



AXIS Capital Holdings Limited

INVESTOR FINANCIAL SUPPLEMENT

THIRD QUARTER 2003

AXIS Capital Holdings Limited
106 Pitts Bay Road
Hamilton HM 08 Bermuda

Contact Information:

Linda Ventresca
Investor Relations
441 297 9513

Website Information:

www.axiscapital.com

This report is for informational purposes only. It should be read in conjunction with our documents filed with the Securities and Exchange Commission, including our prospectus dated July 1, 2003 and our Form 10-Q for the quarter ended September 30, 2003.

AXIS Capital Holdings Limited

FINANCIAL SUPPLEMENT TABLE OF CONTENTS

	Page(s)
i. Basis of Presentation	<i>i</i>
I. Financial Highlights	
a. Financial Highlights	1
II. Income Statements	
a. Consolidated Statements of Income - Quarterly	2
b. Consolidated Statements of Income - YTD	3
c. Consolidated Segment Data	4
d. Premiums by Segment by Line of Business	5
e. Segment Consecutive Quarters	6 - 9
III. Balance Sheets	
a. Consolidated Balance Sheets	10
b. Summary of Investment Portfolio Information	11
c. Investment Portfolio: Investment Performance Benchmarks	12
d. Investment Portfolio: Issuer Credit Exposure	13
IV. Loss Reserve Analysis	
a. Paid to Incurred Analysis	14
b. Paid to Incurred Analysis by Segment	15
c. Analysis of Unpaid Loss and Loss Expenses	16
V. Share Analysis	
a. Earnings Per Share Analysis -- As Reported	17
b. Diluted Book Value Per Share Analysis	18
c. Diluted Book Value Per Share Analysis -- Pro forma	19

AXIS Capital Holdings Limited

BASIS OF PRESENTATION

DEFINITIONS AND PRESENTATION

- All financial information contained herein is unaudited, except December 31, 2002 balance sheet data.
- Unless otherwise noted, dollar amounts are in thousands, except for share and per share amounts and ratio information.
- Return on average equity ("ROAE") is calculated by dividing the net income for the period by the average shareholders' equity determined using the shareholders' equity balances at the beginning and the end of the period.
- Annualized effective investment yield is calculated by dividing the investment income generated from invested assets by the average balance of the assets managed by our portfolio managers.
- Total return is calculated using the beginning and ending market portfolio values, adjusted for external cash flows.
- As our U.S. insurance and U.S. reinsurance segments were established at the beginning of 2003, there are no 2002 comparatives.
- NM - Not meaningful
- NR - Not reported
- Acquisition costs include underwriters' personnel expenses.

AXIS Capital Holdings Limited
FINANCIAL HIGHLIGHTS - INCOME STATEMENTS

	Quarter ended September 30,		Previous Year Qtr Change	Nine months ended September 30,		Previous year period change
	2003	2002		2003	2002	
HIGHLIGHTS						
Gross written premiums	\$633,942	\$252,260	151.3%	\$1,793,979	\$778,660	130.4%
Net written premiums	534,375	199,971	167.2%	1,524,343	694,560	119.5%
Net premiums earned	397,466	167,703	137.0%	1,035,485	317,776	225.9%
Net income	146,982	92,123	59.5%	371,854	153,848	141.7%
Total assets	5,253,520	2,767,282	89.8%	5,253,520	2,767,282	89.8%
Total cash and invested assets [a]	3,690,493	2,163,023	70.6%	3,690,493	2,163,023	70.6%
Total shareholders' equity	2,680,802	1,836,099	46.0%	2,680,802	1,836,099	46.0%
PER SHARE AND SHARE DATA						
As Reported						
Basic earnings per share	\$0.97	\$0.68	42.7%	\$2.63	\$1.14	130.5%
Diluted earnings per share	\$0.90	\$0.68	32.4%	\$2.46	\$1.13	117.5%
Weighted average common shares outstanding	151,453,213	135,281,608	12.0%	141,499,081	135,252,904	4.6%
Diluted weighted average common shares outstanding	163,232,232	136,246,838	19.8%	151,322,233	136,082,749	11.2%
Book value per share	\$17.37	NR	-	\$17.37	NR	-
Diluted book value per share (as-if converted)*	\$16.72	NR	-	\$16.72	NR	-
FINANCIAL RATIOS						
ROAE, net income	6.0%	5.2%	15.9%	16.0%	8.8%	81.5%
Pro forma ROAE, net income [b]	5.6%	NM	-	15.0%	NM	-
Total return on investment portfolio	0.3%	2.8%	(89.8)%	3.1%	5.9%	(47.8)%
Annualized ROAE, net income	24.0%	20.7%	15.9%	21.4%	11.8%	81.5%
Pro forma Annualized ROAE, net income [b]	22.6%	NM	-	20.0%	NM	-
Annualized effective investment yield	2.6%	4.7%	(44.7)%	2.4%	4.4%	(45.5)%
Net loss and loss expense ratio	46.3%	38.1%	21.6%	50.8%	46.8%	8.5%
Acquisition cost ratio	16.6%	18.5%	(10.3)%	16.9%	18.9%	(10.6)%
General and administrative expense ratio	6.3%	6.7%	(5.8)%	6.6%	9.2%	(28.3)%
Combined ratio	<u>69.2%</u>	<u>63.3%</u>	9.4%	<u>74.3%</u>	<u>74.9%</u>	(0.8)%

* This is a non-GAAP financial measure. See the reconciliations presented at the end of this financial supplement.

[a] Invested assets represents the total cash and investments, including accrued interest managed by the Company's third party asset managers.

[b] Pro forma ROAE calculations assume that the net proceeds from the AXIS Capital IPO, which closed on July 7, 2003, were received at the beginning of each period.

AXIS Capital Holdings Limited
CONSOLIDATED STATEMENTS OF INCOME

	Quarter ended						
	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
UNDERWRITING REVENUES							
Gross premiums written	\$633,942	\$551,450	\$608,587	\$329,343	\$252,260	\$260,721	\$265,679
Premiums ceded	(99,567)	(101,626)	(68,443)	(5,625)	(52,289)	(26,758)	(5,054)
Net premiums written	534,375	449,824	540,144	323,718	199,971	233,963	260,625
Gross premiums earned	481,913	398,032	331,639	232,092	180,085	107,859	56,867
Ceded premiums amortized	(84,447)	(62,440)	(29,212)	(13,018)	(12,382)	(13,389)	(1,265)
Net premiums earned	397,466	335,592	302,427	219,074	167,703	94,470	55,602
Other insurance related income	8,548	10,102	1,106	(639)	---	---	---
Total underwriting revenues	406,014	345,694	303,533	218,435	167,703	94,470	55,602
UNDERWRITING EXPENSES							
Net losses and loss expenses	\$184,180	\$195,620	\$146,335	\$80,637	\$63,841	\$55,437	\$29,350
Acquisition costs	65,770	55,945	53,035	43,778	31,025	20,008	8,892
General and administrative expenses	25,174	21,719	21,578	17,196	11,274	11,859	6,192
Total underwriting expenses	275,124	273,284	220,948	141,611	106,140	87,304	44,434
Underwriting income	130,890	72,410	82,585	76,824	61,563	7,166	11,168
OTHER OPERATING REVENUE (EXPENSES)							
Net investment income	\$19,342	\$15,904	\$11,352	\$15,974	\$21,476	\$14,055	\$19,782
Net realized gains on investments	(5,713)	15,705	11,198	9,738	6,868	8,690	774
Interest expense	---	---	---	---	---	---	---
Total other operating revenue (expenses)	13,629	31,609	22,550	25,712	28,344	22,745	20,556
OTHER							
Net foreign exchange gains (losses)	\$4,574	\$12,855	\$1,887	\$7,015	\$2,487	\$115	(\$7)
Total other revenue (expenses)	4,574	12,855	1,887	7,015	2,487	115	(7)
INCOME BEFORE INCOME TAXES	\$149,093	\$116,874	\$107,022	\$109,551	\$92,394	\$30,026	\$31,717
Income tax recovery (expense)	(2,111)	880	97	1,720	(271)	(19)	---
NET INCOME	\$146,982	\$117,754	\$107,119	\$111,271	\$92,123	\$30,007	\$31,717
COMPREHENSIVE INCOME	\$148,851	\$124,595	\$112,514	\$109,860	\$115,187	\$51,903	\$14,109
KEY RATIOS/PER SHARE DATA							
Net loss and loss expense ratio	46.3%	58.3%	48.4%	36.8%	38.1%	58.7%	52.8%
Acquisition cost ratio	16.6%	16.7%	17.5%	20.0%	18.5%	21.2%	16.0%
General and administrative expense ratio	6.3%	6.5%	7.2%	7.8%	6.7%	12.5%	11.1%
Combined ratio	69.2%	81.5%	73.1%	64.6%	63.3%	92.4%	79.9%
Weighted average basic shares outstanding	151,453,213	136,509,891	136,370,025	135,975,617	135,281,608	135,181,081	135,135,294
Weighted average diluted shares outstanding	163,232,232	145,701,443	142,751,536	139,581,029	136,246,828	135,311,032	135,135,294
Basic earnings per share	\$0.97	\$0.86	\$0.79	\$0.82	\$0.68	\$0.22	\$0.23
Diluted earnings per share	\$0.90	\$0.81	\$0.75	\$0.80	\$0.68	\$0.22	\$0.23
Annualized Quarterly ROAE	24.0%	22.0%	21.2%	23.4%	20.7%	7.1%	7.7%

AXIS Capital Holdings Limited

CONSOLIDATED STATEMENTS OF INCOME

	Nine months ended		Year ended
	September 30, 2003	September 30, 2002	December 31, 2002
UNDERWRITING REVENUES			
Gross premiums written	\$1,793,979	\$778,660	\$1,108,003
Premiums ceded	(269,636)	(84,100)	(89,726)
Net premiums written	1,524,343	694,560	1,018,277
Gross premiums earned	1,211,584	344,811	576,903
Ceded premiums amortized	(176,099)	(27,036)	(40,054)
Net premiums earned	1,035,485	317,776	536,849
Other insurance related income	19,756	0	(639)
Total underwriting revenues	1,055,241	317,776	536,210
UNDERWRITING EXPENSES			
Net losses and loss expenses	\$526,135	\$148,628	\$229,265
Acquisition costs	174,750	59,925	103,703
General and administrative expenses	68,471	29,327	46,521
Total underwriting expenses	769,356	237,880	379,489
Underwriting income	285,885	79,896	156,721
OTHER OPERATING REVENUE (EXPENSES)			
Net investment income	\$46,598	\$55,313	\$71,287
Net realized gains on investments	21,190	16,332	26,070
Interest expense	---	---	---
Total other operating revenue (expenses)	67,788	71,645	97,357
OTHER			
Net foreign exchange gains (losses)	\$19,316	\$2,596	\$9,610
Total other revenue (expenses)	19,316	2,596	9,610
INCOME BEFORE INCOME TAXES			
Income tax recovery (expense)	(1,135)	(289)	1,430
NET INCOME	\$371,854	\$153,848	\$265,118
COMPREHENSIVE INCOME			
	\$385,959	\$181,199	\$291,059
KEY RATIOS/PER SHARE DATA			
Net loss and loss expense ratio	50.8%	46.8%	42.7%
Acquisition cost ratio	16.9%	18.9%	19.3%
General and administrative expense ratio	6.6%	9.2%	8.7%
Combined ratio	74.3%	74.9%	70.7%
Weighted average basic shares outstanding	141,499,081	135,252,904	136,007,864
Weighted average diluted shares outstanding	151,322,233	136,082,749	138,940,512
Basic earnings per share	\$2.63	\$1.14	\$1.95
Diluted earnings per share	\$2.46	\$1.13	\$1.91
Annualized ROAE	21.4%	11.8%	14.7%

AXIS Capital Holdings Limited
CONSOLIDATED SEGMENT DATA

	Quarter ended September 30, 2003					Nine months ended September 30, 2003				
	Global Insurance	Global Reinsurance	U.S. Insurance	U.S. Reinsurance	Total Company	Global Insurance	Global Reinsurance	U.S. Insurance	U.S. Reinsurance	Total Company
UNDERWRITING REVENUES										
Gross premiums written	\$249,313	\$114,586	\$188,041	\$82,002	\$633,942	\$700,612	\$446,228	\$451,087	\$196,052	\$1,793,979
Net premiums written	245,659	114,586	92,850	81,280	534,375	675,248	436,858	218,409	193,828	1,524,343
Gross premiums earned	217,578	120,235	112,588	31,512	481,913	618,231	314,711	221,836	56,805	1,211,583
Ceded premiums amortized	(19,002)	(2,790)	(62,130)	(525)	(84,447)	(50,284)	(6,553)	(118,333)	(928)	(176,098)
Net premiums earned	198,576	117,445	50,458	30,987	397,466	567,947	308,158	103,503	55,877	1,035,485
Other insurance related income	8,124	424	---	---	8,548	19,332	424	---	---	19,756
Total underwriting revenues	<u>206,700</u>	<u>117,869</u>	<u>50,458</u>	<u>30,987</u>	<u>406,014</u>	<u>587,279</u>	<u>308,582</u>	<u>103,503</u>	<u>55,877</u>	<u>1,055,241</u>
UNDERWRITING EXPENSES										
Net losses and loss expenses	85,415	44,100	33,621	21,044	184,180	285,958	132,672	66,743	40,762	526,135
Acquisition costs	33,793	19,975	5,359	6,643	65,770	91,129	56,724	12,350	14,547	174,750
General and administrative expenses	---	---	---	---	25,174	---	---	---	---	68,471
Total underwriting expenses	<u>119,208</u>	<u>64,075</u>	<u>38,980</u>	<u>27,687</u>	<u>275,124</u>	<u>377,087</u>	<u>189,396</u>	<u>79,093</u>	<u>55,309</u>	<u>769,356</u>
UNDERWRITING INCOME	<u>\$87,492</u>	<u>\$53,794</u>	<u>\$11,478</u>	<u>\$3,300</u>	<u>\$130,890</u>	<u>\$210,192</u>	<u>\$119,186</u>	<u>\$24,410</u>	<u>\$568</u>	<u>\$285,885</u>
GAAP RATIOS										
Net loss and loss expense ratio	43.0%	37.5%	66.6%	67.9%	46.3%	50.3%	43.1%	64.5%	72.9%	50.8%
Acquisition cost ratio	17.0%	17.0%	10.6%	21.4%	16.6%	16.0%	18.4%	11.9%	26.0%	16.9%
Combined ratio before general and administrative expenses	60.0%	54.5%	77.2%	89.3%	62.9%	66.3%	61.5%	76.4%	99.0%	67.7%
General and administrative expense ratio					6.3%					6.6%
Combined ratio					<u>69.2%</u>					<u>74.3%</u>

AXIS Capital Holdings Limited

GROSS PREMIUM WRITTEN BY SEGMENT BY LINE OF BUSINESS

	Quarter ended		Nine months ended	
	September 30, 2003	September 30, 2002	September 30, 2003	September 30, 2002
GLOBAL INSURANCE				
Specialty risks [a]	\$ 70,058	\$ 85,963	\$ 231,315	\$ 191,070
Onshore and offshore energy	56,569	45,270	173,624	133,708
Aviation and aerospace	32,162	11,288	85,012	42,702
Commercial property	74,267	25,464	135,436	69,212
Marine	16,257	11,075	75,225	47,168
Total global insurance	<u>249,313</u>	<u>179,060</u>	<u>700,612</u>	<u>483,860</u>
GLOBAL REINSURANCE				
Catastrophe	62,401	52,334	321,532	223,518
Property pro rata	20,097	10,822	66,564	44,380
Property per risk	31,707	9,565	45,999	16,307
Other	381	479	12,133	10,595
Total global reinsurance	<u>114,586</u>	<u>73,200</u>	<u>446,228</u>	<u>294,800</u>
U.S. INSURANCE				
Commercial property	77,070	-	156,933	-
Professional lines	67,496	-	181,048	-
Commercial liability	43,475	-	113,106	-
Total U.S. insurance	<u>188,041</u>	<u>-</u>	<u>451,087</u>	<u>-</u>
U.S. REINSURANCE				
Professional lines	52,533	-	127,256	-
Casualty	22,070	-	37,248	-
Property	(1,410)	-	19,535	-
Auto, marine & aviation	8,809	-	12,013	-
Total U.S. reinsurance	<u>82,002</u>	<u>-</u>	<u>196,052</u>	<u>-</u>
TOTAL	<u>\$ 633,942</u>	<u>\$ 252,260</u>	<u>\$ 1,793,979</u>	<u>\$ 778,660</u>

[a] Including terrorism, marine and aviation war risk, political risk and D&O.

AXIS Capital Holdings Limited
GLOBAL INSURANCE SEGMENT DATA

	Quarter ended						
	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
UNDERWRITING REVENUES							
Gross premiums written	\$249,313	\$207,652	\$243,647	\$309,899	\$179,060	\$163,494	\$141,306
Net premiums written	<u>245,659</u>	<u>203,775</u>	<u>225,814</u>	<u>304,274</u>	<u>126,771</u>	<u>136,736</u>	<u>136,252</u>
Gross premiums earned	217,578	202,650	198,003	156,948	112,422	55,996	29,301
Ceded premiums amortized	<u>(19,002)</u>	<u>(15,143)</u>	<u>(16,139)</u>	<u>(13,020)</u>	<u>(12,382)</u>	<u>(13,389)</u>	<u>(1,263)</u>
Net premiums earned	198,576	187,507	181,864	143,928	100,040	42,607	28,038
Other insurance related income	8,124	10,102	1,106	(639)	---	---	---
Total underwriting revenues	<u>206,700</u>	<u>197,609</u>	<u>182,970</u>	<u>143,289</u>	<u>100,040</u>	<u>42,607</u>	<u>28,038</u>
UNDERWRITING EXPENSES							
Net losses and loss expenses	85,415	114,651	85,892	40,164	49,094	31,644	16,946
Acquisition costs	33,793	30,528	26,807	25,285	17,198	9,995	4,205
General and administrative expenses	---	---	---	---	---	---	---
Total underwriting expenses	<u>119,208</u>	<u>145,179</u>	<u>112,699</u>	<u>65,449</u>	<u>66,292</u>	<u>41,639</u>	<u>21,151</u>
UNDERWRITING INCOME	<u>\$87,492</u>	<u>\$52,430</u>	<u>\$70,271</u>	<u>\$77,840</u>	<u>\$33,748</u>	<u>\$968</u>	<u>\$6,887</u>
GAAP RATIOS							
Net loss and loss expense ratio	43.0%	61.1%	47.2%	27.9%	49.1%	74.3%	60.4%
Acquisition cost ratio	<u>17.0%</u>	<u>16.3%</u>	<u>14.7%</u>	<u>17.6%</u>	<u>17.2%</u>	<u>23.5%</u>	<u>15.0%</u>
Combined ratio before general and administrative expenses	<u>60.0%</u>	<u>77.4%</u>	<u>61.9%</u>	<u>45.5%</u>	<u>66.3%</u>	<u>97.8%</u>	<u>75.4%</u>

AXIS Capital Holdings Limited
GLOBAL REINSURANCE SEGMENT DATA

	Quarter ended						
	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
UNDERWRITING REVENUES							
Gross premiums written	\$114,586	\$120,144	\$211,499	\$19,443	\$73,200	\$97,227	\$124,374
Net premiums written	114,586	115,606	206,666	19,443	73,200	97,227	124,374
Gross premiums earned	120,235	100,382	94,094	75,146	67,663	51,863	27,565
Ceded premiums amortized	(2,790)	(3,354)	(409)	---	---	---	---
Net premiums earned	117,445	97,028	93,685	75,146	67,663	51,863	27,565
Other insurance related income	424	---	---	---	---	---	---
Total underwriting revenues	117,869	97,028	93,685	75,146	67,663	51,863	27,565
UNDERWRITING EXPENSES							
Net losses and loss expenses	44,100	44,134	44,438	40,473	14,747	23,793	12,404
Acquisition costs	19,975	18,260	18,490	18,493	13,827	10,013	4,687
General and administrative expenses	---	---	---	---	---	---	---
Total underwriting expenses	64,075	62,394	62,928	58,966	28,574	33,806	17,091
UNDERWRITING INCOME	\$53,794	\$34,634	\$30,757	\$16,180	\$39,089	\$18,057	\$10,474
GAAP RATIOS							
Net loss and loss expense ratio	37.5%	45.5%	47.4%	53.9%	21.8%	45.9%	23.9%
Acquisition cost ratio	17.0%	18.8%	19.7%	24.6%	20.4%	19.3%	9.0%
Combined ratio before general and administrative expenses	54.5%	64.3%	67.2%	78.5%	42.2%	65.2%	33.0%

AXIS Capital Holdings Limited
U.S. INSURANCE SEGMENT DATA

	Quarter ended						
	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
UNDERWRITING REVENUES							
Gross premiums written	\$188,041	\$171,133	\$91,912	---	---	---	---
Net premiums written	92,850	79,424	46,135	---	---	---	---
Gross premiums earned	112,588	80,538	28,710	---	---	---	---
Ceded premiums amortized	(62,130)	(43,539)	(12,664)	---	---	---	---
Net premiums earned	50,458	36,999	16,046	---	---	---	---
Other insurance related income	---	---	---	---	---	---	---
Total underwriting revenues	50,458	36,999	16,046	---	---	---	---
UNDERWRITING EXPENSES							
Net losses and loss expenses	33,621	23,505	9,617	---	---	---	---
Acquisition costs	5,359	2,873	4,118	---	---	---	---
General and administrative expenses	---	---	---	---	---	---	---
Total underwriting expenses	38,980	26,378	13,735	---	---	---	---
UNDERWRITING INCOME	\$11,478	\$10,621	\$2,311	---	---	---	---
GAAP RATIOS							
Net loss and loss expense ratio	66.6%	63.5%	59.9%	---	---	---	---
Acquisition cost ratio	10.6%	7.8%	25.7%	---	---	---	---
Combined ratio before general and administrative expenses	77.2%	71.3%	85.6%	---	---	---	---

AXIS Capital Holdings Limited
U.S. REINSURANCE SEGMENT DATA

	Quarter ended						
	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
UNDERWRITING REVENUES							
Gross premiums written	\$82,002	\$52,521	\$61,529	---	---	---	---
Net premiums written	81,280	51,019	61,529	---	---	---	---
Gross premiums earned	31,512	14,461	10,832	---	---	---	---
Ceded premiums amortized	(525)	(403)	---	---	---	---	---
Net premiums earned	30,987	14,058	10,832	---	---	---	---
Other insurance related income	---	---	---	---	---	---	---
Total underwriting revenues	30,987	14,058	10,832	---	---	---	---
UNDERWRITING EXPENSES							
Net losses and loss expenses	21,044	13,330	6,388	---	---	---	---
Acquisition costs	6,643	4,284	3,620	---	---	---	---
General and administrative expenses	---	---	---	---	---	---	---
Total expenses	27,687	17,614	10,008	---	---	---	---
UNDERWRITING INCOME	\$3,300	(\$3,556)	\$824	---	---	---	---
GAAP RATIOS							
Net loss and loss expense ratio	67.9%	94.8%	59.0%	---	---	---	---
Acquisition cost ratio	21.4%	30.5%	33.4%	---	---	---	---
Combined ratio before general and administrative expenses	89.3%	125.3%	92.4%	---	---	---	---

AXIS Capital Holdings Limited
CONSOLIDATED BALANCE SHEETS

	<u>Sept. 30, 2003</u>	<u>June 30, 2003</u>	<u>March 31, 2003</u>	<u>Dec. 31, 2002</u>	<u>Sept. 30, 2002</u>	<u>June 30, 2002</u>	<u>March 31, 2002</u>	<u>Dec. 31, 2001</u>
ASSETS								
Cash and cash equivalents	\$790,604	\$927,087	\$882,548	\$729,296	\$571,009	\$619,139	\$429,023	\$761,670
Investments at fair market value	3,277,783	2,394,606	2,055,494	1,702,990	1,789,344	1,524,151	1,547,976	1,079,686
Accrued interest receivable	21,612	15,236	14,583	16,502	13,851	11,210	10,385	8,466
Insurance and reinsurance premium balances receivable	690,907	663,758	572,244	375,508	249,484	273,819	190,334	23,696
Deferred acquisition costs	152,842	139,445	118,325	77,166	76,533	63,114	26,548	2,215
Prepaid reinsurance premiums	162,486	145,704	103,504	49,673	57,065	17,158	3,791	-
Reinsurance recoverable	100,152	51,841	19,065	1,703	-	-	-	-
Intangible assets	27,204	27,579	27,954	14,079	-	-	-	-
Other assets	29,930	20,973	19,760	19,204	9,996	9,090	3,925	2,040
TOTAL ASSETS	<u>\$5,253,520</u>	<u>\$4,386,229</u>	<u>\$3,813,477</u>	<u>\$2,986,121</u>	<u>\$2,767,282</u>	<u>\$2,517,681</u>	<u>\$2,211,982</u>	<u>\$1,877,773</u>
LIABILITIES								
Reserve for losses and loss expenses	\$785,041	\$569,253	\$351,376	\$215,934	\$149,591	\$85,750	\$30,313	\$963
Unearned premiums	1,153,296	1,001,225	847,511	555,962	458,711	386,536	233,676	24,862
Insurance and reinsurance balances payable	174,832	214,739	180,681	142,696	97,372	47,057	5,000	-
Accounts payable and accrued expenses	60,043	54,375	36,124	24,119	14,328	10,722	6,275	4,132
Net payable for investments purchased	399,506	334,082	319,846	86,377	211,181	268,990	270,856	198,264
TOTAL LIABILITIES	<u>\$2,572,718</u>	<u>\$2,173,674</u>	<u>\$1,735,538</u>	<u>\$1,025,088</u>	<u>\$931,183</u>	<u>\$799,055</u>	<u>\$546,120</u>	<u>\$228,221</u>
SHAREHOLDERS' EQUITY								
Common shares	\$1,929	\$1,737	\$1,729	\$1,727	\$1,706	\$1,699	\$1,694	\$1,689
Additional paid-in capital	2,015,236	1,697,824	1,689,938	1,686,599	1,664,075	1,656,827	1,651,681	1,646,950
Deferred compensation	(15,605)	(17,397)	(19,525)	(20,576)	(13,104)	(8,135)	(3,846)	(1,311)
Accumulated other comprehensive income	39,589	37,720	30,879	25,484	26,894	3,831	(18,065)	(456)
Retained earnings	639,653	492,671	374,918	267,799	156,528	64,404	34,398	2,680
TOTAL SHAREHOLDERS' EQUITY	<u>\$2,680,802</u>	<u>\$2,212,555</u>	<u>\$2,077,939</u>	<u>\$1,961,033</u>	<u>\$1,836,099</u>	<u>\$1,718,626</u>	<u>\$1,665,862</u>	<u>\$1,649,552</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$5,253,520</u>	<u>\$4,386,229</u>	<u>\$3,813,477</u>	<u>\$2,986,121</u>	<u>\$2,767,282</u>	<u>\$2,517,681</u>	<u>\$2,211,982</u>	<u>\$1,877,773</u>
Book value per share	<u>\$17.37</u>	<u>\$15.93</u>	<u>\$15.02</u>	<u>\$14.19</u>	<u>\$13.45</u>	<u>\$12.65</u>	<u>\$12.29</u>	<u>\$12.21</u>

AXIS Capital Holdings Limited

INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2003

TYPE OF INVESTMENT	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Percentage
U.S. government and agency securities	\$1,202,933	\$10,861	(\$1,089)	\$1,212,705	33.0%
Corporate debt securities	567,154	18,502	(1,135)	584,521	15.9%
Non U.S. government securities	21,578	695	(29)	22,244	0.6%
Mortgage-backed securities	960,272	13,687	(2,008)	971,951	26.5%
Asset-backed securities	133,304	2,840	(866)	135,278	3.7%
Municipals	169,870	1,541	(695)	170,716	4.7%
Mortgage derivatives [a]	179,079	1,324	(35)	180,368	4.9%
Total Fixed Maturities	\$3,234,190	\$49,450	(\$5,857)	\$3,277,783	89.3%
Cash, net of unsettled trades	61,461	-	-	61,461	1.7%
Total Invested Assets	\$3,295,651	\$49,450	(\$5,857)	\$3,339,244	91.0%
Operating Cash Balances	329,637	-	-	329,637	9.0%
Total Cash and Investments	\$3,625,288	\$49,450	(\$5,857)	\$3,668,881	99.9%

CREDIT QUALITY	Amortized Cost	Percentage	Fair Value	Percentage
AAA	\$2,608,230	80.7%	\$2,635,101	80.4%
AA	120,725	3.7%	122,499	3.7%
A	321,609	9.9%	329,680	10.1%
BBB	183,626	5.7%	190,503	5.8%
Total	\$3,234,190	100.0%	\$3,277,783	100%

MATURITY	Amortized Cost	Percentage	Fair Value	Percentage
Within one year	\$288,289	8.9%	\$289,043	8.8%
From one to five years	962,556	29.8%	973,147	29.7%
From five to ten years	591,756	18.3%	605,445	18.5%
Above ten years	118,934	3.6%	122,551	3.7%
Asset-backed and mortgage-backed securities	1,272,655	39.4%	1,287,597	39.3%
Total	\$3,234,190	100.0%	\$3,277,783	100.0%

PORTFOLIO CHARACTERISTICS	As of or for the period ended			
	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002
Annualized effective yield [b]	2.6%	2.5%	2.0%	4.0%
Yield to maturity	3.7%	3.2%	3.6%	4.9%
Average duration of invested assets	3.1 yrs	2.4 yrs	2.3 yrs	2.5 yrs
Average credit quality	AAA	AAA	AAA	AA+

[a] 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

[b] The periods ended September 30, 2003, June 30, 2003 and March 31, 2003 represent quarterly periods. The period ended December 31, 2002 represents an annual period.

AXIS Capital Holdings Limited

INVESTMENT PERFORMANCE BENCHMARKS

	Quarter ended Sept. 30, 2003	Quarter ended June 30, 2003	Quarter ended March 31, 2003	Nine months ended Sept. 30, 2003	Twelve months ended Sept. 30, 2003	Year ended Dec. 31, 2002
Aggregate AXIS Capital portfolio	0.29%	1.54%	1.23%	3.08%	4.61%	7.50%
Composite Bench Mark [a]	0.29%	1.47%	1.13%	2.91%	4.25%	7.60%
	0.00%	0.07%	0.10%	0.17%	0.36%	-0.10%
Total return liquidity portfolio	0.03%	0.99%	0.93%	1.96%	3.16%	3.06%
Merrill Lynch 1-3 year Treasury Index [b]	0.43%	0.71%	0.59%	1.75%	2.21%	1.89%
	-0.40%	0.28%	0.34%	0.21%	0.95%	1.17%
Total return intermediate duration portfolios	0.38%	1.93%	1.35%	3.69%	5.31%	9.00%
Lehman Intermediate Aggregate Index	0.18%	1.89%	1.27%	3.37%	4.94%	9.49%
	0.20%	0.04%	0.08%	0.32%	0.37%	-0.49%
Total return long duration portfolios [c]	-0.06%	2.45%	1.14%	3.56%	5.10%	3.21%
Lehman Aggregate Index	-0.14%	2.50%	1.39%	3.78%	5.40%	3.22%
	0.08%	-0.05%	-0.25%	-0.22%	-0.30%	-0.01%
Total return U.S. combined portfolios	0.04%	1.89%	N/A	N/A	N/A	N/A
Custom Benchmark Index [d]	0.25%	1.93%	N/A	N/A	N/A	N/A
	-0.21%	-0.04%	N/A	N/A	N/A	N/A

[a] The Composite Bench Mark is the weighted average of each portfolio's opening market values for the following indices:

Lehman Intermediate Aggregate Index
Lehman Aggregate Index
Merrill Lynch 1-3 yr Treasury Index

[b] Prior to January 1, 2003, this index was three month US\$ LIBOR.

[c] The year ended December 31, 2002 represents actual return for the four months ended December 31, 2002, the period during which these portfolios existed.

[d] The Custom Benchmark Index is 20% Lehman 1-10 year Municipal plus 80% Lehman Intermediate Aggregate.

AXIS Capital Holdings Limited

ISSUER CREDIT EXPOSURE

AS OF SEPTEMBER 30, 2003

Issuer	Rating	Fair Value at September 30, 2003	% of Total Fair Value
General Electric Company	Aaa/AAA	\$37,543	1.12%
Citigroup Inc.	Aa1/AA-	26,049	0.78%
General Motors Corporation	A3/BBB	20,879	0.62%
Verizon Communications Inc.	A3/A+	20,693	0.62%
HSBC Holdings PLC	A1/A	17,842	0.53%
Goldman Sachs Group, Inc.	Aa3/A+	13,080	0.39%
Bear Stearns Companies, Inc.	A2/A	11,687	0.35%
SBC Communications, Inc.	A1/A+	11,541	0.34%
Westpac Banking Corporation	A2/A-	11,345	0.34%
Ford Motor Company	A3/BBB	11,058	0.33%
Total		\$181,717	5.42%

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS

	Quarter ended September 30, 2003			Nine months ended September 30, 2003		
	Gross	Recoveries	Net	Gross	Recoveries	Net
Reserve for losses and loss expenses, beginning of period	\$569,253	(\$51,841)	\$517,412	\$215,934	(\$1,703)	\$214,231
Total incurred losses and loss expenses	234,599	(50,419)	184,180	619,443	(93,308)	526,135
Net loss reserves acquired	---	---	---	20,901	(15,034)	5,867
Total paid losses and loss expenses	(19,986)	2,108	(17,878)	(72,886)	9,893	(62,993)
Foreign exchange losses (gains)	1,175	---	1,175	1,649	---	1,649
Reserve for losses and loss expenses, end of period	<u>\$785,041</u>	<u>(\$100,152)</u>	<u>\$684,889</u>	<u>\$785,041</u>	<u>(\$100,152)</u>	<u>\$684,889</u>
Paid to incurred percentage	<u>8.5%</u>	<u>NM</u>	<u>9.7%</u>	<u>11.8%</u>	<u>NM</u>	<u>12.0%</u>

AXIS Capital Holdings Limited

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

	Quarter ended September 30, 2003				Nine months ended September 30, 2003			
	Global	Global	U.S.	U.S.	Global	Global	U.S.	U.S.
	Insurance	Reinsurance	Insurance	Reinsurance	Insurance	Reinsurance	Insurance	Reinsurance
Net paid losses	\$12,082	\$7,437	\$467	---	\$39,457	\$22,013	\$11,416	---
Change in unpaid loss and loss expense reserves:								
Change in outstanding	10,560	9,053	7,920	663	65,960	7,378	2,877	663
Change in IBNR	67,773	27,610	70,256	20,778	195,362	103,281	130,298	40,738
Change in unpaid loss and loss expense reserves	78,333	36,663	78,176	21,441	261,322	110,659	133,175	41,401
Reinsurance recoveries	(5,000)	-	(45,022)	(397)	(14,821)	-	(77,848)	(639)
TOTAL NET INCURRED LOSSES AND LOSS EXPENSES	\$85,415	\$44,100	\$33,621	\$21,044	\$285,958	\$132,672	\$66,743	\$40,762
Paid to net incurred percentage	14.1%	16.9%	1.4%	0.0%	13.8%	16.6%	17.1%	0.0%
Net paid losses / Net premiums earned	6.1%	6.3%	0.9%	0.0%	6.9%	7.1%	11.0%	0.0%
Increase in Net loss and loss expense reserves / Net premiums earned	36.9%	31.2%	65.7%	67.9%	43.4%	35.9%	53.5%	72.9%
Net incurred losses and loss expenses / Net premiums earned	43.0%	37.5%	66.6%	67.9%	50.3%	43.1%	64.5%	72.9%

AXIS Capital Holdings Limited
ANALYSIS OF UNPAID LOSSES AND LOSS EXPENSES

	As at September 30, 2003			As at June 30, 2003			As at March 31, 2003		
	Gross	Recoveries	Net	Gross	Recoveries	Net	Gross	Recoveries	Net
Case reserves	\$149,504	(\$14,947)	\$134,557	\$120,133	(\$13,471)	\$106,662	\$55,878	(\$6,876)	\$49,002
IBNR	635,537	(85,205)	550,332	449,120	(38,370)	410,750	295,498	(12,189)	283,309
Reserve for losses and loss expenses, end of period	<u>\$785,041</u>	<u>(\$100,152)</u>	<u>\$684,889</u>	<u>\$569,253</u>	<u>(\$51,841)</u>	<u>\$517,412</u>	<u>\$351,376</u>	<u>(\$19,065)</u>	<u>\$332,311</u>
IBNR as a % of reserve for losses and loss expenses	81.0%	85.1%	80.4%	78.9%	74.0%	79.4%	84.1%	63.9%	85.3%

AXIS Capital Holdings Limited

EARNINGS PER SHARE INFORMATION - AS REPORTED, GAAP

	Quarter ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
Net income	\$146,982	\$92,123	\$371,854	\$153,848
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic weighted average common shares outstanding [a]	151,453,213	135,281,608	141,499,081	135,252,904
Shares equivalents				
Warrants	9,156,307	801,139	7,700,860	699,178
Options	1,922,944	130,752	1,585,807	108,193
Restricted stock	699,768	33,339	536,485	22,474
Diluted weighted average common shares outstanding [a]	163,232,232	136,246,838	151,322,233	136,082,749
EARNINGS PER SHARE				
Basic	\$0.97	\$0.68	\$2.63	\$1.14
Diluted	\$0.90	\$0.68	\$2.46	\$1.13

[a] Basic and diluted shares outstanding, including share equivalents, have been calculated reflecting the 8-for-1 stock split which took effect on June 30, 2003.

AXIS Capital Holdings Limited

DILUTED BOOK VALUE PER SHARE

	As at	
	September 30, 2003	December 31, 2002
AS-IF CONVERTED METHOD		
Basic common shares outstanding	154,357,909	138,168,520
Add: warrants outstanding	19,584,904	19,453,304
Weighted average exercise price per share	\$12.50	\$12.50
Add: options outstanding	4,611,512	4,475,512
Weighted average exercise price per share	\$13.11	\$13.03
Diluted shares outstanding	178,554,325	162,097,336
Shareholders' equity	\$2,680,802	\$1,961,033
Add: proceeds from converted warrants	244,811	243,166
Add: proceeds from converted options	60,476	58,323
As if converted shareholders' equity	\$2,986,089	\$2,262,522
Book value per share	\$17.37	\$14.19
Diluted book value per share	\$16.72	\$13.96
TREASURY STOCK METHOD		
Closing Price	\$24.95	---
Basic common shares outstanding	154,357,909	---
Add: warrants outstanding	19,584,904	---
Weighted average exercise price per share	\$12.50	---
Less: warrants bought back via treasury method	9,812,076	---
Add: options outstanding	4,611,512	---
Weighted average exercise price per share	\$13.11	---
Less: options bought back via treasury method	2,423,848	---
Diluted shares outstanding	166,318,401	---
Book value per share	\$17.37	NM
Diluted book value per share	\$16.12	NM

AXIS Capital Holdings Limited

DILUTED BOOK VALUE PER SHARE - PRO FORMA

AS-IF CONVERTED METHOD	Quarter ended	
	September 30, 2003	December 31, 2002
Basic common shares outstanding	154,357,909	138,168,520
Add: shares issued in conjunction with the IPO	---	15,410,000
Pro-forma common shares outstanding	154,357,909	153,578,520
Add: warrants outstanding	19,584,904	19,453,304
Weighted average exercise price per share	\$12.50	\$12.50
Add: options outstanding	4,611,512	4,475,512
Weighted average exercise price per share	\$13.11	\$13.03
Shareholders' equity	\$2,680,802	1,961,033
Add: net proceeds from IPO	---	316,000
Add: proceeds from converted warrants	244,811	243,770
Add: proceeds from converted options	60,476	61,541
Pro forma shareholders' equity	\$2,986,089	\$2,582,344
Pro forma diluted shares outstanding	178,554,325	177,507,336
Pro forma book value per share [a]	\$17.37	\$14.83
Pro forma diluted book value per share	\$16.72	\$14.55
TREASURY STOCK METHOD		
Share Price [b]	\$24.95	\$22.00
Basic common shares outstanding	154,357,909	138,168,520
Add: shares issued in conjunction with the IPO	---	15,410,000
Pro-forma common shares outstanding	154,357,909	153,578,520
Shareholders' equity	2,680,802	1,961,033
Add: net proceeds from IPO	---	316,000
Pro forma shareholders' equity	2,680,802	2,277,033
Add: warrants outstanding	19,584,904	19,453,304
Weighted average exercise price per share	\$12.50	\$12.50
Less: warrants bought back via treasury method	9,812,076	11,053,014
Add: options outstanding	4,611,512	4,475,512
Weighted average exercise price per share	\$13.11	\$13.17
Less: options bought back via treasury method	2,423,848	2,678,794
Pro forma diluted shares outstanding	166,318,401	163,775,529
Pro forma book value per share [a]	\$17.37	\$14.83
Pro forma diluted book value per share	\$16.12	\$13.90

[a] Pro forma book value per share for December 31, 2002 is calculated by adjusting shareholders' equity for the net proceeds of the AXIS Capital IPO and dividing by the pro forma common shares outstanding

[b] Share price for September 30, 2003 was the closing market price. As there was no observable market price at December 31, 2002, we have utilized our IPO price of \$22.00.