Financial Conduct Authority

MS15/1.2: Annex 6

Market Study

Investment and corporate banking market study

Interim Report: Annex 6 - Cross-selling, bundling and cross-subsidisation supporting analysis

April 2016

Annex 6: Cross-selling, bundling and cross-subsidisation supporting analysis

1. In this Annex we set out the data analysis supporting our assessment and conclusions set out in Chapter 7 of this interim report. In the sections below, we present analysis of the following:
   - The prevalence of cross-selling primary market transactional services from relationship services, including a breakdown for cross-selling from each of (i) lending and (ii) corporate banking relationships (as defined in Chapter 7 of the report).
   - The prevalence of cross-selling from prior transactional services.
   - Whether fees paid by clients are higher or lower where they have not procured relationship services in the two years prior to the transaction.

Prevalence of cross-selling from relationship services to primary market transactional services

2. First we analysed the prevalence of cross-selling of primary market transactional services from relationship services (both lending and other corporate banking services). For transactions concluded in the period January 2014 to May 2015, we compared the proportion of syndicate roles that had been awarded to banks which had or had not provided lending or other corporate banking services in the two years prior to the transaction. We conducted this analysis for each of ECM, DCM and M&A on the basis of the number of roles and the gross fee allocation awarded to each individual bank.

3. The results of this analysis are set out in Table 1. It shows that 66% of roles were awarded on the basis of a pre-existing relationship, accounting for 71% of gross fees. The final two columns show the number of roles for which we had information about prior relationships and the number for which such information was either missing or not available. So, in Table 1 the proportions of roles awarded is based on 7,719 roles for which we had information.

Table 1: Proportion of roles awarded to banks with or without a lending or corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	36	64	38	62	213	149
FO	44	56	62	38	703	140
Other ECM	73	27	82	18	110	62
DCM	70	30	74	26	6,457	1,920
M&A – target	42	58	42	58	121	81
M&A – acquirer	61	39	74	26	115	72
Any transactional service	**66**	**34**	**71**	**29**	**7,719**	**2,424**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

4. We repeated the analysis distinguishing by type of client. Table 2 sets out the results for small corporate clients and Table 3 for medium-sized corporate clients. They show that small corporate clients awarded 48% of the roles on the basis of a pre-existing lending or other corporate banking relationship, accounting for 62% of gross fees. For medium-sized corporate clients it was 51%, accounting for 56% of gross fees.

Table 2: Proportion of roles awarded by small corporate clients to banks with or without a lending or corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	25	75	43	57	64	48
FO	31	69	57	43	217	30
Other ECM	63	38	80	20	16	8
DCM	69	31	78	22	300	126
M&A – target	38	62	36	64	78	49
M&A – acquirer	31	69	52	48	26	24
Any transactional service	**48**	**52**	**62**	**38**	**701**	**285**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Table 3: Proportion of roles awarded by medium-sized corporate clients to banks with or without a lending or corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	30	70	29	71	37	37
FO	38	62	47	53	93	25
Other ECM	33	67	42	58	18	17
DCM	69	31	75	25	153	87
M&A – target	41	59	46	54	17	10
M&A – acquirer	27	73	51	49	11	7
Any transactional service	**51**	**49**	**56**	**44**	**329**	**183**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

5. We compared these results with those for large corporate clients. Table 4 shows that 75% of roles were awarded by large corporate clients on the basis of such a pre-existing relationship, accounting for 76% of gross fees. This comparison shows that large corporate clients procure primary market transactional services from existing relationship service providers more frequently than small and medium-sized corporate clients.

Table 4: Proportion of roles awarded by large corporate clients to banks with or without a lending or corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	54	46	50	50	39	19
FO	63	38	72	28	152	27
Other ECM	85	15	87	13	55	29
DCM	76	24	76	24	1,509	398
M&A – target	56	44	44	56	18	10
M&A – acquirer	89	11	92	8	47	19
Any transactional service	**75**	**25**	**76**	**24**	**1,820**	**502**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Prevalence of cross-selling from lending to primary market transactional services

6. Having analysed the importance of overall relationship services to the cross-selling of primary market transactional services, we assessed the prevalence of cross-selling from lending relationships in the same way as set out above.

7. The results of this analysis are set out in Table 5. It shows that 50% of roles were awarded to banks which provided lending in the two years prior to the transaction, accounting for 60% of gross fees.

Table 5: Proportion of roles awarded to banks with or without a lending relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	26	74	30	70	210	152
FO	24	76	43	57	699	144
Other ECM	68	32	77	23	105	67
DCM	54	46	63	37	6,145	2,232
M&A – target	34	66	38	62	119	83
M&A – acquirer	50	50	64	36	114	73
Any transactional service	**50**	**50**	**60**	**40**	**7,392**	**2,751**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

8. We repeated the analysis distinguishing by type of client.

9. Table *6* sets out the results for small corporate clients and Table 7 for medium-sized corporate clients. The results show that small corporate clients awarded 33% of roles on the basis of a pre-existing lending relationship, accounting for 53% of gross fees. For medium-sized corporate clients it is 37%, accounting for 44% of gross fees.

Table 6: Proportion of roles awarded by small corporate clients to banks with or without a lending relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	21	79	37	63	63	49
FO	9	91	44	56	220	27
Other ECM	60	40	78	22	15	9
DCM	54	46	70	30	292	134
M&A – target	32	68	31	69	76	51
M&A – acquirer	19	81	43	57	26	24
Any transactional service	**33**	**67**	**53**	**47**	**692**	**294**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Table 7: Proportion of roles awarded by medium-sized clients to banks with or without a lending relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	22	78	20	80	37	37
FO	18	82	26	74	93	25
Other ECM	25	75	31	69	16	19
DCM	56	44	68	32	149	91
M&A – target	35	65	46	54	17	10
M&A – acquirer	9	91	17	83	11	7
Any transactional service	**37**	**63**	**44**	**56**	**323**	**189**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

10. We compared these results with those for large corporate clients. Table 8 shows that 66% of roles were awarded by large corporate clients to a bank which provided lending in the two years prior to the transaction, accounting for 69% of gross fees. This shows that large corporate clients procure primary market transactional services from a pre-existing lender more frequently than small and medium-sized clients.

Table 8: Proportion of roles awarded by large corporate clients to banks with or without a lending relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	39	61	44	56	38	20
FO	49	51	55	45	150	29
Other ECM	80	20	81	19	54	30
DCM	68	32	70	30	1,488	419
M&A – target	44	56	36	64	18	10
M&A – acquirer	81	19	83	17	47	19
Any transactional service	**66**	**34**	**69**	**31**	**1,795**	**527**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Prevalence of cross-selling from corporate banking to primary market transactional services

11. As with lending, we repeated the analysis in respect of 'other corporate banking services', which include corporate broking and other corporate finance activities, but exclude secondary market activities. The results are set out in Table 9, which shows that 49% of roles were awarded to banks which provided corporate banking services to the client in the two years prior to the transaction (52% of gross fees).

Table 9: Proportion of roles awarded to banks with or without a corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	**without**	**with**	**without**	**information**	**no information**
IPO	25	75	21	79	233	129
FO	38	62	55	45	701	142
Other ECM	42	58	45	55	117	55
DCM	52	48	54	46	7,084	1,293
M&A – target	23	77	9	91	128	74
M&A – acquirer	33	67	27	73	123	64
Any transactional service	**49**	**51**	**52**	**48**	**8,386**	**1,757**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

12. We repeated the analysis for each of small, medium-sized and large corporate clients. Table 10 shows that small corporate clients awarded 36% of roles on the basis of a pre-existing corporate banking relationship, accounting for 44% of gross fees. As set out in Table 11, for medium-sized corporate clients this proportion was 32%, accounting for 29% of gross fees. Table 12 shows that large corporate clients awarded 55% of roles on the basis of a pre-existing corporate banking relationship, accounting for 53% of gross fees.

Table 10: Proportion of roles awarded by small corporate clients to banks with or without a corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	**without**	**with**	**without**	**information**	**no information**
IPO	17	83	21	79	72	40
FO	29	71	50	50	217	30
Other ECM	44	56	66	34	16	8
DCM	49	51	57	43	330	96
M&A – target	22	78	9	91	79	48
M&A – acquirer	18	82	14	86	28	22
Any transactional service	**36**	**64**	**44**	**56**	**742**	**244**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Table 11: Proportion of roles awarded by medium-sized corporate clients to banks with or without a corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	21	79	17	83	43	31
FO	32	68	34	66	95	23
Other ECM	14	86	15	85	22	13
DCM	40	60	36	64	173	67
M&A – target	17	83	4	96	18	9
M&A – acquirer	17	83	34	66	12	6
Any transactional service	**32**	**68**	**29**	**71**	**363**	**149**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Table 12: Proportion of roles awarded by large corporate clients to banks with or without a corporate banking relationship in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	33	67	21	79	42	16
FO	50	50	62	38	147	32
Other ECM	56	44	49	51	57	27
DCM	56	44	55	45	1,600	307
M&A – target	32	68	15	85	22	6
M&A – acquirer	47	53	36	64	51	15
Any transactional service	**55**	**45**	**53**	**47**	**1,919**	**403**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Prevalence of cross-selling from prior transactional services to subsequent transactional services

13. Finally, we analysed the extent to which transactional services were procured from banks which had provided prior primary market transactional services. As in the analyses set out above, for transactions concluded in the period January 2014 to May 2015, we compared the proportion of roles that had been awarded to a bank that had or had not provided a transactional service in the two years prior to the transaction. We conducted this analysis for each of ECM, DCM and M&A on the basis of the number of roles and the gross fee earned by each individual bank. We then repeated the analysis for clients of different size. The results are set out below.

14. Table 13 shows that 79% of roles were awarded to a bank that had provided prior transactional services, accounting for 78% of gross fees.

Table 13: Proportion of roles awarded to banks that had or had not provided transactional services in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	**without**	**with**	**without**	**information**	**no information**
IPO	28	72	30	70	251	111
FO	71	29	71	29	730	113
Other ECM	66	34	72	28	125	47
DCM	82	18	82	18	7,229	1,148
M&A – target	57	43	52	48	129	73
M&A – acquirer	70	30	59	41	133	54
Any transactional service	**79**	**21**	**78**	**22**	**8,597**	**1,546**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

15. Table 14 shows that small corporate clients awarded 60% of roles to banks which had provided transactional services to them in the previous two years, accounting for 61% of gross fees. Table 15 shows that for medium-sized corporate clients 56% of roles are awarded to a bank that had provided prior transactional services, accounting for 54% of gross fees.

Table 14: Proportion of roles awarded by small corporate clients to banks that had or had not provided transactional services in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	26	74	34	66	78	34
FO	77	23	75	25	212	35
Other ECM	56	44	67	33	16	8
DCM	61	39	65	35	319	107
M&A – target	48	53	40	60	80	47
M&A – acquirer	56	44	39	61	32	18
Any transactional service	**60**	**40**	**61**	**39**	**737**	**249**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Table 15: Proportion of roles awarded by medium-sized corporate clients to banks that had or had not provided transactional services in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	15	85	14	86	46	28
FO	61	39	69	31	96	22
Other ECM	38	63	33	67	24	11
DCM	66	34	64	36	154	86
M&A – target	61	39	56	44	18	9
M&A – acquirer	67	33	44	56	15	3
Any transactional service	**56**	**44**	**54**	**46**	**353**	**159**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

16. With regard to large corporate clients, Table 16 shows that 76% of roles were awarded to a bank that had provided prior transactional services, accounting for 75% of gross fees.

Table 16: Proportion of roles awarded by large corporate clients to banks that had or had not provided transactional services in the two years prior to the transaction, January 2014 to May 2015

Service	Proportion of roles awarded to banks with or without a pre-existing relationship (%)		Proportion of fees gained by banks with or without a pre-existing relationship (%)		Number of roles for which we had and did not have information about prior relationships	
	with	without	with	without	information	no information
IPO	39	61	31	69	49	9
FO	72	28	73	27	163	16
Other ECM	73	27	79	21	60	24
DCM	77	23	77	23	1,586	321
M&A – target	77	23	61	39	22	6
M&A – acquirer	79	21	71	29	53	13
Any transactional service	**76**	**24**	**75**	**25**	**1,933**	**389**

Source: FCA analysis based on transactional data described in Annex 2. Where the sum of the proportion of roles or fees does not equal 100, this is due to rounding.

Fee comparison analysis

17. In this section, we examine the effect on fees of a pre-existing banking relationship with some or all of the banks in our dataset that acted in a global co-ordinator or a lead manager ('active') role in a transaction. To this end we compared the fees paid by clients with such a relationship with fees paid by clients without such a relationship. We considered a client to have a pre-existing banking relationship if it procured any lending, transactional services or other corporate banking service, such as corporate broking or ancillary services in the two years prior to the transaction. We compared average fees between clients with and without pre-existing relationships for the following types of transactions in ECM and DCM:

- For ECM, we focused on IPOs and follow-on (FO) equity issues.
- For DCM, we focused on corporate high yield and corporate investment grade transactions. To take into account some of the impact on fees of differences in bond maturity, we split the sample into two based on those above and below the median maturity. For simplicity, we call these issues with 'short' and 'long' maturity.[1] An analysis of the impact of different ratings and maturity on fees is set out in Annex 7.

[1] This split helps to control for the effect on fees of different bond maturities being wrongly attributed to the presence or absence of a pre-existing relationship. To fully account for the impact of maturity and ratings on fees we would have had to split the sample further, but we did not do this due to sample sizes.

18. In our comparison, we place greater reliance on the differences in the median fees in each group than on differences in the mean fees. This is because the median is less sensitive than the mean to extremely high or low values in the data.[2] A superscript letter in the tables below indicates where a significance test suggests that the fees paid by two groups are different.[3]

ECM

19. We compared fees paid on IPOs and follow-on offerings for all client types where all, none or some of the banks involved in active roles in the given transaction had a pre-existing relationship with the client. The results are set out in Table 17. They suggest that clients without a pre-existing relationship pay more for an IPO compared to clients with a pre-existing relationship.[4] However, there is a low number of IPOs where clients had an existing relationship with all banks involved in active roles in the transaction. Due to these small sample sizes we were not able to control for differences in IPO size. The fees for follow-on offerings are very similar across the three groups, but are slightly lower for clients with a relationship with some banks on the syndicate compared to those without any relationship.

Table 17: Fees paid on IPOs and follow-on equity issues by clients with or without a pre-existing relationship, January 2014 - May 2015

Service	Fee charged by syndicates where NONE of the providers in active roles had a pre-existing relationship with the client			Fee charged by syndicates where ALL the providers in active roles had a pre-existing relationship with the client			Fee charged by syndicates where SOME of the providers in active roles had a pre-existing relationship with the client		
	Median	Average	No. of obs.	Median	Average	No. of obs.	Median	Average	No. of obs.
IPO	3.00% [a]	3.33%	140	2.30%	2.98%	14	2.10% [a]	2.27%	51
FO	2.00% [b]	2.23%	219	2.00%	2.09%	380	1.75% [b]	1.80%	101

Source: FCA analysis of transactional data described in Annex 2. We included 12 transactions whose fees are equal to 0% in the database.

20. We repeated the analysis for corporate clients, distinguishing by size of client. The results are set out in Table 18. We did not conduct the analysis for IPOs due to a small sample size in some of the client groupings.

21. The results for follow-on offerings suggest that small and medium-sized corporate clients with a pre-existing relationship with all providers in active roles pay slightly higher fees than other corporate clients.[5] The opposite appears to apply for follow-on

[2] We used the Wilcoxon test and the Holms step-down procedure to assess whether the fees paid by the three different groups of clients were statistically different. This test ranks the observations in both groups jointly by fee and tests whether the ranks for one group are statistically different from the ranks for the other group. The Holms step-down procedure allows us to adjust the results for comparisons that involve more than two groups.

[3] This approach is strictly valid only for random samples, while we collected information from all firms in our 'fixed portfolio' and from a number of other firms in our 'flexible portfolio', to ensure a representative coverage. Due to the distribution of the fees for the three groups we compare, we cannot use standard statistics to assess whether the means of the fees paid by the three groups of clients are statistically significant from one another.

[4] However, the Wilcoxon test with the Holms step-down correction does not allow us to reject that the IPO fees paid by clients with relationships with all global co-ordinators and lead managers involved in the transaction and those without such a relationship are statistically different from one another – possibly due to the low number of transactions in the latter category.

[5] Statistically the difference in fees is only significant for the comparison with clients which have a relationship with some of the banks.

offerings of large corporate clients with a pre-existing relationship with all providers in active roles.[6]

Table 18: Fees paid on follow-on equity issues by clients with or without a pre-existing relationship by size of corporate clients, January 2014 - May 2015

Service	Client size	Fee charged by syndicates where NONE of the providers in active roles had a pre-existing relationship with the client			Fee charged by syndicates where ALL the providers in active roles had a pre-existing relationship with the client			Fee charged by syndicates where SOME of the providers in active roles had a pre-existing relationship with the client		
		Median	Average	No. of obs.	Median	Average	No. of obs.	Median	Average	No. of obs.
FO	Small and medium	2.00%	2.56%	134	3.00%[d]	2.88%	173	2.00%[d]	2.14%	35
	Large	1.00%	1.36%	28	0.90%	0.99%	87	1.18%	1.23%	30

Source: FCA analysis of transactional data described in Annex 2.

Notes: The number of follow-on offerings here is lower than in Table 17 because information on client type or size is not available for some of the observations in the dataset.

DCM

22. For all client types we compared the fees paid for different types of DCM transactions of different maturities where all, none or some of the bank had a pre-existing relationship with the client for all client types jointly. The results are set out in Table 19.

23. The analysis suggests that:

- Clients without a pre-existing relationship may pay higher fees for **corporate high-yield** transactions than clients with a pre-existing relationship with all or some banks in active roles. (For corporate high yield transactions of short duration fees paid by clients without a pre-existing relationship and with a pre-existing relationship with some of the banks in active roles appear to be the same). Yet statistically the fees paid by the three groups of clients are not different. We noted the rather low number of corporate high-yield issues of long maturity.
- Fees charged tend to be higher for **corporate investment grade** transactions where clients have a pre-existing relationship than for those without such a relationship, in particular for investment grade bonds with long maturity. For investment grade bonds with short maturity this is only apparent considering differences in the means. Yet the statistical comparison of the ranking of fees between the groups suggests that these are different for clients in the three groups.

[6] However our statistical test did not allow us to reject that these fees are the same considering their ranking in each of the groups.

Table 19: Fees paid on DCM deals by clients with and without a pre-existing relationship, January 2014 - May 2015

Service	Maturity	Fee charged by syndicates where NONE of the providers in active roles had an existing relationship with the client			Fee charged by syndicates where ALL the providers in active roles had an existing relationship with the client			Fee charged by syndicates where SOME of the providers in active roles had an existing relationship with the client		
		Median	**Average**	**No. of obs.**	**Median**	**Average**	**No. of obs.**	**Median**	**Average**	**No. of obs.**
Corp HY	Short	1.50	1.28	71	1.00	1.25	45	1.50	1.32	113
Corp HY	Long	1.62	1.47	10	1.00	0.85	17	1.00	1.09	42
Corp IG	Short	0.25[e]	0.25	99	0.25[f]	0.26	158	0.25[ef]	0.30	100
Corp IG	Long	0.35[hg]	0.36	83	0.40[g]	0.50	185	0.44[h]	0.54	131

Source: FCA analysis of transactional data described in Annex 2.

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