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# TEMPO

## STRUCTURED PRODUCTS

AN ALPHA REAL CAPITAL GROUP COMPANY

- TICS -  
TEMPO ISSUER & COUNTERPARTY SCORECARDS  
- MONTHLY MOVEMENT: OCTOBER 2019 -  
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FOR PROFESSIONAL ADVISER USE ONLY  
- NOT FOR USE WITH CLIENTS -

## KEY ALPHA STATISTICS:

(as at 31 Mar 19)

**£3.0bn**

AUM and capital  
commitments

**120+**

Professional team

**10**

Platforms

**5**

International  
offices

**4**

Core business  
areas

Alpha Real Capital LLP is an international co-investing fund management group.

Established in 2005, and headquartered in London, Alpha comprises an international network of offices in the UK, Europe and Asia. A 120+ strong professional team, combining experience and expertise with research, analysis and market knowledge, operates through 10 platforms, across diversified investment markets, offering listed and unlisted property vehicles, open and closed-ended property vehicles, and UK and international funds, products and wealth management services. Alpha engages with institutional investors, family offices, wealth managers and professional advisers / IFAs, as well as UHNW, HNW and private investors.

TIME Investments is the authorised wealth management and investment services arm of Alpha. TIME specialises in ground rent and other 'long income' property funds (having acquired the real estate asset management business of Close Brothers Group in 2011), Inheritance Tax Services, including Business Relief (BR), and investment services, including Enterprise Investment Schemes (EIS).

Tempo Structured Products is a new Alpha platform, with four areas of focus: i) Retail: focusing on straightforward, lower risk structured products, for distribution through TIME Investments to UK Professional Advisers (IFAs and wealth managers); ii) Institutions / Pension funds: working with institutions / pension fund consultants, to develop 'smart structured products' (fusing structured, passive and smart beta strategies together); iii) HNW / UHNW / Family Offices: working with Alpha contacts to design bespoke structured product solutions for Family Offices, UHNW and HNW Individuals; iv) Strategic Alliances: partnering with other institutions, offering our expertise and issuer relationships as a specialist structured products unit, for the benefit of their clients and customers.

- **Every month, we monitor the monthly movement within TICS:**
  - Category Scorecards
  - Amalgamated Scorecard
  
- **We identify and highlight movement up and down the rankings:**
  - and we draw attention to any issuer / counterparty that moves up or down in any Category Scorecard or the Amalgamated Scorecard by more than 5 places

- **Amalgamated:**

- Overall, the amalgamated scores for October are higher (i.e. worse) compared to September on average, driven by widening CDS rates. However, it's worth noting that CDS scores are still not at the highs we saw during Q2 this year (currently an average of 3.81, compared to 4.48 for April).
- 2 banks improved by 5 places (Nordea and Standard Chartered) and 2 banks worsened by 5 places (Wells Fargo and Bank of America). These were driven by CDS changes except for Standard Chartered, which was due to an improvement in fundamentals (market indicators).

- **Credit rating:**

- There were no rating changes over the month, and no banks moved in the scorecard.

- **CDS:**

- Overall, the average CDS score for October is higher compared to September, meaning there has been a general worsening in CDS rates. This has been the general trend over the past three months, although most banks CDS are still trading well below their 12 month highs.
- However, a large number of banks, including many UK banks (HSBC, RBS, Mizuho, BPCE Natixis, Standard Chartered, Lloyds, Barclays and RBS) all moved up by 5 places or more.
- Credit Agricole, JP Morgan, Wells Fargo, Bank of America, Morgan Stanley, Goldman Sachs and Commerzbank all moved down by 5 places or more, due to widening CDS rates.
- It is worth noting that there are a large number of banks with similar scores, therefore a small change in a bank's overall score may result in a significant change in the rankings as we are seeing this month.

cont'd ...

- **Fundamentals – Balance sheet:**
  - UBS AG moved down by 5 places, due to a worsening (increase) in the Price-to-Book ratio.
- **Fundamentals – Market indicators:**
  - Standard Chartered moved up by 6 places, due to a higher market capitalisation and an improving share price.
- **Systemic Importance:**
  - No banks moved by more than 5 places.

## TICS monthly movement: September 2019 ...

TICS CREDIT RATING CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
N/A				

# TICS monthly movement: October 2019 ...

TICS CDS CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
HSBC	+5	16	11	No change in overall score: movement relative to other banks
Credit Agricole	-7	2	9	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
JP Morgan	-6	12	18	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
RBC	+5	22	17	No change in overall score: movement relative to other banks
Wells Fargo	-10	13	23	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
Bank of America	-9	17	26	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
Mizuho	+7	9	2	Both 5Y and 1Y CDS tightened slightly, but improvement mostly relative to other banks
BPCE Natixis	+8	23	15	Both 5Y and 1Y CDS tightened slightly, but improvement mostly relative to other banks
Standard Chartered	+7	31	24	Both 5Y and 1Y CDS tightened, and 5Y CDS moved towards 1yr low
Lloyds	+8	20	12	Both 5Y and 1Y CDS tightened, and 5Y CDS moved towards 1yr low
Morgan Stanley	-8	24	32	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
Goldman Sachs	-6	25	31	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
Barclays	+8	28	20	Both 5Y and 1Y CDS tightened, and 5Y CDS moved towards 1yr low
Commerzbank	-16	14	30	Both 5Y and 1Y CDS widened, 5Y CDS moved away from 1yr low and CDS vol increased
RBS	+5	33	28	Both y% and 1Y CDS tightened, and 5Y CSD moved towards 1yr low

## TICS monthly movement: October 2019...

TICS FUNDAMENTALS (BALANCE SHEET) CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
UBS AG	-5	11	16	Slight increase in Price-to-Book ratio.

## TICS monthly movement: October 2019 ...

TICS FUNDAMENTALS (MARKET INDICATORS) CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
Standard Chartered	+6	30	24	Market capitalisation increased and the share price increased

## TICS monthly movement: October 2019 ...

TICS SYSTEMIC IMPORTANCE CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
N/A				

# TICS Amalgamated: October 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	October 2019			September 2019			August 2019		
				Score	Rank	+/- Rank Change	Score	Rank	+/- Rank Change	Score	Rank	+/- Rank Change
1	HSBC	UK	UK	343.4	1	0	348.4	1	0	446.5	1	0
2	Credit Agricole	Europe	France	426.2	2	0	415.9	2	0	443.0	2	4
3	CCB	Asia	China	432.6	3	2	430.9	5	0	448.3	5	(3)
4	ICBC	Asia	China	436.4	4	4	436.4	8	0	438.8	8	(5)
5	JP Morgan	North America	USA	436.9	5	(2)	425.7	3	1	447.2	4	4
6	UBS AG	Europe	Switzerland	440.8	6	(2)	428.6	4	2	445.8	3	2
7	Nordea	Europe	Sweden	442.5	7	5	444.5	12	0	477.1	11	4
8	BNP Paribas	Europe	France	442.9	8	(2)	433.2	6	1	490.3	6	3
9	Bank of China	Asia	China	444.9	9	(2)	435.4	7	(4)	474.7	7	5
10	Mitsubishi	Asia	Japan	445.0	10	4	446.5	14	(1)	477.4	12	(2)
11	Sumitomo	Asia	Japan	447.5	11	0	443.0	11	(1)	483.6	9	(5)
12	BONYM	North America	USA	449.8	12	3	446.8	15	0	492.0	14	(7)
13	RBC	North America	Canada	450.1	13	0	445.6	13	(4)	511.1	15	(4)
14	Wells Fargo	North America	USA	458.1	14	(5)	440.1	9	5	509.1	10	3
15	Bank of America	North America	USA	467.5	15	(5)	442.8	10	1	519.7	13	1
16	Mizuho	Asia	Japan	471.1	16	1	477.1	17	0	533.4	16	0
17	BPCE_Natixis	Europe	France	475.3	17	2	481.3	19	1	513.0	20	0
18	State Street	North America	USA	478.3	18	(2)	471.2	16	0	517.3	17	0
19	ABC	Asia	China	478.9	19	(1)	478.9	18	0	530.9	18	0
20	Societe Generale	Europe	France	491.1	20	0	482.1	20	(1)	534.8	19	0
21	Citi	North America	USA	498.8	21	0	496.3	21	0	552.4	21	0
22	Standard Chartered	UK	UK	511.1	22	5	531.1	27	(4)	572.4	22	0
23	Santander	Europe	Spain	518.3	23	(1)	509.9	22	0	567.6	25	(1)
24	MSIP	UK	UK	519.7	24	0	519.7	24	2	575.2	26	(3)
25	Lloyds	UK	UK	532.6	25	3	534.1	28	0	572.8	28	(2)
26	Morgan Stanley	North America	USA	534.8	26	(3)	515.3	23	1	610.4	24	1
27	Goldman Sachs	North America	USA	543.8	27	(2)	525.8	25	0	609.1	27	0
28	ING Bank	Europe	Netherlands	544.4	28	(2)	530.9	26	1	612.7	29	0
29	Danske Bank	Europe	Denmark	545.3	29	0	541.5	29	0	631.1	30	1
30	Prudential	UK	UK	562.8	30	1	561.7	31	(1)	672.7	23	5
31	Barclays	UK	UK	566.4	31	3	574.7	34	(2)	706.0	32	(2)
32	Aviva	UK	UK	566.5	32	0	566.5	32	(1)	0.0	31	4
33	Credit Suisse	Europe	Switzerland	575.9	33	0	572.9	33	1	510.4	34	0
34	Commerzbank	Europe	Germany	590.8	34	(4)	560.8	30	3	0.0	33	0
35	RBS	UK	UK	595.1	35	0	599.1	35	1	0.0	36	1
36	Investec Bank plc	UK	UK	610.9	36	0	610.9	36	(1)	Rank	37	(1)
37	Nomura	Asia	Japan	615.0	37	0	614.2	37	0	3.0	35	(3)
38	Deutsche Bank	Europe	Germany	647.1	38	0	649.3	38	0	17.0	38	0
39	Unicredit Group	Europe	Italy	671.2	39	0	658.4	39	0	11.0	39	0
40	Bank of Ireland	Europe	Ireland	707.5	40	0	706.0	40	0	7.0	40	0

# TICS Credit Ratings: October 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	October 2019			September 2019			August 2019		
				Credit Rating Score	Credit Rating Rank	+/- Rank Change	Credit Rating Score	Credit Rating Rank	+/- Rank Change	Credit Rating Score	Credit Rating Rank	+/- Rank Change
1	HSBC	UK	UK	4.00	2	0	4.00	2	0	4.00	2	0
2	Credit Agricole	Europe	France	4.67	5	0	4.92	5	0	4.92	5	0
3	CCB	Asia	China	5.67	13	0	5.67	13	0	5.67	13	0
4	ICBC	Asia	China	5.67	12	0	5.67	12	0	5.67	12	0
5	JP Morgan	North America	USA	5.67	15	0	5.67	15	0	5.67	15	0
6	UBS AG	Europe	Switzerland	5.33	10	0	5.33	10	0	5.33	10	0
7	Nordea	Europe	Sweden	4.00	1	0	4.00	1	0	4.00	1	0
8	BNP Paribas	Europe	France	4.67	4	0	4.67	4	0	4.67	4	0
9	Bank of China	Asia	China	5.67	14	0	5.67	14	0	5.67	14	0
10	Mitsubishi	Asia	Japan	5.92	18	0	5.92	18	0	5.92	18	(1)
11	Sumitomo	Asia	Japan	5.92	19	0	5.92	19	0	5.92	19	(1)
12	BONYM	North America	USA	5.00	6	0	5.00	6	0	5.00	6	0
13	RBC	North America	Canada	4.33	3	0	4.33	3	0	4.33	3	0
14	Wells Fargo	North America	USA	6.08	22	0	6.08	22	0	6.17	22	0
15	Bank of America	North America	USA	6.00	21	0	6.00	21	0	6.00	21	0
16	Mizuho	Asia	Japan	6.25	24	0	6.25	24	0	6.25	24	0
17	BPCE Natixis	Europe	France	5.00	8	0	5.00	8	0	5.00	8	0
18	State Street	North America	USA	5.00	7	0	5.00	7	0	5.00	7	0
19	ABC	Asia	China	5.67	16	0	5.67	16	0	5.67	16	0
20	Societe Generale	Europe	France	5.58	11	0	5.58	11	0	5.58	11	0
21	Citi	North America	USA	7.00	33	0	7.00	33	0	7.00	33	0
22	Standard Chartered	UK	UK	6.67	27	0	6.67	27	0	6.67	27	0
23	Santander	Europe	Spain	6.33	25	0	6.33	25	0	6.33	25	0
24	MSIP	UK	UK	5.00	9	0	5.00	9	0	5.00	9	0
25	Lloyds	UK	UK	6.67	28	0	6.67	28	0	6.67	28	0
26	Morgan Stanley	North America	USA	7.00	31	0	7.00	31	0	7.00	31	0
27	Goldman Sachs	North America	USA	7.00	32	0	7.00	32	0	7.00	32	0
28	ING Bank	Europe	Netherlands	6.67	29	0	6.67	29	0	6.67	29	0
29	Danske Bank	Europe	Denmark	6.25	23	0	6.25	23	0	6.25	23	0
30	Prudential	UK	UK	6.00	20	0	6.00	20	0	6.00	20	0
31	Barclays	UK	UK	8.25	38	0	8.25	38	0	8.25	38	0
32	Aviva	UK	UK	5.67	17	0	5.67	17	0	5.67	17	2
33	Credit Suisse	Europe	Switzerland	7.92	35	0	7.92	35	0	7.92	35	0
34	Commerzbank	Europe	Germany	6.75	30	0	6.75	30	0	6.75	30	0
35	RBS	UK	UK	7.92	36	0	7.92	36	0	7.92	36	0
36	Investec Bank plc	UK	UK	6.50	26	0	6.50	26	0	6.50	26	0
37	Nomura	Asia	Japan	7.67	34	0	7.67	34	0	7.67	34	0
38	Deutsche Bank	Europe	Germany	8.08	37	0	8.08	37	0	8.08	37	0
39	Unicredit Group	Europe	Italy	8.75	39	0	8.75	39	0	8.75	39	0
40	Bank of Ireland	Europe	Ireland	9.50	40	0	9.50	40	0	9.50	40	0

# TICS CDS: October 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	October 2019			September 2019			August 2019		
				CDS Score	CDS Rank	+/- Rank Change	CDS Score	CDS Rank	+/- Rank Change	CDS Score	CDS Rank	+/- Rank Change
1	HSBC	UK	UK	3.00	11	5	3.00	16	(3)	2.70	13	(10)
2	Credit Agricole	Europe	France	2.85	9	(7)	1.80	2	(1)	1.80	1	1
3	CCB	Asia	China	N/A	36	0	N/A	36	0	N/A	36	0
4	ICBC	Asia	China	N/A	37	0	N/A	37	0	N/A	37	0
5	JP Morgan	North America	USA	3.65	18	(6)	2.90	12	7	3.20	19	(6)
6	UBS AG	Europe	Switzerland	2.25	4	(3)	1.50	1	1	1.80	2	(1)
7	Nordea	Europe	Sweden	2.15	3	2	2.15	5	2	2.30	7	2
8	BNP Paribas	Europe	France	2.85	8	2	2.40	10	1	2.40	11	(4)
9	Bank of China	Asia	China	3.55	16	3	3.25	19	(7)	2.65	12	8
10	Mitsubishi	Asia	Japan	1.90	1	2	1.90	3	0	1.90	3	1
11	Sumitomo	Asia	Japan	2.40	6	(2)	2.10	4	0	2.10	4	1
12	BONYM	North America	USA	2.35	5	3	2.35	8	0	2.35	8	2
13	RBC	North America	Canada	3.60	17	5	3.60	22	(8)	2.85	14	10
14	Wells Fargo	North America	USA	4.10	23	(10)	2.90	13	4	3.05	17	(3)
15	Bank of America	North America	USA	4.50	26	(9)	3.15	17	(2)	3.05	15	1
16	Mizuho	Asia	Japan	2.05	2	7	2.35	9	0	2.35	9	(3)
17	BPCE_Natixis	Europe	France	3.45	15	8	3.75	23	6	4.35	29	1
18	State Street	North America	USA	N/A	40	0	N/A	40	0	N/A	40	0
19	ABC	Asia	China	6.40	34	0	6.40	34	0	6.40	34	0
20	Societe Generale	Europe	France	2.85	10	(3)	2.25	7	(1)	2.25	6	2
21	Citi	North America	USA	4.25	25	2	3.95	27	(3)	3.80	24	2
22	Standard Chartered	UK	UK	4.15	24	7	5.05	31	(4)	4.15	27	(9)
23	Santander	Europe	Spain	2.80	7	(1)	2.20	6	4	2.35	10	9
24	MSIP	UK	UK	N/A	39	0	N/A	39	0	N/A	39	0
25	Lloyds	UK	UK	3.05	12	8	3.45	20	0	3.20	20	(3)
26	Morgan Stanley	North America	USA	5.10	32	(8)	3.80	24	(1)	3.65	23	4
27	Goldman Sachs	North America	USA	5.10	31	(6)	3.90	25	0	3.80	25	4
28	ING Bank	Europe	Netherlands	4.05	21	(3)	3.15	18	0	3.15	18	4
29	Danske Bank	Europe	Denmark	3.35	14	1	3.00	15	(10)	2.25	5	7
30	Prudential	UK	UK	4.05	22	4	3.90	26	0	3.90	26	(11)
31	Barclays	UK	UK	3.95	20	8	4.40	28	0	4.25	28	(3)
32	Aviva	UK	UK	4.80	29	1	4.80	30	1	4.95	31	(3)
33	Credit Suisse	Europe	Switzerland	3.20	13	(2)	2.90	11	5	3.05	16	(5)
34	Commerzbank	Europe	Germany	4.90	30	(16)	3.00	14	8	3.60	22	(1)
35	RBS	UK	UK	4.60	28	5	5.20	33	(1)	5.65	32	0
36	Investec Bank plc	UK	UK	N/A	38	0	N/A	38	0	N/A	38	0
37	Nomura	Asia	Japan	3.65	19	2	3.50	21	0	3.50	21	2
38	Deutsche Bank	Europe	Germany	7.85	35	0	8.00	35	0	6.95	35	0
39	Unicredit Group	Europe	Italy	6.05	33	(1)	5.10	32	1	6.05	33	0
40	Bank of Ireland	Europe	Ireland	4.60	27	2	4.60	29	1	4.60	30	1

# TICS Fundamentals (Balance Sheet): October 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	October 2019			September 2019			August 2019		
				Balance Sheet Score	Balance Sheet Rank	+/- Rank Change	Balance Sheet Score	Balance Sheet Rank	+/- Rank Change	Balance Sheet Score	Balance Sheet Rank	+/- Rank Change
1	HSBC	UK	UK	3.25	1	0	3.25	1	0	3.25	1	0
2	Credit Agricole	Europe	France	4.10	18	(2)	3.95	16	2	4.10	18	(4)
3	CCB	Asia	China	3.40	3	0	3.40	3	0	3.40	3	0
4	ICBC	Asia	China	3.95	15	2	3.95	17	(2)	3.95	15	1
5	JP Morgan	North America	USA	4.25	22	0	4.25	22	0	4.25	22	0
6	UBS AG	Europe	Switzerland	3.95	16	(5)	3.80	11	5	3.95	16	1
7	Nordea	Europe	Sweden	5.00	36	(3)	4.85	33	3	5.00	36	(1)
8	BNP Paribas	Europe	France	4.95	35	(3)	4.80	32	3	4.95	35	(5)
9	Bank of China	Asia	China	4.05	17	2	4.05	19	(2)	4.05	17	1
10	Mitsubishi	Asia	Japan	3.75	8	1	3.75	9	(1)	3.75	8	0
11	Sumitomo	Asia	Japan	3.35	2	0	3.35	2	0	3.35	2	0
12	BONYM	North America	USA	4.60	25	(1)	4.45	24	2	4.60	26	0
13	RBC	North America	Canada	5.70	38	0	5.55	38	0	5.70	38	0
14	Wells Fargo	North America	USA	3.85	10	2	3.85	12	(2)	3.85	10	0
15	Bank of America	North America	USA	4.20	20	(2)	4.05	18	2	4.20	20	0
16	Mizuho	Asia	Japan	3.90	12	2	3.90	14	(2)	3.90	12	0
17	BPCE_Natixis	Europe	France	4.65	27	0	4.65	27	1	4.65	28	(1)
18	State Street	North America	USA	3.95	14	(4)	3.80	10	4	3.95	14	1
19	ABC	Asia	China	3.90	13	2	3.90	15	(2)	3.90	13	0
20	Societe Generale	Europe	France	4.70	30	0	4.70	30	(1)	4.70	29	(1)
21	Citi	North America	USA	3.70	7	(2)	3.55	5	2	3.70	7	0
22	Standard Chartered	UK	UK	3.55	4	0	3.55	4	0	3.55	4	0
23	Santander	Europe	Spain	5.00	37	0	5.00	37	0	5.00	37	(1)
24	MSIP	UK	UK	4.86	32	2	4.86	34	(2)	4.86	32	0
25	Lloyds	UK	UK	4.20	21	(1)	4.05	20	1	4.20	21	0
26	Morgan Stanley	North America	USA	3.55	5	1	3.55	6	(1)	3.55	5	0
27	Goldman Sachs	North America	USA	3.85	11	2	3.85	13	(2)	3.85	11	0
28	ING Bank	Europe	Netherlands	4.75	31	0	4.75	31	(1)	4.75	30	3
29	Danske Bank	Europe	Denmark	4.70	28	0	4.70	28	3	4.85	31	0
30	Prudential	UK	UK	N/A	40	0	N/A	40	0	N/A	40	0
31	Barclays	UK	UK	3.65	6	2	3.65	8	(2)	3.65	6	0
32	Aviva	UK	UK	N/A	39	0	N/A	39	0	N/A	39	0
33	Credit Suisse	Europe	Switzerland	4.45	24	1	4.45	25	(2)	4.45	23	0
34	Commerzbank	Europe	Germany	4.35	23	0	4.35	23	1	4.50	24	0
35	RBS	UK	UK	3.80	9	(2)	3.65	7	2	3.80	9	0
36	Investec Bank plc	UK	UK	4.90	33	2	4.90	35	(2)	4.90	33	4
37	Nomura	Asia	Japan	4.70	29	0	4.70	29	(4)	4.55	25	0
38	Deutsche Bank	Europe	Germany	4.10	19	2	4.10	21	(2)	4.10	19	0
39	Unicredit Group	Europe	Italy	4.90	34	2	4.90	36	(2)	4.90	34	0
40	Bank of Ireland	Europe	Ireland	4.60	26	0	4.60	26	1	4.60	27	2

# TICS Fundamentals (Market Indicator): October 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	October 2019			September 2019			August 2019		
				Market Ind Score	Market Ind Rank	+/- Rank Change	Market Ind Score	Market Ind Rank	+/- Rank Change	Market Ind Score	Market Ind Rank	+/- Rank Change
1	HSBC	UK	UK	2.95	7	1	3.45	8	0	2.95	8	1
2	Credit Agricole	Europe	France	5.70	22	(2)	5.70	20	4	5.85	24	(2)
3	CCB	Asia	China	2.40	4	0	2.25	4	0	2.25	4	0
4	ICBC	Asia	China	1.30	1	0	1.30	1	0	1.45	1	0
5	JP Morgan	North America	USA	1.90	2	0	1.90	2	0	1.75	2	0
6	UBS AG	Europe	Switzerland	5.85	26	1	6.20	27	0	6.00	27	(7)
7	Nordea	Europe	Sweden	5.90	27	4	6.55	31	(3)	6.05	28	0
8	BNP Paribas	Europe	France	5.20	12	0	5.35	12	4	5.35	16	2
9	Bank of China	Asia	China	3.10	8	(2)	2.60	6	0	2.45	6	(1)
10	Mitsubishi	Asia	Japan	5.35	14	3	5.50	17	2	5.50	19	0
11	Sumitomo	Asia	Japan	5.70	21	(2)	5.70	19	2	5.70	21	0
12	BONYM	North America	USA	5.75	23	1	5.90	24	(4)	5.60	20	4
13	RBC	North America	Canada	3.60	10	(1)	3.60	9	1	3.60	10	1
14	Wells Fargo	North America	USA	2.60	6	1	2.60	7	0	2.75	7	0
15	Bank of America	North America	USA	2.20	3	0	2.20	3	0	2.20	3	0
16	Mizuho	Asia	Japan	5.60	20	2	5.75	22	0	5.75	22	3
17	BPCE_Natixis	Europe	France	6.70	35	0	6.85	35	(1)	6.85	34	0
18	State Street	North America	USA	6.80	36	(4)	6.65	32	0	6.50	32	1
19	ABC	Asia	China	2.45	5	0	2.45	5	0	2.30	5	1
20	Societe Generale	Europe	France	6.70	32	1	6.70	33	2	6.85	35	0
21	Citi	North America	USA	3.35	9	1	4.00	10	(1)	3.35	9	1
22	Standard Chartered	UK	UK	5.75	24	6	6.40	30	(7)	5.75	23	3
23	Santander	Europe	Spain	5.50	18	0	5.50	18	(5)	5.20	13	0
24	MSIP	UK	UK	N/A	40	0	N/A	40	0	N/A	40	0
25	Lloyds	UK	UK	5.40	16	(2)	5.40	14	1	5.25	15	(3)
26	Morgan Stanley	North America	USA	5.20	11	0	5.20	11	3	5.20	14	1
27	Goldman Sachs	North America	USA	5.40	15	(2)	5.40	13	(2)	4.70	11	3
28	ING Bank	Europe	Netherlands	5.85	25	(2)	5.85	23	2	5.85	25	2
29	Danske Bank	Europe	Denmark	6.20	31	(2)	6.35	29	2	6.35	31	(1)
30	Prudential	UK	UK	5.55	19	2	5.70	21	(9)	5.05	12	(4)
31	Barclays	UK	UK	5.25	13	2	5.40	15	2	5.40	17	(1)
32	Aviva	UK	UK	6.05	29	(4)	6.05	25	1	5.90	26	(3)
33	Credit Suisse	Europe	Switzerland	6.00	28	(2)	6.15	26	3	6.15	29	0
34	Commerzbank	Europe	Germany	7.65	39	0	7.50	39	0	7.35	39	0
35	RBS	UK	UK	5.45	17	(1)	5.40	16	2	5.40	18	(1)
36	Investec Bank plc	UK	UK	6.70	34	0	6.70	34	(1)	6.55	33	(1)
37	Nomura	Asia	Japan	6.70	33	3	6.85	36	1	7.15	37	0
38	Deutsche Bank	Europe	Germany	7.10	37	0	7.10	37	(1)	6.85	36	0
39	Unicredit Group	Europe	Italy	6.15	30	(2)	6.30	28	2	6.30	30	1
40	Bank of Ireland	Europe	Ireland	7.45	38	0	7.30	38	0	7.30	38	0

# TICS Systemic Importance: October 2019 monthly movement ... ..

	Bank / Institution	Region	Sovereign	October 2019			September 2019			August 2019		
				Systemic Imp Score	Systemic Imp Rank	+/- Rank Change	Systemic Imp Score	Systemic Imp Rank	+/- Rank Change	Systemic Imp Score	Systemic Imp Rank	+/- Rank Change
1	HSBC	UK	UK	2.29	3	0	2.29	3	0	2.29	3	0
2	Credit Agricole	Europe	France	3.35	17	0	3.35	17	0	3.35	17	0
3	CCB	Asia	China	2.95	11	0	2.95	11	0	2.95	11	0
4	ICBC	Asia	China	2.50	7	0	2.50	7	0	2.50	7	0
5	JP Morgan	North America	USA	1.80	1	0	1.80	1	0	1.80	1	0
6	UBS AG	Europe	Switzerland	3.35	16	0	3.35	16	0	3.35	16	0
7	Nordea	Europe	Sweden	8.25	35	0	8.25	35	0	8.25	35	0
8	BNP Paribas	Europe	France	2.60	9	0	2.60	9	0	2.60	9	0
9	Bank of China	Asia	China	2.50	8	0	2.50	8	0	2.50	8	0
10	Mitsubishi	Asia	Japan	2.76	10	0	2.76	10	0	2.76	10	0
11	Sumitomo	Asia	Japan	3.46	20	0	3.46	20	0	3.46	20	0
12	BONYM	North America	USA	3.80	26	0	3.80	26	0	3.80	26	0
13	RBC	North America	Canada	3.15	14	0	3.15	14	0	3.15	14	0
14	Wells Fargo	North America	USA	2.35	4	0	2.35	4	0	2.35	4	0
15	Bank of America	North America	USA	2.40	5	0	2.40	5	0	2.40	5	0
16	Mizuho	Asia	Japan	3.46	21	0	3.46	21	0	3.46	21	0
17	BPCE_Natixis	Europe	France	3.40	18	0	3.40	18	0	3.40	18	0
18	State Street	North America	USA	4.00	28	0	4.00	28	0	4.00	28	0
19	ABC	Asia	China	2.95	12	0	2.95	12	0	2.95	12	0
20	Societe Generale	Europe	France	3.40	19	0	3.40	19	0	3.40	19	0
21	Citi	North America	USA	2.10	2	0	2.10	2	0	2.10	2	0
22	Standard Chartered	UK	UK	3.64	25	(1)	3.64	24	0	3.64	24	0
23	Santander	Europe	Spain	3.60	24	1	3.71	25	0	3.71	25	0
24	MSIP	UK	UK	8.81	37	0	8.81	37	0	8.81	37	0
25	Lloyds	UK	UK	8.04	32	0	8.04	32	0	8.04	32	0
26	Morgan Stanley	North America	USA	3.95	27	0	3.95	27	0	3.95	27	0
27	Goldman Sachs	North America	USA	3.55	22	0	3.55	22	0	3.55	22	0
28	ING Bank	Europe	Netherlands	3.20	15	0	3.20	15	0	3.20	15	0
29	Danske Bank	Europe	Denmark	8.40	36	0	8.40	36	0	8.40	36	0
30	Prudential	UK	UK	7.54	31	0	7.54	31	0	7.54	31	0
31	Barclays	UK	UK	3.04	13	0	3.04	13	0	3.04	13	0
32	Aviva	UK	UK	7.49	30	0	7.49	30	0	7.49	30	0
33	Credit Suisse	Europe	Switzerland	3.55	23	0	3.55	23	0	3.55	23	0
34	Commerzbank	Europe	Germany	8.05	33	0	8.05	33	0	8.05	33	0
35	RBS	UK	UK	8.19	34	0	8.19	34	0	8.19	34	0
36	Investec Bank plc	UK	UK	8.94	38	0	8.94	38	0	8.94	38	0
37	Nomura	Asia	Japan	9.11	39	0	9.11	39	0	9.11	39	0
38	Deutsche Bank	Europe	Germany	2.40	6	0	2.40	6	0	2.40	6	0
39	Unicredit Group	Europe	Italy	4.39	29	0	4.39	29	0	4.39	29	0
40	Bank of Ireland	Europe	Ireland	9.20	40	0	9.20	40	0	9.20	40	0

- We developed our Scorecards for internal purposes: as part of our process of considering and selecting issuers and counterparties. We publish our Scorecards as part of our approach to providing transparency - and to support professional advisers in their research and due diligence responsibilities:
  - but it is important that professional advisers using them understand what they are and what they are not
- **WHAT THEY ARE:** the primary purpose of our scorecards is to compile multiple factors that potentially measure or indicate financial strength / credit risk, with a scoring system that provokes and supports more objective and detailed analysis, assessment, comparison, consideration and understanding of prospective issuers and counterparties
- **WHAT THEY ARE NOT:** the scoring system ranks the issuers and counterparties, but it is important that professional advisers understand that this is NOT their intended purpose:
  - *the purpose of our scorecards, including the rankings, and multiple data points, at an amalgamated, category and factor level, is to provoke and support **analysis**, **assessment** and **comparison** of the data, to aid more objective **consideration** and **understanding** of relative issuer / counterparty financial strength / credit risk*
- **It is also important that professional advisers understand that our Scorecards are not independent research or an investment recommendation:**
  - we do not provide any warranty regarding the data, methodology, scores or rankings: and we expressly exclude any liability for any judgement or interpretation based upon or influenced by our Scorecards
  - professional advisers should reach their own judgement of issuer / counterparty financial strength / credit risk

**A : ANALYSIS**

**A : ASSESSMENT**

**C : COMPARISON**

**C : CONSIDERATION**

**U : *AND UNDERSTANDING***

- Our Scorecards are NOT about the rankings per se. All of the issuers / counterparties (with one or two exceptions) are strong banks, in the top percentile (based on criteria we assess) of the banking universe:
  - our Scorecards are designed to provoke and support **analysis** and **assessment** of the data, including **comparison** and **consideration**, leading to better **understanding** of prospective issuers and counterparties

- **Professional advisers are expected to undertake robust issuer / counterparty due diligence**

*“Firms should carry out sufficient due diligence into the counterparty and not rely solely on credit rating agencies ...”*

*“We expect firms to look more broadly than just the credit rating, such as the rating, outlook, credit default swap (CDS) spreads and other market information, as well as ‘fundamentals’ on the issuer’s balance sheet.”*

- **Our Scorecards provide easy access to multiple, widely recognised measures and indicators of financial strength / credit risk:**
  - that can help provoke and support detailed and more objective analysis, assessment, comparison, consideration and understanding of prospective issuers and counterparties, as part of product research and due diligence
- **Importantly, however, professional advisers should note our explanation of what our Scorecards are and what they are not - including understand that our Scorecards were developed for internal purposes, with a scoring system and weightings that we feel are appropriate:**
  - and we highlight that we can readily support professional advisers who may have different views and / or want to apply or explore different weightings

- **Issuer / counterparty risk is the most fundamental risk of structured products**
- **Our Issuer & Counterparty Scorecards have been developed for internal purposes, to aid more objective due diligence consideration and selection (or rejection) of prospective issuers / counterparties:**
  - based on the criteria that we assess, the banks that we monitor are (with one or two exceptions) in the top percentile of the global banking universe (of circa 5,000 banks)
  - our Scorecards are designed to help provoke and support detailed **analysis, assessment, comparison, consideration** and **understanding** of issuers / counterparties, based upon multiple factors that are widely recognised measures / indicators of financial strength / credit risk
- **We publish our Scorecards as part of our approach to proactively providing transparency with regard to the processes behind our products:**
  - and to support professional advisers in their product research and issuer / counterparty due diligence
- **We explain our methodology and the weightings we use for internal purposes - having given considerable thought to how to combine, balance and reflect our views of the relative importance of the factors:**
  - importantly, we highlight what our Scorecards are: and what they are not
- **We feel strongly that prompting professional advisers to carefully consider this essential aspect of structured products, supporting their research due diligence, is the right thing to be doing and a significant positive**

- **It should always be understood that:**
  - structured products are not suitable for everyone
  - past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation
  - the value of investments and the income from them can go down as well as up
  - the value of structured products may be affected by the price of their underlying investments
  - capital is at risk and investors could lose some or all of their capital
  
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- **Professional Advisers should access and read the relevant plan documents relating to any structured product plan of interest, in particular: the plan brochure; plan application pack, including, the terms and conditions of the plan; and the issuer’s securities prospectus, final terms sheet and key information document (KID), before making a recommendation to their clients**
  
- **Professional advisers should not invest in, or advise their clients to invest in, any investment product unless they and their clients understand them, in particular the relevant risks**

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