

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

December 2019

The Eurosystem conducts a quarterly qualitative survey on credit terms and conditions in euro-denominated securities financing transaction and over-the-counter (OTC) derivatives markets. This survey is a follow-up to the recommendation in the Committee on the Global Financial System study group report on “The role of margin requirements and haircuts in procyclicality”, published in March 2010. 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** – credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets;
2. **Securities financing** – 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 provided, rather than the currency of the loan. For OTC derivatives, at least one of the legs of the contract should be denominated in euro.

Survey participants are **large banks and dealers** active in targeted euro-denominated markets.

Reporting institutions should report on their **global credit terms** – the survey is aimed at the senior credit officers responsible for having an overview of 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 a receiver of credit from other firms).

The questions focus on how terms have tightened or eased over the past three months, regardless of longer-term norms, why they have changed, and expectations for the future. 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.

December 2019 SESFOD results

(Reference period from September to November 2019)

The December 2019 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between September and November 2019. Responses were collected from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area.

Highlights

Credit terms offered to counterparties were, on balance, broadly unchanged between September and November 2019 in both the securities financing market and the OTC derivatives market. Price terms eased, whereas non-price terms tightened. An improvement in liquidity conditions, competitive pressure and greater availability of balance sheet capacity were the main drivers underlying the easing of price terms. Looking ahead, survey respondents expected terms to remain broadly unchanged over the next three months. However, they reported that over the past three months all counterparty types had intensified their efforts to negotiate more favourable price and non-price terms.

As regards the provision of financing collateralised by euro-denominated securities, the maximum amount of funding offered continued to decline, especially for funding secured with government bonds, asset-backed securities or high-quality financial and non-financial corporate bonds. At the same time the maximum maturity of funding was broadly unchanged, and haircuts decreased slightly for some clients. Financing rates/spreads offered remained broadly unchanged for funding secured with all types of collateral except asset-backed securities. Demand for funding strengthened across all types of collateral other than high-yield corporate bonds. For most types of collateral, this follows four consecutive reference periods of falling demand.

For non-centrally cleared OTC derivatives, initial margin requirements increased somewhat. Liquidity and trading deteriorated slightly for credit-referencing derivatives.

The December 2019 survey also included special questions about market-making activities. Overall, market-making activities increased for debt securities and decreased for derivatives over the past year. Respondents reported an increase in market-making for the majority of asset types covered by the survey, especially domestic government bonds, asset-backed securities, high-quality non-financial corporate bonds and convertible securities, but not derivatives or high-quality (non-domestic) government bonds. Institutions expected their market-making activities to increase further in 2020, in particular for high-quality financial corporate bonds, domestic government bonds and high-quality non-financial corporate bonds. Respondents expressed continued strong confidence in their ability to act as market-

makers in times of stress for all asset classes except high-yield corporate bonds. Confidence was strongest in relation to derivatives, domestic government bonds and covered bonds.

Counterparty types

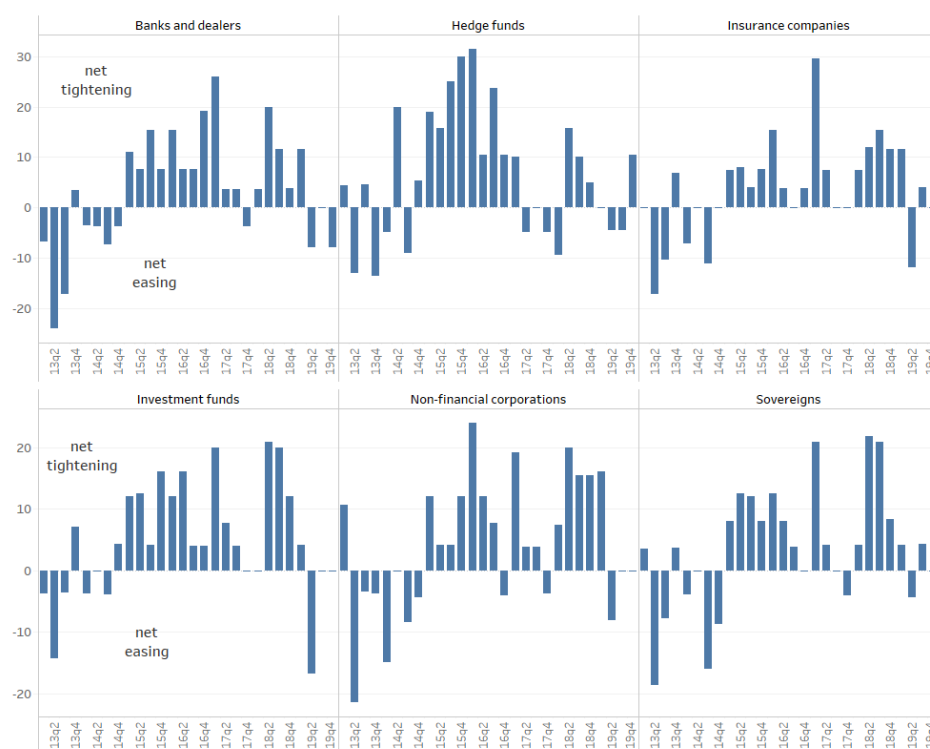
Credit terms and conditions were, on balance, almost unchanged. However, the overall assessment hides the fact that a net percentage of respondents reported an easing of credit terms offered to banks and dealers, while terms offered to hedge funds were tightened. Credit terms and conditions for other types of counterparty were generally unchanged for both financing collateralised by securities and OTC derivatives transactions over the reference period (see Chart A). The easing expectations expressed in the September 2019 survey materialised in the case of banking and dealer counterparties, but not in the case of all other counterparties, particularly hedge funds, for which the opposite was the case.

Respondents reporting an easing of credit terms and conditions offered to banks and dealers attributed this to an improvement in general liquidity and market functioning, combined with competitive pressures from other institutions and greater availability of balance sheet capacity at their own institution.

Chart A

Changes in overall credit terms offered to counterparties across all transaction types

(Q1 2013 - Q4 2019; net percentages of survey respondents)



Source: ECB.

Note: Net percentages are defined as the difference between the percentage of respondents reporting "tightened somewhat" or "tightened considerably" and the percentage reporting "eased somewhat" or "eased considerably".

Looking ahead, respondents expect overall terms to remain broadly unchanged over the next three months. In net terms, 5% of respondent expected less favourable credit terms for sovereigns, insurance companies and investment funds. For hedge funds, a net 5% of respondent expected more favourable overall credit terms.

The practices of central counterparties (CCPs) did not, on balance, influence credit terms over the reference period. A similar assessment has been reported for the last three reference periods.

Attention devoted to the management of concentrated credit exposures to large banks and CCPs increased further in the reference period. Reporting banks said they had further increased the resources and attention they devoted to the management of concentrated credit exposures, both for CCPs (15% of respondents in net terms) and for banks and dealers (4% of respondents in net terms). Significant increases had already been reported in the previous SESFOD surveys.

The use of financial leverage decreased for hedge funds and remained unchanged for insurance companies and investment firms. One respondent reported that the availability of unused financial leverage had decreased for hedge funds.

Pressure from clients to obtain more favourable conditions increased over the reference period. Respondents reported that all counterparty types had intensified their efforts to negotiate more favourable price and non-price terms over the past three months. This largely represents a continuation of the developments observed in previous survey rounds.

The provision of differentiated terms to most-favoured clients increased slightly over the reference period. Respondents indicated that their institutions offered better terms compared with the previous three months for non-financial corporations, insurance companies and investment funds. Respondents had reduced their provision of differentiated terms to banks and dealers.

Valuation disputes: respondents on balance reported very little change in terms of volume, duration and persistence.

Securities financing

The maximum amount of funding offered against euro-denominated collateral continued to decline, for both average and most-favoured clients. Responses to the December 2019 survey point to a continuing decline in the maximum amount of funding offered to clients against collateral in the form of euro-denominated government bonds and asset-backed securities as well as, to a lesser extent, high-quality non-financial corporate bonds, equities and convertible securities.

The maximum maturity of funding against euro-denominated collateral was broadly unchanged across most asset types. Survey respondents only reported an increase in the maximum maturity of funding secured by euro-denominated asset-backed securities, high-quality financial and non-financial corporate bonds, and equities, for average or most-favoured clients.

Haircuts applied to euro-denominated collateral decreased slightly for some clients. For most-favoured clients, survey respondents reported a slight decrease in haircuts for almost all types of euro-denominated collateral covered by the survey, whereas for average clients they reported broadly unchanged haircuts.

Financing rates/spreads remained broadly unchanged for funding secured by all types of collateral except asset-backed securities. For average clients, a small net percentage of respondents reported an increase in financing rates/spreads for funding secured by asset-backed securities and to a lesser extent by high-yield corporate bonds. For most-favoured clients, small net percentages of respondents reported declines in financing rates/spreads for many collateral types, notably convertible securities, various types of corporate and equities. A small net percentage of respondents reported that funding rates/spreads had increased for funding secured by high-quality (non-domestic) government bonds and asset-backed securities.

The use of CCPs for funding secured by euro-denominated government bonds and corporate bonds declined. In line with the previous SESFOD survey, responses to the December 2019 survey indicated only small changes in the use of CCPs for many types of collateral. Notably, several respondents indicated that both their average and most-favoured clients had reduced their use of CCPs for funding secured by domestic government or high-quality corporate bonds.

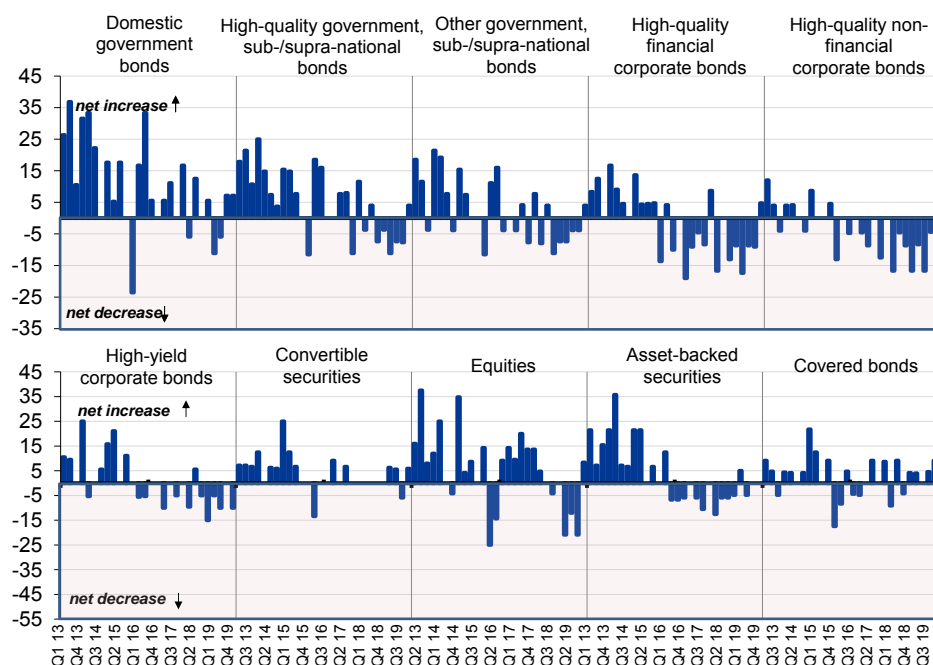
Covenants and triggers for corporate bonds eased slightly. For most-favoured clients, survey responses show that covenants and triggers for funding secured by high-quality financial and non-financial corporate bonds as well as high-yield corporate bonds became somewhat less restrictive over the reference period.

Demand for funding strengthened. Respondents reported an increase in demand for term funding collateralised by, in particular, domestic government bonds, asset-backed securities, high-quality financial corporate bonds and high-yield corporate bonds. Respondents also reported stronger demand for funding in general across all types of collateral except high-yield corporate bonds (see Chart B). For most types of collateral, this follows four consecutive reference periods of falling demand.

Chart B

Changes in demand for funding

(Q1 2013 - Q4 2019; net percentages of survey respondents)



Source: ECB.

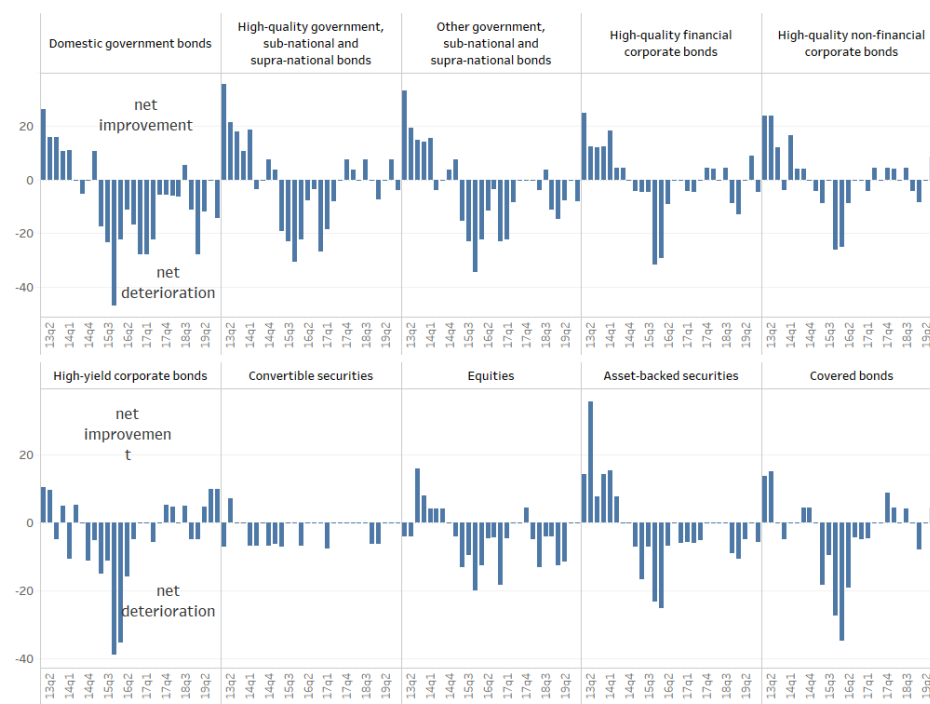
Note: Net percentages are defined as the difference between the percentage of respondents reporting "increased somewhat" or "increased considerably" and the percentage reporting "decreased somewhat" or "decreased considerably".

The liquidity of collateral deteriorated slightly. A number of respondents reported a worsening in the liquidity and functioning of the markets for government bonds, high-quality financial corporate bonds and asset-backed securities (see Chart C). Respondents assessed conditions in other markets as broadly unchanged, except for the high-yield corporate bond market, where they reported an improvement in liquidity and functioning.

Chart C

Changes in the liquidity and functioning of markets

(Q1 2013 - Q3 2019; net percentages of survey respondents)



Source: ECB.

Note: Net percentages are defined as the difference between the percentage of respondents reporting "improved somewhat" or "improved considerably" and the percentage reporting "deteriorated somewhat" or "deteriorated considerably".

The level of collateral valuation disputes remained unchanged. As in previous surveys, respondents indicated that the volume, persistence and duration of valuation disputes had remained essentially unchanged over the three-month reference period for the various types of collateral covered by the survey.

Non-centrally cleared OTC derivatives

On balance, initial margin requirements increased somewhat. A small net percentage of respondents reported that their institutions had increased initial margin requirements for OTC foreign exchange, interest rate, credit-referencing and commodity derivatives.

Credit limits were broadly unchanged. Small net percentages of respondents reported that the maximum exposure and maximum maturity of trades had increased for foreign exchange, equity and commodity derivatives, while they had decreased for interest rate derivatives and credit-referencing structured credit products.

Liquidity and trading improved slightly for some derivatives. A small net percentage of survey respondents indicated that liquidity and trading had improved slightly for credit derivatives. Liquidity and trading remained broadly unchanged for all other derivative types.

Valuation disputes increased slightly in some areas. Small net percentages of respondents reported that the volume of disputes relating to interest rate, foreign exchange and credit-referencing corporate derivatives had increased somewhat while the volume of disputes relating to equity derivatives had decreased somewhat over the reference period.

Respondents reported a continued tightening of margin call practices and other features in new or renegotiated master agreements. At the same time, and as reported in the past two surveys, a small net percentage reported an easing of other non-price terms including acceptable collateral and the recognition of portfolio or diversification benefits.

The posting of non-standard collateral increased slightly. As in the previous survey, a small net percentage of respondents reported that the posting of non-standard collateral had increased somewhat.

Special questions

Market-making activities

The December 2019 survey included a number of special questions about market-making activities, with respondents being asked, for example, how their market-making activities had changed over the past year, how such activities were expected to change in 2020, and how they assessed their ability to act as market-makers in times of stress. Similar special questions have been asked in previous December rounds of the survey, allowing longer-term trends to be identified.

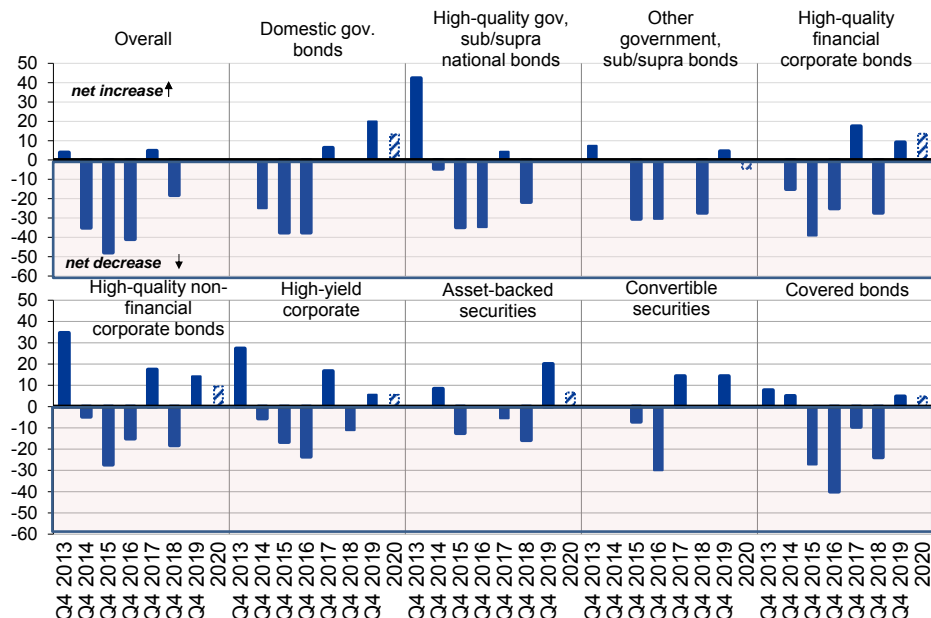
Market-making activities increased for debt securities and decreased for derivatives over the past year. This increase in market-making activities was particularly visible for domestic government bonds, asset-backed securities, high-quality non-financial corporate bonds, and convertible securities (see Chart D). Respondents reported slightly increasing market-making activities for most other asset classes (except high-quality (non-domestic) government bonds and derivatives) following the decrease recorded the previous year (see Chart D).

Market-making activities are expected to increase further in 2020. For most asset classes covered by the survey, small net percentages of respondents expected their market-making activities to increase in 2020 (see Chart D). The strongest expectations of an increase, in net terms, were reported for high-quality financial corporate bonds (14%), domestic government bonds (13%) and high-quality non-financial corporate bonds (10%). The only exception was other (non-domestic) government, sub-national and supra-national bonds, for which 5% of respondents, in net terms, expected their market-making activities to decrease.

Chart D

Changes and expected changes in market-making activities

(Q4 2013 - Q4 2019; net percentages of survey respondents)



Source: ECB.

Notes: Net percentages are defined as the difference between the percentage of respondents reporting "increased/likely to increase somewhat" or "increased/likely to increase considerably" and those reporting "decreased/likely to decrease somewhat" or "decreased/likely to decrease considerably". The values for 2019 are taken from the answers to the questions on expected changes reported in December 2018. The values for the fourth quarter of 2013 represent average changes during the period from the fourth quarter of 2008 to the fourth quarter of 2013.

Reasons for changes and expected changes: the main reasons given by respondents for the increase in market-making activities over the past year were an increased willingness to take on risk, increased profitability of market-making activities, the growing importance of electronic trading platforms and increased competition from other banks. Survey respondents also identified the willingness to take on risk, the growing importance of electronic trading platforms and the profitability of market-making activities as drivers of increased market-making activities in the year ahead.

Respondents were reasonably confident of their ability to act as market-makers in times of stress for all asset classes except high-yield corporate bonds. Respondents' confidence in their ability to act as market-makers in times of stress was strongest in relation to derivatives, domestic government bonds and covered bonds, with 80-91% of respondents assessing their capacity as either "moderate" or "good" for such instruments. Respondents were also reasonably confident of their ability to act as market-makers in times of stress for the other asset classes covered by the survey, with 55% to 75% of respondents rating market-making capacity as either "moderate" or "good". Respondents were not confident, however, in their ability to make markets for high-yield corporate bonds in times of stress, with 66% of respondents reporting only "limited" or "very limited" ability to act as market-makers in times of stress.

Compared with the results of the December 2018 survey, this survey showed a change in respondents' confidence in their ability to act as market-makers in times of stress (see Chart E). While, as in December 2018, more respondents described their ability to act as market-makers in times of stress as either "good" or "moderate" than "limited" or "very limited", the number of respondents selecting "good" rose compared with a year earlier, and the number selecting "moderate" fell. For derivatives, more banks characterised their ability to act as market-makers in times of stress as "good" or "moderate" compared with a year ago. Interestingly, unlike in the previous December SESFOD survey, no respondent reported market-making ability as "very limited". For debt securities, significantly more banks described their ability to act as market-makers in times of stress as "good" and fewer banks said it was either "limited" or "very limited".

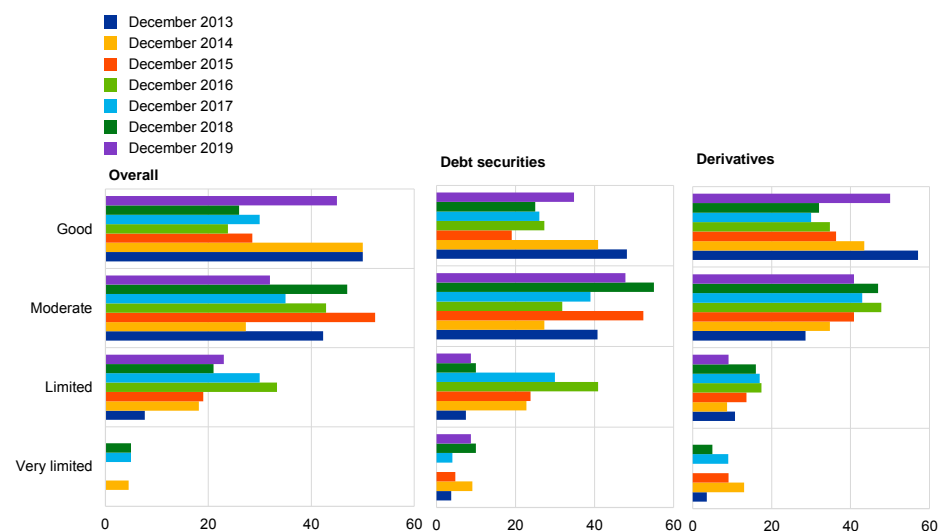
Reasons for banks' (in)ability to act as market-makers in times of stress:

survey respondents explained limited market-making ability for high-yield corporate bonds as stemming from a reduced willingness to take on risk with respect to this asset type, constraints imposed by internal risk management (e.g. Value at Risk) and the scarcity of hedging instruments. Banks reporting "moderate" or "good" market-making ability for debt securities or derivatives in strained market conditions typically cited a willingness to take on risks, the availability of hedging instruments, the profitability of market-making activities and the availability of balance sheet capacity or capital at their institutions.

Chart E

Ability to act as a market-maker in times of stress

(Q4 2013 - Q4 2019; percentages of survey respondents)



Source: ECB.

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
						Sep. 2019	Dec. 2019	
Banks and dealers								
Price terms	0	4	85	12	0	+4	-8	26
Non-price terms	0	4	96	0	0	+12	+4	26
Overall	0	4	84	12	0	0	-8	25
Hedge funds								
Price terms	0	11	89	0	0	0	+11	19
Non-price terms	0	5	95	0	0	-5	+5	20
Overall	0	11	89	0	0	-5	+11	19
Insurance companies								
Price terms	0	8	85	8	0	+11	0	26
Non-price terms	0	4	92	4	0	0	0	26
Overall	0	8	84	8	0	+4	0	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	8	84	8	0	+8	0	25
Non-price terms	0	8	92	0	0	+8	+8	25
Overall	0	8	83	8	0	0	0	24
Non-financial corporations								
Price terms	0	4	92	4	0	0	0	25
Non-price terms	0	4	96	0	0	0	+4	25
Overall	0	4	92	4	0	0	0	24
Sovereigns								
Price terms	0	4	91	4	0	+12	0	23
Non-price terms	0	4	96	0	0	+4	+4	23
Overall	0	5	91	5	0	+4	0	22
All counterparties above								
Price terms	0	4	88	8	0	0	-4	25
Non-price terms	0	4	96	0	0	+4	+4	24
Overall	0	4	88	8	0	0	-4	24

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		Total number of answers
						Sep. 2019	Dec. 2019	
Banks and dealers								
Price terms	0	4	88	8	0	-7	-4	26
Non-price terms	0	4	92	4	0	-4	0	26
Overall	0	8	84	8	0	-8	0	25
Hedge funds								
Price terms	0	0	95	5	0	0	-5	19
Non-price terms	0	0	95	5	0	-5	-5	20
Overall	0	0	95	5	0	0	-5	19
Insurance companies								
Price terms	0	4	92	4	0	-4	0	26
Non-price terms	0	4	88	8	0	-11	-4	26
Overall	0	8	88	4	0	-4	+4	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	4	92	4	0	-8	0	25
Non-price terms	0	4	92	4	0	-8	0	25
Overall	0	8	88	4	0	-8	+4	24
Non-financial corporations								
Price terms	0	4	88	8	0	-4	-4	25
Non-price terms	0	4	88	8	0	0	-4	25
Overall	0	8	83	8	0	+4	0	24
Sovereigns								
Price terms	0	4	91	4	0	-4	0	23
Non-price terms	0	4	91	4	0	-8	0	23
Overall	0	9	86	5	0	-4	+5	22
All counterparties above								
Price terms	0	4	88	8	0	-8	-4	25
Non-price terms	0	4	88	8	0	-8	-4	24
Overall	0	8	83	8	0	-8	0	24

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)

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2019	Dec. 2019
Price terms					
Possible reasons for tightening					
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	14	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	43	0
Competition from other institutions	0	0	0	0	0
Other	100	100	100	0	100
Total number of answers	1	1	1	7	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	33	22	22
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	33	11	11
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	67	33	33	33
Other	0	0	0	0	0
Total number of answers	3	3	3	9	9
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	20	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	40	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	40	0
Competition from other institutions	0	0	0	0	0
Other	100	100	100	0	100
Total number of answers	1	1	1	5	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	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 [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)

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2019	Dec. 2019
Price terms					
Possible reasons for tightening					
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	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	50	0
Competition from other institutions	0	0	0	0	0
Other	100	100	100	0	100
Total number of answers	1	1	1	2	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	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	0	0
Total number of answers	0	0	0	3	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)	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	100	100	0	100
Total number of answers	1	1	1	0	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	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 [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)

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2019	Dec. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	25	0
Willingness of your institution to take on risk	0	0	0	25	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	38	0
Competition from other institutions	0	0	0	13	0
Other	100	100	100	0	100
Total number of answers	1	1	1	8	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	0	17
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	50	33	17
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	50	50	33	33
Other	0	0	0	0	0
Total number of answers	2	2	2	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	50	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	50	0
Competition from other institutions	0	0	0	0	0
Other	100	100	100	0	100
Total number of answers	1	1	1	2	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	100	33	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	33	33
Other	100	0	0	0	33
Total number of answers	1	1	1	3	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)

(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		
				Sep. 2019	Dec. 2019	
Price terms						
Possible reasons for tightening						
Current or expected financial strength of counterparties	0	0	0	25	0	
Willingness of your institution to take on risk	0	0	0	25	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	38	0	
Competition from other institutions	0	0	0	13	0	
Other	100	100	100	0	100	
Total number of answers	1	1	1	8	3	
Possible reasons for easing						
Current or expected financial strength of counterparties	0	50	0	17	17	
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	50	17	17	
General market liquidity and functioning	100	0	0	33	33	
Competition from other institutions	0	50	50	33	33	
Other	0	0	0	0	0	
Total number of answers	2	2	2	6	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	33	0	
Adoption of new market conventions (e.g. ISDA protocols)	50	0	0	33	25	
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	0	0	
Other	50	100	100	0	75	
Total number of answers	2	1	1	3	4	
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 [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)

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2019	Dec. 2019
Price terms					
Possible reasons for tightening					
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	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	0	0
Other	100	100	100	0	100
Total number of answers	1	1	1	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	25	33
General market liquidity and functioning	100	0	0	25	33
Competition from other institutions	0	100	0	50	33
Other	0	0	0	0	0
Total number of answers	1	1	1	4	3
Non-price terms					
Possible reasons for tightening					
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	33	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	100	100	0	100
Total number of answers	1	1	1	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	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 [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)

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2019	Dec. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	25	0
Willingness of your institution to take on risk	0	0	0	25	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	38	0
Competition from other institutions	0	0	0	13	0
Other	100	100	100	0	100
Total number of answers	1	1	1	8	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	33	33
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	100	0	33	33
Other	0	0	0	0	0
Total number of answers	1	1	1	3	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	50	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	50	0
Competition from other institutions	0	0	0	0	0
Other	100	100	100	0	100
Total number of answers	1	1	1	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	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
						Sep. 2019	Dec. 2019	
Practices of CCPs	0	7	86	7	0	0	0	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
						Sep. 2019	Dec. 2019	
Banks and dealers	0	4	88	4	4	-4	-4	26
Central counterparties	0	0	85	8	8	-15	-15	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".

1.4 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
						Sep. 2019	Dec. 2019	
Hedge funds								
Use of financial leverage	0	11	84	5	0	+15	+5	19
Availability of unutilised leverage	0	5	95	0	0	+5	+5	19
Insurance companies								
Use of financial leverage	0	0	100	0	0	-4	0	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	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".

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
						Sep. 2019	Dec. 2019	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	-4	-4	26
Provision of differential terms to most-favoured clients	0	4	96	0	0	+4	+4	25
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	5	80	15	0	+5	-10	20
Provision of differential terms to most-favoured clients	0	5	89	5	0	+10	0	19
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	85	15	0	-19	-15	27
Provision of differential terms to most-favoured clients	0	0	92	8	0	-12	-8	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-4	-12	26
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-4	24
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	85	15	0	-12	-15	27
Provision of differential terms to most-favoured clients	0	0	92	8	0	-4	-8	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
						Sep. 2019	Dec. 2019	
Banks and dealers								
Volume	0	4	89	7	0	0	-4	27
Duration and persistence	0	4	89	7	0	+8	-4	27
Hedge funds								
Volume	0	10	86	5	0	+5	+5	21
Duration and persistence	0	5	95	0	0	0	+5	21
Insurance companies								
Volume	0	4	88	8	0	-8	-4	26
Duration and persistence	0	0	100	0	0	+4	0	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	4	0	92	4	0	-4	0	26
Duration and persistence	0	4	96	0	0	+4	+4	26
Non-financial corporations								
Volume	4	4	89	4	0	-8	+4	27
Duration and persistence	0	4	96	0	0	0	+4	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".

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
						Sep. 2019	Dec. 2019	
Domestic government bonds								
Maximum amount of funding	0	21	71	7	0	+14	+14	14
Maximum maturity of funding	7	7	71	14	0	+7	0	14
Haircuts	0	7	93	0	0	0	+7	14
Financing rate/spread	0	14	71	14	0	0	0	14
Use of CCPs	0	14	86	0	0	-7	+14	14
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	88	4	0	+4	+4	26
Maximum maturity of funding	0	4	96	0	0	+4	+4	26
Haircuts	0	0	100	0	0	+4	0	26
Financing rate/spread	0	8	85	8	0	+4	0	26
Use of CCPs	0	4	96	0	0	0	+4	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	92	0	0	0	+8	26
Maximum maturity of funding	0	4	96	0	0	0	+4	26
Haircuts	0	0	100	0	0	+4	0	26
Financing rate/spread	0	8	88	4	0	+4	+4	26
Use of CCPs	0	4	96	0	0	0	+4	24
High-quality financial corporate bonds								
Maximum amount of funding	0	9	83	9	0	0	0	23
Maximum maturity of funding	0	9	78	13	0	+9	-4	23
Haircuts	0	0	100	0	0	+4	0	23
Financing rate/spread	4	9	78	9	0	+17	+4	23
Use of CCPs	0	11	89	0	0	+11	+11	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	13	79	8	0	+8	+4	24
Maximum maturity of funding	0	8	83	8	0	+13	0	24
Haircuts	0	0	96	4	0	+4	-4	24
Financing rate/spread	4	4	83	8	0	+13	0	24
Use of CCPs	0	5	95	0	0	+11	+5	20
High-yield corporate bonds								
Maximum amount of funding	0	5	89	5	0	0	0	19
Maximum maturity of funding	0	5	95	0	0	+5	+5	19
Haircuts	0	0	100	0	0	+5	0	19
Financing rate/spread	0	0	95	5	0	+5	-5	19
Use of CCPs	0	7	93	0	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". "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)

(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
						Sep. 2019	Dec. 2019	
Convertible securities								
Maximum amount of funding	0	6	94	0	0	0	+6	16
Maximum maturity of funding	0	6	88	6	0	+6	0	16
Haircuts	0	0	100	0	0	+6	0	16
Financing rate/spread	0	6	94	0	0	+17	+6	16
Use of CCPs	0	0	92	8	0	0	-8	13
Equities								
Maximum amount of funding	0	8	88	4	0	+8	+4	25
Maximum maturity of funding	0	4	88	8	0	+4	-4	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	12	76	8	4	+8	0	25
Use of CCPs	0	0	94	6	0	-6	-6	18
Asset-backed securities								
Maximum amount of funding	0	17	78	6	0	0	+11	18
Maximum maturity of funding	0	0	89	11	0	0	-11	18
Haircuts	0	6	94	0	0	+10	+6	18
Financing rate/spread	0	6	76	18	0	+5	-12	17
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	0	5	91	5	0	0	0	22
Maximum maturity of funding	0	9	86	5	0	+9	+5	22
Haircuts	0	0	100	0	0	+4	0	22
Financing rate/spread	0	9	86	5	0	+9	+5	22
Use of CCPs	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".

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)

	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
Terms for most-favoured clients						Sep. 2019	Dec. 2019	
Domestic government bonds								
Maximum amount of funding	7	7	71	14	0	+7	0	14
Maximum maturity of funding	0	14	71	14	0	+7	0	14
Haircuts	0	7	93	0	0	0	+7	14
Financing rate/spread	0	14	71	14	0	-7	0	14
Use of CCPs	0	14	79	7	0	-7	+7	14
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	4	88	4	0	+4	+4	26
Maximum maturity of funding	0	8	92	0	0	+4	+8	26
Haircuts	0	4	96	0	0	+4	+4	26
Financing rate/spread	0	8	81	12	0	+4	-4	26
Use of CCPs	0	4	92	4	0	0	0	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	92	0	0	0	+8	26
Maximum maturity of funding	0	8	92	0	0	0	+8	26
Haircuts	0	4	96	0	0	+4	+4	26
Financing rate/spread	0	8	85	8	0	0	0	26
Use of CCPs	0	4	92	4	0	0	0	24
High-quality financial corporate bonds								
Maximum amount of funding	0	5	95	0	0	+9	+5	22
Maximum maturity of funding	0	5	86	9	0	+9	-5	22
Haircuts	0	9	91	0	0	+9	+9	22
Financing rate/spread	5	9	77	9	0	+13	+5	22
Use of CCPs	0	6	94	0	0	+6	+6	18
High-quality non-financial corporate bonds								
Maximum amount of funding	0	8	79	13	0	0	-4	24
Maximum maturity of funding	0	4	83	13	0	+4	-8	24
Haircuts	0	4	92	4	0	+4	0	24
Financing rate/spread	4	8	79	8	0	+17	+4	24
Use of CCPs	0	0	100	0	0	+5	0	20
High-yield corporate bonds								
Maximum amount of funding	0	5	90	5	0	-5	0	21
Maximum maturity of funding	0	5	95	0	0	+5	+5	21
Haircuts	0	5	95	0	0	+5	+5	21
Financing rate/spread	5	5	81	10	0	+14	0	21
Use of CCPs	0	6	94	0	0	0	+6	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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
						Sep. 2019	Dec. 2019	
Convertible securities								
Maximum amount of funding	0	6	94	0	0	0	+6	16
Maximum maturity of funding	0	6	94	0	0	+6	+6	16
Haircuts	0	6	94	0	0	+6	+6	16
Financing rate/spread	0	6	94	0	0	+18	+6	16
Use of CCPs	0	0	100	0	0	0	0	13
Equities								
Maximum amount of funding	0	8	88	4	0	+12	+4	24
Maximum maturity of funding	0	4	92	4	0	+8	0	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	13	79	4	4	+12	+4	24
Use of CCPs	0	0	100	0	0	0	0	18
Asset-backed securities								
Maximum amount of funding	0	11	89	0	0	0	+11	19
Maximum maturity of funding	0	0	89	11	0	0	-11	19
Haircuts	0	11	89	0	0	+11	+11	19
Financing rate/spread	0	5	84	11	0	+6	-5	19
Use of CCPs	0	0	100	0	0	0	0	13
Covered bonds								
Maximum amount of funding	4	0	91	4	0	0	0	23
Maximum maturity of funding	0	9	87	4	0	+9	+4	23
Haircuts	0	4	96	0	0	+4	+4	23
Financing rate/spread	0	9	83	9	0	+4	0	23
Use of CCPs	0	0	95	5	0	0	-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)

(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
						Sep. 2019	Dec. 2019	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	0	0	13
Terms for most-favoured clients	0	0	100	0	0	0	0	13
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	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	21
Terms for most-favoured clients	0	0	95	5	0	-5	-5	20
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	91	9	0	-10	-9	22
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	18
Terms for most-favoured clients	0	0	95	5	0	-5	-5	20
Convertible securities								
Terms for average clients	0	0	100	0	0	0	0	16
Terms for most-favoured clients	0	0	100	0	0	-6	0	16
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	15
Terms for most-favoured clients	0	0	100	0	0	0	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	22

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
						Sep. 2019	Dec. 2019	
Domestic government bonds								
Overall demand	0	7	79	14	0	-7	-7	14
With a maturity greater than 30 days	0	0	79	21	0	-7	-21	14
High-quality government, sub-national and supra-national bonds								
Overall demand	0	0	96	4	0	+8	-4	25
With a maturity greater than 30 days	0	0	92	8	0	0	-8	25
Other government, sub-national and supra-national bonds								
Overall demand	0	0	96	4	0	+4	-4	25
With a maturity greater than 30 days	0	0	92	8	0	-4	-8	25
High-quality financial corporate bonds								
Overall demand	0	0	95	5	0	+9	-5	21
With a maturity greater than 30 days	0	0	90	10	0	-5	-10	21
High-quality non-financial corporate bonds								
Overall demand	0	0	95	5	0	+4	-5	22
With a maturity greater than 30 days	0	0	91	9	0	-9	-9	22
High-yield corporate bonds								
Overall demand	0	10	90	0	0	0	+10	20
With a maturity greater than 30 days	0	0	90	10	0	-10	-10	20
Convertible securities								
Overall demand	0	0	94	6	0	+6	-6	17
With a maturity greater than 30 days	0	0	94	6	0	+6	-6	17
Equities								
Overall demand	0	8	75	13	4	+21	-8	24
With a maturity greater than 30 days	0	4	83	8	4	+21	-8	24
Asset-backed securities								
Overall demand	0	6	89	6	0	0	0	18
With a maturity greater than 30 days	0	0	83	17	0	0	-17	18
Covered bonds								
Overall demand	0	0	91	9	0	-5	-9	22
With a maturity greater than 30 days	0	0	91	9	0	-5	-9	22
All collateral types above								
Overall demand	0	5	86	9	0	+9	-5	22
With a maturity greater than 30 days	0	0	91	9	0	-4	-9	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". "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
						Sep. 2019	Dec. 2019	
Domestic government bonds								
Liquidity and functioning	0	21	71	7	0	0	+14	14
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	12	80	8	0	-8	+4	25
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	12	84	4	0	0	+8	25
High-quality financial corporate bonds								
Liquidity and functioning	0	5	95	0	0	-9	+5	21
High-quality non-financial corporate bonds								
Liquidity and functioning	0	5	91	5	0	-9	0	22
High-yield corporate bonds								
Liquidity and functioning	0	0	90	10	0	-10	-10	20
Convertible securities								
Liquidity and functioning	0	0	100	0	0	0	0	17
Equities								
Liquidity and functioning	0	4	92	0	4	0	0	24
Asset-backed securities								
Liquidity and functioning	0	6	94	0	0	0	+6	18
Covered bonds								
Liquidity and functioning	0	5	90	5	0	-5	0	21
All collateral types above								
Liquidity and functioning	0	4	91	4	0	-4	0	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
						Sep. 2019	Dec. 2019	
Domestic government bonds								
Volume	0	0	100	0	0	0	0	13
Duration and persistence	0	0	100	0	0	0	0	13
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	0	0	24
Duration and persistence	0	0	100	0	0	0	0	24
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	0	0	24
Duration and persistence	0	0	100	0	0	0	0	24
High-quality financial corporate bonds								
Volume	0	0	100	0	0	0	0	20
Duration and persistence	0	0	100	0	0	0	0	20
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	0	0	20
Duration and persistence	0	0	100	0	0	0	0	20
High-yield corporate bonds								
Volume	0	0	100	0	0	0	0	18
Duration and persistence	0	0	100	0	0	0	0	18
Convertible securities								
Volume	0	0	100	0	0	0	0	15
Duration and persistence	0	0	100	0	0	0	0	15
Equities								
Volume	0	0	100	0	0	0	0	21
Duration and persistence	0	0	95	5	0	0	-5	21
Asset-backed securities								
Volume	0	0	100	0	0	0	0	17
Duration and persistence	0	0	100	0	0	0	0	17
Covered bonds								
Volume	0	0	100	0	0	0	0	20
Duration and persistence	0	0	100	0	0	0	0	20
All collateral types above								
Volume	0	0	100	0	0	-5	0	22
Duration and persistence	0	0	100	0	0	-5	0	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". "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
						Sep. 2019	Dec. 2019	
Foreign exchange								
Average clients	0	0	86	9	5	-9	-14	22
Most-favoured clients	0	0	86	9	5	-5	-14	22
Interest rates								
Average clients	0	0	95	0	5	-5	-5	21
Most-favoured clients	0	0	95	0	5	-5	-5	21
Credit referencing sovereigns								
Average clients	0	0	94	0	6	0	-6	18
Most-favoured clients	0	0	94	0	6	0	-6	18
Credit referencing corporates								
Average clients	0	0	95	0	5	0	-5	20
Most-favoured clients	0	0	95	0	5	0	-5	20
Credit referencing structured credit products								
Average clients	0	0	100	0	0	0	0	19
Most-favoured clients	0	0	100	0	0	0	0	19
Equity								
Average clients	0	5	95	0	0	-5	+5	19
Most-favoured clients	0	5	95	0	0	-5	+5	19
Commodity								
Average clients	0	0	94	0	6	-6	-6	18
Most-favoured clients	0	0	94	0	6	-6	-6	18
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	0	0	16
Most-favoured clients	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 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
						Sep. 2019	Dec. 2019	
Foreign exchange								
Maximum amount of exposure	0	4	88	0	8	-4	-4	24
Maximum maturity of trades	0	0	96	4	0	-4	-4	23
Interest rates								
Maximum amount of exposure	0	9	87	0	4	+4	+4	23
Maximum maturity of trades	0	5	95	0	0	-4	+5	22
Credit referencing sovereigns								
Maximum amount of exposure	0	6	88	0	6	0	0	17
Maximum maturity of trades	0	0	100	0	0	0	0	16
Credit referencing corporates								
Maximum amount of exposure	0	5	89	0	5	0	0	19
Maximum maturity of trades	0	0	100	0	0	0	0	18
Credit referencing structured credit products								
Maximum amount of exposure	0	6	94	0	0	0	+6	18
Maximum maturity of trades	0	0	100	0	0	0	0	17
Equity								
Maximum amount of exposure	0	0	94	6	0	+5	-6	18
Maximum maturity of trades	0	0	100	0	0	0	0	18
Commodity								
Maximum amount of exposure	0	0	94	0	6	0	-6	18
Maximum maturity of trades	0	0	94	6	0	0	-6	17
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	0	0	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
						Sep. 2019	Dec. 2019	
Foreign exchange								
Liquidity and trading	0	0	100	0	0	+4	0	23
Interest rates								
Liquidity and trading	0	9	82	9	0	+12	0	22
Credit referencing sovereigns								
Liquidity and trading	0	0	94	6	0	0	-6	16
Credit referencing corporates								
Liquidity and trading	0	0	94	6	0	0	-6	18
Credit referencing structured credit products								
Liquidity and trading	0	0	94	6	0	0	-6	18
Equity								
Liquidity and trading	0	6	89	6	0	+10	0	18
Commodity								
Liquidity and trading	0	0	100	0	0	0	0	17
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)

(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
						Sep. 2019	Dec. 2019	
Foreign exchange								
Volume	0	0	96	4	0	+4	-4	24
Duration and persistence	0	0	100	0	0	0	0	24
Interest rates								
Volume	0	0	92	8	0	0	-8	24
Duration and persistence	0	0	91	9	0	-4	-9	23
Credit referencing sovereigns								
Volume	0	0	100	0	0	0	0	17
Duration and persistence	0	0	100	0	0	0	0	17
Credit referencing corporates								
Volume	0	0	95	5	0	0	-5	19
Duration and persistence	0	0	100	0	0	0	0	19
Credit referencing structured credit products								
Volume	0	0	100	0	0	0	0	17
Duration and persistence	0	0	100	0	0	0	0	17
Equity								
Volume	0	5	95	0	0	+5	+5	20
Duration and persistence	0	0	100	0	0	+5	0	19
Commodity								
Volume	0	6	94	0	0	-5	+6	18
Duration and persistence	0	0	94	6	0	0	-6	17
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	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".

3.2 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
						Sep. 2019	Dec. 2019	
Margin call practices	0	4	96	0	0	+8	+4	25
Acceptable collateral	0	0	92	8	0	-12	-8	25
Recognition of portfolio or diversification benefits	0	0	92	8	0	-4	-8	25
Covenants and triggers	0	0	100	0	0	-4	0	24
Other documentation features	0	4	96	0	0	+19	+4	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
						Sep. 2019	Dec. 2019	
Posting of non-standard collateral	0	4	88	8	0	-4	-4	24

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

Special questions

5.1 Market-making activities

Changes in market-making activities

How have the market-making activities of your institution for [debt securities/ derivatives/ overall] changed over the past year?

Table 28

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

Changes over past year	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage	Total number of answers
Debt securities	0	17	63	21	0	-4	24
Derivatives	5	9	77	5	5	+5	22
Overall	0	14	71	14	0	0	21
Domestic government bonds	0	7	67	20	7	-20	15
High-quality government, sub-national and supra-national bonds	0	14	73	14	0	0	22
Other government, sub-national and supra-national bonds	0	9	77	14	0	-5	22
High-quality financial corporate bonds	0	9	73	18	0	-9	22
High-quality non-financial corporate bonds	5	5	67	24	0	-14	21
High-yield corporate bonds	0	11	72	17	0	-6	18
Convertible securities	0	0	86	7	7	-14	14
Asset-backed securities	0	0	80	20	0	-20	15
Covered bonds	0	19	57	24	0	-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".

Expected changes in market-making activities

How are the market-making activities of your institution for [debt securities/ derivatives/ overall] likely to change in 2020?

Table 29

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

Expected changes in 2020	Likely to decrease considerably	Likely to decrease somewhat	Likely to remain unchanged	Likely to increase somewhat	Likely to increase considerably	Net percentage	Total number of answers
Debt securities	0	9	74	17	0	-9	23
Derivatives	0	5	86	9	0	-5	22
Overall	0	14	71	14	0	0	21
Domestic government bonds	0	7	73	20	0	-13	15
High-quality government, sub-national and supra-national bonds	0	9	82	9	0	0	22
Other government, sub-national and supra-national bonds	0	9	86	5	0	+5	22
High-quality financial corporate bonds	0	5	77	18	0	-14	22
High-quality non-financial corporate bonds	0	5	81	14	0	-10	21
High-yield corporate bonds	0	0	94	6	0	-6	18
Convertible securities	0	0	100	0	0	0	14
Asset-backed securities	0	0	93	7	0	-7	15
Covered bonds	0	10	76	14	0	-5	21

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

Reasons for changes in market-making activities over the past year

To the extent that market-making activities of your institution for [debt securities/ derivatives] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	67	27
Competition from other banks	0	50	0	18
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	25	0	0	9
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	25	0	9
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	25	33	36
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	4	4	3	11
Possible reasons for an increase				
Willingness of your institution to take on risk	75	0	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	25	0	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	10
Availability of hedging instruments	0	25	0	10
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	50	0	20
Profitability of market making activities	0	0	100	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	4	4	2	10
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	33	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	0	20
Growing importance of electronic trading platforms	0	100	0	20
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	100	20
Other (please specify below)	0	0	0	0
Total number of answers	3	1	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	100	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	50	0	40
Profitability of market making activities	0	50	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	20
Total number of answers	2	2	1	5

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	50	25
Competition from other banks	0	33	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	33	0	0	13
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	33	0	13
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	33	50	38
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	3	3	2	8
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	67	0	38
Profitability of market making activities	0	0	50	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	33	50	38
Total number of answers	3	3	2	8
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	33
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	1	1	3
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	50	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	0	11
Competition from other banks	25	0	0	11
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	11
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	33	0	11
Profitability of market making activities	0	0	50	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	11
Total number of answers	4	3	2	9

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [high-quality government, sub-national and supra-national bonds/other government, sub-national and supra-national bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	33	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	50	25
Competition from other banks	0	33	50	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	67	33	0	38
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	3	3	2	8
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	50	0	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	100	100	50
Total number of answers	2	1	1	4
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	50	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	17
Competition from other banks	0	50	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	17
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	17
Total number of answers	2	2	2	6
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	50	0	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	100	100	50
Total number of answers	2	1	1	4

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [high-quality financial corporate bonds/ high-quality non-financial corporate bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	100	40
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	50	0	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	50	0	40
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	0	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	50	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	17
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	50	100	33
Total number of answers	3	2	1	6
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	100	40
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	50	0	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	50	0	40
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	25	25	0	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	33	9
Competition from other banks	25	0	0	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	25	0	9
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	0	33	18
Profitability of market making activities	25	25	0	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	25	33	18
Total number of answers	4	4	3	11

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [high-yield government bonds/convertible securities] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-yield corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	50	50	0	40
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	100	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	20
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	50	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	50	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	20
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	50	100	40
Total number of answers	2	2	1	5
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	0	0	0	0
Possible reasons for an increase				
Willingness of your institution to take on risk	100	0	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	50
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	1	0	2

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [asset-backed securities/covered bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	0	0	0	0
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	20
Competition from other banks	50	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	50	100	40
Total number of answers	2	2	1	5
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	25	0	9
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	33	18
Competition from other banks	0	50	33	27
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	25	0	0	9
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	25	33	36
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	4	4	3	11
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	33	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	13
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	67	50	38
Total number of answers	3	3	2	8

Reasons for expected changes in market-making activities in 2020

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likely to decrease or increase in 2020 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31

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

Expected changes in 2020	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	100	40
Competition from other banks	0	50	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	50	0	40
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	50	25	0	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	9
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	25	33	27
Profitability of market making activities	25	0	33	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	25	33	18
Total number of answers	4	4	3	11
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	100	0	0	100
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	0	0	1
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	100	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	20
Profitability of market making activities	50	50	0	40
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5

Reasons for expected changes in market-making activities in 2020 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likely to decrease or increase in 2020 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2020	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	100	33
Competition from other banks	0	50	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	0	17
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	50	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	3	2	1	6
Possible reasons for an increase				
Willingness of your institution to take on risk	33	33	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	33	0	25
Profitability of market making activities	33	0	50	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	33	50	25
Total number of answers	3	3	2	8
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	33
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	1	1	3
Possible reasons for an increase				
Willingness of your institution to take on risk	100	0	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	14
Availability of hedging instruments	0	0	100	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	33	0	14
Profitability of market making activities	0	33	0	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	3	3	1	7

Reasons for expected changes in market-making activities in 2020 (continued)

To the extent that market-making activities of your institution for [high-quality government, sub-national and supra-national bonds/ other government, sub-national and supra-national bonds] are likely to decrease or increase in 2020 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2020	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	100	40
Competition from other banks	0	50	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	50	0	40
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	100	100	50
Total number of answers	2	1	1	4
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	50	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	17
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	17
Total number of answers	2	2	2	6
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	100	0	0	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	100	100	67
Total number of answers	1	1	1	3

Reasons for expected changes in market-making activities in 2020 (continued)

To the extent that market-making activities of your institution for [high-quality financial corporate bonds/ high-quality non-financial corporate bonds] are likely to decrease or increase in 2020 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2020	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	100	0	0	50
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	50
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	1	0	2
Possible reasons for an increase				
Willingness of your institution to take on risk	25	50	0	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	25	0	18
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	33	9
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	0	33	18
Profitability of market making activities	25	0	0	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	25	33	18
Total number of answers	4	4	3	11
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	100	0	0	50
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	50
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	1	0	2
Possible reasons for an increase				
Willingness of your institution to take on risk	0	67	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	50	13
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	13
Profitability of market making activities	33	0	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	33	50	25
Total number of answers	3	3	2	8

Reasons for expected changes in market-making activities in 2020 (continued)

To the extent that market-making activities of your institution for [high-yield corporate bonds/ convertible securities] are likely to decrease or increase in 2020 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2020	First reason	Second reason	Third reason	Either first, second or third reason
High-yield corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	0	0	0	0
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	100	0	0	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	100	100	67
Total number of answers	1	1	1	3
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	0	0	0	0
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	0	0	0	0

Reasons for expected changes in market-making activities in 2020 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likely to decrease or increase in 2020 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2020	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	0	0	0	0
Possible reasons for an increase				
Willingness of your institution to take on risk	100	0	0	100
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	0	0	1
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	20
Competition from other banks	0	50	100	40
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	50	0	40
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	1	5
Possible reasons for an increase				
Willingness of your institution to take on risk	33	33	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	13
Competition from other banks	0	33	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	50	13
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	13
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	33	50	25
Total number of answers	3	3	2	8

Ability to act as a market-maker in times of stress

How would you assess the current ability of your institution to act as a market-maker for [debt securities/ derivatives/ overall] in times of stress?

Table 32

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

Ability to act as a market-maker in time of stress	Very limited	Limited	Moderate	Good	Net percentage	Total number of answers
Debt securities	9	9	48	35	-65	23
Derivatives	0	9	41	50	-82	22
Overall	0	23	32	45	-55	22
Domestic government bonds	7	7	43	43	-71	14
High-quality government, sub-national and supra-national bonds	10	15	45	30	-50	20
Other government, sub-national and supra-national bonds	5	21	42	32	-47	19
High-quality financial corporate bonds	15	30	25	30	-10	20
High-quality non-financial corporate bonds	14	29	33	24	-14	21
High-yield corporate bonds	33	33	22	11	+33	18
Convertible securities	9	18	45	27	-46	11
Asset-backed securities	25	0	42	33	-50	12
Covered bonds	10	10	35	45	-60	20

Note: The net percentage is defined as the difference between the percentage of respondents reporting "very limited" or "limited" and those reporting "moderate" and "good".

Reasons for (in)ability to act as a market-maker in times of stress

Given the ability of your institution to act as a market-maker for [debt securities/ derivatives] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	50	33	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	0	10
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	33	10
Availability of hedging instruments	50	0	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	33	20
Role of high-frequency automated trading in making markets	0	0	33	10
Other (please specify below)	0	0	0	0
Total number of answers	4	3	3	10
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	36	20	25	28
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	9	0	0	3
Competition from other banks	9	0	0	3
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	9	40	25	24
Availability of hedging instruments	27	10	38	24
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	13	3
Profitability of market making activities	0	30	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	0	0	3
Total number of answers	11	10	8	29
Derivatives				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	100	0	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	25
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	1	1	4
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	25	22	14	21
Internal treasury charges for funding market-making activities	8	0	0	4
Availability of balance sheet or capital at your institution	25	11	29	21
Competition from other banks	8	11	0	7
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	22	0	7
Availability of hedging instruments	17	0	14	11
Compliance with current or expected changes in regulation	0	11	0	4
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	8	22	29	18
Role of high-frequency automated trading in making markets	0	0	14	4
Other (please specify below)	8	0	0	4
Total number of answers	12	9	7	28

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [overall/ domestic government bonds] in times of stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	60	25	0	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	25	15
Availability of hedging instruments	40	0	25	23
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	25	8
Profitability of market making activities	0	50	25	23
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	5	4	4	13
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	25	40	25	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	20	25	18
Competition from other banks	13	0	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	13	20	0	12
Availability of hedging instruments	25	0	50	24
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	0	6
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	13	0	0	6
Total number of answers	8	5	4	17
Domestic government bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	0	50	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	100	0	0	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	50	50	33
Role of high-frequency automated trading in making markets	0	0	50	17
Other (please specify below)	0	0	0	0
Total number of answers	2	2	2	6
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	50	13	14	26
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	13	29	17
Competition from other banks	13	0	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	29	26
Availability of hedging instruments	25	13	14	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	14	4
Profitability of market making activities	0	13	0	4
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	8	8	7	23

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [high-quality government, sub-national and supra-national bonds/ other government, sub-national and supra-national bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	60	25	0	44
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	0	11
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	11
Availability of hedging instruments	40	0	0	22
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	25	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	5	4	0	9
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	33	33	100	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	0	0	8
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	50	0	31
Availability of hedging instruments	33	0	0	15
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	17	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	6	6	1	13
Other government, sub-national and supra-national bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	60	50	0	42
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	0	8
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	33	17
Availability of hedging instruments	40	0	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	33	8
Role of high-frequency automated trading in making markets	0	0	33	8
Other (please specify below)	0	0	0	0
Total number of answers	5	4	3	12
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	40	20	20	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	20	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	20	60	40	40
Availability of hedging instruments	20	0	0	7
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	20	7
Profitability of market making activities	0	20	0	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	5	5	5	15

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [high-quality financial corporate bonds/ high-quality non-financial corporate bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	43	50	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	17	20	11
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	14	17	40	22
Availability of hedging instruments	43	0	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	17	20	11
Role of high-frequency automated trading in making markets	0	0	20	6
Other (please specify below)	0	0	0	0
Total number of answers	7	6	5	18
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	40	0	33	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	8
Competition from other banks	20	0	0	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	17
Availability of hedging instruments	0	25	33	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	8
Profitability of market making activities	0	25	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	8
Total number of answers	5	4	3	12
High-quality non-financial corporate bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	43	43	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	14	17	10
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	14	29	33	25
Availability of hedging instruments	43	0	0	15
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	17	5
Profitability of market making activities	0	14	17	10
Role of high-frequency automated trading in making markets	0	0	17	5
Other (please specify below)	0	0	0	0
Total number of answers	7	7	6	20
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	40	0	50	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	10
Competition from other banks	20	0	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	10
Availability of hedging instruments	0	33	50	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	10
Total number of answers	5	3	2	10

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [high yield corporate bonds/ convertible securities] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-yield corporate bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	45	33	0	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	11	17	8
Competition from other banks	9	0	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	9	22	33	19
Availability of hedging instruments	27	11	17	19
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	17	4
Profitability of market making activities	0	22	17	12
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	0	0	4
Total number of answers	11	9	6	26
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	0	0	100	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	100	0	0	33
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	33
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	1	1	1	3
Convertible securities				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	50	50	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	17
Availability of hedging instruments	50	0	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	17
Profitability of market making activities	0	0	50	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	2	2	2	6
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	25	50	50	40
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	10
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	10
Availability of hedging instruments	25	0	50	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	25	25	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	4	4	2	10

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [asset-backed securities/ covered bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	67	33	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	33	22
Availability of hedging instruments	33	0	0	11
Compliance with current or expected changes in regulation	0	33	0	11
Growing importance of electronic trading platforms	0	0	33	11
Profitability of market making activities	0	0	33	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	3	3	3	9
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	20	25	100	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	10
Competition from other banks	20	0	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	10
Availability of hedging instruments	20	25	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	25	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	10
Total number of answers	5	4	1	10
Covered bonds				
Possible reasons for a "very limited" or "limited" ability				
Willingness of your institution to take on risk	67	50	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	14
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	50	14
Availability of hedging instruments	33	0	0	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	50	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	3	2	2	7
Possible reasons for a "good" or "moderate" ability				
Willingness of your institution to take on risk	44	25	17	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	0	17	9
Competition from other banks	0	13	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	11	38	0	17
Availability of hedging instruments	22	13	33	22
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	9
Profitability of market making activities	0	13	0	4
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	0	0	4
Total number of answers	9	8	6	23

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