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

June 2021

Four times a year, the Eurosystem conducts a qualitative survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets. This survey follows up on a recommendation made in the Committee on the Global Financial System report on the role of margin requirements and haircuts in procyclicality, which was published in March 2010.[1] 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

[1] Committee on the Global Financial System, "The role of margin requirements and haircuts in procyclicality", *CGFS Papers*, No 36, March 2010.

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 (i) how terms have tightened or eased over the past three months (regardless of longer-term trends), (ii) why these terms have changed and (iii) what expectations for the future look like. 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 2021 SESFOD results

(Reference period from March 2021 to May 2021)

The June 2021 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between March 2021 and May 2021. Responses were collected from a panel of 26 large banks, comprising 14 euro area banks and 12 banks with head offices outside the euro area.

Highlights

Overall credit terms and conditions for different counterparty types across the entire range of euro-denominated securities financing and over-the-counter (OTC) derivatives transactions tightened slightly over the March 2021 to May 2021 review period. Survey respondents reported a tightening of overall credit terms for each counterparty type except banks/dealers, hedge funds and sovereigns, for which overall credit terms remained unchanged.

Respondents mainly attributed the less favourable price terms to a general deterioration in market liquidity and functioning, a decreased willingness of institutions to take on risk and internal treasury charges for funding.

Respondents expected overall terms to tighten somewhat further over the June 2021 to August 2021 review period.

With respect to securities financing transactions, respondents reported a significant easing of credit terms in securities financing markets, with increased maximum amounts of funding, increased maximum maturity of funding, decreased haircuts to collateral and, most notably, a continued decrease in financing rates/spreads for funding of nearly all collateral types.

Against the background of deteriorating liquidity for most collateral types, demand for funding of almost all collateral types continued to weaken further.

With regard to non-centrally cleared derivatives markets, respondents reported increased initial margin requirements for all OTC derivatives, while liquidity and trading was broadly unchanged for the most part. Valuation disputes remained broadly unchanged in volume while increasing in duration and persistence overall.

Counterparty types

Overall credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets tightened slightly over the March 2021 to May 2021 review period. Respondents reported a tightening of overall credit terms for each counterparty type except banks/dealers, hedge funds and sovereigns, for which overall credit terms remained unchanged (see Chart A). Price terms tightened somewhat for all counterparty types, in particular for non-financial corporations and hedge funds. Non-price terms tightened somewhat for non-financial corporations, sovereigns, insurance companies and investment funds, while remaining unchanged for all other counterparty types. The marginal net tightening of overall terms and conditions was contrary to the expectation expressed in the March 2021 survey that terms and conditions would remain unchanged over the review period.

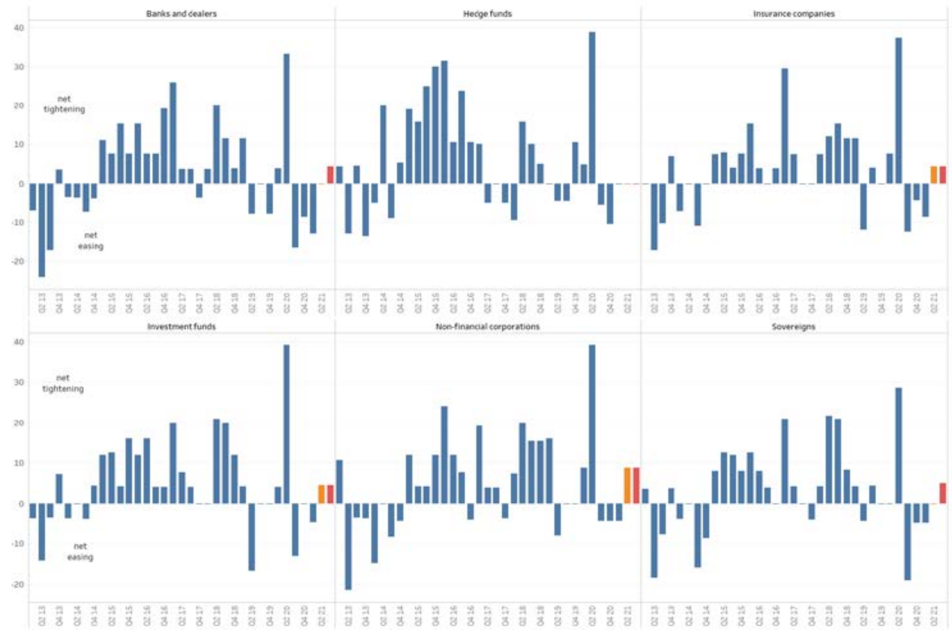
Respondents mainly attributed the less favourable price terms to a general deterioration in market liquidity and functioning, a decreased willingness of institutions to take on risk and internal treasury charges for funding.

Respondents expected overall terms to tighten somewhat further over the June 2021 to August 2021 review period. At the level of counterparty type, a small net percentage of respondents expected overall terms to remain unchanged only for hedge funds and to tighten somewhat for all other counterparty types (see Chart A). Differentiating between price and non-price terms, respondents expected tightening price terms for all types of counterparties except hedge funds and unchanged non-price terms for all types of counterparties except non-financial corporations.

Chart A

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

(Q1 2013 – Q2 2021 for observed, with Q2 2021 reporting displayed as orange bars; Q3 2021 for expected, shown as red 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”.

Respondents reported that the practices of central counterparties (CCPs), including margin requirements and haircuts, had no influence on credit terms for the March 2021 to May 2021 review period.

A small net percentage of respondents reported an increase in the resources and attention devoted to managing concentrated credit exposures to CCPs during the reference period. Resources devoted to managing concentrated credit exposures to large banks remained unchanged, however.

A net percentage of respondents reported that the availability and use of financial leverage decreased for hedge funds. The use of leverage by insurance companies and investment firms remained unchanged over the reference period.

Pressure from all counterparty types to obtain more favourable conditions increased, most notably from investment funds, non-financial corporations and insurance companies. At the same time, there was a net increase in the provision of differential terms to most-favoured clients over the reference period for all counterparty types except hedge funds.

Respondents reported decreases in the volume of valuation disputes, except for non-financial corporations and insurance corporations. A small net percentage of respondents reported a decrease in the duration and persistence of these valuation disputes for non-financial corporations, banks/dealers and hedge funds. They reported unchanged duration and persistence for insurance companies and investment funds.

Securities financing

The maximum amount of funding against euro-denominated collateral increased for most types of collateral. Participants in the June 2021 survey highlighted an increase in the maximum amount of funding offered to clients against collateral in the form of euro-denominated high-quality government bonds, asset-backed securities, high-quality non-financial corporate bonds, high-yield corporate bonds and covered bonds. However, respondents indicated that the amount of funding offered against domestic government bonds and convertible securities remained unchanged over the reference period.

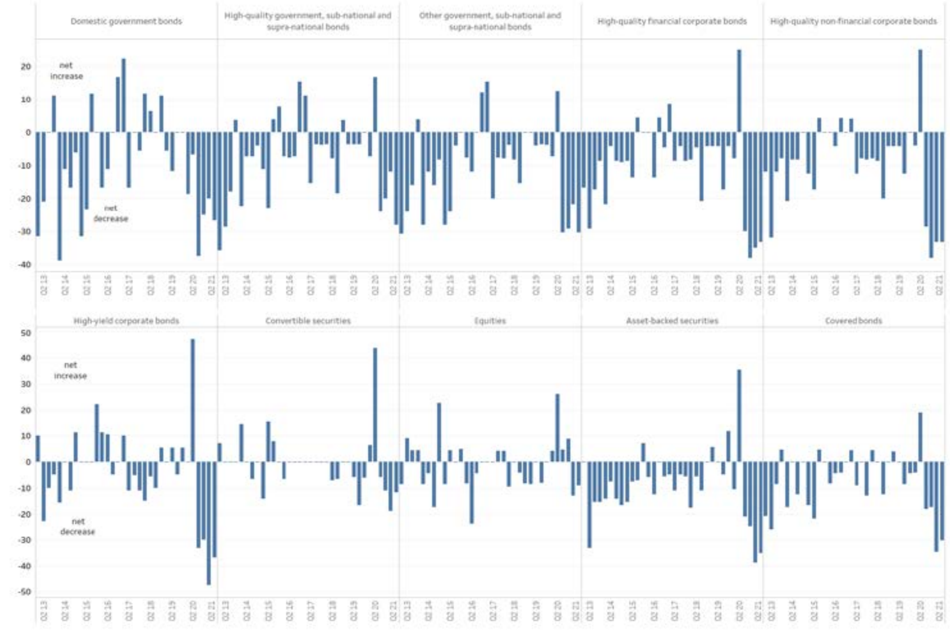
The maximum maturity of funding against euro-denominated collateral increased for most collateral types. Survey respondents reported in particular an increase in the maximum maturity of funding against asset-backed securities, high-quality financial and non-financial corporate bonds and covered bonds.

Haircuts applied to euro-denominated collateral decreased for almost all types of collateral. In particular, survey respondents reported decreased haircuts for high yield corporate bonds and covered bonds. They reported unchanged haircuts only for domestic government bonds, convertible securities and equities.

Financing rates/spreads continued to decrease for funding secured by all types of collateral. Following the significant decreases reported in the three previous SESFOD summaries, a large share of survey respondents reported further substantial decreases in financing rates/spreads for funding secured by both high-yield and high-quality corporate bonds and asset-backed securities (all more than a net one-third of respondents) as well as government bonds and covered bonds (around a net one-quarter of respondents) (see Chart B). Responses pointed to an even more pronounced decrease for most-favoured clients.

Chart B
Financing rate/spreads

(Q1 2013 – Q2 2021; 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".

The use of CCPs increased somewhat for domestic government bonds and high-quality financial corporate bonds but remained broadly unchanged for all other types of collateral. In line with previous surveys, responses to the June 2021 survey indicated only small changes in the use of CCPs for many types of collateral. Respondents reported net increases in the use of CCPs for funding secured by domestic government bonds and high-quality financial corporate bonds. One respondent reported a decrease in the use of CCPs for funding secured against high-quality government bonds. Responses were similar for both average and most-favoured clients.

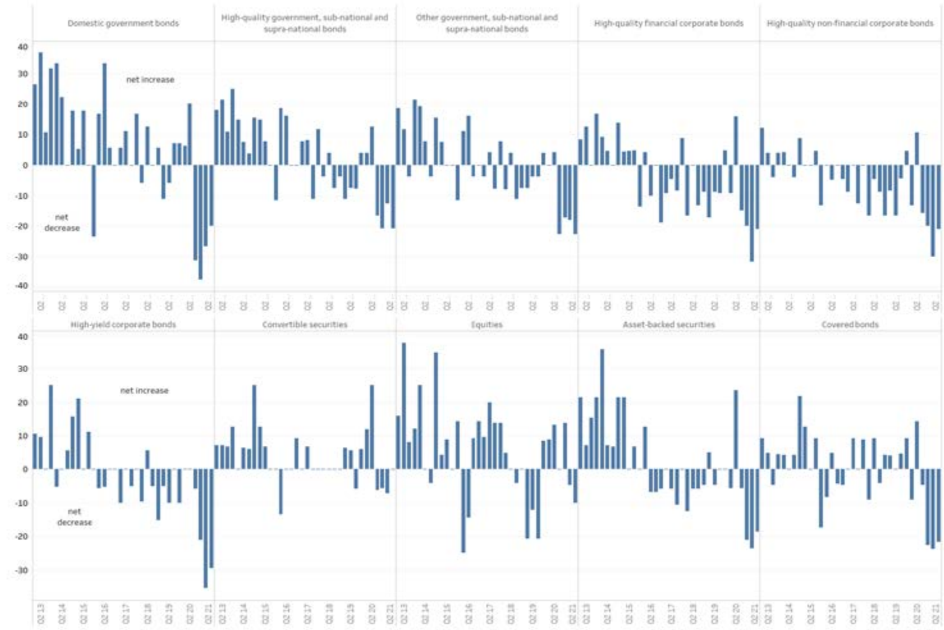
Covenants and triggers eased somewhat for funding against most collateral types. Survey respondents reported – for both average and most-favoured clients – slightly easier conditions for the covenants and triggers under which all types of collateral except domestic government bonds are funded.

Demand for funding of almost all collateral types continued to weaken further. A significant share of survey respondents reported weaker demand for funding across all types of collateral; the strongest decrease in demand was for funding against government, corporate and covered bonds and asset-backed securities (see Chart C). Survey respondents reported an unchanged demand only for funding against convertible securities. In general, the maturity of the funding did not affect the reported changes.

Chart C

Demand for funding

(Q1 2013 – Q2 2021; 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".

The liquidity of collateral deteriorated for most collateral types. A net percentage of survey respondents reported a deterioration in the liquidity and functioning of the markets for all types of collateral except for domestic government bonds and high-quality financial corporate bonds. The deterioration was most noteworthy for the liquidity and functioning of covered bond, equity and non-domestic government bond markets. The liquidity and functioning of domestic government bond and high-quality financial corporate bond markets remained unchanged.

Collateral valuation disputes remained unchanged for all collateral types. For the review period from March 2021 to May 2021, all survey respondents reported, for all collateral types, no change to the volume and duration of collateral valuation disputes.

Non-centrally cleared OTC derivatives

Initial margin requirements increased for all OTC derivatives. Net percentages of respondents reported, for both average and most-favoured clients, an increase in initial margins for all types of OTC derivatives. The reported increase in initial margins was most noteworthy for commodity and equity derivatives.

Survey responses about the maximum amount of exposure and maximum maturity of trades were mixed. The maximum amount of exposure to interest rates, foreign exchange and equity derivatives and total return swaps referencing non-securities increased somewhat, while it decreased for credit derivatives referencing corporates and structured credit products. The maximum maturity of trades increased somewhat for equity and interest rate derivatives as well as for total return swaps referencing non-securities. It decreased slightly for commodity derivatives.

Liquidity and trading remained broadly unchanged for almost all OTC derivatives. A small net percentage of survey respondents reported a slight deterioration in liquidity and trading for credit derivatives and an improvement in liquidity and trading for interest rates and equity derivatives as well as total return swaps referencing non-securities.

Valuation disputes remained broadly unchanged in volume while increasing overall in duration and persistence. Survey respondents reported an increase in the volume of valuation disputes only for credit derivatives referencing credit products and corporates. They reported increases in the duration and persistence of valuation disputes for all types of derivatives, but most notably for commodity and equity derivatives.

Respondents reported only very few changes in new or renegotiated master agreements. A small net percentage of respondents reported slightly tighter criteria for margin call practices incorporated in new or renegotiated master agreements and for other documentation features (e.g. CSA amendments to address the discount rate switch from EONIA to the €STR). A small net percentage of respondents also reported slightly easier conditions for acceptable collateral.

Non-standard collateral posting increased somewhat. A small net percentage of respondents reported that the posting of non-standard collateral (for example, other than cash and high-quality government bonds) 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		Total number of answers
						Mar. 2020	Jun. 2021	
Banks and dealers								
Price terms	0	8	92	0	0	**-13**	**+8**	25
Non-price terms	0	4	92	4	0	**-4**	**0**	25
Overall	0	4	91	4	0	**-13**	**0**	23
Hedge funds								
Price terms	0	11	89	0	0	**0**	**+11**	19
Non-price terms	0	5	89	5	0	**+5**	**0**	19
Overall	0	6	89	6	0	**0**	**0**	18
Insurance companies								
Price terms	0	8	92	0	0	**-8**	**+8**	25
Non-price terms	0	4	96	0	0	**-4**	**+4**	25
Overall	0	4	96	0	0	**-9**	**+4**	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	8	92	0	0	**-4**	**+8**	24
Non-price terms	0	4	96	0	0	**0**	**+4**	24
Overall	0	5	95	0	0	**-5**	**+5**	22
Non-financial corporations								
Price terms	0	12	88	0	0	**-8**	**+12**	25
Non-price terms	0	8	92	0	0	**-4**	**+8**	25
Overall	0	9	91	0	0	**-4**	**+9**	23
Sovereigns								
Price terms	0	5	95	0	0	**-5**	**+5**	22
Non-price terms	0	5	95	0	0	**0**	**+5**	22
Overall	0	0	100	0	0	**-5**	**0**	20
All counterparties above								
Price terms	0	8	92	0	0	**-8**	**+8**	25
Non-price terms	0	4	96	0	0	**-4**	**+4**	25
Overall	0	8	92	0	0	**-8**	**+8**	24

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

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2021	
Banks and dealers								
Price terms	0	4	96	0	0	**-9**	**+4**	23
Non-price terms	0	0	100	0	0	**-9**	**0**	23
Overall	0	4	96	0	0	**-9**	**+4**	23
Hedge funds								
Price terms	0	0	100	0	0	**0**	**0**	18
Non-price terms	0	0	100	0	0	**0**	**0**	18
Overall	0	0	100	0	0	**0**	**0**	18
Insurance companies								
Price terms	0	4	96	0	0	**0**	**+4**	23
Non-price terms	0	0	100	0	0	**-4**	**0**	23
Overall	0	4	96	0	0	**0**	**+4**	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	5	95	0	0	**0**	**+5**	22
Non-price terms	0	0	100	0	0	**-5**	**0**	22
Overall	0	5	95	0	0	**0**	**+5**	22
Non-financial corporations								
Price terms	0	9	91	0	0	**0**	**+9**	23
Non-price terms	0	4	96	0	0	**-4**	**+4**	23
Overall	0	9	91	0	0	**0**	**+9**	23
Sovereigns								
Price terms	0	5	95	0	0	**0**	**+5**	20
Non-price terms	0	0	100	0	0	**-5**	**0**	20
Overall	0	5	95	0	0	**0**	**+5**	20
All counterparties above								
Price terms	0	4	96	0	0	**0**	**+4**	24
Non-price terms	0	0	100	0	0	**-4**	**0**	24
Overall	0	4	96	0	0	**0**	**+4**	24

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2021
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)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	33
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	50	0	0	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	2	1	0	3	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	9	0
Willingness of your institution to take on risk	0	0	0	18	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	18	0
General market liquidity and functioning	0	0	0	36	0
Competition from other institutions	0	0	0	18	0
Other	0	0	0	0	0
Total number of answers	0	0	0	11	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	33	100
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	0	0	3	1
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	100	0	0	50
Competition from other institutions	100	0	0	100	50
Other	0	0	0	0	0
Total number of answers	1	1	0	1	2

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	Either first, second or third reason Jun. 2021
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)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	33
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	50	0	0	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	2	1	0	3	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	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	33	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
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	33	100
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	0	0	3	1
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	100	0	0	50
Competition from other institutions	100	0	0	0	50
Other	0	0	0	0	0
Total number of answers	1	1	0	0	2

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	Jun. 2021
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)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	33
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	50	0	0	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	2	1	0	3	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	13	0
Willingness of your institution to take on risk	0	0	0	12	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	25	0
General market liquidity and functioning	0	0	0	37	0
Competition from other institutions	0	0	0	12	0
Other	0	0	0	0	0
Total number of answers	0	0	0	8	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	33	100
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	0	0	3	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	100	0
Total number of answers	0	0	0	1	0

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

To the extent that [price/ non-price] terms applied to [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. 2021
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)	0	0	0	0	0
Internal treasury charges for funding	50	0	0	0	33
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	50	0	0	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	2	1	0	3	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	33	100
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	0	0	3	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2020	Jun. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	0	0	33	17
Willingness of your institution to take on risk	0	50	100	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	33	0	0	0	17
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	33	50	0	33	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	3	2	1	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	13	0
Willingness of your institution to take on risk	0	0	0	12	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	13	0
General market liquidity and functioning	0	0	0	38	0
Competition from other institutions	0	0	0	25	0
Other	0	0	0	0	0
Total number of answers	0	0	0	8	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	50	0	0	33	25
Willingness of your institution to take on risk	0	0	100	33	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	100	0	33	50
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	1	3	4
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	50	0
Competition from other institutions	0	0	0	50	0
Other	0	0	0	0	0
Total number of answers	0	0	0	2	0

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

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

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2020	Jun. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	33	100
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	0	0	3	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	17	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	17	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	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	33	100
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	0	0	3	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage Mar. 2020	Net percentage Jun. 2021	Total number of answers
Practices of CCPs	0	0	100	0	0	-8	0	12

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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Banks and dealers	0	4	92	4	0	0	0	24
Central counterparties	0	0	92	8	0	-8	-8	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".

1.4 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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Hedge funds								
Use of financial leverage	0	11	83	6	0	-11	+6	18
Availability of unutilised leverage	0	13	88	0	0	-6	+13	16
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	100	0	0	+4	0	23

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

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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-4	-8	24
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-4	23
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	89	11	0	-5	-11	19
Provision of differential terms to most-favoured clients	0	5	89	5	0	0	0	19
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	88	13	0	-4	-13	24
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-4	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	83	17	0	-4	-17	23
Provision of differential terms to most-favoured clients	0	0	95	5	0	0	-5	22
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	84	16	0	-8	-16	25
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Banks and dealers								
Volume	0	9	87	4	0	-4	+4	23
Duration and persistence	0	9	91	0	0	0	+9	22
Hedge funds								
Volume	0	11	89	0	0	-16	+11	19
Duration and persistence	0	6	94	0	0	-6	+6	18
Insurance companies								
Volume	0	0	100	0	0	-4	0	23
Duration and persistence	0	0	100	0	0	0	0	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	5	95	0	0	-4	+5	22
Duration and persistence	0	0	100	0	0	0	0	21
Non-financial corporations								
Volume	0	0	100	0	0	-4	0	24
Duration and persistence	0	9	91	0	0	+4	+9	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. 2021	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	7	87	7	0	+7	0	15
Maximum maturity of funding	0	0	93	7	0	0	-7	15
Haircuts	0	0	100	0	0	+13	0	15
Financing rate/spread	0	27	73	0	0	+20	+27	15
Use of CCPs	0	0	87	13	0	-13	-13	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	84	16	0	0	-16	25
Maximum maturity of funding	0	4	92	4	0	-8	0	25
Haircuts	0	8	92	0	0	+8	+8	25
Financing rate/spread	0	28	72	0	0	+12	+28	25
Use of CCPs	0	4	96	0	0	0	+4	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	83	17	0	-4	-17	23
Maximum maturity of funding	0	4	91	4	0	-4	0	23
Haircuts	0	9	91	0	0	+9	+9	23
Financing rate/spread	0	30	70	0	0	+22	+30	23
Use of CCPs	0	0	100	0	0	+5	0	21
High-quality financial corporate bonds								
Maximum amount of funding	0	10	76	14	0	+5	-5	21
Maximum maturity of funding	0	5	76	19	0	-10	-14	21
Haircuts	0	14	86	0	0	+20	+14	21
Financing rate/spread	0	33	67	0	0	+35	+33	21
Use of CCPs	0	0	93	7	0	+7	-7	14
High-quality non-financial corporate bonds								
Maximum amount of funding	0	10	71	19	0	+10	-10	21
Maximum maturity of funding	0	5	76	19	0	-5	-14	21
Haircuts	0	14	81	5	0	+19	+10	21
Financing rate/spread	0	33	67	0	0	+33	+33	21
Use of CCPs	0	0	100	0	0	0	0	14
High-yield corporate bonds								
Maximum amount of funding	0	11	68	21	0	+11	-11	19
Maximum maturity of funding	0	11	74	16	0	-11	-5	19
Haircuts	0	21	79	0	0	+21	+21	19
Financing rate/spread	0	37	63	0	0	+47	+37	19
Use of CCPs	0	0	100	0	0	0	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". "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. 2021	
Convertible securities								
Maximum amount of funding	0	6	88	6	0	-6	0	17
Maximum maturity of funding	0	0	94	6	0	0	-6	17
Haircuts	0	0	100	0	0	0	0	17
Financing rate/spread	0	18	76	6	0	+19	+12	17
Use of CCPs	0	0	100	0	0	0	0	12
Equities								
Maximum amount of funding	0	0	95	5	0	-9	-5	22
Maximum maturity of funding	0	0	95	5	0	-4	-5	22
Haircuts	0	0	100	0	0	+9	0	22
Financing rate/spread	0	14	82	0	5	+13	+9	22
Use of CCPs	0	0	100	0	0	0	0	16
Asset-backed securities								
Maximum amount of funding	0	0	82	18	0	0	-18	17
Maximum maturity of funding	0	6	71	24	0	-17	-18	17
Haircuts	0	12	88	0	0	+17	+12	17
Financing rate/spread	0	35	65	0	0	+39	+35	17
Use of CCPs	0	0	100	0	0	0	0	11
Covered bonds								
Maximum amount of funding	0	4	83	13	0	+13	-9	23
Maximum maturity of funding	0	4	83	13	0	0	-9	23
Haircuts	0	13	87	0	0	+13	+13	23
Financing rate/spread	0	30	70	0	0	+35	+30	23
Use of CCPs	0	0	100	0	0	0	0	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".

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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	7	80	13	0	0	-7	15
Maximum maturity of funding	0	0	93	7	0	0	-7	15
Haircuts	0	0	100	0	0	+7	0	15
Financing rate/spread	0	40	60	0	0	+27	+40	15
Use of CCPs	0	0	87	13	0	-7	-13	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	76	20	0	-4	-16	25
Maximum maturity of funding	0	4	92	4	0	-12	0	25
Haircuts	0	8	92	0	0	+8	+8	25
Financing rate/spread	0	40	60	0	0	+24	+40	25
Use of CCPs	0	4	96	0	0	+4	+4	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	83	13	0	-9	-9	23
Maximum maturity of funding	0	4	91	4	0	-9	0	23
Haircuts	0	9	91	0	0	+9	+9	23
Financing rate/spread	0	39	61	0	0	+26	+39	23
Use of CCPs	0	0	100	0	0	+5	0	21
High-quality financial corporate bonds								
Maximum amount of funding	0	14	71	14	0	+10	0	21
Maximum maturity of funding	0	5	86	10	0	-5	-5	21
Haircuts	0	14	86	0	0	+20	+14	21
Financing rate/spread	0	43	57	0	0	+40	+43	21
Use of CCPs	0	0	93	7	0	+7	-7	14
High-quality non-financial corporate bonds								
Maximum amount of funding	0	14	62	24	0	+14	-10	21
Maximum maturity of funding	0	10	81	10	0	0	0	21
Haircuts	0	14	81	5	0	+19	+10	21
Financing rate/spread	0	43	57	0	0	+38	+43	21
Use of CCPs	0	0	100	0	0	0	0	14
High-yield corporate bonds								
Maximum amount of funding	0	11	68	21	0	+11	-11	19
Maximum maturity of funding	0	11	79	11	0	0	0	19
Haircuts	0	21	79	0	0	+21	+21	19
Financing rate/spread	0	42	58	0	0	+47	+42	19
Use of CCPs	0	0	100	0	0	0	0	13

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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. 2021	
Convertible securities								
Maximum amount of funding	0	6	88	6	0	**-6**	**0**	17
Maximum maturity of funding	0	0	94	6	0	**0**	**-6**	17
Haircuts	0	6	94	0	0	**0**	**+6**	17
Financing rate/spread	0	18	76	6	0	**+19**	**+12**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Equities								
Maximum amount of funding	0	0	96	4	0	**-14**	**-4**	23
Maximum maturity of funding	0	0	96	4	0	**-9**	**-4**	23
Haircuts	0	4	96	0	0	**+9**	**+4**	23
Financing rate/spread	0	13	83	4	0	**+13**	**+9**	23
Use of CCPs	0	0	100	0	0	**+6**	**0**	17
Asset-backed securities								
Maximum amount of funding	0	0	82	18	0	**0**	**-18**	17
Maximum maturity of funding	0	0	76	24	0	**-17**	**-24**	17
Haircuts	0	6	88	6	0	**+11**	**0**	17
Financing rate/spread	0	29	65	6	0	**+33**	**+24**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Covered bonds								
Maximum amount of funding	0	5	82	14	0	**+10**	**-9**	22
Maximum maturity of funding	0	5	86	9	0	**-5**	**-5**	22
Haircuts	0	9	91	0	0	**+14**	**+9**	22
Financing rate/spread	5	23	73	0	0	**+36**	**+27**	22
Use of CCPs	0	0	100	0	0	**0**	**0**	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".

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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
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	95	5	0	**-5**	**-5**	21
Terms for most-favoured clients	0	0	95	5	0	**-5**	**-5**	21
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	95	5	0	**-5**	**-5**	19
Terms for most-favoured clients	0	0	95	5	0	**-5**	**-5**	19
High-quality financial corporate bonds								
Terms for average clients	0	0	94	6	0	**-6**	**-6**	17
Terms for most-favoured clients	0	0	94	6	0	**-6**	**-6**	17
High-quality non-financial corporate bonds								
Terms for average clients	0	0	94	6	0	**-6**	**-6**	17
Terms for most-favoured clients	0	0	94	6	0	**-6**	**-6**	17
High-yield corporate bonds								
Terms for average clients	0	0	93	7	0	**-7**	**-7**	15
Terms for most-favoured clients	0	0	94	6	0	**-6**	**-6**	16
Convertible securities								
Terms for average clients	0	0	94	6	0	**-7**	**-6**	16
Terms for most-favoured clients	0	0	94	6	0	**-7**	**-6**	16
Equities								
Terms for average clients	0	0	94	6	0	**-5**	**-6**	18
Terms for most-favoured clients	0	0	94	6	0	**-5**	**-6**	18
Asset-backed securities								
Terms for average clients	0	0	92	8	0	**-7**	**-8**	13
Terms for most-favoured clients	0	0	92	8	0	**-7**	**-8**	13
Covered bonds								
Terms for average clients	0	0	95	5	0	**-5**	**-5**	19
Terms for most-favoured clients	0	0	95	5	0	**-5**	**-5**	19

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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Domestic government bonds								
Overall demand	0	20	80	0	0	+27	+20	15
With a maturity greater than 30 days	0	13	80	7	0	+7	+7	15
High-quality government, sub-national and supra-national bonds								
Overall demand	4	17	79	0	0	+13	+21	24
With a maturity greater than 30 days	4	17	75	4	0	+4	+17	24
Other government, sub-national and supra-national bonds								
Overall demand	5	18	77	0	0	+18	+23	22
With a maturity greater than 30 days	5	18	77	0	0	+14	+23	22
High-quality financial corporate bonds								
Overall demand	5	21	68	5	0	+32	+21	19
With a maturity greater than 30 days	5	21	74	0	0	+16	+26	19
High-quality non-financial corporate bonds								
Overall demand	5	21	68	5	0	+30	+21	19
With a maturity greater than 30 days	5	21	74	0	0	+25	+26	19
High-yield corporate bonds								
Overall demand	6	29	59	6	0	+35	+29	17
With a maturity greater than 30 days	6	29	65	0	0	+35	+35	17
Convertible securities								
Overall demand	7	0	87	7	0	+7	0	15
With a maturity greater than 30 days	7	0	87	7	0	+7	0	15
Equities								
Overall demand	0	20	70	10	0	+5	+10	20
With a maturity greater than 30 days	5	10	75	10	0	-5	+5	20
Asset-backed securities								
Overall demand	0	19	81	0	0	+24	+19	16
With a maturity greater than 30 days	0	19	81	0	0	+24	+19	16
Covered bonds								
Overall demand	4	22	70	4	0	+24	+22	23
With a maturity greater than 30 days	4	17	78	0	0	+14	+22	23
All collateral types above								
Overall demand	5	15	75	5	0	+20	+15	20
With a maturity greater than 30 days	5	15	75	5	0	+15	+15	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.

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. 2021	
Domestic government bonds								
Liquidity and functioning	0	0	100	0	0	**0**	**0**	15
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	8	92	0	0	**0**	**+8**	24
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	9	91	0	0	**-5**	**+9**	22
High-quality financial corporate bonds								
Liquidity and functioning	0	11	79	11	0	**-6**	**0**	19
High-quality non-financial corporate bonds								
Liquidity and functioning	0	16	74	11	0	**-11**	**+5**	19
High-yield corporate bonds								
Liquidity and functioning	6	12	71	12	0	**-6**	**+6**	17
Convertible securities								
Liquidity and functioning	0	7	93	0	0	**0**	**+7**	15
Equities								
Liquidity and functioning	0	10	90	0	0	**-5**	**+10**	21
Asset-backed securities								
Liquidity and functioning	6	6	81	6	0	**0**	**+6**	16
Covered bonds								
Liquidity and functioning	4	13	78	4	0	**0**	**+13**	23
All collateral types above								
Liquidity and functioning	5	10	81	5	0	**-14**	**+10**	21

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. 2021	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	13
Duration and persistence	0	0	100	0	0	**0**	**0**	13
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	19
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
Equities								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
Asset-backed securities								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Covered bonds								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	19
All collateral types above								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	100	0	0	**0**	**0**	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		Total number of answers
						Mar. 2020	Jun. 2021	
Foreign exchange								
Average clients	0	0	86	14	0	**0**	**-14**	22
Most-favoured clients	0	0	91	9	0	**0**	**-9**	22
Interest rates								
Average clients	0	0	86	14	0	**+5**	**-14**	21
Most-favoured clients	0	0	86	14	0	**+5**	**-14**	21
Credit referencing sovereigns								
Average clients	0	0	88	13	0	**0**	**-13**	16
Most-favoured clients	0	0	88	13	0	**0**	**-13**	16
Credit referencing corporates								
Average clients	0	0	89	11	0	**0**	**-11**	18
Most-favoured clients	0	0	89	11	0	**0**	**-11**	18
Credit referencing structured credit products								
Average clients	0	0	87	13	0	**-6**	**-13**	15
Most-favoured clients	0	0	87	13	0	**-6**	**-13**	15
Equity								
Average clients	0	0	83	11	6	**0**	**-17**	18
Most-favoured clients	0	0	83	17	0	**0**	**-17**	18
Commodity								
Average clients	0	0	81	13	6	**0**	**-19**	16
Most-favoured clients	0	0	88	13	0	**0**	**-13**	16
Total return swaps referencing non-securities								
Average clients	0	0	88	13	0	**0**	**-13**	16
Most-favoured clients	0	0	88	13	0	**0**	**-13**	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 Mar. 2020	Net percentage Jun. 2021	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	0	91	9	0	+4	-9	23
Maximum maturity of trades	0	0	100	0	0	+5	0	23
Interest rates								
Maximum amount of exposure	0	0	86	14	0	-5	-14	22
Maximum maturity of trades	0	0	95	5	0	-5	-5	22
Credit referencing sovereigns								
Maximum amount of exposure	0	7	86	7	0	0	0	14
Maximum maturity of trades	0	0	100	0	0	0	0	14
Credit referencing corporates								
Maximum amount of exposure	0	13	88	0	0	-12	+13	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Credit referencing structured credit products								
Maximum amount of exposure	0	8	92	0	0	0	+8	13
Maximum maturity of trades	0	0	100	0	0	0	0	13
Equity								
Maximum amount of exposure	0	6	75	19	0	-6	-13	16
Maximum maturity of trades	0	0	94	6	0	-6	-6	17
Commodity								
Maximum amount of exposure	0	7	87	7	0	+13	0	15
Maximum maturity of trades	0	7	93	0	0	+7	+7	15
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	93	7	0	0	-7	15
Maximum maturity of trades	0	0	93	7	0	0	-7	15

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

3.1 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. 2021	Total number of answers
Foreign exchange								
Liquidity and trading	0	4	91	4	0	+5	0	23
Interest rates								
Liquidity and trading	0	0	90	10	0	-5	-10	21
Credit referencing sovereigns								
Liquidity and trading	0	7	93	0	0	0	+7	15
Credit referencing corporates								
Liquidity and trading	0	6	94	0	0	0	+6	17
Credit referencing structured credit products								
Liquidity and trading	0	7	93	0	0	0	+7	14
Equity								
Liquidity and trading	0	0	94	6	0	+6	-6	18
Commodity								
Liquidity and trading	0	0	100	0	0	0	0	16
Total return swaps referencing non-securities								
Liquidity and trading	0	0	93	7	0	0	-7	15

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. 2021	
Foreign exchange								
Volume	0	5	91	5	0	-4	0	22
Duration and persistence	0	14	86	0	0	+9	+14	22
Interest rates								
Volume	0	5	90	5	0	-5	0	21
Duration and persistence	0	14	86	0	0	+5	+14	21
Credit referencing sovereigns								
Volume	0	7	86	7	0	-6	0	14
Duration and persistence	0	14	86	0	0	+6	+14	14
Credit referencing corporates								
Volume	0	7	80	13	0	0	-7	15
Duration and persistence	0	13	87	0	0	+12	+13	15
Credit referencing structured credit products								
Volume	0	7	87	7	0	+6	0	15
Duration and persistence	0	13	87	0	0	+6	+13	15
Equity								
Volume	0	6	88	6	0	-6	0	17
Duration and persistence	0	18	82	0	0	+12	+18	17
Commodity								
Volume	0	7	86	7	0	-13	0	14
Duration and persistence	0	21	79	0	0	0	+21	14
Total return swaps referencing non-securities								
Volume	0	0	93	7	0	-7	-7	15
Duration and persistence	0	13	87	0	0	+7	+13	15

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

3.2 Changes in new or renegotiated master agreements

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

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2021	
Margin call practices	0	4	96	0	0	**+9**	**+4**	24
Acceptable collateral	0	0	96	4	0	**0**	**-4**	24
Recognition of portfolio or diversification benefits	0	0	100	0	0	**+4**	**0**	24
Covenants and triggers	0	0	100	0	0	**+5**	**0**	23
Other documentation features	0	8	88	4	0	**+17**	**+4**	24

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2020	Jun. 2021	
Posting of non-standard collateral	0	5	86	9	0	**0**	**-5**	22

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

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