



AXA & AXA XL:

Demonstrating strength in an unprecedented crisis

“Throughout the Covid-19 crisis, AXA has been actively fulfilling its role in society, serving its customers and supporting its employees, while contributing to the economic recovery through Euro 700 million investments in SMEs as well as other solidarity measures in France and other countries where the Group operates.

I would like to thank all AXA colleagues, agents and partners for their unwavering commitment during these challenging times, as well as our clients for their loyalty and trust. Our strategy is aligned with the interests of all our stakeholders and firmly rooted in our purpose - ‘Acting for human progress by protecting what matters.’”

- Thomas Buberl, CEO AXA

AXA 2020 financial results at a glance

- **Gross revenues**
Euro 97 billion, with preferred segments up 5%¹ in 4Q20
- **Underlying earnings²**
Euro 4.3 billion, with Euro 1.5 billion COVID-19 claims³ unchanged
- **Underlying earnings rebased⁴**
Euro 6.3 billion, for 2020-2023E UEPS2 target
- **Solvency II ratio⁵**
200%, benefitting from the inclusion of AXA XL in the Group’s internal model
- **Dividend**
Euro 1.43 per share, to be proposed by the Board of Directors

Gross revenues	Underlying earnings	Solvency II ratios
€97b	€4.3b	200%

As communicated in late 2020, the Group’s underlying earnings were impacted by Euro 1.5 billion of COVID-19 related claims and by higher natural catastrophes. These events, plus the civil unrest events in the US, had a particularly strong impact on AXA XL’s results, pushing our Underlying Earnings to Euro -1.4 billion compared to Euro 507 million last year.

Key influencing factors in detail



COVID 19

Losses have increased moderately since half-year reporting. As lockdowns continue to shape everyday life across the world and impact the economy, AXA XL has proactively created a provision for claims arising from credit insurance and we have increased our estimates for Casualty and Professional Lines.



Natural Catastrophe Events

We saw a very active hurricane season in the North Atlantic, as well as severe convective storm activity and wildfires in the US and strong hailstorms at the beginning of the year in Australia. In line with the industry experience this high frequency of events meant we exceeded our estimates, once again confirming the necessity to increase our Nat Cat load.



Civil unrest in the US

Following the tragic death of George Floyd in May last year, the US experienced protests across the country, with some events regrettably turning violent and involving arson, vandalism and looting across several major cities. Industry estimates indicate that the cost of those events would be in the \$1-2 billion range, making them the costliest occurrence of social unrest in recent history.

“In addition to thanking our clients and brokers for their trust and for the confidence they place in AXA XL, I want to recognize the huge efforts and improvements our colleagues have made during these challenging times. Our Operating Model has been embedded and significant progress has been made to simplify our business, giving us a confident outlook for 2021 and beyond.”

– **Scott Gunter**, CEO AXA XL

View the AXA Group press release and related presentations and materials [here](#).

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AXA XL is a division of AXA Group providing products and services through three business groups: AXA XL Insurance, AXA XL Reinsurance and AXA XL Risk Consulting. In the US, the AXA XL insurance companies are: AXA Insurance Company, Catlin Insurance Company, Inc., Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Specialty Insurance Company and T.H.E. Insurance Company. In Canada, insurance coverages are underwritten by XL Specialty Insurance Company — Canadian Branch. Coverages may also be underwritten by Lloyd's Syndicate #2003. Coverages underwritten by Lloyd's Syndicate #2003 are placed on behalf of the member of Syndicate #2003 by Catlin Canada Inc. Lloyd's ratings are independent of AXA Group. Not all of the insurers do business in all jurisdictions nor is coverage available in all jurisdictions. Information accurate as of March 2021.

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Despite the challenging situation, we have continued to make significant progress in streamlining our organization and, more importantly, have been instrumental in driving initiatives that address the urgent and ongoing needs of society.

- Most notably is AXA XL's involvement in the [Global Health Risk Facility](#) (GHRF) initiative that was developed by Parsyl, a Lloyd's Lab alumni, in close partnership with AXA XL, Ascot and McGill and Partners. The Facility insures the transportation and storage of COVID-19 vaccines and other critical health commodities for the benefit of low, middle and upper-middle-income countries, and AXA XL will lead the risk management and local policy implementation.
- As part of our broader strategy to further digitize our offering and better serve risk managers, we launched [Risk Scanning](#), a new risk assessment service. Available globally, the solution combines the expertise of AXA XL's risk consultants with data mining capabilities and probabilistic algorithms to carry out multi-peril assessments of a company's physical locations. This offering is particularly relevant for evaluating loss prevention amid COVID-19 restriction.
- This unprecedented situation has brought with it considerable upheavals for our teams across the globe, but we are doing everything in our power to support our colleagues and turn challenges into opportunities. One particularly positive outcome has been our employees' quick and positive response to smart working, and this has helped drive local initiatives to make this new style of working a permanent feature of how our teams operate.

1. Change in gross revenues is on a comparable basis (constant forex, scope and methodology).

2. Underlying earnings ("UE"), underlying earnings per share ("UEPS"), adjusted earnings, combined ratio and debt gearing are nonGAAP financial measures, or alternative performance measures ("APMs"). A reconciliation from APMs adjusted earnings, underlying earnings and combined ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 25 and 26 of AXA's 2020 Activity Report. APM underlying earnings per share is reconciled to the financial statements in the table set forth on page 34 of AXA's 2020 Activity Report. The calculation methodology of the debt gearing is set out on page 28 of the AXA's 2020 Activity Report. The above-mentioned and other non-GAAP financial measures used in this press release are defined in the Glossary set forth on pages 68 to 76 of AXA's 2020 Activity Report.

3. "COVID-19 claims" includes P&C, L&S and Health net claims related to COVID-19, as well as the impacts from solidarity measures and from lower volumes net of expenses, linked to COVID-19. "COVID-19 claims" does not include any financial market impacts (including impacts on investment margin, unit-linked and asset management fees, etc.) relating to the COVID-19 crisis.

4. FY20 underlying earnings rebased includes actual underlying earnings restating for "COVID-19 claims" and natural catastrophes in excess of normalized. AXA Group normalized level of Natural Catastrophe charges expected for 2020 at ca. 3% of Gross Earned Premiums. Natural Catastrophe charges include natural catastrophe losses regardless of event size.

5. The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's Solvency and Financial Condition Report (SFCR) as of December 31, 2019, available on [AXA's website](#). Pursuant to the authorization from AXA's lead supervisor (the ACPR), the contribution of entities that were part of the XL Group ("XL entities"), and are now part of the AXA XL division, to the Group Solvency II ratio is, as from December 31, 2020, calculated with the AXA Group internal model. In compliance with the prior decision from ACPR, the XL entities contributed to the Group's solvency capital requirement as of December 31, 2019 using the Solvency II standard formula.