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 2014 SESFOD results

(reference period from March 2014 to May 2014)

Summary

The **June 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 March 2014 and May 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 June 2014 SESFOD suggest that: (i) credit terms have remained almost unchanged for many counterparty types, although responses 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, albeit to a lesser extent than reported in the previous March SESFOD. More specifically:

The survey indicates that, across the entire range of securities financing and OTC derivatives transactions and following the broad-based easing that was reported in the previous March SESFOD survey, offered **price terms** (such as financing rates/spreads) on balance remained virtually unchanged over the three-month reference period ending in May 2014 for most counterparty types, with the exception of hedge funds for which a significant number of respondents reported an increase in financing rates/spreads. Offered **non-price credit terms** (including, for example, the maximum amount of funding, haircuts and cure periods, as well as covenants and triggers) in net terms continue to ease somewhat for banks and dealers as well as for hedge funds, but remain almost unchanged for the other counterparty types. Responses however 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 report less favourable offered price terms.

The credit terms offered in the provision of funding to clients that is collateralised by euro-denominated securities eased for many types of collateral over the March 2014 to May 2014 reference period, albeit to a lesser extent than during the previous reference period. Respondents report an increase in the **maximum amount of funding** for many types of euro-denominated securities covered in the June 2014 survey. On balance, banks report that the **maximum maturity of funding** of euro-denominated securities remained basically unchanged for most types of collateral. Respondents indicate, in net terms, a decrease in **haircuts** for nearly all types of euro-denominated collateral covered in the survey. Responses to the June 2014 survey indicate a wide dispersion of responses regarding **financing rates/spreads** at which securities are funded, depending on where the survey respondents are domiciled. A significant net percentage of survey respondents that are domiciled inside the euro area report lower financing rates/spreads, while those respondents with head offices outside the euro area report higher financing rates/spreads for most types of collateral.

Survey respondents report 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. Responses show very little change in **initial margin requirements**, the **maximum amount of exposure** and the **maximum maturity** of derivatives trades over the three-month reference period, and survey respondents also indicate almost no changes in **liquidity conditions**.

Counterparty types

Changes. Responses to the June 2014 survey suggest that overall offered price terms (such as financing rates/spreads) have, on balance, become somewhat less favourable over the three-month reference period ending in May 2014, partly reversing some of the broad-based easing observed during the previous three-month reference period ending in February 2014. The overall result is however mostly driven by the hedge fund counterparties for which, in net terms, 25% of responses indicate an increase in financing rates/spreads.

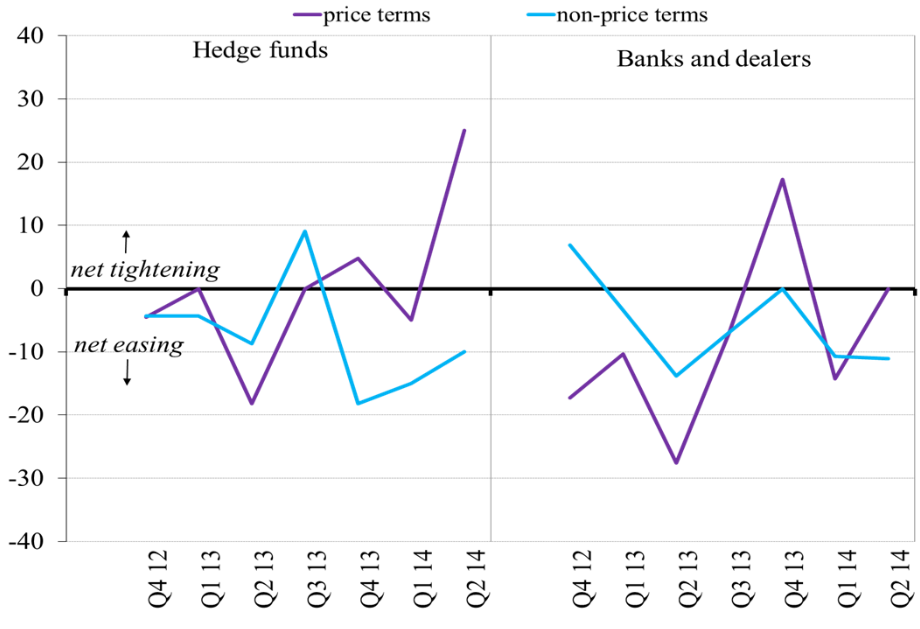
Following the net easing of price terms offered to banks and dealers over the previous three-month reference period ending in February 2014, survey respondents indicate that, on balance, price terms offered to banks and dealers have remained almost unchanged over the three-month reference period ending in May 2014 (see Chart A). There is however a significant dispersion of responses as 21% of respondents report an increase in financing rates/spreads offered to banks and dealers and another 22% of respondents indicate that easier price terms were offered to banks and dealers, whilst 57% of respondents indicate basically unchanged price terms. This dispersion of responses also holds for insurance companies, although to a lesser extent than for banks and dealers. For the other counterparty types, responses indicate that offered price terms remained basically unchanged, following the net easing observed during the previous reference period, with only a very small share of survey respondents reporting tightening or easing price terms.

Offered non-price credit terms (including, for example, the maximum amount of funding, haircuts, cure periods, covenants and triggers) however on balance continued to ease somewhat for banks and dealers as well as for hedge funds. This follows the broad-based easing of non-price terms observed during the previous reference period ending in February 2014 and confirms the expectations of further easing expressed in the previous survey.

Responses to the June 2014 survey however differ significantly depending on where the survey respondents are domiciled. A significant net percentage of survey respondents that are domiciled in the euro area indicate that price and non-price terms offered to banks and dealers have continued to ease over the three-month reference period ending in May 2014. Survey respondents with head offices outside the euro area, on the contrary, indicate that terms have either become less favourable or remained unchanged.

Chart A: Changes in price and non-price credit terms by counterparty type

(Q4 2012 – Q2 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 June 2014 survey, on balance, expect few changes in credit terms over the next three-month reference period from July to September 2014. However, several survey respondents expect that the rise in financing rates/spreads for hedge funds will persist over the next review period.

Reasons. The survey respondents highlight a number of reasons why price terms have become less favourable for hedge funds over the March 2014 to May 2014 reference period, with changes in general market liquidity and functioning being the most frequently cited reason. Other reasons cited prominently were the availability of balance sheet or capital and internal treasury charges for funding. The same reasons were cited for those that indicate higher financing rates/spreads offered to banks and dealers, while those that indicate easier price and non-price terms for banks and dealers cited a willingness of their institution to take on risk, general market liquidity, and competition from other institutions as reasons for the easing of terms. Moreover, a small but increasing number of survey respondents answered that CCP practices have contributed to a tightening of credit terms for bilateral transactions which are not cleared.

Management of concentrated credit exposures to large banks and CCPs. The June 2014 survey results also indicate that the reporting banks have continued to increase the level of resources and attention they are devoting to the management of concentrated credit exposures. As in previous surveys, this increase is most noticeable for the management of concentrated credit exposures to CCPs, as eight survey respondents indicated that they had increased resources somewhat or considerably over the review period.

Leverage. On balance, survey respondents reported an increased use of financial leverage by hedge funds during the three-month reference period from March 2014 to May 2014, following the increase that was reported in the previous survey. A small net percentage of respondents indicated that the use of financial leverage by investment funds also increased somewhat.

Client pressure and differential terms. The results of the June 2014 survey show that efforts to negotiate more favourable price and non-price terms have continued to increase. As in the previous survey, this outcome is most evident for hedge funds and, to a lesser extent, for other types of counterparty. 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.

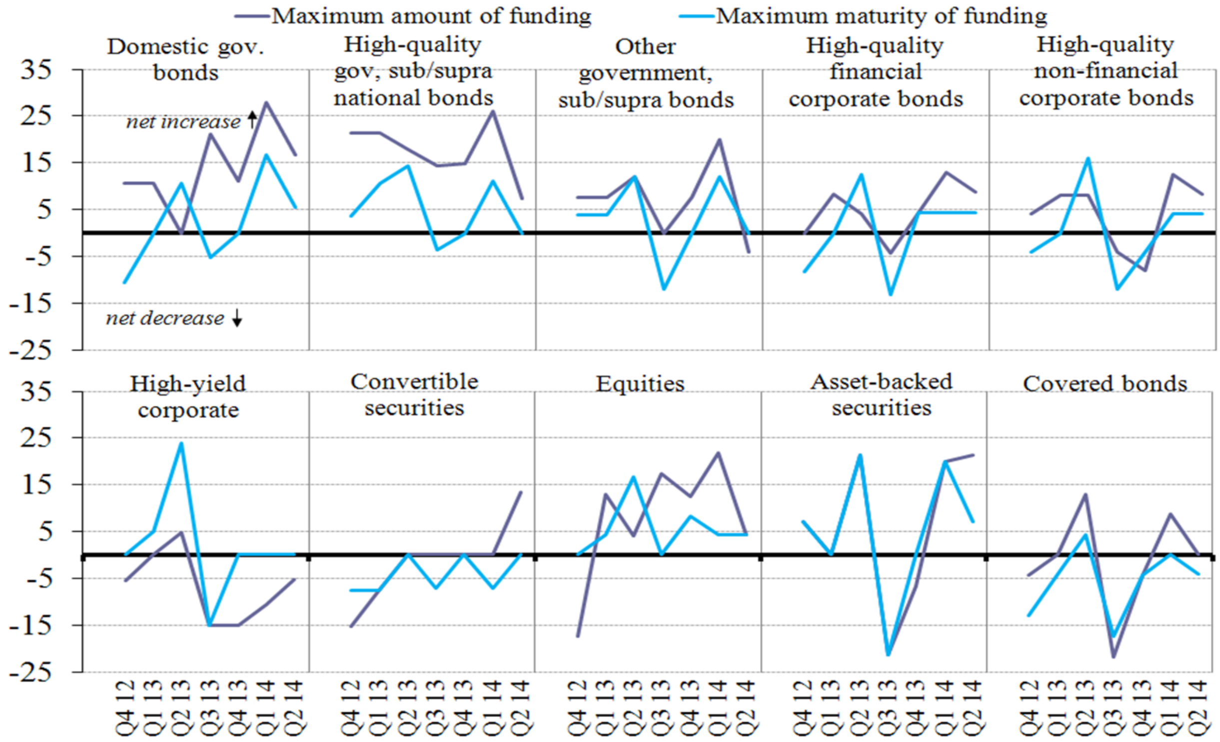
Valuation disputes. While in the previous survey respondents reported a decrease in the volume, persistence and duration of valuation disputes with counterparties, responses to the June 2014 survey indicate that on balance these have basically remained unchanged over the three-month reference period ending in May 2014.

Securities financing

Maximum amount of funding. Respondents to the June 2014 survey reported, on balance, an increase in the maximum amount of funding for many types of euro-denominated securities covered in the survey. This easing of credit terms was most evident for asset-backed securities and domestic government bonds used as collateral. Only a small net percentage of respondents indicated that the maximum amount of funding had increased somewhat for high-quality government, sub-national and supra-national bonds and high-quality financial and non-financial corporate bonds, while a small net percentage of respondents indicated that the maximum amount of funding had decreased somewhat for other government bonds, high-yield corporate bonds and equities used as collateral (see Chart B). Responses were similar for both average and most-favoured clients, with the exception of equities used as collateral for which a small net percentage of respondents suggest that most-favoured clients received better terms than average clients.

Maximum maturity of funding. On balance, respondents to the June 2014 survey indicated that the maximum maturity of funding of euro-denominated securities remained basically unchanged for most types of collateral over the three-month reference period ending in May 2014 (see Chart B).

Chart B: Changes in maximum amount and maturity of secured funding by collateral type
(Q4 2012 – Q2 2014; net percentage of survey respondents)



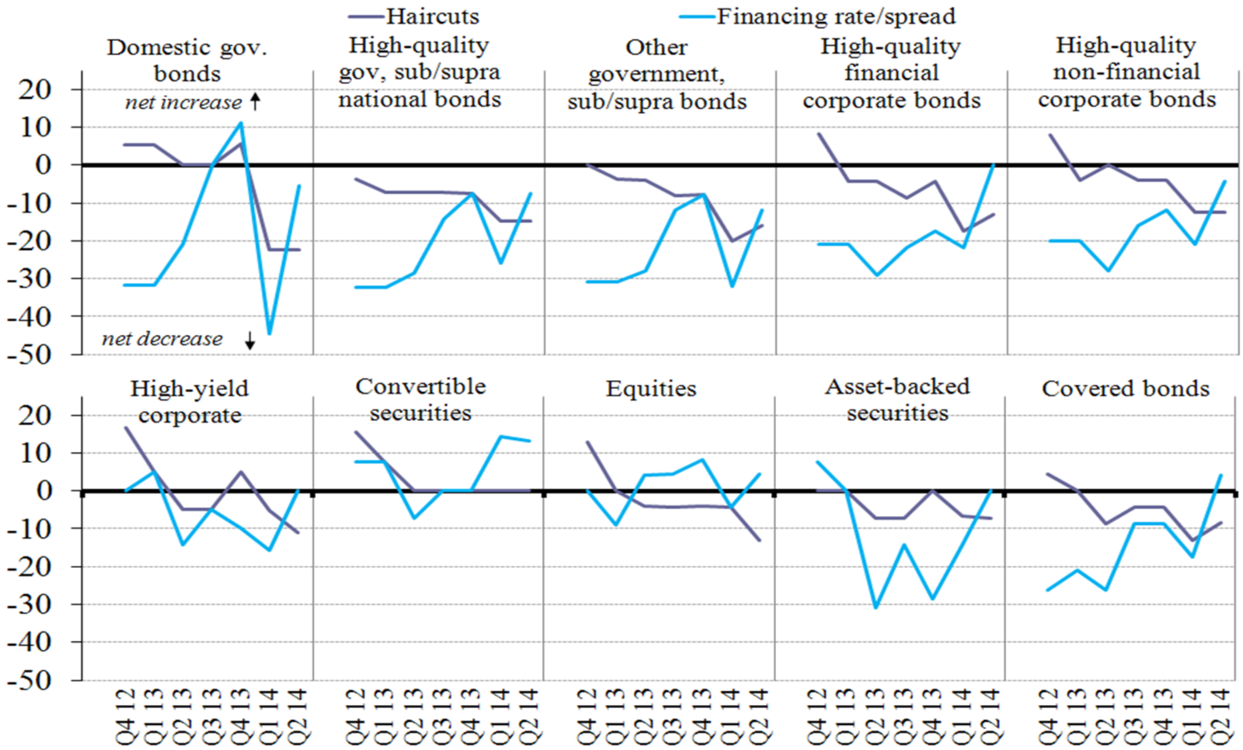
Source: ECB.
Notes: The net percentage is defined as the difference between the percentage of respondents reporting "increased somewhat" or "increased considerably" and those reporting "decreased somewhat" or "decrease considerably", applicable to most-favoured clients.

Haircuts. Respondents indicated, for their most-favoured clients, a decrease in haircuts for all types of euro-denominated collateral covered in the survey, with the exception of convertible securities, for which haircuts remained basically unchanged. The number of institutions reporting a decline in haircuts was highest for government bonds and high-quality financial and non-financial bonds, and equities used as collateral, and to a lesser extent for the other collateral types (see Chart C). The better conditions also applied to respondents' average clients, albeit to a lesser extent, with the exception of convertible securities used as collateral for which a small net percentage of respondents indicated an increase in haircuts.

Financing rates/spreads. Responses to the June 2014 survey indicate a wide dispersion of responses regarding financing rates for various types of collateral for both average and most-favoured clients. For most-favoured clients (see Chart C), a small net percentage of respondents reported lower financing rates/spreads at which securities are funded for government bonds and high-quality non-financial corporate bonds, while a small net percentage of respondents reported higher financing rates/spreads for convertible securities, equities and covered bonds. Responses differ significantly depending on where the survey respondents are domiciled. A significant net percentage of survey respondents that are domiciled inside the euro area report lower financing rates/spreads at which almost all securities are funded. By contrast, survey respondents with head offices outside the euro area report higher financing rates/spreads for most types of collateral.

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

(Q4 2012 – Q2 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. As in the previous survey, the majority of respondents indicated that the use of CCPs for the funding of various types of collateral included in the survey had increased over the three-month reference period. The increase was most noticeable for domestic government bonds used as collateral.

Covenants and triggers. Responses to the June 2014 survey point to basically no change in covenants and triggers for all collateral types over the past three months, with the exception of high-yield corporate bonds where one respondent indicated that covenants and triggers were tightened considerably over the three-month reference period ending in May 2014.

Demand for funding. According to the responses to the June 2014 survey, demand by counterparties for the funding of all types of euro-denominated collateral included in the survey on balance has increased further, with the exception of high-quality non-financial corporate bonds for which demand in net terms remained basically unchanged.

Liquidity of collateral. Since the March 2014 survey, the liquidity and functioning of markets for the underlying collateral (as opposed to the funding market itself) on balance has 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 indicate 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. On balance, only a very small percentage of responses indicate that margin requirements increased somewhat.

Credit limits. Similarly, the vast majority of responses also indicate 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 an increase or decrease for some of the derivatives types.

Liquidity and trading. A large share of banks reported basically unchanged liquidity and trading for all types of non-centrally cleared derivative included in the June 2014 survey. A limited net number of respondents indicated an improvement in liquidity and trading of credit referencing corporates and structured credit products, while a very small net number of respondents indicated a deterioration in liquidity and trading of foreign exchange, interest rate and equity derivatives.

Valuation disputes. 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. A small net percentage of respondents however indicated an increase in the duration and persistence of disputes relating to the valuation of credit derivatives.

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. One respondent however indicated that, over the three-month reference period, other documentation features incorporated in new or renegotiated OTC derivatives master agreements had tightened considerably.

Posting of non-standard collateral. According to the responses to the June 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 decreased 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
						Mar. 2014	Jun. 2014	
Banks and dealers								
Price terms	0	21	57	18	4	-14	0	28
Non-price terms	0	7	74	19	0	-11	-11	27
Overall	0	19	59	19	4	-4	-4	27
Hedge funds								
Price terms	0	30	65	0	5	-5	+25	20
Non-price terms	0	5	80	15	0	-15	-10	20
Overall	0	25	70	0	5	-5	+20	20
Insurance companies								
Price terms	0	18	68	7	7	-7	+4	28
Non-price terms	0	11	81	7	0	-4	+4	27
Overall	0	15	70	11	4	-7	0	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	4	8	77	8	4	0	0	26
Non-price terms	0	4	92	4	0	-7	0	25
Overall	0	12	76	8	4	-4	0	25
Non-financial corporations								
Price terms	0	8	85	4	4	-19	0	26
Non-price terms	0	4	96	0	0	-7	+4	25
Overall	0	8	84	4	4	-15	0	25
Sovereigns								
Price terms	4	8	81	4	4	-4	+4	26
Non-price terms	0	0	100	0	0	+4	0	25
Overall	0	8	84	4	4	-4	0	25
All counterparties above								
Price terms	0	19	74	4	4	-7	+11	27
Non-price terms	0	4	92	4	0	-7	0	26
Overall	0	15	77	4	4	-7	+8	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
						Mar. 2014	Jun. 2014	
Banks and dealers								
Price terms	0	14	71	11	4	-7	0	28
Non-price terms	0	7	78	11	4	-11	-7	27
Overall	0	19	67	11	4	-4	+4	27
Hedge funds								
Price terms	0	20	75	0	5	0	+15	20
Non-price terms	0	5	90	5	0	-5	0	20
Overall	0	20	75	0	5	0	+15	20
Insurance companies								
Price terms	0	11	75	11	4	+4	-4	28
Non-price terms	0	7	81	11	0	+4	-4	27
Overall	0	15	70	11	4	+4	0	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	8	85	4	4	+4	0	26
Non-price terms	0	4	92	4	0	+4	0	25
Overall	0	8	84	4	4	+4	0	25
Non-financial corporations								
Price terms	0	8	81	8	4	-7	-4	26
Non-price terms	0	4	88	8	0	-4	-4	25
Overall	0	8	80	8	4	-7	-4	25
Sovereigns								
Price terms	0	4	88	4	4	-4	-4	26
Non-price terms	0	0	96	4	0	0	-4	25
Overall	0	4	84	8	4	-4	-8	25
All counterparties above								
Price terms	0	11	81	4	4	-4	+4	27
Non-price terms	0	4	92	4	0	-7	0	26
Overall	0	12	81	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	
				Mar. 2014	Jun. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	17	0	0	0	6
Willingness of your institution to take on risk	0	17	0	0	6
Adoption of new market conventions (e.g. ISDA protocols)	0	0	20	0	6
Internal treasury charges for funding	17	17	20	17	18
Availability of balance sheet or capital at your institution	33	17	0	0	18
General market liquidity and functioning	17	50	40	50	35
Competition from other institutions	17	0	20	33	12
Other	0	0	0	0	0
Total number of answers	6	6	5	6	17
Possible reasons for easing					
Current or expected financial strength of counterparties	20	0	0	10	8
Willingness of your institution to take on risk	40	25	25	10	31
Adoption of new market conventions (e.g. ISDA protocols)	0	0	25	5	8
Internal treasury charges for funding	0	25	0	10	8
Availability of balance sheet or capital at your institution	0	0	0	10	0
General market liquidity and functioning	40	0	25	35	23
Competition from other institutions	0	50	25	20	23
Other	0	0	0	0	0
Total number of answers	5	4	4	20	13
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	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	0	25
General market liquidity and functioning	100	0	0	100	50
Competition from other institutions	0	0	100	0	25
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4
Possible reasons for easing					
Current or expected financial strength of counterparties	25	0	0	21	9
Willingness of your institution to take on risk	50	0	33	14	27
Adoption of new market conventions (e.g. ISDA protocols)	0	0	33	7	9
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	7	0
General market liquidity and functioning	25	25	33	29	27
Competition from other institutions	0	75	0	21	27
Other	0	0	0	0	0
Total number of answers	4	4	3	14	11

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. 2014	Jun. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	17	0	0	0	6
Willingness of your institution to take on risk	0	17	0	0	6
Adoption of new market conventions (e.g. ISDA protocols)	0	17	25	0	13
Internal treasury charges for funding	17	33	0	0	19
Availability of balance sheet or capital at your institution	33	17	0	0	19
General market liquidity and functioning	33	17	50	67	31
Competition from other institutions	0	0	25	33	6
Other	0	0	0	0	0
Total number of answers	6	6	4	3	16
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	11	0
Willingness of your institution to take on risk	0	100	0	11	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	11	0
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	0	100	22	33
Other	0	0	0	0	0
Total number of answers	1	1	1	9	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	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	0	33
General market liquidity and functioning	100	0	0	0	33
Competition from other institutions	0	0	100	0	33
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	33	0	0	29	20
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	0	20
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	0	20
General market liquidity and functioning	0	50	0	29	20
Competition from other institutions	33	0	0	43	20
Other	0	0	0	0	0
Total number of answers	3	2	0	7	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. 2014	Jun. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	20	0	0	0	8
Willingness of your institution to take on risk	0	20	0	0	8
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	20	20	0	17	15
Availability of balance sheet or capital at your institution	20	0	0	0	8
General market liquidity and functioning	20	60	33	50	38
Competition from other institutions	20	0	67	33	23
Other	0	0	0	0	0
Total number of answers	5	5	3	6	13
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	7	0
Willingness of your institution to take on risk	50	25	0	7	25
Adoption of new market conventions (e.g. ISDA protocols)	0	25	25	7	17
Internal treasury charges for funding	0	25	0	14	8
Availability of balance sheet or capital at your institution	0	0	0	14	0
General market liquidity and functioning	50	0	25	36	25
Competition from other institutions	0	25	50	14	25
Other	0	0	0	0	0
Total number of answers	4	4	4	14	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	0	0	0	0	0
Availability of balance sheet or capital at your institution	33	50	0	0	33
General market liquidity and functioning	0	50	0	50	17
Competition from other institutions	33	0	100	50	33
Other	33	0	0	0	17
Total number of answers	3	2	1	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	50	0	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	50	0	17	17
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	17	0
General market liquidity and functioning	50	0	50	33	33
Competition from other institutions	0	50	50	33	33
Other	0	0	0	0	0
Total number of answers	2	2	2	6	6

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. 2014	Jun. 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	33	0	0	14
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	33	0	0	0	14
Availability of balance sheet or capital at your institution	0	33	0	0	14
General market liquidity and functioning	33	33	100	60	43
Competition from other institutions	33	0	0	40	14
Other	0	0	0	0	0
Total number of answers	3	3	1	5	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	11	0
Willingness of your institution to take on risk	33	67	0	11	38
Adoption of new market conventions (e.g. ISDA protocols)	0	0	50	11	13
Internal treasury charges for funding	0	33	0	22	13
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	67	0	0	22	25
Competition from other institutions	0	0	50	11	13
Other	0	0	0	0	0
Total number of answers	3	3	2	9	8
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	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	0	50
Competition from other institutions	100	0	0	0	50
Other	0	0	0	0	0
Total number of answers	1	1	0	0	2
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	100	0	40	50
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	20	50
Competition from other institutions	0	0	0	40	0
Other	0	0	0	0	0
Total number of answers	1	1	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 [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. 2014	Jun. 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	50	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	50	0	0	17
Internal treasury charges for funding	50	0	0	0	17
Availability of balance sheet or capital at your institution	50	0	0	0	17
General market liquidity and functioning	0	0	50	0	17
Competition from other institutions	0	0	50	0	17
Other	0	0	0	0	0
Total number of answers	2	2	2	0	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	50	50	0	21	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	50	14	17
Internal treasury charges for funding	0	50	0	14	17
Availability of balance sheet or capital at your institution	0	0	0	7	0
General market liquidity and functioning	50	0	0	29	17
Competition from other institutions	0	0	50	14	17
Other	0	0	0	0	0
Total number of answers	2	2	2	14	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	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	0	33
General market liquidity and functioning	100	0	0	0	33
Competition from other institutions	0	0	100	0	33
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	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	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0

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. 2014	Jun. 2014
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	0	0	17	13
Willingness of your institution to take on risk	0	33	0	17	13
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	33	0	0	0	13
Availability of balance sheet or capital at your institution	0	33	0	0	13
General market liquidity and functioning	33	33	50	50	38
Competition from other institutions	0	0	50	17	13
Other	0	0	0	0	0
Total number of answers	3	3	2	6	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	9	0
Willingness of your institution to take on risk	50	50	0	9	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	50	9	17
Internal treasury charges for funding	0	50	0	18	17
Availability of balance sheet or capital at your institution	0	0	0	9	0
General market liquidity and functioning	50	0	0	36	17
Competition from other institutions	0	0	50	9	17
Other	0	0	0	0	0
Total number of answers	2	2	2	11	6
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	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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. 2014	Jun. 2014	
Practices of CCPs	5	14	82	0	0	+10	+18	22

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. 2014	Jun. 2014	
Banks and dealers	0	0	86	14	0	-19	-14	28
Central counterparties	0	0	71	21	7	-38	-29	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
						Mar. 2014	Jun. 2014	
Hedge funds								
Use of financial leverage	0	5	74	21	0	-22	-16	19
Availability of unutilised leverage	0	11	83	6	0	+6	+6	18
Insurance companies								
Use of financial leverage	0	4	96	0	0	+8	+4	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	4	87	9	0	0	-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".

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. 2014	Jun. 2014	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	85	15	0	-15	-15	27
Provision of differential terms to most-favoured clients	0	0	92	8	0	-12	-8	26
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	70	30	0	-29	-30	20
Provision of differential terms to most-favoured clients	0	0	89	11	0	-15	-11	19
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	-8	-4	25
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-8	-8	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 Mar. 2014	Net percentage Jun. 2014	Total number of answers
Banks and dealers								
Volume	0	4	92	4	0	+12	0	25
Duration and persistence	0	12	84	4	0	+16	+8	25
Hedge funds								
Volume	0	6	88	6	0	+6	0	17
Duration and persistence	0	6	88	6	0	+6	0	17
Insurance companies								
Volume	0	4	92	4	0	+4	0	24
Duration and persistence	0	8	88	4	0	+4	+4	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	4	91	4	0	+8	0	23
Duration and persistence	0	4	91	4	0	+8	0	23
Non-financial corporations								
Volume	0	5	91	5	0	0	0	22
Duration and persistence	0	5	91	5	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
						Mar. 2014	Jun. 2014	
Domestic government bonds								
Maximum amount of funding	0	6	72	22	0	-22	-17	18
Maximum maturity of funding	6	11	61	22	0	-11	-6	18
Haircuts	0	17	78	6	0	+17	+11	18
Financing rate/spread	0	28	56	17	0	+39	+11	18
Use of CCPs	0	0	78	22	0	-17	-22	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	78	15	0	-22	-7	27
Maximum maturity of funding	4	7	78	11	0	-7	0	27
Haircuts	0	11	85	4	0	+11	+7	27
Financing rate/spread	0	22	63	15	0	+22	+7	27
Use of CCPs	0	0	88	12	0	-12	-12	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	80	8	0	-16	+4	25
Maximum maturity of funding	0	12	76	12	0	-8	0	25
Haircuts	0	12	80	8	0	+16	+4	25
Financing rate/spread	0	24	64	12	0	+28	+12	25
Use of CCPs	0	0	92	8	0	-13	-8	24
High-quality financial corporate bonds								
Maximum amount of funding	0	4	87	9	0	-13	-4	23
Maximum maturity of funding	0	9	78	13	0	-4	-4	23
Haircuts	0	9	83	9	0	+13	0	23
Financing rate/spread	0	22	61	17	0	+22	+4	23
Use of CCPs	0	0	95	5	0	-5	-5	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	4	88	8	0	-13	-4	24
Maximum maturity of funding	0	8	83	8	0	-4	0	24
Haircuts	0	8	83	8	0	+8	0	24
Financing rate/spread	0	21	67	13	0	+21	+8	24
Use of CCPs	0	0	95	5	0	-5	-5	20
High-yield corporate bonds								
Maximum amount of funding	5	5	84	5	0	+11	+5	19
Maximum maturity of funding	5	5	84	5	0	0	+5	19
Haircuts	0	6	89	6	0	0	0	18
Financing rate/spread	0	11	78	11	0	+16	0	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
						Mar. 2014	Jun. 2014	
Convertible securities								
Maximum amount of funding	0	7	87	7	0	0	0	15
Maximum maturity of funding	0	0	100	0	0	0	0	15
Haircuts	0	0	87	13	0	0	-13	15
Financing rate/spread	0	7	87	7	0	-14	0	15
Use of CCPs	0	0	92	8	0	0	-8	13
Equities								
Maximum amount of funding	0	8	88	4	0	-13	+4	24
Maximum maturity of funding	0	0	96	4	0	-4	-4	24
Haircuts	0	8	88	4	0	0	+4	24
Financing rate/spread	0	17	70	13	0	+9	+4	23
Use of CCPs	0	0	95	5	0	0	-5	19
Asset-backed securities								
Maximum amount of funding	0	0	79	21	0	-20	-21	14
Maximum maturity of funding	0	0	93	7	0	-20	-7	14
Haircuts	0	7	86	7	0	+7	0	14
Financing rate/spread	0	15	77	8	0	+14	+8	13
Use of CCPs	0	0	100	0	0	0	0	11
Covered bonds								
Maximum amount of funding	0	4	92	4	0	-13	0	24
Maximum maturity of funding	0	8	88	4	0	0	+4	24
Haircuts	0	8	83	8	0	+9	0	24
Financing rate/spread	0	17	67	17	0	+17	0	24
Use of CCPs	0	0	95	5	0	-5	-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".

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. 2014	Jun. 2014	
Domestic government bonds								
Maximum amount of funding	0	6	72	17	6	-28	-17	18
Maximum maturity of funding	6	6	72	17	0	-17	-6	18
Haircuts	0	22	78	0	0	+22	+22	18
Financing rate/spread	0	28	50	17	6	+44	+6	18
Use of CCPs	0	0	83	17	0	-17	-17	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	78	15	0	-26	-7	27
Maximum maturity of funding	4	4	85	7	0	-11	0	27
Haircuts	0	15	85	0	0	+15	+15	27
Financing rate/spread	0	22	63	15	0	+26	+7	27
Use of CCPs	0	0	88	12	0	-12	-12	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	80	8	0	-20	+4	25
Maximum maturity of funding	0	8	84	8	0	-12	0	25
Haircuts	0	16	84	0	0	+20	+16	25
Financing rate/spread	0	24	64	12	0	+32	+12	25
Use of CCPs	0	0	92	8	0	-13	-8	24
High-quality financial corporate bonds								
Maximum amount of funding	0	4	83	13	0	-13	-9	23
Maximum maturity of funding	0	4	87	9	0	-4	-4	23
Haircuts	0	13	87	0	0	+17	+13	23
Financing rate/spread	0	22	57	17	4	+22	0	23
Use of CCPs	0	0	95	5	0	-5	-5	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	4	83	13	0	-13	-8	24
Maximum maturity of funding	0	4	88	8	0	-4	-4	24
Haircuts	0	13	88	0	0	+13	+13	24
Financing rate/spread	0	21	63	13	4	+21	+4	24
Use of CCPs	0	0	95	5	0	-5	-5	20
High-yield corporate bonds								
Maximum amount of funding	5	5	84	5	0	+11	+5	19
Maximum maturity of funding	5	0	89	5	0	0	0	19
Haircuts	0	11	89	0	0	+5	+11	18
Financing rate/spread	0	11	78	11	0	+16	0	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 [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. 2014	Jun. 2014	
Convertible securities								
Maximum amount of funding	0	0	87	7	7	0	-13	15
Maximum maturity of funding	0	0	100	0	0	+7	0	15
Haircuts	0	0	100	0	0	0	0	15
Financing rate/spread	0	0	87	7	7	-14	-13	15
Use of CCPs	0	0	92	8	0	0	-8	12
Equities								
Maximum amount of funding	0	4	87	4	4	-22	-4	23
Maximum maturity of funding	0	0	96	4	0	-4	-4	23
Haircuts	0	13	87	0	0	+4	+13	23
Financing rate/spread	0	13	70	13	4	+4	-4	23
Use of CCPs	0	0	100	0	0	0	0	18
Asset-backed securities								
Maximum amount of funding	0	0	79	21	0	-20	-21	14
Maximum maturity of funding	0	0	93	7	0	-20	-7	14
Haircuts	0	7	93	0	0	+7	+7	14
Financing rate/spread	0	8	85	8	0	+14	0	13
Use of CCPs	0	0	100	0	0	0	0	11
Covered bonds								
Maximum amount of funding	0	4	92	4	0	-9	0	24
Maximum maturity of funding	0	8	88	4	0	0	+4	24
Haircuts	0	8	92	0	0	+13	+8	24
Financing rate/spread	0	13	71	17	0	+17	-4	24
Use of CCPs	0	0	95	5	0	-5	-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".

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 Mar. 2014	Net percentage Jun. 2014	Total number of answers
Domestic government bonds								
Terms for average clients	0	0	100	0	0	-13	0	16
Terms for most-favoured clients	0	0	100	0	0	-6	0	16
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	-4	0	25
Terms for most-favoured clients	0	0	100	0	0	-4	0	25
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	-5	0	22
Terms for most-favoured clients	0	0	100	0	0	-5	0	22
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	-5	0	23
Terms for most-favoured clients	0	0	100	0	0	-4	0	23
High-yield corporate bonds								
Terms for average clients	6	0	94	0	0	0	+6	18
Terms for most-favoured clients	6	0	94	0	0	0	+6	18
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	-5	0	21
Terms for most-favoured clients	0	0	100	0	0	-5	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	23
Terms for most-favoured clients	0	0	100	0	0	0	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. 2014	Jun. 2014	
Domestic government bonds								
Overall demand	0	6	67	28	0	-33	-22	18
With a maturity greater than 30 days	0	11	61	28	0	-17	-17	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	7	78	15	0	-15	-7	27
With a maturity greater than 30 days	0	8	77	15	0	-12	-8	26
Other government, sub-national and supra-national bonds								
Overall demand	0	4	85	12	0	-19	-8	26
With a maturity greater than 30 days	0	8	76	16	0	-16	-8	25
High-quality financial corporate bonds								
Overall demand	0	5	86	9	0	-9	-5	22
With a maturity greater than 30 days	0	9	82	9	0	-9	0	22
High-quality non-financial corporate bonds								
Overall demand	0	8	83	8	0	-4	0	24
With a maturity greater than 30 days	0	8	83	8	0	-13	0	24
High-yield corporate bonds								
Overall demand	0	5	89	5	0	+5	0	19
With a maturity greater than 30 days	0	5	84	11	0	-5	-5	19
Convertible securities								
Overall demand	0	0	94	6	0	0	-6	16
With a maturity greater than 30 days	0	7	87	7	0	-20	0	15
Equities								
Overall demand	0	4	92	0	4	-25	0	24
With a maturity greater than 30 days	0	4	79	13	4	-25	-13	24
Asset-backed securities								
Overall demand	0	0	93	7	0	-36	-7	14
With a maturity greater than 30 days	0	0	85	15	0	-38	-15	13
Covered bonds								
Overall demand	0	5	91	5	0	-4	0	22
With a maturity greater than 30 days	0	5	86	10	0	-4	-5	21
All collateral types above								
Overall demand	0	5	91	5	0	-12	0	22
With a maturity greater than 30 days	0	5	86	9	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". "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. 2014	Jun. 2014	
Domestic government bonds								
Liquidity and functioning	0	17	67	17	0	-11	0	18
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	15	74	11	0	-19	+4	27
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	12	81	8	0	-15	+4	26
High-quality financial corporate bonds								
Liquidity and functioning	0	9	77	14	0	-18	-5	22
High-quality non-financial corporate bonds								
Liquidity and functioning	0	8	79	13	0	-17	-4	24
High-yield corporate bonds								
Liquidity and functioning	0	5	84	11	0	+11	-5	19
Convertible securities								
Liquidity and functioning	0	7	93	0	0	+7	+7	15
Equities								
Liquidity and functioning	0	0	96	4	0	-4	-4	24
Asset-backed securities								
Liquidity and functioning	0	0	92	8	0	-15	-8	13
Covered bonds								
Liquidity and functioning	0	10	81	10	0	0	0	21
All collateral types above								
Liquidity and functioning	0	5	86	9	0	-24	-5	22

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. 2014	Jun. 2014	
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	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	24
Duration and persistence	0	0	100	0	0	0	0	24
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	15
Duration and persistence	0	0	100	0	0	0	0	15
Equities								
Volume	0	0	100	0	0	0	0	21
Duration and persistence	0	0	100	0	0	0	0	21
Asset-backed securities								
Volume	0	0	100	0	0	0	0	12
Duration and persistence	0	0	100	0	0	0	0	12
Covered bonds								
Volume	0	0	100	0	0	0	0	19
Duration and persistence	0	0	100	0	0	0	0	19
All collateral types above								
Volume	0	4	96	0	0	0	+4	23
Duration and persistence	0	4	96	0	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". "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. 2014	Jun. 2014	
Foreign exchange								
Average clients	0	0	95	5	0	+5	-5	22
Most-favoured clients	0	0	91	9	0	-5	-9	22
Interest rates								
Average clients	0	5	90	5	0	0	0	21
Most-favoured clients	0	0	90	10	0	-5	-10	21
Credit referencing sovereigns								
Average clients	0	0	95	5	0	+5	-5	19
Most-favoured clients	0	5	89	5	0	+5	0	19
Credit referencing corporates								
Average clients	0	0	94	6	0	0	-6	18
Most-favoured clients	0	6	89	6	0	0	0	18
Credit referencing structured credit products								
Average clients	0	0	94	6	0	0	-6	16
Most-favoured clients	0	0	94	6	0	0	-6	16
Equity								
Average clients	0	0	95	5	0	0	-5	19
Most-favoured clients	0	5	89	5	0	0	0	19
Commodity								
Average clients	0	0	93	7	0	+7	-7	15
Most-favoured clients	0	0	93	7	0	0	-7	15
Total return swaps referencing non-securities								
Average clients	0	0	94	6	0	0	-6	16
Most-favoured clients	0	0	94	6	0	0	-6	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".

3.1 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. 2014	Jun. 2014	
Foreign exchange								
Maximum amount of exposure	0	4	93	4	0	+7	0	28
Maximum maturity of trades	0	0	96	4	0	0	-4	28
Interest rates								
Maximum amount of exposure	0	11	85	4	0	+7	+7	27
Maximum maturity of trades	0	4	93	4	0	+4	0	27
Credit referencing sovereigns								
Maximum amount of exposure	0	5	91	5	0	0	0	22
Maximum maturity of trades	0	5	91	5	0	0	0	22
Credit referencing corporates								
Maximum amount of exposure	0	10	85	5	0	+14	+5	20
Maximum maturity of trades	0	10	85	5	0	+9	+5	20
Credit referencing structured credit products								
Maximum amount of exposure	0	0	94	6	0	+6	-6	17
Maximum maturity of trades	0	0	94	6	0	0	-6	17
Equity								
Maximum amount of exposure	0	4	92	4	0	+4	0	24
Maximum maturity of trades	0	4	92	4	0	+4	0	24
Commodity								
Maximum amount of exposure	0	0	95	5	0	-5	-5	19
Maximum maturity of trades	0	11	84	5	0	0	+5	19
Total return swaps referencing non-securities								
Maximum amount of exposure	0	6	88	6	0	+6	0	17
Maximum maturity of trades	0	6	88	6	0	0	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. 2014	Jun. 2014	
Foreign exchange								
Liquidity and trading	0	12	85	4	0	+12	+8	26
Interest rates								
Liquidity and trading	0	8	88	4	0	+12	+4	25
Credit referencing sovereigns								
Liquidity and trading	0	5	90	5	0	+14	0	21
Credit referencing corporates								
Liquidity and trading	0	6	83	11	0	+11	-6	18
Credit referencing structured credit products								
Liquidity and trading	0	0	93	7	0	+7	-7	15
Equity								
Liquidity and trading	0	9	86	5	0	+9	+5	22
Commodity								
Liquidity and trading	0	6	88	6	0	+6	0	17
Total return swaps referencing non-securities								
Liquidity and trading	0	6	88	6	0	+7	0	16

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
						Mar. 2014	Jun. 2014	
Foreign exchange								
Volume	0	4	92	4	0	+4	0	25
Duration and persistence	4	4	88	4	0	+12	+4	25
Interest rates								
Volume	0	0	96	4	0	+12	-4	24
Duration and persistence	4	4	88	4	0	+12	+4	24
Credit referencing sovereigns								
Volume	0	5	90	5	0	+14	0	21
Duration and persistence	0	0	90	10	0	0	-10	21
Credit referencing corporates								
Volume	0	6	89	6	0	+14	0	18
Duration and persistence	0	0	89	11	0	0	-11	18
Credit referencing structured credit products								
Volume	0	7	87	7	0	+18	0	15
Duration and persistence	0	0	87	13	0	0	-13	15
Equity								
Volume	0	0	95	5	0	0	-5	21
Duration and persistence	5	5	90	0	0	+14	+10	21
Commodity								
Volume	0	0	100	0	0	+16	0	18
Duration and persistence	0	0	100	0	0	+11	0	18
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	+6	0	14
Duration and persistence	0	0	100	0	0	+6	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".

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. 2014	Jun. 2014	
Margin call practices	0	0	100	0	0	+4	0	28
Acceptable collateral	0	4	93	4	0	+11	0	28
Recognition of portfolio or diversification benefits	0	0	92	8	0	0	-8	26
Covenants and triggers	0	4	93	4	0	0	0	28
Other documentation features	4	0	96	0	0	0	+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
						Mar. 2014	Jun. 2014	
Posting of non-standard collateral	0	4	96	0	0	-5	+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".