

Christian Kolmer, Roland Schatz & Matthias Vollbracht

Trust Meltdown IV

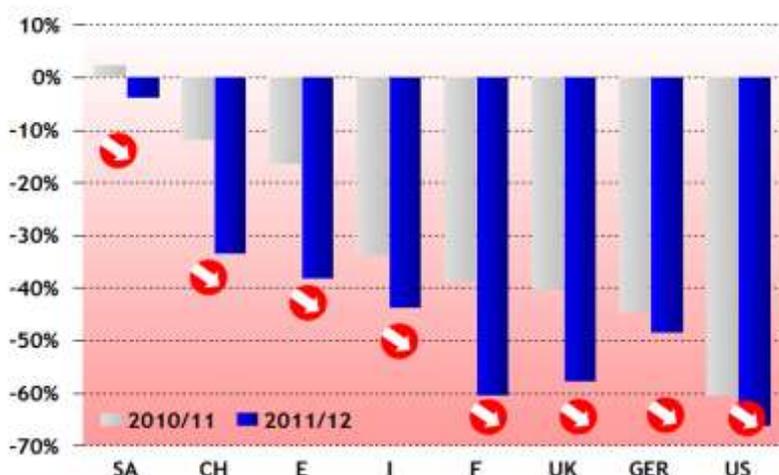
Finance sector craves for tobacco's or nuclear energy's media image

REPUTATION RISK ASSESSMENT 2011/2012

Based on sentiment in elite business media and global TV news

The image of the banking industry in international media four years after the outbreak of the financial crisis makes former business models and communication efforts useless.

Image of the banking sector in TV news 2011/2012



Look into the mirror

The Oracle of Delphi - now at every kiosk

In Trust Meltdown 3 in spring 2012, Prof. Robert Kaplan explained why he no longer works at Goldman Sachs and is now back at Harvard Business School. Someone who cannot bear to see their image in a mirror must, in principle, change.

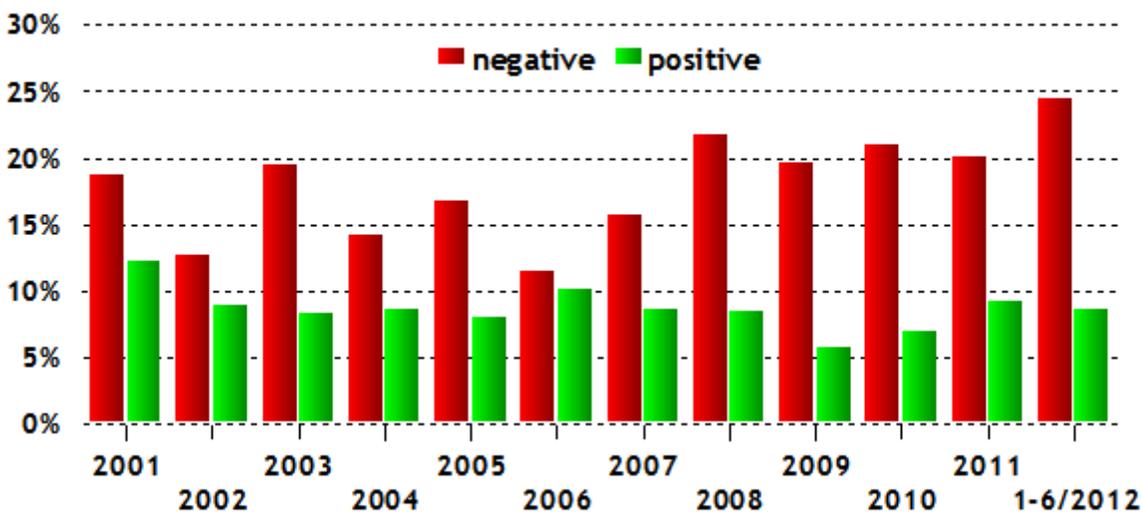
The keynotes to the 10th Corporate Governance Conference in Berlin formulated this more precisely. The mirrors held up by Norbert Lammert and Müller to the business elite in Germany and elsewhere showed managers the subtle differences from entrepreneurs. Only when all the stakeholders of a company have the impression that the owner has served the company AND the community in an exceptional does that owner get paid a bonus. In the old Greece, as in the new,

it was not the done thing to question the Oracle of Delphi. But the truth sometimes hurts.

This lack of questioning has been especially true when it should theoretically be easy. This is the case with bonus rules: if a payment is hidden in three different places in an annual report, as in the case for Citibank, it must be clear that these bonuses are not deserved.

Neither Michael Schumacher, Tina Turner, nor Warren Buffet have to cope with this problem. Their fans, and, more importantly, society, know why and how much they receive for their activities at year end. Only when managers achieve the same level of transparency on their performance this debate will end.

Trust Meltdown the new normal for CEO's in the finance sector Media image of the top management of banks 2001-2012 international media



Nothing matters without real figures

Reputation management needs clean balance sheets

Banks expect to see companies' balance sheets each time when considering whether to grant loans, and rightly so. But yet they believe themselves to be unable to convince stakeholders regarding their performance unless they have perfect figures. The balance sheet practices of banks were criticized in the media even long before Enron, yet the industry implemented no improvements.

Whichever company's products are classed as toxic must come to terms with the debate as to whether their

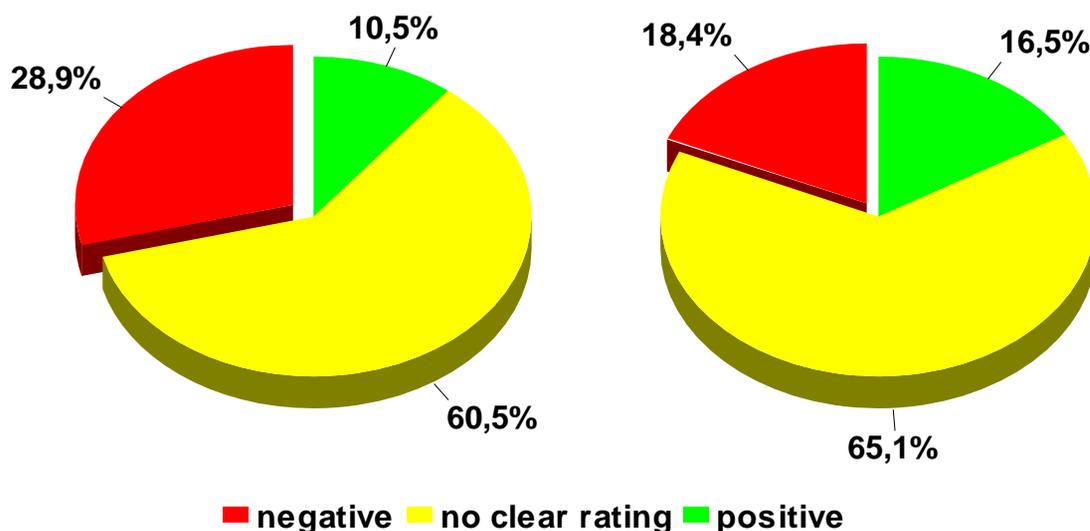
executives are worth their salaries, let alone any bonuses. Banks are remarkably silent on the current interest rate crisis as well as speculations on the demise of others.

The trust gap is obvious. Expecting others to eat dry bread while feasting oneself has never, and will never, win anyone over.

The financial world at present also lacks self-awareness. Banks are truly not the heart of the economy, but more like the kidneys. In reality, the heart is more likely an intact legal system.

Doubts about figures and products provide no reason for praise

Analysis of the balance sheets and products of banks in media, 1-6/2012



Banks remain in the limelight, have no privacy when trying to rebuild trust

Many bankers would probably like the media to focus on other subjects in order to get some breathing space to make changes. However, the chart below shows that the banking industry still is in the limelight and above the awareness threshold in industry reporting in the analyzed countries, with Swiss and UK TV news most closely following the industry, not due to the importance of the sector for overall economic development and the countries' labor markets.

As there seems to be no breathing space, the question is how to successfully regain trust while dealing with both the mess from the past and, in all likelihood, further mistakes and wrongdoing along the way.

Nicolaus Heinen, a European financial analyst, recently launched a book called *Mission Trust*. This book focuses on how trust arises in individuals and institutions, as well as in systems. Trust, he argues, is linked to actions and communication. As a rising level of trust is accompanied by declining costs of control and thus leads to benefits for both sides in an economic relationship, there are good arguments for implementing change AND communicating about it. This is true even in a world without comparable regulatory standards or even a tendency towards a renationalization of the regulatory regimes, as has concerned some observers in light of recent moves in the United States.

Company reporting on TV news: share of coverage on banks 7/2011 - 6/2012

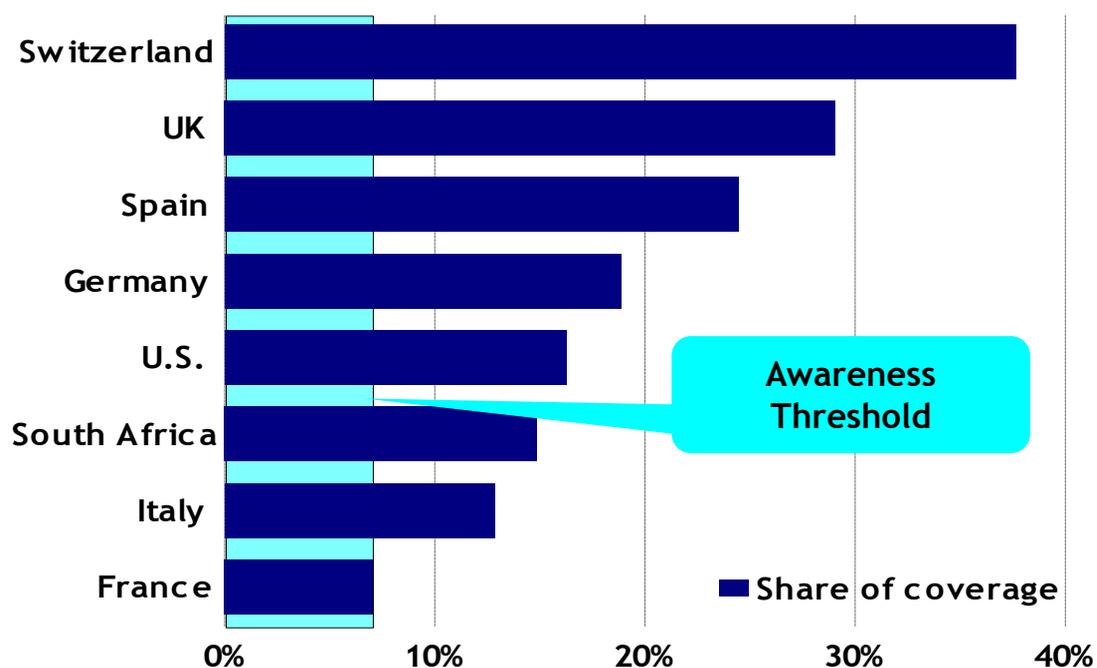
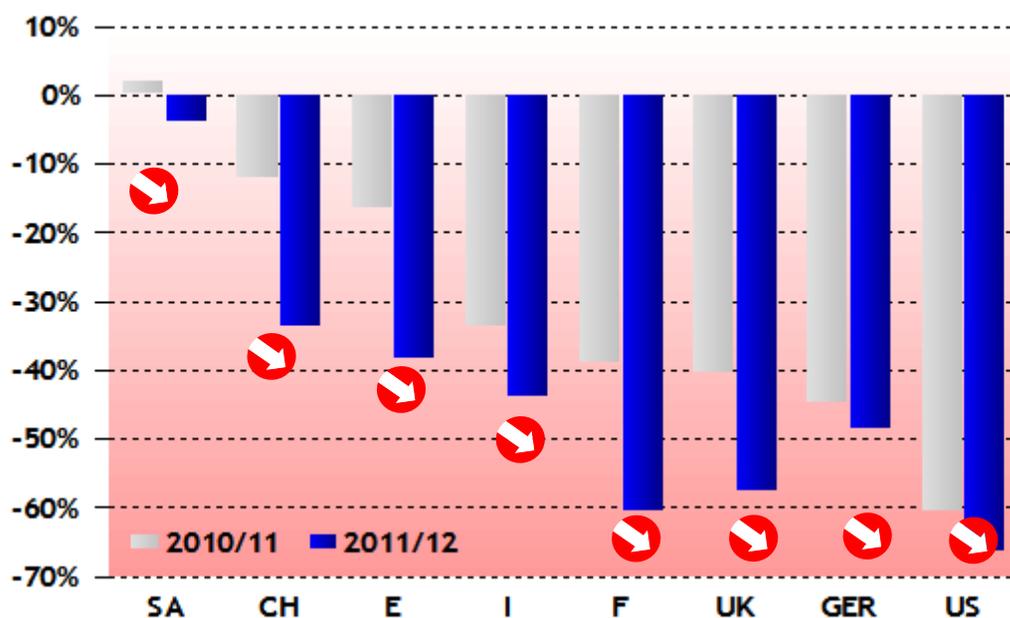


Image crisis remains international phenomenon

Many leaders in the banking industry have expressed that they consider the image crisis as a temporary phenomenon which will vanish as soon as results are back on track and some minor corrections regarding excessive pay packages and slightly better controls have been established. However, the string of negative news related to the banking industry in the aftermath of the collapse of Lehman Brothers can be better compared with a change in attitudes following the nuclear meltdown in Fukushima. The new normal thus will look somewhat different from past paradigms. Why is that? A glance at the diagram below shows that the tone of coverage

on the banking industry was already negative in 2010/2011 (except for South Africa) and has deteriorated further. 21 TV news shows analyzed display a five to 25 percent negative in the tone of coverage on the industry with remarkably more negative, and even hostile, coverage in Switzerland, Spain and France. A rating of worse than a 10 percent negative tone means that customers and investors are turning away. A negative 40 to 60 percent score indicates that the industry is considered to be extremely harmful to the public welfare and therefore strict regulation is required to protect citizens and the real economy from its activities.

Tone of rating of the banking industry: TV news 7/2010 - 6/2011 compared to 7/2011 - 6/2012

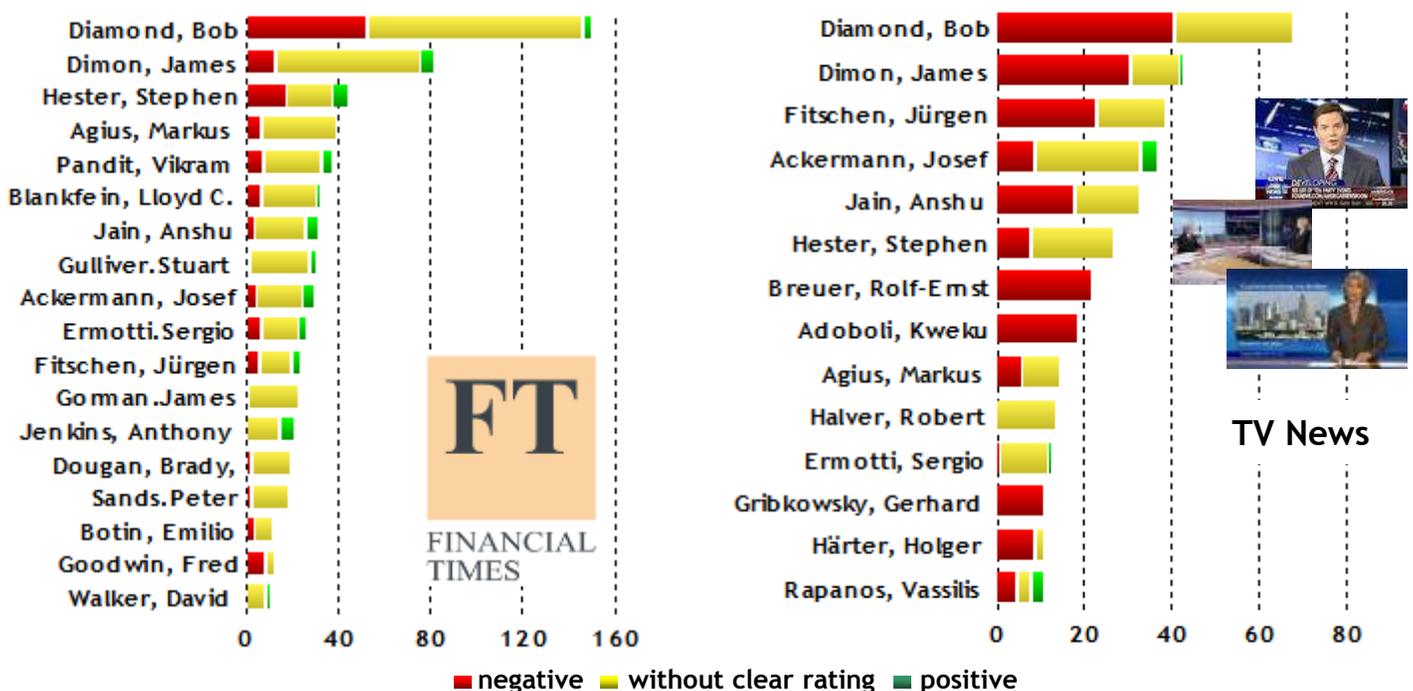


Personal, company images linked with trust and business success

After looking at the image of banks as institutions and pointing out the deficits regarding institutions, a closer look at the image of leading figures in the banking industry is also necessary. The chart below shows the visibility and tone of coverage of the most mentioned bankers in the FT on the one hand and on international TV news on the other hand.

Particularly striking is the fact that there is not a single banker with an overall positive image on TV during the 12 month period of observation. The picture is slightly less negative in the FT, but with the exception of Anthony Jenkins, the new CEO at Barclays entering office on August 31, 2012, no CEO or chairman was portrayed marked as a positive role model for others.

Visibility and tone of coverage: banking industry executives 1-12/2012

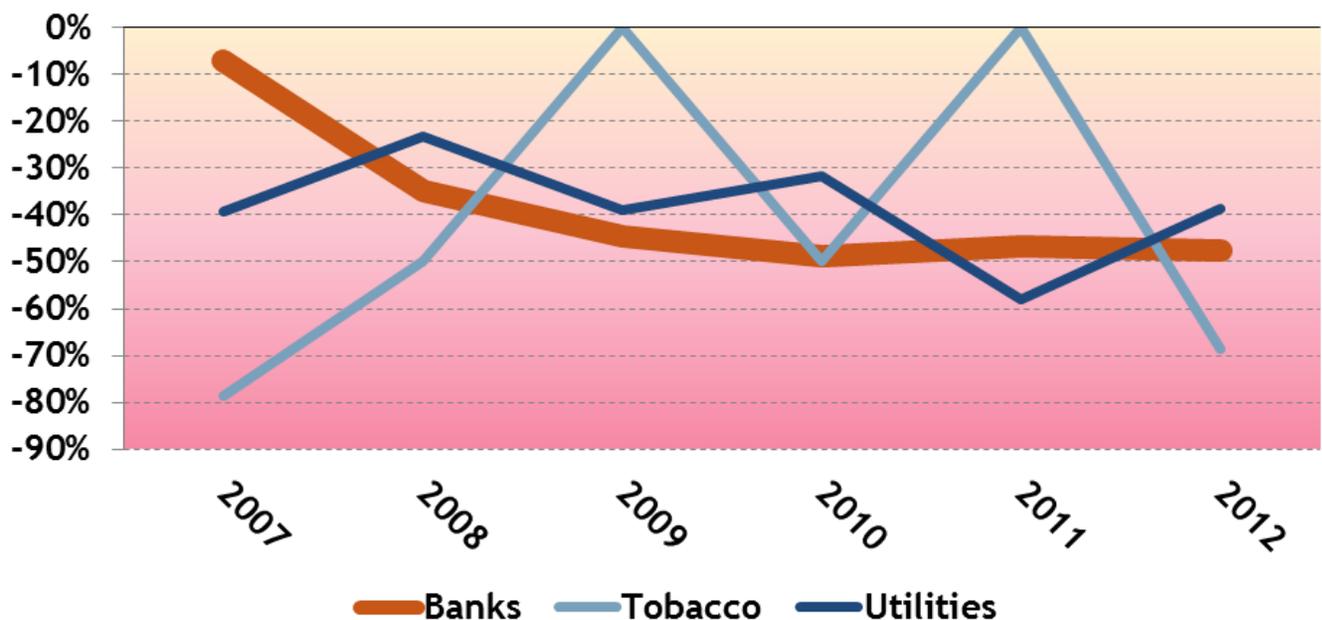


Finance sector would love to have the media image of tobacco, nuclear energy

Four years ago the media reputation of the banking industry was only worse than that of the tobacco industry. Since then, the picture for the financial sector hasn't gotten better, but worse. Now, the banking industry is rated even more negatively in the media than the nuclear energy sector, which has long faced skepticism and lost its license to operate in several countries in the wake of the disaster at Fukushima. While it is convention wisdom that companies that produce products that

have done harm such as the tobacco companies, will have a negative media image that cannot truly be countered, banks seemingly continue to believe that their image as an industry can be repaired without major changes to how they do business. This, however, is no longer true, as the media and media audiences, now view banks with similar negativity and fear that was once reserved for cancer-causing tobacco stories, and the fears of nuclear contamination.

Tone of rating - Banks vs. Tobacco and Utilities - 2007-2012



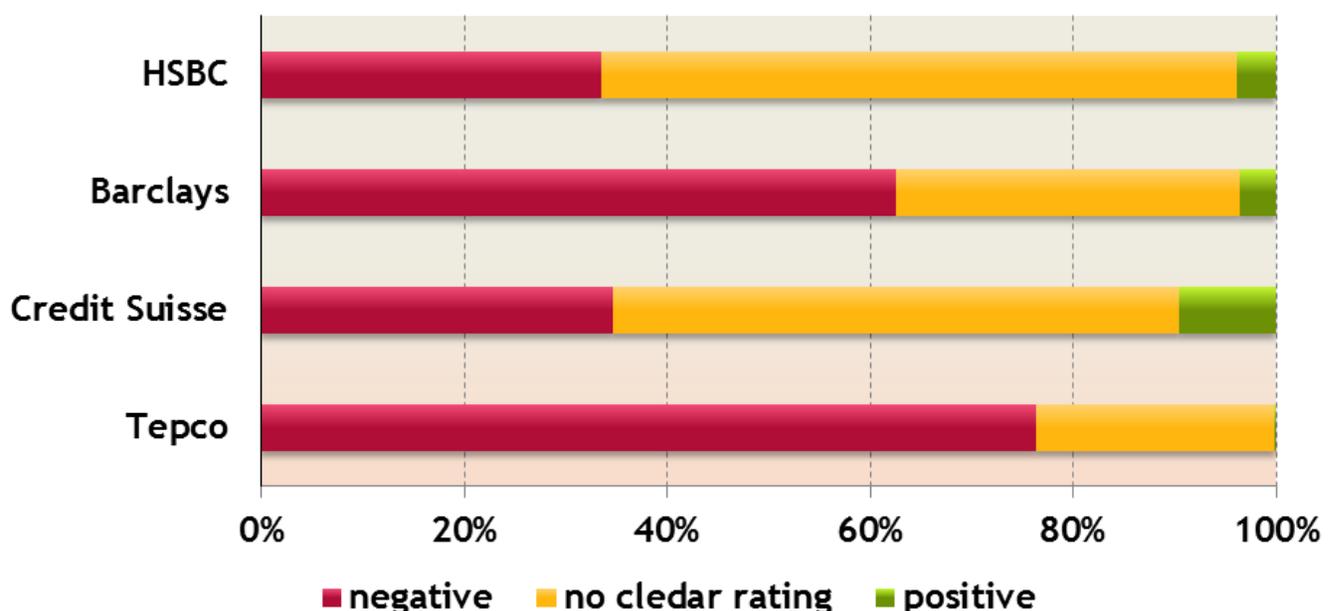
Barclays's reputation nearly as poor as Tepco's

Now that the reputation of some of the banks, such as Barclays, is as negative as that of Tepco, it is clearly only a matter of time before politicians take similar actions against the finance sector as they have directed against Tepco in Japan, RWE in Germany, and the whole of the nuclear power industry in Switzerland.

These inevitable regulations are not just about protecting the economy and

citizens, but about politicians recognizing an opportunity to boost their own reputations by addressing an unresolved issue that has strong media salience. Regulating banks is no longer just about economic safety, and the lack of restored trust. It is also a first-class opportunity for politicians to boost their own careers as long as the causes of the crisis are perceived to remain a common practice.

Tone of rating in international TV news - selected companies - 1/2007-12/2012



Media say banks are jeopardizing public interest

The image of the banking industry in international media four years after the outbreak of the financial crisis makes former business models and communication efforts useless.

Last year's *Trust Meltdown* report came to the conclusion that three years after the outbreak of the financial crisis, the image of the banking sector has failed to recover. This year's report unfortunately shows another decline in the banking sector's image in many countries' TV news. This has happened due to the detection in 2012 of actions which have damaged the public weal. These include the manipulation of the Libor interest rate which is at the heart of many financial contracts, money laundering, tax evasion, and the alleged talking up of shares (e.g., Facebook).

2012 has also seen acts from the banking industry trying to restart its

image by appointing new CEOs, implementing new bonus rules (e.g., making reputation part of the assets to manage beyond just earnings and share price), and establishing new lists of do's and don'ts. So far, however, this hasn't borne fruit. Greg Clark, financial secretary to the UK Treasury, was quoted by the Financial Times on September 28, 2012 regarding the Libor scandal report, saying, "Today's independent report is very clear - the self-regulation of Libor has failed." What is true for the Libor holds true for other fields of action, as well, at least at least as far as public image is concerned. News about regulation and prosecution have become the twin sisters of reports on banking scandals in 2012, as the analysis of business papers like the Financial Times and the Financial Times Germany, as well as international TV news displays.



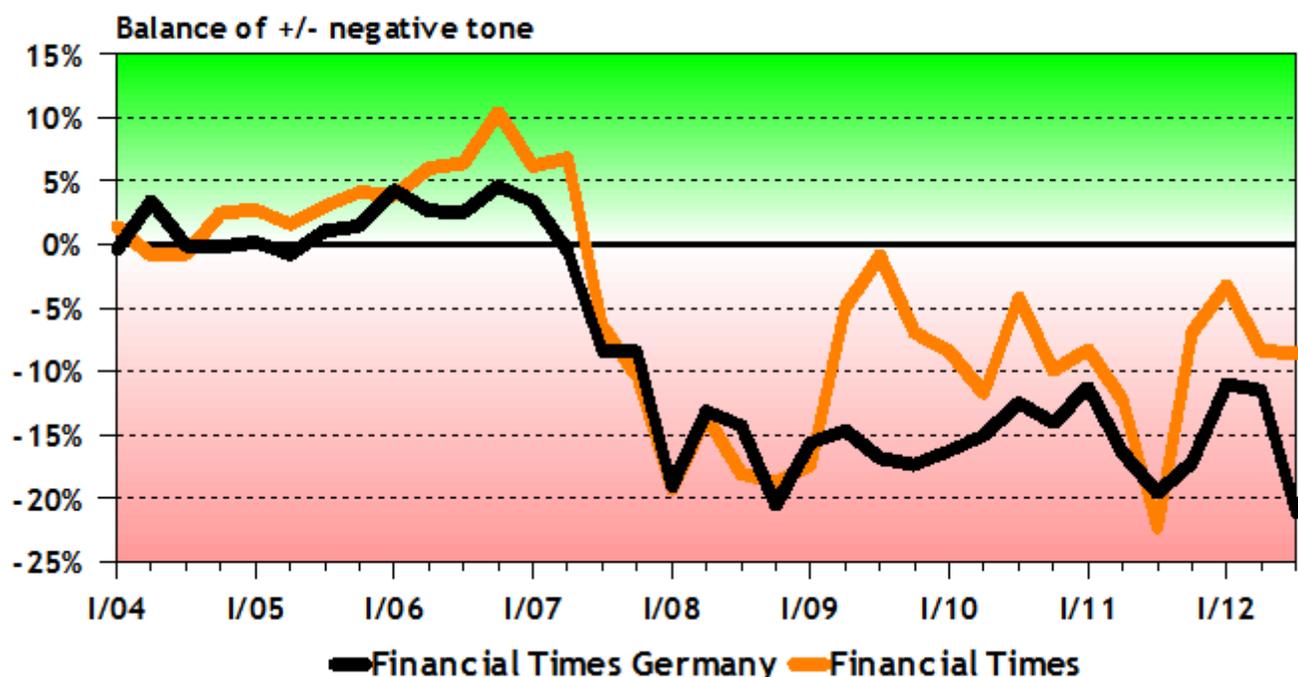
Image recovery efforts haven't borne lasting fruits

The first chart shows the rating of the banking industry in the Financial Times and the Financial Times Deutschland from a long term perspective since January 2004. A clear improvement in tone in early 2012 was linked to a recovery in financial results and, to some extent, stock prices. However, it hasn't been a lasting upswing for most banks. The second quarter of 2012 saw the unveiling of the Libor manipulation scandal and subsequent investigation and prosecution, as well as money laundering cases. The tone of coverage in the third quarter of 2012 displayed a significant difference between the Financial Times and the Financial Times Germany. While the tone of rating

improved in the FT, coverage in the FTD fell below the -20 per cent mark. However, even the -5 per cent balance of positive and negative rating in the FT is not yet a sign of rebuilt trust, that would require a +10.

By and large, the banks are facing the same problems in 2013 as they have been facing in the past. The difference, however, is that regulators have lost patience with the sector's own efforts to clean up the mess. The recent formation of a banking supervisory system under the roof of the ECB and much more rigorous approaches in risk management are clear signs of a change in sovereign states dealing with the crisis.

Tone of rating - banking industry: All topics 1/2003-9/2012



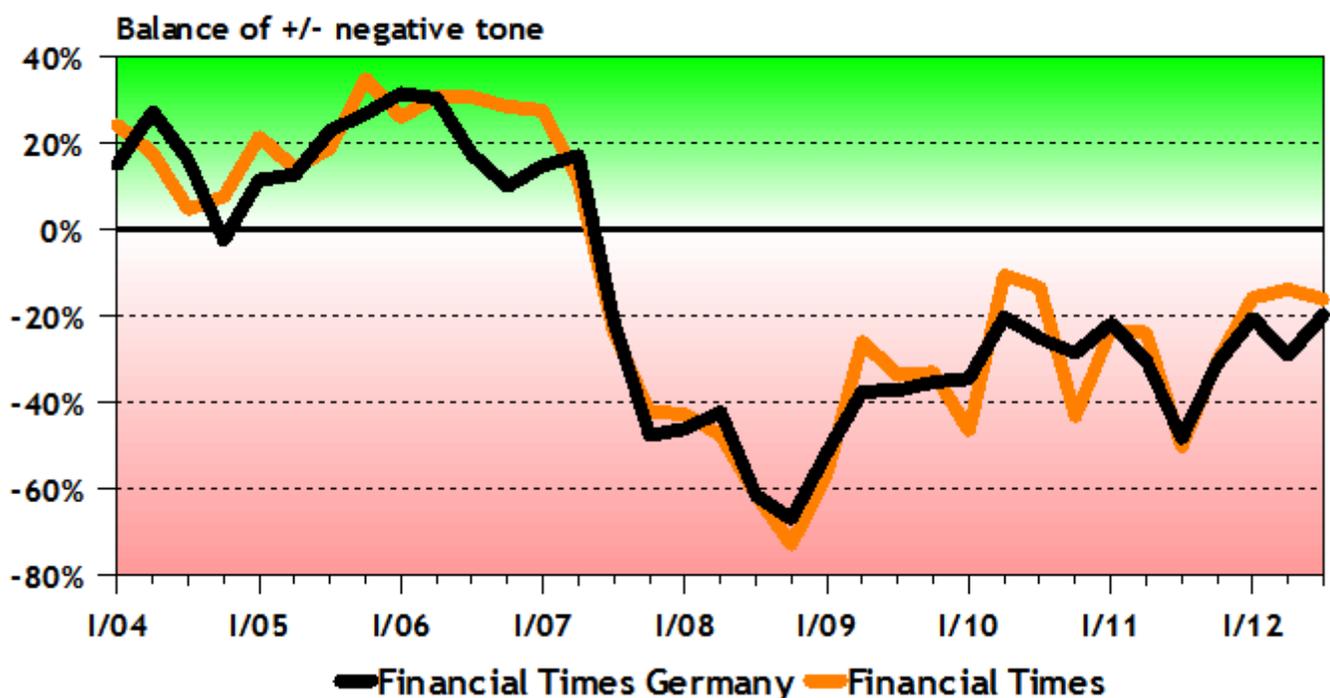
When earning more money is not all positive

Looking at the tone of coverage it is still necessary to keep in mind that this analysis is based on the coverage provided by business papers which, by definition, are not investigative publications, but tools for the business and financial communities. Later on we will show that the acceptance of the industry in broadsheet media like TV news is worse and also putting massive pressure for change on the industry, politicians, and supervisory bodies.

A positive rating helps to promote business if companies are perceived to be financially stable and providing good products and services. This is the essence of the tests Media Tenor has conducted comparing the Net Promoter

Score™ with news coverage. So the interesting question for banks is to what extent they are perceived to be financially stable and what the view of their products and services looks like. A glance at chart 2 displays a positive trend since the lowest score in the reporting on banks' financials was in early 2009. But even as some banks made good money in the first half of 2012, the overall rating of banks in FT and FTD still hasn't moved significantly above the negative 20 per cent mark. Thus, the perception of the sector is still dominated by risks like exposure to Euro zone stability issues, economic development, troubled loans, and credit rating concerns.

Tone of rating - banking industry: Financials 1/2003-9/2012



Barclays needs a restart

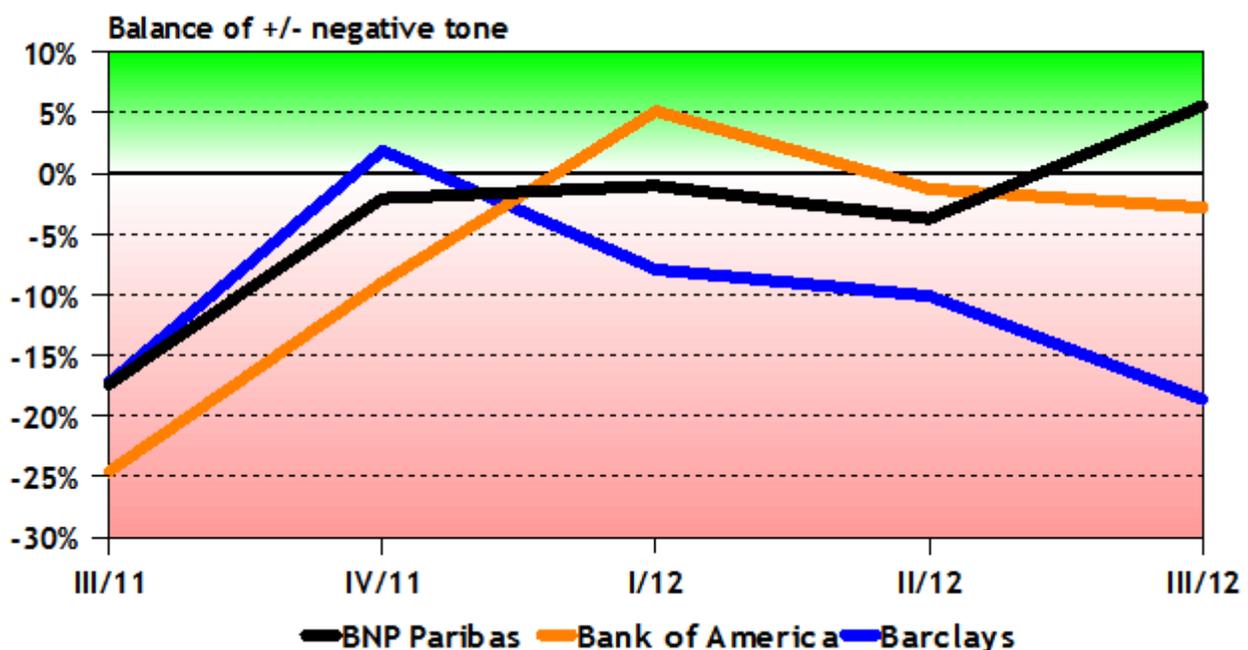
Libor scandal has a lasting impact

On the other hand, those banks which displayed positive results in 2012 were sometimes accused of having achieved this by being back in the “casino” business or using the same sales strategies employed before the financial crisis (e.g., praising Facebook’s stock in analyst comments while avoiding the stock in investment portfolios). So the banks’ reputation regarding financial solidity in 2012 hasn’t shown much progress. Investors and the public still do not see what a sustainable, profitable strategy will look like on a large scale.

A closer look at the image of some of the biggest banks during the past 15

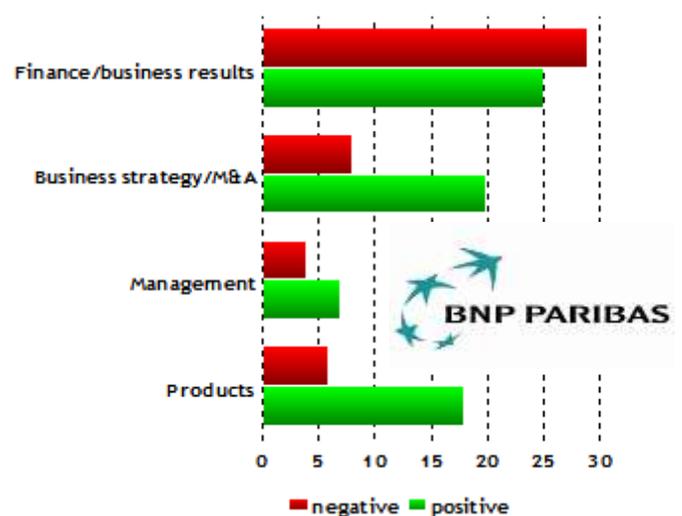
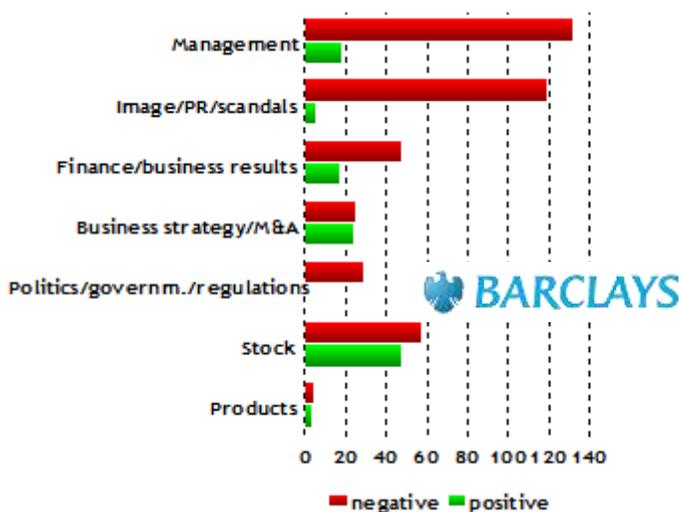
months shows few winners and many losers. Barclays has been largely connected with the Libor scandal and the tone of coverage has decreased from +2 to -20 within one year. Barclays’s communication efforts comprised unconventional elements like an open letter from then-CEO Bob Diamond to the Chairman of the Treasury Select Committee, Andrew Tyrie on June 28, and an open letter to customers and clients on July 14, 2012. But Barclays’ attempts to demonstrate that the bank was still in the driver’s seat regarding the clean-up and settlement process were only partially successful.

Tone of rating in the FT: BNP, Bank of America, Barclays, 7/2011 - 9/2012



BNP Paribas and Bank of America better off - for now

Positive and negative reports on selected image criteria FT / FTD 7/2011 - 12/2012



Bob Diamond failed to win back trust and was the CEO most often reported negatively on in TV news as well as the FT in 2012. Barclays's stock price has recovered since hitting a long-term low in July 2012 but so far hasn't reclaimed more than a quarter of its pre-financial crisis value under the new management. One of the reasons is that Barclays hasn't managed to show what it is all about in 2012. The share of reports primarily dealing with products, services and customer relations in FT and FTD between January and September 2012 was just 2.2 percent. Regarding tone for products and services on TV news Barclays' image was worse than the industry average.

Unlike Barclays, BNP Paribas and Bank of America did better regarding their media image in one of the world's most

influential financial publications. A fresh approach in communication from new CEO Jean-Laurent Bonnafé at BNP emphasized significant cuts in bonuses and BNP's services to the real economy as drivers of stable results in commercial and retail banking. A six per cent share of coverage on products and customer services underpins this.

Bank of America's image saw a slight drop in recent months following positive news about a business turnaround in the first quarter of 2012. However, streamlining operations and settling with customers were largely seen as the right things to do by business journalists, but it remains to be seen what the impact of the US\$10bn mortgage settlement in January 2013 will do to the media image of Bank of America.

JP Morgan in trouble

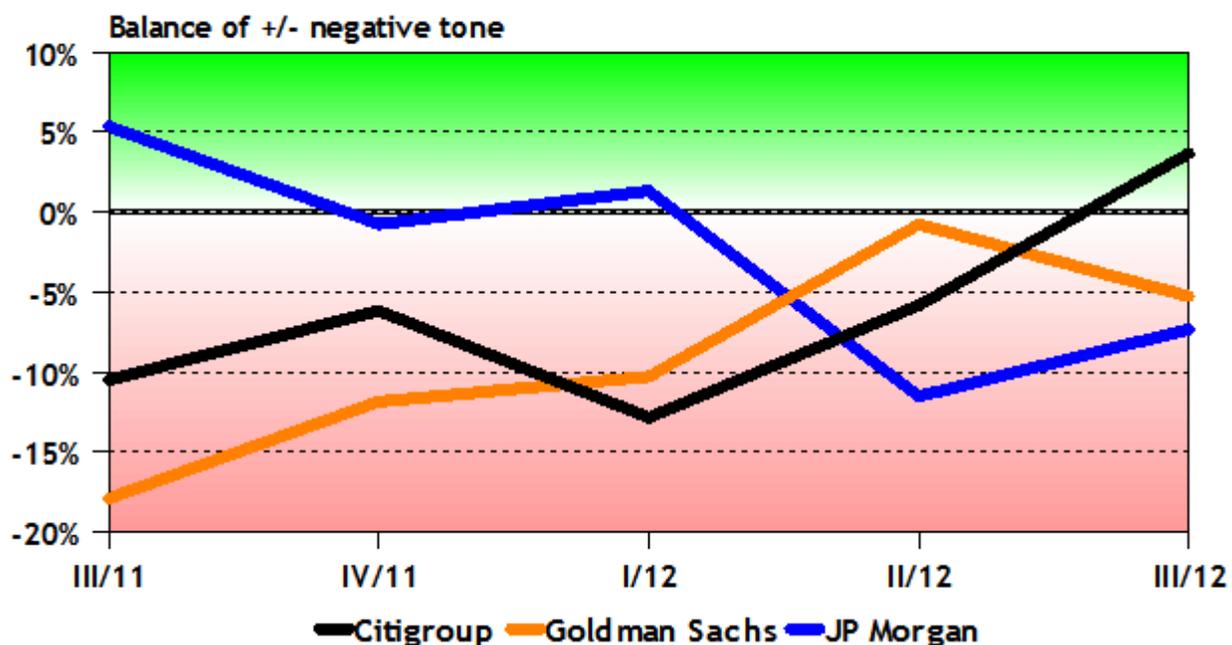
JP Morgan has done comparatively well regarding its image through the larger part of the recent financial crisis. Its analysts were often quoted on other banks and financial institutions' strength regarding the impact of stress tests and regulatory changes. However, the bank has faced a significant drop in its media reputation in 2012 based on news about a trading scandal costing the bank \$4.4bn and leading to the resignation of chief investment banker Ina Drew.

Even before the unveiling of the scandal, JP Morgan's CEO Jamie Dimon was grilled by star analyst Mike Mayo from CLSA about the business strategy

in light of mounting investor frustration.

Goldman Sachs is a buzz word for the media. Following a series of scandal-related news in recent years, including the \$550M settlement on fraud allegations with the SEC, the tone of coverage has improved slightly despite the revelations of former Goldman Sachs banker Greg Smith in his article in The New York Times in March and the launch of his related book later in 2012. The accusations mentioned in the news and in Smith's book hardly came as a surprise to the media, and journalists were more focused on current scandals like JP Morgan's trading loss.

Tone of rating in the FT: Citigroup, Goldman Sachs, JP Morgan 7/2011 - 9/2012

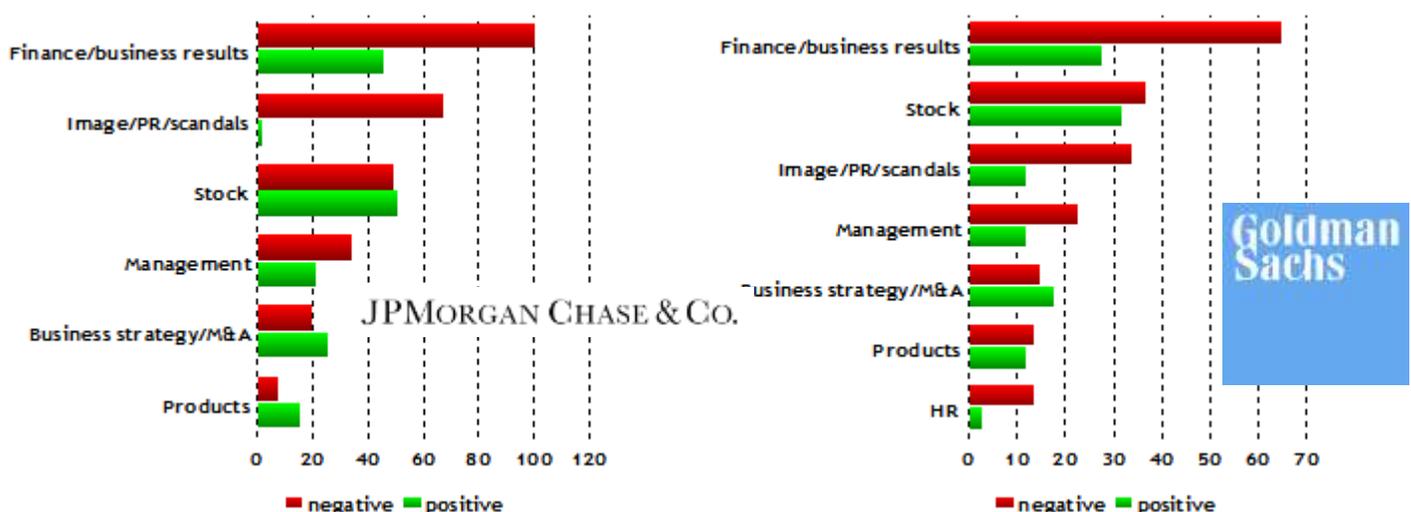


Goldman Sachs's image displays some signs of consolidation

Furthermore, Goldman Sachs managed to attract 8 percent of its coverage on customer services and another 21 percent on its research and, very importantly, a balanced tone of rating. Its CEO, Lloyd Blankfein, managed to largely stay out of the TV news and emphasized Goldman's attempts to re-connect with civil society, e.g., with its pro-LGBT policy. Still, however, Goldman Sachs's image isn't an invitation to do business with the company, and the company has lost its sterling image as being the most successful specimen in the industry.

This makes it less appealing for business partners and journalists, which have judged Goldman Sachs more by its financial performance than by its moral standards over a long period (see: FT 3/20 "Morgan Stanley offers a vital lesson for Mr. Blankfein"). Looking on the other hand at the continental European banks, UBS and Credit Suisse have been global financial powerhouses sailing through stormy waters in the aftermath of the financial crisis. Both have seen an improvement in the tone of rating between Q3 2011 and Q1 2012.

Positive and negative reports on selected image criteria FT / FTD 7/2011 - 12/2012



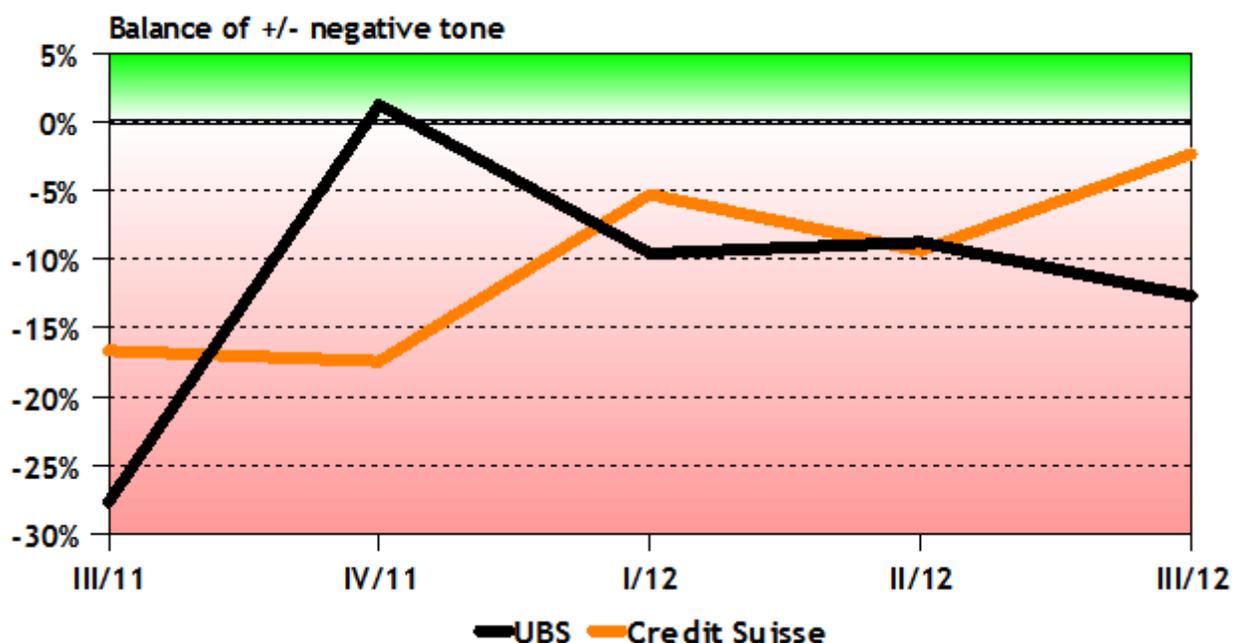
Credit Suisse on track for image recovery, UBS on hold

However, unlike Credit Suisse, UBS hasn't been able to improve its image since then despite all efforts taken by its new chairman Axel Weber and CEO Sergio Ermotti. News coverage around the bank's annual shareholder meeting clearly demonstrated how vulnerable UBS's image is with extensive reports about shareholders voting "heavily against proposals by the board and top management on pay and corporate governance" (FT 5/4/2012).

Additional negativity resulted from the beginning of the trial against former UBS banker Kweku Adoboli alleged to be responsible for the \$2.25bn trading loss the bank faced in 2011. And the fourth quarter of 2012 saw the media focus

again on tax evasion with related negativity, despite the bank, like many other Swiss banks, having already changed its policies on accepting dirty money as a report by Handelsblatt demonstrates ("Willkommen im Weiß geldparadies", 9/18/2012). Credit Suisse's image showed signs of improvement over the course of the past 15 months but the bank faced similar reputational threats. However, media reports about asset sales to shore up the equity base kept speculation about the financial strength of Switzerland's second largest bank alive and may bar potential clients from making use of the bank's services in future.

Tone of rating in the FT: UBS, Credit Suisse 7/2011 - 9/2012



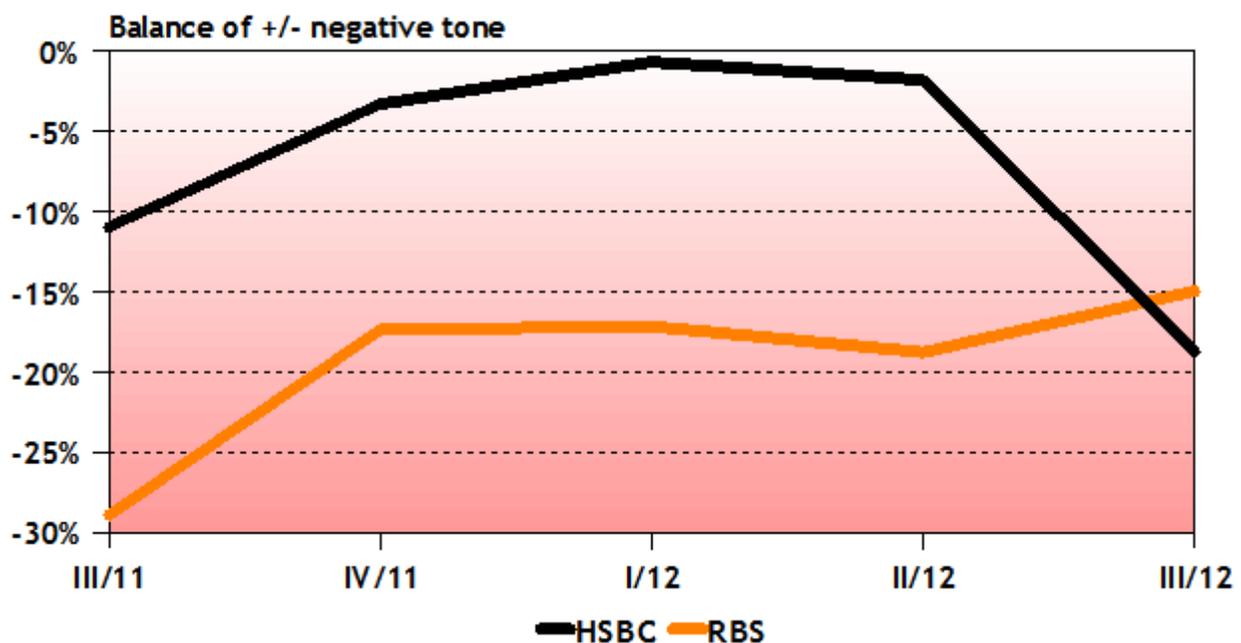
HSBC and RBS with mixed fortunes

Other big UK banks have had mixed fortunes recently. Lloyds TSB's image was hit by a series of scandals. HSBC had a good start in 2012 on news about full-year results and the growth of its Asian business. However, the bank's image took a dive in summer when allegations about decade-long money laundering activities hit the news and the bank announced a \$2bn charge in semi-annual earnings to cover the financial consequences. HSBC's image is too dependent on strategy and financial news to display its value for customers. Only 4.8 percent of coverage in the FT was linked to services and customer relations. RBS has seen slow progress regarding its image in 2012 but still

ended up at a -15 rating in Q3 2012 and its recent failures, such as the famous IT breakdown that denied customers access to their own money as the FT phrased it on 07/02/2012.

Summing up this brief look at the image development of some of the world's most influential banking brands, it emerges that no power house yet has been able to make the fundamental restart visible, leaving the past behind and acting as a role model for others. Consequently, the industry remains vulnerable in light of more negative reporting linked to public prosecution, regulation and, last but not least, financial stability concerns as published by credit rating agencies.

Tone of rating in the FT: HSBC, RBS 7/2011 - 9/2012



Learning from Warren Buffet

When it comes to trust in people it is about providing experiences, not just once, but over and over again. Good experiences regarding CEOs of global banks, however, cannot be made by personal interaction, but rather by looking at how politicians and other successful leaders gain trust through communication.

As an example, take Warren Buffet who has run a multi-billion dollar enterprise for the better part of his 82 years. His philosophy has been made clear right from the start and is known as the “value investment approach.” He does not shy away from self-criticism should investments turn out to be fruitless, and it seems he has clear principles regarding leadership, transparency, and

governance and sticks to them. On the other hand, the trouble with many banks is that their CEOs and chairmen have not yet made clear what their future course is about and have not yet achieved a track record on governance and transparency. However, ducking away until one’s problems are solved is not going to work as news reporting about the banks continues.

Consequently, communicating is better than not communicating, and interviews are usually appropriate in order to answer questions and raise issues. Furthermore, it shouldn’t be the exception but a typical thing that entrepreneurs, including bank managers, participate regularly in TV talk shows.



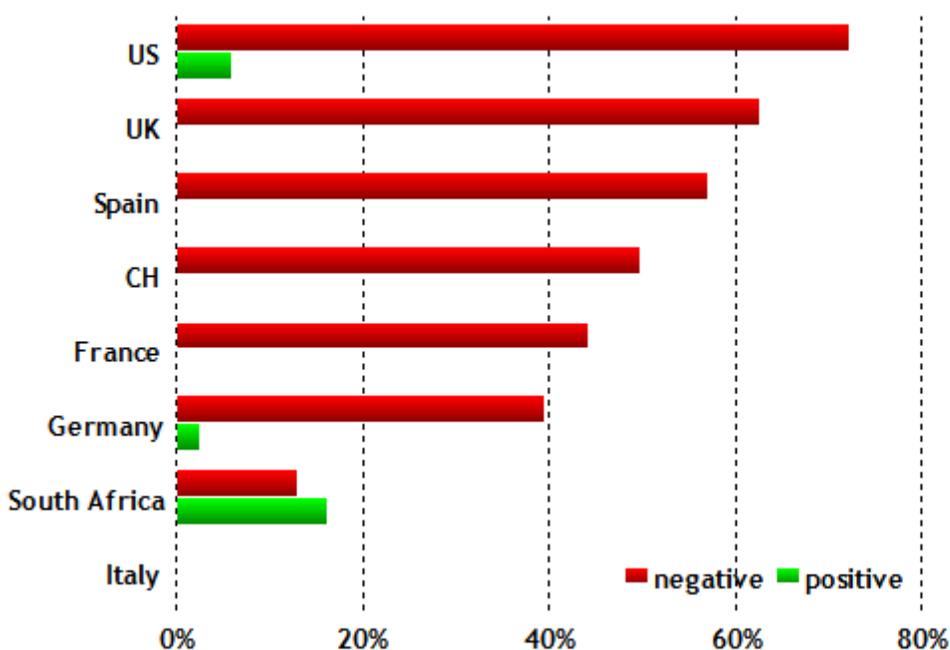
Re-learning respect: talking of clients, not “muppets”

Leading bankers have spent substantial efforts in communicating on strategy and regulation in recent years in order to regain investors’ and regulators’ trust. However, a rising stock price is the consequence of successful business and not vice versa. Analyzing the news coverage on banks in international TV news, it is striking to see the level of negativity when it comes to news reports on customer relations and products. Apart from Italy and South Africa, the media analysis displays a share of 39 to 72 percent for negative ratings regarding products and customer relations between July 2011 and June 2012. This is a slight improvement over previous years’

reports (see *Trust Meltdown III*), but still acts as a reminder to customers to always read the label or, more importantly, the fine print before doing business with a bank. Regarding results, clear communication about banks’ products and services in plain language is an ongoing task.

Customer relations in this context means more than the right product. It also means appreciating customers, something which seems to be non-evident in light of reports about customers being labeled as “muppets.” A Google search of “Goldman Sachs” and “muppets” brings up close to one million hits - a clear indicator that language does matter.

Tone of rating banking industry: Products and customer relations 7/2011 - 6/2012



Reading the writing on the wall and taking action

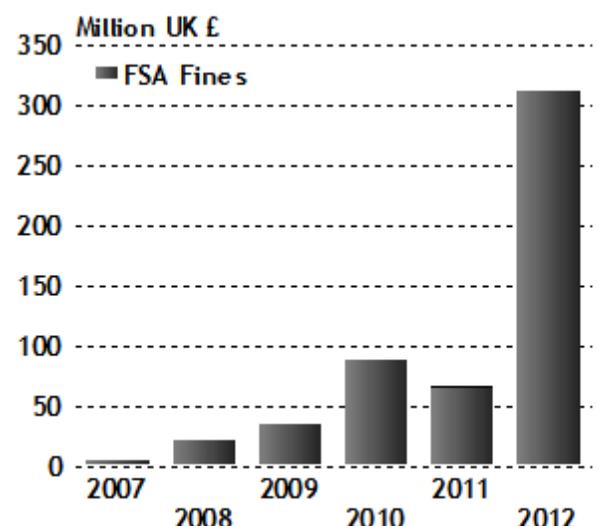
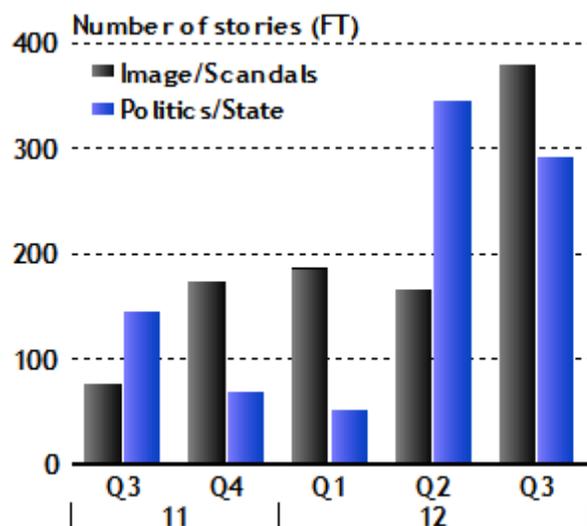
Rethinking communication, banks must stop sugar-coating their news. The number of reports on image scandals as well as regulation and prosecution has exceeded the number of reports on products and customer relations from banks in 2012.

Authorities have turned to increasingly aggressive language and actions as can be seen by the volume of FSA fines given to banks in 2012 compared to previous years. A restart in communication means reading and understanding the writing on the wall, getting rid finally of improper incentives, rewarding the right things, and communicating about financial

products which meet the needs of private and corporate customers in a world with high volatility and low interest rates.

The following chapter goes into additional detail regarding the reputation risks and challenges for one of the largest banks, HSBC. It starts with a glance at analyst sentiment towards the industry and HSBC. It continues with a more in-depth analysis of the international TV news and ends with a drill-down into HSBC's image and related negative trend since the beginning of 2011. Some advice on basic principles of reputation management is included.

Presence of selected topics in the Financial Times on the banking industry 7/2011 - 9/2012 / FSA Fines 2007 - 2012



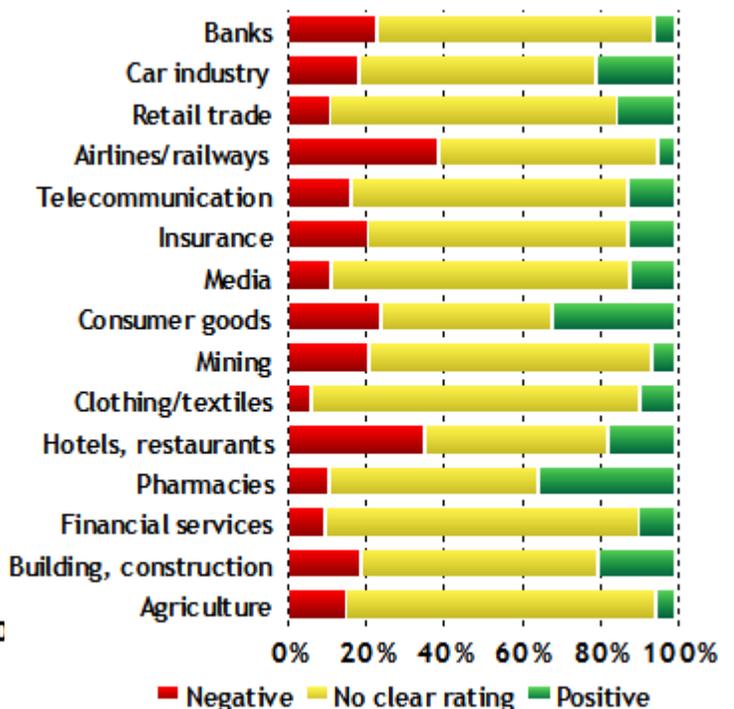
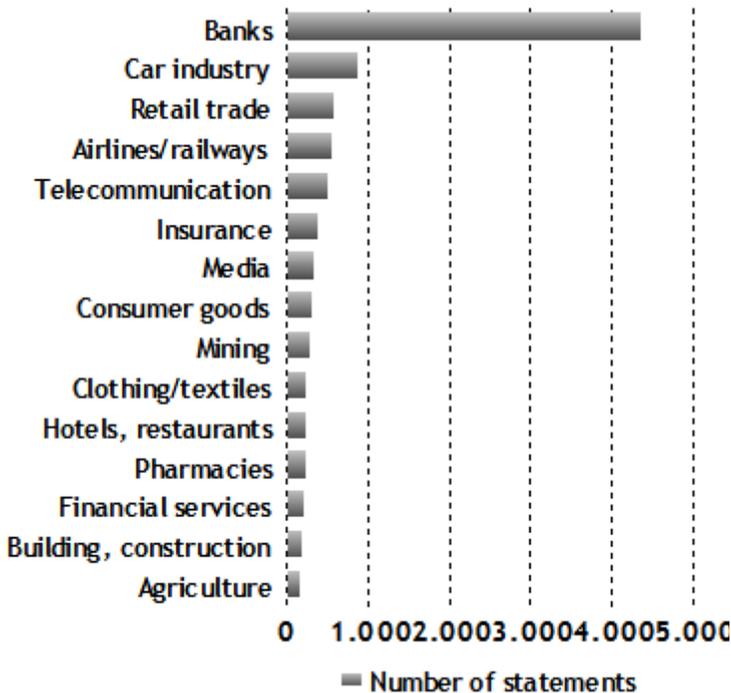
Analysts skeptical on banking sector

Sector in spotlight, tone remains negative

Equity analysts and rating agency analysts have been quoted more often on banks than on any other sector by the leading international media. This is a reflection of the media's continued focus on banks. However, analysts' tonality on the banking sector remains unenthusiastic and caution prevails. When even financial analysts take such a cautious stance, it comes as little surprise that journalists also remain reluctant to portray the sector as being back on track.

Analysts stressing risks relates to several issues, among them the European sovereign debt crisis as well as uncertainty surrounding regulation and future capital requirements. The continued discussion on systemic risk has raised concerns over future business models as well. Another source of uncertainty is the image of banks and their acceptance in the public sphere. Analysts take their cue from Goldman Sachs's claim that bad press is now a major business risk.

Visibility and tone of analyst quotes by sector 05-10/2012



Analyst quotes signal threats to HSBC image

Uncertain impact of scandals, narrow topic base

With media focused less on actual corporate results than on whether market expectations have been met, analysts' quotes play a pivotal role for a company's image.

There are some threats to HSBC's reputation signaled by analyst and rating agency quotes in opinion-leading international business media, including the Financial Times, The Wall Street Journal and Les Echos.

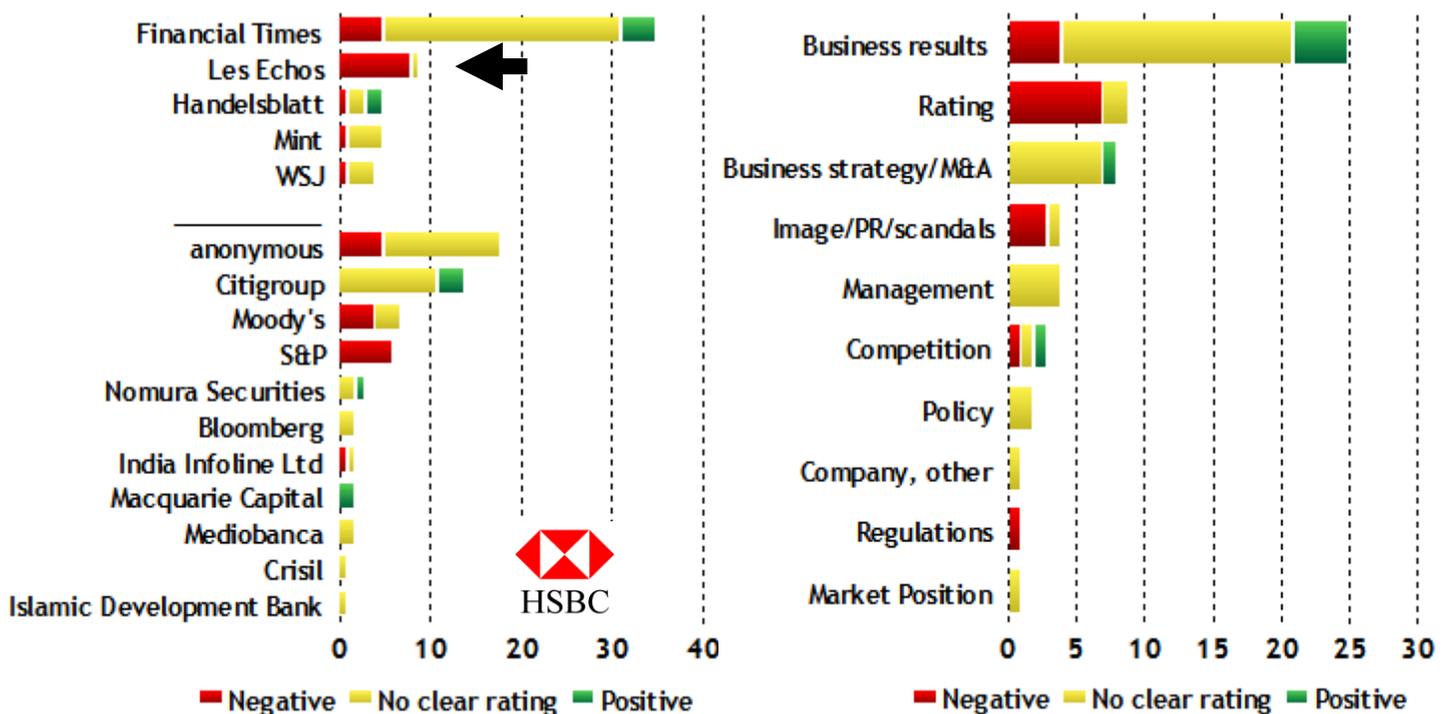
On the positive side, media have quoted favorable analyst statements

regarding HSBC's progress in reaching its cost cutting targets (e.g., Handelsblatt 5/18/2012).

Clearly negative, however, have been reports about scandals and their likely impact, including changes in the regulatory and compliance landscape (e.g., FT 7/13/2012). HSBC is also at risk regarding investor relations because analyst quotes don't go into any detail regarding HSBC's main value drivers such as its global presence in private banking.

Analysts' quotes on HSBC by media, source and topic

5-10/2012



Sector remains tarnished by scandals

Topic structure and tone emphasize sector risks

Fixing the banking industry's image problem starts with analyzing the key concerns: Regulation, financial strength, litigation and allegations of improper selling, management issues and the lack of a sustainable strategy. Negativity concerning the policy environment and regulation is here to stay, at least for a while. A lack of proactive regulation has been identified as a major trigger of the crisis and governments lack funding for a second round of large bail-outs. The banking

sector needs to come up with credible international solutions for regulation. Negativity surrounding financial results is primarily a matter of expectation management. After deep cuts in profitability, the industry has failed to successfully establish new benchmarks adapted to the new normal. Regarding management, integrity has been questioned especially for CEO bonuses at companies that received state bailouts. Bonuses need a link to reputation to jump-start change.

Coverage of the banking sector in international TV news: Topic structure, 01-12/2011

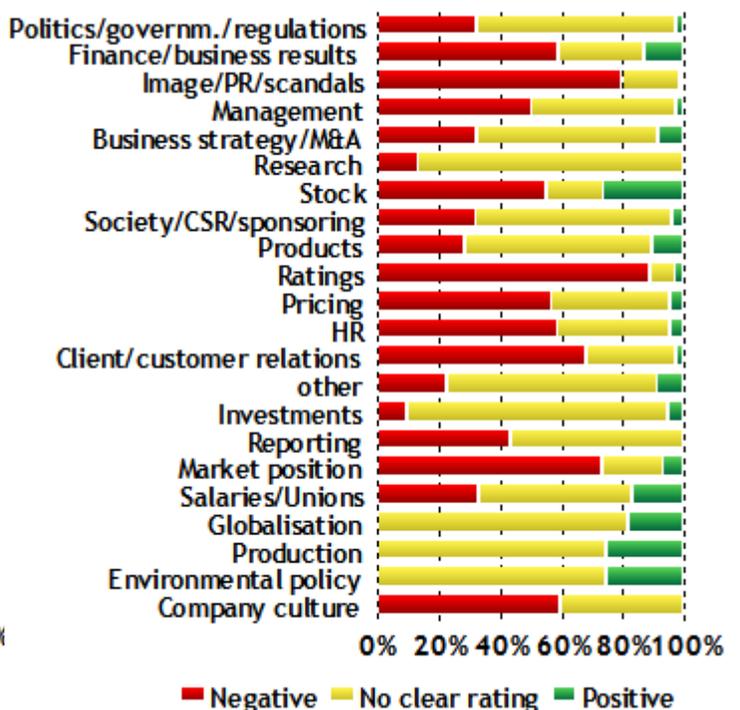
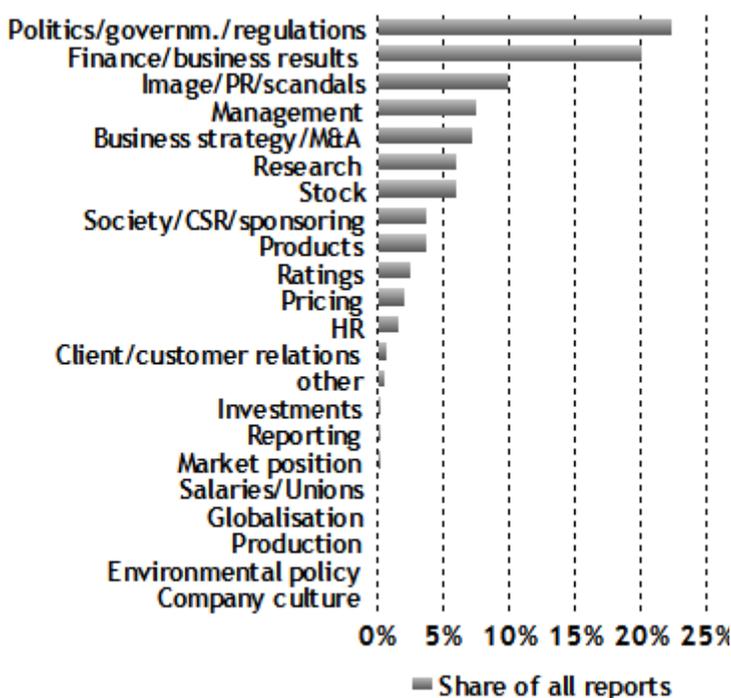


Image crisis acute in many markets

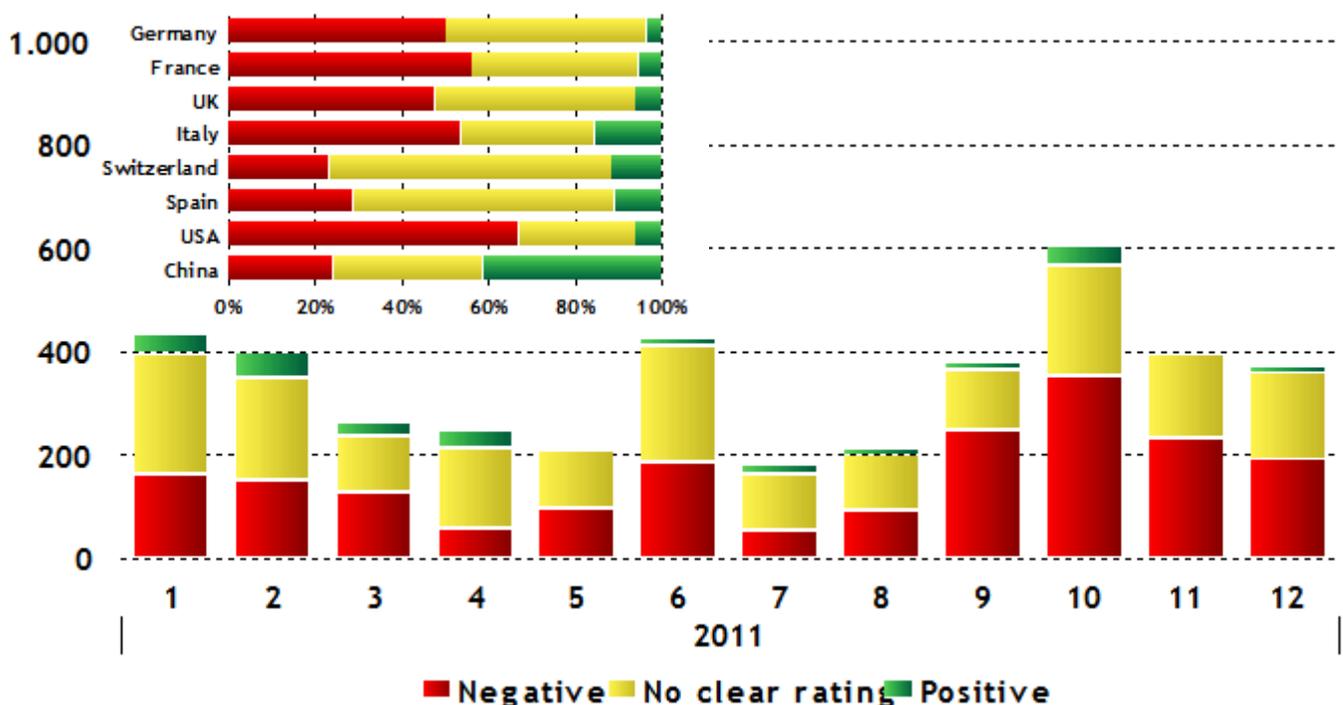
Better communication of new business model needed

A positive reputation is characterized by more than 20 percent positive ratings and less than 10 percent negative ratings. The banking sector failed to reach this benchmark in all analyzed countries in 2011. The surplus of negative reports ranged between 22 and 65 percent.

Global banks like HSBC need a thorough understanding of public and media sentiment in all key markets, in order to address the right topics and thus protect and rebuild their reputation.

Media Tenor's research shows that a company's media image needs a minimum of nine months to recover from a major blow once the issue is solved. However, our time line analysis shows that criticism of the banking industry has not come with single events, and therefore normal rules of crisis management don't apply. Instead, the media is interested in learning about the new business model of banks that addresses political, regulatory, customer and investor concerns.

Visibility of the banking industry in TV news Breakdown by markets, 01-12/2011



HSBC's image deteriorates in 2011

Low visibility allowed single scandals to dominate

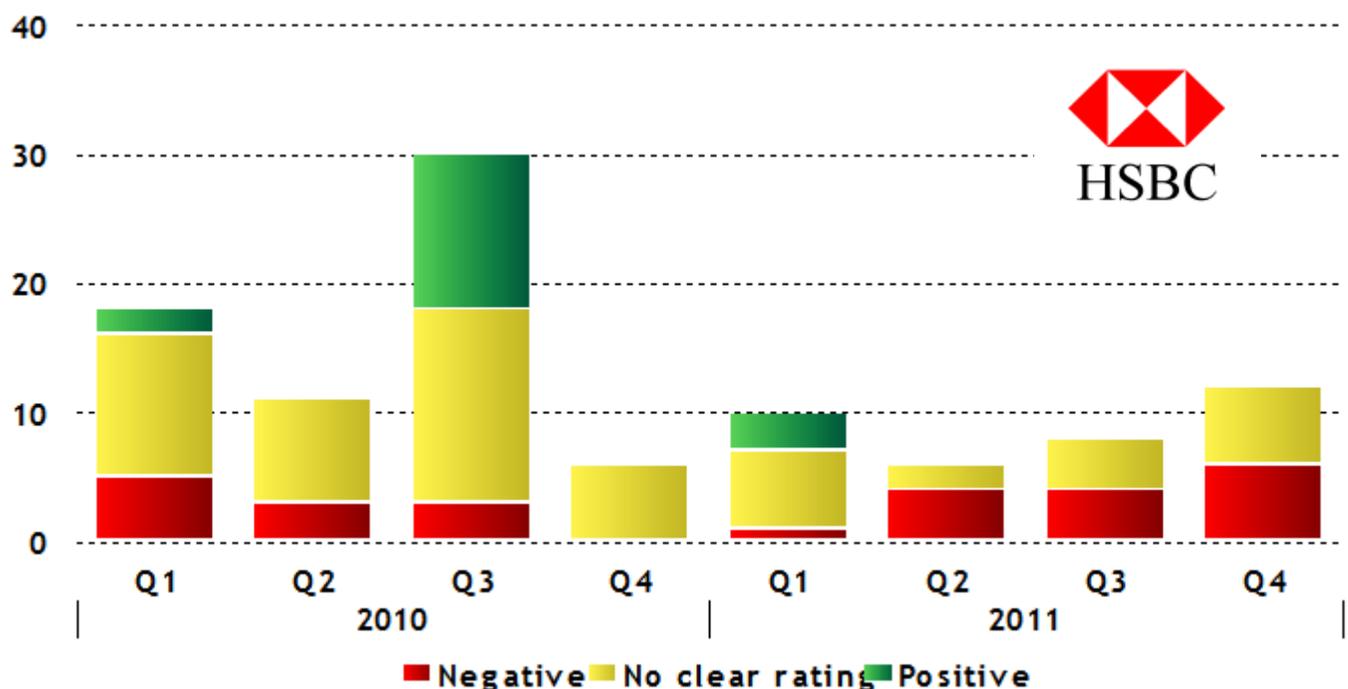
Up until the third quarter of 2010, HSBC weathered the storm of negativity surrounding the banking sector remarkably well. Since then, however, its media image deteriorated significantly, even before recent money laundering allegations put the bank into the spotlight in the U.S. and many other markets.

One reason for the significant impact of bad news on HSBC's image is the moderate level of overall visibility. As a result, a rash of reports on improper selling allegations (FSA/senior citizens)

in Q4 2011 easily eclipsed other coverage. Earlier on, a client data scandal similarly weighed on HSBC's image.

A minimum level of visibility is a precondition for effective communication and for the setting or changing of media agendas. Regarding HSBC and the banking industry, the media is impatiently waiting for more news about changes: changes in values, changes in corporate culture, changes in incentives and changes in business models.

Volume and tone of HSBC Group coverage in global TV news Timeline 01/2010-12/2011



No key player meets benchmark

Sector-wide negativity requires improved image strategy

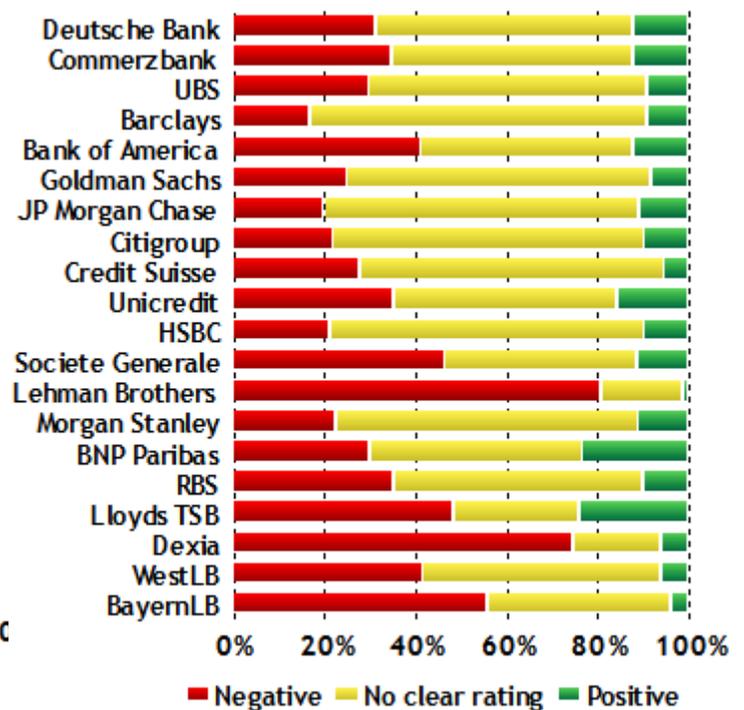
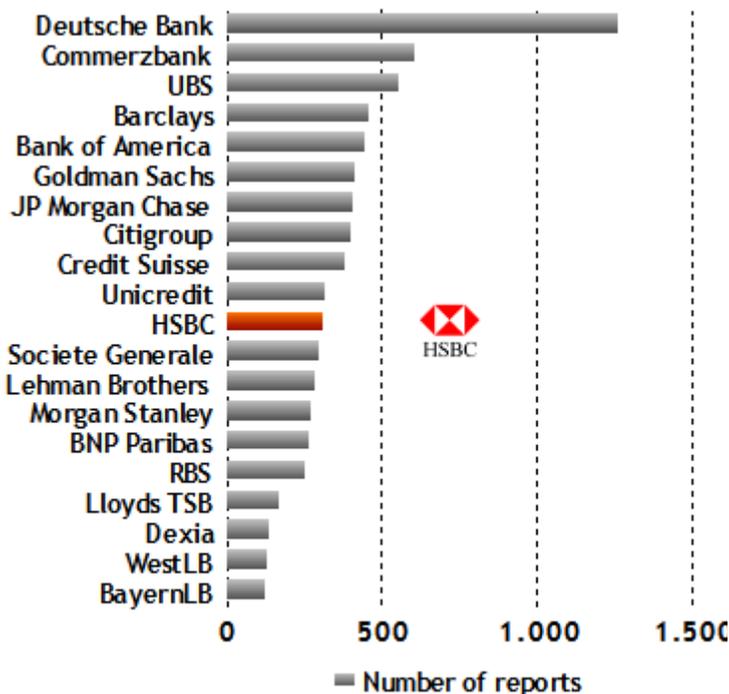
Adding leading business papers like the Financial Times and the Financial Times Deutschland to the international TV news data leads to a somewhat more balanced tone of analyst and expert quotes. Still, no major bank meets our established benchmark of at least 20 percent positive and less than 10 percent negative coverage.

Deutsche Bank's tone, for example, was depressed by the power struggle to succeed Josef Ackermann, litigation concerning interest-rate swaps, and the bank's investments in Las Vegas. Commerzbank suffered from lasting doubts regarding its financial strength,

UBS from losses due to unauthorized trading, and BofA from racism charges as well as its broken promise not to need further equity capital.

This list can be continued. The media no longer regards a scandal in the banking industry as a singular event at an individual company, but frequently blames "the banks" and "the bankers." Regaining trust means keeping promises, telling the story of how today's HSBC is different from yesterday's "bankers," and how its operations are supporting the world economy and consumers in a sustainable way.

Coverage of HSBC in international TV news and elite business media, 7/2011-12/2011



HSBC needs broader spectrum of topics

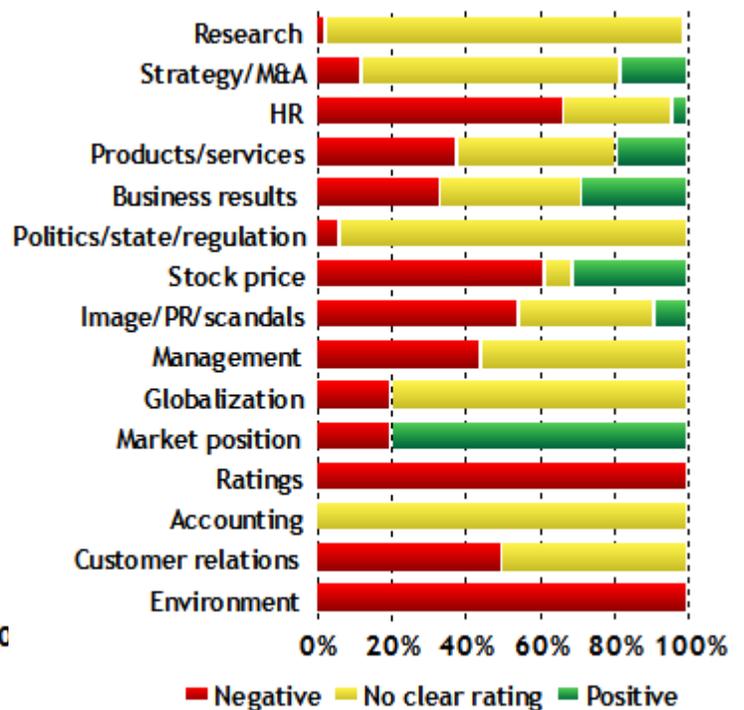
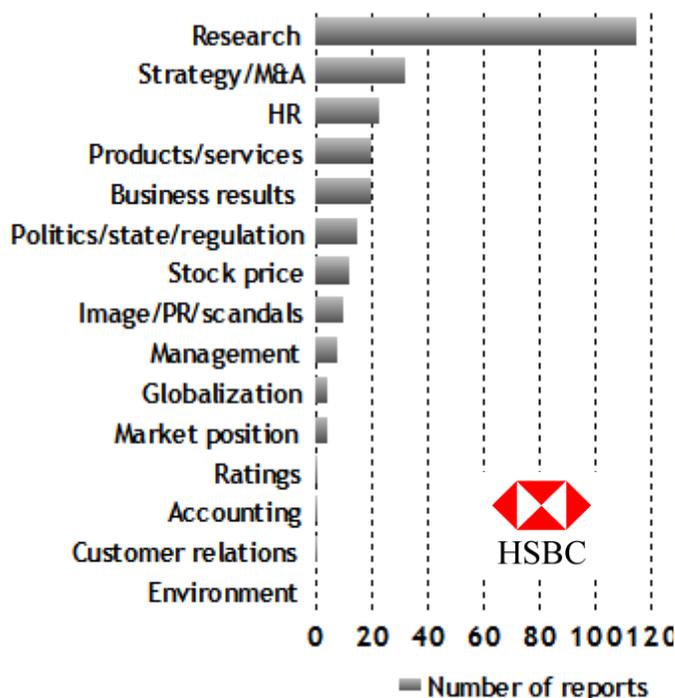
Research is strong, management almost invisible

HSBC's strong research department communication has substantially supported brand visibility and helped present the company as an expert on markets and the economy. Expert status is a precondition for trusted client relations.

Analyzing the other important value drivers of HSBC's media image displays an urgent need for improvement in areas such as HR (workplace environment), products and services

(e.g., high-quality products), and sustainable financial performance. Media Tenor's research with Bain & Company and TNS Emnid has demonstrated that a good media image on financial performance and customer relations and products has a vital impact on the Net Promoter Score™ which itself is a driver of future sales. HSBC's management is too low profile in the media to have any clear effect on the corporate image.

Coverage of HSBC: Topic structure, 7-12/2011



NYSE stocks dominate media coverage *DAX 30 stocks have strong relative visibility*

Media coverage of constituent members of major stock indexes varied in both tone and volume during the second half of 2012. The most visible 100 stocks listed on the New York Stock Exchange received the greatest levels of awareness overall. Meanwhile, the members of the NASDAQ 100 received only a little more than half as much coverage.

Indexes, such as the DAX 30, ASX 40, and JSE 40, with fewer members, had lower visibility. However, the DAX 30 companies managed to receive far greater levels of awareness than either the Australian or South African firms. Tone for the index member companies was similar, with the exception of the JSE firms which faced strong negativity.

Visibility and tone of coverage member companies by stock index, June - December 2012

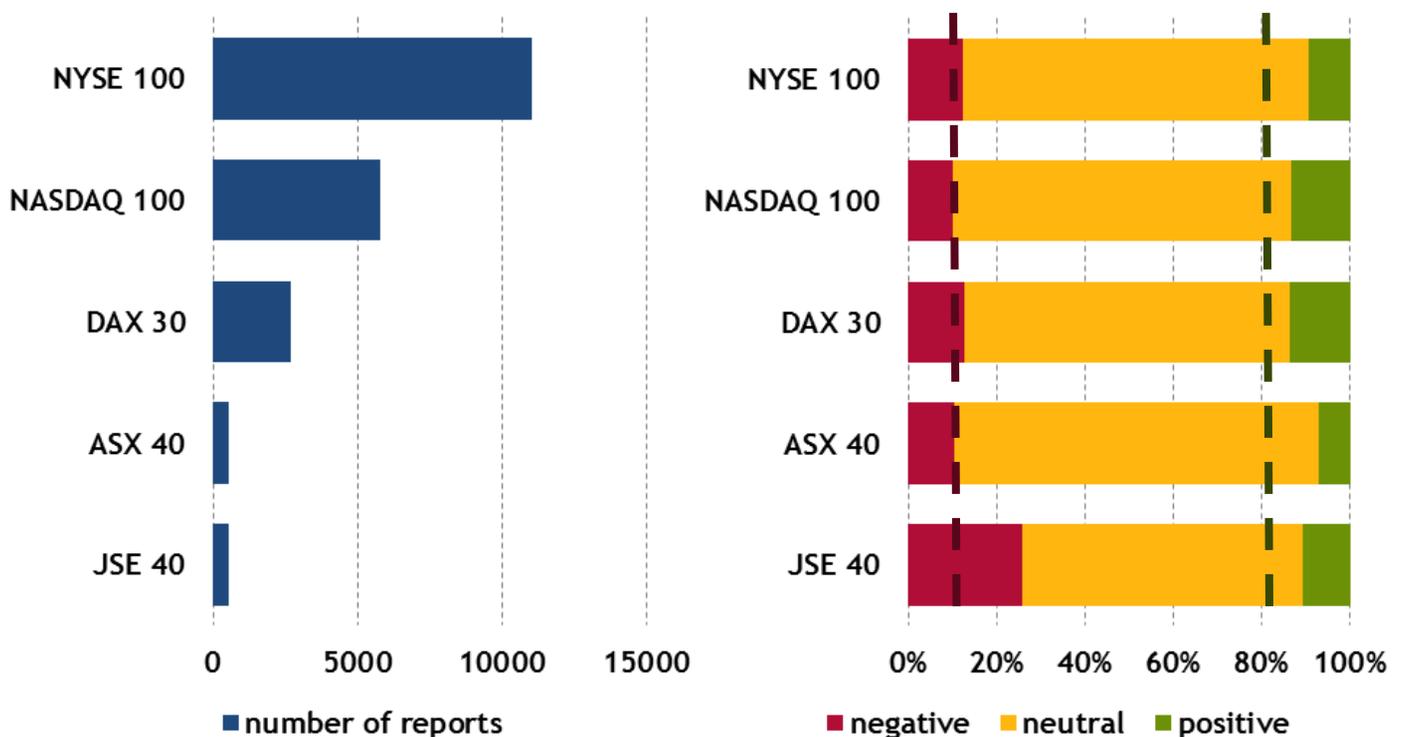
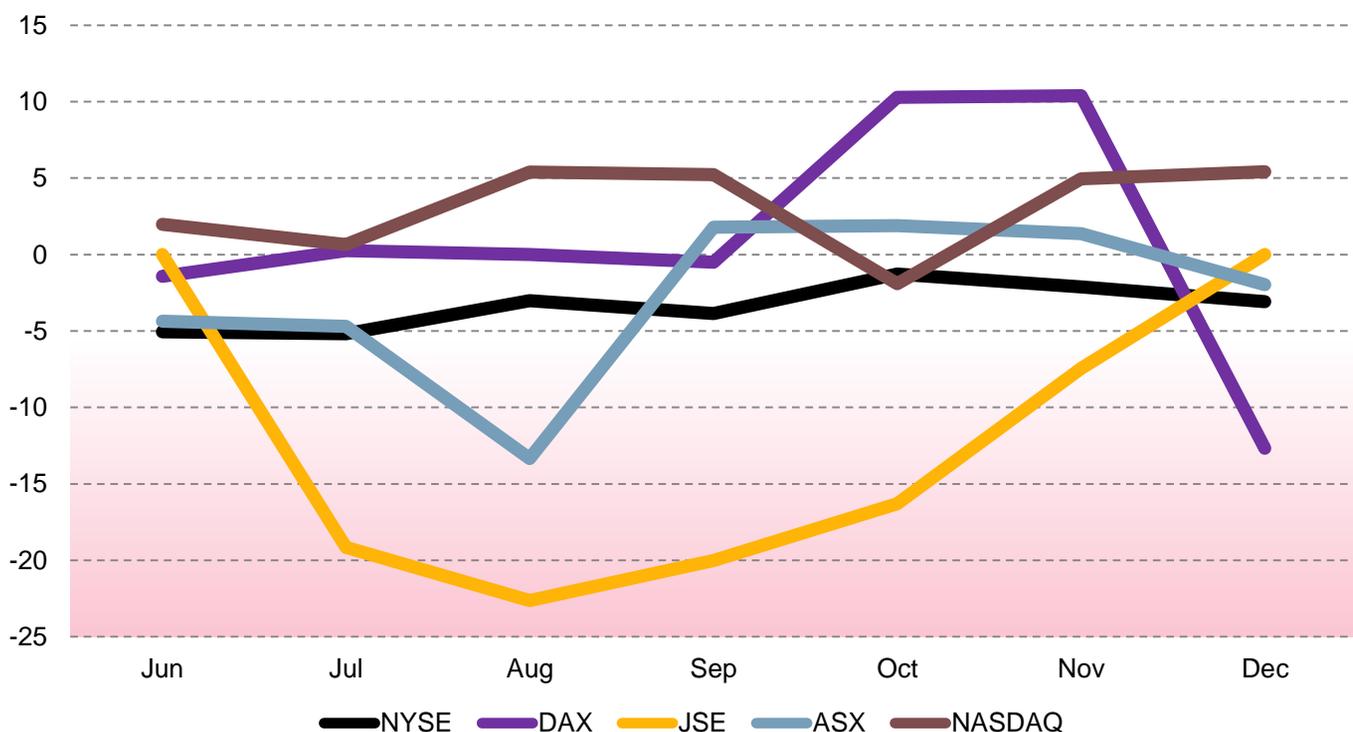


Image of NYSE stocks stays steady *Others have volatile image because of low visibility*

Media tone on NYSE member stocks was consistent during the last seven months of 2012 with a very slightly negative image. The aggregate image of the member companies in other stock indexes was far more volatile, however. For the ASX 40 and JSE 40, this was a function of low levels of awareness which meant single reports were able to have a significant impact on the

overall image. For the NASDAQ 100 and DAX 30, greater diversity of focus would have helped smooth volatility. With a limited group of companies dominating the coverage, the images of these indexes was highly dependent on a small number of firms. For NASDAQ, this was Apple. For the German DAX it was Deutsche Bank.

Coverage tone for member companies, June - December, 2012

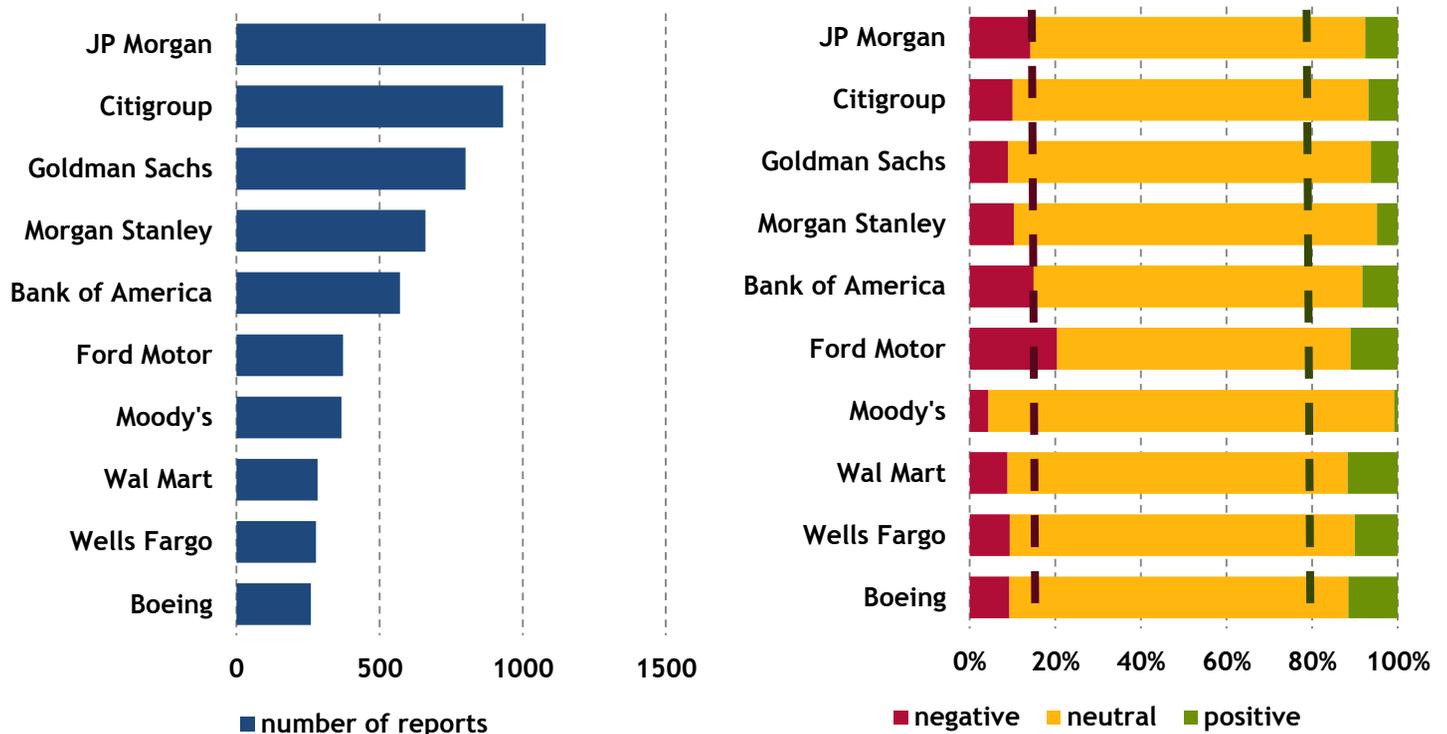


NYSE leaders stable, but can improve Banking industry leads NYSE visibility

Banking firms led visibility amongst those companies that trade on the New York Stock Exchange because they are visible both as investment objects and as expert sources on other firms. None of the most visible companies were able to achieve tone targets of both more than 20% of coverage being positive and less than 10% of coverage

being negative. While some, like Moody's, were able to comfortably stay under the negativity threshold, most others were at or over the line. For banking firms, continued fallout from the trust meltdown was a key part of the problem, but others also struggled, including Wal Mart, which faced image negativity on HR issues.

Visibility and tone of coverage NYSE companies, June - December 2012

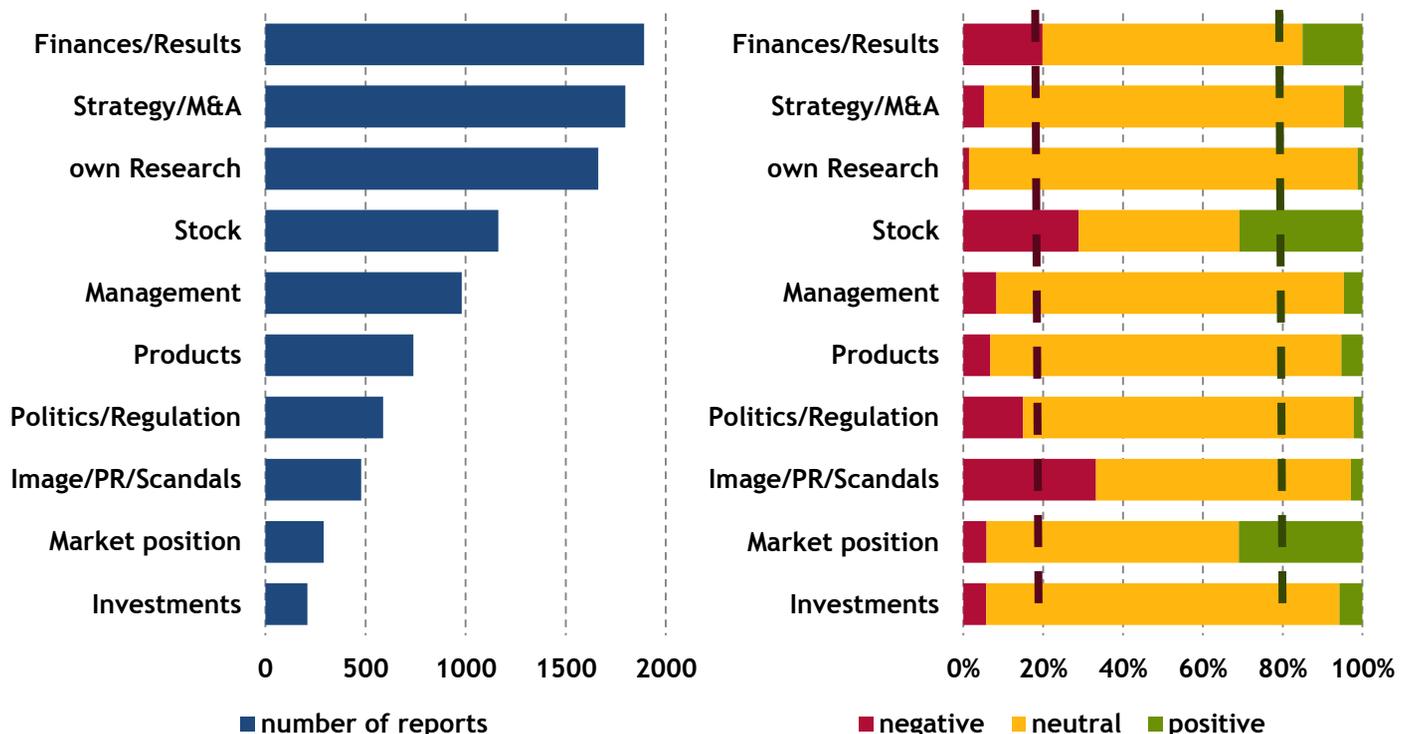


Financial results dominate NYSE coverage *Strategy, research provide a more balanced picture*

Media coverage on the leading companies that trade on the NYSE covered finances and results most prominently. However, coverage of the strategies these companies employ in order to achieve their results was also strongly visible, and indicated companies were effectively communicating large parts of their stories. Research,

including company comments on peers, also represented a large share of coverage. Companies faced excessive negativity on results, stock price fluctuations, regulatory issues, and corporate scandals. Only when it came to market position did NYSE companies meet image goals, reflecting how the media focuses on market leaders.

Visibility and tone of coverage NYSE companies by topic, June - December 2012



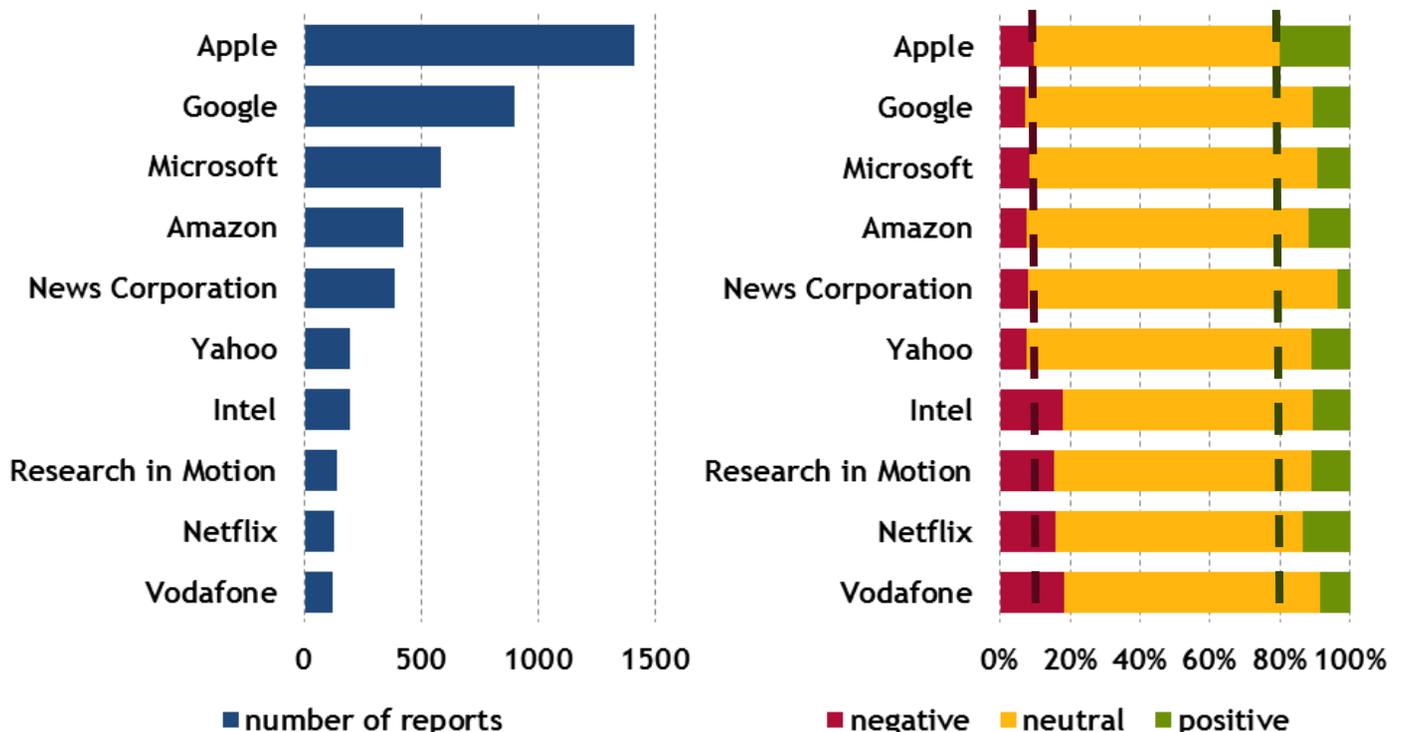
NASDAQ coverage has narrow focus

Few companies outside of tech space are visible

Over 77% of elite business media coverage on NASDAQ 100 companies in the second part of 2012 focused on the top ten most visible firms. Apple alone accounted for almost 25% of all coverage on NASDAQ 100 companies during the period. Unsurprisingly, tech companies dominated NASDAQ 100 coverage overall.

The most visible companies were received fairly positively by the media, although some did exceed negativity targets, and only Apple met targets for positivity. NASDAQ as an entity, however, may face risk because of the extreme focus on Apple, which has significant power in defining the NASDAQ image.

Visibility and tone of coverage NASDAQ companies, June - December 2012

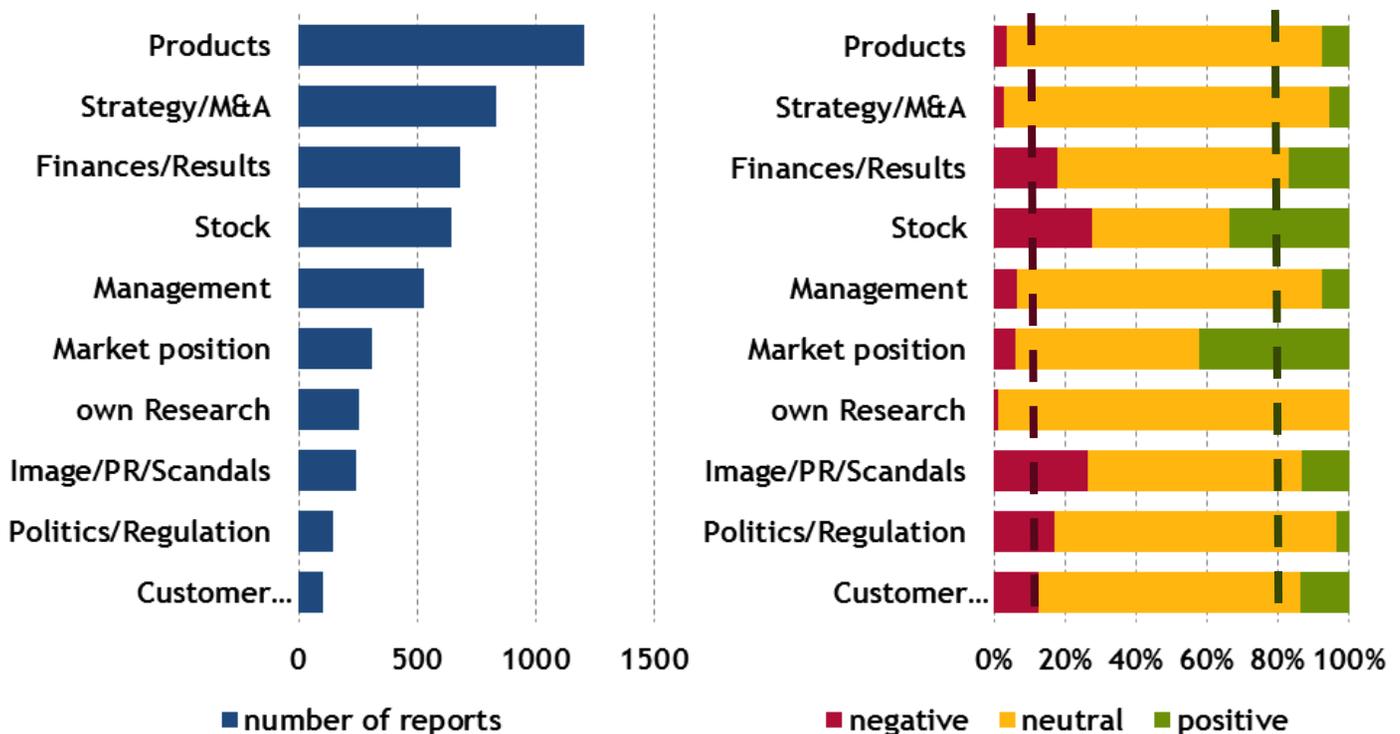


NASDAQ companies defined by products *Finances don't dominate corporate stories*

In contrast to the analyzed NYSE companies, financials were only the third most visible topic for NASDAQ 100 companies. Instead, coverage focused heavily on products (led by the popularity of those from Apple) and business strategy. This focus on products and strategy made company activities more understandable to media

audiences and showed the companies as more than just investment objects. However, like the NYSE companies, NASDAQ 100 companies faced negativity around a number of topics. They were not, for example, immune from scandals as manufacturing practices, patent issues, and the McAfee investigation were reported on.

Visibility and tone of coverage NASDAQ companies by topic, June - December 2012



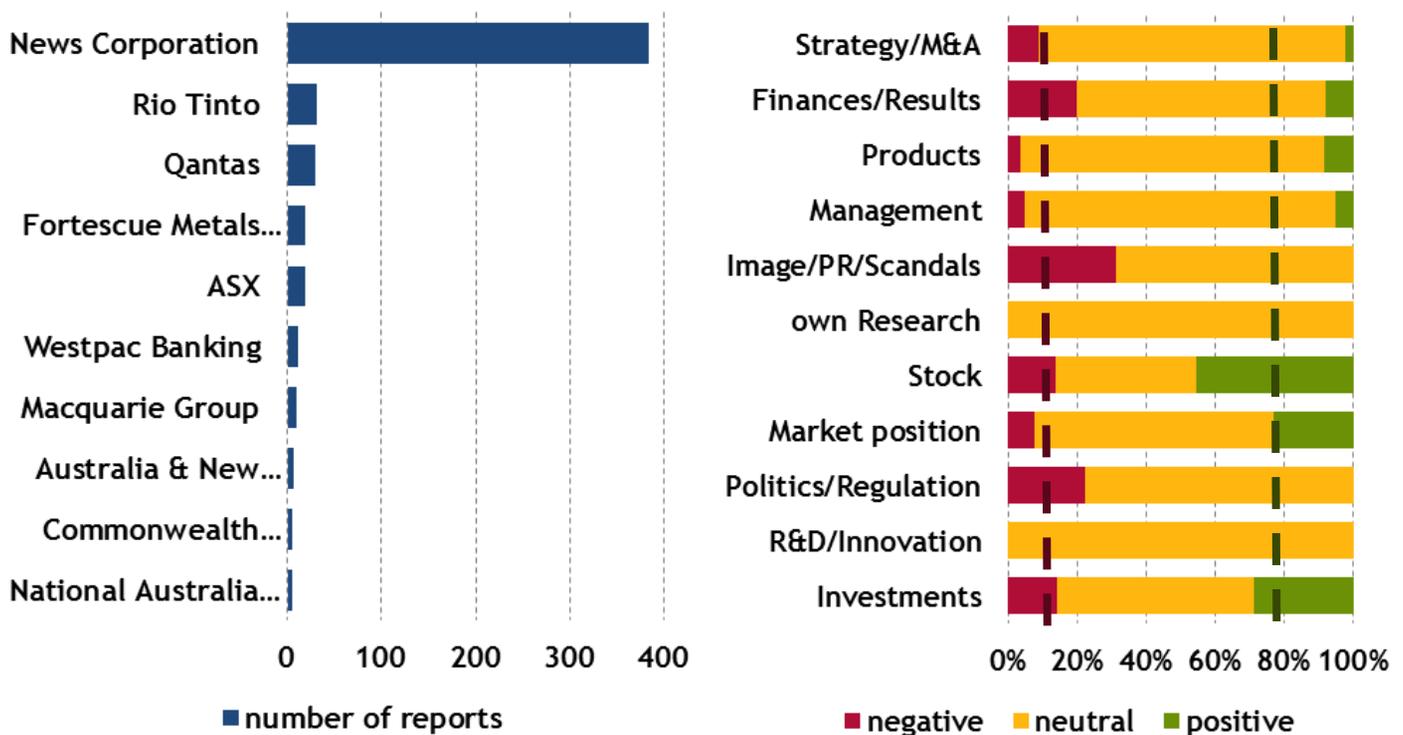
News Corporation defined the ASX

Australian companies rare in international media

Coverage of companies in the ASX 40 was extremely limited in elite business media. News Corporation alone represented over 73% of the coverage, and overall the top ten most visible companies represented over 96% of the coverage. The limited coverage volume for Australian companies created risk for many of them. When few reports are visible, a

single negative report can have a huge impact on image, creating both volatility and an inconsistency. Meanwhile, the ASX and Australian companies as a whole may wish to feel some concern about the dominance of NewsCorp. With recent scandals and Murdoch's controversial nature, being represented by this image may not be a win.

Visibility and tone of coverage ASX companies, June - December 2012

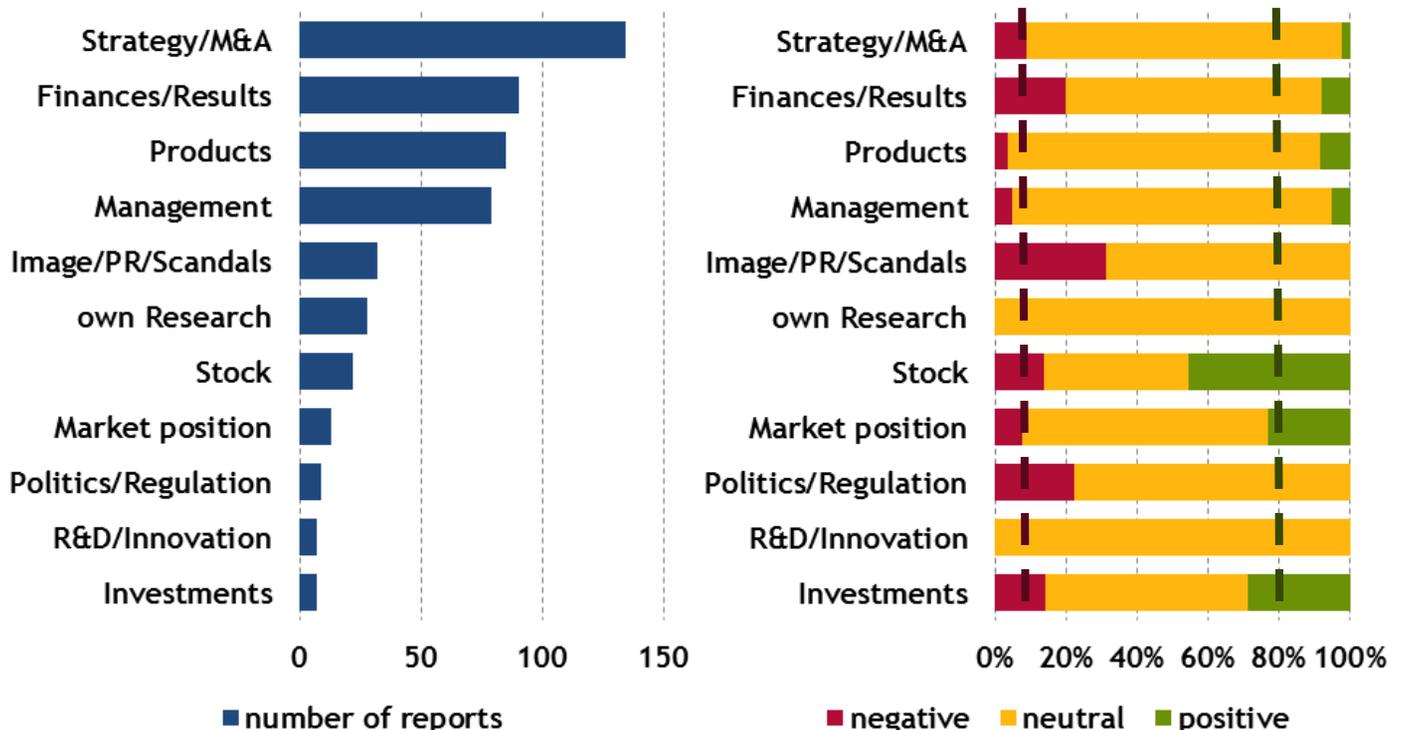


Scandal visibility a concern As investments, ASX companies shine

The relatively low visibility of most of the ASX 40 companies resulted in troubling levels of negativity on a number of topics. Scandals were often visible, in part because of controversies related to NewsCorp, but also because of the general tenor of the media, which often subscribes to a “if it bleeds, it leads” philosophy, even in business

journalism. Despite these concerns, however, coverage of the stock prices of these firms was strongly positive and reflected North American and European positivity towards Australian companies as investment objects. This was true even with high levels of negativity around both financial results and political and regulatory issues.

Visibility and tone of coverage ASX companies, June - December 2012

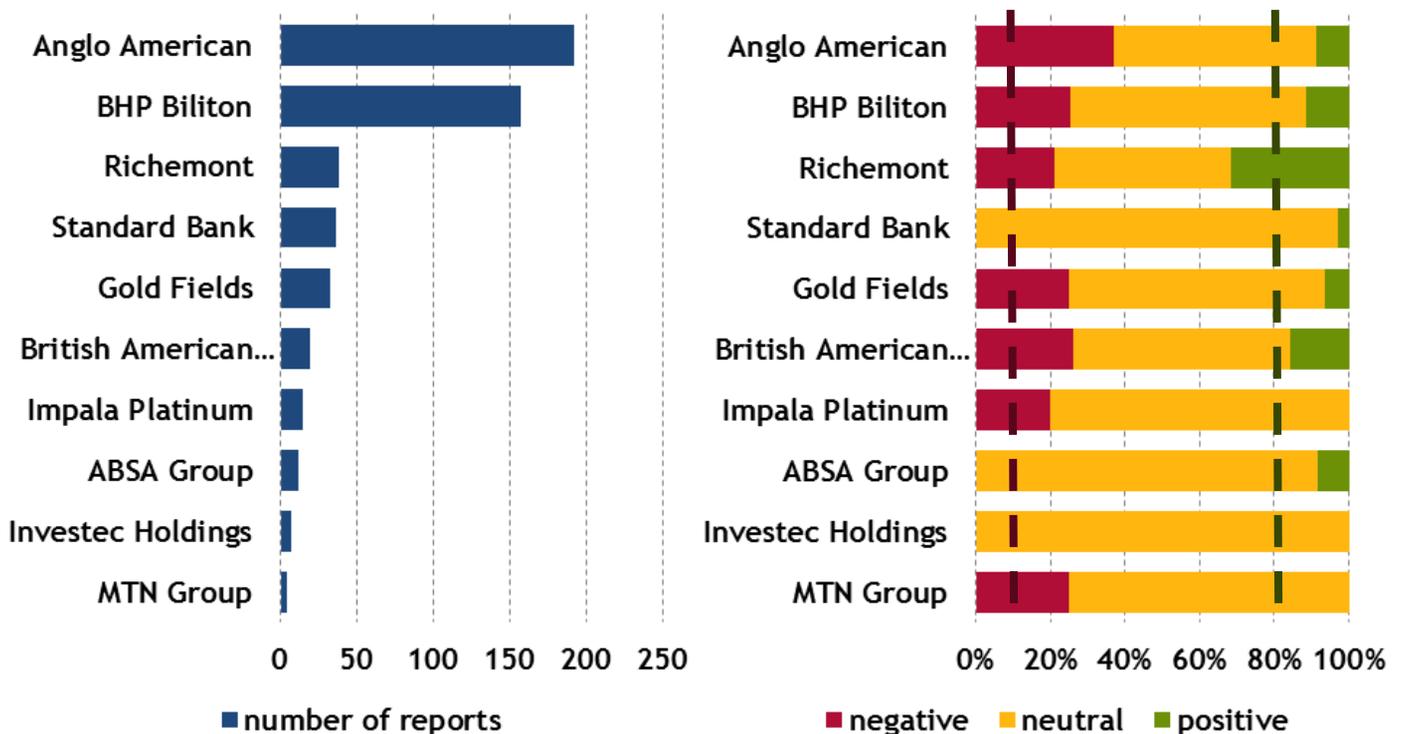


Mining defines JSE outside of South Africa Many companies facing significant image risk

Like the ASX 40 companies, JSE 40 companies had low visibility in the elite business media. Visibility for the JSE 40 companies was, however, distributed more broadly. Despite this, the ten most visible companies accounted for over 95% of the coverage of JSE 40 companies. This lack of coverage diversity was made worse by the significant shares of negativity many of

the JSE companies faced. This was the result of a range of issues including financial performance, media negativity around strikes and other HR issues, and unavoidable regulatory concerns, such as those inevitably facing British American Tobacco. Increasing visibility is a key precondition for mitigating risk for the JSE 40.

Visibility and tone of coverage JSE companies, June - December 2012



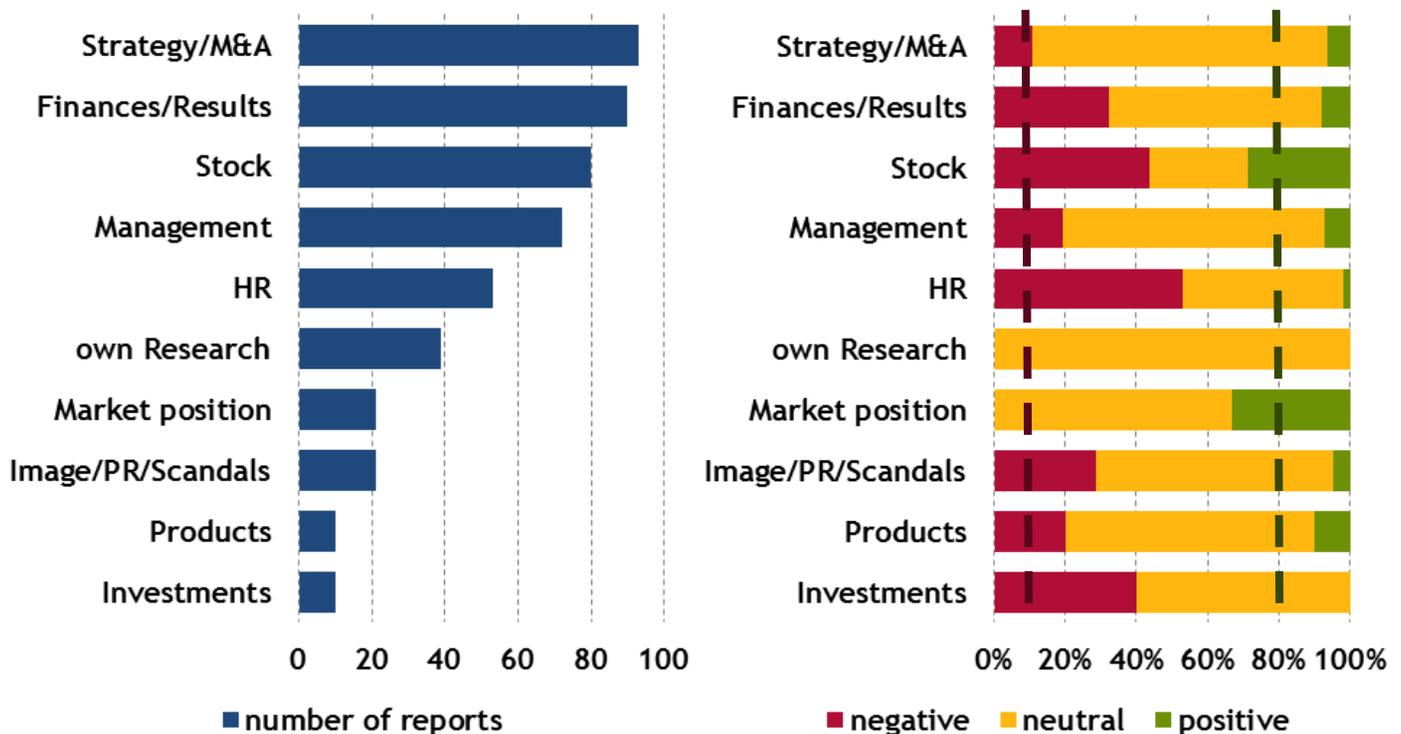
Strikes, HR concerns tarnish images

Risk is extremely high on most topics

JSE 40 companies faced significant risks on nearly all of the most visible topics. Human resources served to particularly tarnish the image of several South African companies, including Anglo American, due to strikes that resulted in violence and police intervention. Because the media often seizes on extremely negative stories

like this, maintaining ongoing levels of positive visibility is key for companies in indexes in order to insulate their images against risk stories. JSE 40 companies also face negativity around results, management and investments. Clearer, more positive communication on strategy could help mitigate such risks by providing more context.

Visibility and tone of coverage JSE companies, June - December 2012

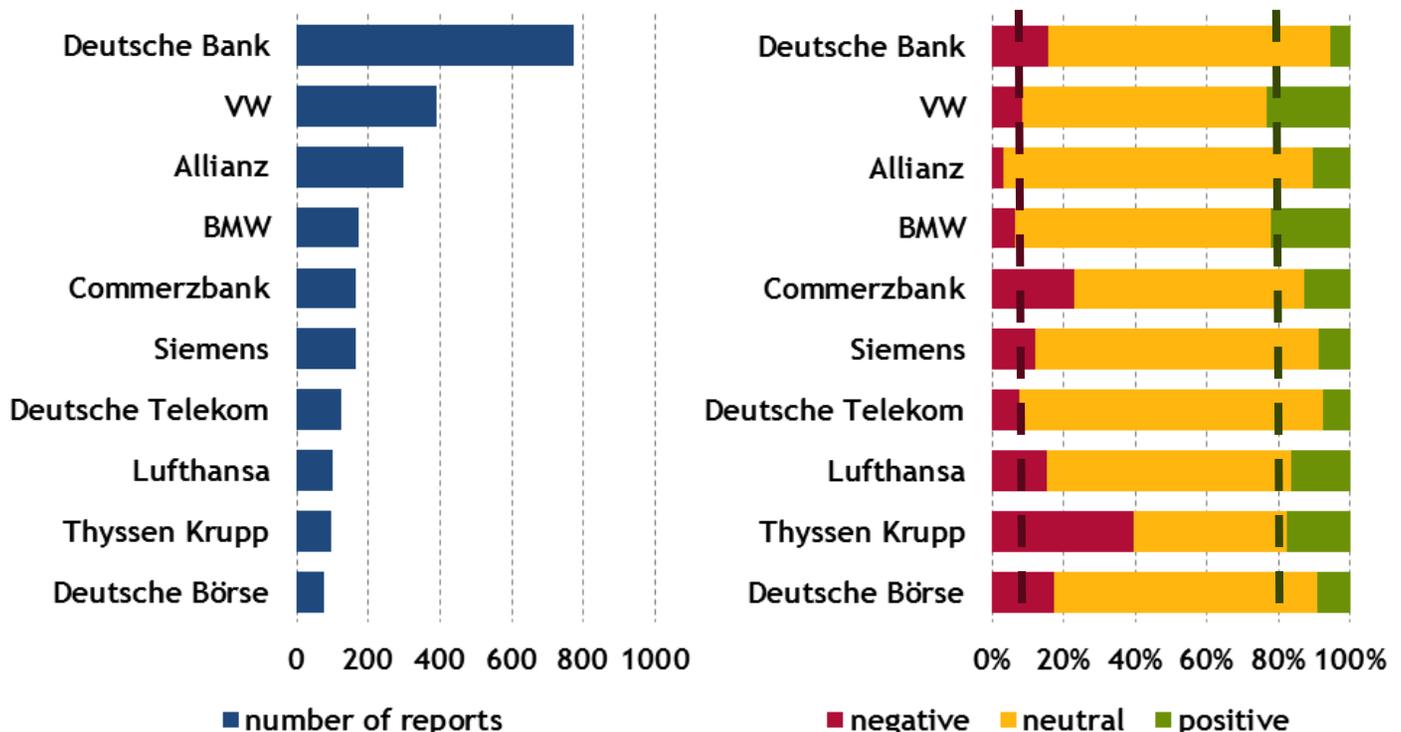


Media focus on only few DAX 30 members *Visibility overall, however, is strong*

The top ten most visible companies on the DAX 30 represent over 87% of the coverage on the index's member firms. This means that coverage is slightly more diverse than that on the ASX 40 and JSE 40, but still has room for improvement. Additionally, overall the DAX 30 companies achieved visibility approximately five

times as great as both the ASX 40 and JSE 40 members. Coverage tone for most companies was in range of targets, although Thyssen Krupp and Commerzbank both faced high levels of risk in the second half of 2012. Only car-maker VW was able to meet tone targets for both positive and negative coverage while also having strong visibility.

Visibility and tone of coverage DAX30 companies, June - December 2012



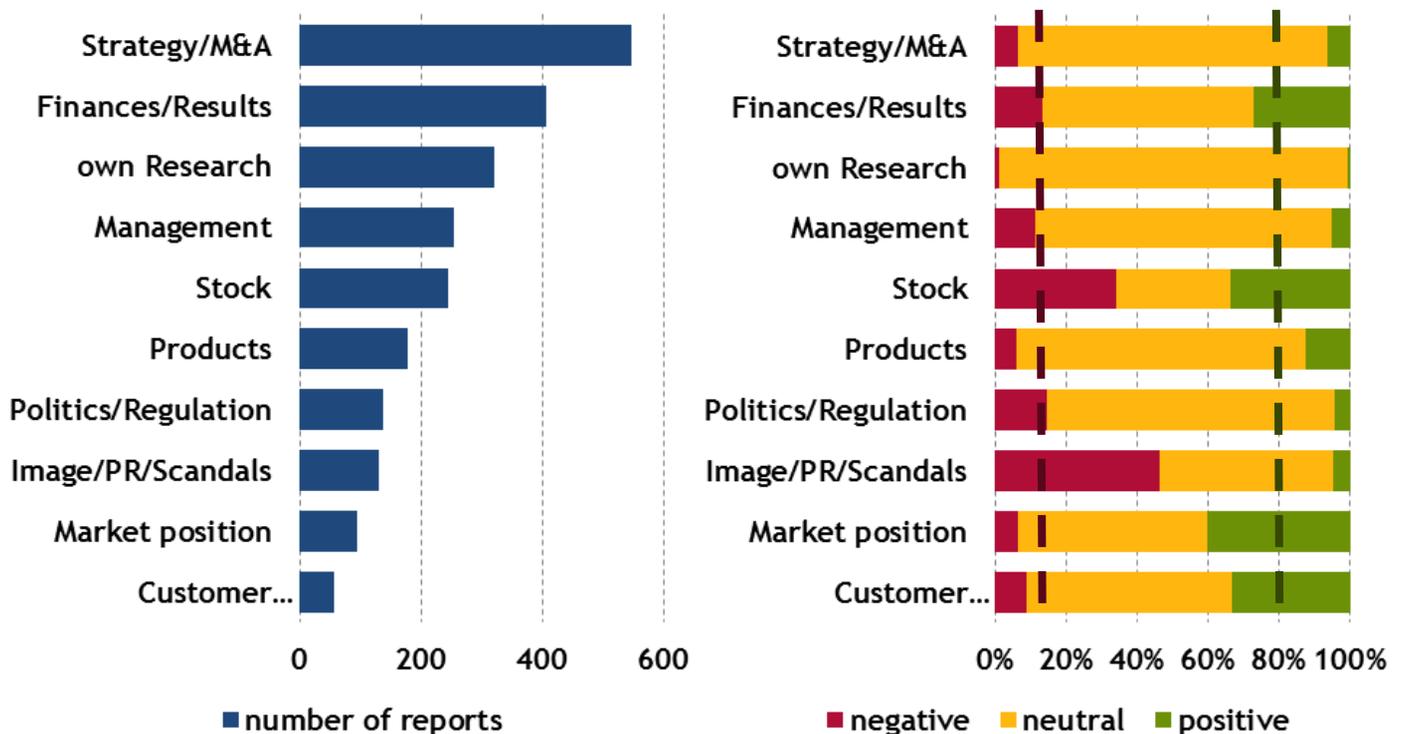
Strategy dominates DAX picture

Financial performance and customer service shines

The strategy of DAX 30 companies was the most visible topic, closely followed by results, which were positively received. Due to the presence of a number of financial firms in the DAX 30, research from these firms was strongly visible, but was rarely evaluated by the media. Companies also achieved positive images on customer

service issues. Risk from scandal and regulatory concerns were as unavoidable for the DAX 30 as it was for members of other indexes. Additionally, the image of management at DAX 30 companies represented a potential risk, as criticism of Josef Ackermann and other leaders was prominent in the second part of 2012.

Visibility and tone of coverage DAX30 companies, June - December 2012

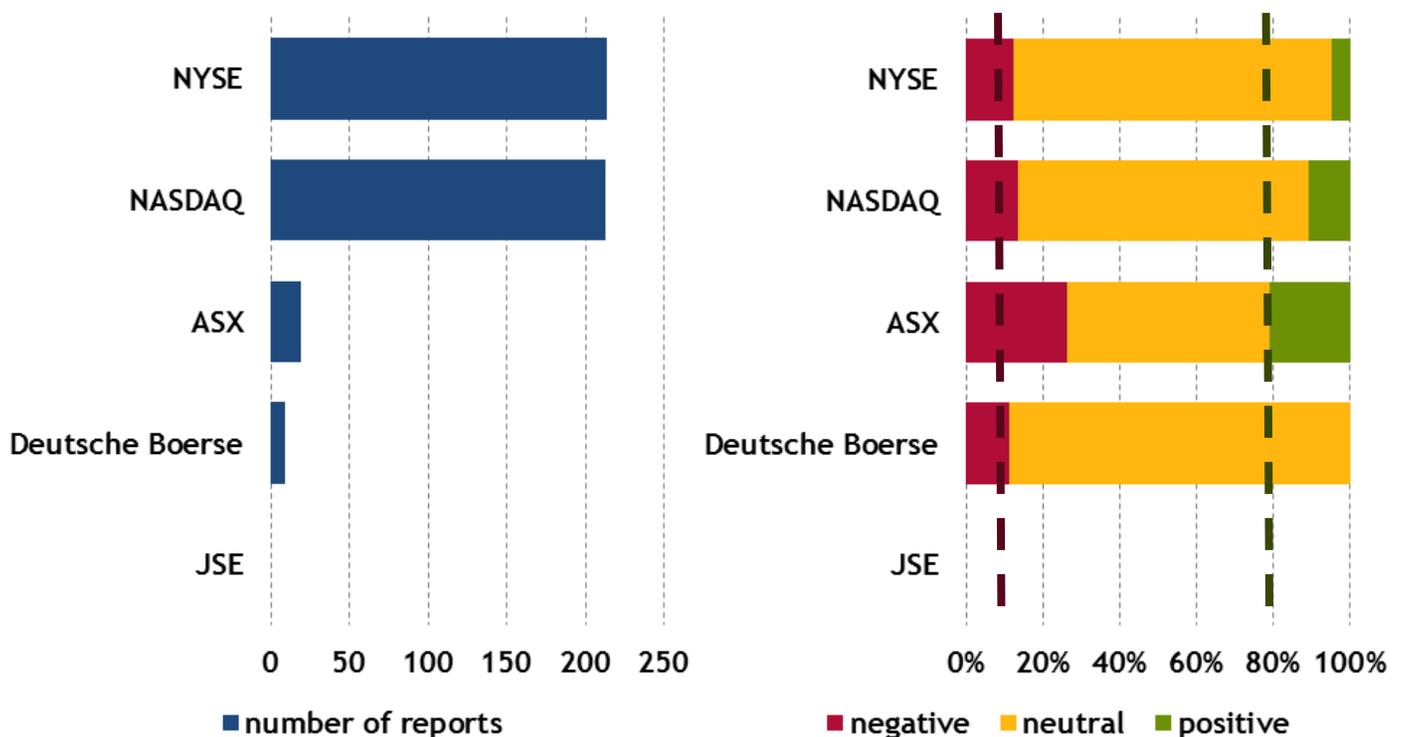


Exchange companies not always visible *Controversy, mergers, research drives visibility*

The companies that run major global exchanges are not always visible in the elite business media considered for this analysis. For example, the JSE received no visibility at all, while Deutsche Boerse and ASX received extremely limited coverage. NYSE and NASDAQ were more visible, in part because of the inclusion of The Wall Street Journal in

the media set. However, other factors account for their high levels of visibility including the rivalry between the two exchanges, focus on M&A possibilities, and overall comment and research on the economic and business environment. Overall, these companies face tone risks from excessive negativity and low levels of positivity.

Visibility and tone of coverage for exchange companies, June - December 2012

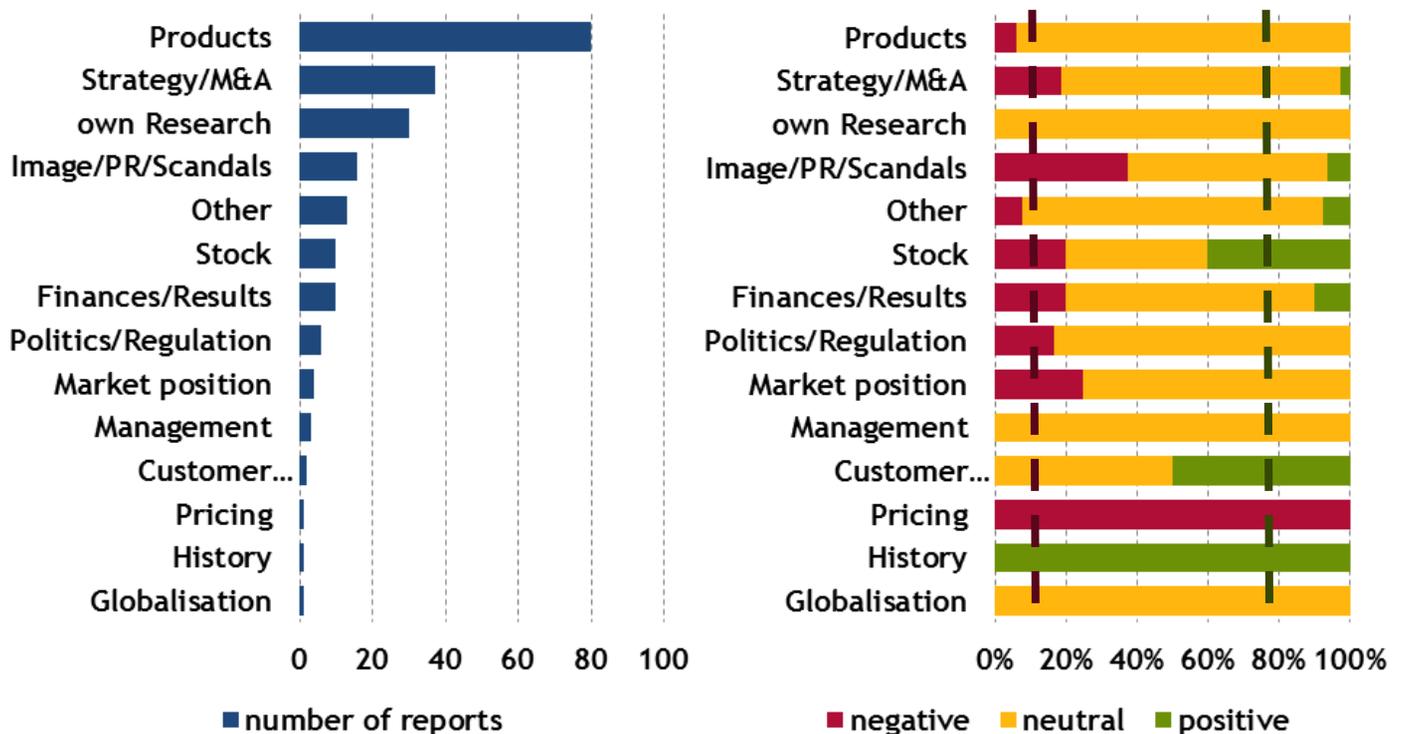


Merger talk creates ongoing distraction NYSE's symbolic role in the U.S. often in play

Merger talk regarding the NYSE was a recurring topic in 2012 as deals were rumored, attempted, and failed only to have new suitors step in to reignite the discussion. NYSE is not just a company and a key figure in U.S. and also international markets. To many Americans it is also a symbol of U.S. capitalism, tradition, and even New York

City, making the idea of a takeover a sensitive one in both elite business media and general audience publications. These debates generated negativity for NYSE across a range of topics, including results, regulatory issues, and its current significance on the market. Winning topics were largely limited to those with little visibility.

Visibility and tone of coverage for NYSE, June - December 2012



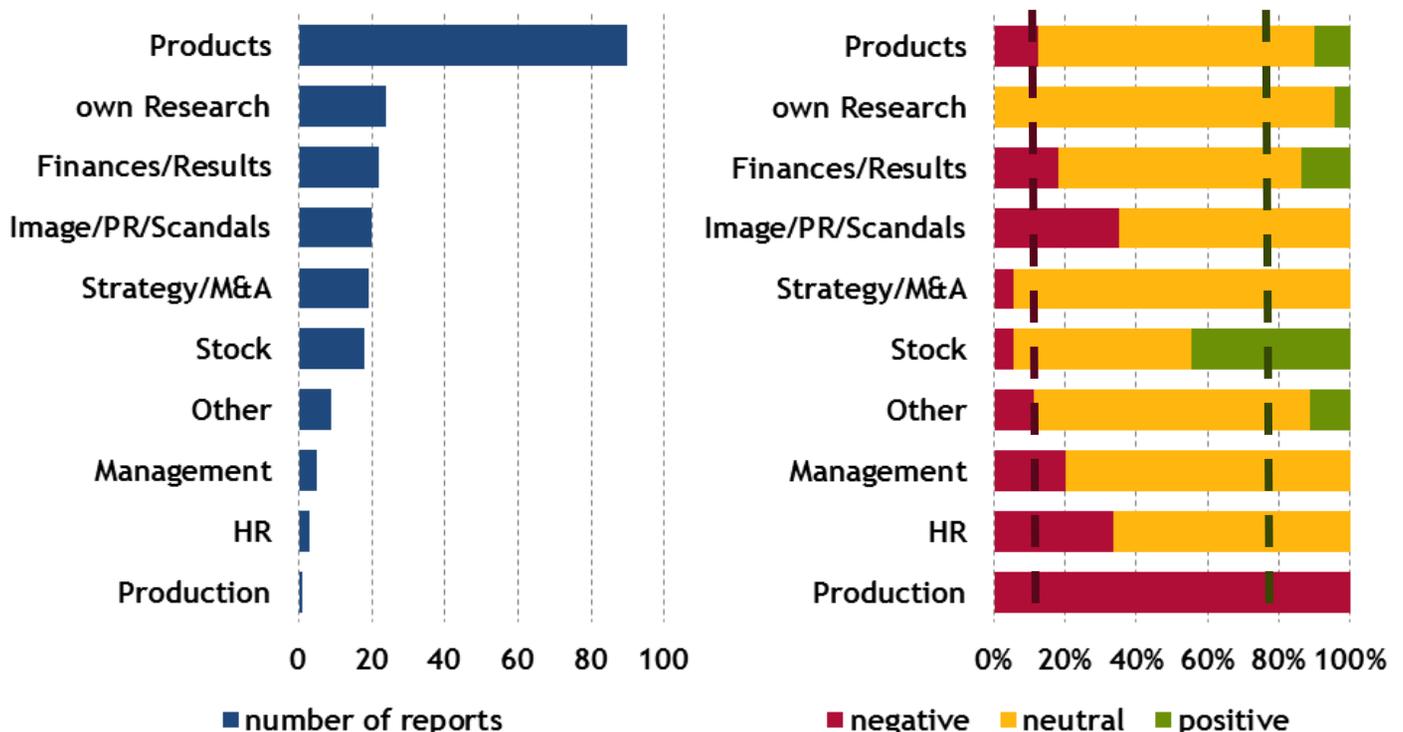
NASDAQ's function highlighted

Image risk around finances visible, however

Most coverage regarding NASDAQ as a company focused on its products. This included the pros and cons of companies choosing to list with NASDAQ as opposed to other exchanges, but was also focused on a “glitch” in the launch of the Facebook IPO which some media outlets eventually referred to as a scandal.

This type of coverage and the skepticism that came with it hearkened back to NASDAQ's historical role as a tech-heavy exchange that played a significant part in the dot.com boom of the early 2000s. Other topics were less visible and low volume for these subjects resulted in tone targets being missed in many cases.

Visibility and tone of coverage for NASDAQ, June - December 2012

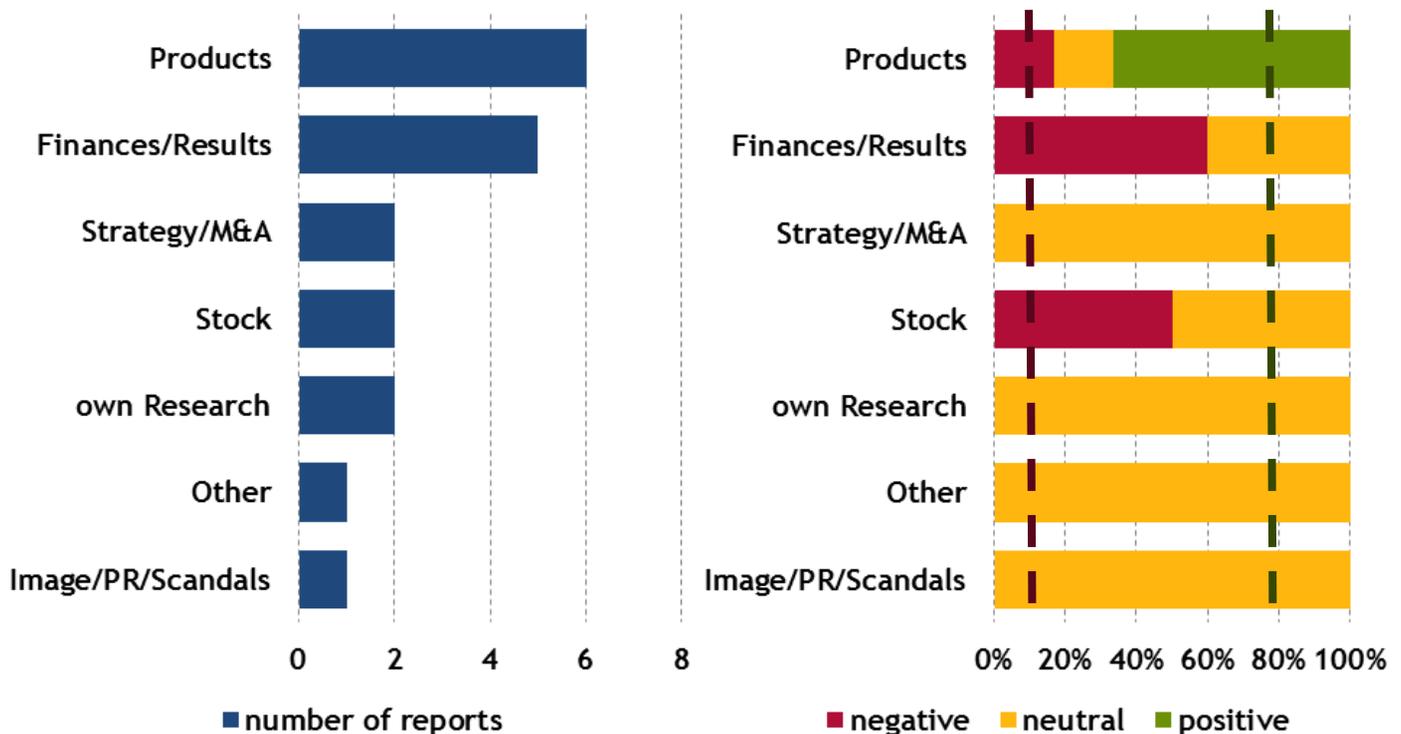


ASX at risk from low coverage volumes *Business is viewed with skepticism*

Overall the ASX received a low volume of coverage, placing it below the awareness threshold as a company and generating risk due to non-visibility. Additionally, negativity of some reports was amplified by a lack of coverage to dilute those reports. While listing on the exchange was viewed as a positive strategy for its

clients, the ASX's financial results were received with negativity and the company was not viewed as a good investment choice in one of the two stories that addressed it in this regard. Boosting coverage volume will help the ASX's image and create a clearer impression of how specific strategies can be employed to boost its image.

Visibility and tone of coverage for ASX, June - December 2012

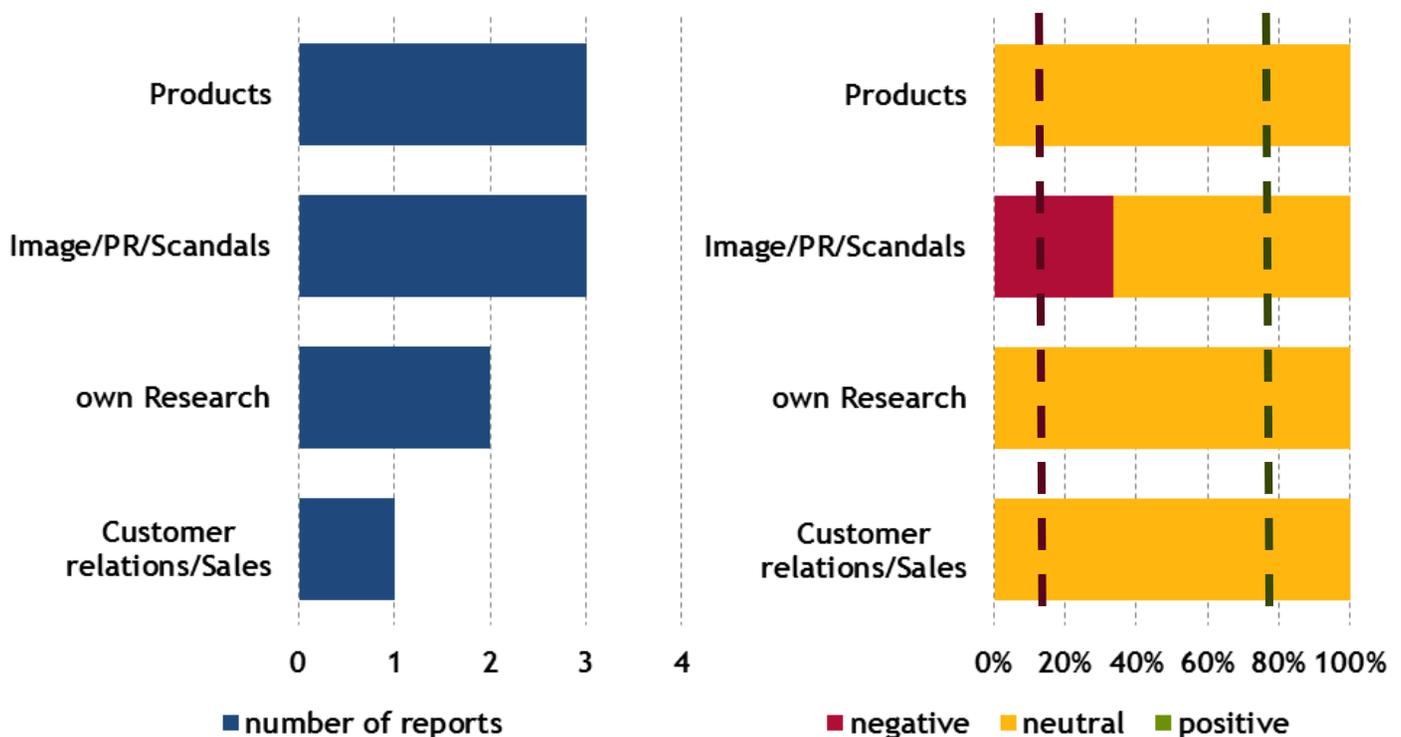


Deutsche Boerse not present as a company *Low salience generates risk*

While DAX 30 companies were strongly visible in elite business media, Deutsche Boerse as an exchange company garnered little media coverage in the second half of 2012. This was in marked contrast to the first half of the year when it was a suitor for the NYSE. It was mentioned frequently until that deal fell apart on regulatory concerns.

Low volume was the chief image risk in the second half of the year, although this low volume also helped to amplify negativity that actually came from just a single report. Deutsche Boerse's image is currently locked in a recollection of the failed NYSE deal, and an increase in visibility would help its media image recover from that history.

Visibility and tone of coverage for Deutsche Boerse, June - December 2012



Conclusions

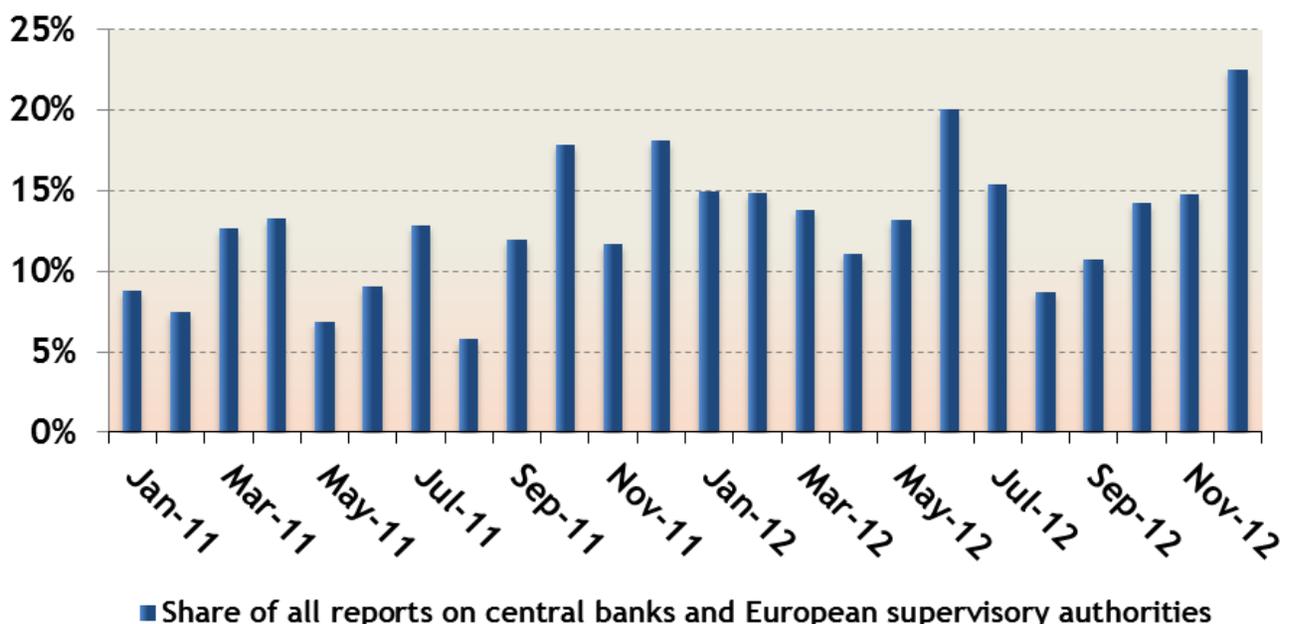
- ASE and JSE member companies have low visibility in leading business media in Europe and North America. This is true individually and in aggregate.
- Constituent members of many indexes had low or no visibility.
- Many indexes were defined by a single company or a limited group of companies. This was particularly true of the ASX 40 (NewsCorp) and the NASDAQ 100 (Apple).
- A diverse topic structure is necessary for media to understand a company's DNA. Only the member companies of the NASDAQ 100 received greater media emphasis on what they produce than on their strategies around, or financial results from, that production.
- JSE 40 and ASX 40 companies had similar levels of visibility in aggregate overall. The JSE 40 companies, while represented by more diverse coverage of corporations, suffered from very high levels of negativity.
- ASX 40 companies faced negativity on a number of issues, but were clearly shown to be viewed positively as objects of investment.
- As businesses, exchange companies often received little or no visibility, but NASDAQ and NYSE were fairly visible on a range of topics, including their symbolic roles.

Banking supervision focus grows

The pressure that the banking industry and financial companies currently face will only increase as the media offers increasing focus on central bank and European regulatory authorities. On this subject banks are at risk regardless of what has been decided on the regulation front. Speculation creates risk due to uncertainty on what the ultimate regulatory situation will be. However, even once

new regulatory measures are solved, negativity will continue as impacts are gauged and then reconsidered as time moves on. The adversarial relationship banks have with regulation is also a problem, as it suggests to some media audiences that banks are not interested in reducing systemic risk and harm they may pose to the financial system. This image, in turn, can turn off potential investors and customers.

Banking Supervision: Share of all reports -1/2011-12/2012

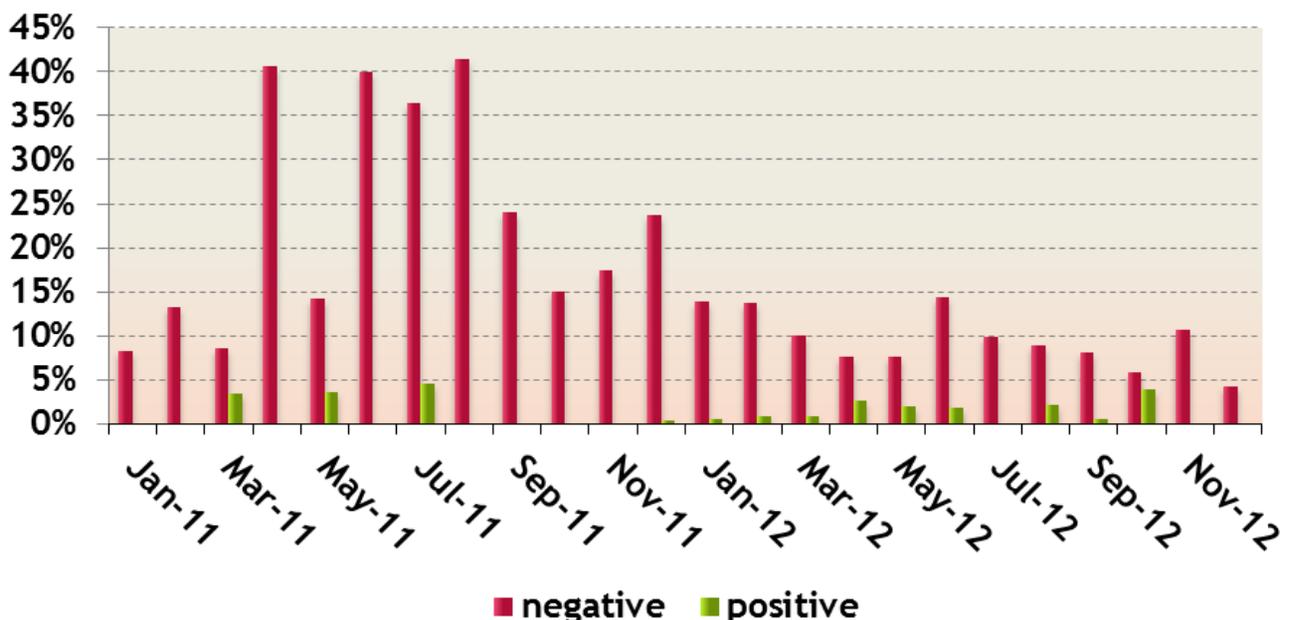


Less bad news still isn't good news for EBA

Despite the risk that banks face from regulatory authorities, regulatory authorities are facing significant image risk as well. While the very high shares of negativity they faced in the middle of 2011 ha receded, it has not been forgotten. Additionally, the media continues to have almost nothing positive to say about these regulatory authorities.

Their image is neutral at best, and tainted with a long history of media complain regarding their efficacy, skill, willingness to problem solve and ability to actually rein in the banks. Society faces broad risk when neither its financial corporations not the governmental agencies that are designed to regulate them have trust in the eyes of the public.

Tone of rating - European Banking Authority - 1/2011-12/2012



Directing the focus on the essentials

Bonuses are an accolade - not to be taken for granted

Lutz Raettig summarized the essence of the situation in the financial industry on 6/25/2012 in the context of the E&Y survey: whoever is at the bottom of the heap shouldn't be surprised at disastrous image figures.

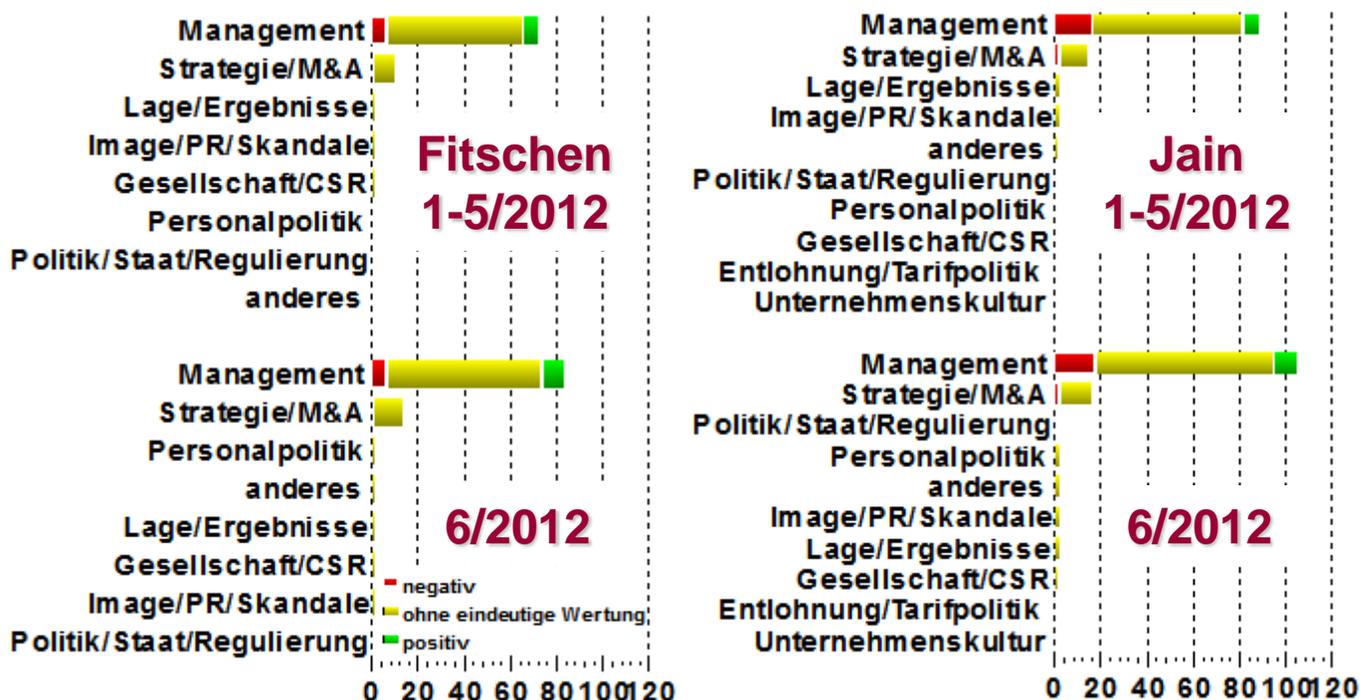
A key question remains. Why did the industry take 5 years to recognize what had already been said in 2001 if only people had been listening? It is no longer the supposedly leftist “enemy” media that makes the tobacco industry look almost pure next to banks. Whether it is HB or FT does not matter.

Even one’s “own” media uses language that makes the message brutally clear. “The bank we all love to hate most” was FT’s headline in 2008 on Goldman Sachs. But what is wrong at JP Morgan, Barclays and DB that they did not feel as if they were also being addressed?

In autumn 2011, Josef Ackermann received a letter bomb and other colleagues got even larger ones. Bonuses for banking directors will only again be a subject when all seven stakeholders agree - 365 days of the year.

Not much concrete content conveyed via the media

Jürgen Fitschen and Anshu Jain: the themes in the media, 1-5 and 6/2012



Bonuses require measurable growth

7 key areas a requirement

The expectations of every director have changed significantly in the 21st century. Whilst the positive development of the share price and significant increases in profits were enough in earlier times for directors to expect bonuses, the demands placed on directors since the bursting of the Internet bubble and, in particular after 2008, have changed. After all, it is common knowledge that the development of the share price is not just due to the actions of a CEO. Even profit expectations are relativized in times of crashing markets and are

unfair if they serve Qualitative, sustainable, and, above all, measurable growth in satisfaction amongst the seven key stakeholders is in demand in the 21st century. Only those who, as directors, measurably motivate their own employees to perform better, who drive the further development of core markets forward, whose performance convinces financial market analysts, who make the necessity of their own company clear to politicians, NGOs and scientists, and who provide everyone the relevant information via the media, will earn bonuses this year.

Bonus Index based on the satisfaction gains of the 7 main stakeholders



Reputation and Its Risks *Harvard Business Review, 2007*

“Executives know that their company’s reputation affects their ability to deliver performance both now and in the future. Companies with a strong positive reputation attract better people and are perceived as providing more value in their products and services, which often allows them to charge a premium for them. Their customers are more loyal and buy a broader range of products and services. Because the market believes such companies will be able to deliver sustained earnings and future growth, they have a higher price-earnings multiple and market value and a lower cost of capital. However, in an economy where 70% to 80% of market value comes from hard-to-assess intangible assets such as brand equity, intellectual capital, and goodwill, companies are especially vulnerable to anything that damages their reputation.

Most companies, however, do an inadequate job of managing their reputations. They fail to recognize that reputational risk is a distinct, corporate-wide category of risk and, instead, tend to mistake their process for handling threats to their reputations that have already surfaced, usually publicly, as satisfactory process. This is not risk management; it is crisis management. While companies have become sophisticated in managing crises, it is a reactive approach to limit the damage. In contrast, reputational risk management is a proactive process.”

ROBERT ECCLES, ROLAND SCHATZ
in Harvard Business Review, 2007/1



Media sentiment weighs on U.S. consumers

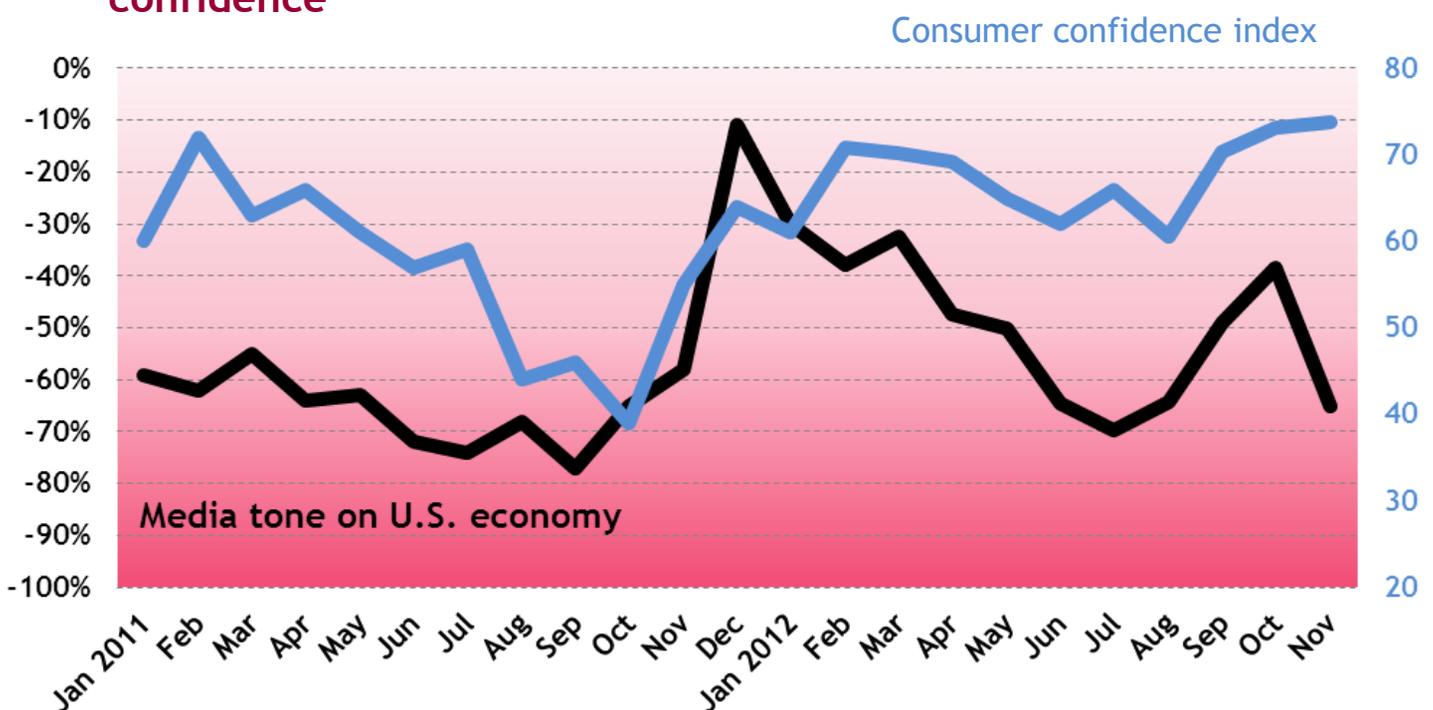
Another downturn in the Consumer Confidence Index likely

CASE STUDY OF MEDIA EFFECT ON ECONOMIC INDICATORS

Mass media reporting on the state of the economy has proven to be a major contributor to economic sentiment itself, as Media Tenor's studies with several economic research institutes (including KOF in Switzerland and IW Halle in Germany) have demonstrated. U.S. consumers have been driving global growth for more than a decade. But with the bursting of the real estate bubble and subsequently spiraling of

unemployment and government debt, media sentiment did not recover, despite GDP growth rebounding to three percent. As a result, consumer confidence was not stimulated by the media. This signaled some continued business risk regarding investments in and exports to the US. Most recently, the tone on the economy from U.S. has again been depressed, indicating that recent improvements in the consumer confidence index are unlikely to last unless the media changes its perspective.

U.S. TV news on the state of the U.S. economy vs. consumer confidence



Euro crisis allows dollar, yen to shine

Media Tenor Financial Sentiment Tracker helps mitigate risk

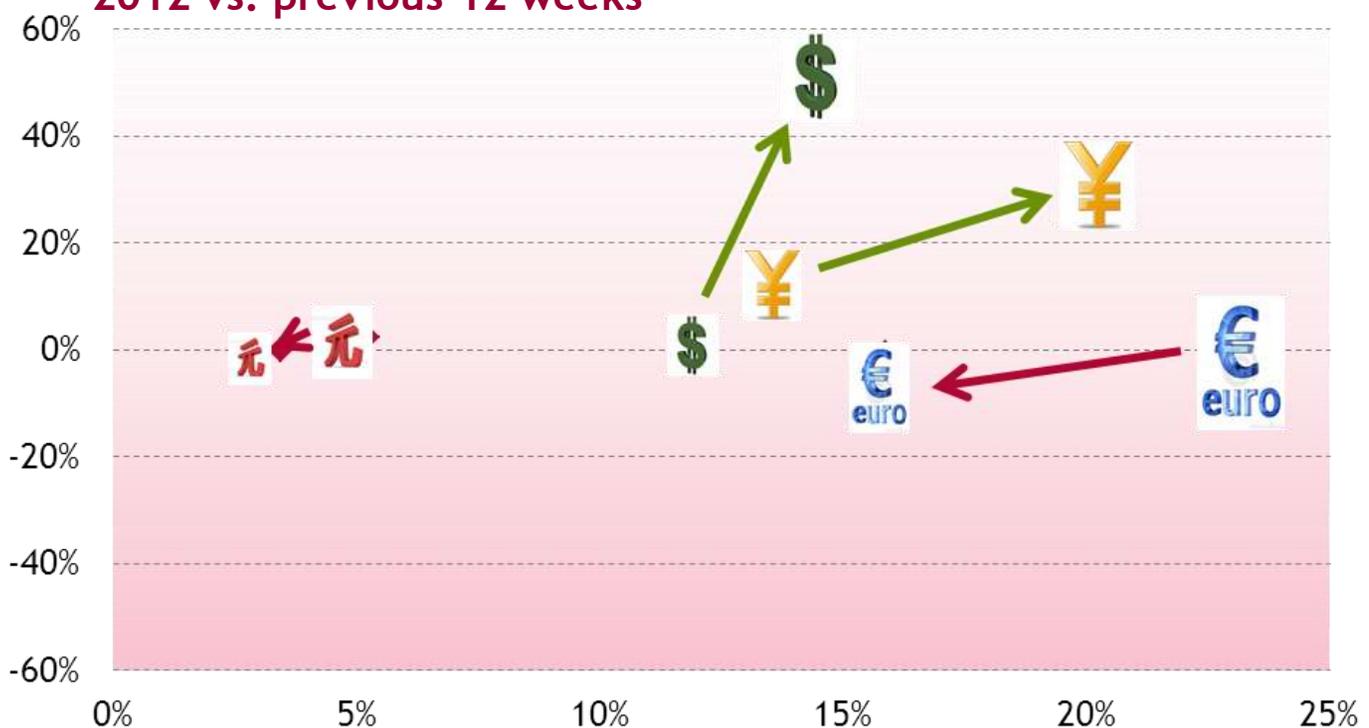
The dollar and the yen have recently been the big benefactors of the euro instability story. In recent weeks they have received increased attention from financial analysts quoted by the leading business media, and that attention has been positive.

The euro, while it remains strongly visible, has garnered less focus of late. Tonality from quoted analysts remains neutral to slightly negative. While the ongoing crisis

is not severely depressing the media tone, it has prevented sentiment on the euro from advancing, forcing the currency into a risky holding pattern.

Media Tenor's Financial Sentiment Tracker traces the elite media sentiment on all types of investment objects and economies. It covers blue chip stocks, indices, commodities derivatives, currencies and the general economic outlook.

Overview of analyst sentiment on currencies, November 5 - 11, 2012 vs. previous 12 weeks



Predicting Commodity Trends

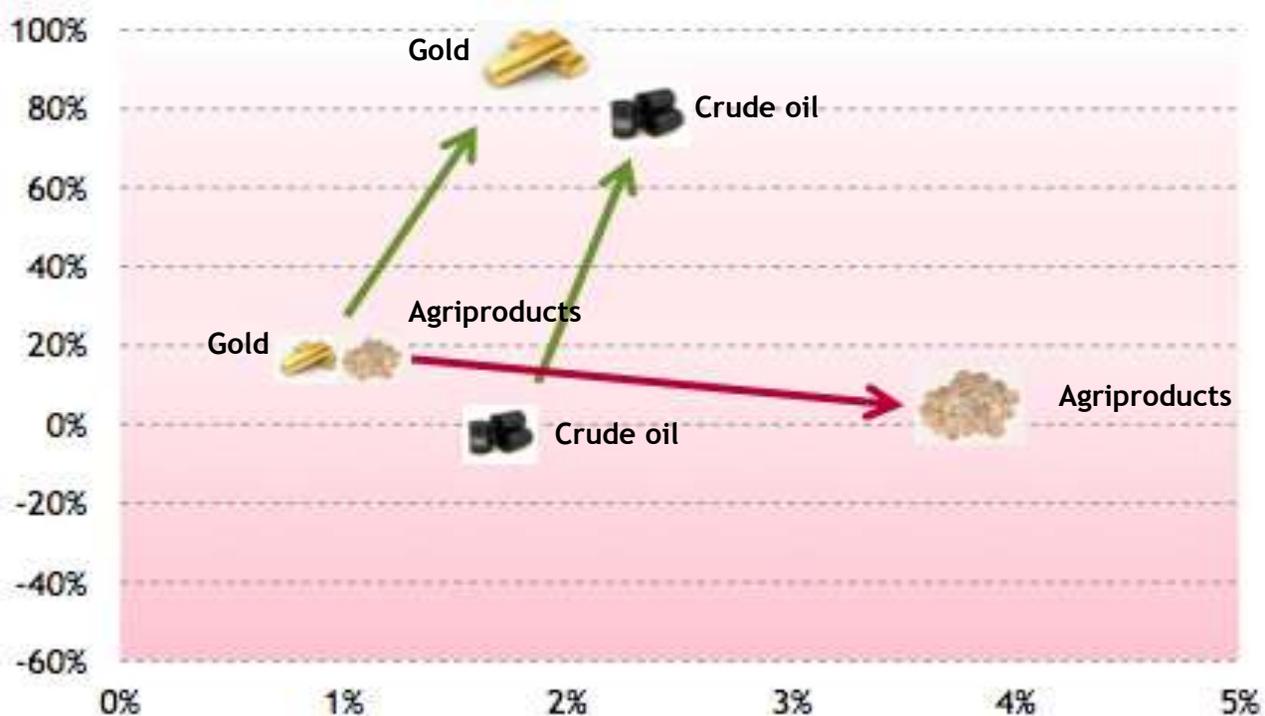
Analyst Quotes Show Emerging Market Risks

Media Tenor’s ongoing monitoring of analyst quotes in opinion-leading business media demonstrates how the influence of cited analysts contributed to a growing positive sentiment towards gold, which ran contrary to overall commodity sentiment, and fears of a gold price bubble.

At the same time gold benefitted from analysts’ discontent with other commodities as worries of Chinese over-heating dampened

demand forecasts. Agricultural products, meanwhile, continue to attract significant levels of attention, but the tone of analyst quotes on these commodities decreased and now hovers just above neutral. Concerns over the ethics of speculation on agriproducts as well as the impact of extreme weather events have kept everything from corn to cattle in focus, but analyst enthusiasm is clearly lacking.

Overview of analyst sentiment on commodities. November 12 - 18, 2012 vs. previous 12 weeks



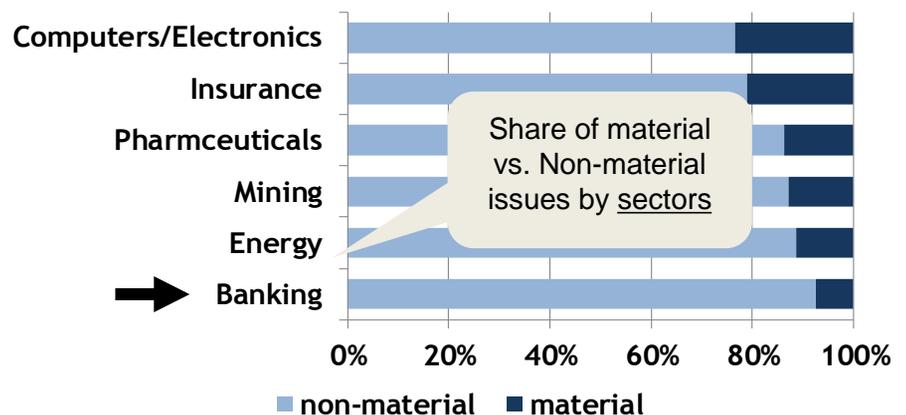
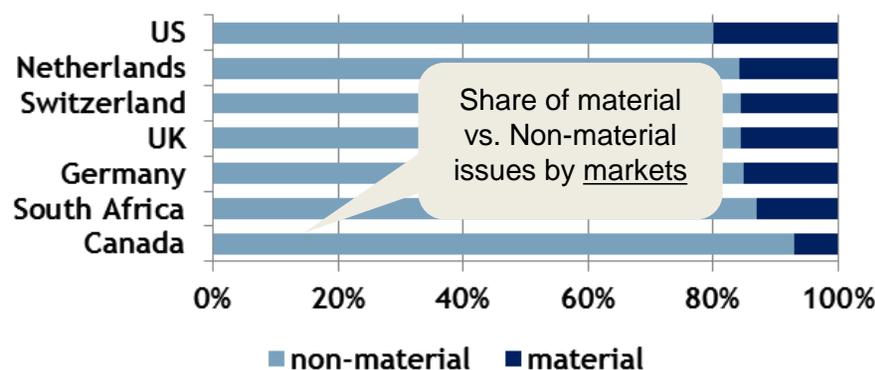
Materiality gets little focus in corporate reporting

Banking industry shies away from materiality

Despite the supposed purpose of annual reports being to share critical material information about the functioning of a company over the past year, most companies don't highlight material issues in these documents. In some regions, this is more marked than others.

The banking industry offered the least visibility to material issues in analyzed annual reports, well below the awareness threshold. In a time of little trust, the banks are not making their case. The insurance and electronics industries, however, take materiality more seriously.

Share of coverage for material vs. non-material issues by markets and sectors, annual reports, 2011



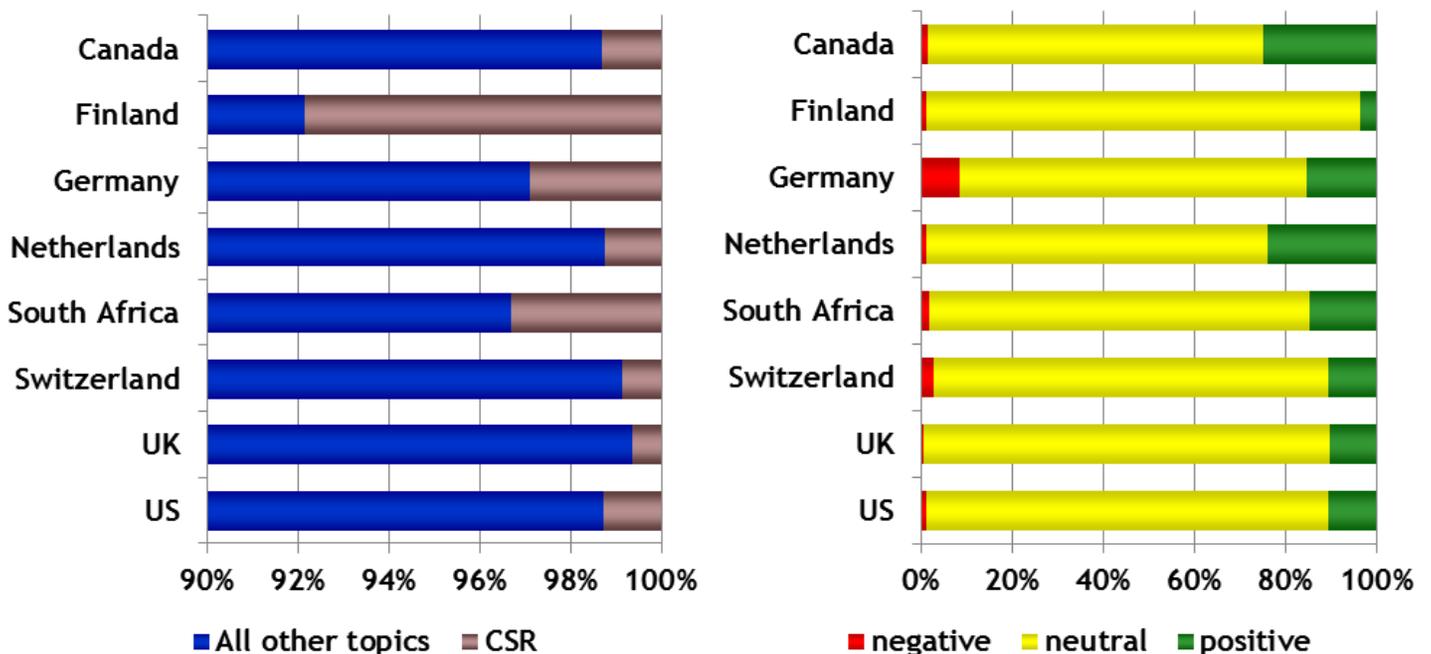
CSR visibility varies by nation

High share of coverage doesn't mean positive tone

Annual reports are a showcase for positivity, even as not all news for all companies is always positive. With Letters from the CEO and Chairman that allow companies to spin their annual results, the only news that's expected in summary material is positive.

Levels of CSR visibility differ from nation to nation, with Finland, Germany, and South Africa leading the way. However, CSR visibility does not guarantee positivity, with German companies also being more upfront about negatives in their results than other business from other countries.

Analysis of 2011 annual reports: share of CSR topics and tonality by market



How to Deal with Reputation Risk

The ten fundamental aspects of a professional media analysis

1. Media Presence

When media presence falls below the threshold of 1,700 statements mark (in 60 opinion-leading media), an organization's image becomes susceptible to external influences.

2. Media Rating

In order to create a credible image, more than 20% of reporting must be positive and no more than 10% negative.

3. Share of Voice: Minimum 35%

The percentage of statements in the media regarding an organization that originate from the organization itself constitutes its share of voice. Organizations should make executives available to the media in order to relay positive information, as this increases coverage and circumvents journalists' filter.

4. Balanced Topic Structure

An organization that is focused on only a few image factors is understating its overall value and putting undue pressure on top management to deliver short term results.

5. Comparison with Competitors and Influential Organizations

When it comes to communication, organizations need to benchmark themselves against their direct competitors and companies of similar influence in other industries.

6. Industry Analysis

The impact of the reputation of the industry in which a company operates plays a significant role in how an individual organization is perceived.

7. Balanced Internal Sourcing

External communication should be a task in which all departments are aligned. Many voices are necessary to attract significant interest in an organization through numerous and diverse media contacts.

8. Importance of 'Soft' Stories

Soft topics are important leverage points in building a comprehensive image.

9. Balanced Media Structure

Coverage should be distributed among a variety of specialized and general-interest media to ensure balanced ratings, even under challenging circumstances.

10. Share of Quoted Analysts: Less than 10%

Analysts' quotations should comprise less than 10% of total coverage in order to ensure a balanced variety of topics and to ensure that sources outside of the organization do not hold undue influence over its image.

Communication Check Box

- Sufficient overall Visibility
- Continuous News Flow
- Balanced/positive tone
- Sound image structure
- topic diversity
- Visibility of key value drivers
- Strong share of voice
- Balanced stakeholder opinions

Testimonials on Media Tenor

Business Experts on the Importance of Reputation Issues

“Without the support of Media Tenor our work would not have been understood by the world leaders on one hand and the general public on the other.”

PETER EIGEN, Former President Transparency International

“Journalists have an extreme impact on what is going on in the world. Therefore we need a watchdog for us watchdogs. I am grateful that Media Tenor serves this need from a scientific approach but with a strong journalistic understanding.”

FRED KEMPE, Former Editor in Chief, Wall Street Journal, Current President at The Atlantic Council of the United States

“Strategic Media Relations needs a clear and independent seismograph telling us in advance where the weaknesses of our external communications are. Media Tenor serves on a global level with their continuous qualified analysis of traditional media as well as monitoring the internet.”

RICHARD GAUL, Head of Corporate Communications 1985-2006, BMW

“Daily reports on the media coverage, and expert analysis of the areas of our strengths and weaknesses allowed us to tailor our coverage accordingly; to refocus our efforts on the desired messages and on the sections of the media where we were not being so successful. Without the fine work of Media Tenor that could never have been done effectively.”

DR. MICHEL OGRIZEK, International Communications Consultant, Paris

“Media Tenor International provides a unique way for a company to compare the message it is intending to send with the message that is getting heard. Those companies who are committed to greater transparency will find Media Tenor an invaluable tool for improving communications to their shareholders and other stakeholders. Media Tenor is also a useful tool for investors since it enables them to assess the risks to reputation and brand of their portfolio companies.”

PROF. DR. ROBERT G. ECCLES, CEO Perception Partners, Inc.

Methodology: Content measurement

Statement coding, passages, reports

STATEMENT CODING analyzes every single piece of information in an article separately (subject, topic, rating, source, etc.). It is the most sophisticated way of analyzing content and helps to track whether single messages are covered by the media, or negative/positive tone is changing with regard to headlines, etc.

Information entities designed to grab the overall picture of a company and its senior executives in an article.

Every description of either a company or a senior executive (min. 5 lines) results in a coded passage. A report on a company announcing earnings without the presence of senior executives would be coded as a single passage. The rating is coded according to the dominant tone of coverage (e.g. more positive/neutral/negative).

THE SINGLE STORY on a certain topic. Report-based coding is used to analyze the main topic of a story (e.g. old-age provision) compared to other stories (e.g. war, catastrophes).

1) "Allianz triplica sus beneficios en España..."
(Allianz triples its profits in Spain)

CODING (CODE):

company: Allianz Spain (46)
Line of Business: Not mentioned (0)
Country described: Spain (221)
Chronological Structure: Present (1)
Topic: Business results (100)
Rating explicit: None (0)
Rating contextual: Positive (1)
Source of Information: Journalist (1)



1) "Allianz Seguros, la filial española del grupo alemán..."
(Allianz Seguros, the Spanish subsidiary of the German group)

CODING (CODE):

company: Allianz Spain (46)
Line of Business: Not mentioned (0)
Country described: Spain (221)
Topic: Existing holdings (406)
Chronological Structure: Present (1)
Rating explicit: None (0)
Rating contextual: None (0)
Source of Information: Journalist (1)

> A total of 20 statements were coded.

3) "...un 7,1 por ciento más"
(7,1 per cent more)

CODING (CODE):

company: Allianz Spain (46)
Line of Business: Insurance in general (1)
Country described: Spain (221)
Chronological Structure: Present (1)
Topic: Results, profits (101);
Rating explicit: None (0)
Rating contextual: Positive (1)
Source of Information: Journalist (1)