



AXIS Capital Holdings Limited

INVESTOR FINANCIAL SUPPLEMENT

SECOND QUARTER 2003

AXIS Capital Holdings Limited
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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 June 30, 2003.

AXIS Capital Holdings Limited

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AXIS Capital Holdings Limited

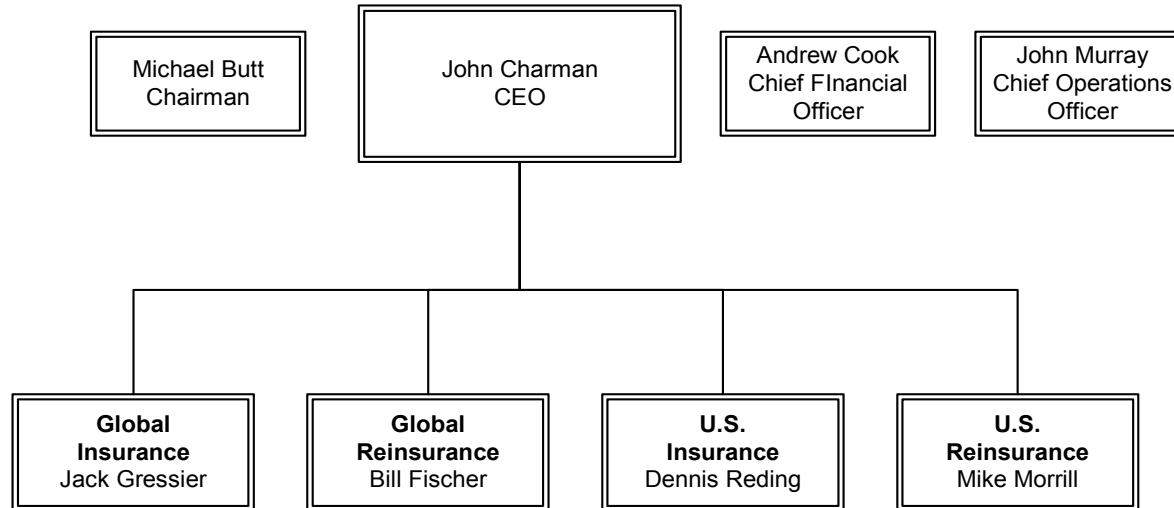
BASIS OF PRESENTATION

DEFINITIONS AND PRESENTATION

- All financial information contained herein is unaudited, except December 31, 2002 balance sheet data.
- Unless otherwise noted, all data is in thousands, except for share, per share, percentage 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.
- Pro forma information included within this supplement relates to the effects of the Company's initial public offering, which closed on July 7, 2003. The Company received net proceeds of \$316.0 million on the issuance of 15,410,000 common shares.
- 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

AXIS Capital Holdings Limited

ORGANIZATIONAL CHART OF EXECUTIVE MANAGEMENT



AXIS Capital Holdings Limited
FINANCIAL HIGHLIGHTS - INCOME STATEMENTS

	Second Quarter Ended June 30,		Previous Year Qtr Change	Six Months Ended June 30,		Previous Year Period Change	
	2003	2002		2003	2002		
HIGHLIGHTS							
	Gross written premiums	\$551,450	\$260,721	111.5%	\$1,160,037	\$526,400	120.4%
	Net written premiums	449,824	233,963	92.3%	989,968	494,588	100.2%
	Net premiums earned	335,592	94,470	255.2%	638,019	150,072	325.1%
	Net income	117,754	30,007	292.4%	224,873	61,724	264.3%
	Total assets	4,386,229	2,517,681	74.2%	4,386,229	2,517,681	74.2%
	Total invested assets	3,002,847	1,885,510	59.3%	3,002,847	1,885,510	59.3%
	Total shareholders' equity	2,212,555	1,718,626	28.7%	2,212,555	1,718,626	28.7%
PER SHARE AND SHARE DATA							
As Reported	Basic earnings per share	\$0.86	\$0.22	290.9%	\$1.65	\$0.46	258.7%
	Diluted earnings per share	\$0.81	\$0.22	268.2%	\$1.55	\$0.46	237.0%
	Weighted average common shares outstanding	136,509,891	135,181,081	1.0%	136,440,383	135,158,314	0.9%
	Diluted weighted average common shares outstanding	145,701,443	135,311,032	7.7%	145,045,136	135,288,513	7.2%
	Book value per share	\$15.93	\$12.64	26.0%	\$15.93	\$12.64	26.0%
	Diluted book value per share (as-if converted)*	\$15.44	\$12.62	22.3%	\$15.44	\$12.62	22.3%
Pro Forma [a]	Basic earnings per share *	\$0.78	\$0.20	289.0%	\$1.48	\$0.41	261.2%
	Diluted earnings per share *	\$0.73	\$0.20	267.1%	\$1.40	\$0.41	242.2%
	Weighted average common shares outstanding *	151,919,891	150,591,081	0.9%	151,850,383	150,568,314	0.9%
	Diluted weighted average common shares outstanding *	161,111,443	150,721,032	6.9%	160,455,136	150,698,513	6.5%
	Book value per share *	\$16.38	NR	-	\$16.38	NR	-
	Diluted book value per share (as-if converted) *	\$15.87	NR	-	\$15.87	NR	-
FINANCIAL RATIOS	Quarter ROAE, net income	5.5%	1.8%	209.6%	10.8%	3.7%	194.0%
	Quarter total return on investment portfolio	1.5%	2.8%	(45.1)%	2.8%	3.0%	(7.2)%
	Annualized ROAE, net income	23.8%	7.3%	227.2%	22.7%	7.5%	204.3%
	Annualized effective investment yield	2.5%	3.4%	(26.8)%	2.3%	4.1%	(43.9)%
	Net loss and loss expense ratio	58.3%	58.7%	(0.7)%	53.6%	56.5%	(5.1)%
	Acquisition cost ratio	16.7%	21.2%	(21.3)%	17.1%	19.3%	(11.4)%
	General and administrative expense ratio	6.5%	12.5%	(48.0)%	6.8%	12.0%	(43.3)%
	Combined ratio	<u>81.5%</u>	<u>92.4%</u>	(11.8)%	<u>77.5%</u>	<u>87.8%</u>	(11.7)%

[a] Pro forma net income per share is calculated by including the 15,410,000 common shares issued in conjunction with the initial public offering. For details of this calculation refer to pages 17-19 of this financial supplement.

* These are non-GAAP financial measures. See the reconciliations presented at the end of this financial supplement.

AXIS Capital Holdings Limited

CONSOLIDATED STATEMENTS OF INCOME

	Quarter ended					
	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
UNDERWRITING REVENUES						
Gross premiums written	\$551,450	\$608,587	\$329,343	\$252,260	\$260,721	\$265,679
Premiums ceded	(101,626)	(68,443)	(5,625)	(52,289)	(26,758)	(5,054)
Net premiums written	449,824	540,144	323,718	199,971	233,963	260,625
Gross premiums earned	398,032	331,639	232,092	180,085	107,859	56,867
Ceded premiums amortized	(62,440)	(29,212)	(13,018)	(12,382)	(13,389)	(1,265)
Net premiums earned	335,592	302,427	219,074	167,703	94,470	55,602
Other insurance related income	10,102	1,106	(639)	---	---	---
Total underwriting revenues	345,694	303,533	218,435	167,703	94,470	55,602
UNDERWRITING EXPENSES						
Net losses and loss expenses	\$195,620	\$146,335	\$80,637	\$63,841	\$55,437	\$29,350
Acquisition costs	55,945	53,035	43,778	31,025	20,008	8,892
General and administrative expenses	21,719	21,578	17,196	11,274	11,859	6,192
Total underwriting expenses	273,284	220,948	141,611	106,140	87,304	44,434
Underwriting income	72,410	82,585	76,824	61,563	7,166	11,168
OTHER OPERATING REVENUE (EXPENSES)						
Net investment income	\$15,904	\$11,352	\$15,974	\$21,476	\$14,055	\$19,782
Net realized gains on investments	15,705	11,198	9,738	6,868	8,690	774
Interest expense	---	---	---	---	---	---
Total other operating revenue (expenses)	31,609	22,550	25,712	28,344	22,745	20,556
OTHER						
Net foreign exchange gains (losses)	\$12,855	\$1,887	\$7,015	\$2,487	\$115	(\$7)
Total other revenue (expenses)	12,855	1,887	7,015	2,487	115	(7)
INCOME BEFORE INCOME TAXES						
	\$116,874	\$107,022	\$109,551	\$92,394	\$30,026	\$31,717
Income tax recovery (expense)	880	97	1,720	(271)	(19)	---
NET INCOME						
	\$117,754	\$107,119	\$111,271	\$92,123	\$30,007	\$31,717
COMPREHENSIVE INCOME						
	\$124,595	\$112,514	\$109,860	\$115,187	\$51,903	\$14,109
KEY RATIOS/PER SHARE DATA						
Net loss and loss expense ratio	58.3%	48.4%	36.8%	38.1%	58.7%	52.8%
Acquisition cost ratio	16.7%	17.5%	20.0%	18.5%	21.2%	16.0%
General and administrative expense ratio	6.5%	7.2%	7.8%	6.7%	12.5%	11.1%
Combined ratio	81.5%	73.1%	64.6%	63.3%	92.4%	79.9%
Weighted average basic shares outstanding	136,509,891	136,370,025	135,975,617	135,281,608	135,181,081	135,135,294
Weighted average diluted shares outstanding	145,701,443	142,751,536	139,581,029	136,213,499	135,311,032	135,135,294
Basic earnings per share	\$0.86	\$0.79	\$0.82	\$0.68	\$0.22	\$0.23
Diluted earnings per share	\$0.81	\$0.75	\$0.80	\$0.68	\$0.22	\$0.23
Annualized Quarterly ROAE	23.8%	23.0%	25.6%	22.4%	7.3%	7.9%

AXIS Capital Holdings Limited
CONSOLIDATED SEGMENT DATA

	Quarter ended June 30, 2003					Six months ended June 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	\$207,652	\$120,144	\$171,133	\$52,521	\$551,450	\$451,299	\$331,643	\$263,045	\$114,050	\$1,160,037
Net premiums written	203,775	115,606	79,424	51,019	449,824	429,589	322,272	125,559	112,548	989,968
Gross premiums earned	202,650	100,382	80,538	14,461	398,031	400,653	194,476	109,248	25,293	729,670
Ceded premiums amortized	(15,143)	(3,354)	(43,539)	(403)	(62,439)	(31,282)	(3,763)	(56,203)	(403)	(91,651)
Net premiums earned	187,507	97,028	36,999	14,058	335,592	369,371	190,713	53,045	24,890	638,019
Other insurance related income	10,102	---	---	---	10,102	11,208	---	---	---	11,208
Total underwriting revenues	197,609	97,028	36,999	14,058	345,694	380,579	190,713	53,045	24,890	649,227
UNDERWRITING EXPENSES										
Net losses and loss expenses	114,651	44,134	23,505	13,330	195,620	200,543	88,572	33,122	19,718	341,955
Acquisition costs	30,528	18,260	2,873	4,284	55,945	57,335	36,750	6,991	7,904	108,980
General and administrative expenses	---	---	---	---	21,719	---	---	---	---	43,297
Total underwriting expenses	145,179	62,394	26,378	17,614	273,284	257,878	125,322	40,113	27,622	494,232
UNDERWRITING INCOME	\$52,430	\$34,634	\$10,621	(\$3,556)	\$72,410	\$122,701	\$65,391	\$12,932	(\$2,732)	\$154,995
GAAP RATIOS										
Net loss and loss expense ratio	61.1%	45.5%	63.5%	94.8%	58.3%	54.3%	46.4%	62.4%	79.2%	53.6%
Acquisition cost ratio	16.3%	18.8%	7.8%	30.5%	16.7%	15.5%	19.3%	13.2%	31.8%	17.1%
Combined ratio before general and administrative expenses	77.4%	64.3%	71.3%	125.3%	75.0%	69.8%	65.7%	75.6%	111.0%	70.7%
General and administrative expense ratio					6.5%					6.8%
Combined ratio					81.5%					77.5%

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GROSS PREMIUM WRITTEN BY SEGMENT BY LINE OF BUSINESS

	For the quarter ended		For the six months ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
GLOBAL INSURANCE				
Specialty Risks [a]	\$ 75,254	\$ 80,350	\$ 161,257	\$ 105,106
Onshore and Offshore Energy	53,731	52,532	117,055	88,438
Aviation and Aerospace	29,126	10,327	52,850	31,415
Commercial Property	36,028	13,849	61,169	43,748
Marine	13,513	6,436	58,968	36,093
Total Global Insurance	<u>207,652</u>	<u>163,494</u>	<u>451,299</u>	<u>304,800</u>
GLOBAL REINSURANCE				
Catastrophe	76,864	65,758	259,130	171,184
Property pro rata	31,885	23,771	46,467	33,558
Property per risk	4,111	2,720	14,292	6,742
Other	7,284	4,978	11,753	10,116
Total Global Reinsurance	<u>120,144</u>	<u>97,227</u>	<u>331,642</u>	<u>221,600</u>
U.S. INSURANCE				
Commercial property	48,001	-	79,863	-
Professional lines	82,623	-	113,552	-
Commercial liability	40,509	-	69,631	-
Total U.S. Insurance	<u>171,133</u>	<u>-</u>	<u>263,046</u>	<u>-</u>
U.S. REINSURANCE				
Professional lines	24,575	-	74,723	-
Casualty	5,687	-	15,178	-
Property	20,945	-	20,945	-
Marine & Aviation	1,314	-	3,204	-
Total U.S. Reinsurance	<u>52,521</u>	<u>-</u>	<u>114,050</u>	<u>-</u>
TOTAL	<u>\$ 551,450</u>	<u>\$ 260,721</u>	<u>\$ 1,160,037</u>	<u>\$ 526,400</u>

[a] Including Terrorism, Marine and Aviation War Risk, and Political Risk

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GLOBAL INSURANCE SEGMENT DATA

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

AXIS Capital Holdings Limited

GLOBAL REINSURANCE SEGMENT DATA

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

AXIS Capital Holdings Limited

U.S. INSURANCE SEGMENT DATA

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

AXIS Capital Holdings Limited

U.S. REINSURANCE SEGMENT DATA

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

AXIS Capital Holdings Limited

CONSOLIDATED BALANCE SHEETS

	<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>
ASSETS						
Cash and cash equivalents	\$927,087	\$882,548	\$729,296	\$571,009	\$619,139	\$429,023
Investments at fair market value	2,394,606	2,055,494	1,702,990	1,789,344	1,524,151	1,547,976
Accrued interest receivable	15,236	14,583	16,502	13,851	11,210	10,385
Insurance and reinsurance premium balances receivable	663,758	572,244	375,508	249,484	273,819	190,334
Deferred acquisition costs	139,445	118,325	77,166	76,533	63,114	26,548
Prepaid reinsurance premiums	145,704	103,504	49,673	57,065	17,158	3,791
Reinsurance recoverable	51,841	19,065	1,703	-	-	-
Intangible assets	27,579	27,954	14,079	-	-	-
Other assets	20,973	19,760	19,204	9,996	9,090	3,925
TOTAL ASSETS	<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>
LIABILITIES						
Reserve for losses and loss expenses	\$569,253	\$351,376	\$215,934	\$149,591	\$85,750	\$30,313
Unearned premiums	1,001,225	847,511	555,962	458,711	386,536	233,676
Insurance and reinsurance balances payable	214,739	180,681	142,696	97,372	47,057	5,000
Accounts payable and accrued expenses	54,375	36,124	24,119	14,328	10,722	6,275
Net payable for investments purchased	334,082	319,846	86,377	211,181	268,990	270,856
TOTAL LIABILITIES	<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>
SHAREHOLDERS' EQUITY						
Common shares	\$1,737	\$1,729	\$1,727	\$1,706	\$1,699	\$1,694
Additional paid-in capital	1,697,824	1,689,938	1,686,599	1,664,075	1,656,827	1,651,681
Deferred compensation	(17,397)	(19,525)	(20,576)	(13,104)	(8,135)	(3,846)
Accumulated other comprehensive income	37,720	30,879	25,484	26,894	3,831	(18,065)
Retained earnings	492,671	374,918	267,799	156,528	64,404	34,398
TOTAL SHAREHOLDERS' EQUITY	<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>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<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>
Book value per share	<u>\$15.93</u>	<u>\$15.02</u>	<u>\$14.19</u>	<u>\$13.45</u>	<u>\$12.65</u>	<u>\$12.29</u>
Diluted book value per share (as-if converted method) *	<u>\$15.44</u>	<u>\$14.67</u>	<u>\$13.96</u>	<u>\$13.33</u>	<u>\$12.62</u>	<u>\$12.29</u>

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

AXIS Capital Holdings Limited

INVESTMENT PORTFOLIO

AS OF JUNE 30, 2003

TYPE OF INVESTMENT	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Percentage
U.S. government and agency securities	\$758,841	\$8,465	(\$1,233)	\$766,074	32.0%
Corporate debt securities	396,400	20,195	(261)	416,334	17.4%
Non U.S. government securities	38,797	571	(439)	38,929	1.6%
Mortgage-backed securities	924,447	11,190	(2,069)	933,568	39.0%
Asset-backed securities	112,433	2,975	(926)	114,482	4.8%
Municipals	124,423	1,243	(447)	125,219	5.2%
Total	<u>\$2,355,341</u>	<u>\$44,639 [a]</u>	<u>(\$5,374) [a]</u>	<u>\$2,394,606</u>	<u>100.0%</u>

CREDIT QUALITY	Amortized Cost	Percentage	Fair Value	Percentage
AAA	\$1,909,105	81.1%	\$1,929,696	80.6%
AA	112,842	4.8%	115,223	4.8%
A	199,725	8.5%	208,606	8.7%
BBB	133,669	5.7%	141,080	5.9%
Total	<u>\$2,355,341</u>	<u>100.0%</u>	<u>\$2,394,606</u>	<u>100%</u>

MATURITY	Amortized Cost	Percentage	Fair Value	Percentage
Within one year	\$219,797	9.3%	\$220,182	9.2%
From one to five years	732,243	31.1%	743,587	31.1%
From five to ten years	277,707	11.8%	290,627	12.1%
Above ten years	88,714	3.8%	92,160	3.8%
Asset-backed and Mortgage-backed securities	1,036,880	44.0%	1,048,050	43.8%
Total	<u>\$2,355,341</u>	<u>100.0%</u>	<u>\$2,394,606</u>	<u>100.0%</u>

PORTFOLIO CHARACTERISTICS	As of		
	June 30, 2003	March 31, 2003	Dec. 31, 2002
Annualized effective yield	2.5%	2.0%	4.0%
Yield to maturity	3.2%	3.6%	4.9%
Average duration of invested assets	2.4 yrs	2.3 yrs	2.5 yrs
Average credit quality	AAA	AAA	AA+

[a] Accumulated other comprehensive income per balance sheet of \$37,720 is net of a tax adjustment of \$1,545.

AXIS Capital Holdings Limited

INVESTMENT PERFORMANCE BENCHMARKS

	Quarter ended June 30, 2003	Year to date June 30, 2003	Year ended Dec. 31, 2002
Aggregate AXIS Capital Portfolio	1.54%	2.79%	7.50%
Composite Bench Mark [a]	1.47%	2.61%	7.60%
	0.07%	0.17%	-0.10%
Total return liquidity portfolio	0.99%	1.93%	3.06%
Merrill Lynch 1-3 year Treasury Index [b]	0.71%	1.31%	1.89%
	0.28%	0.63%	1.17%
Total return intermediate duration portfolios	1.93%	3.30%	9.00%
Lehman Intermediate Aggregate Index	1.89%	3.18%	9.49%
	0.04%	0.12%	-0.49%
Total return long duration portfolios	2.45%	3.63%	[c] 3.21%
Lehman Aggregate Index	2.50%	3.93%	3.22%
	-0.05%	-0.30%	-0.01%
Total return U.S. combined portfolios	1.89%	[e] 1.95%	N/A
Custom Benchmark Index [d]	1.93%	[e] 1.91%	N/A
	-0.03%	0.04%	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.

[e] The year to date June 30, 2003 represents actual return for the four months ended June 30, 2003, the period during which these portfolios existed.

AXIS Capital Holdings Limited

ISSUER CREDIT EXPOSURE

AS OF JUNE 30, 2003

Issuer	Rating	Fair Value at June 30, 2003	% of Total Fair Value
GENERAL ELECTRIC COMPANY	Aaa/AAA	\$28,226	1.07%
MORGAN STANLEY	Aa3/A+	16,366	0.62%
ABN AMROBANK NEDERLAND N.V.	P-1/NR	15,648	0.59%
GENERAL MOTORS CORPORATION	A2/BBB	15,335	0.59%
VERIZON COMMUNICATIONS INC.	A3/A+	15,054	0.57%
CIT GROUP INC	P-1/A-1+	13,173	0.50%
CITIGROUP INC.	Aa1/AA-	12,508	0.48%
UBS FINANCE (DELAWARE)	P-1/A-1+	11,971	0.45%
HBOS PLC	P-1/A-1+	10,879	0.41%
PREFERRED RECEIVABLES FUNDING	P-1/A-1	9,991	0.38%
Total		<u>\$149,151</u>	<u>5.7%</u>

AXIS Capital Holdings Limited

RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS

	For the quarter ended June 30, 2003			For the six months ended June 30, 2003		
	Gross	Recoveries	Net	Gross	Recoveries	Net
Reserve for losses and loss expenses, beginning of period	\$351,376	(\$19,065)	\$332,311	\$215,934	(\$1,703)	\$214,231
Total incurred losses and loss expenses	234,974	(39,354)	195,620	384,844	(42,889)	341,955
Net loss reserves acquired	---	---	---	20,901	(15,034)	5,867
Total paid losses and loss expenses	(16,629)	6,578	(10,051)	(52,900)	7,785	(45,115)
Foreign exchange losses (gains)	(468)	---	(468)	474	---	474
Reserve for losses and loss expenses, end of period	<u>\$569,253</u>	<u>(\$51,841)</u>	<u>\$517,412</u>	<u>\$569,253</u>	<u>(\$51,841)</u>	<u>\$517,412</u>
Paid to incurred %	<u>7.1%</u>	<u>NM</u>	<u>5.1%</u>	<u>13.7%</u>	<u>NM</u>	<u>13.2%</u>

AXIS Capital Holdings Limited

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

	For the quarter ended June 30, 2003				For the six months ended June 30, 2003			
	Global	Global	U.S.	U.S.	Global	Global	U.S.	U.S.
	Insurance	Reinsurance	Insurance	Reinsurance	Insurance	Reinsurance	Insurance	Reinsurance
Reserve for losses and loss expenses, beginning of period								
Total paid losses	\$6,670	\$5,871	\$4,088	---	\$27,375	\$14,576	\$10,949	---
Change in unpaid loss and loss expense reserves:								
Change in outstanding	58,989	1,685	3,551	---	55,400	(1,675)	(5,043)	---
Change in IBNR	57,339	36,578	46,631	13,572	127,589	75,671	60,042	19,960
Change in unpaid loss and loss expense reserves	116,328	38,263	50,182	13,572	182,989	73,996	54,999	19,960
Reinsurance recoveries	(\$8,347)	-	(30,765)	(242)	(9,821)	-	(32,826)	(242)
TOTAL NET INCURRED LOSSES AND LOSS EXPENSES	\$114,651	\$44,134	\$23,505	\$13,330	\$200,543	\$88,572	\$33,122	\$19,718
Paid to net incurred %	5.8%	13.3%	17.4%	0.0%	13.7%	16.5%	33.1%	0.0%
Total paid losses / Net premiums earned	3.6%	6.1%	11.0%	0.0%	7.4%	7.6%	20.6%	0.0%
Increase in Net loss and loss expense reserves / Net premiums earned	57.6%	39.4%	52.5%	94.8%	46.9%	38.8%	41.8%	79.2%
Net incurred losses and loss expenses / Net premiums earned	61.1%	45.5%	63.5%	94.8%	54.3%	46.4%	62.4%	79.2%

AXIS Capital Holdings Limited
ANALYSIS OF UNPAID LOSSES AND LOSS EXPENSES

	<u>As at June 30, 2003</u>			<u>As at March 31, 2003</u>			<u>As at December 31, 2002</u>		
	<u>Gross</u>	<u>Recoveries</u>	<u>Net</u>	<u>Gross</u>	<u>Recoveries</u>	<u>Net</u>	<u>Gross</u>	<u>Recoveries</u>	<u>Net</u>
Case reserves	\$120,133	(\$13,471)	\$106,662	\$55,878	(\$6,876)	\$49,002	\$60,956	(\$1,703)	\$59,253
Incurred but not reported reserves (IBNR)	<u>449,120</u>	<u>(38,370)</u>	<u>410,750</u>	<u>295,498</u>	<u>(12,189)</u>	<u>283,309</u>	<u>154,978</u>	<u>-</u>	<u>154,978</u>
Reserve for losses and loss expenses, end of period	<u>\$569,253</u>	<u>(\$51,841)</u>	<u>\$517,412</u>	<u>\$351,376</u>	<u>(\$19,065)</u>	<u>\$332,311</u>	<u>\$215,934</u>	<u>(\$1,703)</u>	<u>\$214,231</u>
IBNR as a % of reserve for losses and loss expenses	78.9%	74.0%	79.4%	84.1%	63.9%	85.3%	71.8%	0.0%	72.3%

AXIS Capital Holdings Limited

EARNINGS PER SHARE INFORMATION - AS REPORTED, GAAP

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Net income	\$117,754	\$30,007	\$224,872	\$61,724
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic weighted average common shares outstanding [a]	136,509,891	135,181,081	136,440,383	135,158,314
Shares equivalents:				
Warrants	7,219,892	109,345	6,783,557	109,344
Options	1,482,137	17,572	1,379,409	16,530
Restricted stock	489,523	3,034	441,787	4,325
Diluted weighted average common shares outstanding [a]	145,701,443	135,311,032	145,045,136	135,288,513
EARNINGS PER SHARE				
Basic	\$0.86	\$0.22	\$1.65	\$0.46
Diluted	\$0.81	\$0.22	\$1.55	\$0.46

[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

EARNINGS PER SHARE INFORMATION - PRO FORMA

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Net income	\$117,754	\$30,007	\$224,873	\$61,725
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING [a]				
Basic weighted average common shares outstanding	136,509,891	135,181,081	136,440,383	135,158,314
New shares issued in IPO	15,410,000	15,410,000	15,410,000	15,410,000
Pro forma weighted average common shares outstanding [b]	151,919,891	150,591,081	151,850,383	150,568,314
Shares equivalents: [a]				
Warrants	7,219,892	109,345	6,783,557	109,344
Options	1,482,137	17,572	1,379,409	16,530
Restricted stock	489,523	3,034	441,787	4,325
Pro forma diluted weighted average common shares outstanding	161,111,443	150,721,032	160,455,136	150,698,513
Pro forma diluted weighted average common shares outstanding based on the IPO price [c]	162,779,635	NM	162,704,704	NM
PRO FORMA EARNINGS PER SHARE				
Basic [d]	\$0.78	\$0.20	\$1.48	\$0.41
Diluted [e]	\$0.73	\$0.20	\$1.40	\$0.41
Diluted, based on the IPO price [f]	\$0.72	NM	\$1.38	NM

[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.

[b] Pro forma weighted average common shares outstanding is calculated assuming the 15,410,000 common shares issued in conjunction with the initial public offering were issued and outstanding from the beginning of the period.

[c] Pro forma diluted weighted average common shares outstanding are calculated using the IPO price of \$22 at the beginning and end of the period for the determination of share equivalents.

[d] Pro forma basic earnings per share is calculated by dividing net income by the pro forma weighted average common shares outstanding.

[e] Pro forma diluted earnings per share is calculated by dividing net income by the pro forma diluted weighted average common shares outstanding.

[f] Pro forma diluted earnings per share price is calculated by dividing net income by the pro forma diluted weighted average common shares outstanding.

AXIS Capital Holdings Limited

DILUTED BOOK VALUE PER SHARE

	Quarter ended	
	June 30, 2003	December 31, 2003
AS IF CONVERTED METHOD		
Basic common shares outstanding	138,925,528	138,168,520
Add: warrants outstanding	19,582,720	19,453,304
Weighted average exercise price per share	\$12.50	\$12.50
Add: options outstanding	4,667,512	4,475,512
Weighted average exercise price per share	\$13.14	\$13.03
Shareholders' equity	\$2,212,555	\$1,961,033
Add: proceeds from converted warrants	244,784	243,166
Add: proceeds from converted options	61,343	58,323
As if converted shareholders' equity	\$2,518,682	\$2,262,523
Diluted shares outstanding	163,175,760	162,097,336
Book value per share	\$15.93	\$14.19
Diluted book value per share	\$15.44	\$13.96
TREASURY STOCK METHOD		
IPO Price	\$22.00	---
Basic common shares outstanding	138,925,528	---
Add: warrants outstanding	19,582,720	---
Weighted average exercise price per share	\$12.50	---
Less: warrants bought back via treasury method	11,126,545	---
Add: options outstanding	4,667,512	---
Weighted average exercise price per share	\$13.14	---
Less: options bought back via treasury method	2,787,778	---
Diluted shares outstanding	149,261,437	---
Book value per share	\$15.93	NM
Diluted book value per share	\$14.82	NM

AXIS Capital Holdings Limited

DILUTED BOOK VALUE PER SHARE - PRO FORMA

AS IF CONVERTED METHOD	Quarter ended	
	June 30, 2003	December 31, 2003
Basic common shares outstanding	138,925,528	138,168,520
Add: shares issued in conjunction with the IPO	15,410,000	15,410,000
Pro-forma common shares outstanding	154,335,528	153,578,520
Add: warrants outstanding	19,582,720	19,453,304
Weighted average exercise price per share	\$12.50	\$12.50
Add: options outstanding	4,667,512	4,475,512
Weighted average exercise price per share	\$13.14	\$13.03
Shareholders' equity	\$2,212,555	1,961,033
Add: net proceeds from IPO	316,000	316,000
Add: proceeds from converted warrants	244,784	243,770
Add: proceeds from converted options	61,331	61,541
Pro forma shareholders' equity	\$2,834,670	\$2,582,344
Pro forma diluted shares outstanding	178,585,760	177,507,336
Pro forma book value per share [a]	\$16.38	\$14.83
Pro forma diluted book value per share	\$15.87	\$14.55
TREASURY STOCK METHOD		
IPO Price [b]	\$22.00	\$22.00
Basic common shares outstanding	138,925,528	138,168,520
Add: shares issued in conjunction with the IPO	15,410,000	15,410,000
Pro-forma common shares outstanding	154,335,528	153,578,520
Shareholders' equity	2,212,555	1,961,033
Add: net proceeds from IPO	316,000	316,000
Pro forma shareholders' equity	2,528,555	2,277,033
Add: warrants outstanding	19,582,720	19,453,304
Weighted average exercise price per share	\$12.50	\$12.50
Less: warrants bought back via treasury method	11,126,545	11,053,014
Add: options outstanding	4,667,512	4,475,512
Weighted average exercise price per share	\$13.14	\$13.17
Less: options bought back via treasury method	2,787,778	2,678,794
Pro forma diluted shares outstanding	164,671,437	163,775,529
Pro forma book value per share [a]	\$16.38	\$14.83
Pro forma diluted book value per share	\$15.36	\$13.90

[a] Pro forma book value per share 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] As there was no observable market price at June 30, 2003 we have utilized our IPO price of \$22.00.