EUROPEAN CENTRAL BANK

EUROSYSTEM

Survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD)

June 2017

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 over-the-counter (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 derivatives 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 the 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.

June 2017 SESFOD results

(reference period from March 2017 to May 2017)

The June 2017 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) collected qualitative information on changes in credit terms between March and May 2017. This report summarises responses from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area.

Highlights

Survey respondents reported that, on balance, credit terms offered in both securities financing and over-the-counter (OTC) derivatives transactions over the three-month reference period ending in May 2017 remained basically unchanged. The dispersion of responses, however, increased compared with the March 2017 survey.

Regarding the provision of finance collateralised by euro-denominated securities, survey respondents reported a decrease in financing rates/spreads for many collateral types, particularly government bonds, a further increase in the use of central counterparties (CCPs) for securities financing transactions, and increased demand both for funding collateralised by equities and for longer term funding collateralised by domestic government bonds. They also reported a further deterioration in the liquidity and functioning of the market for domestic government bonds; for other asset classes covered by the survey, only small changes in liquidity and functioning were reported for the March to May 2017 reference period, compared with the more significant deteriorations reported over the past two years.

The implementation of the new European Market Infrastructure Regulation (EMIR) requirements for market participants to post initial and variation margins for OTC derivative contracts not cleared by a CCP was cited by survey respondents as one reason for tightening credit terms. Survey respondents highlighted in particular that the requirement to post variation margins which took effect on 1 March 2017 has been the main driver of less favourable margin call practices and changes in the collateral acceptable under new or renegotiated OTC derivatives master agreements.

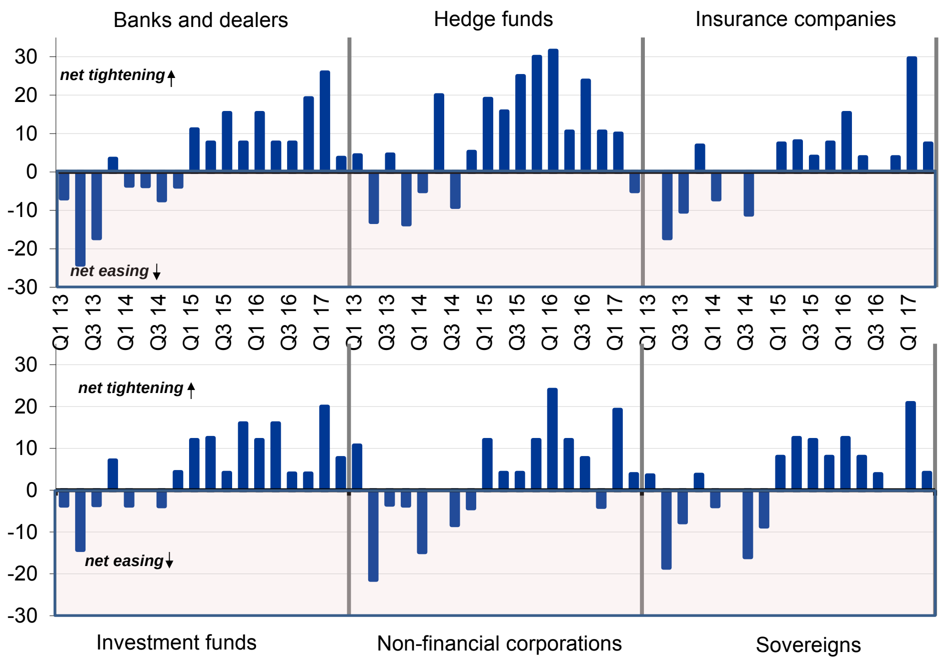
Counterparty types

Changes: responses to the June 2017 survey suggest that, on balance, credit terms offered in both securities financing and OTC derivatives transactions remained basically unchanged over the three-month reference period ending in May 2017, after the considerable net tightening of credit terms reported in the previous survey round (see Chart A). This notwithstanding, the dispersion of responses increased compared with the March 2017 survey. Specifically, between 10% and 20% of respondents reported less favourable overall credit terms for all counterparty types, whereas a similar percentage of respondents reported more favourable ones. By and large, more respondents reported changes in price terms than in non-price terms.

Chart A

Changes in overall credit terms offered to counterparties across the entire spectrum of transaction types

(Q1 2013 – Q2 2017; net percentage of survey respondents)



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

Expectations: respondents to the June 2017 survey, on balance, expected few changes in credit terms for most counterparty types over the coming three-month reference period (June-August 2017). However, one-fifth of respondents expected an easing of price terms offered to hedge funds.

Reasons: survey respondents highlighted a number of reasons which contributed to the changes in credit terms over the period from March to May 2017. Worsened market liquidity and functioning, the reduced availability of balance sheet or capital and the adoption of new market conventions (e.g. International Swaps and Derivatives Association protocols) continued to be the factors most frequently cited by respondents who indicated less favourable credit terms offered to counterparties. In line with the March 2017 survey, several banks also continued to stress in the qualitative responses to the survey that one significant reason for the tightening of credit terms was the implementation of the new regulatory requirements for margins posted for non-cleared OTC derivatives.[1] On the other hand, respondents who indicated that the credit terms they offered to counterparties had become less stringent cited the improving financial strength of counterparties, the willingness of reporting banks to take on more risk and increased competition from other institutions as the main reasons for easing credit terms. Some respondents also cited an improvement in general market liquidity and functioning as a reason for an easing of credit terms, apparently contradicting banks that reported tighter credit terms owing to worsening market liquidity and functioning.

Management of concentrated credit exposures to large banks and CCPs: around one-quarter of reporting banks indicated that they had increased the level of resources and attention devoted to the management of concentrated credit exposures to CCPs over the three-month reference period. Only a small percentage of respondents reported an increase in the management of credit exposures to banks and dealers.

Leverage: respondents reported that, on balance, the use of financial leverage by hedge funds, insurance companies, investment funds, pension funds and other institutional investment pools remained basically unchanged over the three-month reference period.

Client pressure and differential terms: only a few survey respondents reported that clients' efforts to negotiate more favourable price and non-price terms had increased somewhat.

Valuation disputes: a small percentage of respondents reported that the volume, persistence and duration of valuation disputes with hedge funds had increased over the three-month reference period. On balance, valuation disputes with other counterparty types remained basically unchanged.

Securities financing

Maximum amount of funding: a small net percentage of respondents to the June 2017 survey indicated that, on balance, the maximum amount of funding had decreased somewhat for average clients for many types of collateral over the three-month reference period. For most-favoured clients, however, respondents reported an increase in the maximum amount of funding for most types of collateral.

Maximum maturity of funding: a small net percentage of survey respondents indicated that, on balance, the maximum maturity of funding of euro-denominated securities for both average and most-favoured clients had decreased somewhat for most collateral types.

1 The EMIR regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty entered into force on 4 January 2017. Among other things, these rules require the largest market players to post initial and variation margins from 4 February 2017, while they also require most other counterparties to post variation margins from 1 March 2017. See Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 (here) for more details.

Haircuts: for both average and most-favoured clients, the majority of respondents indicated no changes in haircuts for many types of euro-denominated collateral covered in the survey over the review period.

Financing rates/spreads: survey respondents indicated that, in net terms, financing rates/spreads had decreased for many collateral types. The reported decrease in financing rates/spreads was most pronounced when government bonds were used as collateral. Regarding other types of collateral, on balance, survey respondents reported only a small decrease in financing rates/spreads.

Use of CCPs: banks reported that the use of CCPs for securities financing transactions had increased somewhat further over the three-month reference period for many types of collateral and both average and most-favoured clients. The use of CCPs remained basically unchanged only when convertible securities, equities and asset-backed securities were used as collateral.

Covenants and triggers: responses to the June 2017 survey indicated that there had been no changes in covenants and triggers for all collateral types over the three-month reference period for both average and most-favoured clients.

Demand for funding: respondents to the June 2017 survey reported that, on balance, the demand for collateralised funding increased over the three-month reference period ending in May 2017 for most types of collateral. The increased demand for collateralised funding was most pronounced for funding collateralised by equities, with one-quarter of survey respondents reporting that demand had increased, and for longer-term funding with a maturity greater than 30 days collateralised by domestic government bonds, with one-fifth of survey respondents reporting increased demand. To a lesser extent, survey respondents on balance also reported increased demand for funding against other government bonds, high quality non-financial corporate bonds, high-yield corporate bonds, convertible securities and covered bonds.

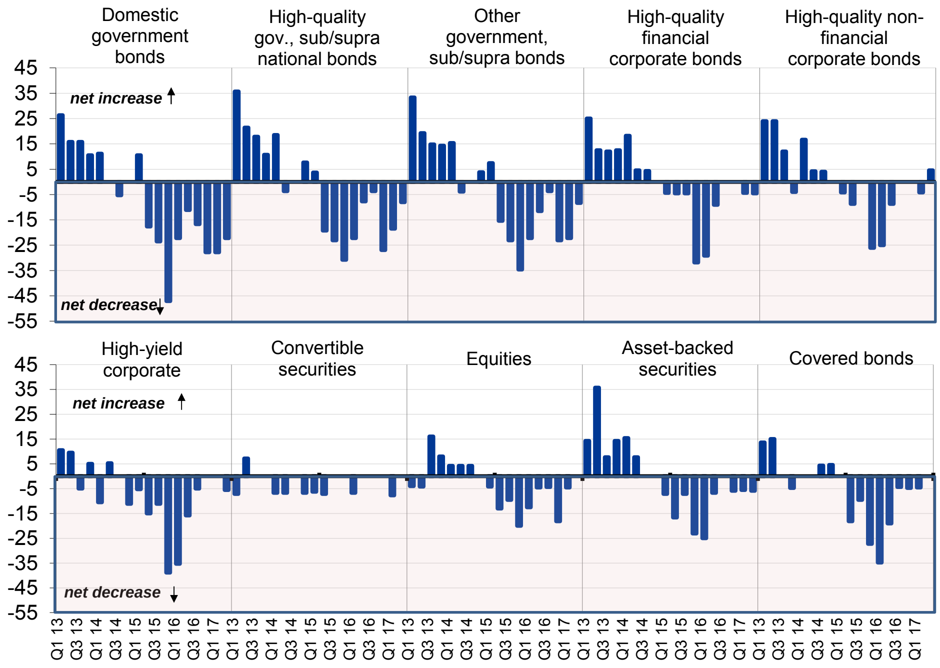
Liquidity of collateral: approximately one-quarter of survey respondents reported that the liquidity and functioning of the market for domestic government bonds deteriorated over the three-month reference period ending in May 2017. For the other asset classes covered by the survey, respondents on balance reported only small changes in liquidity and functioning over the March to May 2017 reference period, compared with the significant deteriorations reported over the past two years (see Chart B).

Collateral valuation disputes: as in previous surveys, respondents indicated that the volume, persistence and duration of valuation disputes for the various types of collateral included in the survey had remained basically unchanged over the three-month reference period ending in May 2017.

Chart B

Changes in liquidity and functioning of markets

(Q1 2013 – Q2 2017; net percentage of survey respondents)



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

Non-centrally cleared OTC derivatives

Initial margin requirements: respondents indicated only very few changes in initial margin requirements over the three-month reference period ending in May 2017 for all types of non-centrally cleared euro-denominated derivatives contract covered in the survey.[2]

Credit limits: the majority of responses indicated that over the period March-May 2017 there had been almost no changes in the maximum amount of exposure or maximum maturity set by their respective institutions for non-centrally cleared OTC derivatives trades.

Liquidity and trading: respondents indicated that liquidity and trading had remained basically unchanged for all types of OTC derivative covered by the survey.

Valuation disputes: a small percentage of respondents, on balance, reported an increase in the volume of disputes relating to the valuation of all types of OTC derivatives contract covered in the survey.

2 There was no new initial margin requirement under EMIR to be implemented in the three-month reference period from March to May 2017. The new EMIR requirement falling into this period related to the posting of variation margin. For more details, see footnote 1.

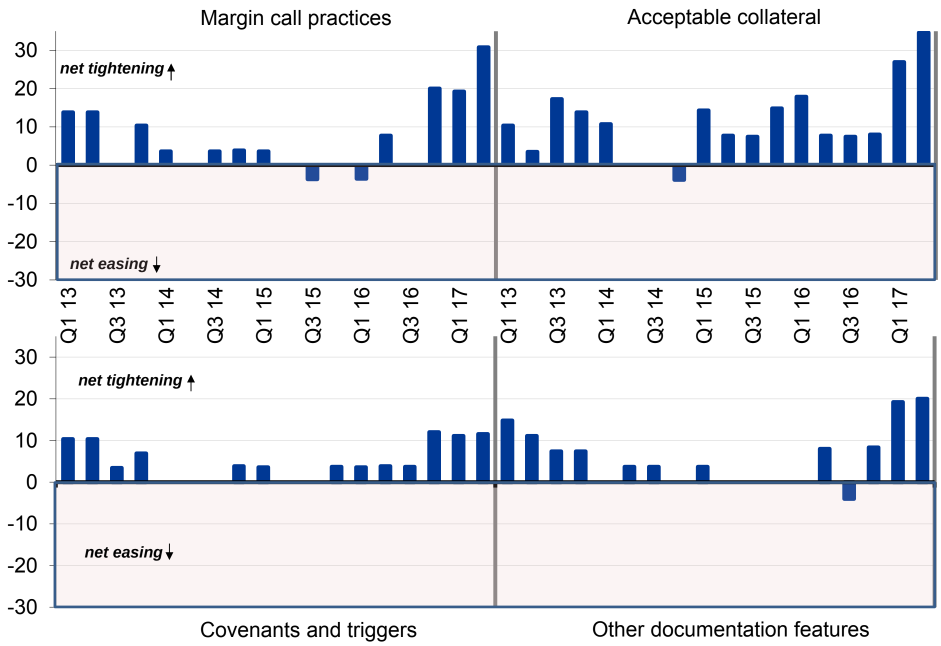
Non-price changes in new agreements: approximately one-third of responses indicated that margin call practices and acceptable collateral in new or renegotiated OTC derivatives master agreements with clients had tightened over the three-month reference period. In addition, one-quarter of respondents indicated less favourable conditions for other documentation features (see Chart C). In line with the previous survey round, several banks highlighted in the qualitative responses to the survey that the new margin requirements for non-cleared OTC derivatives,[3] particularly the requirement to post variation margins which took effect on 1 March 2017, had been the main driver of the tightening in contract terms.

Posting of non-standard collateral: more than one-third of responses to the May 2017 SESFOD survey reported changes in the posting of non-standard collateral. However, the direction of the changes indicated varied across respondents; around one-fifth indicated that the posting of non-standard collateral had increased somewhat, while approximately 15% of respondents reported a decrease.

Chart C

Changes in new or renegotiated master agreements

(Q1 2013 – Q2 2017; net percentage of survey respondents)



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

[3] For more details, see footnote 1.

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]?

Table 1

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

Realised changes	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage Mar. 2017	Net percentage Jun. 2017	Total number of answers
Banks and dealers								
Price terms	0	21	61	18	0	+25	+4	28
Non-price terms	0	7	89	4	0	+22	+4	27
Overall	0	19	67	15	0	+26	+4	27
Hedge funds								
Price terms	0	10	70	20	0	+20	-10	20
Non-price terms	0	5	90	5	0	+14	0	21
Overall	0	10	75	15	0	+10	-5	20
Insurance companies								
Price terms	0	14	68	18	0	+14	-4	28
Non-price terms	0	7	93	0	0	+22	+7	27
Overall	0	19	70	11	0	+30	+7	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	15	74	11	0	+8	+4	27
Non-price terms	0	8	88	4	0	+12	+4	26
Overall	0	19	69	12	0	+20	+8	26
Non-financial corporations								
Price terms	0	15	70	15	0	+15	0	27
Non-price terms	0	4	96	0	0	+15	+4	26
Overall	0	15	73	12	0	+19	+4	26
Sovereigns								
Price terms	0	12	72	16	0	+24	-4	25
Non-price terms	0	4	96	0	0	+17	+4	24
Overall	0	13	79	8	0	+21	+4	24
All counterparties above								
Price terms	0	15	67	19	0	+19	-4	27
Non-price terms	0	4	96	0	0	+23	+4	26
Overall	0	15	73	12	0	+27	+4	26

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

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

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

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

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

Table 2

(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 Mar. 2017	Net percentage Jun. 2017	Total number of answers
Banks and dealers								
Price terms	0	11	82	4	4	+14	+4	28
Non-price terms	0	11	85	0	4	+11	+7	27
Overall	0	15	78	4	4	+15	+7	27
Hedge funds								
Price terms	0	5	75	15	5	+5	-15	20
Non-price terms	0	10	86	0	5	+5	+5	21
Overall	0	10	80	5	5	0	0	20
Insurance companies								
Price terms	0	4	89	4	4	+14	-4	28
Non-price terms	0	7	89	0	4	+15	+4	27
Overall	0	7	85	4	4	+19	0	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	4	85	7	4	+12	-7	27
Non-price terms	0	12	85	0	4	+8	+8	26
Overall	0	12	81	4	4	+12	+4	26
Non-financial corporations								
Price terms	0	4	85	7	4	+15	-7	27
Non-price terms	0	4	92	0	4	+8	0	26
Overall	0	4	88	4	4	+12	-4	26
Sovereigns								
Price terms	0	4	84	8	4	+12	-8	25
Non-price terms	0	4	92	0	4	+8	0	24
Overall	0	4	88	4	4	+13	-4	24
All counterparties above								
Price terms	0	4	85	7	4	+11	-7	27
Non-price terms	0	4	92	0	4	+12	0	26
Overall	0	4	85	8	4	+15	-8	26

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2017	Either first, second or third reason Jun. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	13	0
Adoption of new market conventions (e.g. ISDA protocols)	0	25	0	7	8
Internal treasury charges for funding	0	0	33	13	8
Availability of balance sheet or capital at your institution	0	25	0	27	8
General market liquidity and functioning	40	25	33	40	33
Competition from other institutions	40	0	0	0	17
Other	20	25	33	0	25
Total number of answers	5	4	3	15	12
Possible reasons for easing					
Current or expected financial strength of counterparties	40	0	0	0	29
Willingness of your institution to take on risk	0	100	0	0	14
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	40	0	100	0	43
Competition from other institutions	20	0	0	0	14
Other	0	0	0	0	0
Total number of answers	5	1	1	0	7
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	8	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	23	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	15	0
General market liquidity and functioning	0	50	0	38	25
Competition from other institutions	0	0	0	0	0
Other	0	50	0	15	25
Total number of answers	2	2	0	13	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	0	33
Willingness of your institution to take on risk	100	0	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	0	0	0	0	0
Competition from other institutions	0	100	0	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	0	3

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?

Table 4

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2017	Jun. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	50	0	10	17
Internal treasury charges for funding	0	0	0	10	0
Availability of balance sheet or capital at your institution	0	0	0	30	0
General market liquidity and functioning	0	0	50	50	17
Competition from other institutions	50	0	0	0	17
Other	50	50	50	0	50
Total number of answers	2	2	2	10	6
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	0	0	33
Willingness of your institution to take on risk	0	100	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	100	0	17
Competition from other institutions	50	0	0	0	33
Other	0	0	0	0	0
Total number of answers	4	1	1	0	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	12	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	0	100	0	50	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	12	0
Total number of answers	1	1	0	8	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	100	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	100	0	0	0	100
Other	0	0	0	0	0
Total number of answers	1	0	0	1	1

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?

Table 5

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2017	Jun. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	25	0	8	9
Internal treasury charges for funding	0	0	33	17	9
Availability of balance sheet or capital at your institution	0	25	0	25	9
General market liquidity and functioning	25	25	33	50	27
Competition from other institutions	50	0	0	0	18
Other	25	25	33	0	27
Total number of answers	4	4	3	12	11
Possible reasons for easing					
Current or expected financial strength of counterparties	40	0	0	0	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	0	17
General market liquidity and functioning	40	0	0	33	33
Competition from other institutions	20	0	0	33	17
Other	0	0	0	33	0
Total number of answers	5	1	0	3	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	25	67
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	17	0
General market liquidity and functioning	0	100	0	42	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	17	0
Total number of answers	2	1	0	12	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	33	0
Total number of answers	0	0	0	3	0

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?

Table 6

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

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2017	Jun. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	25	0	0	9
Internal treasury charges for funding	0	0	33	40	9
Availability of balance sheet or capital at your institution	0	25	0	40	9
General market liquidity and functioning	25	25	33	20	27
Competition from other institutions	50	0	0	0	18
Other	25	25	33	0	27
Total number of answers	4	4	3	5	11
Possible reasons for easing					
Current or expected financial strength of counterparties	67	0	0	0	67
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	33	0	0	0	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	3	0	0	0	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	50	67
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	0	100	0	0	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	25	0
Total number of answers	2	1	0	4	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	100	0	0	0	100
Total number of answers	1	0	0	0	1

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

To the extent that [price/ non-price] terms applied to [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?

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2017	Jun. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	25	0	0	9
Internal treasury charges for funding	0	0	33	9	9
Availability of balance sheet or capital at your institution	0	25	0	27	9
General market liquidity and functioning	25	25	33	45	27
Competition from other institutions	50	0	0	9	18
Other	25	25	33	9	27
Total number of answers	4	4	3	11	11
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	0	0	33
Willingness of your institution to take on risk	0	100	0	0	17
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	25	0	100	0	33
Competition from other institutions	25	0	0	0	17
Other	0	0	0	0	0
Total number of answers	4	1	1	0	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	11	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	22	0
General market liquidity and functioning	0	100	0	44	50
Competition from other institutions	0	0	0	11	0
Other	0	0	0	11	0
Total number of answers	1	1	0	9	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

To 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?

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2017	Either first, second or third reason Jun. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	7	0
Willingness of your institution to take on risk	0	0	0	14	0
Adoption of new market conventions (e.g. ISDA protocols)	0	33	0	0	11
Internal treasury charges for funding	0	0	33	7	11
Availability of balance sheet or capital at your institution	0	33	0	21	11
General market liquidity and functioning	33	0	33	43	22
Competition from other institutions	33	0	0	0	11
Other	33	33	33	7	33
Total number of answers	3	3	3	14	9
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	0	0	50
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	4	0	0	0	4
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	11	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	0	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	22	0
General market liquidity and functioning	0	100	0	44	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	22	0
Total number of answers	1	1	0	9	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

To what extent have changes in the practices of [central counterparties], including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Practices of CCPs	5	11	79	5	0	+6	+11	19

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?

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Banks and dealers	0	4	82	14	0	-26	-11	28
Central counterparties	0	4	78	15	4	-11	-15	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".

1.4 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?

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Hedge funds								
Use of financial leverage	0	6	83	11	0	+5	-6	18
Availability of unutilised leverage	0	0	94	6	0	+6	-6	18
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	100	0	0	0	0	23

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

1.5 Client pressure and differential terms for most-favoured clients

How has the intensity of efforts by [counterparty type] to negotiate more favourable price and non-price terms changed over the past three months?

How has the provision of differential terms by your institution to most-favoured (as a consequence of breadth, duration, and extent of relationship) [counterparty type] changed over the past three months?

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	4	93	4	0	-11	0	27
Provision of differential terms to most-favoured clients	0	0	96	4	0	-4	-4	26
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	5	81	14	0	-19	-10	21
Provision of differential terms to most-favoured clients	0	5	90	5	0	-10	0	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-8	-4	27
Provision of differential terms to most-favoured clients	0	0	96	4	0	-4	-4	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-8	-8	26
Provision of differential terms to most-favoured clients	0	0	88	12	0	-4	-12	25
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-8	-8	25
Provision of differential terms to most-favoured clients	0	0	96	4	0	-8	-4	25

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?

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Banks and dealers								
Volume	0	8	80	12	0	0	-4	25
Duration and persistence	0	0	96	4	0	-4	-4	25
Hedge funds								
Volume	0	0	89	11	0	-5	-11	18
Duration and persistence	0	0	94	6	0	-5	-6	18
Insurance companies								
Volume	0	8	79	13	0	-13	-4	24
Duration and persistence	0	4	92	4	0	-8	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	8	83	8	0	0	0	24
Duration and persistence	0	4	92	4	0	-4	0	24
Non-financial corporations								
Volume	0	4	91	4	0	+4	0	23
Duration and persistence	0	4	91	4	0	+4	0	23

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

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)?

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Domestic government bonds								
Maximum amount of funding	0	17	72	11	0	+6	+6	18
Maximum maturity of funding	0	17	78	6	0	+11	+11	18
Haircuts	0	0	94	6	0	-6	-6	18
Financing rate/spread	6	11	83	0	0	-22	+17	18
Use of CCPs	0	0	83	17	0	-12	-17	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	88	4	0	+11	+4	26
Maximum maturity of funding	0	8	92	0	0	+7	+8	26
Haircuts	0	0	100	0	0	-4	0	26
Financing rate/spread	0	15	85	0	0	-11	+15	26
Use of CCPs	0	0	83	17	0	-8	-17	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	88	0	0	+12	+12	25
Maximum maturity of funding	0	8	92	0	0	+12	+8	25
Haircuts	0	0	100	0	0	-12	0	25
Financing rate/spread	0	20	80	0	0	-15	+20	25
Use of CCPs	0	0	92	8	0	-4	-8	24
High-quality financial corporate bonds								
Maximum amount of funding	0	9	83	9	0	+8	0	23
Maximum maturity of funding	0	4	96	0	0	+13	+4	23
Haircuts	0	0	96	4	0	0	-4	23
Financing rate/spread	0	9	91	0	0	-8	+9	23
Use of CCPs	0	5	79	16	0	-10	-11	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	13	83	4	0	+8	+8	24
Maximum maturity of funding	0	8	92	0	0	+8	+8	24
Haircuts	0	0	96	4	0	0	-4	24
Financing rate/spread	0	13	88	0	0	-4	+13	24
Use of CCPs	0	5	80	15	0	-10	-10	20
High-yield corporate bonds								
Maximum amount of funding	0	11	89	0	0	+15	+11	18
Maximum maturity of funding	0	6	94	0	0	+5	+6	18
Haircuts	0	0	100	0	0	-10	0	18
Financing rate/spread	0	11	89	0	0	-10	+11	18
Use of CCPs	0	0	86	14	0	-6	-14	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)?

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Convertible securities								
Maximum amount of funding	0	0	100	0	0	**0**	**0**	16
Maximum maturity of funding	0	0	100	0	0	**-7**	**0**	16
Haircuts	0	0	100	0	0	**+7**	**0**	16
Financing rate/spread	0	0	100	0	0	**0**	**0**	16
Use of CCPs	0	0	100	0	0	**-7**	**0**	15
Equities								
Maximum amount of funding	0	13	83	4	0	**+4**	**+9**	23
Maximum maturity of funding	0	9	91	0	0	**-9**	**+9**	23
Haircuts	0	0	96	4	0	**+4**	**-4**	24
Financing rate/spread	0	8	83	8	0	**0**	**0**	24
Use of CCPs	0	0	100	0	0	**-6**	**0**	18
Asset-backed securities								
Maximum amount of funding	0	6	89	6	0	**0**	**0**	18
Maximum maturity of funding	0	0	94	6	0	**0**	**-6**	18
Haircuts	0	6	89	6	0	**+5**	**0**	18
Financing rate/spread	0	17	78	6	0	**+5**	**+11**	18
Use of CCPs	0	0	100	0	0	**0**	**0**	10
Covered bonds								
Maximum amount of funding	0	0	100	0	0	**0**	**0**	22
Maximum maturity of funding	0	5	95	0	0	**+13**	**+5**	22
Haircuts	0	0	100	0	0	**0**	**0**	22
Financing rate/spread	0	9	91	0	0	**-4**	**+9**	22
Use of CCPs	0	0	89	11	0	**-10**	**-11**	19

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)?

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Domestic government bonds								
Maximum amount of funding	0	11	72	17	0	0	-6	18
Maximum maturity of funding	0	11	83	6	0	+6	+6	18
Haircuts	0	0	94	6	0	-6	-6	18
Financing rate/spread	0	17	83	0	0	-22	+17	18
Use of CCPs	0	0	83	17	0	-12	-17	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	88	8	0	+4	-4	26
Maximum maturity of funding	0	8	88	4	0	+7	+4	26
Haircuts	0	0	100	0	0	-4	0	26
Financing rate/spread	0	19	81	0	0	-7	+19	26
Use of CCPs	0	0	83	17	0	-8	-17	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	96	0	0	+8	+4	25
Maximum maturity of funding	0	8	92	0	0	+12	+8	25
Haircuts	0	0	100	0	0	-12	0	25
Financing rate/spread	0	20	80	0	0	-15	+20	25
Use of CCPs	0	0	92	8	0	-4	-8	24
High-quality financial corporate bonds								
Maximum amount of funding	0	0	87	13	0	+4	-13	23
Maximum maturity of funding	0	4	96	0	0	+13	+4	23
Haircuts	0	0	96	4	0	0	-4	23
Financing rate/spread	0	4	96	0	0	-4	+4	23
Use of CCPs	0	0	84	16	0	-5	-16	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	4	83	13	0	-4	-9	23
Maximum maturity of funding	0	9	91	0	0	+8	+9	23
Haircuts	0	0	96	4	0	0	-4	23
Financing rate/spread	0	9	91	0	0	-4	+9	23
Use of CCPs	0	0	84	16	0	-10	-16	19
High-yield corporate bonds								
Maximum amount of funding	0	0	89	11	0	+10	-11	19
Maximum maturity of funding	0	5	95	0	0	+5	+5	19
Haircuts	0	5	95	0	0	-5	+5	19
Financing rate/spread	0	16	84	0	0	-5	+16	19
Use of CCPs	0	0	86	14	0	-7	-14	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)?

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Convertible securities								
Maximum amount of funding	0	0	94	6	0	**0**	**-6**	16
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	16
Haircuts	0	0	100	0	0	**0**	**0**	16
Financing rate/spread	0	0	100	0	0	**0**	**0**	16
Use of CCPs	0	0	100	0	0	**-8**	**0**	15
Equities								
Maximum amount of funding	0	9	77	9	5	**0**	**-5**	22
Maximum maturity of funding	0	9	91	0	0	**-9**	**+9**	22
Haircuts	0	0	96	4	0	**+4**	**-4**	23
Financing rate/spread	0	9	83	9	0	**0**	**0**	23
Use of CCPs	0	0	100	0	0	**-6**	**0**	17
Asset-backed securities								
Maximum amount of funding	0	0	95	5	0	**-10**	**-5**	19
Maximum maturity of funding	0	0	95	5	0	**-5**	**-5**	19
Haircuts	0	0	95	5	0	**+5**	**-5**	19
Financing rate/spread	0	6	94	0	0	**+5**	**+6**	18
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Covered bonds								
Maximum amount of funding	0	0	95	5	0	**-4**	**-5**	22
Maximum maturity of funding	0	5	95	0	0	**+13**	**+5**	22
Haircuts	0	0	100	0	0	**0**	**0**	22
Financing rate/spread	0	9	91	0	0	**-4**	**+9**	22
Use of CCPs	0	0	89	11	0	**-10**	**-11**	19

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)?

Table 18

(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
						Mar. 2017	Jun. 2017	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	24
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	24
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	23
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	23
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	21
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	21
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	21
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**-5**	**0**	17
Convertible securities								
Terms for average clients	0	0	100	0	0	**-7**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17
Equities								
Terms for average clients	0	0	100	0	0	**-5**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**-5**	**0**	20
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	15
Terms for most-favoured clients	0	0	100	0	0	**-6**	**0**	16
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	21
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	20

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?

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Domestic government bonds								
Overall demand	0	6	78	17	0	-6	-11	18
With a maturity greater than 30 days	0	6	72	22	0	-11	-17	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	0	92	8	0	-8	-8	25
With a maturity greater than 30 days	0	0	92	8	0	-4	-8	25
Other government, sub-national and supra-national bonds								
Overall demand	0	0	96	4	0	+4	-4	24
With a maturity greater than 30 days	0	0	92	8	0	0	-8	24
High-quality financial corporate bonds								
Overall demand	0	14	77	9	0	+9	+5	22
With a maturity greater than 30 days	0	9	82	9	0	+5	0	22
High-quality non-financial corporate bonds								
Overall demand	0	14	73	14	0	+9	0	22
With a maturity greater than 30 days	0	9	77	14	0	+4	-5	22
High-yield corporate bonds								
Overall demand	0	6	89	6	0	+10	0	18
With a maturity greater than 30 days	0	6	83	11	0	+5	-6	18
Convertible securities								
Overall demand	0	0	93	7	0	0	-7	15
With a maturity greater than 30 days	0	0	93	7	0	-8	-7	15
Equities								
Overall demand	0	5	70	25	0	-10	-20	20
With a maturity greater than 30 days	0	0	85	15	0	-10	-15	20
Asset-backed securities								
Overall demand	0	12	82	6	0	0	+6	17
With a maturity greater than 30 days	0	12	82	6	0	0	+6	17
Covered bonds								
Overall demand	0	0	91	9	0	0	-9	22
With a maturity greater than 30 days	0	0	91	9	0	0	-9	22
All collateral types above								
Overall demand	0	9	87	4	0	+8	+4	23
With a maturity greater than 30 days	0	4	91	4	0	+4	0	23

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

Table 20

(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 Mar. 2017	Net percentage Jun. 2017	Total number of answers
Domestic government bonds								
Liquidity and functioning	6	22	67	6	0	+28	+22	18
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	16	76	8	0	+19	+8	25
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	13	83	4	0	+22	+8	24
High-quality financial corporate bonds								
Liquidity and functioning	0	9	86	5	0	+4	+5	22
High-quality non-financial corporate bonds								
Liquidity and functioning	0	5	86	9	0	+4	-5	22
High-yield corporate bonds								
Liquidity and functioning	0	11	83	6	0	0	+6	18
Convertible securities								
Liquidity and functioning	0	8	85	8	0	+8	0	13
Equities								
Liquidity and functioning	0	5	90	5	0	+5	0	21
Asset-backed securities								
Liquidity and functioning	0	6	94	0	0	+6	+6	17
Covered bonds								
Liquidity and functioning	0	5	91	5	0	+5	0	22
All collateral types above								
Liquidity and functioning	0	9	87	4	0	+4	+4	23

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

2.2 Demand for funding, liquidity and disputes by collateral type (continued)

Over the past three months, how has the [volume/ duration and persistence] of collateral valuation disputes relating to lending against [collateral type/ all collateral types above] changed?

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	11
Duration and persistence	0	0	100	0	0	**0**	**0**	11
Equities								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
Asset-backed securities								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Covered bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
All collateral types above								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21

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?

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Foreign exchange								
Average clients	0	0	90	5	5	-5	-10	20
Most-favoured clients	0	0	95	5	0	-5	-5	20
Interest rates								
Average clients	0	0	90	10	0	-5	-10	21
Most-favoured clients	0	0	95	5	0	0	-5	21
Credit referencing sovereigns								
Average clients	0	0	100	0	0	0	0	14
Most-favoured clients	0	0	100	0	0	0	0	14
Credit referencing corporates								
Average clients	0	0	100	0	0	0	0	16
Most-favoured clients	0	0	100	0	0	0	0	16
Credit referencing structured credit products								
Average clients	0	0	100	0	0	+6	0	15
Most-favoured clients	0	0	100	0	0	+6	0	15
Equity								
Average clients	0	0	89	6	6	-17	-11	18
Most-favoured clients	0	0	94	6	0	-17	-6	18
Commodity								
Average clients	0	0	100	0	0	0	0	15
Most-favoured clients	0	0	100	0	0	0	0	15
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	0	0	13
Most-favoured clients	0	0	100	0	0	0	0	13

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

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?

Table 23

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2017	Net percentage Jun. 2017	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	4	92	4	0	-4	0	26
Maximum maturity of trades	0	0	100	0	0	0	0	26
Interest rates								
Maximum amount of exposure	0	4	92	4	0	0	0	25
Maximum maturity of trades	0	0	96	4	0	-4	-4	25
Credit referencing sovereigns								
Maximum amount of exposure	0	0	100	0	0	0	0	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Credit referencing corporates								
Maximum amount of exposure	0	0	100	0	0	+6	0	18
Maximum maturity of trades	0	0	100	0	0	0	0	18
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	+6	0	18
Maximum maturity of trades	0	0	100	0	0	0	0	18
Equity								
Maximum amount of exposure	0	0	91	9	0	0	-9	23
Maximum maturity of trades	0	5	95	0	0	0	+5	22
Commodity								
Maximum amount of exposure	0	0	100	0	0	-6	0	18
Maximum maturity of trades	0	0	100	0	0	-6	0	18
Total return swaps referencing non-securities								
Maximum amount of exposure	0	7	93	0	0	+6	+7	15
Maximum maturity of trades	0	0	100	0	0	0	0	15

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

Over the past three months, how have [liquidity and trading] of OTC [type of derivatives] changed?

Table 24

(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 Mar. 2017	Net percentage Jun. 2017	Total number of answers
Foreign exchange								
Liquidity and trading	0	4	96	0	0	+11	+4	26
Interest rates								
Liquidity and trading	0	4	92	4	0	+4	0	25
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	0	0	17
Credit referencing corporates								
Liquidity and trading	0	0	100	0	0	0	0	18
Credit referencing structured credit products								
Liquidity and trading	0	0	100	0	0	0	0	18
Equity								
Liquidity and trading	0	5	86	10	0	-5	-5	21
Commodity								
Liquidity and trading	0	6	94	0	0	0	+6	18
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	0	0	14

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

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?

Table 25

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Foreign exchange								
Volume	0	9	74	17	0	-11	-9	23
Duration and persistence	0	0	91	9	0	-4	-9	23
Interest rates								
Volume	5	0	77	18	0	-12	-14	22
Duration and persistence	0	0	95	5	0	-4	-5	22
Credit referencing sovereigns								
Volume	0	6	76	18	0	0	-12	17
Duration and persistence	0	0	94	6	0	0	-6	17
Credit referencing corporates								
Volume	0	6	78	17	0	0	-11	18
Duration and persistence	0	0	94	6	0	0	-6	18
Credit referencing structured credit products								
Volume	0	6	78	17	0	-5	-11	18
Duration and persistence	0	0	94	6	0	+5	-6	18
Equity								
Volume	0	5	81	14	0	-4	-10	21
Duration and persistence	0	0	95	5	0	+4	-5	21
Commodity								
Volume	0	0	83	17	0	0	-17	18
Duration and persistence	0	0	94	6	0	0	-6	18
Total return swaps referencing non-securities								
Volume	0	7	80	13	0	0	-7	15
Duration and persistence	0	0	93	7	0	0	-7	15

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?

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Margin call practices	15	15	69	0	0	+19	+31	26
Acceptable collateral	15	23	58	4	0	+27	+35	26
Recognition of portfolio or diversification benefits	0	0	96	4	0	0	-4	25
Covenants and triggers	0	12	88	0	0	+11	+12	26
Other documentation features	4	20	72	4	0	+19	+20	25

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?

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2017	Jun. 2017	
Posting of non-standard collateral	0	16	64	20	0	+15	-4	25

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".

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