August 2014
Closed September 5 – 125 respondents
2. How would you describe the organization for which you work:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-financial corporate</td>
<td>28%</td>
<td>(35)</td>
</tr>
<tr>
<td>Financial institution (bank end-user, insurer, finance company)</td>
<td>24.8%</td>
<td>(31)</td>
</tr>
<tr>
<td>Asset manager (institutional investment or mutual fund or alternative investment manager)</td>
<td>30.4%</td>
<td>(38)</td>
</tr>
<tr>
<td>Government/sovereign/supranational</td>
<td>1.6%</td>
<td>(2)</td>
</tr>
<tr>
<td>Energy/commodity</td>
<td>8.8%</td>
<td>(11)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Response: 125
3. The organization for which I work is headquartered in:

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>0% (0)</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2.42% (3)</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>0% (0)</td>
<td></td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>4.84% (6)</td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td>37.9% (47)</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>2.42% (3)</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>0.81% (1)</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>49.19% (61)</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>2.42% (3)</td>
<td></td>
</tr>
</tbody>
</table>

Response: 124
4. What impact will the new electronic trade execution requirements for OTC derivatives in the US and Europe have on the following areas:

<table>
<thead>
<tr>
<th>Area</th>
<th>Positive</th>
<th>No Impact</th>
<th>Negative</th>
<th>No opinion/Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>25.45% (28)</td>
<td>17.27% (19)</td>
<td>21.82% (24)</td>
<td>35.45% (39)</td>
</tr>
<tr>
<td>Liquidity</td>
<td>21.82% (24)</td>
<td>22.73% (25)</td>
<td>18.18% (20)</td>
<td>37.27% (41)</td>
</tr>
<tr>
<td>Transparency</td>
<td>57.8% (63)</td>
<td>13.76% (15)</td>
<td>1.83% (2)</td>
<td>26.61% (29)</td>
</tr>
</tbody>
</table>

Response: 110
5. What percentage of your OTC derivatives trades are currently executed electronically through swap execution facilities (SEFs) or multilateral trading facilities (MTFs)?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10%</td>
<td>49.04% (51)</td>
</tr>
<tr>
<td>11-25%</td>
<td>4.81% (5)</td>
</tr>
<tr>
<td>26-50%</td>
<td>6.73% (7)</td>
</tr>
<tr>
<td>51-75%</td>
<td>3.85% (4)</td>
</tr>
<tr>
<td>More than 75%</td>
<td>9.62% (10)</td>
</tr>
<tr>
<td>No opinion/Not sure</td>
<td>25.96% (27)</td>
</tr>
</tbody>
</table>

Response: 104
6. How many user agreements have you signed with US-based swap execution facilities (SEFs) to date?

- 1 to 2: 22.12% (23)
- 3 to 4: 4.81% (5)
- More than 4: 7.69% (8)
- I currently do not have SEF user agreements in place but intend to do so: 9.62% (10)
- I currently do not have SEF user agreements in place and do NOT plan to do so: 40.38% (42)
- No opinion/Not sure: 15.38% (16)

Response: 104
7. Do you agree or disagree that market fragmentation is occurring along geographic lines as a result of the regulatory framework that is being put into place in key jurisdictions?

- Yes, the market is fragmenting: 54.46% (55)
- No, the market is not fragmenting: 5.94% (6)
- No opinion/Not sure: 39.6% (40)

Response: 101
8. If you believe that market fragmentation is occurring, then what impact, if any, is it having on your firm’s ability to manage risk?

- Strong negative impact: 1.82% (1)
- Negative impact: 45.45% (25)
- No impact: 32.73% (18)
- Positive impact: 10.91% (6)
- Strong positive impact: 0% (0)
- No opinion/Not sure: 9.09% (5)

Response: 55
9. If you believe that market fragmentation is occurring, then what impact, if any, is it having on the cost of OTC derivatives?

- Market fragmentation is increasing costs: 59.26% (32)
- Market fragmentation is decreasing costs: 5.56% (3)
- Market fragmentation is having little impact on costs: 27.78% (15)
- No opinion/Not sure: 7.41% (4)

Response: 54
10. Do you prefer trading with dealers from your own jurisdiction to avoid the extraterritorial impact of foreign rules?

- Yes, I now trade with dealers from my own jurisdiction wherever possible: 25.77% (25)
- Yes, but I’ve always traded with dealers from my own jurisdiction wherever possible: 27.84% (27)
- No, I have no preference: 30.93% (30)
- No opinion/Not sure: 15.46% (15)

Response: 97
11. How important are OTC derivatives (whether cleared or non-cleared) to your firm’s risk management strategy?

- Very important: 58.16% (57)
- Important: 27.55% (27)
- Not important: 8.16% (8)
- No opinion/Not sure: 6.12% (6)

Response: 98
12. In what ways are derivatives important to your firm’s business and investment decision-making? (Please check all that apply)

- Hedging exposures in international markets to maintain and enhance our competitiveness: 44.79% (43)
- Reducing financing costs and managing the cost of capital that my firm borrows to invest in our business: 46.88% (45)
- Managing exposures (to currencies, commodities, credit, etc.) so that my firm can maintain and improve pricing, operating expenses and returns: 64.58% (62)
- Hedging risks of new activities and investments so my firm can effectively invest for growth: 30.21% (29)
- No opinion/Not sure: 6.25% (6)

Response: 96
13. What are your biggest concerns regarding your ability to use derivatives to manage risk? (Please check all that apply)

- Uncertainty about regulations in my firm’s principal business regions: 37.5% (36)
- Concerns about scope of cross-border derivatives regulations: 43.75% (42)
- Increased costs of hedging: 60.42% (58)
- Reduced availability of hedging products: 23.96% (23)
- Fewer dealers to transact with: 31.25% (30)
- Not ready or able to handle clearing and/or margining of derivatives trades: 30.21% (29)
- No opinion/Not sure: 12.5% (12)
- Other: 7.29% (7)

Response: 96
14. Looking at the fourth quarter of 2014, do you expect that your firm’s use of OTC derivatives will increase, decrease or stay the same compared to the previous quarter?

- Increase: 14.58% (14)
- Decrease: 8.33% (8)
- Stay the same: 66.67% (64)
- No opinion/Not sure: 10.42% (10)

Response: 96
15. What percentage of your OTC derivatives trades are currently cleared through clearinghouses?

- 0-10%: 55.32% (52)
- 11-25%: 6.38% (6)
- 26-50%: 3.19% (3)
- 51-75%: 4.26% (4)
- More than 75%: 10.64% (10)
- No opinion/Not sure: 20.21% (19)

Response: 94
16. How many clearing members/futures commission merchants (FCMs) do you currently use to clear your OTC derivatives?

<table>
<thead>
<tr>
<th>Choice</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>41.49%</td>
<td>39</td>
</tr>
<tr>
<td>1</td>
<td>12.77%</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>22.34%</td>
<td>21</td>
</tr>
<tr>
<td>More than 2</td>
<td>7.45%</td>
<td>7</td>
</tr>
<tr>
<td>No opinion/Not sure</td>
<td>15.96%</td>
<td>15</td>
</tr>
</tbody>
</table>

Response: 94
17. Do you intend to increase the number of clearing members/FCMs you use over the next 12 months?

- Yes: 19.35% (18)
- No: 48.39% (45)
- No opinion/Not sure: 32.26% (30)

Response: 93
18. Have you noticed any change in market liquidity over the past year (i.e. number of dealers willing to offer a price, change in bid/offerspreads, or availability of certain products)?

- Yes – liquidity improved: 3.19% (3)
- Yes – liquidity deteriorated: 27.66% (26)
- No – liquidity seems unchanged: 39.36% (37)
- No opinion/Not sure: 29.79% (28)

Response: 94