interest rates and credit spreads. We attempt to maintain adequate liquidity in our fixed maturity investments portfolio with a strategy designed to emphasize the preservation of our invested assets and provide sufficient liquidity for the prompt payment of claims and contract liabilities. Because we collateralize a significant portion of our insurance liabilities, unanticipated or large increases in interest rates could require us to utilize significant amounts of unrestricted cash and fixed maturity securities to provide additional collateral, which could impact our asset and capital management strategy described herein.

We also monitor the duration and structure of our investment portfolio as discussed below. As of June 30, 2023, the aggregate hypothetical change in fair value from an immediate 100 basis points increase in interest rates, assuming credit spreads remain constant, in our fixed maturity investments portfolio would decrease the fair value of that portfolio by $7.3 million. Actual shifts in interest rates may not change by the same magnitude across the maturity spectrum or on an individual security and, as a result, the impact on the fair value of our fixed maturity securities may be materially different from the resulting change in value described above.

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 June 30, 2023 and December 31, 2022, these respective durations in years were as follows:

	June 30, 2023	December 31, 2022
Fixed maturities and cash and cash equivalents	1.4	1.3
Reserve for loss and LAE - gross of LPT/ADC Agreement reserves	5.3	5.3
Reserve for loss and LAE - net of LPT/ADC Agreement reserves	1.5	1.1

During the six months ended June 30, 2023, the weighted average duration of our fixed maturity investment portfolio slightly increased to 1.4 years while the duration for the gross reserve for loss and LAE remained at 5.3 years. The differential in duration between these assets and liabilities may fluctuate over time and in the case of fixed maturities, historically has been affected by factors such as market conditions, changes in asset mix and prepayment speeds in the case of both our U.S. agency mortgage-backed securities ("Agency MBS") and commercial mortgage-backed securities.

At June 30, 2023, the duration of our loss reserves net of the LPT/ADC Agreement was slightly higher than the duration of our fixed maturity investment portfolio reflecting the increased percentage of European Hospital Liability liabilities which are long-tailed in nature and not subject to the LPT/ADC Agreement which continue to increase in relation to total insurance liabilities as other insurance liabilities continue to run-off more quickly.

To limit our exposure to unexpected interest rate increases that could reduce the value of our fixed maturity securities and reduce our shareholders' equity, the Company holds floating rate securities whose fair values are less sensitive to interest rates. At June 30, 2023 and December 31, 2022, 33.9% and 29.6%, respectively, of our fixed income investments are comprised of floating rate securities. The floating rate investment holdings at June 30, 2023 and December 31, 2022 were as follows:

	June 30, 2023		December 31, 2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
Floating rate securities				
Collateralized loan obligations	$ 95,160	12.0 %	$ 114,092	11.8 %
Collateralized mortgage-backed securities	4,844	0.6 %	4,773	0.5 %
Total floating rate AFS fixed maturities at fair value	100,004	12.6 %	118,865	12.3 %
Loan to related party	167,975	21.3 %	167,975	17.3 %
Total floating rate securities	$ 267,979	33.9 %	$ 286,840	29.6 %
Total fixed income investments at fair value [(1)]	$ 789,792		$ 970,538	

(1) Total fixed income investments at fair value include AFS fixed maturities, cash and restricted cash, funds withheld receivable, and loan to related party.

At June 30, 2023 and December 31, 2022, 100.0% of the Company’s U.S. agency bond holdings are mortgage-backed. Total U.S. agency MBS comprise 11.4% of our fixed maturity investment portfolio at June 30, 2023. Given their relative size 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 reduce the total amount of investment income we earn. Additional details on our U.S. Agency MBS holdings at June 30, 2023 and December 31, 2022 were as follows:

	June 30, 2023		December 31, 2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
FNMA – fixed rate	$ 17,711	53.9 %	$ 18,750	54.6 %
FHLMC – fixed rate	12,638	38.5 %	13,034	37.9 %
GNMA – variable rate	2,505	7.6 %	2,581	7.5 %
Total U.S. Agency MBS	$ 32,854	100.0 %	$ 34,365	100.0 %

At June 30, 2023 and December 31, 2022, 98.2% and 98.5%, respectively, of our fixed maturity investments consisted of investment grade securities. We define a security as being below investment grade if it has an S&P credit rating of BB+ or equivalent, or less. Please see "*Part I, Item 1 - 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 of our corporate bond holdings at June 30, 2023 and December 31, 2022 were as follows:

June 30, 2023	Ratings[1] AAA	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds portfolio
Corporate bonds					*($ in thousands)*	
Basic Materials	— %	— %	6.7 %	— %	$ 5,074	6.7 %
Communications	— %	7.1 %	6.4 %	— %	10,228	13.5 %
Consumer	— %	15.0 %	34.1 %	— %	37,195	49.1 %
Energy	— %	1.1 %	2.3 %	— %	2,594	3.4 %
Financial Institutions	2.0 %	18.1 %	0.5 %	6.7 %	20,694	27.3 %
Total	2.0 %	41.3 %	50.0 %	6.7 %	$ 75,785	100.0 %

December 31, 2022	Ratings[1] AAA	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds portfolio
Corporate bonds					($ in thousands)	
Basic Materials	— %	— %	5.3 %	— %	$ 4,912	5.3 %
Communications	— %	5.7 %	5.2 %	— %	10,004	10.9 %
Consumer	— %	6.3 %	39.1 %	— %	41,767	45.4 %
Energy	— %	0.9 %	7.7 %	— %	7,860	8.6 %
Financial Institutions	1.6 %	20.3 %	0.4 %	5.2 %	25,272	27.5 %
Industrials	— %	2.3 %	— %	— %	2,138	2.3 %
Total	1.6 %	35.5 %	57.7 %	5.2 %	$ 91,953	100.0 %

(1) Ratings as assigned by S&P, or equivalent

The table below includes the Company’s ten largest corporate holdings at fair value and as a percentage of all fixed income securities held as at June 30, 2023; of which 100.0% are euro denominated, with 55.7% in the Consumer Sector and 26.0% in the Financial Institutions sector.

June 30, 2023	Fair Value	% of Holdings	Rating[1]
	($ in thousands)		
Anheuser-Busch INBEV SA, 2.875%, Due 9/25/2024	$ 10,789	3.7 %	A-
Chubb Ina Holdings Inc., 1.55%, Due 3/15/2028	6,333	2.2 %	A
Kraft Heinz Foods Co., 1.5%, Due 5/24/2024	6,236	2.2 %	BBB
America Movil SAB DE CV, 1.5%, Due 3/10/2024	5,348	1.9 %	A-
Utah Acquisition Sub Inc., 2.25%, Due 11/22/2024	5,283	1.8 %	BBB-
Molson Coors Beverage Co., 1.25%, Due 7/15/2024	5,276	1.8 %	BBB-
PPG Industries Inc., 0.875%, Due 11/3/2025	5,073	1.8 %	BBB+
FBD Insurance PLC, 5.0%, Due 10/9/2028	5,073	1.8 %	NA
Kellogg Company, 1.25%, Due 3/10/2025	4,172	1.4 %	BBB
BNP Paribas SA, 1.25%, Due 3/19/2025	3,406	1.2 %	A-
Total	$ 56,989	19.8 %	

(1) Ratings as assigned by S&P, or equivalent

At June 30, 2023 and December 31, 2022, respectively, 100.0% of our non-U.S. dollar denominated securities were invested in euro denominated bonds. The net decrease in non-U.S. denominated fixed maturities is largely due to sales and maturities; of euro denominated corporate bonds during the six months ended June 30, 2023.

At June 30, 2023 and December 31, 2022, all of the Company's non-U.S. government issuers have a rating of AA- or higher by S&P. The Company does not employ any credit default protection against any of the fixed maturities held in non-U.S. denominated currencies at June 30, 2023 and December 31, 2022, respectively.

At June 30, 2023 and December 31, 2022, respectively, we held the following non-U.S. dollar denominated securities:

	June 30, 2023		December 31, 2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
Non-USD denominated collateralized loan obligations	$ 83,716	48.6 %	$ 102,812	50.1 %
Non-USD denominated corporate bonds	74,309	43.2 %	90,491	44.1 %
Non-U.S. government bonds	14,048	8.2 %	11,818	5.8 %
Total non-U.S. dollar denominated securities	$ 172,073	100.0 %	$ 205,121	100.0 %

For our non-U.S. dollar denominated corporate bonds, the following table summarizes the composition of the fair value of our fixed maturity investments at the dates indicated by ratings at June 30, 2023 and December 31, 2022:

Ratings[(1)]	June 30, 2023		December 31, 2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
A+, A, A-	$ 31,256	42.1 %	$ 32,633	36.0 %
BBB+, BBB, BBB-	37,980	51.1 %	53,094	58.7 %
BB+ or lower	5,073	6.8 %	4,764	5.3 %
Total non-U.S. dollar denominated corporate bonds	$ 74,309	100.0 %	$ 90,491	100.0 %

(1) Ratings as assigned by S&P, or equivalent

Other Investments, Equity Securities and Equity Method Investments

Our alternative investments are categorized as other investments, equity securities, and equity method investments as reported on our condensed consolidated balance sheets. These include private equity funds, private credit funds and hedge fund investments, investments in limited partnerships, as well as investments in direct lending entities and investments in technology-oriented insurance related businesses known as insurtechs. Private equity investments consist of direct investments in privately held entities, investments in private equity funds and private equity co-investments with sponsoring entities. Private credit investments consist of loans and other debt securities of privately held entities or investment sponsors. Our alternative investments as of June 30, 2023 and December 31, 2022 consisted of the following asset classes:

	June 30, 2023		December 31, 2022	
($ in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Publicly traded equity investments	$ 84	— %	$ 386	0.1 %
Privately held common stocks	32,214	12.0 %	32,290	11.9 %
Privately held preferred stocks	12,953	4.8 %	10,945	4.0 %
Total equity securities	**$ 45,251**	**16.8 %**	**$ 43,621**	**16.0 %**
Hedge fund investments	$ —	— %	$ 5,376	2.0 %
Real estate investments	42,602	15.9 %	40,944	15.0 %
Other equity method investments	30,614	11.4 %	33,839	12.4 %
Total equity method investments	**$ 73,216**	**27.3 %**	**$ 80,159**	**29.4 %**
Private equity funds	$ 36,284	13.5 %	$ 32,298	11.8 %
Private credit funds	17,620	6.6 %	26,354	9.7 %
Privately held equity investments	34,845	13.0 %	34,014	12.5 %
Investment in direct lending funds (at cost)	61,400	22.8 %	56,087	20.6 %
Total other investments	**$ 150,149**	**55.9 %**	**$ 148,753**	**54.6 %**
Total alternative investments	**$ 268,616**	**100.0 %**	**$ 272,533**	**100.0 %**

Our allocation to alternative investments increased to 46.0% of our total cash and investments as of June 30, 2023 compared to 43.0% as of December 31, 2022; and increased to 99.7% of our total shareholders' equity as of June 30, 2023 compared to 95.8% as of December 31, 2022.

In addition to the categories described above, we also evaluate our alternative investments by the following asset classes:

	June 30, 2023		December 31, 2022	
($ in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Private Equity	$ 65,509	24.4 %	$ 60,227	22.1 %
Private Credit	42,775	15.9 %	51,783	19.0 %
Hedge Funds	—	— %	5,376	2.0 %
Alternatives	87,939	32.7 %	85,866	31.5 %
Venture Capital	22,937	8.6 %	21,126	7.7 %
Real Estate	49,456	18.4 %	48,155	17.7 %
Total alternative investments	**$ 268,616**	**100.0 %**	**$ 272,533**	**100.0 %**

For further details on these alternative investments, see "*Notes to Condensed Consolidated Financial Statements: Note 4(b) Other Investments, Equity Securities and Equity Method Investments"* included under Part I Item 1. *"Financial Information"* of this Report on Form 10-Q.

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future. For further details on these financial guarantees, please see "*Notes to Condensed Consolidated Financial Statements: Note 11 - Commitments, Contingencies and Guarantees"* included under Part I Item 1. *"Financial Information"* of this Report on Form 10-Q.

Investment Results

The following table summarizes our investment results for the three and six months ended June 30, 2023 and 2022:

($ in thousands)	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Net investment income:				
Fixed income investments[1]	$ 8,894	$ 6,832	$ 17,345	$ 12,989
Cash and restricted cash	112	25	418	18
Other investments, including equities	1,701	964	2,588	1,564
Investment expenses	(189)	(154)	(288)	(337)
Total net investment income	10,518	7,667	20,063	14,234
Net realized (losses) gains:				
Fixed income assets[1]	(786)	(47)	(786)	1,096
Other investments, including equities	10	—	186	79
Total net realized (losses) gains	(776)	(47)	(600)	1,175
Net unrealized gains:				
Other investments, including equities	1,921	2,158	2,750	3,245
Total net unrealized gains	1,921	2,158	2,750	3,245
Interest in income (loss) of equity method investments:				
Interest in income (loss) of equity method investments	4,803	(3,041)	4,752	(1,770)
Interest in income (loss) of equity method investments	4,803	(3,041)	4,752	(1,770)
Total investment return included in earnings (A)	$ 16,466	$ 6,737	$ 26,965	$ 16,884
Other comprehensive income (loss):				
Unrealized gains (losses) on AFS fixed maturities and equity method investments excluding foreign exchange (B)	$ 847	$ (12,274)	$ 2,783	$ (23,666)
Total investment return = (A) + (B)	$ 17,313	$ (5,537)	$ 29,748	$ (6,782)
Annualized income from fixed income assets[2]	$ 36,024	$ 27,428	$ 35,526	$ 26,014
Average aggregate fixed income assets, at cost[2]	855,506	1,353,007	894,686	1,402,471
Annualized investment book yield	**4.2 %**	**2.0 %**	**4.0 %**	**1.9 %**
Average aggregate invested assets, at fair value[3]	$1,108,005	$1,570,324	$1,150,740	$1,618,667
Investment return included in net earnings	**1.5 %**	**0.4 %**	**2.3 %**	**1.0 %**
Total investment return	**1.6 %**	**(0.4)%**	**2.6 %**	**(0.4)%**

1. Fixed income investments include AFS securities as well as funds withheld receivable, and loan to related party.
2. Average aggregate fixed income assets and cash include AFS portfolio, cash and restricted cash, funds withheld receivable, and loan to related party and is computed as an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.
3. Average aggregate invested assets include all investments (AFS and alternative investments), cash and restricted cash, loan to related party and funds withheld receivable and is computed as an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The following table details total investment returns for our fixed income investments for the three and six months ended June 30, 2023 and 2022, respectively:

Fixed Income Investments[1]	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
Gross investment income	$ 9,006	$ 6,857	$ 17,763	$ 13,007
Net realized and unrealized gains	(786)	(47)	(786)	1,096
Change in AOCI [3]	847	(12,274)	2,783	(28,080)
Gross investment returns	$ 9,067	$ (5,464)	$ 19,760	$ (13,977)
Average invested assets, at fair value [4]	$ 841,954	$ 1,319,841	$ 880,165	$ 1,380,657
Gross Investment Returns	**1.1 %**	**(0.4)%**	**2.2 %**	**(1.0)%**
Less: Investment expenses	$ 72	$ 104	$ 145	$ 230
Net investment returns	$ 8,995	$ (5,568)	$ 19,615	$ (14,207)
Net Investment Returns	**1.1 %**	**(0.4)%**	**2.2 %**	**(1.0)%**

The following table details total investment returns for our alternative investments for the three and six months ended June 30, 2023 and 2022, respectively:

Alternative Investments[2]	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
Gross investment income	$ 6,504	$ (2,077)	$ 7,340	$ (206)
Net realized and unrealized (losses) gains	1,931	2,158	2,936	3,324
Change in AOCI [3]	—	—	—	4,414
Gross investment returns	$ 8,435	$ 81	$ 10,276	$ 7,532
Average invested assets, at fair value [4]	$ 266,051	$ 250,483	$ 270,575	$ 238,011
Gross Investment Returns	**3.2 %**	**— %**	**3.8 %**	**3.2 %**
Less: Investment expenses	$ 117	$ 50	$ 143	$ 107
Net investment returns	$ 8,318	$ 31	$ 10,133	$ 7,425
Net Investment Returns	**3.1 %**	**— %**	**3.7 %**	**3.1 %**

1. Fixed income investments includes AFS securities as well as cash, restricted cash, funds withheld receivable, and loan to related party.
2. Alternative investments includes other investments, equity securities, and equity method investments.
3. Change in accumulated other comprehensive income ("AOCI") excludes unrealized foreign exchange gains and losses.
4. Average invested assets is the average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The following table details total investment returns for alternative investments by asset class for the six months ended June 30, 2023:

June 30, 2023	Private Equity	Private Credit	Hedge Funds	Alternative Assets	Venture Capital	Real Estate	Total
				($ in thousands)			
Gross investment income	$ 1,069	$ 1,608	$ 83	$ 4,221	$ —	$ 359	$ 7,340
Net realized and unrealized gains (losses)	2,181	178		(25)	959	(357)	2,936
Total Investment Return	$ 3,250	$ 1,786	$ 83	$ 4,196	$ 959	$ 2	$ 10,276
Average Investments	$ 62,868	$ 47,279	$ 2,688	$ 86,903	$ 22,032	$ 48,806	$ 270,575
Gross Investment Returns	**5.2 %**	**3.8 %**	**3.1 %**	**4.8 %**	**4.4 %**	**— %**	**3.8 %**
Annualized Gross Returns	**10.3 %**	**7.6 %**	**6.2 %**	**9.7 %**	**8.7 %**	**— %**	**7.6 %**

Total investment returns on alternative investments were positive across all asset classes other than real estate and earned a weighted average return of 3.8% during the six months ended June 30, 2023. The gross and net investment returns were higher compared to the same respective period in 2022 largely due to the interest in income of an equity method investment of $4.2 million, primarily in the alternative asset category, that was recognized during the six months ended June 30, 2023.

The following table details total investment returns for alternative investments by asset class for the six months ended June 30, 2022:

June 30, 2022	Private Equity	Private Credit	Hedge Funds	Alternative Assets	Venture Capital	Real Estate	Total
				($ in thousands)			
Gross investment income	$ 219	$ 786	$ (3,544)	$ 1,756	$ 125	$ 452	$ (206)
Net realized and unrealized gains (losses)	658	(328)	—	79	2,915	—	3,324
Change in AOCI	—	—	—	4,414	—	—	4,414
Total Investment Return	$ 877	$ 458	$ (3,544)	$ 6,249	$ 3,040	$ 452	$ 7,532
Average Investments	$ 61,816	$ 33,481	$ 24,907	$ 50,167	$ 11,918	$ 55,723	$ 238,011
Gross Investment Returns	**1.4 %**	**1.4 %**	**(14.2)%**	**12.5 %**	**25.5 %**	**0.8 %**	**3.2 %**
Annualized Gross Returns	**2.8 %**	**2.7 %**	**(28.5)%**	**24.9 %**	**51.0 %**	**1.6 %**	**6.3 %**

Total returns on alternative investments were positive and earned 3.2% during the six months ended June 30, 2022 partly due to the sale of an equity method investment which produced gross returns of $5.8 million and contributed 2.4% to the gross investment returns during the prior year period.

While our alternative investment portfolio continues to be impacted by a rapidly rising interest rate and subsequent economic uncertainty, we believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns.

Other Balance Sheet Changes

The following table summarizes our other material balance sheet changes at June 30, 2023 and December 31, 2022:

($ in thousands)	June 30, 2023	December 31, 2022	Change	Change %
Deferred commission and other acquisition expenses	$ 20,522	$ 24,976	$ (4,454)	(17.8)%
Funds withheld receivable	307,031	441,412	(134,381)	(30.4)%
Reserve for loss and LAE	1,001,261	1,131,408	(130,147)	(11.5)%
Unearned premiums	54,620	67,081	(12,461)	(18.6)%
Deferred gain on retroactive reinsurance	60,025	47,708	12,317	25.8 %
Accrued expenses and other liabilities	25,196	60,518	(35,322)	(58.4)%

The Company's deferred commission and other acquisition expenses decreased by 17.8% and unearned premiums decreased by 18.6% primarily due to the termination of the remaining business under both quota share contracts with AmTrust which have been in run-off since January 1, 2019. Funds withheld receivable decreased by 30.4% due to the settlement of reinsurance losses payable under the AmTrust Quota Share.

Accrued expenses and other liabilities decreased by 58.4% primarily due to the timing of settlement of reinsurance losses payable due to AmTrust, which have been subsequently settled, and also due to a decrease in underwriting-related derivative liability on GLS policies to $4.0 million at June 30, 2023 compared to $14.6 million at December 31, 2022 as the acceleration of covered payments triggered coverage in excess of the contracts risk margin. The Company's reserve for loss and LAE decreased by 11.5% primarily due to continued settlement of loss reserves for AmTrust Reinsurance contracts.

The deferred gain on retroactive reinsurance increased by $12.3 million or 25.8% compared to December 31, 2022 driven by net adverse prior year loss development of $6.1 million for the six months ended June 30, 2023 reported in the AmTrust Reinsurance segment. The adverse development of $6.1 million was adjusted to remove the $8.6 million favorable impact resulting from non-subject exposures and the impact of currency fluctuation from non-U.S. cessions received from AmTrust and decreased by $2.8 million for movement on certain Workers Compensation losses that were commuted to AmTrust in 2019 that inure to the benefit of Cavello as opposed to the Company under the terms of the LPT/ADC Agreement.

Capital Resources

During the six months ended June 30, 2023, book value per common share decreased by 5.4% to $2.65 and diluted book value per common share decreased by 6.1% to $2.62, compared to December 31, 2022. This was largely due to the net loss attributable to Maiden common shareholders of $14.3 million during the six months ended June 30, 2023 and an opening allowance for expected credit losses of $5.5 million in the beginning retained earnings on January 1, 2023; partly offset by a net increase in AOCI of $4.1 million during the period.

Capital resources consist of funds deployed in support of our operations. The following table shows the movement in our capital resources at June 30, 2023 and December 31, 2022:

($ in thousands)	June 30, 2023	December 31, 2022	Change	Change (%)
Common shares at par value	$ 1,497	$ 1,492	$ 5	0.3 %
Additional paid-in capital	885,462	884,259	1,203	0.1 %
Accumulated other comprehensive loss	(37,136)	(41,234)	4,098	(9.9)%
Accumulated deficit	(462,637)	(442,863)	(19,774)	4.5 %
Treasury shares, at cost	(117,896)	(117,075)	(821)	0.7 %
Total Maiden shareholders' equity	269,290	284,579	(15,289)	(5.4)%
Senior Notes - principal amount	262,361	262,500	(139)	(0.1)%
Total capital resources	$ 531,651	$ 547,079	$ (15,428)	(2.8)%

Total capital resources decreased by $15.4 million, or 2.8% compared to December 31, 2022 due to the following items:

- net increase in additional paid-in capital of $1.2 million mainly due to share-based compensation of $1.1 million;
- net increase in AOCI of $4.1 million which arose due to: (1) net unrealized gains on investment of $2.8 million mainly from our fixed income investment portfolio relating to market price movements in the six months ended June 30, 2023, and (2) an increase in cumulative translation adjustments of $1.3 million in the six months ended June 30, 2023 due to the impact of the U.S. dollar depreciation on the re-measurement of net assets denominated in British pound and euro;
- accumulated deficit increased by $19.8 million due to a net loss of $14.3 million for the six months ended June 30, 2023 and the opening allowance for expected credit losses on other investments, reinsurance recoverable, reinsurance balances receivable and funds withheld receivable of $5.5 million for the six months ended June 30, 2023 which decreased opening retained earnings; and

- treasury shares increased by $0.8 million due to common shares repurchased under the Company's authorized common share repurchase plan as well as repurchases for tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

Please refer to "*Notes to Consolidated Financial Statements Note 6. Shareholders' Equity*" included under Part II Item 8. "*Financial Statements and Supplementary Data"* of our Annual Report on Form 10-K for a discussion of the equity instruments issued by the Company as at December 31, 2022.

Book value and diluted book value per common share at June 30, 2023 and December 31, 2022 were as follows:

($ in thousands except share and per share data)	June 30, 2023	December 31, 2022
Ending common shareholders' equity	$ 269,290	$ 284,579
Proceeds from assumed conversion of dilutive options	—	4
Numerator for diluted book value per common share calculation	$ 269,290	$ 284,583
Common shares outstanding	101,605,815	101,532,151
Shares issued from assumed conversion of dilutive options and restricted shares	1,020,027	499,963
Denominator for diluted book value per common share calculation	102,625,842	102,032,114
Book value per common share	$ 2.65	$ 2.80
Diluted book value per common share	2.62	2.79

Common Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100.0 million of the Company's common shares from time to time at market prices. During the three and six months ended June 30, 2023, Maiden Reinsurance repurchased 299,630 common shares from the open market at an average price per share of $2.07 under the Company's share repurchase plan. The Company has a remaining authorization of $73.6 million for common share repurchases at June 30, 2023. No repurchases were made during the three and six months ended June 30, 2022 under the common share repurchase plan.

Senior Notes

There were no changes in the Company's Senior Notes at June 30, 2023 compared to December 31, 2022 other than repurchases as discussed further below. The Company did not enter into any short-term borrowing arrangements during the six months ended June 30, 2023. Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long Term Debt*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q for a discussion of the Company's Senior Notes. The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

As described in "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long-Term Debt*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q, on May 3, 2023, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100.0 million of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated. During the three and six months ended June 30, 2023, Maiden Reinsurance repurchased 5,567 notes of the 2013 Senior Notes at an average price per unit of $17.10 for a total cost of $95.2 thousand. Total interest and amortization expenses for the three and six months ended June 30, 2023 were partly offset by a gain of $39.9 thousand realized on the repurchase of the 2013 Senior Notes. The Company has a remaining authorization of $99.9 million for such repurchases at June 30, 2023.

Maiden Holdings does not have any significant operations or assets other than ownership of the shares of our subsidiaries. The dividends and other permitted distributions from Maiden NA (and its subsidiaries) will be our sole source of funds to meet ongoing cash requirements, including debt service payments. Factors that may affect payments to holders of the 2013 Senior Notes include restrictions on the payments of dividends by Maiden Reinsurance to Maiden NA which provides the sole source of income for interest payments on the 2013 Senior Notes. In 2022 and 2023, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to those approvals, Maiden Reinsurance paid total dividends of $31.3 million to Maiden NA as of June 30, 2023.

The summarized financial information below has been presented on a combined basis for the issuer Maiden NA and the guarantor Maiden Holdings, excluding all other subsidiaries. Intercompany balances and transactions between Maiden NA and Maiden Holdings, whose information is presented above on a combined basis, were eliminated. Any investment by Maiden NA or Maiden Holdings in subsidiaries that are not issuers or guarantors is not presented in the financial information below. Intercompany balances with subsidiaries that are not issuers or guarantors and any related party transactions were separately disclosed below and are not included in the total assets and total liabilities presented for Maiden NA and Maiden Holdings. The net income (loss) for Maiden NA and Maiden Holdings was due to interest and amortization expenses on the Senior Notes as well as general and administrative expenses. The net income (loss) in Maiden NA also reflects income tax expense incurred for the respective periods.

Summarized financial information of Maiden NA and Maiden Holdings as of June 30, 2023 and for the three and six months ended June 30, 2023 were as follows:

	Maiden NA	Maiden Holdings
	($ in thousands)	
Total assets	$ 6,071	$ 8,706
Total liabilities	149,198	108,062
Amounts due from subsidiaries (not included in total assets above)	711	928
Amounts due to subsidiaries (not included in total liabilities above)	10,730	3,914
Related party loan payable (not included in total liabilities above)	—	279,890
Total revenue for the quarter-to-date period	967	2
Net income (loss) for the quarter-to-date period	851	(7,258)
Total revenue for year-to-date period	1,080	5
Net loss for year-to-date period	(1,113)	(17,020)

The ratio of Debt to Total Capital Resources at June 30, 2023 and December 31, 2022 was computed as follows:

($ in thousands)	June 30, 2023	December 31, 2022
Senior notes - principal amount	$ 262,361	$ 262,500
Maiden shareholders’ equity	269,290	284,579
Total capital resources	$ 531,651	$ 547,079
Ratio of debt to total capital resources	49.3 %	48.0 %

Off-Balance Sheet Arrangements

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future as further described in the "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 11. Commitments, Contingencies and Guarantees*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q.

Any loss for which the Company could be liable would be contingent on the default of a loan by the real estate joint venture entity for which the Company provided a financial guarantee to a lender. While the Company has committed to aggregate limits as to the amount of guarantees it will provide as part of its limited partnerships, guarantees are only provided on an individual transaction basis and are subject to the terms and conditions of each transaction mutually agreed by the parties involved. The Company is not bound to such guarantees without its express authorization.

As discussed above, at June 30, 2023, guarantees of $43.1 million have been provided to lenders by the Company on behalf of the real estate joint venture, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

Non-GAAP Measures

As defined and described in the *Key Financial Measures* section, management uses certain key financial measures, some of which are non-GAAP measures, to evaluate the Company's 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, explain the Company's results to investors in a manner that allows for a more complete understanding of the underlying trends in the Company's business. The calculation, reconciliation to nearest GAAP measure and discussion of relevant non-GAAP measures used by management are as follows:

Non-GAAP operating income was $4.5 million for the three months ended June 30, 2023 compared to non-GAAP operating income of $16.6 million for the same period in 2022, largely due to $24.7 million of gains from repurchase of our preference shares in the second quarter of 2022. Excluding the gain from the repurchase of preference shares in the second quarter of 2022, our non-GAAP operating income increased by $12.6 million compared to the same period in 2022 largely due to higher non-GAAP underwriting income as discussed below.

Non-GAAP underwriting income of $1.5 million for the three months ended June 30, 2023, compared to a non-GAAP underwriting loss of $8.6 million for the same period in 2022. The non-GAAP underwriting results in both respective periods included underwriting results in the AmTrust Reinsurance segment not covered by the LPT/ADC Agreement, specifically the run-off of the AmTrust Quota Share with losses occurring after December 31, 2018, as well as loss development under the European Hospital Liability Quota Share, and underwriting losses in the Diversified Reinsurance segment of $3.1 million for the three months ended June 30, 2023 compared to a loss of $1.3 million for the same period in 2022.

Non-GAAP operating loss was $3.4 million for the six months ended June 30, 2023, compared to non-GAAP operating income of $9.7 million for the same respective period in 2022 which included $28.2 million of gains from the repurchase of our preference shares in 2022.

Non-GAAP underwriting loss of $5.2 million for the six months ended June 30, 2023 compared to non-GAAP underwriting loss of $11.2 million for the same period in 2022. The non-GAAP underwriting loss in both respective periods included underwriting results in the AmTrust Reinsurance segment not covered by the LPT/ADC Agreement, specifically the run-off of the AmTrust Quota Share with losses occurring after December 31, 2018, as well as loss development under the European Hospital Liability Quota Share, and an underwriting loss in Diversified Reinsurance segment of $5.1 million for the six months ended June 30, 2023 compared to underwriting income of $0.2 million for the same period in 2022.

Non-GAAP operating income (loss) and Non-GAAP diluted operating income (loss) per share available to common shareholders

Non-GAAP operating income and Non-GAAP diluted operating income per share available to common shareholders can be reconciled to the nearest U.S. GAAP financial measure as follows:

For the Three Months Ended June 30,	2023	2022
	($ in thousands except per share data)	
Net (loss) income (attributable) available to Maiden common shareholders	$ (2,933)	$ 25,752
Add (subtract):		
Net realized and unrealized investment gains	(1,145)	(2,111)
Foreign exchange and other losses (gains)	2,621	(6,586)
Interest in (income) loss of equity method investments	(4,803)	3,041
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	10,727	(3,463)
Non-GAAP operating income	$ 4,467	$ 16,633
Diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.03)	$ 0.29
Add (subtract):		
Net realized and unrealized investment gains	(0.01)	(0.02)
Foreign exchange and other losses (gains)	0.02	(0.08)
Interest in (income) loss of equity method investments	(0.05)	0.04
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	0.11	(0.04)
Non-GAAP diluted operating income per share available to common shareholders	$ 0.04	$ 0.19

For the Six Months Ended June 30,	2023	2022
	($ in thousands except per share data)	
Net (loss) income (attributable) available to Maiden common shareholders	$ (14,261)	$ 27,346
Add (subtract):		
Net realized and unrealized investment gains	(2,150)	(4,420)
Foreign exchange and other losses (gains)	5,437	(10,535)
Interest in (income) loss of equity method investments	(4,752)	1,770
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	12,300	(4,463)
Non-GAAP operating (loss) income	$ (3,426)	$ 9,698
Diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.14)	$ 0.31
Add (subtract):		
Net realized and unrealized investment gains	(0.02)	(0.05)
Foreign exchange and other losses (gains)	0.05	(0.12)
Interest in (income) loss of equity method investments	(0.04)	0.02
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	0.12	(0.05)
Non-GAAP diluted operating (loss) income per share (attributable) available to common shareholders	$ (0.03)	$ 0.11

Non-GAAP Underwriting Results

The non-GAAP underwriting results for the three and six months ended June 30, 2023 and 2022 are as follows:

($ in thousands)	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Gross premiums written	$ 6,875	$ 3,339	$ 7,711	$ (6,831)
Net premiums written	$ 6,875	$ 3,186	$ 7,635	$ (7,137)
Net premiums earned	$ 11,039	$ 10,443	$ 20,041	$ 11,565
Other insurance revenue, net	78	469	19	520
Non-GAAP net loss and LAE(1)	(805)	(10,337)	(9,047)	(9,054)
Commission and other acquisition expenses	(4,945)	(4,885)	(9,180)	(7,413)
General and administrative expenses	(3,902)	(4,283)	(7,048)	(6,866)
Non-GAAP underwriting income (loss) (1)	$ 1,465	$ (8,593)	$ (5,215)	$ (11,248)

(1) Non-GAAP underwriting income (loss) and non-GAAP net loss and LAE for the three and six months ended June 30, 2023 and 2022 are adjusted for prior year reserve development subject to the LPT/ADC Agreement. Please see *"Key Financial Measures"* section for the definitions of Non-GAAP underwriting loss and net loss and LAE.

The non-GAAP underwriting results include the impact of prior year loss reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement to show the ultimate economic benefit to the Company. As shown in the table above, adjusted for the increase in the deferred gain under the LPT/ADC Agreement of $10.7 million and $12.3 million during the three and six months ended June 30, 2023, respectively, the non-GAAP underwriting income was $1.5 million and an underwriting loss of $5.2 million, respectively. This compared to a non-GAAP underwriting loss of $8.6 million and $11.2 million, respectively, when adjusted for the decrease of $3.5 million and $4.5 million in the deferred gain under the LPT/ADC Agreement during the three and six months ended June 30, 2022, respectively.

The improvement in non-GAAP underwriting results was primarily the result of lower incurred losses in the AmTrust Reinsurance segment not covered by the LPT/ADC Agreement, specifically the run-off of the AmTrust Quota Share for losses occurring after December 31, 2018. The non-GAAP underwriting results were also driven by the Diversified Reinsurance segment which had an underwriting loss of $3.1 million and $5.1 million for the three and six months ended June 30, 2023, respectively, compared to a loss of $1.3 million and income of $0.2 million for the same respective periods in 2022.

Non-GAAP Net Loss and LAE

Adjusted for the increase in the deferred gain for the LPT/ADC Agreement for the three and six months ended June 30, 2023, the non-GAAP net loss and LAE decreased by $10.7 million and $12.3 million, respectively, as these amounts included adverse loss experience for AmTrust Quota Share reserves under the LPT/ADC Agreement which are ultimately recoverable from Cavello.

Adjusted for the decrease in the deferred gain for the LPT/ADC Agreement for the three and six months ended June 30, 2022, the non-GAAP net loss and LAE increased by $3.5 million and $4.5 million, respectively, as these amounts included favorable loss experience for AmTrust Quota Share reserves under the LPT/ADC Agreement which are ultimately recoverable from Cavello.

These adjustments are reflected in the calculation of non-GAAP Loss and LAE below:

($ in thousands)	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Net loss and LAE	$ 11,532	$ 6,874	$ 21,347	$ 4,591
Less: adverse (favorable) prior year loss development covered under the LPT/ADC Agreement	10,727	(3,463)	12,300	(4,463)
Non-GAAP net loss and LAE	$ 805	$ 10,337	$ 9,047	$ 9,054

Adjusted Shareholders' Equity, Adjusted Total Capital Resources, Adjusted Book Value per Common Share, and Ratio of Debt to Total Adjusted Capital Resources

The Adjusted Shareholders' Equity, Adjusted Total Capital Resources and Adjusted Book Value per Common Share at June 30, 2023 and December 31, 2022 reflect the addition of the unamortized deferred gain under the LPT/ADC Agreement to the GAAP shareholders' equity as depicted in the computations below. The deferred gain under the LPT/ADC Agreement was $57.7 million at June 30, 2023 compared to $45.4 million at December 31, 2022, which relates to loss reserves subject to that agreement that are fully recoverable from Cavello.

The increase in the unamortized deferred gain under the LPT/ADC Agreement for the six months ended June 30, 2023 is attributable to $12.3 million in net loss and LAE recognized as adverse loss development in the Company's GAAP income statement for policies subject to the LPT/ADC Agreement. We believe the inclusion of this unamortized deferred gain under these metrics better reflects the ultimate economic benefit of the LPT/ADC Agreement, which will improve the Company's shareholders' equity over the settlement period under the terms of the agreement.

Reconciliation of shareholders' equity to Adjusted shareholders' equity and Adjusted Total Capital Resources

The following table computes adjusted shareholders' equity and adjusted total capital resources by recognizing the unamortized deferred gain under the LPT/ADC Agreement at June 30, 2023 and December 31, 2022:

($ in thousands)	June 30, 2023	December 31, 2022	Change	Change %
Total shareholders' equity	$ 269,290	$ 284,579	$ (15,289)	(5.4)%
Unamortized deferred gain on LPT/ADC Agreement	57,708	45,408	12,300	27.1 %
Adjusted shareholders' equity	326,998	329,987	(2,989)	(0.9)%
Senior Notes - principal amount	262,361	262,500	(139)	(0.1)%
Adjusted total capital resources	$ 589,359	$ 592,487	$ (3,128)	(0.5)%

Non-GAAP Operating ROACE

Non-GAAP Operating ROACE for the three and six months ended June 30, 2023 and 2022 was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2023	2022	2023	2022
Non-GAAP operating income (loss)	$ 4,467	$ 16,633	$ (3,426)	$ 9,698
Opening adjusted shareholders’ equity	317,775	260,195	329,987	274,990
Ending adjusted shareholders’ equity	326,998	269,658	326,998	269,658
Average adjusted shareholders’ equity	322,387	264,927	328,493	272,324
Non-GAAP Operating ROACE	5.6 %	25.2 %	(2.1)%	7.2 %

Reconciliation of Book Value per Common Share to Adjusted Book Value per Common Share

The adjusted book value per common share as reconciled for the recognition of the unamortized deferred gain under the LPT/ADC Agreement at June 30, 2023 and December 31, 2022 was computed as follows:

	June 30, 2023	December 31, 2022
Book value per common share	$ 2.65	$ 2.80
Unamortized deferred gain on LPT/ADC Agreement	0.57	0.45
Adjusted book value per common share	$ 3.22	$ 3.25

Ratio of Debt to Adjusted Total Capital Resources

Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources as computed in the table above. The ratio of Debt to Adjusted Total Capital Resources at June 30, 2023 and December 31, 2022 was computed as follows:

($ in thousands)	June 30, 2023	December 31, 2022
Senior notes - principal amount	$ 262,361	$ 262,500
Adjusted shareholders’ equity	326,998	329,987
Adjusted total capital resources	$ 589,359	$ 592,487
Ratio of debt to adjusted total capital resources	44.5 %	44.3 %

Currency and Foreign Exchange

We conduct business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro and the British pound. 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 adversely affected. At June 30, 2023, no such hedges or hedging strategies were in force or had been entered into. We measure monetary assets and liabilities denominated in foreign currencies at period end exchange rates, with the resulting foreign exchange gains and losses recognized in the unaudited Condensed Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at average exchange rates during the period. The effect of the translation adjustments for foreign operations is included in AOCI.

Net foreign exchange losses of $2.6 million and $4.7 million were generated during the three and six months ended June 30, 2023, respectively, compared to net foreign exchange gains of $7.9 million and $11.9 million for the three and six months ended June 30, 2022, respectively. The decrease in foreign exchange results for both the three and six months ended June 30, 2023 compared to the same respective periods in 2022 was due to a decline in the value of the U.S. dollar against the euro and the British pound.

At June 30, 2023, net foreign exchange losses were primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at June 30, 2023 included reserve for net loss and LAE of $313.5 million. Our foreign currency asset exposures at June 30, 2023 include $172.1 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy as well as $22.6 million of equity method real estate investments denominated in Canadian dollars.

Effects of Inflation

The anticipated effects of inflation are considered explicitly in the pricing of the insured exposures, which are used as the initial estimates of reserves for loss and LAE. In addition, inflation is also implicitly accounted for in subsequent estimates of loss and LAE reserves, as the expected rate of emergence is in part predicated upon the historical levels of inflation that impact ultimate claim costs. To the extent inflation causes these costs, particularly medical treatments and litigation costs, to vary from the assumptions made in the pricing or reserving estimates, the Company will be required to change the reserve for loss and LAE with a corresponding change in its earnings in the period in which the variance is identified. The actual effects of inflation on the results of operations of the Company cannot be accurately known until claims are ultimately settled.

We continue to monitor inflationary impacts resulting from recent government stimulus, sharp increases in demand, labor force and supply chain disruptions, among other factors, on our loss cost trends. Our reserves predominantly consist of workers' compensation, general liability, and hospital liability. These long tailed lines of business have been subject to the longer term trend of social inflation, but we have not observed significant impacts for the recently elevated levels of inflation. We proactively analyze available data and we incorporate trends into our loss reserving assumptions to ensure we are considerate of current and future economic conditions.

Governmental policy responses to inflation have significantly increased interest rates which, in the short term, have contributed to unrealized losses on our fixed income investments, particularly on our fixed maturity securities. There remains uncertainty around the rate and direction of inflation and we continue to monitor our liquidity, capital and potential earnings impact of these changes but remain focused on our asset allocation decisions as described in our *"Business Strategy"* section of Item 7 "*Management's Discussion and Analysis of Financial Condition* and *Results of Operations - Overview*".

Inflation may also result in increased wage pressures for our operating expenses, as we remain focused on being a competitive employer in our market. Labor shortages arising from the conditions of the COVID-19 pandemic have contributed to uncertainty in attracting and retaining talent that may put pressure on higher wage costs. Currently, salaries and incentive compensation costs comprise more than one-half of our total general and administrative expenses and thereby could have a material impact our net operating results.

Off-Balance Sheet Arrangements

At June 30, 2023, 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 4. Controls and Procedures

Our management, with the participation and under the supervision of our Co-Chief Executive Officers 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 Co-Chief Executive Officers and Chief Financial Officer, to allow for timely decisions regarding required disclosures. Our Co-Chief Executive Officers 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 Co-Chief Executive Officers 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

See "*Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 11. Commitments and Contingencies*" for an update on legal matters. Except as disclosed above, 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, 2022.

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, 2022, 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 2022 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 *"Part I - Item 1A. Risk Factors"* of our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 2. Unregistered Sales of Equity and Use of Proceeds

Items 2. (a) and (b) are not applicable.

2. (c) Share Repurchases

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100.0 million of the Company's common shares from time to time at market prices. The Company has a remaining authorization of $73.6 million for share repurchases at June 30, 2023. The table below details the repurchases that were made during the three months ended June 30, 2023, under the share repurchase authorization:

For the Three Months Ended June 30, 2023	Total number of shares repurchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Dollar amount still available under trading plan
				($ in thousands)
April 1, 2023 - April 30, 2023	—	$ —	—	$ 74,245
May 1, 2023 - May 31, 2023	92,603	2.05	92,603	74,055
June 1, 2023 - June 30, 2023	207,027	2.07	207,027	73,626
Total	299,630	$ 2.07	299,630	73,626

Subsequent to the three months ended June 30, 2023 and through the period ended August 8, 2023, the Company did not repurchase any additional common shares which represent tax withholding in respect of tax obligations on the vesting of performance based shares.

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 directors and 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 directors and executives have previously 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.

Item 6. Exhibits.

Exhibit No.	Description
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 for the quarter ended June 30, 2023 formatted in Inline XBRL: (i) unaudited Condensed Consolidated Balance Sheets; (ii) unaudited Condensed Consolidated Statements of Income; (iii) unaudited Condensed Consolidated Statements of Comprehensive Income; (iv) unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity; (v) 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:
August 8, 2023	/s/ Patrick J. Haveron
	Patrick J. Haveron Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)
	/s/ Mark O. Heintzman
	Mark O. Heintzman Senior Vice President - Finance (Principal Financial Officer)

EXHIBIT 31.1

CERTIFICATION

I, Patrick J. Haveron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2023

/s/ Patrick J. Haveron

Patrick J. Haveron
Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Mark O. Heintzman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2023

/s/ Mark O. Heintzman

Mark O. Heintzman
Senior Vice President - Finance (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2023	By:	/s/ Patrick J. Haveron
		Patrick J. Haveron Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.

Exhibit 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2023	By:	/s/ Mark O. Heintzman
		Mark O. Heintzman Senior Vice President - Finance (Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.