



# **AXIS CAPITAL HOLDINGS LIMITED**

**INVESTOR FINANCIAL SUPPLEMENT**

**FOURTH QUARTER 2019**



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This report is for informational purposes only. It should be read in conjunction with the documents that the Company files 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

AXIS Capital Holdings Limited's ("AXIS Capital" or the "Company") underwriting operations are organized around its global underwriting platforms, AXIS Insurance and AXIS Re. The Company has determined that it has two reportable segments, insurance and reinsurance.

During the three months ended March 31, 2018, the Company realigned its accident and health business by integrating this business and its operations into the Company's insurance and reinsurance segments. Financial results relating to this business were previously included in the results of the insurance segment of the Company. As a result of the realignment accident and health results are included in the results of the insurance and reinsurance segments of the Company with effect from January 1, 2018. The results are inclusive of underwriting-related general and administrative expenses attributable to the Company's accident and health business. In addition, to facilitate comparison of information across periods, certain reclassifications have been made to prior year amounts to conform to the current year's presentation. These reclassifications did not impact results of operations, financial condition or liquidity.

### **DEFINITIONS AND PRESENTATION**

- All financial information contained herein is unaudited, except for the consolidated balance sheets at December 31, 2018 and December 31, 2017 and consolidated statements of operations for the years then ended.
- Amounts may not reconcile due to rounding differences.
- Unless otherwise noted, all data is in thousands, except for ratio information.
- NM - Not meaningful; NA - Not applicable

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:**

This document contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts included in this document, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections, are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may," "should," "could," "anticipate," "estimate," "expect," "plan," "believe," "predict," "potential," "intend" or similar expressions. These forward-looking statements are not historical facts, and are based upon current expectations, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond management's control.

Forward-looking statements contained in this document may include, but are not limited to, information regarding our estimates of losses related to catastrophes and other large losses, measurements of potential losses in the fair market value of our investment portfolio and derivative contracts, our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the outcome of our strategic initiatives, our expectations regarding estimated synergies and the success of the integration of acquired entities, our expectations regarding the estimated benefits and synergies related to our transformation program, our expectations regarding pricing and other market conditions, our growth prospects, and valuations of the potential impact of movements in interest rates, equity securities' prices, credit spreads and foreign currency rates.

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

- the cyclical nature of the insurance and reinsurance business leading to periods with excess underwriting capacity and unfavorable premium rates;
- the occurrence and magnitude of natural and man-made disasters;
- the impact of global climate change on our business, including the possibility that we do not adequately assess or reserve for the increased frequency and severity of natural catastrophes;
- losses from war, terrorism and political unrest or other unanticipated losses;
- actual claims exceeding our loss reserves;
- general economic, capital and credit market conditions;
- the failure of any of the loss limitation methods we employ;
- the effects of emerging claims, coverage and regulatory issues, including uncertainty related to coverage definitions, limits, terms and conditions;
- our inability to purchase reinsurance or collect amounts due to us;
- the breach by third parties in our program business of their obligations to us;
- difficulties with technology and/or data security;
- the failure of our policyholders and intermediaries to pay premiums;
- the failure of our cedants to adequately evaluate risks;
- inability to obtain additional capital on favorable terms, or at all;
- the loss of one or more key executives;
- a decline in our ratings with rating agencies;
- loss of business provided to us by our major brokers and credit risk due to our reliance on brokers;



- changes in accounting policies or practices;
- the use of industry catastrophe models and changes to these models;
- changes in governmental regulations and potential government intervention in our industry;
- failure to comply with certain laws and regulations relating to sanctions and foreign corrupt practices;
- increased competition;
- changes in the political environment of certain countries in which we operate or underwrite business including the United Kingdom's expected withdrawal from the European Union;
- fluctuations in interest rates, credit spreads, equity securities' prices and/or currency values;
- the failure to successfully integrate acquired businesses or realize the expected synergies resulting from such acquisitions;
- the failure to realize the expected benefits or synergies relating to our transformation initiative;
- changes in tax laws; and
- the other factors including but not limited to those described under Item 1A, '*Risk Factors*' in our most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC"), as those factors may be updated from time to time in our periodic and other filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov).

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



# AXIS CAPITAL HOLDINGS LIMITED

## BASIS OF PRESENTATION

### BUSINESS DESCRIPTIONS

#### INSURANCE SEGMENT

Our insurance segment offers specialty insurance products to a variety of niche markets on a worldwide basis. The following are the lines of business in our insurance segment:

*Property:* provides physical loss or damage, business interruption and machinery breakdown cover for virtually all types of property, including commercial buildings, residential premises, construction projects and onshore energy installations. This line of business includes both primary and excess risks, some of which are catastrophe-exposed.

*Marine:* provides cover for traditional marine classes, including offshore energy, cargo, liability, recreational marine, fine art, specie, and hull and war. Offshore energy coverage includes physical damage, business interruption, operators extra expense and liability coverage for all aspects of offshore upstream energy, from exploration and construction through the operation and distribution phases.

*Terrorism:* provides cover for physical damage and business interruption of an insured following an act of terrorism and includes kidnap and ransom, and crisis management insurance.

*Aviation:* provides hull and liability, and specific war cover primarily for passenger airlines but also for cargo operations, general aviation operations, airports, aviation authorities, security firms and product manufacturers.

*Credit and Political Risk:* provides credit and political risk insurance products for banks, commodity traders, corporations and multilateral and export credit agencies. Cover is provided for a range of risks including sovereign default, credit default, political violence, currency inconvertibility and non-transfer, expropriation, aircraft non-repossession and contract frustration due to political events.

*Professional Lines:* provides directors' and officers' liability, errors and omissions liability, employment practices liability, fiduciary liability, crime, professional indemnity, cyber and privacy insurance, medical malpractice and other financial insurance related covers for commercial enterprises, financial institutions, not-for-profit organizations and other professional service providers. This business is predominantly written on a claims-made basis.

*Liability:* primarily targets primary and low to mid-level excess and umbrella commercial liability risks in the U.S. wholesale markets in addition to primary and excess of loss employers, public and products liability predominately in the UK. Target industry sectors include construction, manufacturing, transportation and trucking and other services.

*Accident and Health:* includes accidental death, travel insurance and specialty health products for employer and affinity groups.

*Discontinued Lines - Novae:* includes those lines of business that Novae exited or placed into run-off in the fourth quarter of 2016 and in the first quarter of 2017. These discontinued insurance lines include financial institutions, professional indemnity, international liability, international direct and facultative property.



# AXIS CAPITAL HOLDINGS LIMITED

## BASIS OF PRESENTATION

### BUSINESS DESCRIPTIONS (CONTINUED)

#### REINSURANCE SEGMENT

Our reinsurance segment provides treaty reinsurance to insurance companies on a worldwide basis. The following are the lines of business in our reinsurance segment:

*Catastrophe:* provides protection for most catastrophic losses that are covered in the underlying insurance policies written by our cedants. The underlying policies principally cover property-related exposures but other exposures including workers compensation and personal accident are also covered. The principal perils covered by policies in this portfolio include hurricane and windstorm, earthquake, flood, tornado, hail and fire. In some instances, terrorism may be a covered peril or the only peril. This business is written on a proportional and an excess of loss basis.

*Property:* provides protection for property damage and related losses resulting from natural and man-made perils that are covered in underlying personal and commercial lines insurance policies written by our cedants. The predominant exposure is to property damage, but other risks, including business interruption and other non-property losses, may also be covered when arising from a covered peril. The most significant perils covered by policies in this portfolio include windstorm, tornado and earthquake, but other perils such as freezes, riots, floods, industrial explosions, fires, hail and a number of other loss events are also included. This business is written on a proportional and excess of loss basis.

*Professional Lines:* provides protection for directors' and officers' liability, employment practices liability, medical malpractice, professional indemnity, environmental liability, cyber and miscellaneous errors and omissions insurance risks. The underlying business is predominantly written on a claims-made basis. This business is written on a proportional and excess of loss basis.

*Credit and Surety:* provides reinsurance of trade credit insurance products and includes both proportional and excess of loss structures. The underlying insurance indemnifies sellers of goods and services in the event of a payment default by the buyer of those goods and services. Mortgage reinsurance is provided to mortgage guaranty insurers and government sponsored entities. Mortgage reinsurance provides protection for losses arising from a broad array of surety bonds issued by insurers to satisfy regulatory demands or contract obligations in a variety of jurisdictions around the world is also offered.

*Motor:* provides protection to insurers for motor liability and property damage losses arising out of any one occurrence. A loss occurrence can involve one or many claimants where the ceding insurer aggregates the claims from the occurrence. Traditional proportional and non-proportional reinsurance as well as structured solutions are offered.

*Liability:* provides protection to insurers of admitted casualty business, excess and surplus lines casualty business and specialty casualty programs. The primary focus of the underlying business is general liability, workers' compensation, auto liability, and excess casualty.

*Agriculture:* provides protection for risks associated with the production of food and fiber on a global basis for primary insurance companies writing multi-peril crop insurance, crop hail, and named peril covers, as well as custom risk transfer mechanisms for agricultural dependent industries with exposures to crop yield and/or price deviations. The business is written on a proportional and aggregate stop loss reinsurance basis.

*Engineering:* provides protection for all types of construction risks and risks associated with erection, testing and commissioning of machinery and plants during the construction stage. This line of business also includes cover for losses arising from operational failures of machinery, plant and equipment and electronic equipment as well as business interruption.

*Marine and Other:* includes marine and aviation reinsurance.

*Accident and Health:* includes personal accident, specialty health, accidental health, travel, life and disability reinsurance products which are offered on both a proportional and catastrophic or per life excess of loss basis.

*Discontinued Lines - Novae:* includes those lines of business that Novae exited or placed into run-off in the fourth quarter of 2016 and in the first quarter of 2017. These discontinued reinsurance lines include motor reinsurance, general liability reinsurance, and international facultative property.



# AXIS CAPITAL HOLDINGS LIMITED

## FINANCIAL HIGHLIGHTS

|                                        |                                                                                   | Quarters ended December 31, |              |            | Years ended December 31, |              |           |
|----------------------------------------|-----------------------------------------------------------------------------------|-----------------------------|--------------|------------|--------------------------|--------------|-----------|
|                                        |                                                                                   | 2019                        | 2018         | Change     | 2019                     | 2018         | Change    |
| HIGHLIGHTS                             | Gross premiums written                                                            | \$ 1,261,366                | \$ 1,172,738 | 7.6%       | \$ 6,898,858             | \$ 6,910,065 | (0.2%)    |
|                                        | Gross premiums written - Insurance                                                | 76.2%                       | 78.5%        | (2.3) pts  | 53.3%                    | 55.0%        | (1.7) pts |
|                                        | Gross premiums written - Reinsurance                                              | 23.8%                       | 21.5%        | 2.3 pts    | 46.7%                    | 45.0%        | 1.7 pts   |
|                                        | Net premiums written                                                              | \$ 786,154                  | \$ 752,698   | 4.4%       | \$ 4,489,615             | \$ 4,658,962 | (3.6%)    |
|                                        | Net premiums earned                                                               | \$ 1,172,051                | \$ 1,214,469 | (3.5%)     | \$ 4,587,178             | \$ 4,791,495 | (4.3%)    |
|                                        | Net premiums earned - Insurance                                                   | 47.7%                       | 48.6%        | (0.9) pts  | 47.7%                    | 49.3%        | (1.6) pts |
|                                        | Net premiums earned - Reinsurance                                                 | 52.3%                       | 51.4%        | 0.9 pts    | 52.3%                    | 50.7%        | 1.6 pts   |
|                                        | Net income (loss) available (attributable) to common shareholders                 | \$ (9,897)                  | \$ (198,448) | nm         | \$ 282,361               | \$ 396       | nm        |
|                                        | Operating income (loss) [a]                                                       | 4,350                       | (144,303)    | nm         | 213,409                  | 160,699      | 32.8%     |
|                                        | Annualized return on average common equity [b]                                    | (0.8%)                      | (18.1%)      | 17.3 pts   | 6.3%                     | —%           | 6.3 pts   |
| PER COMMON SHARE AND COMMON SHARE DATA | Annualized operating return on average common equity [c]                          | 0.4%                        | (13.2%)      | 13.6 pts   | 4.7%                     | 3.6%         | 1.0 pts   |
|                                        | Total shareholders' equity                                                        | 5,544,008                   | 5,030,071    | 10.2%      | 5,544,008                | 5,030,071    | 10.2%     |
|                                        | Earnings (loss) per diluted common share                                          | (\$0.12)                    | (\$2.37)     | nm         | \$3.34                   | \$—          | nm        |
|                                        | Operating income (loss) per diluted common share [d]                              | \$0.05                      | (\$1.73)     | nm         | \$2.52                   | \$1.91       | 31.9%     |
|                                        | Weighted average diluted common shares outstanding                                | 83,957                      | 83,582       | 0.4%       | 84,473                   | 84,007       | 0.6%      |
|                                        | Book value per common share                                                       | \$56.80                     | \$50.91      | 11.6%      | \$56.80                  | \$50.91      | 11.6%     |
|                                        | Book value per diluted common share (treasury stock method)                       | \$55.79                     | \$49.93      | 11.7%      | \$55.79                  | \$49.93      | 11.7%     |
|                                        | Tangible book value per diluted common share (treasury stock method) [a]          | \$52.40                     | \$46.41      | 12.9%      | \$52.40                  | \$46.41      | 12.9%     |
|                                        | Current accident year loss ratio excluding catastrophe and weather-related losses | 62.2%                       | 65.4%        | (3.2) pts  | 60.6%                    | 61.7%        | (1.1) pts |
|                                        | Catastrophe and weather-related losses ratio                                      | 12.1%                       | 22.5%        | (10.4) pts | 7.5%                     | 9.0%         | (1.5) pts |
| FINANCIAL RATIOS                       | Current accident year loss ratio                                                  | 74.3%                       | 87.9%        | (13.6) pts | 68.1%                    | 70.7%        | (2.6) pts |
|                                        | Prior year reserve development ratio                                              | (1.1%)                      | (3.3%)       | 2.2 pts    | (1.7%)                   | (4.1%)       | 2.4 pts   |
|                                        | Net losses and loss expenses ratio                                                | 73.2%                       | 84.6%        | (11.4) pts | 66.4%                    | 66.6%        | (0.2) pts |
|                                        | Acquisition cost ratio                                                            | 22.3%                       | 21.4%        | 0.9 pts    | 22.3%                    | 20.2%        | 2.1 pts   |
|                                        | General and administrative expense ratio [e]                                      | 11.8%                       | 11.3%        | 0.5 pts    | 13.9%                    | 13.1%        | 0.8 pts   |
|                                        | Combined ratio                                                                    | 107.3%                      | 117.3%       | (10.0) pts | 102.6%                   | 99.9%        | 2.7 pts   |
|                                        | Total assets                                                                      | \$25,604,054                | \$24,132,566 | 6.1%       | \$25,604,054             | \$24,132,566 | 6.1%      |
|                                        | Total cash and invested assets [f]                                                | 15,959,591                  | 14,986,704   | 6.5%       | 15,959,591               | 14,986,704   | 6.5%      |
| INVESTMENT DATA                        | Net investment income                                                             | 117,557                     | 113,128      | 3.9%       | 478,572                  | 438,507      | 9.1%      |
|                                        | Net investment gains (losses)                                                     | 42,712                      | (72,667)     | nm         | 91,233                   | (150,218)    | nm        |
|                                        | Book yield of fixed maturities                                                    | 2.8%                        | 3.1%         | (0.3) pts  | 2.8 %                    | 3.1%         | (0.3) pts |

- [a] Operating income (loss), operating income (loss) per diluted common share, annualized operating return on average common equity ("operating ROACE") and tangible book value per diluted common share are non-GAAP financial measures as defined by Regulation G. The reconciliations to the most comparable GAAP financial measures, net income (loss) available (attributable) to common shareholders, earnings (loss) per diluted common share, annualized return on average common equity ("ROACE") and book value per diluted common share, respectively, and a discussion of the rationale for the presentation of these items are provided later in this document. Loss per diluted common share and operating loss per diluted common share for the quarter ended December 31, 2018, were calculated using weighted average common shares outstanding due to the net loss attributable to common shareholders and operating loss recognized in the period.
- [b] Annualized ROACE is calculated by dividing net income (loss) available (attributable) to common shareholders for the period by the average common shareholders' equity determined using the common shareholders' equity balances at the beginning and end of the period.
- [c] Annualized operating ROACE is calculated by dividing operating income (loss) for the period by the average common shareholders' equity determined using the common shareholders' equity balances at the beginning and end of the period.
- [d] Operating income (loss) per diluted common share is calculated by dividing operating income (loss) for the period by weighted average diluted common shares outstanding.
- [e] Underwriting-related general and administrative expenses and corporate expenses are included in the general and administrative expense ratio.
- [f] Total cash and invested assets represents the total cash and cash equivalents, fixed maturities, equity securities, mortgage loans, other investments, equity method investments, short-term investments, accrued interest receivable and net receivable (payable) for investments sold (purchased).



**AXIS CAPITAL HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS - AS REPORTED, U.S. GAAP**  
**FOR THE QUARTERS AND YEARS ENDED DECEMBER 31, 2019 AND 2018**

|                                                                                                     | Quarters ended December 31, |                     | Years ended December 31, |                  |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------|--------------------------|------------------|
|                                                                                                     | 2019                        | 2018                | 2019                     | 2018             |
| <b>Revenues</b>                                                                                     |                             |                     |                          |                  |
| Net premiums earned                                                                                 | \$ 1,172,051                | \$ 1,214,469        | \$ 4,587,178             | \$ 4,791,495     |
| Net investment income                                                                               | 117,557                     | 113,128             | 478,572                  | 438,507          |
| Net investment gains (losses)                                                                       | 42,712                      | (72,667)            | 91,233                   | (150,218)        |
| Other insurance related income (losses)                                                             | 5,059                       | (8,189)             | 16,444                   | 10,622           |
| <b>Total revenues</b>                                                                               | <b>1,337,379</b>            | <b>1,246,741</b>    | <b>5,173,427</b>         | <b>5,090,406</b> |
| <b>Expenses</b>                                                                                     |                             |                     |                          |                  |
| Net losses and loss expenses                                                                        | 857,394                     | 1,027,343           | 3,044,798                | 3,190,287        |
| Acquisition costs                                                                                   | 261,775                     | 259,308             | 1,024,582                | 968,835          |
| General and administrative expenses                                                                 | 138,823                     | 137,445             | 634,831                  | 627,389          |
| Foreign exchange losses (gains)                                                                     | 52,827                      | (31,232)            | (12,041)                 | (29,165)         |
| Interest expense and financing costs                                                                | 18,562                      | 16,675              | 68,107                   | 67,432           |
| Reorganization expenses                                                                             | 8,074                       | 18,815              | 37,384                   | 66,940           |
| Amortization of value of business acquired                                                          | 2,056                       | 22,797              | 26,722                   | 172,332          |
| Amortization of intangible assets                                                                   | 2,853                       | 5,251               | 11,597                   | 13,814           |
| <b>Total expenses</b>                                                                               | <b>1,342,364</b>            | <b>1,456,402</b>    | <b>4,835,980</b>         | <b>5,077,864</b> |
| <b>Income (loss) before income taxes and interest in income (loss) of equity method investments</b> | <b>(4,985)</b>              | <b>(209,661)</b>    | <b>337,447</b>           | <b>12,542</b>    |
| Income tax (expense) benefit                                                                        | 159                         | 25,921              | (23,692)                 | 29,486           |
| Interest in income (loss) of equity method investments                                              | 4,073                       | (4,052)             | 9,718                    | 993              |
| <b>Net income (loss)</b>                                                                            | <b>(753)</b>                | <b>(187,792)</b>    | <b>323,473</b>           | <b>43,021</b>    |
| Preferred share dividends                                                                           | 9,144                       | 10,656              | 41,112                   | 42,625           |
| <b>Net income (loss) available (attributable) to common shareholders</b>                            | <b>\$ (9,897)</b>           | <b>\$ (198,448)</b> | <b>\$ 282,361</b>        | <b>\$ 396</b>    |



# AXIS CAPITAL HOLDINGS LIMITED

## CONSOLIDATED STATEMENTS OF OPERATIONS - QUARTER

|                                                                                                     | Q4 2019           | Q3 2019          | Q2 2019           | Q1 2019          | Q4 2018             | Q4 2017            |
|-----------------------------------------------------------------------------------------------------|-------------------|------------------|-------------------|------------------|---------------------|--------------------|
| <b>UNDERWRITING REVENUES</b>                                                                        |                   |                  |                   |                  |                     |                    |
| Gross premiums written                                                                              | \$ 1,261,366      | \$ 1,406,506     | \$ 1,647,760      | \$ 2,583,226     | \$ 1,172,738        | \$ 1,096,501       |
| Ceded premiums written                                                                              | (475,212)         | (550,425)        | (577,439)         | (806,167)        | (420,040)           | (367,077)          |
| Net premiums written                                                                                | 786,154           | 856,081          | 1,070,321         | 1,777,059        | 752,698             | 729,424            |
| Gross premiums earned                                                                               | 1,789,084         | 1,756,116        | 1,680,663         | 1,684,814        | 1,777,052           | 1,699,882          |
| Ceded premiums earned                                                                               | (617,033)         | (598,809)        | (557,056)         | (550,602)        | (562,583)           | (488,387)          |
| Net premiums earned                                                                                 | 1,172,051         | 1,157,307        | 1,123,607         | 1,134,212        | 1,214,469           | 1,211,495          |
| Other insurance related income (losses)                                                             | 5,059             | 1,533            | 2,925             | 6,929            | (8,189)             | 3,180              |
| Total underwriting revenues                                                                         | 1,177,110         | 1,158,840        | 1,126,532         | 1,141,141        | 1,206,280           | 1,214,675          |
| <b>UNDERWRITING EXPENSES</b>                                                                        |                   |                  |                   |                  |                     |                    |
| Net losses and loss expenses                                                                        | 857,394           | 850,913          | 672,463           | 664,028          | 1,027,343           | 840,132            |
| Acquisition costs                                                                                   | 261,775           | 260,026          | 242,363           | 260,418          | 259,308             | 234,713            |
| Underwriting-related general and administrative expenses [a]                                        | 107,195           | 126,619          | 133,047           | 138,873          | 114,293             | 113,700            |
| Total underwriting expenses                                                                         | 1,226,364         | 1,237,558        | 1,047,873         | 1,063,319        | 1,400,944           | 1,188,545          |
| <b>UNDERWRITING INCOME (LOSS) [b]</b>                                                               | <b>(49,254)</b>   | <b>(78,718)</b>  | <b>78,659</b>     | <b>77,822</b>    | <b>(194,664)</b>    | <b>26,130</b>      |
| <b>OTHER (EXPENSES) REVENUES</b>                                                                    |                   |                  |                   |                  |                     |                    |
| Net investment income                                                                               | 117,557           | 115,763          | 137,949           | 107,303          | 113,128             | 100,908            |
| Net investment gains (losses)                                                                       | 42,712            | 14,527           | 21,225            | 12,767           | (72,667)            | 43,038             |
| Corporate expenses [a]                                                                              | (31,628)          | (28,903)         | (32,348)          | (36,218)         | (23,152)            | (32,023)           |
| Foreign exchange (losses) gains                                                                     | (52,827)          | 59,543           | 12,381            | (7,056)          | 31,232              | (44,644)           |
| Interest expense and financing costs                                                                | (18,562)          | (18,042)         | (15,607)          | (15,895)         | (16,675)            | (16,434)           |
| Transaction and reorganization expenses                                                             | (8,074)           | (11,215)         | (3,276)           | (14,820)         | (18,815)            | (20,748)           |
| Amortization of value of business acquired                                                          | (2,056)           | (4,368)          | (7,194)           | (13,104)         | (22,797)            | (50,104)           |
| Amortization of intangible assets                                                                   | (2,853)           | (2,831)          | (2,912)           | (3,003)          | (5,251)             | (2,543)            |
| Total other (expenses) revenues                                                                     | 44,269            | 124,474          | 110,218           | 29,974           | (14,997)            | (22,550)           |
| <b>INCOME (LOSS) BEFORE INCOME TAXES AND INTEREST IN INCOME (LOSS) OF EQUITY METHOD INVESTMENTS</b> | <b>(4,985)</b>    | <b>45,756</b>    | <b>188,877</b>    | <b>107,796</b>   | <b>(209,661)</b>    | <b>3,580</b>       |
| Income tax (expense) benefit                                                                        | 159               | (8,147)          | (14,469)          | (1,234)          | 25,921              | (31,005)           |
| Interest in income (loss) of equity method investments                                              | 4,073             | 792              | 2,635             | 2,219            | (4,052)             | —                  |
| <b>NET INCOME (LOSS)</b>                                                                            | <b>(753)</b>      | <b>38,401</b>    | <b>177,043</b>    | <b>108,781</b>   | <b>(187,792)</b>    | <b>(27,425)</b>    |
| Preferred share dividends                                                                           | (9,144)           | (10,656)         | (10,656)          | (10,656)         | (10,656)            | (10,656)           |
| <b>NET INCOME (LOSS) AVAILABLE (ATTRIBUTABLE) TO COMMON SHAREHOLDERS</b>                            | <b>\$ (9,897)</b> | <b>\$ 27,745</b> | <b>\$ 166,387</b> | <b>\$ 98,125</b> | <b>\$ (198,448)</b> | <b>\$ (38,081)</b> |

[a] Underwriting-related general and administrative expenses is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to total general and administrative expenses, the most comparable GAAP financial measure, also included corporate expenses as presented above.

[b] Consolidated underwriting income (loss) is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to income (loss) before income taxes and interest in income (loss) of equity method investments, the most comparable GAAP financial measure, is presented above and on page 5 (Consolidated Statements of Income - Year).

# AXIS CAPITAL HOLDINGS LIMITED

## CONSOLIDATED KEY RATIOS - QUARTER

|                                                                                   | Q4 2019  | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018  | Q4 2017  |
|-----------------------------------------------------------------------------------|----------|---------|---------|---------|----------|----------|
| <b>KEY RATIOS/PER SHARE DATA</b>                                                  |          |         |         |         |          |          |
| Current accident year loss ratio excluding catastrophe and weather-related losses | 62.2%    | 61.7%   | 59.7%   | 58.9%   | 65.4%    | 62.8%    |
| Catastrophe and weather-related losses ratio                                      | 12.1%    | 14.1%   | 2.3%    | 0.9%    | 22.5%    | 11.2%    |
| Current accident year loss ratio                                                  | 74.3%    | 75.8%   | 62.0%   | 59.8%   | 87.9%    | 74.0%    |
| Prior year reserve development ratio                                              | (1.1%)   | (2.3%)  | (2.2%)  | (1.3%)  | (3.3%)   | (4.7%)   |
| Net losses and loss expenses ratio                                                | 73.2%    | 73.5%   | 59.8%   | 58.5%   | 84.6%    | 69.3%    |
| Acquisition cost ratio                                                            | 22.3%    | 22.5%   | 21.6%   | 23.0%   | 21.4%    | 19.4%    |
| General and administrative expense ratio [a]                                      | 11.8%    | 13.4%   | 14.7%   | 15.4%   | 11.3%    | 12.0%    |
| Combined ratio                                                                    | 107.3%   | 109.4%  | 96.1%   | 96.9%   | 117.3%   | 100.7%   |
| Weighted average common shares outstanding                                        | 83,957   | 83,947  | 83,941  | 83,725  | 83,582   | 83,160   |
| Weighted average diluted common shares outstanding                                | 83,957   | 84,582  | 84,401  | 84,272  | 83,582   | 83,160   |
| Earnings (loss) per common share                                                  | (\$0.12) | \$0.33  | \$1.98  | \$1.17  | (\$2.37) | (\$0.46) |
| Earnings (loss) per diluted common share                                          | (\$0.12) | \$0.33  | \$1.97  | \$1.16  | (\$2.37) | (\$0.46) |
| Annualized ROACE                                                                  | (0.8%)   | 2.3%    | 14.3%   | 8.9%    | (18.1%)  | (3.3%)   |
| Annualized operating ROACE                                                        | 0.4%     | (2.7%)  | 11.8%   | 9.5%    | (13.2%)  | 1.7%     |

[a] Underwriting-related general and administrative expenses and corporate expenses are included in the general and administrative expense ratio.



# **AXIS CAPITAL HOLDINGS LIMITED** **CONSOLIDATED STATEMENTS OF OPERATIONS - YEAR**

|                                                                                                     | Years ended December 31, |              |              |
|-----------------------------------------------------------------------------------------------------|--------------------------|--------------|--------------|
|                                                                                                     | 2019                     | 2018         | 2017         |
| <b>UNDERWRITING REVENUES</b>                                                                        |                          |              |              |
| Gross premiums written                                                                              | \$ 6,898,858             | \$ 6,910,065 | \$ 5,556,273 |
| Ceded premiums written                                                                              | (2,409,243)              | (2,251,103)  | (1,529,130)  |
| Net premiums written                                                                                | 4,489,615                | 4,658,962    | 4,027,143    |
| Gross premiums earned                                                                               | 6,910,677                | 6,882,217    | 5,616,234    |
| Ceded premiums earned                                                                               | (2,323,499)              | (2,090,722)  | (1,467,474)  |
| Net premiums earned                                                                                 | 4,587,178                | 4,791,495    | 4,148,760    |
| Other insurance related income (losses)                                                             | 16,444                   | 10,622       | (1,240)      |
| Total underwriting revenues                                                                         | 4,603,622                | 4,802,117    | 4,147,520    |
| <b>UNDERWRITING EXPENSES</b>                                                                        |                          |              |              |
| Net losses and loss expenses                                                                        | 3,044,798                | 3,190,287    | 3,287,772    |
| Acquisition costs                                                                                   | 1,024,582                | 968,835      | 823,591      |
| Underwriting-related general and administrative expenses [a]                                        | 505,735                  | 519,168      | 449,483      |
| Total underwriting expenses                                                                         | 4,575,115                | 4,678,290    | 4,560,846    |
| <b>UNDERWRITING INCOME (LOSS)</b>                                                                   | 28,507                   | 123,827      | (413,326)    |
| <b>OTHER (EXPENSES) REVENUES</b>                                                                    |                          |              |              |
| Net investment income                                                                               | 478,572                  | 438,507      | 400,805      |
| Net investment gains (losses)                                                                       | 91,233                   | (150,218)    | 28,226       |
| Bargain purchase gain                                                                               | —                        | —            | 15,044       |
| Corporate expenses [a]                                                                              | (129,096)                | (108,221)    | (129,945)    |
| Foreign exchange (losses) gains                                                                     | 12,041                   | 29,165       | (134,737)    |
| Interest expense and financing costs                                                                | (68,107)                 | (67,432)     | (54,811)     |
| Transaction and reorganization expenses                                                             | (37,384)                 | (66,940)     | (26,718)     |
| Amortization of value of business acquired                                                          | (26,722)                 | (172,332)    | (50,104)     |
| Amortization of intangible assets                                                                   | (11,597)                 | (13,814)     | (2,543)      |
| Total other (expenses) revenues                                                                     | 308,940                  | (111,285)    | 45,217       |
| <b>INCOME (LOSS) BEFORE INCOME TAXES AND INTEREST IN INCOME (LOSS) OF EQUITY METHOD INVESTMENTS</b> | 337,447                  | 12,542       | (368,109)    |
| Income tax (expense) benefit                                                                        | (23,692)                 | 29,486       | 7,542        |
| Interest in income (loss) of equity method investments                                              | 9,718                    | 993          | (8,402)      |
| <b>NET INCOME (LOSS)</b>                                                                            | 323,473                  | 43,021       | (368,969)    |
| Preferred share dividends                                                                           | (41,112)                 | (42,625)     | (46,810)     |
| <b>NET INCOME (LOSS) AVAILABLE (ATTRIBUTABLE) TO COMMON SHAREHOLDERS</b>                            | \$ 282,361               | \$ 396       | \$ (415,779) |

[a] Underwriting-related general and administrative expenses is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to total general and administrative expenses, the most comparable GAAP financial measure, also included corporate expenses as presented above.

# AXIS CAPITAL HOLDINGS LIMITED

## CONSOLIDATED KEY RATIOS - YEAR

|                                                                                   | Years ended December 31, |        |          |
|-----------------------------------------------------------------------------------|--------------------------|--------|----------|
|                                                                                   | 2019                     | 2018   | 2017     |
| <b>KEY RATIOS/PER SHARE DATA</b>                                                  |                          |        |          |
| Current accident year loss ratio excluding catastrophe and weather-related losses | 60.6%                    | 61.7%  | 63.7%    |
| Catastrophe and weather-related losses ratio                                      | 7.5%                     | 9.0%   | 20.4%    |
| Current accident year loss ratio                                                  | 68.1%                    | 70.7%  | 84.1%    |
| Prior year reserve development ratio                                              | (1.7%)                   | (4.1%) | (4.9%)   |
| Net losses and loss expenses ratio                                                | 66.4%                    | 66.6%  | 79.2%    |
| Acquisition cost ratio                                                            | 22.3%                    | 20.2%  | 19.9%    |
| General and administrative expense ratio [a]                                      | 13.9%                    | 13.1%  | 14.0%    |
| Combined ratio                                                                    | 102.6%                   | 99.9%  | 113.1%   |
| Weighted average common shares outstanding                                        | 83,894                   | 83,501 | 84,108   |
| Weighted average diluted common shares outstanding                                | 84,473                   | 84,007 | 84,108   |
| Earnings (loss) per common share                                                  | \$3.37                   | \$—    | (\$4.94) |
| Earnings (loss) per diluted common share                                          | \$3.34                   | \$—    | (\$4.94) |
| ROACE                                                                             | 6.3%                     | —%     | (8.6%)   |
| Operating ROACE                                                                   | 4.7%                     | 3.6%   | (5.3%)   |

[a] Underwriting-related general and administrative expenses and corporate expenses are included in the general and administrative expense ratio.



# AXIS CAPITAL HOLDINGS LIMITED

## EX-PGAAP CONSOLIDATED SEGMENT DATA

|                                                                                   | Quarter ended December 31, 2019 |                    |                    | Year ended December 31, 2019 |                    |                  |
|-----------------------------------------------------------------------------------|---------------------------------|--------------------|--------------------|------------------------------|--------------------|------------------|
|                                                                                   | Insurance                       | Reinsurance        | Total              | Insurance                    | Reinsurance        | Total            |
| <b>UNDERWRITING REVENUES</b>                                                      |                                 |                    |                    |                              |                    |                  |
| Gross premiums written                                                            | \$ 961,608                      | \$ 299,758         | \$ 1,261,366       | \$ 3,675,931                 | \$ 3,222,927       | \$ 6,898,858     |
| Ceded premium written                                                             | (390,651)                       | (84,561)           | (475,212)          | (1,466,776)                  | (942,467)          | (2,409,243)      |
| Net premiums written                                                              | 570,957                         | 215,197            | 786,154            | 2,209,155                    | 2,280,460          | 4,489,615        |
| Gross premiums earned                                                             | 927,599                         | 861,485            | 1,789,084          | 3,623,180                    | 3,287,497          | 6,910,677        |
| Ceded premiums earned                                                             | (367,989)                       | (249,044)          | (617,033)          | (1,433,096)                  | (890,403)          | (2,323,499)      |
| Net premiums earned                                                               | 559,610                         | 612,441            | 1,172,051          | 2,190,084                    | 2,397,094          | 4,587,178        |
| Other insurance related income                                                    | 1,079                           | 3,980              | 5,059              | 2,858                        | 13,586             | 16,444           |
| Total underwriting revenues                                                       | 560,689                         | 616,421            | 1,177,110          | 2,192,942                    | 2,410,680          | 4,603,622        |
| <b>UNDERWRITING EXPENSES</b>                                                      |                                 |                    |                    |                              |                    |                  |
| Net losses and loss expenses                                                      | 317,234                         | 540,160            | 857,394            | 1,278,679                    | 1,766,119          | 3,044,798        |
| Acquisition costs                                                                 | 123,300                         | 138,475            | 261,775            | 468,281                      | 556,301            | 1,024,582        |
| Underwriting-related general and administrative expenses                          | 90,472                          | 16,723             | 107,195            | 401,963                      | 103,772            | 505,735          |
| Total underwriting expenses                                                       | 531,006                         | 695,358            | 1,226,364          | 2,148,923                    | 2,426,192          | 4,575,115        |
| <b>UNDERWRITING INCOME (LOSS)</b>                                                 | 29,683                          | (78,937)           | (49,254)           | 44,019                       | (15,512)           | 28,507           |
| Acquisition costs adjustment                                                      | 1,518                           | —                  | 1,518              | 12,139                       | 68                 | 12,206           |
| <b>EX-PGAAP UNDERWRITING INCOME (LOSS) [a]</b>                                    | <b>\$ 28,165</b>                | <b>\$ (78,937)</b> | <b>\$ (50,772)</b> | <b>\$ 31,880</b>             | <b>\$ (15,580)</b> | <b>\$ 16,301</b> |
| Catastrophe and weather-related losses, net of reinstatement premiums             | \$ 19,900                       | \$ 120,100         | \$ 140,000         | \$ 83,700                    | \$ 252,417         | \$ 336,117       |
| Net favorable prior year reserve development                                      | \$ 10,455                       | \$ 3,426           | \$ 13,881          | \$ 53,302                    | \$ 25,598          | \$ 78,900        |
| <b>KEY RATIOS</b>                                                                 |                                 |                    |                    |                              |                    |                  |
| Current accident year loss ratio excluding catastrophe and weather-related losses | 55.0%                           | 68.9%              | 62.2%              | 57.0%                        | 64.0%              | 60.6%            |
| Catastrophe and weather-related losses ratio                                      | 3.6%                            | 19.9%              | 12.1%              | 3.8%                         | 10.7%              | 7.5%             |
| Current accident year loss ratio                                                  | 58.6%                           | 88.8%              | 74.3%              | 60.8%                        | 74.7%              | 68.1%            |
| Prior year reserve development ratio                                              | (1.9%)                          | (0.6%)             | (1.1%)             | (2.4%)                       | (1.0%)             | (1.7%)           |
| Net losses and loss expenses ratio                                                | 56.7%                           | 88.2%              | 73.2%              | 58.4%                        | 73.7%              | 66.4%            |
| Acquisition cost ratio                                                            | 22.0%                           | 22.6%              | 22.3%              | 21.4%                        | 23.2%              | 22.3%            |
| Underwriting-related general and administrative expense ratio                     | 16.2%                           | 2.7%               | 9.1%               | 18.3%                        | 4.3%               | 11.1%            |
| Corporate expense ratio                                                           |                                 |                    | 2.7%               |                              |                    | 2.8%             |
| <b>Combined ratio</b>                                                             | <b>94.9%</b>                    | <b>113.5%</b>      | <b>107.3%</b>      | <b>98.1%</b>                 | <b>101.2%</b>      | <b>102.6%</b>    |
| Acquisition cost ratio adjustment                                                 | 0.3%                            | —%                 | 0.1%               | 0.6%                         | —%                 | 0.3%             |
| <b>Ex-PGAAP Combined ratio</b>                                                    | <b>95.2%</b>                    | <b>113.5%</b>      | <b>107.4%</b>      | <b>98.7%</b>                 | <b>101.2%</b>      | <b>102.9%</b>    |

[a] Ex-PGAAP underwriting income (loss) is a non-GAAP financial measure as defined by Regulation G. The reconciliation to the most comparable GAAP financial measure, income (loss) before income taxes and interest in income (loss) of equity method investments is provided in the 'Consolidated Statements of Operations - Quarter' and 'Consolidated Statements of Operations - Year' sections of this document, and a discussion of the rationale for its presentation is provided later in this document.



# AXIS CAPITAL HOLDINGS LIMITED

## GROSS PREMIUMS WRITTEN BY SEGMENT BY LINE OF BUSINESS

|                                  | Q4 2019             | Q3 2019             | Q2 2019             | Q1 2019             | Q4 2018             | Q4 2017             | Years ended December 31, |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|
|                                  |                     |                     |                     |                     |                     |                     | 2019                     | 2018                |
| <b>INSURANCE SEGMENT</b>         |                     |                     |                     |                     |                     |                     |                          |                     |
| Property                         | \$ 242,446          | \$ 241,517          | \$ 259,295          | \$ 200,502          | \$ 245,851          | \$ 240,246          | \$ 943,760               | \$ 1,192,807        |
| Marine                           | 73,780              | 91,161              | 99,389              | 146,979             | 56,202              | 59,387              | 411,309                  | 367,047             |
| Terrorism                        | 13,317              | 17,284              | 15,157              | 14,362              | 12,920              | 13,044              | 60,120                   | 61,663              |
| Aviation                         | 20,838              | 17,623              | 18,539              | 17,670              | 23,496              | 24,472              | 74,670                   | 89,673              |
| Credit and Political Risk        | 40,487              | 32,528              | 36,076              | 45,907              | 70,206              | 40,212              | 154,999                  | 190,433             |
| Professional Lines               | 356,321             | 272,362             | 321,284             | 227,308             | 328,078             | 309,905             | 1,177,274                | 1,115,213           |
| Liability                        | 180,951             | 186,253             | 190,030             | 142,642             | 144,277             | 114,631             | 699,876                  | 553,461             |
| Accident and Health              | 30,876              | 34,054              | 28,126              | 51,048              | 37,080              | 37,594              | 144,103                  | 210,502             |
| Discontinued Lines - Novae       | 2,592               | 2,120               | 429                 | 4,678               | 2,626               | 14,820              | 9,820                    | 16,793              |
| <b>TOTAL INSURANCE SEGMENT</b>   | <b>961,608</b>      | <b>894,902</b>      | <b>968,325</b>      | <b>851,096</b>      | <b>920,736</b>      | <b>854,311</b>      | <b>3,675,931</b>         | <b>3,797,592</b>    |
| <b>REINSURANCE SEGMENT</b>       |                     |                     |                     |                     |                     |                     |                          |                     |
| Catastrophe                      | 20,346              | 94,833              | 245,203             | 358,133             | 41,137              | 25,703              | 718,514                  | 536,243             |
| Property                         | 20,318              | 67,972              | 43,135              | 172,742             | (3,345)             | 11,344              | 304,166                  | 342,789             |
| Professional Lines               | 34,789              | 23,540              | 92,915              | 109,828             | 19,312              | 34,500              | 261,072                  | 268,181             |
| Credit and Surety                | 28,375              | 50,989              | 38,465              | 151,904             | 28,442              | 22,069              | 269,733                  | 329,126             |
| Motor                            | 21,273              | 25,367              | 6,846               | 281,401             | 21,921              | 18,022              | 334,887                  | 499,727             |
| Liability                        | 88,479              | 146,690             | 125,990             | 185,320             | 50,790              | 51,702              | 546,479                  | 438,767             |
| Agriculture                      | 23,369              | 5,074               | 70,077              | 126,440             | 14,131              | 17,763              | 224,961                  | 226,246             |
| Engineering                      | 17,821              | 8,841               | 7,600               | 22,766              | 24,099              | 19,134              | 57,028                   | 60,358              |
| Marine and Other                 | 6,675               | 9,727               | 22,042              | 36,336              | 3,354               | 3,209               | 74,781                   | 44,741              |
| Accident and Health              | 38,881              | 78,474              | 27,723              | 287,592             | 51,050              | 39,131              | 432,670                  | 365,660             |
| Discontinued Lines - Novae       | (568)               | 97                  | (561)               | (332)               | 1,111               | (387)               | (1,364)                  | 635                 |
| <b>TOTAL REINSURANCE SEGMENT</b> | <b>299,758</b>      | <b>511,604</b>      | <b>679,435</b>      | <b>1,732,130</b>    | <b>252,002</b>      | <b>242,190</b>      | <b>3,222,927</b>         | <b>3,112,473</b>    |
| <b>CONSOLIDATED TOTAL</b>        | <b>\$ 1,261,366</b> | <b>\$ 1,406,506</b> | <b>\$ 1,647,760</b> | <b>\$ 2,583,226</b> | <b>\$ 1,172,738</b> | <b>\$ 1,096,501</b> | <b>\$ 6,898,858</b>      | <b>\$ 6,910,065</b> |

# AXIS CAPITAL HOLDINGS LIMITED

## EX-PGAAP CONSOLIDATED SEGMENT DATA - QUARTER AND PRIOR YEAR

|                                                                                   |                    |                    |                  |                  |                     |                   | Year ended<br>December 31, |
|-----------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|---------------------|-------------------|----------------------------|
|                                                                                   | Q4 2019            | Q3 2019            | Q2 2019          | Q1 2019          | Q4 2018             | Q4 2017           | 2018                       |
| <b>UNDERWRITING REVENUES</b>                                                      |                    |                    |                  |                  |                     |                   |                            |
| Gross premiums written                                                            | \$ 1,261,366       | \$ 1,406,506       | \$ 1,647,760     | \$ 2,583,226     | \$ 1,172,738        | \$ 1,096,501      | \$ 6,910,065               |
| Ceded premiums written                                                            | (475,212)          | (550,425)          | (577,439)        | (806,167)        | (420,040)           | (367,077)         | (2,251,103)                |
| Net premiums written                                                              | 786,154            | 856,081            | 1,070,321        | 1,777,059        | 752,698             | 729,424           | 4,658,962                  |
| Gross premiums earned                                                             | 1,789,084          | 1,756,116          | 1,680,663        | 1,684,814        | 1,777,052           | 1,699,882         | 6,882,217                  |
| Ceded premiums earned                                                             | (617,033)          | (598,809)          | (557,056)        | (550,602)        | (562,583)           | (488,387)         | (2,090,722)                |
| Net premiums earned                                                               | 1,172,051          | 1,157,307          | 1,123,607        | 1,134,212        | 1,214,469           | 1,211,495         | 4,791,495                  |
| Other insurance related income (loss)                                             | 5,059              | 1,533              | 2,925            | 6,929            | (8,189)             | 3,180             | 10,622                     |
| Total underwriting revenues                                                       | 1,177,110          | 1,158,840          | 1,126,532        | 1,141,141        | 1,206,280           | 1,214,675         | 4,802,117                  |
| <b>UNDERWRITING EXPENSES</b>                                                      |                    |                    |                  |                  |                     |                   |                            |
| Net losses and loss expenses                                                      | 857,394            | 850,913            | 672,463          | 664,028          | 1,027,343           | 840,132           | 3,190,287                  |
| Acquisition costs                                                                 | 261,775            | 260,026            | 242,363          | 260,418          | 259,308             | 234,713           | 968,835                    |
| Underwriting-related general and administrative expenses                          | 107,195            | 126,619            | 133,047          | 138,873          | 114,293             | 113,700           | 519,168                    |
| Total underwriting expenses                                                       | 1,226,364          | 1,237,558          | 1,047,873        | 1,063,319        | 1,400,944           | 1,188,545         | 4,678,290                  |
| <b>UNDERWRITING INCOME (LOSS)</b>                                                 | <b>(49,254)</b>    | <b>(78,718)</b>    | <b>78,659</b>    | <b>77,822</b>    | <b>(194,664)</b>    | <b>26,130</b>     | <b>123,827</b>             |
| Acquisition costs adjustment                                                      | 1,518              | 1,568              | 2,854            | 6,267            | 16,032              | 32,646            | 125,467                    |
| <b>EX-PGAAP UNDERWRITING INCOME (LOSS)</b>                                        | <b>\$ (50,772)</b> | <b>\$ (80,286)</b> | <b>\$ 75,805</b> | <b>\$ 71,555</b> | <b>\$ (210,696)</b> | <b>\$ (6,516)</b> | <b>\$ (1,640)</b>          |
| Catastrophe and weather-related losses, net of reinstatement premiums             | \$ 140,000         | \$ 159,869         | \$ 25,564        | \$ 10,684        | \$ 269,130          | \$ 132,773        | \$ 429,723                 |
| Net favorable prior year reserve development                                      | \$ 13,881          | \$ 26,727          | \$ 23,621        | \$ 14,672        | \$ 39,578           | \$ 56,559         | \$ 199,662                 |
| <b>KEY RATIOS</b>                                                                 |                    |                    |                  |                  |                     |                   |                            |
| Current accident year loss ratio excluding catastrophe and weather-related losses | 62.2%              | 61.7%              | 59.7%            | 58.9%            | 65.4%               | 62.8%             | 61.7%                      |
| Catastrophe and weather-related losses ratio                                      | 12.1%              | 14.1%              | 2.3%             | 0.9%             | 22.5%               | 11.2%             | 9.0%                       |
| Current accident year loss ratio                                                  | 74.3%              | 75.8%              | 62.0%            | 59.8%            | 87.9%               | 74.0%             | 70.7%                      |
| Prior year reserve development ratio                                              | (1.1%)             | (2.3%)             | (2.2%)           | (1.3%)           | (3.3%)              | (4.7%)            | (4.1%)                     |
| Net losses and loss expenses ratio                                                | 73.2%              | 73.5%              | 59.8%            | 58.5%            | 84.6%               | 69.3%             | 66.6%                      |
| Acquisition cost ratio                                                            | 22.3%              | 22.5%              | 21.6%            | 23.0%            | 21.4%               | 19.4%             | 20.2%                      |
| Underwriting-related general and administrative expense ratio                     | 11.8%              | 13.4%              | 14.7%            | 15.4%            | 11.3%               | 12.0%             | 13.1%                      |
| <b>Combined ratio</b>                                                             | <b>107.3%</b>      | <b>109.4%</b>      | <b>96.1%</b>     | <b>96.9%</b>     | <b>117.3%</b>       | <b>100.7%</b>     | <b>99.9%</b>               |
| Acquisition cost ratio adjustment                                                 | 0.1%               | 0.1%               | 0.3%             | 0.5%             | 1.3%                | 2.7%              | 2.6%                       |
| <b>Ex-PGAAP combined ratio</b>                                                    | <b>107.4%</b>      | <b>109.5%</b>      | <b>96.4%</b>     | <b>97.4%</b>     | <b>118.6%</b>       | <b>103.4%</b>     | <b>102.5%</b>              |



# AXIS CAPITAL HOLDINGS LIMITED

## EX-PGAAP INSURANCE SEGMENT DATA - QUARTER AND PRIOR YEAR

|                                                                                   |                  |                    |                 |                  |                    |                  | Year ended<br>December 31, |
|-----------------------------------------------------------------------------------|------------------|--------------------|-----------------|------------------|--------------------|------------------|----------------------------|
|                                                                                   | Q4 2019          | Q3 2019            | Q2 2019         | Q1 2019          | Q4 2018            | Q4 2017          | 2018                       |
| <b>UNDERWRITING REVENUES</b>                                                      |                  |                    |                 |                  |                    |                  |                            |
| Gross premiums written                                                            | \$ 961,608       | \$ 894,902         | \$ 968,325      | \$ 851,096       | \$ 920,736         | \$ 854,311       | \$ 3,797,592               |
| Ceded premiums written                                                            | (390,651)        | (377,852)          | (376,416)       | (321,857)        | (344,130)          | (338,485)        | (1,472,845)                |
| Net premiums written                                                              | 570,957          | 517,050            | 591,909         | 529,239          | 576,606            | 515,826          | 2,324,747                  |
| Gross premiums earned                                                             | 927,599          | 901,150            | 884,480         | 909,951          | 937,784            | 929,346          | 3,757,436                  |
| Ceded premiums earned                                                             | (367,989)        | (364,699)          | (347,220)       | (353,189)        | (347,305)          | (343,186)        | (1,394,830)                |
| Net premiums earned                                                               | 559,610          | 536,451            | 537,260         | 556,762          | 590,479            | 586,159          | 2,362,606                  |
| Other insurance related income (loss)                                             | 1,079            | 733                | (695)           | 1,742            | 101                | 2,091            | 3,460                      |
| Total underwriting revenues                                                       | 560,689          | 537,184            | 536,565         | 558,504          | 590,580            | 588,250          | 2,366,066                  |
| <b>UNDERWRITING EXPENSES</b>                                                      |                  |                    |                 |                  |                    |                  |                            |
| Net losses and loss expenses                                                      | 317,234          | 338,966            | 308,703         | 313,776          | 428,525            | 372,190          | 1,494,323                  |
| Acquisition costs                                                                 | 123,300          | 115,551            | 111,655         | 117,775          | 109,111            | 92,293           | 399,193                    |
| Underwriting-related general and administrative expenses                          | 90,472           | 100,559            | 104,898         | 106,034          | 89,858             | 85,979           | 395,252                    |
| Total underwriting expenses                                                       | 531,006          | 555,076            | 525,256         | 537,585          | 627,494            | 550,462          | 2,288,768                  |
| <b>UNDERWRITING INCOME (LOSS)</b>                                                 | <b>29,683</b>    | <b>(17,892)</b>    | <b>11,309</b>   | <b>20,919</b>    | <b>(36,914)</b>    | <b>37,788</b>    | <b>77,298</b>              |
| Acquisition costs adjustment                                                      | 1,518            | 1,563              | 2,856           | 6,202            | 15,775             | 25,571           | 121,014                    |
| <b>EX-PGAAP UNDERWRITING INCOME (LOSS)</b>                                        | <b>\$ 28,165</b> | <b>\$ (19,455)</b> | <b>\$ 8,453</b> | <b>\$ 14,717</b> | <b>\$ (52,689)</b> | <b>\$ 12,217</b> | <b>\$ (43,716)</b>         |
| Catastrophe and weather-related losses, net of reinstatement premiums             | \$ 19,900        | \$ 41,313          | \$ 14,483       | \$ 8,004         | \$ 92,128          | \$ 33,613        | \$ 203,862                 |
| Net favorable prior year reserve development                                      | \$ 10,455        | \$ 14,609          | \$ 21,326       | \$ 6,913         | \$ 32,257          | \$ 24,879        | \$ 92,806                  |
| <b>KEY RATIOS</b>                                                                 |                  |                    |                 |                  |                    |                  |                            |
| Current accident year loss ratio excluding catastrophe and weather-related losses | 55.0%            | 58.2%              | 58.7%           | 56.2%            | 62.4%              | 62.0%            | 58.5%                      |
| Catastrophe and weather-related losses ratio                                      | 3.6%             | 7.7%               | 2.7%            | 1.4%             | 15.6%              | 5.7%             | 8.7%                       |
| Current accident year loss ratio                                                  | 58.6%            | 65.9%              | 61.4%           | 57.6%            | 78.0%              | 67.7%            | 67.2%                      |
| Prior year reserve development ratio                                              | (1.9%)           | (2.7%)             | (3.9%)          | (1.2%)           | (5.4%)             | (4.2%)           | (4.0%)                     |
| Net losses and loss expenses ratio                                                | 56.7%            | 63.2%              | 57.5%           | 56.4%            | 72.6%              | 63.5%            | 63.2%                      |
| Acquisition cost ratio                                                            | 22.0%            | 21.5%              | 20.8%           | 21.2%            | 18.5%              | 15.7%            | 16.9%                      |
| Underwriting-related general and administrative expense ratio                     | 16.2%            | 18.8%              | 19.5%           | 19.0%            | 15.2%              | 14.7%            | 16.8%                      |
| <b>Combined ratio</b>                                                             | <b>94.9%</b>     | <b>103.5%</b>      | <b>97.8%</b>    | <b>96.6%</b>     | <b>106.3%</b>      | <b>93.9%</b>     | <b>96.9%</b>               |
| Acquisition cost ratio adjustment                                                 | 0.3%             | 0.3%               | 0.5%            | 1.1%             | 2.7%               | 4.4%             | 5.1%                       |
| <b>Ex-PGAAP Combined ratio</b>                                                    | <b>95.2%</b>     | <b>103.8%</b>      | <b>98.3%</b>    | <b>97.7%</b>     | <b>109.0%</b>      | <b>98.3%</b>     | <b>102.0%</b>              |

# AXIS CAPITAL HOLDINGS LIMITED

## REINSURANCE SEGMENT DATA - QUARTER AND PRIOR YEAR

|                                                                                   |                    |                    |                  |                  |                     |                    | Year ended<br>December 31, |
|-----------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|---------------------|--------------------|----------------------------|
|                                                                                   | Q4 2019            | Q3 2019            | Q2 2019          | Q1 2019          | Q4 2018             | Q4 2017            | 2018                       |
| <b>UNDERWRITING REVENUES</b>                                                      |                    |                    |                  |                  |                     |                    |                            |
| Gross premiums written                                                            | \$ 299,758         | \$ 511,604         | \$ 679,435       | \$ 1,732,130     | \$ 252,002          | \$ 242,190         | \$ 3,112,473               |
| Ceded premiums written                                                            | (84,561)           | (172,573)          | (201,023)        | (484,310)        | (75,910)            | (28,592)           | (778,258)                  |
| Net premiums written                                                              | 215,197            | 339,031            | 478,412          | 1,247,820        | 176,092             | 213,598            | 2,334,215                  |
| Gross premiums earned                                                             | 861,485            | 854,966            | 796,183          | 774,863          | 839,268             | 770,537            | 3,124,781                  |
| Ceded premiums earned                                                             | (249,044)          | (234,110)          | (209,836)        | (197,413)        | (215,278)           | (145,201)          | (695,892)                  |
| Net premiums earned                                                               | 612,441            | 620,856            | 586,347          | 577,450          | 623,990             | 625,336            | 2,428,889                  |
| Other insurance related income (losses)                                           | 3,980              | 800                | 3,620            | 5,187            | (8,290)             | 1,089              | 7,162                      |
| Total underwriting revenues                                                       | 616,421            | 621,656            | 589,967          | 582,637          | 615,700             | 626,425            | 2,436,051                  |
| <b>UNDERWRITING EXPENSES</b>                                                      |                    |                    |                  |                  |                     |                    |                            |
| Net losses and loss expenses                                                      | 540,160            | 511,947            | 363,760          | 350,252          | 598,818             | 467,941            | 1,695,964                  |
| Acquisition costs                                                                 | 138,475            | 144,475            | 130,708          | 142,643          | 150,197             | 142,420            | 569,642                    |
| Underwriting-related general and administrative expenses                          | 16,723             | 26,060             | 28,149           | 32,839           | 24,435              | 27,722             | 123,916                    |
| Total underwriting expenses                                                       | 695,358            | 682,482            | 522,617          | 525,734          | 773,450             | 638,083            | 2,389,522                  |
| <b>UNDERWRITING INCOME (LOSS)</b>                                                 | <b>\$ (78,937)</b> | <b>\$ (60,826)</b> | <b>\$ 67,350</b> | <b>\$ 56,903</b> | <b>\$ (157,750)</b> | <b>\$ (11,658)</b> | <b>\$ 46,529</b>           |
| Catastrophe and weather-related losses, net of reinstatement premiums             | \$ 120,100         | \$ 118,556         | \$ 11,081        | \$ 2,680         | \$ 177,002          | \$ 99,160          | \$ 225,861                 |
| Net favorable prior year reserve development                                      | \$ 3,426           | \$ 12,118          | \$ 2,295         | \$ 7,759         | \$ 7,321            | \$ 31,680          | \$ 106,856                 |
| <b>KEY RATIOS</b>                                                                 |                    |                    |                  |                  |                     |                    |                            |
| Current accident year loss ratio excluding catastrophe and weather-related losses | 68.9%              | 64.8%              | 60.5%            | 61.5%            | 68.3%               | 63.6%              | 64.8%                      |
| Catastrophe and weather-related losses ratio                                      | 19.9%              | 19.6%              | 1.9%             | 0.5%             | 28.8%               | 16.3%              | 9.4%                       |
| Current accident year loss ratio                                                  | 88.8%              | 84.4%              | 62.4%            | 62.0%            | 97.1%               | 79.9%              | 74.2%                      |
| Prior year reserve development ratio                                              | (0.6%)             | (1.9%)             | (0.4%)           | (1.3%)           | (1.1%)              | (5.1%)             | (4.4%)                     |
| Net losses and loss expenses ratio                                                | 88.2%              | 82.5%              | 62.0%            | 60.7%            | 96.0%               | 74.8%              | 69.8%                      |
| Acquisition cost ratio                                                            | 22.6%              | 23.3%              | 22.3%            | 24.7%            | 24.1%               | 22.8%              | 23.5%                      |
| Underwriting-related general and administrative expenses                          | 2.7%               | 4.1%               | 4.8%             | 5.6%             | 3.9%                | 4.4%               | 5.1%                       |
| <b>Combined ratio</b>                                                             | <b>113.5%</b>      | <b>109.9%</b>      | <b>89.1%</b>     | <b>91.0%</b>     | <b>124.0%</b>       | <b>102.0%</b>      | <b>98.4%</b>               |



# AXIS CAPITAL HOLDINGS LIMITED

## STRATEGIC CAPITAL PARTNERS

|                                                       | Quarters ended December 31, |                    |                     |                   |                    |                     | Years ended December 31, |                     |                     |                     |                     |                     |
|-------------------------------------------------------|-----------------------------|--------------------|---------------------|-------------------|--------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                       | 2019                        |                    |                     | 2018              |                    |                     | 2019                     |                     |                     | 2018                |                     |                     |
| <b>TOTAL MANAGED PREMIUMS [a]</b>                     | <b>Insurance</b>            | <b>Reinsurance</b> | <b>Total</b>        | <b>Insurance</b>  | <b>Reinsurance</b> | <b>Total</b>        | <b>Insurance</b>         | <b>Reinsurance</b>  | <b>Total</b>        | <b>Insurance</b>    | <b>Reinsurance</b>  | <b>Total</b>        |
| <b>Total Managed Premiums</b>                         | <b>\$ 961,608</b>           | <b>\$ 299,758</b>  | <b>\$ 1,261,366</b> | <b>\$ 920,736</b> | <b>\$ 252,002</b>  | <b>\$ 1,172,738</b> | <b>\$ 3,675,931</b>      | <b>\$ 3,222,927</b> | <b>\$ 6,898,858</b> | <b>\$ 3,797,592</b> | <b>\$ 3,112,473</b> | <b>\$ 6,910,065</b> |
| Premiums ceded to Harrington Re                       | 1,965                       | 38,220             | 40,185              | —                 | 20,379             | 20,379              | 5,775                    | 241,347             | 247,122             | —                   | 183,203             | 183,203             |
| Premiums ceded to Other Strategic Capital Partners    | 13,651                      | 46,341             | 59,992              | —                 | 55,531             | 55,531              | 54,644                   | 701,120             | 755,764             | —                   | 595,055             | 595,055             |
| Premiums ceded to Other Reinsurers                    | 375,035                     | —                  | 375,035             | 344,130           | —                  | 344,130             | 1,406,357                | —                   | 1,406,357           | 1,472,845           | —                   | 1,472,845           |
| <b>Net premiums written</b>                           | <b>\$ 570,957</b>           | <b>\$ 215,197</b>  | <b>\$ 786,154</b>   | <b>\$ 576,606</b> | <b>\$ 176,092</b>  | <b>\$ 752,698</b>   | <b>\$ 2,209,155</b>      | <b>\$ 2,280,460</b> | <b>\$ 4,489,615</b> | <b>\$ 2,324,747</b> | <b>\$ 2,334,215</b> | <b>\$ 4,658,962</b> |
| <b>FEE INCOME FROM STRATEGIC CAPITAL PARTNERS [b]</b> |                             |                    |                     |                   |                    |                     |                          |                     |                     |                     |                     |                     |
| Fee income                                            | \$ 2,036                    | \$ 21,081          | \$ 23,117           | \$ —              | \$ 5,715           | \$ 5,715            | \$ 7,428                 | \$ 72,820           | \$ 80,248           | \$ —                | \$ 48,461           | \$ 48,461           |

[a] Total managed premiums represents gross premiums written of \$1.3 billion and \$1.2 billion for the quarters ended December 31, 2019 and 2018, respectively, and \$6.9 billion for the years ended December 31, 2019 and 2018, respectively, and includes premiums written by the Insurance and Reinsurance segments on behalf of strategic capital partners and other reinsurers. Premiums ceded to strategic capital partners and other reinsurers by AXIS Insurance and AXIS Re are presented above.

[b] Fee income from strategic capital partners represents service fees and reimbursement of expenses from strategic capital partners. Fee income from strategic capital partners included \$3 million and \$(9) million in other insurance related income (losses) for the quarters ended December 31, 2019 and 2018, respectively and \$12 million and \$4 million for the years ended December 31, 2019, and 2018, respectively. It also included \$20 million and \$14 million as an offset to general and administrative expenses for the quarters ended December 31, 2019 and 2018, respectively and \$68 million and \$44 million for the years ended December 31, 2019 and 2018, respectively.

## AXIS CAPITAL HOLDINGS LIMITED

### NET INVESTMENT INCOME - QUARTER AND YEAR

|                              | Q4 2019           | Q3 2019           | Q2 2019           | Q1 2019           | Q4 2018           | Q4 2017           | Years ended December 31, |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|
|                              |                   |                   |                   |                   |                   |                   | 2019                     | 2018              |
| Fixed maturities             | \$ 98,990         | \$ 96,311         | \$ 97,370         | \$ 91,382         | \$ 94,108         | \$ 82,060         | \$ 384,053               | \$ 356,273        |
| Other investments            | 10,767            | 11,143            | 31,232            | 6,895             | 4,780             | 16,885            | 60,038                   | 48,959            |
| Equity securities            | 2,678             | 2,232             | 3,197             | 2,328             | 3,062             | 3,871             | 10,434                   | 10,077            |
| Mortgage loans               | 3,977             | 3,984             | 3,689             | 3,063             | 3,762             | 2,810             | 14,712                   | 13,566            |
| Cash and cash equivalents    | 5,908             | 7,034             | 8,138             | 5,801             | 10,796            | 417               | 26,882                   | 27,566            |
| Short-term investments       | 1,077             | 973               | 1,108             | 3,894             | 3,432             | 921               | 7,053                    | 9,365             |
| Gross investment income      | 123,397           | 121,677           | 144,734           | 113,363           | 119,940           | 106,964           | 503,172                  | 465,806           |
| Investment expense           | (5,840)           | (5,914)           | (6,785)           | (6,060)           | (6,812)           | (6,056)           | (24,600)                 | (27,299)          |
| <b>Net investment income</b> | <b>\$ 117,557</b> | <b>\$ 115,763</b> | <b>\$ 137,949</b> | <b>\$ 107,303</b> | <b>\$ 113,128</b> | <b>\$ 100,908</b> | <b>\$ 478,572</b>        | <b>\$ 438,507</b> |



# AXIS CAPITAL HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEETS

|                                                            | December 31,<br>2019 | September 30,<br>2019 | June 30,<br>2019     | March 31,<br>2019    | December 31,<br>2018 | December 31,<br>2017 |
|------------------------------------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                                              |                      |                       |                      |                      |                      |                      |
| Investments:                                               |                      |                       |                      |                      |                      |                      |
| Fixed maturities, available for sale, at fair value        | \$ 12,468,205        | \$ 12,616,241         | \$ 12,522,955        | \$ 11,874,518        | \$ 11,435,347        | \$ 12,622,006        |
| Equity securities, at fair value                           | 474,207              | 429,903               | 433,407              | 418,863              | 381,633              | 635,511              |
| Mortgage loans, held for investment, at fair value         | 432,748              | 407,790               | 394,179              | 313,421              | 298,650              | 325,062              |
| Other investments, at fair value                           | 770,923              | 779,200               | 802,064              | 795,331              | 787,787              | 1,009,373            |
| Equity method investments                                  | 117,821              | 113,748               | 112,956              | 110,322              | 108,103              | 108,597              |
| Short-term investments, at fair value                      | 38,471               | 12,539                | 32,421               | 41,853               | 144,040              | 83,661               |
| Total investments                                          | 14,302,375           | 14,359,421            | 14,297,982           | 13,554,308           | 13,155,560           | 14,784,210           |
| Cash and cash equivalents                                  | 1,576,457            | 1,208,551             | 1,094,714            | 1,606,258            | 1,830,020            | 1,363,786            |
| Accrued interest receivable                                | 78,085               | 81,371                | 82,567               | 78,594               | 80,335               | 81,223               |
| Insurance and reinsurance premium balances receivable      | 3,071,390            | 3,322,316             | 3,732,529            | 3,667,923            | 3,007,296            | 3,012,419            |
| Reinsurance recoverable on unpaid losses and loss expenses | 3,877,756            | 3,705,793             | 3,564,812            | 3,555,341            | 3,501,669            | 3,159,514            |
| Reinsurance recoverable on paid losses and loss expenses   | 327,795              | 252,087               | 364,536              | 321,798              | 280,233              | 179,326              |
| Deferred acquisition costs                                 | 492,119              | 586,440               | 657,275              | 703,028              | 566,622              | 474,061              |
| Prepaid reinsurance premiums                               | 1,101,889            | 1,243,040             | 1,291,979            | 1,271,303            | 1,013,573            | 809,274              |
| Receivable for investments sold                            | 35,659               | 9,711                 | 25,850               | 10,888               | 32,627               | 11,621               |
| Goodwill                                                   | 102,003              | 102,003               | 102,003              | 102,003              | 102,003              | 102,003              |
| Intangible assets                                          | 230,550              | 233,305               | 236,009              | 238,763              | 241,568              | 257,987              |
| Value of business acquired                                 | 8,992                | 11,048                | 15,416               | 22,610               | 35,714               | 206,838              |
| Operating lease right-of-use assets                        | 111,092              | 116,560               | 132,940              | 143,887              | —                    | —                    |
| Other assets                                               | 287,892              | 263,880               | 271,562              | 280,878              | 285,346              | 317,915              |
| <b>TOTAL ASSETS</b>                                        | <b>\$ 25,604,054</b> | <b>\$ 25,495,526</b>  | <b>\$ 25,870,174</b> | <b>\$ 25,557,582</b> | <b>\$ 24,132,566</b> | <b>\$ 24,760,177</b> |
| <b>LIABILITIES</b>                                         |                      |                       |                      |                      |                      |                      |
| Reserve for losses and loss expenses                       | \$ 12,752,081        | \$ 12,498,507         | \$ 12,254,711        | \$ 12,275,771        | \$ 12,280,769        | \$ 12,997,553        |
| Unearned premiums                                          | 3,626,246            | 4,153,003             | 4,503,132            | 4,535,163            | 3,635,758            | 3,641,399            |
| Insurance and reinsurance balances payable                 | 1,349,082            | 1,276,123             | 1,484,285            | 1,440,942            | 1,338,991            | 899,064              |
| Debt                                                       | 1,808,157            | 1,388,135             | 1,387,748            | 1,342,345            | 1,341,961            | 1,376,529            |
| Payable for investments purchased                          | 32,985               | 89,805                | 181,274              | 159,544              | 111,838              | 100,589              |
| Operating lease liabilities                                | 115,584              | 115,887               | 133,257              | 144,298              | —                    | —                    |
| Other liabilities                                          | 375,911              | 388,196               | 359,290              | 359,363              | 393,178              | 403,779              |
| <b>TOTAL LIABILITIES</b>                                   | <b>20,060,046</b>    | <b>19,909,656</b>     | <b>20,303,697</b>    | <b>20,257,426</b>    | <b>19,102,495</b>    | <b>19,418,913</b>    |
| <b>SHAREHOLDERS' EQUITY</b>                                |                      |                       |                      |                      |                      |                      |
| Preferred shares                                           | 775,000              | 775,000               | 775,000              | 775,000              | 775,000              | 775,000              |
| Common shares                                              | 2,206                | 2,206                 | 2,206                | 2,206                | 2,206                | 2,206                |
| Additional paid-in capital                                 | 2,317,212            | 2,309,483             | 2,303,592            | 2,296,639            | 2,308,583            | 2,299,166            |
| Accumulated other comprehensive income (loss)              | 171,710              | 176,296               | 156,145              | 29,096               | (177,110)            | 92,382               |
| Retained earnings                                          | 6,056,686            | 6,101,902             | 6,108,577            | 5,976,603            | 5,912,812            | 5,979,666            |
| Treasury shares, at cost                                   | (3,778,806)          | (3,779,017)           | (3,779,043)          | (3,779,388)          | (3,791,420)          | (3,807,156)          |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                          | <b>5,544,008</b>     | <b>5,585,870</b>      | <b>5,566,477</b>     | <b>5,300,156</b>     | <b>5,030,071</b>     | <b>5,341,264</b>     |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>          | <b>\$ 25,604,054</b> | <b>\$ 25,495,526</b>  | <b>\$ 25,870,174</b> | <b>\$ 25,557,582</b> | <b>\$ 24,132,566</b> | <b>\$ 24,760,177</b> |
| Common shares outstanding                                  | 83,959               | 83,947                | 83,947               | 83,934               | 83,586               | 83,161               |
| Diluted common shares outstanding [b]                      | 85,489               | 85,516                | 85,579               | 85,632               | 85,229               | 84,745               |
| Book value per common share                                | \$56.80              | \$57.31               | \$57.08              | \$53.91              | \$50.91              | \$54.91              |
| Book value per diluted common share                        | \$55.79              | \$56.26               | \$55.99              | \$52.84              | \$49.93              | \$53.88              |
| Tangible book value per diluted common share               | \$52.40              | \$52.84               | \$52.54              | \$49.37              | \$46.41              | \$50.18              |
| Debt to total capital [a]                                  | 24.6%                | 19.9%                 | 20.0%                | 20.2%                | 21.1%                | 20.5%                |
| Debt and preferred equity to total capital                 | 35.1%                | 31.0%                 | 31.1%                | 31.9%                | 33.2%                | 32.0%                |

[a] The debt to total capital ratio is calculated by dividing debt by total capital. Total capital represents the sum of total shareholders' equity and debt.

[b] Treasury stock method was applied. Under this method, unvested restricted stock units are included in determining the diluted common shares outstanding.



# **AXIS CAPITAL HOLDINGS LIMITED** **CASH AND INVESTED ASSETS PORTFOLIO** **At December 31, 2019**

|                                                                  | Cost or<br>Amortized Cost | Unrealized<br>Gains | Unrealized<br>Losses | Fair Value           | Percentage        |
|------------------------------------------------------------------|---------------------------|---------------------|----------------------|----------------------|-------------------|
| <b>Fixed Maturities, available for sale</b>                      |                           |                     |                      |                      |                   |
| U.S. government and agency                                       | \$ 2,102,849              | \$ 16,345           | \$ (6,313)           | \$ 2,112,881         | 13.2%             |
| Non-U.S. government                                              | 564,505                   | 14,535              | (2,448)              | 576,592              | 3.6%              |
| Corporate debt                                                   | 4,797,384                 | 140,426             | (7,556)              | 4,930,254            | 30.9%             |
| Agency RMBS                                                      | 1,570,823                 | 25,215              | (3,454)              | 1,592,584            | 10.0%             |
| CMBS                                                             | 1,340,156                 | 29,838              | (4,942)              | 1,365,052            | 8.6%              |
| Non-Agency RMBS                                                  | 84,381                    | 1,393               | (852)                | 84,922               | 0.5%              |
| ABS                                                              | 1,599,867                 | 4,706               | (5,880)              | 1,598,693            | 10.0%             |
| Municipals                                                       | 203,275                   | 4,359               | (407)                | 207,227              | 1.3%              |
| <b>Total fixed maturities</b>                                    | <b>12,263,240</b>         | <b>236,817</b>      | <b>(31,852)</b>      | <b>12,468,205</b>    | <b>78.1%</b>      |
| <b>Equity securities</b>                                         |                           |                     |                      |                      |                   |
| Common stocks                                                    | 504                       | 77                  | (388)                | 193                  | —%                |
| Exchange-traded funds                                            | 215,986                   | 81,444              | (105)                | 297,325              | 1.9%              |
| Bond mutual funds                                                | 182,466                   | —                   | (5,777)              | 176,689              | 1.1%              |
| <b>Total equity securities</b>                                   | <b>398,956</b>            | <b>81,521</b>       | <b>(6,270)</b>       | <b>474,207</b>       | <b>3.0%</b>       |
| <b>Total fixed maturities and equity securities</b>              | <b>\$ 12,662,196</b>      | <b>\$ 318,338</b>   | <b>\$ (38,122)</b>   | <b>12,942,412</b>    | <b>81.1%</b>      |
| <b>Mortgage loans, held for investment</b>                       |                           |                     |                      | <b>432,748</b>       | <b>2.7%</b>       |
| <b>Other investments (see below)</b>                             |                           |                     |                      | <b>770,923</b>       | <b>4.8%</b>       |
| <b>Equity method investments</b>                                 |                           |                     |                      | <b>117,821</b>       | <b>0.7%</b>       |
| <b>Short-term investments</b>                                    |                           |                     |                      | <b>38,471</b>        | <b>0.3%</b>       |
| <b>Total investments</b>                                         |                           |                     |                      | <b>14,302,375</b>    | <b>89.6%</b>      |
| <b>Cash and cash equivalents [a]</b>                             |                           |                     |                      | <b>1,576,457</b>     | <b>9.9%</b>       |
| <b>Accrued interest receivable</b>                               |                           |                     |                      | <b>78,085</b>        | <b>0.5%</b>       |
| <b>Net receivable/(payable) for investments sold (purchased)</b> |                           |                     |                      | <b>2,674</b>         | <b>—%</b>         |
| <b>Total cash and invested assets</b>                            |                           |                     |                      | <b>\$ 15,959,591</b> | <b>100.0%</b>     |
|                                                                  |                           |                     |                      | <b>Fair Value</b>    | <b>Percentage</b> |
| <b>Other Investments:</b>                                        |                           |                     |                      |                      |                   |
| Long/short equity funds                                          |                           |                     |                      | \$ 31,248            | 4.1%              |
| Multi-strategy funds                                             |                           |                     |                      | 136,542              | 17.7%             |
| Direct lending funds                                             |                           |                     |                      | 277,395              | 36.0%             |
| Real estate funds                                                |                           |                     |                      | 130,112              | 16.9%             |
| Private equity funds                                             |                           |                     |                      | 80,412               | 10.4%             |
| Other privately held investments                                 |                           |                     |                      | 36,934               | 4.8%              |
| Collateralized loan obligations - equity tranches                |                           |                     |                      | 14,328               | 1.8%              |
| Overseas deposits                                                |                           |                     |                      | 63,952               | 8.3%              |
| <b>Total</b>                                                     |                           |                     |                      | <b>\$ 770,923</b>    | <b>100.0%</b>     |

[a] Includes \$335 million of restricted cash and cash equivalents.

# AXIS CAPITAL HOLDINGS LIMITED

## CASH AND INVESTED ASSETS COMPOSITION - QUARTER

|                                                                     | Q4 2019      | Q3 2019      | Q2 2019      | Q1 2019      | Q4 2018      | Q4 2017      |
|---------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                     | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % |
| <b>CASH AND INVESTED ASSETS PORTFOLIO</b>                           |              |              |              |              |              |              |
| Fixed Maturities:                                                   |              |              |              |              |              |              |
| U.S. government and agency                                          | 13.2%        | 13.6%        | 15.1%        | 13.1%        | 10.1%        | 10.7%        |
| Non-U.S. government                                                 | 3.6%         | 3.5%         | 3.5%         | 3.2%         | 3.3%         | 5.0%         |
| Corporate debt                                                      | 30.9%        | 32.6%        | 32.3%        | 32.1%        | 32.5%        | 32.8%        |
| MBS:                                                                |              |              |              |              |              |              |
| Agency RMBS                                                         | 10.0%        | 10.5%        | 11.0%        | 11.3%        | 11.0%        | 14.8%        |
| CMBS                                                                | 8.6%         | 8.8%         | 7.7%         | 7.0%         | 7.3%         | 4.8%         |
| Non-agency RMBS                                                     | 0.5%         | 0.4%         | 0.4%         | 0.3%         | 0.3%         | 0.3%         |
| ABS                                                                 | 10.0%        | 10.3%        | 10.4%        | 10.7%        | 10.9%        | 8.9%         |
| Municipals                                                          | 1.3%         | 1.3%         | 1.3%         | 1.0%         | 0.9%         | 0.9%         |
| Total Fixed Maturities                                              | 78.1%        | 81.0%        | 81.7%        | 78.7%        | 76.3%        | 78.2%        |
| Equity securities                                                   | 3.0%         | 2.8%         | 2.8%         | 2.8%         | 2.5%         | 3.9%         |
| Mortgage loans                                                      | 2.7%         | 2.6%         | 2.6%         | 2.1%         | 2.0%         | 2.0%         |
| Other investments                                                   | 4.8%         | 5.0%         | 5.2%         | 5.3%         | 5.3%         | 6.3%         |
| Equity method investments                                           | 0.7%         | 0.7%         | 0.7%         | 0.7%         | 0.7%         | 0.7%         |
| Short-term investments                                              | 0.3%         | 0.1%         | 0.3%         | 0.2%         | 1.0%         | 0.5%         |
| Total investments                                                   | 89.6%        | 92.2%        | 93.3%        | 89.8%        | 87.8%        | 91.6%        |
| Cash and cash equivalents                                           | 9.9%         | 7.8%         | 7.1%         | 10.6%        | 12.2%        | 8.4%         |
| Accrued interest receivable                                         | 0.5%         | 0.5%         | 0.5%         | 0.5%         | 0.5%         | 0.5%         |
| Net receivable/(payable) for investments sold or purchased          | —%           | (0.5%)       | (0.9%)       | (0.9%)       | (0.5%)       | (0.5%)       |
| Total Cash and Invested Assets                                      | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       |
| <b>CREDIT QUALITY OF FIXED MATURITIES</b>                           |              |              |              |              |              |              |
|                                                                     | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % |
| U.S. government and agency                                          | 16.9%        | 16.9%        | 18.5%        | 16.6%        | 13.3%        | 13.6%        |
| AAA                                                                 | 39.3%        | 38.6%        | 35.8%        | 38.7%        | 40.0%        | 39.5%        |
| AA                                                                  | 6.9%         | 7.1%         | 8.6%         | 7.1%         | 7.7%         | 8.3%         |
| A                                                                   | 14.8%        | 14.8%        | 14.1%        | 15.0%        | 15.5%        | 16.6%        |
| BBB                                                                 | 13.5%        | 13.8%        | 13.6%        | 13.3%        | 14.7%        | 13.9%        |
| Below BBB                                                           | 8.6%         | 8.8%         | 9.4%         | 9.3%         | 8.8%         | 8.1%         |
| Total                                                               | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       |
| <b>MATURITY PROFILE OF FIXED MATURITIES</b>                         |              |              |              |              |              |              |
|                                                                     | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % |
| Within one year                                                     | 3.6%         | 2.7%         | 3.1%         | 3.5%         | 3.7%         | 3.9%         |
| From one to five years                                              | 39.2%        | 39.9%        | 41.8%        | 41.9%        | 41.0%        | 38.9%        |
| From five to ten years                                              | 17.3%        | 17.2%        | 15.7%        | 14.5%        | 14.8%        | 18.6%        |
| Above ten years                                                     | 2.7%         | 3.3%         | 3.2%         | 2.9%         | 1.8%         | 1.7%         |
| Asset-backed and mortgage-backed securities                         | 37.2%        | 36.9%        | 36.2%        | 37.2%        | 38.7%        | 36.9%        |
| Total                                                               | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       |
| <b>CASH AND INVESTED ASSETS PORTFOLIO CHARACTERISTICS</b>           |              |              |              |              |              |              |
| Book yield of fixed maturities                                      | 2.8%         | 2.9%         | 3.0%         | 3.1%         | 3.1%         | 2.5%         |
| Yield to maturity of fixed maturities                               | 2.4%         | 2.5%         | 2.7%         | 3.1%         | 3.6%         | 2.7%         |
| Average duration of fixed maturities (inclusive of duration hedges) | 3.2 yrs      | 3.1 yrs      | 3.0 yrs      | 2.9 yrs      | 2.8 yrs      | 3.2 yrs      |
| Average credit quality                                              | AA-          | AA-          | AA-          | AA-          | AA-          | AA-          |



# **AXIS CAPITAL HOLDINGS LIMITED** **CORPORATE DEBT INVESTED ASSETS COMPOSITION** **At December 31, 2019**

|                                                 | Fair Value          | % of Total<br>Corporate Debt | % of Total<br>Cash and<br>Invested Assets |
|-------------------------------------------------|---------------------|------------------------------|-------------------------------------------|
| <b>Composition by sector - Investment grade</b> |                     |                              |                                           |
| Financial institutions:                         |                     |                              |                                           |
| U.S. banks                                      | \$ 960,924          | 19.5%                        | 6.0%                                      |
| Non-U.S. banks                                  | 335,063             | 6.8%                         | 2.1%                                      |
| Corporate/commercial finance                    | 282,339             | 5.7%                         | 1.8%                                      |
| Insurance                                       | 127,864             | 2.6%                         | 0.8%                                      |
| Investment brokerage                            | 43,090              | 0.9%                         | 0.3%                                      |
| Total financial institutions                    | 1,749,280           | 35.5%                        | 11.0%                                     |
| Consumer non-cyclicals                          | 473,501             | 9.6%                         | 3.0%                                      |
| Communications                                  | 285,593             | 5.8%                         | 1.8%                                      |
| Consumer cyclicals                              | 283,240             | 5.7%                         | 1.8%                                      |
| Technology                                      | 240,209             | 4.9%                         | 1.5%                                      |
| Energy                                          | 227,137             | 4.6%                         | 1.4%                                      |
| Non-U.S. government guaranteed                  | 214,224             | 4.3%                         | 1.3%                                      |
| Transportation                                  | 181,321             | 3.7%                         | 1.1%                                      |
| Industrials                                     | 143,978             | 2.9%                         | 0.9%                                      |
| Utilities                                       | 137,458             | 2.8%                         | 0.9%                                      |
| <b>Total investment grade</b>                   | <b>3,935,941</b>    | <b>79.8%</b>                 | <b>24.7%</b>                              |
| <b>Total non-investment grade</b>               | <b>994,313</b>      | <b>20.2%</b>                 | <b>6.2%</b>                               |
| <b>Total corporate debt</b>                     | <b>\$ 4,930,254</b> | <b>100.0%</b>                | <b>30.9%</b>                              |



**AXIS CAPITAL HOLDINGS LIMITED**  
**INVESTMENT PORTFOLIO**  
**TEN LARGEST CORPORATE DEBT HOLDINGS**  
**At December 31, 2019**

| ISSUER [a]                         | Amortized<br>Cost | Net Unrealized<br>Gain (Loss) | Fair Value | % of Total<br>Fixed Maturities |
|------------------------------------|-------------------|-------------------------------|------------|--------------------------------|
| BANK OF AMERICA CORP               | \$ 126,049        | \$ 5,173                      | \$ 131,222 | 1.1%                           |
| JP MORGAN CHASE & CO               | 115,490           | 4,015                         | 119,505    | 1.0%                           |
| MORGAN STANLEY                     | 111,975           | 3,871                         | 115,846    | 0.9%                           |
| WELLS FARGO & COMPANY              | 105,794           | 3,464                         | 109,258    | 0.9%                           |
| CITIGROUP INC                      | 83,326            | 3,392                         | 86,718     | 0.7%                           |
| GOLDMAN SACHS GROUP INC            | 81,913            | 2,665                         | 84,578     | 0.7%                           |
| AT&T INC                           | 53,707            | 2,729                         | 56,436     | 0.5%                           |
| MITSUBISHI UFJ FINANCIAL GROUP INC | 52,397            | 1,157                         | 53,554     | 0.4%                           |
| COMCAST CORPORATION                | 47,660            | 2,143                         | 49,803     | 0.4%                           |
| CVS HEALTH CORP                    | 45,417            | 3,256                         | 48,673     | 0.4%                           |

[a] The holdings represent direct investments in fixed maturities of the parent issuer and its major subsidiaries. These investments exclude asset and mortgage backed securities that were issued, sponsored or serviced by the parent.



# **AXIS CAPITAL HOLDINGS LIMITED** **MORTGAGE-BACKED AND ASSET-BACKED SECURITIES COMPOSITION** **At December 31, 2019**

|                                                          | <b>Agencies</b>     | <b>AAA</b>          | <b>AA</b>        | <b>A</b>         | <b>BBB</b>       | <b>Non-Investment<br/>Grade</b> | <b>Total</b>        |
|----------------------------------------------------------|---------------------|---------------------|------------------|------------------|------------------|---------------------------------|---------------------|
| Residential MBS                                          | \$ 1,592,584        | \$ 64,685           | \$ 1,377         | \$ 1,107         | \$ 1,760         | \$ 15,993                       | \$ 1,677,506        |
| Commercial MBS                                           | 332,383             | 991,627             | 37,872           | 3,170            | —                | —                               | 1,365,052           |
| ABS                                                      | —                   | 1,456,937           | 60,608           | 44,542           | 12,571           | 24,035                          | 1,598,693           |
| <b>Total mortgage-backed and asset-backed securities</b> | <b>\$ 1,924,967</b> | <b>\$ 2,513,249</b> | <b>\$ 99,857</b> | <b>\$ 48,819</b> | <b>\$ 14,331</b> | <b>\$ 40,028</b>                | <b>\$ 4,641,251</b> |
| <b>Percentage of total</b>                               | <b>41.5%</b>        | <b>54.2%</b>        | <b>2.2%</b>      | <b>1.1%</b>      | <b>0.3%</b>      | <b>0.7%</b>                     | <b>100.0%</b>       |

## AXIS CAPITAL HOLDINGS LIMITED

### REINSURANCE RECOVERABLE ANALYSIS

|                                                                                      | Q4 2019             | Q3 2019             | Q2 2019             | Q1 2019             | Q4 2018             | Q4 2017             |
|--------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Reinsurance recoverable on paid losses and loss expenses:</b>                     |                     |                     |                     |                     |                     |                     |
| Insurance                                                                            | \$ 196,334          | \$ 158,491          | \$ 159,259          | \$ 136,923          | \$ 159,347          | \$ 86,272           |
| Reinsurance                                                                          | 131,461             | 93,596              | 205,558             | 185,156             | 121,112             | 93,054              |
| Total                                                                                | <u>\$ 327,795</u>   | <u>\$ 252,087</u>   | <u>\$ 364,817</u>   | <u>\$ 322,079</u>   | <u>\$ 280,459</u>   | <u>\$ 179,326</u>   |
| <b>Reinsurance recoverable on unpaid losses and loss expenses: Case reserves:</b>    |                     |                     |                     |                     |                     |                     |
| Insurance                                                                            | \$ 890,036          | \$ 869,575          | \$ 871,493          | \$ 859,971          | \$ 791,215          | \$ 930,132          |
| Reinsurance                                                                          | 468,904             | 351,179             | 351,230             | 351,413             | 327,067             | 151,062             |
| Total                                                                                | <u>\$ 1,358,940</u> | <u>\$ 1,220,754</u> | <u>\$ 1,222,723</u> | <u>\$ 1,211,384</u> | <u>\$ 1,118,282</u> | <u>\$ 1,081,194</u> |
| <b>Reinsurance recoverable on unpaid losses and loss expenses: IBNR</b>              |                     |                     |                     |                     |                     |                     |
| Insurance                                                                            | \$ 1,933,657        | \$ 1,932,766        | \$ 1,889,003        | \$ 1,916,176        | \$ 1,919,002        | \$ 1,807,607        |
| Reinsurance                                                                          | 603,116             | 570,738             | 470,322             | 446,571             | 484,754             | 287,551             |
| Total                                                                                | <u>\$ 2,536,773</u> | <u>\$ 2,503,504</u> | <u>\$ 2,359,325</u> | <u>\$ 2,362,747</u> | <u>\$ 2,403,756</u> | <u>\$ 2,095,158</u> |
| <b>Provision against reinsurance recoverable on unpaid losses and loss expenses:</b> |                     |                     |                     |                     |                     |                     |
| Insurance                                                                            | \$ (16,720)         | \$ (17,598)         | \$ (16,722)         | \$ (17,583)         | \$ (18,191)         | \$ (16,420)         |
| Reinsurance                                                                          | (1,237)             | (867)               | (795)               | (1,488)             | (2,404)             | (418)               |
| Total                                                                                | <u>\$ (17,957)</u>  | <u>\$ (18,465)</u>  | <u>\$ (17,517)</u>  | <u>\$ (19,071)</u>  | <u>\$ (20,595)</u>  | <u>\$ (16,838)</u>  |
| <b>Reinsurance recoverables on unpaid and paid losses and loss expenses:</b>         |                     |                     |                     |                     |                     |                     |
| Insurance                                                                            | \$ 3,003,307        | \$ 2,943,234        | \$ 2,903,033        | \$ 2,895,487        | \$ 2,851,373        | \$ 2,807,591        |
| Reinsurance                                                                          | 1,202,244           | 1,014,646           | 1,026,315           | 981,652             | 930,529             | 531,249             |
| Total                                                                                | <u>\$ 4,205,551</u> | <u>\$ 3,957,880</u> | <u>\$ 3,929,348</u> | <u>\$ 3,877,139</u> | <u>\$ 3,781,902</u> | <u>\$ 3,338,840</u> |



# AXIS CAPITAL HOLDINGS LIMITED

## REINSURANCE RECOVERABLE ANALYSIS

At December 31, 2019

| Categories                                    | Reinsurance Recoverable, Gross of Collateral | Collateral          | Reinsurance Recoverable, Net of Collateral | % of Total Reinsurance Recoverable, Net of Collateral | % of Total Shareholders' Equity | Provision Against Reinsurance Recoverable | Provision Against Reinsurance Recoverable as % of Reinsurance Recoverable, Gross of Collateral | Reinsurance recoverable on unpaid and paid losses |
|-----------------------------------------------|----------------------------------------------|---------------------|--------------------------------------------|-------------------------------------------------------|---------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Top 10 reinsurers based on gross recoverables | \$ 2,421,828                                 | \$ (506,504)        | \$ 1,915,324                               | 57.4%                                                 | 34.5%                           | \$ (8,073)                                | 0.3%                                                                                           | \$ 2,413,755                                      |
| Other reinsurers balances > \$20 million      | 1,384,179                                    | (264,496)           | 1,119,683                                  | 33.5%                                                 | 20.2%                           | (7,779)                                   | 0.6%                                                                                           | 1,376,400                                         |
| Other reinsurers balances < \$20 million      | 417,501                                      | (113,338)           | 304,163                                    | 9.1%                                                  | 5.5%                            | (2,105)                                   | 0.5%                                                                                           | 415,396                                           |
| <b>Total</b>                                  | <b>\$ 4,223,508</b>                          | <b>\$ (884,338)</b> | <b>\$ 3,339,170</b>                        | <b>100.0%</b>                                         | <b>60.2%</b>                    | <b>\$ (17,957)</b>                        | <b>0.4%</b>                                                                                    | <b>\$ 4,205,551</b>                               |

At December 31, 2019, 89.1% (December 31, 2018: 89.5%) of our reinsurance recoverable, gross of collateral were collectible from reinsurers rated the equivalent of A- or better by A.M. BEST.

| Top 10 Reinsurers (net of collateral)       | % of Total Reinsurance Recoverable, Net of Collateral | % of Total Shareholders' Equity |
|---------------------------------------------|-------------------------------------------------------|---------------------------------|
| 1 Swiss Reinsurance America Corporation     | 13.1%                                                 | 7.9%                            |
| 2 Lloyds of London                          | 11.1%                                                 | 6.6%                            |
| 3 Harrington Re Ltd.                        | 8.2%                                                  | 4.9%                            |
| 4 Transatlantic Reinsurance Co              | 6.2%                                                  | 3.7%                            |
| 5 Partner Reinsurance Co of the US          | 5.1%                                                  | 3.1%                            |
| 6 Hannover Ruck SE                          | 4.9%                                                  | 3.0%                            |
| 7 Everest Reinsurance Company               | 3.8%                                                  | 2.3%                            |
| 8 Munich Reinsurance America, Inc           | 3.3%                                                  | 2.0%                            |
| 9 SCOR Reinsurance Company                  | 2.5%                                                  | 1.5%                            |
| 10 Munchener Ruckversicherungs Gesellschaft | 2.3%                                                  | 1.3%                            |
|                                             | <b>60.5%</b>                                          | <b>36.3%</b>                    |

## AXIS CAPITAL HOLDINGS LIMITED

### RESERVE FOR LOSSES AND LOSS EXPENSES

|                                             | Quarter ended December 31, 2019      |                                          |                                          | Year ended December 31, 2019         |                                          |                                          |
|---------------------------------------------|--------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------|------------------------------------------|------------------------------------------|
|                                             | Reserve for losses and loss expenses | Reinsurance recoverable on unpaid losses | Net reserve for losses and loss expenses | Reserve for losses and loss expenses | Reinsurance recoverable on unpaid losses | Net reserve for losses and loss expenses |
| <b>Reserve for losses and loss expenses</b> |                                      |                                          |                                          |                                      |                                          |                                          |
| Beginning of period                         | \$ 12,498,507                        | \$ (3,705,793)                           | \$ 8,792,714                             | \$ 12,280,769                        | \$ (3,501,669)                           | \$ 8,779,100                             |
| Incurred losses and loss expenses           | 1,324,887                            | (467,493)                                | 857,394                                  | 4,647,178                            | (1,602,380)                              | 3,044,798                                |
| Paid losses and loss expenses               | (1,236,636)                          | 386,763                                  | (849,873)                                | (4,272,628)                          | 1,302,003                                | (2,970,625)                              |
| Foreign exchange and other                  | 165,323                              | (91,233)                                 | 74,090                                   | 96,762                               | (75,710)                                 | 21,052                                   |
| End of period <b>[a]</b>                    | <u>\$ 12,752,081</u>                 | <u>\$ (3,877,756)</u>                    | <u>\$ 8,874,325</u>                      | <u>\$ 12,752,081</u>                 | <u>\$ (3,877,756)</u>                    | <u>\$ 8,874,325</u>                      |

**[a]** At December 31, 2019, reserve for losses and loss expenses included IBNR of \$7,891 million, or 62%, of reserves for losses and loss expenses. At December 31, 2018, the comparable amount was \$7,655 million, or 62%.

## AXIS CAPITAL HOLDINGS LIMITED

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

|                                                                           | Quarter ended December 31, 2019 |                   |                   | Year ended December 31, 2019 |                     |                     |
|---------------------------------------------------------------------------|---------------------------------|-------------------|-------------------|------------------------------|---------------------|---------------------|
|                                                                           | Insurance                       | Reinsurance       | Total             | Insurance                    | Reinsurance         | Total               |
| Gross paid losses and loss expenses                                       | \$ 575,688                      | \$ 660,948        | \$ 1,236,636      | \$ 2,219,820                 | \$ 2,052,808        | \$ 4,272,628        |
| Reinsurance recoverable on paid losses and loss expenses                  | (254,044)                       | (132,719)         | (386,763)         | (880,788)                    | (421,215)           | (1,302,003)         |
| Net paid losses and loss expenses                                         | 321,644                         | 528,229           | 849,873           | 1,339,032                    | 1,631,593           | 2,970,625           |
| Change in:                                                                |                                 |                   |                   |                              |                     |                     |
| Gross case reserves                                                       | (31,996)                        | 3,236             | (28,760)          | 111,613                      | 90,573              | 202,186             |
| Gross IBNR                                                                | 27,839                          | 89,173            | 117,012           | (73,243)                     | 245,608             | 172,365             |
| Reinsurance recoverable on unpaid loss and loss expenses                  | (253)                           | (80,478)          | (80,731)          | (98,723)                     | (201,655)           | (300,378)           |
| <b>Total net incurred losses and loss expenses</b>                        | <b>\$ 317,234</b>               | <b>\$ 540,160</b> | <b>\$ 857,394</b> | <b>\$ 1,278,679</b>          | <b>\$ 1,766,119</b> | <b>\$ 3,044,798</b> |
| Gross reserve for losses and loss expenses                                | \$ 6,496,568                    | \$ 6,255,513      | \$ 12,752,081     | \$ 6,496,568                 | \$ 6,255,513        | \$ 12,752,081       |
| Net favorable prior year reserve development                              | \$ 10,455                       | \$ 3,426          | \$ 13,881         | \$ 53,302                    | \$ 25,598           | \$ 78,900           |
| <b>Key Ratios</b>                                                         |                                 |                   |                   |                              |                     |                     |
| Net paid losses and loss expenses / Net incurred losses and loss expenses | 101.4%                          | 97.8%             | 99.1%             | 104.7%                       | 92.4%               | 97.6%               |
| Net paid losses and loss expenses / Net premiums earned                   | 57.5%                           | 86.2%             | 72.5%             | 61.1%                        | 68.1%               | 64.8%               |
| Change in net losses and loss expenses / Net premiums earned              | (0.8%)                          | 2.0%              | 0.7%              | (2.7%)                       | 5.6%                | 1.6%                |
| <b>Net losses and loss expenses ratio</b>                                 | <b>56.7%</b>                    | <b>88.2%</b>      | <b>73.2%</b>      | <b>58.4%</b>                 | <b>73.7%</b>        | <b>66.4%</b>        |

# AXIS CAPITAL HOLDINGS LIMITED

## RESERVE FOR LOSSES AND LOSS EXPENSES: PAID TO INCURRED ANALYSIS INSURANCE - QUARTER

|                                                                           | Q4 2019           | Q3 2019           | Q2 2019           | Q1 2019           | Q4 2018           | Q4 2017           |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Gross paid losses and loss expenses                                       | \$ 575,688        | \$ 546,316        | \$ 537,634        | \$ 560,181        | \$ 676,665        | \$ 579,122        |
| Reinsurance recoverable on paid losses and loss expenses                  | (254,044)         | (232,791)         | (175,788)         | (218,163)         | (254,452)         | (158,719)         |
| Net paid losses and loss expenses                                         | 321,644           | 313,525           | 361,846           | 342,018           | 422,213           | 420,403           |
| Change in:                                                                |                   |                   |                   |                   |                   |                   |
| Gross case reserves                                                       | (31,996)          | 35,106            | (8,250)           | 116,753           | (40,794)          | 220,300           |
| Gross IBNR                                                                | 27,839            | 42,137            | (57,015)          | (86,204)          | 117,212           | (170,581)         |
| Reinsurance recoverable on unpaid losses and loss expenses                | (253)             | (51,802)          | 12,122            | (58,791)          | (70,106)          | (97,931)          |
| <b>Total net incurred losses and loss expenses</b>                        | <b>\$ 317,234</b> | <b>\$ 338,966</b> | <b>\$ 308,703</b> | <b>\$ 313,776</b> | <b>\$ 428,525</b> | <b>\$ 372,191</b> |
| Gross reserve for losses and loss expenses                                | \$ 6,496,568      | \$ 6,437,281      | \$ 6,395,448      | \$ 6,465,347      | \$ 6,426,309      | \$ 7,011,805      |
| Net favorable prior year reserve development                              | \$ 10,455         | \$ 14,609         | \$ 21,326         | \$ 6,913          | \$ 32,257         | \$ 24,879         |
| <b>Key Ratios</b>                                                         |                   |                   |                   |                   |                   |                   |
| Net paid losses and loss expenses / Net incurred losses and loss expenses | 101.4%            | 92.5%             | 117.2%            | 109.0%            | 98.5%             | 113.0%            |
| Net paid losses and loss expenses / Net premiums earned                   | 57.5%             | 58.4%             | 67.4%             | 61.4%             | 71.5%             | 71.7%             |
| Change in net losses and loss expenses / Net premiums earned              | (0.8%)            | 4.8%              | (9.9%)            | (5.0%)            | 1.1%              | (8.2%)            |
| <b>Net losses and loss expenses ratio</b>                                 | <b>56.7%</b>      | <b>63.2%</b>      | <b>57.5%</b>      | <b>56.4%</b>      | <b>72.6%</b>      | <b>63.5%</b>      |

# AXIS CAPITAL HOLDINGS LIMITED

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

|                                                                           | Q4 2019           | Q3 2019           | Q2 2019           | Q1 2019           | Q4 2018           | Q4 2017           |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Gross paid losses and loss expenses                                       | \$ 660,948        | \$ 442,924        | \$ 428,428        | \$ 520,508        | \$ 611,056        | \$ 542,160        |
| Reinsurance recoverable on paid losses and loss expenses                  | (132,719)         | (72,222)          | (82,907)          | (133,368)         | (92,279)          | (91,146)          |
| Net paid losses and loss expenses                                         | 528,229           | 370,702           | 345,521           | 387,140           | 518,777           | 451,014           |
| Change in:                                                                |                   |                   |                   |                   |                   |                   |
| Gross case reserves                                                       | 3,236             | 27,062            | 25,790            | 34,485            | 199,227           | 94,597            |
| Gross IBNR                                                                | 89,173            | 224,223           | 20,656            | (88,443)          | 42,084            | (90,690)          |
| Reinsurance recoverable on unpaid losses and loss expenses                | (80,478)          | (110,040)         | (28,207)          | 17,070            | (161,270)         | 13,020            |
| <b>Total net incurred losses and loss expenses</b>                        | <b>\$ 540,160</b> | <b>\$ 511,947</b> | <b>\$ 363,760</b> | <b>\$ 350,252</b> | <b>\$ 598,818</b> | <b>\$ 467,941</b> |
| Gross reserve for losses and loss expenses                                | \$ 6,255,513      | \$ 6,061,226      | \$ 5,859,263      | \$ 5,810,424      | \$ 5,854,460      | \$ 5,985,747      |
| Net favorable prior year reserve development                              | \$ 3,426          | \$ 12,118         | \$ 2,295          | \$ 7,759          | \$ 7,321          | \$ 31,680         |
| <b>Key Ratios</b>                                                         |                   |                   |                   |                   |                   |                   |
| Net paid losses and loss expenses / Net incurred losses and loss expenses | 97.8%             | 72.4%             | 95.0%             | 110.5%            | 86.6%             | 96.4%             |
| Net paid losses and loss expenses / Net premiums earned                   | 86.2%             | 59.7%             | 58.9%             | 67.0%             | 83.1%             | 72.1%             |
| Change in net losses and loss expenses / Net premiums earned              | 2.0%              | 22.8%             | 3.1%              | (6.3%)            | 12.9%             | 2.7%              |
| <b>Net losses and loss expenses ratio</b>                                 | <b>88.2%</b>      | <b>82.5%</b>      | <b>62.0%</b>      | <b>60.7%</b>      | <b>96.0%</b>      | <b>74.8%</b>      |



## AXIS CAPITAL HOLDINGS LIMITED

### NET PROBABLE MAXIMUM LOSSES TO CERTAIN PEAK INDUSTRY CATASTROPHE EXPOSURES - AS OF JANUARY 1, 2020

|                           |                | Estimated Net Exposures<br>(millions of U.S. dollars) |                                        |                              |                                        |                              |                                        |
|---------------------------|----------------|-------------------------------------------------------|----------------------------------------|------------------------------|----------------------------------------|------------------------------|----------------------------------------|
| Territory                 | Peril          | 50 Year<br>Return<br>Period                           | % of Common<br>Shareholders'<br>Equity | 100 Year<br>Return<br>Period | % of Common<br>Shareholders'<br>Equity | 250 Year<br>Return<br>Period | % of Common<br>Shareholders'<br>Equity |
| Single zone, single event |                |                                                       |                                        |                              |                                        |                              |                                        |
| Southeast                 | U.S. Hurricane | \$ 262                                                | 5.5%                                   | \$ 310                       | 6.5%                                   | \$ 428                       | 9.0%                                   |
| Northeast                 | U.S. Hurricane | 53                                                    | 1.1%                                   | 145                          | 3.0%                                   | 236                          | 4.9%                                   |
| Mid-Atlantic              | U.S. Hurricane | 120                                                   | 2.5%                                   | 214                          | 4.5%                                   | 349                          | 7.3%                                   |
| Gulf of Mexico            | U.S. Hurricane | 202                                                   | 4.2%                                   | 249                          | 5.2%                                   | 283                          | 5.9%                                   |
| California                | Earthquake     | 176                                                   | 3.7%                                   | 249                          | 5.2%                                   | 292                          | 6.1%                                   |
| Europe                    | Windstorm      | 195                                                   | 4.1%                                   | 238                          | 5.0%                                   | 316                          | 6.6%                                   |
| Japan                     | Earthquake     | 138                                                   | 2.9%                                   | 247                          | 5.2%                                   | 414                          | 8.7%                                   |
| Japan                     | Windstorm      | 114                                                   | 2.4%                                   | 195                          | 4.1%                                   | 256                          | 5.4%                                   |

The above table shows our Probable Maximum Loss ("PML") to a single natural peril catastrophe event within certain defined single zones which correspond to peak industry catastrophe exposures at January 1, 2020. The return period refers to the frequency with which losses of a given amount or greater are expected to occur. A zone is a geographic area in which the insurance risks are considered to be correlated to a single catastrophic event. Estimated losses from a modeled event are grouped into a single zone, as shown above, based on where the majority of the total estimated industry loss is expected to occur.

As indicated in the table above, our modeled single occurrence 1-in-100 year return period PML for a Southeast hurricane, net of reinsurance, is approximately \$0.3 billion. According to our modeling, there is a one percent chance that on an annual basis, our losses incurred from a Southeast hurricane event could be in excess of \$0.3 billion. Conversely, there is a 99% chance that on an annual basis, the loss from a Southeast hurricane will fall below \$0.3 billion.

We have developed our PML estimates using multiple commercially available catastrophe vendor models, including AIR and RMS. We weight the use of these vendor models based upon our own judgment and experience, and include in our estimates non-modeled perils and other factors which we believe provide us with a more complete view of catastrophe risk.

Our PML estimates are based on assumptions that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses to differ materially from those expressed above. We aim to reduce the potential for model error in a number of ways, foremost by ensuring that management's judgment supplements the model outputs. We also perform ongoing model validation both within our business units and through our catastrophe model validation unit. These validation procedures include sensitivity testing of models to understand their key variables and, where possible, back testing the model outputs to actual results.

Our estimated net losses from peak zone catastrophes may change from period to period as a result of several factors, which include but are not limited to, updates to vendor catastrophe models, changes in our own modeling, changes in our underwriting portfolios, changes to our reinsurance purchasing strategy and changes in foreign exchange rates.



# AXIS CAPITAL HOLDINGS LIMITED

## EARNINGS PER COMMON SHARE INFORMATION - AS REPORTED, U.S. GAAP

|                                                                   | Quarters ended December 31, |                     | Years ended December 31, |               |
|-------------------------------------------------------------------|-----------------------------|---------------------|--------------------------|---------------|
|                                                                   | 2019                        | 2018                | 2019                     | 2018          |
| Net income (loss) available (attributable) to common shareholders | <u>\$ (9,897)</u>           | <u>\$ (198,448)</u> | <u>\$ 282,361</u>        | <u>\$ 396</u> |
| <b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>                |                             |                     |                          |               |
| Weighted average common shares outstanding                        | 83,957                      | 83,582              | 83,894                   | 83,501        |
| Dilutive share equivalents:                                       |                             |                     |                          |               |
| Share-based compensation plans [a]                                | —                           | —                   | 579                      | 506           |
| Weighted average diluted common shares outstanding                | <u>83,957</u>               | <u>83,582</u>       | <u>84,473</u>            | <u>84,007</u> |
| <b>EARNINGS (LOSS) PER COMMON SHARE</b>                           |                             |                     |                          |               |
| Earnings (loss) per common share                                  | (\$0.12)                    | (\$2.37)            | \$3.37                   | \$—           |
| Earnings (loss) per diluted common share                          | (\$0.12)                    | (\$2.37)            | \$3.34                   | \$—           |

[a] Due to the net loss recognized for the quarters ended December 31, 2019 and 2018, the share equivalents were anti-dilutive.

# AXIS CAPITAL HOLDINGS LIMITED

## EARNINGS PER COMMON SHARE INFORMATION AND COMMON SHARE ROLLFORWARD - QUARTER

|                                                                   | Q4 2019              | Q3 2019          | Q2 2019           | Q1 2019          | Q4 2018             | Q4 2017            |
|-------------------------------------------------------------------|----------------------|------------------|-------------------|------------------|---------------------|--------------------|
| Net income (loss) available (attributable) to common shareholders | <u>\$ (9,897)</u>    | <u>\$ 27,745</u> | <u>\$ 166,387</u> | <u>\$ 98,125</u> | <u>\$ (198,448)</u> | <u>\$ (38,081)</u> |
| <b>COMMON SHARES OUTSTANDING</b>                                  |                      |                  |                   |                  |                     |                    |
| Common shares - at beginning of period                            | 83,947               | 83,947           | 83,934            | 83,586           | 83,557              | 83,157             |
| Shares issued and treasury shares reissued                        | 23                   | 1                | 20                | 505              | 53                  | 8                  |
| Shares repurchased for treasury                                   | (11)                 | (1)              | (7)               | (157)            | (24)                | (4)                |
| <b>Common shares - at end of period</b>                           | <u><b>83,959</b></u> | <u>83,947</u>    | <u>83,947</u>     | <u>83,934</u>    | <u>83,586</u>       | <u>83,161</u>      |
| <b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>                 |                      |                  |                   |                  |                     |                    |
| Weighted average common shares outstanding                        | 83,957               | 83,947           | 83,941            | 83,725           | 83,582              | 83,160             |
| Dilutive share equivalents:                                       |                      |                  |                   |                  |                     |                    |
| Share-based compensation plans [a]                                | —                    | 635              | 460               | 547              | —                   | —                  |
| <b>Weighted average diluted common shares outstanding</b>         | <u><b>83,957</b></u> | <u>84,582</u>    | <u>84,401</u>     | <u>84,272</u>    | <u>83,582</u>       | <u>83,160</u>      |
| <b>EARNINGS (LOSS) PER COMMON SHARE</b>                           |                      |                  |                   |                  |                     |                    |
| Earnings (loss) per common share                                  | (\$0.12)             | \$0.33           | \$1.98            | \$1.17           | (\$2.37)            | (\$0.46)           |
| Earnings (loss) per diluted common share                          | (\$0.12)             | \$0.33           | \$1.97            | \$1.16           | (\$2.37)            | (\$0.46)           |

[a] Due to the net loss recognized for the quarters ended December 31, 2019, 2018 and 2017, the share equivalents were anti-dilutive.

# AXIS CAPITAL HOLDINGS LIMITED

## BOOK VALUE PER DILUTED COMMON SHARE ANALYSIS - TREASURY STOCK METHOD [a]

| At December 31, 2019                |                             |                                                  |                |
|-------------------------------------|-----------------------------|--------------------------------------------------|----------------|
|                                     | Common Shareholders' Equity | Common Shares Outstanding net of Treasury Shares | Per share      |
| Closing stock price                 |                             |                                                  | <u>\$59.44</u> |
| Book value per common share         | \$ 4,769,008                | 83,959                                           | \$56.80        |
| Dilutive securities: [b]            |                             |                                                  |                |
| Restricted stock units              |                             | 1,530                                            | (1.01)         |
| Book value per diluted common share | <u>\$ 4,769,008</u>         | <u>85,489</u>                                    | <u>\$55.79</u> |
| At December 31, 2018                |                             |                                                  |                |
|                                     | Common Shareholders' Equity | Common Shares Outstanding net of Treasury Shares | Per share      |
| Closing stock price                 |                             |                                                  | <u>\$51.64</u> |
| Book value per common share         | \$ 4,255,071                | 83,586                                           | \$50.91        |
| Dilutive securities: [b]            |                             |                                                  |                |
| Restricted stock units              |                             | 1,643                                            | (0.98)         |
| Book value per diluted common share | <u>\$ 4,255,071</u>         | <u>85,229</u>                                    | <u>\$49.93</u> |

[a] Under this method, unvested restricted stock units are included in determining the diluted common shares outstanding.

[b] Excludes cash-settled restricted stock units.

# AXIS CAPITAL HOLDINGS LIMITED

## NON-GAAP FINANCIAL MEASURES RECONCILIATION (UNAUDITED)

### OPERATING INCOME AND OPERATING RETURN ON AVERAGE COMMON EQUITY

|                                                                          | Quarters ended December 31, |                     | Years ended December 31, |                     |
|--------------------------------------------------------------------------|-----------------------------|---------------------|--------------------------|---------------------|
|                                                                          | 2019                        | 2018                | 2019                     | 2018                |
| <b>Net income (loss) available (attributable) to common shareholders</b> | <b>\$ (9,897)</b>           | <b>\$ (198,448)</b> | <b>\$ 282,361</b>        | <b>\$ 396</b>       |
| Net investment (gains) losses [a]                                        | (42,712)                    | 72,667              | (91,233)                 | 150,218             |
| Foreign exchange losses (gains) [b]                                      | 52,827                      | (31,232)            | (12,041)                 | (29,165)            |
| Reorganization expenses [c]                                              | 8,074                       | 18,815              | 37,384                   | 66,940              |
| Interest in (income) loss of equity method investments [d]               | (4,073)                     | 4,052               | (9,718)                  | (993)               |
| Income tax expense (benefit)                                             | 131                         | (10,157)            | 6,656                    | (26,697)            |
| <b>Operating income (loss)</b>                                           | <b>\$ 4,350</b>             | <b>\$ (144,303)</b> | <b>\$ 213,409</b>        | <b>\$ 160,699</b>   |
| <b>Earnings (loss) per diluted common share</b>                          | <b>\$ (0.12)</b>            | <b>\$ (2.37)</b>    | <b>\$ 3.34</b>           | <b>\$ —</b>         |
| Net investment (gains) losses                                            | (0.50)                      | 0.87                | (1.08)                   | 1.79                |
| Foreign exchange losses (gains)                                          | 0.62                        | (0.37)              | (0.14)                   | (0.35)              |
| Reorganization expenses                                                  | 0.10                        | 0.23                | 0.44                     | 0.80                |
| Interest in (income) loss of equity method investments                   | (0.05)                      | 0.05                | (0.12)                   | (0.01)              |
| Income tax expense (benefit)                                             | —                           | (0.14)              | 0.08                     | (0.32)              |
| <b>Operating income (loss) per diluted common share</b>                  | <b>\$ 0.05</b>              | <b>\$ (1.73)</b>    | <b>\$ 2.52</b>           | <b>\$ 1.91</b>      |
| <b>Weighted average diluted common shares outstanding</b>                | <b>84,631</b>               | <b>83,582</b>       | <b>84,473</b>            | <b>84,007</b>       |
| <b>Average common shareholders' equity</b>                               | <b>\$ 4,789,939</b>         | <b>\$ 4,376,172</b> | <b>\$ 4,512,040</b>      | <b>\$ 4,410,668</b> |
| <b>Annualized return on average common equity</b>                        | <b>(0.8%)</b>               | <b>(18.1%)</b>      | <b>6.3%</b>              | <b>—%</b>           |
| <b>Annualized operating return on average common equity</b>              | <b>0.4%</b>                 | <b>(13.2%)</b>      | <b>4.7%</b>              | <b>3.6%</b>         |

- [a] Tax cost (benefit) of \$5 million and \$(8) million for the quarters ended December 31, 2019 and 2018, respectively, and \$12 million and \$(12) million for the years ended December 31, 2019 and 2018, respectively. Tax impact is estimated by applying the statutory rates of applicable jurisdictions, after consideration of other relevant factors including the ability to utilize capital losses.
- [b] Tax cost (benefit) of \$(4) million and \$1 million for the quarters ended December 31, 2019 and 2018, respectively, and \$1 million and \$(4) million for the years ended December 31, 2019 and 2018, respectively. Tax impact is estimated by applying the statutory rates of applicable jurisdictions, after consideration of other relevant factors including the tax status of specific foreign exchange transactions.
- [c] Tax (benefit) of \$(1 million) and \$(4) million for the quarters ended December 31, 2019 and 2018, respectively, and \$(7) million and \$(11) million for the years ended December 31, 2019 and 2018, respectively. Tax impact is estimated by applying the statutory rates of applicable jurisdictions.
- [d] Tax cost of \$nil for the quarters ended December 31, 2019 and 2018 and \$nil and \$0.3 million for the years ended December 31, 2019 and 2018, respectively. Tax impact is estimated by applying the statutory rates of applicable jurisdictions.

# AXIS CAPITAL HOLDINGS LIMITED

## NON-GAAP FINANCIAL MEASURES RECONCILIATION (UNAUDITED)

### EX-PGAAP OPERATING INCOME AND EX-PGAAP OPERATING RETURN ON AVERAGE COMMON EQUITY

|                                                                          | Quarters ended December 31, |                     | Years ended December 31, |                     |
|--------------------------------------------------------------------------|-----------------------------|---------------------|--------------------------|---------------------|
|                                                                          | 2019                        | 2018                | 2019                     | 2018                |
| <b>Net income (loss) available (attributable) to common shareholders</b> | \$ (9,897)                  | \$ (198,448)        | \$ 282,361               | \$ 396              |
| Net investment (gains) losses [a]                                        | (42,712)                    | 72,667              | (91,233)                 | 150,218             |
| Foreign exchange losses (gains) [a]                                      | 52,827                      | (31,232)            | (12,041)                 | (29,165)            |
| Reorganization expenses [a]                                              | 8,074                       | 18,815              | 37,384                   | 66,940              |
| Interest in (income) loss of equity method investments [a]               | (4,073)                     | 4,052               | (9,718)                  | (993)               |
| Income tax expense (benefit)                                             | 131                         | (10,157)            | 6,656                    | (26,697)            |
| <b>Operating income (loss)</b>                                           | <b>\$ 4,350</b>             | <b>\$ (144,303)</b> | <b>\$ 213,409</b>        | <b>\$ 160,699</b>   |
| Amortization of VOBA and intangible assets [b]                           | 4,954                       | 27,648              | 37,939                   | 184,531             |
| Amortization of acquisition cost [c]                                     | (1,518)                     | (16,032)            | (12,207)                 | (125,467)           |
| Income tax expense (benefit)                                             | (653)                       | (2,207)             | (4,888)                  | (11,222)            |
| <b>Ex-PGAAP operating income (loss) [d]</b>                              | <b>\$ 7,133</b>             | <b>\$ (134,894)</b> | <b>\$ 234,253</b>        | <b>\$ 208,541</b>   |
| <b>Earnings (loss) per diluted common share</b>                          | <b>\$ (0.12)</b>            | <b>\$ (2.37)</b>    | <b>\$ 3.34</b>           | <b>\$ —</b>         |
| Net investment (gains) losses                                            | (0.50)                      | 0.87                | (1.08)                   | 1.79                |
| Foreign exchange losses (gains)                                          | 0.62                        | (0.37)              | (0.14)                   | (0.35)              |
| Reorganization expenses                                                  | 0.10                        | 0.23                | 0.44                     | 0.80                |
| Interest in (income) loss of equity method investments                   | (0.05)                      | 0.05                | (0.12)                   | (0.01)              |
| Income tax expense (benefit)                                             | —                           | (0.14)              | 0.08                     | (0.32)              |
| <b>Operating income (loss) per diluted common share</b>                  | <b>\$ 0.05</b>              | <b>\$ (1.73)</b>    | <b>\$ 2.52</b>           | <b>\$ 1.91</b>      |
| Amortization of VOBA and intangible assets                               | 0.06                        | 0.33                | 0.45                     | 2.20                |
| Amortization of acquisition cost                                         | (0.02)                      | (0.19)              | (0.14)                   | (1.49)              |
| Income tax expense (benefit)                                             | (0.01)                      | (0.02)              | (0.06)                   | (0.14)              |
| <b>Ex-PGAAP operating income (loss) per diluted common share [d]</b>     | <b>\$ 0.08</b>              | <b>\$ (1.61)</b>    | <b>\$ 2.77</b>           | <b>\$ 2.48</b>      |
| <b>Weighted average diluted common shares outstanding</b>                | <b>84,631</b>               | <b>83,582</b>       | <b>84,473</b>            | <b>84,007</b>       |
| <b>Average common shareholders' equity</b>                               | <b>\$ 4,789,939</b>         | <b>\$ 4,376,172</b> | <b>\$ 4,512,040</b>      | <b>\$ 4,410,668</b> |
| <b>Annualized return on average common equity</b>                        | <b>(0.8%)</b>               | <b>(18.1%)</b>      | <b>6.3%</b>              | <b>—%</b>           |
| <b>Annualized operating return on average common equity</b>              | <b>0.4%</b>                 | <b>(13.2%)</b>      | <b>4.7%</b>              | <b>3.6%</b>         |
| <b>Annualized ex-PGAAP operating return on average common equity [d]</b> | <b>0.6%</b>                 | <b>(12.3%)</b>      | <b>5.2%</b>              | <b>4.7%</b>         |

[a] Tax cost (benefit) shown on previous page.

[b] Tax (benefit) of \$(1) million and \$(5) million for the quarters ended December 31, 2019 and 2018, respectively and \$(7) million and \$(35) million for the years ended December 31, 2019 and 2018, respectively. Tax impact is estimated by applying the statutory rates of applicable jurisdictions.

[c] Tax cost of \$0.3 million and \$3 million for the quarters ended December 31, 2019 and 2018, respectively and \$2 million and \$24 million for the years ended December 31, 2019 and 2018, respectively. Tax impact is estimated by applying the statutory rates of applicable jurisdictions.

[d] Ex-PGAAP operating income (loss), ex-PGAAP operating income (loss) per diluted common share and annualized ex-PGAAP operating ROACE are non-GAAP financial measures as defined in SEC Regulation G. The reconciliations to the most comparable GAAP financial measures, net income (loss) available (attributable) to common shareholders, earnings (loss) per diluted common share and annualized ROACE, respectively, are presented in the table above, and a discussion of the rationale for the presentation of these items is provided later in this document. Ex-PGAAP operating loss per diluted common share for the quarter ended December 31, 2018, was calculated using weighted average common shares outstanding due to the ex-PGAAP operating loss recognized in the period.



# AXIS CAPITAL HOLDINGS LIMITED

## VALUE OF BUSINESS ACQUIRED

### Acquisition of Novae Group plc ("Novae")

On October 2, 2017 (the "closing date" or the "acquisition date"), AXIS Specialty UK Holdings Limited, a wholly owned subsidiary of the Company, acquired all of the issued and to be issued share capital of Novae for an aggregate purchase price of \$617 million. The results of Novae are included in the results of the Company's insurance and reinsurance segments from that date. The acquisition of Novae was undertaken to accelerate the growth strategy of the Company's international insurance business, and to significantly scale up its capabilities to enable the Company to even better serve its clients and brokers.

At the acquisition date, the Company identified Value of Business Acquired ("VOBA") which represents the present value of the expected underwriting profit within policies that were in-force at the closing date of the transaction, of \$257 million, pre-tax.

### Amortization of Value of Business Acquired ("VOBA")

VOBA is amortized over its economic useful life and the expense is included in amortization of value of business acquired in the consolidated statement of operations. The amortization of VOBA affects the Company's operating income, a non-GAAP financial measure but this expense is not included in the results of the Company's insurance and reinsurance segments.

The estimated amortization expense for VOBA with a finite life is as follows:

| <b>VOBA Amortization expense</b> |                   |
|----------------------------------|-------------------|
| <b>Q4 2017</b>                   | <b>\$ 50,104</b>  |
| <b>2018</b>                      | <b>171,124</b>    |
| <b>2019</b>                      | <b>26,722</b>     |
| <b>2020</b>                      | <b>5,139</b>      |
| <b>2021</b>                      | <b>3,853</b>      |
| <b>2022</b>                      | <b>—</b>          |
| <b>2023 and thereafter</b>       | <b>—</b>          |
| <b>VOBA</b>                      | <b>256,942</b>    |
| <b>Associated tax impact</b>     | <b>(48,992)</b>   |
| <b>VOBA, net of tax [a]</b>      | <b>\$ 207,950</b> |

[a] VOBA, net of tax is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to VOBA, the most comparable GAAP financial measure, is presented in the table above and a discussion of the rationale for its presentation is provided later in this document.

The purchase price was allocated to the assets acquired and liabilities assumed of Novae based on estimated fair values at the closing date. This resulted in the write-off of the deferred acquisition cost asset on Novae's balance at the acquisition date as the value of policies in-force on that date are considered within VOBA. Consequently, the expense associated with VOBA is estimated to include all acquisition costs previously paid as well as future profits associated with the policies in-force at acquisition.

## AXIS CAPITAL HOLDINGS LIMITED

### TANGIBLE BOOK VALUE PER DILUTED COMMON SHARE

#### TANGIBLE BOOK VALUE PER DILUTED COMMON SHARE - TREASURY STOCK METHOD [a]

|                                                           | December 31,<br>2019 | September 30,<br>2019 | June 30,<br>2019    | March 31,<br>2019   | December 31,<br>2018 | December 31,<br>2017 |
|-----------------------------------------------------------|----------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Common shareholders' equity</b>                        | <b>\$ 4,769,008</b>  | <b>\$ 4,810,870</b>   | <b>\$ 4,791,477</b> | <b>\$ 4,525,156</b> | <b>\$ 4,255,071</b>  | <b>\$ 4,566,264</b>  |
| Less: goodwill                                            | (102,003)            | (102,003)             | (102,003)           | (102,003)           | (102,003)            | (102,003)            |
| Less: intangible assets                                   | (230,550)            | (233,305)             | (236,009)           | (238,763)           | (241,568)            | (257,987)            |
| Associated tax impact                                     | 43,199               | 42,881                | 43,205              | 43,522              | 43,814               | 46,377               |
| <b>Tangible common shareholders' equity</b>               | <b>\$ 4,479,654</b>  | <b>\$ 4,518,443</b>   | <b>\$ 4,496,670</b> | <b>\$ 4,227,912</b> | <b>\$ 3,955,314</b>  | <b>\$ 4,252,651</b>  |
| Diluted common shares outstanding, net of treasury shares | 85,489               | 85,516                | 85,579              | 85,632              | 85,229               | 84,745               |
| <b>Book value per diluted common share</b>                | <b>\$ 55.79</b>      | <b>\$ 56.26</b>       | <b>\$ 55.99</b>     | <b>\$ 52.84</b>     | <b>\$ 49.93</b>      | <b>\$ 53.88</b>      |
| <b>Tangible book value per diluted common share</b>       | <b>\$ 52.40</b>      | <b>\$ 52.84</b>       | <b>\$ 52.54</b>     | <b>\$ 49.37</b>     | <b>\$ 46.41</b>      | <b>\$ 50.18</b>      |

[a] Under this method, unvested restricted stock units are included in determining the diluted common shares outstanding. Cash-settled restricted stock units are excluded.



## AXIS CAPITAL HOLDINGS LIMITED

### USE OF NON-GAAP FINANCIAL MEASURES

We present our results of operations in the way we believe will be most meaningful and useful to investors, analysts, rating agencies and others who use our financial information to evaluate our performance. Some of the measurements we use are considered non-GAAP financial measures under SEC rules and regulations. In this document, we present underwriting-related general and administrative expenses, consolidated underwriting income (loss), operating income (loss) (*in total and on a per share basis*), annualized operating return on average common equity ("operating ROACE"), tangible book value per diluted common share, ex-PGAAP operating income (loss) (*in total and on a per share basis*), annualized ex-PGAAP operating ROACE and ex-PGAAP underwriting income (loss) which are non-GAAP financial measures as defined in SEC Regulation G. We believe that these non-GAAP financial measures, which may be defined and calculated differently by other companies, better explain and enhance the understanding of our results of operations. However, these measures should not be viewed as a substitute for those determined in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### Underwriting-Related General and Administrative Expenses

Underwriting-related general and administrative expenses include those general and administrative expenses that are incremental and/or directly attributable to our individual underwriting operations. While this measure is presented in the '*Segment Information*' note to our Consolidated Financial Statements, it is considered a non-GAAP financial measure when presented elsewhere on a consolidated basis.

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. As these costs are not incremental and/or directly attributable to our individual underwriting operations, these costs are excluded from underwriting-related general and administrative expenses, and therefore, consolidated underwriting income (loss). General and administrative expenses, the most comparable GAAP financial measure to underwriting-related general and administrative expenses, also includes corporate expenses.

The reconciliation of underwriting-related general and administrative expenses to general and administrative expenses, the most comparable GAAP financial measure, is presented in the '*Consolidated Statements of Operations - Quarter*' and '*Consolidated Statements of Operations - Year*' sections of this document.

#### Consolidated Underwriting Income (Loss)

Consolidated underwriting income (loss) is a pre-tax measure of underwriting profitability that takes into account net premiums earned and other insurance related income (losses) as revenues and net losses and loss expenses, acquisition costs and underwriting-related general and administrative expenses as expenses. While this measure is presented in the '*Segment Information*' note to our Consolidated Financial Statements, it is considered a non-GAAP financial measure when presented elsewhere on a consolidated basis.

We evaluate our underwriting results separately from the performance of our investment portfolio. As such, we believe it is appropriate to exclude net investment income and net investment gains (losses) from our underwriting profitability measure.



Foreign exchange (losses) gains in our consolidated statement of operations primarily relate to the impact of foreign exchange rate movements on our net insurance-related liabilities. However, we manage our investment portfolio in such a way that unrealized and realized foreign exchange (losses) gains on our investment portfolio generally offset a large portion of the foreign exchange (losses) gains arising from our underwriting portfolio. As a result, we believe that foreign exchange (losses) gains are not a meaningful contributor to our underwriting performance, therefore, foreign exchange (losses) gains are excluded from consolidated underwriting income (loss).

Interest expense and financing costs primarily relate to interest payable on our debt. As these expenses are not incremental and/or directly attributable to our individual underwriting operations, these expenses are excluded from underwriting-related general and administrative expenses, and therefore, consolidated underwriting income (loss).

Transaction and reorganization expenses are primarily driven by business decisions, the nature and timing of which are not related to the underwriting process, therefore, these expenses are excluded from consolidated underwriting income (loss).

Amortization of intangible assets including VOBA arose from business decisions, the nature and timing of which are not related to the underwriting process, therefore, these expenses are excluded from consolidated underwriting income (loss).

We believe that the presentation of underwriting-related general and administrative expenses and consolidated underwriting income (loss) provides investors with an enhanced understanding of our results of operations, by highlighting the underlying pre-tax profitability of our underwriting activities. The reconciliation of consolidated underwriting income (loss) to income (loss) before income taxes and interest in income (loss) of equity method investments, the most comparable GAAP financial measure, is included in the '*Consolidated Statements of Operations - Quarter*' and '*Consolidated Statements of Operations - Year*' sections of this document.

#### Operating Income (Loss)

Operating income (loss) represents after-tax operational results exclusive of net investment gains (losses), foreign exchange (losses) gains, transaction and reorganization expenses, and interest in income (loss) of equity method investments.

Although the investment of premiums to generate income and investment gains (losses) is an integral part of our operations, the determination to realize investment gains (losses) is independent of the underwriting process and is heavily influenced by the availability of market opportunities. Furthermore, many users believe that the timing of the realization of investment gains (losses) is somewhat opportunistic for many companies.

Foreign exchange (losses) gains in our consolidated statements of operations primarily relate to the impact of foreign exchange rate movements on net insurance-related liabilities. In addition, we recognize unrealized foreign exchange losses (gains) on our equity securities and foreign exchange losses (gains) realized upon the sale of our available for sale investments and equity securities in net investment gains (losses) in our consolidated statements of operations. We also recognize unrealized foreign exchange (losses) gains on our available for sale investments in other comprehensive income (loss). These unrealized foreign exchange (losses) gains generally offset a large portion of the foreign exchange losses (gains) reported in net income (loss) available (attributable) to common shareholders,



thereby minimizing the impact of foreign exchange rate movements on total shareholders' equity. As a result, the foreign exchange (losses) gains in our consolidated statement of operations in isolation are not a fair representation of the performance of our business.

Transaction and reorganization expenses are primarily driven by business decisions, the nature and timing of which are not related to the underwriting process, therefore, these expenses are excluded from operating income (loss).

Interest in income (loss) of equity method investments is primarily driven by business decisions, the nature and timing of which are not related to the underwriting process, therefore, this income (loss) is excluded from operating income (loss).

Certain users of our financial statements evaluate performance exclusive of after-tax net investment gains (losses), foreign exchange (losses) gains, transaction and reorganization expenses and interest in income (loss) of equity method investments to understand the profitability of recurring sources of income.

We believe that showing net income (loss) available (attributable) to common shareholders exclusive of after-tax net investment gains (losses), foreign exchange (losses) gains, transaction and reorganization expenses, and interest in income (loss) of equity method investments reflects the underlying fundamentals of our business. In addition, we believe that this presentation enables investors and other users of our financial information to analyze performance in a manner similar to how our management analyzes the underlying business performance. We also believe this measure follows industry practice and, therefore, facilitates comparison of our performance with our peer group. We believe that equity analysts and certain rating agencies that follow us, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. The reconciliation of operating income (loss) to net income (loss) available (attributable) to common shareholders, the most comparable GAAP financial measure, is presented in the '*Non-GAAP Financial Measures Reconciliation*' section in this document.

We also present operating income (loss) per diluted common share and annualized operating ROACE, which are derived from the operating income (loss) measure and are reconciled to the most comparable GAAP financial measures, earnings (loss) per diluted common share and annualized return on average common equity ("ROACE"), respectively, in the '*Non-GAAP Financial Measures Reconciliation*' section of this document.

#### Tangible Book Value per Diluted Common Share

Tangible book value represents common shareholders' equity exclusive of goodwill and intangible assets, net of tax. We present tangible book value per diluted common share calculated under the treasury stock method. A reconciliation of tangible book value per diluted common share to book value per diluted common share, the most comparable GAAP financial measure, is included in the '*Tangible Book Value per Diluted Common Share*' section of this document.

Tangible book value per diluted common share excludes the impacts of certain purchase accounting adjustments. We believe that this measure, in combination with book value per diluted common share, is useful in assessing value generated for our common shareholders.



#### Ex-PGAAP Operating Income (Loss)

Ex-PGAAP operating income (loss) represents operating income (loss) exclusive of amortization of VOBA and intangible assets, net of tax and amortization of acquisition costs, net of tax both associated with Novae's balance sheet at October 2, 2017 (the "closing date" or "acquisition date"). The reconciliation of ex-PGAAP operating income (loss) to net income (loss) available (attributable) to common shareholders, the most comparable GAAP financial measure is provided in the '*Non-GAAP Financial Measures Reconciliation*' section of this document.

We also present ex-PGAAP operating income (loss) per diluted common share and annualized ex-PGAAP operating ROACE, which are derived from the ex-PGAAP operating income (loss) measure and are reconciled to the most comparable GAAP financial measures, earnings (loss) per diluted common share and annualized ROACE, respectively, in the '*Non-GAAP Financial Measures Reconciliation*' section of this document.

We believe the presentation of ex-PGAAP operating income (loss), ex-PGAAP operating income (loss) per diluted common share and annualized ex-PGAAP operating ROACE enables investors and other users of our financial information to better analyze the performance of our business.

#### Ex-PGAAP underwriting income (loss)

Ex-PGAAP underwriting income (loss) represents underwriting income (loss) exclusive of acquisition costs associated with Novae's balance sheet at acquisition date. The reconciliation to the most comparable GAAP financial measure, income (loss) before income taxes and interest in income (loss) of equity method investments is provided in the '*Consolidated Statements of Operations - Quarter*' and '*Consolidated Statements of Operations - Year*' sections of this document.

We believe the presentation of ex-PGAAP underwriting income (loss) enables investors and other users of our financial information to better analyze the performance of our business.