EUROPEAN CENTRAL BANK
EUROSYSTEM

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

June 2023

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 a report by a Committee on the Global Financial System (CGFS) study group.[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*, No 36, Bank for International Settlements, 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 in this document is either blue or red, reflecting, respectively, a **tightening/deterioration** or an **easing/improvement** of credit terms and conditions in targeted markets.

June 2023 SESFOD results

(Review period from March to May 2023)

The June 2023 Survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between March and May 2023. 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

Starting with credit terms and conditions for different types of counterparty, overall credit terms and conditions tightened on balance in the securities financing and OTC derivatives markets between March and May 2023. This was a continuation of the developments observed in the previous eight quarters and was in line with the expectations expressed in the March 2023 survey. The net tightening of credit terms and conditions was most pronounced for banks and dealers and insurance companies. Survey respondents mainly attributed this tightening to a deterioration in general market liquidity and functioning – and, to a lesser extent, concerns about an expected deterioration in the financial strength of counterparties and reduced competition from other institutions. Respondents expected overall credit terms to tighten further over the period from June to August 2023. Importantly, 40% of respondents reported that the amount of resources and attention dedicated to managing concentrated credit exposures to banks and dealers had increased over the review period.

Turning to financing conditions for various types of collateral in securities financing transactions, survey respondents reported a mixed picture as regards the maximum amount of funding offered against euro-denominated collateral. While respondents also reported a mixed picture as regards the maximum maturity of funding for average clients, a significant percentage of respondents reported an increase in the maximum maturity of funding secured against domestic government bonds for most-favoured clients. With the exception of domestic government bonds, financing rates/spreads increased for funding secured against all types of collateral. The most pronounced increases in financing rates/spreads were observed for asset-backed securities, high-quality non-financial corporate bonds and high-yield corporate bonds. Respondents also reported an increase in overall demand for funding, which was even more pronounced for funding with a maturity of greater than 30 days.

Finally, turning to non-centrally cleared OTC derivatives, survey respondents reported that initial margin requirements had decreased for commodity derivatives, but few changes were reported for other types of derivative. Survey respondents reported a mixed picture as regards the maximum amount of exposure and the maximum maturity of trades. Liquidity and trading deteriorated somewhat for foreign exchange derivatives, credit derivatives referencing corporates and structured credit products, and total return swaps referencing non-securities. Finally, survey participants reported an overall decline in the volume, duration and persistence of valuation disputes.

Counterparty types – credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets

Overall credit terms and conditions tightened between March and May 2023. A quarter of all survey participants reported that overall credit terms had tightened for all counterparty types, continuing the trend observed over the previous eight quarters and in line with the expectations expressed in the March 2023 survey. The tightening of overall conditions was most pronounced for banks and dealers and insurance companies (**Chart A**). Price terms tightened on balance for all counterparty types. They tightened most for non-financial corporations, banks and dealers, and hedge funds. Non-price terms tightened on balance for all counterparty types except banks and dealers and investment funds, for which they remained unchanged.

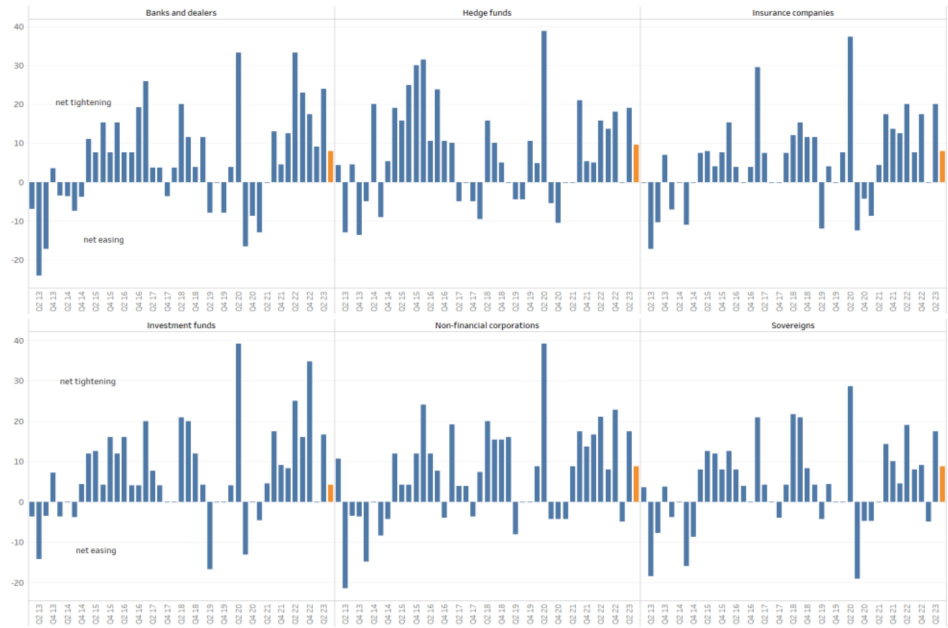
Respondents mainly attributed the tightening of credit terms to a deterioration in general market liquidity and functioning – and, to a lesser extent, concerns about an expected deterioration in the financial strength of counterparties and reduced competition from other institutions.

Survey respondents expected overall credit terms to tighten further over the period from June to August 2023 (Chart A). For all counterparty types except banks and dealers and investment funds, this expected tightening was driven more by non-price terms than price terms.

Chart A

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

(Q1 2013 to Q2 2023 for observed changes; Q3 2023 for expected changes (orange bars); net percentages of survey respondents)



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

Changes to the practices of central counterparties (CCPs), including margin requirements and haircuts, made a slight contribution to the tightening of survey respondents’ price and non-price terms.

On balance, the amount of resources dedicated to managing concentrated credit exposures increased over the review period, with considerable increases being seen in some cases. A significant percentage of survey participants (40%) reported that resources dedicated to managing concentrated credit exposures to banks and dealers had increased, with a net percentage of 8% being observed for exposures to CCPs. Survey respondents have now reported increased attention to the management of concentrated credit exposures to CCPs in each of the last seven SESFOD rounds.

The use of financial leverage declined somewhat over the review period. Three survey participants reported a decrease in the use of financial leverage by investment funds, while two survey participants reported a decline in the use of financial leverage by hedge funds and insurance corporations. One respondent reported a decrease in the availability of unutilised leverage for hedge funds over the review period.

Respondents reported very few changes in the intensity of efforts to negotiate more favourable terms. Meanwhile, the provision of differential terms remained largely unchanged.

Respondents reported very few changes in the volume, duration and persistence of valuation disputes. Respondents reported slight increases in the volume of valuation disputes for insurance companies and investment funds, but decreases in the volume of such disputes for banks and dealers and hedge funds. They reported a slight increase in the duration and persistence of valuation disputes for investment funds, but no changes to the duration and persistence of such disputes for other counterparty types.

Securities financing – financing conditions for various collateral types

Survey respondents reported a mixed picture as regards the maximum amount of funding offered against euro-denominated collateral. On balance, the maximum amount of funding offered against euro-denominated non-domestic government bonds, asset-backed securities and covered bonds increased slightly. It declined on balance for high-yield corporate bonds and remained unchanged on balance for domestic government bonds, high-quality corporate bonds, convertible securities and equities.

While respondents also reported a mixed picture as regards the maximum maturity of funding for average clients, a significant percentage of respondents reported an increase in the maximum maturity of funding secured against domestic government bonds for most-favoured clients. On balance, respondents reported small increases in the maximum maturity of funding for average clients using domestic government bonds, covered bonds, asset-backed securities, high-quality financial corporate bonds, convertible securities and equities as collateral. On balance, they reported a decline in the maximum maturity of funding for non-domestic high-quality government bonds and no changes for high-quality non-financial corporate bonds and high-yield corporate bonds. However, a quarter of respondents reported an increase in the maximum maturity of funding secured against domestic government bonds for most-favoured clients.

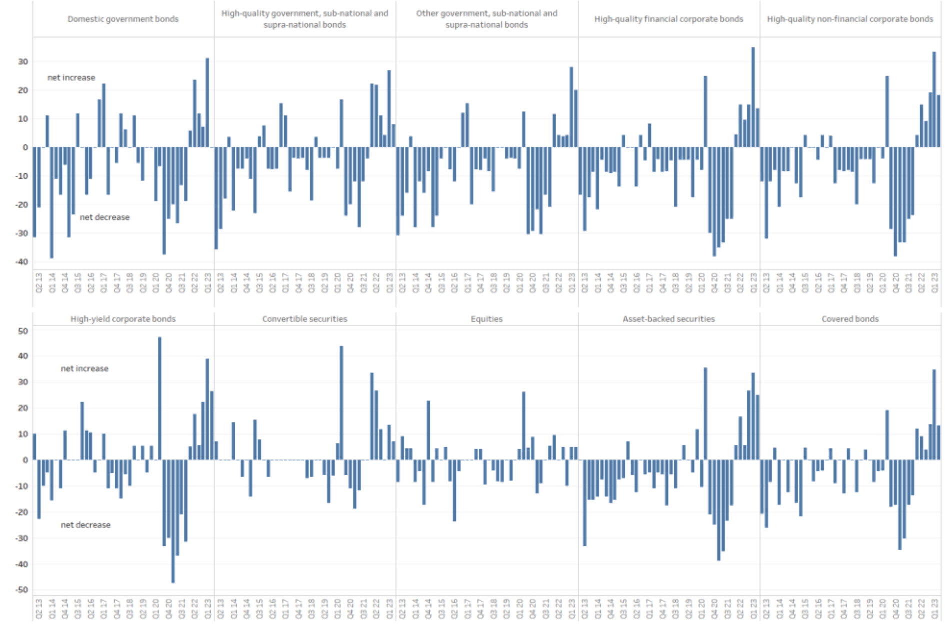
Haircuts applied to euro-denominated collateral either increased or remained unchanged for all types of collateral. Survey respondents reported that haircuts had increased for corporate bonds, asset-backed securities and covered bonds, but had remained unchanged for government bonds, convertible securities and equities.

With the exception of domestic government bonds, financing rates/spreads increased for funding secured against all types of collateral. The most pronounced increases in financing rates/spreads were observed for funding secured against asset-backed securities, high-quality non-financial corporate bonds and high-yield corporate bonds, with smaller increases being reported for non-domestic government bonds, high-quality financial corporate bonds and covered bonds (**Chart B**).

Chart B

Financing rates/spreads

(Q1 2013 to Q2 2023; net percentages of survey respondents)



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

Survey respondents reported a mixed picture as regards the use of CCPs. A small net percentage of participants reported an increase in the use of CCPs for securities financing transactions involving collateral in the form of domestic and other government bonds. The use of CCPs for transactions involving high-quality government bonds, corporate bonds and covered bonds as collateral decreased slightly. Respondents reported, on balance, that the use of CCPs for securities financing transactions involving convertible securities, equities and asset-backed securities as collateral had remained unchanged.

Covenants and triggers remained broadly unchanged for funding secured against government bonds, high-quality corporate bonds and equities. Survey respondents reported – for both average and most-favoured clients – that covenants and triggers had tightened slightly for funding secured against high-yield corporate bonds and asset-backed securities. A small percentage of respondents reported that covenants and triggers had eased somewhat over the review period for funding offered against convertible securities. In the case of covered bonds, small net percentages of survey respondents reported a tightening for most-favoured clients and unchanged conditions for average clients.

A significant percentage of respondents reported an increase in overall demand for funding – particularly funding offered against asset-backed securities, high-quality corporate bonds, covered bonds, high-yield corporate bonds, equities, and domestic and other government bonds. However, demand for funding offered against high-quality government bonds and convertible securities remained unchanged. For almost all types of collateral, the reported increase in demand for funding was even more pronounced, on balance, for funding with a maturity of greater than 30 days. On balance, a small net percentage of respondents reported a decline in demand for funding with a maturity of greater than 30 days offered against high-quality government bonds.

On balance, the liquidity and functioning of collateral markets remained mostly unchanged. Small net percentages of survey participants reported deteriorating liquidity conditions for asset-backed securities, corporate bonds, domestic government bonds and covered bonds. Meanwhile, a small net percentage of respondents reported improved liquidity conditions for other government bonds.

The volume, duration and persistence of collateral valuation disputes remained unchanged for most types of collateral. Small net percentages of respondents reported increases in the volume of valuation disputes for collateral in the form of asset-backed securities, covered bonds and corporate bonds.

Non-centrally cleared OTC derivatives – credit terms and conditions for various types of derivative

Initial margin requirements declined for commodity derivatives, but few changes were reported for other types of derivative. A small net percentage of survey participants reported that initial margin requirements had increased for interest rate derivatives between March and May 2023, with those margin requirements remaining unchanged on balance for all other OTC derivatives. Meanwhile, small net percentages of survey participants reported declines in initial margin requirements for most-favoured clients for foreign exchange derivatives, credit derivatives referencing sovereigns, equity derivatives and commodity derivatives.

Survey respondents reported a mixed picture as regards the maximum amount of exposure and the maximum maturity of trades. Small net percentages of survey participants reported increases in the maximum amount of exposure for foreign exchange and interest rate derivatives, and small net percentages of respondents reported declines in the maximum amount of exposure for equity derivatives and credit derivatives referencing sovereigns, corporates and structured products. The maximum amount of exposure remained unchanged, on balance, for all other types of derivative. Survey respondents reported, on balance, that the maximum maturity of trades had increased for interest rate and commodity derivatives, decreased for equity derivatives and remained unchanged for all other types of derivative.

Liquidity and trading deteriorated somewhat for foreign exchange derivatives, credit derivatives referencing corporates and structured credit products, and total return swaps referencing non-securities. Small net percentages of survey participants reported that trading conditions had improved for equity derivatives, interest rate derivatives and commodity derivatives. Meanwhile, respondents reported, on balance, that trading conditions for credit derivatives referencing sovereigns had remained unchanged.

Respondents reported that the volume, duration and persistence of valuation disputes had declined overall. The volume of valuation disputes declined, on balance, for all derivatives except foreign exchange derivatives and total return swaps referencing non-securities, for which it remained unchanged. The duration and persistence of valuation disputes decreased on balance for all derivative types except total return swaps referencing non-securities, for which they remained unchanged.

Respondents reported that terms in new or renegotiated master agreements had remained unchanged.

Respondents reported no changes as regards the posting of non-standard collateral 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
						Mar. 2023	Jun. 2023	
Banks and dealers								
Price terms	4	25	63	8	0	+9	+21	24
Non-price terms	0	8	84	8	0	+8	0	25
Overall	0	28	68	4	0	+9	+24	25
Hedge funds								
Price terms	5	15	80	0	0	+5	+20	20
Non-price terms	0	10	90	0	0	0	+10	21
Overall	0	19	81	0	0	0	+19	21
Insurance companies								
Price terms	4	17	75	4	0	+9	+17	24
Non-price terms	0	8	92	0	0	0	+8	25
Overall	0	20	80	0	0	0	+20	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	4	17	70	9	0	+5	+13	23
Non-price terms	0	8	83	8	0	-4	0	24
Overall	0	21	75	4	0	0	+17	24
Non-financial corporations								
Price terms	5	18	77	0	0	+5	+23	22
Non-price terms	0	9	91	0	0	0	+9	23
Overall	0	17	83	0	0	-5	+17	23
Sovereigns								
Price terms	5	14	82	0	0	0	+18	22
Non-price terms	0	9	91	0	0	0	+9	23
Overall	0	17	83	0	0	-5	+17	23
All counterparties above								
Price terms	5	24	62	10	0	+8	+19	21
Non-price terms	0	9	86	5	0	+4	+5	22
Overall	0	27	73	0	0	+4	+27	22

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

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Banks and dealers								
Price terms	0	17	71	13	0	+17	+4	24
Non-price terms	0	8	84	8	0	+17	0	25
Overall	0	16	76	8	0	+18	+8	25
Hedge funds								
Price terms	0	10	85	5	0	+11	+5	20
Non-price terms	0	10	90	0	0	+15	+10	21
Overall	0	10	90	0	0	+11	+10	21
Insurance companies								
Price terms	0	8	83	8	0	+17	0	24
Non-price terms	0	8	92	0	0	+9	+8	25
Overall	0	8	92	0	0	+9	+8	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	13	74	13	0	+18	0	23
Non-price terms	0	8	83	8	0	+9	0	24
Overall	0	13	79	8	0	+14	+4	24
Non-financial corporations								
Price terms	0	9	86	5	0	+14	+5	22
Non-price terms	0	9	91	0	0	+10	+9	23
Overall	0	9	91	0	0	+10	+9	23
Sovereigns								
Price terms	0	10	86	5	0	+19	+5	21
Non-price terms	0	9	91	0	0	+5	+9	23
Overall	0	9	91	0	0	+15	+9	23
All counterparties above								
Price terms	0	14	76	10	0	+21	+5	21
Non-price terms	0	10	90	0	0	+13	+10	21
Overall	0	14	86	0	0	+13	+14	22

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2023	Jun. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	14	40	20	33	24
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	20	0	0	6
General market liquidity and functioning	71	20	20	44	41
Competition from other institutions	0	20	40	22	18
Other	14	0	20	0	12
Total number of answers	7	5	5	9	17
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	0	11	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	50	0	0	11	20
Availability of balance sheet or capital at your institution	0	0	100	11	20
General market liquidity and functioning	0	100	0	56	40
Competition from other institutions	0	0	0	11	0
Other	0	0	0	0	0
Total number of answers	2	2	1	9	5
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	29	17
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	14	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	50	29	67
Competition from other institutions	0	0	50	14	17
Other	0	0	0	14	0
Total number of answers	2	2	2	7	6
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	100	0	50
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	100	0	0	25
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	100	25
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	1	3	4

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

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

Table 4

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2023	Either first, second or third reason Jun. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	33	20	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	25	0	0	9
General market liquidity and functioning	100	25	33	60	55
Competition from other institutions	0	25	33	20	18
Other	0	0	0	0	0
Total number of answers	4	4	3	5	11
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	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	67	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	33	17
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	50	33	67
Competition from other institutions	0	0	50	33	17
Other	0	0	0	0	0
Total number of answers	2	2	2	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

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

Table 5

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2023	Jun. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	20	25	33	33	25
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	25	0	0	8
General market liquidity and functioning	80	25	33	50	50
Competition from other institutions	0	25	33	17	17
Other	0	0	0	0	0
Total number of answers	5	4	3	6	12
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	17	50
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	67	50
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	1	1	0	6	2
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	33	17
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	50	33	67
Competition from other institutions	0	0	50	33	17
Other	0	0	0	0	0
Total number of answers	2	2	2	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

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

Table 6

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

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason Mar. 2023	Jun. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	20	50	25	25	31
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	80	25	25	50	46
Competition from other institutions	0	25	50	25	23
Other	0	0	0	0	0
Total number of answers	5	4	4	8	13
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	11	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	50	0	0	0	17
Availability of balance sheet or capital at your institution	50	0	50	11	33
General market liquidity and functioning	0	100	0	56	33
Competition from other institutions	0	0	50	22	17
Other	0	0	0	0	0
Total number of answers	2	2	2	9	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	33	17
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	50	33	67
Competition from other institutions	0	0	50	33	17
Other	0	0	0	0	0
Total number of answers	2	2	2	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	50	0	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	50	0	0	17
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	50	100	33
Competition from other institutions	50	0	0	0	17
Other	0	0	0	0	0
Total number of answers	2	2	2	4	6

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

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

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2023	Jun. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	20	50	25	20	31
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	80	25	50	60	54
Competition from other institutions	0	25	25	20	15
Other	0	0	0	0	0
Total number of answers	5	4	4	5	13
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	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	67	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	33	17
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	50	33	67
Competition from other institutions	0	0	50	33	17
Other	0	0	0	0	0
Total number of answers	2	2	2	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

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

Table 8

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason	
				Mar. 2023	Jun. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	33	25	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	25	0	0	9
General market liquidity and functioning	100	25	33	50	55
Competition from other institutions	0	25	33	25	18
Other	0	0	0	0	0
Total number of answers	4	4	3	4	11
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	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	67	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	33	17
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	50	50	33	67
Competition from other institutions	0	0	50	33	17
Other	0	0	0	0	0
Total number of answers	2	2	2	3	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Practices of CCPs	0	11	89	0	0	+9	+11	9

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

1.3 Resources and attention to the management of concentrated credit exposures

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

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Banks and dealers	0	0	60	32	8	-25	-40	25
Central counterparties	0	4	84	8	4	-17	-8	25

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

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Hedge funds								
Use of financial leverage	0	11	89	0	0	0	+11	19
Availability of unutilised leverage	0	5	95	0	0	+5	+5	19
Insurance companies								
Use of financial leverage	0	10	90	0	0	+9	+10	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	13	87	0	0	+14	+13	23

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	25
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	25
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	95	5	0	-13	-5	21
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	21
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	25
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	92	4	0	0	0	24
Provision of differential terms to most-favoured clients	0	4	96	0	0	+4	+4	24
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	24
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	24

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

1.6 Valuation disputes

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

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Banks and dealers								
Volume	0	5	95	0	0	+5	+5	22
Duration and persistence	0	0	100	0	0	-9	0	22
Hedge funds								
Volume	0	6	94	0	0	+11	+6	18
Duration and persistence	0	0	100	0	0	-5	0	18
Insurance companies								
Volume	0	0	95	5	0	+5	-5	21
Duration and persistence	0	0	100	0	0	-5	0	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	95	5	0	+10	-5	21
Duration and persistence	0	0	95	5	0	-5	-5	21
Non-financial corporations								
Volume	0	0	100	0	0	+5	0	21
Duration and persistence	0	0	100	0	0	-5	0	21

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

2 Securities financing

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

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

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	6	88	6	0	-25	0	17
Maximum maturity of funding	0	0	88	12	0	-25	-12	17
Haircuts	0	0	100	0	0	0	0	17
Financing rate/spread	0	12	76	12	0	-31	0	17
Use of CCPs	0	0	88	13	0	0	-13	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	88	8	0	-8	-4	25
Maximum maturity of funding	0	8	88	4	0	-19	+4	25
Haircuts	0	0	100	0	0	-4	0	25
Financing rate/spread	0	4	84	12	0	-27	-8	25
Use of CCPs	0	5	95	0	0	-9	+5	22
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	88	8	0	-12	-4	25
Maximum maturity of funding	0	4	92	4	0	-20	0	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	0	80	20	0	-28	-20	25
Use of CCPs	0	0	95	5	0	-5	-5	22
High-quality financial corporate bonds								
Maximum amount of funding	0	9	82	9	0	-15	0	22
Maximum maturity of funding	0	0	95	5	0	-20	-5	22
Haircuts	0	0	91	9	0	-5	-9	22
Financing rate/spread	0	0	86	14	0	-35	-14	22
Use of CCPs	0	7	93	0	0	0	+7	15
High-quality non-financial corporate bonds								
Maximum amount of funding	0	9	82	9	0	-10	0	22
Maximum maturity of funding	0	5	91	5	0	-19	0	22
Haircuts	0	0	91	9	0	-5	-9	22
Financing rate/spread	0	0	82	18	0	-33	-18	22
Use of CCPs	0	7	93	0	0	+6	+7	15
High-yield corporate bonds								
Maximum amount of funding	0	16	79	5	0	0	+11	19
Maximum maturity of funding	0	5	89	5	0	-22	0	19
Haircuts	0	0	84	11	5	-17	-16	19
Financing rate/spread	0	0	74	26	0	-39	-26	19
Use of CCPs	0	9	91	0	0	+8	+9	11

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

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

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

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Convertible securities								
Maximum amount of funding	0	7	86	7	0	**+7**	**0**	14
Maximum maturity of funding	0	0	93	7	0	**-20**	**-7**	14
Haircuts	0	0	100	0	0	**0**	**0**	14
Financing rate/spread	0	0	93	7	0	**-13**	**-7**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Equities								
Maximum amount of funding	0	10	81	10	0	**-24**	**0**	21
Maximum maturity of funding	0	5	86	10	0	**-19**	**-5**	21
Haircuts	0	0	100	0	0	**0**	**0**	21
Financing rate/spread	0	5	86	10	0	**-5**	**-5**	21
Use of CCPs	0	0	100	0	0	**0**	**0**	15
Asset-backed securities								
Maximum amount of funding	0	6	81	13	0	**0**	**-6**	16
Maximum maturity of funding	0	0	88	13	0	**-13**	**-13**	16
Haircuts	0	0	81	19	0	**-13**	**-19**	16
Financing rate/spread	0	0	75	25	0	**-33**	**-25**	16
Use of CCPs	0	0	100	0	0	**0**	**0**	10
Covered bonds								
Maximum amount of funding	0	4	83	13	0	**-13**	**-9**	23
Maximum maturity of funding	0	4	83	13	0	**-13**	**-9**	23
Haircuts	0	0	96	4	0	**-13**	**-4**	23
Financing rate/spread	0	0	87	13	0	**-35**	**-13**	23
Use of CCPs	0	6	94	0	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".

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	0	88	12	0	-31	-12	17
Maximum maturity of funding	0	0	76	24	0	-38	-24	17
Haircuts	0	0	100	0	0	0	0	17
Financing rate/spread	0	12	76	12	0	-31	0	17
Use of CCPs	0	0	94	6	0	+7	-6	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	83	13	0	-8	-8	24
Maximum maturity of funding	0	8	83	8	0	-20	0	24
Haircuts	0	0	100	0	0	-4	0	24
Financing rate/spread	0	4	79	17	0	-32	-13	24
Use of CCPs	0	5	95	0	0	-4	+5	20
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	92	4	0	-8	0	24
Maximum maturity of funding	0	4	92	4	0	-17	0	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	0	79	21	0	-29	-21	24
Use of CCPs	0	0	95	5	0	-5	-5	20
High-quality financial corporate bonds								
Maximum amount of funding	0	10	81	10	0	-16	0	21
Maximum maturity of funding	0	0	95	5	0	-21	-5	21
Haircuts	0	0	95	5	0	-5	-5	21
Financing rate/spread	0	0	81	19	0	-37	-19	21
Use of CCPs	0	7	93	0	0	0	+7	14
High-quality non-financial corporate bonds								
Maximum amount of funding	0	10	81	10	0	-10	0	21
Maximum maturity of funding	0	5	90	5	0	-20	0	21
Haircuts	0	0	95	5	0	-5	-5	21
Financing rate/spread	0	0	76	24	0	-35	-24	21
Use of CCPs	0	7	93	0	0	+7	+7	14
High-yield corporate bonds								
Maximum amount of funding	0	16	79	5	0	0	+11	19
Maximum maturity of funding	0	11	84	5	0	-22	+5	19
Haircuts	0	0	84	16	0	-17	-16	19
Financing rate/spread	0	0	74	26	0	-44	-26	19
Use of CCPs	0	8	92	0	0	+8	+8	12

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

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

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

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Convertible securities								
Maximum amount of funding	0	7	86	7	0	**0**	**0**	14
Maximum maturity of funding	0	0	93	7	0	**-20**	**-7**	14
Haircuts	0	0	100	0	0	**0**	**0**	14
Financing rate/spread	0	0	93	7	0	**-19**	**-7**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Equities								
Maximum amount of funding	0	10	81	10	0	**-24**	**0**	21
Maximum maturity of funding	0	5	86	10	0	**-19**	**-5**	21
Haircuts	0	0	100	0	0	**0**	**0**	21
Financing rate/spread	0	5	86	10	0	**-10**	**-5**	21
Use of CCPs	0	0	100	0	0	**+6**	**0**	14
Asset-backed securities								
Maximum amount of funding	0	0	80	20	0	**0**	**-20**	15
Maximum maturity of funding	0	0	87	13	0	**-14**	**-13**	15
Haircuts	0	0	80	20	0	**-7**	**-20**	15
Financing rate/spread	0	0	73	27	0	**-36**	**-27**	15
Use of CCPs	0	0	100	0	0	**0**	**0**	9
Covered bonds								
Maximum amount of funding	0	5	77	14	5	**-9**	**-14**	22
Maximum maturity of funding	0	5	77	18	0	**-18**	**-14**	22
Haircuts	0	0	91	9	0	**-14**	**-9**	22
Financing rate/spread	0	0	86	14	0	**-36**	**-14**	22
Use of CCPs	0	7	93	0	0	**+6**	**+7**	15

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

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

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

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Domestic government 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**	14
High-quality 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
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	**+7**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**+7**	**0**	17
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**+6**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**+7**	**0**	17
High-yield corporate bonds								
Terms for average clients	0	7	93	0	0	**+8**	**+7**	15
Terms for most-favoured clients	0	6	94	0	0	**+7**	**+6**	16
Convertible securities								
Terms for average clients	0	0	93	7	0	**+7**	**-7**	14
Terms for most-favoured clients	0	0	93	7	0	**+7**	**-7**	14
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**	18
Asset-backed securities								
Terms for average clients	0	7	93	0	0	**+8**	**+7**	14
Terms for most-favoured clients	0	8	92	0	0	**+9**	**+8**	13
Covered bonds								
Terms for average clients	0	0	100	0	0	**+5**	**0**	20
Terms for most-favoured clients	6	0	94	0	0	**+6**	**+6**	18

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Domestic government bonds								
Overall demand	0	6	82	12	0	-25	-6	17
With a maturity greater than 30 days	0	0	88	12	0	-13	-12	17
High-quality government, sub-national and supra-national bonds								
Overall demand	0	8	83	8	0	-17	0	24
With a maturity greater than 30 days	0	13	79	8	0	-17	+4	24
Other government, sub-national and supra-national bonds								
Overall demand	0	4	83	13	0	-9	-8	24
With a maturity greater than 30 days	0	4	83	13	0	-9	-8	24
High-quality financial corporate bonds								
Overall demand	0	0	77	23	0	-32	-23	22
With a maturity greater than 30 days	0	0	77	18	5	-26	-23	22
High-quality non-financial corporate bonds								
Overall demand	0	0	77	23	0	-25	-23	22
With a maturity greater than 30 days	0	0	77	18	5	-20	-23	22
High-yield corporate bonds								
Overall demand	5	0	79	16	0	-12	-11	19
With a maturity greater than 30 days	0	5	68	21	5	-18	-21	19
Convertible securities								
Overall demand	0	0	100	0	0	+7	0	15
With a maturity greater than 30 days	0	0	93	7	0	-13	-7	15
Equities								
Overall demand	0	10	71	19	0	-35	-10	21
With a maturity greater than 30 days	0	5	71	24	0	-20	-19	21
Asset-backed securities								
Overall demand	0	0	75	25	0	-21	-25	16
With a maturity greater than 30 days	0	0	63	31	6	-36	-38	16
Covered bonds								
Overall demand	0	5	68	23	5	-29	-23	22
With a maturity greater than 30 days	0	5	64	14	18	-33	-27	22
All collateral types above								
Overall demand	0	10	80	10	0	-17	0	20
With a maturity greater than 30 days	0	10	75	15	0	-17	-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". "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

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

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

Table 20

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

Liquidity and functioning of the collateral market	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Domestic government bonds								
Liquidity and functioning	0	6	94	0	0	**+19**	**+6**	17
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	92	4	0	**+13**	**0**	24
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	0	96	4	0	**+9**	**-4**	24
High-quality financial corporate bonds								
Liquidity and functioning	0	9	91	0	0	**+16**	**+9**	22
High-quality non-financial corporate bonds								
Liquidity and functioning	0	5	95	0	0	**+10**	**+5**	22
High-yield corporate bonds								
Liquidity and functioning	0	11	89	0	0	**+24**	**+11**	19
Convertible securities								
Liquidity and functioning	0	0	100	0	0	**0**	**0**	15
Equities								
Liquidity and functioning	0	5	90	5	0	**-5**	**0**	21
Asset-backed securities								
Liquidity and functioning	0	13	88	0	0	**+14**	**+13**	16
Covered bonds								
Liquidity and functioning	0	9	86	5	0	**+5**	**+5**	22
All collateral types above								
Liquidity and functioning	0	5	90	5	0	**+12**	**0**	20

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
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	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21
High-quality financial corporate bonds								
Volume	0	0	94	6	0	**-6**	**-6**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
High-quality non-financial corporate bonds								
Volume	0	0	94	6	0	**-6**	**-6**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
High-yield corporate bonds								
Volume	0	0	94	6	0	**-7**	**-6**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	12
Duration and persistence	0	0	100	0	0	**0**	**0**	12
Equities								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
Asset-backed securities								
Volume	0	0	93	7	0	**-8**	**-7**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Covered bonds								
Volume	0	0	94	6	0	**-6**	**-6**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
All collateral types above								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17

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

3 Non-centrally cleared OTC derivatives

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

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

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Foreign exchange								
Average clients	0	4	92	4	0	-8	0	24
Most-favoured clients	0	4	96	0	0	-4	+4	23
Interest rates								
Average clients	0	4	88	8	0	-9	-4	24
Most-favoured clients	0	4	91	4	0	-5	0	23
Credit referencing sovereigns								
Average clients	0	6	89	6	0	-12	0	18
Most-favoured clients	0	6	94	0	0	-6	+6	17
Credit referencing corporates								
Average clients	0	5	89	5	0	-11	0	19
Most-favoured clients	0	6	89	6	0	-11	0	18
Credit referencing structured credit products								
Average clients	0	7	87	7	0	-14	0	15
Most-favoured clients	0	7	86	7	0	-14	0	14
Equity								
Average clients	0	6	88	6	0	-13	0	17
Most-favoured clients	0	6	94	0	0	-6	+6	16
Commodity								
Average clients	0	13	88	0	0	-7	+13	16
Most-favoured clients	0	13	87	0	0	-8	+13	15
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	0	0	11
Most-favoured clients	0	0	100	0	0	0	0	10

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

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

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

Table 23

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	0	95	5	0	**0**	**-5**	22
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	23
Interest rates								
Maximum amount of exposure	0	0	95	5	0	**0**	**-5**	22
Maximum maturity of trades	0	0	96	4	0	**0**	**-4**	23
Credit referencing sovereigns								
Maximum amount of exposure	0	6	94	0	0	**-7**	**+6**	16
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	17
Credit referencing corporates								
Maximum amount of exposure	0	6	94	0	0	**-6**	**+6**	17
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	18
Credit referencing structured credit products								
Maximum amount of exposure	0	8	92	0	0	**-8**	**+8**	13
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	14
Equity								
Maximum amount of exposure	0	13	87	0	0	**-7**	**+13**	15
Maximum maturity of trades	0	6	94	0	0	**0**	**+6**	16
Commodity								
Maximum amount of exposure	0	7	86	7	0	**+17**	**0**	14
Maximum maturity of trades	0	0	93	7	0	**0**	**-7**	15
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	**0**	**0**	10
Maximum maturity of trades	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".

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

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

Table 24

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage Mar. 2023	Net percentage Jun. 2023	Total number of answers
Foreign exchange								
Liquidity and trading	0	9	91	0	0	**-5**	**+9**	23
Interest rates								
Liquidity and trading	0	0	96	4	0	**-5**	**-4**	23
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	**0**	**0**	17
Credit referencing corporates								
Liquidity and trading	0	11	89	0	0	**+12**	**+11**	18
Credit referencing structured credit products								
Liquidity and trading	0	7	93	0	0	**+8**	**+7**	14
Equity								
Liquidity and trading	0	0	88	13	0	**+7**	**-13**	16
Commodity								
Liquidity and trading	0	0	93	7	0	**0**	**-7**	15
Total return swaps referencing non-securities								
Liquidity and trading	0	9	91	0	0	**+10**	**+9**	11

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

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

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

Table 25

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Foreign exchange								
Volume	0	5	91	5	0	-5	0	22
Duration and persistence	0	5	95	0	0	0	+5	22
Interest rates								
Volume	0	5	95	0	0	0	+5	22
Duration and persistence	0	5	95	0	0	0	+5	22
Credit referencing sovereigns								
Volume	0	6	94	0	0	0	+6	17
Duration and persistence	0	6	94	0	0	0	+6	17
Credit referencing corporates								
Volume	0	6	94	0	0	0	+6	17
Duration and persistence	0	6	94	0	0	0	+6	17
Credit referencing structured credit products								
Volume	0	7	93	0	0	0	+7	15
Duration and persistence	0	7	93	0	0	0	+7	15
Equity								
Volume	0	6	94	0	0	0	+6	17
Duration and persistence	0	6	94	0	0	0	+6	17
Commodity								
Volume	0	8	92	0	0	0	+8	13
Duration and persistence	0	8	92	0	0	0	+8	13
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	11
Duration and persistence	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".

3.2 Changes in new or renegotiated master agreements

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

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Margin call practices	0	0	100	0	0	**0**	**0**	22
Acceptable collateral	0	0	100	0	0	**0**	**0**	22
Recognition of portfolio or diversification benefits	0	0	100	0	0	**0**	**0**	22
Covenants and triggers	0	0	100	0	0	**0**	**0**	22
Other documentation features	0	0	100	0	0	**0**	**0**	22

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Mar. 2023	Jun. 2023	
Posting of non-standard collateral	0	0	100	0	0	**0**	**0**	19

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

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