


TEMPO

STRUCTURED PRODUCTS

AN ALPHA REAL CAPITAL GROUP COMPANY

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

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

KEY ALPHA STATISTICS:

(as at 30.06.17)

£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.

TICS monthly movement: January 2019 ...

- **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 January have decreased (i.e. improved), compared to December
- **Credit rating:**
 - There were no significant changes in credit ratings over the month, and no banks moved more than 5 places.
- **CDS:**
 - 4 banks improved their ratings by more than 5 places compared to December (HSBC, Bank of China, Natixis, Danske Bank), and 5 banks saw their ratings worsen (JP Morgan, Wells Fargo, Bank of America, Citi, Morgan Stanley). All 5 of the banks who saw a increase in their CDS score (i.e. worsened rating) are North American banks.
 - 10 banks are at their 12 month high for 5 year CDS (up from 5 in December), and overall the majority of banks are at the upper end of the range for both the 5 year CDS and 1 year CDS.
 - The banks at their 12 month high for 5 year CDS are: HSBC, Bank of Ireland, Natixis, Credit Agricole, Lloyds, Prudential, BNP Paribas, Aviva, Commerzbank and ABC (in order of lowest / best 5 year CDS through to highest / worst 5 year CDS).

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- **Fundamentals – Balance sheet:**

- Overall, Tier 1 capital ratios increased across the board (from an average of 15.5% in December to an average of 18.0% in January), although some improved more than others, causing some movement in the rankings.
- Banks that improved their rankings were: Mizuho (+14 places), Lloyds (+7 places), ING Bank (+5 places), Commerzbank (+6 places), Barclays (+5 places), Bank of Ireland (+5 places) and Unicredit Group (+5 places).
- Banks with lower rankings were: Nordea (-7 places), BONYM (-11 places), ABC (-8 places), Danske Bank (-6 places).

- **Fundamentals – Market indicators:**

- Overall scores worsened from December to January, driven mostly by an increase in share price volatility (reflecting the volatility experienced in the broader market).
- Banks that improved their rankings were: Nordea (+7 places), UBS AG (+5 places), Goldman Sachs (+8 places), Barclays (+5 places), RBS (+5 places).
- Banks with lower rankings were: Mitsubishi (-6 places), Sumitomo (-7 places), BONYM (-5 places), Prudential (-10 places).

- **Systemic Importance:**

- There were no significant changes in systemic importance rankings over the month, and no banks moved more than 5 places.

TICS monthly movement: January 2019 ...

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

TICS monthly movement: January 2019 ...

TICS CDS CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
HSBC	+5	14	9	No change – movement relative to other banks
Bank of China	+8	22	14	5yr CDS, 1yr CDS slightly lower
Natixis	+9	21	12	No change – movement relative to other banks
Danske Bank	+12	23	11	1 yr CDS, 5 yr CDS and 5 yr CDS relative to 12 month low have all reduced (i.e. improved)
JP Morgan	-8	8	16	1 yr CDS, 5 yr CDS and 5 yr CDS relative to 12 month low have all increased (i.e. worsened)
Wells Fargo	-8	7	15	1 yr CDS, 5 yr CDS and 5 yr CDS relative to 12 month low have all increased (i.e. worsened)
Bank of America	-5	12	17	1 yr CDS, 5 yr CDS and 5 yr CDS relative to 12 month low have all increased (i.e. worsened)
Citi	-12	13	25	1 yr CDS, 5 yr CDS and 5 yr CDS relative to 12 month low have all increased (i.e. worsened)
Morgan Stanley	-7	16	23	1 yr CDS, 5 yr CDS and 5 yr CDS relative to 12 month low have all increased (i.e. worsened)

TICS monthly movement: January 2019 ...

TICS FUNDAMENTALS (BALANCE SHEET) CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
Mizuho	+14	26	12	Tier 1 Capital Ratio has increased, Total Assets have increased
Lloyds	+7	29	22	Tier 1 Capital Ratio has increased
ING Bank	+5	32	27	Tier 1 Capital Ratio has increased, Price to book ratio has decreased (i.e. improved)
Commerzbank	+6	21	15	Tier 1 Capital Ratio has increased, Total Assets have increased
Barclays	+5	8	3	Tier 1 Capital Ratio has increased, Price to book ratio has decreased (i.e. improved)
Bank of Ireland	+5	30	25	Tier 1 Capital Ratio has increased, Price to book ratio has decreased (i.e. improved)
Unicredit Group	+5	22	17	Tier 1 Capital Ratio has increased, Price to book ratio has decreased (i.e. improved), Total Assets have increased
Nordea	-7	24	31	No change – movement relative to other banks
BONYM	-11	18	29	No change – movement relative to other banks
ABC	-8	20	28	No change – movement relative to other banks
Danske Bank	-6	27	33	No change – movement relative to other banks
Bank of China	-5	13	18	No change – movement relative to other banks

TICS monthly movement: January 2019 ...

TICS FUNDAMENTALS (MARKET INDICATORS) CATEGORY				
ISSUER / COUNTERPARTY	MOVEMENT + / -	PREVIOUS RANK	NEW RANK	COMMENT
Nordea	+7	26	19	No change – movement relative to other banks
UBS AG	+5	23	18	Analyst recommendation moved from HOLD to BUY
Goldman Sachs	+8	19	11	No change – movement relative to other banks
Barclays	+5	21	16	No change – movement relative to other banks
RBS	+5	17	12	No change – movement relative to other banks
Mitsubishi	-6	16	22	Market cap has decreased (i.e. worsened) and share price volatility has increased (i.e. worsened)
Sumitomo	-7	18	25	Market cap has decreased (i.e. worsened) and share price volatility has increased (i.e. worsened)
BONYM	-5	15	20	Market cap has decreased (i.e. worsened) and share price volatility has increased (i.e. worsened)
Prudential	-10	14	24	Market cap has decreased (i.e. worsened) and share price volatility has increased (i.e. worsened)

TICS monthly movement: January 2019 ...

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

TICS Amalgamated: January 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	January 2018			December 2018			November 2018		
				Score	Rank	+/- Rank Change	Score	Rank	+/- Rank Change	Score	Rank	+/- Rank Change
1	HSBC	UK	UK	363.7	1	0	385.4	1	0	360.7	1	0
2	Nordea	Europe	Sweden	412.4	2	0	412.4	2	1	389.8	3	0
3	ICBC	Asia	China	443.5	3	1	457.6	4	0	448.2	4	2
4	Mitsubishi	Asia	Japan	458.5	4	3	468.5	7	1	435.5	8	1
5	CCB	Asia	China	460.9	5	5	476.8	10	0	458.8	10	0
6	BONYM	North America	USA	461.8	6	-3	455.3	3	4	415.8	7	0
7	Sumitomo	Asia	Japan	462.2	7	1	470.7	8	1	431.2	9	2
8	RBC	North America	Canada	468.8	8	1	473.3	9	-7	397.1	2	0
9	Bank of China	Asia	China	469.2	9	2	481.2	11	0	463.2	11	-3
10	JP Morgan	North America	USA	470.7	10	-5	458.7	5	0	450.7	5	0
11	UBS AG	Europe	Switzerland	471.8	11	1	481.3	12	0	443.3	12	0
12	State Street	North America	USA	476.5	12	1	488.3	13	1	426.9	14	2
13	Wells Fargo	North America	USA	482.3	13	-7	466.1	6	0	454.3	6	-2
14	Credit Agricole	Europe	France	485.9	14	1	498.7	15	-2	442.9	13	2
15	BNP Paribas	Europe	France	494.2	15	1	500.2	16	-1	450.9	15	-1
16	ABC	Asia	China	498.4	16	1	505.9	17	1	493.9	18	-1
17	Mizuho	Asia	Japan	499.6	17	1	507.1	18	-1	465.9	17	1
18	Bank of America	North America	USA	506.8	18	-4	495.1	14	2	484.8	16	-3
19	BPCE Natixis	Europe	France	518.3	19	4	553.8	23	-3	535.8	20	3
20	Societe Generale	Europe	France	536.6	20	1	546.3	21	1	500.1	22	-2
21	MSIP	UK	UK	542.5	21	-1	542.5	20	1	542.5	21	1
22	Citi	North America	USA	547.5	22	-3	523.0	19	0	503.5	19	0
23	Standard Chartered	UK	UK	559.1	23	1	572.6	24	4	520.6	28	-3
24	Morgan Stanley	North America	USA	564.8	24	-2	552.3	22	1	517.0	23	-2
25	Santander	Europe	Spain	568.4	25	0	575.4	25	1	528.9	26	1
26	Lloyds	UK	UK	575.9	26	2	585.9	28	-3	520.1	25	3
27	ING Bank	Europe	Netherlands	577.4	27	4	599.2	31	-1	538.9	30	1
28	Danske Bank	Europe	Denmark	580.8	28	1	589.8	29	3	540.0	32	-3
29	Goldman Sachs	North America	USA	584.5	29	-2	585.3	27	0	527.8	27	-3
30	Nomura	Asia	Japan	596.0	30	0	593.0	30	1	537.5	31	1
31	Commerzbank	Europe	Germany	616.3	31	3	620.3	34	0	561.0	34	1
32	Prudential	UK	UK	605.6	32	-6	575.6	26	-2	506.3	24	2
33	Barclays	UK	UK	607.3	33	2	629.8	35	0	572.5	35	-1
34	Credit Suisse	Europe	Switzerland	618.7	34	-1	620.2	33	0	559.2	33	0
35	Aviva	UK	UK	622.6	35	-3	618.3	32	-3	509.0	29	1
36	Investec Bank plc	UK	UK	626.8	36	0	660.3	36	2	580.5	38	0
37	RBS	UK	UK	653.4	37	1	688.7	38	-2	596.2	36	1
38	Deutsche Bank	Europe	Germany	658.8	38	-1	669.3	37	0	600.3	37	-1
39	Bank of Ireland	Europe	Ireland	698.5	39	0	703.8	39	0	629.8	39	0
40	Unicredit Group	Europe	Italy	705.3	40	0	726.3	40	0	678.8	40	0

TICS Credit Ratings: January 2019 monthly movement ...

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

TICS CDS: January 2019 monthly movement ...

	Bank / Institution	Region	Sovereign	January 2019			December 2018			November 2018		
				CDS Score	CDS Rank	+/- Rank Change	CDS Score	CDS Rank	+/- Rank Change	CDS Score	CDS Rank	+/- Rank Change
1	HSBC	UK	UK	5.92	9	5	4.50	14	-7	4.50	7	5
2	Nordea	Europe	Sweden	5.67	6	4	4.35	10	5	4.35	15	-7
3	ICBC	Asia	China	5.00	37	0	N/A	37	0	N/A	37	0
4	Mitsubishi	Asia	Japan	5.92	1	0	2.40	1	0	2.40	1	0
5	CCB	Asia	China	4.33	38	0	N/A	38	0	N/A	38	0
6	BONYM	North America	USA	5.67	3	2	3.15	5	1	3.15	6	4
7	Sumitomo	Asia	Japan	5.67	2	0	2.40	2	0	2.40	2	0
8	RBC	North America	Canada	5.33	10	-1	4.35	9	1	4.35	10	7
9	Bank of China	Asia	China	5.00	14	8	5.50	22	4	5.50	26	-6
10	JP Morgan	North America	USA	6.08	16	-8	4.30	8	5	4.30	13	-6
11	UBS AG	Europe	Switzerland	4.92	8	3	4.35	11	5	4.35	16	-3
12	State Street	North America	USA	4.92	39	0	N/A	39	0	N/A	39	0
13	Wells Fargo	North America	USA	5.67	15	-8	4.00	7	1	4.00	8	-3
14	Credit Agricole	Europe	France	6.25	13	4	5.35	17	1	5.35	18	-7
15	BNP Paribas	Europe	France	6.33	20	-1	5.40	19	0	5.40	19	2
16	ABC	Asia	China	5.25	24	2	6.40	26	5	6.40	31	0
17	Mizuho	Asia	Japan	5.58	4	-1	2.55	3	0	2.55	3	0
18	Bank of America	North America	USA	5.25	17	-5	4.45	12	2	4.45	14	-5
19	BPCE_Natixis	Europe	France	7.25	12	9	5.45	21	-9	5.45	12	7
20	Societe Generale	Europe	France	6.67	22	-2	5.40	20	4	5.40	24	-2
21	MSIP	UK	UK	7.00	40	0	N/A	40	0	N/A	40	0
22	Citi	North America	USA	6.33	25	-12	4.45	13	4	4.45	17	-2
23	Standard Chartered	UK	UK	6.67	31	1	6.85	32	-2	6.85	30	-1
24	Morgan Stanley	North America	USA	6.67	23	-7	5.20	16	5	5.20	21	-7
25	Santander	Europe	Spain	6.25	21	3	6.10	24	-1	6.10	23	3
26	Lloyds	UK	UK	7.00	19	-1	5.40	18	-9	5.40	9	9
27	ING Bank	Europe	Netherlands	7.42	27	0	6.60	27	0	6.60	27	3
28	Danske Bank	Europe	Denmark	6.75	11	12	6.00	23	6	6.00	29	-1
29	Goldman Sachs	North America	USA	6.00	29	-4	6.10	25	-3	6.10	22	-6
30	Nomura	Asia	Japan	8.33	5	-1	3.05	4	1	3.05	5	1
31	Commerzbank	Europe	Germany	7.92	32	-4	6.60	28	4	6.60	32	0
32	Prudential	UK	UK	5.92	18	-3	5.10	15	-4	5.10	11	12
33	Barclays	UK	UK	6.88	26	4	6.65	30	-2	6.65	28	-1
34	Credit Suisse	Europe	Switzerland	8.75	30	-1	6.65	29	-4	6.65	25	-1
35	Aviva	UK	UK	7.83	28	3	6.75	31	-11	6.75	20	5
36	Investec Bank plc	UK	UK	9.50	36	0	N/A	36	0	N/A	36	0
37	RBS	UK	UK	8.83	33	0	8.20	33	0	8.20	33	0
38	Deutsche Bank	Europe	Germany	5.92	34	0	9.60	34	0	9.60	34	0
39	Bank of Ireland	Europe	Ireland	5.67	7	-1	3.45	6	-2	3.45	4	0
40	Unicredit Group	Europe	Italy	5.00	35	0	9.70	35	0	9.70	35	0

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

	Bank / Institution	Region	Sovereign	January 2019			December 2018			November 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	3.10	1	0	3.90	1	0	3.90	1	0
2	Nordea	Europe	Sweden	4.75	31	-7	4.75	24	-1	4.75	23	3
3	ICBC	Asia	China	3.95	16	-4	4.35	12	-4	4.35	8	1
4	Mitsubishi	Asia	Japan	3.80	8	3	4.35	11	-2	4.35	9	1
5	CCB	Asia	China	4.10	19	-4	4.50	15	0	4.50	15	0
6	BONYM	North America	USA	4.60	29	-11	4.60	18	0	4.60	18	-1
7	Sumitomo	Asia	Japan	3.75	7	2	4.30	9	-2	4.30	7	1
8	RBC	North America	Canada	5.60	38	0	6.10	38	0	6.10	38	0
9	Bank of China	Asia	China	3.95	18	-5	4.35	13	-3	4.35	10	1
10	JP Morgan	North America	USA	4.25	23	-4	4.65	19	0	4.65	19	-1
11	UBS AG	Europe	Switzerland	3.90	13	-3	4.30	10	4	4.30	14	0
12	State Street	North America	USA	3.95	14	2	4.50	16	0	4.50	16	3
13	Wells Fargo	North America	USA	3.85	11	3	4.40	14	-3	4.40	11	-5
14	Credit Agricole	Europe	France	4.40	26	2	4.95	28	0	4.95	28	-1
15	BNP Paribas	Europe	France	4.70	30	1	5.25	31	0	5.25	31	-1
16	ABC	Asia	China	4.45	28	-8	4.70	20	5	4.70	25	-2
17	Mizuho	Asia	Japan	3.90	12	14	4.85	26	0	4.85	26	-2
18	Bank of America	North America	USA	4.20	21	2	4.75	23	-2	4.75	21	-1
19	BPCE_Natixis	Europe	France	5.05	36	1	6.00	37	-5	6.00	32	-1
20	Societe Generale	Europe	France	4.75	32	3	5.55	35	1	5.55	36	0
21	MSIP	UK	UK	5.43	37	-3	5.43	34	1	6.93	35	0
22	Citi	North America	USA	3.55	4	-2	4.10	2	0	4.10	2	0
23	Standard Chartered	UK	UK	3.35	2	3	4.15	5	-1	4.15	4	3
24	Morgan Stanley	North America	USA	3.85	9	-3	4.25	6	6	4.25	12	0
25	Santander	Europe	Spain	5.00	35	-2	5.40	33	1	5.40	34	0
26	Lloyds	UK	UK	4.20	22	7	5.00	29	0	5.00	29	-1
27	ING Bank	Europe	Netherlands	4.40	27	5	5.35	32	1	5.35	33	0
28	Danske Bank	Europe	Denmark	4.85	33	-6	4.85	27	0	4.85	27	2
29	Goldman Sachs	North America	USA	4.25	24	1	4.80	25	-1	4.80	24	-2
30	Nomura	Asia	Japan	4.15	20	-3	4.55	17	0	4.55	17	-1
31	Commerzbank	Europe	Germany	3.95	15	6	4.75	21	1	4.15	22	-1
32	Prudential	UK	UK	N/A	40	0	N/A	40	0	N/A	40	0
33	Barclays	UK	UK	3.50	3	5	4.30	8	-2	4.30	6	-1
34	Credit Suisse	Europe	Switzerland	3.70	6	-2	4.10	4	1	4.10	5	-1
35	Aviva	UK	UK	N/A	39	0	N/A	39	0	N/A	39	0
36	Investec Bank plc	UK	UK	4.85	34	2	5.80	36	1	5.80	37	0
37	RBS	UK	UK	3.70	5	-2	4.10	3	0	4.10	3	0
38	Deutsche Bank	Europe	Germany	3.85	10	-3	4.25	7	6	4.25	13	0
39	Bank of Ireland	Europe	Ireland	4.35	25	5	5.15	30	0	5.15	30	2
40	Unicredit Group	Europe	Italy	3.95	17	5	4.75	22	-2	4.75	20	5

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

	Bank / Institution	Region	Sovereign	January 2019			December 2018			November 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	5.70	19	7	5.70	26	0	5.40	23	6
3	ICBC	Asia	China	1.90	1	2	1.90	3	-2	1.75	1	0
4	Mitsubishi	Asia	Japan	5.80	22	-6	5.15	16	0	5.15	19	3
5	CCB	Asia	China	2.70	3	3	2.85	6	-1	2.55	5	0
6	BONYM	North America	USA	5.75	20	-5	5.10	15	7	5.10	17	0
7	Sumitomo	Asia	Japan	6.00	25	-7	5.20	18	0	5.20	20	4
8	RBC	North America	Canada	3.75	9	1	3.60	10	0	3.45	10	0
9	Bank of China	Asia	China	2.90	7	0	2.90	7	0	2.75	7	-1
10	JP Morgan	North America	USA	2.05	2	-1	1.90	1	1	1.75	2	0
11	UBS AG	Europe	Switzerland	5.50	18	5	5.70	23	-2	5.40	24	1
12	State Street	North America	USA	6.65	33	-4	6.00	29	-1	5.70	26	0
13	Wells Fargo	North America	USA	2.70	4	-2	1.90	2	1	2.20	4	0
14	Credit Agricole	Europe	France	5.85	23	2	5.70	25	0	5.70	25	2
15	BNP Paribas	Europe	France	5.35	15	2	5.20	17	0	4.55	12	-1
16	ABC	Asia	China	2.75	5	0	2.75	5	1	2.60	6	1
17	Mizuho	Asia	Japan	5.75	21	1	5.60	22	1	5.75	28	0
18	Bank of America	North America	USA	2.85	6	-2	2.05	4	0	2.20	3	0
19	BPCE_Natixis	Europe	France	6.80	35	-1	6.50	34	-2	6.35	34	0
20	Societe Generale	Europe	France	6.15	28	-1	5.85	27	2	6.05	30	1
21	MSIP	UK	UK	N/A	40	0	N/A	40	0	N/A	40	-40
22	Citi	North America	USA	4.15	10	-1	3.20	9	0	3.20	9	0
23	Standard Chartered	UK	UK	6.20	29	1	6.05	30	6	6.05	31	-1
24	Morgan Stanley	North America	USA	5.35	14	-3	4.70	11	2	4.85	15	-1
25	Santander	Europe	Spain	5.50	17	-4	5.00	13	2	5.00	16	-1
26	Lloyds	UK	UK	5.30	13	-1	4.80	12	-1	4.65	13	-1
27	ING Bank	Europe	Netherlands	6.15	27	-3	5.70	24	0	5.35	22	-3
28	Danske Bank	Europe	Denmark	6.20	30	1	6.20	31	2	5.90	29	-9
29	Goldman Sachs	North America	USA	5.20	11	8	5.20	19	-7	4.55	11	2
30	Nomura	Asia	Japan	7.00	36	1	6.85	37	0	6.70	37	1
31	Commerzbank	Europe	Germany	7.50	39	-3	6.85	36	-2	6.55	36	0
32	Prudential	UK	UK	5.85	24	-10	5.05	14	0	4.75	14	2
33	Barclays	UK	UK	5.40	16	5	5.25	21	-1	5.25	21	-3
34	Credit Suisse	Europe	Switzerland	6.45	31	1	6.30	32	-2	6.15	32	0
35	Aviva	UK	UK	6.05	26	2	5.90	28	-1	5.75	27	-6
36	Investec Bank plc	UK	UK	6.70	34	1	6.70	35	0	6.40	35	0
37	RBS	UK	UK	5.25	12	8	5.25	20	-1	5.10	18	5
38	Deutsche Bank	Europe	Germany	7.40	38	1	7.25	39	0	7.10	38	-1
39	Bank of Ireland	Europe	Ireland	7.30	37	1	7.15	38	0	7.15	39	0
40	Unicredit Group	Europe	Italy	6.60	32	1	6.30	33	-2	6.30	33	0

TICS Systemic Importance: January 2019 monthly movement

	Bank / Institution	Region	Sovereign	January 2019			December 2018			November 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	1	2.29	4	0
2	Nordea	Europe	Sweden	8.20	35	0	8.20	35	-10	8.20	25	0
3	ICBC	Asia	China	2.50	7	0	2.50	7	0	2.50	7	0
4	Mitsubishi	Asia	Japan	2.76	10	3	2.76	13	-2	3.06	11	0
5	CCB	Asia	China	2.95	11	-1	2.95	10	-1	2.50	9	0
6	BONYM	North America	USA	3.80	26	0	3.80	26	1	3.80	27	0
7	Sumitomo	Asia	Japan	3.41	20	3	3.41	23	-4	3.66	19	0
8	RBC	North America	Canada	3.15	14	0	3.15	14	0	3.15	14	0
9	Bank of China	Asia	China	2.50	8	0	2.50	8	0	2.50	8	0
10	JP Morgan	North America	USA	1.80	1	0	1.80	1	0	1.80	1	0
11	UBS AG	Europe	Switzerland	3.35	17	0	3.35	17	0	3.35	17	0
12	State Street	North America	USA	4.00	28	0	4.00	28	1	4.00	29	0
13	Wells Fargo	North America	USA	2.35	4	0	2.35	4	1	2.35	5	0
14	Credit Agricole	Europe	France	3.25	16	0	3.25	16	0	3.25	16	0
15	BNP Paribas	Europe	France	2.60	9	0	2.60	9	1	2.60	10	0
16	ABC	Asia	China	2.95	12	-1	2.95	11	1	2.95	12	0
17	Mizuho	Asia	Japan	3.46	21	3	3.46	24	-4	3.66	20	0
18	Bank of America	North America	USA	2.40	5	0	2.40	5	-3	2.10	2	0
19	BPCE_Natixis	Europe	France	3.40	19	0	3.40	19	14	3.40	33	0
20	Societe Generale	Europe	France	3.40	18	0	3.40	18	0	3.40	18	0
21	MSIP	UK	UK	8.81	37	0	8.81	37	0	8.41	37	0
22	Citi	North America	USA	2.25	2	0	2.25	2	1	2.25	3	0
23	Standard Chartered	UK	UK	3.64	24	-2	3.64	22	2	3.64	24	0
24	Morgan Stanley	North America	USA	3.95	27	0	3.95	27	1	3.95	28	0
25	Santander	Europe	Spain	3.71	25	0	3.71	25	1	3.71	26	0
26	Lloyds	UK	UK	8.04	33	0	8.04	33	1	8.04	34	0
27	ING Bank	Europe	Netherlands	3.20	15	0	3.20	15	0	3.20	15	0
28	Danske Bank	Europe	Denmark	8.45	36	0	8.45	36	0	8.45	36	0
29	Goldman Sachs	North America	USA	3.55	23	-2	3.55	21	2	3.55	23	0
30	Nomura	Asia	Japan	9.11	39	1	9.11	40	-1	9.21	39	0
31	Commerzbank	Europe	Germany	8.05	34	0	8.05	34	1	8.05	35	0
32	Prudential	UK	UK	7.54	31	0	7.19	31	1	7.19	32	0
33	Barclays	UK	UK	3.04	13	-1	3.04	12	1	3.04	13	0
34	Credit Suisse	Europe	Switzerland	3.55	22	-2	3.55	20	2	3.55	22	0
35	Aviva	UK	UK	7.49	30	0	7.19	30	1	7.19	31	0
36	Investec Bank plc	UK	UK	8.94	38	0	8.94	38	0	8.94	38	0
37	RBS	UK	UK	8.04	32	0	8.04	32	-11	8.04	21	0
38	Deutsche Bank	Europe	Germany	2.40	6	0	2.40	6	0	2.40	6	0
39	Bank of Ireland	Europe	Ireland	9.20	40	-1	9.20	39	1	3.20	40	0
40	Unicredit Group	Europe	Italy	4.39	29	0	4.39	29	1	4.39	30	0

What they are | and what they are not ...

- **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**

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- **It should always be understood that:**
 - structured products are not suitable for everyone
 - past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation
 - the value of investments and the income from them can go down as well as up
 - the value of structured products may be affected by the price of their underlying investments
 - capital is at risk and investors could lose some or all of their capital
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 - 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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