EUROPEAN CENTRAL BANK

EUROSYSTEM

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

March 2020

The Eurosystem conducts a three-monthly qualitative survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets. This survey is a follow-up to a recommendation in the Committee on the Global Financial System study group report on "The role of margin requirements and haircuts in procyclicality", which was published in March 2010. The survey is part of an international initiative aimed at collecting information on trends in the credit terms offered by firms in the wholesale markets and insights into the main drivers of these trends. The information collected is valuable for financial stability, market functioning and monetary policy objectives.

The survey questions are grouped into three sections:

1. **Counterparty types** – credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets;
2. **Securities financing** – financing conditions for various collateral types;
3. **Non-centrally cleared OTC derivatives** – credit terms and conditions for various derivatives types.

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

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

Reporting institutions should report on their **global credit terms**, with the survey aimed at senior credit officers responsible for maintaining an overview of the management of credit risks. Where material differences exist across different business areas, for example between traditional prime brokerage and OTC derivatives, answers should refer to the business area generating the most exposure.

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

The questions focus on how terms have tightened or eased over the past three months (regardless of longer-term trends), why they have changed, and expectations for the future. Firms are encouraged to answer all questions, unless specific market segments are of only marginal importance for the firm's business.

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

March 2020 SESFOD results

(Reference period from December 2019 to February 2020)

The March 2020 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between December 2019 and February 2020. Responses were collected from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area. As a result of the developing coronavirus (COVID-19) crisis, many respondents submitted their survey responses for the period December 2019 to February 2020 after the 5 March 2020 deadline. These respondents finalised their feedback against the background of the rapidly evolving crisis. It cannot be excluded that these respondents took these developments into account in their submissions.

Highlights

Against the background of the emerging COVID-19 crisis during the latter part of the review period, price and non-price credit terms offered to non-financial corporations, insurance companies and hedge funds tightened somewhat in both the securities financing market and the OTC derivatives market. Terms and conditions for banks and sovereign counterparties remained almost unchanged or eased somewhat on account of improving liquidity conditions. However, survey respondents expected credit terms and conditions to tighten significantly for all counterparty types over the next three months, in particular for banks and dealers. Respondents also reported a material increase in the volume of valuation disputes with banks and dealers.

The maximum amount and maturity of funding offered against euro-denominated securities continued to decline, especially for funding secured with high-quality government, corporate and covered bonds and, to a lesser extent, asset-backed securities. Haircuts increased for most collateral types. However, financing rates/spreads decreased somewhat for funding secured by all types of collateral except equities, convertible securities and high-yield corporate bonds. Respondents reported the strongest increase in collateral valuation disputes over a three-month reference period – for all collateral types except domestic government bonds – since the launch of the survey in 2013.

For all types of non-centrally cleared OTC derivatives, initial margin requirements increased, liquidity and trading deteriorated materially, and valuation disputes rose.

As in previous years, the March 2020 survey also included a number of special questions designed to offer a longer-term perspective on credit standards by comparing current conditions with those observed one year ago. Respondents reported that, on balance, terms and conditions in the secured financing and OTC derivatives markets remained broadly unchanged from the previous year, having tightened slightly for hedge funds and investment funds while easing for sovereigns, banks and dealers. In net terms, credit standards for secured funding eased relative to a year ago, while non-price conditions in OTC derivatives markets eased somewhat for most types of derivatives over the same period.

Counterparty types

On balance, credit terms and conditions tightened. In particular, respondents reported a small net tightening of credit terms for non-financial corporations, insurance companies and hedge funds. Terms offered to sovereigns on balance remained unchanged over the December 2019 to February 2020 review period (see Chart A). The December 2019 survey expectation that terms would ease did not materialise; in fact, the opposite was true for most counterparty types.

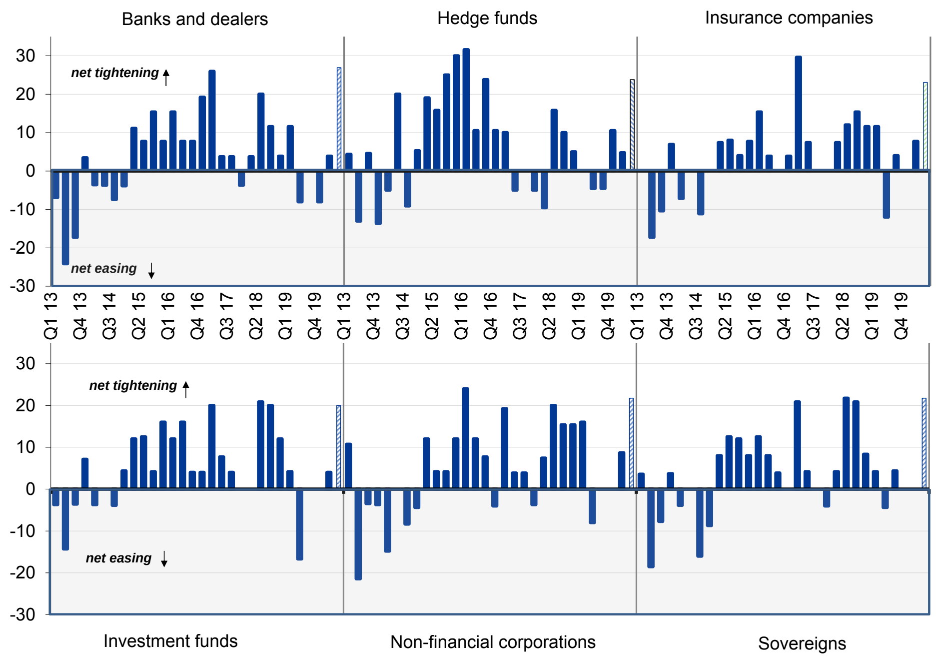
While the review period only covered the first weeks of the COVID-19 crisis, respondents attributed the tightening of credit terms and conditions to the economic and financial uncertainty surrounding COVID-19 containment measures. Respondents which reported an easing of credit terms and conditions offered to sovereigns attributed this to an improvement in general liquidity and market functioning.

A very large proportion of respondents expect overall terms to tighten over the March 2020 to May 2020 period (see Chart A). This strong tightening expectation – the most pronounced on record – covers all counterparty types, and is more pronounced for price terms than for non-price terms. In net terms, the strongest tightening of price terms was expected for banks and dealers (30%), followed by non-financial corporations (27%) and hedge funds (26%). As for non-price terms, a net 18% expected less favourable terms for hedge funds, a net 15% for non-financial corporations and a net 14% for banks and dealers.

Chart A

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

(Q1 2013 to Q1 2020 for observed; Q2 2020 for expected (shaded bars); net percentages of survey respondents)



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

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

Attention devoted to the management of concentrated credit exposures to large banks and CCPs increased further during the reference period. Reporting banks said they had further increased the resources and attention they devoted to the management of concentrated credit exposures, both for CCPs (8% of respondents in net terms) and for banks and dealers (8% of respondents in net terms). Significant increases had already been reported in the previous SESFOD surveys.

The use of financial leverage decreased for hedge funds and investment firms while remaining unchanged for insurance companies. At the same time, a significant proportion of survey respondents (17%) reported that the amount of unutilised leverage available to hedge funds had decreased over the review period. Respondents reported almost no changes in the use of leverage by insurance companies and investment funds.

Pressure from hedge funds to obtain more favourable conditions decreased, while pressure from insurance companies, investment firms and non-financial corporations slightly increased.

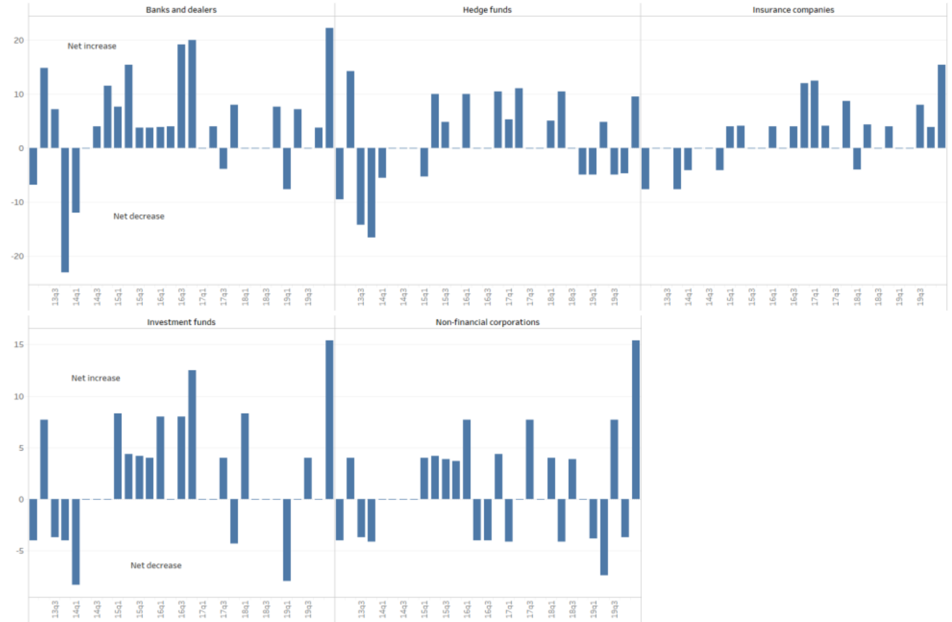
The provision of differential terms to most-favoured clients decreased slightly over the reference period across all counterparty types. Respondents indicated that their institutions had decreased the provision of differential terms to most-favoured clients for all counterparty types, but in particular for hedge funds.

On balance, respondents reported an increase in the volume, duration and persistence of valuation disputes. More than a fifth of respondents reported that the volume of valuation disputes they experienced with banks and dealers had increased, in some cases considerably (see Chart B).

Chart B

Volume of valuation disputes

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



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

Securities financing

The maximum amount of funding offered against euro-denominated collateral continued to decline for both average and most-favoured clients. Responses to the March 2020 survey pointed to a continuing decline in the maximum amount of funding offered to clients against collateral in the form of euro-denominated corporate, domestic government and covered bonds as well as, to a lesser extent, other government and asset-backed securities. Respondents indicated that a slightly higher amount of funding was offered to clients against equities.

The maximum maturity of funding against euro-denominated collateral decreased across most asset types. Survey respondents reported a particular decrease in the maximum maturity of funding against domestic government bonds, high-yield corporate bonds, asset-backed securities and covered bonds. The only types of collateral for which respondents reported an increase or no change in the maximum maturity of funding were convertible securities and equities for average or most-favoured clients.

Haircuts applied to most types of euro-denominated collateral increased slightly. The only haircuts reported to be broadly unchanged were those applied to domestic government bonds, asset-backed securities and – for most-favoured clients – high-yield corporate bonds.

Financing rates/spreads decreased somewhat for funding secured by all types of collateral except equities, convertible securities and high-yield corporate bonds. For average clients, a net 20% of respondents reported a decrease in financing rates/spreads for funding secured by government bonds. A small net percentage of respondents also reported a decrease in financing rates/spreads for funding secured by asset-backed securities and high-quality corporate bonds, as well as a slight increase for funding secured by convertible securities and equities. For most-favoured clients, respondents reported broadly unchanged financing rates/spreads for non-domestic government bonds, covered bonds and high-yield corporate bonds; meanwhile, financing rates/spreads increased slightly for funding secured by convertible securities and equities.

The use of CCPs slightly increased or remained unchanged for most types of collateral. In line with the previous SESFOD survey, responses to the March 2020 survey indicated only small changes in the use of CCPs for many types of collateral. Respondents reported the highest change and net increase – applicable to both their average and most-favoured clients – in the use of CCPs for funding secured by high-quality (non-domestic) government bonds.

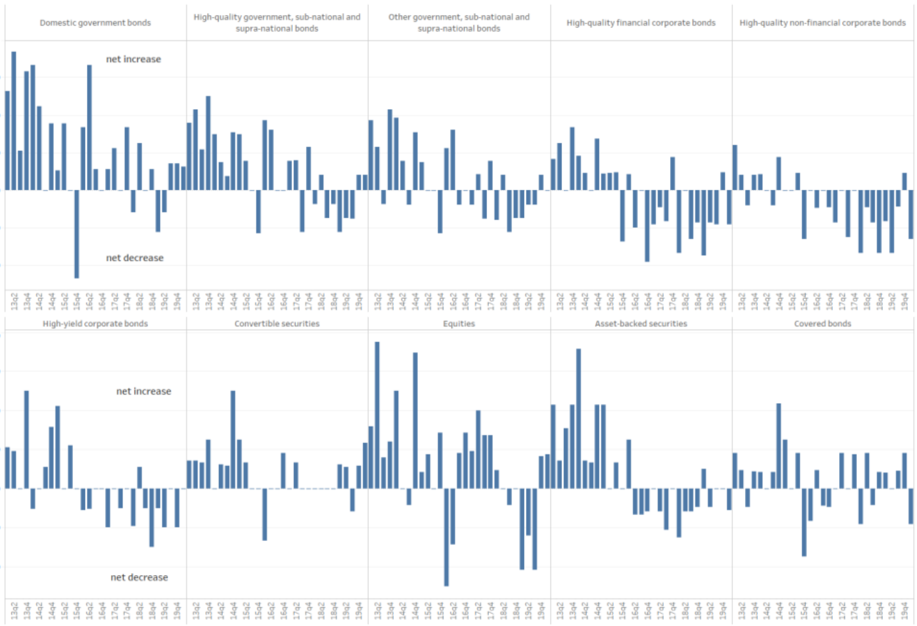
Covenants and triggers remained broadly unchanged. Survey respondents reported almost no changes in the covenants and triggers under which almost all types of collateral are funded. For most-favoured clients only, survey responses showed that covenants and triggers for funding secured by high-yield corporate bonds and asset-backed securities became somewhat less restrictive over the reference period.

Demand for funding strengthened. In general, respondents reported stronger demand for funding across most types of collateral except corporate bonds, asset-backed securities and covered bonds (see Chart C).

Chart C

Changes in demand for funding

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



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

The liquidity of collateral deteriorated for most collateral types. A small net number of respondents reported a worsening in the liquidity and functioning of the markets for all types of collateral except domestic and high-quality government bonds.

Collateral valuation disputes increased over the three-month reference period for all collateral types except domestic government bonds. This is the strongest increase reported by the survey since its launch in 2013.

Non-centrally cleared OTC derivatives

Initial margin requirements increased across all OTC derivatives. Respondents reported the strongest increase in initial margin requirements for OTC foreign exchange derivatives, followed by credit referencing and commodity derivatives. As in previous surveys, respondents did not report significant differences between types of client.

Credit limits decreased across all types of derivatives with respect to trade maturity, and to a lesser degree with respect to exposure amounts. For almost all derivatives, a small net percentage of respondents reported that the maximum maturity of trades decreased. The only exception was credit referencing structured credit products, for which the maximum maturity remained unchanged. Respondents reported divergences between different types of derivatives as regards the maximum exposure of trades. They reported a net increase for commodity and foreign exchange derivatives, and a net decrease for credit referencing sovereigns, structured credit products, total return swaps referencing non-securities and interest rate derivatives.

Liquidity and trading deteriorated materially across all types of derivatives. A double-digit net percentage of survey respondents indicated that liquidity and trading had deteriorated, in particular for interest rate, foreign exchange, commodity and equity derivatives.

Valuation disputes increased across all types of derivatives. More specifically, respondents reported that the volume of disputes relating to total return swaps, credit referencing corporates, and interest rate, equity and commodity derivatives had particularly increased. To a lesser extent, the duration and persistence of disputes also rose; in particular, interest rate derivatives, total return swaps, credit referencing corporates and equity derivatives had increased somewhat over the reference period.

There were limited changes in new or renegotiated master agreements. Most respondents reported almost no changes in new or renegotiated master agreements. One respondent reported that margin call practices had tightened somewhat. At the same time, and as had been reported in the past three surveys, a small net percentage of respondents reported an easing of other non-price terms including acceptable collateral and the recognition of portfolio or diversification benefits.

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

Special questions

Longer-term perspective

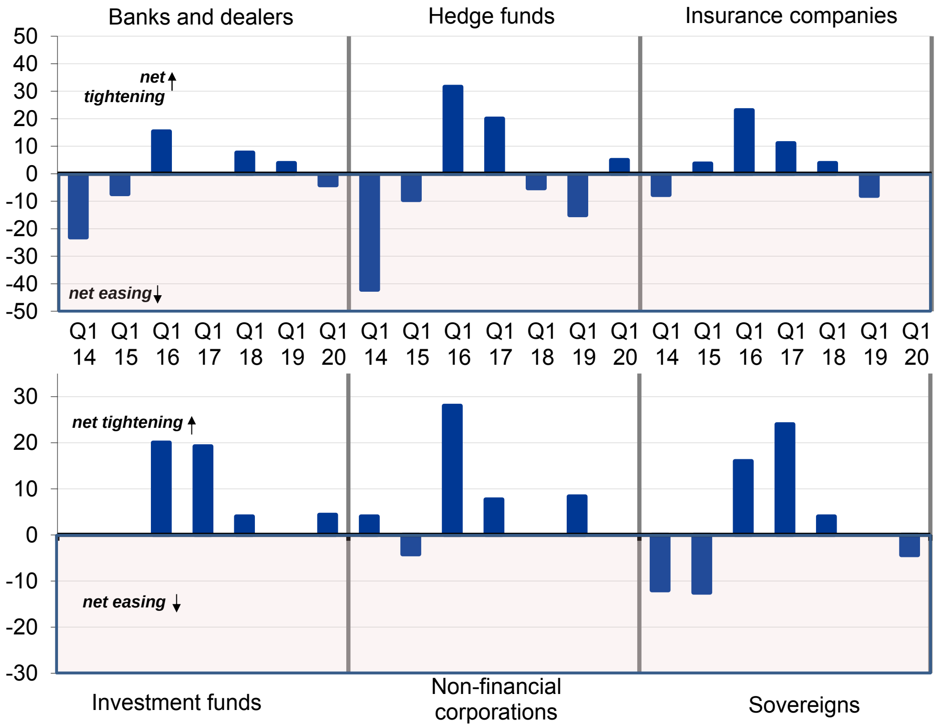
As in previous years, specific questions included in the March 2020 survey sought to provide a longer-term perspective by comparing current credit terms and conditions with those reported one year ago (i.e. in March 2019).

Compared with one year ago, overall terms and conditions for secured financing and OTC derivatives were broadly unchanged on balance. Overall terms and conditions for hedge funds and investment funds tightened slightly over the year – as reported by 5% and 4% of respondents, respectively, in net terms – while slightly easing for sovereigns as well as banks and dealers, with a net 4% of respondents reporting a net easing (see Chart C). Non-financial corporations and hedge funds faced tighter price terms according to around 12% and 10% of respondents, respectively, in net terms. A net 9% of respondents reported investment funds also faced tighter non-price terms and conditions, and a net 4% for insurance companies.

Chart D

Changes in overall credit terms offered to counterparties across all transaction types compared with the previous year

(Q1 2014 to Q1 2020; net percentage of survey respondents)



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

In net terms, credit standards for secured funding eased compared with one year ago. An easing of conditions was reported for all collateral types except asset-backed securities – for which a net 5% of respondents reported a slight tightening – and convertible securities, which on balance remained unchanged. Haircuts for non-government and non-covered bonds increased slightly, while a small net percentage of respondents (between 7% and 8%) reported decreases in haircuts for domestic government and covered bonds.

Survey respondents reported that non-price conditions in OTC derivatives markets eased somewhat for most types of derivatives relative to one year ago. A small net percentage of respondents reported an easing of conditions for foreign exchange derivatives (13%), credit referencing derivatives (6%) and total return swaps (7%).

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
						Dec. 2019	Mar. 2020	
Banks and dealers								
Price terms	7	7	70	11	4	-8	0	27
Non-price terms	0	7	86	7	0	+4	0	28
Overall	0	15	73	8	4	-8	+4	26
Hedge funds								
Price terms	10	5	76	5	5	+11	+5	21
Non-price terms	0	9	82	9	0	+5	0	22
Overall	0	14	76	5	5	+11	+5	21
Insurance companies								
Price terms	7	4	78	7	4	0	0	27
Non-price terms	0	11	82	7	0	0	+4	28
Overall	0	15	77	4	4	0	+8	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	8	4	77	8	4	0	0	26
Non-price terms	0	7	85	7	0	+8	0	27
Overall	0	12	80	4	4	0	+4	25
Non-financial corporations								
Price terms	8	8	77	8	0	0	+8	26
Non-price terms	0	8	88	4	0	+4	+4	26
Overall	0	13	83	4	0	0	+9	23
Sovereigns								
Price terms	4	4	79	8	4	0	-4	24
Non-price terms	0	4	88	8	0	+4	-4	25
Overall	0	9	83	4	4	0	0	23
All counterparties above								
Price terms	8	8	73	8	4	-4	+4	26
Non-price terms	0	7	85	7	0	+4	0	27
Overall	0	16	76	4	4	-4	+8	25

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

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Banks and dealers								
Price terms	7	26	63	4	0	-4	+30	27
Non-price terms	0	18	79	4	0	0	+14	28
Overall	0	31	65	4	0	0	+27	26
Hedge funds								
Price terms	10	19	67	5	0	-5	+24	21
Non-price terms	0	23	73	5	0	-5	+18	22
Overall	0	29	67	5	0	-5	+24	21
Insurance companies								
Price terms	7	22	67	4	0	0	+26	27
Non-price terms	0	14	82	4	0	-4	+11	28
Overall	0	27	69	4	0	+4	+23	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	8	19	69	4	0	0	+23	26
Non-price terms	0	15	81	4	0	0	+11	27
Overall	0	24	72	4	0	+4	+20	25
Non-financial corporations								
Price terms	8	23	65	4	0	-4	+27	26
Non-price terms	0	19	77	4	0	-4	+15	26
Overall	0	26	70	4	0	0	+22	23
Sovereigns								
Price terms	8	21	67	4	0	0	+25	24
Non-price terms	0	12	84	4	0	0	+8	25
Overall	0	26	70	4	0	+5	+22	23
All counterparties above								
Price terms	8	19	69	4	0	-4	+23	26
Non-price terms	0	12	85	4	0	-4	+8	26
Overall	0	24	72	4	0	0	+20	25

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Dec. 2019	Mar. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	33	0	0	12
Willingness of your institution to take on risk	25	0	0	0	13
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	25
Competition from other institutions	0	0	0	0	0
Other	25	67	100	100	50
Total number of answers	4	3	1	3	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	25	33	22	18
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	33	11	9
General market liquidity and functioning	75	50	33	33	55
Competition from other institutions	25	25	0	33	18
Other	0	0	0	0	0
Total number of answers	4	4	3	9	11
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	50	0	0	0	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	50	100	100	100	75
Total number of answers	2	1	1	3	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	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	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	100	0	80
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	2	1	0	5

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	
				Dec. 2019	Mar. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	0	17
Willingness of your institution to take on risk	33	0	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	33	0	0	0	17
Competition from other institutions	0	0	0	0	0
Other	33	50	100	100	50
Total number of answers	3	2	1	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	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	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	100	0	80
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	2	1	0	5
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	50	0	0	0	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	50	100	100	100	75
Total number of answers	2	1	1	3	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	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	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	100	0	80
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	2	1	0	5

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	
				Dec. 2019	Mar. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	0	17
Willingness of your institution to take on risk	33	0	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	33	0	0	0	17
Competition from other institutions	0	0	0	0	0
Other	33	50	100	100	50
Total number of answers	3	2	1	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	17	12
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	17	13
General market liquidity and functioning	100	33	50	33	62
Competition from other institutions	0	33	0	33	12
Other	0	0	0	0	0
Total number of answers	3	3	2	6	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	33	0	0	0	20
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	67	100	100	100	80
Total number of answers	3	1	1	3	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	0	20
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	0	0
General market liquidity and functioning	100	50	100	0	80
Competition from other institutions	0	0	0	33	0
Other	0	0	0	33	0
Total number of answers	2	2	1	3	5

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	
				Dec. 2019	Mar. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	0	17
Willingness of your institution to take on risk	33	0	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	33	0	0	0	17
Competition from other institutions	0	0	0	0	0
Other	33	50	100	100	50
Total number of answers	3	2	1	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	17	12
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	17	13
General market liquidity and functioning	100	33	50	33	62
Competition from other institutions	0	33	0	33	12
Other	0	0	0	0	0
Total number of answers	3	3	2	6	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	50	0	0	0	25
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	25	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	50	100	100	75	75
Total number of answers	2	1	1	4	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	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	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	100	0	80
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	2	1	0	5

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	
				Dec. 2019	Mar. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	0	14
Willingness of your institution to take on risk	25	0	0	0	14
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	29
Competition from other institutions	0	0	0	0	0
Other	25	50	100	100	43
Total number of answers	4	2	1	3	7
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	50	33	17
General market liquidity and functioning	100	50	50	33	67
Competition from other institutions	0	50	0	33	17
Other	0	0	0	0	0
Total number of answers	2	2	2	3	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	50	0	0	0	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	50	100	100	100	75
Total number of answers	2	1	1	3	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	100	100	0	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	1	0	3

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

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

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason Dec. 2019	Either first, second or third reason Mar. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	0	33
Willingness of your institution to take on risk	50	0	0	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	100	0
Total number of answers	2	1	0	3	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	33	0	0	12
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	33	13
General market liquidity and functioning	100	33	50	33	62
Competition from other institutions	0	33	0	33	12
Other	0	0	0	0	0
Total number of answers	3	3	2	3	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	100	0	0	0	100
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	1	0	0	3	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	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	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	100	0	80
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	2	1	0	5

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 Dec. 2019	Net percentage Mar. 2020	Total number of answers
Practices of CCPs	0	0	100	0	0	**0**	**0**	14

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

1.3 Resources and attention to the management of concentrated credit exposures

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

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Dec. 2019	Net percentage Mar. 2020	Total number of answers
Banks and dealers	0	0	92	8	0	**-4**	**-8**	26
Central counterparties	0	0	92	8	0	**-15**	**-8**	26

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

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Dec. 2019	Net percentage Mar. 2020	Total number of answers
Hedge funds								
Use of financial leverage	0	22	78	0	0	**+5**	**+22**	18
Availability of unutilised leverage	0	17	83	0	0	**+5**	**+17**	18
Insurance companies								
Use of financial leverage	0	4	91	4	0	**0**	**0**	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	9	87	4	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".

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	4	92	4	0	-4	0	26
Provision of differential terms to most-favoured clients	0	8	92	0	0	+4	+8	25
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	10	90	0	0	-10	+10	20
Provision of differential terms to most-favoured clients	0	15	85	0	0	0	+15	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	4	89	7	0	-15	-4	27
Provision of differential terms to most-favoured clients	0	8	92	0	0	-8	+8	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	-12	-4	26
Provision of differential terms to most-favoured clients	0	8	92	0	0	-4	+8	24
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	4	89	7	0	-15	-4	28
Provision of differential terms to most-favoured clients	0	8	88	4	0	-8	+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".

1.6 Valuation disputes

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

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Banks and dealers								
Volume	0	0	78	19	4	-4	-22	27
Duration and persistence	0	4	89	7	0	-4	-4	27
Hedge funds								
Volume	0	5	81	10	5	+5	-10	21
Duration and persistence	0	0	95	5	0	+5	-5	21
Insurance companies								
Volume	0	0	85	12	4	-4	-15	26
Duration and persistence	0	0	96	4	0	0	-4	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	85	12	4	0	-15	26
Duration and persistence	0	0	96	4	0	+4	-4	26
Non-financial corporations								
Volume	0	4	77	15	4	+4	-15	26
Duration and persistence	0	0	96	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".

2 Securities financing

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

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

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Domestic government bonds								
Maximum amount of funding	6	19	69	6	0	**+14**	**+19**	16
Maximum maturity of funding	0	25	69	6	0	**0**	**+19**	16
Haircuts	0	0	100	0	0	**+7**	**0**	16
Financing rate/spread	6	13	81	0	0	**0**	**+19**	16
Use of CCPs	0	6	88	6	0	**+14**	**0**	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	11	78	11	0	**+4**	**0**	27
Maximum maturity of funding	0	11	89	0	0	**+4**	**+11**	27
Haircuts	0	0	96	4	0	**0**	**-4**	27
Financing rate/spread	0	11	85	4	0	**0**	**+7**	27
Use of CCPs	0	0	92	8	0	**+4**	**-8**	26
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	11	81	7	0	**+8**	**+4**	27
Maximum maturity of funding	0	11	89	0	0	**+4**	**+11**	27
Haircuts	0	0	96	4	0	**0**	**-4**	27
Financing rate/spread	0	11	85	4	0	**+4**	**+7**	27
Use of CCPs	0	0	96	4	0	**+4**	**-4**	25
High-quality financial corporate bonds								
Maximum amount of funding	0	16	84	0	0	**0**	**+16**	25
Maximum maturity of funding	0	12	88	0	0	**-4**	**+12**	25
Haircuts	0	0	96	4	0	**0**	**-4**	25
Financing rate/spread	4	8	84	4	0	**+4**	**+8**	25
Use of CCPs	0	5	95	0	0	**+11**	**+5**	21
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	**0**	**+12**	25
Haircuts	0	0	96	4	0	**-4**	**-4**	25
Financing rate/spread	4	4	88	4	0	**0**	**+4**	25
Use of CCPs	0	5	90	5	0	**+5**	**0**	21
High-yield corporate bonds								
Maximum amount of funding	5	10	85	0	0	**0**	**+15**	20
Maximum maturity of funding	5	10	85	0	0	**+5**	**+15**	20
Haircuts	0	0	95	0	5	**0**	**-5**	20
Financing rate/spread	0	5	90	0	5	**-5**	**0**	20
Use of CCPs	0	0	94	6	0	**+7**	**-6**	16

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

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

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

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Convertible securities								
Maximum amount of funding	6	0	88	6	0	+6	0	16
Maximum maturity of funding	6	0	81	13	0	0	-6	16
Haircuts	0	0	94	0	6	0	-6	16
Financing rate/spread	0	6	81	6	6	+6	-6	16
Use of CCPs	0	0	92	8	0	-8	-8	13
Equities								
Maximum amount of funding	0	8	75	17	0	+4	-8	24
Maximum maturity of funding	0	8	83	8	0	-4	0	24
Haircuts	0	0	96	4	0	0	-4	24
Financing rate/spread	4	4	79	13	0	0	-4	24
Use of CCPs	0	0	95	5	0	-6	-5	20
Asset-backed securities								
Maximum amount of funding	5	5	85	5	0	+11	+5	20
Maximum maturity of funding	5	10	85	0	0	-11	+15	20
Haircuts	0	5	90	0	5	+6	0	20
Financing rate/spread	0	16	79	0	5	-12	+11	19
Use of CCPs	0	0	100	0	0	0	0	14
Covered bonds								
Maximum amount of funding	0	17	79	4	0	0	+13	24
Maximum maturity of funding	0	13	88	0	0	+5	+13	24
Haircuts	0	0	96	4	0	0	-4	24
Financing rate/spread	0	8	88	4	0	+5	+4	24
Use of CCPs	0	0	100	0	0	0	0	22

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

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Domestic government bonds								
Maximum amount of funding	6	13	75	6	0	**0**	**+13**	16
Maximum maturity of funding	0	19	75	6	0	**0**	**+13**	16
Haircuts	0	0	100	0	0	**+7**	**0**	16
Financing rate/spread	6	13	69	13	0	**0**	**+6**	16
Use of CCPs	0	6	88	6	0	**+7**	**0**	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	4	81	12	0	**+4**	**-4**	26
Maximum maturity of funding	0	8	88	4	0	**+8**	**+4**	26
Haircuts	0	0	96	4	0	**+4**	**-4**	26
Financing rate/spread	0	12	77	12	0	**-4**	**0**	26
Use of CCPs	0	0	92	8	0	**0**	**-8**	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	84	8	0	**+8**	**0**	25
Maximum maturity of funding	0	8	92	0	0	**+8**	**+8**	25
Haircuts	0	0	96	4	0	**+4**	**-4**	25
Financing rate/spread	0	12	76	12	0	**0**	**0**	25
Use of CCPs	0	0	96	4	0	**0**	**-4**	23
High-quality financial corporate bonds								
Maximum amount of funding	0	13	87	0	0	**+5**	**+13**	23
Maximum maturity of funding	0	9	91	0	0	**-5**	**+9**	23
Haircuts	0	0	96	4	0	**+9**	**-4**	23
Financing rate/spread	4	9	78	9	0	**+5**	**+4**	23
Use of CCPs	0	5	95	0	0	**+6**	**+5**	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	8	88	4	0	**-4**	**+4**	24
Maximum maturity of funding	0	8	92	0	0	**-8**	**+8**	24
Haircuts	0	0	96	4	0	**0**	**-4**	24
Financing rate/spread	4	8	83	4	0	**+4**	**+8**	24
Use of CCPs	0	5	90	5	0	**0**	**0**	20
High-yield corporate bonds								
Maximum amount of funding	5	5	90	0	0	**0**	**+10**	20
Maximum maturity of funding	5	10	85	0	0	**+5**	**+15**	20
Haircuts	0	5	90	0	5	**+5**	**0**	20
Financing rate/spread	0	5	90	0	5	**0**	**0**	20
Use of CCPs	0	0	94	6	0	**+6**	**-6**	16

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

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

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

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Convertible securities								
Maximum amount of funding	6	0	88	6	0	+6	0	16
Maximum maturity of funding	6	0	81	13	0	+6	-6	16
Haircuts	0	0	94	0	6	+6	-6	16
Financing rate/spread	0	6	81	6	6	+6	-6	16
Use of CCPs	0	0	92	8	0	0	-8	13
Equities								
Maximum amount of funding	0	5	77	18	0	+4	-14	22
Maximum maturity of funding	0	5	86	9	0	0	-5	22
Haircuts	0	0	95	5	0	0	-5	22
Financing rate/spread	5	9	68	18	0	+4	-5	22
Use of CCPs	0	0	95	5	0	0	-5	19
Asset-backed securities								
Maximum amount of funding	5	0	85	10	0	+11	-5	20
Maximum maturity of funding	5	5	85	5	0	-11	+5	20
Haircuts	0	5	90	0	5	+11	0	20
Financing rate/spread	0	15	80	0	5	-5	+10	20
Use of CCPs	0	0	100	0	0	0	0	14
Covered bonds								
Maximum amount of funding	4	8	83	4	0	0	+8	24
Maximum maturity of funding	0	13	88	0	0	+4	+13	24
Haircuts	0	0	96	4	0	+4	-4	24
Financing rate/spread	0	13	75	13	0	0	0	24
Use of CCPs	0	0	100	0	0	-5	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".

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 Dec. 2019	Net percentage Mar. 2020	Total number of answers
Domestic government bonds								
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
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	25
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**	25
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**	23
Terms for most-favoured clients	0	0	100	0	0	**-5**	**0**	20
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	23
Terms for most-favoured clients	0	0	100	0	0	**-9**	**0**	21
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	95	5	0	**-5**	**-5**	19
Convertible securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	20
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	94	6	0	**0**	**-6**	17
Covered 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

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Domestic government bonds								
Overall demand	6	6	69	19	0	-7	-6	16
With a maturity greater than 30 days	0	6	69	25	0	-21	-19	16
High-quality government, sub-national and supra-national bonds								
Overall demand	0	4	88	8	0	-4	-4	25
With a maturity greater than 30 days	0	4	84	12	0	-8	-8	25
Other government, sub-national and supra-national bonds								
Overall demand	0	4	92	4	0	-4	0	24
With a maturity greater than 30 days	0	4	88	8	0	-8	-4	24
High-quality financial corporate bonds								
Overall demand	0	14	82	5	0	-5	+9	22
With a maturity greater than 30 days	0	9	82	9	0	-10	0	22
High-quality non-financial corporate bonds								
Overall demand	0	17	78	4	0	-5	+13	23
With a maturity greater than 30 days	0	13	78	9	0	-9	+4	23
High-yield corporate bonds								
Overall demand	0	10	80	10	0	+10	0	20
With a maturity greater than 30 days	0	10	80	10	0	-10	0	20
Convertible securities								
Overall demand	0	6	76	18	0	-6	-12	17
With a maturity greater than 30 days	0	6	76	18	0	-6	-12	17
Equities								
Overall demand	0	9	74	17	0	-8	-9	23
With a maturity greater than 30 days	0	4	83	13	0	-8	-9	23
Asset-backed securities								
Overall demand	0	11	83	6	0	0	+6	18
With a maturity greater than 30 days	0	11	78	11	0	-17	0	18
Covered bonds								
Overall demand	0	14	82	5	0	-9	+9	22
With a maturity greater than 30 days	0	10	76	14	0	-9	-5	21
All collateral types above								
Overall demand	0	4	87	9	0	-5	-4	23
With a maturity greater than 30 days	0	4	87	9	0	-9	-4	23

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

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

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

Table 20

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

Liquidity and functioning of the collateral market	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Domestic government bonds								
Liquidity and functioning	0	0	94	6	0	+14	-6	16
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	8	84	8	0	+4	0	25
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	8	88	4	0	+8	+4	24
High-quality financial corporate bonds								
Liquidity and functioning	5	5	91	0	0	+5	+9	22
High-quality non-financial corporate bonds								
Liquidity and functioning	4	4	91	0	0	0	+9	23
High-yield corporate bonds								
Liquidity and functioning	5	5	85	5	0	-10	+5	20
Convertible securities								
Liquidity and functioning	0	18	82	0	0	0	+18	17
Equities								
Liquidity and functioning	0	13	83	4	0	0	+8	24
Asset-backed securities								
Liquidity and functioning	0	11	89	0	0	+6	+11	19
Covered bonds								
Liquidity and functioning	0	10	90	0	0	0	+10	21
All collateral types above								
Liquidity and functioning	0	9	91	0	0	0	+9	23

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
High-quality government, sub-national and supra-national bonds								
Volume	0	0	92	8	0	**0**	**-8**	24
Duration and persistence	0	0	92	8	0	**0**	**-8**	24
Other government, sub-national and supra-national bonds								
Volume	0	0	91	9	0	**0**	**-9**	23
Duration and persistence	0	0	91	9	0	**0**	**-9**	23
High-quality financial corporate bonds								
Volume	0	0	90	10	0	**0**	**-10**	20
Duration and persistence	0	0	90	10	0	**0**	**-10**	20
High-quality non-financial corporate bonds								
Volume	0	0	90	10	0	**0**	**-10**	21
Duration and persistence	0	0	90	10	0	**0**	**-10**	21
High-yield corporate bonds								
Volume	0	0	89	11	0	**0**	**-11**	18
Duration and persistence	0	0	89	11	0	**0**	**-11**	18
Convertible securities								
Volume	0	0	87	13	0	**0**	**-13**	15
Duration and persistence	0	0	87	13	0	**0**	**-13**	15
Equities								
Volume	0	0	90	10	0	**0**	**-10**	21
Duration and persistence	0	0	90	10	0	**-5**	**-10**	21
Asset-backed securities								
Volume	0	0	88	12	0	**0**	**-12**	17
Duration and persistence	0	0	88	12	0	**0**	**-12**	17
Covered bonds								
Volume	0	0	89	11	0	**0**	**-11**	19
Duration and persistence	0	0	89	11	0	**0**	**-11**	19
All collateral types above								
Volume	0	0	86	14	0	**0**	**-14**	22
Duration and persistence	0	0	91	9	0	**0**	**-9**	22

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

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 Dec. 2019	Net percentage Mar. 2020	Total number of answers
Foreign exchange								
Average clients	0	0	79	21	0	-14	-21	24
Most-favoured clients	0	0	79	17	4	-14	-21	24
Interest rates								
Average clients	0	4	83	13	0	-5	-9	23
Most-favoured clients	0	4	83	13	0	-5	-9	23
Credit referencing sovereigns								
Average clients	0	0	83	17	0	-6	-17	18
Most-favoured clients	0	0	83	17	0	-6	-17	18
Credit referencing corporates								
Average clients	0	0	85	15	0	-5	-15	20
Most-favoured clients	0	0	85	15	0	-5	-15	20
Credit referencing structured credit products								
Average clients	0	0	82	18	0	0	-18	17
Most-favoured clients	0	0	82	18	0	0	-18	17
Equity								
Average clients	0	0	90	10	0	+5	-10	20
Most-favoured clients	0	5	85	10	0	+5	-5	20
Commodity								
Average clients	0	0	83	17	0	-6	-17	18
Most-favoured clients	0	0	83	17	0	-6	-17	18
Total return swaps referencing non-securities								
Average clients	0	0	81	19	0	0	-19	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 Dec. 2019	Net percentage Mar. 2020	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	12	81	8	0	-4	+4	26
Maximum maturity of trades	0	12	85	4	0	-4	+8	26
Interest rates								
Maximum amount of exposure	4	8	72	16	0	+4	-4	25
Maximum maturity of trades	0	8	88	0	4	+5	+4	25
Credit referencing sovereigns								
Maximum amount of exposure	0	6	82	12	0	0	-6	17
Maximum maturity of trades	0	6	94	0	0	0	+6	17
Credit referencing corporates								
Maximum amount of exposure	0	11	79	11	0	0	0	19
Maximum maturity of trades	0	5	95	0	0	0	+5	19
Credit referencing structured credit products								
Maximum amount of exposure	0	6	81	13	0	+6	-6	16
Maximum maturity of trades	0	6	88	6	0	0	0	16
Equity								
Maximum amount of exposure	5	5	79	11	0	-6	0	19
Maximum maturity of trades	5	5	90	0	0	0	+10	20
Commodity								
Maximum amount of exposure	0	16	74	11	0	-6	+5	19
Maximum maturity of trades	0	5	95	0	0	-6	+5	19
Total return swaps referencing non-securities								
Maximum amount of exposure	0	6	82	12	0	0	-6	17
Maximum maturity of trades	0	6	94	0	0	0	+6	16

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

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

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

Table 24

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage Dec. 2019	Net percentage Mar. 2020	Total number of answers
Foreign exchange								
Liquidity and trading	0	28	72	0	0	0	+28	25
Interest rates								
Liquidity and trading	4	29	67	0	0	0	+33	24
Credit referencing sovereigns								
Liquidity and trading	0	24	76	0	0	-6	+24	17
Credit referencing corporates								
Liquidity and trading	0	21	79	0	0	-6	+21	19
Credit referencing structured credit products								
Liquidity and trading	0	24	76	0	0	-6	+24	17
Equity								
Liquidity and trading	5	25	65	5	0	0	+25	20
Commodity								
Liquidity and trading	0	26	74	0	0	0	+26	19
Total return swaps referencing non-securities								
Liquidity and trading	0	13	87	0	0	0	+13	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
						Dec. 2019	Mar. 2020	
Foreign exchange								
Volume	0	4	84	12	0	-4	-8	25
Duration and persistence	0	0	96	4	0	0	-4	25
Interest rates								
Volume	0	0	79	21	0	-8	-21	24
Duration and persistence	0	0	83	17	0	-9	-17	24
Credit referencing sovereigns								
Volume	0	0	78	22	0	0	-22	18
Duration and persistence	0	0	94	6	0	0	-6	18
Credit referencing corporates								
Volume	0	0	79	21	0	-5	-21	19
Duration and persistence	0	0	89	11	0	0	-11	19
Credit referencing structured credit products								
Volume	0	0	76	24	0	0	-24	17
Duration and persistence	0	0	94	6	0	0	-6	17
Equity								
Volume	0	5	76	19	0	+5	-14	21
Duration and persistence	0	0	90	10	0	0	-10	21
Commodity								
Volume	0	6	78	17	0	+6	-11	18
Duration and persistence	0	0	94	6	0	-6	-6	18
Total return swaps referencing non-securities								
Volume	0	0	76	24	0	0	-24	17
Duration and persistence	0	0	89	11	0	0	-11	18

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

3.2 Changes in new or renegotiated master agreements

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

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Margin call practices	0	4	96	0	0	+4	+4	26
Acceptable collateral	0	0	92	8	0	-8	-8	26
Recognition of portfolio or diversification benefits	0	0	96	4	0	-8	-4	25
Covenants and triggers	0	0	100	0	0	0	0	25
Other documentation features	0	4	96	0	0	+4	+4	26

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Dec. 2019	Mar. 2020	
Posting of non-standard collateral	0	8	80	12	0	-4	-4	25

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

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?

Table 28

(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	16	68	16	0	**0**	25
Non-price terms	0	0	96	4	0	**-4**	24
Overall	0	13	71	17	0	**-4**	24
Hedge funds							
Price terms	0	24	62	14	0	**+10**	21
Non-price terms	0	10	75	15	0	**-5**	20
Overall	0	25	55	20	0	**+5**	20
Insurance companies							
Price terms	0	20	64	16	0	**+4**	25
Non-price terms	0	8	88	4	0	**+4**	24
Overall	0	17	67	17	0	**0**	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools							
Price terms	4	13	67	17	0	**0**	24
Non-price terms	0	13	83	4	0	**+9**	23
Overall	0	22	61	17	0	**+4**	23
Non-financial corporations							
Price terms	0	28	56	16	0	**+12**	25
Non-price terms	0	8	83	8	0	**0**	24
Overall	0	22	57	22	0	**0**	23
Sovereigns							
Price terms	0	17	67	17	0	**0**	24
Non-price terms	0	0	96	4	0	**-4**	23
Overall	0	13	70	17	0	**-4**	23
All counterparties above							
Price terms	0	20	64	16	0	**+4**	25
Non-price terms	0	4	92	4	0	**0**	24
Overall	0	17	67	17	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".

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?

Table 29

(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	0	87	13	0	-13	15
High-quality government, sub-national and supra-national bonds							
Overall	0	0	89	11	0	-11	27
Other government, sub-national and supra-national bonds							
Overall	0	0	88	12	0	-12	26
High-quality financial corporate bonds							
Overall	0	9	78	13	0	-4	23
High-quality non-financial corporate bonds							
Overall	0	9	78	13	0	-4	23
High-yield corporate bonds							
Overall	0	10	75	15	0	-5	20
Convertible securities							
Overall	0	6	89	6	0	0	18
Equities							
Overall	0	5	86	9	0	-5	22
Asset-backed securities							
Overall	0	14	77	9	0	+5	22
Covered bonds							
Overall	0	0	88	13	0	-13	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	93	7	0	-7	15
High-quality government, sub-national and supra-national bonds							
Haircuts	0	0	100	0	0	0	27
Other government, sub-national and supra-national bonds							
Haircuts	0	0	100	0	0	0	26
High-quality financial corporate bonds							
Haircuts	0	9	87	4	0	+4	23
High-quality non-financial corporate bonds							
Haircuts	0	9	87	4	0	+4	23
High-yield corporate bonds							
Haircuts	0	10	86	5	0	+5	21
Convertible securities							
Haircuts	0	5	95	0	0	+5	19
Equities							
Haircuts	0	4	91	4	0	0	23
Asset-backed securities							
Haircuts	0	9	86	5	0	+5	22
Covered bonds							
Haircuts	0	0	92	8	0	-8	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]?

Table 30

(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	0	0	87	13	0	**-13**	23
Interest rates							
Non-price terms	0	5	91	5	0	**0**	22
Credit referencing sovereigns							
Non-price terms	0	0	94	6	0	**-6**	16
Credit referencing corporates							
Non-price terms	0	0	94	6	0	**-6**	17
Credit referencing structured credit products							
Non-price terms	0	0	94	6	0	**-6**	17
Equity							
Non-price terms	0	0	94	6	0	**-6**	16
Commodity							
Non-price terms	0	0	100	0	0	**0**	17
Total return swaps referencing non-securities							
Non-price terms	0	0	93	7	0	**-7**	15

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".

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