EUROPEAN CENTRAL BANK

EUROSYSTEM

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

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

The survey questions are grouped into three sections:

1. **counterparty types** – credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets;

2. **securities financing** – financing conditions for various collateral types;

3. **non-centrally cleared OTC derivatives** – credit terms and conditions for various derivatives types.

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

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

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

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

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

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

December 2021 SESFOD results

(Reference period from September to November 2021)

The December 2021 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between September and November 2021. Responses were collected from a panel of 26 large banks, comprising 14 euro area banks and 12 banks with head offices outside the euro area.

Highlights

Overall credit terms and conditions offered by banks to counterparties tightened slightly over the period from September to November 2021. A small net percentage of respondents reported less favourable overall credit terms for all counterparty types. While price terms tightened across the board, non-price terms tightened only for insurance companies and non-financial corporations. The overall tightening continues the development reported in previous quarters but contrasts with the expectations expressed in the last survey. Looking ahead, a small net percentage of respondents to the December survey expected a further tightening of price terms for all types of counterparty over the period from December 2021 to February 2022, while non-price terms were expected to ease for most types of counterparty.

Turning to securities financing transactions, survey participants reported a continued easing of financing conditions. This overall tendency could be seen in the net percentages reporting slightly higher or unchanged maximum amounts and maximum maturity of funding for most types of euro-denominated collateral, and in decreasing rates/spreads for funding against most collateral types. Haircuts applied to euro-denominated collateral had increased slightly or were unchanged for almost all types of collateral. Respondents also reported weaker demand for funding for most collateral types.

As for non-centrally cleared OTC derivatives, respondents reported that initial margin requirements had increased slightly for many types of OTC derivative, and that liquidity and trading had deteriorated for many OTC derivative types.

The December 2021 survey included a number of special questions about market-making activities. Survey respondents reported that market-making activities had decreased for many types of debt security and derivative over the past year, but were expected to broadly increase in 2022. Respondents cited competition from other banks as the main driver of changes in market-making activities over the last year and willingness to take on risk as the main driver of expected changes in market-making activities in the year ahead. Respondents expressed their confidence in their ability to act as market-makers in times of stress for many asset classes – broadly confirming their assessment of the past two years – with the important exception of corporate bonds, for which they expressed very low confidence. Compared with the December 2020 survey, more respondents reported a “very limited” or “limited” ability to act as market-makers in times of stress for the categories “other government bonds and “high-yield corporate bonds”.

Counterparty types

Overall credit terms and conditions tightened slightly over the September 2021 to November 2021 review period. A small net percentage of survey respondents reported a tightening across all counterparties (see Chart A). Price terms tightened for all counterparty types identified in the survey, and this development was most pronounced for insurance companies and non-financial corporations, followed by investment funds and sovereigns. Non-price terms tightened only for insurance companies and non-financial corporations. The reported tightening continues the tightening of terms and conditions reported in previous quarters but contrasts with the expectations of broadly unchanged or slightly easing terms and conditions that respondents expressed in the September 2021 survey.

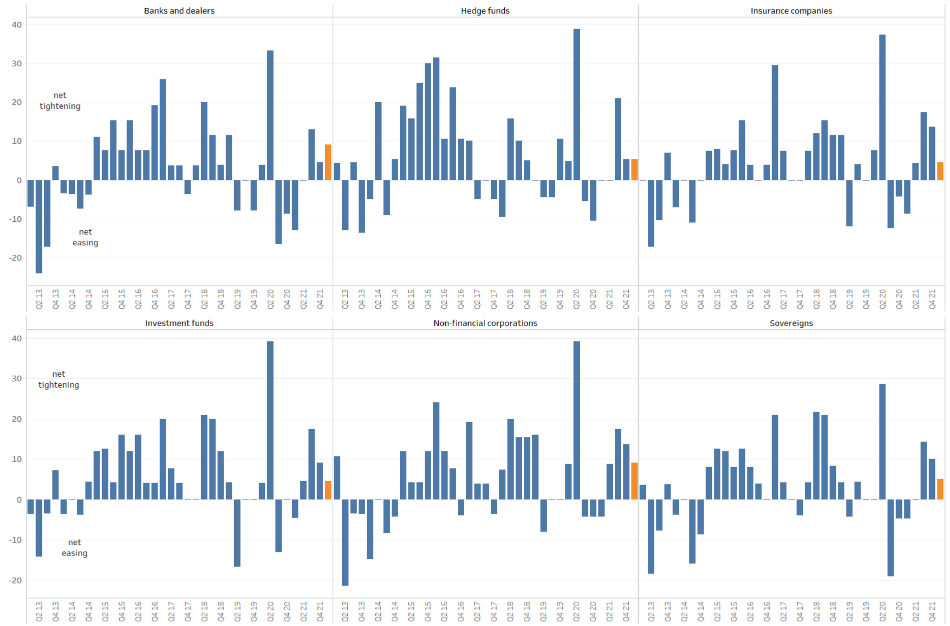
Respondents primarily attributed the tightening of credit terms to a deterioration in general market liquidity and functioning as well as in the current or expected financial strength of counterparties.

A small net percentage of survey participants expected overall credit terms to tighten further over the December 2021 to February 2022 period (see Chart A). Respondents expected a tightening of overall credit terms for all counterparty types. This was driven by price terms, while non-price terms were expected to ease for all counterparties except banks and dealers.

Chart A

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

(Q1 2013 to Q4 2021 for observed changes, Q1 2022 for expected changes (orange bars); net percentages of survey respondents)



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

Respondents reported that the practices of central counterparties (CCPs), including margin requirements and haircuts, had no influence on credit terms during the September 2021 to November 2021 review period.

Resources devoted to managing concentrated credit exposure to large banks and CCPs were reported as having changed slightly in the reference period. A small net percentage of survey respondents reported that resources devoted to concentrated credit exposures to CCPs had increased somewhat; resources devoted to concentrated credit exposures to banks and dealers decreased slightly.

A small net percentage of respondents reported that, for hedge funds, the availability and use of financial leverage decreased somewhat. The use of leverage by insurance companies remained unchanged, while one respondent indicated that the use of leverage by investment firms had increased somewhat over the reference period.

Survey respondents reported a slight increase in efforts to negotiate more favourable terms for all counterparties except insurance corporations.

Survey participants reported a mixed situation with respect to the volume, duration and persistence of valuation disputes. Small net percentages of respondents reported a decrease in the volume of valuation disputes for hedge funds, insurance companies and investment funds, an increase for banks and dealers, and no change for non-financial corporations. The duration and persistence of valuation disputes decreased slightly for insurance companies, for non-financial corporations and for banks and dealers. It increased slightly for hedge funds while remaining unchanged for investment funds.

Securities financing

The maximum amount of funding offered to customers against euro-denominated collateral increased slightly for most types of collateral. Survey participants reported a slight increase in the maximum amount of funding offered to customers against collateral in the form of euro-denominated domestic government bonds, high-quality government bonds, high-quality financial corporate bonds, convertible securities, equities and asset-backed securities. However, a small net share of respondents also indicated a decrease in the maximum amount of funding offered against high-quality non-financial corporate bonds, while the maximum amount of funding against high-yield corporate bonds and covered bonds remained, on balance, unchanged. Responses were broadly similar for both average and most-favoured customers.

The maximum maturity of funding offered against euro-denominated collateral increased slightly for most collateral types. A small net percentage of respondents reported – for both average and most-favoured clients – an increase in the maximum maturity of funding for all collateral types. The increase was most pronounced for equities and asset-backed securities.

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

Financing rates/spreads continued to decrease for funding secured by all types of collateral except convertible securities and equities. The net percentages of respondents reporting more favourable financing conditions were largest for financing against high-quality financial/non-financial corporate bonds and high-yield corporate bonds, as well as domestic government bonds, and “other government, sub-national and supra-national bonds”, asset-backed securities and covered bonds. Respondents reported unchanged financing rates/spreads for funding secured against convertible securities, while a small net percentage reported an increase in financing rates/spreads for funding against equities. A slightly larger share of responses pointed to decreased financing rates/spreads for most-favoured customers for many collateral types.

Respondents reported a mixed picture regarding the use of CCPs. While the use of CCPs remained, on balance, unchanged for high-quality and other government bonds, convertible securities, equities and asset-backed securities, a small net percentage of respondents reported an increase in the use of CCPs for both high-quality financial, high-yield corporate and covered bonds. Moreover, a small net percentage of survey participants indicated a decrease in the use of CCPs for domestic government and high-quality non-financial corporate bonds.

Covenants and triggers remained unchanged for all collateral types except domestic government bonds. Survey respondents reported – for both average and most-favoured clients – unchanged conditions for the covenants and triggers under which all types of collateral except euro-denominated domestic government bonds are funded. A small percentage of respondents reported that covenants and triggers under which collateral in the form of euro-denominated domestic government bonds are funded had tightened somewhat over the review period.

Demand for funding continued to weaken for most collateral types. A small net percentage of survey participants reported weaker demand for funding across almost all collateral types except high-quality government and high-quality non-financial corporate bonds as well as equities. A net percentage of respondents reported an increase in demand for funding against high-quality government, sub-national and supranational bonds, and high-quality non-financial corporate bonds. While survey participants reported unchanged overall demand for funding against equities as collateral, a small net percentage saw increased demand for term funding of this collateral type.

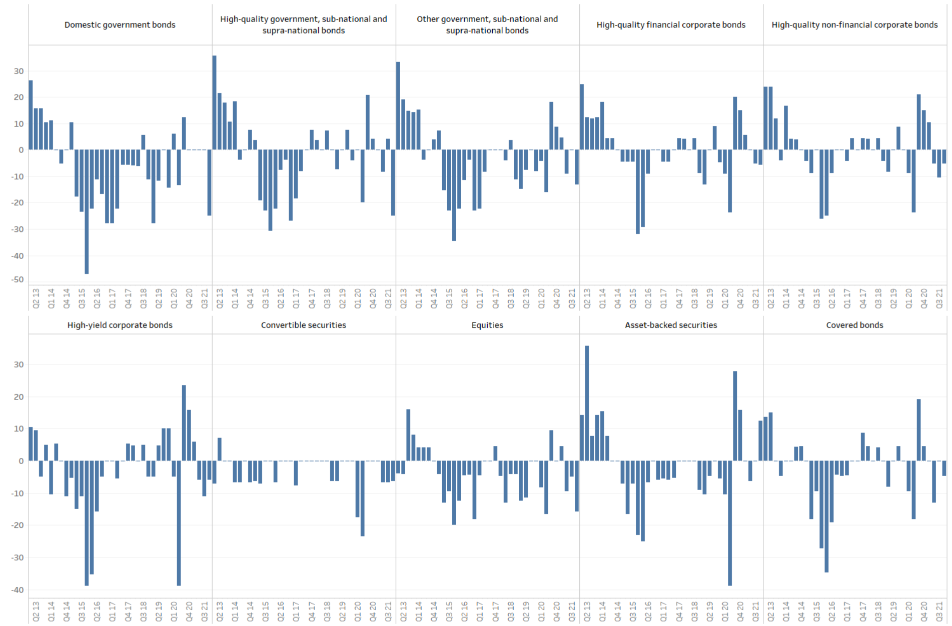
The liquidity of most types of collateral, especially government bonds, deteriorated. Survey participants reported deteriorated liquidity conditions for most collateral types, especially euro-denominated domestic and high-quality and other government, sub-national and supra-national bonds (see Chart B). A small net percentage of respondents reported improved liquidity conditions for asset-backed securities.

Collateral valuation disputes remained unchanged for all collateral types. For the review period from September to November 2021, the fourth review period in a row, all survey respondents reported, for all collateral types, no change to the volume and duration of collateral valuation disputes.

Chart B

Liquidity of collateral

(Q1 2013 to Q4 2021; net percentages of survey respondents)



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

Non-centrally cleared OTC derivatives

Initial margin requirements increased slightly for all OTC derivatives except credit derivatives referencing sovereigns or corporates and commodity derivatives, for which they remained unchanged. A small net percentage of survey respondents reported an increase in initial margin requirements for foreign exchange derivatives, interest rate derivatives, credit derivatives referencing structured credit products, equity derivatives and total return swaps referencing non-securities, while initial margin requirements remained, on balance, unchanged for credit derivatives referencing sovereigns or corporates and commodity derivatives. For most-favoured customers, on the other hand, initial margin requirements for foreign exchange derivatives remained, on balance, unchanged and requirements for commodity derivatives decreased slightly.

Responses were mixed regarding the maximum amount of exposure and the maximum maturity of trades. Small net percentages of survey participants reported an increase in the maximum amount of exposure and the maximum maturity for interest rate derivatives, equity derivatives and total return swaps referencing non-securities, and a decrease for credit derivatives referencing sovereigns or corporates. For foreign exchange derivatives and commodity derivatives, respondents indicated an increase in the maximum amount of exposure while the maximum maturity remained, on balance, unchanged. The maximum amount of exposure to credit derivatives referencing structured credit products remained unchanged, whereas one respondent reported that the maximum maturity of trades had decreased somewhat.

Liquidity and trading deteriorated for many types of OTC derivative. Survey respondents reported improved liquidity and trading conditions for foreign exchange and equity derivatives as well as for total return swaps referencing non-securities, but worsened conditions for all other derivatives types.

Valuation disputes decreased in volume, or duration and persistence, for almost all types of OTC derivative. A small net percentage of respondents reported a decrease in the volume of valuation disputes for equity derivatives, credit derivatives referencing sovereigns, corporates or structured credit products, as well as total return swaps referencing non-securities, while the volume of valuation disputes for other derivative types remained, on balance, unchanged. Moreover, a small net share of survey participants indicated a decrease in the duration and persistence of valuation disputes for foreign exchange derivatives, interest rate derivatives, equity derivatives and commodity derivatives, while the duration and persistence of valuation disputes increased slightly for credit derivatives referencing structured credit products and remained unchanged for all other derivative types.

Respondents reported very few changes in new or renegotiated master agreements. A small percentage of respondents reported slightly tighter criteria for margin call practices and for other documentation features (e.g. credit support annex amendments to address the discount rate switch from EONIA to the €STR) incorporated into new or renegotiated master agreements. A small percentage of respondents also reported slightly easier conditions for acceptable collateral.

The posting of non-standard collateral increased slightly. One respondent reported that the posting of non-standard collateral had increased somewhat; others reported no change.

Special questions

Market-making activities

The December 2021 survey included a number of special questions about market-making activities. Respondents were asked, for example, how their market-making activities had changed over the past year, how such activities were expected to change in 2022 and how they assessed their ability to act as market-makers in times of stress. Similar special questions have been asked in previous December rounds of the survey, allowing longer-term trends to be identified.

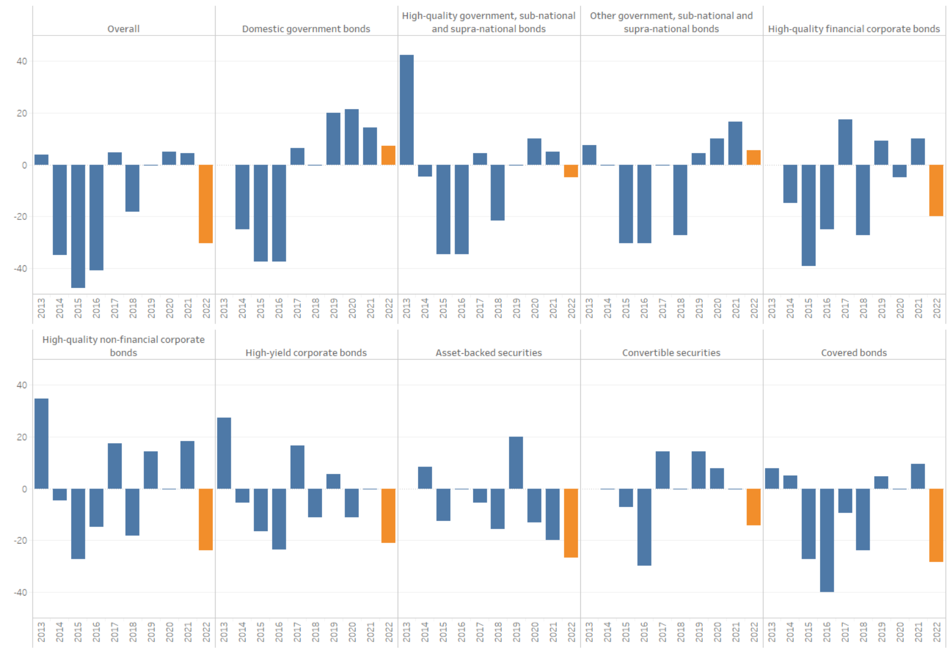
Market-making activities had decreased for many types of debt security and derivative over the past year. The decrease in market-making activities was particularly noticeable for high-quality corporate bonds, domestic government bonds, and "other government, sub-national and supra-national bonds", as well as for covered bonds. However, a significant net percentage of respondents reported an increase in market making for asset-backed securities. Market-making activities for high-yield corporate bonds and convertible securities remained unchanged (see Chart C).

Market-making activities were expected to broadly increase in 2022. Whereas a net 23% of respondents expected market-making activities to increase for debt securities, a net 14% expected them to increase for derivatives. Respondents reported expectations of an increase for all asset classes covered by the survey except domestic government bonds and "other government bonds". For these securities, small net percentages of respondents expected their market-making activities to decrease in 2022 (see Chart C). The strongest expectations of an increase – with net percentages ranging between 20% and 29% – were reported for covered bonds, asset-backed securities and corporate bonds.

Chart C

Changes and expected changes in market-making activities

(Q4 2013 to Q4 2021 for observed changes; 2022 for expected changes (orange bars); net percentages of survey respondents)



Source: ECB.
Notes: Net percentages are defined as the difference between the percentage of respondents reporting "increased/likely to increase somewhat" or "increased/likely to increase considerably" and those reporting "decreased/likely to decrease somewhat" or "decreased/likely to decrease considerably". The values for 2022 are taken from the answers to the questions on expected changes reported in December 2021. The values for the fourth quarter of 2013 represent average changes during the period from the fourth quarter of 2008 to the fourth quarter of 2013.

Competition from other banks was cited as the main driver of a decrease in market-making activities over the past year, while willingness to take on risk was the largest factor behind expected increases in market-making activities

in the year ahead. Next to competition from other banks, respondents pointed to constraints on the availability of balance sheet or capital at the institution and reduced profitability of market-making activities as drivers explaining the decrease in market-making activities over the past year. For the year ahead, in addition to the willingness of their institution to take on risk, survey respondents identified expectations of increased availability of balance sheet or capital at the institution and the growing importance of electronic trading platforms as factors.

While respondents expressed confidence in their ability to act as market-makers in times of stress for many asset classes, they expressed very low confidence in their ability to act as market-makers for corporate bonds in times of stress. Respondents' confidence in their ability to act as market-makers in times of stress was strongest in relation to derivatives, with 94% of respondents assessing their capacity as either "moderate" or "good". Respondents were also very confident in their ability to act as market-makers for domestic government bonds, high-quality government bonds as well as high-quality financial and covered bonds, with more than 80% of respondents assessing their ability as either "moderate" or "good". However, respondents reported low confidence in their ability to act as market-maker for non-financial corporate bonds in times of stress. Almost 40% of respondents reported either a "limited" or "very limited" ability to act as market-maker for high-quality non-financial corporate bonds, and almost 60% of respondents reported a "limited" or "very limited" ability to act as market-maker for high-yield corporate bonds in times of stress.

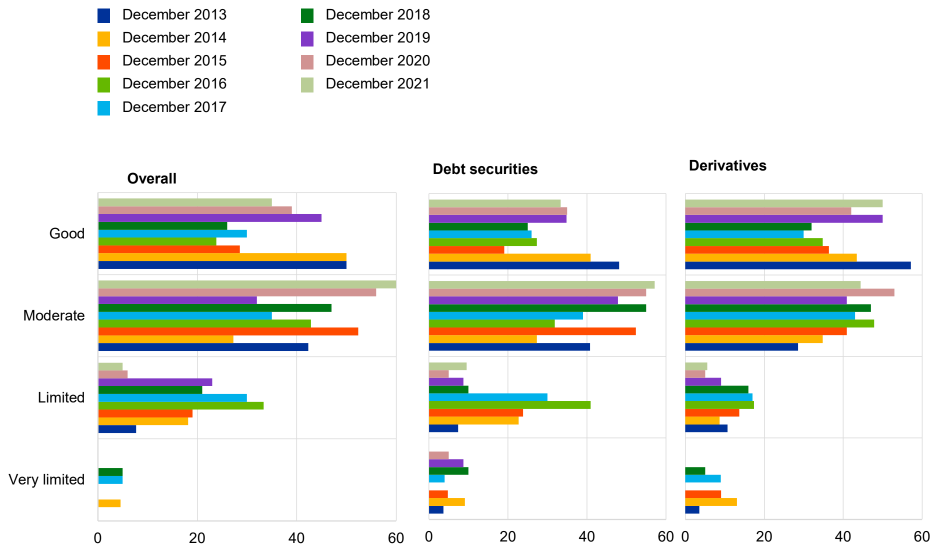
Overall, the survey confirmed respondents' confidence in their ability to act as market-makers in times of stress as reported in the previous two years (see Chart D). While, as in December 2020, more respondents described their ability to act as market-makers in times of stress as either "good" or "moderate" than "limited" or "very limited", the number of respondents selecting "good" fell compared with a year earlier, while the number selecting "moderate" rose, benefiting in particular from a decline in the number describing their ability as "limited". For derivatives, more banks characterised their ability to act as market-makers in times of stress as "good" or "moderate" compared with a year ago. As in the previous two December SESFOD surveys, no respondent reported their market-making ability as "very limited" for derivatives. For debt securities, significantly more banks described their ability to act as market-makers in times of stress as "moderate", and fewer banks said their ability was either "limited" or "very limited". Compared with the previous December SESFOD survey, more respondents reported a "very limited" or "limited" ability to act as market-makers in times of stress for "other government bonds" and for high-yield corporate bonds.

Willingness to take on risk remained the main reason for banks' confidence in their ability to act as market-makers in times of stress. Whereas banks typically cited willingness to take on risk, the availability of balance sheet capacity and internal risk management constraints (e.g. Value at Risk) when reporting "moderate" or "good" market-making ability for debt securities and derivatives in strained market conditions, for derivatives they mentioned the availability of hedging instruments as an additional factor. Banks reporting a "very limited" or "limited" ability to act as market-makers in times of stress for “other government bonds” and for high-yield corporate bonds mentioned in particular willingness to take on risk and the availability of balance sheet capacity as factors.

Chart D

Ability to act as a market-maker in times of stress

(Q4 2013 to Q4 2021; percentages of survey respondents)



Source: ECB.

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
						Sep. 2021	Dec. 2021	
Banks and dealers								
Price terms	0	9	87	4	0	**+17**	**+4**	23
Non-price terms	0	0	100	0	0	**+13**	**0**	23
Overall	0	9	86	5	0	**+13**	**+5**	22
Hedge funds								
Price terms	0	5	95	0	0	**+21**	**+5**	19
Non-price terms	0	0	100	0	0	**+21**	**0**	19
Overall	0	5	95	0	0	**+21**	**+5**	19
Insurance companies								
Price terms	0	17	83	0	0	**+17**	**+17**	23
Non-price terms	0	4	96	0	0	**+17**	**+4**	23
Overall	0	14	86	0	0	**+17**	**+14**	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	9	91	0	0	**+21**	**+9**	23
Non-price terms	0	0	100	0	0	**+17**	**0**	23
Overall	0	9	91	0	0	**+17**	**+9**	22
Non-financial corporations								
Price terms	0	17	83	0	0	**+17**	**+17**	23
Non-price terms	0	4	96	0	0	**+13**	**+4**	23
Overall	0	14	86	0	0	**+17**	**+14**	22
Sovereigns								
Price terms	0	10	90	0	0	**+14**	**+10**	21
Non-price terms	0	0	100	0	0	**+14**	**0**	21
Overall	0	10	90	0	0	**+14**	**+10**	20
All counterparties above								
Price terms	0	8	88	4	0	**+16**	**+4**	25
Non-price terms	0	0	100	0	0	**+12**	**0**	25
Overall	0	8	88	4	0	**+13**	**+4**	24

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

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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Banks and dealers								
Price terms	4	9	83	4	0	-9	+9	23
Non-price terms	0	4	91	4	0	-4	0	23
Overall	5	9	82	5	0	-4	+9	22
Hedge funds								
Price terms	0	11	84	5	0	0	+5	19
Non-price terms	0	0	95	5	0	0	-5	19
Overall	0	11	84	5	0	0	+5	19
Insurance companies								
Price terms	4	9	78	9	0	-9	+4	23
Non-price terms	0	0	91	9	0	-4	-9	23
Overall	5	9	77	9	0	-4	+5	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	4	4	87	4	0	-4	+4	23
Non-price terms	0	0	96	4	0	0	-4	23
Overall	5	5	86	5	0	0	+5	22
Non-financial corporations								
Price terms	4	9	83	4	0	-4	+9	23
Non-price terms	0	0	96	4	0	0	-4	23
Overall	5	9	82	5	0	0	+9	22
Sovereigns								
Price terms	0	10	86	5	0	-10	+5	21
Non-price terms	0	0	95	5	0	-5	-5	21
Overall	0	10	85	5	0	-5	+5	20
All counterparties above								
Price terms	4	4	88	4	0	-8	+4	25
Non-price terms	0	0	96	4	0	-4	-4	25
Overall	4	4	88	4	0	-4	+4	24

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

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

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

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	
				Sep. 2021	Dec. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	0	33
Willingness of your institution to take on risk	0	0	0	25	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	8	0
General market liquidity and functioning	100	0	0	25	67
Competition from other institutions	0	0	0	17	0
Other	0	0	0	25	0
Total number of answers	2	1	0	12	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	50	0
General market liquidity and functioning	0	0	0	50	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	2	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	0	0	0	11	0
Competition from other institutions	0	0	0	11	0
Other	0	0	0	33	0
Total number of answers	0	0	0	9	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

To the extent that [price/ non-price] terms applied to [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	
				Sep. 2021	Dec. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	8	50
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	8	0
General market liquidity and functioning	100	0	0	8	50
Competition from other institutions	0	0	0	17	0
Other	0	0	0	25	0
Total number of answers	1	1	0	12	2
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
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	8	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	8	0
General market liquidity and functioning	0	0	0	8	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	25	0
Total number of answers	0	0	0	12	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

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 Sep. 2021	Either first, second or third reason Dec. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	0	20
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	100	0	0	33	80
Competition from other institutions	0	0	0	22	0
Other	0	0	0	33	0
Total number of answers	4	1	0	9	5
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	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
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	100	0	0	11	100
Competition from other institutions	0	0	0	11	0
Other	0	0	0	33	0
Total number of answers	1	0	0	9	1
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	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 [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	
					Sep. 2021	Dec. 2021
Price terms						
Possible reasons for tightening						
Current or expected financial strength of counterparties		0	100	0	0	33
Willingness of your institution to take on risk		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	11	0
General market liquidity and functioning		100	0	0	33	67
Competition from other institutions		0	0	0	22	0
Other		0	0	0	33	0
Total number of answers		2	1	0	9	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
Non-price terms						
Possible reasons for tightening						
Current or expected financial strength of counterparties		0	0	0	0	0
Willingness of your institution to take on risk		0	0	0	30	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	10	0
General market liquidity and functioning		0	0	0	10	0
Competition from other institutions		0	0	0	20	0
Other		0	0	0	30	0
Total number of answers		0	0	0	10	0
Possible reasons for easing						
Current or expected financial strength of counterparties		0	0	0	0	0
Willingness of your institution to take on risk		0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)		0	0	0	0	0
Internal treasury charges for funding		0	0	0	0	0
Availability of balance sheet or capital at your institution		0	0	0	0	0
General market liquidity and functioning		0	0	0	0	0
Competition from other institutions		0	0	0	0	0
Other		0	0	0	0	0
Total number of answers		0	0	0	0	0

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

To the extent that [price/ non-price] terms applied to [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 Sep. 2021	Either first, second or third reason Dec. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	50	0	13	29
Willingness of your institution to take on risk	0	0	100	13	14
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	75	50	0	25	57
Competition from other institutions	0	0	0	13	0
Other	0	0	0	38	0
Total number of answers	4	2	1	8	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	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
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	100	0	0	11	33
Willingness of your institution to take on risk	0	0	100	44	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	11	33
Competition from other institutions	0	0	0	0	0
Other	0	0	0	33	0
Total number of answers	1	1	1	9	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	
				Sep. 2021	Dec. 2021
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	0	33
Willingness of your institution to take on risk	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	14	0
General market liquidity and functioning	100	0	0	29	67
Competition from other institutions	0	0	0	14	0
Other	0	0	0	43	0
Total number of answers	2	1	0	7	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
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	11	0
General market liquidity and functioning	0	0	0	11	0
Competition from other institutions	0	0	0	11	0
Other	0	0	0	33	0
Total number of answers	0	0	0	9	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

To 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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Practices 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 "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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Banks and dealers	0	4	96	0	0	-4	+4	24
Central counterparties	0	0	92	8	0	+4	-8	24

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

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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Hedge funds								
Use of financial leverage	0	11	89	0	0	+6	+11	18
Availability of unutilised leverage	0	6	94	0	0	+6	+6	17
Insurance companies								
Use of financial leverage	0	0	100	0	0	**0**	**0**	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	95	5	0	**0**	-5	22

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2021	Dec. 2021	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	95	5	0	-4	-5	21
Provision of differential terms to most-favoured clients	0	0	95	5	0	-5	-5	21
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	95	0	5	-5	-5	19
Provision of differential terms to most-favoured clients	0	0	95	0	5	0	-5	19
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	100	0	0	-9	0	21
Provision of differential terms to most-favoured clients	0	0	100	0	0	-5	0	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	95	5	0	-9	-5	21
Provision of differential terms to most-favoured clients	0	0	95	5	0	-5	-5	21
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	91	9	0	-13	-9	22
Provision of differential terms to most-favoured clients	0	0	95	5	0	-4	-5	22

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

1.6 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
						Sep. 2021	Dec. 2021	
Banks and dealers								
Volume	0	0	95	5	0	-4	-5	21
Duration and persistence	0	5	95	0	0	-5	+5	21
Hedge funds								
Volume	0	6	94	0	0	-5	+6	18
Duration and persistence	0	0	94	6	0	0	-6	18
Insurance companies								
Volume	0	5	95	0	0	+4	+5	21
Duration and persistence	10	0	90	0	0	-5	+10	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	5	95	0	0	0	+5	21
Duration and persistence	0	0	100	0	0	-5	0	21
Non-financial corporations								
Volume	0	0	100	0	0	+4	0	22
Duration and persistence	0	9	91	0	0	+4	+9	22

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

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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	6	81	13	0	+7	-6	16
Maximum maturity of funding	0	0	88	13	0	0	-13	16
Haircuts	0	0	94	6	0	0	-6	16
Financing rate/spread	6	25	56	13	0	+13	+19	16
Use of CCPs	0	7	93	0	0	-7	+7	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	92	8	0	-8	-8	25
Maximum maturity of funding	0	0	92	8	0	-12	-8	25
Haircuts	0	0	100	0	0	+4	0	25
Financing rate/spread	0	16	72	12	0	+12	+4	25
Use of CCPs	0	4	92	4	0	-9	0	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	96	4	0	-4	-4	24
Maximum maturity of funding	0	0	96	4	0	-4	-4	24
Haircuts	0	0	100	0	0	+4	0	24
Financing rate/spread	0	21	79	0	0	+17	+21	24
Use of CCPs	0	0	100	0	0	-5	0	23
High-quality financial corporate bonds								
Maximum amount of funding	0	10	75	15	0	-15	-5	20
Maximum maturity of funding	0	0	90	10	0	-30	-10	20
Haircuts	0	10	85	5	0	0	+5	20
Financing rate/spread	0	30	65	5	0	+25	+25	20
Use of CCPs	0	0	93	7	0	-7	-7	15
High-quality non-financial corporate bonds								
Maximum amount of funding	0	14	76	10	0	-10	+5	21
Maximum maturity of funding	0	5	81	14	0	-25	-10	21
Haircuts	0	5	90	5	0	+5	0	21
Financing rate/spread	0	29	67	5	0	+25	+24	21
Use of CCPs	0	6	94	0	0	-7	+6	16
High-yield corporate bonds								
Maximum amount of funding	0	11	79	11	0	-16	0	19
Maximum maturity of funding	0	5	79	16	0	-21	-11	19
Haircuts	0	5	84	11	0	+5	-5	19
Financing rate/spread	0	32	68	0	0	+21	+32	19
Use of CCPs	0	0	92	8	0	+8	-8	13

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
						Sep. 2021	Dec. 2021	
Convertible securities								
Maximum amount of funding	0	0	94	6	0	+7	-6	16
Maximum maturity of funding	0	0	94	6	0	0	-6	16
Haircuts	0	0	94	6	0	0	-6	16
Financing rate/spread	0	13	75	13	0	0	0	16
Use of CCPs	0	0	100	0	0	0	0	13
Equities								
Maximum amount of funding	5	0	79	16	0	+5	-11	19
Maximum maturity of funding	0	0	84	16	0	-9	-16	19
Haircuts	0	0	100	0	0	-5	0	19
Financing rate/spread	0	11	74	11	5	0	-5	19
Use of CCPs	0	0	100	0	0	0	0	16
Asset-backed securities								
Maximum amount of funding	0	0	88	12	0	-12	-12	17
Maximum maturity of funding	0	0	82	18	0	-18	-18	17
Haircuts	0	6	88	6	0	+6	0	17
Financing rate/spread	0	18	82	0	0	+24	+18	17
Use of CCPs	0	0	100	0	0	0	0	12
Covered bonds								
Maximum amount of funding	0	9	82	9	0	-4	0	22
Maximum maturity of funding	0	0	91	9	0	-13	-9	22
Haircuts	0	0	95	5	0	+4	-5	22
Financing rate/spread	0	14	86	0	0	+17	+14	22
Use of CCPs	0	0	95	5	0	-5	-5	20

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

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2021	Dec. 2021	
Domestic government bonds								
Maximum amount of funding	0	6	81	13	0	+7	-6	16
Maximum maturity of funding	0	0	94	6	0	0	-6	16
Haircuts	0	0	94	6	0	0	-6	16
Financing rate/spread	6	25	63	6	0	+33	+25	16
Use of CCPs	0	7	93	0	0	0	+7	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	92	8	0	-4	-8	25
Maximum maturity of funding	0	0	92	8	0	-12	-8	25
Haircuts	0	0	100	0	0	+4	0	25
Financing rate/spread	0	20	76	4	0	+28	+16	25
Use of CCPs	0	4	96	0	0	-4	+4	25
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	0	96	4	0	-4	-4	24
Haircuts	0	0	100	0	0	+4	0	24
Financing rate/spread	0	21	79	0	0	+25	+21	24
Use of CCPs	0	0	100	0	0	-5	0	24
High-quality financial corporate bonds								
Maximum amount of funding	0	11	74	16	0	-5	-5	19
Maximum maturity of funding	0	0	89	11	0	-20	-11	19
Haircuts	0	11	84	5	0	0	+5	19
Financing rate/spread	0	32	68	0	0	+35	+32	19
Use of CCPs	0	0	93	7	0	-6	-7	15
High-quality non-financial corporate bonds								
Maximum amount of funding	0	10	80	10	0	0	0	20
Maximum maturity of funding	0	5	80	15	0	-20	-10	20
Haircuts	0	5	90	5	0	+5	0	20
Financing rate/spread	0	25	75	0	0	+35	+25	20
Use of CCPs	0	6	94	0	0	-6	+6	16
High-yield corporate bonds								
Maximum amount of funding	0	6	83	11	0	-11	-6	18
Maximum maturity of funding	0	6	78	17	0	-16	-11	18
Haircuts	0	6	89	6	0	+5	0	18
Financing rate/spread	0	22	72	6	0	+32	+17	18
Use of CCPs	0	0	93	7	0	+7	-7	14

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

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

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

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
						Sep. 2021	Dec. 2021	
Convertible securities								
Maximum amount of funding	0	0	93	7	0	**+15**	**-7**	15
Maximum maturity of funding	0	0	93	7	0	**0**	**-7**	15
Haircuts	0	0	93	7	0	**0**	**-7**	15
Financing rate/spread	0	13	73	13	0	**0**	**0**	15
Use of CCPs	0	0	100	0	0	**0**	**0**	13
Equities								
Maximum amount of funding	0	6	82	12	0	**0**	**-6**	17
Maximum maturity of funding	0	0	82	18	0	**-10**	**-18**	17
Haircuts	0	0	100	0	0	**-5**	**0**	17
Financing rate/spread	0	12	71	18	0	**0**	**-6**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	16
Asset-backed securities								
Maximum amount of funding	0	0	88	12	0	**-11**	**-12**	17
Maximum maturity of funding	0	0	82	18	0	**-11**	**-18**	17
Haircuts	0	6	88	6	0	**+6**	**0**	17
Financing rate/spread	0	24	76	0	0	**+28**	**+24**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Covered bonds								
Maximum amount of funding	0	9	82	9	0	**-8**	**0**	22
Maximum maturity of funding	0	0	91	9	0	**-13**	**-9**	22
Haircuts	0	0	95	5	0	**+4**	**-5**	22
Financing rate/spread	0	18	82	0	0	**+25**	**+18**	22
Use of CCPs	0	0	95	5	0	**-5**	**-5**	20

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

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

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

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Sep. 2021	Dec. 2021	
Domestic government bonds								
Terms for average clients	0	7	93	0	0	**0**	**+7**	14
Terms for most-favoured clients	0	7	93	0	0	**0**	**+7**	14
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**-5**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**-5**	**0**	21
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**-5**	**0**	21
Terms for most-favoured clients	0	0	100	0	0	**-5**	**0**	21
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**-6**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**-6**	**0**	16
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	**-6**	**0**	17
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**-7**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**-6**	**0**	16
Convertible securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	15
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	14
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**	16
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**-8**	**0**	13
Terms for most-favoured clients	0	0	100	0	0	**-7**	**0**	13
Covered bonds								
Terms for average clients	0	0	100	0	0	**-5**	**0**	20
Terms for most-favoured clients	0	0	100	0	0	**-5**	**0**	19

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2021	Dec. 2021	
Domestic government bonds								
Overall demand	0	19	69	13	0	**+13**	**+6**	16
With a maturity greater than 30 days	0	19	69	6	6	**+13**	**+6**	16
High-quality government, sub-national and supra-national bonds								
Overall demand	0	8	75	13	4	**+8**	**-8**	24
With a maturity greater than 30 days	0	13	75	13	0	**+4**	**0**	24
Other government, sub-national and supra-national bonds								
Overall demand	0	17	78	4	0	**+13**	**+13**	23
With a maturity greater than 30 days	0	13	83	4	0	**+13**	**+9**	23
High-quality financial corporate bonds								
Overall demand	0	17	72	11	0	**0**	**+6**	18
With a maturity greater than 30 days	0	11	78	11	0	**+11**	**0**	18
High-quality non-financial corporate bonds								
Overall demand	0	11	74	16	0	**+5**	**-5**	19
With a maturity greater than 30 days	0	11	79	11	0	**+11**	**0**	19
High-yield corporate bonds								
Overall demand	0	12	88	0	0	**+6**	**+12**	17
With a maturity greater than 30 days	0	12	88	0	0	**+11**	**+12**	17
Convertible securities								
Overall demand	6	6	88	0	0	**+7**	**+13**	16
With a maturity greater than 30 days	6	0	88	6	0	**+7**	**0**	16
Equities								
Overall demand	0	16	68	16	0	**0**	**0**	19
With a maturity greater than 30 days	5	0	79	16	0	**-5**	**-11**	19
Asset-backed securities								
Overall demand	0	13	81	6	0	**+18**	**+6**	16
With a maturity greater than 30 days	0	6	88	6	0	**+12**	**0**	16
Covered bonds								
Overall demand	0	14	86	0	0	**+5**	**+14**	21
With a maturity greater than 30 days	0	10	90	0	0	**+9**	**+10**	21
All collateral types above								
Overall demand	0	10	80	10	0	**+5**	**0**	20
With a maturity greater than 30 days	0	10	90	0	0	**+9**	**+10**	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
						Sep. 2021	Dec. 2021	
Domestic government bonds								
Liquidity and functioning	6	19	75	0	0	**0**	**+25**	16
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	4	21	75	0	0	**-4**	**+25**	24
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	13	87	0	0	**0**	**+13**	23
High-quality financial corporate bonds								
Liquidity and functioning	0	11	83	6	0	**+5**	**+6**	18
High-quality non-financial corporate bonds								
Liquidity and functioning	0	11	84	5	0	**+11**	**+5**	19
High-yield corporate bonds								
Liquidity and functioning	0	6	94	0	0	**+11**	**+6**	17
Convertible securities								
Liquidity and functioning	0	6	94	0	0	**+7**	**+6**	16
Equities								
Liquidity and functioning	0	16	84	0	0	**+5**	**+16**	19
Asset-backed securities								
Liquidity and functioning	0	0	88	13	0	**0**	**-13**	16
Covered bonds								
Liquidity and functioning	0	10	86	5	0	**0**	**+5**	21
All collateral types above								
Liquidity and functioning	0	10	80	10	0	**0**	**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
						Sep. 2021	Dec. 2021	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	23
Duration and persistence	0	0	100	0	0	**0**	**0**	23
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	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
Equities								
Volume	0	0	100	0	0	**0**	**0**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18
Asset-backed securities								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Covered bonds								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	100	0	0	**0**	**0**	20
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
						Sep. 2021	Dec. 2021	
Foreign exchange								
Average clients	0	4	87	9	0	**0**	**-4**	23
Most-favoured clients	0	4	91	4	0	**0**	**0**	23
Interest rates								
Average clients	0	5	86	9	0	**-5**	**-5**	22
Most-favoured clients	0	5	86	9	0	**-5**	**-5**	22
Credit referencing sovereigns								
Average clients	0	7	87	7	0	**-12**	**0**	15
Most-favoured clients	0	7	87	7	0	**-12**	**0**	15
Credit referencing corporates								
Average clients	0	6	88	6	0	**-11**	**0**	17
Most-favoured clients	0	6	88	6	0	**-11**	**0**	17
Credit referencing structured credit products								
Average clients	0	0	93	7	0	**-6**	**-7**	15
Most-favoured clients	0	0	93	7	0	**-6**	**-7**	15
Equity								
Average clients	0	5	79	16	0	**-16**	**-11**	19
Most-favoured clients	0	5	79	16	0	**-11**	**-11**	19
Commodity								
Average clients	0	7	86	0	7	**-8**	**0**	14
Most-favoured clients	0	7	93	0	0	**-8**	**+7**	14
Total return swaps referencing non-securities								
Average clients	0	0	86	14	0	**0**	**-14**	14
Most-favoured clients	0	0	86	14	0	**0**	**-14**	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 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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	0	87	13	0	**0**	**-13**	23
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	23
Interest rates								
Maximum amount of exposure	0	0	91	9	0	**-4**	**-9**	22
Maximum maturity of trades	0	0	91	9	0	**0**	**-9**	22
Credit referencing sovereigns								
Maximum amount of exposure	0	8	92	0	0	**+6**	**+8**	13
Maximum maturity of trades	0	8	92	0	0	**0**	**+8**	13
Credit referencing corporates								
Maximum amount of exposure	0	7	93	0	0	**0**	**+7**	15
Maximum maturity of trades	0	7	93	0	0	**-6**	**+7**	15
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	**-7**	**0**	13
Maximum maturity of trades	0	8	92	0	0	**0**	**+8**	13
Equity								
Maximum amount of exposure	0	12	71	18	0	**-6**	**-6**	17
Maximum maturity of trades	0	0	89	11	0	**-6**	**-11**	18
Commodity								
Maximum amount of exposure	7	0	79	14	0	**+8**	**-7**	14
Maximum maturity of trades	7	0	86	7	0	**0**	**0**	14
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	86	14	0	**0**	**-14**	14
Maximum maturity of trades	0	0	93	7	0	**0**	**-7**	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 Sep. 2021	Net percentage Dec. 2021	Total number of answers
Foreign exchange								
Liquidity and trading	0	0	96	4	0	**0**	**-4**	23
Interest rates								
Liquidity and trading	5	9	82	5	0	**0**	**+9**	22
Credit referencing sovereigns								
Liquidity and trading	0	8	92	0	0	**0**	**+8**	13
Credit referencing corporates								
Liquidity and trading	0	7	93	0	0	**+6**	**+7**	15
Credit referencing structured credit products								
Liquidity and trading	0	8	92	0	0	**+6**	**+8**	13
Equity								
Liquidity and trading	0	0	94	6	0	**0**	**-6**	18
Commodity								
Liquidity and trading	0	7	93	0	0	**0**	**+7**	15
Total return swaps referencing non-securities								
Liquidity and trading	0	0	93	7	0	**0**	**-7**	14

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
						Sep. 2021	Dec. 2021	
Foreign exchange								
Volume	0	4	91	4	0	**-5**	**0**	23
Duration and persistence	0	9	87	4	0	**-5**	**+4**	23
Interest rates								
Volume	0	5	91	5	0	**-5**	**0**	22
Duration and persistence	0	9	86	5	0	**-5**	**+5**	22
Credit referencing sovereigns								
Volume	0	14	86	0	0	**-6**	**+14**	14
Duration and persistence	0	7	86	7	0	**-6**	**0**	14
Credit referencing corporates								
Volume	0	13	87	0	0	**-6**	**+13**	15
Duration and persistence	0	7	87	7	0	**-6**	**0**	15
Credit referencing structured credit products								
Volume	0	13	87	0	0	**-6**	**+13**	15
Duration and persistence	0	7	80	13	0	**-13**	**-7**	15
Equity								
Volume	0	11	83	6	0	**-6**	**+6**	18
Duration and persistence	0	17	78	6	0	**-12**	**+11**	18
Commodity								
Volume	0	6	88	6	0	**-8**	**0**	16
Duration and persistence	0	13	81	6	0	**-8**	**+6**	16
Total return swaps referencing non-securities								
Volume	0	7	93	0	0	**-7**	**+7**	15
Duration and persistence	0	7	87	7	0	**-13**	**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".

3.2 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
						Sep. 2021	Dec. 2021	
Margin call practices	0	4	96	0	0	+4	+4	23
Acceptable collateral	0	0	91	9	0	-9	-9	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	9	91	0	0	+9	+9	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
						Sep. 2021	Dec. 2021	
Posting of non-standard collateral	0	0	95	5	0	+5	-5	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".

Special questions
5.1 Market-making activities
Changes in market-making activities

How have the market-making activities of your institution for [debt securities/ derivatives/ overall] changed over the past year?

Table 28

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

Changes over past year	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage	Total number of answers
Debt securities	0	22	65	13	0	**+9**	23
Derivatives	0	24	57	19	0	**+5**	21
Overall	0	22	61	17	0	**+4**	23
Domestic government bonds	0	21	71	7	0	**+14**	14
High-quality government, sub-national and supra-national bonds	0	15	75	10	0	**+5**	20
Other government, sub-national and supra-national bonds	0	17	83	0	0	**+17**	18
High-quality financial corporate bonds	0	25	60	15	0	**+10**	20
High-quality non-financial corporate bonds	0	32	55	9	5	**+18**	22
High-yield corporate bonds	5	16	58	16	5	**0**	19
Convertible securities	0	7	86	0	7	**0**	14
Asset-backed securities	0	7	67	27	0	**-20**	15
Covered bonds	0	19	71	5	5	**+10**	21

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

Expected changes in market-making activities

How are the market-making activities of your institution for [debt securities/ derivatives/ overall] likely to change in 2022?

Table 29

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

Expected changes in 2022	Likely to decrease considerably	Likely to decrease somewhat	Likely to remain unchanged	Likely to increase somewhat	Likely to increase considerably	Net percentage	Total number of answers
Debt securities	0	0	77	18	5	**-23**	22
Derivatives	0	10	67	24	0	**-14**	21
Overall	0	0	70	30	0	**-30**	23
Domestic government bonds	0	7	93	0	0	**+7**	14
High-quality government, sub-national and supra-national bonds	0	5	85	10	0	**-5**	20
Other government, sub-national and supra-national bonds	0	6	94	0	0	**+6**	18
High-quality financial corporate bonds	0	10	60	20	10	**-20**	20
High-quality non-financial corporate bonds	0	10	57	24	10	**-24**	21
High-yield corporate bonds	0	11	58	26	5	**-21**	19
Convertible securities	0	0	86	14	0	**-14**	14
Asset-backed securities	0	0	73	27	0	**-27**	15
Covered bonds	0	0	71	24	5	**-29**	21

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

Reasons for changes in market-making activities over the past year

To the extent that market-making activities of your institution for [debt securities/ derivatives] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	22
Competition from other banks	0	33	50	22
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	11
Compliance with current or expected changes in regulation	0	33	0	11
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	25	33	0	22
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	11
Total number of answers	**4**	**3**	**2**	**9**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	50	29
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	50	0	29
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	50	29
Total number of answers	**3**	**2**	**2**	**7**
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	50	14
Internal treasury charges for funding market-making activities	33	0	0	14
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	29
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	50	14
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	0	0	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	14
Total number of answers	**3**	**2**	**2**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	33	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	13
Competition from other banks	0	33	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	25	0	0	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	33	0	38
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**3**	**1**	**8**

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	0	0	25
Competition from other banks	0	33	50	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	13
Compliance with current or expected changes in regulation	0	33	0	13
Growing importance of electronic trading platforms	33	0	0	13
Profitability of market making activities	0	33	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	14
Competition from other banks	0	50	0	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	75	0	0	43
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	14
Total number of answers	**4**	**2**	**1**	**7**
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	0	0	25
Competition from other banks	0	0	50	13
Competition from non-bank financial institutions	0	0	50	13
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	33	0	13
Compliance with current or expected changes in regulation	0	33	0	13
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	33	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	100	0	0	33
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	100	0	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	100	33
Total number of answers	**1**	**1**	**1**	**3**

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [high-quality government, sub-national and supra-national bonds/other government, sub-national and supra-national bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	0	0	25
Competition from other banks	0	0	100	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	33	0	13
Compliance with current or expected changes in regulation	0	33	0	13
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	33	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	100	0	0	50
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	50
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**0**	**2**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	0	0	25
Competition from other banks	0	0	100	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	33	0	13
Compliance with current or expected changes in regulation	0	33	0	13
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	33	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [high-quality financial corporate bonds/ high-quality non-financial corporate bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	60	0	0	30
Competition from other banks	20	0	50	20
Competition from non-bank financial institutions	0	0	50	10
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	33	0	10
Growing importance of electronic trading platforms	0	33	0	10
Profitability of market making activities	0	33	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	10
Total number of answers	**5**	**3**	**2**	**10**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	25
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	25
Total number of answers	**2**	**1**	**1**	**4**
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	17	0	0	9
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	27
Competition from other banks	17	0	50	18
Competition from non-bank financial institutions	0	0	50	9
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	33	0	9
Growing importance of electronic trading platforms	0	33	0	9
Profitability of market making activities	0	33	0	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	17	0	0	9
Total number of answers	**6**	**3**	**2**	**11**
Possible reasons for an increase				
Willingness of your institution to take on risk	67	50	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	14
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	14
Profitability of market making activities	0	50	0	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**2**	**7**

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [high-yield government bonds/convertible securities] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-yield corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	25
Competition from other banks	0	0	100	13
Competition from non-bank financial institutions	0	33	0	13
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	25	0	0	13
Growing importance of electronic trading platforms	0	33	0	13
Profitability of market making activities	0	33	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	13
Total number of answers	**4**	**3**	**1**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	50	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	17
Profitability of market making activities	0	50	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	17
Total number of answers	**3**	**2**	**1**	**6**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**

Reasons for changes in market-making activities over the past year (continued)

To the extent that market-making activities of your institution for [asset-backed securities/covered bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	100	0	0	33
Competition from other banks	0	0	100	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	0	0	11
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	11
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	33	0	11
Profitability of market making activities	0	33	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	75	33	50	56
Total number of answers	**4**	**3**	**2**	**9**
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	33	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	20
Competition from other banks	0	0	100	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	20
Total number of answers	**3**	**1**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	50	0	20
Profitability of market making activities	0	50	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	20
Total number of answers	**2**	**2**	**1**	**5**

Reasons for expected changes in market-making activities in 2022

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likey to decrease or increase in 2022 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31

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

Expected changes in 2022	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	50	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	25	50	30
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	25	0	20
Profitability of market making activities	25	0	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	10
Total number of answers	**4**	**4**	**2**	**10**
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	100	25
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	25
Total number of answers	**2**	**1**	**1**	**4**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	33	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	33	0	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	25	0	0	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	33	0	29
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	29
Total number of answers	**4**	**3**	**0**	**7**

Reasons for expected changes in market-making activities in 2022 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likey to decrease or increase in 2022 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2022	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	25	50	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	50	18
Competition from other banks	0	25	0	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	40	25	0	27
Profitability of market making activities	20	0	0	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	40	0	0	18
Total number of answers	**5**	**4**	**2**	**11**
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	100	0	33
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**

Reasons for expected changes in market-making activities in 2022 (continued)

To the extent that market-making activities of your institution for [high-quality government, sub-national and supra-national bonds/ other government, sub-national and supra-national bonds] are likey to decrease or increase in 2022 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2022	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	100	0	0	50
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	50
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**0**	**2**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**

Reasons for expected changes in market-making activities in 2022 (continued)

To the extent that market-making activities of your institution for [high-quality financial corporate bonds/ high-quality non-financial corporate bonds] are likey to decrease or increase in 2022 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2022	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	50	17
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	0	0	17
Growing importance of electronic trading platforms	0	50	0	17
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	50	50	50
Total number of answers	**2**	**2**	**2**	**6**
Possible reasons for an increase				
Willingness of your institution to take on risk	20	25	33	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	33	17
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	33	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	20	25	0	17
Profitability of market making activities	20	25	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	40	0	0	17
Total number of answers	**5**	**4**	**3**	**12**
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	50	17
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	0	0	17
Growing importance of electronic trading platforms	0	50	0	17
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	50	50	50
Total number of answers	**2**	**2**	**2**	**6**
Possible reasons for an increase				
Willingness of your institution to take on risk	17	25	33	23
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	25	33	23
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	33	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	17	25	0	15
Profitability of market making activities	17	25	0	15
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	15
Total number of answers	**6**	**4**	**3**	**13**

Reasons for expected changes in market-making activities in 2022 (continued)

To the extent that market-making activities of your institution for [high-yield corporate bonds/ convertible securities] are likey to decrease or increase in 2022 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2022	First reason	Second reason	Third reason	Either first, second or third reason
High-yield corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	50	0	20
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	0	0	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	50	100	60
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	25	33	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	33	15
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	33	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	17	25	0	15
Profitability of market making activities	17	25	0	15
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	15
Total number of answers	**6**	**4**	**3**	**13**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	100	0	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	33
Total number of answers	**2**	**1**	**0**	**3**

Reasons for expected changes in market-making activities in 2022 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likey to decrease or increase in 2022 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

Table 31 (continued)

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

Expected changes in 2022	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	50	0	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	50	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	25	50	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	13
Total number of answers	**4**	**2**	**2**	**8**
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	50	0	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	50	18
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	9
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	25	0	9
Profitability of market making activities	20	25	0	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	9
Total number of answers	**5**	**4**	**2**	**11**

Ability to act as a market-maker in times of stress

How would you assess the current ability of your institution to act as a market-maker for [debt securities/ derivatives/ overall] in times of stress?

Table 32

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

Ability to act as a market-maker in time of stress	Very limited	Limited	Moderate	Good	Net percentage	Total number of answers
Debt securities	0	10	57	33	-81	21
Derivatives	0	6	44	50	-89	18
Overall	0	5	60	35	-90	20
Domestic government bonds	0	8	77	15	-85	13
High-quality government, sub-national and supra-national bonds	0	11	61	28	-78	18
Other government, sub-national and supra-national bonds	6	39	33	22	-11	18
High-quality financial corporate bonds	5	15	50	30	-60	20
High-quality non-financial corporate bonds	5	33	33	29	-24	21
High-yield corporate bonds	12	47	24	18	+18	17
Convertible securities	9	18	45	27	-46	11
Asset-backed securities	15	8	54	23	-54	13
Covered bonds	5	15	35	45	-60	20

Note: The net percentage is defined as the difference between the percentage of respondents reporting "very limited" or "limited" and those reporting "moderate" and "good".

Reasons for (in)ability to act as a market-maker in times of stress

Given the ability of your institution to act as a market-maker for [debt securities/ derivatives] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	100	40
Availability of hedging instruments	100	0	0	40
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	36	11	33	27
Internal treasury charges for funding market-making activities	0	0	17	4
Availability of balance sheet or capital at your institution	18	22	0	15
Competition from other banks	0	11	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	22	17	12
Availability of hedging instruments	18	0	0	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	11	17	8
Profitability of market making activities	9	11	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	18	11	17	15
Total number of answers	**11**	**9**	**6**	**26**
Derivatives				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	100	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	33
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	45	11	25	29
Internal treasury charges for funding market-making activities	0	0	25	4
Availability of balance sheet or capital at your institution	18	11	25	17
Competition from other banks	0	11	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	22	25	13
Availability of hedging instruments	9	22	0	13
Compliance with current or expected changes in regulation	9	0	0	4
Growing importance of electronic trading platforms	9	11	0	8
Profitability of market making activities	0	11	0	4
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	0	0	4
Total number of answers	**11**	**9**	**4**	**24**

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [overall/ domestic government bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	100	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	33
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	14	25	25
Internal treasury charges for funding market-making activities	0	0	25	5
Availability of balance sheet or capital at your institution	22	29	0	20
Competition from other banks	0	14	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	14	25	10
Availability of hedging instruments	11	0	0	5
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	14	0	5
Profitability of market making activities	11	0	0	5
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	22	14	25	20
Total number of answers	**9**	**7**	**4**	**20**
Domestic government bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	50
Availability of hedging instruments	100	0	0	50
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**0**	**2**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	45	10	29	29
Internal treasury charges for funding market-making activities	0	0	14	4
Availability of balance sheet or capital at your institution	27	20	14	21
Competition from other banks	0	10	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	30	14	14
Availability of hedging instruments	9	0	0	4
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	10	14	7
Profitability of market making activities	9	10	0	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	10	14	11
Total number of answers	**11**	**10**	**7**	**28**

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [high-quality government, sub-national and supra-national bonds/ other government, sub-national and supra-national bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	50	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	33
Availability of hedging instruments	50	0	0	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**1**	**0**	**3**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	45	10	0	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	27	20	0	24
Competition from other banks	0	10	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	30	0	14
Availability of hedging instruments	9	0	0	5
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	10	0	5
Profitability of market making activities	9	10	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	10	0	10
Total number of answers	**11**	**10**	**0**	**21**
Other government, sub-national and supra-national bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	38	0	0	19
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	33	50	25
Competition from other banks	0	17	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	50	19
Availability of hedging instruments	50	0	0	25
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	17	0	6
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**8**	**6**	**2**	**16**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	20	0	67	23
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	60	0	0	23
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	40	0	15
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	8
Profitability of market making activities	0	40	0	15
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	20	0	15
Total number of answers	**5**	**5**	**3**	**13**

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [high-quality financial corporate bonds/ high-quality non-financial corporate bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	50	0	0	22
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	33	0	22
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	50	22
Availability of hedging instruments	25	0	0	11
Compliance with current or expected changes in regulation	0	0	50	11
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**3**	**2**	**9**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	22	0	50	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	17	0	24
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	12
Availability of hedging instruments	11	0	0	6
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	6
Profitability of market making activities	22	17	0	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	33	0	18
Total number of answers	**9**	**6**	**2**	**17**
High-quality non-financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	38	0	0	19
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	20	0	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	40	33	19
Availability of hedging instruments	38	0	0	19
Compliance with current or expected changes in regulation	0	0	33	6
Growing importance of electronic trading platforms	0	0	33	6
Profitability of market making activities	13	20	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	20	0	6
Total number of answers	**8**	**5**	**3**	**16**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	50	23
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	40	0	31
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	0	8
Availability of hedging instruments	0	0	50	8
Compliance with current or expected changes in regulation	17	0	0	8
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	17	20	0	15
Total number of answers	**6**	**5**	**2**	**13**

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [high yield corporate bonds/ convertible securities] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-yield corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	38	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	20	0	7
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	50	13
Availability of hedging instruments	25	0	0	13
Compliance with current or expected changes in regulation	25	0	0	13
Growing importance of electronic trading platforms	0	20	50	13
Profitability of market making activities	13	20	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	20	0	7
Total number of answers	**8**	**5**	**2**	**15**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	50	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	67	0	25
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	33	50	38
Total number of answers	**3**	**3**	**2**	**8**
Convertible securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	0	0	11
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	0	11
Competition from other banks	33	0	0	11
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	33	22
Availability of hedging instruments	33	0	0	11
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	11
Profitability of market making activities	0	33	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	33	11
Total number of answers	**3**	**3**	**3**	**9**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	0	0	100	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	13
Competition from other banks	0	33	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	13
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	33	0	25
Total number of answers	**4**	**3**	**1**	**8**

Reasons for (in)ability to act as a market-maker in times of stress (continued)

Given the ability of your institution to act as a market-maker for [asset-backed securities/ covered bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	67	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	0	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	50	25
Availability of hedging instruments	33	0	0	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	13
Profitability of market making activities	0	33	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	17	0	33	15
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	15
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	15
Availability of hedging instruments	17	0	0	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	50	67	46
Total number of answers	**6**	**4**	**3**	**13**
Covered bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	0	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	33	0	25
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	50	25
Availability of hedging instruments	33	0	0	13
Compliance with current or expected changes in regulation	0	0	50	13
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	67	28
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	22	17	0	17
Competition from other banks	11	0	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	11
Availability of hedging instruments	11	0	0	6
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	6
Profitability of market making activities	0	33	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	22	17	0	17
Total number of answers	**9**	**6**	**3**	**18**

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