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# TEMPO

## STRUCTURED PRODUCTS

AN ALPHA REAL CAPITAL GROUP COMPANY

- TICS -  
**TEMPO ISSUER & COUNTERPARTY SCORECARDS**  
- MONTHLY MOVEMENT: APRIL 2019 -

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**FOR PROFESSIONAL ADVISER USE ONLY**  
- NOT FOR USE WITH CLIENTS -

### KEY ALPHA STATISTICS:

(as at 31 Mar 18)

**£2.4bn+**

AUM and capital  
commitments

**100+**

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 100+ 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 April are slightly higher compared to March across the board.
  - No banks improved or worsened by 5 places or more.
- **Credit rating:**
  - There were no changes in credit ratings over the month, and no banks moved more than 5 places.
- **CDS:**
  - Overall, the average CDS score for April is slightly higher compared to March. However, the 1 year and 5 year CDS rates tightened for some banks while they widened for others, resulting in some significant movements in the rankings (please see slide 7 for details)
  - CDS rates widened across the board for UK banks. Standard Chartered, Santander, Lloyds, Prudential and Aviva all moved by more than 5 places as a result this month.

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- **Fundamentals – Balance sheet:**

- UBS worsened by 5 places and Bank of Ireland, due to changes in the price book ratio.
- Mizuho improved by 5 places and Deutsche Bank improved by 10 places, due to improvements in the leverage ratio and price book ratio.

- **Fundamentals – Market indicators:**

- BONYM and ING Bank both worsened (by 7 and 11 places respectively), due to decreased market capitalisation and a lower share price.
- No banks improved by 5 places or more.

- **Systemic Importance:**

- There were no significant changes to Systemic Importance scores over the month, and no banks moved by more than 5 places.

## TICS monthly movement: April 2019 ...

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

## TICS monthly movement: April 2019 ...

| TICS CDS CATEGORY     |                   |                  |             |  |
|-----------------------|-------------------|------------------|-------------|--|
| ISSUER / COUNTERPARTY | MOVEMENT<br>+ / - | PREVIOUS<br>RANK | NEW<br>RANK | COMMENT  |
| JP Morgan             | +7                | 22               | 15          | No change – movement relative to other banks.  |
| RBC                   | +6                | 15               | 9           | The 5Y CDS moved closer to its 12-month low, and the 5Y CDS volatility improved        |
| BPCE   Natixis        | +7                | 26               | 19          | No change – movement relative to other banks.  |
| Societe Generale      | +13               | 23               | 10          | The 1Y CDS improved and the 5Y CDS moved closer to its 12-month low.                   |
| Standard Chartered    | -14               | 10               | 24          | Both 1Y and 5Y CDS increased (i.e. worsened) and the 5Y CDS volatility also increased. |
| Santander             | -6                | 14               | 20          | Both 1Y and 5Y CDS increased (i.e. worsened)   |
| Lloyds                | -8                | 17               | 25          | Both 1Y and 5Y CDS increased (i.e. worsened) and the 5Y CDS volatility also increased. |
| Prudential            | -12               | 5                | 17          | Both 1Y and 5Y CDS increased (i.e. worsened).  |
| ING Bank              | -6                | 25               | 31          | Both 1Y and 5Y CDS increased (i.e. worsened).  |
| Aviva                 | -16               | 12               | 28          | Both 1Y and 5Y CDS increased (i.e. worsened).  |
| Nomura                | +7                | 18               | 11          | The 1Y CDS reduced (i.e. improved).  |

## TICS monthly movement: April 2019...

| TICS FUNDAMENTALS (BALANCE SHEET) CATEGORY |                   |                  |             |  |
|--|-------------------|------------------|-------------|--|
| ISSUER / COUNTERPARTY                      | MOVEMENT<br>+ / - | PREVIOUS<br>RANK | NEW<br>RANK | COMMENT  |
| UBS AG                                     | -5                | 14               | 19          | Price to book ratio has increased (i.e. worsened). |
| Mizuho                                     | +6                | 17               | 11          | No change – movement relative to other banks.      |
| Deutsche Bank                              | +10               | 16               | 6           | Leverage Ratio has reduced (i.e. improved).        |
| Bank of Ireland                            | -5                | 25               | 30          | Tier 1 capital has decreased (i.e. worsened).      |



## TICS monthly movement: April 2019 ...

| TICS FUNDAMENTALS (MARKET INDICATORS) CATEGORY |                   |                  |             |  |
|--|-------------------|------------------|-------------|--|
| ISSUER / COUNTERPARTY                          | MOVEMENT<br>+ / - | PREVIOUS<br>RANK | NEW<br>RANK | COMMENT  |
| BONYM  | -7                | 14               | 21          | Market cap has decreased (i.e. worsened) and share price has moved closer to 1-year low.                                       |
| ING Bank                                       | -11               | 15               | 26          | Market cap has decreased (i.e. worsened), share price volatility has increased and share price has moved closer to 1-year low. |

## TICS monthly movement: April 2019 ...

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

# TICS Amalgamated: April 2019 monthly movement ...

|    | Bank / Institution | Region        | Sovereign   | April 2019 |      |                 | March 2019 |      |                 | February 2019 |      |                 |
|----|--------------------|---------------|-------------|------------|------|-----------------|------------|------|-----------------|---------------|------|-----------------|
|    |                    |               |             | Score      | Rank | +/- Rank Change | Score      | Rank | +/- Rank Change | Score         | Rank | +/- Rank Change |
| 1  | HSBC               | UK            | UK          | 343.4      | 1    | 0               | 338.2      | 1    | 0               | 351.7         | 1    | 0               |
| 2  | Bank of China      | Asia          | China       | 428.2      | 2    | 0               | 433.2      | 2    | 3               | 448.9         | 5    | 4               |
| 3  | ICBC               | Asia          | China       | 440.0      | 3    | 0               | 440.0      | 3    | 0               | 441.7         | 3    | 0               |
| 4  | JP Morgan          | North America | USA         | 444.4      | 4    | 1               | 441.8      | 4    | 0               | 443.3         | 4    | 2               |
| 5  | UBS AG             | Europe        | Switzerland | 444.8      | 5    | 1               | 445.9      | 5    | 1               | 449.7         | 6    | 4               |
| 6  | BONYM              | North America | USA         | 448.3      | 6    | (2)             | 447.1      | 6    | 2               | 457.6         | 8    | 3               |
| 7  | RBC                | North America | Canada      | 448.6      | 7    | 4               | 451.7      | 7    | 0               | 457.0         | 7    | (3)             |
| 8  | CCB                | Asia          | China       | 450.3      | 8    | 4               | 452.3      | 8    | 2               | 460.6         | 10   | 3               |
| 9  | Mitsubishi         | Asia          | Japan       | 453.2      | 9    | (2)             | 452.9      | 9    | 3               | 470.2         | 12   | 2               |
| 10 | Credit Agricole    | Europe        | France      | 453.7      | 10   | (1)             | 453.0      | 10   | (8)             | 401.9         | 2    | 0               |
| 11 | Wells Fargo        | North America | USA         | 454.3      | 11   | (3)             | 456.1      | 11   | 0               | 467.3         | 11   | (3)             |
| 12 | Nordea             | Europe        | Sweden      | 454.5      | 12   | (2)             | 457.4      | 12   | (3)             | 459.1         | 9    | (4)             |
| 13 | Bank of America    | North America | USA         | 459.3      | 13   | 1               | 470.9      | 13   | 3               | 482.9         | 16   | (1)             |
| 14 | BNP Paribas        | Europe        | France      | 471.7      | 14   | (1)             | 472.6      | 14   | 1               | 479.3         | 15   | 3               |
| 15 | Sumitomo           | Asia          | Japan       | 474.2      | 15   | 1               | 474.1      | 15   | (1)             | 474.1         | 14   | (2)             |
| 16 | Mizuho             | Asia          | Japan       | 475.6      | 16   | 1               | 475.7      | 16   | (3)             | 472.2         | 13   | (6)             |
| 17 | State Street       | North America | USA         | 480.0      | 17   | (2)             | 482.3      | 17   | 0               | 495.8         | 17   | 0               |
| 18 | BPCE Natixis       | Europe        | France      | 496.5      | 19   | (1)             | 496.5      | 18   | 1               | 509.3         | 19   | 0               |
| 19 | Societe Generale   | Europe        | France      | 503.8      | 20   | 2               | 498.0      | 19   | 1               | 519.6         | 20   | 2               |
| 20 | Citi               | North America | USA         | 506.8      | 21   | (2)             | 499.9      | 20   | (2)             | 502.9         | 18   | (2)             |
| 21 | Standard Chartered | UK            | UK          | 523.1      | 22   | (1)             | 509.6      | 21   | 1               | 532.1         | 22   | 1               |
| 22 | ABC                | Asia          | China       | 495.4      | 18   | 2               | 512.8      | 22   | (1)             | 521.3         | 21   | (1)             |
| 23 | Morgan Stanley     | North America | USA         | 535.5      | 23   | 2               | 528.9      | 23   | 2               | 549.9         | 25   | 0               |
| 24 | Santander          | Europe        | Spain       | 537.9      | 24   | (1)             | 531.0      | 24   | 3               | 561.0         | 27   | 5               |
| 25 | MSIP               | UK            | UK          | 542.5      | 25   | 2               | 535.5      | 25   | (1)             | 544.5         | 24   | 0               |
| 26 | Lloyds             | UK            | UK          | 550.1      | 26   | 0               | 536.6      | 26   | 0               | 553.9         | 26   | 0               |
| 27 | Prudential         | UK            | UK          | 558.8      | 27   | (3)             | 542.5      | 27   | (4)             | 542.5         | 23   | (2)             |
| 28 | Goldman Sachs      | North America | USA         | 565.5      | 28   | 2               | 558.9      | 28   | 1               | 589.4         | 29   | (2)             |
| 29 | Credit Suisse      | Europe        | Switzerland | 572.2      | 29   | 2               | 559.4      | 29   | 3               | 591.5         | 32   | 3               |
| 30 | Danske Bank        | Europe        | Denmark     | 576.3      | 30   | 3               | 563.5      | 30   | (2)             | 568.0         | 28   | 1               |
| 31 | Barclays           | UK            | UK          | 578.8      | 31   | 1               | 563.9      | 31   | 2               | 593.9         | 33   | 1               |
| 32 | ING Bank           | Europe        | Netherlands | 582.7      | 32   | (4)             | 574.3      | 32   | (2)             | 590.8         | 30   | 3               |
| 33 | Aviva              | UK            | UK          | 588.3      | 33   | (4)             | 576.3      | 33   | (2)             | 591.3         | 31   | (3)             |
| 34 | Nomura             | Asia          | Japan       | 590.0      | 34   | 1               | 577.5      | 34   | 1               | 600.5         | 35   | (4)             |
| 35 | Commerzbank        | Europe        | Germany     | 594.5      | 35   | (1)             | 594.5      | 35   | (1)             | 596.0         | 34   | (4)             |
| 36 | Investec Bank plc  | UK            | UK          | 609.1      | 36   | 0               | 614.4      | 36   | 0               | 618.0         | 36   | 0               |
| 37 | RBS                | UK            | UK          | 628.6      | 37   | 0               | 615.1      | 37   | 0               | 633.9         | 37   | 0               |
| 38 | Deutsche Bank      | Europe        | Germany     | 628.8      | 38   | 0               | 635.6      | 38   | 0               | 646.1         | 38   | 0               |
| 39 | Unicredit Group    | Europe        | Italy       | 676.0      | 39   | 0               | 677.5      | 39   | 0               | 690.3         | 39   | 1               |
| 40 | Bank of Ireland    | Europe        | Ireland     | 709.8      | 40   | 0               | 697.8      | 40   | 0               | 699.3         | 40   | (1)             |

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

|    | Bank / Institution | Region        | Sovereign   | April 2019          |                    |                 | March 2019          |                    |                 | February 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  | Bank of China      | Asia          | China       | 5.67                | 14                 | 0               | 5.67                | 14                 | 0               | 5.67                | 14                 | 0               |
| 3  | ICBC               | Asia          | China       | 5.67                | 12                 | 0               | 5.67                | 12                 | 0               | 5.67                | 12                 | 1               |
| 4  | JP Morgan          | North America | USA         | 5.67                | 15                 | 0               | 5.00                | 6                  | 0               | 5.00                | 6                  | 0               |
| 5  | UBS AG             | Europe        | Switzerland | 5.33                | 10                 | 0               | 5.67                | 15                 | 0               | 5.67                | 15                 | (3)             |
| 6  | BONYM              | North America | USA         | 5.00                | 6                  | 0               | 5.33                | 10                 | 0               | 5.33                | 10                 | 0               |
| 7  | RBC                | North America | Canada      | 4.33                | 3                  | 0               | 5.92                | 17                 | 0               | 5.92                | 17                 | 0               |
| 8  | CCB                | Asia          | China       | 5.67                | 13                 | 0               | 6.08                | 21                 | 0               | 6.08                | 21                 | 0               |
| 9  | Mitsubishi         | Asia          | Japan       | 5.92                | 17                 | 0               | 4.92                | 4                  | 0               | 4.92                | 4                  | 1               |
| 10 | Credit Agricole    | Europe        | France      | 4.92                | 4                  | 0               | 4.00                | 1                  | 0               | 2.67                | 1                  | 0               |
| 11 | Wells Fargo        | North America | USA         | 6.08                | 22                 | (1)             | 4.33                | 3                  | 0               | 4.33                | 3                  | 0               |
| 12 | Nordea             | Europe        | Sweden      | 4.00                | 1                  | 0               | 5.67                | 13                 | 0               | 5.67                | 13                 | 2               |
| 13 | Bank of America    | North America | USA         | 6.00                | 21                 | 3               | 4.92                | 5                  | 0               | 4.92                | 5                  | (1)             |
| 14 | BNP Paribas        | Europe        | France      | 4.92                | 5                  | 0               | 6.33                | 24                 | 0               | 6.33                | 24                 | 0               |
| 15 | Sumitomo           | Asia          | Japan       | 5.92                | 18                 | 0               | 5.00                | 7                  | 0               | 5.00                | 7                  | 0               |
| 16 | Mizuho             | Asia          | Japan       | 6.25                | 24                 | (1)             | 5.92                | 18                 | 0               | 5.92                | 18                 | 0               |
| 17 | State Street       | North America | USA         | 5.00                | 7                  | 0               | 6.25                | 23                 | 0               | 6.25                | 23                 | 0               |
| 18 | BPCE Natixis       | Europe        | France      | 5.00                | 8                  | 0               | 5.00                | 8                  | 0               | 5.00                | 8                  | 1               |
| 19 | Societe Generale   | Europe        | France      | 5.58                | 11                 | 0               | 7.00                | 33                 | 0               | 7.33                | 33                 | 0               |
| 20 | Citi               | North America | USA         | 7.00                | 33                 | 0               | 5.67                | 16                 | 0               | 5.67                | 16                 | 0               |
| 21 | Standard Chartered | UK            | UK          | 6.67                | 27                 | 0               | 6.67                | 27                 | 0               | 6.67                | 27                 | (1)             |
| 22 | ABC                | Asia          | China       | 5.67                | 16                 | 0               | 5.58                | 11                 | 0               | 5.58                | 11                 | 0               |
| 23 | Morgan Stanley     | North America | USA         | 7.00                | 31                 | 0               | 6.33                | 25                 | 0               | 6.33                | 25                 | 0               |
| 24 | Santander          | Europe        | Spain       | 6.33                | 25                 | 0               | 6.00                | 20                 | 0               | 6.00                | 20                 | 0               |
| 25 | MSIP               | UK            | UK          | 5.00                | 9                  | 0               | 7.00                | 31                 | 0               | 7.00                | 31                 | 1               |
| 26 | Lloyds             | UK            | UK          | 6.67                | 28                 | 0               | 6.67                | 28                 | 0               | 6.67                | 28                 | 0               |
| 27 | Prudential         | UK            | UK          | 6.00                | 20                 | 0               | 5.00                | 9                  | 0               | 5.00                | 9                  | (1)             |
| 28 | Goldman Sachs      | North America | USA         | 7.00                | 32                 | 0               | 6.67                | 29                 | 0               | 6.67                | 29                 | (2)             |
| 29 | Credit Suisse      | Europe        | Switzerland | 7.92                | 36                 | 0               | 5.92                | 19                 | 0               | 5.92                | 19                 | 0               |
| 30 | Danske Bank        | Europe        | Denmark     | 6.25                | 23                 | (1)             | 7.00                | 32                 | 0               | 7.00                | 32                 | (1)             |
| 31 | Barclays           | UK            | UK          | 8.33                | 38                 | 0               | 7.92                | 36                 | 0               | 7.92                | 36                 | 0               |
| 32 | ING Bank           | Europe        | Netherlands | 6.67                | 29                 | 0               | 8.33                | 38                 | 0               | 8.33                | 38                 | 0               |
| 33 | Aviva              | UK            | UK          | 5.92                | 19                 | 0               | 6.25                | 22                 | 0               | 6.25                | 22                 | 0               |
| 34 | Nomura             | Asia          | Japan       | 7.42                | 34                 | 0               | 6.75                | 30                 | 0               | 6.75                | 30                 | (1)             |
| 35 | Commerzbank        | Europe        | Germany     | 6.75                | 30                 | 0               | 7.42                | 34                 | 0               | 7.42                | 34                 | 0               |
| 36 | Investec Bank plc  | UK            | UK          | 6.50                | 26                 | 0               | 6.50                | 26                 | 0               | 6.50                | 26                 | 4               |
| 37 | RBS                | UK            | UK          | 8.17                | 37                 | 0               | 8.17                | 37                 | 0               | 8.17                | 37                 | 0               |
| 38 | Deutsche Bank      | Europe        | Germany     | 7.83                | 35                 | 0               | 7.83                | 35                 | 0               | 7.83                | 35                 | 0               |
| 39 | Unicredit Group    | Europe        | Italy       | 8.83                | 39                 | 0               | 8.83                | 39                 | 0               | 8.83                | 39                 | 0               |
| 40 | Bank of Ireland    | Europe        | Ireland     | 9.50                | 40                 | 0               | 9.50                | 40                 | 0               | 9.50                | 40                 | 0               |

# TICS CDS: April 2019 monthly movement ...

|    | Bank / Institution | Region        | Sovereign   | April 2019 |          |                 | March 2019 |          |                 | February 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       | 5        | (1)             | 2.85       | 4        | 2               | 3.75          | 6        | 3               |
| 2  | Bank of China      | Asia          | China       | 3.40       | 8        | 1               | 3.40       | 9        | 0               | 4.15          | 9        | 5               |
| 3  | ICBC               | Asia          | China       | N/A        | 37       | 0               | N/A        | 37       | 0               | N/A           | 37       | 0               |
| 4  | JP Morgan          | North America | USA         | 4.15       | 15       | 7               | 2.35       | 2        | 0               | 2.35          | 2        | 1               |
| 5  | UBS AG             | Europe        | Switzerland | 2.55       | 4        | 2               | 4.15       | 22       | (9)             | 4.40          | 13       | 3               |
| 6  | BONYM              | North America | USA         | 2.35       | 2        | 0               | 3.00       | 6        | (2)             | 3.60          | 4        | 4               |
| 7  | RBC                | North America | Canada      | 3.50       | 9        | 6               | 2.15       | 1        | 0               | 2.30          | 1        | 0               |
| 8  | CCB                | Asia          | China       | N/A        | 36       | 0               | 3.85       | 11       | 0               | 4.30          | 11       | 4               |
| 9  | Mitsubishi         | Asia          | Japan       | 2.15       | 1        | 0               | 3.10       | 7        | 7               | 4.45          | 14       | (1)             |
| 10 | Credit Agricole    | Europe        | France      | 3.25       | 7        | 0               | 3.90       | 13       | (5)             | 4.05          | 8        | (2)             |
| 11 | Wells Fargo        | North America | USA         | 3.85       | 12       | (1)             | 3.90       | 15       | 0               | 4.65          | 15       | (5)             |
| 12 | Nordea             | Europe        | Sweden      | 3.90       | 13       | 0               | N/A        | 36       | 0               | N/A           | 36       | 2               |
| 13 | Bank of America    | North America | USA         | 3.95       | 14       | 2               | 4.05       | 19       | (1)             | 4.95          | 18       | 2               |
| 14 | BNP Paribas        | Europe        | France      | 4.20       | 16       | 3               | 3.95       | 16       | (4)             | 4.40          | 12       | 5               |
| 15 | Sumitomo           | Asia          | Japan       | 3.20       | 6        | 2               | N/A        | 40       | 0               | N/A           | 40       | (1)             |
| 16 | Mizuho             | Asia          | Japan       | 2.35       | 3        | 0               | 3.30       | 8        | (5)             | 3.30          | 3        | (1)             |
| 17 | State Street       | North America | USA         | N/A        | 40       | 0               | 2.50       | 3        | 2               | 3.70          | 5        | (1)             |
| 18 | BPCE Natixis       | Europe        | France      | 4.50       | 19       | 7               | 4.50       | 26       | (5)             | 5.15          | 21       | (9)             |
| 19 | Societe Generale   | Europe        | France      | 3.60       | 10       | 13              | 4.15       | 21       | (5)             | 4.70          | 16       | 9               |
| 20 | Citi               | North America | USA         | 4.40       | 18       | 3               | 6.40       | 33       | (2)             | 6.40          | 31       | (7)             |
| 21 | Standard Chartered | UK            | UK          | 4.75       | 24       | (14)            | 3.85       | 10       | 14              | 5.35          | 24       | 7               |
| 22 | ABC                | Asia          | China       | 6.40       | 32       | 1               | 4.20       | 23       | (3)             | 5.10          | 20       | 2               |
| 23 | Morgan Stanley     | North America | USA         | 4.85       | 26       | 2               | 3.90       | 14       | 9               | 5.20          | 23       | (2)             |
| 24 | Santander          | Europe        | Spain       | 4.50       | 20       | (6)             | 3.00       | 5        | 5               | 4.20          | 10       | 8               |
| 25 | MSIP               | UK            | UK          | N/A        | 39       | 0               | 4.85       | 28       | (6)             | 5.15          | 22       | 1               |
| 26 | Lloyds             | UK            | UK          | 4.85       | 25       | (8)             | 3.95       | 17       | 2               | 5.10          | 19       | 0               |
| 27 | Prudential         | UK            | UK          | 4.20       | 17       | (12)            | N/A        | 39       | 0               | N/A           | 39       | 1               |
| 28 | Goldman Sachs      | North America | USA         | 5.75       | 29       | 3               | 4.35       | 25       | 3               | 5.85          | 28       | (1)             |
| 29 | Credit Suisse      | Europe        | Switzerland | 4.55       | 22       | (2)             | 3.90       | 12       | 13              | 5.40          | 25       | 3               |
| 30 | Danske Bank        | Europe        | Denmark     | 5.10       | 27       | 2               | 5.75       | 32       | (2)             | 6.05          | 30       | (1)             |
| 31 | Barclays           | UK            | UK          | 4.55       | 21       | 3               | 4.10       | 20       | 6               | 5.70          | 26       | 4               |
| 32 | ING Bank           | Europe        | Netherlands | 6.30       | 31       | (6)             | 4.25       | 24       | 3               | 5.75          | 27       | (1)             |
| 33 | Aviva              | UK            | UK          | 5.25       | 28       | (16)            | 5.10       | 29       | 0               | 6.00          | 29       | (18)            |
| 34 | Nomura             | Asia          | Japan       | 3.65       | 11       | 7               | 5.25       | 30       | 2               | 6.45          | 32       | 0               |
| 35 | Commerzbank        | Europe        | Germany     | 6.15       | 30       | 0               | 3.95       | 18       | (11)            | 3.95          | 7        | (2)             |
| 36 | Investec Bank plc  | UK            | UK          | N/A        | 38       | 0               | N/A        | 38       | 0               | N/A           | 38       | (2)             |
| 37 | RBS                | UK            | UK          | 6.70       | 33       | (2)             | 5.65       | 31       | 2               | 7.00          | 33       | 0               |
| 38 | Deutsche Bank      | Europe        | Germany     | 8.10       | 35       | (1)             | 7.95       | 34       | 1               | 8.85          | 35       | (1)             |
| 39 | Unicredit Group    | Europe        | Italy       | 7.95       | 34       | 1               | 8.05       | 35       | (1)             | 8.80          | 34       | 1               |
| 40 | Bank of Ireland    | Europe        | Ireland     | 4.75       | 23       | 4               | 4.75       | 27       | (10)            | 4.75          | 17       | (10)            |

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

|    | Bank / Institution | Region        | Sovereign   | April 2019          |                    |                 | March 2019          |                    |                 | February 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               | 3.15                | 1                  | 0               | 3.15                | 1                  | 0               |
| 2  | Bank of China      | Asia          | China       | 3.95                | 17                 | (2)             | 3.95                | 15                 | 2               | 3.95                | 17                 | 1               |
| 3  | ICBC               | Asia          | China       | 3.95                | 16                 | (3)             | 3.95                | 13                 | 2               | 3.95                | 15                 | 1               |
| 4  | JP Morgan          | North America | USA         | 4.25                | 23                 | 0               | 4.60                | 27                 | 0               | 4.60                | 27                 | 2               |
| 5  | UBS AG             | Europe        | Switzerland | 4.10                | 19                 | (5)             | 4.25                | 23                 | 0               | 4.25                | 23                 | 0               |
| 6  | BONYM              | North America | USA         | 4.60                | 27                 | 0               | 3.95                | 14                 | 2               | 3.95                | 16                 | (3)             |
| 7  | RBC                | North America | Canada      | 5.70                | 38                 | 0               | 3.80                | 8                  | (1)             | 3.80                | 7                  | 1               |
| 8  | CCB                | Asia          | China       | 3.95                | 14                 | 4               | 3.85                | 9                  | 1               | 3.85                | 10                 | 1               |
| 9  | Mitsubishi         | Asia          | Japan       | 3.80                | 9                  | (1)             | 4.50                | 26                 | (1)             | 4.35                | 25                 | 1               |
| 10 | Credit Agricole    | Europe        | France      | 4.50                | 26                 | 0               | 4.60                | 28                 | 0               | 4.60                | 28                 | 3               |
| 11 | Wells Fargo        | North America | USA         | 3.85                | 10                 | (1)             | 5.75                | 38                 | 0               | 5.75                | 38                 | 0               |
| 12 | Nordea             | Europe        | Sweden      | 4.60                | 28                 | 0               | 4.10                | 18                 | 0               | 4.10                | 18                 | 1               |
| 13 | Bank of America    | North America | USA         | 4.20                | 21                 | 0               | 4.85                | 31                 | 0               | 4.85                | 31                 | (1)             |
| 14 | BNP Paribas        | Europe        | France      | 4.85                | 31                 | 0               | 4.20                | 21                 | 0               | 4.20                | 21                 | 0               |
| 15 | Sumitomo           | Asia          | Japan       | 3.90                | 12                 | (2)             | 4.10                | 19                 | 0               | 4.10                | 19                 | (5)             |
| 16 | Mizuho             | Asia          | Japan       | 3.90                | 11                 | 6               | 3.90                | 10                 | 2               | 3.90                | 12                 | (5)             |
| 17 | State Street       | North America | USA         | 4.10                | 18                 | 1               | 4.05                | 17                 | (6)             | 3.90                | 11                 | 1               |
| 18 | BPCE Natixis       | Europe        | France      | 4.90                | 33                 | 0               | 4.90                | 33                 | 0               | 4.90                | 33                 | 2               |
| 19 | Societe Generale   | Europe        | France      | 4.70                | 29                 | 1               | 3.70                | 6                  | 0               | 3.70                | 6                  | (2)             |
| 20 | Citi               | North America | USA         | 3.70                | 7                  | (1)             | 4.60                | 29                 | 0               | 4.60                | 29                 | (1)             |
| 21 | Standard Chartered | UK            | UK          | 3.55                | 3                  | 0               | 3.55                | 3                  | 0               | 3.55                | 3                  | (1)             |
| 22 | ABC                | Asia          | China       | 4.45                | 25                 | 4               | 4.70                | 30                 | 0               | 4.70                | 30                 | 2               |
| 23 | Morgan Stanley     | North America | USA         | 3.70                | 8                  | (1)             | 5.00                | 34                 | 0               | 5.00                | 34                 | 2               |
| 24 | Santander          | Europe        | Spain       | 5.00                | 36                 | (2)             | N/A                 | 40                 | 0               | N/A                 | 40                 | 0               |
| 25 | MSIP               | UK            | UK          | 5.43                | 37                 | 0               | 3.70                | 7                  | 2               | 3.85                | 9                  | 1               |
| 26 | Lloyds             | UK            | UK          | 4.20                | 22                 | 0               | 4.20                | 22                 | 0               | 4.20                | 22                 | 0               |
| 27 | Prudential         | UK            | UK          | N/A                 | 40                 | 0               | 5.43                | 37                 | 0               | 5.43                | 37                 | 0               |
| 28 | Goldman Sachs      | North America | USA         | 4.25                | 24                 | 0               | 5.30                | 36                 | 0               | 5.30                | 36                 | (9)             |
| 29 | Credit Suisse      | Europe        | Switzerland | 3.55                | 2                  | 0               | N/A                 | 39                 | 0               | N/A                 | 39                 | 0               |
| 30 | Danske Bank        | Europe        | Denmark     | 4.85                | 32                 | 0               | 4.25                | 24                 | 0               | 4.25                | 24                 | 0               |
| 31 | Barclays           | UK            | UK          | 3.65                | 5                  | (1)             | 3.55                | 2                  | 2               | 3.70                | 4                  | 1               |
| 32 | ING Bank           | Europe        | Netherlands | 4.90                | 34                 | 2               | 3.60                | 4                  | (2)             | 3.45                | 2                  | 1               |
| 33 | Aviva              | UK            | UK          | N/A                 | 39                 | 0               | 4.85                | 32                 | 0               | 4.85                | 32                 | 1               |
| 34 | Nomura             | Asia          | Japan       | 4.15                | 20                 | 0               | 3.95                | 12                 | 2               | 3.95                | 14                 | 1               |
| 35 | Commerzbank        | Europe        | Germany     | 3.95                | 15                 | (3)             | 4.15                | 20                 | 0               | 4.15                | 20                 | 0               |
| 36 | Investec Bank plc  | UK            | UK          | 4.90                | 35                 | 0               | 5.05                | 35                 | 0               | 5.05                | 35                 | (1)             |
| 37 | RBS                | UK            | UK          | 3.60                | 4                  | 1               | 3.70                | 5                  | 0               | 3.70                | 5                  | 1               |
| 38 | Deutsche Bank      | Europe        | Germany     | 3.70                | 6                  | 10              | 4.00                | 16                 | (8)             | 3.85                | 8                  | 1               |
| 39 | Unicredit Group    | Europe        | Italy       | 3.90                | 13                 | (2)             | 3.90                | 11                 | 2               | 3.90                | 13                 | 4               |
| 40 | Bank of Ireland    | Europe        | Ireland     | 4.75                | 30                 | (5)             | 4.35                | 25                 | 1               | 4.35                | 26                 | (1)             |

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

|    | Bank / Institution | Region        | Sovereign   | April 2019       |                 |                 | March 2019       |                 |                 | February 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             | 8               | 0               | 2.95             | 8               | 0               | 2.95             | 8               | 0               |
| 2  | Bank of China      | Asia          | China       | 1.95             | 3               | 4               | 2.45             | 7               | 0               | 2.90             | 7               | 0               |
| 3  | ICBC               | Asia          | China       | 1.60             | 1               | 0               | 1.60             | 1               | 0               | 1.75             | 1               | 0               |
| 4  | JP Morgan          | North America | USA         | 1.90             | 2               | 0               | 4.95             | 14              | 0               | 5.10             | 14              | 6               |
| 5  | UBS AG             | Europe        | Switzerland | 5.35             | 17              | 2               | 2.05             | 2               | 0               | 2.05             | 2               | 0               |
| 6  | BONYM              | North America | USA         | 5.60             | 21              | (7)             | 5.35             | 19              | 2               | 5.50             | 21              | (4)             |
| 7  | RBC                | North America | Canada      | 3.60             | 9               | 1               | 5.50             | 22              | 2               | 5.80             | 24              | (2)             |
| 8  | CCB                | Asia          | China       | 2.25             | 5               | (1)             | 2.40             | 5               | 0               | 2.55             | 5               | (1)             |
| 9  | Mitsubishi         | Asia          | Japan       | 5.65             | 23              | (1)             | 5.85             | 26              | 0               | 6.00             | 26              | (3)             |
| 10 | Credit Agricole    | Europe        | France      | 5.70             | 24              | 2               | 5.55             | 24              | (2)             | 5.55             | 22              | (3)             |
| 11 | Wells Fargo        | North America | USA         | 2.60             | 7               | (2)             | 3.60             | 10              | 0               | 3.60             | 10              | (1)             |
| 12 | Nordea             | Europe        | Sweden      | 5.70             | 25              | (1)             | 2.40             | 4               | 0               | 2.55             | 4               | (1)             |
| 13 | Bank of America    | North America | USA         | 2.20             | 4               | (1)             | 5.50             | 21              | (1)             | 5.35             | 20              | (6)             |
| 14 | BNP Paribas        | Europe        | France      | 5.35             | 18              | 3               | 2.20             | 3               | 0               | 2.20             | 3               | 3               |
| 15 | Sumitomo           | Asia          | Japan       | 5.55             | 20              | 3               | 6.00             | 28              | 0               | 6.00             | 28              | 5               |
| 16 | Mizuho             | Asia          | Japan       | 5.60             | 22              | 3               | 5.55             | 23              | (8)             | 5.20             | 15              | 10              |
| 17 | State Street       | North America | USA         | 6.50             | 32              | (4)             | 5.60             | 25              | (2)             | 5.60             | 23              | (2)             |
| 18 | BPCE Natixis       | Europe        | France      | 6.50             | 33              | 0               | 6.50             | 33              | 1               | 6.80             | 34              | 1               |
| 19 | Societe Generale   | Europe        | France      | 6.85             | 35              | 0               | 3.35             | 9               | 0               | 3.35             | 9               | 1               |
| 20 | Citi               | North America | USA         | 3.85             | 10              | (1)             | 2.45             | 6               | 0               | 2.75             | 6               | (1)             |
| 21 | Standard Chartered | UK            | UK          | 6.05             | 28              | 1               | 6.05             | 29              | 0               | 6.05             | 29              | 0               |
| 22 | ABC                | Asia          | China       | 2.45             | 6               | 0               | 6.85             | 35              | (4)             | 6.35             | 31              | (4)             |
| 23 | Morgan Stanley     | North America | USA         | 5.20             | 14              | 3               | 4.85             | 12              | 0               | 5.00             | 12              | 6               |
| 24 | Santander          | Europe        | Spain       | 4.85             | 12              | 0               | 4.90             | 13              | 5               | 5.20             | 18              | 6               |
| 25 | MSIP               | UK            | UK          | N/A              | 40              | 0               | 5.20             | 17              | 0               | 5.20             | 17              | (2)             |
| 26 | Lloyds             | UK            | UK          | 4.45             | 11              | 0               | 4.45             | 11              | 0               | 4.45             | 11              | 2               |
| 27 | Prudential         | UK            | UK          | 5.05             | 13              | 0               | N/A              | 40              | 0               | N/A              | 40              | 0               |
| 28 | Goldman Sachs      | North America | USA         | 5.40             | 19              | (3)             | 5.20             | 15              | 12              | 6.00             | 27              | 1               |
| 29 | Credit Suisse      | Europe        | Switzerland | 6.30             | 30              | 0               | 5.90             | 27              | (2)             | 5.90             | 25              | 1               |
| 30 | Danske Bank        | Europe        | Denmark     | 6.20             | 29              | 2               | 5.20             | 16              | 0               | 5.20             | 16              | (5)             |
| 31 | Barclays           | UK            | UK          | 5.25             | 16              | 4               | 6.15             | 30              | 0               | 6.30             | 30              | 1               |
| 32 | ING Bank           | Europe        | Netherlands | 5.85             | 26              | (11)            | 5.40             | 20              | (1)             | 5.25             | 19              | (3)             |
| 33 | Aviva              | UK            | UK          | 5.90             | 27              | 0               | 6.20             | 31              | 1               | 6.35             | 32              | (2)             |
| 34 | Nomura             | Asia          | Japan       | 6.85             | 36              | 0               | 7.00             | 38              | 1               | 7.50             | 39              | 0               |
| 35 | Commerzbank        | Europe        | Germany     | 7.35             | 39              | (1)             | 6.85             | 36              | 0               | 7.00             | 36              | 0               |
| 36 | Investec Bank plc  | UK            | UK          | 6.55             | 34              | 0               | 6.55             | 34              | 1               | 6.85             | 35              | (1)             |
| 37 | RBS                | UK            | UK          | 5.25             | 15              | 3               | 5.25             | 18              | (5)             | 5.10             | 13              | (1)             |
| 38 | Deutsche Bank      | Europe        | Germany     | 7.10             | 38              | 1               | 7.10             | 39              | (1)             | 7.25             | 38              | 0               |
| 39 | Unicredit Group    | Europe        | Italy       | 6.45             | 31              | 1               | 6.45             | 32              | 1               | 6.60             | 33              | (1)             |
| 40 | Bank of Ireland    | Europe        | Ireland     | 7.00             | 37              | 0               | 7.00             | 37              | 0               | 7.15             | 37              | 0               |

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

|    | Bank / Institution | Region        | Sovereign   | April 2019         |                   |                 | March 2019         |                   |                 | February 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  | Bank of China      | Asia          | China       | 2.50               | 8                 | 0               | 2.50               | 8                 | 0               | 2.50               | 8                 | 0               |
| 3  | ICBC               | Asia          | China       | 2.50               | 7                 | 0               | 2.50               | 7                 | 0               | 2.50               | 7                 | 0               |
| 4  | JP Morgan          | North America | USA         | 1.80               | 1                 | 0               | 3.80               | 26                | 0               | 3.80               | 26                | 0               |
| 5  | UBS AG             | Europe        | Switzerland | 3.35               | 17                | 0               | 1.80               | 1                 | 0               | 1.80               | 1                 | 0               |
| 6  | BONYM              | North America | USA         | 3.80               | 26                | 0               | 3.35               | 17                | 0               | 3.35               | 17                | 0               |
| 7  | RBC                | North America | Canada      | 3.15               | 14                | 0               | 2.76               | 10                | 0               | 2.76               | 10                | 0               |
| 8  | CCB                | Asia          | China       | 2.95               | 11                | 0               | 2.35               | 4                 | 0               | 2.35               | 4                 | 0               |
| 9  | Mitsubishi         | Asia          | Japan       | 2.76               | 10                | 0               | 3.25               | 16                | 0               | 3.25               | 16                | 0               |
| 10 | Credit Agricole    | Europe        | France      | 3.25               | 16                | 0               | 8.20               | 35                | 0               | 8.20               | 35                | 0               |
| 11 | Wells Fargo        | North America | USA         | 2.35               | 4                 | 0               | 3.15               | 14                | 0               | 3.15               | 14                | 0               |
| 12 | Nordea             | Europe        | Sweden      | 8.20               | 35                | 0               | 2.95               | 11                | 0               | 2.95               | 11                | 0               |
| 13 | Bank of America    | North America | USA         | 2.40               | 5                 | 0               | 2.60               | 9                 | 0               | 2.60               | 9                 | 0               |
| 14 | BNP Paribas        | Europe        | France      | 2.60               | 9                 | 0               | 2.40               | 5                 | 0               | 2.40               | 5                 | 0               |
| 15 | Sumitomo           | Asia          | Japan       | 3.41               | 20                | 0               | 4.00               | 28                | 0               | 4.00               | 28                | 0               |
| 16 | Mizuho             | Asia          | Japan       | 3.46               | 21                | 0               | 3.41               | 20                | 0               | 3.41               | 20                | 0               |
| 17 | State Street       | North America | USA         | 4.00               | 28                | 0               | 3.46               | 21                | 0               | 3.46               | 21                | 0               |
| 18 | BPCE Natixis       | Europe        | France      | 3.40               | 18                | 0               | 3.40               | 18                | 0               | 3.40               | 18                | 0               |
| 19 | Societe Generale   | Europe        | France      | 3.40               | 19                | 0               | 2.25               | 2                 | 0               | 2.25               | 2                 | 0               |
| 20 | Citi               | North America | USA         | 2.25               | 2                 | 0               | 2.95               | 12                | 0               | 2.95               | 12                | 0               |
| 21 | Standard Chartered | UK            | UK          | 3.64               | 24                | 0               | 3.64               | 24                | 0               | 3.64               | 24                | 0               |
| 22 | ABC                | Asia          | China       | 2.95               | 12                | 0               | 3.40               | 19                | 0               | 3.40               | 19                | 0               |
| 23 | Morgan Stanley     | North America | USA         | 3.95               | 27                | 0               | 3.71               | 25                | 0               | 3.71               | 25                | 0               |
| 24 | Santander          | Europe        | Spain       | 3.71               | 25                | 0               | 7.54               | 31                | 0               | 7.54               | 31                | 0               |
| 25 | MSIP               | UK            | UK          | 8.81               | 37                | 0               | 3.95               | 27                | 0               | 3.95               | 27                | 0               |
| 26 | Lloyds             | UK            | UK          | 8.04               | 32                | 0               | 8.04               | 32                | 0               | 8.04               | 32                | 0               |
| 27 | Prudential         | UK            | UK          | 7.54               | 31                | 0               | 8.81               | 37                | 0               | 8.81               | 37                | 0               |
| 28 | Goldman Sachs      | North America | USA         | 3.55               | 22                | 0               | 3.20               | 15                | 0               | 3.20               | 15                | 0               |
| 29 | Credit Suisse      | Europe        | Switzerland | 3.55               | 23                | 0               | 7.49               | 30                | 0               | 7.49               | 30                | 0               |
| 30 | Danske Bank        | Europe        | Denmark     | 8.45               | 36                | 0               | 3.55               | 22                | 0               | 3.55               | 22                | 0               |
| 31 | Barclays           | UK            | UK          | 3.04               | 13                | 0               | 3.55               | 23                | 0               | 3.55               | 23                | 0               |
| 32 | ING Bank           | Europe        | Netherlands | 3.20               | 15                | 0               | 3.04               | 13                | 0               | 3.04               | 13                | 0               |
| 33 | Aviva              | UK            | UK          | 7.49               | 30                | 0               | 8.45               | 36                | 0               | 8.45               | 36                | 0               |
| 34 | Nomura             | Asia          | Japan       | 9.11               | 39                | 0               | 8.05               | 34                | 0               | 8.05               | 34                | 0               |
| 35 | Commerzbank        | Europe        | Germany     | 8.05               | 33                | 1               | 9.11               | 39                | 0               | 9.11               | 39                | 0               |
| 36 | Investec Bank plc  | UK            | UK          | 8.94               | 38                | 0               | 8.94               | 38                | 0               | 8.94               | 38                | 0               |
| 37 | RBS                | UK            | UK          | 8.19               | 34                | (1)             | 8.04               | 33                | 0               | 8.04               | 33                | 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 3,400 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 advisors 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
- **The ‘Important risks’ section of our website highlights the key and other risks of structured products, in addition to explaining important information for Professional Advisers who wish to access the current products area of our website and who may use our structured product plans with their clients:**
  - [www.tempo-sp.com/home/important-risks](http://www.tempo-sp.com/home/important-risks)
- **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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