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.

March 2013 SESFOD results

(reference period from December 2012 to February 2013)

Summary

The **March 2013 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD)** collected qualitative information on changes between **December 2012 and February 2013**. This summary of results from the survey, which was launched at the end of February 2013, is based on responses from a panel of 29 large banks, comprising 14 euro area banks and 15 banks with head offices outside the euro area.

Highlights

Responses to the March 2013 survey suggested that offered **price terms** (such as financing rates/spreads) had remained basically unchanged, on balance, for the important types of counterparties covered in the survey over the three-month reference period ending in February 2013. Nevertheless, modest net shares of respondents reported easier price terms for large banks and dealers, insurance companies and investment funds, pension plans and other institutional investment pools. In the case of **non-price terms** (including, for example, the maximum amount of funding, haircuts, covenants and triggers and other documentation features), the net fractions of banks that reported tightening were small and also smaller than in the previous December 2012 survey. All in all, a slight net tightening of non-price terms for a sub-group of client types outweighed the net easing of price terms for some client groups, resulting, on balance, in a **marginal overall net tightening of credit terms**.

Slight increases in **the use, and in the availability, of additional financial leverage** under agreements currently in place with hedge fund clients were reported by one-quarter and one-tenth of respondents respectively. By contrast, the use of financial leverage by insurance companies and investment funds, pension plans and other institutional investment pools remained unchanged.

With a few exceptions and amid some improvement in market liquidity and functioning, respondents indicated that the **financing rates/spreads at which securities are funded** had decreased, on balance, for the various collateral types covered in the survey, but especially so for euro-denominated government bonds, high-quality financial and non-financial corporate bonds, and covered bonds. For each type of collateral, the net percentages of banks were largely the same for both average and most-favoured clients.

About one-fifth of respondents indicated that **demand for the funding** of euro-denominated government bonds and asset-backed securities had increased, on balance, over the recent three-month reference period, while less marked, but nevertheless across-the-board, increases were also reported for other collateral types. Furthermore, the net shares of banks reporting an increased demand for funding were larger than in the December 2012 survey for all types of collateral covered in the survey. In addition, for many types of collateral, the net percentages of banks that reported higher demand for funding were larger for maturities greater than 30 days.

Except for convertible securities and equities, the respondents reported an improvement in **liquidity and market functioning for the various types of collateral** included in the survey over the three-month reference period. Between one-fifth and one-third of banks indicated an improvement, on balance, for euro-denominated government bonds and high-quality corporate bonds.

For all but one type of **non-centrally cleared derivatives** contracts included in the survey, banks reported that their **liquidity and trading** had slightly deteriorated, on balance, over the three-month reference period. Except for structured credit derivatives, this deterioration was, however, less pronounced than in the December 2012 survey.

Responses to the **special questions on the current stringency of credit terms relative to the end of 2006** were broadly uniform, with the majority of respondents indicating that current credit terms applicable to the main types of counterparties, collateral and OTC derivatives covered in the survey were tighter, often considerably so, than at the end of 2006.

Counterparty types

Changes. Responses to the March 2013 survey suggested that offered price terms (such as financing rates/spreads) had remained basically unchanged, on balance, for the important types of counterparties covered in the survey over the three-month reference period ending in February 2013. Nevertheless, modest net shares of respondents reported easier price terms for large banks and dealers, insurance companies and investment funds, pension plans and other institutional investment pools. In the case of non-price terms (including, for example, the maximum amount of funding, haircuts, covenants and triggers and other documentation features), the net fractions of banks that reported tightening were small and also smaller than in the previous December 2012 survey. All in all, a slight net tightening of non-price terms for a sub-group of client types outweighed the net easing of price terms for some client groups, resulting, on balance, in a marginal overall net tightening of credit terms.

Expectations. As in the previous survey, respondents expected that, over the next three months, price and non-price credit terms would continue tightening for each of the client types covered in the survey. More than one-fifth of respondents to the respective questions expected that non-price terms for non-financial corporations and price terms for banks and hedge funds would tighten, on balance, from March to May 2013.

Reasons. In the case of banks that reported an easing of price terms, improved general market liquidity and functioning was the most frequently cited reason, followed by a respondent's willingness to take on risk. However, deteriorated rather than improved general market liquidity and functioning was also frequently mentioned by banks that indicated tighter price terms. For non-price terms, which had shown some overall tightening for client groups included in the survey during the three-month reference period, the institution's lower willingness to take on risk, deteriorated general market liquidity and functioning and worse current or expected financial strength of counterparties were often mentioned as important reasons for tighter non-price terms. Changes in the practices of central counterparties (CCPs), including margin requirements and haircuts, were reported as having somewhat contributed, on balance, to the tightening of credit terms to clients on bilateral transactions that are not centrally cleared, although the net share of banks reporting such a contribution declined.

Management of concentrated credit exposures to large banks and CCPs. As in the December 2012 survey, respondents reported a substantial increase in the amount of resources and attention devoted to the management of concentrated credit exposures to large banks and CCPs over the three-month reference period. In the case of CCPs, more than one-half of respondents reported an increase, with one-quarter of respondents indicating a considerable increase.

Leverage. Slight increases in the use, and in the availability, of additional financial leverage under agreements currently in place with hedge fund clients were reported by one-quarter and one-tenth of respondents respectively. By contrast, the use of financial leverage by insurance companies and investment funds, pension plans and other institutional investment pools remained unchanged.

Client pressure and differential terms. Banks reported that both the intensity of efforts to negotiate more favourable terms and the provision of differential terms to most-favoured clients had increased, on balance, for each of the covered types of counterparties and especially so for hedge fund clients. Nonetheless, client pressure to offer better terms seemed to have declined somewhat, as the net percentages of banks reporting increased pressure and the provision of better terms for each of the main counterparty types were lower than in the previous survey.

Valuation disputes. The volume, persistence and duration of valuation disputes with each counterparty type included in the survey had slightly decreased, on balance, during the three-month reference period, although there were also some banks that reported increases.

Securities financing

Maximum amount of funding. Respondents, on balance, reported increased maximum amounts of funding for euro-denominated government bonds, in particular for high-quality government bonds – higher maximum amount limits for such bonds were reported, on balance, by more than one-fifth of respondents. More than one-tenth of banks, however, indicated that their maximum amounts of funding had somewhat decreased for euro-denominated lower-quality government bonds.

Maximum maturity of funding. No particularly strong net changes were reported by banks, except for a modest net fraction of respondents pointing to an increase in the maximum maturity of funding of euro-denominated high-quality government bonds.

Haircuts. Responses suggested that the haircuts applying to the various types of collateral covered in the survey were little changed, on balance, during the three-month reference period. However, quite divergent views were expressed with respect to the changes in the haircuts for euro-denominated lower-quality government bonds.

Financing rates/spreads. With a few exceptions and amid some improvement in market liquidity and functioning, respondents indicated that the financing rates/spreads at which securities are funded had decreased, on balance, for the various collateral types covered in the survey, but especially so for euro-denominated government bonds, high-quality financial and non-financial corporate bonds, and covered bonds. For each type of collateral, the net percentages of banks were largely the same for both average and most-favoured clients.

Use of CCPs. Respondents indicated that the use of CCPs for the funding of various types of collateral had generally increased, on balance, over the three-month reference period. However, the net fractions of banks that reported an increase in the use of CCPs for the funding of euro-denominated government bonds were somewhat smaller than in the December 2012 survey.

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

Demand for funding. About one-fifth of respondents indicated that demand for the funding of euro-denominated government bonds and asset-backed securities had increased, on balance, over the recent three-month reference period, while less marked, but nevertheless across-the-board, increases were also reported for other collateral types. Furthermore, the net shares of banks reporting an increased demand for funding were larger than in the December 2012 survey for all types of collateral covered in the survey. In addition, for many types of collateral, the net percentages of banks that reported higher demand for funding were larger for maturities greater than 30 days.

Liquidity of collateral. Except for convertible securities and equities, the respondents reported an improvement in liquidity and market functioning for the various types of collateral included in the survey over the three-month reference period. Between one-fifth and one-third of banks indicated an improvement, on balance, for euro-denominated government bonds and high-quality corporate bonds.

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

Non-centrally cleared OTC derivatives

Initial margin requirements. Respondents reported basically unchanged initial margin requirements for the various types of derivatives covered in the survey for both average and most-favoured clients over the three-month reference period, although several banks indicated that they had somewhat increased initial margins for non-centrally cleared interest rate and credit derivatives.

Credit limits. As in the previous survey, moderate or small net percentages of respondents indicated that the maximum amount of exposure and the maximum maturity of derivatives trades had decreased for the various types of derivatives contracts included in the survey. Of note, perhaps, are decreases in the maximum amount of exposure in interest rate, equity derivatives and corporate credit default swaps.

Liquidity and trading. For all but one type of non-centrally cleared derivatives contracts included in the survey banks reported that their liquidity and trading had slightly deteriorated, on balance, over the three-month reference period. Except for structured credit derivatives, this deterioration was, however, less pronounced than in the December 2012 survey.

Valuation disputes. Respondents indicated that the volume, duration and persistence of disputes relating to the valuation of most types of derivative contracts covered in the survey had remained basically unchanged, although modest net fractions of banks reported decreases in either volume or duration and persistence of disputes for structured credit, equity and commodity derivatives.

Non-price changes in new agreements. In line with the previous survey, many respondents indicated that non-price terms incorporated in new or renegotiated OTC derivatives master agreements had remained basically unchanged, whereas others reported that they had tightened non-price terms, on balance. In particular, some net shares of banks reported stricter margin call practices, tighter covenants and triggers and other documentation features, as well as narrower lists of acceptable collateral.

Posting of non-standard collateral. Posting of non-standard collateral (i.e. collateral other than cash and government debt securities) had somewhat increased, on balance.

Special questions

Current stringency of credit terms relative to the end-2006

Counterparty types. With relatively minor variations, more than four-fifths of banks indicated that the current price and non-price credit terms offered for all of the important types of counterparties covered in the survey were tighter than at the end of 2006. Between one-third and one-half of these respondents indicated that credit terms were considerably tighter.

Securities financing. Views about the current stringency of credit terms applicable to secured funding were somewhat more dispersed but still broadly uniform, as more than two-thirds of banks pointed to tighter credit terms than at the end of 2006. In the same vein, but without any exception, all responses indicated that the current haircuts applying to the various types of collateral covered in the survey were higher, often considerably so, than the haircuts that prevailed at the end of 2006.

OTC derivatives. Finally, and as for haircuts, absolutely all responses indicated that the current credit terms for trades in the various types of OTC derivatives covered in the survey were tighter, often considerably so, than at the end of 2006.

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
						Dec 2012	Mar 2013	
Banks and dealers								
Price terms	3	10	62	17	7	-17	-10	29
Non-price terms	0	10	76	14	0	+7	-3	29
Overall	3	7	72	14	3	-3	-7	29
Hedge funds								
Price terms	0	14	73	14	0	-5	0	22
Non-price terms	0	4	87	9	0	-4	-4	23
Overall	0	13	78	9	0	-13	+4	23
Insurance companies								
Price terms	0	7	79	14	0	-11	-7	28
Non-price terms	0	11	86	4	0	+14	+7	28
Overall	0	7	86	7	0	-11	0	28
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	11	67	22	0	-4	-11	27
Non-price terms	0	7	85	7	0	+15	0	27
Overall	0	11	74	15	0	0	-4	27
Non-financial corporations								
Price terms	4	14	61	21	0	-7	-4	28
Non-price terms	0	11	86	4	0	+14	+7	28
Overall	0	21	68	11	0	+7	+11	28
Sovereigns								
Price terms	4	11	71	11	4	-7	0	28
Non-price terms	0	7	89	4	0	+15	+4	28
Overall	4	11	75	11	0	+11	+4	28
All counterparties above								
Price terms	0	18	64	18	0	0	0	28
Non-price terms	0	11	86	4	0	+18	+7	28
Overall	0	18	71	11	0	+7	+7	28

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

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

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

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

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

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Dec 2012	Mar 2013	
Banks and dealers								
Price terms	3	28	59	10	0	-3	+21	29
Non-price terms	0	17	79	3	0	+17	+14	29
Overall	3	21	66	10	0	+10	+14	29
Hedge funds								
Price terms	0	27	68	5	0	+14	+23	22
Non-price terms	0	4	91	4	0	+9	0	23
Overall	0	17	74	9	0	+13	+9	23
Insurance companies								
Price terms	0	21	68	11	0	0	+11	28
Non-price terms	0	11	89	0	0	+21	+11	28
Overall	0	18	71	11	0	+14	+7	28
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	19	67	15	0	+4	+4	27
Non-price terms	0	11	85	4	0	+23	+7	27
Overall	0	19	70	11	0	+15	+7	27
Non-financial corporations								
Price terms	4	14	68	14	0	+11	+4	28
Non-price terms	0	21	79	0	0	+21	+21	28
Overall	4	14	71	11	0	+21	+7	28
Sovereigns								
Price terms	4	15	74	7	0	-7	+11	27
Non-price terms	0	11	89	0	0	+15	+11	28
Overall	4	14	71	11	0	+15	+7	28
All counterparties above								
Price terms	0	21	68	11	0	+7	+11	28
Non-price terms	0	18	82	0	0	+29	+18	28
Overall	0	18	71	11	0	+18	+7	28

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

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

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

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec 2012	Mar 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	33	0	23	11
Willingness of your institution to take on risk	25	0	0	8	11
Adoption of new market conventions (e.g. ISDA protocols)	25	0	0	15	11
Internal treasury charges for funding	0	33	0	8	11
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	25	0	100	38	33
Competition from other institutions	0	33	0	8	11
Other	25	0	0	0	11
Total number of answers	4	3	2	13	9
Possible reasons for easing					
Current or expected financial strength of counterparties	14	33	0	9	18
Willingness of your institution to take on risk	0	17	50	13	18
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	4	0
Internal treasury charges for funding	14	0	0	13	6
Availability of balance sheet or capital at your institution	0	17	0	0	6
General market liquidity and functioning	57	17	0	30	29
Competition from other institutions	0	0	50	17	12
Other	14	17	0	13	12
Total number of answers	7	6	4	23	17
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	27	29
Willingness of your institution to take on risk	100	0	0	20	43
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	13	0
Internal treasury charges for funding	0	0	0	7	0
Availability of balance sheet or capital at your institution	0	0	0	13	0
General market liquidity and functioning	0	0	100	13	29
Competition from other institutions	0	0	0	0	0
Other	0	0	0	7	0
Total number of answers	3	2	2	15	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	8	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	8	0
Internal treasury charges for funding	0	0	0	8	0
Availability of balance sheet or capital at your institution	0	33	0	8	13
General market liquidity and functioning	75	0	0	33	38
Competition from other institutions	0	0	100	17	13
Other	25	0	0	0	13
Total number of answers	4	3	1	12	8

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	
				Dec 2012	Mar 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	33	20
Willingness of your institution to take on risk	33	0	0	11	20
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	11	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	33	0	100	22	40
Competition from other institutions	0	0	0	22	0
Other	33	0	0	0	20
Total number of answers	3	1	1	9	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	11	11
Willingness of your institution to take on risk	0	33	67	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	33	0	0	0	11
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	67	0	0	22	22
Competition from other institutions	0	0	33	22	11
Other	0	33	0	11	11
Total number of answers	3	3	3	9	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	33	33
Willingness of your institution to take on risk	100	0	0	17	33
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	100	17	33
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	50	0	25	20
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	13	0
General market liquidity and functioning	50	50	0	38	40
Competition from other institutions	50	0	100	25	40
Other	0	0	0	0	0
Total number of answers	2	2	1	8	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	
				Dec 2012	Mar 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	21	25
Willingness of your institution to take on risk	50	0	0	7	25
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	14	0
Internal treasury charges for funding	0	0	0	7	0
Availability of balance sheet or capital at your institution	0	0	0	14	0
General market liquidity and functioning	0	0	100	29	25
Competition from other institutions	0	0	0	7	0
Other	50	0	0	0	25
Total number of answers	2	1	1	14	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	11	10
Willingness of your institution to take on risk	0	33	67	17	30
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	25	0	0	6	10
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	75	0	0	33	30
Competition from other institutions	0	0	33	22	10
Other	0	33	0	11	10
Total number of answers	4	3	3	18	10
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	67	0	17	25
Willingness of your institution to take on risk	40	0	0	25	25
Adoption of new market conventions (e.g. ISDA protocols)	20	0	0	0	13
Internal treasury charges for funding	0	0	0	8	0
Availability of balance sheet or capital at your institution	0	0	0	17	0
General market liquidity and functioning	40	33	0	25	38
Competition from other institutions	0	0	0	0	0
Other	0	0	0	8	0
Total number of answers	5	3	0	12	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	100	0	17	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	50	0	0	33	33
Competition from other institutions	50	0	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	
				Dec 2012	Mar 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	21	20
Willingness of your institution to take on risk	33	0	0	7	20
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	14	0
Internal treasury charges for funding	0	0	0	7	0
Availability of balance sheet or capital at your institution	0	0	0	14	0
General market liquidity and functioning	33	0	100	29	40
Competition from other institutions	0	0	0	7	0
Other	33	0	0	0	20
Total number of answers	3	1	1	14	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	8	17
Willingness of your institution to take on risk	0	25	67	17	25
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	20	0	0	8	8
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	80	0	0	33	33
Competition from other institutions	0	0	33	17	8
Other	0	25	0	17	8
Total number of answers	5	4	3	12	12
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	20	33
Willingness of your institution to take on risk	100	0	0	30	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	10	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	0	0	100	20	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	2	2	10	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	100	0	33	50
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	50	0	0	33	25
Competition from other institutions	0	0	100	33	25
Other	0	0	0	0	0
Total number of answers	2	1	1	3	4

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	
				Dec 2012	Mar 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	33	25	17
Willingness of your institution to take on risk	20	25	0	13	17
Adoption of new market conventions (e.g. ISDA protocols)	20	0	0	13	8
Internal treasury charges for funding	20	0	0	13	8
Availability of balance sheet or capital at your institution	0	0	0	13	0
General market liquidity and functioning	20	0	67	13	25
Competition from other institutions	0	25	0	0	8
Other	20	25	0	13	17
Total number of answers	5	4	3	16	12
Possible reasons for easing					
Current or expected financial strength of counterparties	0	20	0	16	6
Willingness of your institution to take on risk	0	60	40	21	31
Adoption of new market conventions (e.g. ISDA protocols)	17	0	0	0	6
Internal treasury charges for funding	17	0	0	11	6
Availability of balance sheet or capital at your institution	0	0	20	0	6
General market liquidity and functioning	67	0	0	37	25
Competition from other institutions	0	0	40	5	13
Other	0	20	0	11	6
Total number of answers	6	5	5	19	16
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	33	0	25	25
Willingness of your institution to take on risk	33	67	0	19	38
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	6	13
Internal treasury charges for funding	0	0	0	19	0
Availability of balance sheet or capital at your institution	0	0	0	13	0
General market liquidity and functioning	0	0	100	13	25
Competition from other institutions	0	0	0	0	0
Other	0	0	0	6	0
Total number of answers	3	3	2	16	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	100	0	25	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	50	33
Competition from other institutions	0	0	100	25	33
Other	0	0	0	0	0
Total number of answers	1	1	1	4	3

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

To the extent that [price/ non-price] terms applied to [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	
				Dec 2012	Mar 2013
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	33	0	23	10
Willingness of your institution to take on risk	25	33	0	8	20
Adoption of new market conventions (e.g. ISDA protocols)	25	0	33	23	20
Internal treasury charges for funding	25	0	0	8	10
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	67	23	20
Competition from other institutions	0	0	0	8	0
Other	25	33	0	8	20
Total number of answers	4	3	3	13	10
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	33	50	8	22
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	8	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	42	44
Competition from other institutions	0	33	50	0	22
Other	0	33	0	25	11
Total number of answers	4	3	2	12	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	10	17
Willingness of your institution to take on risk	50	50	0	10	33
Adoption of new market conventions (e.g. ISDA protocols)	50	0	0	20	17
Internal treasury charges for funding	0	0	0	20	0
Availability of balance sheet or capital at your institution	0	0	0	10	0
General market liquidity and functioning	0	0	100	10	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	20	0
Total number of answers	2	2	2	10	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	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	100	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	1	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
						Dec 2012	Mar 2013	
Practices of CCPs	5	10	80	5	0	+17	+10	20

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
						Dec 2012	Mar 2013	
Banks and dealers	0	7	66	24	3	-39	-21	29
Central counterparties	0	0	46	29	25	-79	-54	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
						Dec 2012	Mar 2013	
Hedge funds								
Use of financial leverage	0	0	75	25	0	+6	-25	20
Availability of unutilised leverage	0	0	90	10	0	+11	-10	20
Insurance companies								
Use of financial leverage	0	0	100	0	0	-8	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	100	0	0	0	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".

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
						Dec 2012	Mar 2013	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	4	0	79	18	0	-28	-14	28
Provision of differential terms to most-favoured clients	0	0	100	0	0	-7	0	28
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	74	22	4	-29	-26	23
Provision of differential terms to most-favoured clients	0	0	83	17	0	-21	-17	23
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	86	14	0	-18	-14	28
Provision of differential terms to most-favoured clients	0	0	93	7	0	-11	-7	28
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-25	-12	26
Provision of differential terms to most-favoured clients	0	0	92	8	0	-21	-8	26
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	4	0	81	15	0	-14	-11	27
Provision of differential terms to most-favoured clients	0	0	89	11	0	-7	-11	27

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

1.6 Valuation disputes

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

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec 2012	Mar 2013	
Banks and dealers								
Volume	0	14	79	3	3	+25	+7	29
Duration and persistence	0	11	86	0	4	+18	+7	28
Hedge funds								
Volume	0	10	90	0	0	+5	+10	21
Duration and persistence	5	5	90	0	0	+5	+10	21
Insurance companies								
Volume	0	8	92	0	0	+8	+8	26
Duration and persistence	0	4	92	4	0	+4	0	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	8	88	4	0	+13	+4	25
Duration and persistence	0	8	92	0	0	0	+8	25
Non-financial corporations								
Volume	0	8	88	4	0	-4	+4	25
Duration and persistence	0	4	92	4	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".

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
						Dec 2012	Mar 2013	
Domestic government bonds								
Maximum amount of funding	5	5	63	21	5	-11	-16	19
Maximum maturity of funding	5	11	68	16	0	+11	0	19
Haircuts	0	11	74	16	0	-5	-5	19
Financing rate/spread	0	42	47	5	5	+32	+32	19
Use of CCPs	5	11	63	21	0	-21	-5	19
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	68	29	0	-18	-25	28
Maximum maturity of funding	0	4	79	18	0	0	-14	28
Haircuts	0	14	79	7	0	0	+7	28
Financing rate/spread	0	39	57	4	0	+36	+36	28
Use of CCPs	0	8	72	20	0	-19	-12	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	15	62	19	4	-4	-8	26
Maximum maturity of funding	0	8	81	12	0	0	-4	26
Haircuts	0	15	69	15	0	-12	0	26
Financing rate/spread	4	35	54	8	0	+35	+31	26
Use of CCPs	0	4	79	17	0	-13	-13	24
High-quality financial corporate bonds								
Maximum amount of funding	0	17	67	17	0	+4	0	24
Maximum maturity of funding	0	13	75	13	0	+13	0	24
Haircuts	0	13	79	8	0	-17	+4	24
Financing rate/spread	0	25	67	8	0	+25	+17	24
Use of CCPs	0	0	84	16	0	-20	-16	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	12	72	16	0	0	-4	25
Maximum maturity of funding	0	12	80	8	0	+8	+4	25
Haircuts	0	12	80	8	0	-16	+4	25
Financing rate/spread	0	20	72	8	0	+24	+12	25
Use of CCPs	0	0	85	15	0	-15	-15	20
High-yield corporate bonds								
Maximum amount of funding	5	10	70	15	0	+6	0	20
Maximum maturity of funding	5	5	75	15	0	0	-5	20
Haircuts	0	10	75	10	5	-17	-5	20
Financing rate/spread	0	10	70	15	5	+11	-10	20
Use of CCPs	0	0	93	7	0	-15	-7	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
						Dec 2012	Mar 2013	
Convertible securities								
Maximum amount of funding	0	14	79	7	0	+7	+7	14
Maximum maturity of funding	0	7	86	7	0	+7	0	14
Haircuts	0	7	86	7	0	-7	0	14
Financing rate/spread	0	7	79	14	0	+7	-7	14
Use of CCPs	0	0	92	8	0	-8	-8	12
Equities								
Maximum amount of funding	0	13	75	13	0	+8	0	24
Maximum maturity of funding	0	0	96	4	0	-4	-4	24
Haircuts	0	4	92	4	0	-8	0	24
Financing rate/spread	0	17	74	9	0	+8	+9	23
Use of CCPs	0	0	100	0	0	0	0	17
Asset-backed securities								
Maximum amount of funding	0	14	71	14	0	-7	0	14
Maximum maturity of funding	0	14	71	14	0	-7	0	14
Haircuts	0	7	79	14	0	-7	-7	14
Financing rate/spread	0	17	67	17	0	+8	0	12
Use of CCPs	0	0	80	20	0	-11	-20	10
Covered bonds								
Maximum amount of funding	4	8	75	13	0	+4	0	24
Maximum maturity of funding	0	13	75	13	0	+13	0	24
Haircuts	0	8	83	8	0	-4	0	24
Financing rate/spread	0	29	63	8	0	+35	+21	24
Use of CCPs	0	10	80	10	0	+10	0	20

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
						Dec 2012	Mar 2013	
Domestic government bonds								
Maximum amount of funding	5	5	68	21	0	-11	-11	19
Maximum maturity of funding	5	11	68	16	0	+11	0	19
Haircuts	0	11	74	16	0	-5	-5	19
Financing rate/spread	0	42	47	5	5	+32	+32	19
Use of CCPs	5	11	63	21	0	-16	-5	19
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	71	25	0	-21	-21	28
Maximum maturity of funding	0	4	82	14	0	-4	-11	28
Haircuts	0	14	79	7	0	+4	+7	28
Financing rate/spread	0	36	61	4	0	+32	+32	28
Use of CCPs	0	8	72	20	0	-19	-12	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	69	15	4	-8	-8	26
Maximum maturity of funding	0	8	81	12	0	-4	-4	26
Haircuts	0	15	73	12	0	0	+4	26
Financing rate/spread	4	35	54	8	0	+31	+31	26
Use of CCPs	0	8	75	17	0	-17	-8	24
High-quality financial corporate bonds								
Maximum amount of funding	0	8	75	13	4	0	-8	24
Maximum maturity of funding	0	8	83	8	0	+8	0	24
Haircuts	0	13	79	8	0	-8	+4	24
Financing rate/spread	0	29	63	8	0	+21	+21	24
Use of CCPs	0	0	78	22	0	-25	-22	18
High-quality non-financial corporate bonds								
Maximum amount of funding	0	8	76	12	4	-4	-8	25
Maximum maturity of funding	0	8	84	8	0	+4	0	25
Haircuts	0	12	80	8	0	-8	+4	25
Financing rate/spread	0	28	64	8	0	+20	+20	25
Use of CCPs	0	0	79	21	0	-20	-21	19
High-yield corporate bonds								
Maximum amount of funding	5	10	70	15	0	+6	0	20
Maximum maturity of funding	5	5	75	15	0	0	-5	20
Haircuts	0	10	75	10	5	-17	-5	20
Financing rate/spread	0	15	65	15	5	0	-5	20
Use of CCPs	0	0	93	7	0	-15	-7	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
						Dec 2012	Mar 2013	
Convertible securities								
Maximum amount of funding	0	15	77	8	0	+15	+8	13
Maximum maturity of funding	0	8	92	0	0	+8	+8	13
Haircuts	0	0	92	8	0	-15	-8	13
Financing rate/spread	0	8	77	15	0	-8	-8	13
Use of CCPs	0	0	90	10	0	-9	-10	10
Equities								
Maximum amount of funding	0	4	78	17	0	+17	-13	23
Maximum maturity of funding	0	0	96	4	0	0	-4	23
Haircuts	0	4	91	4	0	-13	0	23
Financing rate/spread	0	18	73	9	0	0	+9	22
Use of CCPs	0	0	100	0	0	0	0	16
Asset-backed securities								
Maximum amount of funding	0	14	71	14	0	-7	0	14
Maximum maturity of funding	0	14	71	14	0	-7	0	14
Haircuts	0	7	86	7	0	0	0	14
Financing rate/spread	0	15	69	15	0	-8	0	13
Use of CCPs	0	0	80	20	0	-11	-20	10
Covered bonds								
Maximum amount of funding	0	17	67	17	0	+4	0	24
Maximum maturity of funding	0	17	71	13	0	+13	+4	24
Haircuts	0	8	83	8	0	-4	0	24
Financing rate/spread	0	29	63	8	0	+26	+21	24
Use of CCPs	0	10	80	10	0	+10	0	20

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
						Dec 2012	Mar 2013	
Domestic government bonds								
Terms for average clients	0	6	94	0	0	+17	+6	18
Terms for most-favoured clients	0	6	94	0	0	+17	+6	18
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	7	93	0	0	+7	+7	27
Terms for most-favoured clients	0	7	93	0	0	+4	+7	27
Other government, sub-national and supra-national bonds								
Terms for average clients	0	4	96	0	0	+12	+4	25
Terms for most-favoured clients	0	4	96	0	0	+8	+4	25
High-quality financial corporate bonds								
Terms for average clients	0	4	96	0	0	+17	+4	23
Terms for most-favoured clients	0	4	96	0	0	+13	+4	24
High-quality non-financial corporate bonds								
Terms for average clients	0	4	96	0	0	+13	+4	24
Terms for most-favoured clients	0	4	96	0	0	+8	+4	25
High-yield corporate bonds								
Terms for average clients	0	5	95	0	0	+11	+5	20
Terms for most-favoured clients	0	5	95	0	0	+11	+5	20
Convertible securities								
Terms for average clients	0	6	94	0	0	+7	+6	16
Terms for most-favoured clients	0	7	93	0	0	+7	+7	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	7	93	0	0	+14	+7	14
Terms for most-favoured clients	0	7	93	0	0	+14	+7	14
Covered bonds								
Terms for average clients	0	4	96	0	0	+14	+4	23
Terms for most-favoured clients	0	4	96	0	0	+14	+4	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
						Dec 2012	Mar 2013	
Domestic government bonds								
Overall demand	0	11	53	32	5	-6	-26	19
With a maturity greater than 30 days	0	11	56	28	6	-12	-22	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	11	61	29	0	-4	-18	28
With a maturity greater than 30 days	0	4	69	27	0	-8	-23	26
Other government, sub-national and supra-national bonds								
Overall demand	0	11	59	30	0	-12	-19	27
With a maturity greater than 30 days	0	8	60	32	0	-8	-24	25
High-quality financial corporate bonds								
Overall demand	0	13	67	17	4	-4	-8	24
With a maturity greater than 30 days	0	4	75	17	4	-4	-17	24
High-quality non-financial corporate bonds								
Overall demand	0	8	72	16	4	-4	-12	25
With a maturity greater than 30 days	0	4	76	16	4	-4	-16	25
High-yield corporate bonds								
Overall demand	0	11	68	16	5	-6	-11	19
With a maturity greater than 30 days	0	5	74	16	5	-6	-16	19
Convertible securities								
Overall demand	0	7	79	7	7	+15	-7	14
With a maturity greater than 30 days	0	14	71	7	7	+8	0	14
Equities								
Overall demand	0	4	76	20	0	-13	-16	25
With a maturity greater than 30 days	0	8	76	16	0	-21	-8	25
Asset-backed securities								
Overall demand	0	7	64	29	0	0	-21	14
With a maturity greater than 30 days	0	7	64	29	0	0	-21	14
Covered bonds								
Overall demand	0	9	73	18	0	-5	-9	22
With a maturity greater than 30 days	0	5	77	18	0	-14	-14	22
All collateral types above								
Overall demand	0	11	67	22	0	-4	-11	27
With a maturity greater than 30 days	0	4	70	26	0	-13	-22	27

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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
						Dec 2012	Mar 2013	
Domestic government bonds								
Liquidity and functioning	5	5	53	37	0	+12	-26	19
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	57	39	0	-11	-36	28
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	7	52	41	0	0	-33	27
High-quality financial corporate bonds								
Liquidity and functioning	0	8	58	33	0	+9	-25	24
High-quality non-financial corporate bonds								
Liquidity and functioning	0	8	60	32	0	0	-24	25
High-yield corporate bonds								
Liquidity and functioning	5	11	58	26	0	0	-11	19
Convertible securities								
Liquidity and functioning	0	14	79	7	0	+15	+7	14
Equities								
Liquidity and functioning	4	12	72	12	0	0	+4	25
Asset-backed securities								
Liquidity and functioning	0	14	57	29	0	-7	-14	14
Covered bonds								
Liquidity and functioning	0	9	68	18	5	-5	-14	22
All collateral types above								
Liquidity and functioning	0	7	63	30	0	0	-22	27

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
						Dec 2012	Mar 2013	
Domestic government bonds								
Volume	5	0	89	5	0	+6	0	19
Duration and persistence	5	0	89	5	0	+6	0	19
High-quality government, sub-national and supra-national bonds								
Volume	0	7	79	14	0	0	-7	28
Duration and persistence	0	7	89	4	0	+4	+4	28
Other government, sub-national and supra-national bonds								
Volume	0	11	82	7	0	+8	+4	28
Duration and persistence	0	11	86	4	0	+8	+7	28
High-quality financial corporate bonds								
Volume	0	4	88	8	0	+5	-4	25
Duration and persistence	0	8	88	4	0	+10	+4	25
High-quality non-financial corporate bonds								
Volume	0	4	88	8	0	+5	-4	26
Duration and persistence	0	8	88	4	0	+10	+4	26
High-yield corporate bonds								
Volume	5	5	79	11	0	+13	0	19
Duration and persistence	5	5	84	5	0	+13	+5	19
Convertible securities								
Volume	0	0	93	7	0	0	-7	15
Duration and persistence	0	0	93	7	0	0	-7	15
Equities								
Volume	0	0	100	0	0	0	0	24
Duration and persistence	0	4	96	0	0	0	+4	24
Asset-backed securities								
Volume	0	6	75	19	0	0	-13	16
Duration and persistence	0	6	88	6	0	+8	0	16
Covered bonds								
Volume	0	5	90	5	0	+12	0	20
Duration and persistence	0	10	85	5	0	+18	+5	20
All collateral types above								
Volume	0	11	81	7	0	+9	+4	27
Duration and persistence	0	11	85	4	0	+9	+7	27

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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
						Dec 2012	Mar 2013	
Foreign exchange								
Average clients	0	4	91	4	0	-5	0	23
Most-favoured clients	0	4	87	9	0	-9	-4	23
Interest rates								
Average clients	0	0	96	4	0	-12	-4	24
Most-favoured clients	0	0	92	8	0	-12	-8	24
Credit referencing sovereigns								
Average clients	0	0	89	11	0	0	-11	19
Most-favoured clients	0	0	89	11	0	0	-11	19
Credit referencing corporates								
Average clients	0	0	89	11	0	0	-11	19
Most-favoured clients	0	0	89	11	0	0	-11	19
Credit referencing structured credit products								
Average clients	0	7	80	13	0	-6	-7	15
Most-favoured clients	0	0	87	13	0	-6	-13	15
Equity								
Average clients	0	0	100	0	0	+5	0	21
Most-favoured clients	0	0	95	5	0	+5	-5	21
Commodity								
Average clients	0	0	100	0	0	0	0	17
Most-favoured clients	0	0	100	0	0	0	0	17
Total return swaps referencing non-securities								
Average clients	0	0	94	6	0	-13	-6	16
Most-favoured clients	0	0	94	6	0	-13	-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 Dec 2012	Net percentage Mar 2013	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	11	89	0	0	+19	+11	28
Maximum maturity of trades	0	7	93	0	0	+12	+7	28
Interest rates								
Maximum amount of exposure	0	19	81	0	0	+16	+19	27
Maximum maturity of trades	0	7	93	0	0	+17	+7	27
Credit referencing sovereigns								
Maximum amount of exposure	0	9	91	0	0	+23	+9	22
Maximum maturity of trades	0	5	95	0	0	+5	+5	22
Credit referencing corporates								
Maximum amount of exposure	0	14	86	0	0	+10	+14	22
Maximum maturity of trades	0	5	95	0	0	0	+5	22
Credit referencing structured credit products								
Maximum amount of exposure	0	13	87	0	0	+29	+13	15
Maximum maturity of trades	0	7	93	0	0	+8	+7	15
Equity								
Maximum amount of exposure	0	17	83	0	0	+9	+17	24
Maximum maturity of trades	0	8	92	0	0	+5	+8	24
Commodity								
Maximum amount of exposure	0	10	90	0	0	+10	+10	20
Maximum maturity of trades	0	10	90	0	0	+5	+10	20
Total return swaps referencing non-securities								
Maximum amount of exposure	0	6	88	6	0	0	0	17
Maximum maturity of trades	0	6	94	0	0	+7	+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 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
						Dec 2012	Mar 2013	
Foreign exchange								
Liquidity and trading	0	10	90	0	0	+22	+10	29
Interest rates								
Liquidity and trading	0	11	86	4	0	+27	+7	28
Credit referencing sovereigns								
Liquidity and trading	4	13	78	4	0	+22	+13	23
Credit referencing corporates								
Liquidity and trading	0	18	77	5	0	+14	+14	22
Credit referencing structured credit products								
Liquidity and trading	0	31	69	0	0	+7	+31	16
Equity								
Liquidity and trading	0	12	84	4	0	+13	+8	25
Commodity								
Liquidity and trading	0	10	90	0	0	+10	+10	21
Total return swaps referencing non-securities								
Liquidity and trading	0	6	88	6	0	0	0	17

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

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

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

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Dec 2012	Net percentage Mar 2013	Total number of answers
Foreign exchange								
Volume	0	3	83	14	0	-4	-10	29
Duration and persistence	0	7	82	11	0	+4	-4	28
Interest rates								
Volume	4	7	82	7	0	+8	+4	28
Duration and persistence	7	7	78	7	0	+8	+7	27
Credit referencing sovereigns								
Volume	0	17	75	8	0	0	+8	24
Duration and persistence	0	9	78	13	0	-4	-4	23
Credit referencing corporates								
Volume	0	13	79	8	0	0	+4	24
Duration and persistence	0	4	83	13	0	-5	-9	23
Credit referencing structured credit products								
Volume	0	18	76	6	0	+6	+12	17
Duration and persistence	0	6	81	13	0	0	-6	16
Equity								
Volume	0	8	84	8	0	0	0	25
Duration and persistence	4	8	88	0	0	+13	+13	24
Commodity								
Volume	0	10	90	0	0	-5	+10	21
Duration and persistence	0	0	100	0	0	0	0	20
Total return swaps referencing non-securities								
Volume	0	6	89	6	0	0	0	18
Duration and persistence	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".

3.2 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
						Dec 2012	Mar 2013	
Margin call practices	0	14	86	0	0	+11	+14	29
Acceptable collateral	0	21	69	10	0	+14	+10	29
Recognition of portfolio or diversification benefits	0	4	96	0	0	+4	+4	28
Covenants and triggers	0	17	76	7	0	+21	+10	29
Other documentation features	0	15	85	0	0	+15	+15	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
						Dec 2012	Mar 2013	
Posting of non-standard collateral	0	8	75	17	0	-4	-8	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".

Special questions

Credit terms by counterparty type relative to the end of 2006

Relative to the end of 2006, how do you characterise the current stringency of the [price] terms applicable at your institution to [counterparty type/ all counterparties above] across the entire range of securities financing and OTC derivatives transactions?

Relative to the end of 2006, how do you characterise the current stringency of the [non-price] terms applicable at your institution to [counterparty type/ all counterparties above] across the entire range of securities financing and OTC derivatives transactions?

Relative to the end of 2006, how do you characterise the current stringency of the [price and non-price] terms applicable at your institution to [counterparty type/ all counterparties above] across the entire range of securities financing and OTC derivatives transactions?

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

Relative to the end of 2006	Considerably tighter	Somewhat tighter	Basically unchanged	Somewhat easier	Considerably easier	Net percentage	Total number of answers
Banks and dealers							
Price terms	41	48	7	4	0	+85	27
Non-price terms	58	38	4	0	0	+96	26
Overall	46	46	4	4	0	+88	26
Hedge funds							
Price terms	32	59	9	0	0	+91	22
Non-price terms	45	45	5	5	0	+86	22
Overall	41	45	14	0	0	+86	22
Insurance companies							
Price terms	41	52	4	4	0	+89	27
Non-price terms	46	46	8	0	0	+92	26
Overall	42	46	8	4	0	+85	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools							
Price terms	40	48	12	0	0	+88	25
Non-price terms	48	40	12	0	0	+88	25
Overall	42	46	13	0	0	+88	24
Non-financial corporations							
Price terms	50	38	8	4	0	+85	26
Non-price terms	50	38	8	4	0	+85	26
Overall	44	44	8	4	0	+84	25
Sovereigns							
Price terms	44	37	19	0	0	+81	27
Non-price terms	44	41	15	0	0	+85	27
Overall	42	42	15	0	0	+85	26
All counterparties above							
Price terms	38	54	8	0	0	+92	26
Non-price terms	38	54	8	0	0	+92	26
Overall	40	52	8	0	0	+92	25

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

Credit terms by collateral type relative to the end of 2006

Relative to the end of 2006, how do you characterise the current stringency of the credit terms applicable at your institution to secured funding of [collateral type] on behalf of clients?

Relative to the end of 2006, how do you characterise the current level of the [haircuts] applicable at your institution to secured funding of [collateral type] on behalf of clients?

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

Relative to the end of 2006	Considerably tighter	Somewhat tighter	Basically unchanged	Somewhat easier	Considerably easier	Net percentage	Total number of answers
Domestic government bonds							
Overall	39	39	11	11	0	+67	18
High-quality government, sub-national and supra-national bonds							
Overall	20	64	4	12	0	+72	25
Other government, sub-national and supra-national bonds							
Overall	32	55	5	9	0	+77	22
High-quality financial corporate bonds							
Overall	33	52	5	10	0	+76	21
High-quality non-financial corporate bonds							
Overall	24	62	5	10	0	+76	21
High-yield corporate bonds							
Overall	35	47	12	6	0	+76	17
Convertible securities							
Overall	20	60	13	7	0	+73	15
Equities							
Overall	24	48	24	5	0	+67	21
Asset-backed securities							
Overall	47	35	6	6	6	+71	17
Covered bonds							
Overall	32	53	5	11	0	+74	19

Relative to the end of 2006	Considerably higher	Somewhat higher	Basically unchanged	Somewhat lower	Considerably lower	Net percentage	Total number of answers
Domestic government bonds							
Haircuts	41	41	18	0	0	+82	17
High-quality government, sub-national and supra-national bonds							
Haircuts	21	67	13	0	0	+88	24
Other government, sub-national and supra-national bonds							
Haircuts	33	57	10	0	0	+90	21
High-quality financial corporate bonds							
Haircuts	33	57	10	0	0	+90	21
High-quality non-financial corporate bonds							
Haircuts	24	67	10	0	0	+90	21
High-yield corporate bonds							
Haircuts	39	56	6	0	0	+94	18
Convertible securities							
Haircuts	19	69	13	0	0	+88	16
Equities							
Haircuts	24	57	19	0	0	+81	21
Asset-backed securities							
Haircuts	47	47	6	0	0	+94	17
Covered bonds							
Haircuts	25	65	10	0	0	+90	20

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

Non-price credit terms by OTC derivative type relative to the end of 2006

Relative to the end of 2006, how do you characterise the current stringency of the [non-price] credit terms applicable at your institution to OTC derivatives counterparties for trades in [type of derivatives]?

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

Relative to the end of 2006	Considerably tighter	Somewhat tighter	Basically unchanged	Somewhat easier	Considerably easier	Net percentage	Total number of answers
Foreign exchange							
Non-price terms	32	48	20	0	0	+80	25
Interest rates							
Non-price terms	38	46	17	0	0	+83	24
Credit referencing sovereigns							
Non-price terms	50	35	15	0	0	+85	20
Credit referencing corporates							
Non-price terms	45	40	15	0	0	+85	20
Credit referencing structured credit products							
Non-price terms	53	32	16	0	0	+84	19
Equity							
Non-price terms	33	38	29	0	0	+71	21
Commodity							
Non-price terms	37	42	21	0	0	+79	19
Total return swaps referencing non-securities							
Non-price terms	47	37	16	0	0	+84	19

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