

AXIS Capital Holdings Limited



Investment Portfolio
Supplemental Information and Data
December 31, 2008





Cautionary Note on Forward Looking Statements

Statements in this presentation that are not historical facts, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections, may be “forward-looking statements” within the meaning of the U.S. federal securities laws, including the Private Securities Litigation Reform Act of 1995. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential,” “intend” or similar expressions. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. Forward-looking statements contained in this presentation may include, but are not limited to, information regarding measurements of potential losses in the fair value of our investment portfolio, our expectations regarding pricing and other market conditions and valuations of the potential impact of movements in interest rates, equity prices, credit spreads and foreign currency rates.

Forward-looking statements only reflect our expectations and are not guarantees of performance. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to, the following:

- the occurrence of natural and man-made disasters,
- actual claims exceeding our loss reserves,
- general economic, capital and credit market conditions,
- the failure of any of the loss limitation methods we employ,
- the effects of emerging claims and coverage issues,
- the failure of our cedants to adequately evaluate risks,
- the loss of one or more key executives,
- a decline in our ratings with rating agencies,
- loss of business provided to us by our major brokers,
- changes in accounting policies or practices,
- changes in governmental regulations,
- increased competition,
- changes in the political environment of certain countries in which we operate or underwrite business, and
- fluctuations in interest rates, credit spreads, equity prices and/or currency values.

We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

This report is for informational purposes only. It should be read in conjunction with the documents that we file with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934.

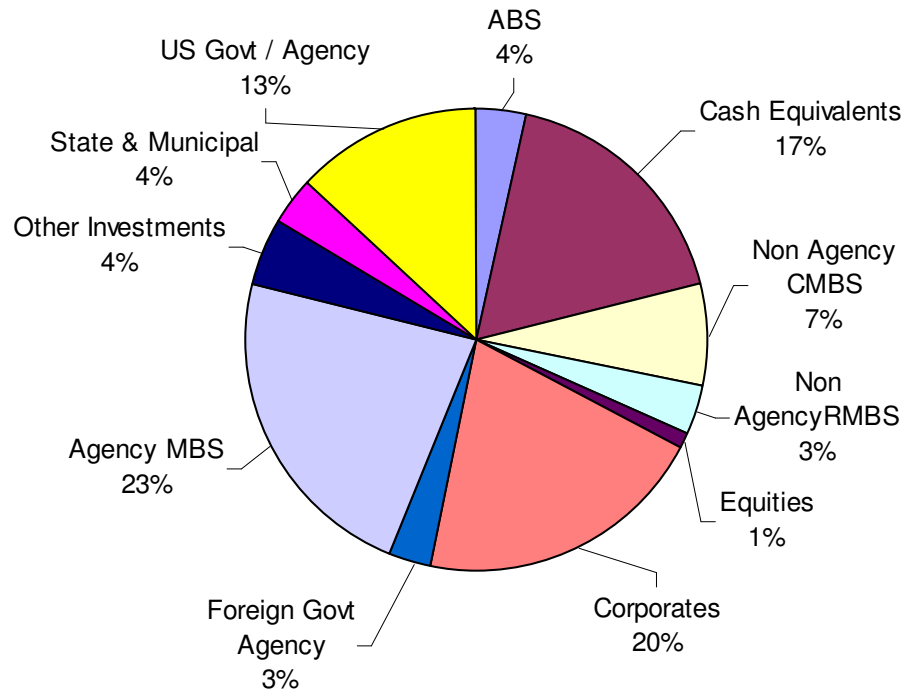


Total Cash and Investments

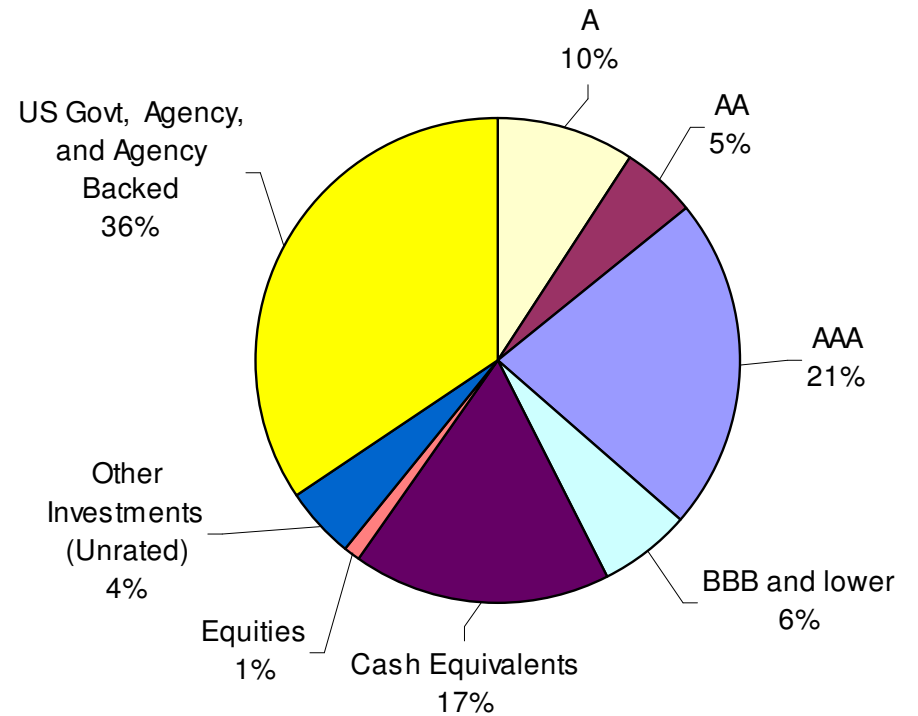
(As of December 31, 2008)

Total Cash and Investments: \$10.4 Billion

Total Portfolio Allocation



Total Portfolio Ratings Allocation



Note: Other investments include hedge funds, CLO equity tranches, credit funds and short duration high yield funds

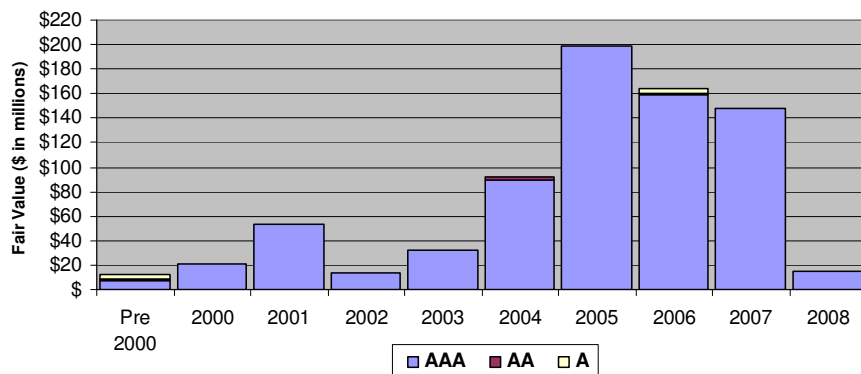


Investment Grade Fixed Income: CMBS

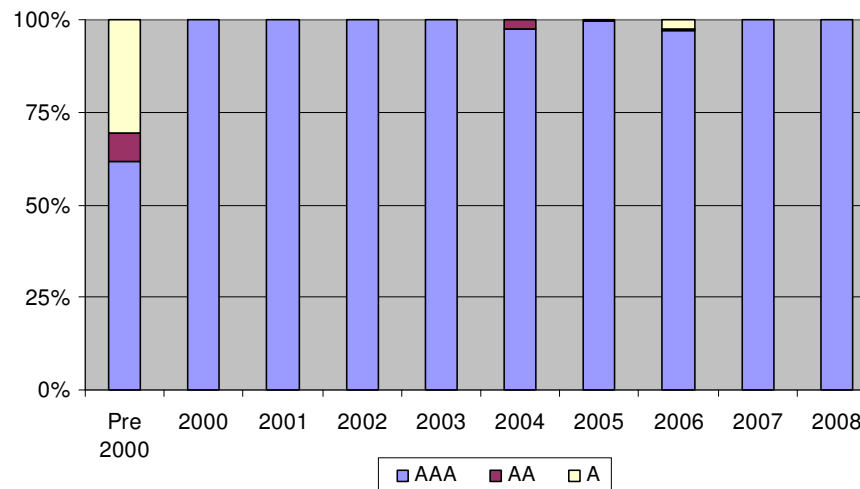
(As of December 31, 2008)

**Total CMBS: \$751 Million
(7% of total portfolio)**

Rating by Vintage (\$ in millions)



Rating by Vintage (%)



Fair Value (\$ in millions)

Vintage	AAA	AA	A	Total
2008	\$15	\$-	\$-	\$15
2007	148	-	-	148
2006	159	1	4	164
2005	198	-	-	199
Other	218	3	4	225
Total	\$739	\$4	\$8	\$751

Net Unrealized Loss (\$ in millions)

Net Unrealized Loss	AAA	AA	A	Total
	\$(160)	\$(6)	\$(4)	\$(170)

Key Characteristics

- 98.4% AAA, 96.6% super senior tranches
- 217 securities
- Weighted average life of 4.50 years
- Duration of 3.62
- Book yield is 5.39%
- Average price of 82% of par



CMBS: Detail

(As of December 31, 2008)

Collateral Property Type (\$ in millions)

Asset Class	Amortized Cost	Net Unrealized Loss	Fair Value
Office	\$303	\$(57)	\$246
Retail	283	(51)	232
Multifamily	145	(25)	120
Hotel	75	(14)	61
Industrial	41	(8)	33
Mixed Use	18	(3)	15
Self Storage	17	(4)	13
Mobile Home	15	(3)	12
Healthcare	4	(1)	3
Other	20	(4)	16
Total	\$921	\$(170)	\$751

Maturity Detail (\$ in millions)

Years to Maturity	Amortized Cost	Net Unrealized Loss	Fair Value
< 2	\$234	\$(15)	\$219
2.1 – 3	49	(7)	42
3.1 – 4	72	(14)	58
4.1 – 5	49	(7)	43
5.1 – 7	253	(57)	196
7.1 – 10	263	(70)	194
Total	\$921	\$(170)	\$751

- Average loan to value of the underlying collateral is 69.1
- Average subordination has improved to 26.5% from 24.5% at origination
- Current percentage of defeased collateral is 11.2%
- Average current collateral delinquency is 1.01%

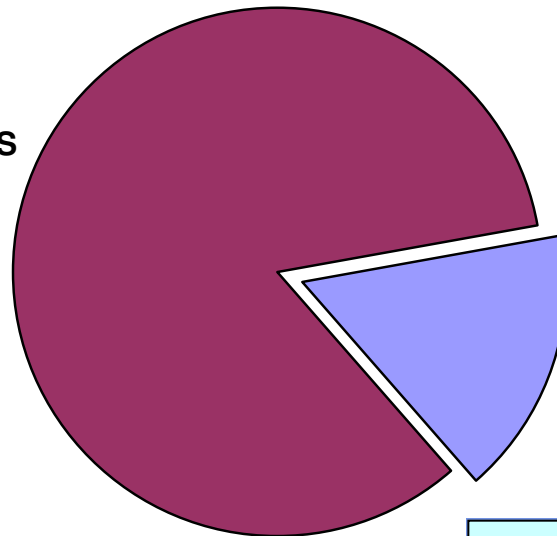


Investment Grade Fixed Income: RMBS

(As of December 31, 2008)

**Total Agency and Non-Agency RMBS: \$2.7 Billion
(26% of total portfolio)**

**Agency RMBS
87%**



**Non-Agency
RMBS
13%**

- Agency RMBS are primarily pass-through securities issued by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and the Government National Mortgage Association.
- These securities have an amortized cost of \$2.3 billion with an unrealized gain of \$70 million.

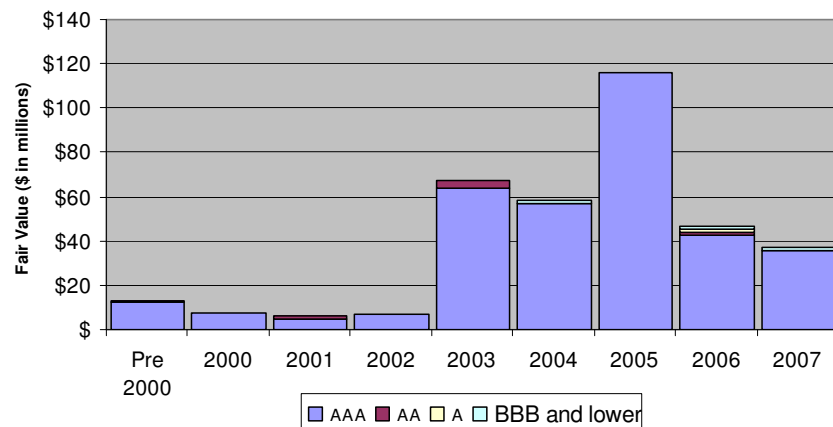
- Non-Agency RMBS have an amortized cost of \$453 million with net unrealized loss of \$95 million
- This sector includes prime, Alt-A and subprime collateral.
- Non-Agency RMBS is 96.7% AAA-rated as detailed on the following slides



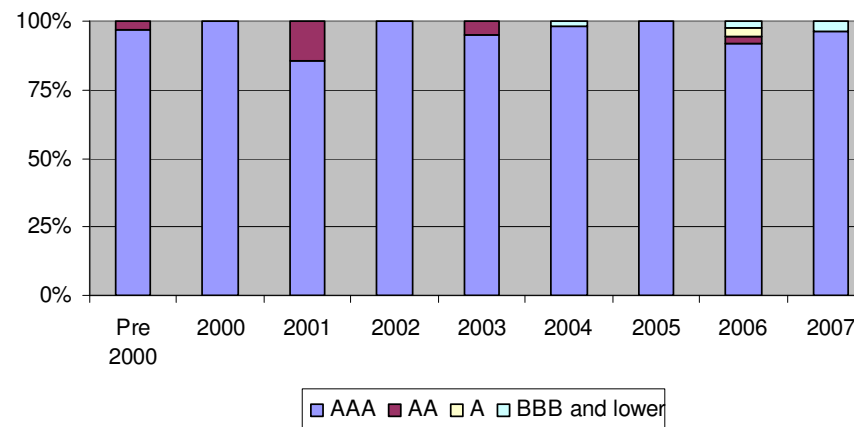
Non-Agency RMBS: Detail

(As of December 31, 2008)

Rating by Vintage (\$ in millions)



Rating by Vintage (%)



Fair Value (\$ in millions)

Vintage	AAA	AA	A	BBB and lower	Total
2007	\$36	\$-	\$-	\$1	\$37
2006	43	1	2	1	47
2005	116	-	-	-	116
2004	57	-	-	1	58
Other	96	4	-	-	100
Total	\$347	\$6	\$2	\$4	\$359

Net Unrealized Loss (\$ in millions)

Net Unrealized	AAA	AA	A	BBB and lower	Total
	\$(91)	\$(2)	\$(2)	\$(1)	\$(95)

Key Characteristics

- 96.7% AAA
- 174 securities
- Weighted average life of 3.1 years
- Book yield is 6.08%
- Average price of 76% of par
- Duration of 0.29 and convexity of -0.22
- Fair value of Subprime and Alt-A holdings are \$30 million and \$102 million respectively



Non-Agency RMBS: Detail (Continued)

(As of December 31, 2008)

Maturity Detail (\$ in millions)

Years to Maturity	Amortized Cost	Net Unrealized Loss	Fair Value
< 2	\$79	\$(10)	\$69
2.1 – 3	27	(8)	20
3.1 – 4	99	(22)	78
4.1 – 5	86	(17)	69
5.1 – 7	85	(23)	62
7.1 – 10	47	(8)	39
➤10	30	(8)	22
Total	\$454	\$(95)	\$359

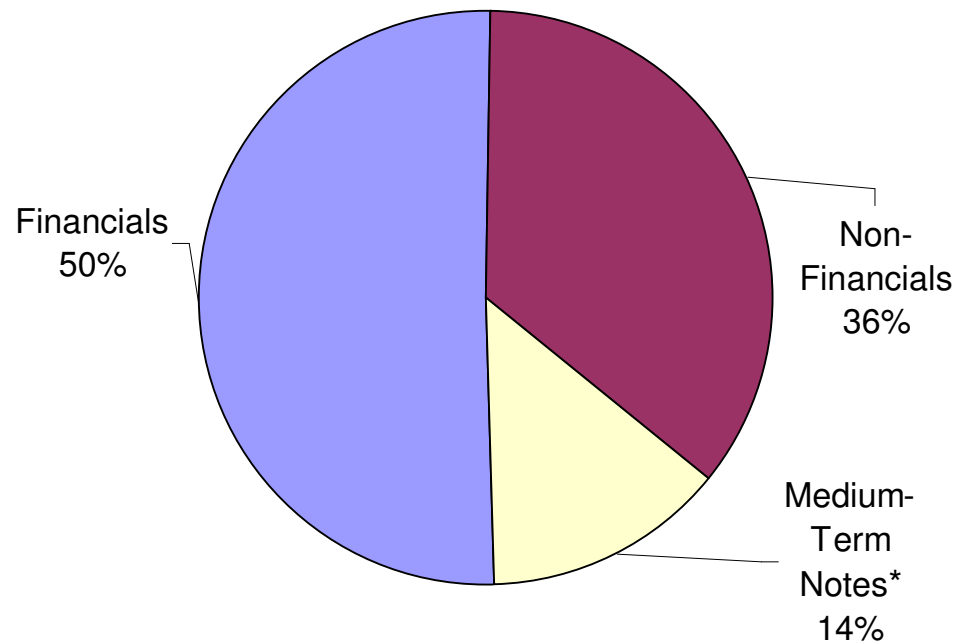
- Our Alt-A and Subprime classification is determined by the underlying collateral, a security with any level of Alt-A or Subprime collateral is classified as such even if the collateral is majority prime.
- The average book yield on Alt-A and Subprime is 6.6% and 9.9% respectively.
- The average price of Alt-A and Subprime is 71.4% and 66.6% of par respectively.



Investment Grade Fixed Income: Corporate Debt

(As of December 31, 2008)

**Total Corporate Debt: \$2.1 Billion
(20% of total portfolio)**



- Average corporate debt rating of A
- Weighted average life of 4.5 years
- Duration of 3.1
- Book Yield is 5.75%

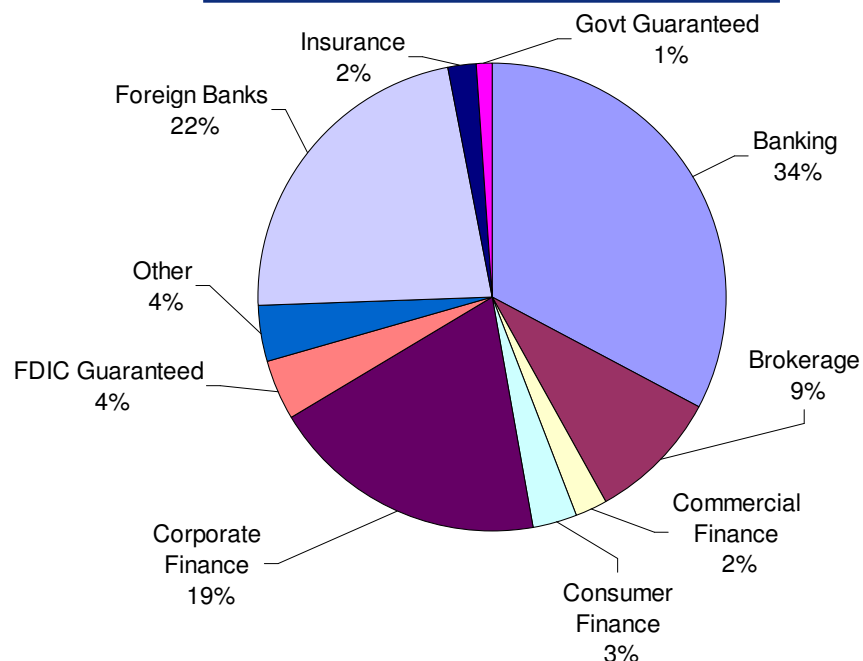
*Medium-Term Notes provide access to European credit issuances.



Investment Grade Corporate Debt: Financials

(As of December 31, 2008)

**Financials by Subsector: \$1.1 Billion
(11% of total portfolio)**



- Included in Financials are \$98 million of FDIC guaranteed bonds
- The largest direct issuer exposure is 1.0% of total cash and investments

Top 5 Direct Financial Holdings

\$ in millions	Amortized Cost	Net Unrealized Loss	Fair Value
General Electric	\$ 105	\$ -	\$ 105
JP Morgan Chase	87	(1)	86
Bank of America	94	(10)	84
Wells Fargo	81	(4)	77
Citigroup	93	(16)	77
Total	\$ 460	\$ (31)	\$ 429

Financials by Rating

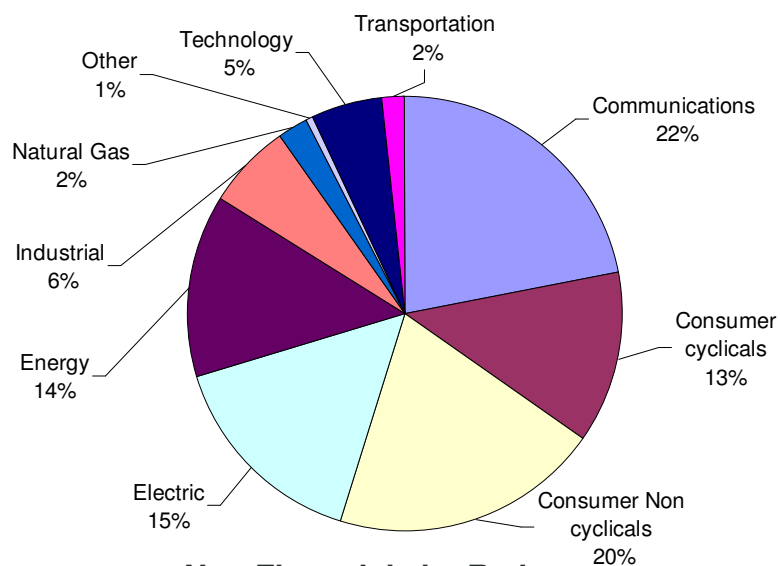
\$ in millions	Amortized Cost	% of Amortized Cost	Net Unrealized Loss	Fair Value
AAA	\$277	24%	\$(4)	\$273
AA	295	25%	(25)	270
A	524	45%	(51)	473
BBB and lower	80	7%	(21)	59
Total	\$1,176	100%	\$(101)	\$1,075



Investment Grade Corporate Debt: Non-Financials

(As of December 31, 2008)

Non-Financial Corporates By Subsector: \$754 Million (7% of total portfolio)



Non Financials by Rating

\$ in millions	Amortized Cost	% of Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
AAA	\$ 28	4%	\$(1)	\$ 27
AA	69	8%	1	70
A	380	48%	(7)	373
BBB	304	40%	(21)	282
Total	\$781	100%	\$(27)	\$ 754

\$ in millions	Amortized Cost	% of Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
Communications	\$171	22%	\$(5)	\$166
Consumer cyclicals	102	13%	(6)	95
Consumer Non cyclicals	151	20%	-	151
Electric	121	15%	(5)	116
Energy	107	14%	(4)	102
Industrial	50	6%	(1)	48
Natural gas	20	2%	(3)	17
REIT	7	1%	(2)	5
Technology	39	5%	1	40
Transportation	13	2%	(1)	12
Total	\$781	100%	\$(27)	\$754

Top 5 Direct Non-Financial Holdings

\$ in millions	Amortized Cost	Net Unrealized Gain/(Loss)	Fair Value
Verizon Communications	\$ 42	\$ 1	\$ 43
AT&T Inc	34	-	34
Procter & Gamble	32	1	33
Time Warner Inc	31	(2)	29
Comcast Corporation	24	(1)	23
Total	\$ 163	\$ (1)	\$ 161



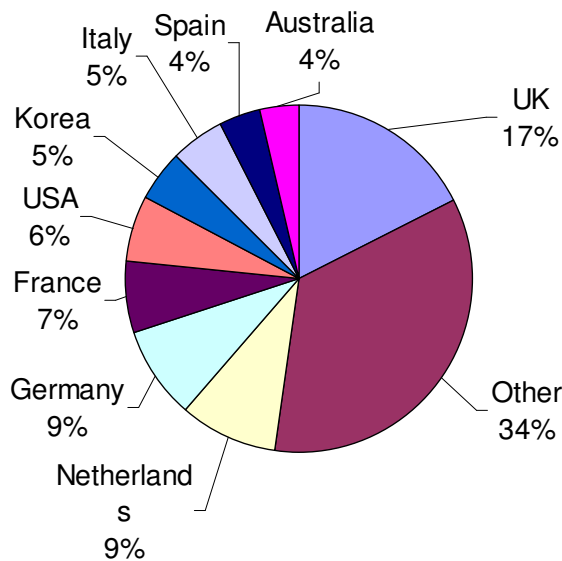


Investment Grade Corporate Debt: Medium-Term Notes

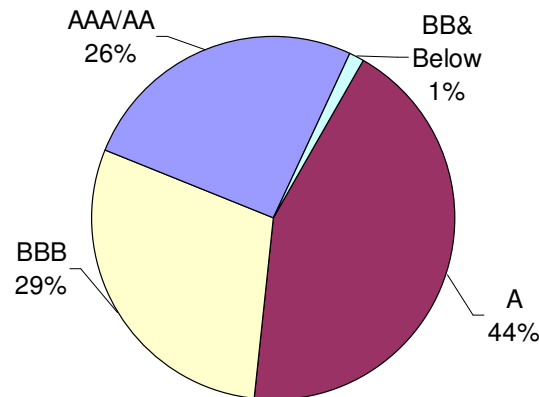
(As of December 31, 2008)

\$ in millions	Amortized Cost	Net Unrealized Loss	Fair Value	% of Total Portfolio
Medium-Term Notes	\$618	\$(331)	\$287	2.8%

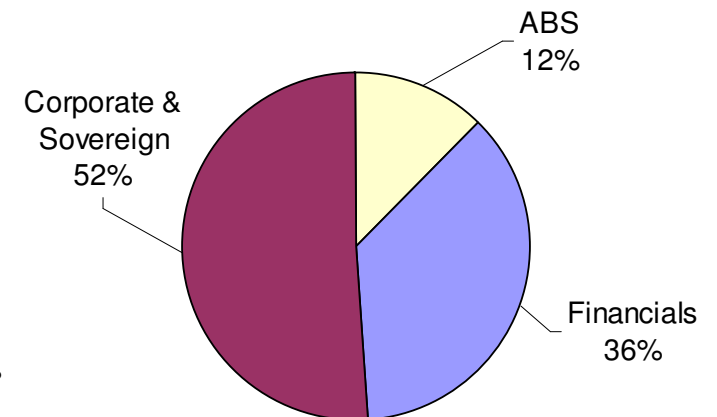
Fair Value by Country



Fair Value by Rating



Fair Value by Sector



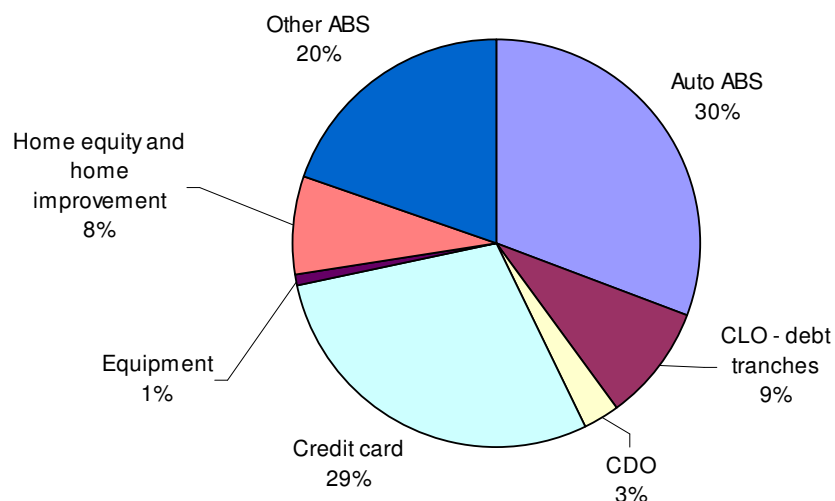
- Credit issuances accessed via medium-term notes which employ leverage
- Investment results driven by changes in credit spreads – interest rate risk is hedged
- Average yield of medium-term notes is Libor+243bps



Investment Grade Fixed Income: ABS

(As of December 31, 2008)

**ABS by Subsector: \$381 Million
(4% of total portfolio)**



\$ in millions	Amortized Cost	% of Amortized Cost	Net Unrealized Loss	Fair Value
AAA	\$355	82%	\$(29)	\$326
AA	9	2%	(1)	8
A	35	8%	(10)	25
BBB and lower	34	8%	(12)	22
Total	\$433	100%	\$(52)	\$381

\$ in millions	Amortized Cost	% of Amortized Cost	Net Unrealized Loss	Fair Value
Auto ABS	\$122	28%	\$(5)	\$117
CLO –debt tranches	53	12%	(18)	35
CDO	15	3%	(4)	11
Credit card	119	27%	(9)	110
Equipment	4	1%	-	4
Home equity and home improvement	38	9%	(9)	29
Other ABS	82	19%	(6)	76
Total	\$433	100%	\$(52)	\$381

Key Characteristics

- 82% AAA
- 143 securities
- Weighted average life of 3.54 years
- Duration of 0.63
- Book yield is 5.55%
- Average price of 90% of par



ABS: Detail

(As of December 31, 2008)

Maturity Detail – All ABS (\$ in millions)

Years to Maturity	Amortized Cost	% of Amortized Cost	Net Unrealized Loss	Fair Value
< 2	\$206	47%	\$(12)	\$194
2.1 – 3	35	8%	(4)	31
3.1 – 4	46	11%	(8)	39
4.1 – 5	41	10%	(11)	30
5.1 – 7	20	5%	(5)	14
7.1 – 10	75	17%	(10)	65
>10	9	2%	(2)	8
Total	\$433	100%	(\$52)	\$381

Vintage Detail – All ABS (\$ in millions)

Asset Class	Amortized Cost	% of Amortized Cost	Fair Value
<u>Vintage</u>			
2008	\$110	25%	\$102
2007	109	25%	98
2006	98	23%	91
2005	79	18%	60
2004	29	7%	23
Pre 2004	8	2%	7
Total	\$433	100%	\$381

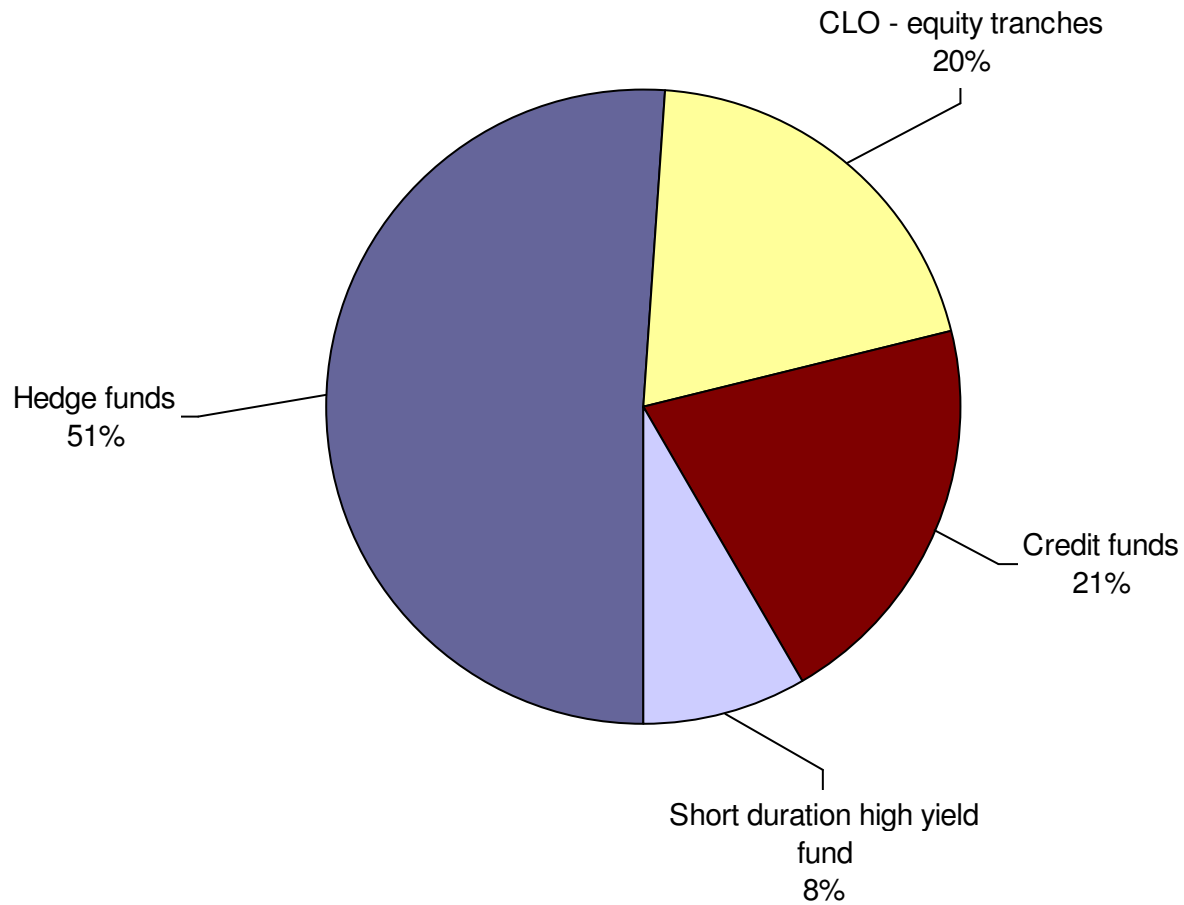




Other Investments Overview

(As of December 31, 2008)

**Total Other Investments: \$492 million
(4% of total portfolio)**



Net Unrealized Gain / (Loss) Summary

(As of December 31, 2008)

\$ in millions	Amortized Cost	Net Unrealized Loss	Fair Value
Fixed maturities	\$8,672	\$(659)	\$8,013
Equities	164	(57)	107
Total	\$8,836	\$(716)	\$8,120

