EUROPEAN CENTRAL BANK
EUROSYSTEM

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

June 2020

The Eurosystem conducts a three-monthly qualitative survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets. This survey is a follow-up to a recommendation in the Committee on the Global Financial System study group report on "The role of margin requirements and haircuts in procyclicality", which was published in March 2010. The survey is part of an international initiative aimed at collecting 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**, with the survey aimed at senior credit officers responsible for maintaining 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 trends), why they have changed, and expectations for the future. Firms are encouraged to answer all questions, unless specific market segments are of only marginal importance for the firm's business.

The font colour of the reported net percentage of respondents in the tables of this document, either blue or red, reflects, respectively, **tightening/deterioration** or **easing/improvement** of credit terms and conditions in targeted markets.

June 2020 SESFOD results

(Reference period from March to May 2020)

The June 2020 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between March 2020 and May 2020. 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

Survey respondents reported that the tightening of credit terms and conditions over the March 2020 to May 2020 review period was the most widespread tightening since the start of the survey in 2013. The respondents' institutions were offering less-favourable price and non-price credit terms for all counterparty types during this period. For price terms, non-financial corporations were the most affected counterparty type, while for non-price terms the tightening of conditions was most noticeable for hedge funds. Respondents mainly attributed the tightening to a deterioration in general liquidity and market functioning, but they also suggested that current or expected financial strength of counterparties was an additional motivation for offering less-favourable conditions to hedge funds and non-financial corporations in particular.

Survey respondents also reported that, during the reference period, the practices of central counterparties (CCPs) contributed to the tightening of price and non-price terms, that the attention and resources they had to devote to managing concentrated credit exposures to large banks and CCPs increased, that the use of leverage by hedge funds decreased, and that valuation disputes increased further.

The maximum amount and maturity of funding offered against all types of non-government euro-denominated collateral continued to decline, but rose for funding against government bonds as collateral. Haircuts applied to euro-denominated collateral increased significantly and financing rates/spreads increased for funding secured by all types of collateral except domestic government bonds. The liquidity of collateral deteriorated for all collateral types, and collateral valuation disputes recorded the strongest increase on record.

Initial margin requirements increased for all OTC derivatives except commodity derivatives, with a significant share of respondents reporting increased initial margin requirements for OTC credit derivatives referencing sovereigns, corporates and structured credit products. Respondents also reported that the maximum amount of exposures had decreased for OTC commodity derivatives and total return swaps referencing non-securities such as bank loans. Liquidity and trading deteriorated materially for all types of derivatives, with the most pronounced deterioration in credit derivatives referencing corporates, structured credit products and sovereigns. The volume, duration and persistence of valuation disputes rose further across all types of derivatives.

The June 2020 survey included a number of special questions aimed at gauging the impact of credit terms and margin requirements on market and counterparty liquidity situations against the background of the evolving coronavirus (COVID-19) crisis. Within the limits of their risk management frameworks, responding institutions accounted, to some degree, for their counterparties' liquidity or solvency situation when tightening credit terms during this period. Responding institutions were able to roll over money market transactions, albeit at less-favourable pricing conditions for many institutions. Survey respondents reported that their clients predominantly covered liquidity needs resulting from margin calls by tapping repo markets or credit lines. However, some insurance companies, hedge funds and investment funds faced strained liquidity situations linked to the posting of variation margins.

Counterparty types

Credit terms and conditions tightened significantly over the March 2020 to May 2020 review period (see Chart A). In line with the March 2020 survey expectations, respondents reported a significant tightening of credit terms for all counterparty types. Both price and non-price terms were tightened, in some cases considerably, but the tightening was more pronounced for price than for non-price terms. The tightening affected all counterparty types and was the most extensive tightening of conditions since the start of the survey in 2013. Almost half of the respondents reported that their institution offered less-favourable price terms to non-financial corporations. For non-price terms, the tightening of conditions offered to counterparties was most noticeable with regard to hedge funds.

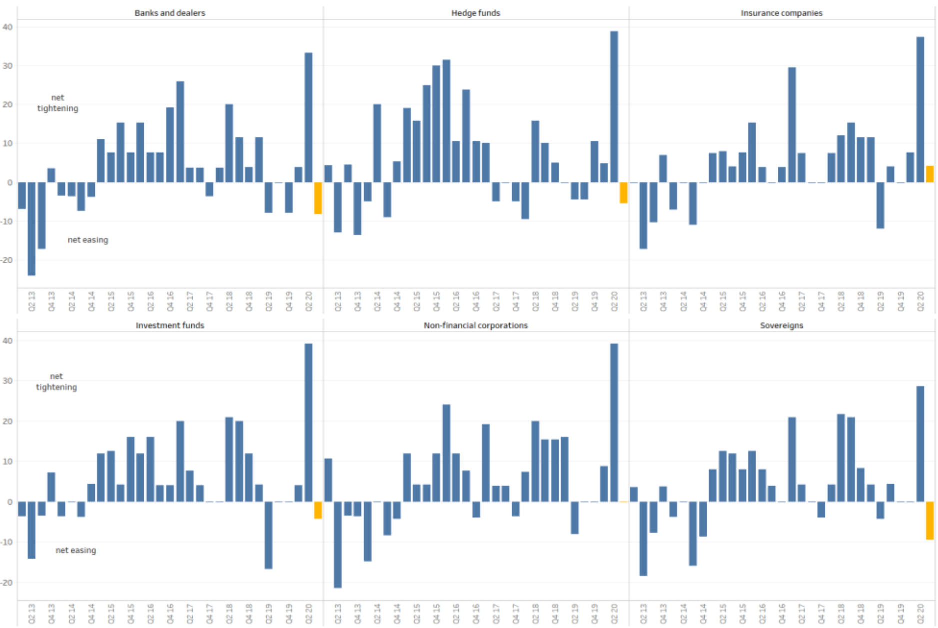
Respondents mainly attributed the tightening of credit terms and conditions to a deterioration in general liquidity and market functioning. They also suggested that current or expected financial strength of counterparties was an additional motivation for tightening, in particular for hedge funds and non-financial corporations.

A small net percentage of respondents expected overall terms to ease somewhat over the June 2020 to August 2020 period (see Chart A). The easing expectation was more pronounced for price terms than for non-price terms. In net terms, around 10% of respondents expected a net easing for sovereigns and for banks and dealers. A small net percentage of respondents expected overall terms to tighten for insurance corporations and non-price terms to tighten for non-financial corporations.

Chart A

Observed and expected changes in overall credit terms offered to counterparties across all transaction types

(Q1 2013 to Q2 2020 for observed, Q3 2020 for expected (yellow bars); 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”.

The practices of central counterparties (CCPs) did, on balance, influence credit terms over the reference period. Several respondents reported that CCP practices contributed to the tightening of price and non-price terms.

There was a further increase in the resources devoted to managing concentrated credit exposures to large banks and CCPs during the reference period. The results of the June survey point to a surge in the number of respondents reporting increased resources and attention devoted to managing concentrated credit exposures to banks and dealers (61% of respondents), and also to CCPs (30% of respondents). While particularly pronounced this time, significant increases have been a constant trend reported in these surveys since they began in 2013.

The use of financial leverage decreased further for hedge funds and investment firms, while increasing for insurance companies. More than one-third of survey respondents reported that the use of leverage by hedge funds decreased over the review period. A small net percentage of respondents also reported the decreased use of leverage by investment funds, pension plans and other institutional investment pools, while reporting an increase in the use of leverage by insurance companies.

Pressure from all counterparty types to obtain more favourable conditions decreased, with the exception of non-financial corporations.

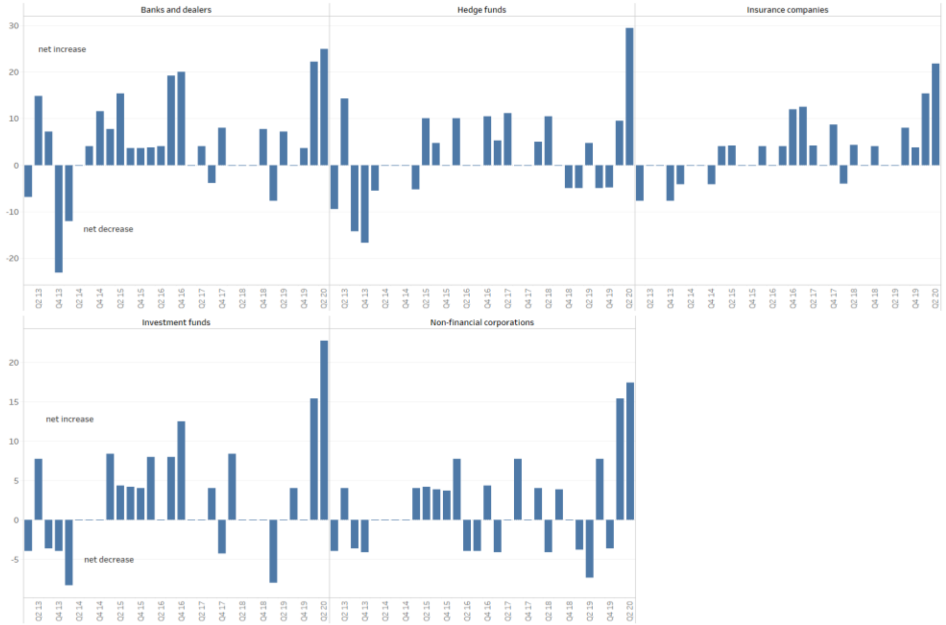
At the same time, the provision of differential terms to most-favoured clients decreased slightly over the reference period across all counterparty types except hedge funds. Respondents indicated that their institutions had reduced the provision of differential terms to most-favoured clients for all counterparty types, while leaving them unchanged, on balance, for hedge funds.

Respondents reported a further increase in the volume, duration and persistence of valuation disputes. More than a quarter of respondents reported that the volume of valuation disputes they experienced with both hedge funds and banks and dealers had increased, in some cases considerably (see Chart B).

Chart B

Volume of valuation disputes

(Q1 2013 to Q2 2020; net percentages of survey respondents)



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

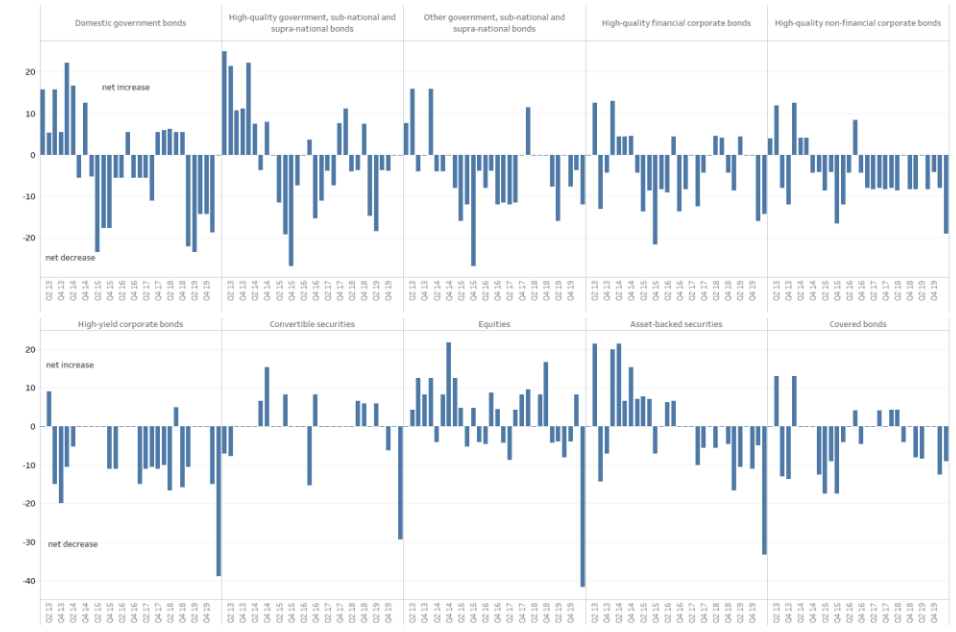
Securities financing

The maximum amount of funding declined for many types of euro-denominated collateral, but increased for funding against domestic and high-quality government bonds. Many responses to the June 2020 survey highlighted a decline in the maximum amount of funding offered to clients against collateral in the form of euro-denominated equities, convertible securities, asset-backed securities and both high-quality and high-yield non-financial corporate bonds. However, respondents also indicated that the amount of funding offered against domestic and high-quality government bonds, in particular to most-favoured clients, increased over the reference period (see Chart C).

Chart C

Changes in maximum amount of funding

(Q1 2013 to Q2 2020; 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”.

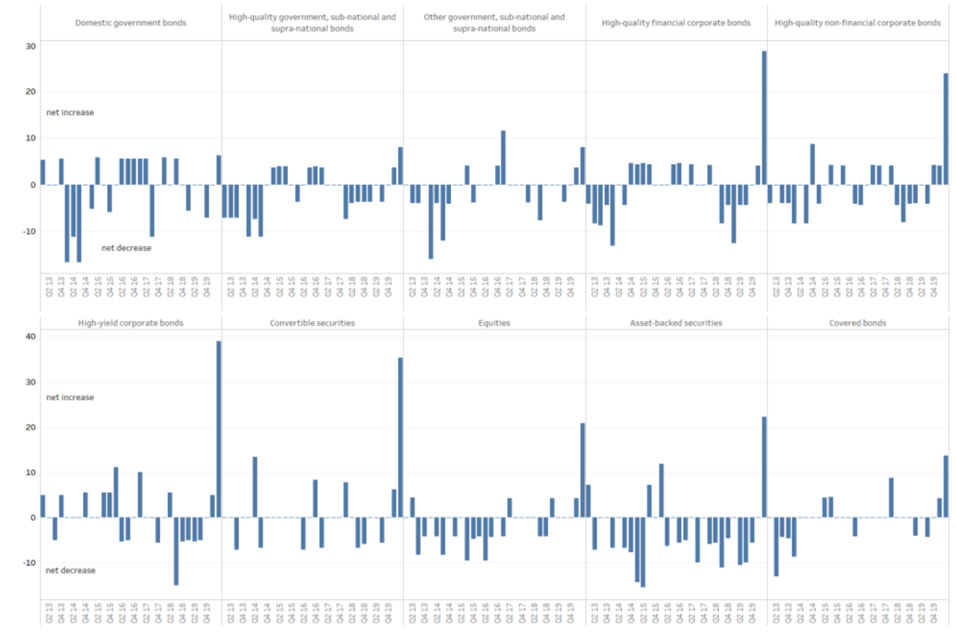
The maximum maturity of funding against non-government euro-denominated collateral decreased, but it increased for funding against domestic government bonds. Survey respondents reported a particular decrease in the maximum maturity of funding against asset-backed securities, corporate bonds, covered bonds and other government bonds. However, respondents also reported an increase or no change in the maximum maturity of funding against domestic government bonds, in particular for most-favoured clients.

Haircuts applied to euro-denominated collateral increased significantly. A significant number of survey respondents reported increased haircuts for all types of collateral except domestic government bonds. The highest number of increases was reported for haircuts applied to corporate bonds, asset-backed securities and equities (see Chart D).

Chart D

Changes in haircuts

(Q1 2013 to Q2 2020; 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".

Financing rates/spreads increased for funding secured by all types of collateral except domestic government bonds. For both average and most-favoured clients, more than a quarter of respondents reported substantial increases in financing rates/spreads for funding secured by corporate bonds, convertible securities, asset-backed securities and equities.

The use of CCPs slightly increased or remained unchanged for most types of collateral. In line with previous surveys, responses to the June 2020 survey indicated only small changes in the use of CCPs for many types of collateral. Respondents only reported net decreases – applicable to both their average and most-favoured clients – in the use of CCPs for funding secured by other government and high-quality financial corporate bonds.

Covenants and triggers remained broadly unchanged except for funding against equities and convertible securities. Survey respondents reported – for both average and most-favoured clients – a net tightening in the covenants and triggers under which equities and convertible securities are funded.

Demand for funding of all collateral types strengthened. Survey respondents reported stronger demand for funding across all types of collateral, with the strongest increase in demand being for funding against asset-backed securities, convertible securities, domestic government bonds and covered bonds.

The liquidity of collateral deteriorated for all collateral types. Survey respondents reported a significant worsening in the liquidity and functioning of the markets for all types of collateral. The worsening was most noteworthy for the liquidity and functioning of asset-backed securities, corporate bonds and convertible securities markets.

Collateral valuation disputes for all collateral types increased further. A significant number of respondents reported an increase in the volume, duration and persistence of collateral valuation disputes. This is the strongest increase reported to the survey since its launch in 2013, surpassing the previous strongest increase reported in March 2020, and was most noticeable for collateral valuation disputes relating to lending against corporate bonds.

Non-centrally cleared OTC derivatives

Initial margin requirements increased for all OTC derivatives except commodity derivatives. Around one-third of respondents reported an increase in initial margin requirements for OTC credit derivatives referencing sovereigns, corporates and structured credit products, and more than one-quarter for equity derivatives. A small net percentage of respondents reported a decrease in initial margins for OTC commodity derivatives. As in previous surveys, respondents did not report significant differences between types of client.

The maximum amount of exposures to commodity derivatives and total return swaps referencing non-securities decreased. Survey respondents reported only few changes in credit limits for most types of derivatives. However, for OTC commodity derivatives and total return swaps referencing non-securities, such as bank loans, around one-quarter of respondents reported that the maximum amount of exposures had decreased over the reference period.

As for the maximum maturity of trades, credit limits remained broadly unchanged. A small net percentage of survey respondents merely reported a decrease in the maximum maturity of trades for OTC interest rates and commodity derivatives.

Liquidity and trading deteriorated materially across all types of derivatives and most substantially for credit referencing derivatives. More than one-quarter of survey respondents reported a deterioration in liquidity and trading for credit derivatives referencing sovereigns, as well as commodity and interest rate derivatives. More than one-third of respondents reported a (in some cases considerable) deterioration in liquidity and trading for credit derivatives referencing corporates and structured credit products.

Valuation disputes increased further across all types of derivatives. Survey respondents reported the strongest increase in the volume, duration and persistence of valuation disputes on record, across all types of derivatives, since the launch of the SESFOD.

New or renegotiated master agreements incorporate tighter criteria. Respondents reported a net tightening of all elements covered in the survey, except acceptable collateral. In particular, respondents reported tighter conditions for margin call practices, other documentation features and covenants and triggers.

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

Special questions[1]

The June 2020 survey also included a number of special questions aimed at gauging the impact of credit terms and margin requirements on market and counterparty liquidity situations against the background of the evolving COVID-19 crisis.

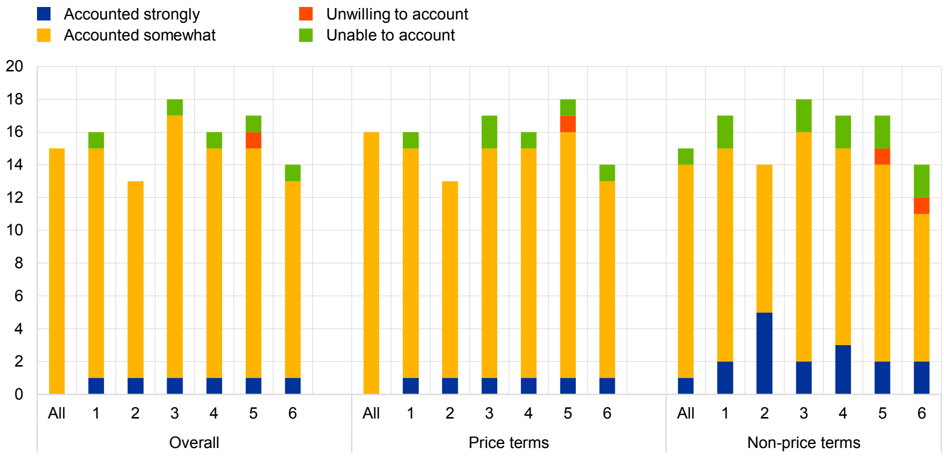
Price and non-price credit terms by counterparty type

Responding institutions accounted, to some degree, for their counterparties' liquidity or solvency situation when tightening credit terms during the evolving COVID-19 crisis (see Chart SQ-1). Within the limits of their risk management frameworks, responding institutions remained committed to serving counterparties' needs. They notably accounted for the specific situations of insurance companies, banks and dealers, investment funds and non-financial corporations. In particular, they used non-price terms to account for the liquidity or solvency situation of hedge funds. A small percentage of respondents indicated that they were unwilling or unable to account for the liquidity or solvency situation when setting credit terms for non-financial corporates and sovereigns.

Chart SQ-1

Accounting for counterparties' liquidity or solvency situation when tightening credit terms

(June 2020; number of survey respondents)



1: Banks and dealers
2: Hedge funds
3: Insurance companies
4: Investment funds (including exchange-traded funds), pension plans and other institutional investment pools
5: Non-financial corporations
6: Sovereigns

Source: ECB.

[1] Not all survey participants answered the special questions part of the June 2020 SESFOD or were able to collect the information to answer each and every special question. This summary therefore uses numbers of responses rather than percentages when deriving key findings.

Counterparties’ financing conditions by collateral type in secured financing transactions (SFTs)

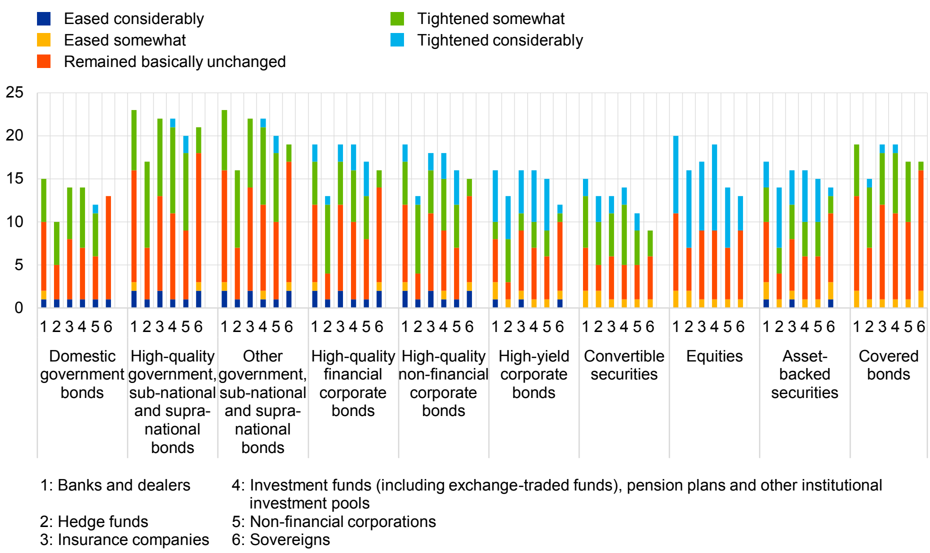
Looking at the types of counterparty and collateral, funding conditions tightened considerably for all counterparties except sovereigns, and particularly for SFTs with non-government and non-covered bonds as collateral.[2] The funding conditions of responding institutions’ clients in SFT markets tightened the most for hedge funds, followed by non-financial corporations and investment funds. The terms and conditions for funding tightened the most for convertible securities, high-yield corporate bonds, asset-backed securities and equities (see Chart SQ-2).

Chart SQ-2

Funding conditions by counterparty type and collateral type

Distribution of responses

(June 2020; number of survey respondents)



Heat map based on net percentages

(June 2020; net percentages)

	Banks and dealers	Hedge funds	Insurance companies	Investment funds (including exchange-traded funds), pension plans and other institutional investment pools	Non-financial corporations	Sovereigns
Domestic government bonds	20	40	36	43	42	-8
High-quality government, sub-national and supra-national bonds	17	53	32	45	50	0
Other government, sub-national and supra-national bonds	17	50	27	36	45	-5
High-quality financial corporate bonds	21	62	26	42	47	-6
High-quality non-financial corporate bonds	21	62	28	39	50	-7
High-yield corporate bonds	31	69	31	50	53	0
Convertible securities	40	46	46	57	45	22
Equities	35	44	41	47	43	23
Asset-backed securities	24	64	38	56	53	0
Covered bonds	21	47	32	37	35	-6

Source: ECB.

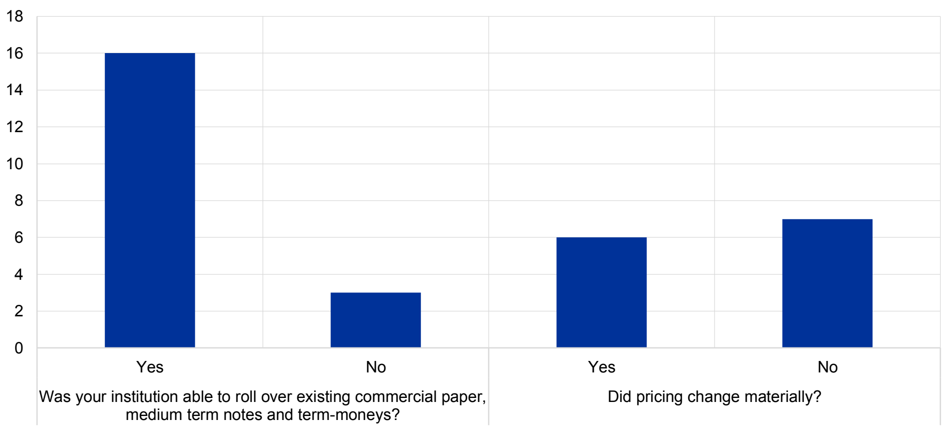
2 The regular SESFOD questionnaire looks at counterparty and collateral type separately. This special question therefore provides more detailed information, while at the same time echoing the key messages shown in Charts A, C and D.

Notes: Net percentages are defined as the difference between the percentage of respondents reporting “tightened considerably” or “tightened somewhat” and those reporting “eased somewhat” or “eased considerably”. The degree of tightening or easing of funding conditions is highlighted by changing shades of red and green, respectively, with yellow shading pointing to broadly unchanged funding conditions. The more intense the colour, the larger the degree of tightening or easing.

While responding institutions remained in a position to roll over money market transactions, almost half of the survey respondents reported that these rollovers occurred at less-favourable pricing conditions (see Chart SQ-3). Respondents reported that a loss of short-term liabilities was mainly compensated by a reduction of their liquidity coverage ratio (LCR) or by drawing on ECB liquidity (see Chart SQ-4).

Chart SQ-3
Conditions for money market transactions

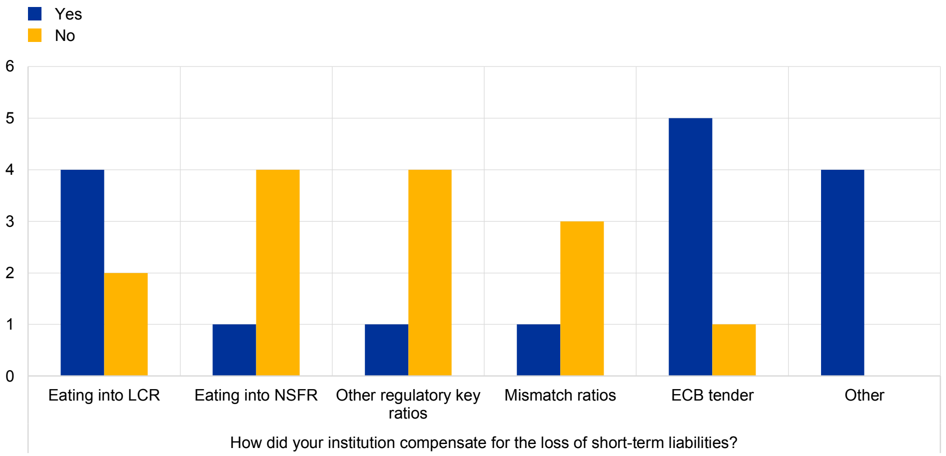
(June 2020; number of survey respondents)



Source: ECB.

Chart SQ-4
Ways to compensate for the loss of short-term liabilities

(June 2020; number of survey respondents)

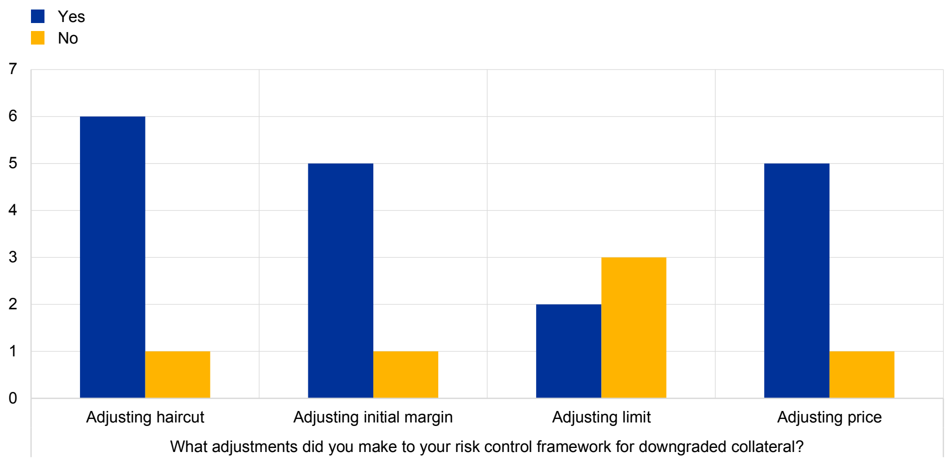


Source: ECB.
Notes: “LCR” stands for “liquidity coverage ratio” and “NSFR” stands for “net stable funding ratio”.

Collateral downgraded to below investment grade or an agreed rating threshold did not pose challenges to responding institutions. In line with responding institutions' collateral policy and as reflected in agreements, counterparties were able to ensure timely substitution with eligible collateral or to manage an early termination. Moreover, responding institutions preferred adjusting haircuts, initial margins or prices for downgraded collateral to adjusting limits (see Chart SQ-5).

Chart SQ-5
Ways to adjust the risk control framework for downgraded collateral

(June 2020; number of survey respondents)



Source: ECB.

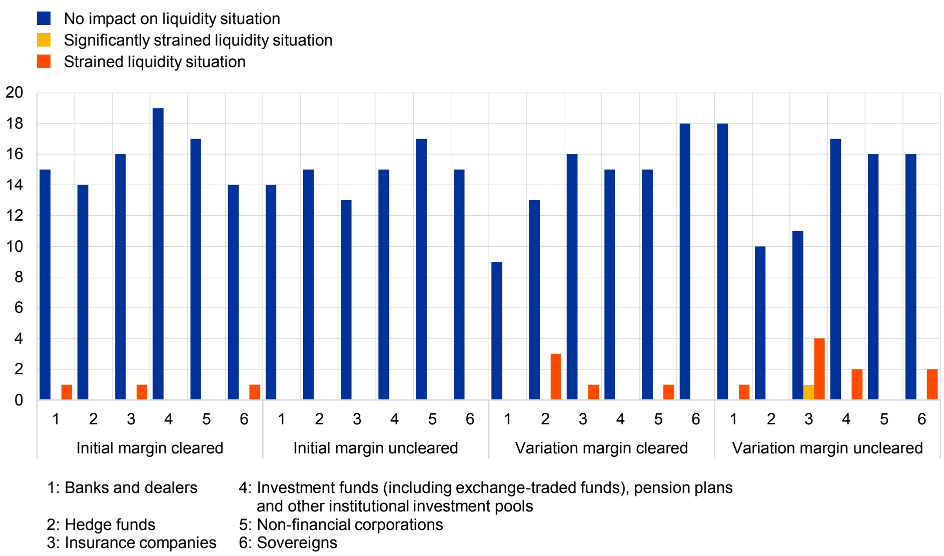
Margin requirements on derivative exposures and their implications for responding institutions and their clients

Some responding institutions reported that posting variation margins led to strained liquidity situations with insurance companies, hedge funds and investment funds. On the other hand, posting initial margins had almost no impact on the liquidity situation of respondents' counterparties (see Chart SQ-6).

Chart SQ-6

Margin requirements on derivative exposures and their impact on the liquidity situation of responding institutions' clients, by counterparty type

(June 2020; number of survey respondents)



Source: ECB.

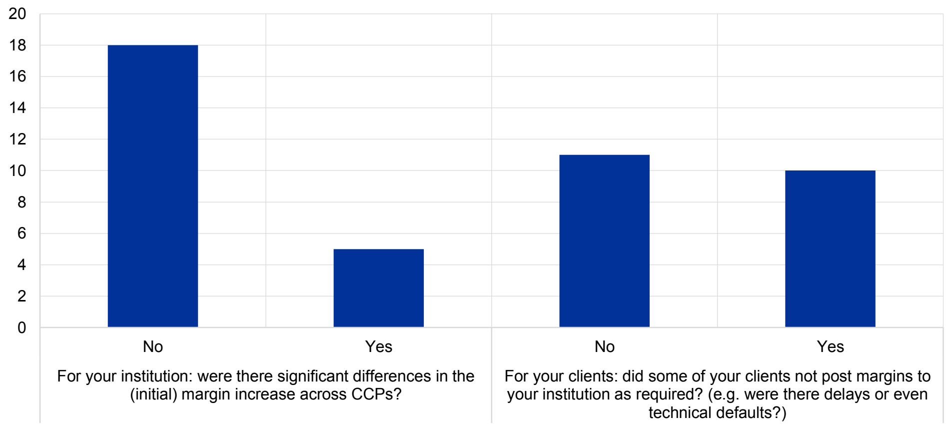
Most responding institutions did not experience significant differences in the (initial) margin increase across CCPs (see Chart SQ-7). However, some reported that model and contract type-based reviews of margin parameters by CCPs led to significant increases in initial margin requirements (e.g. for oil derivatives).

Nearly half of the survey respondents reported that some of their clients had not posted margins to their institution as required (due to delays or technical defaults).

Chart SQ-7

Implications of margin requirements for responding institutions and their clients

(June 2020; number of survey respondents)



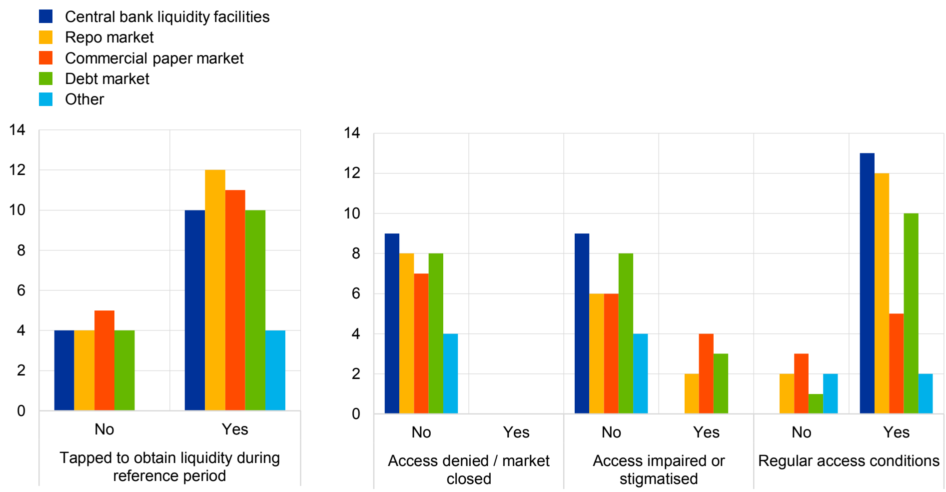
Source: ECB.

Responding institutions tapped various sources, ranging from central bank liquidity facilities to debt markets, to obtain liquidity for covering margin requirements during the review period (see Chart SQ-8). While they were able to access these liquidity sources, some respondents reported that access to commercial paper or bond markets had been impaired or stigmatised.

Chart SQ-8

Type and access conditions of liquidity sources tapped by responding institutions

(June 2020; number of survey respondents)



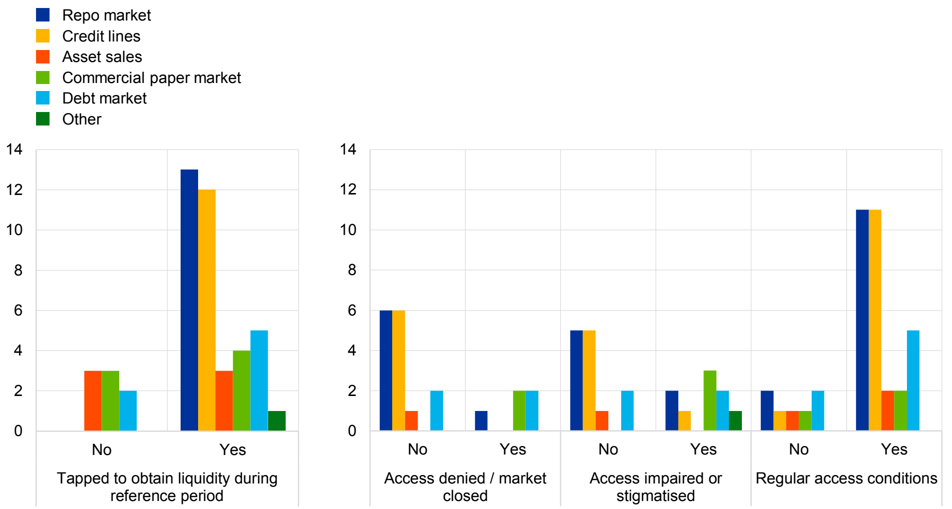
Source: ECB.

Responding institutions' clients, on the other hand, predominantly covered liquidity needs resulting from margin calls during the review period by tapping repo markets or credit lines. The clients accessed these liquidity sources under regular access conditions (see Chart SQ-9). Responding institutions' clients reported that the repo market was broadly open for high-quality liquid asset collateral. They faced dislocated corporate commercial paper and debt markets, with clear improvements only emerging towards the end of the reporting period.

Chart SQ-9

Type and access conditions of liquidity sources tapped by clients of responding institutions

(June 2020; number 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
						Mar. 2020	Jun. 2020	
Banks and dealers								
Price terms	8	46	35	12	0	**0**	**+42**	26
Non-price terms	0	28	60	12	0	**0**	**+16**	25
Overall	4	42	42	8	4	**+4**	**+33**	24
Hedge funds								
Price terms	5	47	37	11	0	**+5**	**+42**	19
Non-price terms	5	47	37	11	0	**0**	**+42**	19
Overall	0	50	39	11	0	**+5**	**+39**	18
Insurance companies								
Price terms	8	46	35	12	0	**0**	**+42**	26
Non-price terms	0	32	60	8	0	**+4**	**+24**	25
Overall	4	46	38	13	0	**+8**	**+38**	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	12	48	28	12	0	**0**	**+48**	25
Non-price terms	0	38	54	8	0	**0**	**+29**	24
Overall	4	48	35	13	0	**+4**	**+39**	23
Non-financial corporations								
Price terms	8	52	28	8	4	**+8**	**+48**	25
Non-price terms	0	38	58	0	4	**+4**	**+33**	24
Overall	4	43	43	4	4	**+9**	**+39**	23
Sovereigns								
Price terms	9	35	48	9	0	**-4**	**+35**	23
Non-price terms	0	27	68	5	0	**-4**	**+23**	22
Overall	5	33	52	10	0	**0**	**+29**	21
All counterparties above								
Price terms	9	52	30	9	0	**+4**	**+52**	23
Non-price terms	0	43	48	9	0	**0**	**+35**	23
Overall	5	50	36	9	0	**+8**	**+45**	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".

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
						Mar. 2020	Jun. 2020	
Banks and dealers								
Price terms	0	12	64	24	0	+30	-12	25
Non-price terms	0	4	76	20	0	+14	-16	25
Overall	0	13	67	21	0	+27	-8	24
Hedge funds								
Price terms	0	11	67	22	0	+24	-11	18
Non-price terms	0	11	79	11	0	+18	0	19
Overall	0	11	72	17	0	+24	-6	18
Insurance companies								
Price terms	0	20	60	20	0	+26	0	25
Non-price terms	0	12	76	12	0	+11	0	25
Overall	0	21	63	17	0	+23	+4	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	13	67	21	0	+23	-8	24
Non-price terms	0	4	83	13	0	+11	-8	24
Overall	0	13	70	17	0	+20	-4	23
Non-financial corporations								
Price terms	4	13	67	17	0	+27	0	24
Non-price terms	4	8	79	8	0	+15	+4	24
Overall	4	9	74	13	0	+22	0	23
Sovereigns								
Price terms	0	9	68	23	0	+25	-14	22
Non-price terms	0	0	86	14	0	+8	-14	22
Overall	0	10	71	19	0	+22	-10	21
All counterparties above								
Price terms	0	9	70	22	0	+23	-13	23
Non-price terms	0	9	77	14	0	+8	-5	22
Overall	0	9	73	18	0	+20	-9	22

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	14	0	0	12	9
Willingness of your institution to take on risk	0	20	0	13	4
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	40	0	0	9
Availability of balance sheet or capital at your institution	0	0	50	0	9
General market liquidity and functioning	79	20	25	25	57
Competition from other institutions	0	0	0	0	0
Other	7	20	25	50	13
Total number of answers	14	5	4	8	23
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	18	11
Willingness of your institution to take on risk	0	0	33	0	11
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	33	0	9	11
General market liquidity and functioning	100	0	0	55	33
Competition from other institutions	0	33	67	18	33
Other	0	0	0	0	0
Total number of answers	3	3	3	11	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	29	20	0	0	20
Willingness of your institution to take on risk	0	20	0	25	7
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	20	0	0	7
Availability of balance sheet or capital at your institution	0	0	67	0	13
General market liquidity and functioning	57	20	0	0	33
Competition from other institutions	0	0	0	0	0
Other	14	20	33	75	20
Total number of answers	7	5	3	4	15
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	20	14
Willingness of your institution to take on risk	33	0	0	0	14
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	0	14
General market liquidity and functioning	67	0	0	80	29
Competition from other institutions	0	0	100	0	29
Other	0	0	0	0	0
Total number of answers	3	2	2	5	7

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

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

Table 4

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	30	20	0	17	22
Willingness of your institution to take on risk	0	0	33	17	6
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	20	0	0	6
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	60	40	33	17	50
Competition from other institutions	0	0	0	0	0
Other	10	20	33	50	17
Total number of answers	10	5	3	6	18
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	20	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	50	0	0	17
General market liquidity and functioning	100	0	0	80	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	2	2	2	5	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	60	17	0	0	37
Willingness of your institution to take on risk	0	0	67	25	11
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	30	67	0	0	37
Competition from other institutions	0	0	0	0	0
Other	10	17	33	75	16
Total number of answers	10	6	3	4	19
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	20	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	50	0	0	17
General market liquidity and functioning	100	0	0	80	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	2	2	2	5	6

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

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

Table 5

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2020	Either first, second or third reason Jun. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	14	17	0	17	12
Willingness of your institution to take on risk	0	33	0	17	8
Adoption of new market conventions (e.g. ISDA protocols)	7	0	0	0	4
Internal treasury charges for funding	0	17	25	0	8
Availability of balance sheet or capital at your institution	0	0	25	0	4
General market liquidity and functioning	71	17	25	17	50
Competition from other institutions	0	0	0	0	0
Other	7	17	25	50	12
Total number of answers	14	6	4	6	24
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	12	11
Willingness of your institution to take on risk	0	0	33	0	11
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	33	0	13	11
General market liquidity and functioning	100	0	0	62	33
Competition from other institutions	0	33	67	12	33
Other	0	0	0	0	0
Total number of answers	3	3	3	8	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	20	33	0	25
Willingness of your institution to take on risk	13	40	0	20	19
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	0	6
General market liquidity and functioning	50	20	0	0	31
Competition from other institutions	0	0	0	0	0
Other	13	20	33	80	19
Total number of answers	8	5	3	5	16
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	20	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	50	0	0	17
General market liquidity and functioning	100	0	0	80	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	2	2	2	5	6

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

To the extent that [price/ non-price] terms applied to [investment funds (incl. ETFs), pension plans and other institutional investment pools] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

Table 6

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

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	13	0	20	17	12
Willingness of your institution to take on risk	0	50	0	17	12
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	17	20	0	8
Availability of balance sheet or capital at your institution	0	0	20	0	4
General market liquidity and functioning	80	17	20	17	54
Competition from other institutions	0	0	0	0	0
Other	7	17	20	50	12
Total number of answers	15	6	5	6	26
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	12	11
Willingness of your institution to take on risk	0	0	33	0	11
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	33	0	13	11
General market liquidity and functioning	100	0	0	62	33
Competition from other institutions	0	33	67	12	33
Other	0	0	0	0	0
Total number of answers	3	3	3	8	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	11	17	50	0	21
Willingness of your institution to take on risk	0	50	0	25	16
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	25	0	5
General market liquidity and functioning	78	17	0	0	42
Competition from other institutions	0	0	0	0	0
Other	11	17	25	75	16
Total number of answers	9	6	4	4	19
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	20	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	50	0	0	17
General market liquidity and functioning	100	0	0	80	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	2	2	2	5	6

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

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

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	27	13	0	14	18
Willingness of your institution to take on risk	0	38	20	14	14
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	13	20	0	7
Availability of balance sheet or capital at your institution	0	0	20	0	4
General market liquidity and functioning	67	25	20	29	46
Competition from other institutions	0	0	0	0	0
Other	7	13	20	43	11
Total number of answers	15	8	5	7	28
Possible reasons for easing					
Current or expected financial strength of counterparties	33	0	0	0	11
Willingness of your institution to take on risk	0	0	33	0	11
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	33	0	11
Availability of balance sheet or capital at your institution	0	33	0	17	11
General market liquidity and functioning	67	33	0	67	33
Competition from other institutions	0	33	33	17	22
Other	0	0	0	0	0
Total number of answers	3	3	3	6	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	14	20	0	24
Willingness of your institution to take on risk	0	29	40	25	19
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	20	0	5
General market liquidity and functioning	56	43	0	0	38
Competition from other institutions	0	0	0	0	0
Other	11	14	20	75	14
Total number of answers	9	7	5	4	21
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	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	100	0	100	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	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 [sovereigns] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	10	0	0	33	6
Willingness of your institution to take on risk	0	50	0	33	11
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	25	25	0	11
Availability of balance sheet or capital at your institution	0	0	25	0	6
General market liquidity and functioning	80	0	25	33	50
Competition from other institutions	0	0	0	0	0
Other	10	25	25	0	17
Total number of answers	10	4	4	3	18
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	12	0
Willingness of your institution to take on risk	0	0	50	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	13	17
General market liquidity and functioning	100	0	0	62	33
Competition from other institutions	0	50	50	12	33
Other	0	0	0	0	0
Total number of answers	2	2	2	8	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	33	0	15
Willingness of your institution to take on risk	0	50	0	100	15
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	0	8
General market liquidity and functioning	83	0	0	0	38
Competition from other institutions	0	0	0	0	0
Other	17	25	33	0	23
Total number of answers	6	4	3	1	13
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	20	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	100	0	0	33
General market liquidity and functioning	100	0	0	80	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	5	3

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Practices of CCPs	0	20	80	0	0	0	+20	15

Note: The net percentage is defined as the difference between the percentage of respondents reporting "contributed considerably to tightening" or "contributed somewhat to tightening" and those reporting "contributed somewhat to easing" and "contributed considerably to easing".

1.3 Resources and attention to the management of concentrated credit exposures

Over the past three months, how has the amount of resources and attention your firm devotes to the management of concentrated credit exposures to [large banks and dealers/ central counterparties] changed?

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Banks and dealers	0	0	39	52	9	-8	-61	23
Central counterparties	0	0	70	26	4	-8	-30	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".

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Hedge funds								
Use of financial leverage	6	38	50	6	0	+22	+38	16
Availability of unutilised leverage	7	7	80	7	0	+17	+7	15
Insurance companies								
Use of financial leverage	0	0	90	10	0	0	-10	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	15	80	5	0	+4	+10	20

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	8	88	4	0	0	+4	24
Provision of differential terms to most-favoured clients	0	9	86	5	0	+8	+5	22
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	17	72	11	0	+10	+6	18
Provision of differential terms to most-favoured clients	0	12	76	12	0	+15	0	17
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	13	79	8	0	-4	+4	24
Provision of differential terms to most-favoured clients	0	9	86	5	0	+8	+5	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	14	77	9	0	-4	+5	22
Provision of differential terms to most-favoured clients	0	14	81	5	0	+8	+10	21
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	4	8	71	13	4	-4	-4	24
Provision of differential terms to most-favoured clients	0	13	78	9	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".

1.6 Valuation disputes

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

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Banks and dealers								
Volume	4	4	58	25	8	-22	-25	24
Duration and persistence	0	4	75	17	4	-4	-17	24
Hedge funds								
Volume	6	0	59	24	12	-10	-29	17
Duration and persistence	0	0	76	18	6	-5	-24	17
Insurance companies								
Volume	0	4	70	17	9	-15	-22	23
Duration and persistence	0	0	83	13	4	-4	-17	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	5	0	68	18	9	-15	-23	22
Duration and persistence	0	0	82	18	0	-4	-18	22
Non-financial corporations								
Volume	0	4	74	17	4	-15	-17	23
Duration and persistence	0	0	87	13	0	-4	-13	23

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

2 Securities financing

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

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

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2020	Net percentage Jun. 2020	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	25	50	25	0	+19	0	16
Maximum maturity of funding	0	19	56	25	0	+19	-6	16
Haircuts	0	6	81	13	0	0	-6	16
Financing rate/spread	0	27	53	20	0	+19	+7	15
Use of CCPs	0	6	81	13	0	0	-6	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	20	60	20	0	0	0	25
Maximum maturity of funding	0	24	64	12	0	+11	+12	25
Haircuts	0	0	92	8	0	-4	-8	25
Financing rate/spread	0	13	58	25	4	+7	-17	24
Use of CCPs	0	4	87	9	0	-8	-4	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	20	72	8	0	+4	+12	25
Maximum maturity of funding	0	28	64	8	0	+11	+20	25
Haircuts	0	0	92	8	0	-4	-8	25
Financing rate/spread	0	13	63	21	4	+7	-13	24
Use of CCPs	0	4	96	0	0	-4	+4	23
High-quality financial corporate bonds								
Maximum amount of funding	0	24	67	10	0	+16	+14	21
Maximum maturity of funding	0	24	71	5	0	+12	+19	21
Haircuts	0	0	71	29	0	-4	-29	21
Financing rate/spread	5	5	55	25	10	+8	-25	20
Use of CCPs	0	12	82	6	0	+5	+6	17
High-quality non-financial corporate bonds								
Maximum amount of funding	0	29	62	10	0	+8	+19	21
Maximum maturity of funding	0	29	67	5	0	+12	+24	21
Haircuts	0	0	76	24	0	-4	-24	21
Financing rate/spread	5	5	55	30	5	+4	-25	20
Use of CCPs	0	6	82	12	0	0	-6	17
High-yield corporate bonds								
Maximum amount of funding	11	28	61	0	0	+15	+39	18
Maximum maturity of funding	11	33	44	11	0	+15	+33	18
Haircuts	0	6	50	33	11	-5	-39	18
Financing rate/spread	0	0	53	24	24	0	-47	17
Use of CCPs	0	0	91	9	0	-6	-9	11

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

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

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

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Convertible securities								
Maximum amount of funding	18	12	71	0	0	**0**	**+29**	17
Maximum maturity of funding	6	12	76	6	0	**-6**	**+12**	17
Haircuts	0	0	65	24	12	**-6**	**-35**	17
Financing rate/spread	0	0	56	31	13	**-6**	**-44**	16
Use of CCPs	0	0	93	7	0	**-8**	**-7**	14
Equities								
Maximum amount of funding	4	42	50	4	0	**-8**	**+42**	24
Maximum maturity of funding	4	21	67	8	0	**0**	**+17**	24
Haircuts	0	4	71	21	4	**-4**	**-21**	24
Financing rate/spread	0	9	57	30	4	**-4**	**-26**	23
Use of CCPs	0	0	89	11	0	**-5**	**-11**	19
Asset-backed securities								
Maximum amount of funding	11	28	56	6	0	**+5**	**+33**	18
Maximum maturity of funding	6	44	44	6	0	**+15**	**+44**	18
Haircuts	0	11	56	11	22	**0**	**-22**	18
Financing rate/spread	0	12	41	24	24	**+11**	**-35**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Covered bonds								
Maximum amount of funding	0	18	73	9	0	**+13**	**+9**	22
Maximum maturity of funding	0	23	77	0	0	**+13**	**+23**	22
Haircuts	0	0	86	14	0	**-4**	**-14**	22
Financing rate/spread	0	10	62	29	0	**+4**	**-19**	21
Use of CCPs	0	5	91	5	0	**0**	**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".

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Domestic government bonds								
Maximum amount of funding	0	13	63	25	0	+13	-13	16
Maximum maturity of funding	0	13	56	31	0	+13	-19	16
Haircuts	0	6	94	0	0	0	+6	16
Financing rate/spread	7	20	47	27	0	+6	0	15
Use of CCPs	0	6	81	13	0	0	-6	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	72	20	0	-4	-12	25
Maximum maturity of funding	0	12	72	16	0	+4	-4	25
Haircuts	0	0	96	4	0	-4	-4	25
Financing rate/spread	4	13	54	25	4	0	-13	24
Use of CCPs	0	8	83	8	0	-8	0	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	80	8	0	0	+4	25
Maximum maturity of funding	0	16	76	8	0	+8	+8	25
Haircuts	0	0	96	4	0	-4	-4	25
Financing rate/spread	4	13	58	21	4	0	-8	24
Use of CCPs	0	8	92	0	0	-4	+8	24
High-quality financial corporate bonds								
Maximum amount of funding	0	14	76	10	0	+13	+5	21
Maximum maturity of funding	0	24	71	5	0	+9	+19	21
Haircuts	0	0	71	29	0	-4	-29	21
Financing rate/spread	5	0	55	30	10	+4	-35	20
Use of CCPs	0	11	83	6	0	+5	+6	18
High-quality non-financial corporate bonds								
Maximum amount of funding	0	19	71	10	0	+4	+10	21
Maximum maturity of funding	0	29	67	5	0	+8	+24	21
Haircuts	0	0	76	24	0	-4	-24	21
Financing rate/spread	5	0	60	30	5	+8	-30	20
Use of CCPs	0	6	83	11	0	0	-6	18
High-yield corporate bonds								
Maximum amount of funding	11	17	72	0	0	+10	+28	18
Maximum maturity of funding	11	28	50	11	0	+15	+28	18
Haircuts	0	11	44	33	11	0	-33	18
Financing rate/spread	0	0	53	24	24	0	-47	17
Use of CCPs	0	0	92	8	0	-6	-8	12

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

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

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

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Convertible securities								
Maximum amount of funding	12	12	76	0	0	0	+24	17
Maximum maturity of funding	6	12	76	6	0	-6	+12	17
Haircuts	0	0	65	29	6	-6	-35	17
Financing rate/spread	0	0	56	38	6	-6	-44	16
Use of CCPs	0	0	85	15	0	-8	-15	13
Equities								
Maximum amount of funding	4	29	63	4	0	-14	+29	24
Maximum maturity of funding	4	17	71	8	0	-5	+13	24
Haircuts	0	4	71	25	0	-5	-21	24
Financing rate/spread	0	4	61	35	0	-5	-30	23
Use of CCPs	0	0	89	11	0	-5	-11	19
Asset-backed securities								
Maximum amount of funding	11	21	53	16	0	-5	+16	19
Maximum maturity of funding	5	32	53	11	0	+5	+26	19
Haircuts	0	11	47	32	11	0	-32	19
Financing rate/spread	0	11	39	28	22	+10	-39	18
Use of CCPs	0	0	100	0	0	0	0	11
Covered bonds								
Maximum amount of funding	0	14	73	14	0	+8	0	22
Maximum maturity of funding	0	23	73	5	0	+13	+18	22
Haircuts	0	0	86	14	0	-4	-14	22
Financing rate/spread	0	10	52	38	0	0	-29	21
Use of CCPs	0	5	91	5	0	0	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".

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

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

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	12
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	12
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	19
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	19
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
High-yield corporate bonds								
Terms for average clients	0	7	93	0	0	**0**	**+7**	14
Terms for most-favoured clients	0	7	87	7	0	**-5**	**0**	15
Convertible securities								
Terms for average clients	0	14	86	0	0	**0**	**+14**	14
Terms for most-favoured clients	0	14	86	0	0	**0**	**+14**	14
Equities								
Terms for average clients	0	17	83	0	0	**0**	**+17**	18
Terms for most-favoured clients	0	17	83	0	0	**0**	**+17**	18
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	13
Terms for most-favoured clients	0	0	93	7	0	**-6**	**-7**	14
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	18

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Domestic government bonds								
Overall demand	0	13	53	33	0	-6	-20	15
With a maturity greater than 30 days	0	13	40	47	0	-19	-33	15
High-quality government, sub-national and supra-national bonds								
Overall demand	0	17	54	29	0	-4	-13	24
With a maturity greater than 30 days	0	13	63	25	0	-8	-13	24
Other government, sub-national and supra-national bonds								
Overall demand	0	17	63	21	0	0	-4	24
With a maturity greater than 30 days	0	13	67	21	0	-4	-8	24
High-quality financial corporate bonds								
Overall demand	0	16	53	26	5	+9	-16	19
With a maturity greater than 30 days	0	16	58	21	5	0	-11	19
High-quality non-financial corporate bonds								
Overall demand	0	16	58	21	5	+13	-11	19
With a maturity greater than 30 days	0	16	58	21	5	+4	-11	19
High-yield corporate bonds								
Overall demand	0	29	41	29	0	0	0	17
With a maturity greater than 30 days	0	24	41	35	0	0	-12	17
Convertible securities								
Overall demand	6	0	63	31	0	-12	-25	16
With a maturity greater than 30 days	6	0	63	31	0	-12	-25	16
Equities								
Overall demand	4	13	52	30	0	-9	-13	23
With a maturity greater than 30 days	9	9	59	18	5	-9	-5	22
Asset-backed securities								
Overall demand	0	12	53	29	6	+6	-24	17
With a maturity greater than 30 days	0	6	59	35	0	0	-29	17
Covered bonds								
Overall demand	0	0	86	14	0	+9	-14	21
With a maturity greater than 30 days	0	0	81	19	0	-5	-19	21
All collateral types above								
Overall demand	0	16	63	21	0	-4	-5	19
With a maturity greater than 30 days	0	11	63	26	0	-4	-16	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". "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
						Mar. 2020	Jun. 2020	
Domestic government bonds								
Liquidity and functioning	0	13	87	0	0	-6	+13	15
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	20	80	0	0	0	+20	25
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	16	84	0	0	+4	+16	25
High-quality financial corporate bonds								
Liquidity and functioning	0	29	67	0	5	+9	+24	21
High-quality non-financial corporate bonds								
Liquidity and functioning	5	24	67	0	5	+9	+24	21
High-yield corporate bonds								
Liquidity and functioning	6	39	50	0	6	+5	+39	18
Convertible securities								
Liquidity and functioning	0	29	65	6	0	+18	+24	17
Equities								
Liquidity and functioning	0	17	83	0	0	+8	+17	24
Asset-backed securities								
Liquidity and functioning	17	22	61	0	0	+11	+39	18
Covered bonds								
Liquidity and functioning	0	18	82	0	0	+10	+18	22
All collateral types above								
Liquidity and functioning	5	20	70	5	0	+9	+20	20

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Domestic government bonds								
Volume	0	0	87	13	0	0	-13	15
Duration and persistence	0	0	87	13	0	0	-13	15
High-quality government, sub-national and supra-national bonds								
Volume	0	0	88	13	0	-8	-13	24
Duration and persistence	0	0	92	8	0	-8	-8	24
Other government, sub-national and supra-national bonds								
Volume	0	0	88	13	0	-9	-13	24
Duration and persistence	0	0	92	8	0	-9	-8	24
High-quality financial corporate bonds								
Volume	0	0	79	21	0	-10	-21	19
Duration and persistence	0	0	84	16	0	-10	-16	19
High-quality non-financial corporate bonds								
Volume	0	0	79	21	0	-10	-21	19
Duration and persistence	0	0	84	16	0	-10	-16	19
High-yield corporate bonds								
Volume	0	0	76	24	0	-11	-24	17
Duration and persistence	0	0	82	18	0	-11	-18	17
Convertible securities								
Volume	0	0	81	19	0	-13	-19	16
Duration and persistence	0	0	88	13	0	-13	-13	16
Equities								
Volume	0	0	90	10	0	-10	-10	21
Duration and persistence	0	0	95	5	0	-10	-5	21
Asset-backed securities								
Volume	0	0	82	18	0	-12	-18	17
Duration and persistence	0	0	88	12	0	-12	-12	17
Covered bonds								
Volume	0	0	85	15	0	-11	-15	20
Duration and persistence	0	0	90	10	0	-11	-10	20
All collateral types above								
Volume	0	0	85	15	0	-14	-15	20
Duration and persistence	0	0	90	10	0	-9	-10	20

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 Mar. 2020	Net percentage Jun. 2020	Total number of answers
Foreign exchange								
Average clients	0	5	82	9	5	-21	-9	22
Most-favoured clients	0	5	77	14	5	-21	-14	22
Interest rates								
Average clients	0	0	86	10	5	-9	-14	21
Most-favoured clients	0	0	81	19	0	-9	-19	21
Credit referencing sovereigns								
Average clients	0	0	65	35	0	-17	-35	17
Most-favoured clients	0	0	65	35	0	-17	-35	17
Credit referencing corporates								
Average clients	0	0	68	26	5	-15	-32	19
Most-favoured clients	0	0	68	32	0	-15	-32	19
Credit referencing structured credit products								
Average clients	0	0	65	35	0	-18	-35	17
Most-favoured clients	0	0	65	35	0	-18	-35	17
Equity								
Average clients	0	6	61	28	6	-10	-28	18
Most-favoured clients	0	6	61	33	0	-5	-28	18
Commodity								
Average clients	0	14	79	7	0	-17	+7	14
Most-favoured clients	0	14	79	7	0	-17	+7	14
Total return swaps referencing non-securities								
Average clients	0	8	75	17	0	-19	-8	12
Most-favoured clients	0	8	75	17	0	-13	-8	12

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

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

Over the past three months, how has the [maximum amount of exposure/ maximum maturity of trades] set by your institution with respect to OTC [type of derivatives] changed?

Table 23

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2020	Net percentage Jun. 2020	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	8	75	13	4	+4	-8	24
Maximum maturity of trades	0	8	84	8	0	+8	0	25
Interest rates								
Maximum amount of exposure	0	14	77	5	5	-4	+5	22
Maximum maturity of trades	0	8	92	0	0	+4	+8	24
Credit referencing sovereigns								
Maximum amount of exposure	0	6	81	13	0	-6	-6	16
Maximum maturity of trades	0	0	100	0	0	+6	0	17
Credit referencing corporates								
Maximum amount of exposure	0	11	78	11	0	0	0	18
Maximum maturity of trades	0	0	100	0	0	+5	0	19
Credit referencing structured credit products								
Maximum amount of exposure	0	13	69	19	0	-6	-6	16
Maximum maturity of trades	0	0	100	0	0	0	0	17
Equity								
Maximum amount of exposure	6	18	59	18	0	0	+6	17
Maximum maturity of trades	0	5	89	5	0	+10	0	19
Commodity								
Maximum amount of exposure	0	33	60	7	0	+5	+27	15
Maximum maturity of trades	0	13	81	6	0	+5	+6	16
Total return swaps referencing non-securities								
Maximum amount of exposure	0	25	75	0	0	-6	+25	12
Maximum maturity of trades	0	0	100	0	0	+6	0	12

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

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

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

Table 24

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage Mar. 2020	Net percentage Jun. 2020	Total number of answers
Foreign exchange								
Liquidity and trading	4	16	72	4	4	+28	+12	25
Interest rates								
Liquidity and trading	4	25	67	0	4	+33	+25	24
Credit referencing sovereigns								
Liquidity and trading	0	29	71	0	0	+24	+29	17
Credit referencing corporates								
Liquidity and trading	5	37	58	0	0	+21	+42	19
Credit referencing structured credit products								
Liquidity and trading	6	29	65	0	0	+24	+35	17
Equity								
Liquidity and trading	0	21	68	11	0	+25	+11	19
Commodity								
Liquidity and trading	0	31	63	6	0	+26	+25	16
Total return swaps referencing non-securities								
Liquidity and trading	0	8	92	0	0	+13	+8	12

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

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

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

Table 25

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2020	
Foreign exchange								
Volume	0	8	63	13	17	-8	-21	24
Duration and persistence	0	0	79	17	4	-4	-21	24
Interest rates								
Volume	0	9	57	26	9	-21	-26	23
Duration and persistence	0	4	74	22	0	-17	-17	23
Credit referencing sovereigns								
Volume	0	12	59	24	6	-22	-18	17
Duration and persistence	0	0	76	24	0	-6	-24	17
Credit referencing corporates								
Volume	0	11	61	22	6	-21	-17	18
Duration and persistence	0	0	72	28	0	-11	-28	18
Credit referencing structured credit products								
Volume	0	11	56	28	6	-24	-22	18
Duration and persistence	0	6	61	33	0	-6	-28	18
Equity								
Volume	0	11	58	21	11	-14	-21	19
Duration and persistence	0	0	74	26	0	-10	-26	19
Commodity								
Volume	6	6	69	13	6	-11	-6	16
Duration and persistence	0	0	81	19	0	-6	-19	16
Total return swaps referencing non-securities								
Volume	0	0	71	21	7	-24	-29	14
Duration and persistence	0	0	79	21	0	-11	-21	14

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

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 Mar. 2020	Net percentage Jun. 2020	Total number of answers
Margin call practices	0	16	84	0	0	+4	+16	25
Acceptable collateral	0	8	80	12	0	-8	-4	25
Recognition of portfolio or diversification benefits	0	4	96	0	0	-4	+4	25
Covenants and triggers	0	13	88	0	0	0	+13	24
Other documentation features	0	16	84	0	0	+4	+16	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 Mar. 2020	Net percentage Jun. 2020	Total number of answers
Posting of non-standard collateral	0	0	87	13	0	-4	-13	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".