



# FLAGSTONE CASH PLATFORM CLIENT GUIDE

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## WELCOME TO FLAGSTONE

We're delighted that you're interested in maximising your returns and the protection of your cash. We hope you will find this a useful guide to how Flagstone can help you achieve exactly that. We'll show you how our innovative platform can help you earn more interest income, reduce your risk exposure, and spare you from mountains of paperwork and unnecessary administration.

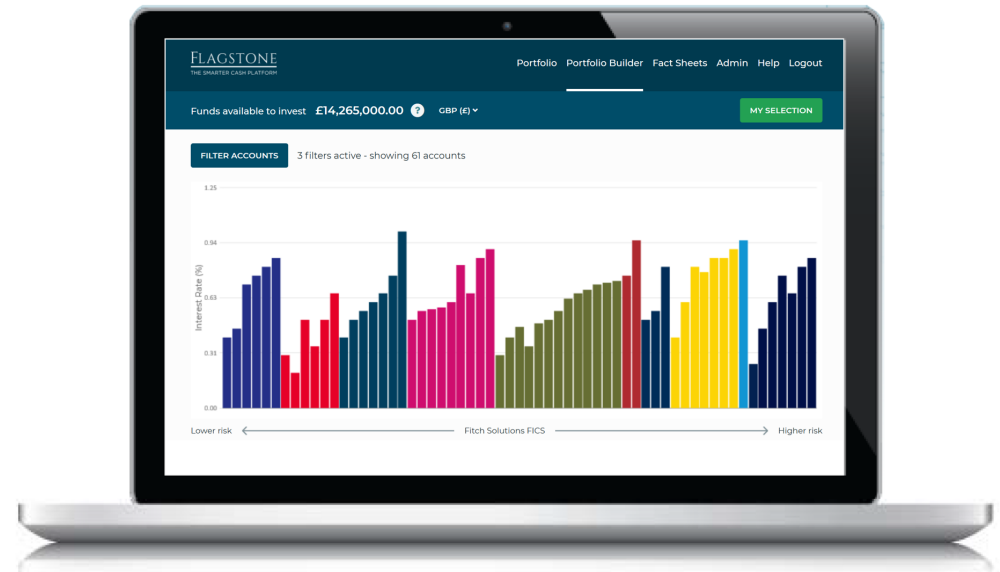
Our promise is to provide you with an efficient and user friendly solution that will help you make the most of your cash.



Andrew Thatcher  
*Managing Partner*



Simon Merchant  
*Managing Partner*



## **THE FLAGSTONE STORY**

Flagstone was established in 2013 by former Principal at GLG Partners and Man Group, Andrew Thatcher, and ex-Morgan Stanley investment banker and technology entrepreneur, Simon Merchant.

These two friends had a vision to revolutionise the cash deposit and savings market.

At a time of declining interest rates and global financial crisis putting the spotlight on risk diversification, they saw a need for a new way of protecting cash which offered more return on investments. 'Flagstone' was born.

With our secure and innovative Fintech platform providing access to the market's leading interest rates, we are now the UK's leading cash deposit marketplace. The Flagstone platform gives you 24/7 online access to hundreds of deposit accounts at the click of a button, ensuring you're always exposed to competitive rates and can maximise your FSCS protection through greater diversification.

Our goal for our customers? Simple: Smarter cash!

## **BANK RELATIONSHIPS**

Flagstone has built strong relationships with some of the world's leading banks to bring more choice to depositors. An unerring focus on expanding our banking relationships has seen the number of banks joining the platform grow quarter on quarter since we launched. Our plan is to maintain this consistent growth to enable us to offer an even wider choice to clients in the future.

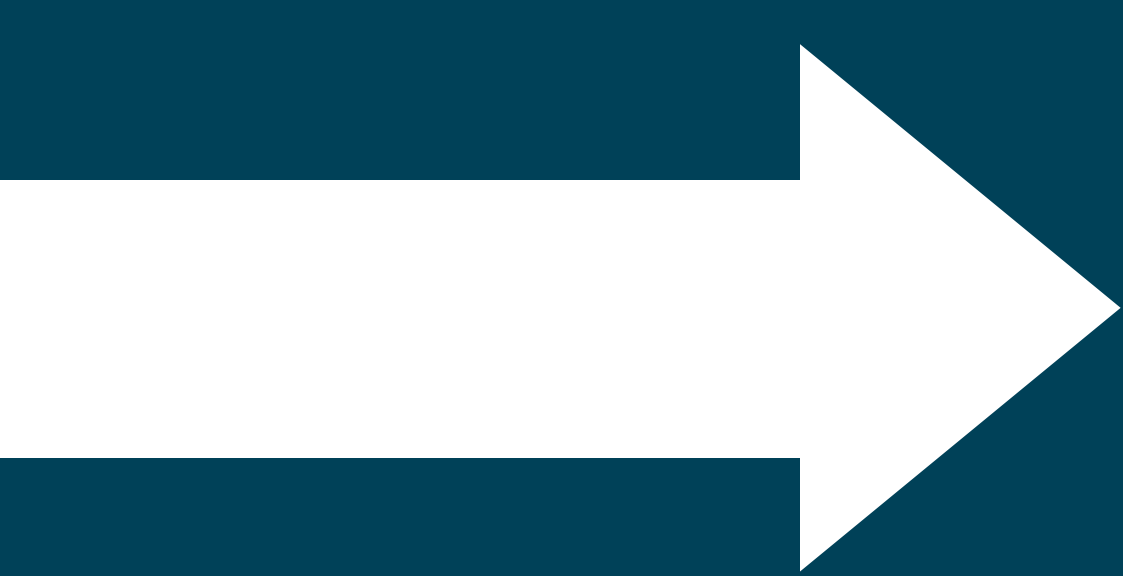
For banks offering accounts on the platform, Flagstone is a highly valuable partner, reducing the cost of deposit funding which gives us access and leverage not available to others. Our uncompromising commitment to transparency means that we neither charge commissions to our bank partners nor ask for retrocessions on deposits placed. The selection of deposit accounts is entirely up to you, and the accounts and rates available on the platform are included and displayed objectively and without bias.

“ Flagstone has built strong relationships with some of the world's leading banks in order to bring more choice to depositors. ”

## **SAFE & SECURE**

The Flagstone platform has been built with client security at its very core. The company, Flagstone Investment Management, is authorised and regulated by the Financial Conduct Authority (FCA), meaning that we are subject to the highest level of reporting and control. All the banks we partner with in the UK are regulated by both FCA and the Prudential Regulation Authority, so you can trust that your money is always handled safely and securely.

In addition, all funds held through the Flagstone platform are held in segregated trust accounts set up to safeguard your assets. You always retain full beneficial ownership of your funds and have absolutely no credit exposure to Flagstone at any time.



## WHY USE THE FLAGSTONE CASH DEPOSIT PLATFORM?

### **MAXIMISE YOUR INTEREST**

Flagstone gives you access to hundreds of interest rates from our partner banks. Clients typically increase the interest paid on their cash by 2 to 9 times net of fees.

### **MINIMISE YOUR RISK EXPOSURE**

With so many deposit account products available, it's also possible to reduce the risk exposure of your cash, through greater diversification. The platform enables you to spread your deposits across multiple accounts with different UK banks in order to maximise your Financial Services Compensation Scheme (FSCS) protection.

### **ELIMINATE HASSLE**

The Flagstone platform does away with the usual administration and waiting time associated with opening and managing multiple accounts. You sign just one agreement to get started and after this you can manage your account opening effortlessly and electronically through the platform without any further paperwork.

“ Our clients typically increase the interest paid on their cash by 2 to 9 times, net of fee. ”

### ENJOY TOTAL PEACE OF MIND

Flagstone is authorised and regulated by the FCA and all of the UK banks on the Flagstone platform are regulated by both the FCA and the Prudential Regulation Authority (PRA), so you can trust that your money is in good hands.

### MAKE INFORMED CHOICES

Every bank available through Flagstone comes with extensive credit research data so that you can easily assess and compare the relative risks and returns of each account before making a selection\*.

### HIGH QUALITY REPORTING

The Flagstone platform enables you to generate statements for all of the accounts you hold on the platform at any time. A consolidated annual statement showing the interest earned on all your deposits is also available, to assist you with your tax returns.

### RETAIN TOTAL CONTROL

The selection of deposit accounts is entirely up to you. With 24/7 secure online access to your portfolio and our customised reporting, you retain full control of your money.

\* The purpose of the information provided is to assist clients in making their own assessment of the relative financial strength of the different banks on the platform and does not constitute advice.

The Flagstone platform's intuitive functionality and efficient electronic execution make it easy for you to research, select and open the accounts that meet your needs, enabling you to earn more interest income and manage risk in a simple, safe way.



### 1. SPEAK TO YOUR ST. JAMES'S PLACE PARTNER

Once your details have been registered please complete our application form and return it to your Partner.

The minimum deposit to open an account is £250,000.



### 2. OPEN YOUR HUB ACCOUNT

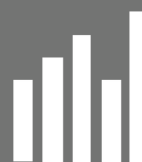
Once your application has been approved we will open your Hub Account and send you your login details. Your Hub Account will be held with Barclays Bank.

This is the account into which you will make your initial transfer from which all subsequent deposits will flow in and out.



### 3. SET YOUR DEPOSIT CRITERIA

Using a simple Filter tool you can set the criteria for your deposits based on value, account type (instant access, notice and/or term deposits).



### 4. BROWSE THE AVAILABLE ACCOUNTS

Browse Accounts from a range of our banking partners that match your criteria. View key risk information on each of our banking partners in a simple and transparent format.



### 5. SELECT AND EXECUTE

Select the deposit accounts that align with your needs and click on them to build your portfolio. View the overall interest rate payable on your portfolio and when you are happy with your selections simply click to confirm. Flagstone will then automatically execute these deposits.



### 6. REPORTING

You can view all of your deposits at a glance with 24/7 secure online access.

You will receive consolidated monthly statements and an annual summary for tax reporting.



## ONE-OFF CHARGES

### Administration Fee

A one-off fee of £500 for Sterling accounts is charged to set-up a new client on the Flagstone platform.

This one-off set up fee is \$500 for US Dollar accounts or €500 for Euro accounts.

This amount is deducted from the Fee Reserve created when you make an initial deposit into your Hub Account\* on the Flagstone platform.

## ONGOING CHARGES

### Management Fee

For clients of St. James's Place, Flagstone charges a fee of up to 0.25% on the total value of a client's account.

Fees are accrued daily and debited monthly in arrears from the Fee Reserve in your Hub Account.

Flagstone does not take any commissions or retrocessions from the banks on its platform in respect of the deposits it intermediates.

St. James's Place earns a flat fee of up to 0.10% p.a. on the total value of a client's account. This is taken from the Management Fee and paid to St. James's Place directly by Flagstone.

## FEE RESERVE

The "Fee Reserve" is calculated on the basis of their initial deposit and represents 12 months' Management Fee plus the Administration Fee.

For example, if an account is funded with £500,000, Flagstone would create an initial Fee Reserve of £1,750 in the Hub Account, calculated as follows: 12 months' Management Fee = £500,000 x 0.25% (£1,250) plus one-off Administration Fee of £500 = £1,750.

This 'Fee Reserve' is held within the Hub Account and the balance that can be placed in deposit accounts on the platform is shown net of this amount.

When the Fee Reserve has been reduced to an amount equal to or less than 6 months' Management Fee, a portion of any new monies coming into the Hub Account, or any monies coming back into the Hub Account from maturing deposits, will be used to top-up the Fee Reserve to an amount equal to 12 months' Management Fee.

Should no monies come into the Hub Account and the Fee Reserve is subsequently reduced to an amount equal to or less than 3 months' Management Fee, then Flagstone will contact you and ask you to remit funds to the Hub Account in order to top up the Fee Reserve to an amount equal to 12 months' Management Fee.

Should the Flagstone account at any time be closed then any unused part of the Fee Reserve will be returned to you.

\* The Hub account is established to receive the initial monies transferred by the client on to the Flagstone platform before they are sent on to a Flagstone banking partner. Furthermore, the Hub Account acts as the account to which all monies (principal and interest) must be returned by the relevant Flagstone banking partner at a maturity event or when they are requested back by a client in respect of an instant access or notice account. The Hub Account is a segregated trust account set up specifically to safeguard client assets. Flagstone's Hub Account provider for onshore derived funds is Barclays Bank Plc.

## THE FINANCIAL SERVICES COMPENSATION SCHEME

The Financial Services Compensation Scheme (FSCS) was set up by the Government in 2001 under the 'Financial Services and Markets Act 2000' to provide customers with compensation in the event that any authorised financial services provider, such as a UK bank and building society, holding their money, became insolvent or was unable to meet claims against it.

All UK banks on the Flagstone platform are part of the FSCS Scheme.

Eligible deposits are protected up to a total of £85,000 per depositor (or £170,000 for joint accounts) per authorised bank. Any deposits you hold above this limit with a bank are unlikely to be covered.

The FSCS does however protect Temporary High Balances (THB) of up to £1 million resulting from certain specific key life events. This FSCS protection begins from the date the THB is credited to an individual depositor's account and the length of that protection, which is normally six months, has been temporarily extended to 12 months because of the current Covid-19 pandemic.

The list of specific circumstances which could result in a qualifying temporary high balance include:

- Real estate transactions (property purchase, sale proceeds, equity release - relating to the client's main residence only).
- Benefits payable under an insurance policy.
- Personal injury compensation (unlimited amount).
- Disability or incapacity (state benefits).
- Claim for compensation for wrongful conviction.
- Claim for compensation for unfair dismissal.
- Redundancy (voluntary or compulsory).
- Marriage or civil partnership.
- Divorce or dissolution of their civil partnership.
- Benefits payable on retirement.
- Benefits payable on death.
- A claim for compensation in respect of a person's death.
- Proceeds of a deceased's estate held by their personal representative.

It is worth noting that THB protection specifically is not provided for proceeds from the sale of a business.

This six-month extension applies to both new and existing THBs. Therefore, money deposited into an account with an authorised UK bank or building society in February 2020, with the six-month THB coverage previously due to end in August 2020, is now protected until February 2021. Similarly, if a qualifying THB is deposited in December 2020, the protection will now apply until December 2021, as opposed to June 2021. The provision of this 12-month THB protection by the FSCS is a temporary measure and any THB qualifying deposits placed after 1 February 2021 will revert to benefitting from just six months' protection. All other aspects of the rules around THBs after that date will remain the same.

Any calculations that Flagstone provides on FSCS cover for your deposits is illustrative only and you are responsible for calculating your actual FSCS protection, depending on your circumstances (for example taking into account whether you are eligible for FSCS protection and whether you have other deposits held with banks that are the same or part of the same banking group).

Flagstone is unable to provide guidance on FSCS eligibility. However, typically, eligible deposits are protected up to a total of £85,000 (or £170,000 for joint accounts) per authorised bank. If you are unsure whether you are eligible for FSCS protection, please go to [www.FSCS.org.uk](http://www.FSCS.org.uk) or contact the FSCS at [www.fscs.org.uk/contact-us](http://www.fscs.org.uk/contact-us). For further information on Temporary High Balances please refer to [fscs.org.uk/how-we-work/temporary-high-balances](http://fscs.org.uk/how-we-work/temporary-high-balances).

On the following pages are answers to some of the most common questions we receive from clients.

## COMPANY INFORMATION

### What is the relationship between St. James's Place and Flagstone?

Flagstone has been subject to a comprehensive due diligence process carried out by St. James's Place and has been appointed as its approved and exclusive cash deposit platform provider.

### Who are Flagstone?

Flagstone Investment Management Limited ("Flagstone" or the "Company") is a UK registered and Financial Conduct Authority (FCA) regulated technology business founded in 2013. The Company number is 08528880 and the FCA firm reference number is 605504.

The Company's registered address is 1st Floor, Clareville House, 26-27 Oxendon Street, London SW1Y 4EL.

The Company is registered as a data controller with the Information Commissioner's Office under the Data Protection Act 2018 (Registration Number: ZA033774).

For more information on the Company and its services, please go to [www.flagstoneim.com](http://www.flagstoneim.com)

## FLAGSTONE DEPOSITS

### How safe is the money I deposit through Flagstone?

As a company authorised by the Financial Conduct Authority (FCA) and subject to the Payment Services Regulations, Flagstone is required to safeguard client assets at all times, hold appropriate levels of regulatory capital and generally organise and manage its business to the high standards set by the FCA.

All the UK banks on the Flagstone platform are authorised and regulated by the FCA as well as the Prudential Regulatory Authority (PRA).

### Do I maintain Financial Services Compensation Scheme (FSCS) protection with deposits made through Flagstone?

Yes. The level of protection is exactly the same as if you placed the deposit directly with a bank. In the event that one of the banks on the platform goes into administration, assuming the bank in question was a member of the FSCS, then the client (if eligible) would have a single claim under the FSCS limited to the deposit compensation limit of £85,000\*.

### Are all banks on the Flagstone Platform covered by the FSCS?

FSCS protection is not available for any accounts held with offshore banks (including those in the Channel Islands). Clients can use the platform's 'Portfolio Builder' filter tool to exclude banks which are not covered by the FSCS when selecting accounts, with a single click.

### Who makes the FSCS claim if a bank on the Flagstone platform goes into Administration?

If a bank in which the money was held defaulted, the clients for whom Flagstone held cash will be covered by the FSCS as beneficiaries subject to their status under the eligibility requirements (i.e. whether they would be eligible to claim if they held the deposit themselves).

### In the event that Flagstone was to go into liquidation, how are my monies protected?

Flagstone is obliged under law to implement safeguarding measures to protect customer funds. For this reason, all funds held by Flagstone on behalf of clients are separated from Flagstone's own funds and only held in designated trust accounts. If Flagstone was placed in administration or wound up, clients would retain full beneficial ownership of their funds at all times, and as such these would be paid back to the client by the administrator. Clients have no credit exposure to Flagstone.

\* For more information please refer to [www.fscs.org.uk](http://www.fscs.org.uk)

## TECHNOLOGY & SECURITY

### How is the money I transfer to Flagstone protected from fraudulent activity?

From a technology perspective, Flagstone protects clients' data with "bank level" encryption and security measures. We store the minimum amount of data required to deliver our service and maintain strict policies about how this data is used, stored and accessed. During any transaction, our 256-bit encryption turns your information into a coded sequence with billions of possible variations, making it impossible for unwanted intruders to decipher. Flagstone uses DigiCert – one of the world's largest and most trusted SSL certificate providers. This ensures that you know you are visiting a genuine Flagstone website. We ensure that whenever you enter, transmit or display sensitive information on our website it is encrypted in transport and at rest. To confirm whether encryption is being used on any web page you are viewing, check that the URL starts "https" at the top of your browser window, and that there's a 'closed padlock' icon, probably in the bottom left corner. Our computer systems are protected by state-of-the-art firewall technology that blocks unauthorised entry. The security of our web application has passed an independent and professional review, and external experts regularly test our systems and software.

From an operational perspective, Flagstone has adopted internal systems and controls designed to protect client funds from the risk of fraud. These include relevant IT controls, appropriate segregation of duties, restricted access rights and signature protocols.

Furthermore, Flagstone does not allow any third party payments and all funds returned to clients are paid back to the originating funding account only.

### Why can there only be one active user on a Flagstone account?

For security and control purposes, each client account is established to allow one named individual to give instructions on that account. Flagstone can provide 'view-only' access to a second individual when joint accounts are held, or if you want additional third parties to be able to have 'view-only' account access. You can elect that confirmation emails containing information on new accounts set-up, transfer instructions and deposit confirmations be sent to additional parties.

## FEES

### What are the fees for using Flagstone and how are they charged?

For clients of St. James's Place, Flagstone charges a fee of up to 0.25% p.a. on the total value of a client's account. Additionally, a one-off Administration Fee of £500 is charged to set-up a new client account on the platform.

For clients opening US Dollar accounts or Euro accounts this one-off Administration Fee for each account is \$500 for US Dollar accounts or €500 for Euro accounts.

### Who can open a Flagstone account and what is the minimum deposit value required?

The Flagstone platform is available to individual and joint applicants who are resident in the UK and 18 years of age or older. Accounts are also available to UK-registered companies, charities and trusts (including SPPs and SSASs). The minimum amount required to open a Flagstone account is currently £250,000.

### Does Flagstone take commissions or retrocessions from the banks on its platform?

No. Flagstone does not take any commissions or retrocessions from the banks on its platform in respect of the deposits it intermediates.

### Does St. James's Place earn a fee on the cash managed through the Flagstone platform?

Yes. St. James's Place earns a fee of up to 0.10% p.a. on the total value of a client's account. This is taken from the Annual Management Fee and paid to St. James's Place directly by Flagstone.

### How are the fees taken?

The Annual Management Fee of up to 0.25% is accrued daily and debited monthly in arrears from the Hub Account.

The one-off Administration Fee of £500 (or \$500 for US Dollar accounts and €500 for Euro accounts) is deducted from amounts credited to the Hub Account within 30 days of the first deposit being made into that account.

## GENERAL

### Why do banks work with Flagstone?

Flagstone provides its partner banks with a distribution channel that enables them to source valuable deposit funding in a controlled and cost effective way.

### How can Flagstone access better interest rates for clients?

The relationships that Flagstone has developed with its partner banks and the volume of deposits it intermediates often give Flagstone access to deposit rates that are otherwise unavailable to direct client applications.

### What client classifications is Flagstone available for?

Please note that accounts can only be opened for UK resident and domiciled clients. Please speak to the Flagstone Client Services Team for more information.

### What is the 'Hub Account' and what is it used for?

The Hub Account is a segregated trust account set up specifically to safeguard client assets. Flagstone's Hub Account provider for onshore derived funds is Barclays Bank Plc. The Hub Account is established to receive the initial monies transferred by the client on to the Flagstone platform before they are sent on to a deposit account.

Furthermore, the Hub Account acts as the account to which all monies (principal and interest) must be returned by the relevant Flagstone banking partner at a maturity event or when they are requested back by a client in respect of an instant access or notice account.

### What happens when I want my cash back from the Flagstone platform?

When a client wants their money back from the Flagstone platform, they will need to provide an instruction to return funds via the platform. Any money being returned to a client will only be sent to their 'Nominated Return Account', for which the client provided details in their initial application.

### I would like to make a transfer from one of the banks I have money with on the Flagstone platform, is this possible?

No. All monies transferred from a Flagstone partner bank can only be sent back to your Hub Account. Once monies are received into the Hub Account they can only be transferred to your 'Nominated Return Account'.

### Can I directly contact the banks that I place money with through the Flagstone platform to discuss my deposits?

No, all contact has to go through the Flagstone Client Services Team on 020 3745 8130 or at [ClientServices@FlagstoneIM.com](mailto:ClientServices@FlagstoneIM.com).

### Will the banks I place money with through the Flagstone platform be able to market products and services to me?

No, the banks will not contact you directly and all contact will be through the Flagstone Client Services Team on 020 3745 8130 or at [ClientServices@FlagstoneIM.com](mailto:ClientServices@FlagstoneIM.com)

### If I have a problem or a query, who do I contact?

Please contact the Flagstone Client Services Team on 020 3745 8130 or at [ClientServices@FlagstoneIM.com](mailto:ClientServices@FlagstoneIM.com)

### What is a 'Nominated Return Account'?

The 'Nominated Return Account' is the account to which Flagstone will pay your monies when you have requested them back and they are no longer being managed on the platform. This is the only account to which we will transfer your money from your Hub Account. Your Nominated Return Account details are provided by you in your application form.

## NEW ACCOUNTS & PLACING DEPOSITS

### How long does it take to open a Hub Account?

Once Flagstone's Client Services Team have confirmed that they are in receipt of all documentation and information that is required from you, then we aim to have your Hub Account opened for you in 48 hours.

### How long does it take to open accounts with the other banks on the Flagstone platform?

The account opening process with each bank is slightly different and thus takes a different time depending on the specific institution.

As a guide it should never take more than 5 working days to open an account, although some banks are significantly quicker than this and open accounts for Flagstone on a same day basis.

### Do I have to set up a new account with each bank on the Flagstone platform every time I place a deposit with that bank?

No. Once an account has been set up at a partner bank it can be used again. Flagstone does however reserve the right to close accounts at its sole discretion if, in its opinion, such accounts are not being, or are unlikely to be, utilised.

### Will I receive statements directly from each bank I place deposits with through the Flagstone platform?

No. All reporting is consolidated and statements covering all banks for any period can be downloaded from the Flagstone platform at any time.

### How will I be alerted to new banks, interest rates, products available on the Flagstone platform?

You will receive email alerts in respect of new banks, rates and products which are available on the platform.

### When a new deposit rate is selected through Flagstone, is the rate guaranteed at that point?

No. Interest rates are only confirmed at the point a deposit is physically made (i.e. once the relevant account has been opened). If the rate is the same (or better) than the one selected, then Flagstone will automatically place the deposit. If however a rate moves downwards between the time a deposit is instructed and the time it is actually placed, then Flagstone will contact you to confirm the new rate prior to your deposit being placed.

### How do I update or change my details?

Some of your details can be updated in the Admin section of the platform. If you are unable to update on the platform please contact the Flagstone Client Services Team on 020 3745 8130 or at [ClientServices@FlagstoneIM.com](mailto:ClientServices@FlagstoneIM.com) and we will confirm the process required.

## NOTICE ACCOUNTS

### **If I open a Notice Account does it automatically close at the end of the notice period or do I need to instruct its closure?**

With a Notice Account, the funds remain in the account indefinitely until you provide Flagstone with notice that you would like to return the funds to your Hub Account.

Once you provide an instruction, Flagstone will give notice to the bank and the notice period will start (e.g. 120 days for a 120 day notice account). It is not possible to shorten this notice period and so, before opening a notice account, you should be comfortable that you will not require access to your cash for any other purpose without giving the required notice period.

When the instruction has been placed and the notice period expires, funds will be automatically returned to your Hub Account. Once the funds are back in your Hub Account, Flagstone will send you a confirmation by email.

### **Are interest rates variable for Notice Accounts?**

Interest rates for Notice Accounts (and Instant Access Accounts) are variable. This means that the interest rate that the bank pays when you sign up is not guaranteed to last. The bank can increase or decrease the interest rate. There are rules in place which mean that the bank has to tell you – in advance – when it's going to change the rate. However, it does mean that you have to check the interest rate from time to time and be prepared to move the money if you see a better rate. If the interest rate on one of your Flagstone platform accounts is changed by the bank, we will notify you by email.

## FIXED TERM DEPOSIT ACCOUNTS

### **If I open a Fixed Term Deposit Account can the funds be withdrawn before the end of the term?**

A Fixed Term Deposit Account is a cash savings account which offers a fixed rate of interest on a fixed balance over a fixed period of time. Fixed Term Deposit Accounts generally pay a higher interest rate than variable rate accounts. The longer the fixed rate term, the higher the interest rate tends to be. Once your Fixed Term Deposit Account is opened, the amount, term and rate are fixed, and you cannot therefore make transfers to or from the account.

It is not possible to shorten or break the term for a fixed term deposit account and so, before opening such an account, you should be comfortable that you will not require access to your cash for any other purpose during the fixed term period. You should also note that, because the rate is fixed, you may find your savings are locked into a fixed rate that looks less competitive if interest rates in general rise.

## CURRENCY ACCOUNTS

### **I already have an account with Flagstone and now would like to place US Dollar or Euro deposits, what do I need to do?**

Please contact the Flagstone Client Services Team on 020 3745 8130 or at [ClientServices@FlagstoneIM.com](mailto:ClientServices@FlagstoneIM.com) and they will be happy to discuss setting up a new Euro and/or US Dollar Hub Account with you.

## TAX REPORTING

### **What about tax reporting, how does Flagstone help me with that?**

Flagstone will provide you with a summary (within two months after the year end), detailing the interest earned on all of your accounts .



## BANK IMPLIED CREDIT SCORES AND CREDIT RATINGS

### What is the Fitch Solutions Financial Implied Credit Score?

To help your clients make informed decisions when choosing which institutions to place their deposits with, clients can view and compare Fitch Financial Implied Credit Scores (FICS) for every bank on the platform.

Fitch Solutions is a leading provider of credit ratings, commentary and research for global capital markets. FICS provide an indicator of the standalone financial strength for 23,800 banks, including all of the banks on the Flagstone platform.

Each bank's FICS Score is now shown in the platform's Portfolio Builder for clients to reference when selecting an account. The FICS is also included in the detailed Fact Sheet information on each bank, available to view and download as a PDF.

### How are Fitch Solutions Financial Implied Credit Scores calculated?

Fitch Solutions Financial Implied Credit Scores (FICS) use a proprietary model to provide an indication of the standalone financial strength of a bank using logistic regression based on four variables:

1. Total reported assets of the bank.
2. Loan quality (using the reported Loan Impairment Charge to reported Average Gross Loans).
3. Profitability (using reported Operating Profit to reported Average Total Assets).
4. Fitch Solutions Country Risk Indicator.

For each bank, a letter is assigned as an indicator of credit worthiness from 'aa' to 'c'. FICS also provide an indication of how close a bank is to being in a different credit score band by using the modifiers '+' or '-'. This enables banks to be ranked within a credit score band and importantly, an indicative way to detect whether credit quality is perceived by Fitch Solutions to be deteriorating or improving over time.

The score categories are listed for clients and explained in more detail on the platform in the 'Help' section under 'Bank Implied Credit Scores and Credit Ratings'.

### Does Flagstone provide credit rating scores from other Credit Ratings Agencies?

Where they are available, clients can also see credit ratings for the banks providing accounts on the platform from the three largest Credit Ratings Agencies (CRAs) recognised by the European Central Bank; Standard & Poor's (S&P), Fitch and Moody's. These CRAs undertake analysis and assign letters as indicators of credit worthiness (from 'AAA' to 'D' for S&P and Fitch, and from 'Aaa' to 'C' for Moody's).



FLAGSTONE

THE SMARTER CASH PLATFORM

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