EUROPEAN CENTRAL BANK
EUROSYSTEM

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

September 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.

September 2023 SESFOD results

(Review period from June to August 2023)

The September 2023 Survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between June and August 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 remained on balance unchanged in the securities financing and OTC derivatives markets between June and August 2023. This brought a pause in the overall tightening in credit terms and conditions that survey respondents had reported in the previous nine survey rounds. The unchanged overall terms and conditions reported in this survey round contrast with the expectations of further tightening expressed in the June 2023 survey. The overall unchanged conditions mask some heterogeneity. Price terms tightened on balance for all counterparty types except banks and dealers, for which they eased slightly. They tightened most for hedge funds, investment funds and non-financial corporations. Non-price terms tightened on balance for hedge funds, non-financial corporations and sovereigns, while they eased for banks and dealers and remained unchanged for all other counterparty types. Survey respondents attributed this tightening mainly to decreased competition from other institutions and a deterioration in general market liquidity and functioning and, to a lesser extent, to concerns about an expected deterioration in the financial strength of counterparties. Survey respondents expected overall credit terms to tighten over the period from September to November 2023. Notably, 20% of respondents reported that the amount of resources and attention devoted to managing concentrated credit exposures to banks and dealers had increased over the review period. The use of financial leverage declined somewhat over the review period.

Turning to financing conditions for various types of collateral in securities financing transactions, survey respondents reported various accounts 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 government bonds for most-favoured clients. Financing rates/spreads increased for funding secured against equities, domestic and other government bonds, corporate bonds, asset-backed securities and covered bonds. A significant percentage of respondents reported an increase in overall demand for funding, particularly funding secured against covered bonds and high-quality corporate bonds. On balance, the liquidity and functioning of collateral markets deteriorated.

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 different accounts as regards the maximum amount of exposure and unchanged conditions as regards the maximum maturity of trades. Liquidity and trading improved somewhat for foreign exchange derivatives and interest rate derivatives.

Credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets

Overall credit terms and conditions remained on balance unchanged between June and August 2023. This marked a pause following nine consecutive rounds of reported tightening. The unchanged overall terms and conditions reported in this survey round contrast with the expectations of further tightening expressed in the June 2023 survey. At the individual counterparty type level, participants reported only a slight tightening of overall conditions for investment funds and a slight easing for insurance companies (**Chart A**). The overall unchanged conditions mask some heterogeneity between developments in price and non-price credit terms and conditions. Price terms tightened on balance for all counterparty types except banks and dealers, for which they eased slightly. They tightened most for hedge funds, investment funds and non-financial corporations. A very small percentage of respondents reported that non-price terms tightened for hedge funds, non-financial corporations and sovereigns, while on balance they eased for banks and dealers and remained unchanged for all other counterparty types.

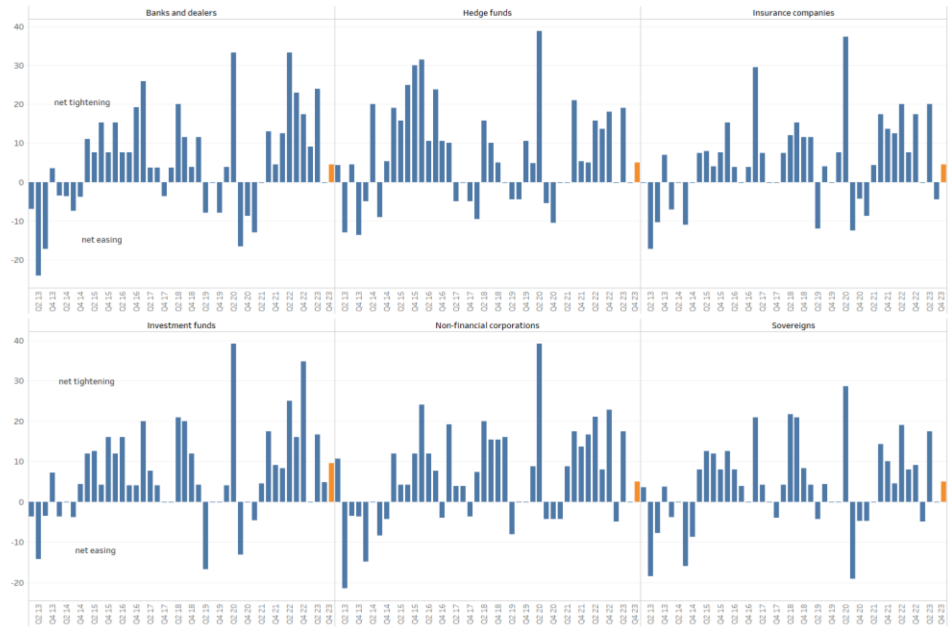
Respondents attributed the tightening of credit terms mainly to decreased competition from other institutions and a deterioration in general market liquidity and functioning and, to a lesser extent, to concerns about an expected deterioration in the financial strength of counterparties.

Survey respondents expected overall credit terms to tighten over the period from September to November 2023 (Chart A). For all counterparty types, this expected tightening was driven more by price terms than non-price terms and was most pronounced for credit terms and conditions offered to hedge funds, insurance companies and investment funds. Participants only expected on balance a slight easing of non-price terms for banks and dealers.

Chart A

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

(Q1 2013 to Q3 2023 for observed changes; Q4 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. One fifth of survey respondents reported that resources dedicated to managing concentrated credit exposures to banks and dealers had increased. This followed significant increases that were reported over the previous review period. One survey respondent reported increased resources for managing exposures to CCPs. Survey respondents have now reported increased attention paid to the management of concentrated credit exposures to CCPs in each of the last eight SESFOD rounds.

The use of financial leverage declined somewhat over the review period. Two survey participants reported a decrease in the use of financial leverage by investment funds, while one survey participant reported a decline in the use of financial leverage by hedge funds and insurance companies. 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. However, a small percentage of respondents did report that the intensity of efforts by banks and dealers to negotiate more favourable price and non-price terms had changed over the past three months. The provision of differential terms remained largely unchanged for all counterparty types with only one respondent reporting an increase for banks and dealers and one respondent reporting a decrease for investment funds.

Respondents reported very few changes in the volume, duration and persistence of valuation disputes. A small percentage of respondents reported slight decreases in the volume of valuation disputes for hedge funds, insurance companies, investment funds and non-financial corporations, but no changes in the volume of such disputes for banks and dealers. Respondents also reported a slight increase in the duration and persistence of valuation disputes for insurance companies and non-financial corporations, a slight decrease in the duration and persistence of such disputes for investment funds, but no changes for banks, dealers and hedge funds.

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, high-quality corporate bonds and covered bonds increased slightly. It declined on balance for domestic government bonds, high-yield corporate bonds, convertible securities, equities and asset-backed securities.

While respondents also reported few changes 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 government bonds for most-favoured clients. On balance, respondents reported small increases in the maximum maturity of funding for average clients using covered bonds and equities as collateral. However, a significant net percentage of respondents reported an increase in the maximum maturity of funding secured against high-quality and domestic government bonds, high-quality corporate bonds, equities and covered bonds for most-favoured clients. A small net percentage of respondents reported a decrease in the maximum maturity of funding secured against asset-backed securities.

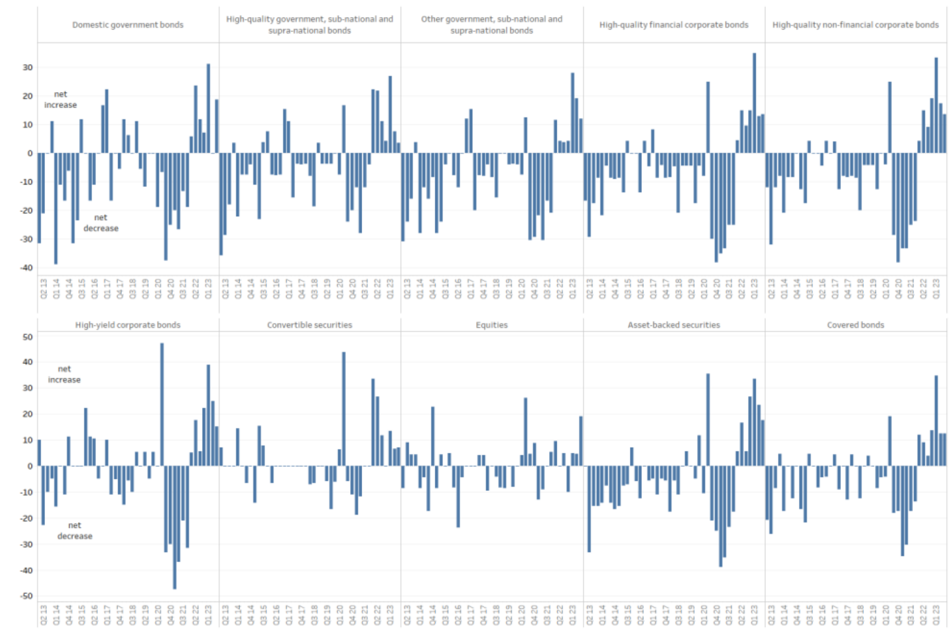
Haircuts applied to euro-denominated collateral either increased or remained unchanged for almost all types of collateral. Survey respondents reported that haircuts had increased for corporate bonds, asset-backed securities and covered bonds, remained unchanged for domestic and other government bonds, convertible securities and equities, and decreased for non-domestic high-quality 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 equities, domestic and other government bonds, corporate bonds, asset-backed securities and covered bonds, with smaller increases being reported for non-domestic high-quality government bonds and convertible securities (**Chart B**).

Chart B

Financing rates/spreads

(Q1 2013 to Q3 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”.

A significant 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. Respondents reported unchanged use of CCPs for securities financing transactions involving all other types of collateral.

Covenants and triggers remained broadly unchanged for funding secured against different collateral types. A small net percentage of survey respondents reported – for both average and most-favoured clients – that covenants and triggers had tightened slightly for funding secured against convertible securities.

A significant percentage of respondents reported an increase in overall demand for funding – particularly funding secured against covered bonds and high-quality corporate bonds. For all types of collateral, the reported increase in demand for funding was a bit less pronounced, on balance, for funding with a maturity greater than 30 days. On balance, a small net percentage of respondents reported a decline in demand for funding secured against convertible securities.

On balance, the liquidity and functioning of collateral markets deteriorated. Significant percentages of survey participants reported deteriorating liquidity conditions, in particular for non-domestic government bonds, corporate bonds, covered bonds and asset-backed securities.

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 corporate bonds, asset-backed securities and covered bonds. A small net percentage of respondents reported a decrease both in the volume and in the duration and persistence of collateral valuation disputes for collateral in the form of equities.

Credit terms and conditions for various types of non-centrally cleared OTC derivatives

Initial margin requirements declined for commodity derivatives, but few changes were reported for other types of derivative. A small percentage of survey participants reported that initial margin requirements had increased for foreign exchange derivatives between June and August 2023, but initial margin requirements remained 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 interest rate derivatives, credit derivatives referencing sovereigns, equity derivatives and commodity derivatives.

Survey respondents reported a mixed picture as regards the maximum amount of exposure and unchanged conditions as regards 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 decreases for equity derivatives and credit derivatives referencing corporates.

Liquidity and trading improved somewhat for foreign exchange derivatives and interest rate derivatives, but a more significant share of survey participants reported that trading conditions had deteriorated for credit derivatives referencing corporates. A deterioration in liquidity and trading was also reported for credit derivatives referencing structured credit products, for equity derivatives and for total return swaps referencing non-securities. Meanwhile, respondents reported, on balance, that trading conditions for credit derivatives referencing sovereigns and commodity derivatives had remained unchanged.

Respondents reported that the volume, duration and persistence of valuation disputes remained mostly unchanged. A small net percentage of respondents reported merely a slight increase in the volume of valuation disputes for foreign exchange derivatives.

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.

This is the third consecutive survey round in which respondents have not reported any changes in terms in new or renegotiated master agreements or in 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
						Jun. 2023	Sep. 2023	
Banks and dealers								
Price terms	4	13	61	22	0	**+21**	**-4**	23
Non-price terms	0	4	88	8	0	**0**	**-4**	25
Overall	0	14	73	14	0	**+24**	**0**	22
Hedge funds								
Price terms	5	15	75	5	0	**+20**	**+15**	20
Non-price terms	0	5	95	0	0	**+10**	**+5**	22
Overall	0	5	90	5	0	**+19**	**0**	20
Insurance companies								
Price terms	4	9	78	9	0	**+17**	**+4**	23
Non-price terms	0	4	92	4	0	**+8**	**0**	25
Overall	0	5	86	9	0	**+20**	**-5**	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	5	14	77	5	0	**+13**	**+14**	22
Non-price terms	0	4	92	4	0	**0**	**0**	24
Overall	0	10	86	5	0	**+17**	**+5**	21
Non-financial corporations								
Price terms	5	10	81	5	0	**+23**	**+10**	21
Non-price terms	0	5	95	0	0	**+9**	**+5**	22
Overall	0	5	90	5	0	**+17**	**0**	20
Sovereigns								
Price terms	5	5	86	5	0	**+18**	**+5**	21
Non-price terms	0	4	96	0	0	**+9**	**+4**	23
Overall	0	5	90	5	0	**+17**	**0**	20
All counterparties above								
Price terms	4	9	74	13	0	**+18**	**0**	23
Non-price terms	0	4	88	8	0	**+4**	**-4**	25
Overall	0	9	82	9	0	**+26**	**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".

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 Jun. 2023	Net percentage Sep. 2023	Total number of answers
Banks and dealers								
Price terms	0	17	74	9	0	+4	+9	23
Non-price terms	0	4	88	8	0	0	-4	25
Overall	0	14	77	9	0	+8	+5	22
Hedge funds								
Price terms	0	20	80	0	0	+5	+20	20
Non-price terms	0	5	95	0	0	+10	+5	22
Overall	0	5	95	0	0	+10	+5	20
Insurance companies								
Price terms	0	17	83	0	0	0	+17	23
Non-price terms	0	4	96	0	0	+8	+4	25
Overall	0	5	95	0	0	+8	+5	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	18	82	0	0	0	+18	22
Non-price terms	0	4	96	0	0	0	+4	24
Overall	0	10	90	0	0	+4	+10	21
Non-financial corporations								
Price terms	0	14	86	0	0	+5	+14	21
Non-price terms	0	9	91	0	0	+9	+9	22
Overall	0	5	95	0	0	+9	+5	20
Sovereigns								
Price terms	0	14	86	0	0	+5	+14	21
Non-price terms	0	4	96	0	0	+9	+4	23
Overall	0	5	95	0	0	+9	+5	20
All counterparties above								
Price terms	0	17	83	0	0	+9	+17	23
Non-price terms	0	4	96	0	0	+14	+4	25
Overall	0	9	91	0	0	+17	+9	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	
				Jun. 2023	Sep. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	67	0	24	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	25	0	0	0	10
Availability of balance sheet or capital at your institution	0	0	33	6	10
General market liquidity and functioning	75	0	0	41	30
Competition from other institutions	0	33	67	18	30
Other	0	0	0	12	0
Total number of answers	4	3	3	17	10
Possible reasons for easing					
Current or expected financial strength of counterparties	20	0	50	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	20	0	0	20	9
Availability of balance sheet or capital at your institution	0	0	50	20	9
General market liquidity and functioning	20	50	0	40	27
Competition from other institutions	20	25	0	0	18
Other	20	25	0	0	18
Total number of answers	5	4	2	5	11
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	17	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	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	67	33
Competition from other institutions	0	0	100	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	100	50	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	25	25
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	25	25
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	2	1	1	4	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 Jun. 2023	Either first, second or third reason Sep. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	33	0	18	22
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	25	0	0	0	11
Availability of balance sheet or capital at your institution	0	0	50	9	11
General market liquidity and functioning	50	0	0	55	22
Competition from other institutions	0	67	50	18	33
Other	0	0	0	0	0
Total number of answers	4	3	2	11	9
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	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	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	0	33
Competition from other institutions	0	100	0	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	0	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	17	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	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	67	33
Competition from other institutions	0	0	100	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

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. 2023	Sep. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	25	14
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	33	0	0	0	14
Availability of balance sheet or capital at your institution	0	0	50	8	14
General market liquidity and functioning	67	0	0	50	29
Competition from other institutions	0	50	50	17	29
Other	0	0	0	0	0
Total number of answers	3	2	2	12	7
Possible reasons for easing					
Current or expected financial strength of counterparties	50	0	100	50	40
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	50	50	0	50	40
Competition from other institutions	0	50	0	0	20
Other	0	0	0	0	0
Total number of answers	2	2	1	2	5
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	17	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	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	67	33
Competition from other institutions	0	0	100	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	0	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	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	0	1

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. 2023	Sep. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	67	0	31	20
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	33	0	10
General market liquidity and functioning	75	0	0	46	30
Competition from other institutions	25	33	67	23	40
Other	0	0	0	0	0
Total number of answers	4	3	3	13	10
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	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	0	0	17	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	100	0	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	17	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	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	67	33
Competition from other institutions	0	0	100	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	17	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	100	0	0	17	100
Other	0	0	0	0	0
Total number of answers	1	0	0	6	1

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. 2023	Sep. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	31	14
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	33	0	0	0	14
Availability of balance sheet or capital at your institution	0	0	50	0	14
General market liquidity and functioning	67	0	0	54	29
Competition from other institutions	0	50	50	15	29
Other	0	0	0	0	0
Total number of answers	3	2	2	13	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	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	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	0	33
Competition from other institutions	0	100	0	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	0	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	17	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	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	67	33
Competition from other institutions	0	0	100	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

To the extent that [price/ non-price] terms applied to [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. 2023	Either first, second or third reason: Sep. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	18	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	50	9	17
General market liquidity and functioning	100	0	0	55	33
Competition from other institutions	0	50	50	18	33
Other	0	0	0	0	0
Total number of answers	2	2	2	11	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	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	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	0	33
Competition from other institutions	0	100	0	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	0	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	17	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	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	67	33
Competition from other institutions	0	0	100	17	33
Other	0	0	0	0	0
Total number of answers	1	1	1	6	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	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Jun. 2023	Sep. 2023	
Practices of CCPs	0	10	90	0	0	+11	+10	10

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. 2023	Sep. 2023	
Banks and dealers	0	4	76	16	4	-42	-16	25
Central counterparties	0	0	96	0	4	-8	-4	25

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

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. 2023	Sep. 2023	
Hedge funds								
Use of financial leverage	0	5	95	0	0	+10	+5	22
Availability of unutilised leverage	0	5	95	0	0	+5	+5	21
Insurance companies								
Use of financial leverage	0	4	96	0	0	+9	+4	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	8	92	0	0	+13	+8	24

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

1.5 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. 2023	Sep. 2023	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-4	-12	26
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-4	26
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-5	-4	23
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	23
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	27
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	27
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	0	-4	26
Provision of differential terms to most-favoured clients	0	4	96	0	0	+4	+4	26
Non-financial corporations								
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

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. 2023	Sep. 2023	
Banks and dealers								
Volume	0	0	100	0	0	+4	0	25
Duration and persistence	0	0	100	0	0	0	0	25
Hedge funds								
Volume	5	0	95	0	0	+5	+5	22
Duration and persistence	0	0	100	0	0	0	0	22
Insurance companies								
Volume	0	4	96	0	0	-5	+4	26
Duration and persistence	0	0	96	4	0	0	-4	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	4	96	0	0	-5	+4	25
Duration and persistence	0	4	96	0	0	-5	+4	25
Non-financial corporations								
Volume	0	4	96	0	0	0	+4	24
Duration and persistence	0	0	96	4	0	0	-4	24

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

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 Jun. 2023	Net percentage Sep. 2023	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	19	75	6	0	**0**	**+13**	16
Maximum maturity of funding	0	6	88	6	0	**-12**	**0**	16
Haircuts	0	0	100	0	0	**0**	**0**	16
Financing rate/spread	0	6	69	25	0	**0**	**-19**	16
Use of CCPs	0	0	80	20	0	**-13**	**-20**	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	85	11	0	**-4**	**-7**	27
Maximum maturity of funding	0	0	96	4	0	**+4**	**-4**	27
Haircuts	0	4	96	0	0	**0**	**+4**	27
Financing rate/spread	0	7	81	11	0	**-8**	**-4**	27
Use of CCPs	0	0	100	0	0	**+4**	**0**	22
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	84	12	0	**-4**	**-8**	25
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	25
Haircuts	0	0	100	0	0	**0**	**0**	25
Financing rate/spread	0	4	80	16	0	**-19**	**-12**	25
Use of CCPs	0	0	95	5	0	**-4**	**-5**	21
High-quality financial corporate bonds								
Maximum amount of funding	0	0	91	9	0	**0**	**-9**	22
Maximum maturity of funding	0	0	100	0	0	**-4**	**0**	22
Haircuts	0	0	95	5	0	**-9**	**-5**	22
Financing rate/spread	0	0	86	14	0	**-13**	**-14**	22
Use of CCPs	0	0	100	0	0	**+6**	**0**	14
High-quality non-financial corporate bonds								
Maximum amount of funding	0	0	95	5	0	**0**	**-5**	22
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	22
Haircuts	0	0	95	5	0	**-9**	**-5**	22
Financing rate/spread	0	0	86	14	0	**-17**	**-14**	22
Use of CCPs	0	0	100	0	0	**+6**	**0**	14
High-yield corporate bonds								
Maximum amount of funding	0	5	95	0	0	**+10**	**+5**	20
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	20
Haircuts	0	0	95	0	5	**-15**	**-5**	20
Financing rate/spread	0	0	85	15	0	**-25**	**-15**	20
Use of CCPs	0	0	100	0	0	**+8**	**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. 2023	Sep. 2023	
Convertible securities								
Maximum amount of funding	0	7	93	0	0	**0**	**+7**	14
Maximum maturity of funding	0	0	100	0	0	**-7**	**0**	14
Haircuts	0	0	100	0	0	**0**	**0**	14
Financing rate/spread	0	0	93	7	0	**-7**	**-7**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	10
Equities								
Maximum amount of funding	0	14	81	5	0	**0**	**+10**	21
Maximum maturity of funding	0	5	86	10	0	**-5**	**-5**	21
Haircuts	0	0	100	0	0	**0**	**0**	21
Financing rate/spread	0	0	81	14	5	**-5**	**-19**	21
Use of CCPs	0	0	100	0	0	**0**	**0**	15
Asset-backed securities								
Maximum amount of funding	0	6	94	0	0	**-6**	**+6**	17
Maximum maturity of funding	0	0	100	0	0	**-12**	**0**	17
Haircuts	0	0	94	6	0	**-18**	**-6**	17
Financing rate/spread	0	0	82	18	0	**-24**	**-18**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	10
Covered bonds								
Maximum amount of funding	0	4	83	13	0	**-8**	**-8**	24
Maximum maturity of funding	0	0	92	8	0	**-8**	**-8**	24
Haircuts	0	0	92	8	0	**-4**	**-8**	24
Financing rate/spread	0	4	79	17	0	**-13**	**-13**	24
Use of CCPs	0	0	100	0	0	**+6**	**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".

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 Jun. 2023	Net percentage Sep. 2023	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	13	69	19	0	**-12**	**-6**	16
Maximum maturity of funding	0	6	75	19	0	**-24**	**-13**	16
Haircuts	0	0	100	0	0	**0**	**0**	16
Financing rate/spread	0	6	81	13	0	**0**	**-6**	16
Use of CCPs	0	0	93	7	0	**-6**	**-7**	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	77	15	0	**-8**	**-8**	26
Maximum maturity of funding	0	0	85	15	0	**0**	**-15**	26
Haircuts	0	4	96	0	0	**0**	**+4**	26
Financing rate/spread	0	8	77	15	0	**-12**	**-8**	26
Use of CCPs	0	0	100	0	0	**+5**	**0**	22
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	83	8	0	**0**	**0**	24
Maximum maturity of funding	0	0	96	4	0	**0**	**-4**	24
Haircuts	0	0	100	0	0	**0**	**0**	24
Financing rate/spread	0	4	83	13	0	**-20**	**-8**	24
Use of CCPs	0	0	95	5	0	**-5**	**-5**	21
High-quality financial corporate bonds								
Maximum amount of funding	0	0	90	10	0	**0**	**-10**	21
Maximum maturity of funding	0	0	95	5	0	**-5**	**-5**	21
Haircuts	0	0	100	0	0	**-5**	**0**	21
Financing rate/spread	0	0	86	14	0	**-18**	**-14**	21
Use of CCPs	0	0	100	0	0	**+7**	**0**	13
High-quality non-financial corporate bonds								
Maximum amount of funding	0	0	90	10	0	**0**	**-10**	21
Maximum maturity of funding	0	0	90	10	0	**0**	**-10**	21
Haircuts	0	0	100	0	0	**-5**	**0**	21
Financing rate/spread	0	0	86	14	0	**-23**	**-14**	21
Use of CCPs	0	0	100	0	0	**+7**	**0**	13
High-yield corporate bonds								
Maximum amount of funding	0	5	95	0	0	**+10**	**+5**	20
Maximum maturity of funding	0	5	90	5	0	**+5**	**0**	20
Haircuts	0	0	95	5	0	**-15**	**-5**	20
Financing rate/spread	0	0	85	15	0	**-25**	**-15**	20
Use of CCPs	0	0	100	0	0	**+8**	**0**	12

Note: The net percentage is defined as the difference between the percentage of respondents reporting "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. 2023	Sep. 2023	
Convertible securities								
Maximum amount of funding	0	7	93	0	0	**0**	**+7**	15
Maximum maturity of funding	0	0	100	0	0	**-7**	**0**	15
Haircuts	0	0	100	0	0	**0**	**0**	15
Financing rate/spread	0	0	93	7	0	**-7**	**-7**	15
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Equities								
Maximum amount of funding	0	10	86	5	0	**0**	**+5**	21
Maximum maturity of funding	0	0	90	10	0	**-5**	**-10**	21
Haircuts	0	0	100	0	0	**0**	**0**	21
Financing rate/spread	0	0	81	14	5	**-5**	**-19**	21
Use of CCPs	0	0	100	0	0	**0**	**0**	14
Asset-backed securities								
Maximum amount of funding	0	6	94	0	0	**-19**	**+6**	16
Maximum maturity of funding	0	6	94	0	0	**-13**	**+6**	16
Haircuts	0	0	94	6	0	**-19**	**-6**	16
Financing rate/spread	0	0	81	19	0	**-25**	**-19**	16
Use of CCPs	0	0	100	0	0	**0**	**0**	9
Covered bonds								
Maximum amount of funding	0	4	83	13	0	**-13**	**-9**	23
Maximum maturity of funding	0	0	91	9	0	**-13**	**-9**	23
Haircuts	0	0	91	9	0	**-9**	**-9**	23
Financing rate/spread	0	4	83	13	0	**-13**	**-9**	23
Use of CCPs	0	0	100	0	0	**+6**	**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".

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 Jun. 2023	Net percentage Sep. 2023	Total number of answers
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**	18
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**+6**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**+6**	**0**	17
Convertible securities								
Terms for average clients	0	7	93	0	0	**-7**	**+7**	14
Terms for most-favoured clients	0	7	93	0	0	**-7**	**+7**	15
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	18
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**+7**	**0**	14
Terms for most-favoured clients	0	0	100	0	0	**+7**	**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	**+5**	**0**	20

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. 2023	Sep. 2023	
Domestic government bonds								
Overall demand	0	13	63	25	0	-6	-13	16
With a maturity greater than 30 days	0	13	63	25	0	-12	-13	16
High-quality government, sub-national and supra-national bonds								
Overall demand	0	12	65	23	0	0	-12	26
With a maturity greater than 30 days	0	8	77	15	0	+4	-8	26
Other government, sub-national and supra-national bonds								
Overall demand	0	13	67	21	0	-8	-8	24
With a maturity greater than 30 days	0	4	83	13	0	-8	-8	24
High-quality financial corporate bonds								
Overall demand	0	5	71	24	0	-23	-19	21
With a maturity greater than 30 days	0	5	76	14	5	-23	-14	21
High-quality non-financial corporate bonds								
Overall demand	0	5	67	29	0	-23	-24	21
With a maturity greater than 30 days	0	5	71	19	5	-23	-19	21
High-yield corporate bonds								
Overall demand	5	5	70	20	0	-11	-10	20
With a maturity greater than 30 days	0	10	70	15	5	-21	-10	20
Convertible securities								
Overall demand	0	6	94	0	0	0	+6	17
With a maturity greater than 30 days	0	6	94	0	0	-7	+6	17
Equities								
Overall demand	0	5	77	18	0	-10	-14	22
With a maturity greater than 30 days	0	5	82	14	0	-19	-9	22
Asset-backed securities								
Overall demand	0	13	63	25	0	-25	-13	16
With a maturity greater than 30 days	0	13	63	19	6	-38	-13	16
Covered bonds								
Overall demand	0	9	55	32	5	-23	-27	22
With a maturity greater than 30 days	0	5	68	14	14	-27	-23	22
All collateral types above								
Overall demand	0	10	67	19	5	0	-14	21
With a maturity greater than 30 days	0	5	76	14	5	-5	-14	21

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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. 2023	Sep. 2023	
Domestic government bonds								
Liquidity and functioning	0	13	81	6	0	+6	+6	16
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	19	81	0	0	0	+19	26
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	13	88	0	0	-4	+13	24
High-quality financial corporate bonds								
Liquidity and functioning	0	19	81	0	0	+9	+19	21
High-quality non-financial corporate bonds								
Liquidity and functioning	0	14	86	0	0	+5	+14	21
High-yield corporate bonds								
Liquidity and functioning	0	20	80	0	0	+11	+20	20
Convertible securities								
Liquidity and functioning	0	0	100	0	0	0	0	17
Equities								
Liquidity and functioning	5	0	95	0	0	0	+5	21
Asset-backed securities								
Liquidity and functioning	0	22	72	6	0	+13	+17	18
Covered bonds								
Liquidity and functioning	0	18	82	0	0	+5	+18	22
All collateral types above								
Liquidity and functioning	0	14	86	0	0	0	+14	21

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2023	Sep. 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**	24
Duration and persistence	0	0	100	0	0	**0**	**0**	24
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	22
Duration and persistence	0	0	100	0	0	**0**	**0**	22
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	**-6**	**-6**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Equities								
Volume	0	6	94	0	0	**0**	**+6**	17
Duration and persistence	0	6	94	0	0	**0**	**+6**	17
Asset-backed securities								
Volume	0	0	94	6	0	**-7**	**-6**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
Covered bonds								
Volume	0	0	94	6	0	**-6**	**-6**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
All collateral types above								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	100	0	0	**0**	**0**	20

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

3 Non-centrally cleared OTC derivatives

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

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

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Jun. 2023	Sep. 2023	
Foreign exchange								
Average clients	0	0	96	4	0	**0**	**-4**	26
Most-favoured clients	0	0	100	0	0	**+4**	**0**	26
Interest rates								
Average clients	0	8	84	8	0	**-4**	**0**	25
Most-favoured clients	0	8	88	4	0	**0**	**+4**	25
Credit referencing sovereigns								
Average clients	0	5	90	5	0	**0**	**0**	20
Most-favoured clients	0	5	95	0	0	**+6**	**+5**	20
Credit referencing corporates								
Average clients	0	5	90	5	0	**0**	**0**	21
Most-favoured clients	0	5	90	5	0	**0**	**0**	21
Credit referencing structured credit products								
Average clients	0	6	89	6	0	**0**	**0**	18
Most-favoured clients	0	6	89	6	0	**0**	**0**	18
Equity								
Average clients	0	5	89	5	0	**0**	**0**	19
Most-favoured clients	0	5	95	0	0	**+6**	**+5**	19
Commodity								
Average clients	0	11	89	0	0	**+13**	**+11**	18
Most-favoured clients	0	11	89	0	0	**+13**	**+11**	18
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	**0**	**0**	15
Most-favoured clients	0	0	100	0	0	**0**	**0**	15

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

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

Over the past three months, how 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. 2023	Net percentage Sep. 2023	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	0	92	8	0	-4	-8	24
Maximum maturity of trades	0	0	100	0	0	0	0	24
Interest rates								
Maximum amount of exposure	0	4	87	9	0	-5	-4	23
Maximum maturity of trades	0	0	100	0	0	-4	0	23
Credit referencing sovereigns								
Maximum amount of exposure	0	6	89	6	0	+6	0	18
Maximum maturity of trades	0	0	100	0	0	0	0	18
Credit referencing corporates								
Maximum amount of exposure	0	5	95	0	0	+6	+5	19
Maximum maturity of trades	0	0	100	0	0	0	0	19
Credit referencing structured credit products								
Maximum amount of exposure	0	6	88	6	0	+8	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Equity								
Maximum amount of exposure	0	12	88	0	0	+13	+12	17
Maximum maturity of trades	0	0	100	0	0	+6	0	17
Commodity								
Maximum amount of exposure	0	6	88	6	0	0	0	16
Maximum maturity of trades	0	0	100	0	0	-7	0	16
Total return swaps referencing non-securities								
Maximum amount of exposure	0	7	86	7	0	0	0	14
Maximum maturity of trades	0	0	100	0	0	0	0	14

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

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. 2023	Net percentage Sep. 2023	Total number of answers
Foreign exchange								
Liquidity and trading	0	0	96	4	0	+8	-4	24
Interest rates								
Liquidity and trading	0	0	96	4	0	-4	-4	23
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	0	0	18
Credit referencing corporates								
Liquidity and trading	0	11	89	0	0	+11	+11	19
Credit referencing structured credit products								
Liquidity and trading	0	6	94	0	0	+7	+6	16
Equity								
Liquidity and trading	0	6	94	0	0	-13	+6	17
Commodity								
Liquidity and trading	0	0	100	0	0	-7	0	15
Total return swaps referencing non-securities								
Liquidity and trading	0	8	92	0	0	+9	+8	13

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. 2023	Sep. 2023	
Foreign exchange								
Volume	0	0	96	4	0	**0**	**-4**	24
Duration and persistence	0	0	100	0	0	**+4**	**0**	24
Interest rates								
Volume	0	0	100	0	0	**+5**	**0**	23
Duration and persistence	0	0	100	0	0	**+5**	**0**	23
Credit referencing sovereigns								
Volume	0	0	100	0	0	**+6**	**0**	18
Duration and persistence	0	0	100	0	0	**+6**	**0**	18
Credit referencing corporates								
Volume	0	0	100	0	0	**+6**	**0**	18
Duration and persistence	0	0	100	0	0	**+6**	**0**	18
Credit referencing structured credit products								
Volume	0	0	100	0	0	**+7**	**0**	17
Duration and persistence	0	0	100	0	0	**+7**	**0**	17
Equity								
Volume	0	0	100	0	0	**+6**	**0**	18
Duration and persistence	0	0	100	0	0	**+6**	**0**	18
Commodity								
Volume	0	0	100	0	0	**+8**	**0**	14
Duration and persistence	0	0	100	0	0	**+8**	**0**	14
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14

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

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. 2023	Sep. 2023	
Margin call practices	0	0	100	0	0	**0**	**0**	23
Acceptable collateral	0	0	100	0	0	**0**	**0**	23
Recognition of portfolio or diversification benefits	0	0	100	0	0	**0**	**0**	23
Covenants and triggers	0	0	100	0	0	**0**	**0**	23
Other documentation features	0	0	100	0	0	**0**	**0**	23

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

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. 2023	Sep. 2023	
Posting of non-standard collateral	0	0	100	0	0	**0**	**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".

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