


TEMPO

STRUCTURED PRODUCTS

AN ALPHA REAL CAPITAL GROUP COMPANY

- TICS -
TEMPO ISSUER & COUNTERPARTY SCORECARDS
- MONTHLY MOVEMENT: FEBRUARY 2019 -

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 February have change very little compared to January.
 - Sumitomo worsened by 6 places, due to its lower Balance Sheet score.
 - Prudential improved by 5 places, due to improvements in its Market Indicator score and CDS score.
- **Credit rating:**
 - There were no significant changes in credit ratings over the month, and no banks moved more than 5 places.
- **CDS:**
 - 4 banks are at their 12 month high for 5 year CDS, but more generally, we are starting to see both 1-year and 5-year CDS move down (i.e. improve).
 - The banks at their 12 month high for 5 year CDS are: Mitsubishi, BONYM, Bank of Ireland and ABC (in order of lowest / best 5 year CDS through to highest / worst 5 year CDS).

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- **Fundamentals – Balance sheet:**

- ING Group worsened by 9 places, due to a reduction in Tier 1 Capital
- Both Sumitomo and State Street worsened by 5 places, due to changes in the price book ratio

- **Fundamentals – Market indicators:**

- Sumitomo, BONYM, State Street, Standander and Prudential all improved (by 10, 6, 5, 6 and 6 places respectively), due to increased market capitalisation and reduced share price volatility.
- BNP Paribas and Goldman Sachs worsened by 6 and 5 places respectively. Their overall scores were no different to January, meaning these moves were relative to how other banks moved within the rankings.

- **Systemic Importance:**

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

TICS monthly movement: February 2019 ...

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

TICS monthly movement: February 2019 ...

TICS CDS CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
RBC	-5	10	15	No change – movement relative to other banks
Bank of China	+5	14	9	Both 1 yr and 5 yr CDS have decreased (i.e. improved)
Bank of America	+5	17	12	Both 1 yr and 5 yr CDS have decreased (i.e. improved)
ABC	-7	24	31	No change – movement relative to other banks
Citi	+9	25	16	Both 1 yr and 5 yr CDS have decreased (i.e. improved)
BPCE Natixis	-9	12	21	No change – movement relative to other banks
Prudential	+8	18	10	Both 1 yr and 5 yr CDS have decreased (i.e. improved)
Standard Chartered	+7	31	24	Both 1 yr and 5 yr CDS have decreased (i.e. improved)
Danske Bank	-18	11	29	5 yr CDS has increased (i.e. worsened)
Bank of Ireland	-10	7	17	Both 1 yr and 5 yr CDS have increased (i.e. worsened)

TICS monthly movement: February 2019...

TICS FUNDAMENTALS (BALANCE SHEET) CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
ING Group	-9	27	36	Tier 1 capital has decreased (i.e. worsened)
Sumitomo	-5	7	12	Price to book ratio has increased (i.e. worsened)
State Street	-5	14	19	Price to book ratio has increased (i.e. worsened)

TICS monthly movement: February 2019 ...

TICS FUNDAMENTALS (MARKET INDICATORS) CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
Sumitomo	+10	25	15	Market cap has increased (i.e. improved) and share price volatility has fallen (i.e. improved)
BONYM	+6	20	14	Market cap has increased (i.e. improved) and share price volatility has fallen (i.e. improved)
State Street	+5	33	28	Market cap has increased (i.e. improved) and share price volatility has fallen (i.e. improved)
BNP Paribas	-6	14	20	No change – movement relative to other banks
Santander	+6	18	12	Market cap has increased (i.e. improved) and share price volatility has fallen (i.e. improved)
Prudential	+6	24	18	Market cap has increased (i.e. improved) and share price volatility has fallen (i.e. improved)
Goldman Sachs	-5	11	16	No change – movement relative to other banks

TICS monthly movement: February 2019 ...

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

TICS Amalgamated: February 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	February 2019			January 2019			December 2018		
				Score	Rank	+/- Rank Change	Score	Rank	+/- Rank Change	Score	Rank	+/- Rank Change
1	HSBC	UK	UK	351.7	1	0	363.7	1	0	385.4	1	0
2	Nordea	Europe	Sweden	401.9	2	0	412.4	2	0	412.4	2	1
3	ICBC	Asia	China	441.7	3	0	443.5	3	1	457.6	4	0
4	BONYM	North America	USA	443.3	4	2	457.3	6	(3)	455.3	3	4
5	Bank of China	Asia	China	448.9	5	4	469.2	9	2	481.2	11	0
6	JP Morgan	North America	USA	449.7	6	4	470.7	10	(5)	458.7	5	0
7	Mitsubishi	Asia	Japan	457.0	7	(3)	458.5	4	3	468.5	7	1
8	UBS AG	Europe	Switzerland	457.6	8	3	471.8	11	1	481.3	12	0
9	CCB	Asia	China	459.1	9	(4)	460.9	5	5	476.8	10	0
10	Wells Fargo	North America	USA	460.6	10	3	482.3	13	(7)	466.1	6	0
11	RBC	North America	Canada	467.3	11	(3)	470.3	8	1	473.3	9	(7)
12	Credit Agricole	Europe	France	470.2	12	2	485.9	14	1	498.7	15	(2)
13	Sumitomo	Asia	Japan	472.2	13	(6)	462.2	7	1	470.7	8	1
14	State Street	North America	USA	474.1	14	(2)	476.5	12	1	488.3	13	1
15	Bank of America	North America	USA	479.3	15	3	506.8	18	(4)	495.1	14	2
16	BNP Paribas	Europe	France	482.9	16	(1)	494.2	15	1	500.2	16	(1)
17	Mizuho	Asia	Japan	495.8	17	0	499.6	17	1	507.1	18	(1)
18	ABC	Asia	China	502.9	18	(2)	498.4	16	1	505.9	17	1
19	BPCE Natixis	Europe	France	509.3	19	0	513.8	19	4	553.8	23	(3)
20	Citi	North America	USA	519.6	20	2	547.5	22	(3)	523.0	19	0
21	Societe Generale	Europe	France	521.3	21	(1)	536.6	20	1	546.3	21	1
22	Standard Chartered	UK	UK	532.1	22	1	559.1	23	1	572.6	24	4
23	MSIP	UK	UK	542.5	23	(2)	542.5	21	(1)	542.5	20	1
24	Morgan Stanley	North America	USA	544.5	24	0	564.8	24	(2)	552.3	22	1
25	Santander	Europe	Spain	549.9	25	0	568.4	25	0	575.4	25	1
26	Lloyds	UK	UK	553.9	26	0	575.9	26	2	585.9	28	(3)
27	Prudential	UK	UK	561.0	27	5	605.6	32	(6)	575.6	26	(2)
28	Goldman Sachs	North America	USA	568.0	28	1	586.0	29	(2)	585.3	27	0
29	ING Bank	Europe	Netherlands	589.4	29	(2)	577.4	27	4	599.2	31	(1)
30	Barclays	UK	UK	590.8	30	3	607.3	33	2	629.8	35	0
31	Danske Bank	Europe	Denmark	591.3	31	(3)	580.8	28	1	589.8	29	3
32	Aviva	UK	UK	591.5	32	3	622.6	35	(3)	618.3	32	(3)
33	Credit Suisse	Europe	Switzerland	593.9	33	1	620.2	34	(1)	620.2	33	0
34	Nomura	Asia	Japan	596.0	34	(4)	596.0	30	0	593.0	30	1
35	Commerzbank	Europe	Germany	600.5	35	(4)	616.3	31	3	620.3	34	0
36	Investec Bank plc	UK	UK	618.0	36	0	626.8	36	0	660.3	36	2
37	RBS	UK	UK	633.9	37	0	653.4	37	1	688.7	38	(2)
38	Deutsche Bank	Europe	Germany	646.1	38	0	658.8	38	(1)	669.3	37	0
39	Unicredit Group	Europe	Italy	690.3	39	1	705.3	40	0	726.3	40	0
40	Bank of Ireland	Europe	Ireland	699.3	40	(1)	698.5	39	0	703.8	39	0

TICS Credit Ratings: February 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	February 2019			January 2019			December 2018		
				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	1	4.00	3	0
2	Nordea	Europe	Sweden	2.67	1	0	2.67	1	1	2.67	2	0
3	ICBC	Asia	China	5.67	12	1	5.00	6	0	5.00	6	-1
4	BONYM	North America	USA	5.00	6	0	5.67	13	-1	5.67	12	-1
5	Bank of China	Asia	China	5.67	14	0	5.67	12	4	5.67	16	4
6	JP Morgan	North America	USA	5.67	15	(3)	6.08	21	0	6.08	21	1
7	Mitsubishi	Asia	Japan	5.92	17	0	5.92	17	0	5.92	17	0
8	UBS AG	Europe	Switzerland	5.33	10	0	5.92	18	0	5.92	18	0
9	CCB	Asia	China	5.67	13	2	4.33	3	-2	4.33	1	0
10	Wells Fargo	North America	USA	6.08	21	0	5.67	15	-1	5.67	14	-1
11	RBC	North America	Canada	4.33	3	0	5.67	14	-1	5.67	13	-1
12	Credit Agricole	Europe	France	4.92	4	1	5.33	10	0	5.33	10	-1
13	Sumitomo	Asia	Japan	5.92	18	0	5.00	7	0	5.00	7	-1
14	State Street	North America	USA	5.00	7	0	6.33	24	0	6.33	24	0
15	Bank of America	North America	USA	6.33	24	0	4.92	5	0	4.92	5	3
16	BNP Paribas	Europe	France	4.92	5	(1)	4.92	4	0	4.92	4	0
17	Mizuho	Asia	Japan	6.25	23	0	5.67	16	-1	5.67	15	0
18	ABC	Asia	China	5.67	16	0	6.25	23	0	6.25	23	0
19	BPCE Natixis	Europe	France	5.00	8	1	7.25	33	0	7.25	33	0
20	Citi	North America	USA	7.33	33	0	5.00	8	0	5.25	8	-1
21	Societe Generale	Europe	France	5.58	11	0	5.58	11	0	5.58	11	3
22	Standard Chartered	UK	UK	6.67	27	(1)	7.00	32	0	7.00	32	0
23	MSIP	UK	UK	5.00	9	(1)	5.25	9	0	5.25	9	1
24	Morgan Stanley	North America	USA	7.00	31	1	6.67	26	0	6.67	26	0
25	Santander	Europe	Spain	6.33	25	0	6.33	25	0	6.33	25	0
26	Lloyds	UK	UK	6.67	28	0	6.00	20	0	6.00	20	1
27	Prudential	UK	UK	6.00	20	0	7.00	31	0	7.00	31	0
28	Goldman Sachs	North America	USA	7.00	32	(1)	6.67	28	0	6.67	28	0
29	ING Bank	Europe	Netherlands	6.67	29	(2)	6.25	22	0	6.25	22	-6
30	Barclays	UK	UK	8.33	38	0	7.42	34	0	7.42	34	0
31	Danske Bank	Europe	Denmark	6.25	22	0	6.67	27	0	6.67	27	0
32	Aviva	UK	UK	5.92	19	0	5.92	19	0	5.92	19	0
33	Credit Suisse	Europe	Switzerland	7.92	36	0	7.92	36	0	7.92	36	0
34	Nomura	Asia	Japan	7.42	34	0	6.75	29	0	6.75	29	0
35	Commerzbank	Europe	Germany	6.75	30	(1)	8.33	37	0	8.33	37	0
36	Investec Bank plc	UK	UK	6.50	26	4	6.88	30	0	6.88	30	0
37	RBS	UK	UK	8.17	37	0	7.83	35	0	7.83	35	0
38	Deutsche Bank	Europe	Germany	7.83	35	0	8.75	38	0	8.75	38	1
39	Unicredit Group	Europe	Italy	8.83	39	0	9.50	40	0	9.50	40	0
40	Bank of Ireland	Europe	Ireland	9.50	40	0	8.83	39	0	8.83	39	-1

TICS CDS: February 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	February 2019			January 2019			December 2018		
				CDS Score	CDS Rank	+/- Rank Change	CDS Score	CDS Rank	+/- Rank Change	CDS Score	CDS Rank	+/- Rank Change
1	HSBC	UK	UK	3.75	6	3	4.65	9	5	4.50	14	(7)
2	Nordea	Europe	Sweden	4.05	8	(2)	4.35	6	4	4.35	10	5
3	ICBC	Asia	China	N/A	37	0	N/A	37	0	N/A	37	0
4	BONYM	North America	USA	2.35	2	1	2.85	3	2	3.15	5	1
5	Bank of China	Asia	China	4.15	9	5	5.50	14	8	5.50	22	4
6	JP Morgan	North America	USA	4.40	13	3	5.80	16	(8)	4.30	8	5
7	Mitsubishi	Asia	Japan	2.30	1	0	2.40	1	0	2.40	1	0
8	UBS AG	Europe	Switzerland	3.60	4	4	4.65	8	3	4.35	11	5
9	CCB	Asia	China	N/A	36	2	N/A	38	0	N/A	38	0
10	Wells Fargo	North America	USA	4.30	11	4	5.65	15	(8)	4.00	7	1
11	RBC	North America	Canada	4.65	15	(5)	5.05	10	(1)	4.35	9	1
12	Credit Agricole	Europe	France	4.45	14	(1)	5.50	13	4	5.35	17	1
13	Sumitomo	Asia	Japan	3.30	3	(1)	2.40	2	0	2.40	2	0
14	State Street	North America	USA	N/A	40	(1)	N/A	39	0	N/A	39	0
15	Bank of America	North America	USA	4.40	12	5	5.80	17	(5)	4.45	12	2
16	BNP Paribas	Europe	France	4.95	18	2	6.00	20	(1)	5.40	19	0
17	Mizuho	Asia	Japan	3.70	5	(1)	3.85	4	(1)	2.55	3	0
18	ABC	Asia	China	6.40	31	(7)	6.40	24	2	6.40	26	5
19	BPCE_Natixis	Europe	France	5.15	21	(9)	5.45	12	9	5.45	21	(9)
20	Citi	North America	USA	4.70	16	9	6.55	25	(12)	4.45	13	4
21	Societe Generale	Europe	France	5.10	20	2	6.15	22	(2)	5.40	20	4
22	Standard Chartered	UK	UK	5.35	24	7	7.45	31	1	6.85	32	(2)
23	MSIP	UK	UK	N/A	39	1	N/A	40	0	N/A	40	0
24	Morgan Stanley	North America	USA	5.15	22	1	6.40	23	(7)	5.20	16	5
25	Santander	Europe	Spain	5.20	23	(2)	6.10	21	3	6.10	24	(1)
26	Lloyds	UK	UK	5.10	19	0	6.00	19	(1)	5.40	18	(9)
27	Prudential	UK	UK	4.20	10	8	5.85	18	(3)	5.10	15	(4)
28	Goldman Sachs	North America	USA	6.05	30	(1)	7.25	29	(4)	6.10	25	(3)
29	ING Bank	Europe	Netherlands	5.85	28	(1)	6.75	27	0	6.60	27	0
30	Barclays	UK	UK	5.75	27	(1)	6.65	26	4	6.65	30	(2)
31	Danske Bank	Europe	Denmark	6.00	29	(18)	5.40	11	12	6.00	23	6
32	Aviva	UK	UK	5.40	25	3	6.75	28	3	6.75	31	(11)
33	Credit Suisse	Europe	Switzerland	5.70	26	4	7.35	30	(1)	6.65	29	(4)
34	Nomura	Asia	Japan	3.95	7	(2)	3.95	5	(1)	3.05	4	1
35	Commerzbank	Europe	Germany	6.45	32	0	7.50	32	(4)	6.60	28	4
36	Investec Bank plc	UK	UK	N/A	38	(2)	N/A	36	0	N/A	36	0
37	RBS	UK	UK	7.00	33	0	8.20	33	0	8.20	33	0
38	Deutsche Bank	Europe	Germany	8.85	35	(1)	9.60	34	0	9.60	34	0
39	Unicredit Group	Europe	Italy	8.80	34	1	9.70	35	0	9.70	35	0
40	Bank of Ireland	Europe	Ireland	4.75	17	(10)	4.60	7	(1)	3.45	6	(2)

TICS Fundamentals (Balance Sheet): February 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	February 2019			January 2019			December 2018		
				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	3.15	1	0	3.10	1	0	3.90	1	0
2	Nordea	Europe	Sweden	4.60	28	3	4.75	31	(7)	4.75	24	(1)
3	ICBC	Asia	China	3.95	15	1	3.95	16	(4)	4.35	12	(4)
4	BONYM	North America	USA	4.60	27	2	4.60	29	(11)	4.60	18	0
5	Bank of China	Asia	China	3.95	17	1	3.95	18	(5)	4.35	13	(3)
6	JP Morgan	North America	USA	4.25	23	0	4.25	23	(4)	4.65	19	0
7	Mitsubishi	Asia	Japan	3.80	7	1	3.80	8	3	4.35	11	(2)
8	UBS AG	Europe	Switzerland	3.95	16	(3)	3.90	13	(3)	4.30	10	4
9	CCB	Asia	China	4.10	18	1	4.10	19	(4)	4.50	15	0
10	Wells Fargo	North America	USA	3.85	10	1	3.85	11	3	4.40	14	(3)
11	RBC	North America	Canada	5.75	38	0	5.60	38	0	6.10	38	0
12	Credit Agricole	Europe	France	4.35	25	1	4.40	26	2	4.95	28	0
13	Sumitomo	Asia	Japan	3.90	12	(5)	3.75	7	2	4.30	9	(2)
14	State Street	North America	USA	4.10	19	(5)	3.95	14	2	4.50	16	0
15	Bank of America	North America	USA	4.20	21	0	4.20	21	2	4.75	23	(2)
16	BNP Paribas	Europe	France	4.85	31	(1)	4.70	30	1	5.25	31	0
17	Mizuho	Asia	Japan	3.90	11	1	3.90	12	14	4.85	26	0
18	ABC	Asia	China	4.60	29	(1)	4.45	28	(8)	4.70	20	5
19	BPCE Natixis	Europe	France	4.90	33	2	4.90	35	2	6.00	37	(5)
20	Citi	North America	USA	3.70	6	(2)	3.55	4	(2)	4.10	2	0
21	Societe Generale	Europe	France	4.70	30	2	4.75	32	3	5.55	35	1
22	Standard Chartered	UK	UK	3.55	3	(1)	3.35	2	3	4.15	5	(1)
23	MSIP	UK	UK	5.43	37	0	5.43	37	(3)	5.43	34	1
24	Morgan Stanley	North America	USA	3.85	9	1	3.85	10	(4)	4.25	6	6
25	Santander	Europe	Spain	5.00	34	2	5.00	36	(3)	5.40	33	1
26	Lloyds	UK	UK	4.20	22	0	4.20	22	7	5.00	29	0
27	Prudential	UK	UK	N/A	40	0	N/A	40	0	N/A	40	0
28	Goldman Sachs	North America	USA	4.25	24	0	4.25	24	1	4.80	25	(1)
29	ING Bank	Europe	Netherlands	5.30	36	(9)	4.40	27	5	5.35	32	1
30	Barclays	UK	UK	3.45	2	1	3.50	3	5	4.30	8	(2)
31	Danske Bank	Europe	Denmark	4.85	32	1	4.85	33	(6)	4.85	27	0
32	Aviva	UK	UK	N/A	39	0	N/A	39	0	N/A	39	0
33	Credit Suisse	Europe	Switzerland	3.70	4	1	3.70	5	(1)	4.10	4	1
34	Nomura	Asia	Japan	4.15	20	0	4.15	20	(3)	4.55	17	0
35	Commerzbank	Europe	Germany	3.95	14	1	3.95	15	6	4.75	21	1
36	Investec Bank plc	UK	UK	5.05	35	(1)	4.85	34	2	5.80	36	1
37	RBS	UK	UK	3.70	5	1	3.70	6	(3)	4.10	3	0
38	Deutsche Bank	Europe	Germany	3.85	8	1	3.85	9	(2)	4.25	7	6
39	Unicredit Group	Europe	Italy	3.90	13	4	3.95	17	5	4.75	22	(2)
40	Bank of Ireland	Europe	Ireland	4.35	26	(1)	4.35	25	5	5.15	30	0

TICS Fundamentals (Market Indicator): February 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	February 2019			January 2019			December 2018		
				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	Nordea	Europe	Sweden	5.55	22	(3)	5.70	19	7	5.70	26	0
3	ICBC	Asia	China	1.75	1	0	1.90	1	2	1.90	3	(2)
4	BONYM	North America	USA	5.10	14	6	5.75	20	(5)	5.10	15	7
5	Bank of China	Asia	China	2.90	7	0	2.90	7	0	2.90	7	0
6	JP Morgan	North America	USA	2.05	2	0	2.05	2	(1)	1.90	1	1
7	Mitsubishi	Asia	Japan	5.80	24	(2)	5.80	22	(6)	5.15	16	0
8	UBS AG	Europe	Switzerland	5.50	21	(4)	5.50	17	6	5.70	23	(2)
9	CCB	Asia	China	2.55	4	(1)	2.70	3	3	2.85	6	(1)
10	Wells Fargo	North America	USA	2.55	5	(1)	2.70	4	(2)	1.90	2	1
11	RBC	North America	Canada	3.60	10	(1)	3.75	9	1	3.60	10	0
12	Credit Agricole	Europe	France	6.00	26	(3)	5.85	23	2	5.70	25	0
13	Sumitomo	Asia	Japan	5.20	15	10	6.00	25	(7)	5.20	18	0
14	State Street	North America	USA	6.00	28	5	6.65	33	(4)	6.00	29	(1)
15	Bank of America	North America	USA	2.20	3	3	2.85	6	(2)	2.05	4	0
16	BNP Paribas	Europe	France	5.35	20	(6)	5.35	14	3	5.20	17	0
17	Mizuho	Asia	Japan	5.60	23	(2)	5.75	21	1	5.60	22	1
18	ABC	Asia	China	2.75	6	(1)	2.75	5	0	2.75	5	1
19	BPCE Natixis	Europe	France	6.80	34	1	6.80	35	(1)	6.50	34	(2)
20	Citi	North America	USA	3.35	9	1	4.15	10	(1)	3.20	9	0
21	Societe Generale	Europe	France	6.35	31	(4)	6.15	27	0	5.85	27	2
22	Standard Chartered	UK	UK	6.05	29	0	6.20	29	1	6.05	30	6
23	MSIP	UK	UK	N/A	40	0	N/A	40	0	N/A	40	0
24	Morgan Stanley	North America	USA	5.20	17	(2)	5.35	15	(4)	4.70	11	2
25	Santander	Europe	Spain	5.00	12	6	5.50	18	(5)	5.00	13	2
26	Lloyds	UK	UK	4.45	11	2	5.30	13	(1)	4.80	12	(1)
27	Prudential	UK	UK	5.20	18	6	5.85	24	(10)	5.05	14	0
28	Goldman Sachs	North America	USA	5.20	16	(5)	5.20	11	8	5.20	19	(7)
29	ING Bank	Europe	Netherlands	6.00	27	1	6.15	28	(4)	5.70	24	0
30	Barclays	UK	UK	5.25	19	(3)	5.40	16	5	5.25	21	(1)
31	Danske Bank	Europe	Denmark	6.35	32	(2)	6.20	30	1	6.20	31	2
32	Aviva	UK	UK	5.90	25	1	6.05	26	2	5.90	28	(1)
33	Credit Suisse	Europe	Switzerland	6.30	30	1	6.45	31	1	6.30	32	(2)
34	Nomura	Asia	Japan	7.00	36	0	7.00	36	1	6.85	37	0
35	Commerzbank	Europe	Germany	7.50	39	0	7.50	39	(3)	6.85	36	(2)
36	Investec Bank plc	UK	UK	6.85	35	(1)	6.70	34	1	6.70	35	0
37	RBS	UK	UK	5.10	13	(1)	5.25	12	8	5.25	20	(1)
38	Deutsche Bank	Europe	Germany	7.25	38	0	7.40	38	1	7.25	39	0
39	Unicredit Group	Europe	Italy	6.60	33	(1)	6.60	32	1	6.30	33	(2)
40	Bank of Ireland	Europe	Ireland	7.15	37	0	7.30	37	1	7.15	38	0

TICS Systemic Importance: February 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	February 2019			January 2019			December 2018		
				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	1
2	Nordea	Europe	Sweden	8.20	35	0	8.20	35	0	8.20	35	(10)
3	ICBC	Asia	China	2.50	7	0	2.50	7	0	2.50	7	0
4	BONYM	North America	USA	3.80	26	0	3.80	26	0	3.80	26	1
5	Bank of China	Asia	China	2.50	8	0	2.50	8	0	2.50	8	0
6	JP Morgan	North America	USA	1.80	1	0	1.80	1	0	1.80	1	0
7	Mitsubishi	Asia	Japan	2.76	10	0	2.76	10	3	2.76	13	(2)
8	UBS AG	Europe	Switzerland	3.35	17	0	3.35	17	0	3.35	17	0
9	CCB	Asia	China	2.95	11	0	2.95	11	(1)	2.95	10	(1)
10	Wells Fargo	North America	USA	2.35	4	0	2.35	4	0	2.35	4	1
11	RBC	North America	Canada	3.15	14	0	3.15	14	0	3.15	14	0
12	Credit Agricole	Europe	France	3.25	16	0	3.25	16	0	3.25	16	0
13	Sumitomo	Asia	Japan	3.41	20	0	3.41	20	3	3.41	23	(4)
14	State Street	North America	USA	4.00	28	0	4.00	28	0	4.00	28	1
15	Bank of America	North America	USA	2.40	5	0	2.40	5	0	2.40	5	(3)
16	BNP Paribas	Europe	France	2.60	9	0	2.60	9	0	2.60	9	1
17	Mizuho	Asia	Japan	3.46	21	0	3.46	21	3	3.46	24	(4)
18	ABC	Asia	China	2.95	12	0	2.95	12	(1)	2.95	11	1
19	BPCE_Natixis	Europe	France	3.40	18	0	3.40	18	1	3.40	19	14
20	Citi	North America	USA	2.25	2	0	2.25	2	0	2.25	2	1
21	Societe Generale	Europe	France	3.40	19	0	3.40	19	(1)	3.40	18	0
22	Standard Chartered	UK	UK	3.64	24	0	3.64	24	(2)	3.64	22	2
23	MSIP	UK	UK	8.81	37	0	8.81	37	0	8.81	37	0
24	Morgan Stanley	North America	USA	3.95	27	0	3.95	27	0	3.95	27	1
25	Santander	Europe	Spain	3.71	25	0	3.71	25	0	3.71	25	1
26	Lloyds	UK	UK	8.04	32	0	8.04	32	1	8.04	33	1
27	Prudential	UK	UK	7.54	31	0	7.54	31	0	7.19	31	1
28	Goldman Sachs	North America	USA	3.55	22	0	3.55	22	(1)	3.55	21	2
29	ING Bank	Europe	Netherlands	3.20	15	0	3.20	15	0	3.20	15	0
30	Barclays	UK	UK	3.04	13	0	3.04	13	(1)	3.04	12	1
31	Danske Bank	Europe	Denmark	8.45	36	0	8.45	36	0	8.45	36	0
32	Aviva	UK	UK	7.49	30	0	7.49	30	0	7.19	30	1
33	Credit Suisse	Europe	Switzerland	3.55	23	0	3.55	23	(3)	3.55	20	2
34	Nomura	Asia	Japan	9.11	39	0	9.11	39	1	9.11	40	(1)
35	Commerzbank	Europe	Germany	8.05	34	0	8.05	34	0	8.05	34	1
36	Investec Bank plc	UK	UK	8.94	38	0	8.94	38	0	8.94	38	0
37	RBS	UK	UK	8.04	33	0	8.04	33	(1)	8.04	32	(11)
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	1
40	Bank of Ireland	Europe	Ireland	9.20	40	0	9.20	40	(1)	9.20	39	1

- 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 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
- **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
- **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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