

AXIS CAPITAL HOLDINGS LTD
Form 10-Q
August 04, 2010
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-31721

AXIS CAPITAL HOLDINGS LIMITED

(Exact name of registrant as specified in its charter)

BERMUDA

(State or other jurisdiction of incorporation or organization)

98-0395986

(I.R.S. Employer Identification No.)

92 Pitts Bay Road, Pembroke, Bermuda HM 08

(Address of principal executive offices and zip code)

(441) 496-2600

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 26, 2010 there were 119,982,422 Common Shares, \$0.0125 par value per share, of the registrant outstanding.

Table of Contents

AXIS CAPITAL HOLDINGS LIMITED

INDEX TO FORM 10-Q

	Page
<u>PART I</u>	
	<u>Financial Information</u>
Item 1.	<u>Consolidated Financial Statements</u> 4
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 36
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 69
Item 4.	<u>Controls and Procedures</u> 69
<u>PART II</u>	
	<u>Other Information</u>
Item 1.	<u>Legal Proceedings</u> 70
Item 1A.	<u>Risk Factors</u> 70
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 71
Item 6.	<u>Exhibits</u> 72
	<u>Signatures</u> 73

Table of Contents

PART I FINANCIAL INFORMATION

Cautionary Statement Regarding Forward-looking Statements

This quarterly report contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States securities laws. In some cases, these statements can be identified by the use of forward-looking words such as may, should, could, anticipate, estimate, expect, plan, believe, predict, potential and intend. Forward-looking statements contained in this report may include information regarding our estimates of losses related to catastrophes and other large losses, measurements of potential losses in the fair value of our investment portfolio and derivative contracts, our expectations regarding pricing and other market conditions, our growth prospects, and valuations of the potential impact of movements in interest rates, equity prices, credit spreads and foreign currency rates. Forward-looking statements only reflect our expectations and are not guarantees of performance.

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 occurrence of natural and man-made disasters,

actual claims exceeding our loss reserves,

general economic, capital and credit market conditions and the persistence of the recent financial crisis,

the failure of any of the loss limitation methods we employ,

the effects of emerging claims and coverage issues,

the failure of our cedants to adequately evaluate risks,

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,

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loss of business provided to us by our major brokers,

changes in accounting policies or practices,

changes in governmental regulations,

increased competition,

changes in the political environment of certain countries in which we operate or underwrite business,

fluctuations in interest rates, credit spreads, equity prices and/or currency values, and

the other matters set forth under Item 1A, *Risk Factors* and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our Annual Report on Form 10-K for the year ended December 31, 2009.

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

Table of Contents

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

	Page
<u>Consolidated Balance Sheets as at June 30, 2010 (Unaudited) and December 31, 2009</u>	5
<u>Consolidated Statements of Operations for the three and six months ended June 30, 2010 and 2009 (Unaudited)</u>	6
<u>Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2010 and 2009 (Unaudited)</u>	7
<u>Consolidated Statements of Changes in Shareholders' Equity for the six months ended June 30, 2010 and 2009 (Unaudited)</u>	8
<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2010 and 2009 (Unaudited)</u>	9
<u>Notes to the Consolidated Financial Statements (Unaudited)</u>	10

Table of Contents**AXIS CAPITAL HOLDINGS LIMITED****CONSOLIDATED BALANCE SHEETS****JUNE 30, 2010 (UNAUDITED) AND DECEMBER 31, 2009**

	2010	2009
	(in thousands)	
Assets		
Investments:		
Fixed maturities, available for sale, at fair value (Amortized cost 2010: \$9,880,475; 2009: \$9,628,287)	\$ 10,064,335	\$ 9,718,355
Equity securities, available for sale, at fair value (Cost 2010: \$218,303; 2009: \$195,011)	201,173	204,375
Other investments, at fair value	547,873	570,276
Short-term investments, at amortized cost	131,104	129,098
Total investments	10,944,485	10,622,104
Cash and cash equivalents	1,092,616	788,614
Restricted cash and cash equivalents	104,927	75,440
Accrued interest receivable	94,686	89,559
Insurance and reinsurance premium balances receivable	1,722,586	1,292,877
Reinsurance recoverable on unpaid and paid losses	1,545,080	1,424,172
Deferred acquisition costs	419,191	302,320
Prepaid reinsurance premiums	271,700	301,885
Securities lending collateral	107,167	129,814
Net receivable for investments sold		12,740
Goodwill and intangible assets	90,473	91,505
Other assets	165,369	175,494
Total assets	\$ 16,558,280	\$ 15,306,524
Liabilities		
Reserve for losses and loss expenses	\$ 6,718,776	\$ 6,564,133
Unearned premiums	2,781,101	2,209,397
Insurance and reinsurance balances payable	199,463	173,156
Securities lending payable	108,167	132,815
Senior notes	993,843	499,476
Other liabilities	181,959	227,303
Net payable for investments purchased	79,669	
Total liabilities	11,062,978	9,806,280
Commitments and Contingencies		
Shareholders equity		
Preferred shares - Series A and B	500,000	500,000
Common shares (2010: 154,549; 2009: 152,465 shares issued and 2010: 120,254; 2009: 132,140 shares outstanding)	1,930	1,903
Additional paid-in capital	2,038,158	2,014,815
Accumulated other comprehensive income	221,856	85,633

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Retained earnings	3,824,111	3,569,411
Treasury shares, at cost (2010: 34,295; 2009: 20,325 shares)	(1,090,753)	(671,518)
Total shareholders equity	5,495,302	5,500,244
Total liabilities and shareholders equity	\$ 16,558,280	\$ 15,306,524

See accompanying notes to Consolidated Financial Statements.

Table of Contents**AXIS CAPITAL HOLDINGS LIMITED****CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

	Three months ended		Six months ended	
	2010	2009	2010	2009
	(in thousands, except for per share amounts)			
Revenues				
Net premiums earned	\$ 735,027	\$ 706,770	\$ 1,431,219	\$ 1,372,129
Net investment income	82,584	112,220	187,203	211,512
Other insurance related income (loss)	217	(14,261)	843	(23,656)
Net realized investment gains (losses):				
Other-than-temporary impairment losses	(7,533)	(22,896)	(14,490)	(52,796)
Portion of impairment losses transferred to other comprehensive income	107	1,443	1,556	1,443
Other realized investment gains (losses)	32,045	(2,225)	53,729	(12,922)
Total net realized investment gains (losses)	24,619	(23,678)	40,795	(64,275)
Total revenues	842,447	781,051	1,660,060	1,495,710
Expenses				
Net losses and loss expenses	403,370	378,252	871,632	766,251
Acquisition costs	124,176	103,309	240,825	205,285
General and administrative expenses	106,062	86,949	205,831	173,506
Foreign exchange losses (gains)	(27,229)	24,184	(35,376)	23,795
Interest expense and financing costs	15,697	7,971	24,385	15,892
Total expenses	622,076	600,665	1,307,297	1,184,729
Income before income taxes	220,371	180,386	352,763	310,981
Income tax expense	6,300	12,006	17,661	17,703
Net income	214,071	168,380	335,102	293,278
Preferred share dividends	9,219	9,219	18,438	18,438
Net income available to common shareholders	\$ 204,852	\$ 159,161	\$ 316,664	\$ 274,840
Weighted average common shares and common share equivalents:				
Basic	121,766	137,849	124,961	137,586
Diluted	135,665	149,861	138,899	149,448
Earnings per common share:				
Basic	\$ 1.68	\$ 1.15	\$ 2.53	\$ 2.00
Diluted	\$ 1.51	\$ 1.06	\$ 2.28	\$ 1.84

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Cash dividends declared per common share	\$ 0.21	\$ 0.20	\$ 0.42	\$ 0.40
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See accompanying notes to Consolidated Financial Statements.

Table of Contents**AXIS CAPITAL HOLDINGS LIMITED****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009**

	Three months ended		Six months ended
	£46.3bn	£46.0bn	
Risk weighted assets		£396bn	£402bn
Leverage ratio		3.7%	3.7%
Funding and liquidity		31.03.15	31.12.14
Group liquidity pool		£148bn	£149bn
Estimated CRD IV liquidity coverage ratio		122%	124%
Loan: deposit ratio ³		89%	89%
Adjusted profit reconciliation for the three months ended		31.03.15	31.03.14
Adjusted profit before tax		1,848	1,693
Own credit		128	119
Gain on valuation of a component of the defined retirement benefit liability		429	-
Provisions for investigations and litigation primarily relating to Foreign Exchange		(800)	-
Provision for PPI redress		(150)	-
Loss on sale of the Spanish business		(118)	-
Statutory profit before tax		1,337	1,812

1 The effective tax rate for Q115 is the expected full year rate adjusted for the impact of significant one off items. The tax impacts of such items, which include adjusting items and the UK bank levy, are recognised in the quarter in which they occur.

2 The profit after tax attributable to other equity holders of £80m (Q114: £49m) is offset by a tax credit recorded in reserves of £16m (Q114: £11m). The net amount of £64m (Q114: £38m), along with non-controlling interests (NCI) is deducted from profit after tax in order to calculate earnings per share, return on average tangible shareholders' equity and return on average shareholders' equity.

3 Loan: deposit ratio for PCB, Barclaycard, Africa Banking and Non-Core retail.

Barclays Core and Non-Core results for the three months ended	Barclays Core			Barclays Non-Core		
	31.03.15	31.03.14		31.03.15	31.03.14	
	£m	£m	% Change	£m	£m	% Change
Total income net of insurance claims	6,420	6,277	2	10	373	(97)

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Credit impairment charges and other provisions	(448)	(481)	7	(29)	(67)	57
Net operating income/(expense)	5,972	5,796	3	(19)	306	
Operating expenses	(3,704)	(3,710)	-	(219)	(419)	48
Litigation and conduct	(72)	(43)	(67)	(9)	(23)	61
Costs to achieve Transform	(109)	(216)	50	(11)	(24)	54
Total operating expenses	(3,885)	(3,969)	2	(239)	(466)	49
Other net income	17	20	(15)	2	6	(67)
Profit/(loss) before tax	2,104	1,847	14	(256)	(154)	(66)
Tax (charge)/credit	(615)	(589)	(4)	86	28	
Profit/(loss) after tax	1,489	1,258	18	(170)	(126)	(35)
Non-controlling interests	(164)	(167)	2	(16)	(34)	53
Other equity interests	(67)	(38)	(76)	(13)	(11)	(18)
Attributable profit/(loss)	1,258	1,053	19	(199)	(171)	(16)

Performance measures

Return on average tangible equity1	13.2%	13.2%		(4.4%)	(5.6%)	
Average allocated tangible equity (£bn)	39	32		10	15	
Return on average equity1	10.9%	10.7%		(3.3%)	(4.2%)	
Average allocated equity (£bn)	47	40		10	15	
Period end allocated equity (£bn)	47	40		10	15	
Cost: income ratio	61%	63%		n/a	n/a	
Basic earnings per share contribution	7.7p	6.6p		(1.2p)	(1.1p)	

Capital management	31.03.15	31.12.14		31.03.15	31.12.14	
Risk weighted assets	£331bn	£327bn		£65bn	£75bn	
Leverage exposure	£1,019bn	£956bn		£236bn	£277bn	

	31.03.15	31.03.14	% Change
	£m	£m	
Income by business			
Personal and Corporate Banking	2,174	2,173	-
Barclaycard	1,135	1,042	9
Africa Banking	948	878	8
Investment Bank	2,149	2,103	2
Head Office	14	81	(83)
Barclays Core	6,420	6,277	2
Barclays Non-Core	10	373	(97)
Barclays Group adjusted income	6,430	6,650	(3)

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	31.03.15	31.03.14	
	£m	£m	% Change
Profit/(loss) before tax by business			
Personal and Corporate Banking	787	688	14
Barclaycard	366	368	(1)
Africa Banking	295	240	23
Investment Bank	675	491	37
Head Office	(19)	60	
Barclays Core	2,104	1,847	14
Barclays Non-Core	(256)	(154)	(66)
Barclays Group adjusted profit before tax	1,848	1,693	9

1 Return on average equity and average tangible equity for Barclays Non-Core represents its impact on the Group, being the difference between Barclays Group returns and Barclays Core returns. This does not represent the return on average equity and average tangible equity of the Non-Core business.

Group Performance Review

Income statement

Group performance

- Adjusted profit before tax increased 9% to £1,848m reflecting improvements in the Investment Bank, Personal and Corporate Banking (PCB) and Africa Banking
- Adjusted income decreased 3% to £6,430m as Non-Core income reduced £363m to £10m. This was partially offset by Core income increasing 2% to £6,420m
- Impairment reduced 13% to £477m, with the Group loan loss rate improving 8bps to 37bps
- Adjusted total operating expenses were down 7% to £4,124m, as a result of restructuring savings from Transform programmes, particularly in Non-Core, the Investment Bank and PCB. This included costs to achieve Transform of £120m (Q114: £240m) and litigation and conduct charges of £81m (Q114: £65m)
- Statutory profit before tax was £1,337m (Q114: £1,812m), which also included £800m (Q114: £nil) of provisions for investigations and litigation primarily relating to Foreign Exchange, an additional £150m (Q114: £nil) provision for PPI redress, a £118m (Q114: £nil) loss on the sale of the Spanish business, a £429m (Q114: £nil) gain on the valuation of a component of the defined retirement benefit liability and an own credit gain of £128m (Q114: £119m)
- The effective tax rate on adjusted profit before tax decreased to 28.6% (Q114: 33.1%) and the effective tax rate on statutory profit before tax increased to 45.8% (Q114: 32.9%), principally due to non-deductible expenses, including the provisions for investigations and litigation primarily relating to Foreign Exchange
- Adjusted Group attributable profit was £1,059m (Q114: £882m), resulting in an adjusted Group return on average shareholders' equity of 7.6% (Q114: 6.5%)

Core performance

- Profit before tax increased 14% to £2,104m, with improvements of 37% to £675m in the Investment Bank, 14% to £787m in PCB and 23% to £295m in Africa Banking
- Income increased 2% to £6,420m
 - Barclaycard income increased 9% to £1,135m reflecting continued net lending growth across all geographies
 - Africa Banking income increased 8% to £948m reflecting an increase in transactional income in South Africa, higher trading income and an increase in net interest income
 - Net interest income in PCB, Barclaycard and Africa Banking increased 6% to £2,955m driven by strong savings income growth in PCB, and volume growth in Barclaycard and Africa Banking. Net interest margin increased 4bps to 414bps
 - Investment Bank income increased 2% to £2,149m reflecting higher Banking, Macro and Equities income which was partially offset by lower Credit income
- Credit impairment charges improved 7% to £448m, reflecting lower impairments in PCB due to the improving UK economic environment resulting in lower default rates and charges in corporate. This was partially offset by an increase of 8% in Barclaycard, which was accompanied by loans and advances growth of 15%; the loan loss rate reduced 20bps to 305bps
- Total operating expenses decreased 2% to £3,885m, reflecting savings from Transform programmes, principally in the Investment Bank and PCB, and lower costs to achieve Transform of £109m (Q114: £216m). Barclaycard operating expenses increased £75m to £490m primarily due to continued business growth
- Attributable profit increased 19% to £1,258m, while average allocated equity increased £7bn to £47bn, resulting in Core return on equity increasing to 10.9% (Q114: 10.7%)

Non-Core performance

- Loss before tax increased to £256m (Q114: £154m), reflecting:
 - A reduction in income of £363m to £10m following assets and securities run-down, business disposals and a fair value loss on the Education, Social Housing, and Local Authority (ESHLA) portfolio of £149m (Q114: £21m), partially offset by a £91m release of a provision relating to a litigation matter
 - An improvement in impairment to £29m (Q114: £67m) reflecting, in particular, the disposal of the Spanish business
 - A 49% reduction in total operating expenses to £239m due to savings from Transform programmes, the sale of the Spanish business and reduced costs to achieve Transform
- Non-Core return on equity dilution was 3.3% (Q114: 4.2%), reflecting a reduction in average allocated equity to £10bn (Q114: £15bn)

Balance sheet and capital

Balance sheet

- Total assets increased 4% from 31 December 2014 to £1,416bn
 - Total loans and advances increased £34bn to £504bn driven by a £30bn increase in settlement and cash collateral balances and lending growth of £3bn and £1bn in PCB and Africa Banking respectively
 - Derivative assets increased £40bn to £480bn consistent with the increase in derivative liabilities of £44bn to £484bn. The derivative assets increase was driven by interest rate derivatives of £33bn, as major interest rate forward curves reduced, and foreign exchange derivatives of £11bn due to depreciation of EUR against USD, GBP and CHF
 - Reverse repurchase agreements and other similar secured lending decreased £8bn to £124bn primarily driven by lower matched book trading due to balance sheet deleveraging
- Customer accounts increased £19bn to £447bn driven by an increase in settlement balances of £13bn and cash collateral balances of £6bn
- Total shareholders' equity including non-controlling interests increased to £67.1bn (December 2014: £66.0bn). Excluding non-controlling interests, shareholders' equity increased to £60.7bn (December 2014: £59.6bn), reflecting a £0.8bn increase in the currency translation reserve as GBP weakened against USD, a £0.6bn increase in share capital and share premium, due to the issuance of shares under employee share schemes, and an increase in profit after tax of £0.5bn partially offset by a £0.8bn decrease in other reserves
- Net asset value and net tangible asset value per share increased to 337p (December 2014: 335p) and 288p (December 2014: 285p) respectively

Leverage exposure

- Leverage exposure increased £22bn to £1,255bn during Q115 due to increases in the Core business, including an increase in settlement balances, partially offset by continued reductions in Non-Core exposure

Capital ratios

- The fully loaded CRD IV CET1 ratio increased to 10.6% (December 2014: 10.3%), due to a £6bn reduction in RWAs to £396bn, and an increase in the fully loaded CRD IV CET1 capital of £0.4bn to £41.8bn
 - The increase in CET1 capital was driven by profit for the period of £0.5bn, after absorbing £0.6bn of adjusting items, a £0.4bn increase in other qualifying reserves partially offset by £0.4bn recognised for dividends and a £0.2bn reduction for the movement in own credit
 - The RWA reduction was mainly driven by a £10bn reduction in Non-Core to £65bn including the sale of the Spanish business and the run-down of legacy structured and credit products
- The leverage ratio remained stable at 3.7% (December 2014: 3.7%), despite an increase in the leverage exposure to £1,255bn (December 2014: £1,233bn)

Funding and liquidity

Table of Contents

- The Group maintained a surplus to its internal and regulatory requirements in Q115 with a liquidity pool of £148bn (December 2014: £149bn). This continues to position the Group for potential credit rating changes as sovereign support in Barclays Bank PLC credit ratings is assessed. The estimated CRD IV Liquidity Coverage Ratio (LCR) decreased slightly to 122% (December 2014: 124%), equivalent to a surplus of £28bn (December 2014: £30bn)
- Wholesale funding outstanding excluding repurchase agreements was £178bn (December 2014: £171bn). The Group issued £4bn of term funding net of early redemptions during the quarter, of which £2bn was in senior unsecured debt issued by the holding company, Barclays PLC. These proceeds have been used to subscribe for senior unsecured debt at Barclays Bank PLC, the operating company. This demonstrates further progress on the transition towards a holding company capital and funding model
- In line with credit rating agencies' intentions to reassess sovereign support in their ratings to reflect evolving regulation, S&P and Moody's took action on Barclays and peers' credit ratings during the quarter. S&P put the A/A-1 ratings of Barclays Bank PLC, the operating company, on "CreditWatch with negative implications" and downgraded Barclays PLC, the holding company, by two notches to BBB/A-2/Stable. Moody's implemented its new Bank Rating Methodology and reassessed sovereign support in its ratings, which resulted in an affirmation of Barclays Bank PLC's ratings of A2/P-1 and a change of the outlook to Stable from Negative. Moody's also put the ratings of Barclays PLC (A3/P-2) on review for potential downgrade to Baa3. The outcomes of these reviews are expected to be announced in Q215

Other matters

- Provisions of £2,471m (December 2014: £1,690m) are held for Legal, Competition and Regulatory matters. This includes provisions of £2,092m (Q114: £nil) for investigations and litigation primarily relating to Foreign Exchange, £800m of which was recognised in Q115 reflecting developments with certain authorities since the year end reporting date
- The provision for PPI redress was £943m (December 2014: £1,059m) following the recognition of an additional amount of £150m (Q114: £nil) in Q115 based on an updated estimate of future redress and associated costs
- A £429m (Q114: £nil) gain was recognised as the valuation of a component of the defined retirement benefit liability was revised to use the long term Consumer Price Index rather than the Retail Price Index, consistent with statutory provisions
- A £118m (Q114: £nil) loss was recognised primarily relating to accumulated currency translation reserves recycled upon the completion of the Spanish business sale

Dividends

- A first interim dividend of 1.0p will be paid on 15 June 2015

Tushar Morzaria, Group Finance Director

Quarterly Results Summary

	Q115	Q414	Q314	Q214	Q114	Q413	Q313	Q213
Barclays results by quarter								
Table of Contents								

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	£m	£m	£m	£m	£m	£m	£m	£m
Adjusted basis								
Total income net of insurance claims	6,430	6,018	6,378	6,682	6,650	6,639	6,445	7,078
Credit impairment charges and other provisions	(477)	(573)	(509)	(538)	(548)	(718)	(722)	(925)
Net operating income	5,953	5,445	5,869	6,144	6,102	5,921	5,723	6,153
Operating expenses	(3,923)	(3,942)	(3,879)	(4,042)	(4,130)	(4,500)	(4,223)	(4,282)
Litigation and conduct	(81)	(140)	(98)	(146)	(65)	(277)	(39)	(77)
Costs to achieve Transform	(120)	(339)	(332)	(254)	(240)	(468)	(101)	(126)
UK bank levy	-	(462)	-	-	-	(504)	-	-
Total operating expenses	(4,124)	(4,883)	(4,309)	(4,442)	(4,435)	(5,749)	(4,363)	(4,485)
Other net income/(expenses)	19	1	30	(46)	26	19	25	(122)
Adjusted profit before tax	1,848	563	1,590	1,656	1,693	191	1,385	1,546
Adjusting items								
Own credit	128	(62)	44	(67)	119	(95)	(211)	337
Gain on US Lehman acquisition assets	-	-	461	-	-	-	-	259
ESHLA valuation revision	-	(935)	-	-	-	-	-	-
Gain on valuation of a component of the defined retirement benefit liability	429	-	-	-	-	-	-	-
Provisions for investigations and litigation primarily relating to Foreign Exchange	(800)	(750)	(500)	-	-	-	-	-
Provision for PPI and interest rate hedging redress	(150)	(200)	(10)	(900)	-	-	-	(2,000)
Goodwill impairment	-	-	-	-	-	(79)	-	-
Loss on sale of the Spanish business	(118)	(82)	(364)	-	-	-	-	-
Statutory profit/(loss) before tax	1,337	(1,466)	1,221	689	1,812	17	1,174	142
Statutory profit/(loss) after tax	725	(1,381)	620	391	1,215	(514)	728	39
Attributable to:								
Ordinary equity holders of the parent	465	(1,679)	379	161	965	(642)	511	(168)
Other equity holders	80	80	80	41	49	-	-	-
Non-controlling interests	180	218	161	189	201	128	217	207
Adjusted performance measures								
Return on average tangible shareholders' equity	8.8%	1.7%	7.1%	7.5%	7.6%	(3.4%)	6.7%	7.4%
Average tangible shareholders' equity	48.7	48.9	47.6	47.5	47.2	47.1	43.5	45.2
Return on average shareholders' equity	7.6%	1.5%	6.1%	6.4%	6.5%	(2.9%)	5.7%	6.3%
Average shareholders' equity	57.0	57.1	55.6	55.3	54.8	54.9	51.3	53.0
Cost: income ratio	64%	81%	68%	66%	67%	87%	68%	63%

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Loan loss rate (bps)	37	48	42	44	45	59	58	71
Basic earnings/(loss) per share	6.5p	1.3p	5.2p	5.4p	5.5p	(2.8p)	5.4p	6.2p
Statutory performance measures								
Return on average tangible shareholders' equity	4.0%	(13.8%)	3.4%	1.4%	8.4%	(5.5%)	4.8%	(1.5%)
Average tangible shareholders' equity	48.1	48.3	46.8	46.7	46.4	46.3	42.8	44.2
Return on average shareholders' equity	3.4%	(11.8%)	2.9%	1.2%	7.2%	(4.7%)	4.0%	(1.3%)
Average shareholders' equity	56.3	56.4	54.8	54.5	54.0	54.1	50.6	52.0
Cost: income ratio	71%	116%	70%	81%	66%	89%	70%	85%
Basic earnings/(loss) per share	2.9p	(10.2p)	2.4p	1.0p	6.0p	(4.5p)	3.8p	(1.2p)
Barclays Core								
Income statement information	Q115	Q414	Q314	Q214	Q114	Q413	Q3131	Q2131
	£m	£m	£m	£m	£m	£m	£m	£m
Total income net of insurance claims	6,420	5,996	6,008	6,397	6,277	6,189	6,076	6,514
Credit impairment charges and other provisions	(448)	(571)	(492)	(456)	(481)	(542)	(554)	(558)
Net operating income	5,972	5,425	5,516	5,941	5,796	5,647	5,522	5,956
Operating expenses	(3,704)	(3,614)	(3,557)	(3,602)	(3,710)	(4,045)	(3,758)	(3,802)
Litigation and conduct	(72)	(56)	(16)	(136)	(43)	(69)	(18)	(51)
Costs to achieve Transform	(109)	(298)	(202)	(237)	(216)	(365)	(84)	(64)
UK bank levy	-	(371)	-	-	-	(395)	-	-
Total operating expenses	(3,885)	(4,339)	(3,775)	(3,975)	(3,969)	(4,874)	(3,860)	(3,917)
Other net income	17	9	6	27	20	15	15	13
Profit before tax	2,104	1,095	1,747	1,993	1,847	788	1,677	2,052
Attributable profit	1,258	638	1,002	1,171	1,053	601	1,009	1,153
Balance sheet information								
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Total assets	949.6	886.5	899.3	846.3	863.7	832.4	n/a	n/a
Risk weighted assets	331.1	326.6	331.9	323.6	330.3	332.6	n/a	n/a
Performance measures								
Return on average tangible equity	13.2%	7.0%	11.5%	13.8%	13.2%	7.6%	15.1%	16.5%
Average allocated tangible equity (£bn)	38.5	37.0	35.2	34.0	32.2	31.4	26.7	27.9
Return on average equity	10.9%	5.8%	9.5%	11.3%	10.7%	6.2%	11.8%	13.0%
Average allocated equity (£bn)	46.7	45.0	43.0	41.6	39.6	38.9	34.2	35.4
Cost: income ratio	61%	72%	63%	62%	63%	79%	64%	60%
Barclays Non-Core								
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Businesses	122	228	327	245	301	322	354	370

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Securities and Loans	(73)	(142)	106	66	87	121	60	104
Derivatives	(39)	(64)	(63)	(26)	(15)	7	(46)	90
Total income net of insurance claims	10	22	370	285	373	450	368	564
Credit impairment charges and other provisions	(29)	(2)	(17)	(82)	(67)	(176)	(168)	(367)
Net operating (expense)/income	(19)	20	353	203	306	274	200	197
Operating expenses	(219)	(329)	(321)	(441)	(419)	(456)	(464)	(481)
Litigation and conduct	(9)	(83)	(82)	(10)	(23)	(208)	(21)	(26)
Costs to achieve Transform	(11)	(41)	(130)	(17)	(24)	(103)	(17)	(62)
UK bank levy	-	(91)	-	-	-	(109)	-	-
Total operating expenses	(239)	(544)	(533)	(468)	(466)	(876)	(502)	(569)
Other net income/(expense)	2	(8)	23	(72)	6	4	10	(135)
Loss before tax	(256)	(532)	(157)	(337)	(154)	(598)	(292)	(507)
Attributable loss	(199)	(448)	(173)	(294)	(171)	(997)	(274)	(314)
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost	65.6	63.9	64.5	75.5	83.4	81.9	n/a	n/a
Loans and advances to customers at fair value	18.5	18.7	18.1	17.0	17.5	17.6	n/a	n/a
Trading portfolio assets	14.6	15.9	19.2	22.9	29.4	30.7	n/a	n/a
Derivative financial instrument assets	301.9	285.4	249.6	227.0	231.5	239.3	n/a	n/a
Derivative financial instrument liabilities	295.6	277.1	240.0	215.0	220.9	228.3	n/a	n/a
Reverse repurchase agreements and other similar secured lending	42.8	49.3	73.9	86.8	98.3	104.7	n/a	n/a
Total assets	466.8	471.5	466.5	468.6	498.4	511.2	n/a	n/a
Customer deposits	20.5	21.6	22.2	28.6	30.7	29.3	n/a	n/a
Risk weighted assets	64.8	75.3	81.0	87.5	106.0	109.9	n/a	n/a
Performance measures								
Return on average tangible equity	(4.4%)	(5.3%)	(4.4%)	(6.3%)	(5.6%)	(11.0%)	(8.4%)	(9.1%)
Average allocated tangible equity (£bn)	10.2	11.9	12.4	13.5	15.0	15.7	16.8	17.3
Return on average equity	(3.3%)	(4.3%)	(3.4%)	(4.9%)	(4.2%)	(9.1%)	(6.1%)	(6.7%)
Average allocated equity (£bn)	10.3	12.1	12.6	13.7	15.2	16.0	17.1	17.6
Period end allocated equity (£bn)	9.7	11.0	12.1	12.7	14.9	15.1	16.3	17.5

1 RWAs are on a CRD IV fully loaded basis. CRD IV rules came into effect in Q413; therefore no Q313 and Q213 comparatives are available. Average allocated equity and tangible equity are shown on an estimated CRD IV basis. Balance sheet comparative figures have also been restated from Q413 to adopt the offsetting amendments to IAS32, Financial Instruments: Presentation; therefore no Q313 and Q213 comparatives are available.

Quarterly Core Results by Business

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Personal and Corporate Banking	Q115	Q414	Q314	Q214	Q114	Q413	Q3131	Q2131
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Total income	2,174	2,231	2,236	2,188	2,173	2,166	2,252	2,192
Credit impairment charges and other provisions	(79)	(123)	(129)	(95)	(135)	(169)	(153)	(165)
Net operating income	2,095	2,108	2,107	2,093	2,038	1,997	2,099	2,027
Operating expenses	(1,268)	(1,219)	(1,232)	(1,256)	(1,298)	(1,388)	(1,318)	(1,378)
Costs to achieve Transform	(42)	(195)	(90)	(58)	(57)	(219)	(73)	(55)
UK bank levy	-	(70)	-	-	-	(66)	-	-
Total operating expenses	(1,310)	(1,484)	(1,322)	(1,314)	(1,355)	(1,673)	(1,391)	(1,433)
Other net income	2	4	4	1	5	3	1	7
Profit before tax	787	628	789	780	688	327	709	601
Attributable profit	576	441	578	559	480	281	518	454
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers at amortised cost	219.0	217.0	215.7	216.7	215.5	212.2	210.1	211.3
Total assets	294.1	285.0	275.7	268.1	271.5	278.5	278.3	288.3
Customer deposits	298.1	299.2	295.9	298.3	297.2	295.9	289.3	289.5
Risk weighted assets	122.5	120.2	120.0	117.9	116.1	118.3	n/a	n/a
Performance measures								
Return on average tangible equity	17.1%	13.3%	17.8%	17.5%	14.7%	8.6%	15.4%	13.8%
Average allocated tangible equity (£bn)	13.6	13.4	13.1	12.9	13.1	13.1	13.5	13.2
Return on average equity	12.9%	10.0%	13.4%	13.1%	11.1%	6.5%	11.8%	10.5%
Average allocated equity (£bn)	18.1	17.8	17.5	17.2	17.4	17.4	17.6	17.3
Cost: income ratio	60%	67%	59%	60%	62%	77%	62%	65%
Loan loss rate (bps)	14	22	23	17	25	31	28	30
Analysis of total income	£m	£m	£m	£m	£m	£m	£m	£m
Personal	1,009	1,045	1,061	1,027	1,026	1,037	1,033	1,018
Corporate	907	922	902	889	879	866	956	911
Wealth	258	264	273	272	268	263	263	263
Total income	2,174	2,231	2,236	2,188	2,173	2,166	2,252	2,192
Analysis of loans and advances to customers at amortised cost	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Personal	137.5	136.8	136.5	135.9	134.9	133.8	132.7	132.6
Corporate	66.5	65.1	63.1	64.8	64.2	62.5	62.5	63.4
Wealth	15.0	15.1	16.1	16.0	16.4	15.9	14.9	15.3
Loans and advances to customers at amortised cost	219.0	217.0	215.7	216.7	215.5	212.2	210.1	211.3
Analysis of customer deposits								
Personal	145.3	145.8	143.0	141.6	141.3	140.5	139.2	140.1
Corporate	120.9	122.2	120.7	123.7	120.9	118.5	114.5	113.6
Wealth	31.9	31.2	32.2	33.0	35.0	36.9	35.6	35.8
Customer deposits	298.1	299.2	295.9	298.3	297.2	295.9	289.3	289.5

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1 RWAs are on a CRD IV fully loaded basis. CRD IV rules came into effect in Q413; therefore no Q313 and Q213 comparatives are available. Average allocated equity and tangible equity are shown on an estimated CRD IV basis.

Barclaycard	Q115	Q414	Q314	Q214	Q114	Q413	Q3131	Q2131
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Total income	1,135	1,109	1,123	1,082	1,042	1,034	1,050	1,030
Credit impairment charges and other provisions	(290)	(362)	(284)	(268)	(269)	(266)	(290)	(272)
Net operating income	845	747	839	814	773	768	760	758
Operating expenses	(465)	(456)	(449)	(420)	(402)	(457)	(455)	(424)
Costs to achieve Transform	(25)	(50)	(32)	(23)	(13)	(38)	(6)	(5)
UK bank levy	-	(29)	-	-	-	(22)	-	-
Total operating expenses	(490)	(535)	(481)	(443)	(415)	(517)	(461)	(429)
Other net income	11	1	4	25	10	5	12	7
Profit before tax	366	213	362	396	368	256	311	336
Attributable profit	259	137	262	285	254	169	214	243
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers at amortised cost	36.8	36.6	34.8	33.2	31.9	31.5	30.4	30.1
Total assets	42.4	41.3	38.9	36.2	35.0	34.4	33.4	34.3
Customer deposits	8.0	7.3	6.5	5.9	5.8	5.1	4.7	4.4
Risk weighted assets	39.9	39.9	38.6	37.7	36.4	35.7	n/a	n/a
Performance measures								
Return on average tangible equity	21.0%	11.2%	21.8%	24.7%	22.6%	16.1%	20.2%	24.0%
Average allocated tangible equity (£bn)	5.0	4.9	4.8	4.6	4.5	4.2	4.2	4.1
Return on average equity	16.6%	9.0%	17.5%	19.7%	18.2%	12.7%	15.9%	18.6%
Average allocated equity (£bn)	6.3	6.2	6.0	5.8	5.6	5.3	5.4	5.2
Cost: income ratio	43%	48%	43%	41%	40%	50%	44%	42%
Loan loss rate (bps)	305	374	309	309	325	320	360	343

1 RWAs are on a CRD IV fully loaded basis. CRD IV rules came into effect in Q413; therefore no Q313 and Q213 comparatives are available. Average allocated equity and tangible equity are shown on an estimated CRD IV basis.

Africa Banking	Q115	Q414	Q314	Q214	Q114	Q413	Q3131	Q2131
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Total income net of insurance claims	948	963	928	895	878	980	1,004	1,016
Credit impairment charges and other provisions	(90)	(79)	(74)	(100)	(96)	(104)	(101)	(131)
Net operating income	858	884	854	795	782	876	903	885
Operating expenses	(559)	(591)	(573)	(545)	(537)	(616)	(605)	(597)
Costs to achieve Transform	(6)	(23)	(11)	(8)	(9)	(15)	(2)	(9)

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UK bank levy	-	(45)	-	-	-	(42)	-	-
Total operating expenses	(565)	(659)	(584)	(553)	(546)	(673)	(607)	(606)
Other net income	2	3	2	2	4	-	3	4
Profit before tax	295	228	272	244	240	203	299	283
Attributable profit	112	88	91	78	103	30	104	108
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers at amortised cost	35.7	35.2	34.5	33.8	35.0	34.9	36.5	38.7
Total assets	57.8	55.5	54.6	52.4	54.1	54.9	57.3	61.2
Customer deposits	35.0	35.0	33.4	33.2	34.0	34.6	35.4	37.9
Risk weighted assets	39.3	38.5	37.9	36.5	36.6	38.0	n/a	n/a
Performance measures								
Return on average tangible equity	14.7%	11.9%	13.1%	11.3%	15.5%	4.2%	14.1%	12.8%
Average allocated tangible equity (£bn)	3.1	2.9	2.8	2.8	2.7	2.8	3.0	3.4
Return on average equity	10.8%	8.7%	9.5%	8.1%	11.1%	3.0%	10.0%	9.3%
Average allocated equity (£bn)	4.1	4.0	3.8	3.8	3.7	4.0	4.1	4.6
Cost: income ratio	60%	68%	63%	62%	62%	69%	60%	60%
Loan loss rate (bps)	94	83	79	111	104	105	104	133
Constant Currency ²								
Income statement information	£m	£m	£m	£m	£m			
Total income net of insurance claims	948	954	941	903	883			
Credit impairment charges and other provisions	(90)	(78)	(75)	(101)	(97)			
Net operating income	858	876	866	802	786			
Operating expenses	(559)	(585)	(579)	(548)	(541)			
Costs to achieve Transform	(6)	(23)	(11)	(9)	(9)			
UK bank levy	-	(45)	-	-	-			
Total operating expenses	(565)	(653)	(590)	(557)	(550)			
Other net income	2	3	1	1	5			
Profit before tax	295	226	277	246	241			
Attributable profit	112	88	94	84	102			
Balance sheet information	£bn	£bn	£bn	£bn	£bn			
Loans and advances to customers at amortised cost	35.7	35.3	35.1	34.1	34.1			
Total assets	57.8	55.4	55.3	53.0	52.7			
Customer deposits	35.0	35.1	33.9	33.5	33.2			

1 RWAs are on a CRD IV fully loaded basis. CRD IV rules came into effect in Q413; therefore no Q313 and Q213 comparatives are available.

2 Constant currency results are calculated by converting ZAR results into GBP using the average exchange rate for the three months ended 31 March 2015 for the income statement and the 31 March 2015 exchange rate for the balance sheet to eliminate the impact of movement in exchange rates between the periods.

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	Q115	Q414	Q314	Q214	Q114	Q413	Q3131	Q2131
Investment Bank	£m	£m	£m	£m	£m	£m	£m	£m
Income statement information								
Investment Banking fees	549	527	410	661	513	571	526	488
Lending	83	111	137	66	103	68	42	141
Banking	632	638	547	727	616	639	568	629
Credit	274	173	255	270	346	231	308	239
Equities	619	431	395	629	591	421	524	750
Macro	624	424	470	504	552	494	457	689
Markets	1,517	1,028	1,120	1,403	1,489	1,146	1,289	1,678
Banking & Markets	2,149	1,666	1,667	2,130	2,105	1,785	1,857	2,307
Other	-	-	(2)	24	(2)	(3)	(6)	(7)
Total income	2,149	1,666	1,665	2,154	2,103	1,782	1,851	2,300
Credit impairment releases/(charges) and other provisions	11	(7)	(5)	7	19	(6)	(10)	10
Net operating income	2,160	1,659	1,660	2,161	2,122	1,776	1,841	2,310
Operating expenses	(1,454)	(1,384)	(1,306)	(1,442)	(1,501)	(1,606)	(1,373)	(1,429)
Costs to achieve Transform	(31)	(22)	(70)	(152)	(130)	(71)	(3)	-
UK bank levy	-	(218)	-	-	-	(236)	-	-
Total operating expenses	(1,485)	(1,624)	(1,376)	(1,594)	(1,631)	(1,913)	(1,376)	(1,429)
Profit/(loss) before tax	675	35	284	567	491	(137)	465	881
Attributable profit/(loss)	344	(150)	112	204	231	(74)	283	505
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost ²	134.4	106.3	123.1	117.2	129.7	104.5	n/a	n/a
Trading portfolio assets	99.1	94.8	98.8	101.2	101.2	96.6	n/a	n/a
Derivative financial instrument assets	175.9	152.6	131.4	104.2	99.9	108.7	n/a	n/a
Derivative financial instrument liabilities	186.0	160.6	137.6	109.5	106.7	116.6	n/a	n/a
Reverse repurchase agreements and other similar secured lending	58.0	64.3	82.8	83.0	86.6	78.2	n/a	n/a
Total assets	509.6	455.7	488.4	446.2	469.4	438.0	n/a	n/a
Risk weighted assets	123.0	122.4	127.9	123.9	125.2	124.4	n/a	n/a
Performance measures								
Return on average tangible equity	9.7%	(3.9%)	3.3%	5.6%	6.4%	(2.1%)	7.5%	12.8%
Average allocated tangible equity (£bn)	14.5	14.7	14.2	14.8	14.7	14.4	15.1	15.8
Return on average equity	9.1%	(3.7%)	3.1%	5.3%	6.1%	(2.0%)	7.2%	12.3%
Average allocated equity (£bn)	15.4	15.6	15.0	15.5	15.4	15.1	15.7	16.4
Cost: income ratio	69%	97%	83%	74%	78%	107%	74%	62%

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Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Total income/(expense)	14	27	56	78	81	227	(81)	(24)
Credit impairment releases	-	-	-	-	-	3	-	-
Net operating income/(expense)	14	27	56	78	81	230	(81)	(24)
Operating expenses	(30)	(19)	(13)	(76)	(15)	(47)	(25)	(25)
Costs to achieve Transform	(5)	(8)	-	5	(7)	(22)	-	5
UK bank levy	-	(9)	-	-	-	(29)	-	-
Total operating expenses	(35)	(36)	(13)	(71)	(22)	(98)	(25)	(20)
Other net income/(expense)	2	-	(3)	(1)	1	7	(1)	(5)
(Loss)/profit before tax	(19)	(9)	40	6	60	139	(107)	(49)
Attributable (loss)/profit	(33)	122	(41)	45	(15)	192	(110)	(157)
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Total assets	45.7	49.1	41.5	43.3	33.7	26.6	n/a	n/a
Risk weighted assets	6.3	5.6	7.5	7.6	16.0	16.2	n/a	n/a
Average allocated tangible equity	2.3	1.1	0.3	(1.1)	(2.8)	(3.1)	(9.1)	(8.6)
Average allocated equity	2.8	1.4	0.7	(0.7)	(2.5)	(2.9)	(8.6)	(8.1)

- 1 RWAs are on a CRD IV fully loaded basis. CRD IV rules came into effect in Q413; therefore no Q313 and Q213 comparatives are available. Average allocated equity and tangible equity are shown on an estimated CRD IV basis. Balance sheet comparative figures have also been restated from Q413 to adopt the offsetting amendments to IAS32, Financial Instruments: Presentation; therefore no Q313 and Q213 comparatives for the Investment Bank are available.
- 2 As at 31 March 2015 loans and advances included £107.1bn (December 2014: £86.4bn) of loans and advances to customers (including settlement balances of £39.3bn (December 2014: £25.8bn) and cash collateral of £38.4bn (December 2014: £32.2bn) and loans and advances to banks of £27.2bn (December 2014: £19.9bn) (including settlement balances of £6.6bn (December 2014: £2.7bn) and cash collateral of £8.4bn (December 2014: £6.9bn)).

Performance Management

Returns and equity by business

	Three months ended 31.03.15	Three months ended 31.03.14
Return on average tangible equity	%	%
Personal and Corporate Banking	17.1	14.7
Barclaycard	21.0	22.6
Africa Banking	14.7	15.5
Investment Bank	9.7	6.4
Barclays Core excluding Head Office	14.4	12.3
Head Office impact ¹	(1.2)	0.9
Barclays Core	13.2	13.2
Barclays Non-Core impact ¹	(4.4)	(5.6)
Barclays Group adjusted total	8.8	7.6

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	Three months ended 31.03.15	Three months ended 31.03.14
Return on average equity	%	%
Personal and Corporate Banking	12.9	11.1
Barclaycard	16.6	18.2
Africa Banking	10.8	11.1
Investment Bank	9.1	6.1
Barclays Core excluding Head Office	11.9	10.2
Head Office impact ¹	(1.0)	0.5
Barclays Core	10.9	10.7
Barclays Non-Core impact ¹	(3.3)	(4.2)
Barclays Group adjusted total	7.6	6.5

	Three months ended 31.03.15	Three months ended 31.03.14
Profit/(loss) attributable to ordinary equity holders of the parent ²	£m	£m
Personal and Corporate Banking	581	484
Barclaycard	261	255
Africa Banking	112	103
Investment Bank	350	235
Head Office	(31)	(16)
Barclays Core	1,273	1,061
Barclays Non-Core	(197)	(168)
Barclays Group adjusted total	1,076	893

1 Return on average equity and average tangible equity for Head Office and Barclays Non-Core represents their impact on Barclays Core and the Group respectively. This does not represent the return on average equity and average tangible equity of Head Office or the Non-Core business.

2 The profit after tax attributable to other equity holders of £80m (Q114: £49m) is offset by a tax credit recorded in reserves of £16m (Q114: £11m) allocated across the businesses. The net amount of £64m, along with NCI, is deducted from profit after tax in order to calculate return on average tangible shareholders' equity and return on average shareholders' equity. Hence, Q115 attributable profit of £1,059m has been adjusted for the tax credit recorded in reserves of £16m (Q114: £11m).

	Three months ended 31.03.15	Three months ended 31.03.14
Average allocated tangible equity	£bn	£bn
Personal and Corporate Banking	13.6	13.1
Barclaycard	5.0	4.5
Africa Banking	3.1	2.7
Investment Bank	14.5	14.7
Head Office ¹	2.3	(2.8)
Barclays Core	38.5	32.2
Barclays Non-Core	10.2	15.0
Barclays Group adjusted total	48.7	47.2

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	Three months ended 31.03.15	Three months ended 31.03.14
Average allocated equity	£bn	£bn
Personal and Corporate Banking	18.1	17.4
Barclaycard	6.3	5.6
Africa Banking	4.1	3.7
Investment Bank	15.4	15.4
Head Office ¹	2.8	(2.5)
Barclays Core	46.7	39.6
Barclays Non-Core	10.3	15.2
Barclays Group adjusted total	57.0	54.8
	31.03.15	31.12.14
Period end allocated equity	£bn	£bn
Personal and Corporate Banking	18.1	17.9
Barclaycard	6.2	6.2
Africa Banking	4.0	4.0
Investment Bank	14.7	14.7
Head Office ¹	4.2	2.1
Barclays Core	47.2	44.9
Barclays Non-Core	9.7	11.0
Barclays Group adjusted total	56.9	55.9

1 Based on risk weighted assets and capital deductions in Head Office and Other Operations, plus the residual balance of average ordinary shareholders' equity and tangible ordinary shareholders' equity. The residual balance is caused by the Group's fully loaded CRD IV CET1 ratio being on average in the period below the 10.5% used to allocate equity and tangible equity to the businesses.

Margins and balances

	Three months ended 31.03.15			Three months ended 31.03.14		
	Net interest income	Average customer assets	Net interest margin	Net interest income	Average customer assets	Net interest margin
	£m	£m	%	£m	£m	%
Personal and Corporate Banking	1,601	214,645	3.02	1,528	207,433	2.99
Barclaycard	821	37,909	8.78	746	32,911	9.19
Africa Banking	533	36,603	5.91	503	34,488	5.91
Total Personal and Corporate Banking, Barclaycard and Africa Banking	2,955	289,157	4.14	2,777	274,832	4.10
Other	76			321		
Total net interest income	3,031			3,098		

Quarterly analysis for PCB, Barclaycard and Africa Banking

Quarter ended 31.03.15		
Net interest income	Average customer assets	Net interest margin

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	£m	£m	%
Personal and Corporate Banking	1,601	214,645	3.02
Barclaycard	821	37,909	8.78
Africa Banking	533	36,603	5.91
Total Personal and Corporate Banking, Barclaycard and Africa Banking	2,955	289,157	4.14
	Quarter ended 31.12.14		
Personal and Corporate Banking	1,619	212,444	3.02
Barclaycard	757	36,932	8.13
Africa Banking	546	36,465	5.94
Total Personal and Corporate Banking, Barclaycard and Africa Banking	2,922	285,841	4.06
	Quarter ended 30.09.14		
Personal and Corporate Banking	1,622	210,859	3.05
Barclaycard	787	35,308	8.84
Africa Banking	540	35,026	6.12
Total Personal and Corporate Banking, Barclaycard and Africa Banking	2,949	281,193	4.16
	Quarter ended 30.06.14		
Personal and Corporate Banking	1,529	209,040	2.93
Barclaycard	754	33,904	8.92
Africa Banking	504	34,660	5.83
Total Personal and Corporate Banking, Barclaycard and Africa Banking	2,787	277,604	4.03

Condensed Consolidated Financial Statements

Consolidated summary income statement

	Three months ended 31.03.15	Three months ended 31.03.2014
	£m	£m
Continuing operations		
Total income net of insurance claims	6,558	6,769
Credit impairment charges and other provisions	(477)	(548)
Net operating income	6,081	6,221
Staff costs	(2,213)	(2,943)
Administration and general expenses	(2,432)	(1,492)
Operating expenses	(4,645)	(4,435)
Share of post-tax results of associates and joint ventures	20	26
(Loss)/profit on disposal of subsidiaries, associates and joint ventures	(119)	-
Profit before tax	1,337	1,812
Tax	(612)	(597)
Profit after tax	725	1,215

Attributable to:

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Ordinary equity holders of the parent	465	965
Other equity holders	80	49
Total equity holders	545	1,014
Non-controlling interests	180	201
Profit after tax	725	1,215
Earnings per share from continuing operations		
Basic earnings per ordinary share ¹	2.9p	6.0p

1 The profit after tax attributable to other equity holders of £80m (March 2014: £49m) is offset by a tax credit recorded in reserves of £16m (March 2014: £11m). The net amount of £64m (March 2014: £38m), along with NCI, is deducted from profit after tax in order to calculate earnings per share.

Consolidated summary balance sheet

	As at 31.03.15 £m	As at 31.12.2014 £m
Assets		
Cash, balances at central banks	33,191	39,695
Items in the course of collection from other banks	1,382	1,210
Trading portfolio assets	118,601	114,717
Financial assets designated at fair value	36,917	38,300
Derivative financial instruments	480,144	439,909
Available for sale financial investments	95,222	86,066
Loans and advances to banks	52,122	42,111
Loans and advances to customers	451,715	427,767
Reverse repurchase agreements and other similar secured lending	123,581	131,753
Other assets	23,534	36,378
Total assets	1,416,409	1,357,906
Liabilities		
Deposits from banks	69,056	58,390
Items in the course of collection due to banks	1,616	1,177
Customer accounts	446,514	427,704
Repurchase agreements and other similar secured borrowing	115,506	124,479
Trading portfolio liabilities	45,460	45,124
Financial liabilities designated at fair value	57,302	56,972
Derivative financial instruments	483,755	439,320
Debt securities in issue	89,203	86,099
Subordinated liabilities	21,385	21,153
Other liabilities	19,524	31,530
Total liabilities	1,349,321	1,291,948
Equity		
Called up share capital and share premium	21,381	20,809
Other reserves ¹	3,679	2,724
Retained earnings	31,310	31,712
Shareholders' equity attributable to ordinary shareholders of the parent	56,370	55,245
Other equity instruments	4,323	4,322
Total equity excluding non-controlling interests	60,693	59,567

Non-controlling interests	6,395	6,391
Total equity	67,088	65,958
Total liabilities and equity	1,416,409	1,357,906

Consolidated statement of changes in equity

Three months ended 31.03.15	Called up share capital and share premium £m	Other equity instruments £m	Other reserves ¹ £m	Retained earnings £m	Non-controlling Total interests £m	Total equity £m
Balance at 1 January 2015	20,809	4,322	2,724	31,712	59,567	65,958
Profit after tax	-	80	-	465	545	725
Other comprehensive profit after tax for the period	-	-	962	(303)	659	680
Issue of shares	572	-	-	150	722	722
Issue and exchange of equity instruments	-	-	-	-	-	-
Dividends	-	-	-	-	(193)	(193)
Coupons paid on other equity instruments	-	(80)	-	16	(64)	(64)
Treasury shares	-	-	(7)	(695)	(702)	(702)
Other movements	-	1	-	(35)	(34)	(38)
Balance at 31 March 2015	21,381	4,323	3,679	31,310	60,693	67,088

¹ Other Reserves includes currency translation reserve of £0.2bn (December 2014: £0.6bn debit), available for sale investments of £0.5bn (December 2014: £0.6bn), cash flow hedge reserve of £2.0bn (December 2014: £1.8bn), other reserves and treasury shares of £0.9bn (December 2014: £0.9bn).

Capital

CRD IV capital

The Capital Requirements Regulation and Capital Requirements Directive implemented Basel 3 within the EU (collectively known as CRD IV) on 1 January 2014. The rules are supplemented by Regulatory Technical Standards and the PRA's rulebook, including the implementation of transitional rules. However, rules and guidance are still subject to change as certain aspects of CRD IV are dependent on final technical standards and clarifications to be issued by the EBA and adopted by the European Commission and the PRA. All capital, RWA and leverage calculations reflect Barclays' interpretation of the current rules.

Capital ratios	As at 31.03.15	As at 31.12.14
Fully loaded Common Equity Tier 1	10.6%	10.3%

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PRA Transitional Common Equity Tier 11,2	10.6%	10.2%
PRA Transitional Tier 13,4	13.3%	13.0%
PRA Transitional Total Capital3,4	16.8%	16.5%
Capital resources	£m	£m
Shareholders' equity (excluding non controlling interests) per the balance sheet	60,693	59,567
- Less: Other equity instruments (recognised as AT1 capital)	(4,323)	(4,322)
Adjustment to retained earnings for foreseeable dividends	(981)	(615)
Minority interests (amount allowed in consolidated CET1)	1,249	1,227
Other regulatory adjustments and deductions:		
Additional value adjustments (PVA)	(1,984)	(2,199)
Goodwill and intangible assets	(8,255)	(8,127)
Deferred tax assets that rely on future profitability excluding temporary differences	(1,180)	(1,080)
Fair value reserves related to gains or losses on cash flow hedges	(2,029)	(1,814)
Excess of expected losses over impairment	(1,727)	(1,772)
Gains or losses on liabilities at fair value resulting from own credit	497	658
Direct and indirect holdings by an institution of own CET1 instruments	(56)	(25)
Other regulatory adjustments	(72)	(45)
Fully loaded CET1 capital	41,833	41,453
Regulatory adjustments relating to unrealised gains1	-	(583)
PRA Transitional CET1 capital	41,833	40,870
Additional Tier 1 (AT1) capital		
Capital instruments and related share premium accounts	4,323	4,322
Qualifying AT1 capital (including minority interests) issued by subsidiaries	6,815	6,870
Other regulatory adjustments and deductions	(130)	-
Transitional Additional Tier 1 capital	11,008	11,192
PRA Transitional Tier 1 capital	52,841	52,062
Tier 2 (T2) capital		
Capital instruments and related share premium accounts	840	800
Qualifying T2 capital (including minority interests) issued by subsidiaries	13,126	13,529
Other regulatory adjustments and deductions	(254)	(48)
PRA Transitional total regulatory capital	66,553	66,343
Risk weighted assets	395,899	401,900

The transitional regulatory adjustment for unrealised gains is no longer applicable from 1 January 2015 resulting in CET 1 capital on a fully loaded basis being equal to that on a transitional basis.

- 2 The CRD IV CET1 ratio (FSA October 2012 transitional statement) as applicable to Barclays' Tier 2 Contingent Capital Notes was 12.3% based on £48.5bn of transitional CRD IV CET1 capital and £395.9bn of RWAs.
- 3 The PRA transitional capital is based on guidance provided in policy statement PS 7/13 on strengthening capital standards published in December 2013.
- 4 As at 31 March 2015, Barclays' fully loaded Tier 1 capital was £46,322m, and the fully loaded Tier 1 ratio was 11.7%. Fully loaded total regulatory capital was £61,863m and the fully loaded total capital ratio was 15.6%. The fully loaded Tier 1 capital and total capital measures are calculated without applying the transitional provisions set out in CRD IV and assessing compliance of AT1 and T2 instruments against the relevant criteria in CRD IV.

	Three months ended 31.03.15 £m
Movement in Common Equity Tier 1 (CET1) capital	
Opening CET1 capital	41,453
Profit for the period	545
Movement in own credit	(161)
Movement in dividends	(430)
Retained regulatory capital generated from earnings	(46)
Movement in reserves - net impact of share schemes	20
Movement in available for sale reserves	(55)
Movement in currency translation reserves	813
Movement in retirement benefits	(314)
Other reserves movements	(34)
Movement in other qualifying reserves	430
Minority interests	22
Additional value adjustments (PVA)	215
Goodwill and intangible assets	(128)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(100)
Excess of expected loss over impairment	45
Direct and indirect holdings by an institution of own CET1 instruments	(31)
Other regulatory adjustments	(27)
Movement in regulatory adjustments and deductions	(4)
Closing CET 1 capital	41,833
Leverage	
Leverage ratio requirements	

In January 2014, the Basel Committee finalised its revised standards (BCBS 270) for calculating the Basel 3 leverage ratio. The European Commission has implemented the amendments into the CRR via a delegated act which came into force from January 2015. The leverage calculation below uses the end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure as adopted by a European Union delegated act.

Barclays does not believe that there is a material difference between the BCBS 270 leverage exposure previously disclosed and a leverage exposure calculated in accordance with the delegated act.

At 31 March 2015 Barclays leverage ratio was 3.7%, which is in line with the expected minimum fully loaded requirement outlined by the Financial Policy Committee (FPC) of 3.7%, comprising the 3% minimum requirement, and the fully phased-in G-SII buffer.

Leverage impact

	As at 31.03.15 £bn	As at 31.12.14 £bn
Leverage exposure		
Accounting assets		
Derivative financial instruments	480	440
Cash collateral	80	73
Reverse repurchase agreements	124	132
Loans and advances and other assets	732	713
Total IFRS assets	1,416	1,358
Regulatory consolidation adjustments	(8)	(8)
Derivatives adjustments		
Derivatives netting	(436)	(395)
Adjustments to cash collateral	(63)	(53)
Net written credit protection	25	27
Potential Future Exposure on derivatives	176	179
Total derivatives adjustments	(298)	(242)
Securities financing transactions (SFTs) adjustments	46	25
Regulatory deductions and other adjustments	(15)	(15)
Weighted off balance sheet commitments	114	115
Total fully loaded leverage exposure	1,255	1,233
Fully loaded CET 1 capital	41.8	41.5
Fully loaded AT1 capital	4.5	4.6
Fully loaded Tier 1 capital	46.3	46.0
Fully loaded leverage ratio	3.7%	3.7%

Shareholder Information

Results timetable ¹	Date
Ex-dividend date	7 May 2015
Dividend Record date	8 May 2015
Scrip reference share price set and made available to shareholders	14 May 2015
Cut off time of 4.30 pm (London time) for the receipt of Mandate Forms or Revocation Forms (as applicable)	22 May 2015
Dividend Payment date /first day of dealing in new shares	15 June 2015
2015 interim results announcement	29 July 2015

For qualifying US and Canadian resident ADR holders, the first interim dividend of 1p per ordinary share becomes 4p per ADS (representing four shares). The ADR depository will post the first interim dividend on Monday 15 June 2015 to ADR holders on the record at close of business on Friday 8 May 2015. The ex-dividend date will be Wednesday 6 May 2015.

				% Change ³	
Exchange rates ²	31.03.15	31.12.14	31.03.14	31.12.14	31.03.14
Period end - USD/GBP	1.49	1.56	1.67	(4%)	(11%)
3 Month average - USD/GBP	1.51	1.58	1.66	(4%)	(9%)
Period end - EUR/GBP	1.38	1.28	1.21	8%	14%
3 Month average - EUR/GBP	1.35	1.27	1.21	6%	12%
Period end - ZAR/GBP	18.00	18.03	17.54	-	3%
3 Month average - ZAR/GBP	17.79	17.75	17.97	-	(1%)
Share price data	31.03.15	31.12.14	31.03.14		
Barclays PLC (p)	242.60	243.50	233.40		
Barclays PLC number of shares (m)	16,717	16,498	16,390		
Barclays Africa Group Limited (formerly Absa Group Limited) (ZAR)	185.00	182.00	149.00		
Barclays Africa Group Limited (formerly Absa Group Limited) number of shares (m)	848	848	848		

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Global Systemically Important Institutions

Barclays is required by the PRA following an EBA request to publicly disclose the Global Systemically Important Institutions template for the reporting period 31 December 2014. This will be available at: <http://www.barclays.com/barclays-investor-relations/investor-news.html> on 30 April 2015.

- 1 Note that these announcement dates are provisional and subject to change. Any changes to the Scrip Dividend Programme dates will be made available at Barclays.com/dividends.
- 2 The average rates shown above are derived from daily spot rates during the year used to convert foreign currency transactions into GBP for accounting purposes.
- 3 The change is the impact to GBP reported information.
- 4 Calls cost 8p per minute plus network extras. Lines open 8.30am to 5.30pm UK time, Monday to Friday, excluding UK public holidays.