EUROPEAN CENTRAL BANK

EUROSYSTEM

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

September 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.

September 2017 SESFOD results

(reference period from June 2017 to August 2017)

The September 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 June and August 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 to counterparties in both securities financing and over-the-counter (OTC) derivatives transactions over the three-month reference period remained basically unchanged. The relative stability in overall credit terms over the past two reference periods follows the considerable net tightening of credit terms reported throughout the previous two years.

Regarding the provision of finance collateralised by euro-denominated securities, a small net percentage of respondents reported a decrease in the maximum amount and the maximum maturity of funding for many types of collateral, as well as a decrease in haircuts applied to government bonds and a decrease in financing rates when government and corporate bonds were used as collateral. On balance, respondents reported that the liquidity and functioning of markets for all types of underlying collateral covered by the survey remained basically unchanged. These results follow the deterioration reported since mid-2015 in liquidity and functioning of markets for many types of euro-denominated collateral.

Only few changes were reported regarding credit terms and conditions with respect to non-centrally cleared OTC derivatives. Survey respondents did, however, report less favourable non-price terms and conditions in new or renegotiated OTC derivatives master agreements. The implementation of new European Market Infrastructure Regulation (EMIR) margin requirements for OTC derivative contracts not cleared by a central counterparty (CCP) was cited as the main driver of the less favourable contract terms.

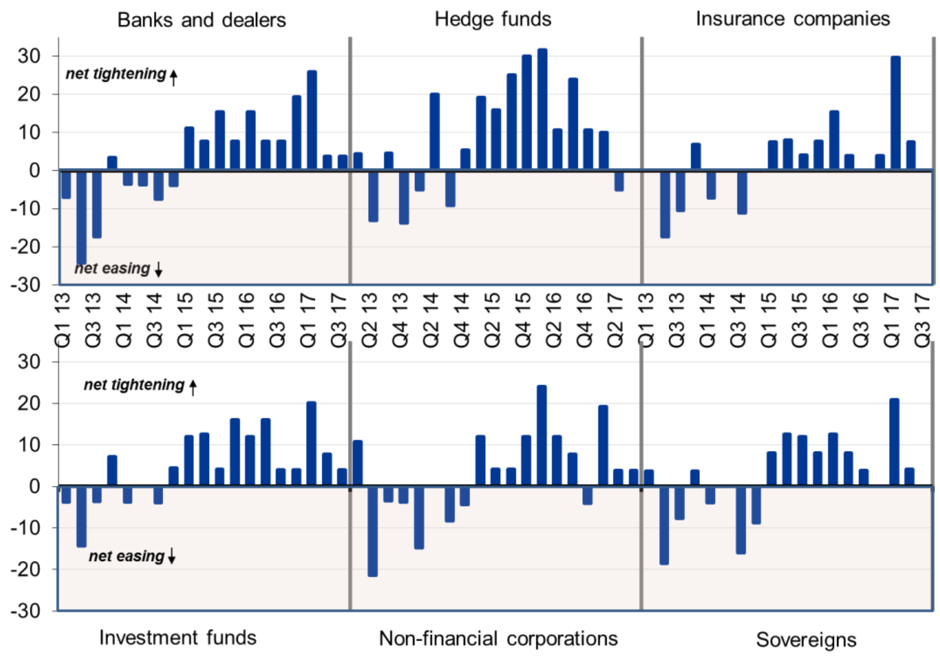
Counterparty types

Changes: responses to the September 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 August 2017. The relative stability in credit terms over the past two reference periods follows the considerable net tightening of credit terms reported throughout the previous two years (see Chart A). This notwithstanding, a small net percentage of respondents reported less favourable non-price terms over the June to August 2017 reference period for all counterparty types, whereas a small net percentage of respondents reported more favourable price terms for all counterparty types except banks and hedge funds.

Chart A

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

(Q1 2013 – Q3 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 September 2017 survey also expected only few changes in credit terms for most counterparty types over the coming three-month reference period (September to November 2017). A small net percentage of respondents expected less favourable credit terms offered to banks and investment funds over that coming three-month period.

Reasons: survey respondents highlighted a number of reasons which contributed to the changes in credit terms over the period from June to August 2017. A worsening of general market liquidity and functioning, and the adoption of new market conventions (e.g. International Swaps and Derivatives Association protocols) continued to be the factors most frequently cited by the few respondents who indicated less favourable non-price credit terms offered to counterparties. On the other hand, the few respondents who indicated that the price terms they offered to counterparties had become less stringent cited less stringent internal treasury charges for funding, the increased availability of balance sheet or capital at their institution and an improvement in general market liquidity as the main reasons for offering more favourable price terms.

Management of concentrated credit exposures to large banks and CCPs: a small net percentage of reporting banks indicated that they had increased the level of resources and attention devoted to the management of concentrated credit exposures to CCPs, as well as to banks and dealers, over the three-month reference period.

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

Client pressure and differential terms: A small percentage of respondents reported that clients' efforts to negotiate more favourable price and non-price terms had increased somewhat over the three-month reference period.

Valuation disputes: Only a few respondents reported changes in the volume, persistence and duration of valuation disputes with counterparties over the three-month reference period.

Securities financing

Maximum amount of funding: a small net percentage of respondents to the September 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. This was also the case for most-favoured clients, when government bonds were used as collateral. Where other types of collateral were used, the maximum amount of funding for most-favoured clients remained broadly unchanged, with the exception of funding collateralised by equities, for which around a fifth of respondents indicated that the maximum amount had increased.

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.

Haircuts: for average clients, the majority of respondents indicated no changes in haircuts for many types of euro-denominated collateral covered in the survey over the reference period, although a small percentage reported a decrease in haircuts in the case of domestic government bonds. For most-favoured clients, a small percentage of respondents indicated that haircuts had decreased somewhat for both government and high-yield corporate bonds.

Financing rates/spreads: a small percentage of responses to the September 2017 survey indicated a decrease in financing rates/spreads when government and corporate bonds were used as collateral. Regarding other types of collateral, survey respondents reported that, on balance, financing rates/spreads remained broadly unchanged over the reference period.

Use of CCPs: survey respondents reported that, on balance, the use of CCPs in the case of many types of collateral had remained basically unchanged over the reference period.

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

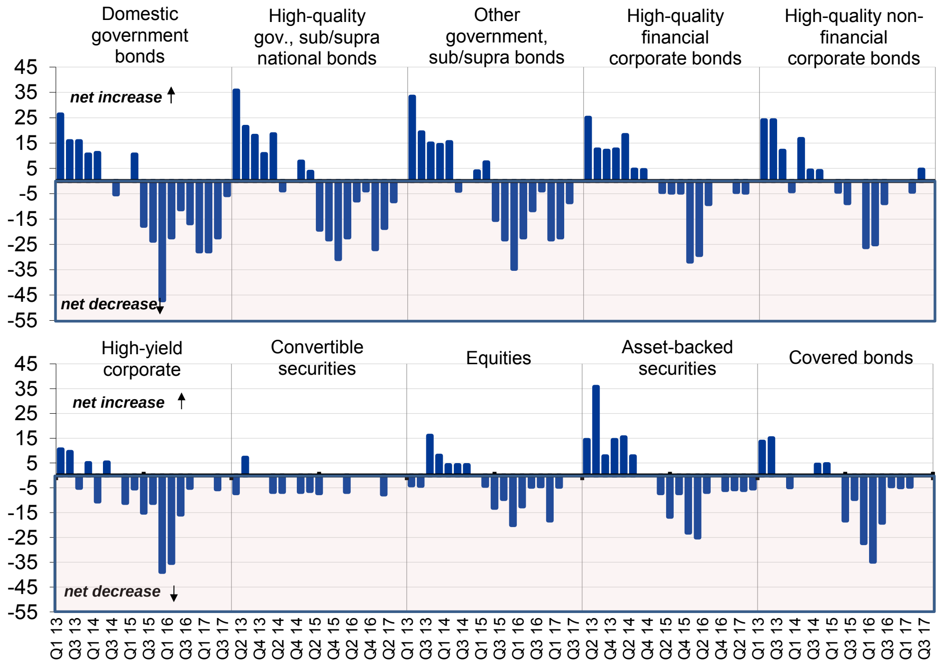
Demand for funding: a small net percentage of survey respondents reported that the overall demand for collateralised funding against high-quality government and high-quality corporate bonds, as well as asset-backed securities, had decreased. On the other hand, around 15% of respondents indicated an increase in the demand for collateralised funding against equities.

Liquidity of collateral: respondents indicated that, on balance, the liquidity and functioning of markets for all types of underlying collateral covered by the survey remained basically unchanged over the three-month reference period ending in August 2017. This follows the deterioration (reported in previous surveys since mid-2015) in liquidity and functioning of markets for many types of euro-denominated collateral, which was particularly pronounced in the markets for government bonds (see Chart B).

Chart B

Changes in liquidity and functioning of markets

(Q1 2013 – Q3 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".

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 August 2017.

Non-centrally cleared OTC derivatives

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

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

Liquidity and trading: survey responses indicated that, on balance, liquidity and trading had remained basically unchanged for most types of OTC derivative covered by the survey.

Valuation disputes: the majority of respondents reported no changes in the volume of disputes relating to the valuation of OTC derivatives contracts covered in the survey.

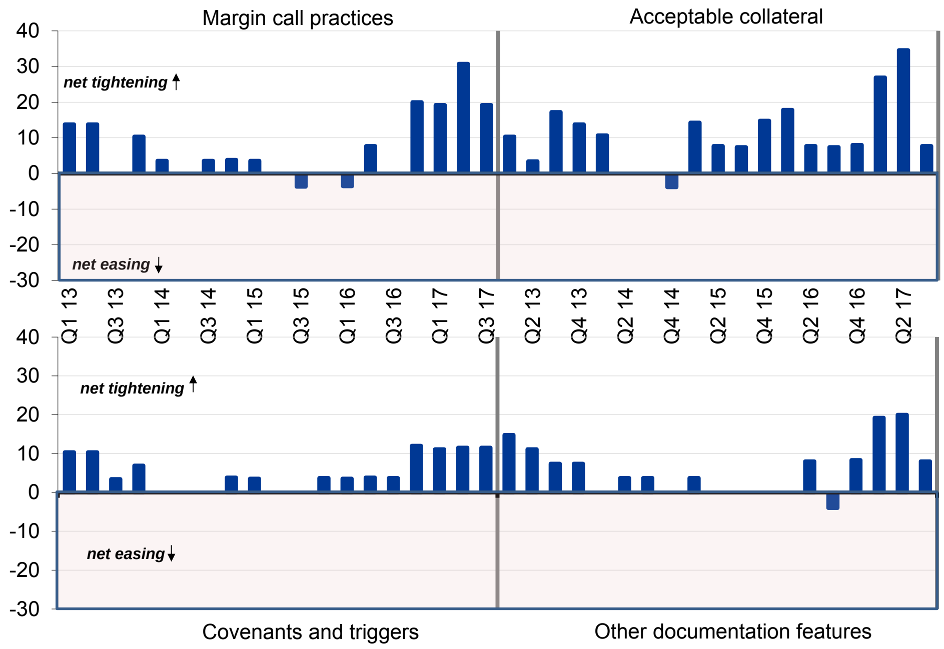
Non-price changes in new agreements: between 15% and 20% of survey respondents indicated that margin call practices, acceptable collateral, and covenants and triggers in new or renegotiated OTC derivatives master agreements with clients had tightened over the three-month reference period. The reported tightening was, however, less pronounced than in the previous survey round (see Chart C). Several banks highlighted in the qualitative responses to the survey that new margin requirements for non-centrally cleared OTC derivatives continue to be the main driver of the tightening in non-price contract terms.

Posting of non-standard collateral: a small net percentage of respondents to the September 2017 survey reported that the posting of non-standard collateral had decreased somewhat.

Chart C

Changes in new or renegotiated master agreements

(Q1 2013 – Q3 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”.

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		Total number of answers
						Jun. 2017	Sep. 2017	
Banks and dealers								
Price terms	0	7	86	7	0	+4	0	28
Non-price terms	0	7	93	0	0	+4	+7	27
Overall	0	7	89	4	0	+4	+4	27
Hedge funds								
Price terms	0	0	100	0	0	-10	0	20
Non-price terms	0	10	90	0	0	0	+10	21
Overall	0	0	100	0	0	-5	0	20
Insurance companies								
Price terms	0	4	89	7	0	-4	-4	28
Non-price terms	0	7	89	4	0	+7	+4	27
Overall	0	7	85	7	0	+7	0	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	4	88	8	0	+4	-4	26
Non-price terms	0	8	92	0	0	+4	+8	25
Overall	0	8	88	4	0	+8	+4	25
Non-financial corporations								
Price terms	0	4	89	7	0	0	-4	27
Non-price terms	0	12	85	4	0	+4	+8	26
Overall	0	8	88	4	0	+4	+4	26
Sovereigns								
Price terms	0	4	88	8	0	-4	-4	26
Non-price terms	0	4	96	0	0	+4	+4	25
Overall	0	4	92	4	0	+4	0	25
All counterparties above								
Price terms	0	0	93	7	0	-4	-7	28
Non-price terms	0	11	89	0	0	+4	+11	27
Overall	0	7	89	4	0	+4	+4	27

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

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 Jun. 2017	Net percentage Sep. 2017	Total number of answers
Banks and dealers								
Price terms	0	11	85	4	0	+4	+7	27
Non-price terms	0	8	88	4	0	+7	+4	26
Overall	0	12	85	4	0	+7	+8	26
Hedge funds								
Price terms	0	5	89	5	0	-15	0	19
Non-price terms	0	5	90	5	0	+5	0	20
Overall	0	0	95	5	0	0	-5	19
Insurance companies								
Price terms	0	4	93	4	0	-4	0	27
Non-price terms	0	4	88	8	0	+4	-4	26
Overall	0	4	88	8	0	0	-4	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	8	92	0	0	-7	+8	25
Non-price terms	0	8	92	0	0	+8	+8	24
Overall	0	8	92	0	0	+4	+8	24
Non-financial corporations								
Price terms	0	8	88	4	0	-7	+4	26
Non-price terms	0	0	96	4	0	0	-4	25
Overall	0	4	92	4	0	-4	0	25
Sovereigns								
Price terms	0	8	88	4	0	-8	+4	25
Non-price terms	0	0	96	4	0	0	-4	24
Overall	0	4	92	4	0	-4	0	24
All counterparties above								
Price terms	0	4	93	4	0	-7	0	27
Non-price terms	0	4	92	4	0	0	0	26
Overall	0	4	92	4	0	-8	0	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	
				Jun. 2017	Sep. 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	100	0	8	25
Internal treasury charges for funding	0	0	0	8	0
Availability of balance sheet or capital at your institution	50	0	0	8	25
General market liquidity and functioning	0	0	100	33	25
Competition from other institutions	50	0	0	17	25
Other	0	0	0	25	0
Total number of answers	2	1	1	12	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	29	0
Willingness of your institution to take on risk	0	0	0	14	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	100	0	25
Availability of balance sheet or capital at your institution	0	100	0	0	25
General market liquidity and functioning	100	0	0	43	50
Competition from other institutions	0	0	0	14	0
Other	0	0	0	0	0
Total number of answers	2	1	1	7	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	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	50	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	25	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	25	0
Total number of answers	1	1	0	4	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	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 [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 Jun. 2017	Either first, second or third reason Sep. 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	0	0	17	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	17	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	50	0
Total number of answers	0	0	0	6	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	17	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	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	17	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0
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	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	50	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	2	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	100	0
Other	0	0	0	0	0
Total number of answers	0	0	0	1	0

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 Jun. 2017	Sep. 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	100	0	9	33
Internal treasury charges for funding	0	0	0	9	0
Availability of balance sheet or capital at your institution	0	0	0	9	0
General market liquidity and functioning	0	0	100	27	33
Competition from other institutions	100	0	0	18	33
Other	0	0	0	27	0
Total number of answers	1	1	1	11	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	33	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	100	0	25
Availability of balance sheet or capital at your institution	0	100	0	17	25
General market liquidity and functioning	100	0	0	33	50
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	2	1	1	6	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	0	0
Adoption of new market conventions (e.g. ISDA protocols)	50	0	0	67	33
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	33	33
Competition from other institutions	0	0	0	0	0
Other	50	0	0	0	33
Total number of answers	2	1	0	3	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	100	0	33
General market liquidity and functioning	100	0	0	0	33
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 [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 Jun. 2017	Either first, second or third reason Sep. 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	100	0	9	33
Internal treasury charges for funding	0	0	0	9	0
Availability of balance sheet or capital at your institution	0	0	0	9	0
General market liquidity and functioning	0	0	100	27	33
Competition from other institutions	100	0	0	18	33
Other	0	0	0	27	0
Total number of answers	1	1	1	11	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	67	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	100	0	25
Availability of balance sheet or capital at your institution	0	100	0	0	25
General market liquidity and functioning	100	0	0	33	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	1	3	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	0	0
Adoption of new market conventions (e.g. ISDA protocols)	50	0	0	67	33
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	33	33
Competition from other institutions	0	0	0	0	0
Other	50	0	0	0	33
Total number of answers	2	1	0	3	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	0	0	0	100	0
Total number of answers	0	0	0	1	0

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 Jun. 2017	Either first, second or third reason Sep. 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	0	0	9	0
Internal treasury charges for funding	0	0	0	9	0
Availability of balance sheet or capital at your institution	0	0	0	9	0
General market liquidity and functioning	0	0	0	27	0
Competition from other institutions	0	0	0	18	0
Other	0	0	0	27	0
Total number of answers	0	0	0	11	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	17	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	100	0	25
Availability of balance sheet or capital at your institution	0	100	0	0	25
General market liquidity and functioning	100	0	0	33	50
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	2	1	1	6	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	0	0
Adoption of new market conventions (e.g. ISDA protocols)	50	0	0	50	33
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	50	33
Competition from other institutions	0	0	0	0	0
Other	50	0	0	0	33
Total number of answers	2	1	0	2	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	100	0	0	33
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	0	33
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	100	0	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 [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	
				Jun. 2017	Sep. 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	100	0	11	33
Internal treasury charges for funding	0	0	0	11	0
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	0	0	100	22	33
Competition from other institutions	100	0	0	11	33
Other	0	0	0	33	0
Total number of answers	1	1	1	9	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	50	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	100	0	25
Availability of balance sheet or capital at your institution	0	100	0	0	25
General market liquidity and functioning	100	0	0	50	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	1	4	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	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	50	50
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	50	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	2	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
						Jun. 2017	Sep. 2017	
Practices of CCPs	0	7	93	0	0	+11	+7	14

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
						Jun. 2017	Sep. 2017	
Banks and dealers	0	4	81	15	0	-11	-11	27
Central counterparties	0	4	81	11	4	-15	-11	27

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

1.4 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
						Jun. 2017	Sep. 2017	
Hedge funds								
Use of financial leverage	0	0	84	16	0	-6	-16	19
Availability of unutilised leverage	0	0	95	5	0	-6	-5	19
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	25
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
						Jun. 2017	Sep. 2017	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	0	-4	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	0	86	14	0	-10	-14	21
Provision of differential terms to most-favoured clients	0	0	95	5	0	0	-5	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-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	-12	-12	25
Non-financial corporations								
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	92	8	0	-4	-8	26

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
						Jun. 2017	Sep. 2017	
Banks and dealers								
Volume	0	8	88	4	0	-4	+4	26
Duration and persistence	0	4	96	0	0	-4	+4	26
Hedge funds								
Volume	5	0	90	5	0	-11	0	20
Duration and persistence	5	0	95	0	0	-6	+5	20
Insurance companies								
Volume	0	4	92	4	0	-4	0	25
Duration and persistence	0	4	96	0	0	0	+4	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	96	4	0	0	-4	25
Duration and persistence	0	0	100	0	0	0	0	25
Non-financial corporations								
Volume	0	0	92	4	4	0	-8	26
Duration and persistence	0	0	92	4	4	0	-8	26

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
						Jun. 2017	Sep. 2017	
Domestic government bonds								
Maximum amount of funding	0	11	89	0	0	+6	+11	18
Maximum maturity of funding	0	17	83	0	0	+11	+17	18
Haircuts	0	11	89	0	0	-6	+11	18
Financing rate/spread	0	0	100	0	0	+17	0	18
Use of CCPs	0	6	89	6	0	-17	0	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	93	0	0	+4	+7	27
Maximum maturity of funding	0	15	85	0	0	+8	+15	27
Haircuts	0	0	100	0	0	0	0	27
Financing rate/spread	0	7	89	4	0	+15	+4	27
Use of CCPs	0	4	92	4	0	-17	0	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	88	0	0	+12	+12	26
Maximum maturity of funding	0	12	88	0	0	+8	+12	26
Haircuts	0	0	100	0	0	0	0	26
Financing rate/spread	0	12	85	4	0	+20	+8	26
Use of CCPs	0	4	92	4	0	-8	0	25
High-quality financial corporate bonds								
Maximum amount of funding	0	13	88	0	0	0	+13	24
Maximum maturity of funding	0	8	92	0	0	+4	+8	24
Haircuts	0	0	100	0	0	-4	0	24
Financing rate/spread	4	4	88	4	0	+9	+4	24
Use of CCPs	0	10	85	5	0	-11	+5	20
High-quality non-financial corporate bonds								
Maximum amount of funding	0	12	84	4	0	+8	+8	25
Maximum maturity of funding	0	8	92	0	0	+8	+8	25
Haircuts	0	0	96	4	0	-4	-4	25
Financing rate/spread	4	8	84	4	0	+13	+8	25
Use of CCPs	0	10	86	5	0	-10	+5	21
High-yield corporate bonds								
Maximum amount of funding	0	11	89	0	0	+11	+11	19
Maximum maturity of funding	0	5	95	0	0	+6	+5	19
Haircuts	0	0	100	0	0	0	0	19
Financing rate/spread	0	5	95	0	0	+11	+5	19
Use of CCPs	0	0	93	7	0	-14	-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". "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 Jun. 2017	Net percentage Sep. 2017	Total number of answers
Convertible securities								
Maximum amount of funding	0	0	100	0	0	**0**	**0**	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	**0**	**0**	14
Equities								
Maximum amount of funding	0	4	87	9	0	**+9**	**-4**	23
Maximum maturity of funding	0	4	96	0	0	**+9**	**+4**	23
Haircuts	0	0	100	0	0	**-4**	**0**	24
Financing rate/spread	0	4	88	8	0	**0**	**-4**	24
Use of CCPs	0	0	100	0	0	**0**	**0**	18
Asset-backed securities								
Maximum amount of funding	0	10	90	0	0	**0**	**+10**	20
Maximum maturity of funding	0	5	95	0	0	**-6**	**+5**	20
Haircuts	0	10	90	0	0	**0**	**+10**	20
Financing rate/spread	0	10	85	5	0	**+11**	**+5**	20
Use of CCPs	0	0	100	0	0	**0**	**0**	13
Covered bonds								
Maximum amount of funding	0	0	96	4	0	**0**	**-4**	24
Maximum maturity of funding	0	4	96	0	0	**+5**	**+4**	24
Haircuts	0	0	100	0	0	**0**	**0**	24
Financing rate/spread	0	4	92	4	0	**+9**	**0**	24
Use of CCPs	0	0	95	5	0	**-11**	**-5**	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".

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
						Jun. 2017	Sep. 2017	
Domestic government bonds								
Maximum amount of funding	0	11	83	6	0	-6	+6	18
Maximum maturity of funding	0	11	89	0	0	+6	+11	18
Haircuts	0	11	89	0	0	-6	+11	18
Financing rate/spread	0	6	94	0	0	+17	+6	18
Use of CCPs	0	6	89	6	0	-17	0	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	93	0	0	-4	+7	27
Maximum maturity of funding	0	15	85	0	0	+4	+15	27
Haircuts	0	7	93	0	0	0	+7	27
Financing rate/spread	0	19	78	4	0	+19	+15	27
Use of CCPs	0	4	92	4	0	-17	0	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	92	0	0	+4	+8	26
Maximum maturity of funding	0	12	88	0	0	+8	+12	26
Haircuts	0	8	92	0	0	0	+8	26
Financing rate/spread	0	15	81	4	0	+20	+12	26
Use of CCPs	0	4	92	4	0	-8	0	25
High-quality financial corporate bonds								
Maximum amount of funding	0	4	92	4	0	-13	0	24
Maximum maturity of funding	0	8	92	0	0	+4	+8	24
Haircuts	0	4	96	0	0	-4	+4	24
Financing rate/spread	0	8	88	4	0	+4	+4	24
Use of CCPs	0	5	90	5	0	-16	0	20
High-quality non-financial corporate bonds								
Maximum amount of funding	0	4	88	8	0	-9	-4	25
Maximum maturity of funding	0	8	92	0	0	+9	+8	25
Haircuts	0	4	92	4	0	-4	0	25
Financing rate/spread	0	8	88	4	0	+9	+4	25
Use of CCPs	0	5	90	5	0	-16	0	21
High-yield corporate bonds								
Maximum amount of funding	0	0	95	5	0	-11	-5	20
Maximum maturity of funding	0	5	95	0	0	+5	+5	20
Haircuts	0	10	90	0	0	+5	+10	20
Financing rate/spread	0	15	85	0	0	+16	+15	20
Use of CCPs	0	0	93	7	0	-14	-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". "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
						Jun. 2017	Sep. 2017	
Convertible securities								
Maximum amount of funding	0	0	100	0	0	**-6**	**0**	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	**0**	**0**	14
Equities								
Maximum amount of funding	0	4	74	17	4	**-5**	**-17**	23
Maximum maturity of funding	0	4	96	0	0	**+9**	**+4**	23
Haircuts	0	0	100	0	0	**-4**	**0**	24
Financing rate/spread	0	8	83	8	0	**0**	**0**	24
Use of CCPs	0	0	100	0	0	**0**	**0**	18
Asset-backed securities								
Maximum amount of funding	0	5	95	0	0	**-5**	**+5**	20
Maximum maturity of funding	0	5	95	0	0	**-5**	**+5**	20
Haircuts	0	5	95	0	0	**-5**	**+5**	20
Financing rate/spread	0	0	100	0	0	**+6**	**0**	19
Use of CCPs	0	0	100	0	0	**0**	**0**	13
Covered bonds								
Maximum amount of funding	0	0	96	4	0	**-5**	**-4**	25
Maximum maturity of funding	0	4	96	0	0	**+5**	**+4**	25
Haircuts	0	0	100	0	0	**0**	**0**	25
Financing rate/spread	0	4	92	4	0	**+9**	**0**	25
Use of CCPs	0	0	95	5	0	**-11**	**-5**	22

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

2.1 Credit terms by collateral type for average and most-favoured clients (continued)

Over the past three months, how have the [covenants and triggers] under which [collateral type] are funded changed for [average/ most-favoured] clients (as a consequence of breadth, duration, and extent of relationship)?

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
						Jun. 2017	Sep. 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**	25
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	25
Other 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
High-quality 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**	22
High-quality non-financial corporate 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-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	18
Convertible securities								
Terms for average clients	0	0	100	0	0	**0**	**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	**0**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	22
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	23
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	23

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

2.2 Demand for funding, liquidity and disputes by collateral type

Over the past three months, how has demand for funding of [collateral type/ all collateral types above] by your institution's clients changed?

Over the past three months, how has demand for [term funding with a maturity greater than 30 days] of [collateral type/ all collateral types above] by your institution's clients changed?

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
						Jun. 2017	Sep. 2017	
Domestic government bonds								
Overall demand	0	6	89	6	0	-11	0	18
With a maturity greater than 30 days	0	6	89	6	0	-17	0	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	11	89	0	0	-8	+11	27
With a maturity greater than 30 days	0	7	89	4	0	-8	+4	27
Other government, sub-national and supra-national bonds								
Overall demand	0	8	92	0	0	-4	+8	26
With a maturity greater than 30 days	0	4	92	4	0	-8	0	26
High-quality financial corporate bonds								
Overall demand	4	8	83	4	0	+5	+8	24
With a maturity greater than 30 days	4	4	88	4	0	0	+4	24
High-quality non-financial corporate bonds								
Overall demand	4	8	88	0	0	0	+13	24
With a maturity greater than 30 days	4	4	88	4	0	-5	+4	24
High-yield corporate bonds								
Overall demand	0	5	95	0	0	0	+5	20
With a maturity greater than 30 days	0	5	90	5	0	-6	0	20
Convertible securities								
Overall demand	0	0	100	0	0	-7	0	16
With a maturity greater than 30 days	0	0	100	0	0	-7	0	16
Equities								
Overall demand	0	0	86	14	0	-20	-14	22
With a maturity greater than 30 days	0	0	86	14	0	-15	-14	22
Asset-backed securities								
Overall demand	0	11	89	0	0	+6	+11	19
With a maturity greater than 30 days	0	11	84	5	0	+6	+5	19
Covered bonds								
Overall demand	0	0	100	0	0	-9	0	25
With a maturity greater than 30 days	0	0	96	4	0	-9	-4	25
All collateral types above								
Overall demand	0	8	92	0	0	+4	+8	25
With a maturity greater than 30 days	0	4	92	4	0	0	0	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". "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		Total number of answers
						Jun. 2017	Sep. 2017	
Domestic government bonds								
Liquidity and functioning	0	11	83	6	0	+22	+6	18
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	93	4	0	+8	0	27
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	92	4	0	+8	0	26
High-quality financial corporate bonds								
Liquidity and functioning	0	4	92	4	0	+5	0	24
High-quality non-financial corporate bonds								
Liquidity and functioning	0	4	92	4	0	-5	0	24
High-yield corporate bonds								
Liquidity and functioning	0	5	90	5	0	+6	0	20
Convertible securities								
Liquidity and functioning	0	0	100	0	0	0	0	16
Equities								
Liquidity and functioning	0	0	100	0	0	0	0	22
Asset-backed securities								
Liquidity and functioning	0	5	95	0	0	+6	+5	19
Covered bonds								
Liquidity and functioning	0	4	92	4	0	0	0	25
All collateral types above								
Liquidity and functioning	0	4	92	4	0	+4	0	24

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
						Jun. 2017	Sep. 2017	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	25
Duration and persistence	0	0	100	0	0	**0**	**0**	26
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	25
Duration and persistence	0	0	100	0	0	**0**	**0**	26
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	100	0	0	**0**	**0**	21
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	22
Duration and persistence	0	0	100	0	0	**0**	**0**	23
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	19
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	18
Equities								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	100	0	0	**0**	**0**	21
Asset-backed securities								
Volume	0	0	100	0	0	**0**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	19
Covered bonds								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	22
All collateral types above								
Volume	0	0	96	4	0	**0**	**-4**	23
Duration and persistence	0	0	100	0	0	**0**	**0**	24

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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
						Jun. 2017	Sep. 2017	
Foreign exchange								
Average clients	0	0	90	10	0	**-10**	**-10**	20
Most-favoured clients	0	0	95	5	0	**-5**	**-5**	20
Interest rates								
Average clients	0	0	95	5	0	**-10**	**-5**	21
Most-favoured clients	0	5	90	5	0	**-5**	**0**	21
Credit referencing sovereigns								
Average clients	0	0	100	0	0	**0**	**0**	15
Most-favoured clients	0	0	100	0	0	**0**	**0**	15
Credit referencing corporates								
Average clients	0	0	100	0	0	**0**	**0**	17
Most-favoured clients	0	0	100	0	0	**0**	**0**	17
Credit referencing structured credit products								
Average clients	0	0	100	0	0	**0**	**0**	16
Most-favoured clients	0	0	100	0	0	**0**	**0**	16
Equity								
Average clients	0	0	94	6	0	**-11**	**-6**	17
Most-favoured clients	0	0	100	0	0	**-6**	**0**	17
Commodity								
Average clients	0	0	100	0	0	**0**	**0**	16
Most-favoured clients	0	0	100	0	0	**0**	**0**	16
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	**0**	**0**	15
Most-favoured clients	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 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		Total number of answers
						Jun. 2017	Sep. 2017	
Foreign exchange								
Maximum amount of exposure	0	0	88	12	0	**0**	**-12**	26
Maximum maturity of trades	0	0	92	8	0	**0**	**-8**	26
Interest rates								
Maximum amount of exposure	0	12	84	4	0	**0**	**+8**	25
Maximum maturity of trades	0	4	92	4	0	**-4**	**0**	25
Credit referencing sovereigns								
Maximum amount of exposure	0	0	94	6	0	**0**	**-6**	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	**0**	**0**	19
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	19
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	**0**	**0**	18
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	18
Equity								
Maximum amount of exposure	0	0	91	9	0	**-9**	**-9**	22
Maximum maturity of trades	0	5	90	5	0	**+5**	**0**	21
Commodity								
Maximum amount of exposure	0	6	89	6	0	**0**	**0**	18
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	18
Total return swaps referencing non-securities								
Maximum amount of exposure	0	6	94	0	0	**+7**	**+6**	16
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	16

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

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

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		Total number of answers
						Jun. 2017	Sep. 2017	
Foreign exchange								
Liquidity and trading	0	4	92	4	0	**+4**	**0**	26
Interest rates								
Liquidity and trading	0	8	92	0	0	**0**	**+8**	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**	19
Credit referencing structured credit products								
Liquidity and trading	0	0	100	0	0	**0**	**0**	18
Equity								
Liquidity and trading	0	10	90	0	0	**-5**	**+10**	21
Commodity								
Liquidity and trading	0	0	100	0	0	**+6**	**0**	18
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	**0**	**0**	16

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

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

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 Jun. 2017	Net percentage Sep. 2017	Total number of answers
Foreign exchange								
Volume	0	4	96	0	0	-9	+4	25
Duration and persistence	0	4	96	0	0	-9	+4	25
Interest rates								
Volume	0	0	100	0	0	-14	0	24
Duration and persistence	0	0	100	0	0	-5	0	24
Credit referencing sovereigns								
Volume	0	0	100	0	0	-12	0	19
Duration and persistence	0	0	100	0	0	-6	0	19
Credit referencing corporates								
Volume	0	0	100	0	0	-11	0	19
Duration and persistence	0	0	100	0	0	-6	0	19
Credit referencing structured credit products								
Volume	0	0	100	0	0	-11	0	19
Duration and persistence	0	0	100	0	0	-6	0	19
Equity								
Volume	0	0	100	0	0	-10	0	22
Duration and persistence	0	0	100	0	0	-5	0	22
Commodity								
Volume	0	0	100	0	0	-17	0	19
Duration and persistence	0	0	100	0	0	-6	0	19
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	-7	0	18
Duration and persistence	0	0	100	0	0	-7	0	18

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
						Jun. 2017	Sep. 2017	
Margin call practices	8	12	81	0	0	+31	+19	26
Acceptable collateral	4	12	77	8	0	+35	+8	26
Recognition of portfolio or diversification benefits	0	0	100	0	0	-4	0	25
Covenants and triggers	0	15	81	4	0	+12	+12	26
Other documentation features	0	8	92	0	0	+20	+8	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
						Jun. 2017	Sep. 2017	
Posting of non-standard collateral	0	18	77	5	0	-4	+14	22

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

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