EUROPEAN CENTRAL BANK
EUROSYSTEM

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

September 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.

September 2019 SESFOD results

(Reference period from June to August 2019)

The September 2019 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between June and August 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

Overall credit terms offered to counterparties remained, on balance, broadly unchanged between June and August 2019 in both the securities financing market and the OTC derivatives market. However, price terms for sovereigns and insurance companies tightened. At the same time, non-price terms for banks and dealers and investment funds tightened. A deterioration in liquidity conditions and in the financial strength of counterparties were the main drivers underlying this tightening. Looking ahead, a small net percentage of respondents expect overall terms to ease for most counterparty types over the next three months. Respondents reported that all counterparty types except hedge funds had intensified their efforts to negotiate more favourable price and non-price terms over the past three months.

As regards the provision of finance collateralised by euro-denominated securities, the maximum amount and maturity of funding continued to decline, especially for funding secured with government bonds. At the same time, financing rates/spreads decreased for funding secured with most types of collateral, in particular for convertible securities and corporate bonds. Demand for funding continued its declining trend across all types of collateral, notably equities. For most types of collateral, overall demand for funding has now fallen in more than four consecutive reference periods.

For non-centrally cleared OTC derivatives, initial margin requirements increased somewhat, while liquidity and trading deteriorated slightly for interest rate, equity and foreign exchange derivatives.

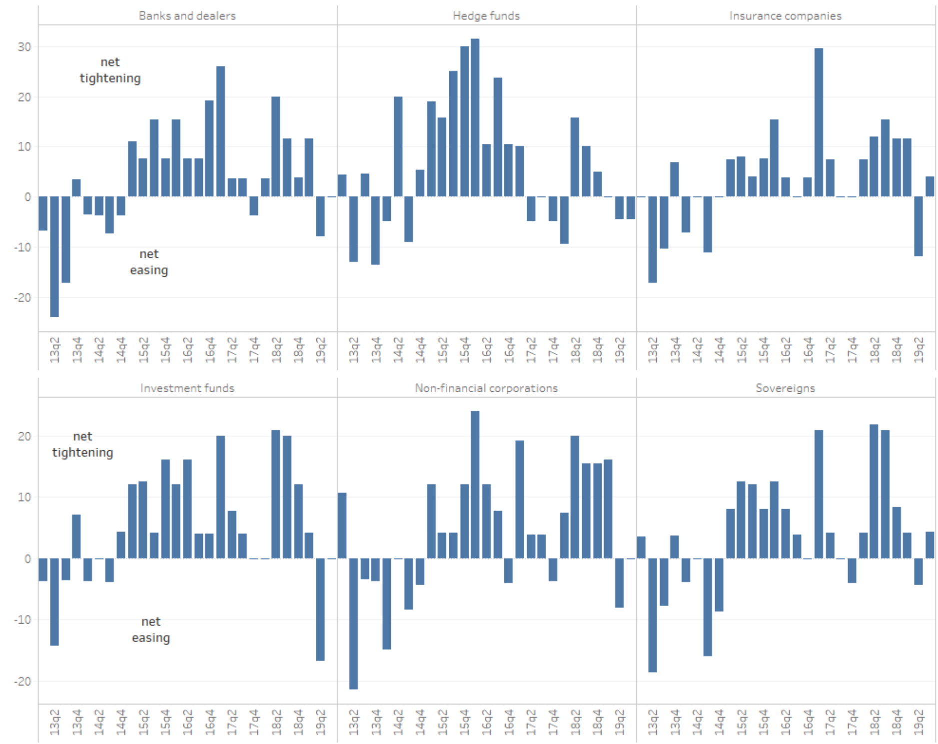
Counterparty types

Credit terms and conditions remained broadly unchanged. Responses to the September 2019 survey suggest that, on balance, credit terms offered to counterparties generally remained unchanged for both securities financing and OTC derivatives transactions in the reference period (see Chart A). However, the overall assessment hides a reported net tightening of price terms offered to sovereigns, insurance companies and investment funds as well as of non-price terms offered to banks and dealers and investment funds. This is largely in line with the easing expectations expressed in the June 2019 survey.

Respondents which reported a tightening of credit terms and conditions attributed this to a deterioration in general liquidity and market functioning, combined with a deterioration in the current or expected financial strength of counterparties.

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

(Q1 2013 – Q3 2019; net percentage 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, a small net percentage of respondents expect overall terms to ease for almost all counterparty types over the next three months. The strongest expectations of more favourable credit terms were expressed in relation to banks and dealers and investment funds. The only exception are overall terms and conditions offered to non-financial corporations, for which a small net percentage of respondents expect less favourable terms.

The practices of CCPs did not, on balance, influence credit terms over the review period.

Attention devoted by responding institutions to the management of concentrated credit exposures to large banks and CCPs increased further in the review period. Reporting banks indicated that their institutions had further increased the amount of 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), following the significant increases reported in the previous SESFOD survey.

Use of financial leverage decreased for hedge funds but not for insurance companies and investment firms. On balance, respondents reported that the use of financial leverage decreased for hedge funds. However, a small net percentage of respondents reported an increase in the use of financial leverage by insurance companies, while its use by investment funds remained broadly unchanged.

Pressure from clients to obtain more favourable conditions increased over the reference period. Respondents reported that all counterparty types except hedge funds 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 reported decrease in pressure from hedge funds, however, follows the strong increase reported in the previous review period.

The provision of differentiated terms to most-favoured clients slightly decreased over the previous period. Respondents indicated that, on balance, their institutions only improved terms for insurance companies and non-financial sector corporations.

Valuation disputes increased in volume for all counterparty types except hedge funds and banks though, on balance, declined in duration and persistence for most counterparty types.

Securities financing

The maximum amount of funding against euro-denominated collateral continued to decline. Responses to the September 2019 survey point to a continuing decline in the maximum amount of funding secured using euro-denominated government bonds, equities and, to a lesser extent, high-quality non-financial corporate bonds.

The maximum maturity of funding against euro-denominated collateral also dropped further. Survey respondents also reported a reduction in the maximum maturity of funding secured using euro-denominated government bonds, covered bonds, high-quality financial and non-financial corporate bonds, for both average and most-favoured clients.

Haircuts applied to euro-denominated collateral remained broadly unchanged. For both average and most-favoured clients, survey respondents reported broadly unchanged haircuts for almost all types of euro-denominated collateral covered by the survey. Transactions secured with asset-backed securities and high-quality financial corporate bonds constitute exceptions, in that some respondents reported a decline in haircuts.

Financing rates/spreads decreased for funding secured by all types of collateral, except government bonds. For average clients, small net percentages of respondents reported declines in financing rates/spreads for funding secured by almost all types of collateral. A significantly larger net percentage of respondents reported a decline for convertible securities as well as for high-quality financial and non-financial corporate bond collateral. For most-favoured clients, a higher net percentages of respondents reported declines in financing rates/spreads for many collateral types, notably in those for convertible securities (18%), various types of corporate bonds (ranging from 13% to 17%) and equities (12%). By contrast, for funding secured by domestic government bonds, a small net percentage of respondents (7%) reported that funding rates/spreads had increased. Similar developments were reported in the responses to the previous two SESFOD surveys.

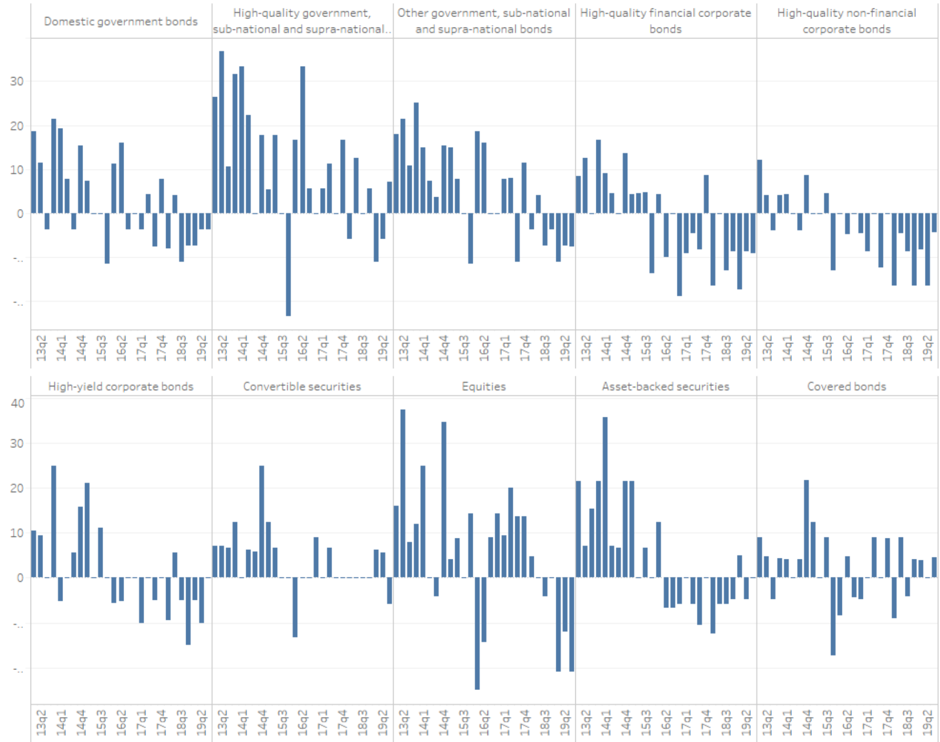
The use of CCPs for euro-denominated collateral types remained mostly unchanged. In line with the previous SESFOD survey, responses to the September 2019 survey indicated only small changes in the use of CCPs for most types of collateral. Notably, several respondents indicated that both their average and most-favoured clients had reduced their use of CCPs for funding secured by 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, high-yield corporate bonds and convertible securities eased somewhat over the review period.

Demand for funding weakened further. Respondents reported further declines in demand for funding across all types of collateral (see Chart B). A particularly pronounced decline was reported for funding secured using equities. For most types of collateral, overall demand for funding has now fallen in more than four consecutive reference periods.

Chart B
Changes in demand for funding

(Q1 2013 – Q3 2019; net percentage of survey respondents)



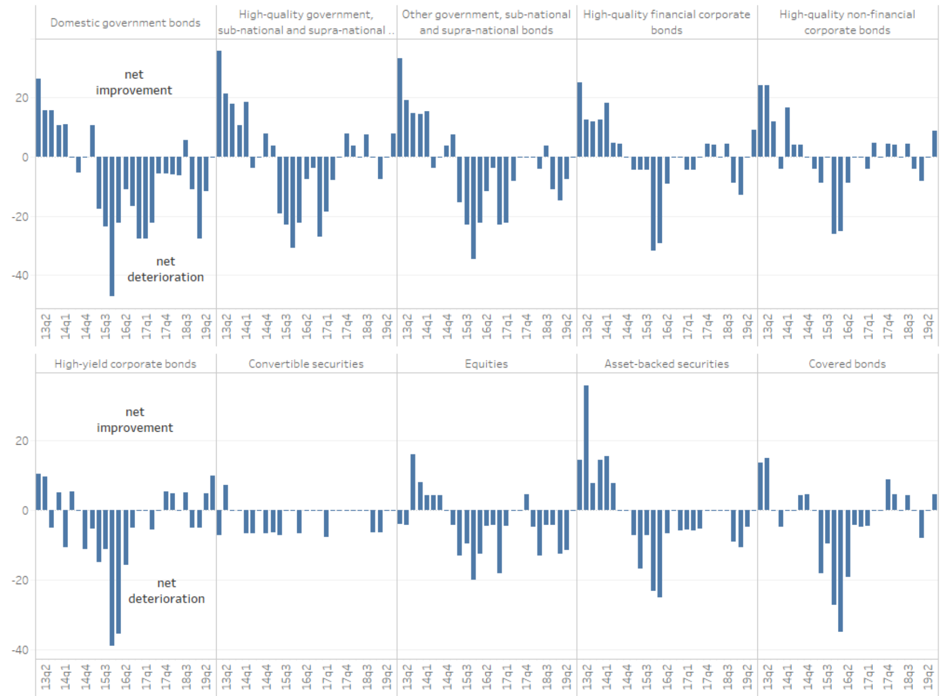
Source: ECB.
Note: Net percentages are defined as the difference between the percentage of respondents reporting “increased somewhat” or “increased considerably” and the percentage reporting “decreased somewhat” or “decreased considerably”.

The liquidity of collateral improved slightly. A number of respondents reported a minor improvement in the liquidity and functioning of the markets for corporate bonds, some types of government bond and covered bonds (see Chart C). Respondents considered that conditions in other markets remained broadly unchanged.

Chart C

Changes in liquidity and functioning of markets

(Q1 2013 – Q3 2019; net percentage 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".

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, equity and commodity derivatives.

Credit limits remained broadly unchanged. Respondents reported that the maximum amount of exposure and the maximum maturity of trades remained essentially unchanged for all types of derivative.

Liquidity and trading has deteriorated slightly. Survey respondents indicated that liquidity and trading had, on balance, deteriorated slightly for interest rate, equity and foreign exchange derivatives. Liquidity and trading remained broadly unchanged for other derivative types.

Valuation disputes remained broadly unchanged. The majority of respondents reported that the volume of disputes relating to the valuation of OTC derivatives contracts covered by the survey was unchanged from the previous reference period.

Respondents reported tightening of non-price terms in new or renegotiated master agreements. In line with the two previous surveys, a net percentage of survey respondents reported less favourable margin call practices and other documentation features. At the same time, a small net percentage reported an easing of acceptable collateral requirements and more favourable recognition of portfolio or diversification benefits, covenants and triggers.

The posting of non-standard collateral increased slightly. Two respondents reported that the posting of non-standard collateral had increased somewhat.

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 Jun. 2019	Net percentage Sep. 2019	Total number of answers
Banks and dealers								
Price terms	0	15	74	11	0	-4	+4	27
Non-price terms	0	12	88	0	0	+4	+12	26
Overall	0	12	76	12	0	-8	0	25
Hedge funds								
Price terms	0	5	90	5	0	-10	0	21
Non-price terms	0	0	95	5	0	0	-5	22
Overall	0	5	86	9	0	-5	-5	22
Insurance companies								
Price terms	0	15	81	4	0	-7	+11	27
Non-price terms	0	4	93	4	0	0	0	27
Overall	0	8	88	4	0	-12	+4	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	15	77	8	0	-8	+8	26
Non-price terms	0	8	92	0	0	-4	+8	26
Overall	0	8	83	8	0	-17	0	24
Non-financial corporations								
Price terms	0	7	85	7	0	-7	0	27
Non-price terms	0	4	93	4	0	0	0	27
Overall	0	8	84	8	0	-8	0	25
Sovereigns								
Price terms	0	16	80	4	0	0	+12	25
Non-price terms	0	4	96	0	0	0	+4	25
Overall	0	9	87	4	0	-4	+4	23
All counterparties above								
Price terms	0	12	76	12	0	-8	0	25
Non-price terms	0	4	96	0	0	0	+4	25
Overall	0	8	84	8	0	-8	0	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".

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
						Jun. 2019	Sep. 2019	
Banks and dealers								
Price terms	0	4	85	11	0	-15	-7	27
Non-price terms	0	4	89	7	0	+4	-4	27
Overall	0	4	85	12	0	-8	-8	26
Hedge funds								
Price terms	0	10	81	10	0	-5	0	21
Non-price terms	0	5	86	9	0	-9	-5	22
Overall	0	9	82	9	0	-9	0	22
Insurance companies								
Price terms	0	4	89	7	0	-11	-4	27
Non-price terms	0	0	89	11	0	-4	-11	27
Overall	0	4	88	8	0	-4	-4	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	4	85	12	0	-4	-8	26
Non-price terms	0	0	92	8	0	0	-8	26
Overall	0	4	84	12	0	0	-8	25
Non-financial corporations								
Price terms	0	4	89	7	0	-11	-4	27
Non-price terms	0	4	93	4	0	-7	0	27
Overall	0	8	88	4	0	-8	+4	26
Sovereigns								
Price terms	0	4	88	8	0	0	-4	25
Non-price terms	0	0	92	8	0	-4	-8	25
Overall	0	4	88	8	0	+4	-4	24
All counterparties above								
Price terms	0	4	85	12	0	0	-8	26
Non-price terms	0	0	92	8	0	-4	-8	25
Overall	0	4	84	12	0	0	-8	25

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Jun. 2019	Sep. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	33	0	50	29
Willingness of your institution to take on risk	0	33	0	0	14
Adoption of new market conventions (e.g. ISDA protocols)	0	33	0	0	14
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	75	0	0	50	43
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	4	3	0	4	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	33	0	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	10	0
Availability of balance sheet or capital at your institution	0	0	33	10	11
General market liquidity and functioning	100	0	0	30	33
Competition from other institutions	0	67	33	20	33
Other	0	0	0	30	0
Total number of answers	3	3	3	10	9
Non-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	50	0	25	20
Adoption of new market conventions (e.g. ISDA protocols)	33	50	0	0	40
Internal treasury charges for funding	0	0	0	25	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	67	0	0	25	40
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	3	2	0	4	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	100	0
Total number of answers	0	0	0	3	0

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

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

Table 4

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Jun. 2019	Sep. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	0	50
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	67	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	3	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	0	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	25	33
Competition from other institutions	0	100	0	0	33
Other	0	0	0	75	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	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	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	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	100	0
Total number of answers	0	0	0	3	0

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

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

Table 5

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Jun. 2019	Sep. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	33	0	29	25
Willingness of your institution to take on risk	0	67	0	14	25
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	100	43	38
Competition from other institutions	25	0	0	14	13
Other	0	0	0	0	0
Total number of answers	4	3	1	7	8
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	11	33
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	100	0	22	33
Other	0	0	0	33	0
Total number of answers	1	1	1	9	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	100	0	0	50
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	50	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	50	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	2	2
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	0	33
Willingness of your institution to take on risk	0	0	100	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	100	0	0	33
Other	0	0	0	100	0
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)

Investment funds (incl. ETFs), pension plans and other institutional investment pools		First reason	Second reason	Third reason	Either first, second or third reason	
					Jun. 2019	Sep. 2019
Price terms						
Possible reasons for tightening						
Current or expected financial strength of counterparties		25	33	0	25	25
Willingness of your institution to take on risk		0	67	0	25	25
Adoption of new market conventions (e.g. ISDA protocols)		0	0	0	0	0
Internal treasury charges for funding		0	0	0	0	0
Availability of balance sheet or capital at your institution		0	0	0	0	0
General market liquidity and functioning		50	0	100	25	38
Competition from other institutions		25	0	0	25	13
Other		0	0	0	0	0
Total number of answers		4	3	1	4	8
Possible reasons for easing						
Current or expected financial strength of counterparties		0	0	50	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	11	17
General market liquidity and functioning		100	0	0	33	33
Competition from other institutions		0	100	0	22	33
Other		0	0	0	33	0
Total number of answers		2	2	2	9	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	100	0	0	33
Adoption of new market conventions (e.g. ISDA protocols)		50	0	0	0	33
Internal treasury charges for funding		0	0	0	0	0
Availability of balance sheet or capital at your institution		0	0	0	0	0
General market liquidity and functioning		50	0	0	0	33
Competition from other institutions		0	0	0	0	0
Other		0	0	0	0	0
Total number of answers		2	1	0	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	100	0
Total number of answers		0	0	0	3	0

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

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

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason Jun. 2019	Either first, second or third reason Sep. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	50	100	0	50	67
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	50	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	0	4	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	9	0
Availability of balance sheet or capital at your institution	0	0	100	9	25
General market liquidity and functioning	50	0	0	27	25
Competition from other institutions	50	100	0	27	50
Other	0	0	0	27	0
Total number of answers	2	1	1	11	4
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	100	0	0	0	33
Willingness of your institution to take on risk	0	100	0	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	33
Internal treasury charges for funding	0	0	0	50	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	0	0	0	0	0
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	100	0	0	0	100
Other	0	0	0	100	0
Total number of answers	1	0	0	3	1

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

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

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason Jun. 2019	Either first, second or third reason Sep. 2019
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	33	0	29	25
Willingness of your institution to take on risk	0	67	0	14	25
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	100	43	38
Competition from other institutions	25	0	0	14	13
Other	0	0	0	0	0
Total number of answers	4	3	1	7	8
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	11	33
General market liquidity and functioning	100	0	0	22	33
Competition from other institutions	0	100	0	33	33
Other	0	0	0	33	0
Total number of answers	1	1	1	9	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	100	0	0	50
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	50	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	50	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	2	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	100	0
Total number of answers	0	0	0	3	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 Jun. 2019	Net percentage Sep. 2019	Total number of answers
Practices of CCPs	0	0	100	0	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 Jun. 2019	Net percentage Sep. 2019	Total number of answers
Banks and dealers	0	4	89	4	4	**-14**	**-4**	27
Central counterparties	0	0	85	4	11	**-7**	**-15**	27

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

1.4 Leverage

Considering the entire range of transactions facilitated by your institution for such clients, how has the use of financial leverage by [hedge funds/ insurance companies/ investment funds (incl. ETFs), pension plans and other institutional investment pools] changed over the past three months?

Considering the entire range of transactions facilitated by your institution for [hedge funds], how has the availability of additional (and currently unutilised) financial leverage under agreements currently in place (for example, under prime brokerage agreements and other committed but undrawn or partly drawn facilities) changed over the past three months?

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Jun. 2019	Net percentage Sep. 2019	Total number of answers
Hedge funds								
Use of financial leverage	0	15	85	0	0	**0**	**+15**	20
Availability of unutilised leverage	0	5	95	0	0	**0**	**+5**	20
Insurance companies								
Use of financial leverage	0	0	96	4	0	**-4**	**-4**	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	4	91	4	0	**0**	**0**	23

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	7	81	11	0	-11	-4	27
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	10	86	5	0	-20	+5	21
Provision of differential terms to most-favoured clients	0	10	90	0	0	-11	+10	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	81	19	0	-18	-19	27
Provision of differential terms to most-favoured clients	0	0	88	12	0	-8	-12	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	-15	-4	26
Provision of differential terms to most-favoured clients	0	4	92	4	0	-4	0	24
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-19	-12	26
Provision of differential terms to most-favoured clients	0	0	96	4	0	-9	-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".

1.6 Valuation disputes

Over the past three months, how has the [volume/ duration and persistence] of valuation disputes with [counterparty type] changed?

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Banks and dealers								
Volume	0	4	92	4	0	-7	0	26
Duration and persistence	0	8	92	0	0	+4	+8	26
Hedge funds								
Volume	0	5	95	0	0	-5	+5	20
Duration and persistence	0	5	90	5	0	0	0	20
Insurance companies								
Volume	0	0	92	8	0	0	-8	25
Duration and persistence	0	4	96	0	0	+8	+4	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	4	88	8	0	0	-4	25
Duration and persistence	0	8	88	4	0	+4	+4	25
Non-financial corporations								
Volume	0	0	92	8	0	+7	-8	26
Duration and persistence	0	4	92	4	0	0	0	26

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

2 Securities financing

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

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [average] clients (as a consequence of breadth, duration, and extent of relationship)?

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Jun. 2019	Net percentage Sep. 2019	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	21	71	7	0	+24	+14	14
Maximum maturity of funding	7	7	79	7	0	+12	+7	14
Haircuts	0	0	100	0	0	0	0	14
Financing rate/spread	0	21	57	21	0	+12	0	14
Use of CCPs	0	0	93	7	0	-6	-7	14
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	7	89	4	0	+19	+4	27
Maximum maturity of funding	0	4	96	0	0	+7	+4	27
Haircuts	0	4	96	0	0	0	+4	27
Financing rate/spread	0	15	74	11	0	+4	+4	27
Use of CCPs	0	0	100	0	0	0	0	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	93	4	0	+16	0	27
Maximum maturity of funding	0	4	93	4	0	+12	0	27
Haircuts	0	4	96	0	0	0	+4	27
Financing rate/spread	0	11	81	7	0	+4	+4	27
Use of CCPs	0	0	100	0	0	-4	0	24
High-quality financial corporate bonds								
Maximum amount of funding	4	4	83	9	0	-4	0	23
Maximum maturity of funding	4	9	83	4	0	0	+9	23
Haircuts	0	4	96	0	0	+4	+4	23
Financing rate/spread	4	17	74	4	0	+4	+17	23
Use of CCPs	0	11	89	0	0	+11	+11	18
High-quality non-financial corporate bonds								
Maximum amount of funding	4	8	83	4	0	0	+8	24
Maximum maturity of funding	4	8	88	0	0	0	+13	24
Haircuts	0	4	96	0	0	0	+4	24
Financing rate/spread	4	13	79	4	0	+4	+13	24
Use of CCPs	0	11	89	0	0	+10	+11	19
High-yield corporate bonds								
Maximum amount of funding	0	5	90	5	0	0	0	20
Maximum maturity of funding	0	5	95	0	0	0	+5	20
Haircuts	0	5	95	0	0	+5	+5	20
Financing rate/spread	0	10	85	5	0	-5	+5	20
Use of CCPs	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". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

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

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [average] clients (as a consequence of breadth, duration, and extent of relationship)?

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Convertible securities								
Maximum amount of funding	0	6	89	6	0	-6	0	18
Maximum maturity of funding	0	6	94	0	0	0	+6	18
Haircuts	0	6	94	0	0	0	+6	18
Financing rate/spread	0	17	83	0	0	+6	+17	18
Use of CCPs	0	0	100	0	0	0	0	15
Equities								
Maximum amount of funding	0	8	92	0	0	+4	+8	25
Maximum maturity of funding	0	4	96	0	0	0	+4	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	8	92	0	0	0	+8	25
Use of CCPs	0	0	94	6	0	0	-6	17
Asset-backed securities								
Maximum amount of funding	0	5	90	5	0	+11	0	20
Maximum maturity of funding	0	0	100	0	0	0	0	20
Haircuts	0	10	90	0	0	+11	+10	20
Financing rate/spread	0	15	75	10	0	0	+5	20
Use of CCPs	0	0	100	0	0	0	0	13
Covered bonds								
Maximum amount of funding	0	4	91	4	0	+8	0	23
Maximum maturity of funding	0	9	91	0	0	+8	+9	23
Haircuts	0	4	96	0	0	0	+4	23
Financing rate/spread	0	13	83	4	0	0	+9	23
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)

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Domestic government bonds								
Maximum amount of funding	7	14	64	14	0	+18	+7	14
Maximum maturity of funding	0	7	93	0	0	+18	+7	14
Haircuts	0	0	100	0	0	0	0	14
Financing rate/spread	0	14	64	21	0	-6	-7	14
Use of CCPs	0	0	93	7	0	-6	-7	14
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	4	89	4	0	+19	+4	27
Maximum maturity of funding	0	4	96	0	0	+7	+4	27
Haircuts	0	4	96	0	0	+4	+4	27
Financing rate/spread	0	15	74	11	0	0	+4	27
Use of CCPs	0	0	100	0	0	0	0	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	93	4	0	+16	0	27
Maximum maturity of funding	0	4	93	4	0	+12	0	27
Haircuts	0	4	96	0	0	0	+4	27
Financing rate/spread	0	11	78	11	0	0	0	27
Use of CCPs	0	0	100	0	0	-4	0	24
High-quality financial corporate bonds								
Maximum amount of funding	4	4	91	0	0	+4	+9	23
Maximum maturity of funding	4	4	91	0	0	+4	+9	23
Haircuts	0	9	91	0	0	+9	+9	23
Financing rate/spread	4	17	70	9	0	0	+13	23
Use of CCPs	0	6	94	0	0	+5	+6	18
High-quality non-financial corporate bonds								
Maximum amount of funding	4	4	83	8	0	-8	0	24
Maximum maturity of funding	4	4	88	4	0	-4	+4	24
Haircuts	0	4	96	0	0	0	+4	24
Financing rate/spread	4	17	75	4	0	+8	+17	24
Use of CCPs	0	5	95	0	0	+5	+5	19
High-yield corporate bonds								
Maximum amount of funding	0	0	95	5	0	-5	-5	21
Maximum maturity of funding	0	5	95	0	0	0	+5	21
Haircuts	0	5	95	0	0	+5	+5	21
Financing rate/spread	5	14	76	5	0	+10	+14	21
Use of CCPs	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". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

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

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [most-favoured] clients (as a consequence of breadth, duration, and extent of relationship)?

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Convertible securities								
Maximum amount of funding	0	6	88	6	0	-6	0	17
Maximum maturity of funding	0	6	94	0	0	0	+6	17
Haircuts	0	6	94	0	0	0	+6	17
Financing rate/spread	6	12	82	0	0	+6	+18	17
Use of CCPs	0	0	100	0	0	0	0	14
Equities								
Maximum amount of funding	0	12	88	0	0	+4	+12	25
Maximum maturity of funding	0	8	92	0	0	0	+8	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	12	88	0	0	+20	+12	25
Use of CCPs	0	0	100	0	0	0	0	18
Asset-backed securities								
Maximum amount of funding	0	0	100	0	0	+11	0	19
Maximum maturity of funding	0	0	100	0	0	0	0	19
Haircuts	0	11	89	0	0	+11	+11	19
Financing rate/spread	0	11	83	6	0	0	+6	18
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	4	0	91	4	0	+8	0	23
Maximum maturity of funding	0	9	91	0	0	+8	+9	23
Haircuts	0	4	96	0	0	0	+4	23
Financing rate/spread	0	13	78	9	0	-4	+4	23
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 [covenants and triggers] under which [collateral type] are funded changed for [average/ most-favoured] clients (as a consequence of breadth, duration, and extent of relationship)?

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage Jun. 2019	Net percentage Sep. 2019	Total number of answers
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**	20
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**	21
Terms for most-favoured clients	0	0	90	10	0	**-10**	**-10**	21
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	95	5	0	**-6**	**-5**	19
Convertible securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	94	6	0	**-6**	**-6**	18
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	20
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	21
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	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**	21

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Domestic government bonds								
Overall demand	0	0	93	7	0	+6	-7	14
With a maturity greater than 30 days	0	0	93	7	0	-6	-7	14
High-quality government, sub-national and supra-national bonds								
Overall demand	0	8	92	0	0	+7	+8	26
With a maturity greater than 30 days	0	4	92	4	0	-7	0	26
Other government, sub-national and supra-national bonds								
Overall demand	0	8	88	4	0	+4	+4	26
With a maturity greater than 30 days	0	4	88	8	0	-4	-4	26
High-quality financial corporate bonds								
Overall demand	5	9	82	5	0	+9	+9	22
With a maturity greater than 30 days	5	0	86	9	0	-4	-5	22
High-quality non-financial corporate bonds								
Overall demand	4	9	78	9	0	+17	+4	23
With a maturity greater than 30 days	4	0	83	13	0	+4	-9	23
High-yield corporate bonds								
Overall demand	0	5	90	5	0	+10	0	20
With a maturity greater than 30 days	0	0	90	10	0	-5	-10	20
Convertible securities								
Overall demand	0	6	94	0	0	-6	+6	17
With a maturity greater than 30 days	0	6	94	0	0	-6	+6	17
Equities								
Overall demand	0	21	79	0	0	+12	+21	24
With a maturity greater than 30 days	0	21	79	0	0	+4	+21	24
Asset-backed securities								
Overall demand	0	5	89	5	0	+5	0	19
With a maturity greater than 30 days	0	5	89	5	0	-5	0	19
Covered bonds								
Overall demand	0	0	95	5	0	0	-5	22
With a maturity greater than 30 days	0	0	95	5	0	-8	-5	22
All collateral types above								
Overall demand	0	9	91	0	0	+9	+9	23
With a maturity greater than 30 days	0	0	96	4	0	-4	-4	23

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

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

Over the past three months, how have liquidity and functioning of the [collateral type/ all collateral types above] market changed?

Table 20

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

Liquidity and functioning of the collateral market	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Domestic government bonds								
Liquidity and functioning	0	7	86	7	0	**+12**	**0**	14
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	0	92	8	0	**0**	**-8**	26
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	0	100	0	0	**+8**	**0**	26
High-quality financial corporate bonds								
Liquidity and functioning	0	0	91	9	0	**0**	**-9**	22
High-quality non-financial corporate bonds								
Liquidity and functioning	0	0	91	9	0	**0**	**-9**	23
High-yield corporate bonds								
Liquidity and functioning	0	0	90	10	0	**-5**	**-10**	20
Convertible securities								
Liquidity and functioning	0	0	100	0	0	**0**	**0**	17
Equities								
Liquidity and functioning	0	0	100	0	0	**+12**	**0**	24
Asset-backed securities								
Liquidity and functioning	0	0	100	0	0	**+5**	**0**	19
Covered bonds								
Liquidity and functioning	0	0	95	5	0	**0**	**-5**	22
All collateral types above								
Liquidity and functioning	0	0	96	4	0	**0**	**-4**	23

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Domestic government bonds								
Volume	0	0	100	0	0	-6	0	13
Duration and persistence	0	0	100	0	0	-6	0	13
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	-4	0	25
Duration and persistence	0	0	100	0	0	-4	0	25
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	-4	0	25
Duration and persistence	0	0	100	0	0	-4	0	25
High-quality financial corporate bonds								
Volume	0	0	100	0	0	-5	0	19
Duration and persistence	0	0	100	0	0	-5	0	19
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	-4	0	20
Duration and persistence	0	0	100	0	0	-4	0	20
High-yield corporate bonds								
Volume	0	0	100	0	0	-5	0	18
Duration and persistence	0	0	100	0	0	-5	0	18
Convertible securities								
Volume	0	0	100	0	0	-6	0	15
Duration and persistence	0	0	100	0	0	-6	0	15
Equities								
Volume	0	0	100	0	0	0	0	20
Duration and persistence	0	0	100	0	0	0	0	20
Asset-backed securities								
Volume	0	0	100	0	0	-5	0	17
Duration and persistence	0	0	100	0	0	-5	0	17
Covered bonds								
Volume	0	0	100	0	0	-4	0	20
Duration and persistence	0	0	100	0	0	-4	0	20
All collateral types above								
Volume	0	0	95	5	0	-4	-5	22
Duration and persistence	0	0	95	5	0	-4	-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". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

3 Non-centrally cleared OTC derivatives

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

Over the past three months, how have [initial margin requirements] set by your institution with respect to OTC [type of derivatives] changed for [average/ most-favoured] clients?

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Foreign exchange								
Average clients	0	0	91	9	0	**-5**	**-9**	22
Most-favoured clients	0	0	95	5	0	**0**	**-5**	22
Interest rates								
Average clients	0	0	95	5	0	**0**	**-5**	21
Most-favoured clients	0	0	95	5	0	**0**	**-5**	21
Credit referencing sovereigns								
Average clients	0	0	100	0	0	**0**	**0**	17
Most-favoured clients	0	0	100	0	0	**0**	**0**	17
Credit referencing corporates								
Average clients	0	0	100	0	0	**0**	**0**	19
Most-favoured clients	0	0	100	0	0	**0**	**0**	19
Credit referencing structured credit products								
Average clients	0	0	100	0	0	**0**	**0**	16
Most-favoured clients	0	0	100	0	0	**0**	**0**	16
Equity								
Average clients	0	0	95	5	0	**0**	**-5**	20
Most-favoured clients	0	0	95	5	0	**0**	**-5**	20
Commodity								
Average clients	0	0	94	6	0	**-6**	**-6**	17
Most-favoured clients	0	0	94	6	0	**-6**	**-6**	17
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	**-6**	**0**	16
Most-favoured clients	0	0	100	0	0	**-6**	**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 Jun. 2019	Net percentage Sep. 2019	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	4	88	8	0	+4	-4	26
Maximum maturity of trades	0	0	96	4	0	-7	-4	26
Interest rates								
Maximum amount of exposure	4	4	88	4	0	+4	+4	25
Maximum maturity of trades	0	4	88	4	4	0	-4	25
Credit referencing sovereigns								
Maximum amount of exposure	0	0	100	0	0	0	0	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Credit referencing corporates								
Maximum amount of exposure	0	0	100	0	0	0	0	20
Maximum maturity of trades	0	0	100	0	0	0	0	20
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	-5	0	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Equity								
Maximum amount of exposure	0	5	95	0	0	0	+5	20
Maximum maturity of trades	0	0	100	0	0	0	0	20
Commodity								
Maximum amount of exposure	0	0	100	0	0	0	0	19
Maximum maturity of trades	0	0	100	0	0	0	0	19
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	0	0	19
Maximum maturity of trades	0	0	100	0	0	+5	0	19

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

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 Jun. 2019	Net percentage Sep. 2019	Total number of answers
Foreign exchange								
Liquidity and trading	4	0	96	0	0	+4	+4	26
Interest rates								
Liquidity and trading	12	0	88	0	0	0	+12	25
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	0	0	17
Credit referencing corporates								
Liquidity and trading	0	0	100	0	0	-5	0	20
Credit referencing structured credit products								
Liquidity and trading	0	0	100	0	0	+5	0	18
Equity								
Liquidity and trading	0	10	90	0	0	0	+10	20
Commodity								
Liquidity and trading	0	0	100	0	0	0	0	19
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	+5	0	19

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

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

Over the past three months, how has the [volume/ duration and persistence] of disputes relating to the valuation of OTC [type of derivatives] contracts changed?

Table 25

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Jun. 2019	Net percentage Sep. 2019	Total number of answers
Foreign exchange								
Volume	0	4	96	0	0	**-4**	**+4**	25
Duration and persistence	0	0	100	0	0	**0**	**0**	25
Interest rates								
Volume	0	4	92	4	0	**0**	**0**	25
Duration and persistence	0	0	96	4	0	**+8**	**-4**	24
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	100	0	0	**0**	**0**	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**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Equity								
Volume	0	5	95	0	0	**-10**	**+5**	21
Duration and persistence	0	5	95	0	0	**+5**	**+5**	20
Commodity								
Volume	0	0	95	5	0	**0**	**-5**	20
Duration and persistence	0	0	100	0	0	**+5**	**0**	19
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	**+5**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18

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

3.2 Changes in new or renegotiated master agreements

Over the past three months, how have [margin call practices/ acceptable collateral/ recognition of portfolio or diversification benefits/ covenants and triggers/ other documentation features] incorporated in new or renegotiated OTC derivatives master agreements put in place with your institution's clients changed?

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Margin call practices	0	8	92	0	0	+7	+8	26
Acceptable collateral	0	4	81	15	0	-7	-12	26
Recognition of portfolio or diversification benefits	0	0	96	4	0	-4	-4	26
Covenants and triggers	0	0	96	0	4	0	-4	26
Other documentation features	4	15	81	0	0	+12	+19	26

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

3.3 Posting of non-standard collateral

Over the past three months, how has the posting of non-standard collateral (for example, other than cash and high-quality government bonds) as permitted under relevant agreements changed?

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2019	Sep. 2019	
Posting of non-standard collateral	0	4	88	8	0	-8	-4	25

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

Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
Website www.ecb.europa.eu