

AXA UK

Financially stable in turbulent times

March 2009

We are in highly uncertain times and have been experiencing considerable turmoil in the banking sector and the global financial markets.

What started in the US with a crisis in the subprime mortgage market has affected not only the global banking sector and the real economy but has also weakened confidence in financial services.

Clearly, this market turbulence has caused concern among our customers, partners and distributors so dealing with a company that has financial stability, security, excellent service and solutions has become the overriding priority.

AXA UK is in a strong position. While there will be difficult times ahead AXA is a long-term business. We have focused on what we do well: life and pensions, wealth management, protection, health and general insurance and have not ventured into exotic banking related areas.

In February 2009 we released our annual results which showed that our underlying earnings were £288 million for 2008 demonstrating that the fundamentals of our business are sound. In detail:

- Life and Savings' revenues (APE) were £1,026 million and achieved strong revenue growth in Corporate pensions and the Protection business
- Wealth Management outperformed the market across its main wealth product areas
- Healthcare business maintained strong revenue growth - 8% ahead of 2007 levels
- General and Health insurance reported underlying earnings of £244 million
- Independent distribution businesses demonstrated growth - Bluefin Advisory Services (Thinc/PIFC) FUM was up 53% to £0.5 billion and Bluefin Insurance Services (Venture Preference) GWP was up by 40% to £0.7 billion

Unsurprisingly there has been increased scrutiny of a company's financial strength in recent months. AXA UK's situation is that we have a strong capital position which is driven by prudent and proactive risk management.

AXA UK has significant excess regulatory capital to ensure that the company and customers are well protected*. When AXA UK next publishes its Solvency I surplus figures it will show strong solvency margins over regulatory capital requirements.

"The company remains focused on delivering and responding to the needs of its customers, partners and distributors while continuing to invest across the business to maintain its competitive position."



"I firmly believe that AXA has the products, services and solutions to meet the investment and protection needs of customers during these turbulent times. We will stand firm and assure our clients and intermediaries that we are listening to and answering their needs."

**Group CEO AXA UK
Nicolas Moreau**

AXA UK's financial strength has been validated by external rating agencies as 'very strong' (AA).

Organisation name	S&P rating (February 2009)	Moody's rating (February 2009)	Fitch rating (January 2008)
AXA Sun Life plc	AA Negative	Aa3	AA
AXA Insurance UK plc	AA Negative	Aa3	AA
AXA General Insurance plc	NR (not rated)	Aa3	AA

AXA Group – a global business

AXA UK benefits from being part of a global company (AXA Group) ranked 15th largest organisation in the world by revenue**. AXA Group has a solid and diversified business model by business lines and geographies as well as a solid balance sheet, high quality investment assets and a strong liquidity position. While AXA's share price has fallen recently, as has the share price of many other insurers, the company has fared relatively well and currently has no intention or need to raise capital.

AXA Group is very profitable and had underlying earnings of €4 billion for 2008 which included the Property and Casualty business with a record combined ratio level of 95.5% and €8 billion of Life and Savings net inflows.

Standard & Poor's recently gave AXA Group an "AA" financial strength rating with a negative outlook, mostly due to the high level of uncertainty on financial markets. Moody's also reaffirmed AXA's financial strength ratings (Aa3 "very strong") with stable outlook.

AXA Group has excess regulatory capital of €6 billion - consolidated solvency margin based on European standards is 127% and exceeds the minimal requirement (100%) after payment of the 2008 dividend – Solvency II exceeds 145%. Prudent capital management undertaken by the Group has included reducing the dividend.

Looking ahead – working together

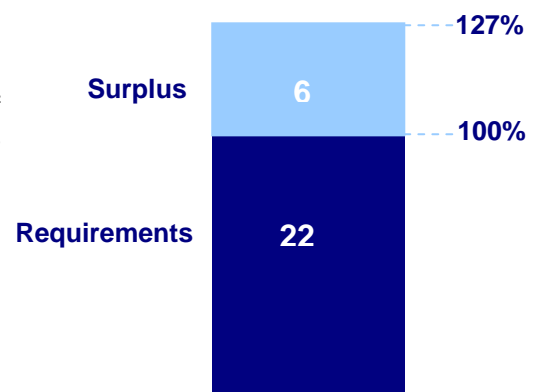
AXA UK is focused on two areas. First, on the customer – investing in and enhancing customer service remains at the heart of the company's development.

And second, on delivering its strategy – continuing with investments across our businesses and thereby maximising the full potential of the operating companies while maintaining financial strength.

Our priority is to ensure that we continue to provide clients, customers and distributors with the service and the support that is required in these difficult times. This is our promise. We want to demonstrate that your trust in us is well founded.

“AXA remains focused on delivering its strategy - to maximise the full potential of its operating companies while maintaining financial strength. All of which I believe will put AXA on a firm footing for when the market begins to recover.”

**Group CEO AXA UK
Nicolas Moreau**



**AXA Group
Full Year 2008
Available Capital
(€ billion)**

*AXA UK companies have no automatic right of access to the assets of other companies within the AXA Group **Fortune 500 (June 2008)
The AXA UK website (<http://www.axa.co.uk>) contains details of the AXA UK companies which are authorised and regulated by the Financial Services Authority; details can also be found on the Financial Services Authority's website (<http://www.fsa.gov.uk/register/home.do>). AXA UK plc, registered in England 2937724. Registered address 5 Old Broad Street, London, EC2N 1AD