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.

SESFOD 1
September 2014

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September 2014 SESFOD results

(reference period from June 2014 to August 2014)

Summary

The **September 2014 survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets (SESFOD)** collected qualitative information on changes in credit terms between June 2014 and August 2014. This survey summary is based on responses from a panel of 28 large banks, comprising 13 euro area banks and 15 banks with head offices outside the euro area.

Highlights

The main findings of the September 2014 SESFOD suggest that: (i) credit terms have become somewhat more favourable for many counterparty types, although responses continue to differ depending on whether respondents are domiciled within or outside the euro area; and (ii) credit terms for funding that is collateralised by euro-denominated securities have become less stringent for many collateral types. More specifically:

The survey indicates that, across the entire range of securities financing and OTC derivatives transactions, offered **price terms** (such as financing rates/spreads) have, on balance, become somewhat more favourable over the three-month reference period ending in August 2014. Similarly, offered **non-price credit terms** (including, for example, the maximum amount of funding, haircuts and cure periods, as well as covenants and triggers) have, in net terms, eased somewhat for almost all counterparty types. Responses continue to differ significantly depending on where survey respondents are domiciled, with respondents domiciled within the euro area on balance reporting a continuation of the easing of price and non-price terms offered to banks and dealers, while survey respondents with headquarters outside the euro area reported less favourable offered price and non-price terms. Survey respondents highlighted changes in general market liquidity and competition from other institutions as reasons why credit terms have become somewhat more favourable over the June 2014 to August 2014 reference period. On the other hand, some respondents reported a tightening of risk management guidelines specifically targeted at Russian clients.

The credit terms offered in the provision of funding to clients that is collateralised by euro-denominated securities again eased somewhat for many types of collateral over the June 2014 to August 2014 reference period. While most respondents to the September survey indicated that the **maximum amount of funding** for many types of euro-denominated securities remained basically unchanged, on balance, a small percentage of respondents reported that the **maximum maturity of funding** of euro-denominated securities had increased somewhat over the three-month reference period ending in August 2014. Respondents also indicated, in net terms, a decrease in **haircuts** for many types of euro-denominated collateral covered in the survey. In addition, responses on balance indicated lower **financing rates/spreads** at which securities are funded for nearly all types of collateral.

Survey respondents reported that credit terms for OTC derivatives that are not cleared through a central counterparty (CCP) remained basically unchanged for most aspects covered by the survey. As in the previous survey, responses to the September survey showed very little change in **initial margin requirements**, the **maximum amount of exposure** and the **maximum maturity** of derivatives trades, and survey respondents also indicated almost no changes in **liquidity conditions**.

Counterparty types

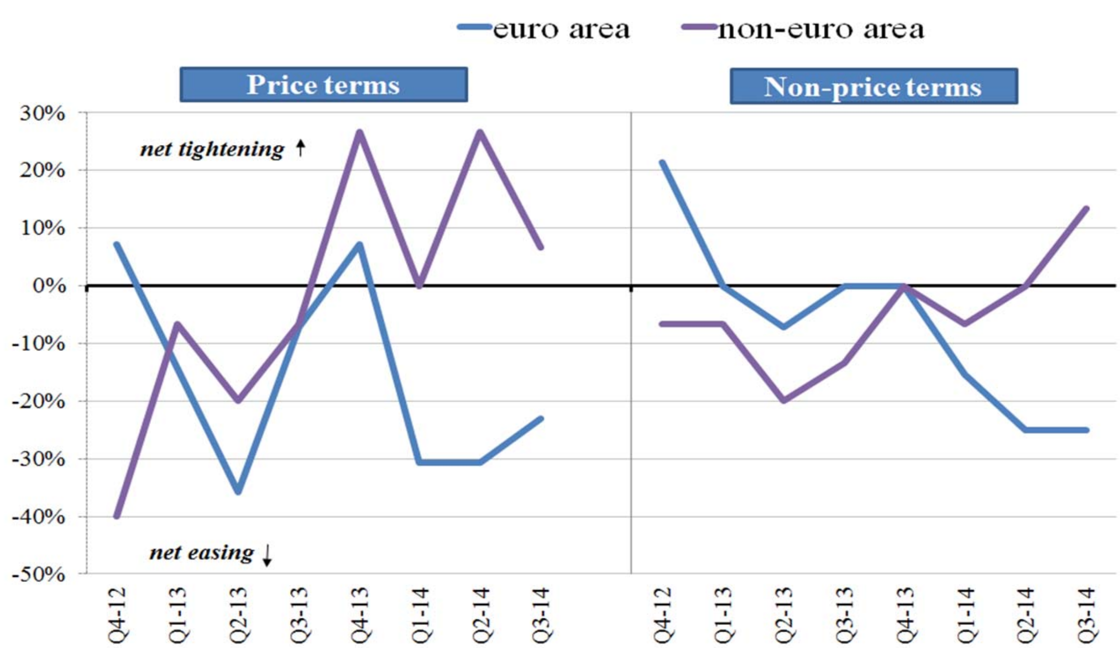
Changes. Responses to the September 2014 survey suggest that overall offered price terms (such as financing rates/spreads) have, on balance, become somewhat more favourable over the three-month reference period ending in August 2014, reversing the tightening observed during the previous three-month reference period ending in May 2014. While 85% of the responses to the September survey indicated that price terms remained basically unchanged for all counterparties, a small net percentage of respondents indicated more favourable price terms offered to banks and dealers, insurance companies and sovereigns. Following the notable increase in financing rates/spreads offered to hedge fund clients over the previous reference period when 25% of respondents indicated higher rates/spreads, respondents to the September survey indicated that terms offered to hedge funds on balance remained unchanged during the current reference period. This contrasts with expectations of further increases of rates/spreads offered to hedge funds that survey respondents had indicated in the previous survey. Compared with the June 2014 survey, the dispersion of responses has decreased for all counterparty types.

Similarly, offered non-price credit terms (including, for example, the maximum amount of funding, haircuts, cure periods, covenants and triggers) on balance eased somewhat for all counterparty types, except for investment funds for which offered non-price terms remained on balance unchanged.

Responses to the September 2014 survey continued to differ significantly depending on where the survey respondents are domiciled. A significant net percentage of survey respondents that are domiciled in the euro area continued to indicate that price and non-price terms offered to banks and dealers have eased over the three-month reference period ending in August 2014, following similar developments over the previous two reference periods. By contrast, survey respondents with head offices outside the euro area indicated that terms have become less favourable, in particular for non-price terms (see Chart A)

Chart A: Changes in price and non-price credit terms offered to banks and dealers by domiciliation of survey respondents

(Q4 2012 – Q3 2014; net percentage of survey respondents)



Source: ECB.

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

Expectations. Respondents to the September 2014 survey, on balance, expected few changes in credit terms over the next three-month reference period from September to November 2014. However, four banks indicated that they expect easier price and non-price credit terms offered to banks and dealers over the next review period. Some respondents however reported that they expect some tightening related to Russian sanctions, potential Scottish independence (which was still uncertain at the time of the survey) and an increase of financing rates/spreads as increased costs from regulatory requirements are passed on to clients.

Reasons. The survey respondents highlighted a number of reasons why on balance price terms have become somewhat more favourable over the June 2014 to August 2014 reference period, with changes in general market liquidity and functioning being the most frequently cited first reason. Other reasons cited prominently were competition from other institutions, current or expected financial strength of counterparties, as well as the willingness of the respondent's institution to take risk. General market liquidity and functioning and competition from other institutions were also most prominently cited as reasons for easing non-price credit terms. Some respondents to the September 2014 survey however reported that there had been some tightening of risk management guidelines, e.g. a reduction of exposure limits specifically targeted at Russian clients. A small net percentage of survey respondents continued to point to CCP practices as a reason for tightening credit terms for bilateral transactions that are not cleared.

Management of concentrated credit exposures to large banks and CCPs. As in previous surveys, the September 2014 survey results also indicated that the reporting banks have continued to increase the level of resources and attention they are devoting to the management of concentrated credit exposures.

Leverage. Survey respondents reported that on balance the use of financial leverage by hedge funds had remained basically unchanged during the three-month reference period from June 2014 to August 2014, following the increase reported in the three previous surveys.

Client pressure and differential terms. The results of the September 2014 survey show that efforts to negotiate more favourable price and non-price terms have continued to increase. As in previous surveys, this outcome is most evident for hedge funds and, to a lesser extent, for other types of counterparty. A small number of survey respondents reported that the provision of differential terms to most-favoured clients had increased for hedge funds and for banks and dealers, while it had remained unchanged for other types of counterparty.

Valuation disputes. As in the previous survey, respondents reported almost no change in the volume, persistence and duration of valuation disputes with counterparties over the three-month reference period ending in August 2014.

Securities financing

Maximum amount of funding. Following the reported increase in the maximum amount of funding for many types of euro-denominated securities covered in the survey over the previous three-month reporting period, most respondents to the September survey indicated that the maximum amount of funding had remained basically unchanged. However, a very small net percentage of respondents reported that the maximum amount of funding for government securities had decreased somewhat, while the maximum amount of funding for other collateral types had increased somewhat. Responses were similar for both average and most-favoured clients.

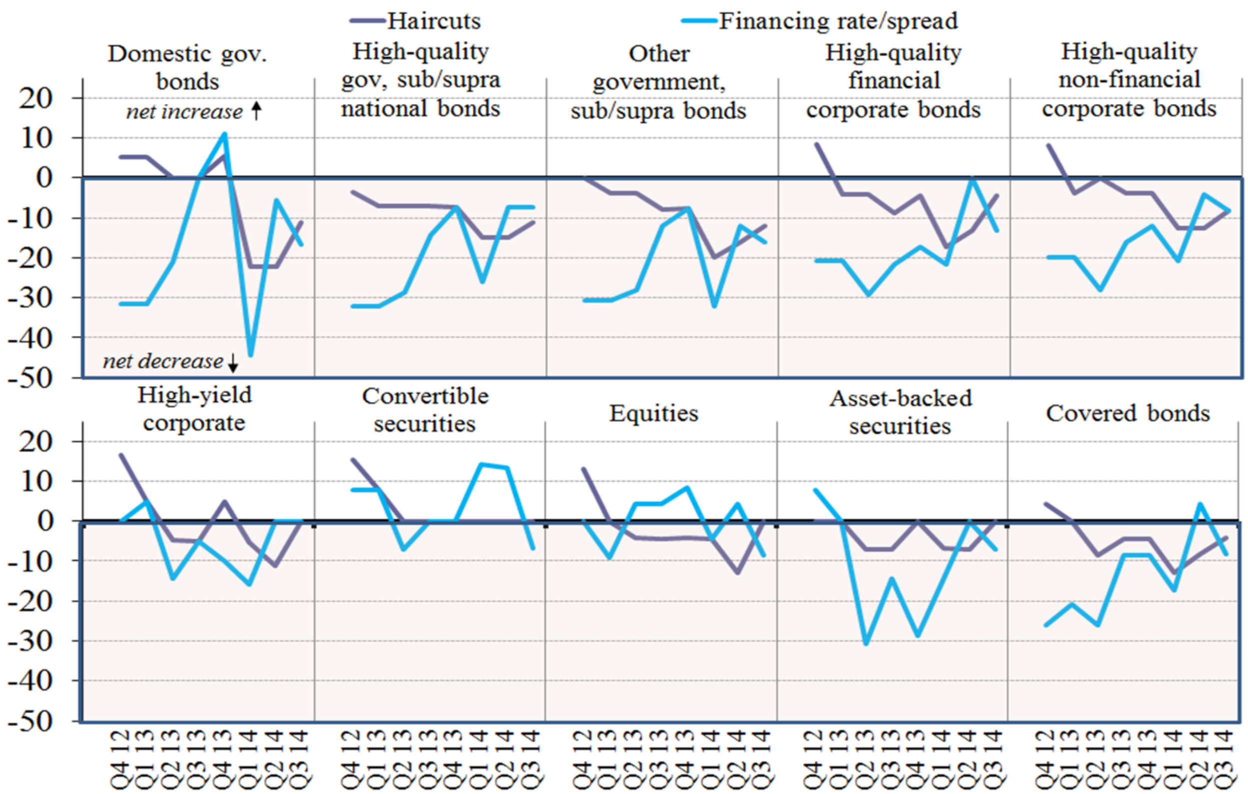
Maximum maturity of funding. On balance, a small percentage of respondents to the September 2014 survey indicated that the maximum maturity of funding of euro-denominated securities had increased somewhat over the three-month reference period ending in August 2014 with similar responses for average and most-favoured clients.

Haircuts. Respondents on balance indicated, for both average and most-favoured clients, a decrease in haircuts for many types of euro-denominated collateral covered in the survey, such as government securities, high-quality financial corporate bonds and high-quality non-financial corporate bonds. One or two banks also reported a decrease in haircuts for equities and asset-backed securities for their average clients, while they remained basically unchanged for their most-favoured clients for which some banks had already reduced haircuts during the previous reporting period (see Chart B).

Financing rates/spreads. In net terms, respondents reported lower financing rates/spreads for nearly all types of collateral for both average and most-favoured clients (see Chart B). While responses to the June survey pointed to significant differences depending on where the survey respondents were domiciled, the results of the September 2014 survey showed lower financing rates/spreads for survey respondents domiciled within and outside the euro area.

Chart B: Changes in haircuts and financing rates/spreads of secured funding by collateral type

(Q4 2012 – Q3 2014; net percentage of survey respondents)



Source: ECB.

Notes: The net percentage is defined as the difference between the percentage of respondents reporting “increased somewhat” or “increased considerably” and those reporting “decreased somewhat” or “decrease considerably”, applicable to most-favoured clients.

Use of CCPs. On balance respondents indicated that the use of CCPs for the funding of various types of collateral included in the survey had basically remained unchanged over the three-month reference period.

Covenants and triggers. Responses to the September 2014 survey pointed to almost no change in covenants and triggers for all collateral types over the past three months, with the exception of domestic government bonds for which one respondent indicated that covenants and triggers were eased somewhat over the three-month reference period ending in August 2014.

Demand for funding. According to the responses to the September 2014 survey, demand by counterparties for the funding of government bonds remained on balance basically unchanged over the three-month reference period ending in August 2014 following the notable increase over the previous reference period. However, the participants in the September 2014 survey did report an increased demand by counterparties for the funding (with a maturity greater than 30 days) of all non-government securities with the exception of equities for which demand remained basically unchanged.

Liquidity of collateral. Since the June 2014 survey, the liquidity and functioning of markets for the underlying collateral (as opposed to the funding market itself) have, on balance, remained basically unchanged for all types of euro-denominated collateral covered in the survey, with only a very limited number of survey respondents indicating either a small improvement or deterioration.

Collateral valuation disputes. As in the previous surveys, nearly all of the responses 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. The vast majority of responses indicated that initial margin requirements for all types of non-centrally cleared euro-denominated derivatives contract covered in the survey have remained basically unchanged over the three-month reference period.

Credit limits. The vast majority of responses indicated that the maximum amount of exposure and the maximum maturity of derivatives trades have remained basically unchanged, with only a very small net percentage of respondents indicating a decrease of the maximum amount of exposures to foreign exchange, interest rates and credit referencing corporates, and one respondent reporting that the maximum maturity of credit referencing sovereigns had increased considerably.

Liquidity and trading. Similarly, most banks reported basically unchanged liquidity and trading for all types of non-centrally cleared derivative included in the September 2014 survey.

Valuation disputes. As in the previous survey, most respondents reported that the volume, duration and persistence of disputes relating to the valuation of derivatives contracts had remained basically unchanged for many types of the OTC derivatives contracts covered by the survey.

Non-price changes in new agreements. Most responses indicated basically no change in margin call practices, acceptable collateral, recognition of portfolio or diversification benefits, and covenants and triggers incorporated in new or renegotiated OTC derivatives master agreements.

Posting of non-standard collateral. According to the responses to the September 2014 survey, the posting of non-standard collateral (i.e. collateral other than cash and government debt securities) remained basically unchanged. Only one bank reported that the posting of non-standard collateral had increased somewhat.

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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
						Jun. 2014	Sep. 2014	
Banks and dealers								
Price terms	0	11	71	18	0	0	-7	28
Non-price terms	0	11	74	15	0	-11	-4	27
Overall	0	11	70	15	4	-4	-7	27
Hedge funds								
Price terms	0	9	82	9	0	+25	0	22
Non-price terms	0	5	82	14	0	-10	-9	22
Overall	0	5	82	9	5	+20	-9	22
Insurance companies								
Price terms	0	4	82	14	0	+4	-11	28
Non-price terms	0	7	81	11	0	+4	-4	27
Overall	0	7	74	15	4	0	-11	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	7	85	7	0	0	0	27
Non-price terms	0	8	85	8	0	0	0	26
Overall	0	12	73	12	4	0	-4	26
Non-financial corporations								
Price terms	0	0	96	4	0	0	-4	25
Non-price terms	0	4	88	8	0	+4	-4	24
Overall	0	4	83	8	4	0	-8	24
Sovereigns								
Price terms	0	4	81	15	0	+4	-12	26
Non-price terms	0	4	84	12	0	0	-8	25
Overall	0	4	76	16	4	0	-16	25
All counterparties above								
Price terms	0	4	85	11	0	+11	-7	27
Non-price terms	0	4	85	12	0	0	-8	26
Overall	0	4	81	12	4	+8	-12	26

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
						Jun. 2014	Sep. 2014	
Banks and dealers								
Price terms	0	7	82	11	0	0	-4	28
Non-price terms	0	4	89	7	0	-7	-4	27
Overall	0	4	81	11	4	+4	-11	27
Hedge funds								
Price terms	0	5	95	0	0	+15	+5	22
Non-price terms	0	5	95	0	0	0	+5	22
Overall	0	5	91	0	5	+15	0	22
Insurance companies								
Price terms	0	4	93	4	0	-4	0	28
Non-price terms	0	4	96	0	0	-4	+4	27
Overall	0	7	85	4	4	0	0	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	7	89	4	0	0	+4	27
Non-price terms	0	4	96	0	0	0	+4	26
Overall	0	8	85	4	4	0	0	26
Non-financial corporations								
Price terms	0	0	92	8	0	-4	-8	25
Non-price terms	0	0	100	0	0	-4	0	24
Overall	0	4	88	4	4	-4	-4	24
Sovereigns								
Price terms	0	0	96	4	0	-4	-4	26
Non-price terms	0	0	100	0	0	-4	0	25
Overall	0	0	92	4	4	-8	-8	25
All counterparties above								
Price terms	0	4	93	4	0	+4	0	27
Non-price terms	0	4	96	0	0	0	+4	26
Overall	0	4	88	4	4	+4	-4	26

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	
				Jun. 2014	Sep. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	6	0
Willingness of your institution to take on risk	0	0	50	6	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	6	0
Internal treasury charges for funding	0	50	0	18	17
Availability of balance sheet or capital at your institution	50	0	0	18	17
General market liquidity and functioning	50	0	50	35	33
Competition from other institutions	0	50	0	12	17
Other	0	0	0	0	0
Total number of answers	2	2	2	17	6
Possible reasons for easing					
Current or expected financial strength of counterparties	20	20	20	8	20
Willingness of your institution to take on risk	20	20	0	31	13
Adoption of new market conventions (e.g. ISDA protocols)	0	0	20	8	7
Internal treasury charges for funding	0	20	0	8	7
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	60	20	0	23	27
Competition from other institutions	0	20	60	23	27
Other	0	0	0	0	0
Total number of answers	5	5	5	13	15
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	25
Availability of balance sheet or capital at your institution	0	0	100	25	25
General market liquidity and functioning	50	100	0	50	50
Competition from other institutions	0	0	0	25	0
Other	0	0	0	0	0
Total number of answers	2	1	1	4	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	9	0
Willingness of your institution to take on risk	0	0	100	27	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	9	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	27	50
Competition from other institutions	0	100	0	27	33
Other	0	0	0	0	0
Total number of answers	3	2	1	11	6

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	
				Jun. 2014	Sep. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	6	0
Willingness of your institution to take on risk	0	0	50	6	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	13	0
Internal treasury charges for funding	0	0	50	19	17
Availability of balance sheet or capital at your institution	50	50	0	19	33
General market liquidity and functioning	0	50	0	31	17
Competition from other institutions	0	0	0	6	0
Other	50	0	0	0	17
Total number of answers	2	2	2	16	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	0	20
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	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
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	100	0	0	0	33
Availability of balance sheet or capital at your institution	0	0	100	33	33
General market liquidity and functioning	0	100	0	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	1	1	3	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	0	0	0	20	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	20	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	20	0
General market liquidity and functioning	50	0	0	20	50
Competition from other institutions	50	0	0	20	50
Other	0	0	0	0	0
Total number of answers	2	0	0	5	2

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	
				Jun. 2014	Sep. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	8	0
Willingness of your institution to take on risk	0	0	0	8	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	15	0
Availability of balance sheet or capital at your institution	0	0	0	8	0
General market liquidity and functioning	0	100	0	38	50
Competition from other institutions	100	0	0	23	50
Other	0	0	0	0	0
Total number of answers	1	1	0	13	2
Possible reasons for easing					
Current or expected financial strength of counterparties	25	25	0	0	17
Willingness of your institution to take on risk	25	25	0	25	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	25	17	8
Internal treasury charges for funding	0	25	0	8	8
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	25	0	25	25
Competition from other institutions	0	0	75	25	25
Other	0	0	0	0	0
Total number of answers	4	4	4	12	12
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	17
Availability of balance sheet or capital at your institution	0	50	0	33	17
General market liquidity and functioning	0	0	50	17	17
Competition from other institutions	50	50	50	33	50
Other	0	0	0	17	0
Total number of answers	2	2	2	6	6
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	0	0	17	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	100	0	0	33	67
Competition from other institutions	0	100	0	33	33
Other	0	0	0	0	0
Total number of answers	2	1	0	6	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	
				Jun. 2014	Sep. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	14	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	50	0	14	20
Availability of balance sheet or capital at your institution	50	0	0	14	20
General market liquidity and functioning	0	50	100	43	40
Competition from other institutions	50	0	0	14	20
Other	0	0	0	0	0
Total number of answers	2	2	1	7	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	0	17
Willingness of your institution to take on risk	50	0	0	38	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	50	13	17
Internal treasury charges for funding	0	50	0	13	17
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	25	17
Competition from other institutions	0	0	50	13	17
Other	0	0	0	0	0
Total number of answers	2	2	2	8	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	17
Availability of balance sheet or capital at your institution	0	50	0	0	17
General market liquidity and functioning	0	0	50	50	17
Competition from other institutions	50	50	50	50	50
Other	0	0	0	0	0
Total number of answers	2	2	2	2	6
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	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	50	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	50	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	2	1

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	
				Jun. 2014	Sep. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	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	17	0
Internal treasury charges for funding	0	0	0	17	0
Availability of balance sheet or capital at your institution	0	0	0	17	0
General market liquidity and functioning	0	0	0	17	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	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	100	0	0	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	17	33
Internal treasury charges for funding	0	100	0	17	33
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	17	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	100	0	0	0	33
Availability of balance sheet or capital at your institution	0	100	0	33	33
General market liquidity and functioning	0	0	100	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	1	1	3	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	0	0	0	0	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	100	0	0	0	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	0	1

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	
				Jun. 2014	Sep. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	100	13	33
Willingness of your institution to take on risk	0	100	0	13	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	13	0
Availability of balance sheet or capital at your institution	0	0	0	13	0
General market liquidity and functioning	100	0	0	38	33
Competition from other institutions	0	0	0	13	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	25	25	0	0	17
Willingness of your institution to take on risk	25	25	0	33	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	25	17	8
Internal treasury charges for funding	0	25	0	17	8
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	25	0	17	25
Competition from other institutions	0	0	75	17	25
Other	0	0	0	0	0
Total number of answers	4	4	4	6	12
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	100	0	33
Willingness of your institution to take on risk	0	100	0	0	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	0	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	1	0	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	0	0	0	0	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	100	0	0	0	67
Competition from other institutions	0	100	0	0	33
Other	0	0	0	0	0
Total number of answers	2	1	0	0	3

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
						Jun. 2014	Sep. 2014	
Practices of CCPs	5	10	81	5	0	+18	+10	21

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

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
						Jun. 2014	Sep. 2014	
Banks and dealers	0	0	89	11	0	-14	-11	28
Central counterparties	0	0	89	11	0	-29	-11	28

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
						Jun. 2014	Sep. 2014	
Hedge funds								
Use of financial leverage	0	5	90	5	0	-16	0	21
Availability of unutilised leverage	0	0	100	0	0	+6	0	19
Insurance companies								
Use of financial leverage	0	4	96	0	0	+4	+4	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	4	91	4	0	-4	0	23

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
						Jun. 2014	Sep. 2014	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	89	11	0	-15	-11	27
Provision of differential terms to most-favoured clients	0	0	96	4	0	-8	-4	26
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	73	27	0	-30	-27	22
Provision of differential terms to most-favoured clients	0	0	90	10	0	-11	-10	21
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-4	-8	26
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-8	-4	24
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	23
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	23
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	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".

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
						Jun. 2014	Sep. 2014	
Banks and dealers								
Volume	0	4	88	8	0	0	-4	25
Duration and persistence	0	4	88	8	0	+8	-4	25
Hedge funds								
Volume	0	0	100	0	0	0	0	19
Duration and persistence	0	0	100	0	0	0	0	19
Insurance companies								
Volume	0	0	100	0	0	0	0	24
Duration and persistence	0	0	100	0	0	+4	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	100	0	0	0	0	24
Duration and persistence	0	0	100	0	0	0	0	24
Non-financial corporations								
Volume	0	0	100	0	0	0	0	22
Duration and persistence	0	0	100	0	0	0	0	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".

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
						Jun. 2014	Sep. 2014	
Domestic government bonds								
Maximum amount of funding	0	6	94	0	0	-17	+6	18
Maximum maturity of funding	0	0	89	11	0	-6	-11	18
Haircuts	0	22	72	6	0	+11	+17	18
Financing rate/spread	6	17	72	6	0	+11	+17	18
Use of CCPs	0	6	89	6	0	-22	0	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	89	4	0	-7	+4	27
Maximum maturity of funding	0	0	93	7	0	0	-7	27
Haircuts	0	11	89	0	0	+7	+11	27
Financing rate/spread	0	15	78	7	0	+7	+7	27
Use of CCPs	0	4	92	4	0	-12	0	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	88	4	0	+4	+4	25
Maximum maturity of funding	0	0	96	4	0	0	-4	25
Haircuts	0	12	88	0	0	+4	+12	25
Financing rate/spread	0	20	76	4	0	+12	+16	25
Use of CCPs	0	4	92	4	0	-8	0	24
High-quality financial corporate bonds								
Maximum amount of funding	0	0	96	4	0	-4	-4	23
Maximum maturity of funding	0	0	96	4	0	-4	-4	23
Haircuts	0	4	96	0	0	0	+4	23
Financing rate/spread	0	13	83	4	0	+4	+9	23
Use of CCPs	0	0	95	5	0	-5	-5	20
High-quality non-financial corporate bonds								
Maximum amount of funding	0	0	96	4	0	-4	-4	24
Maximum maturity of funding	0	0	96	4	0	0	-4	24
Haircuts	0	8	92	0	0	0	+8	24
Financing rate/spread	0	17	75	8	0	+8	+8	24
Use of CCPs	0	0	100	0	0	-5	0	20
High-yield corporate bonds								
Maximum amount of funding	0	0	100	0	0	+5	0	17
Maximum maturity of funding	0	0	100	0	0	+5	0	17
Haircuts	0	0	100	0	0	0	0	17
Financing rate/spread	6	11	78	6	0	0	+11	18
Use of CCPs	0	0	100	0	0	0	0	14

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 [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
						Jun. 2014	Sep. 2014	
Convertible securities								
Maximum amount of funding	0	0	93	7	0	0	-7	15
Maximum maturity of funding	0	0	100	0	0	0	0	15
Haircuts	0	7	93	0	0	-13	+7	15
Financing rate/spread	0	7	93	0	0	0	+7	15
Use of CCPs	0	0	100	0	0	-8	0	13
Equities								
Maximum amount of funding	0	0	92	8	0	+4	-8	24
Maximum maturity of funding	0	0	100	0	0	-4	0	24
Haircuts	0	8	92	0	0	+4	+8	24
Financing rate/spread	0	17	83	0	0	+4	+17	23
Use of CCPs	0	0	100	0	0	-5	0	19
Asset-backed securities								
Maximum amount of funding	0	0	93	7	0	-21	-7	15
Maximum maturity of funding	0	0	93	7	0	-7	-7	15
Haircuts	0	7	93	0	0	0	+7	15
Financing rate/spread	0	14	86	0	0	+8	+14	14
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	0	0	100	0	0	0	0	24
Maximum maturity of funding	0	4	92	4	0	+4	0	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	17	79	4	0	0	+13	24
Use of CCPs	0	0	100	0	0	-5	0	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".

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
						Jun. 2014	Sep. 2014	
Domestic government bonds								
Maximum amount of funding	0	6	94	0	0	-17	+6	18
Maximum maturity of funding	0	0	89	11	0	-6	-11	18
Haircuts	0	17	78	6	0	+22	+11	18
Financing rate/spread	6	17	72	6	0	+6	+17	18
Use of CCPs	0	6	89	6	0	-17	0	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	89	4	0	-7	+4	27
Maximum maturity of funding	0	0	93	7	0	0	-7	27
Haircuts	0	11	89	0	0	+15	+11	27
Financing rate/spread	0	15	78	7	0	+7	+7	27
Use of CCPs	0	4	92	4	0	-12	0	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	88	4	0	+4	+4	25
Maximum maturity of funding	0	0	96	4	0	0	-4	25
Haircuts	0	12	88	0	0	+16	+12	25
Financing rate/spread	0	20	76	4	0	+12	+16	25
Use of CCPs	0	4	92	4	0	-8	0	24
High-quality financial corporate bonds								
Maximum amount of funding	0	0	96	4	0	-9	-4	23
Maximum maturity of funding	0	0	96	4	0	-4	-4	23
Haircuts	0	4	96	0	0	+13	+4	23
Financing rate/spread	0	17	78	4	0	0	+13	23
Use of CCPs	0	0	95	5	0	-5	-5	20
High-quality non-financial corporate bonds								
Maximum amount of funding	0	0	96	4	0	-8	-4	24
Maximum maturity of funding	0	0	96	4	0	-4	-4	24
Haircuts	0	8	92	0	0	+13	+8	24
Financing rate/spread	0	13	83	4	0	+4	+8	24
Use of CCPs	0	0	100	0	0	-5	0	20
High-yield corporate bonds								
Maximum amount of funding	0	0	100	0	0	+5	0	17
Maximum maturity of funding	0	0	100	0	0	0	0	17
Haircuts	0	0	100	0	0	+11	0	17
Financing rate/spread	0	6	88	6	0	0	0	17
Use of CCPs	0	0	100	0	0	0	0	14

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
						Jun. 2014	Sep. 2014	
Convertible securities								
Maximum amount of funding	0	0	93	7	0	-13	-7	15
Maximum maturity of funding	0	0	100	0	0	0	0	15
Haircuts	0	0	100	0	0	0	0	15
Financing rate/spread	0	7	93	0	0	-13	+7	15
Use of CCPs	0	0	100	0	0	-8	0	12
Equities								
Maximum amount of funding	0	4	91	4	0	-4	0	23
Maximum maturity of funding	0	0	100	0	0	-4	0	23
Haircuts	0	4	91	4	0	+13	0	23
Financing rate/spread	0	13	83	4	0	-4	+9	23
Use of CCPs	0	0	100	0	0	0	0	18
Asset-backed securities								
Maximum amount of funding	0	0	93	7	0	-21	-7	15
Maximum maturity of funding	0	0	93	7	0	-7	-7	15
Haircuts	0	0	100	0	0	+7	0	15
Financing rate/spread	0	7	93	0	0	0	+7	14
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	0	0	100	0	0	0	0	24
Maximum maturity of funding	0	0	96	4	0	+4	-4	24
Haircuts	0	4	96	0	0	+8	+4	24
Financing rate/spread	0	13	83	4	0	-4	+8	24
Use of CCPs	0	0	100	0	0	-5	0	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".

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
						Jun. 2014	Sep. 2014	
Domestic government bonds								
Terms for average clients	0	0	94	6	0	0	-6	16
Terms for most-favoured clients	0	0	94	6	0	0	-6	16
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	0	0	25
Terms for most-favoured clients	0	0	100	0	0	0	0	25
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	0	0	23
Terms for most-favoured clients	0	0	100	0	0	0	0	23
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	21
Terms for most-favoured clients	0	0	100	0	0	0	0	21
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	22
Terms for most-favoured clients	0	0	100	0	0	0	0	22
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	+6	0	15
Terms for most-favoured clients	0	0	100	0	0	+6	0	15
Convertible securities								
Terms for average clients	0	0	100	0	0	0	0	15
Terms for most-favoured clients	0	0	100	0	0	0	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	21
Asset-backed securities								
Terms for average clients	0	0	100	0	0	0	0	14
Terms for most-favoured clients	0	0	100	0	0	0	0	14
Covered bonds								
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

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
						Jun. 2014	Sep. 2014	
Domestic government bonds								
Overall demand	0	11	79	11	0	-22	0	19
With a maturity greater than 30 days	0	11	79	11	0	-17	0	19
High-quality government, sub-national and supra-national bonds								
Overall demand	0	11	74	15	0	-7	-4	27
With a maturity greater than 30 days	0	7	81	11	0	-8	-4	27
Other government, sub-national and supra-national bonds								
Overall demand	0	12	81	8	0	-8	+4	26
With a maturity greater than 30 days	0	8	85	8	0	-8	0	26
High-quality financial corporate bonds								
Overall demand	0	13	74	13	0	-5	0	23
With a maturity greater than 30 days	0	4	78	17	0	0	-13	23
High-quality non-financial corporate bonds								
Overall demand	0	12	80	8	0	0	+4	25
With a maturity greater than 30 days	0	4	84	12	0	0	-8	25
High-yield corporate bonds								
Overall demand	0	0	94	6	0	0	-6	18
With a maturity greater than 30 days	0	0	82	18	0	-5	-18	17
Convertible securities								
Overall demand	0	0	94	6	0	-6	-6	17
With a maturity greater than 30 days	0	0	88	12	0	0	-12	17
Equities								
Overall demand	0	8	88	4	0	0	+4	24
With a maturity greater than 30 days	0	8	83	8	0	-13	0	24
Asset-backed securities								
Overall demand	0	0	93	7	0	-7	-7	15
With a maturity greater than 30 days	0	0	87	13	0	-15	-13	15
Covered bonds								
Overall demand	0	4	88	8	0	0	-4	24
With a maturity greater than 30 days	0	0	83	17	0	-5	-17	24
All collateral types above								
Overall demand	0	9	83	9	0	0	0	23
With a maturity greater than 30 days	0	4	83	13	0	-5	-9	23

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
						Jun. 2014	Sep. 2014	
Domestic government bonds								
Liquidity and functioning	0	11	84	5	0	0	+5	19
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	11	78	11	0	+4	0	27
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	8	85	8	0	+4	0	26
High-quality financial corporate bonds								
Liquidity and functioning	0	4	87	9	0	-5	-4	23
High-quality non-financial corporate bonds								
Liquidity and functioning	0	4	88	8	0	-4	-4	25
High-yield corporate bonds								
Liquidity and functioning	0	0	100	0	0	-5	0	17
Convertible securities								
Liquidity and functioning	0	0	100	0	0	+7	0	16
Equities								
Liquidity and functioning	0	0	96	4	0	-4	-4	24
Asset-backed securities								
Liquidity and functioning	0	0	100	0	0	-8	0	14
Covered bonds								
Liquidity and functioning	0	4	87	9	0	0	-4	23
All collateral types above								
Liquidity and functioning	0	9	83	9	0	-5	0	23

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
						Jun. 2014	Sep. 2014	
Domestic government bonds								
Volume	0	0	94	6	0	0	-6	18
Duration and persistence	0	0	94	6	0	0	-6	18
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	0	0	26
Duration and persistence	0	0	100	0	0	0	0	26
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	0	0	26
Duration and persistence	0	0	100	0	0	0	0	26
High-quality financial corporate bonds								
Volume	0	0	100	0	0	0	0	22
Duration and persistence	0	0	100	0	0	0	0	22
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	0	0	25
Duration and persistence	0	4	96	0	0	0	+4	25
High-yield corporate bonds								
Volume	0	0	100	0	0	0	0	18
Duration and persistence	0	0	100	0	0	0	0	18
Convertible securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	0	0	100	0	0	0	0	16
Equities								
Volume	0	0	100	0	0	0	0	22
Duration and persistence	0	0	100	0	0	0	0	22
Asset-backed securities								
Volume	0	0	100	0	0	0	0	14
Duration and persistence	0	0	100	0	0	0	0	14
Covered bonds								
Volume	0	0	100	0	0	0	0	20
Duration and persistence	0	0	100	0	0	0	0	20
All collateral types above								
Volume	0	0	100	0	0	+4	0	24
Duration and persistence	0	0	100	0	0	+4	0	24

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
						Jun. 2014	Sep. 2014	
Foreign exchange								
Average clients	0	0	100	0	0	-5	0	22
Most-favoured clients	0	0	95	5	0	-9	-5	22
Interest rates								
Average clients	0	0	100	0	0	0	0	22
Most-favoured clients	0	0	96	4	0	-10	-4	23
Credit referencing sovereigns								
Average clients	0	0	100	0	0	-5	0	20
Most-favoured clients	0	0	100	0	0	0	0	20
Credit referencing corporates								
Average clients	0	0	100	0	0	-6	0	18
Most-favoured clients	0	0	100	0	0	0	0	18
Credit referencing structured credit products								
Average clients	0	0	100	0	0	-6	0	17
Most-favoured clients	0	0	100	0	0	-6	0	17
Equity								
Average clients	0	0	100	0	0	-5	0	19
Most-favoured clients	0	0	100	0	0	0	0	19
Commodity								
Average clients	0	0	100	0	0	-7	0	15
Most-favoured clients	0	0	100	0	0	-7	0	15
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
						Jun. 2014	Sep. 2014	
Foreign exchange								
Maximum amount of exposure	0	7	93	0	0	0	+7	27
Maximum maturity of trades	0	0	100	0	0	-4	0	27
Interest rates								
Maximum amount of exposure	0	12	88	0	0	+7	+12	26
Maximum maturity of trades	0	0	100	0	0	0	0	26
Credit referencing sovereigns								
Maximum amount of exposure	0	5	91	0	5	0	0	22
Maximum maturity of trades	0	0	95	0	5	0	-5	22
Credit referencing corporates								
Maximum amount of exposure	0	5	95	0	0	+5	+5	19
Maximum maturity of trades	0	5	95	0	0	+5	+5	19
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	-6	0	16
Maximum maturity of trades	0	0	100	0	0	-6	0	16
Equity								
Maximum amount of exposure	0	4	91	4	0	0	0	23
Maximum maturity of trades	0	0	100	0	0	0	0	23
Commodity								
Maximum amount of exposure	0	6	89	6	0	-5	0	18
Maximum maturity of trades	0	0	100	0	0	+5	0	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	94	0	6	0	-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".

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
						Jun. 2014	Sep. 2014	
Foreign exchange								
Liquidity and trading	0	0	100	0	0	+8	0	27
Interest rates								
Liquidity and trading	0	0	96	4	0	+4	-4	26
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	0	0	22
Credit referencing corporates								
Liquidity and trading	0	0	100	0	0	-6	0	19
Credit referencing structured credit products								
Liquidity and trading	0	0	100	0	0	-7	0	17
Equity								
Liquidity and trading	0	4	96	0	0	+5	+4	23
Commodity								
Liquidity and trading	0	0	95	0	5	0	-5	19
Total return swaps referencing non-securities								
Liquidity and trading	0	6	89	6	0	0	0	18

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		Total number of answers
						Jun. 2014	Sep. 2014	
Foreign exchange								
Volume	0	4	96	0	0	0	+4	26
Duration and persistence	4	4	92	0	0	+4	+8	26
Interest rates								
Volume	0	8	84	8	0	-4	0	25
Duration and persistence	4	8	84	4	0	+4	+8	25
Credit referencing sovereigns								
Volume	0	5	95	0	0	0	+5	22
Duration and persistence	0	0	95	5	0	-10	-5	22
Credit referencing corporates								
Volume	0	5	95	0	0	0	+5	19
Duration and persistence	0	0	95	5	0	-11	-5	19
Credit referencing structured credit products								
Volume	0	6	94	0	0	0	+6	17
Duration and persistence	0	0	94	6	0	-13	-6	17
Equity								
Volume	0	0	91	9	0	-5	-9	23
Duration and persistence	4	0	91	4	0	+10	0	23
Commodity								
Volume	0	0	100	0	0	0	0	19
Duration and persistence	0	0	100	0	0	0	0	19
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	0	0	100	0	0	0	0	16

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
						Jun. 2014	Sep. 2014	
Margin call practices	0	4	96	0	0	0	+4	28
Acceptable collateral	0	4	93	4	0	0	0	28
Recognition of portfolio or diversification benefits	0	0	100	0	0	-8	0	26
Covenants and triggers	0	0	100	0	0	0	0	28
Other documentation features	0	4	96	0	0	+4	+4	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
						Jun. 2014	Sep. 2014	
Posting of non-standard collateral	0	0	96	4	0	+4	-4	23

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".