EUROPEAN CENTRAL BANK

EUROSYSTEM

Survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD)

As a follow-up to the recommendation in the Committee on the Global Financial System (CGFS) study group report on "The role of margin requirements and haircuts in procyclicality" published in March 2010, the Eurosystem has decided to conduct a quarterly qualitative survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets. The survey is part of an international initiative to collect information on trends in the credit terms offered by firms in the wholesale markets and insights into the main drivers of these trends. The information collected is valuable for financial stability, market functioning and monetary policy objectives.

The survey questions are grouped into three sections:
1. Counterparty types – covers credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets;
2. Securities financing – focuses on financing conditions for various collateral types;
3. Non-centrally cleared OTC derivatives – credit terms and conditions for various derivatives types.

The survey focuses on **euro-denominated** instruments in securities financing and OTC derivatives markets. For securities financing, this refers to the euro-denominated securities against which financing is being provided, rather than the currency of the loan. For OTC derivatives, at least one of the legs of the derivative contract should be denominated in euro.

Survey participants are **large banks and dealers** active in targeted euro-denominated markets.

Reporting institutions should report about their **global credit terms** and thus the survey is directed to the senior credit officers responsible for maintaining a consolidated perspective on the management of credit risks. Where material differences exist across different business areas, for example between traditional prime brokerage and OTC derivatives, answers should refer to the business area generating the most exposure.

Credit terms are reported from the perspective of the firm as a **supplier of credit to customers** (rather than as receiver of credit from other firms).

The questions focus on how terms have changed over the past three months; why terms have changed; and expectations for the future. Change data should reflect **how terms have tightened or eased over the past three months, regardless of how they stand relative to longer-term norms**. "Future" data should look at expectations of how terms will change over the next three months.

Firms are encouraged to answer all questions, unless some market segments are of marginal importance to firm's business.

The font colour of the reported net percentage of respondents, either blue or red, reflects respectively **tightening/ deterioration** or **easing/ improvement** of credit terms and conditions in targeted markets.

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June 2013 SESFOD results

(reference period from March 2013 to May 2013)

Summary

The **June 2013 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD)** collected qualitative information on changes **between March 2013 and May 2013**. This summary of results from the survey, which was launched in late May 2013, is based on responses from a panel of 29 large banks, comprising 14 euro area banks and 15 banks with head offices outside the euro area.

Highlights

Responses to the June 2013 survey suggested that offered **price terms** (such as financing rates/spreads) had eased, on balance, for all of the important types of counterparties covered in the survey over the three-month reference period ending in May 2013. Around 30% of respondents reported an easing of price terms, on balance, for banks and dealers and non-financial corporations. By contrast, offered **non-price terms** (including, for example, the maximum amount of funding, haircuts, covenants and triggers and other documentation features) had remained basically unchanged. Only for banks and dealers were somewhat easier non-price terms reported, by around one-fifth of respondents. All in all, almost one-fifth of banks indicated an **overall easing of credit terms**, on balance, for all covered client groups taken together.

As in the March 2013 survey, around one-quarter of banks, on balance, indicated somewhat increased **use of financial leverage** by hedge funds, while the availability of additional (and currently unutilised) financial leverage under agreements currently in place with hedge fund clients had remained basically unchanged.

As in the previous survey, with a few exceptions (this time for equities and convertible securities), respondents indicated that the **financing rates/spreads at which securities are funded** had decreased, on balance, for the various collateral types covered in the survey. The net fractions of respondents that reported lower financing rates/spreads for the different collateral types ranged between one-fifth and one-third of respondents. It is noteworthy, however, that more than one-fifth of banks indicated increased financing rates/spreads for equities.

Nine large banks indicated that overall **demand by counterparties for the funding** of euro-denominated equities, high-quality government bonds and domestic government bonds (i.e. euro-denominated debt securities issued by the government of the country in which the respondent's head office is situated) had increased over the recent three-month reference period, thereby contributing to the substantial net percentages of banks reporting increased overall demand (38%, 21% and 37% respectively), which were also higher than in the March 2013 survey.

Except for euro-denominated equities, the respondents, on balance, reported an improvement in **liquidity and market functioning for the various types of collateral** included in the survey over the three-month reference period, and especially for euro-denominated government bonds, high-quality non-financial corporate bonds and asset-backed securities.

While for most types of **non-centrally cleared OTC derivatives contracts** included in the survey banks reported basically unchanged **liquidity and trading**, a number of banks reported a deterioration for sovereign credit default swaps and equity derivatives.

Responses to the **special questions on collateral transformation/upgrade trades by counterparty type** did not indicate clear changes in the demand by the various types of counterparties to borrow high-quality securities using other securities as collateral over the previous six months, although some banks reported an increase in the supply of high-quality securities to lend against other securities as collateral by non-bank counterparties, namely insurance companies, and investment funds (excluding hedge funds), pension plans and other institutional investment pools that are usually important lenders of high-quality securities.

Counterparty types

Changes. Responses to the June 2013 survey suggested that offered price terms (such as financing rates/spreads) had eased, on balance, for all of the important types of counterparties covered in the survey over the three-month reference period ending in May 2013. Around 30% of respondents reported an easing of price terms, on balance, for banks and dealers and non-financial corporations. By contrast, offered non-price terms (including, for example, the maximum amount of funding, haircuts, covenants and triggers and other documentation features) had remained basically unchanged. Only for banks and dealers were somewhat easier non-price terms reported, by around one-fifth of respondents. All in all, almost one-fifth of banks indicated an overall easing of credit terms, on balance, for all covered client groups taken together.

Expectations. In comparison with the previous two surveys, smaller net fractions of banks expected that, over the next three months, price and non-price credit terms would continue tightening for the various types of counterparties covered in the survey. Small net percentages of banks expected that credit terms for non-financial corporations and sovereigns would ease overall over the three-month reference period from June to August 2013 (in both cases 7% of the respondents to the respective questions, on balance).

Reasons. Banks that reported an easing of price terms for their counterparties most often cited improved general market liquidity and functioning as one of the three most important reasons for the change. Less frequently mentioned reasons for eased price terms included competition from other institutions, lower internal treasury charges for funding and willingness to take on risk. As in the previous survey, changes in the practices of central counterparties (CCPs), including margin requirements and haircuts, were reported as having contributed, on balance, to the tightening of credit terms to clients on bilateral transactions that are not centrally cleared, although the net number (2) and net share (11%) of banks reporting such a contribution was rather small.

Management of concentrated credit exposures to large banks and CCPs. Continuing a trend observed in the previous two surveys, the net percentages of respondents indicating an increase in the amount of resources and attention devoted to the management of concentrated credit exposures to large banks and CCPs declined further, to 17% and 45% respectively.

Leverage. As in the March 2013 survey, around one-quarter of banks, on balance, indicated somewhat increased use of financial leverage by hedge funds, while the availability of additional (and currently unutilised) financial leverage under agreements currently in place with hedge fund clients had remained basically unchanged. The use of financial leverage by insurance companies, and investment funds (excluding hedge funds), pension plans and other institutional investment pools was reported to be unchanged over the three-month period ending in May 2013.

Client pressure and differential terms. Since the March 2013 survey, the intensity of efforts by counterparties, especially banks and dealers, hedge funds and non-financial corporations, to negotiate more favourable terms has increased – more than one-fifth of respondents reported increased pressure to offer better terms from these client types. Moreover, the net percentages of banks that reported increased pressure from banks and dealers and non-financial corporations were larger than in the previous survey. By contrast, an increase in the provision of differential terms to most-favoured clients was less pronounced and had remained basically unchanged for some of the types of counterparties covered.

Valuation disputes. In contrast to the previous survey, the volume, persistence and duration of valuation disputes with counterparties increased, on balance, for most types of counterparties during the three-month reference period, but for some client groups the fraction of banks that reported an increase was rather negligible.

Securities financing

Maximum amount of funding. Respondents, on balance, indicated either broadly unchanged or increased maximum amounts of funding for the various types of euro-denominated securities covered in the survey. Furthermore, the net shares of banks that reported an increase were either the same or slightly larger for average than for most-favoured clients. About one fifth of banks reported that their maximum amounts of funding had increased for euro-denominated high-quality government bonds.

Maximum maturity of funding. The net percentages of banks that reported an increase in the maximum maturity of funding of the various types of euro-denominated securities covered in the survey pointed to a rather broad-based increase in funding maturity limits, particularly for high-yield corporate bonds, high-quality government and non-financial bonds, as well as for asset-backed securities. The net shares of banks reporting an increase were larger for most-favoured than for average clients and also larger than in the March 2013 survey.

Haircuts. The responses suggest that the haircuts applying to the various types of collateral covered in the survey were little changed, on balance, during the three-month reference period. However, for a number of collateral types some divergence in views was apparent with respect to changes in the haircuts.

Financing rates/spreads. As in the previous survey, with a few exceptions (this time for equities and convertible securities) respondents indicated that the financing rates/spreads at which securities are funded had decreased, on balance, for the various collateral types covered in the survey. The net percentages of respondents that reported lower financing rates/spreads for different collateral types ranged between one-fifth and one-third of respondents. It is noteworthy, however, that more than one-fifth of banks indicated increased financing rates/spreads for equities.

Use of CCPs. Respondents indicated that the use of CCPs for the funding of various types of collateral had generally changed little, on balance, over the three-month reference period, although more than one-fifth of respondents reported a decrease for domestic government bonds (i.e. euro-denominated debt securities issued by the government of the country in which the respondent's head office is situated).

Covenants and triggers. For all of the collateral types covered in the survey, banks reported that covenants and triggers with respect to securities financing had remained unchanged, both for average and the most-favoured clients.

Demand for funding. Nine large banks indicated that overall demand by counterparties for the funding of euro-denominated equities, high-quality government bonds and domestic government bonds (i.e. euro-denominated debt securities issued by the government of the country in which the respondent's head office is situated) had increased over the recent three-month reference period, thereby also contributing to substantial net percentages of banks reporting increased overall demand (38%, 21% and 37% respectively), which were also higher than in the March 2013 survey. Numbers of banks reporting an increased overall demand were smaller for other collateral types (e.g. six for high-quality financial corporate bonds and five for lower quality government bonds) and there were also banks indicating lower rather than higher demand for the same type of collateral. For all collateral types included in the survey taken together and for most collateral types separately, a non-negligible number and share of banks also noted higher demand for funding with maturities greater than 30 days.

Liquidity of collateral. Except for euro-denominated equities, the respondents, on balance, reported an improvement in liquidity and market functioning for the various types of collateral included in the survey over the three-month reference period, and especially for euro-denominated government bonds, high-quality non-financial corporate bonds and asset-backed securities.

Collateral valuation disputes. Respondents indicated that the volume, persistence and duration of valuation disputes for the various types of collateral included in the survey had remained essentially unchanged.

Non-centrally cleared OTC derivatives

Initial margin requirements. Respondents reported basically unchanged initial margin requirements for all of the types of derivatives covered in the survey for both average and most-favoured clients over the three-month reference period.

Credit limits. In contrast to the previous survey in which some decrease in credit limits was reported, in the June 2013 survey respondents indicated that the maximum amount of exposure and the maximum maturity of derivatives trades had remained basically unchanged for the various types of derivatives contracts included in the survey during the three-month reference period ending in May 2013.

Liquidity and trading. While for most types of non-centrally cleared derivatives contracts included in the survey banks reported basically unchanged liquidity and trading, a number of banks reported a deterioration for sovereign credit default swaps and equity derivatives.

Valuation disputes. In the answers of respondents concerning changes in the volume, duration and persistence of disputes relating to the valuation of derivative contracts there was no clear pattern across the types of derivative contracts covered in the survey and the numbers of banks that reported a change were small, which points to a broadly unchanged situation over the three-month reference period.

Non-price changes in new agreements. As in the previous survey, respondents indicated some tightening of non-price credit terms that relate to margin call practices, covenants and triggers and other documentation features incorporated in new or renegotiated OTC derivatives master agreements, and there was some divergence with respect to changes in the lists of acceptable collateral.

Posting of non-standard collateral. Posting of non-standard collateral (i.e. collateral other than cash and government debt securities) remained basically unchanged.

Special questions

Collateral transformation/upgrade trades by counterparty type

Demand to borrow high-quality securities. According to the answers of respondents to this special question, there had been no clear changes in the demand by the various types of counterparties to borrow high-quality securities using other securities as collateral over the previous six months, although several banks noted increased demand for such collateral swaps by other banks, while a few other respondents indicated a decrease in demand.

Supply of high-quality securities to lend. Respondents indicated conflicting changes in the willingness of other banks to lend high-quality securities to them against other securities as collateral over the previous six months. However, some banks reported an increase in the supply of such collateral swaps by non-bank counterparties over the previous six months, namely by insurance companies, and investment funds (excluding hedge funds), pension plans and other institutional investment pools that are usually important lenders of high-quality securities.

1. Counterparty types

1.1 Realised and expected changes in price and non-price credit terms

Over the past three months, how have the [price] terms offered to [counterparty type/ all counterparties above] as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of [non-price] terms?

Over the past three months, how have the [non-price] terms offered to [counterparty type/ all counterparties above] as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed, regardless of [price] terms?

Over the past three months, how have the [price and non-price] terms offered to [counterparty type/ all counterparties above] as reflected across the entire spectrum of securities financing and OTC derivatives transaction types changed [overall]?

(in percentages, except for the total number of answers)

Realised changes	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Banks and dealers								
Price terms	0	7	59	31	3	-10	-28	29
Non-price terms	0	7	72	21	0	-3	-14	29
Overall	0	0	76	21	3	-7	-24	29
Hedge funds								
Price terms	0	5	73	23	0	0	-18	22
Non-price terms	0	0	91	9	0	-4	-9	23
Overall	0	0	87	13	0	+4	-13	23
Insurance companies								
Price terms	0	0	76	21	3	-7	-24	29
Non-price terms	0	3	93	3	0	+7	0	29
Overall	0	0	83	14	3	0	-17	29
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	0	75	21	4	-11	-25	28
Non-price terms	0	4	93	4	0	0	0	28
Overall	0	0	86	11	4	-4	-14	28
Non-financial corporations								
Price terms	0	4	61	29	7	-4	-32	28
Non-price terms	0	0	96	4	0	+7	-4	28
Overall	0	0	79	18	4	+11	-21	28
Sovereigns								
Price terms	0	7	63	26	4	0	-22	27
Non-price terms	0	7	85	7	0	+4	0	27
Overall	0	0	81	15	4	+4	-19	27
All counterparties above								
Price terms	0	0	71	25	4	0	-29	28
Non-price terms	0	4	93	4	0	+7	0	28
Overall	0	0	82	14	4	+7	-18	28

Note: The net percentage is defined as the difference between the percentage of respondents reporting "tightened considerably" or "tightened somewhat" and those reporting "eased somewhat" and "eased considerably".

1.1 Realised and expected changes in price and non-price credit terms (continued)

Over the next three months, how are the [price] terms offered to [counterparty type/ all counterparties above] as reflected across the entire spectrum of securities financing and OTC derivatives transaction types likely to change, regardless of [non-price] terms?

Over the next three months, how are the [non-price] terms offered to [counterparty type/ all counterparties above] as reflected across the entire spectrum of securities financing and OTC derivatives transaction types likely to change, regardless of [price] terms?

Over the next three months, how are the [price and non-price] terms offered to [counterparty type/ all counterparties above] as reflected across the entire spectrum of securities financing and OTC derivatives transaction types likely to change [overall]?

(in percentages, except for the total number of answers)

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Banks and dealers								
Price terms	0	14	79	7	0	+21	+7	29
Non-price terms	0	14	79	7	0	+14	+7	29
Overall	0	14	83	3	0	+14	+10	29
Hedge funds								
Price terms	0	18	77	5	0	+23	+14	22
Non-price terms	0	4	91	4	0	0	0	23
Overall	0	13	83	4	0	+9	+9	23
Insurance companies								
Price terms	0	10	83	7	0	+11	+3	29
Non-price terms	0	7	93	0	0	+11	+7	29
Overall	0	7	86	7	0	+7	0	29
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	11	82	7	0	+4	+4	28
Non-price terms	0	7	93	0	0	+7	+7	28
Overall	0	7	86	7	0	+7	0	28
Non-financial corporations								
Price terms	0	11	78	11	0	+4	0	27
Non-price terms	0	7	93	0	0	+21	+7	27
Overall	0	4	85	11	0	+7	-7	27
Sovereigns								
Price terms	0	7	81	11	0	+11	-4	27
Non-price terms	0	0	100	0	0	+11	0	27
Overall	0	4	85	11	0	+7	-7	27
All counterparties above								
Price terms	0	11	82	7	0	+11	+4	28
Non-price terms	0	7	93	0	0	+18	+7	28
Overall	0	7	86	7	0	+7	0	28

Note: The net percentage is defined as the difference between the percentage of respondents reporting "likely to tighten considerably" or "likely to tighten somewhat" and those reporting "likely to ease somewhat" and "likely to ease considerably".

1.2 Reasons for changes in price and non-price credit terms

To the extent that [price/ non-price] terms applied to [banks and dealers] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

(in percentages, except for the total number of answers)

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar 2013	June 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	50	0	0	11	33
Willingness of your institution to take on risk	0	0	0	11	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	11	0
Internal treasury charges for funding	0	0	0	11	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	33	33
Competition from other institutions	0	0	0	11	0
Other	50	0	0	11	33
Total number of answers	2	1	0	9	3
Possible reasons for easing					
Current or expected financial strength of counterparties	10	0	0	18	4
Willingness of your institution to take on risk	10	13	20	18	13
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	10	25	20	6	17
Availability of balance sheet or capital at your institution	10	0	0	6	4
General market liquidity and functioning	40	38	20	29	35
Competition from other institutions	10	25	20	12	17
Other	10	0	20	12	9
Total number of answers	10	8	5	17	23
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	29	33
Willingness of your institution to take on risk	100	0	0	43	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	100	29	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	1	7	3
Possible reasons for easing					
Current or expected financial strength of counterparties	17	25	0	13	14
Willingness of your institution to take on risk	17	0	25	13	14
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	25	0	0	7
Availability of balance sheet or capital at your institution	33	0	0	13	14
General market liquidity and functioning	33	25	50	38	36
Competition from other institutions	0	25	25	13	14
Other	0	0	0	13	0
Total number of answers	6	4	4	8	14

1.2 Reasons for changes in price and non-price credit terms (continued)

To the extent that [price/ non-price] terms applied to [hedge funds] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

(in percentages, except for the total number of answers)

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar 2013	June 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	20	0
Willingness of your institution to take on risk	0	0	0	20	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	40	0
Competition from other institutions	0	0	0	0	0
Other	100	0	0	20	100
Total number of answers	1	0	0	5	1
Possible reasons for easing					
Current or expected financial strength of counterparties	20	0	0	11	8
Willingness of your institution to take on risk	20	0	33	33	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	20	25	0	11	17
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	75	0	22	25
Competition from other institutions	20	0	33	11	17
Other	20	0	33	11	17
Total number of answers	5	4	3	9	12
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	50	0	0	20	20
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	40	40
Competition from other institutions	50	0	100	40	40
Other	0	0	0	0	0
Total number of answers	2	2	1	5	5

1.2 Reasons for changes in price and non-price credit terms (continued)

To the extent that [price/ non-price] terms applied to [insurance companies] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

(in percentages, except for the total number of answers)

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar 2013	June 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	25	0
Willingness of your institution to take on risk	0	0	0	25	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	25	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	25	0
Total number of answers	0	0	0	4	0
Possible reasons for easing					
Current or expected financial strength of counterparties	29	0	0	10	13
Willingness of your institution to take on risk	0	0	50	30	13
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	14	20	0	10	13
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	29	80	25	30	44
Competition from other institutions	14	0	0	10	6
Other	14	0	25	10	13
Total number of answers	7	5	4	10	16
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	25	33
Willingness of your institution to take on risk	100	0	0	25	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	13	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	100	38	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	1	8	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	100	0	0	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	33	33
Competition from other institutions	0	0	100	33	33
Other	0	0	0	0	0
Total number of answers	1	1	1	3	3

1.2 Reasons for changes in price and non-price credit terms (continued)

To the extent that [price/ non-price] terms applied to [investment funds (incl. ETFs), pension plans and other institutional investment pools] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

(in percentages, except for the total number of answers)

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar 2013	June 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	20	0
Willingness of your institution to take on risk	0	0	0	20	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	40	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	20	0
Total number of answers	0	0	0	5	0
Possible reasons for easing					
Current or expected financial strength of counterparties	14	0	0	17	7
Willingness of your institution to take on risk	0	0	33	25	7
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	14	25	0	8	14
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	29	75	33	33	43
Competition from other institutions	29	0	0	8	14
Other	14	0	33	8	14
Total number of answers	7	4	3	12	14
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	33	33
Willingness of your institution to take on risk	100	0	0	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	100	33	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	100	0	0	33
Willingness of your institution to take on risk	100	0	0	50	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	100	0	33
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	25	0
Competition from other institutions	0	0	0	25	0
Other	0	0	0	0	0
Total number of answers	1	1	1	4	3

1.2 Reasons for changes in price and non-price credit terms (continued)

To the extent that [price/ non-price] terms applied to [non-financial corporations] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

(in percentages, except for the total number of answers)

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar 2013	June 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	17	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	8	0
Internal treasury charges for funding	0	0	0	8	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	25	33
Competition from other institutions	100	0	0	8	33
Other	0	0	100	17	33
Total number of answers	1	1	1	12	3
Possible reasons for easing					
Current or expected financial strength of counterparties	10	0	0	6	4
Willingness of your institution to take on risk	10	25	20	31	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	6	0
Internal treasury charges for funding	10	13	0	6	9
Availability of balance sheet or capital at your institution	0	0	0	6	0
General market liquidity and functioning	40	50	20	25	39
Competition from other institutions	20	13	40	13	22
Other	10	0	20	6	9
Total number of answers	10	8	5	16	23
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	25	0
Willingness of your institution to take on risk	0	0	0	38	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	13	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	25	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	8	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	100	0	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	0	100	33	33
Other	0	0	0	0	0
Total number of answers	1	1	1	3	3

1.2 Reasons for changes in price and non-price credit terms (continued)

To the extent that [price/ non-price] terms applied to [sovereigns] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

(in percentages, except for the total number of answers)

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar 2013	June 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	10	0
Willingness of your institution to take on risk	0	0	0	20	0
Adoption of new market conventions (e.g. ISDA protocols)	50	0	0	20	33
Internal treasury charges for funding	0	0	0	10	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	20	67
Competition from other institutions	0	0	0	0	0
Other	0	0	0	20	0
Total number of answers	2	1	0	10	3
Possible reasons for easing					
Current or expected financial strength of counterparties	13	0	0	0	6
Willingness of your institution to take on risk	0	17	25	22	11
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	13	17	0	0	11
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	50	25	44	44
Competition from other institutions	13	17	25	22	17
Other	13	0	25	11	11
Total number of answers	8	6	4	9	18
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	17	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	0	0
Other	100	0	0	0	100
Total number of answers	1	0	0	6	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	50	0	33	20
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	33	40
Competition from other institutions	0	50	100	33	40
Other	0	0	0	0	0
Total number of answers	2	2	1	3	5

1.2 Reasons for changes in price and non-price credit terms (continued)

To what extent have changes in the practices of [central counterparties], including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?

(in percentages, except for the total number of answers)

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Mar 2013	June 2013	
Practices of CCPs	5	16	68	11	0	+10	+11	19

Note: The net percentage is defined as the difference between the percentage of respondents reporting "contributed considerably to tightening" or "contributed somewhat to tightening" and those reporting "contributed somewhat to easing" and "contributed considerably to easing".

1.3 Resources and attention to the management of concentrated credit exposures

Over the past three months, how has the amount of resources and attention your firm devotes to the management of concentrated credit exposures to [large banks and dealers/ central counterparties] changed?

(in percentages, except for the total number of answers)

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Banks and dealers	0	7	69	21	3	-21	-17	29
Central counterparties	0	3	48	31	17	-54	-45	29

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

1.4 Leverage

Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by [hedge funds/ insurance companies/ investment funds (incl. ETFs), pension plans and other institutional investment pools] changed over the past three months?

Considering the entire range of transactions facilitated by your institution for [hedge funds], how has the availability of additional (and currently unutilised) financial leverage under agreements currently in place (for example, under prime brokerage agreements and other committed but undrawn or partly drawn facilities) changed over the past three months?

(in percentages, except for the total number of answers)

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Hedge funds								
Use of financial leverage	0	0	76	24	0	-25	-24	21
Availability of unutilised leverage	0	0	95	5	0	-10	-5	20
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	4	92	4	0	0	0	25

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

1.5 Client pressure and differential terms for most-favoured clients

How has the intensity of efforts by [counterparty type] to negotiate more favourable price and non-price terms changed over the past three months?

How has the provision of differential terms by your institution to most-favoured (as a consequence of breadth, duration, and extent of relationship) [counterparty type] changed over the past three months?

(in percentages, except for the total number of answers)

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	75	21	4	-14	-25	28
Provision of differential terms to most-favoured clients	0	0	93	7	0	0	-7	28
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	78	13	9	-26	-22	23
Provision of differential terms to most-favoured clients	0	0	87	13	0	-17	-13	23
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	93	4	4	-14	-7	28
Provision of differential terms to most-favoured clients	0	0	96	4	0	-7	-4	28
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	81	12	4	-12	-12	26
Provision of differential terms to most-favoured clients	0	0	96	4	0	-8	-4	26
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	78	19	4	-11	-22	27
Provision of differential terms to most-favoured clients	0	0	89	11	0	-11	-11	27

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

1.6 Valuation disputes

Over the past three months, how has the [volume/ duration and persistence] of valuation disputes with [counterparty type] changed?

(in percentages, except for the total number of answers)

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Banks and dealers								
Volume	0	4	78	19	0	+7	-15	27
Duration and persistence	0	7	81	11	0	+7	-4	27
Hedge funds								
Volume	0	0	86	14	0	+10	-14	21
Duration and persistence	0	0	86	14	0	+10	-14	21
Insurance companies								
Volume	0	0	100	0	0	+8	0	26
Duration and persistence	0	0	100	0	0	0	0	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	92	8	0	+4	-8	26
Duration and persistence	0	0	92	8	0	+8	-8	26
Non-financial corporations								
Volume	0	0	96	4	0	+4	-4	25
Duration and persistence	0	0	92	8	0	0	-8	25

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

2. Securities financing

2.1 Credit terms by collateral type for average and most-favoured clients

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [average] clients (as a consequence of breadth, duration, and extent of relationship)?

(in percentages, except for the total number of answers)

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Domestic government bonds								
Maximum amount of funding	5	5	74	16	0	-16	-5	19
Maximum maturity of funding	0	0	95	5	0	0	-5	19
Haircuts	0	5	89	5	0	-5	0	19
Financing rate/spread	0	26	68	5	0	+32	+21	19
Use of CCPs	0	21	68	11	0	-5	+11	19
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	79	18	4	-25	-21	28
Maximum maturity of funding	0	0	86	14	0	-14	-14	28
Haircuts	0	11	86	4	0	+7	+7	28
Financing rate/spread	0	29	71	0	0	+36	+29	28
Use of CCPs	0	4	85	12	0	-12	-8	26
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	76	20	0	-8	-16	25
Maximum maturity of funding	0	4	84	12	0	-4	-8	25
Haircuts	0	12	80	8	0	0	+4	25
Financing rate/spread	4	24	68	4	0	+31	+24	25
Use of CCPs	0	9	87	4	0	-13	+4	23
High-quality financial corporate bonds								
Maximum amount of funding	0	8	71	21	0	0	-13	24
Maximum maturity of funding	0	4	79	17	0	0	-13	24
Haircuts	0	13	83	4	0	+4	+8	24
Financing rate/spread	0	29	71	0	0	+17	+29	24
Use of CCPs	0	0	95	5	0	-16	-5	21
High-quality non-financial corporate bonds								
Maximum amount of funding	0	4	80	16	0	-4	-12	25
Maximum maturity of funding	0	0	88	12	0	+4	-12	25
Haircuts	0	8	84	8	0	+4	0	25
Financing rate/spread	0	32	68	0	0	+12	+32	25
Use of CCPs	0	0	90	10	0	-15	-10	21
High-yield corporate bonds								
Maximum amount of funding	0	5	82	14	0	0	-9	22
Maximum maturity of funding	0	0	81	19	0	-5	-19	21
Haircuts	0	9	82	9	0	-5	0	22
Financing rate/spread	0	27	68	5	0	-10	+23	22
Use of CCPs	0	0	94	6	0	-7	-6	18

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "Domestic government bonds" are euro-denominated government bonds issued by the country where a respondent's head office is.

2.1 Credit terms by collateral type for average and most-favoured clients (continued)

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [average] clients (as a consequence of breadth, duration, and extent of relationship)?

(in percentages, except for the total number of answers)

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Convertible securities								
Maximum amount of funding	0	8	92	0	0	+7	+8	13
Maximum maturity of funding	0	0	100	0	0	0	0	13
Haircuts	0	0	100	0	0	0	0	13
Financing rate/spread	0	8	85	8	0	-7	0	13
Use of CCPs	0	0	100	0	0	-8	0	12
Equities								
Maximum amount of funding	0	9	78	13	0	0	-4	23
Maximum maturity of funding	0	4	83	13	0	-4	-9	23
Haircuts	0	4	87	9	0	0	-4	23
Financing rate/spread	0	14	64	23	0	+9	-9	22
Use of CCPs	0	0	94	6	0	0	-6	18
Asset-backed securities								
Maximum amount of funding	0	0	79	21	0	0	-21	14
Maximum maturity of funding	0	0	79	21	0	0	-21	14
Haircuts	0	7	93	0	0	-7	+7	14
Financing rate/spread	0	33	67	0	0	0	+33	12
Use of CCPs	0	0	100	0	0	-20	0	12
Covered bonds								
Maximum amount of funding	4	0	78	17	0	0	-13	23
Maximum maturity of funding	4	0	83	13	0	0	-9	23
Haircuts	0	13	87	0	0	0	+13	23
Financing rate/spread	0	26	74	0	0	+21	+26	23
Use of CCPs	0	0	95	5	0	0	-5	21

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

2.1 Credit terms by collateral type for average and most-favoured clients (continued)

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [most-favoured] clients (as a consequence of breadth, duration, and extent of relationship)?

(in percentages, except for the total number of answers)

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Domestic government bonds								
Maximum amount of funding	5	5	79	11	0	-11	0	19
Maximum maturity of funding	0	0	89	11	0	0	-11	19
Haircuts	0	5	89	5	0	-5	0	19
Financing rate/spread	0	26	68	5	0	+32	+21	19
Use of CCPs	0	26	63	11	0	-5	+16	19
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	82	14	4	-21	-18	28
Maximum maturity of funding	0	0	86	14	0	-11	-14	28
Haircuts	0	11	86	4	0	+7	+7	28
Financing rate/spread	0	29	71	0	0	+32	+29	28
Use of CCPs	0	8	81	12	0	-12	-4	26
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	80	16	0	-8	-12	25
Maximum maturity of funding	0	4	80	16	0	-4	-12	25
Haircuts	0	12	80	8	0	+4	+4	25
Financing rate/spread	0	32	64	4	0	+31	+28	25
Use of CCPs	0	9	87	4	0	-8	+4	23
High-quality financial corporate bonds								
Maximum amount of funding	0	13	71	17	0	-8	-4	24
Maximum maturity of funding	0	4	79	17	0	0	-13	24
Haircuts	0	13	79	8	0	+4	+4	24
Financing rate/spread	0	33	63	4	0	+21	+29	24
Use of CCPs	0	0	90	10	0	-22	-10	21
High-quality non-financial corporate bonds								
Maximum amount of funding	0	8	76	16	0	-8	-8	25
Maximum maturity of funding	0	0	84	16	0	0	-16	25
Haircuts	0	8	84	8	0	+4	0	25
Financing rate/spread	0	32	64	4	0	+20	+28	25
Use of CCPs	0	0	91	9	0	-21	-9	22
High-yield corporate bonds								
Maximum amount of funding	0	10	76	14	0	0	-5	21
Maximum maturity of funding	0	0	76	24	0	-5	-24	21
Haircuts	0	10	86	5	0	-5	+5	21
Financing rate/spread	0	24	67	10	0	-5	+14	21
Use of CCPs	0	0	100	0	0	-7	0	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

2.1 Credit terms by collateral type for average and most-favoured clients (continued)

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [most-favoured] clients (as a consequence of breadth, duration, and extent of relationship)?

(in percentages, except for the total number of answers)

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Convertible securities								
Maximum amount of funding	0	8	85	8	0	+8	0	13
Maximum maturity of funding	0	0	100	0	0	+8	0	13
Haircuts	0	0	100	0	0	-8	0	13
Financing rate/spread	0	14	79	7	0	-8	+7	14
Use of CCPs	0	0	100	0	0	-10	0	13
Equities								
Maximum amount of funding	4	4	79	13	0	-13	-4	24
Maximum maturity of funding	0	0	83	13	4	-4	-17	24
Haircuts	0	8	88	4	0	0	+4	24
Financing rate/spread	0	17	63	21	0	+9	-4	24
Use of CCPs	0	0	100	0	0	0	0	18
Asset-backed securities								
Maximum amount of funding	0	0	79	21	0	0	-21	14
Maximum maturity of funding	0	0	79	21	0	0	-21	14
Haircuts	0	7	93	0	0	0	+7	14
Financing rate/spread	0	31	69	0	0	0	+31	13
Use of CCPs	0	0	100	0	0	-20	0	12
Covered bonds								
Maximum amount of funding	4	0	78	17	0	0	-13	23
Maximum maturity of funding	4	0	87	9	0	+4	-4	23
Haircuts	0	9	91	0	0	0	+9	23
Financing rate/spread	0	26	74	0	0	+21	+26	23
Use of CCPs	0	0	95	5	0	0	-5	21

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

2.1 Credit terms by collateral type for average and most-favoured clients (continued)

Over the past three months, how have the [covenants and triggers] under which [collateral type] are funded changed for [average/ most-favoured] clients (as a consequence of breadth, duration, and extent of relationship)?

(in percentages, except for the total number of answers)

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Domestic government bonds								
Terms for average clients	0	0	94	6	0	+6	-6	18
Terms for most-favoured clients	0	0	94	6	0	+6	-6	18
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	+7	0	26
Terms for most-favoured clients	0	0	100	0	0	+7	0	26
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	+4	0	23
Terms for most-favoured clients	0	0	100	0	0	+4	0	23
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	+4	0	23
Terms for most-favoured clients	0	0	100	0	0	+4	0	24
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	+4	0	24
Terms for most-favoured clients	0	0	100	0	0	+4	0	25
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	+5	0	22
Terms for most-favoured clients	0	0	100	0	0	+5	0	21
Convertible securities								
Terms for average clients	0	0	100	0	0	+6	0	14
Terms for most-favoured clients	0	0	100	0	0	+7	0	15
Equities								
Terms for average clients	0	0	100	0	0	0	0	21
Terms for most-favoured clients	0	0	100	0	0	0	0	22
Asset-backed securities								
Terms for average clients	0	0	100	0	0	+7	0	14
Terms for most-favoured clients	0	0	100	0	0	+7	0	14
Covered bonds								
Terms for average clients	0	0	100	0	0	+4	0	23
Terms for most-favoured clients	0	0	100	0	0	+4	0	23

Note: The net percentage is defined as the difference between the percentage of respondents reporting "tightened considerably" or "tightened somewhat" and those reporting "eased somewhat" and "eased considerably". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

2.2 Demand for funding, liquidity and disputes by collateral type

Over the past three months, how has demand for funding of [collateral type/ all collateral types above] by your institution's clients changed?

Over the past three months, how has demand for [term funding with a maturity greater than 30 days] of [collateral type/ all collateral types above] by your institution's clients changed?

(in percentages, except for the total number of answers)

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Domestic government bonds								
Overall demand	5	5	42	47	0	-26	-37	19
With a maturity greater than 30 days	6	6	61	28	0	-22	-17	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	11	57	32	0	-18	-21	28
With a maturity greater than 30 days	0	8	73	19	0	-23	-12	26
Other government, sub-national and supra-national bonds								
Overall demand	0	8	73	19	0	-19	-12	26
With a maturity greater than 30 days	0	4	79	17	0	-24	-13	24
High-quality financial corporate bonds								
Overall demand	0	13	63	25	0	-8	-13	24
With a maturity greater than 30 days	0	4	70	26	0	-17	-22	23
High-quality non-financial corporate bonds								
Overall demand	0	12	72	16	0	-12	-4	25
With a maturity greater than 30 days	0	4	79	17	0	-16	-13	24
High-yield corporate bonds								
Overall demand	0	10	71	19	0	-11	-10	21
With a maturity greater than 30 days	0	10	65	25	0	-16	-15	20
Convertible securities								
Overall demand	0	0	93	7	0	-7	-7	14
With a maturity greater than 30 days	0	7	86	7	0	0	0	14
Equities								
Overall demand	0	0	63	38	0	-16	-38	24
With a maturity greater than 30 days	0	4	65	22	9	-8	-26	23
Asset-backed securities								
Overall demand	0	14	64	21	0	-21	-7	14
With a maturity greater than 30 days	0	14	71	14	0	-21	0	14
Covered bonds								
Overall demand	0	14	67	19	0	-9	-5	21
With a maturity greater than 30 days	0	10	76	14	0	-14	-5	21
All collateral types above								
Overall demand	0	12	69	15	4	-11	-8	26
With a maturity greater than 30 days	0	8	72	20	0	-22	-12	25

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

2.2 Demand for funding, liquidity and disputes by collateral type (continued)

Over the past three months, how have liquidity and functioning of the [collateral type/ all collateral types above] market changed?

(in percentages, except for the total number of answers)

Liquidity and functioning of the collateral market	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Domestic government bonds								
Liquidity and functioning	5	11	53	32	0	-26	-16	19
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	7	64	29	0	-36	-21	28
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	73	23	0	-33	-19	26
High-quality financial corporate bonds								
Liquidity and functioning	0	13	63	25	0	-25	-13	24
High-quality non-financial corporate bonds								
Liquidity and functioning	0	0	76	24	0	-24	-24	25
High-yield corporate bonds								
Liquidity and functioning	0	10	71	19	0	-11	-10	21
Convertible securities								
Liquidity and functioning	0	7	79	14	0	+7	-7	14
Equities								
Liquidity and functioning	8	13	63	13	4	+4	+4	24
Asset-backed securities								
Liquidity and functioning	0	0	64	36	0	-14	-36	14
Covered bonds								
Liquidity and functioning	0	10	65	20	5	-14	-15	20
All collateral types above								
Liquidity and functioning	0	8	77	15	0	-22	-8	26

Note: The net percentage is defined as the difference between the percentage of respondents reporting "deteriorated considerably" or "deteriorated somewhat" and those reporting "improved somewhat" and "improved considerably". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

2.2 Demand for funding, liquidity and disputes by collateral type (continued)

Over the past three months, how has the [volume/ duration and persistence] of collateral valuation disputes relating to lending against [collateral type/ all collateral types above] changed?

(in percentages, except for the total number of answers)

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Domestic government bonds								
Volume	0	0	100	0	0	0	0	18
Duration and persistence	0	0	100	0	0	0	0	18
High-quality government, sub-national and supra-national bonds								
Volume	0	4	96	0	0	-7	+4	27
Duration and persistence	0	4	96	0	0	+4	+4	27
Other government, sub-national and supra-national bonds								
Volume	0	4	96	0	0	+4	+4	26
Duration and persistence	0	4	96	0	0	+7	+4	26
High-quality financial corporate bonds								
Volume	0	4	96	0	0	-4	+4	24
Duration and persistence	0	4	96	0	0	+4	+4	24
High-quality non-financial corporate bonds								
Volume	0	4	96	0	0	-4	+4	25
Duration and persistence	0	4	96	0	0	+4	+4	25
High-yield corporate bonds								
Volume	0	5	95	0	0	0	+5	21
Duration and persistence	0	5	95	0	0	+5	+5	21
Convertible securities								
Volume	0	0	100	0	0	-7	0	15
Duration and persistence	0	0	100	0	0	-7	0	15
Equities								
Volume	0	0	100	0	0	0	0	21
Duration and persistence	0	0	100	0	0	+4	0	21
Asset-backed securities								
Volume	0	7	93	0	0	-13	+7	15
Duration and persistence	0	7	93	0	0	0	+7	15
Covered bonds								
Volume	0	5	90	5	0	0	0	20
Duration and persistence	0	5	95	0	0	+5	+5	20
All collateral types above								
Volume	0	4	96	0	0	+4	+4	25
Duration and persistence	0	4	96	0	0	+7	+4	25

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

3. Non-centrally cleared OTC derivatives

3.1 Initial margin requirements, credit limits, liquidity and disputes by type of derivatives

Over the past three months, how have [initial margin requirements] set by your institution with respect to OTC [type of derivatives] changed for [average/ most-favoured] clients?

(in percentages, except for the total number of answers)

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Foreign exchange								
Average clients	0	0	96	4	0	0	-4	23
Most-favoured clients	0	0	91	9	0	-4	-9	23
Interest rates								
Average clients	0	0	100	0	0	-4	0	23
Most-favoured clients	0	0	96	4	0	-8	-4	23
Credit referencing sovereigns								
Average clients	0	0	100	0	0	-11	0	21
Most-favoured clients	0	0	100	0	0	-11	0	21
Credit referencing corporates								
Average clients	0	5	95	0	0	-11	+5	21
Most-favoured clients	0	0	100	0	0	-11	0	21
Credit referencing structured credit products								
Average clients	0	0	100	0	0	-7	0	17
Most-favoured clients	0	0	100	0	0	-13	0	17
Equity								
Average clients	0	0	100	0	0	0	0	20
Most-favoured clients	0	0	100	0	0	-5	0	20
Commodity								
Average clients	0	0	100	0	0	0	0	16
Most-favoured clients	0	0	100	0	0	0	0	16
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	-6	0	17
Most-favoured clients	0	0	100	0	0	-6	0	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

3.1 Initial margin requirements, credit limits, liquidity and disputes by type of derivatives (continued)

Over the past three months, how has the [maximum amount of exposure/ maximum maturity of trades] set by your institution with respect to OTC [type of derivatives] changed?

(in percentages, except for the total number of answers)

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Foreign exchange								
Maximum amount of exposure	0	4	96	0	0	+11	+4	27
Maximum maturity of trades	0	0	100	0	0	+7	0	27
Interest rates								
Maximum amount of exposure	0	4	96	0	0	+19	+4	26
Maximum maturity of trades	0	0	100	0	0	+7	0	26
Credit referencing sovereigns								
Maximum amount of exposure	0	5	95	0	0	+9	+5	22
Maximum maturity of trades	0	0	100	0	0	+5	0	22
Credit referencing corporates								
Maximum amount of exposure	0	5	95	0	0	+14	+5	22
Maximum maturity of trades	0	0	100	0	0	+5	0	22
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	+13	0	16
Maximum maturity of trades	0	0	100	0	0	+7	0	16
Equity								
Maximum amount of exposure	0	9	91	0	0	+17	+9	23
Maximum maturity of trades	0	4	96	0	0	+8	+4	23
Commodity								
Maximum amount of exposure	0	11	89	0	0	+10	+11	18
Maximum maturity of trades	0	6	94	0	0	+10	+6	18
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	0	0	17
Maximum maturity of trades	0	0	100	0	0	+6	0	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

3.1 Initial margin requirements, credit limits, liquidity and disputes by type of derivatives (continued)

Over the past three months, how have [liquidity and trading] of OTC [type of derivatives] changed?

(in percentages, except for the total number of answers)

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Foreign exchange								
Liquidity and trading	0	4	96	0	0	+10	+4	27
Interest rates								
Liquidity and trading	0	4	96	0	0	+7	+4	26
Credit referencing sovereigns								
Liquidity and trading	9	14	77	0	0	+13	+23	22
Credit referencing corporates								
Liquidity and trading	0	10	86	5	0	+14	+5	21
Credit referencing structured credit products								
Liquidity and trading	0	13	88	0	0	+31	+13	16
Equity								
Liquidity and trading	0	13	87	0	0	+8	+13	23
Commodity								
Liquidity and trading	0	6	94	0	0	+10	+6	18
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	0	0	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "deteriorated considerably" or "deteriorated somewhat" and those reporting "improved somewhat" and "improved considerably".

3.1 Initial margin requirements, credit limits, liquidity and disputes by type of derivatives (continued)

Over the past three months, how has the [volume/ duration and persistence] of disputes relating to the valuation of OTC [type of derivatives] contracts changed?

(in percentages, except for the total number of answers)

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar 2013	Net percentage June 2013	Total number of answers
Foreign exchange								
Volume	0	0	89	11	0	-10	-11	28
Duration and persistence	4	0	85	11	0	-4	-7	27
Interest rates								
Volume	0	7	89	4	0	+4	+4	27
Duration and persistence	4	8	85	4	0	+7	+8	26
Credit referencing sovereigns								
Volume	0	4	91	4	0	+8	0	23
Duration and persistence	0	0	91	9	0	-4	-9	22
Credit referencing corporates								
Volume	0	4	91	4	0	+4	0	23
Duration and persistence	0	0	91	5	5	-9	-9	22
Credit referencing structured credit products								
Volume	0	6	88	6	0	+12	0	17
Duration and persistence	0	0	88	13	0	-6	-13	16
Equity								
Volume	0	4	88	8	0	0	-4	24
Duration and persistence	4	0	96	0	0	+13	+4	23
Commodity								
Volume	0	5	95	0	0	+10	+5	21
Duration and persistence	0	0	100	0	0	0	0	20
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	18
Duration and persistence	0	0	94	6	0	0	-6	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

3.2 Changes in new or renegotiated master agreements

Over the past three months, how have [margin call practices/ acceptable collateral/ recognition of portfolio or diversification benefits/ covenants and triggers/ other documentation features] incorporated in new or renegotiated OTC derivatives master agreements put in place with your institution's clients changed?

(in percentages, except for the total number of answers)

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Margin call practices	0	14	86	0	0	+14	+14	29
Acceptable collateral	0	14	76	10	0	+10	+3	29
Recognition of portfolio or diversification benefits	0	0	100	0	0	+4	0	28
Covenants and triggers	0	10	90	0	0	+10	+10	29
Other documentation features	0	11	89	0	0	+15	+11	27

Note: The net percentage is defined as the difference between the percentage of respondents reporting "tightened considerably" or "tightened somewhat" and those reporting "eased somewhat" and "eased considerably".

3.3 Posting of non-standard collateral

Over the past three months, how has the posting of non-standard collateral (for example, other than cash and high-quality government bonds) as permitted under relevant agreements changed?

(in percentages, except for the total number of answers)

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar 2013	June 2013	
Posting of non-standard collateral	0	0	95	5	0	-8	-5	22

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably".

Special questions

Collateral transformation/upgrade trades by counterparty type

Over the past six months how has demand by [counterparty type/ all counterparties above] to borrow high-quality securities from your institution using other securities as collateral changed?

Over the past six months how has supply by [counterparty type/ all counterparties above] to lend high-quality securities against your institution using other securities as collateral changed?

(in percentages, except for the total number of answers)

Collateral transformation trades	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage	Total number of answers
Banks and dealers							
Demand for high-quality securities	0	8	77	15	0	-8	26
Supply of high-quality securities	0	12	72	16	0	-4	25
Hedge funds							
Demand for high-quality securities	0	0	94	6	0	-6	18
Supply of high-quality securities	0	0	95	5	0	-5	19
Insurance companies							
Demand for high-quality securities	0	9	86	5	0	+5	22
Supply of high-quality securities	0	0	86	14	0	-14	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools							
Demand for high-quality securities	0	9	91	0	0	+9	23
Supply of high-quality securities	0	0	91	9	0	-9	23
Non-financial corporations							
Demand for high-quality securities	0	0	95	5	0	-5	21
Supply of high-quality securities	0	0	95	5	0	-5	20
All counterparties above							
Demand for high-quality securities	0	8	88	4	0	+4	25
Supply of high-quality securities	0	4	84	12	0	-8	25

Note: The net percentage is defined as the difference between the percentage of respondents reporting "considerably tighter" or "somewhat tighter" and those reporting "somewhat easier" and "considerably easier".