

Annual Report 2021



ACCELERATING PROGRESS



Delivering Value to Shareholders*

AXIS' rating of A+ from Standard and Poor's and A from A.M. Best reflects our excellent level of financial strength.

\$16.5B

Cash and Invested Assets

\$27.4B

Total Assets

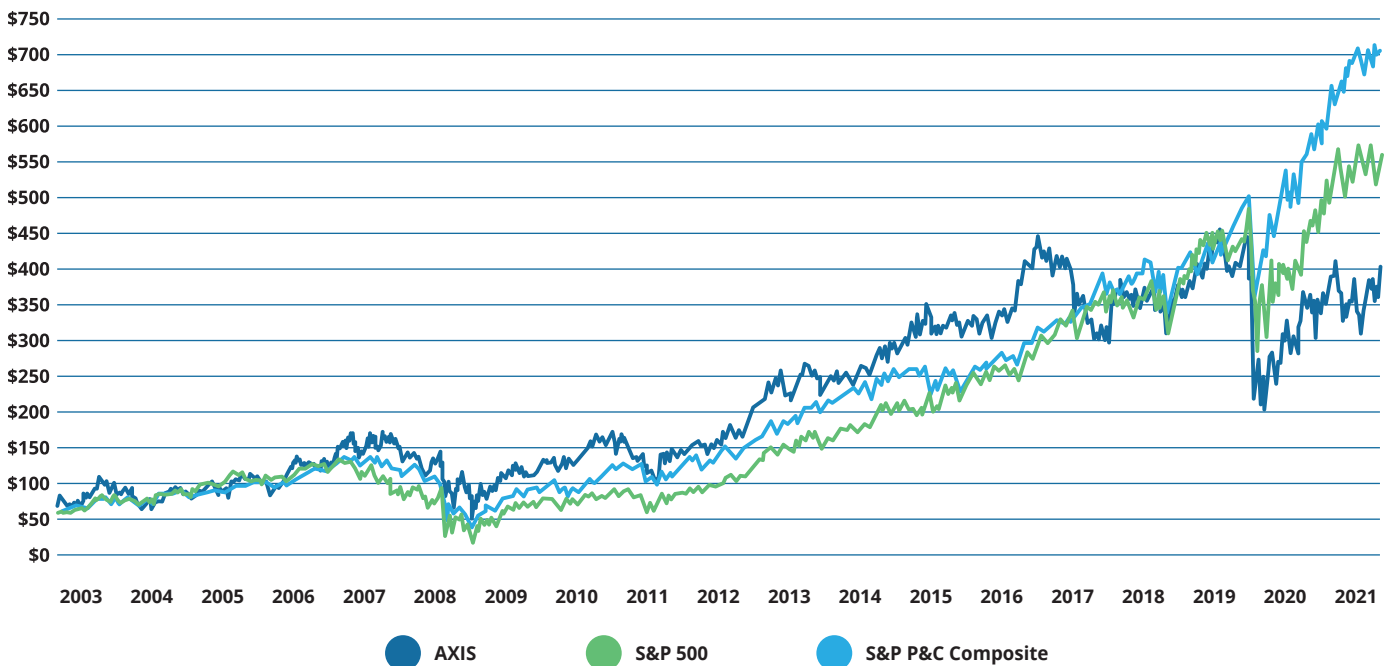
\$6.7B

Total Capital**

*Key facts and figures at Dec 31, 2021 (\$ in billions)

**Total capital represents the sum of total shareholders' equity and debt

Total Shareholder Return†



† Data computed from June 30, 2003 to December 31, 2021. Shown above is a graph comparing the yearly percentage change in the cumulative total shareholder return on our common shares (assuming reinvestment of dividends) from July 1, 2003, the date that our common shares began trading on the New York Stock Exchange, through December 31, 2021, as compared to the cumulative total return of the Standard & Poor's 500 Stock Index and the cumulative return of the Standard & Poor's Property and Casualty Insurance Index. This graph assumes an investment of \$100 in July 2003. The Company's total return is computed using the initial public offering price of \$22.00 per share.

CEO Letter

To our shareholders

For AXIS, 2021 was a milestone year – not only did it mark our 20th Anniversary, but it was also defined by meaningful progress in strengthening all aspects of our business and enhancing the value proposition that we deliver to our customers. We accomplished all this despite 2021’s ranking as one of the top five biggest natural catastrophe years that the (re)insurance industry has seen.

To the credit of our team in 2021, we advanced our efforts to reposition the portfolio, manage down volatility and drive profitable growth while capitalizing on a favorable market. Comparing our results to 2017, we’ve taken our attritional loss ratio down by nine points to 55.1% this year and brought our current year ex-cat combined ratio down by 10 points to 88.7%, the best since 2007. AXIS now has delivered nine consecutive quarters of year-over-year improvement in our current year ex-cat combined ratio.

All the while, we reduced our net PML by over 50% across the curve. The improvement in our performance is attributable to continued proactive reshaping of the portfolio, reduction of limits and modulation of attachment points, in addition to good growth in selected lines once they reached rate adequacy. Further, we continued to capitalize on favorable market conditions – building upon our well-established positions in some of the best performing areas within specialty insurance.

Both our Insurance and Reinsurance segments contributed to our solid performance. Our Insurance business produced excellent results, growing production by 21%, generating record new business and total premiums, all the while strengthening its overall portfolio. The segment achieved underwriting income of \$224 million¹, delivered a combined ratio of 91.6%, the best since 2010, and a current year ex-cat combined ratio of 85.9%, the lowest since 2006.

AXIS Re also delivered improved performance and it is an encouraging sign of progress that in a very high cat year for the industry, it produced a combined ratio below 100%. In addition, the current year ex-cat combined ratio of 86.3% was the best since 2012. This demonstrates that the work our team has done to improve the quality and resilience of our Reinsurance portfolio is paying off.



Over the last several years, we invested time and energy on building and strengthening a foundation for the future – and today we are seeing the results of our efforts.

2021 Financial Results

Our solid 2021 results are the product of a multi-year effort to optimize our portfolio mix, grow our most profitable lines of business, and reduce earnings volatility by lowering our net exposure to catastrophes. Net income available to common shareholders for 2021 was \$588 million, or \$6.90 per diluted common share, reversing a net loss attributable to common shareholders of (\$151) million, or (\$1.79) per diluted common share, for 2020.

Operating income was \$436 million², in contrast to the 2020 operating loss of \$174 million. Improved core underwriting results, manageable catastrophe exposure and strong investment performance all contributed to delivering an ROACE of 12.2% and operating ROACE of 9.1%.³

The 2021 results included pre-tax catastrophe and weather-related losses, net of reinsurance and reinstatement premiums, of \$443 million (9.5 points of the combined ratio), a significant improvement from \$774 million (17.7 points), including COVID-19, in 2020. Excluding COVID-19, industry cat losses were up about 40%, but our ex-COVID cat loss ratio stayed flat at 9.5%. We estimate our share of the industry-wide catastrophe and weather-related losses, which are estimated to be \$120 billion, was 0.37% in 2021. This was down from 0.50% a year earlier.

Gross premiums written were \$7.7 billion in 2021, up from \$6.8 billion in 2020. This reflected a 21% increase in Insurance premiums and a 1% rise in Reinsurance premiums. Both segments focused on lines with lower cat exposure and stronger prospects for profitable growth, while also benefiting from a continued improvement in rates.

We continued to drive progress in optimizing operating efficiency and controlling expenses, and this will remain a priority in 2022.

Investing in Talent

We are proud to have made several key talent appointments in the last year. We bolstered the AXIS ILS (Insurance Linked Securities) team, the unit focused on providing partners with access to specialized (re)insurance products, by appointing Chris Caponigro, who was named Global Head of AXIS ILS in July 2021 and expanding the team.

After 15 years at AXIS, we announced Helen O'Sullivan's promotion to Global Treasurer. At AXIS, Helen has held roles such as CEO AXIS Specialty Europe SE, CEO of AXIS Re SE and Deputy Global Tax Director. Helen has been an integral member of the team since she joined the Company and we are delighted to have her in this new role.

In January 2022, we announced leadership transitions within our Insurance segment and welcomed Vince Tizzio as Senior Advisor – Insurance Market Strategy, and future CEO of AXIS Insurance effective June 1.

On behalf of the entire AXIS team, we would like to extend our gratitude to Peter Wilson for his nine years of leadership at AXIS and the achievements made under his watch as AXIS Insurance CEO.

Strategic Investments

Over the last decade, we have invested in ventures that enhance our value proposition and leadership in key markets targeted for long-term profitable growth, deliver our specialty expertise where our customers are, and address major industry pain points in the complex ecosystem in which we operate. In 2021 alone, our strategic investment portfolio was associated with an underwriting income⁴ in excess of \$10.6 million and contributed \$45 million in net investment income.

ESG and Stakeholder Commitment

Central to our Corporate Citizenship initiative is building and strengthening organizational and societal resilience, while delivering long-term value to our shareholders, colleagues, clients and other stakeholders. Our Citizenship program, designed to address environmental, social and governance (ESG) issues, continues to focus on the areas where we believe we can make the greatest impact: protecting our planet; fostering inclusion; and investing in our communities.

As a signatory to the Principles for Sustainable Insurance and the United Nations Global Compact, AXIS published its first progress reports on advancing our ESG priorities in 2021 on our external website. This is a reflection of our commitment to transparency and accountability. For more information on our 2021 accomplishments, I encourage you to read these documents and the Corporate Citizenship section of this report.

Supporting Our People

It has now been more than two years since the onset of the COVID-19 pandemic. While hybrid working conditions have become commonplace, we will never take for granted the AXIS colleagues whose efforts enabled us to continue working seamlessly in a virtual environment – all the while serving our clients and partners and strengthening our business. The progress we made in the past year is largely a tribute to their dedication, talent and resourcefulness, and I offer them my heartfelt thanks.

I am proud of our efforts to help alleviate the impact of the pandemic on our colleagues' lives, and to support the health and welfare of our team members throughout the globe. We further strengthened our support program which is focused on three pillars of wellbeing: *mental*, including wellness seminars and a mindfulness app; *financial*, covering topics such as retirement planning; and *physical*, promoting a healthy and active lifestyle. Many practices we started during the pandemic, including all-staff webcasts several times a month and quarterly wellbeing newsletters, will continue well beyond. In the past year, we were also proud to introduce back-up childcare, elder care, and enhanced parental resources.

AXIS was a leader in shifting to and supporting a work-from-home approach, and we aim to lead in the transition to the future of work. We see an opportunity to re-think the way our teams eventually use company offices. We have called our go-forward plan *Flex for Your Day*. This program, designed as a flexible approach to reflect each team's needs, empowers business leaders and their teams to determine how each specific operation should use the office.

I also want to take this moment to thank our Business Technology Solutions (BTS) team for their skill and dedication that allowed AXIS to transition seamlessly and securely into a hybrid work environment. Our BTS team remained fully engaged in the effort to make our systems as robust and resilient as possible, ensuring that we can operate effectively, serve clients and brokers, and safeguard valuable information in case of a cyber-security event.

Accelerating Progress and Performance

Over the last several years, we invested time and energy on building and strengthening a foundation for the future – and today we are seeing the results of our efforts. We begin 2022 as a stronger company than we were just a year ago, committed to further increasing the value that we deliver to all of our stakeholders, and we're confident that we'll

continue to accelerate on our progress in the year ahead. We will not be satisfied until AXIS consistently delivers top quintile performance.

Our goal is to position AXIS among the best-performing companies in our industry – and the past year shows further evidence we are on the right track. We have built solid global franchises in Insurance and Reinsurance, grounded in a culture of exceptional client service. In this market, we have terrific positioning and the ability to add value to our customers and partners in distribution while growing profitably. We remain disciplined in our capital allocation to those lines and markets that provide the best balance of short-term and longer-term opportunity – while working in partnership with brokers and clients to deliver risk management solutions that address their needs and deliver value to the sector. Most important, we have a great team committed to building on our progress, generating consistent and sustained profitability, and enhancing the value that we deliver to our shareholders and customers.

To be clear, more work remains ahead of us as we focus on delivering a consistent top tier return on capital. It is clear to us what we need to do to sustain this momentum:

- *We will continue to grow a franchise that leverages our broad global capabilities to deliver value-added products and services that meet our customers' needs;*
- *We will continue to intelligently grow our portfolio while reducing exposure to catastrophe events;*
- *We will focus on achieving a competitive expense ratio that can support continued investment in long-term profitable growth; and*
- *We will continue to invest in our culture, our people, and in making a positive impact in our communities, as well as in advancing our ESG objectives.*

And, while doing so, we will continue to stay true to our Company's DNA: leadership in complex risks, underwriting expertise, and great client service.

We see a bright future for AXIS. We are excited about the path ahead – and confident that AXIS is well-positioned for continued progress and consistent performance in the years to come.



Sincerely,

Albert A. Benchimol
President and
Chief Executive Officer

¹ Underwriting income (loss) is a non-GAAP financial measure as defined in Item 10(e) of SEC Regulation S-K. The reconciliation to the most comparable GAAP financial measure, net income (loss), and a discussion of the rationale for the presentation of this item are provided later in this report. ² Operating income (loss) is a non-GAAP financial measure as defined in Item 10(e) of SEC Regulation S-K. The reconciliation to the most comparable GAAP financial measure, net income (loss) available (attributable) to common shareholders, and a discussion of the rationale for the presentation of this item are provided later in this report. ³ Operating return on average common equity ("operating ROACE"), is a non-GAAP financial measure as defined in Item 10(e) of SEC Regulation S-K. The reconciliation to the most comparable GAAP financial measure, return on average common equity ("ROACE"), and a discussion of the rationale for its presentation are provided later in this report. ⁴ Denotes calendar year underwriting income excluding general and administrative expenses.

Chair Letter

To our shareholders

I am both pleased and proud to present the 2021 AXIS Annual Report. The progress that AXIS is achieving is the result of disciplined implementation of our strategy introduced several years ago to re-position the Company's portfolio, lower expenses, and reduce net exposure to catastrophes. As a member of the Board of Directors since 2004, and more recently as Chair, I am gratified by the accelerating improvement that we're seeing in the Company's results.

Investments in Talent and Technology

In an increasingly competitive market for talent, made more difficult by the disruptive impact of the pandemic, we are fortunate to have attracted and retained a team of highly capable employees. That is especially relevant in a business that depends heavily on the quality and expertise of its people – and it is a direct result of the investments that the Company has made in its talent programs. We have also made forward-looking investments in the technology needed to use data more productively, enable our people to focus on higher-value processes and activities, support new lines of business, and operate more efficiently.

On behalf of the Board, I'd like to extend our deep appreciation to the AXIS team for their hard work during the year, especially in the face of extreme catastrophe events, and the economic and human impact of the

pandemic. Even as we navigated together through a rapidly evolving environment and another year of hybrid working, they never lost their focus or commitment to our customers, our business, and to one another.

I would also like to extend our appreciation to Insurance CEO Peter Wilson for his years of valuable service to AXIS and the notable achievements that he has driven, while extending a warm welcome to our future Insurance CEO and current Senior Advisor – Insurance Market Strategy, Vince Tizzio.

Our performance in 2021 was highly encouraging, underpinned by strong premium growth across our most attractive lines, improved underwriting results, and core profitability.



Commitment to Culture and ESG

I am confident that I speak for the Board in saying that we are proud of the culture of our organization, which places a high value on service to our clients and communities. AXIS is deeply committed to “internal citizenship,” expressed through our communication and engagement with staff, as well as “external citizenship,” through our support for practices and policies that are responsive to society’s needs.

For AXIS, as for most enterprises around the world today, the path to creating long-term value – and to meeting the needs of all stakeholders – requires an increasing emphasis on ESG matters. I am proud of the 2021 activities detailed in the Corporate Citizenship section of our report, including advancements in our diversity and inclusion program, our commitment to phase out thermal coal business from our insurance, facultative reinsurance and investment portfolios, and our role as an engaged philanthropic partner in our communities.

Building a Strong Foundation for the Future

AXIS has achieved growth and enhanced profitability this year while maintaining positive differentiation in the marketplace. As a specialty (re)insurer, focused on covering highly complicated risks, we build deep relationships with our clients and distribution network. We partner with them in navigating a complex and uncertain world – which is a strong position upon which to build a successful and resilient enterprise.

Our continued progress will depend on consistent execution of our strategy: continuing to focus on attractive business lines, reducing volatility in the portfolio, managing catastrophe exposure in a world of evolving risks, and improving the efficiency and cost-effectiveness of our operations. At the same time, we must maintain the exceptional service that our clients and brokers expect of a leading specialty (re)insurer, while finding new ways to make a positive impact through our environmental, diversity and philanthropic initiatives.

The Board has utmost confidence in the organization’s intrinsic value, and has authorized the repurchase of up to \$100 million of the Company’s common shares through the end of 2022. The Board has also increased the common stock dividend for the 18th consecutive year.

I personally am very proud to be a part of the AXIS organization. Our Board is highly engaged in the strategic direction of the Company and our leadership team is pursuing a determined path to progress. I remain continually impressed by our people throughout the Company who are not satisfied just to deliver a product, but rather are motivated to solve clients’ problems, support one another, and help their communities.

In this 20th year since our founding, AXIS has made significant strides in achieving its goals, and with your support, I believe we are well-positioned to build on that progress in the coming years.



Sincerely,
Henry B. Smith
Chair of the Board



Insurance

By many measures, 2021 was among the strongest years in the history of our Insurance business.



We produced \$4.9 billion of gross premium in 2021, making up 63% of our consolidated writings. New premium production was \$1.5 billion, benefiting from a sharp focus on attractive lines of business. The segment delivered an underwriting income of \$224 million, despite an environment marked by many severe weather events and the resulting catastrophe losses. Reflecting our disciplined approach to underwriting, the current year ex-cat combined ratio improved 5.8 points from a year ago to 85.9%.

Our progress can be attributed to a multi-year effort to strengthen underwriting, optimize the portfolio, and control expenses. These initiatives positioned the Insurance business well for an overall improvement in market conditions. We're confident that the business is on pace to establish its place among the top carriers in the specialty insurance sector.

Segment Performance

We have seen positive rate changes across nearly all lines for several quarters, resulting in renewal rate increases and a hardening of new business pricing, with a full-year 2021 rate increase of 14% across the Insurance portfolio.

While our results benefited from a favorable rate environment, they also reflect ongoing efforts to shift away from classes that were not performing in line with our objectives. As we continued to migrate the Insurance portfolio toward the most attractive lines of business, overall gross written premium reached \$4.9 billion – an increase of \$845 million, or 21%, across the portfolio for 2021 from 2020.

Attractive markets, including U.S. E&S, Accident and Health, Professional Lines, Renewable Energy, select casualty lines and others, represented 65% of the portfolio as of year-end 2021.

Further, as we continued our efforts to reduce volatility due to catastrophe events, our pre-tax catastrophe and weather-related losses, net of reinsurance and reinstatement premiums were \$175 million, compared with \$443 million in 2020 which included \$204 million attributable to the COVID-19 pandemic.

Investing in Growth and Performance

With an eye toward the future, we have pursued initiatives in technology, talent, products and partnerships. We are increasingly using technology to automate data-intensive functions, allowing our teams to focus on adding value through their specialized expertise.

A key move in the talent area was the appointment of Brian Kemp, formerly our Chief Pricing Actuary, to our Chief Data Officer. Brian is leading our efforts to compile and manage multiple data streams in a way that is accessible, actionable and effective across the Insurance organization.

We also have continued to incubate new product areas, including continued expansion of our digital-based solutions for small business insurance and our entry into pet insurance in the U.S. and Canada through a partnership with PetPlan.

In addition, we also partnered with Insurtechs through AXIS Digital Ventures such as Envelop Risk. Envelop Risk, with its deep expertise in cyber, brings a novel artificial intelligence and technology-based approach to portfolio management, supporting our strategy of applying technology and data to give our underwriters the clearest view of risk.

The strong performance of our Insurance business in 2021 reflected a sharp focus on portfolio optimization and underwriting discipline – and it was also about execution. From underwriting, to distribution relationships, to claims, AXIS colleagues worked collaboratively to execute and deliver on our goals and objectives. In 2022, we will be focused on continuing the active growth of this business by investing in capabilities and services that will increase the value that we deliver to our customers and the greater specialty sector, enhancing our customer experience, and continuing to settle claims in a professional and transparent manner.

\$4.9B

*Gross Premiums
Written*

\$224M

*Segment
Underwriting Income*

85.9%

*Current Year Ex-cat
Combined Ratio*

Reinsurance

AXIS Re generated an underwriting income of \$41.3 million for the year, underscoring the increased resilience and durability of the portfolio.

In a year where the industry was yet again impacted by significant levels of catastrophe events, AXIS Re's focus on quality portfolio construction, disciplined underwriting, and careful risk selection was evident in our year-end results.

Further, our commitment to continuous portfolio management resulted in strong underlying performance – demonstrated by our current year ex-cat combined ratio of 86.3%, an improvement of 1.7 points from the prior year and the best since 2012.

Segment Performance

Gross premiums written in 2021 were \$2.8 billion, an increase of \$14 million, primarily attributable to growth in Liability, Professional Lines, and Accident and Health. The premium growth was partially offset by decreases in Catastrophe, Motor, Property, Engineering, and Credit and Surety lines due to ongoing portfolio optimization efforts. For the full year 2021, we achieved an average rate increase of 11% across the portfolio.

In the past year, AXIS Re continued efforts to reduce catastrophe exposures and reduce earnings volatility – an intentional and deliberate action. In addition, our portfolio optimization efforts resulted in a 26% reduction in our 250 year of our cat PML (AEP gross basis). Pre-tax catastrophe

and weather-related losses, net of reinsurance and reinstatement premiums, were \$268 million, compared to \$330 million in 2020 which included \$156 million attributable to the COVID-19 pandemic. The current accident year loss ratio excluding catastrophe and weather-related losses improved by 0.7 points, to 59.9% in 2021 versus 2020.

Our results are an indication that the Reinsurance sector, while still running overall behind primary pricing, is headed in the right direction. While this progress is encouraging, momentum must continue to adequately compensate reinsurers for risk and volatility.

Investing in Partnerships, Technology and Talent

Partnerships are the cornerstone of our business and AXIS Re has continued to focus on maintaining high levels of both client satisfaction and employee engagement. Our favorable industry client satisfaction scores remained

consistent, even as we managed the portfolio, a direct reflection of the quality of our franchise, people, relationships, and interaction with clients.



In 2021, we had over 11,000 interactions with clients and brokers, demonstrating strong client visibility. Another important contributor to maintaining client satisfaction is our claims response time, which was 5.84 days at year-end 2021. At the same time, our engagement score from our employee survey increased by two points alongside improved staff retention, demonstrating a positive business culture.

We also continued to invest in technology to enhance our operations and capabilities. This year, we launched several initiatives to drive efficiency and collaboration across our teams, including real-time portfolio management, cloud-based underwriting workflow, enhanced reporting, and automation in technical accounting connecting to key brokers.

To position AXIS Re for the future, we made key talent appointments such as the addition of Katie Partington Howarth as Chief Underwriting Officer. We evolved our organization and sharpened our focus by creating a new Global Property Division and combining our EMEA, LatAm and Asia Pacific units into a unified International Division. We designated strong leadership in each of these areas, as well as in our Specialties and North America Divisions. These adjustments will enable us to be even more agile and responsive in the face of changing market conditions, while furthering our commitment to delivering strong expertise and an engaging client experience.

Looking ahead, AXIS Re will continue to focus on intelligent risk taking, smart capital allocation, and producing strong returns for our shareholders.

\$2.8B

*Gross Premiums
Written*

86.3%

*Current Year Ex-cat
Combined Ratio*

Corporate Citizenship

At AXIS, our purpose is clear: by helping people and organizations around the world to manage risk, we give them the confidence to pursue their goals and ambitions.

Our Corporate Citizenship program, designed to address environmental, social and governance (ESG) factors and focusing on issues such as climate change, sustainability, and diversity and inclusion (D&I), is one of many ways we help advance this purpose.

Environment – Protecting Our Planet

AXIS is helping to support the transition to a low-carbon economy through our underwriting, our operations, and our industry advocacy. In 2021, we continued to be a leading insurer of renewable energy projects such as wind, solar, and battery energy storage. After introducing progressive exclusion policies relating to thermal coal and oil sands, we expanded this policy by including restrictions in the Arctic National Wildlife Refuge, while also committing to phase out all thermal coal business from our insurance, facultative reinsurance and investment portfolios by 2030 in OECD countries and the European Union, and by 2040 globally. We also committed to invest \$20 million in BlackRock's Climate Finance Partnership, a fund focused on renewable energy projects in emerging markets.

We continued to track our own greenhouse gas (GHG) emissions; we disclosed the measured emissions for the first time in 2021, and are working to set measurable goals for reducing our carbon footprint. In 2021 we launched an internal Environment Working Group focused on climate risks – a cross-jurisdictional group of AXIS colleagues that provide input into climate-related aspects of our operations, underwriting and investment. This group supplements our Climate Change Working Group, which leads research and knowledge-sharing of climate change data across groups and committees at AXIS.

Also in 2021, we submitted our first progress reports on our commitment to uphold the Principles for Sustainable Insurance and the UN Global Compact. In addition, we joined the Insurance Taskforce of the Sustainable Markets

Initiative, convened by His Royal Highness, the Prince of Wales, and led by Lloyd's, which aims to facilitate climate initiatives by the industry. We also continued our work with the Insurance Development Forum (IDF), which aims to optimize and extend the use of insurance to build greater resilience and protection for communities vulnerable to disasters and their associated economic shocks. To contribute to research on climate risks, AXIS collaborated with scholars from the University of Illinois, The Brookings Institution, and others on research projects covering subjects such as the impact of climate change on hurricane risk as well as U.S. agriculture.

Diversity – Fostering Equity and Inclusion

Ensuring a diverse and inclusive workforce – with a breadth of backgrounds, experiences and perspectives – is the best way to attract, retain and cultivate the talented people we need to operate in a complex and fast-changing marketplace. Guided by the input of our staff-led D&I Council and Advocates, we continued to scale up our D&I efforts, applying a five-part approach: employee education; recruitment and mobility; career development to support diverse colleagues; internal measurement of recruitment, growth and retention; and advocacy for D&I industry and community initiatives.

In the area of recruitment, mobility and career development, we are focused on building diverse interview slates, identifying career opportunities for existing employees, and enhancing managers' effectiveness at recruiting diverse candidates. To track our progress, we monitor gender and diverse representation across

all levels of the Company – from new hires to internal promotions – and in 2021, we made progress in moving the needle towards our goals. We implemented a number of initiatives to prepare internal candidates for mobility opportunities such as hosting a Global Mentoring Event, launching a leadership coaching program with 50% diverse representation, and enrolling several of our women colleagues in a 12-month “Emerging Leaders” program. In the U.K., we piloted a program with a focus on bringing women back into the workforce.

To help foster an inclusive culture, AXIS team members continue to receive training on topics such as diversity awareness and unconscious bias. In 2021, AXIS launched five Employee Resource Groups to support women, ethnically diverse employees, parents, veterans, and members of the LGBTQ+ community. We also launched a Supplier Diversity Policy designed to broaden and diversify our supplier base and updated our Human Rights Policy to restrict insurance coverage on projects undertaken on indigenous territories without Free, Prior and Informed Consent (FPIC). In addition, AXIS hosted a forum on Mental Health and Wellness, our second annual global D&I education forum.

In 2021 AXIS scaled up our engagement in the *Dive In* festival, an insurance industry initiative to encourage diversity and inclusion, by becoming a Global Festival Partner. We also are pleased to note that AXIS was recognized in the Bloomberg Gender Equality Index for both 2021 and 2022, and received the “5-Star Diversity, Equity and Inclusion Award” from *Insurance Business America*, which showcases companies in the (re)insurance industry that demonstrate effective D&I programs.

Philanthropy – Investing in Our Communities

Our philanthropic efforts are carried out on global, local, and individual levels. Overall, we assisted almost 300 organizations in 2021, across a range of areas including health, education, social services, and the environment.

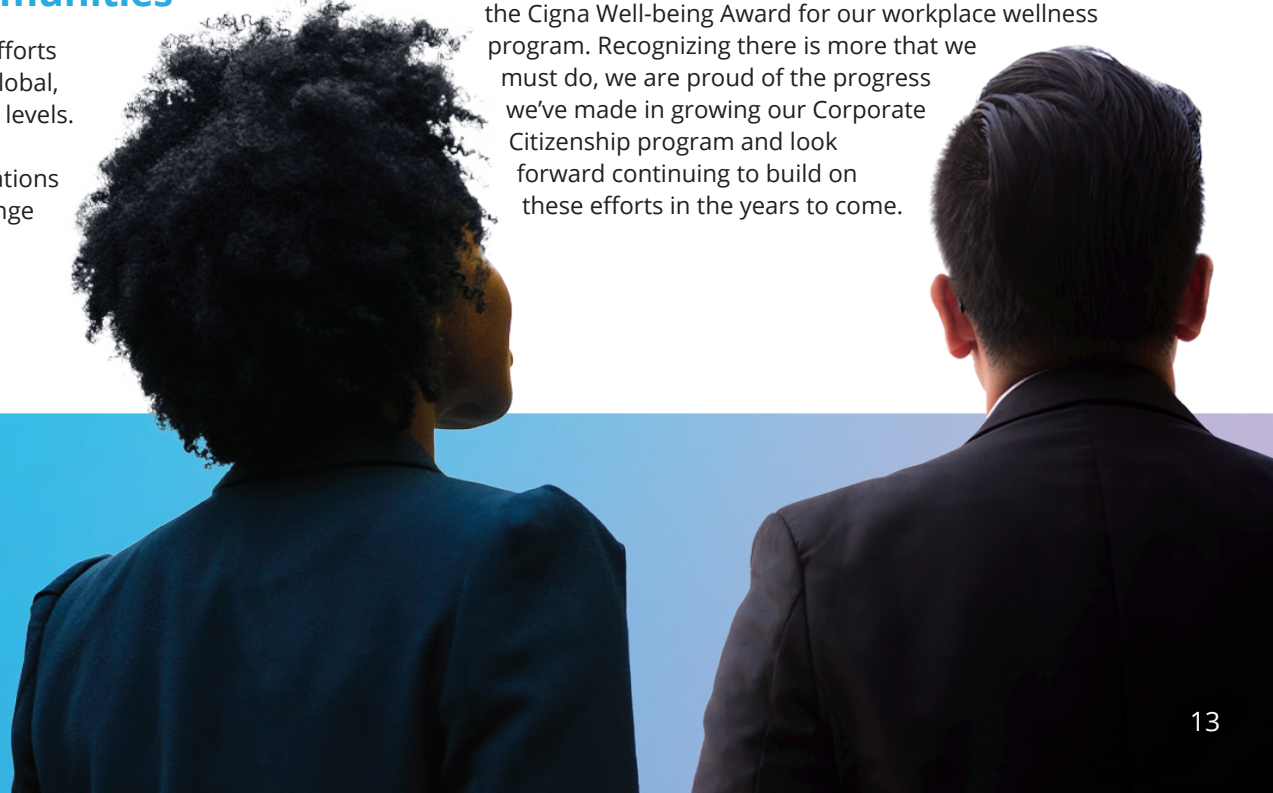
Over the past two years, a specific focus has been on alleviating the impact of COVID-19, and we supported several global organizations working to bring vaccines to underserved populations.

We once again hosted our annual AXIS Global Giving Rally, with AXIS colleagues hosting 51 philanthropic events across the world over a three-month period. Due to COVID-19, most activities were virtual such as the Missing Maps project for Doctors Without Borders in which AXIS colleagues mapped parts of the world most vulnerable to humanitarian crises. For Adara, an international organization dedicated to improving health and education in communities of extreme poverty, our colleagues helped build a virtual volunteer experience.

On a regional level, we empower staff to identify and build deep relationships with local organizations, with a focus on ensuring that their funding reaches those most in need. Around the globe, we have 18 Local Philanthropy Committees that have the authority to allocate volunteer and financial resources in their communities. In 2021, our Local Committees facilitated philanthropic donations to over 100 community organizations.

At the individual level, AXIS matches our colleagues’ donations to any certified charity, up to \$1,000. And in celebration of our 20th Anniversary, we awarded one employee \$20,000 to donate to their charity of choice. In total, AXIS matched over 200 gifts to organizations selected by our colleagues.

Our Citizenship initiatives earned us the top ranking in the category of overall commitment to ESG in The Insurer’s inaugural Lloyd’s ESG survey, a #5 ranking out of 44 evaluated insurance companies in JUST Capital’s 2022 Rankings of America’s Most JUST Companies, recognition as one of Achievers’ 50 Most Engaged Organizations, and the Cigna Well-being Award for our workplace wellness program. Recognizing there is more that we must do, we are proud of the progress we’ve made in growing our Corporate Citizenship program and look forward continuing to build on these efforts in the years to come.



Non-GAAP Financial Measures Reconciliation (Unaudited)

Consolidated Key Ratios

	Year ended December 31, 2021			Year ended December 31, 2020		
	Insurance	Reinsurance	Total	Insurance	Reinsurance	Total
Current accident year loss ratio excluding catastrophe and weather-related losses	51.4%	59.9%	55.1%	55.1%	60.6%	57.7%
Catastrophe and weather-related losses ratio	6.4%	13.3%	9.5%	19.1%	16.2%	17.7%
Current accident year loss ratio	57.8%	73.2%	64.6%	74.2%	76.8%	75.4%
Prior year reserve development ratio	-0.7%	-0.6%	-0.7%	-0.4%	-0.4%	-0.3%
Net losses and loss expenses ratio	57.1%	72.6%	63.9%	73.8%	76.4%	75.1%
Acquisition cost ratio	18.3%	21.3%	19.6%	20.1%	22.6%	21.3%
Underwriting-related general and administrative expense ratio	16.2%	5.1%	14.0%	16.5%	4.8%	13.2%
Combined ratio	91.6%	99.0%	97.5%	110.4%	103.8%	109.6%
Current accident year combined ratio, excluding catastrophe and weather-related losses	85.9%	86.3%	88.7%	91.7%	88.0%	92.2%

Operating Income And Operating Return On Average Common Equity

	Year ended December 31	
	2021	2020
	(in thousands, except per share amounts)	
Net income (loss) available (attributable) to common shareholders	\$588,359	\$(150,674)
Net investment gains ^(a)	(134,279)	(129,133)
Foreign exchange losses ^(b)	315	81,069
Reorganization expenses ^(c)	-	7,881
Interest in (income) loss of equity method investments ^(d)	(32,084)	3,612
Income tax expense	14,166	13,023
Operating income (loss)	\$436,477	\$(174,222)
Earnings (loss) per diluted common share	\$6.90	\$(1.79)
Net investment gains	(1.57)	(1.53)
Foreign exchange losses	-	0.96
Reorganization expenses	-	0.09
Interest in (income) loss of equity method investments	(0.38)	0.04
Income tax expense	0.17	0.15
Operating income (loss) per diluted common share	\$5.12	\$(2.08)
Weighted average diluted common shares outstanding	85,291	84,262
Average common shareholders' equity	\$4,803,175	\$4,757,351
Annualized return on average common equity	12.2%	-3.2%
Annualized operating return on average common equity ^(e)	9.1%	-3.7%

[a] Tax expense (benefit) of \$11 million and \$18 million for the years ended December 31, 2021 and 2020, 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 expense (benefit) of \$3 million and \$(4) million for the years ended December 31, 2021 and 2020, 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 expense (benefit) of \$(1) million for the year ended December 31, 2020. Tax impact is estimated by applying the statutory rates of applicable jurisdictions. **[d]** Tax expense (benefit) of \$nil for the years ended December 31, 2021 and 2020. Tax impact is estimated by applying the statutory rates of applicable jurisdictions. **[e]** Annualized operating return on average common equity ("operating ROACE") is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to annualized ROACE, 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 report.

Consolidated Segmental Data

	Year ended December 31, 2021			Year ended December 31, 2020		
	Insurance	Reinsurance	Total	(in thousands)		
				Insurance	Reinsurance	Total
Gross premiums written	\$4,863,232	\$2,822,752	\$7,685,984	\$4,018,399	\$2,808,539	\$6,826,938
Net premiums written	2,894,885	2,031,739	4,926,624	2,357,501	1,978,908	4,336,409
Net premiums earned	2,651,339	2,058,511	4,709,850	2,299,038	2,072,271	4,371,309
Other insurance related income (loss)	1,662	21,633	23,295	2,647	(10,736)	(8,089)
Net losses and loss expenses	(1,514,998)	(1,493,785)	(3,008,783)	(1,697,014)	(1,584,238)	(3,281,252)
Acquisition costs	(484,344)	(437,490)	(912,834)	(461,533)	(467,984)	(929,517)
Underwriting-related general and administrative expenses ^(a)	(429,282)	(107,552)	(536,834)	(378,839)	(99,129)	(477,968)
Underwriting income (loss) ^(b)	\$224,377	\$41,317	\$265,694	\$(235,701)	\$(89,816)	\$(325,517)
Net investment income			454,301			349,601
Net investment gains			134,279			129,133
Corporate expenses ^(a)			(126,470)			(101,822)
Foreign exchange losses			(315)			(81,069)
Interest expense and financing costs			(62,302)			(75,049)
Reorganization expenses			-			(7,881)
Amortization of value and business acquired			(3,854)			(5,139)
Amortization of intangible assets			(12,424)			(11,390)
Income (loss) before income taxes and interest in income (loss) of equity method investments			648,909			(129,133)
Income tax (expense) benefit			(62,384)			12,321
Interest in income (loss) of equity method investments			32,084			(3,612)
Net income (loss)			618,609			(120,424)
Preferred share dividends			30,250			30,250
Net income (loss) available (attributable) to common shareholders			\$588,359			\$(150,674)

[a] Underwriting-related general and administrative expenses is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to general and administrative expenses, the most comparable GAAP financial measure, also included corporate expenses of \$126 million and \$102 million for the years ended December 31, 2021 and 2020, respectively. Underwriting-related general and administrative expenses and corporate expenses are included in the general and administrative expense ratio. **[b]** Consolidated underwriting income (loss) is a non-GAAP financial measure as defined in SEC Regulation G. The reconciliation to net income (loss), 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 report.

Rationale for the Use of Non-GAAP Financial Measures

We present our results of operations in a way we believe will be 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 report, we present underwriting-related general and administrative expenses, consolidated underwriting income (loss), operating income (loss) (*in total and on a per share basis*) and annualized operating return on average common equity (“operating ROACE”), which are non-GAAP financial measures as defined in Item 10(e) of SEC Regulation S-K. We believe that these non-GAAP financial measures, which may be defined and calculated differently by other companies, help 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 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 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 Segmental Data*’ section of this report.

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 (loss) 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 a result, 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 statements 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 underwriting operations, these expenses are excluded from underwriting-related general and administrative expenses, and therefore, consolidated underwriting income (loss).

Reorganization expenses are related to the transformation program which was launched in 2017. This program encompasses the integration of Novae Group plc (“Novae”), which commenced in the fourth quarter of 2017, the realignment of our accident and health business, together with other initiatives designed to increase efficiency and enhance profitability, while delivering a customer-centric operating model. 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 value of business acquired 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 net income (loss), the most comparable GAAP financial measure, is presented in the *'Consolidated Segmental Data'* section of this report.

Operating Income (Loss)

Operating income (loss) represents after-tax operational results exclusive of net investment gains (losses), foreign exchange losses (gains), 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 on the sale of our available for sale investments and equity securities in net investment gains (losses). 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), thereby minimizing the impact of foreign exchange rate movements on total shareholders' equity. As a result, foreign exchange losses (gains) in our consolidated statements of operations in isolation are not a meaningful contributor to the performance of our business.

Reorganization expenses are related to the transformation program which was launched in 2017. This program encompasses the integration of Novae, which commenced

in the fourth quarter of 2017, the realignment of our accident and health business, together with other initiatives designed to increase efficiency and enhance profitability, while delivering a customer-centric operating model. 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), 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), 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 of this report.

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 report.

AXIS Directors

Albert A. Benchimol

President and Chief Executive Officer, AXIS Capital

- *Executive Committee*
- *Risk Committee*

Henry B. Smith

Chair of the Board, AXIS Capital and former CEO, W.P. Stewart & Co., Ltd. and Bank of Bermuda Limited

- *Corporate Governance, Nominating & Social Responsibility Committee*
- *Human Capital & Compensation Committee, Chair*
- *Executive Committee, Chair*

W. Marston Becker

Former Chairman, QBE Insurance Group

- *Audit Committee*
- *Executive Committee*
- *Human Capital & Compensation Committee*
- *Risk Committee, Chair*

Charles A. Davis

Chief Executive Officer, Stone Point Capital LLC

- *Executive Committee*
- *Finance Committee, Chair*
- *Risk Committee*

Anne Melissa Dowling

Former Director of Insurance, State of Illinois

- *Audit Committee*
- *Corporate Governance, Nominating & Social Responsibility Committee*
- *Finance Committee*
- *Risk Committee*

Elanor R. Hardwick

Former Chief Digital Officer, UBS

- *Corporate Governance, Nominating & Social Responsibility Committee*
- *Human Capital & Compensation Committee*
- *Risk Committee*



Michael Millegan

Founder and CEO, Millegan Advisory Group 3 LLC and former President of Verizon Global Wholesale Group

- *Audit Committee*
- *Human Capital & Compensation Committee*

Thomas C. Ramey

Former Chairman and President, Liberty International, Liberty Mutual Group

- *Audit Committee*
- *Corporate Governance, Nominating & Social Responsibility Committee*
- *Human Capital & Compensation Committee*

Axel Theis

Former Member of Allianz SE Board of Management

- *Audit Committee*
- *Risk Committee*

Barbara A. Yastine

Former Chair, President and Chief Executive Officer, Ally Bank

- *Audit Committee*
- *Corporate Governance, Nominating & Social Responsibility Committee, Chair*
- *Risk Committee*

Lizabeth H. Zlatkus

Former Chief Financial Officer and Former Chief Risk Officer, The Hartford Financial Services Group, Inc.

- *Audit Committee, Chair*
- *Finance Committee*
- *Human Capital & Compensation Committee*

Executive Officers

Albert A. Benchimol

President and Chief Executive Officer

Peter J. Vogt

Chief Financial Officer

David S. Phillips

Chief Investment Officer

Peter W. Wilson

Chief Executive Officer, AXIS Insurance

Steve K. Arora

Chief Executive Officer, AXIS Reinsurance

Shareholder Information

Annual Meeting

Date:

May 5, 2022 at 8:30 a.m. ADT

Location:

AXIS House, 92 Pitts Bay Road
Pembroke HM 08, Bermuda

Independent Registered Public Accounting Firm

Deloitte Ltd.

Corner House, 20 Parliament Street
Hamilton HM 12, Bermuda

Investor Relations

For copies of AXIS Capital's Annual Report, Forms 10-K and 10-Q or other reports filed with or furnished to the Securities and Exchange Commission:

Visit:

The Investors section of www.axiscapital.com

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Investor Relations Department of AXIS Capital at investorrelations@axiscapital.com

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Transfer Agent and Registrar

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