

March 31, 2009

Research Update:

AXA Group 'AA' Ratings Affirmed; Outlook Remains Negative

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Rationale

On March 31, 2009, Standard & Poor's Ratings Services affirmed the 'AA' insurer financial strength and long-term counterparty credit ratings on the core operating entities and the 'A+' long-term counterparty credit rating on the holding company of France-based global multiline insurance group AXA. We also affirmed the short-term counterparty credit ratings on the holding company and other entities of the group (see list below). The outlook remains negative.

The affirmation follows our review of European global multiline insurers announced on Feb. 24, 2009. For further information on this review see "Various Rating Actions On European Global Multiline Insurers After Portfolio Review," published today on RatingsDirect.

The affirmation reflects our opinion that AXA's business fundamentals remain very strong despite the lower capital base and the lower prospective earnings.

Current market conditions are weighing significantly on AXA's capital adequacy, with substantial reductions in unrealized gains and life insurance in-force values. Capitalization was good at year-end 2008, and would remain good even after a further 30% fall in equity values and a doubling of corporate default rates. Our ratings factor in a degree of latitude for highly rated insurers operating with lower capitalization levels than usual for their rating levels to the extent that we believe that an insurer's earnings capacity is still sufficient to bring its capital adequacy close to a level consistent with the rating over the next two years (see "Credit FAQ: Global Insurers Take A Hit In The Third Quarter, But Ratings Should Withstand The Test," published on RatingsDirect on Nov. 11, 2008). However, we believe that AXA's medium-term earnings-generation capacities and the depressed investment markets could hamper the restoration of a capital adequacy consistent with a 'AA' rating in the short to medium term.

The ratings on AXA group remain supported by what we view as a very strong competitive position, excellent enterprise risk management, and positive management and corporate strategy.

Outlook

The negative outlook reflects our opinion that it could be challenging for AXA to restore its historical levels of earnings and capital adequacy given the continuing financial turmoil and its impact on AXA's businesses, particularly the life and asset management businesses.

We may consider downgrading AXA if we believe the pace of recovery of earnings capacity and capitalization in 2009 and 2010 remains inconsistent

with the current ratings. This would be the case if underlying earnings further deteriorated materially compared with levels observed in 2008, if life new business margins and life and savings operating returns on embedded value did not recover to the levels observed prior to 2008 (respectively more than 2.0% on a present value of new business premiums basis and 10%), if the property/casualty combined ratio were more than 97% with an unchanged loss reserve strength, or if the group's assets were further materially impaired beyond what is already reflected in the balance sheet.

We could consider revising the outlook to stable if the group showed improved underlying earnings compared with those in 2008, along with a capital adequacy restored, through internal or external capital sources, to levels consistent with a 'AA' rating.

Ratings List

Ratings Affirmed

AXA

Counterparty Credit Rating	A+/Negative/A-1
Commercial Paper	A-1

AXA Belgium

National Mutual Life Association of Australasia Ltd. (The)

National Mutual Life Assoc. of Australasia Ltd. (The) (NZ)

MONY Life Insurance Co. of America

DBV-Winterthur Versicherung AG

DBV-Winterthur Lebensversicherung AG

DBV-Winterthur Krankenversicherung AG

DBV Deutsche Beamten-Versicherung AG

AXA Versicherungen AG

AXA Versicherung AG

AXA Sun Life PLC

AXA Life and Annuity Company

AXA Life Insurance Co.

AXA Lebensversicherung AG

AXA Krankenversicherung AG

AXA Insurance U.K. PLC

AXA France Vie

AXA France IARD

Counterparty Credit Rating	AA/Negative/--
Insurer Financial Strength Rating	AA/Negative

AXA Bank Europe S.A.

Counterparty Credit Rating	AA-/Negative/A-1+
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Certificate Of Deposit	AA-/A-1+
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AXA Equitable Life Insurance Company

Counterparty Credit Rating	AA/Negative/A-1+
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Financial Enhancement Rating	AA/--/--
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