



AXIS Capital Holdings Limited

INVESTOR FINANCIAL SUPPLEMENT

FIRST QUARTER 2006

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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.

AXIS Capital Holdings Limited

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AXIS Capital Holdings Limited

BASIS OF PRESENTATION

DEFINITIONS AND PRESENTATION

- All financial information contained herein is unaudited, except for the financial data relating to the years ended December 31, 2005, December 31, 2004 and December 31, 2003.
- Unless otherwise noted, dollar amounts are in thousands, except for share and per share amounts and ratio information.
- Return on average common equity ("ROACE") is calculated by dividing the net income available to common shareholders for the period by the average common shareholders' equity determined using the shareholders' equity balances at the beginning and the end of the period.
- The debt to capitalization ratio is calculated by dividing the company's debt by the total capital. Total capital represents the sum of equity (common equity and preferred equity) plus debt.
- Annualized effective investment yield is calculated by dividing the investment income generated from invested assets and other investments by the average balance of the assets managed by our portfolio managers and our other investments.
- Total return is calculated using the beginning and ending market portfolio values, adjusted for external cash flows.
- NM - Not meaningful
- NR - Not reported
- NA - Not applicable
- With effect from January 1, 2004, we included the personnel expenses of our underwriters in general and administrative expenses; prior to that date, we had included them in acquisition costs. Disclosures relating to prior periods have been restated to reflect this change. In addition, with effect from January 1, 2004, we allocated all of our general and administrative costs, except for our corporate expenses, to each of our underwriting segments. Our corporate expenses include holding company costs necessary to support our worldwide insurance and reinsurance operations and costs associated with operating as a publicly-traded company. Prior periods have not been restated to reflect the full allocation of general and administrative costs, as our business segments were not fully operational throughout 2003.
- Underwriting income (loss) is a measure of profitability that takes into account net premiums earned and other insurance related income as revenue and net loss and loss expenses, acquisition costs and underwriting related general and administrative expenses as expenses. Underwriting income (loss) is the difference between revenues and expense items.

AXIS Capital Holdings Limited
FINANCIAL HIGHLIGHTS

HIGHLIGHTS	Quarter ended March 31,		Previous Quarter Change	Year ended December 31,		Previous Year Change
	2006	2005		2005	2004	
	Gross premiums written	\$1,164,740		\$1,198,699	(2.8)%	
<i>Gross premiums written - Insurance</i>	37.5%	35.8%	1.7%	55.2%	63.7%	(8.5)%
<i>Gross premiums written - Reinsurance</i>	62.5%	64.2%	(1.7)%	44.8%	36.3%	8.5%
Net premiums written	992,328	1,062,071	(6.6)%	2,658,989	2,423,673	9.7%
Net premiums earned	\$633,594	\$625,590	1.3%	\$2,553,683	\$2,028,397	25.9%
<i>Net premiums earned - Insurance</i>	50.9%	51.7%	(0.8)%	47.1%	56.5%	(9.4)%
<i>Net premiums earned - Reinsurance</i>	49.1%	48.3%	0.8%	52.9%	43.5%	9.4%
Net income available to common shareholders	\$195,185	\$151,799	28.6%	\$90,061	\$494,998	(81.8)%
Reserve for losses and loss expenses	4,813,516	2,719,247	77.0%	4,743,338	2,404,560	97.3%
Total shareholders' equity	3,645,228	2,962,022	23.1%	3,512,351	3,238,064	8.5%
PER COMMON SHARE AND COMMON SHARE DATA						
Basic earnings per common share	\$1.31	\$1.04	26.3%	\$0.63	\$3.24	(415.3)%
Diluted earnings per common share	\$1.19	\$0.95	26.1%	\$0.57	\$2.98	(421.2)%
Weighted average common shares outstanding	149,314,313	146,635,717	1.8%	143,225,774	152,553,677	(6.1)%
Diluted weighted average common shares outstanding	163,554,990	160,429,657	1.9%	157,523,952	165,875,823	(5.0)%
Book value per common share	\$21.00	\$21.14	(0.6)%	\$20.23	\$21.20	(4.6)%
Diluted book value per common share (as-if converted) [a]	\$19.72	\$19.69	0.1%	\$19.19	\$19.85	(3.3)%
FINANCIAL RATIOS						
ROACE, net income available to common shareholders [b]	25.4%	19.6%	5.8%	2.9%	16.3%	(13.4)%
Net loss and loss expense ratio	56.6%	55.0%	1.6%	80.3%	61.4%	18.9%
Acquisition cost ratio	14.2%	14.6%	(0.4)%	13.2%	13.8%	(0.6)%
General and administrative expense ratio	8.7%	8.7%	0.1%	8.3%	9.2%	(0.9)%
Combined ratio	79.5%	78.3%	1.2%	101.8%	84.4%	17.4%
INVESTMENT DATA						
Total assets	\$12,655,655	\$9,790,500	29.3%	\$11,925,976	\$9,038,285	31.9%
Total cash and investments [c]	7,975,435	6,020,072	32.5%	7,762,627	6,029,651	28.7%
Total return on invested assets	(0.1)%	(0.3)%	0.2%	2.3%	3.4%	(1.1)%
Annualized effective investment yield	5.1%	3.8%	1.3%	4.1%	3.4%	0.7%

[a] This is a non-GAAP financial measure. See the reconciliation at the end of this financial supplement.

[b] Percentages presented are annualized for the period where applicable.

[c] Cash and investments represents the total cash, fixed maturity investments and other investments, including accrued interest.

AXIS Capital Holdings Limited
CONSOLIDATED STATEMENTS OF INCOME (LOSS) - QUARTERLY

	Quarter ended					
	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	March 31, 2004
UNDERWRITING REVENUES						
Gross premiums written	\$1,164,740	\$633,322	\$794,571	\$767,293	\$1,198,699	\$1,044,123
Premiums ceded	(172,412)	(169,917)	(276,854)	(151,497)	(136,628)	(144,933)
Net premiums written	<u>992,328</u>	<u>463,405</u>	<u>517,717</u>	<u>615,796</u>	<u>1,062,071</u>	<u>899,190</u>
Gross premiums earned	792,370	876,118	862,459	778,597	761,092	567,187
Ceded premiums amortized	(158,776)	(189,252)	(245,645)	(154,184)	(135,502)	(95,939)
Net premiums earned	<u>633,594</u>	<u>686,866</u>	<u>616,814</u>	<u>624,413</u>	<u>625,590</u>	<u>471,248</u>
Other insurance related income (loss)	624	198	236	(5,451)	(68)	288
Total underwriting revenues	<u>634,218</u>	<u>687,064</u>	<u>617,050</u>	<u>618,962</u>	<u>625,522</u>	<u>471,536</u>
UNDERWRITING EXPENSES						
Net losses and loss expenses	358,658	348,716	1,035,270	322,853	344,290	242,600
Acquisition costs	89,704	96,175	64,436	85,471	91,301	56,963
General and administrative expenses	43,769	39,968	40,942	42,739	42,464	32,885
Total underwriting expenses	<u>492,131</u>	<u>484,859</u>	<u>1,140,648</u>	<u>451,063</u>	<u>478,055</u>	<u>332,448</u>
UNDERWRITING INCOME (LOSS)	<u>142,087</u>	<u>202,205</u>	<u>(523,598)</u>	<u>167,899</u>	<u>147,467</u>	<u>139,088</u>
OTHER OPERATING REVENUE (EXPENSES)						
Net investment income	93,568	78,938	67,015	58,001	52,758	31,259
Net realized (losses) gains on investments	(10,929)	(10,915)	(6,435)	1,831	(1,393)	10,097
Interest expense	(8,085)	(8,191)	(8,360)	(7,818)	(8,078)	(38)
Total other operating revenue (expenses)	<u>74,554</u>	<u>59,832</u>	<u>52,220</u>	<u>52,014</u>	<u>43,287</u>	<u>41,318</u>
OTHER (EXPENSES) REVENUE						
Net foreign exchange gains (losses)	9,264	(1,719)	(1,727)	(27,226)	(23,418)	(1,145)
Corporate expenses [a]	(11,642)	(17,539)	(3,295)	(14,057)	(11,838)	(8,965)
Total other (expenses) revenue	<u>(2,378)</u>	<u>(19,258)</u>	<u>(5,022)</u>	<u>(41,283)</u>	<u>(35,256)</u>	<u>(10,110)</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>214,263</u>	<u>242,779</u>	<u>(476,400)</u>	<u>178,630</u>	<u>155,498</u>	<u>170,296</u>
Income tax (expense) recovery	(9,447)	(4,908)	8,325	(5,785)	(3,699)	(3,510)
NET INCOME (LOSS)	<u>\$204,816</u>	<u>\$237,871</u>	<u>(\$468,075)</u>	<u>\$172,845</u>	<u>\$151,799</u>	<u>\$166,786</u>
Preferred share dividends	(9,631)	(4,379)	---	---	---	---
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	<u>\$195,185</u>	<u>\$233,492</u>	<u>(\$468,075)</u>	<u>\$172,845</u>	<u>\$151,799</u>	<u>\$166,786</u>
COMPREHENSIVE INCOME (LOSS)	<u>\$148,376</u>	<u>\$214,839</u>	<u>(\$522,626)</u>	<u>\$221,984</u>	<u>\$89,490</u>	<u>\$195,528</u>
KEY RATIOS/PER COMMON SHARE DATA						
Net loss and loss expense ratio	56.6%	50.8%	167.8%	51.7%	55.0%	51.5%
Acquisition cost ratio	14.2%	14.0%	10.4%	13.7%	14.6%	12.1%
General and administrative expense ratio [a]	8.7%	8.4%	7.2%	9.1%	8.7%	8.9%
Combined ratio	<u>79.5%</u>	<u>73.2%</u>	<u>185.4%</u>	<u>74.5%</u>	<u>78.3%</u>	<u>72.5%</u>
Weighted average basic shares outstanding	149,314,313	144,750,783	140,995,298	140,566,523	146,635,717	152,480,904
Weighted average diluted shares outstanding	163,554,990	159,123,364	140,995,298	153,637,750	160,429,657	167,252,826
Basic earnings per common share	\$1.31	\$1.61	(\$3.32)	\$1.23	\$1.04	\$1.09
Diluted earnings per common share	\$1.19	\$1.47	(\$3.32)	\$1.13	\$0.95	\$1.00
ROACE [b]	25.4%	33.2%	(64.7)%	22.6%	19.6%	22.9%

[a] Corporate expenses are included in the calculation of the general and administrative expense ratio.

[b] Percentages presented are annualized for the period.

AXIS Capital Holdings Limited
ANNUAL CONSOLIDATED STATEMENTS OF INCOME

	Year ended		
	December 31, 2005	December 31, 2004	December 31, 2003
UNDERWRITING REVENUES			
Gross premiums written	\$3,393,885	\$3,012,311	\$2,273,645
Premiums ceded	(734,896)	(588,628)	(365,258)
Net premiums written	<u>2,658,989</u>	<u>2,423,683</u>	<u>1,908,387</u>
Gross premiums earned	3,278,266	2,510,847	1,701,015
Ceded premiums amortized	(724,583)	(482,450)	(264,785)
Net premiums earned	<u>2,553,683</u>	<u>2,028,397</u>	<u>1,436,230</u>
Other insurance related (loss) income	(5,085)	11,253	25,019
Total underwriting revenues	<u>2,548,598</u>	<u>2,039,650</u>	<u>1,461,249</u>
UNDERWRITING EXPENSES			
Net losses and loss expenses	2,051,129	1,246,244	734,019
Acquisition costs	337,383	280,568	186,297
General and administrative expenses	166,113	148,196	43,415
Total underwriting expenses	<u>2,554,625</u>	<u>1,675,008</u>	<u>963,731</u>
UNDERWRITING (LOSS) INCOME	<u>(6,027)</u>	<u>364,642</u>	<u>497,518</u>
OTHER OPERATING REVENUE (EXPENSES)			
Net investment income	256,712	152,072	73,961
Net realized (losses) gains on investments	(16,912)	13,634	22,567
Interest expense	(32,447)	(5,285)	(1,478)
Total other operating revenue (expenses)	<u>207,353</u>	<u>160,421</u>	<u>95,050</u>
OTHER (EXPENSES) REVENUE			
Net foreign exchange (losses) gains	(54,090)	14,484	32,215
Corporate expenses [a]	(46,729)	(39,109)	(93,111)
Total other (expenses) revenue	<u>(100,819)</u>	<u>(24,625)</u>	<u>(60,896)</u>
INCOME BEFORE INCOME TAXES	100,507	500,438	531,672
Income tax (expense) recovery	(6,067)	(5,440)	678
NET INCOME	\$94,440	\$494,998	\$532,350
Preferred share dividends	(4,379)	---	---
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$90,061</u>	<u>\$494,998</u>	<u>\$532,350</u>
COMPREHENSIVE INCOME	<u>\$3,687</u>	<u>\$482,749</u>	<u>\$532,030</u>
KEY RATIOS/PER COMMON SHARE DATA			
Net loss and loss expense ratio	80.3%	61.4%	51.1%
Acquisition cost ratio	13.2%	13.8%	13.0%
General and administrative expense ratio [a]	8.3%	9.2%	9.5%
Combined ratio	<u>101.8%</u>	<u>84.4%</u>	<u>73.6%</u>
Weighted average basic shares outstanding	143,225,774	152,553,677	144,262,881
Weighted average diluted shares outstanding	157,523,952	165,875,823	155,690,763
Basic earnings per common share	\$0.63	\$3.24	\$3.69
Diluted earnings per common share	\$0.57	\$2.98	\$3.42
ROACE	2.9%	16.3%	22.3%

[a] Prior to January 1, 2004, we did not allocate general and administrative expenses to our segments or sub-segments, except for the personnel expenses of our underwriters, which were included in our acquisition costs. Consequently, the year ended December 31, 2003 has been restated with previously allocated underwriters' expenses reallocated

AXIS Capital Holdings Limited

CONSOLIDATED SEGMENT DATA

	Quarter ended March 31, 2006			Year ended December 31, 2005		
	Insurance	Reinsurance	Total	Insurance	Reinsurance	Total
UNDERWRITING REVENUES						
Gross premiums written	\$437,050	\$727,690	\$1,164,740	\$1,875,017	\$1,518,868	\$3,393,885
Net premiums written	275,150	717,178	992,328	1,167,767	1,491,222	2,658,989
Gross premiums earned	478,502	313,868	792,370	1,889,819	1,388,447	3,278,266
Ceded premiums amortized	(155,789)	(2,987)	(158,776)	(688,270)	(36,313)	(724,583)
Net premiums earned	322,713	310,881	633,594	1,201,549	1,352,134	2,553,683
Other insurance related income (loss)	624	---	624	(5,085)	---	(5,085)
Total underwriting revenues	323,337	310,881	634,218	1,196,464	1,352,134	2,548,598
UNDERWRITING EXPENSES						
Net losses and loss expenses	156,170	202,488	358,658	882,807	1,168,322	2,051,129
Acquisition costs	37,456	52,248	89,704	119,000	218,383	337,383
General and administrative expenses	33,055	10,714	43,769	117,703	48,410	166,113
Total underwriting expenses	226,681	265,450	492,131	1,119,510	1,435,115	2,554,625
UNDERWRITING INCOME (LOSS)	\$96,656	\$45,431	\$142,087	\$76,954	(\$82,981)	(\$6,027)
KEY RATIOS						
Net loss and loss expense ratio	48.4%	65.1%	56.6%	73.5%	86.4%	80.3%
Acquisition cost ratio	11.6%	16.8%	14.2%	9.9%	16.2%	13.2%
General and administrative expense ratio	10.2%	3.4%	6.9%	9.8%	3.6%	6.5%
Corporate expense ratio			1.8%			1.8%
Combined ratio	70.2%	85.3%	79.5%	93.2%	106.2%	101.8%

AXIS Capital Holdings Limited

INSURANCE - SUB-SEGMENT DATA

	Quarter ended March 31, 2006			Year ended December 31, 2005		
	Global Insurance	U.S. Insurance	Total Insurance	Global Insurance	U.S. Insurance	Total Insurance
UNDERWRITING REVENUES						
Gross premiums written	\$209,798	\$227,252	\$437,050	\$861,098	\$1,013,919	\$1,875,017
Net premiums written	157,186	117,964	275,150	649,703	518,064	1,167,767
Gross premiums earned	218,916	259,586	478,502	971,548	918,271	1,889,819
Ceded premiums amortized	(33,717)	(122,072)	(155,789)	(223,533)	(464,737)	(688,270)
Net premiums earned	185,199	137,514	322,713	748,015	453,534	1,201,549
Other insurance related income (loss)	---	624	624	(5,865)	780	(5,085)
Total underwriting revenues	<u>185,199</u>	<u>138,138</u>	<u>323,337</u>	<u>742,150</u>	<u>454,314</u>	<u>1,196,464</u>
UNDERWRITING EXPENSES						
Net losses and loss expenses	80,439	75,731	156,170	492,667	390,140	882,807
Acquisition costs	27,389	10,067	37,456	97,908	21,092	119,000
General and administrative expenses	9,868	23,187	33,055	36,794	80,909	117,703
Total underwriting expenses	<u>117,696</u>	<u>108,985</u>	<u>226,681</u>	<u>627,369</u>	<u>492,141</u>	<u>1,119,510</u>
UNDERWRITING INCOME (LOSS)	<u>\$67,503</u>	<u>\$29,153</u>	<u>\$96,656</u>	<u>\$114,781</u>	<u>(\$37,827)</u>	<u>\$76,954</u>
KEY RATIOS						
Net loss and loss expense ratio	43.4%	55.1%	48.4%	65.9%	86.0%	73.5%
Acquisition cost ratio	14.8%	7.3%	11.6%	13.1%	4.7%	9.9%
General and administrative expense ratio	5.3%	16.9%	10.2%	4.9%	17.8%	9.8%
Combined ratio	<u>63.5%</u>	<u>79.3%</u>	<u>70.2%</u>	<u>83.9%</u>	<u>108.5%</u>	<u>93.2%</u>

AXIS Capital Holdings Limited
GROSS PREMIUM WRITTEN BY SEGMENT BY LINE OF BUSINESS

	Quarter ended						Year ended	
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	Jun. 30, 2005	Mar. 31, 2005	Mar. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
INSURANCE SEGMENT								
GLOBAL INSURANCE								
Property	\$49,285	\$42,918	\$49,136	\$65,827	\$45,377	\$54,314	\$203,258	\$249,200
Marine	62,701	19,457	23,671	44,102	75,663	78,989	162,893	177,592
Terrorism and war risk	50,840	61,689	23,919	28,797	75,734	89,609	190,139	318,887
Aviation and aerospace	8,191	15,012	28,037	29,474	14,898	23,188	87,421	175,829
Political risk	13,586	21,372	45,743	36,505	25,284	48,677	128,904	125,448
Professional lines and other specialty	25,195	29,199	21,110	22,807	15,367	5,631	88,483	48,372
Total Global insurance	209,798	189,647	191,616	227,512	252,323	300,408	861,098	1,095,328
U.S. INSURANCE								
Property	\$82,864	\$90,968	\$116,250	\$97,429	\$61,931	\$53,018	\$366,578	\$322,302
Professional lines	69,049	101,440	84,665	106,572	50,958	45,542	343,635	272,224
Liability	65,107	77,660	64,977	79,509	63,022	49,783	285,168	229,562
Other specialty	10,232	12,488	3,075	1,960	1,015	---	18,538	147
Total U.S. insurance	227,252	282,556	268,967	285,470	176,926	148,343	1,013,919	824,235
TOTAL INSURANCE SEGMENT	\$437,050	\$472,203	\$460,583	\$512,982	\$429,249	\$448,751	\$1,875,017	\$1,919,563
REINSURANCE SEGMENT								
Catastrophe	\$227,501	\$50,605	\$106,627	\$94,277	\$267,798	\$244,147	\$519,307	\$424,847
Property	101,580	42,008	121,962	80,939	145,818	87,707	390,727	246,838
Professional lines	93,442	55,906	50,238	38,779	87,336	115,085	232,259	204,637
Credit and bond	89,483	(638)	1,865	7,420	94,630	67,582	103,277	73,352
Motor	67,329	(1,434)	1,809	1,576	72,041	29,883	73,992	37,761
Liability	113,120	3,462	50,344	20,667	90,649	48,574	165,122	80,496
Other	35,235	11,210	1,143	10,653	11,178	2,394	34,184	24,817
TOTAL REINSURANCE SEGMENT	\$727,690	\$161,119	\$333,988	\$254,311	\$769,450	\$595,372	\$1,518,868	\$1,092,748
TOTAL	\$1,164,740	\$633,322	\$794,571	\$767,293	\$1,198,699	\$1,044,123	\$3,393,885	\$3,012,311

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INSURANCE SEGMENT GLOBAL INSURANCE - SUB-SEGMENT DATA

	Quarter ended					Mar. 31, 2004
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	
UNDERWRITING REVENUES						
Gross premiums written	\$209,798	\$189,647	\$191,616	\$227,512	\$252,323	\$300,408
Net premiums written	157,186	168,455	63,813	214,005	203,430	232,539
Gross premiums earned	218,916	231,802	246,941	241,210	251,595	219,341
Ceded premiums amortized	(33,717)	(46,721)	(105,582)	(36,493)	(34,737)	(19,625)
Net premiums earned	185,199	185,081	141,359	204,717	216,858	199,716
Other insurance related (loss) income	---	---	---	(5,627)	(238)	179
Total underwriting revenues	185,199	185,081	141,359	199,090	216,620	199,895
UNDERWRITING EXPENSES						
Net losses and loss expenses	80,439	40,709	308,024	78,039	65,895	98,527
Acquisition costs	27,389	25,078	13,293	26,455	33,082	26,041
General and administrative expenses	9,868	8,271	9,039	9,632	9,852	8,190
Total underwriting expenses	117,696	74,058	330,356	114,126	108,829	132,758
UNDERWRITING INCOME (LOSS)	\$67,503	\$111,023	(\$188,997)	\$84,964	\$107,791	\$67,137
KEY RATIOS						
Net loss and loss expense ratio	43.4%	22.0%	217.9%	38.1%	30.4%	49.3%
Acquisition cost ratio	14.8%	13.5%	9.4%	12.9%	15.3%	13.0%
General and administrative expense ratio	5.3%	4.5%	6.4%	4.7%	4.5%	4.1%
Combined ratio	63.5%	40.0%	233.7%	55.7%	50.2%	66.4%

AXIS Capital Holdings Limited

INSURANCE SEGMENT

U.S. INSURANCE - SUB-SEGMENT DATA

	Quarter ended					
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Mar. 31, 2004
UNDERWRITING REVENUES						
Gross premiums written	\$227,252	\$282,556	\$268,967	\$285,470	\$176,926	\$148,343
Net premiums written	117,964	151,673	124,061	151,098	91,232	80,824
Gross premiums earned	259,586	254,150	239,253	222,410	202,458	147,302
Ceded premiums amortized	(122,072)	(122,612)	(132,079)	(114,089)	(95,957)	(73,398)
Net premiums earned	137,514	131,538	107,174	108,321	106,501	73,904
Other insurance related income	624	198	236	326	20	---
Total underwriting revenues	138,138	131,736	107,410	108,647	106,521	73,904
UNDERWRITING EXPENSES						
Net losses and loss expenses	75,731	117,264	130,500	70,658	71,718	49,617
Acquisition costs	10,067	16,075	(1,722)	3,695	3,044	173
General and administrative expenses	23,187	20,105	19,716	20,777	20,311	15,593
Total underwriting expenses	108,985	153,444	148,494	95,130	95,073	65,383
UNDERWRITING INCOME (LOSS)	\$29,153	(\$21,708)	(\$41,084)	\$13,517	\$11,448	\$8,521
KEY RATIOS						
Net loss and loss expense ratio	55.1%	89.1%	121.8%	65.2%	67.3%	67.1%
Acquisition cost ratio	7.3%	12.2%	(1.6)%	3.4%	2.9%	0.2%
General and administrative expense ratio	16.9%	15.3%	18.4%	19.2%	19.1%	21.1%
Combined ratio	79.3%	116.6%	138.6%	87.8%	89.3%	88.4%

AXIS Capital Holdings Limited
REINSURANCE SEGMENT DATA

	Quarter ended					
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Mar. 31, 2004
UNDERWRITING REVENUES						
Gross premiums written	\$727,690	\$161,119	\$333,988	\$254,311	\$769,450	\$595,372
Net premiums written	717,178	143,277	329,843	250,693	767,409	585,827
Gross premiums earned	313,868	390,166	376,265	314,977	307,039	200,544
Ceded premiums amortized	(2,987)	(19,919)	(7,984)	(3,602)	(4,808)	(2,916)
Net premiums earned	310,881	370,247	368,281	311,375	302,231	197,628
Other insurance related (loss) income	---	---	---	(150)	150	109
Total underwriting revenues	310,881	370,247	368,281	311,225	302,381	197,737
UNDERWRITING EXPENSES						
Net losses and loss expenses	202,488	190,743	596,746	174,156	206,677	94,456
Acquisition costs	52,248	55,022	52,865	55,321	55,175	30,749
General and administrative expenses	10,714	11,592	12,187	12,330	12,301	9,102
Total underwriting expenses	265,450	257,357	661,798	241,807	274,153	134,307
UNDERWRITING INCOME (LOSS)	\$45,431	\$112,890	(\$293,517)	\$69,418	\$28,228	\$63,430
KEY RATIOS						
Net loss and loss expense ratio	65.1%	51.5%	162.0%	55.9%	68.4%	47.8%
Acquisition cost ratio	16.8%	14.9%	14.4%	17.8%	18.3%	15.6%
General and administrative expense ratio	3.4%	3.1%	3.3%	4.0%	4.1%	4.6%
Combined ratio	85.3%	69.5%	179.7%	77.7%	90.8%	68.0%

AXIS Capital Holdings Limited
CONSOLIDATED BALANCE SHEETS

	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Mar. 31, 2004
ASSETS						
Cash and cash equivalents	\$1,511,619	\$1,280,990	\$862,184	\$793,304	\$746,065	\$802,129
Fixed maturity investments at fair market value	6,047,556	6,012,425	5,736,312	5,472,049	5,263,085	3,692,455
Other investments	543,866	409,504	340,502	268,120	154,916	9,332
Accrued interest receivable	58,602	59,784	47,800	54,571	41,361	30,564
Securities lending collateral	984,847	998,349	1,045,144	998,196	963,411	505,186
Insurance and reinsurance premium balances receivable	1,316,318	1,026,975	1,145,471	1,230,321	1,309,636	1,019,195
Deferred acquisition costs	266,566	196,388	242,478	263,491	277,469	219,113
Prepaid reinsurance premiums	295,215	281,579	300,872	269,625	272,313	213,994
Reinsurance recoverable balances	1,475,506	1,518,110	1,337,020	648,025	641,103	190,917
Intangible assets	36,056	37,013	37,969	29,947	30,847	24,204
Other assets	119,504	104,859	344,794	89,307	90,294	39,899
TOTAL ASSETS	\$12,655,655	\$11,925,976	\$11,440,546	\$10,116,956	\$9,790,500	\$6,746,988
LIABILITIES						
Reserve for losses and loss expenses	\$4,813,516	\$4,743,338	\$4,514,277	\$2,929,699	\$2,719,247	\$1,261,094
Unearned premiums	2,132,841	1,760,467	2,003,223	2,071,073	2,082,377	1,620,384
Insurance and reinsurance balances payable	311,933	314,232	325,924	251,753	287,094	193,252
Accounts payable and accrued expenses	84,357	101,179	92,099	91,982	94,859	39,456
Securities lending payable	982,499	995,287	1,041,124	994,346	960,581	504,730
Net payable for investments purchased	186,208	76	93,268	112,515	185,355	121,509
Debt	499,073	499,046	499,019	498,992	498,965	---
TOTAL LIABILITIES	9,010,427	8,413,625	8,568,934	6,950,360	6,828,478	3,740,425
SHAREHOLDERS' EQUITY						
Series A preferred shares	125	125	125	---	---	---
Series B preferred shares	31	31	---	---	---	---
Common shares	1,872	1,861	1,769	1,758	1,752	1,906
Additional paid-in capital	2,405,448	2,386,200	1,931,807	1,680,148	1,673,409	2,005,425
Accumulated other comprehensive (loss) income	(134,238)	(77,798)	(54,806)	(255)	(49,394)	53,906
Retained earnings	1,371,990	1,201,932	992,717	1,484,945	1,336,255	945,326
TOTAL SHAREHOLDERS' EQUITY	3,645,228	3,512,351	2,871,612	3,166,596	2,962,022	3,006,563
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$12,655,655	\$11,925,976	\$11,440,546	\$10,116,956	\$9,790,500	\$6,746,988
Book value per common share	<u>\$21.00</u>	<u>\$20.23</u>	<u>\$18.52</u>	<u>\$22.51</u>	<u>\$21.14</u>	<u>\$19.72</u>
Debt to total capitalization	<u>12.0%</u>	<u>12.4%</u>	<u>14.8%</u>	<u>13.6%</u>	<u>14.4%</u>	<u>N/A</u>
Debt plus preferred equity to total capitalization [a]	<u>24.1%</u>	<u>24.9%</u>	<u>22.2%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

[a] As of March 31, 2006 and December 31, 2005, total preferred equity is \$500 million, of which \$250 million represents series A preferred shares and \$250 million represents series B preferred shares.

AXIS Capital Holdings Limited

INVESTMENT PORTFOLIO

As of March 31, 2006

TYPE OF INVESTMENT	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Percentage
U.S. government and agency securities	\$1,510,065	\$193	(\$34,305)	1,475,953	20.0%
Non U.S. government securities	99,298	507	(2,220)	97,585	1.3%
Corporate debt securities	1,297,565	1,103	(27,699)	1,270,969	17.2%
Mortgage-backed securities	2,357,968	794	(64,744)	2,294,018	31.1%
Asset-backed securities	354,989	238	(4,536)	350,691	4.8%
Municipals	392,133	33	(5,687)	386,479	5.3%
Mortgage derivatives [a]	174,676	116	(2,931)	171,861	2.3%
Total Fixed Maturities	\$6,186,694	\$2,984	(\$142,122)	\$6,047,556	82.0%
Cash, net of unsettled trades	138,046	---	---	138,046	1.9%
Total Invested Assets	\$6,324,740	\$2,984	(\$142,122)	\$6,185,602	83.9%
Operating Cash Balances	1,187,364	---	---	1,187,364	16.1%
Total Cash and Fixed Maturities	\$7,512,104	\$2,984	(\$142,122)	\$7,372,966	100.0%

CREDIT QUALITY OF INVESTED ASSETS

	Amortized Cost	Percentage	Fair Value	Percentage
AAA	\$4,843,518	78.2%	\$4,730,508	78.2%
AA	203,402	3.3%	198,949	3.3%
A	604,307	9.8%	592,208	9.8%
BBB	535,467	8.7%	525,891	8.7%
Total	\$6,186,694	100.0%	\$6,047,556	100.0%

MATURITY PROFILE OF INVESTED ASSETS

	Amortized Cost	Percentage	Fair Value	Percentage
Within one year	\$396,193	6.4%	\$390,529	6.5%
From one to five years	1,921,685	31.1%	1,895,288	31.3%
From five to ten years	775,418	12.5%	744,479	12.3%
Above ten years	205,765	3.3%	200,690	3.3%
Asset-backed and mortgage-backed securities	2,887,633	46.7%	2,816,570	46.6%
Total	\$6,186,694	100.0%	\$6,047,556	100.0%

OTHER INVESTMENTS

	Cost	Percentage	Fair Value	Percentage
Collateralized Loan Obligations	\$209,145	39.4%	\$201,842	37.1%
Investment Funds	322,000	60.6%	342,024	62.9%
Total Other Investments	\$531,145	100.0%	\$543,866	100.0%

[a] Reflects securities classified as mortgage derivatives due to adoption of FAS 149, effective July 1, 2003. These securities were previously classified as mortgage-backed securities.

Unrealized gains/losses on these securities are now classified as realized gains/losses on the statement of operations.

AXIS Capital Holdings Limited

INVESTMENT PORTFOLIO COMPOSITION

	<u>Mar. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>Sept. 30, 2005</u>	<u>June 30, 2005</u>	<u>Mar. 31, 2005</u>	<u>Mar 31, 2004</u>
TYPE OF INVESTMENT	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %
U.S. government and agency securities	20.0%	21.5%	23.8%	26.7%	27.9%	29.0%
Non U.S. government securities	1.3%	1.9%	2.2%	2.5%	2.7%	1.6%
Corporate debt securities [a]	17.2%	16.7%	17.7%	17.7%	19.7%	19.2%
Mortgage-backed securities	31.1%	33.4%	33.5%	30.3%	27.7%	24.1%
Asset-backed securities	4.8%	4.0%	4.7%	5.4%	5.9%	4.5%
Municipals	5.3%	4.9%	5.4%	5.0%	4.2%	4.7%
Mortgage derivatives	2.3%	---	0.9%	1.3%	2.3%	1.3%
Total Fixed Maturities	82.0%	82.4%	88.2%	88.9%	90.4%	84.4%
Cash, net of unsettled trades	1.9%	2.7%	2.9%	3.7%	2.2%	4.0%
Total Invested Assets	83.9%	85.1%	91.1%	92.6%	92.6%	88.4%
Operating Cash Balances	16.1%	14.9%	8.9%	7.4%	7.4%	11.6%
Total Cash and Fixed Maturities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CREDIT QUALITY OF INVESTED ASSETS	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %
AAA	78.2%	78.8%	79.1%	79.4%	77.8%	76.1%
AA	3.3%	3.3%	3.8%	3.4%	3.9%	4.1%
A	9.8%	8.9%	9.4%	9.3%	10.1%	13.4%
BBB	8.7%	9.0%	7.7%	7.9%	8.2%	6.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
MATURITY PROFILE OF INVESTED ASSETS	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %
Within one year	6.5%	6.0%	9.1%	7.8%	8.7%	4.9%
From one to five years	31.3%	31.3%	27.9%	31.5%	35.1%	38.1%
From five to ten years	12.3%	14.8%	14.6%	15.3%	13.7%	17.3%
Above ten years	3.3%	2.6%	4.0%	3.6%	2.5%	4.2%
Asset-backed and mortgage-backed securities	46.6%	45.3%	44.4%	41.8%	40.0%	35.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
PORTFOLIO CHARACTERISTICS	As of or for the quarter ended					
	<u>Mar. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>Sept. 30, 2005</u>	<u>June 30, 2005</u>	<u>Mar. 31, 2005</u>	<u>Mar. 31, 2004</u>
Annualized effective yield	5.1%	4.6%	4.3%	4.0%	3.8%	3.3%
Yield to maturity of invested assets	5.1%	4.9%	4.6%	4.1%	4.3%	3.3%
Average duration of invested assets	3.2 yrs	3.0 yrs	3.1 yrs	2.8 yrs	3.0 yrs	2.9 yrs
Average credit quality of invested assets	AAA	AAA	AAA	AAA	AA+	AA+

[a] Prior periods have been restated to reflect current classification of Medium Term Notes in Corporate debt securities.

AXIS Capital Holdings Limited
INVESTMENT PERFORMANCE

	Quarter ended					Year ended	
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	30-Jun-05	Mar. 31, 2005	Dec. 31, 2005	Dec. 31, 2004
Aggregate AXIS Capital Invested Assets	(0.08)%	0.60%	(0.18)%	2.21%	(0.31)%	2.33%	3.43%
Composite Benchmark [a]	(0.20)%	0.55%	(0.33)%	2.27%	(0.50)%	1.98%	3.28%
	0.12%	0.05%	0.15%	(0.06)%	0.19%	0.35%	0.15%
<u>Individual portfolios</u>							
Total return liquidity portfolio	0.64%	0.81%	0.34%	1.16%	(0.15)%	2.18%	1.43%
Merrill Lynch 1-3 year Treasury Index	0.39%	0.69%	0.09%	1.13%	(0.25)%	1.67%	0.90%
	0.25%	0.12%	0.25%	0.03%	0.10%	0.51%	0.53%
Total return intermediate duration portfolios	(0.17)%	0.59%	(0.19)%	2.32%	(0.28)%	2.44%	3.96%
Customized benchmark [b]	(0.26)%	0.55%	(0.39)%	2.42%	(0.56)%	2.00%	3.75%
	0.09%	0.04%	0.20%	(0.10)%	0.28%	0.44%	0.21%
Total return long duration portfolios	(0.59)%	0.61%	(0.66)%	2.91%	(0.36)%	2.49%	4.40%
Customized benchmark [b]	(0.64)%	0.59%	(0.68)%	3.00%	(0.45)%	2.44%	4.32%
	0.05%	0.02%	0.02%	(0.09)%	0.09%	0.05%	0.08%
Total return U.S. combined portfolios	(0.06)%	0.60%	(0.32)%	2.38%	(0.58)%	2.08%	3.35%
Customized benchmark [b]	(0.18)%	0.52%	(0.34)%	2.37%	(0.62)%	1.92%	3.58%
	0.12%	0.08%	0.02%	0.01%	0.04%	0.16%	(0.23)%
Total return Euro portfolio	0.64%	0.36%	0.30%	2.14%	0.92%	3.07%	N/A
Merrill Lynch 1-7 year EMU Gov't Index	0.76%	0.37%	(0.04)%	2.37%	0.82%	2.78%	N/A
	(0.12)%	(0.01)%	0.34%	(0.23)%	0.10%	0.29%	N/A

[a] The return for the composite benchmark is calculated using the market value weighted average of each individual portfolio's benchmark.

[b] The benchmarks are customized to reflect the desired duration and composition of the portfolio. Benchmarks may be adjusted frequently.

AXIS Capital Holdings Limited

INVESTMENT PORTFOLIO LARGEST TEN CORPORATE HOLDINGS As of March 31, 2006

Issuer	Lowest Rating	Fair Value at Mar. 31, 2006	% of Total Fair Value
General Electric Company	Aaa/AAA	\$37,974	0.64%
HSBC Holdings Plc	Aa3/A	37,336	0.63%
HBOS PLC	Aa3/AA-	29,913	0.51%
Morgan Stanley	A1/A	28,576	0.48%
Goldman Sachs Group, Inc	Baa2/BBB	27,070	0.46%
Barclays Plc	Aa3/A+	24,269	0.41%
ING Group NV	P-1/A-1	24,064	0.41%
Bank of Ireland	P-1/A-1	23,334	0.39%
Societe Generale	P-1/A-1	22,840	0.39%
AT & T Inc	Baa2/A	22,806	0.39%
Total		<u>\$278,182</u>	<u>4.71%</u>

AXIS Capital Holdings Limited

Reinsurance Recoverable Analysis

	Quarter ended					
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Dec. 31, 2004
Reinsurance recoverable on paid losses and loss expenses:						
Global Insurance	\$33,988	\$16,236	\$434	\$2,404	\$13,384	\$11,760
U.S. Insurance	18,946	33,633	28,767	7,829	7,765	7,650
Total Insurance	52,934	49,869	29,201	10,233	21,149	19,410
Reinsurance	75,368	12,993	12,993	28,626	3,044	12,575
Total	<u>\$128,302</u>	<u>\$62,862</u>	<u>\$42,194</u>	<u>\$38,859</u>	<u>\$24,193</u>	<u>\$31,985</u>
Reinsurance recoverable on unpaid losses and loss expenses: OSLR						
Global Insurance	\$404,080	\$402,120	\$311,534	\$57,575	\$40,122	\$36,912
U.S. Insurance	380,390	437,225	321,865	163,470	193,573	147,374
Total Insurance	784,470	839,345	633,399	221,045	233,695	184,286
Reinsurance	---	76,500	18,250	---	27,676	27,675
Total	<u>\$784,470</u>	<u>\$915,845</u>	<u>\$651,649</u>	<u>\$221,045</u>	<u>\$261,371</u>	<u>\$211,961</u>
Reinsurance recoverable on unpaid losses and loss expenses: IBNR						
Global Insurance	\$2,866	\$3,246	\$83,685	\$19,297	\$11,901	\$6,982
U.S. Insurance	558,846	537,535	549,613	371,008	311,580	313,981
Total Insurance	561,712	540,781	633,298	390,305	323,481	320,963
Reinsurance	16,245	14,219	17,796	5,733	35,402	34,584
Total	<u>\$577,957</u>	<u>\$555,000</u>	<u>\$651,094</u>	<u>\$396,038</u>	<u>\$358,883</u>	<u>\$355,547</u>
Provision against reinsurance recoverables:						
Global Insurance	---	---	---	---	---	---
U.S. Insurance	(2,604)	(2,604)	(7,917)	(7,917)	(3,344)	(3,194)
Total Insurance	(2,604)	(2,604)	(7,917)	(7,917)	(3,344)	(3,194)
Reinsurance	(12,619)	(12,993)	---	---	---	---
Total	<u>(\$15,223)</u>	<u>(\$15,597)</u>	<u>(\$7,917)</u>	<u>(\$7,917)</u>	<u>(\$3,344)</u>	<u>(\$3,194)</u>
Net reinsurance recoverables:						
Global Insurance	\$440,934	\$421,602	\$395,653	\$79,276	\$65,407	\$55,654
U.S. Insurance	955,578	1,005,789	892,328	534,390	509,574	465,811
Total Insurance	1,396,512	1,427,391	1,287,981	613,666	574,981	521,465
Reinsurance	78,994	90,719	49,039	34,359	66,122	74,834
Total	<u>\$1,475,506</u>	<u>\$1,518,110</u>	<u>\$1,337,020</u>	<u>\$648,025</u>	<u>\$641,103</u>	<u>\$596,299</u>
Net reinsurance recoverables relating to Katrina, Rita and Wilma:						
	<u>\$699,211</u>	<u>\$807,420</u>	<u>\$642,410</u>			

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS

	Quarter ended March 31, 2006			Year ended December 31, 2005		
	Gross	Recoveries	Net	Gross	Recoveries	Net
Reserve for losses and loss expenses, beginning of period	\$4,743,338	(\$1,518,110)	\$3,225,228	\$2,404,560	(\$596,299)	\$1,808,261
Total incurred losses and loss expenses	412,010	(53,352)	358,658	3,185,635	(1,134,506)	2,051,129
Net loss reserves acquired [a]	---	---	---	22,916	(22,916)	---
Total paid losses and loss expenses	(340,940)	95,956	(244,984)	(856,444)	235,611	(620,833)
Foreign exchange gains	(892)	---	(892)	(13,329)	---	(13,329)
Reserve for losses and loss expenses, end of period [b]	<u>\$4,813,516</u>	<u>(\$1,475,506)</u>	<u>\$3,338,010</u>	<u>\$4,743,338</u>	<u>(\$1,518,110)</u>	<u>\$3,225,228</u>
Paid to incurred percentage	<u>82.8%</u>	<u>179.9%</u>	<u>68.3%</u>	<u>26.9%</u>	<u>20.8%</u>	<u>30.3%</u>

[a] On August 1, 2005, the Company completed the purchase of Fireman's Fund Insurance Company of Wisconsin. At the date of acquisition, Fireman's Fund Insurance Company assumed all known, unknown and contingent liabilities of Fireman's Fund Insurance Company of Wisconsin relating to events occurring on or before the acquisition date. Fireman's Fund Insurance Company entered into a reinsurance agreement to fully assume \$22.9 million of outstanding loss reserves of Fireman's Fund Insurance Company of Wisconsin on the date of acquisition. These loss reserves and a reinsurance recoverable of the same amount were recorded on the date of acquisition.

[b] As at March 31, 2006, the gross reserve for losses and loss expenses included IBNR of \$2,738.5 million, or 56.9%, of total gross reserves for loss and loss expenses. As at December 31, 2005, these comparable amounts were \$2,711.8 million, or 57.2%.

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS BY SEGMENT

	Quarter ended March 31, 2006					Year ended December 31, 2005				
	Global Insurance	U.S. Insurance	Insurance	Reinsurance	Total Company	Global Insurance	U.S. Insurance	Insurance	Reinsurance	Total Company
<i>Gross losses paid</i>	\$77,330	\$112,201	\$189,531	\$151,409	\$340,940	\$240,475	\$298,792	\$539,267	\$317,177	\$856,444
<i>Reinsurance recoveries received</i>	(2,374)	(84,707)	(87,081)	(8,875)	(95,956)	(6,676)	(171,427)	(178,103)	(57,508)	(235,611)
Net losses paid	74,956	27,494	102,450	142,534	244,984	233,799	127,365	361,164	259,669	620,833
Change in:										
<i>Reported case reserves</i>	22,146	(68,840)	(46,694)	91,098	44,404	552,600	330,333	882,933	556,112	1,439,045
<i>IBNR</i>	2,560	66,974	69,534	(42,867)	26,667	71,946	449,773	521,719	368,427	890,146
<i>Reinsurance recoveries on unpaid loss and loss expense reserves</i>	(19,223)	50,103	30,880	11,723	42,603	(365,678)	(517,331)	(883,009)	(15,886)	(898,895)
TOTAL NET INCURRED LOSSES AND LOSS EXPENSES	\$80,439	\$75,731	\$156,170	\$202,488	\$358,658	\$492,667	\$390,140	\$882,807	\$1,168,322	\$2,051,129
Gross reserve for losses and loss expenses	\$1,525,522	\$1,561,622	\$3,087,144	\$1,726,372	\$4,813,516	\$1,500,652	\$1,563,489	\$3,064,141	\$1,679,197	\$4,743,338
Prior years favorable (adverse) reserve development	\$51,140	\$14,807	\$65,947	(\$4,877)	\$61,070	\$242,327	\$26,416	\$268,743	\$114,253	\$382,996
Key Ratios										
Net paid to net incurred percentage	93.2%	36.3%	65.6%	70.4%	68.3%	47.5%	32.6%	40.9%	22.2%	30.3%
Net paid losses / Net premiums earned	40.5%	20.0%	31.7%	45.8%	38.7%	31.3%	28.1%	30.1%	19.2%	24.3%
Increase in net loss and loss expense reserves / Net premiums earned	3.0%	35.1%	16.6%	19.3%	17.9%	34.6%	57.9%	43.4%	67.2%	56.0%
Net loss and loss expense ratio	43.4%	55.1%	48.4%	65.1%	56.6%	65.9%	86.0%	73.5%	86.4%	80.3%

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS GLOBAL INSURANCE

	Quarter ended					Year ended	
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Dec. 31, 2005	Dec. 31, 2004
<i>Gross losses paid</i>	\$77,330	\$79,187	\$65,460	\$63,535	\$32,293	\$240,475	\$110,836
<i>Reinsurance recoveries received</i>	(2,374)	(818)	(2,965)	(1,252)	(1,641)	(6,676)	(10,768)
Net losses paid	74,956	78,369	62,495	62,283	30,652	233,799	100,068
Change in:							
<i>Reported case reserves</i>	22,146	303,195	247,790	(22,047)	23,663	552,600	109,986
<i>IBNR</i>	2,560	(315,176)	314,117	51,673	21,333	71,946	286,752
<i>Reinsurance recoveries on unpaid loss and loss expense reserves</i>	(19,223)	(25,679)	(316,378)	(13,870)	(9,753)	(365,678)	(45,082)
TOTAL NET INCURRED LOSSES AND LOSS EXPENSES	\$80,439	\$40,709	\$308,024	\$78,039	\$65,895	\$492,667	\$451,724
Gross reserve for losses and loss expenses	<u>\$1,525,522</u>	<u>\$1,500,652</u>	<u>\$1,513,221</u>	<u>\$951,874</u>	<u>\$924,888</u>	<u>\$1,500,652</u>	<u>\$881,897</u>
Prior years favorable reserve development	<u>\$51,140</u>	<u>\$77,131</u>	<u>\$59,217</u>	<u>\$42,779</u>	<u>\$63,200</u>	<u>\$242,327</u>	<u>\$92,497</u>
Key Ratios							
Net paid to net incurred percentage	<u>93.2%</u>	<u>192.5%</u>	<u>20.3%</u>	<u>79.8%</u>	<u>46.5%</u>	<u>47.5%</u>	<u>22.2%</u>
Net paid losses / Net premiums earned	40.5%	42.3%	44.2%	30.4%	14.1%	31.3%	12.6%
Increase in Net loss and loss expense reserves / Net premiums earned	3.0%	(20.3)%	173.7%	7.7%	16.3%	34.6%	44.1%
Net loss and loss expense ratio	<u>43.4%</u>	<u>22.0%</u>	<u>217.9%</u>	<u>38.1%</u>	<u>30.4%</u>	<u>65.9%</u>	<u>56.7%</u>

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS U.S. INSURANCE

	Quarter ended					Year ended	
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Dec. 31, 2005	Dec. 31, 2004
<i>Gross losses paid</i>	\$112,201	\$133,410	\$60,039	\$67,589	\$37,755	\$298,792	\$64,532
<i>Reinsurance recoveries received</i>	(84,707)	(86,893)	(19,754)	(43,993)	(20,787)	(171,427)	(14,633)
Net losses paid	27,494	46,517	40,285	23,596	16,968	127,365	\$49,899
Change in:							
<i>Reported case reserves</i>	(68,840)	129,311	187,480	(36,958)	50,499	330,333	181,300
<i>IBNR</i>	66,974	55,168	237,936	108,770	47,899	449,773	356,148
<i>Reinsurance recoveries on unpaid loss and loss expense reserves</i>	50,103	(113,732)	(335,201)	(24,750)	(43,648)	(517,331)	(352,601)
TOTAL NET INCURRED LOSSES AND LOSS EXPENSES	\$75,731	\$117,264	\$130,500	\$70,658	\$71,718	\$390,140	\$234,746
Gross reserve for losses and loss expenses	\$1,561,622	\$1,563,489	\$1,379,010	\$930,807	\$858,994	\$1,563,489	\$760,596
Prior years favorable (adverse) reserve development	\$14,807	\$18,979	\$6,891	\$1,646	(\$1,100)	\$26,416	\$14,302
Key Ratios							
Net paid to net incurred percentage	36.3%	39.7%	14.7%	33.4%	23.7%	32.6%	18.0%
Net paid losses / Net premiums earned	20.0%	35.4%	17.9%	21.8%	15.9%	28.1%	12.1%
Increase in Net loss and loss expense reserves / Net premiums earned	35.1%	53.8%	103.9%	43.4%	51.4%	57.9%	55.0%
Net loss and loss expense ratio	55.1%	89.1%	121.8%	65.2%	67.3%	86.0%	67.2%

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS REINSURANCE

	Quarter ended					Year ended	
	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Mar. 31, 2005	Dec. 31, 2005	Dec. 31, 2004
<i>Gross losses paid</i>	\$151,409	\$172,745	\$53,248	\$58,921	\$32,261	\$317,177	\$163,283
<i>Reinsurance recoveries received</i>	(8,875)	-	(15,633)	(32,343)	(9,531)	(57,508)	(2,000)
Net losses paid	142,534	172,745	37,615	26,578	22,730	259,669	\$161,283
Change in:							
<i>Reported case reserves</i>	91,098	410,187	97,455	(5,590)	54,062	556,112	109,296
<i>IBNR</i>	(42,867)	(350,510)	476,357	121,407	121,172	368,427	362,868
<i>Reinsurance recoveries on unpaid loss and loss expense reserves</i>	11,723	(41,679)	(14,681)	31,762	8,713	(15,886)	(73,673)
TOTAL NET INCURRED LOSSES AND LOSS EXPENSES	\$202,488	\$190,743	\$596,746	\$174,156	\$206,677	\$1,168,322	\$559,774
Reserve for losses and loss expenses	\$1,726,372	\$1,679,197	\$1,622,046	\$1,047,018	\$935,365	\$1,679,197	\$762,067
Prior years (adverse) favorable reserve development	(\$4,877)	\$50,366	\$29,707	\$29,580	\$4,600	\$114,253	\$74,913
Key Ratios							
Net paid to net incurred percentage	70.4%	90.6%	6.3%	15.3%	11.0%	22.2%	28.8%
Net paid losses / Net premiums earned	45.8%	46.7%	10.2%	8.5%	7.5%	19.2%	18.3%
Increase in Net loss and loss expense reserves / Net premiums earned	19.3%	4.9%	151.8%	47.4%	60.9%	67.2%	45.2%
Net loss and loss expense ratio	65.1%	51.5%	162.0%	55.9%	68.4%	86.4%	63.5%

AXIS Capital Holdings Limited

EARNINGS PER COMMON SHARE INFORMATION - AS REPORTED, GAAP

	Quarter ended March 31,		Year ended December 31,	
	2006	2005	2005	2004
Net income available to common shareholders	\$195,185	\$151,799	\$90,061	\$494,998
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic weighted average common shares outstanding	149,314,313	146,635,717	143,225,774	152,553,677
Share equivalents				
Warrants	11,634,094	10,825,954	10,938,896	10,360,766
Options	2,032,418	2,263,801	2,052,545	2,173,949
Restricted stock	574,165	704,185	1,306,737	787,431
Diluted weighted average common shares outstanding	163,554,990	160,429,657	157,523,952	165,875,823
NET INCOME PER COMMON SHARE				
Basic	\$1.31	\$1.04	\$0.63	\$3.24
Diluted	\$1.19	\$0.95	\$0.57	\$2.98

AXIS Capital Holdings Limited

DILUTED BOOK VALUE PER COMMON SHARE - AS-IF CONVERTED METHOD

AS-IF CONVERTED METHOD	As at	
	March 31, 2006	December 31, 2005
Basic common shares outstanding	149,752,565	148,868,759
Add: warrants outstanding	19,657,916	19,650,509
Weighted average exercise price per share	\$12.45	\$12.46
Add: options outstanding	5,461,017	6,174,464
Weighted average exercise price per share	\$18.77	\$19.08
Add: restricted stock	2,275,090	1,172,550
Diluted shares outstanding	177,146,588	175,866,282
Shareholders' equity	\$3,645,228	\$3,512,351
Less: preferred equity	(500,000)	(500,000)
Common shareholders' equity	\$3,145,228	\$3,012,351
Add: proceeds from converted warrants	244,812	244,812
Add: proceeds from converted options	102,495	117,808
As if converted common shareholders' equity	\$3,492,535	\$3,374,971
Book value per common share	\$21.00	\$20.23
Diluted book value per common share	\$19.72	\$19.19
Diluted book value, excluding other comprehensive (loss) income		
As if converted common shareholders' equity	\$3,492,535	\$3,374,971
Accumulated other comprehensive loss	(134,238)	(77,798)
As if converted shareholders' equity excluding other comprehensive loss	\$3,626,773	\$3,452,769
Diluted common shares outstanding	177,146,588	175,866,282
Diluted book value excluding other comprehensive loss - "as if converted method"	\$20.47	\$19.63

AXIS Capital Holdings Limited

DILUTED BOOK VALUE PER COMMON SHARE - TREASURY STOCK METHOD

	As at	
	March 31, 2006	December 31, 2005
TREASURY STOCK METHOD		
Closing price	\$29.90	\$31.28
Basic common shares outstanding	149,752,565	148,868,759
Add: warrants outstanding	19,657,916	19,650,509
Weighted average exercise price per share	\$12.45	\$12.46
Less: warrants bought back via treasury method	8,187,676	7,826,455
Add: options outstanding	5,461,017	6,174,464
Weighted average exercise price per share	\$18.77	\$19.08
Less: options bought back via treasury method	3,427,933	3,766,241
Add: restricted stock outstanding	2,275,090	1,172,550
Diluted common shares outstanding	165,530,979	164,273,586
Book value per common share	\$21.00	\$20.23
Diluted book value per common share	\$19.00	\$18.34
Diluted book value, excluding other comprehensive (loss) income		
Shareholders' equity	\$3,645,228	\$3,512,351
Less: preferred equity	(\$500,000)	(\$500,000)
Common shareholders' equity	\$3,145,228	\$3,012,351
Accumulated other comprehensive loss	(134,238)	(77,798)
Shareholders' equity excluding other comprehensive loss	\$3,279,466	\$3,090,149
Diluted shares outstanding - "treasury stock method"	165,530,979	164,273,586
Diluted book value excluding other comprehensive loss - "treasury stock method"	\$19.81	\$18.81