EUROPEAN CENTRAL BANK
EUROSYSTEM

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

September 2022

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 report of the Committee on the Global Financial System (CGFS) study group, entitled "The role of margin requirements and haircuts in procyclicality", published in March 2010[1]. The survey is part of an international initiative to collect information on trends in the credit terms offered by firms operating 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 derivative types.

The survey focuses on **euro-denominated** instruments in securities financing and OTC derivatives markets. For securities financing, the survey 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**, so the survey is 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, responses should refer to the business area generating the most exposure.

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

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 terms have changed and expectations for the future. Firms are encouraged to answer all questions, unless specific market segments are of minimal importance to the firm's business.

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

September 2022 SESFOD results

(Review period from June 2022 to August 2022)

The September 2022 Survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets (SESFOD) reports qualitative changes in credit terms between June 2022 and August 2022. Responses were collected from a panel of 27 large banks, comprising 14 euro area banks and 13 banks with head offices outside the euro area.

Overview of results

On balance, overall credit terms and conditions tightened over the June-August 2022 review period across all counterparty types. Price terms tightened for all counterparty types, but in particular for banks and dealers, investment funds and hedge funds. Non-price terms tightened for hedge funds and banks and dealers. The overall tightening of credit terms and conditions − mainly attributed to a deterioration in general market liquidity and functioning − continued the trend reported for the previous five quarters and was in line with the expectations expressed in the June 2022 survey. Overall credit terms are expected to tighten further over the September-November 2022 review period. The amount of resources dedicated to managing concentrated credit exposures increased in the June-August 2022 review period, while the use of financial leverage and the availability of unutilised leverage decreased.

In the case of securities financing transactions, the maximum amount of funding offered against collateral in the form of euro-denominated domestic government bonds increased, while the maximum maturity offered decreased. For other types of collateral, respondents reported a mixed picture. Haircuts applied to euro-denominated collateral either increased or remained unchanged, while financing rates/spreads increased for financing secured against all collateral types. The liquidity of most collateral types continued to deteriorate, with the largest percentage of respondents reporting a decrease in the liquidity of high-yield corporate bonds.

Turning to non-centrally cleared OTC derivatives, initial margin requirements for most OTC derivatives, and especially commodity derivatives, increased during the June-August 2022 review period. While liquidity and trading deteriorated somewhat for credit derivatives referencing corporates or structured credit products as well as commodity derivatives and total return swaps, they remained unchanged for all other OTC derivative types. Respondents also reported an increase in the volume, duration and persistence of valuation disputes for OTC commodity derivatives contracts.

Counterparty types

Overall credit terms and conditions tightened over the June-August 2022 review period. Survey respondents reported a net tightening of overall credit terms across all counterparty types (**Chart A**). Price terms, on balance, tightened for all counterparty types identified in the survey, with terms for banks and dealers, investment funds and hedge funds tightening the most. As for non-price terms, survey respondents reported tighter terms for hedge funds and banks and dealers, and unchanged terms, on balance, for sovereigns and investment funds, while a small net percentage of respondents reported easier non-price terms for insurance companies and non-financial corporations. The overall tightening of credit terms and conditions continued the trend reported for the previous five quarters and was in line with the expectations expressed in the June 2022 survey.

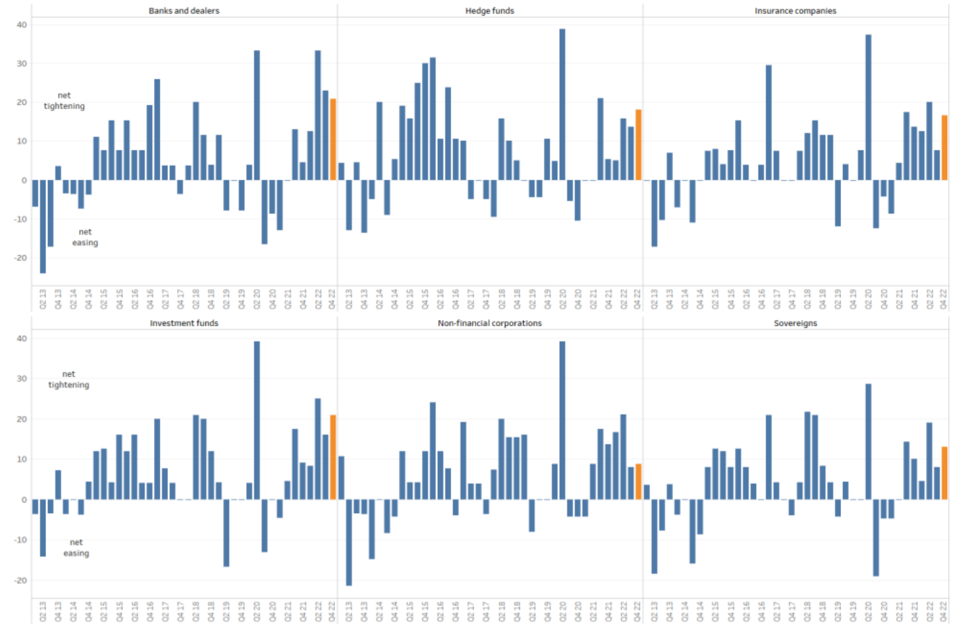
Respondents mainly attributed the tightening of credit terms to a deterioration in general market liquidity and functioning, as well as to concerns over an (expected) deterioration in the financial strength of counterparties. Other reasons given were the availability of balance sheet or capital, reduced competition from other institutions and a lack of willingness to take on risks. One respondent reported that the practices of central counterparties (CCPs), including margin requirements and haircuts, contributed considerably to the tightening of credit terms during the June-August 2022 review period.

Survey respondents expected overall credit terms to tighten further over the September-November 2022 review period (Chart A). Respondents expected tighter overall credit terms for all counterparty types, especially for banks and dealers as well as investment funds. For all counterparty types, but particularly for investment funds, this expected tightening is driven more by tightening of price terms than by tightening of non-price terms.

Chart A

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

(Q1 2013 to Q3 2022 for observed changes, Q4 2022 for expected changes (orange bars); net percentage of survey respondents)



Source: ECB.
Note: Net percentage is 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 amount of resources dedicated to managing concentrated credit exposures increased in the June-August 2022 review period. Survey respondents reported that resources dedicated to concentrated credit exposures to banks and dealers had increased on balance during the review period, with two survey respondents indicating that these resources had increased considerably. A small percentage of respondents also indicated that they had dedicated more resources to the management of credit exposures to CCPs.

The use of financial leverage and the availability of unutilised leverage decreased over the review period. Survey participants reported a decrease in the use of financial leverage by hedge funds, insurance corporations and investment firms.

Respondents reported a decrease in efforts by most counterparty types to negotiate more favourable terms. For all counterparty types except non-financial corporations, respondents noted a slight net decrease in efforts made to negotiate more favourable terms, while the provision of differential terms to most-favoured hedge fund and investment fund clients has decreased slightly.

As in the June 2022 survey, respondents reported a mixed picture regarding the volume, duration and persistence of valuation disputes. A small net percentage reported an increase in the volume and a decrease in the duration and persistence of valuation disputes for hedge funds, banks and dealers, as well as an increase in the volume, duration and persistence of valuation disputes for insurance companies and investment funds. For non-financial corporations, survey participants reported that the volume remained unchanged while the duration and persistence of valuation disputes slightly decreased.

Securities financing

The maximum amount of funding offered against euro-denominated collateral increased for domestic government bonds but decreased or remained unchanged for other collateral types. A small net percentage of survey respondents reported a decrease in the maximum amount of funding offered against collateral in the form of euro-denominated high-quality and other government bonds, high-quality financial corporate bonds, convertible securities and covered bonds, while it remained, on balance, unchanged for high-quality non-financial corporate bonds, high-yield corporate bonds, equities and asset-backed securities. On balance, the maximum amount of funding available against euro-denominated domestic government bonds increased in the review period.

Survey participants reported a mixed picture regarding the maximum maturity of funding. A small net percentage of respondents reported a slight increase in the maximum maturity of funding for high-quality and other government bonds, high-yield corporate bonds and equities. Respondents reported, on balance, an unchanged maximum maturity of funding secured against high-quality financial corporate bonds, high-quality non-financial corporate bonds, asset-backed securities and covered bonds, as well as a slight decrease in the maximum maturity of funding secured against convertible securities and domestic government bonds.

Haircuts applied to euro-denominated collateral increased or remained unchanged for all collateral types. A small net percentage of survey respondents reported an increase in haircuts applied to high-quality government bonds, high-quality financial corporate bonds, high-quality non-financial corporate bonds, high-yield corporate bonds, convertible securities and covered bonds. Haircuts remained unchanged, on balance, for domestic and other government bonds, convertible securities and equities.

Financing rates/spreads increased for financing secured against all collateral types. The net shares of respondents reporting increased financing rates/spreads increased slightly for all collateral types.

Survey respondents reported a mixed picture regarding the use of CCPs. A small net percentage of participants reported an increase in the use of CCPs for securities financing transactions with collateral in the form of domestic and high-quality non-financial corporate bonds. By contrast, the use of CCPs for securities financing transactions with other government bonds, high-quality financial corporate bonds and covered bonds as collateral decreased slightly. Respondents reported, on balance, an unchanged use of CCPs for securities financing transactions with high-quality government and high-yield corporate bonds, convertible securities, equities and asset-backed securities as collateral.

Covenants and triggers remained unchanged for all collateral types except convertible securities. Survey respondents reported – for both average and most-favoured clients – unchanged conditions for the covenants and triggers under which all collateral types, except euro-denominated convertible securities, were funded. A small percentage of respondents reported that the covenants and triggers under which collateral in the form of euro-denominated convertible securities was funded had eased somewhat over the review period.

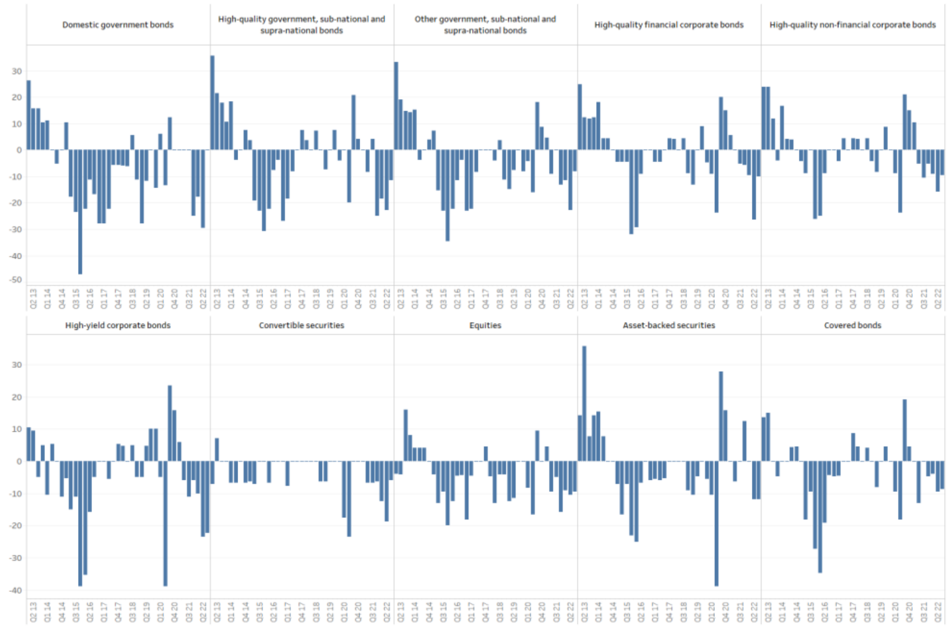
Survey respondents reported a mixed picture regarding demand for funding. Respondents reported an increase in overall demand for funding offered against domestic, high-quality government and high-quality corporate bonds. By contrast, there was a decrease in demand for funding offered against equities, asset-backed securities and covered bonds, while respondents reported, on balance, that overall demand for funding secured against other government bonds, high-yield corporate bonds and convertible securities remained unchanged.

The liquidity of most collateral types continued to deteriorate. Survey respondents reported a deterioration in liquidity conditions for most collateral types, with the liquidity of high-yield corporate bonds showing the strongest deterioration. In contrast to the previous survey round, respondents reported, on balance, that the liquidity of domestic government bonds remained unchanged. (**Chart B**).

Chart B

Liquidity of collateral

(Q1 2013 to Q3 2022; net percentage of survey respondents)



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

The volume and duration of collateral valuation disputes remained unchanged for most collateral types. The volume and duration of valuation disputes increased slightly only for high-quality government bonds and, on balance, remained unchanged for all other collateral types.

Non-centrally cleared OTC derivatives

Initial margin requirements increased for most OTC derivatives, especially commodity derivatives, during the June-August 2022 review period. A notable percentage of survey participants reported an increase in initial margin requirements for commodity derivatives – around a third and fifth for average and most-favoured clients respectively – as well as an increase in initial margin requirements for all other OTC derivative types, except total return swaps referencing non-securities, for which initial margins decreased slightly.

Survey respondents reported a mixed picture for the maximum amount of exposure and the maximum maturity of trades. Small net percentages of survey participants reported an increase in the maximum amount of exposure for interest rate, equity and commodity derivatives. The maximum amount of exposure decreased for total return swaps referencing non-securities, credit derivatives referencing corporates, and credit derivatives referencing structured credit products, while it remained unchanged, on balance, for foreign exchange derivatives and credit derivatives referencing sovereigns. A small net percentage of survey respondents reported that the maximum maturity of trades for interest rate derivatives increased while the maximum maturity of trades for all other types of derivatives remained unchanged.

Liquidity and trading remained largely unchanged for all OTC derivative types. Respondents reported that, on balance, trading conditions for foreign exchange, interest rate and equity derivatives as well as credit derivatives referencing sovereigns remained unchanged. For credit derivatives referencing corporates or structured credit products as well as commodity derivatives and total return swaps, a very small percentage of survey participants reported that trading conditions deteriorated somewhat.

Respondents reported a mixed picture regarding the volume, duration and persistence of valuation disputes. A small net percentage reported a decrease in the volume, duration and persistence of valuation disputes for credit derivatives referencing sovereigns, corporates and structured credit products. For commodity and foreign exchange derivatives, survey participants reported an increase in the volume, duration and persistence of valuation disputes, with the reported increase for commodity derivatives being particularly notable. In the case of equity derivatives and total return swaps referencing non-securities, the volume remained unchanged, while the duration and persistence of valuation disputes increased slightly. The volume, duration and persistence of valuation disputes remained, on balance, unchanged for interest rate derivatives.

Respondents reported few changes in new or renegotiated master agreements. Each of the following changes were reported by one respondent respectively: somewhat tighter margin call practices, recognition of portfolio or diversification benefits, covenants and triggers and other documentation changes incorporated into new or renegotiated master agreements. Two respondents reported somewhat easier conditions for determining acceptable collateral.

The posting of non-standard collateral decreased slightly on balance over the review period.

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
						Jun. 2022	Sep. 2022	
Banks and dealers								
Price terms	0	27	65	8	0	+30	+19	26
Non-price terms	0	8	88	4	0	+9	+4	26
Overall	0	31	62	8	0	+33	+23	26
Hedge funds								
Price terms	0	23	68	9	0	+10	+14	22
Non-price terms	0	9	86	5	0	0	+5	22
Overall	0	23	68	9	0	+16	+14	22
Insurance companies								
Price terms	0	15	77	8	0	+18	+8	26
Non-price terms	0	0	96	4	0	+5	-4	26
Overall	0	15	77	8	0	+20	+8	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	28	64	8	0	+23	+20	25
Non-price terms	0	4	92	4	0	+5	0	25
Overall	0	24	68	8	0	+25	+16	25
Non-financial corporations								
Price terms	0	20	68	12	0	+18	+8	25
Non-price terms	0	4	88	8	0	+5	-4	25
Overall	0	20	68	12	0	+21	+8	25
Sovereigns								
Price terms	0	16	76	8	0	+17	+8	25
Non-price terms	0	4	92	4	0	+5	0	25
Overall	0	16	76	8	0	+19	+8	25
All counterparties above								
Price terms	0	23	69	8	0	+21	+15	26
Non-price terms	0	4	92	4	0	+4	0	25
Overall	0	23	69	8	0	+17	+15	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".

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Banks and dealers								
Price terms	8	17	71	4	0	+13	+21	24
Non-price terms	0	17	78	4	0	+14	+13	23
Overall	0	25	71	4	0	+14	+21	24
Hedge funds								
Price terms	5	25	65	5	0	+10	+25	20
Non-price terms	0	19	76	5	0	+5	+14	21
Overall	0	23	73	5	0	+11	+18	22
Insurance companies								
Price terms	9	13	74	4	0	+5	+17	23
Non-price terms	0	13	83	4	0	+10	+9	23
Overall	0	21	75	4	0	+5	+17	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	9	26	61	4	0	+5	+30	23
Non-price terms	0	13	83	4	0	+5	+9	23
Overall	0	25	71	4	0	+5	+21	24
Non-financial corporations								
Price terms	9	14	68	9	0	0	+14	22
Non-price terms	0	14	77	9	0	+5	+5	22
Overall	0	17	74	9	0	0	+9	23
Sovereigns								
Price terms	10	14	67	5	5	+4	+14	21
Non-price terms	0	18	73	5	5	+5	+9	22
Overall	0	22	70	4	4	+5	+13	23
All counterparties above								
Price terms	8	29	58	4	0	+13	+33	24
Non-price terms	0	17	79	4	0	+9	+13	24
Overall	0	32	64	4	0	+13	+28	25

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason Jun. 2022	Either first, second or third reason Sep. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	33	14	14
Willingness of your institution to take on risk	0	25	0	0	7
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	7	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	33	0	14
General market liquidity and functioning	100	0	0	57	50
Competition from other institutions	0	25	33	7	14
Other	0	0	0	14	0
Total number of answers	7	4	3	14	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	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	50	100
Competition from other institutions	0	0	0	50	0
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	50	0	0	0	33
Willingness of your institution to take on risk	0	100	0	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	0	33
General market liquidity and functioning	0	0	0	75	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	25	0
Total number of answers	2	1	0	4	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	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 [hedge funds] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

Table 4

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Jun. 2022	Sep. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	33	50	20	20
Willingness of your institution to take on risk	0	33	0	0	10
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	0	10
General market liquidity and functioning	100	0	0	60	50
Competition from other institutions	0	33	0	0	10
Other	0	0	0	20	0
Total number of answers	5	3	2	5	10
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	50	100
Competition from other institutions	0	0	0	50	0
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4
Non-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	100	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	0	1	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	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 [insurance companies] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

Table 5

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason Jun. 2022	Either first, second or third reason Sep. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	50	13	13
Willingness of your institution to take on risk	0	50	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	50	0	13
General market liquidity and functioning	100	0	0	75	50
Competition from other institutions	0	50	0	0	13
Other	0	0	0	12	0
Total number of answers	4	2	2	8	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	100	100	50	100
Competition from other institutions	0	0	0	50	0
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	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	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 [investment funds (incl. ETFs), pension plans and other institutional investment pools] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

Table 6

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

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason	
				Jun. 2022	Sep. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	25	18	13
Willingness of your institution to take on risk	0	25	0	0	7
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	14	0	0	0	7
Availability of balance sheet or capital at your institution	0	25	25	0	13
General market liquidity and functioning	86	0	25	64	47
Competition from other institutions	0	25	25	9	13
Other	0	0	0	9	0
Total number of answers	7	4	4	11	15
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	50	100
Competition from other institutions	0	0	0	50	0
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	100	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	2	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	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 [non-financial corporations] have tightened or eased over the past three months (as reflected in your responses in Section 1.1), what was the [first/ second/ third] most important reason for the change?

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Jun. 2022	Sep. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	20	0	33	18	18
Willingness of your institution to take on risk	0	33	33	9	18
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	33	0	9
General market liquidity and functioning	80	33	0	64	45
Competition from other institutions	0	33	0	0	9
Other	0	0	0	9	0
Total number of answers	5	3	3	11	11
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	20	14
General market liquidity and functioning	100	50	50	40	71
Competition from other institutions	0	50	0	40	14
Other	0	0	0	0	0
Total number of answers	3	2	2	5	7
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	100	0	0	20	33
Willingness of your institution to take on risk	0	0	100	20	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	60	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	1	5	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	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

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

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

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason Jun. 2022	Either first, second or third reason Sep. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	50	13	13
Willingness of your institution to take on risk	0	50	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	50	0	13
General market liquidity and functioning	100	0	0	75	50
Competition from other institutions	0	50	0	0	13
Other	0	0	0	12	0
Total number of answers	4	2	2	8	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	100	100	50	100
Competition from other institutions	0	0	0	50	0
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	100	0	0	50	100
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	50	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	2	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	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 what extent have changes in the practices of [central counterparties], including margin requirements and haircuts, influenced the credit terms your institution applies to clients on bilateral transactions which are not cleared?

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Practices of CCPs	7	0	93	0	0	+9	+7	15

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

1.3 Resources and attention to the management of concentrated credit exposures

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

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Banks and dealers	0	0	88	4	8	-17	-12	25
Central counterparties	0	0	88	8	4	-8	-12	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".

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Hedge funds								
Use of financial leverage	0	14	81	5	0	+11	+10	21
Availability of unutilised leverage	0	10	90	0	0	0	+10	20
Insurance companies								
Use of financial leverage	0	5	95	0	0	0	+5	20
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	14	86	0	0	+5	+14	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".

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	9	91	0	0	-5	+9	23
Provision of differential terms to most-favoured clients	0	5	91	5	0	-5	0	22
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	9	87	4	0	+11	+4	23
Provision of differential terms to most-favoured clients	0	9	91	0	0	0	+9	22
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	9	91	0	0	+5	+9	23
Provision of differential terms to most-favoured clients	0	5	91	5	0	0	0	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	13	87	0	0	+5	+13	23
Provision of differential terms to most-favoured clients	0	10	90	0	0	0	+10	21
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	8	83	8	0	0	0	24
Provision of differential terms to most-favoured clients	0	4	91	4	0	0	0	23

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

1.6 Valuation disputes

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

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Banks and dealers								
Volume	0	4	88	8	0	-18	-4	24
Duration and persistence	0	9	87	4	0	-14	+4	23
Hedge funds								
Volume	0	0	95	5	0	0	-5	20
Duration and persistence	0	5	95	0	0	-6	+5	19
Insurance companies								
Volume	0	0	92	4	4	-5	-8	24
Duration and persistence	0	0	91	9	0	-5	-9	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	96	0	4	+5	-4	23
Duration and persistence	0	0	95	5	0	0	-5	22
Non-financial corporations								
Volume	0	0	100	0	0	0	0	25
Duration and persistence	0	8	92	0	0	+4	+8	24

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

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
						Jun. 2022	Sep. 2022	
Domestic government bonds								
Maximum amount of funding	6	0	76	18	0	**+6**	**-12**	17
Maximum maturity of funding	6	6	82	6	0	**0**	**+6**	17
Haircuts	0	0	100	0	0	**0**	**0**	17
Financing rate/spread	0	6	76	12	6	**-24**	**-12**	17
Use of CCPs	0	0	94	6	0	**-13**	**-6**	17
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	7	85	4	0	**0**	**+7**	27
Maximum maturity of funding	4	0	85	11	0	**-9**	**-7**	27
Haircuts	0	0	96	4	0	**-4**	**-4**	27
Financing rate/spread	0	4	81	15	0	**-22**	**-11**	27
Use of CCPs	0	0	100	0	0	**-5**	**0**	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	4	12	85	0	0	**0**	**+15**	26
Maximum maturity of funding	4	0	88	8	0	**-13**	**-4**	26
Haircuts	0	0	100	0	0	**0**	**0**	26
Financing rate/spread	0	4	88	8	0	**-4**	**-4**	26
Use of CCPs	0	4	96	0	0	**+5**	**+4**	24
High-quality financial corporate bonds								
Maximum amount of funding	5	5	86	5	0	**0**	**+5**	21
Maximum maturity of funding	5	5	81	10	0	**0**	**0**	21
Haircuts	0	0	95	5	0	**0**	**-5**	21
Financing rate/spread	0	5	81	14	0	**-15**	**-10**	21
Use of CCPs	0	7	93	0	0	**+6**	**+7**	15
High-quality non-financial corporate bonds								
Maximum amount of funding	5	5	82	9	0	**+10**	**0**	22
Maximum maturity of funding	5	5	82	9	0	**-5**	**0**	22
Haircuts	0	0	91	9	0	**0**	**-9**	22
Financing rate/spread	0	5	82	14	0	**-15**	**-9**	22
Use of CCPs	0	0	94	6	0	**-6**	**-6**	16
High-yield corporate bonds								
Maximum amount of funding	6	0	89	6	0	**+12**	**0**	18
Maximum maturity of funding	6	0	83	11	0	**-6**	**-6**	18
Haircuts	0	0	89	11	0	**+6**	**-11**	18
Financing rate/spread	0	6	83	11	0	**-18**	**-6**	18
Use of CCPs	0	0	100	0	0	**0**	**0**	11

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

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

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

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Convertible securities								
Maximum amount of funding	6	0	94	0	0	**+7**	**+6**	17
Maximum maturity of funding	6	0	94	0	0	**+7**	**+6**	17
Haircuts	0	0	94	6	0	**0**	**-6**	17
Financing rate/spread	0	0	88	12	0	**-27**	**-12**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Equities								
Maximum amount of funding	5	5	81	10	0	**+22**	**0**	21
Maximum maturity of funding	5	0	86	10	0	**0**	**-5**	21
Haircuts	0	0	100	0	0	**0**	**0**	21
Financing rate/spread	0	5	86	5	5	**0**	**-5**	21
Use of CCPs	0	0	100	0	0	**0**	**0**	14
Asset-backed securities								
Maximum amount of funding	6	0	89	6	0	**+6**	**0**	18
Maximum maturity of funding	6	0	89	6	0	**0**	**0**	18
Haircuts	0	0	100	0	0	**0**	**0**	18
Financing rate/spread	0	6	83	11	0	**-17**	**-6**	18
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Covered bonds								
Maximum amount of funding	4	4	88	4	0	**+5**	**+4**	25
Maximum maturity of funding	4	4	84	8	0	**-9**	**0**	25
Haircuts	0	0	96	4	0	**-5**	**-4**	25
Financing rate/spread	0	4	88	8	0	**-9**	**-4**	25
Use of CCPs	0	5	95	0	0	**-5**	**+5**	20

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

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Domestic government bonds								
Maximum amount of funding	6	0	76	18	0	+6	-12	17
Maximum maturity of funding	6	6	76	12	0	-6	0	17
Haircuts	0	0	100	0	0	0	0	17
Financing rate/spread	0	6	88	6	0	-24	0	17
Use of CCPs	0	0	100	0	0	-6	0	17
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	8	88	0	0	+5	+12	26
Maximum maturity of funding	4	0	88	8	0	-5	-4	26
Haircuts	0	0	100	0	0	0	0	26
Financing rate/spread	0	4	88	8	0	-24	-4	26
Use of CCPs	0	0	100	0	0	-5	0	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	4	12	84	0	0	+5	+16	25
Maximum maturity of funding	4	0	88	8	0	-10	-4	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	4	88	8	0	-5	-4	25
Use of CCPs	0	4	96	0	0	+5	+4	24
High-quality financial corporate bonds								
Maximum amount of funding	5	5	85	5	0	0	+5	20
Maximum maturity of funding	5	5	80	10	0	0	0	20
Haircuts	0	0	95	5	0	0	-5	20
Financing rate/spread	0	5	75	20	0	-17	-15	20
Use of CCPs	0	7	93	0	0	+7	+7	14
High-quality non-financial corporate bonds								
Maximum amount of funding	5	5	81	10	0	+11	0	21
Maximum maturity of funding	5	5	81	10	0	-6	0	21
Haircuts	0	0	90	10	0	0	-10	21
Financing rate/spread	0	5	76	19	0	-17	-14	21
Use of CCPs	0	0	93	7	0	-7	-7	15
High-yield corporate bonds								
Maximum amount of funding	6	0	89	6	0	+13	0	18
Maximum maturity of funding	6	0	83	11	0	-6	-6	18
Haircuts	0	0	94	6	0	+6	-6	18
Financing rate/spread	0	6	78	17	0	-25	-11	18
Use of CCPs	0	0	100	0	0	0	0	12

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

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

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

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Convertible securities								
Maximum amount of funding	6	0	94	0	0	**+8**	**+6**	17
Maximum maturity of funding	6	0	94	0	0	**+8**	**+6**	17
Haircuts	0	0	94	6	0	**-8**	**-6**	17
Financing rate/spread	0	0	88	12	0	**-31**	**-12**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Equities								
Maximum amount of funding	5	5	86	5	0	**+24**	**+5**	21
Maximum maturity of funding	5	0	86	10	0	**0**	**-5**	21
Haircuts	0	0	100	0	0	**0**	**0**	21
Financing rate/spread	0	5	86	5	5	**+12**	**-5**	21
Use of CCPs	0	0	100	0	0	**0**	**0**	14
Asset-backed securities								
Maximum amount of funding	6	0	88	6	0	**+6**	**0**	17
Maximum maturity of funding	6	0	88	6	0	**0**	**0**	17
Haircuts	0	0	100	0	0	**0**	**0**	17
Financing rate/spread	0	6	82	12	0	**-19**	**-6**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Covered bonds								
Maximum amount of funding	4	8	83	4	0	**+5**	**+8**	24
Maximum maturity of funding	4	4	79	13	0	**-10**	**-4**	24
Haircuts	0	0	96	4	0	**-5**	**-4**	24
Financing rate/spread	0	4	88	8	0	**-10**	**-4**	24
Use of CCPs	0	5	95	0	0	**-6**	**+5**	20

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

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

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

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	13
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	13
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	21
Other government, sub-national and supra-national 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**	20
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	15
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
High-yield corporate bonds								
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
Convertible securities								
Terms for average clients	0	0	93	7	0	**-8**	**-7**	15
Terms for most-favoured clients	0	0	93	7	0	**-8**	**-7**	15
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17
Asset-backed 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**	13
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	20
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	19

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Domestic government bonds								
Overall demand	0	12	59	29	0	-29	-18	17
With a maturity greater than 30 days	6	0	76	18	0	-12	-12	17
High-quality government, sub-national and supra-national bonds								
Overall demand	0	4	77	19	0	-14	-15	26
With a maturity greater than 30 days	4	0	85	12	0	-5	-8	26
Other government, sub-national and supra-national bonds								
Overall demand	0	8	84	8	0	-9	0	25
With a maturity greater than 30 days	4	0	84	12	0	-5	-8	25
High-quality financial corporate bonds								
Overall demand	0	5	80	15	0	-5	-10	20
With a maturity greater than 30 days	5	0	80	15	0	-11	-10	20
High-quality non-financial corporate bonds								
Overall demand	0	5	86	10	0	0	-5	21
With a maturity greater than 30 days	5	0	86	10	0	+5	-5	21
High-yield corporate bonds								
Overall demand	0	6	89	6	0	-6	0	18
With a maturity greater than 30 days	6	0	89	6	0	0	0	18
Convertible securities								
Overall demand	0	6	89	6	0	+6	0	18
With a maturity greater than 30 days	6	0	89	6	0	+19	0	18
Equities								
Overall demand	0	24	57	19	0	+37	+5	21
With a maturity greater than 30 days	5	14	67	14	0	+37	+5	21
Asset-backed securities								
Overall demand	0	18	71	12	0	-12	+6	17
With a maturity greater than 30 days	6	12	71	12	0	-6	+6	17
Covered bonds								
Overall demand	0	13	83	4	0	0	+9	23
With a maturity greater than 30 days	4	9	83	4	0	+5	+9	23
All collateral types above								
Overall demand	0	18	77	5	0	+5	+14	22
With a maturity greater than 30 days	5	9	82	5	0	+5	+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.

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

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

Table 20

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

Liquidity and functioning of the collateral market	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Domestic government bonds								
Liquidity and functioning	0	12	76	12	0	**+29**	**0**	17
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	4	12	81	4	0	**+23**	**+12**	26
Other government, sub-national and supra-national bonds								
Liquidity and functioning	4	8	84	4	0	**+23**	**+8**	25
High-quality financial corporate bonds								
Liquidity and functioning	5	5	90	0	0	**+26**	**+10**	20
High-quality non-financial corporate bonds								
Liquidity and functioning	5	5	90	0	0	**+16**	**+10**	21
High-yield corporate bonds								
Liquidity and functioning	6	17	78	0	0	**+24**	**+22**	18
Convertible securities								
Liquidity and functioning	0	6	94	0	0	**+19**	**+6**	17
Equities								
Liquidity and functioning	0	10	90	0	0	**+11**	**+10**	21
Asset-backed securities								
Liquidity and functioning	6	12	76	6	0	**+12**	**+12**	17
Covered bonds								
Liquidity and functioning	4	9	83	4	0	**+10**	**+9**	23
All collateral types above								
Liquidity and functioning	0	14	82	5	0	**+24**	**+9**	22

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
High-quality government, sub-national and supra-national bonds								
Volume	0	0	96	4	0	**-5**	**-4**	24
Duration and persistence	0	0	96	4	0	**-5**	**-4**	24
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	23
Duration and persistence	0	0	100	0	0	**0**	**0**	23
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	19
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
Equities								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	19
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**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	19
All collateral types above								
Volume	0	0	95	5	0	**-5**	**-5**	21
Duration and persistence	0	0	95	5	0	**-5**	**-5**	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". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

3 Non-centrally cleared OTC derivatives

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

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

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Foreign exchange								
Average clients	0	0	88	13	0	-19	-13	24
Most-favoured clients	0	0	88	13	0	-14	-13	24
Interest rates								
Average clients	0	0	88	13	0	-19	-13	24
Most-favoured clients	0	0	87	13	0	-19	-13	23
Credit referencing sovereigns								
Average clients	0	0	94	6	0	-20	-6	18
Most-favoured clients	0	0	94	6	0	-20	-6	17
Credit referencing corporates								
Average clients	0	0	89	11	0	-20	-11	19
Most-favoured clients	0	0	89	11	0	-20	-11	18
Credit referencing structured credit products								
Average clients	0	0	88	12	0	-15	-12	17
Most-favoured clients	0	0	88	13	0	-15	-13	16
Equity								
Average clients	0	0	83	17	0	-11	-17	18
Most-favoured clients	0	0	83	17	0	-11	-17	18
Commodity								
Average clients	0	0	73	27	0	-17	-27	15
Most-favoured clients	0	0	80	20	0	-8	-20	15
Total return swaps referencing non-securities								
Average clients	0	6	94	0	0	-8	+6	16
Most-favoured clients	0	6	94	0	0	-8	+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 has the [maximum amount of exposure/ maximum maturity of trades] set by your institution with respect to OTC [type of derivatives] changed?

Table 23

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Jun. 2022	Net percentage Sep. 2022	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	4	92	4	0	-9	0	24
Maximum maturity of trades	0	0	100	0	0	-9	0	24
Interest rates								
Maximum amount of exposure	4	0	87	9	0	0	-4	23
Maximum maturity of trades	0	0	96	4	0	-10	-4	23
Credit referencing sovereigns								
Maximum amount of exposure	0	0	100	0	0	-8	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Credit referencing corporates								
Maximum amount of exposure	0	6	94	0	0	-15	+6	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Credit referencing structured credit products								
Maximum amount of exposure	0	7	93	0	0	-9	+7	15
Maximum maturity of trades	0	0	100	0	0	0	0	15
Equity								
Maximum amount of exposure	0	0	94	6	0	0	-6	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Commodity								
Maximum amount of exposure	0	7	80	13	0	0	-7	15
Maximum maturity of trades	0	7	87	7	0	-8	0	15
Total return swaps referencing non-securities								
Maximum amount of exposure	0	13	88	0	0	-8	+13	16
Maximum maturity of trades	0	0	100	0	0	-8	0	16

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

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

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

Table 24

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage Jun. 2022	Net percentage Sep. 2022	Total number of answers
Foreign exchange								
Liquidity and trading	0	4	92	4	0	-5	0	25
Interest rates								
Liquidity and trading	0	0	100	0	0	+5	0	24
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	0	0	18
Credit referencing corporates								
Liquidity and trading	0	5	95	0	0	0	+5	19
Credit referencing structured credit products								
Liquidity and trading	0	6	94	0	0	0	+6	17
Equity								
Liquidity and trading	0	0	100	0	0	0	0	18
Commodity								
Liquidity and trading	0	6	94	0	0	0	+6	16
Total return swaps referencing non-securities								
Liquidity and trading	0	6	94	0	0	-8	+6	16

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
						Jun. 2022	Sep. 2022	
Foreign exchange								
Volume	0	0	96	4	0	-14	-4	24
Duration and persistence	0	0	96	4	0	-5	-4	24
Interest rates								
Volume	0	4	91	4	0	-14	0	23
Duration and persistence	0	4	91	4	0	-5	0	23
Credit referencing sovereigns								
Volume	0	6	94	0	0	-14	+6	16
Duration and persistence	0	6	94	0	0	-7	+6	16
Credit referencing corporates								
Volume	0	6	94	0	0	-21	+6	17
Duration and persistence	0	6	94	0	0	-14	+6	17
Credit referencing structured credit products								
Volume	0	6	94	0	0	-7	+6	17
Duration and persistence	0	6	94	0	0	-7	+6	17
Equity								
Volume	0	0	100	0	0	-12	0	17
Duration and persistence	0	0	94	6	0	0	-6	17
Commodity								
Volume	0	0	88	13	0	-21	-13	16
Duration and persistence	0	0	88	13	0	-7	-13	16
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	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".

3.2 Changes in new or renegotiated master agreements

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

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Margin call practices	0	4	96	0	0	+4	+4	24
Acceptable collateral	0	0	92	8	0	-4	-8	24
Recognition of portfolio or diversification benefits	0	4	96	0	0	0	+4	24
Covenants and triggers	0	4	96	0	0	0	+4	24
Other documentation features	0	4	96	0	0	+4	+4	24

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2022	Sep. 2022	
Posting of non-standard collateral	0	5	86	10	0	0	-5	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".

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