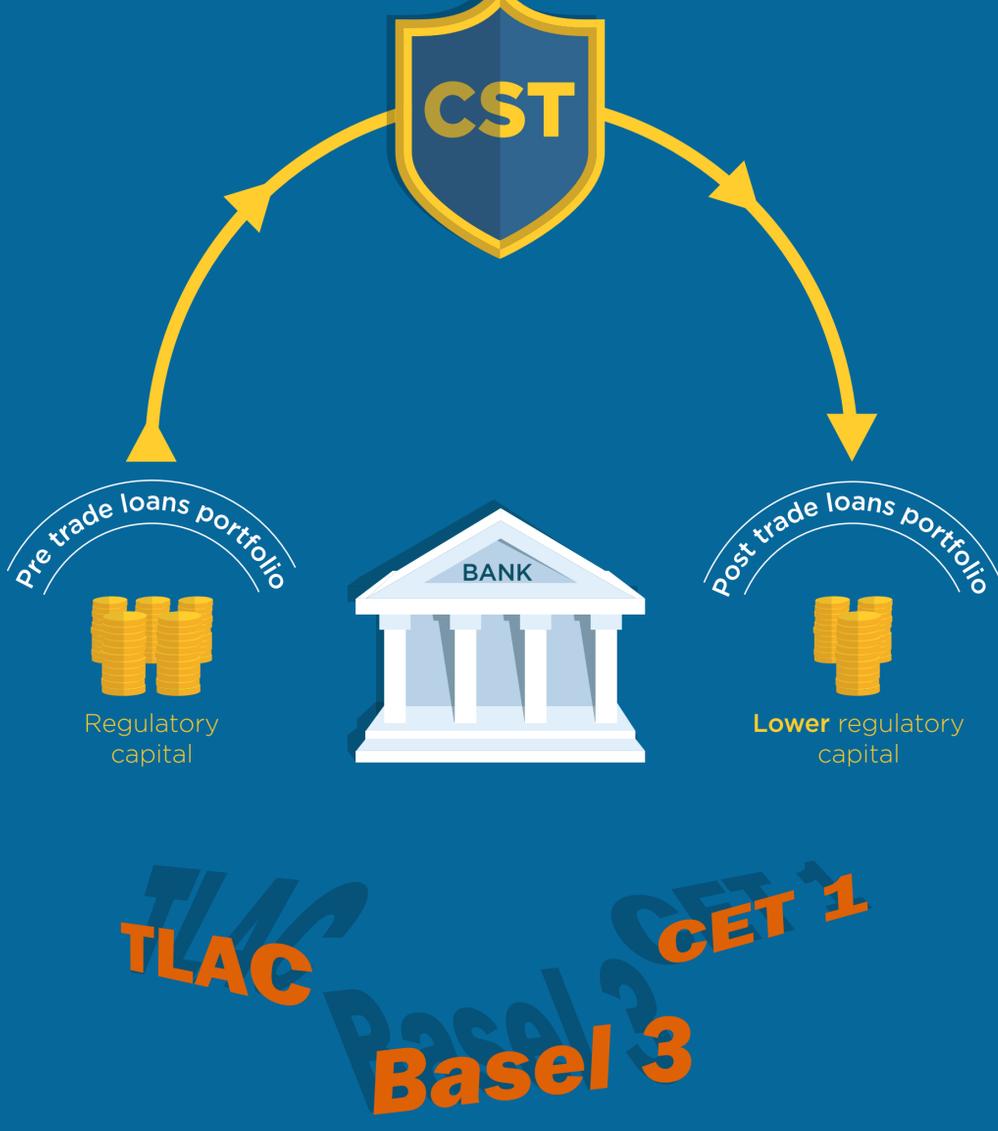


Capital Solution Transaction

Banks refocus on their core lending activities to restore stable profitability and keep these assets on their balance sheets.

A Capital Solution Transaction (CST) is a transaction which provides a bank a guarantee for a selected core lending loan portfolio.

It allows the bank to improve its regulatory capital ratios while giving investors access to diversified credit risk exposures held on banks' balance sheets



(TLAC : Total Loss Absorbing Capacity, CET1 : Common Equity Tier 1)

please scroll down

The underlying credit exposures are from **core bank lending portfolios**, remain on banks' balance sheet and can be:

-  Large-cap Loans
-  Mid-cap Loans
-  SME Loans
-  Trade finance

Transactions reviewed by AXA IM in 2015 reference

€ **80** bn
more than
of core bank loan portfolios

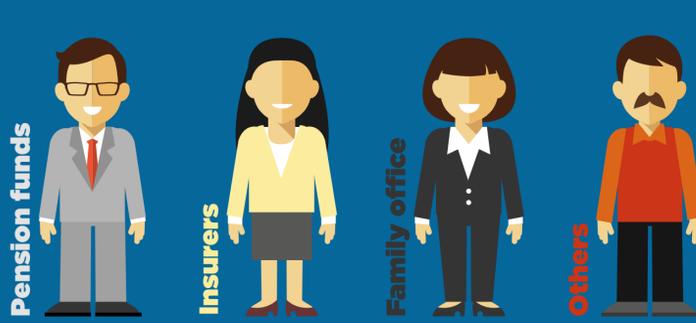
CST have been
close to
x5
since 2009

involving an increasing number of major European commercial banks and expanding the underlying types.

(source : The EBA Report on Synthetic Securitisation - December 2015)

Potential Investors

Looking to further diversify their core fixed-income portfolios



Advantages

Access to core & performing lending business providing diversification

Floating rate

Attractive returns

Diversification



Disadvantages

Credit Risk

Low liquidity

No upside potential above par value

Sourcing of the asset class

For more details go to www.axa-im.com

* The information above is forward-looking information and as such, is based upon certain assumptions, which are unlikely to be consistent with, and may differ materially from, actual events and conditions. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary and the variations may be material. ** Past performance is not indicative or constitutes a representation or guarantee as to future results or performance. The data provided above are intended only to give recipients information concerning the past performance of the asset class described herein and are not intended as a representation or warranty by AXA IM, or any other person or entity as to the actual composition or performance of any future investments. This material is used for informational purposes only and does not constitute, on AXA Investment Managers ("AXA IM") part, an offer to buy or sell, solicitation or investment advice in any particular product or strategy. For professional advisors only. Not for private investors. The recipient represents that it is able to receive this material without contravention of any applicable legal or regulatory restrictions in the jurisdiction in which it resides or conducts business. This material has been established on the basis of data, projections, forecasts, anticipations and hypothesis which are subjective. Analysis and conclusions are the expression of an opinion, based on available data at a specific date. This material contains historical market data; however, historical market trends are not reliable indicators of future market behaviour. Any historical investment results described in this material are not indicative of the future investment results. Such results are intended only to give indicative information. Unless otherwise noted, information provided herein is current as of September 2016. This material may be modified without notice and AXA IM shall not be obligated, update or otherwise revise this document. All information in this material is established on data given made public by official providers of economic and market statistics. AXA IM disclaims any and all liability relating to a decision based on or for reliance on this material. This material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. AXA IM makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained herein. AXA IM makes no representations and has given you no advice concerning the appropriate tax, legal, accounting and regulatory treatment of any investment. Prior to making an investment decision, an investor should conduct such investigations as such investor deems necessary in order to determine if an investment is appropriate and suitable for such investor and should consult such investor's own legal, accounting and tax advisers in order to determine the consequences of an investment and to make an independent evaluation of such investment.