EUROPEAN CENTRAL BANK

EUROSYSTEM

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

As a follow-up to the recommendation in the Committee on the Global Financial System (CGFS) study group report on "The role of margin requirements and haircuts in procyclicality" published in March 2010, the Eurosystem has decided to conduct a quarterly qualitative survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets. The survey is part of an international initiative to collect information on trends in the credit terms offered by firms in the wholesale markets and insights into the main drivers of these trends. The information collected is valuable for financial stability, market functioning and monetary policy objectives.

The survey questions are grouped into three sections:
1. Counterparty types – covers credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets;
2. Securities financing – focuses on financing conditions for various collateral types;
3. Non-centrally cleared OTC derivatives – credit terms and conditions for various derivatives types.

The survey focuses on **euro-denominated** instruments in securities financing and OTC derivatives markets. For securities financing, this refers to the euro-denominated securities against which financing is being provided, rather than the currency of the loan. For OTC derivatives, at least one of the legs of the derivative contract should be denominated in euro.

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

Reporting institutions should report about their **global credit terms** and thus the survey is directed to the senior credit officers responsible for maintaining a consolidated perspective on the management of credit risks. Where material differences exist across different business areas, for example between traditional prime brokerage and OTC derivatives, answers should refer to the business area generating the most exposure.

Credit terms are reported from the perspective of the firm as a **supplier of credit to customers** (rather than as receiver of credit from other firms).

The questions focus on how terms have changed over the past three months; why terms have changed; and expectations for the future. Change data should reflect **how terms have tightened or eased over the past three months, regardless of how they stand relative to longer-term norms**. "Future" data should look at expectations of how terms will change over the next three months.

Firms are encouraged to answer all questions, unless some market segments are of marginal importance to firm's business.

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

March 2016

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March 2016 SESFOD results

(reference period from December2015 to February 2016)

Summary

The March 2016 **survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets (SESFOD)** collected qualitative information on changes in credit terms between December 2015 and February 2016. This report summarises the findings of the responses from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area. In addition to the regular questions on changes observed over the past three months, the March 2016 survey also contained questions about changes in credit terms and conditions compared with the situation observed one year earlier.

Highlights

Overall credit terms offered to counterparties across the entire spectrum of securities financing and OTC derivatives transaction types became less favourable over the three-month reference period ending in February 2016. The tightening of credit terms was most pronounced for counterparties which are hedge funds and non-financial corporations. In addition, credit terms are expected to tighten somewhat further over the next three-month reference period (i.e. between March and May 2016).

For what concerns credit terms by collateral type, **non-price terms**, such as the maximum amount and the maximum maturity of funding in securities financing transactions, became less favourable for most types of collateral – particularly when corporate bonds were used as collateral. **Price terms**, such as financing rates/spreads, however eased for many types of collateral, with the decline being most pronounced for government bonds. Corporate bonds were an exception, as financing rates/spreads either remained basically unchanged (high-quality corporate bonds) or became less favourable (high-yield corporate bonds) in transactions involving such collateral.

Demand by counterparties for funding using government bonds, high-quality financial and non-financial corporate bonds and asset-backed securities as collateral increased over the three-month reference period, suggesting a return to the general trend of increasing demand for securities financing observed since the start of the SESFOD survey in the fourth quarter of 2012.

Liquidity and functioning of markets for the underlying collateral (as opposed to the securities financing market itself) on balance deteriorated for all types of euro-denominated collateral covered in the survey, following the worsening of liquidity and market functioning reported in the June, September and December 2015 SESFOD surveys.

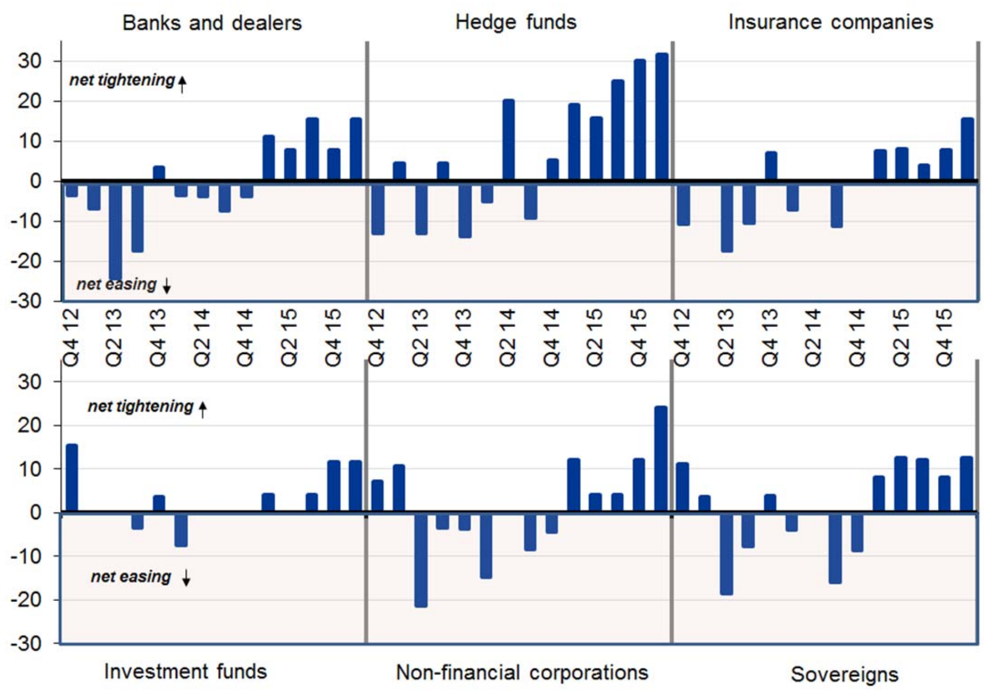
Looking at patterns in credit terms by counterparty type over a longer horizon, compared with one year ago, on balance, credit terms have become less favourable to all counterparty types, but in particular to counterparties which are hedge funds, investment funds, and non-financial corporates.

Counterparty types

Changes: responses to the March 2016 survey suggest that, on balance, overall credit terms offered to counterparties across the entire spectrum of securities financing and OTC derivatives transaction types became less favourable over the three-month reference period ending in February 2016. The tightening of credit terms was most pronounced for counterparties which are hedge funds and non-financial corporations, and follows the tightening reported in previous SESFOD surveys (see Chart A).

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

(Q4 2012 – Q1 2016; net percentage of survey respondents)



Source: ECB.

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

Price terms (such as financing rates/spreads) tightened on balance over the three-month reference period, continuing the trend of the previous five reference periods. These results are also in line with the expectations that were expressed in the December 2015 survey. The tightening of price terms was most pronounced for counterparties which are hedge funds, insurance companies and investment funds.

With regard to offered non-price credit terms (including, for example, the maximum amount of funding, haircuts, cure periods, covenants and triggers), survey respondents also indicated that, on balance, these were somewhat less favourable, but the tightening here was mostly focused on investment firms, insurance companies and non-financial corporations.

With regard to offered non-price credit terms (including, for example, the maximum amount of funding, haircuts, cure periods, covenants and triggers), survey respondents also indicated that, on balance, these were somewhat less favourable, but the tightening here was mostly focused on investment firms, insurance companies and non-financial corporations.

Expectations: respondents to the March 2016 survey mostly expected credit terms to tighten somewhat further over the next three-month reference period (March to May 2016) for all counterparties. The expected tightening of credit terms is most noticeable for price terms, with approximately one-quarter of respondents indicating that they expected price terms to tighten “somewhat”.

Reasons: survey respondents highlighted a number of reasons why, on balance, price terms had become less favourable over the December 2015 to February 2016 reference period. Worsened liquidity and market functioning were still the most frequently cited key factors, while diminished availability of balance sheet or capital at their institutions and lessened competition from other institutions were also said to account for increasing price terms.

Management of concentrated credit exposures to large banks and CCPs: the results of the March 2016 survey indicate that the reporting banks have generally continued to increase the level of resources and attention devoted to the management of concentrated credit exposures to both banks and CCPs. Two respondents noted that they had increased the level of such resources considerably.

Leverage: respondents reported that, on balance, the use of financial leverage by hedge funds had decreased during the three-month reference period from December 2015 to February 2016. But this overall result disguises some variation among responses, as approximately one-fifth of respondents reported a decreased use of leverage by hedge

Client pressure and differential terms: altogether, the results of the March 2016 survey show only limited changes in efforts to negotiate more favourable price and non-price terms for all counterparty types.

Valuation disputes: as in the previous SESFOD survey, respondents reported limited changes in respect of the volume, persistence and duration of valuation disputes with all types of counterparty. One survey participant highlighted some long-running disputes with a small number of banks which use a different discount curve for the valuation of long-dated swaps.

Securities financing

Maximum amount of funding: respondents to the March 2016 survey indicated that, on balance, the maximum amount of funding for average clients had decreased somewhat for most types of collateral except convertible securities and asset-backed securities, for which the maximum amount of funding remained basically unchanged. The reported decrease in the maximum amount of funding was most pronounced when corporate bonds (high-quality financial and non-financial corporate bonds as well as high-yield corporate bonds) were used as collateral. By contrast, responses for most-favoured clients differed as survey respondents reported that the maximum amount of funding had, on balance, increased somewhat for government bonds (domestic government bonds, high-quality government bonds and other government, sub-national and supra-national bonds) convertible securities and asset-backed securities.

Maximum maturity of funding: survey respondents indicated that the maximum maturity of funding of euro-denominated securities also decreased for average clients over the three-month reference period ending in February 2016 for all types of collateral, excluding equities. The reported decrease was most pronounced for funding against corporate bonds as collateral. In addition, for most-favoured clients, the reported decrease in the maximum maturity of funding was most significant when corporate bonds were used as collateral.

Haircuts: in respect of both average and most-favoured clients, the majority of respondents indicated that, as registered previously, haircuts for most types of euro-denominated collateral covered in the survey had remained basically unchanged over the review period, with only a few institutions reporting changes. Just over 10 percent of respondents indicated that haircuts had increased somewhat when asset-backed securities and convertible securities were used as collateral.

Financing rates/spreads: in net terms, respondents reported that financing rates/spreads had, on balance, decreased somewhat for average clients for many types of collateral. The reported decrease was most pronounced when domestic government bonds were used as collateral. By contrast, a small net percentage of respondents indicated that financing rates/spreads had, on balance, increased somewhat for funding against high-yield corporate bonds and remained basically unchanged for funding against high-quality corporate bonds. Results were similar for the financing rates/spreads applicable to most-favoured clients.

Use of CCPs: banks reported that the use of CCPs had increased somewhat over the three-month reference period for securities financing transactions with all types of government bonds, high-quality financial and non-financial corporate bonds and covered bonds as collateral. Results were similar for average and most-favoured clients.

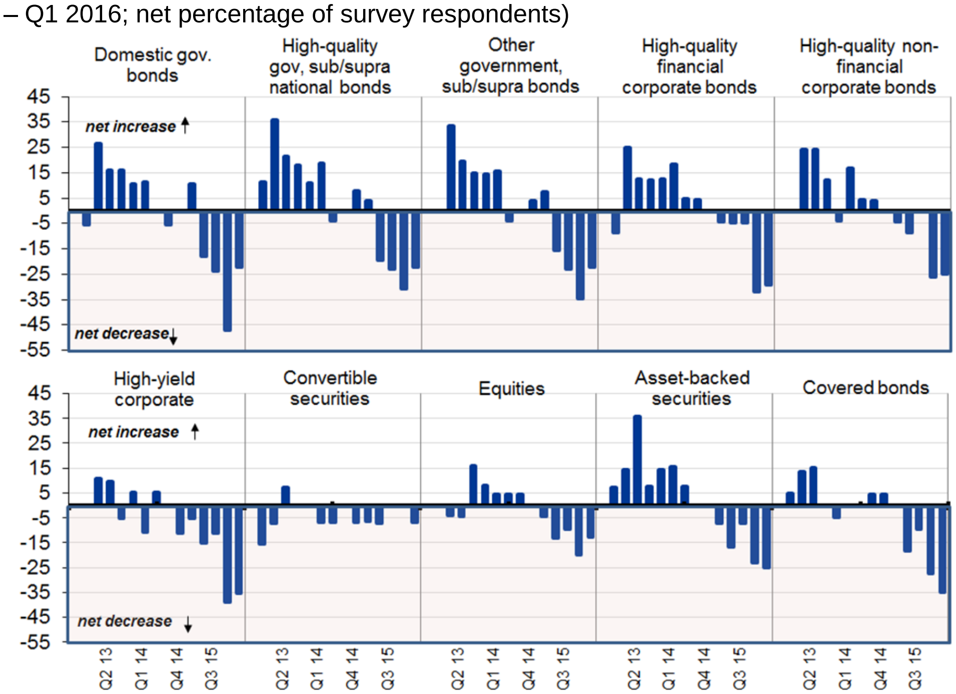
Covenants and triggers: as in previous surveys, responses to the March 2016 survey point to almost no change in covenants and triggers for all collateral types over the reference period.

Demand for funding: all in all, responses to the March 2016 survey indicate that demand by counterparties for the funding of all types of government bonds, high-quality financial and non-financial corporate bonds and asset-backed securities increased over the three-month reference period ending in February 2016. This development represents a return to the general trend of increasing demand for securities financing observed since the start of the SESFOD survey in the fourth quarter of 2012, marking a break from the previous two quarters. Respondents, however, reported a decrease in the demand for funding with convertible securities, equities and covered bonds as collateral. In particular, a quarter of respondents pointed out that demand for funding of equities had decreased over the review period, with half of them saying "considerably".

Liquidity of collateral: on balance, liquidity and functioning of markets for the underlying collateral (as opposed to the securities financing market itself) deteriorated for all types of euro-denominated collateral covered in the survey. This deterioration follows the worsening of liquidity and market functioning that was already reported in the June, September and December 2015 SESFOD surveys (see Chart B). The evaporation of liquidity reported in the March 2016 survey was most evident for covered bonds and high-yield corporate bonds, for which more than one-third of respondents reported a deterioration.

Chart B: Changes in liquidity and functioning of markets

(Q4 2012 – Q1 2016; net percentage of survey respondents)



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

Collateral valuation disputes: as in previous surveys, respondents indicated that the volume, persistence and duration of valuation disputes for the various types of collateral included in the survey had remained essentially unchanged.

Non-centrally cleared OTC derivatives

Initial margin requirements: responses indicated that initial margin requirements for all types of non-centrally cleared euro-denominated derivatives contracts covered in the survey had remained basically unchanged over the three-month reference period ending in February 2016.

Credit limits: the vast majority of responses indicated that the maximum amount of exposure and the maximum maturity of non-centrally cleared OTC derivatives trades had remained basically unchanged over the review period (i.e. between December 2015 and February 2016). A small percentage of respondents reported that the maximum amount of exposure for interest rate derivatives and commodity derivatives had decreased somewhat in the three months concerned.

Liquidity and trading: banks reported that liquidity and trading had deteriorated for all types of derivatives. The deterioration was most pronounced for interest rate derivatives, with one-fifth of responses noting that liquidity and trading had worsened, in some cases considerably.

Valuation disputes: while most respondents reported that the volume, persistence and duration of disputes relating to the valuation of derivatives contracts had remained basically unchanged over the review period for most types of OTC derivatives contract covered by the survey, some noted that the number of disputes involving the valuation of foreign exchange and equity derivatives, as well as credit referencing corporates/structured credit products, had increased somewhat.

Non-price changes in new agreements: most responses continued to indicate basically no change in margin call practices, the recognition of portfolio or diversification benefits, covenants and triggers, as well as other documentation features incorporated in new or renegotiated OTC derivatives master agreements. However, as in the previous survey, five respondents reported that acceptable collateral standards incorporated in new or renegotiated agreements had tightened somewhat.

Posting of non-standard collateral: according to the responses to the March 2016 SESFOD survey, the posting of non-standard collateral (i.e. collateral other than cash and government debt securities) remained basically unchanged, with only a few banks reporting any decrease or increase. Qualitative responses to the survey noted an overall trend towards cash-only collateral.

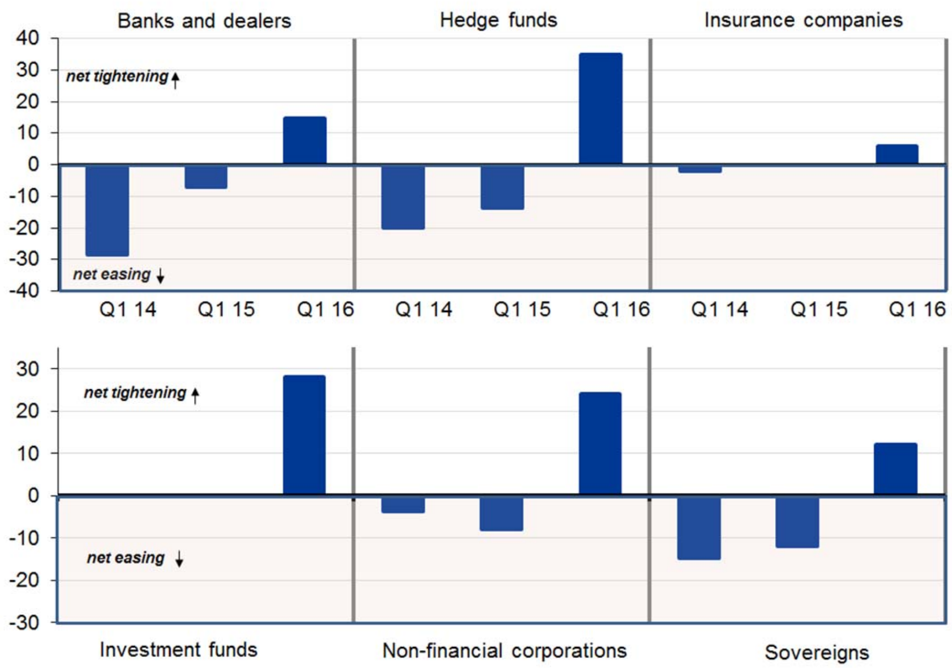
Special questions

In addition to the regular questions on changes observed over the past three months, the March 2016 survey also contained questions about changes in credit terms and conditions in euro-denominated securities financing and OTC derivatives markets compared with the levels observed one year earlier.

Counterparty types: On balance, a significant net percentage of responses to the March 2016 survey indicated that, compared with one year ago, price terms had tightened for all types of counterparty. The reported increase of price terms was most visible in the case of hedge funds: 45% of respondents indicated that price terms had tightened for hedge funds, 45% of respondents reported basically unchanged price terms, while only 10% of respondents reported that price terms had eased somewhat. These findings contrast with the results of similar questions asked under the March 2014 and March 2015 SESFOD surveys, when responses generally indicated that price terms had eased for most counterparty types compared with one year earlier (see Chart C). The variation in responses also diminished compared with the previous SESFOD surveys. In addition, respondents to the March 2016 survey reported that, on balance, non-price terms had tightened somewhat compared with one year ago for all counterparty types, albeit to a lesser extent than what was reported for price terms. The reported tightening of non-price terms was most evident for non-financial corporations, investment funds and insurance companies, while only a small net percentage of respondents indicated less favourable non-price terms for counterparties that are banks, hedge funds and sovereigns.

Chart C: Changes in price terms offered to all counterparties over the last years

(Feb. 2013 - Feb.2014, Feb. 2014 - Feb. 2015 and Feb. 2015 - Feb.2016; net percentage of survey respondents)



Source: ECB.
Notes: The net percentage is defined as the difference between the percentage of respondents reporting “tightened somewhat” or “tightened considerably” and those reporting “eased somewhat” or “eased considerably”.

Securities financing: The results of the March 2016 survey suggest that, on balance, overall credit terms for secured funding tightened somewhat compared with one year ago for many types of collateral, with the exception of convertible securities and equities, for which a fifth of respondents reported somewhat easier credit terms. The reported tightening of credit terms applicable to the other collateral types however hides some variation among responses, with slightly more respondents reporting somewhat tighter overall credit terms than those reporting somewhat easier credit terms.

Responses to the March 2016 survey indicated that, compared with one year ago, haircut levels were on balance somewhat lower for convertible securities and equities and somewhat higher for high-yield corporate bonds and asset-backed securities, though remained basically unchanged for government bonds, high-quality corporate bonds and covered bonds.

Non-price credit terms applied to OTC derivatives: In general, survey respondents reported that non-price credit terms applied to OTC derivative counterparties had tightened for many types of derivative over the year. Such tightening was most noticeable in the case of commodity derivatives.

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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]?

(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
						Dec. 2015	Mar. 2016	
Banks and dealers								
Price terms	0	21	71	7	0	+7	+14	28
Non-price terms	0	0	96	4	0	0	-4	27
Overall	0	23	69	8	0	+8	+15	26
Hedge funds								
Price terms	0	35	50	15	0	+24	+20	20
Non-price terms	0	0	100	0	0	+14	0	21
Overall	0	37	58	5	0	+30	+32	19
Insurance companies								
Price terms	0	32	57	11	0	+14	+21	28
Non-price terms	0	11	89	0	0	+4	+11	27
Overall	0	31	54	15	0	+8	+15	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	30	59	11	0	+19	+19	27
Non-price terms	0	12	88	0	0	+12	+12	26
Overall	0	28	56	16	0	+16	+12	25
Non-financial corporations								
Price terms	4	26	56	15	0	+15	+15	27
Non-price terms	0	12	85	4	0	+4	+8	26
Overall	4	28	60	8	0	+12	+24	25
Sovereigns								
Price terms	0	19	73	8	0	+11	+12	26
Non-price terms	0	0	100	0	0	0	0	25
Overall	0	21	71	8	0	+8	+13	24
All counterparties above								
Price terms	0	30	63	7	0	+27	+22	27
Non-price terms	0	12	88	0	0	+13	+12	25
Overall	0	32	60	8	0	+21	+24	25

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

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

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

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

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

(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
						Dec. 2015	Mar. 2016	
Banks and dealers								
Price terms	0	21	71	7	0	+32	+14	28
Non-price terms	0	4	93	4	0	+7	0	27
Overall	0	19	69	12	0	+23	+8	26
Hedge funds								
Price terms	0	20	70	10	0	+29	+10	20
Non-price terms	0	5	95	0	0	+10	+5	21
Overall	0	16	74	11	0	+25	+5	19
Insurance companies								
Price terms	0	32	57	11	0	+18	+21	28
Non-price terms	0	15	85	0	0	+8	+15	27
Overall	0	28	56	16	0	+12	+12	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	26	63	11	0	+19	+15	27
Non-price terms	0	12	88	0	0	+12	+12	26
Overall	0	25	58	17	0	+16	+8	24
Non-financial corporations								
Price terms	0	26	63	11	0	+22	+15	27
Non-price terms	0	12	88	0	0	+8	+12	26
Overall	0	25	67	8	0	+20	+17	24
Sovereigns								
Price terms	0	15	73	12	0	+22	+4	26
Non-price terms	0	0	100	0	0	+8	0	25
Overall	0	13	74	13	0	+12	0	23
All counterparties above								
Price terms	0	26	67	7	0	+27	+19	27
Non-price terms	0	12	88	0	0	+13	+12	25
Overall	0	25	63	13	0	+21	+13	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?

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec. 2015	Mar. 2016
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	17	20	0	0	14
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	8	0
Internal treasury charges for funding	0	0	67	17	14
Availability of balance sheet or capital at your institution	33	20	0	17	21
General market liquidity and functioning	50	40	0	25	36
Competition from other institutions	0	0	33	8	7
Other	0	20	0	25	7
Total number of answers	6	5	3	12	14
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	50	18	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	18	17
General market liquidity and functioning	50	0	0	36	17
Competition from other institutions	0	0	0	18	0
Other	50	50	50	9	50
Total number of answers	2	2	2	11	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	50	0
Internal treasury charges for funding	0	0	0	50	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	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	2	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	100	0	0	0	50
Internal treasury charges for funding	0	100	0	0	50
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	1	1	0	2	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?

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec. 2015	Mar. 2016
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	17	0	0	0	7
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	7	0
Internal treasury charges for funding	0	20	33	20	14
Availability of balance sheet or capital at your institution	33	20	0	27	21
General market liquidity and functioning	17	40	0	20	21
Competition from other institutions	33	0	67	7	29
Other	0	20	0	20	7
Total number of answers	6	5	3	15	14
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	33	17	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	33	33	0	17	22
General market liquidity and functioning	33	33	33	50	33
Competition from other institutions	0	0	0	17	0
Other	33	33	33	0	33
Total number of answers	3	3	3	6	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	17	0
Internal treasury charges for funding	0	0	0	33	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	0	0	0	17	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec. 2015	Mar. 2016
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	13	0	0	0	6
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	6	0
Internal treasury charges for funding	0	17	33	17	12
Availability of balance sheet or capital at your institution	25	33	0	22	24
General market liquidity and functioning	50	33	33	22	41
Competition from other institutions	13	0	33	17	12
Other	0	17	0	17	6
Total number of answers	8	6	3	18	17
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	10	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	10	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	20	13
General market liquidity and functioning	0	67	50	40	38
Competition from other institutions	33	0	0	20	13
Other	33	33	50	0	38
Total number of answers	3	3	2	10	8
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	50	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	17	17
Internal treasury charges for funding	0	50	0	33	17
Availability of balance sheet or capital at your institution	33	0	0	17	17
General market liquidity and functioning	0	0	100	17	17
Competition from other institutions	33	0	0	17	17
Other	0	0	0	0	0
Total number of answers	3	2	1	6	6
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	20	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	20	0
Competition from other institutions	0	0	0	40	0
Other	0	0	0	0	0
Total number of answers	0	0	0	5	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?

(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	
				Dec. 2015	Mar. 2016
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	14	0	0	0	6
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	6	0
Internal treasury charges for funding	0	17	33	19	13
Availability of balance sheet or capital at your institution	29	33	0	19	25
General market liquidity and functioning	43	33	33	31	38
Competition from other institutions	14	0	33	6	13
Other	0	17	0	19	6
Total number of answers	7	6	3	16	16
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	33	0	0	40	13
General market liquidity and functioning	0	67	50	60	38
Competition from other institutions	33	0	0	0	13
Other	33	33	50	0	38
Total number of answers	3	3	2	5	8
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	50	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	17	17
Internal treasury charges for funding	0	50	0	33	17
Availability of balance sheet or capital at your institution	33	0	0	17	17
General market liquidity and functioning	0	0	100	17	17
Competition from other institutions	33	0	0	17	17
Other	0	0	0	0	0
Total number of answers	3	2	1	6	6
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?

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec. 2015	Mar. 2016
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	14	0	0	0	6
Willingness of your institution to take on risk	0	17	0	0	6
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	6	0
Internal treasury charges for funding	0	17	33	19	13
Availability of balance sheet or capital at your institution	29	17	0	19	19
General market liquidity and functioning	29	33	33	19	31
Competition from other institutions	29	0	33	6	19
Other	0	17	0	31	6
Total number of answers	7	6	3	16	16
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	25	0	0	25	11
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	50	25	11
Availability of balance sheet or capital at your institution	25	0	0	0	11
General market liquidity and functioning	0	33	0	13	11
Competition from other institutions	0	33	0	25	11
Other	50	33	50	13	44
Total number of answers	4	3	2	8	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	0	0	0	20
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	50	0
Internal treasury charges for funding	0	100	0	50	20
Availability of balance sheet or capital at your institution	33	0	0	0	20
General market liquidity and functioning	0	0	100	0	20
Competition from other institutions	33	0	0	0	20
Other	0	0	0	0	0
Total number of answers	3	1	1	2	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	100	0	0	50
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	100	0	0	0	50
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 [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?

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec. 2015	Mar. 2016
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	0	0	0	11
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	9	0
Internal treasury charges for funding	0	0	50	18	11
Availability of balance sheet or capital at your institution	25	33	0	18	22
General market liquidity and functioning	50	33	0	18	33
Competition from other institutions	0	0	50	9	11
Other	0	33	0	27	11
Total number of answers	4	3	2	11	9
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	50	0	0	17
General market liquidity and functioning	50	0	0	0	17
Competition from other institutions	0	0	50	0	17
Other	50	50	50	100	50
Total number of answers	2	2	2	1	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	50	0
Internal treasury charges for funding	0	0	0	50	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	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	2	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	100	0
Total number of answers	0	0	0	1	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?

(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
						Dec. 2015	Mar. 2016	
Practices of CCPs	0	11	78	6	6	+10	0	18

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

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?

(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
						Dec. 2015	Mar. 2016	
Banks and dealers	0	4	75	14	7	-7	-18	28
Central counterparties	0	0	86	14	0	-22	-14	28

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?

(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
						Dec. 2015	Mar. 2016	
Hedge funds								
Use of financial leverage	0	21	68	11	0	0	+11	19
Availability of unutilised leverage	0	16	68	16	0	0	0	19
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	100	0	0	0	0	24

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

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?

(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
						Dec. 2015	Mar. 2016	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	4	4	85	8	0	-8	0	26
Provision of differential terms to most-favoured clients	0	8	88	4	0	0	+4	24
Hedge funds								
Intensity of efforts to negotiate more favourable terms	5	5	75	15	0	-26	-5	20
Provision of differential terms to most-favoured clients	0	5	90	5	0	-17	0	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	4	4	88	4	0	-4	+4	26
Provision of differential terms to most-favoured clients	0	4	96	0	0	-4	+4	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	4	4	88	4	0	+4	+4	25
Provision of differential terms to most-favoured clients	0	4	91	4	0	0	0	23
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	4	4	88	4	0	-4	+4	25
Provision of differential terms to most-favoured clients	0	9	87	4	0	-5	+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?

(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
						Dec. 2015	Mar. 2016	
Banks and dealers								
Volume	0	8	81	12	0	-4	-4	26
Duration and persistence	0	8	81	12	0	+4	-4	26
Hedge funds								
Volume	0	0	90	10	0	0	-10	20
Duration and persistence	0	0	95	5	0	0	-5	20
Insurance companies								
Volume	0	0	96	4	0	0	-4	25
Duration and persistence	0	4	92	4	0	+4	0	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	92	8	0	-4	-8	25
Duration and persistence	0	0	96	4	0	0	-4	25
Non-financial corporations								
Volume	0	0	92	8	0	-4	-8	26
Duration and persistence	0	0	96	4	0	0	-4	26

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

2. Securities financing

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

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

(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
						Dec. 2015	Mar. 2016	
Domestic government bonds								
Maximum amount of funding	0	11	83	6	0	+18	+6	18
Maximum maturity of funding	6	6	83	6	0	+18	+6	18
Haircuts	0	6	89	6	0	+6	0	18
Financing rate/spread	0	22	72	6	0	0	+17	18
Use of CCPs	0	6	67	28	0	-12	-22	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	11	85	4	0	+27	+7	27
Maximum maturity of funding	0	7	89	4	0	+19	+4	27
Haircuts	0	4	96	0	0	0	+4	27
Financing rate/spread	0	15	78	4	4	-8	+7	27
Use of CCPs	0	4	79	17	0	-13	-13	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	88	4	0	+27	+4	26
Maximum maturity of funding	0	8	88	4	0	+15	+4	26
Haircuts	0	0	100	0	0	+4	0	26
Financing rate/spread	0	15	77	4	4	0	+8	26
Use of CCPs	0	0	88	13	0	-4	-13	24
High-quality financial corporate bonds								
Maximum amount of funding	0	13	83	4	0	+22	+8	24
Maximum maturity of funding	0	13	83	4	0	+13	+8	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	17	67	13	4	0	0	24
Use of CCPs	0	0	89	11	0	-5	-11	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	16	80	4	0	+17	+12	25
Maximum maturity of funding	0	12	88	0	0	+13	+12	25
Haircuts	0	0	96	4	0	0	-4	25
Financing rate/spread	0	16	68	12	4	0	0	25
Use of CCPs	0	5	85	10	0	-10	-5	20
High-yield corporate bonds								
Maximum amount of funding	0	17	78	6	0	+11	+11	18
Maximum maturity of funding	0	17	83	0	0	+28	+17	18
Haircuts	0	0	89	11	0	-6	-11	18
Financing rate/spread	0	6	78	11	6	-22	-11	18
Use of CCPs	0	7	86	7	0	-14	0	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". "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)?

(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
						Dec. 2015	Mar. 2016	
Convertible securities								
Maximum amount of funding	0	7	87	7	0	0	0	15
Maximum maturity of funding	0	7	93	0	0	+7	+7	15
Haircuts	0	0	100	0	0	0	0	15
Financing rate/spread	0	13	80	7	0	0	+7	15
Use of CCPs	0	0	100	0	0	0	0	14
Equities								
Maximum amount of funding	0	13	79	8	0	-5	+4	24
Maximum maturity of funding	0	0	92	8	0	0	-8	24
Haircuts	0	4	96	0	0	+5	+4	24
Financing rate/spread	0	17	75	8	0	-5	+8	24
Use of CCPs	0	0	100	0	0	0	0	19
Asset-backed securities								
Maximum amount of funding	0	6	88	6	0	+7	0	17
Maximum maturity of funding	0	12	88	0	0	+14	+12	17
Haircuts	0	0	88	12	0	0	-12	17
Financing rate/spread	0	12	82	6	0	-7	+6	17
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	0	8	88	4	0	+17	+4	24
Maximum maturity of funding	0	13	88	0	0	+17	+13	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	17	75	8	0	0	+8	24
Use of CCPs	0	0	86	14	0	-5	-14	21

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

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

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

(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
						Dec. 2015	Mar. 2016	
Domestic government bonds								
Maximum amount of funding	0	6	83	11	0	0	-6	18
Maximum maturity of funding	6	0	83	11	0	+18	-6	18
Haircuts	0	6	89	6	0	+6	0	18
Financing rate/spread	0	22	72	6	0	0	+17	18
Use of CCPs	0	6	72	22	0	-6	-17	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	89	7	0	+8	-4	27
Maximum maturity of funding	0	7	85	7	0	+15	0	27
Haircuts	0	4	96	0	0	+4	+4	27
Financing rate/spread	0	19	74	7	0	+4	+11	27
Use of CCPs	0	4	84	12	0	-4	-8	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	92	8	0	+8	-8	26
Maximum maturity of funding	0	8	85	8	0	+16	0	26
Haircuts	0	0	100	0	0	0	0	26
Financing rate/spread	0	15	77	8	0	0	+8	26
Use of CCPs	0	0	88	8	4	-4	-13	24
High-quality financial corporate bonds								
Maximum amount of funding	0	4	92	4	0	+4	0	24
Maximum maturity of funding	0	13	83	4	0	+17	+8	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	13	75	13	0	0	0	24
Use of CCPs	0	0	89	11	0	-5	-11	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	12	84	4	0	+4	+8	25
Maximum maturity of funding	0	12	88	0	0	+17	+12	25
Haircuts	0	0	96	4	0	0	-4	25
Financing rate/spread	0	12	72	16	0	0	-4	25
Use of CCPs	0	5	85	10	0	-10	-5	20
High-yield corporate bonds								
Maximum amount of funding	0	17	78	6	0	+11	+11	18
Maximum maturity of funding	0	17	83	0	0	+26	+17	18
Haircuts	0	0	89	11	0	-5	-11	18
Financing rate/spread	0	6	78	17	0	-11	-11	18
Use of CCPs	0	7	86	7	0	-14	0	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". "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)?

(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 Dec. 2015	Net percentage Mar. 2016	Total number of answers
Convertible securities								
Maximum amount of funding	0	0	93	7	0	-14	-7	15
Maximum maturity of funding	0	0	100	0	0	0	0	15
Haircuts	0	0	100	0	0	-7	0	15
Financing rate/spread	0	13	87	0	0	+7	+13	15
Use of CCPs	0	0	100	0	0	0	0	14
Equities								
Maximum amount of funding	0	13	79	8	0	0	+4	24
Maximum maturity of funding	0	0	92	8	0	0	-8	24
Haircuts	0	4	96	0	0	+10	+4	24
Financing rate/spread	0	17	75	8	0	-5	+8	24
Use of CCPs	0	0	100	0	0	0	0	19
Asset-backed securities								
Maximum amount of funding	0	6	82	12	0	+7	-6	17
Maximum maturity of funding	0	12	82	6	0	+14	+6	17
Haircuts	0	0	88	12	0	0	-12	17
Financing rate/spread	0	12	82	6	0	-7	+6	17
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	0	8	88	4	0	+4	+4	24
Maximum maturity of funding	0	13	88	0	0	+17	+13	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	13	79	8	0	0	+4	24
Use of CCPs	0	0	86	14	0	-5	-14	21

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

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

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

(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
						Dec. 2015	Mar. 2016	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	0	0	16
Terms for most-favoured clients	0	0	100	0	0	0	0	16
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	0	0	24
Terms for most-favoured clients	0	0	100	0	0	0	0	24
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	0	0	23
Terms for most-favoured clients	0	0	100	0	0	0	0	23
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	21
Terms for most-favoured clients	0	0	100	0	0	0	0	21
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	22
Terms for most-favoured clients	0	0	100	0	0	0	0	22
High-yield 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
Convertible securities								
Terms for average clients	0	0	100	0	0	0	0	14
Terms for most-favoured clients	0	0	100	0	0	0	0	15
Equities								
Terms for average clients	0	0	100	0	0	0	0	20
Terms for most-favoured clients	0	0	100	0	0	0	0	20
Asset-backed securities								
Terms for average clients	0	0	100	0	0	0	0	15
Terms for most-favoured clients	0	0	100	0	0	0	0	15
Covered bonds								
Terms for average clients	0	0	100	0	0	0	0	21
Terms for most-favoured clients	0	0	100	0	0	0	0	21

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

(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
						Dec. 2015	Mar. 2016	
Domestic government bonds								
Overall demand	0	0	83	17	0	+24	-17	18
With a maturity greater than 30 days	0	0	83	11	6	+18	-17	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	0	81	19	0	+12	-19	27
With a maturity greater than 30 days	0	0	85	15	0	+15	-15	27
Other government, sub-national and supra-national bonds								
Overall demand	0	4	81	15	0	+12	-11	27
With a maturity greater than 30 days	0	0	85	15	0	+15	-15	27
High-quality financial corporate bonds								
Overall demand	0	8	79	13	0	+14	-4	24
With a maturity greater than 30 days	0	4	83	13	0	+14	-8	24
High-quality non-financial corporate bonds								
Overall demand	0	8	83	8	0	+13	0	24
With a maturity greater than 30 days	0	4	88	8	0	+17	-4	24
High-yield corporate bonds								
Overall demand	0	6	94	0	0	0	+6	18
With a maturity greater than 30 days	0	6	83	11	0	0	-6	18
Convertible securities								
Overall demand	0	13	87	0	0	0	+13	15
With a maturity greater than 30 days	0	13	87	0	0	-7	+13	15
Equities								
Overall demand	13	13	75	0	0	-14	+25	24
With a maturity greater than 30 days	4	17	65	9	4	-10	+9	23
Asset-backed securities								
Overall demand	0	0	88	13	0	0	-13	16
With a maturity greater than 30 days	0	0	81	19	0	-7	-19	16
Covered bonds								
Overall demand	0	8	92	0	0	+17	+8	24
With a maturity greater than 30 days	0	8	83	8	0	+13	0	24
All collateral types above								
Overall demand	0	8	84	8	0	+9	0	25
With a maturity greater than 30 days	0	4	84	12	0	+9	-8	25

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

(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
						Dec. 2015	Mar. 2016	
Domestic government bonds								
Liquidity and functioning	0	28	67	6	0	+47	+22	18
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	33	56	11	0	+31	+22	27
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	30	63	7	0	+35	+22	27
High-quality financial corporate bonds								
Liquidity and functioning	0	33	63	4	0	+32	+29	24
High-quality non-financial corporate bonds								
Liquidity and functioning	0	29	67	4	0	+26	+25	24
High-yield corporate bonds								
Liquidity and functioning	0	35	65	0	0	+39	+35	17
Convertible securities								
Liquidity and functioning	0	7	93	0	0	0	+7	15
Equities								
Liquidity and functioning	4	17	71	8	0	+20	+13	24
Asset-backed securities								
Liquidity and functioning	0	25	75	0	0	+23	+25	16
Covered bonds								
Liquidity and functioning	4	35	57	4	0	+27	+35	23
All collateral types above								
Liquidity and functioning	0	20	76	4	0	+14	+16	25

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?

(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
						Dec. 2015	Mar. 2016	
Domestic government bonds								
Volume	0	6	94	0	0	+6	+6	17
Duration and persistence	0	6	94	0	0	+6	+6	17
High-quality government, sub-national and supra-national bonds								
Volume	0	4	96	0	0	+4	+4	26
Duration and persistence	0	4	96	0	0	+4	+4	26
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	+4	0	26
Duration and persistence	0	0	100	0	0	+4	0	26
High-quality financial corporate bonds								
Volume	0	5	95	0	0	+5	+5	22
Duration and persistence	0	5	95	0	0	+5	+5	22
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	+5	0	23
Duration and persistence	0	0	100	0	0	+5	0	23
High-yield corporate bonds								
Volume	0	0	100	0	0	+6	0	17
Duration and persistence	0	0	100	0	0	+6	0	17
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	+5	0	20
Duration and persistence	0	0	100	0	0	+5	0	20
Asset-backed securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	0	0	100	0	0	0	0	16
Covered bonds								
Volume	0	0	100	0	0	0	0	22
Duration and persistence	0	0	100	0	0	0	0	22
All collateral types above								
Volume	0	4	96	0	0	0	+4	23
Duration and persistence	0	4	96	0	0	0	+4	23

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

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?

(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
						Dec. 2015	Mar. 2016	
Foreign exchange								
Average clients	0	0	100	0	0	-5	0	21
Most-favoured clients	0	0	100	0	0	-5	0	21
Interest rates								
Average clients	0	0	100	0	0	0	0	22
Most-favoured clients	0	0	100	0	0	0	0	22
Credit referencing sovereigns								
Average clients	0	0	100	0	0	0	0	18
Most-favoured clients	0	0	100	0	0	0	0	18
Credit referencing corporates								
Average clients	0	0	100	0	0	0	0	19
Most-favoured clients	0	0	100	0	0	0	0	19
Credit referencing structured credit products								
Average clients	0	0	100	0	0	0	0	16
Most-favoured clients	0	0	100	0	0	0	0	16
Equity								
Average clients	0	0	100	0	0	0	0	20
Most-favoured clients	0	0	100	0	0	+5	0	20
Commodity								
Average clients	0	0	100	0	0	0	0	18
Most-favoured clients	0	0	100	0	0	0	0	18
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	0	0	16
Most-favoured clients	0	0	100	0	0	0	0	16

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

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

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?

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2015	Mar. 2016	
Foreign exchange								
Maximum amount of exposure	0	4	92	4	0	+4	0	25
Maximum maturity of trades	0	0	96	4	0	0	-4	25
Interest rates								
Maximum amount of exposure	0	8	92	0	0	+4	+8	24
Maximum maturity of trades	0	0	100	0	0	0	0	24
Credit referencing sovereigns								
Maximum amount of exposure	0	0	100	0	0	+11	0	19
Maximum maturity of trades	0	0	100	0	0	0	0	19
Credit referencing corporates								
Maximum amount of exposure	0	5	95	0	0	+6	+5	19
Maximum maturity of trades	0	0	100	0	0	0	0	19
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	0	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Equity								
Maximum amount of exposure	0	4	96	0	0	+4	+4	23
Maximum maturity of trades	0	0	100	0	0	+4	0	23
Commodity								
Maximum amount of exposure	0	11	89	0	0	0	+11	18
Maximum maturity of trades	0	6	94	0	0	0	+6	18
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	0	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16

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

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

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

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Dec. 2015	Mar. 2016	
Foreign exchange								
Liquidity and trading	4	4	92	0	0	+8	+8	26
Interest rates								
Liquidity and trading	8	12	80	0	0	+12	+20	25
Credit referencing sovereigns								
Liquidity and trading	5	5	90	0	0	+10	+10	20
Credit referencing corporates								
Liquidity and trading	5	5	85	5	0	+11	+5	20
Credit referencing structured credit products								
Liquidity and trading	6	0	94	0	0	+6	+6	17
Equity								
Liquidity and trading	4	4	92	0	0	+4	+8	24
Commodity								
Liquidity and trading	0	11	89	0	0	0	+11	19
Total return swaps referencing non-securities								
Liquidity and trading	6	0	94	0	0	0	+6	17

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 (continued)

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?

(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
						Dec. 2015	Mar. 2016	
Foreign exchange								
Volume	0	0	92	8	0	-7	-8	26
Duration and persistence	0	0	92	8	0	-7	-8	26
Interest rates								
Volume	0	4	92	0	4	+4	0	25
Duration and persistence	0	4	92	0	4	+4	0	25
Credit referencing sovereigns								
Volume	0	0	100	0	0	-5	0	20
Duration and persistence	0	0	100	0	0	0	0	20
Credit referencing corporates								
Volume	0	0	95	5	0	0	-5	20
Duration and persistence	0	0	95	5	0	+5	-5	20
Credit referencing structured credit products								
Volume	0	0	89	11	0	0	-11	18
Duration and persistence	0	0	94	6	0	0	-6	18
Equity								
Volume	0	0	92	8	0	-8	-8	24
Duration and persistence	0	0	92	8	0	0	-8	24
Commodity								
Volume	0	0	100	0	0	-5	0	19
Duration and persistence	0	0	100	0	0	0	0	19
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	0	0	100	0	0	0	0	16

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

3.2 Changes in new or renegotiated master agreements

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

(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
						Dec. 2015	Mar. 2016	
Margin call practices	0	0	96	4	0	0	-4	28
Acceptable collateral	0	18	82	0	0	+15	+18	28
Recognition of portfolio or diversification benefits	0	0	96	4	0	-4	-4	26
Covenants and triggers	0	4	96	0	0	+4	+4	28
Other documentation features	0	0	100	0	0	0	0	26

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

3.3 Posting of non-standard collateral

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

(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
						Dec. 2015	Mar. 2016	
Posting of non-standard collateral	0	8	88	4	0	+4	+4	26

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

Special questions

Credit terms by counterparty type relative to one year ago

Relative to one year ago, how do you characterise the current stringency of the [price] terms applicable at your institution to [counterparty type/ all counterparties above] across the entire range of securities financing and OTC derivatives transactions?

Relative to one year ago, how do you characterise the current stringency of the [non-price] terms applicable at your institution to [counterparty type/ all counterparties above] across the entire range of securities financing and OTC derivatives transactions?

Relative to one year ago, how do you characterise the current stringency of the [price and non-price] terms applicable at your institution to [counterparty type/ all counterparties above] across the entire range of securities financing and OTC derivatives transactions?

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

Relative to one year ago	Considerably tighter	Somewhat tighter	Basically unchanged	Somewhat easier	Considerably easier	Net percentage	Total number of answers
Banks and dealers							
Price terms	0	30	56	15	0	+15	27
Non-price terms	0	12	81	8	0	+4	26
Overall	0	27	62	12	0	+15	26
Hedge funds							
Price terms	0	45	45	10	0	+35	20
Non-price terms	0	10	85	5	0	+5	20
Overall	0	37	58	5	0	+32	19
Insurance companies							
Price terms	0	31	62	8	0	+23	26
Non-price terms	0	15	81	4	0	+12	26
Overall	0	31	62	8	0	+23	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools							
Price terms	0	36	56	8	0	+28	25
Non-price terms	0	16	84	0	0	+16	25
Overall	0	28	64	8	0	+20	25
Non-financial corporations							
Price terms	4	28	60	8	0	+24	25
Non-price terms	0	20	76	4	0	+16	25
Overall	4	28	64	4	0	+28	25
Sovereigns							
Price terms	0	24	64	12	0	+12	25
Non-price terms	0	8	88	4	0	+4	25
Overall	0	24	68	8	0	+16	25
All counterparties above							
Price terms	0	36	60	4	0	+32	25
Non-price terms	0	12	88	0	0	+12	25
Overall	0	36	60	4	0	+32	25

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

Credit terms by collateral type relative to one year ago

Relative to one year ago, how do you characterise the current stringency of the credit terms applicable at your institution to secured funding of [collateral type] on behalf of clients?

Relative to one year ago, how do you characterise the current level of the [haircuts] applicable at your institution to secured funding of [collateral type] on behalf of clients?

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

Relative to one year ago	Considerably tighter	Somewhat tighter	Basically unchanged	Somewhat easier	Considerably easier	Net percentage	Total number of answers
Domestic government bonds							
Overall	0	17	78	6	0	+11	18
High-quality government, sub-national and supra-national bonds							
Overall	0	15	74	11	0	+4	27
Other government, sub-national and supra-national bonds							
Overall	0	15	73	12	0	+4	26
High-quality financial corporate bonds							
Overall	0	17	75	8	0	+8	24
High-quality non-financial corporate bonds							
Overall	0	17	75	8	0	+8	24
High-yield corporate bonds							
Overall	0	25	65	10	0	+15	20
Convertible securities							
Overall	0	0	80	20	0	-20	15
Equities							
Overall	0	4	74	22	0	-17	23
Asset-backed securities							
Overall	0	11	83	6	0	+6	18
Covered bonds							
Overall	0	21	67	13	0	+8	24

Relative to one year ago	Considerably higher	Somewhat higher	Basically unchanged	Somewhat lower	Considerably lower	Net percentage	Total number of answers
Domestic government bonds							
Haircuts	0	0	94	6	0	-6	18
High-quality government, sub-national and supra-national bonds							
Haircuts	0	4	93	4	0	0	27
Other government, sub-national and supra-national bonds							
Haircuts	0	4	92	4	0	0	26
High-quality financial corporate bonds							
Haircuts	0	4	92	4	0	0	24
High-quality non-financial corporate bonds							
Haircuts	0	4	92	4	0	0	24
High-yield corporate bonds							
Haircuts	0	20	70	10	0	+10	20
Convertible securities							
Haircuts	0	0	87	13	0	-13	15
Equities							
Haircuts	0	0	87	13	0	-13	23
Asset-backed securities							
Haircuts	0	17	78	6	0	+11	18
Covered bonds							
Haircuts	0	4	92	4	0	0	24

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

Non-price credit terms by OTC derivative type relative to one year ago

Relative to one year ago, how do you characterise the current stringency of the [non-price] credit terms applicable at your institution to OTC derivatives counterparties for trades in [type of derivatives]?

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

Relative to one year ago	Considerably tighter	Somewhat tighter	Basically unchanged	Somewhat easier	Considerably easier	Net percentage	Total number of answers
Foreign exchange							
Non-price terms	4	4	91	0	0	+9	23
Interest rates							
Non-price terms	4	9	83	4	0	+9	23
Credit referencing sovereigns							
Non-price terms	0	6	89	6	0	0	18
Credit referencing corporates							
Non-price terms	0	6	89	6	0	0	18
Credit referencing structured credit products							
Non-price terms	0	6	94	0	0	+6	17
Equity							
Non-price terms	0	8	92	0	0	+8	24
Commodity							
Non-price terms	0	13	87	0	0	+13	15
Total return swaps referencing non-securities							
Non-price terms	0	6	88	6	0	0	17

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