EUROPEAN CENTRAL BANK

EUROSYSTEM

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

December 2022

The Eurosystem conducts a three-monthly qualitative survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets. This survey is a follow-up to a recommendation in the report of the Committee on the Global Financial System (CGFS) study group, entitled "The role of margin requirements and haircuts in procyclicality", published in March 2010[1]. The survey is part of an international initiative to collect information on trends in the credit terms offered by firms operating in the wholesale markets and insights into the main drivers of these trends. The information collected is valuable for financial stability, market functioning and monetary policy objectives.

The survey questions are grouped into three sections:

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

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

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

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

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

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

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

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

December 2022 SESFOD results

(Review period from September 2022 to November 2022)

The December 2022 Survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets (SESFOD) reports qualitative changes in credit terms between September 2022 and November 2022. 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.

Overview of results

On balance, overall credit terms and conditions tightened over the September-November 2022 review period across all counterparty types. Price and non-price terms tightened for all counterparty types, but in particular for investment funds. The overall tightening of credit terms and conditions − mainly attributed to a deterioration in general market liquidity and functioning − continued the trend reported for the previous six quarters and was in line with the expectations expressed in the September 2022 survey. Overall credit terms are expected to tighten further over the review period from December 2022 to February 2023. The amount of resources dedicated to managing concentrated credit exposures increased in the September-November 2022 review period, continuing a development reported since the March 2022 SESFOD. The use of financial leverage decreased for investment funds in the same September-November 2022 review period.

In the case of securities financing transactions, the maximum amount of funding offered against euro-denominated collateral, on balance, decreased for convertible securities in particular but also for high-quality corporate bonds, asset-backed securities and covered bonds. As for the maximum maturity of funding, respondents reported a mixed picture. Haircuts applied to euro-denominated collateral either increased or remained unchanged, while financing rates/spreads increased for financing secured against all collateral types except convertible securities and equities. Survey respondents reported an increased overall demand for funding and demand for funding with a maturity greater than 30 days. The liquidity of all collateral types continued to deteriorate, with the largest percentage of respondents reporting a decrease in the liquidity of high-yield corporate bonds.

Turning to non-centrally cleared OTC derivatives, survey respondents reported that initial margin requirements for most OTC derivatives increased during the September-November 2022 review period, but reported only limited changes with respect to the other questions on non-centrally cleared OTC derivatives.

The December 2022 survey included a number of special questions about market-making activities. Survey respondents reported that market-making activities had decreased or remained unchanged for all types of debt securities except domestic government bonds and had increased for derivatives over the past year. They expected market-making activities to broadly increase in 2023. Respondents cited profitability of market-making activities as the main driver of a decrease in market-making activities over the last year. They identified the willingness to take on risk and the availability of balance sheet or capital as the main drivers of expected changes in market-making activities in the year ahead.

Respondents expressed confidence in their ability to act as market-makers in times of stress for almost all types of debt securities – except high-yield corporate bonds – and for derivatives. They thereby broadly confirmed their assessment of the past two years – with the important exception of asset-backed securities and high-yield corporate bonds, for which they expressed very low confidence. Compared with the December 2021 survey, more respondents reported a “very limited” or “limited” ability to act as market-makers in times of stress for asset-backed securities, whereas more respondents reported a “moderate” or “good” ability for “other government bonds” and for convertible securities. Willingness to take on risk remained the main reason for banks’ confidence in their ability to act as market-makers in times of stress.

Counterparty types

Overall credit terms and conditions tightened over the September-November 2022 review period. Survey respondents reported a tightening of overall credit terms across all counterparty types (**Chart A**). Both price and non-price terms tightened for all counterparty types identified in the survey, with terms for investment funds tightening the most and those for sovereigns the least. The overall tightening of credit terms and conditions continued the trend reported for the previous six quarters and was in line with the expectations expressed in the September 2022 survey.

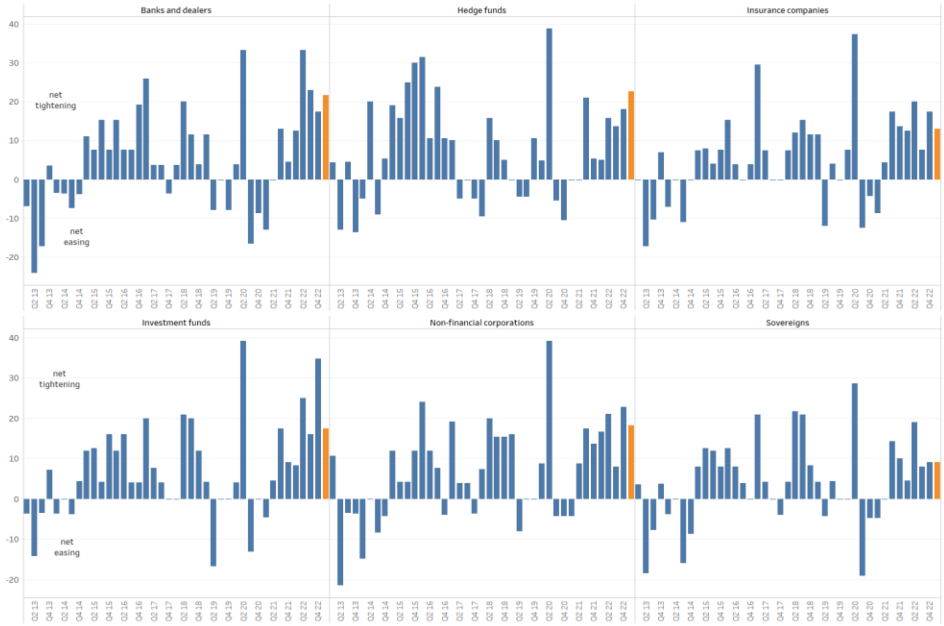
Respondents mainly attributed the tightening of credit terms to a deterioration in general market liquidity and functioning, as well as to concerns over an (expected) deterioration in the financial strength of counterparties. Other reasons provided by a number of respondents were reduced competition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

Survey respondents expected overall credit terms to tighten further over the December 2022-February 2023 review period (Chart A). Respondents expected tighter overall credit terms for all counterparty types, especially for banks and dealers, hedge funds, investment funds and non-financial corporations. For all counterparty types, but particularly for investment funds, this expected tightening is driven more by tightening of price terms than by tightening of non-price terms.

Chart A

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

(Q1 2013 to Q4 2022 for observed changes, Q1 2023 for expected changes (orange bars); net percentage of survey respondents)



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

The amount of resources dedicated to managing concentrated credit exposures increased in the September-November 2022 review period. Survey respondents reported that resources dedicated to concentrated credit exposures to CCPs increased relatively more than for those to banks and dealers. Survey respondents reported increased attention to the management of credit exposures to CCPs for each of the four 2022 SESFOD rounds.

The use of financial leverage decreased for investment funds over the review period. A quarter of survey participants reported a decrease in the use of financial leverage by investment firms, while one survey participant also reported a decrease in the use of financial leverage by insurance corporations. The use of financial leverage and the availability of unutilised leverage remained on balance unchanged for hedge funds over the review period.

Respondents reported only minor changes in efforts to negotiate more favourable terms with regard to counterparty types. For hedge funds, banks and dealers as well as non-financial corporations, respondents noted a slight net increase by, in particular, most-favoured clients in efforts made to negotiate more favourable terms. On the other hand, the provision of differential terms to investment fund and insurance company clients has decreased slightly.

Respondents also reported, on balance, only limited changes regarding the volume, duration and persistence of valuation disputes. More specifically, respondents reported on balance unchanged developments regarding the volume, duration and persistence of valuation disputes for banks and dealers as well as investment funds. A small net percentage reported an increase in the volume of valuation disputes for hedge funds, insurance companies and non-financial corporations. While the duration and persistence of valuation disputes on balance slightly decreased for non-financial corporations, it increased for insurance companies.

Securities financing

The maximum amount of funding offered against euro-denominated collateral, on balance, decreased for convertible securities in particular but also for high-quality corporate bonds, asset-backed securities and covered bonds. On balance, the maximum amount of funding available against euro-denominated government bonds, high-yield corporate bonds and equities remained unchanged over the review period.

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

Haircuts applied to euro-denominated collateral increased or remained unchanged for all collateral types. A small net percentage of survey respondents reported an increase in haircuts applied to high-yield corporate bonds, asset-backed securities and non-domestic government bonds. Smaller net percentages of survey respondents reported increases in haircuts to these asset classes for most-favoured clients. Haircuts remained unchanged for domestic government bonds, high-quality corporate bonds, convertibles securities, equities and covered bonds.

Financing rates/spreads increased for financing secured against all collateral types except convertible securities and equities. The net shares of respondents reporting increased financing rates/spreads were the highest in particular for financing secured against both high-quality and high-yield corporate bonds, asset-backed securities and covered bonds collateral types. However, a small net share of survey respondents on balance reported decreased financing rates/spreads for financing secured against equities. Financing rates/spreads for financing secured against convertible securities remained on balance unchanged.

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

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

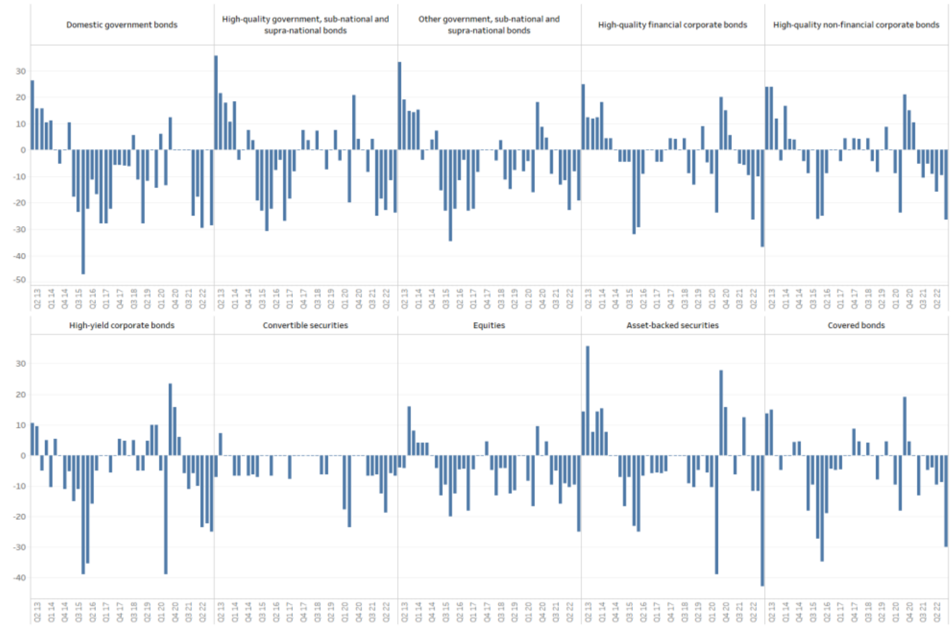
Survey respondents reported an increased overall demand for funding and demand for funding with a maturity greater than 30 days. A significant share of respondents reported an increase in overall demand for funding offered in particular against high-quality government, domestic government, high-quality financial corporate and covered bonds. By contrast, there was a decrease in demand for funding offered against convertible securities. Respondents also reported, on balance, an increase in the demand for funding with a maturity greater than 30 days. This was most noticeable for funding secured against equities, covered bonds and other government bonds.

The liquidity of all collateral types continued to deteriorate. A large share of survey respondents reported a deterioration in liquidity conditions for all collateral types, with the liquidity of high-quality financial corporate bonds, asset-backed securities and covered bonds showing the strongest deterioration. Respondents also reported a renewed deterioration in the liquidity of domestic government bonds. (**Chart B**).

Chart B

Liquidity of collateral

(Q1 2013 to Q4 2022; net percentage of survey respondents)



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

The volume and duration of collateral valuation disputes remained, on balance, unchanged for most collateral types.

Non-centrally cleared OTC derivatives

Initial margin requirements increased for most OTC derivatives during the September-November 2022 review period. A notable percentage of survey participants reported an increase in initial margin requirements for commodity derivatives, credit derivatives referencing sovereigns and corporates as well as foreign exchange derivatives. Survey respondents reported an increase in initial margin requirements for all other OTC derivative types, except total return swaps referencing non-securities, for which initial margins remained unchanged.

Survey respondents reported a few changes for the maximum amount of exposure and also broadly unchanged developments as for the maximum maturity of trades. Small net percentages of survey participants reported an increase in the maximum amount of exposure for credit derivatives referencing sovereigns and commodity derivatives. Small net percentages of survey participants reported a decrease in the maximum amount of exposure for interest rate derivatives and total return swaps referencing non-securities. The maximum amount of exposure remained unchanged, on balance, for all other types of derivatives. A small net percentage of survey respondents reported that the maximum maturity of trades for equity derivatives decreased while the maximum maturity of trades for all other types of derivatives remained unchanged.

Liquidity and trading deteriorated somewhat for interest rate derivatives and improved for commodity derivatives. Respondents reported that, on balance, trading conditions for foreign exchange, credit derivatives, equity derivatives as well as total return swaps referencing non-securities remained unchanged. Very small percentages of survey participants reported that trading conditions deteriorated for interest rate derivatives and improved for commodity derivatives.

Respondents reported a broadly unchanged situation as regards the volume of valuation disputes, as well as a slightly increased duration and persistence of valuation disputes. The volume of valuation disputes remained, on balance, unchanged for all derivative types except equity derivatives, for which a small net percentage reported a decrease in the volume of such disputes. Conversely, a small net percentage of respondents reported, on balance, a slight increase in the duration and persistence of valuation disputes for all derivative types except equity derivatives and unchanged conditions for equity derivatives.

Respondents reported unchanged terms for margin call practices and, on balance, slightly tighter terms for all other features in new or renegotiated master agreements. Each of the following changes were reported by one respondent respectively: somewhat tighter acceptable collateral, covenants and triggers, and other documentation changes incorporated into new or renegotiated master agreements. Two respondents reported somewhat tighter conditions as regards the recognition of portfolio or diversification benefits.

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

Special questions

Market-making activities

The December 2022 survey included a number of special questions about market-making activities. Respondents were asked how their market-making activities had changed over the past year, how such activities were expected to change in 2023 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 over the past year had decreased or remained unchanged for all types of debt securities except domestic government bonds

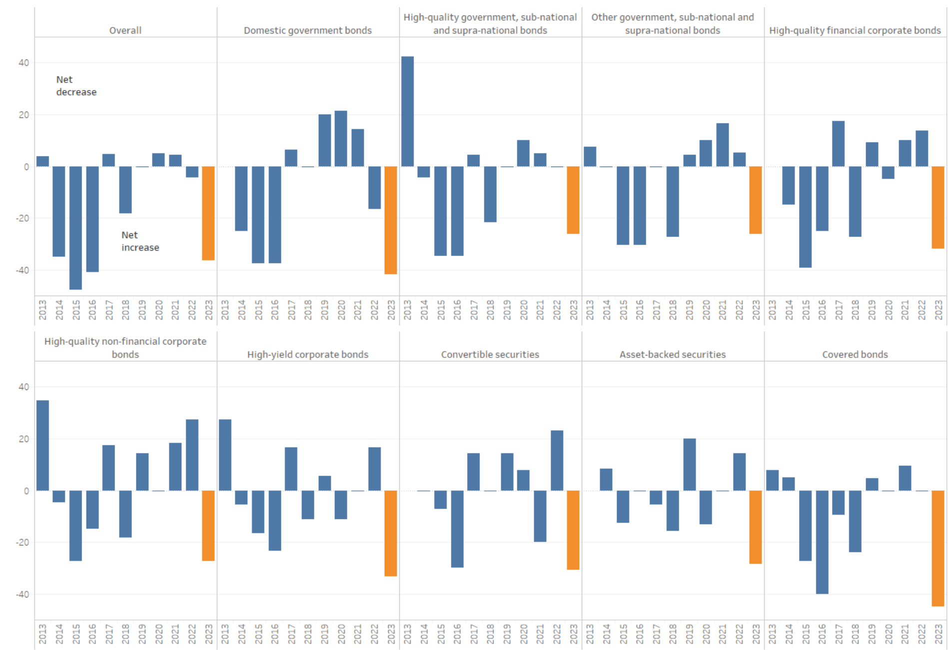
and had increased for derivatives. The decrease in market-making activities was particularly noticeable for corporate bonds, convertible securities and asset-backed securities. However, a significant net percentage of respondents reported an increase in market-making for domestic government bonds. Market-making activities for high-quality government bonds and covered bonds remained unchanged (see Chart C).

Market-making activities for all asset classes covered by the survey were expected to broadly increase in 2023. Whereas a net 36% of respondents expected overall market-making activities to increase, respondents also reported strong expectations of increases in market-making activities during 2023 for each individual asset class covered by the survey, ranging from a net 26% for high-quality government bonds to 42% for domestic government bonds and 45% for covered bonds (see Chart C). Views expressed among survey respondents for expected changes in market-making activities were most diverse for corporate bonds.

Chart C

Changes and expected changes in market-making activities

(Q4 2013 to Q4 2022 for observed changes; 2023 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.

Profitability of market-making activities was cited as the main driver of a decrease in market-making activities over the past year. Next to profitability of market-making activities, respondents pointed to the unavailability of hedging instruments, reduced willingness of the institution to take on risk and constraints on the availability of balance sheet or capital at the institution as drivers explaining the decrease in market-making activities over the past year.

The willingness to take on risk and the availability of balance sheet or capital were the largest factors behind expected increases in market-making activities in the year ahead. Moreover, survey respondents identified expectations about the profitability of market-making activities and the growing importance of electronic trading platforms as factors.

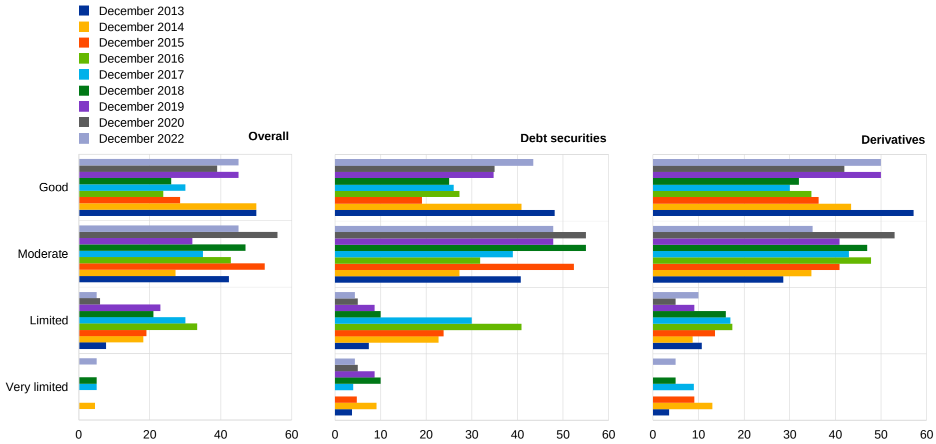
Respondents expressed confidence in their ability to act as market-makers in times of stress for all types of debt securities except high-yield corporate bonds and for derivatives. Respondents' confidence in their ability to act as market-makers in times of stress was strongest in relation to debt securities, with 83% of respondents assessing their capacity as either "moderate" or "good". Respondents also expressed a strong confidence in their ability to act as market-makers in times of stress for derivatives (70%). As for individual debt segments, respondents were, in particular, very confident in their ability to act as market-makers for domestic government bonds, convertible securities and high-quality government bonds, with more than 78% of respondents assessing their ability as either "moderate" or "good". Respondents reported lower albeit still strong confidence in their ability to act as market-maker for covered bonds (68%) as well as high-quality financial (50%) and non-financial (40%) corporate bonds in times of stress. Respondents' confidence in their ability to act as market-maker in times of stress was lowest for asset-backed securities (17%) and high-yield corporate bonds (0%).

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 2021, 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 "moderate" fell compared with a year earlier, while the number selecting "good" rose. At the same time, the number of respondents selecting "limited" fell compared with a year earlier, while the number selecting "very limited" rose, benefiting in particular from a decline in the number describing their ability as "limited". As regards debt securities, a similarly high number of banks described their ability to act as market-makers in times of stress as "moderate" compared to one year ago. Compared with the previous December survey, more respondents reported a "very limited" or "limited" ability to act as market-makers in times of stress for asset-backed securities, whereas more respondents reported a "moderate" or "good" ability for "other government bonds" and for convertible securities. Concerning derivatives, a slightly lower number of banks characterised their ability to act as market-makers in times of stress as "good" or "moderate" compared with a year ago. Unlike in the three previous December surveys, a limited number of respondents reported their market-making ability as "very limited" for derivatives.

Chart D

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

(Q4 2013 to Q4 2022; percentages of survey respondents)



Source: ECB.

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 asset-backed securities and for high-yield corporate bonds mentioned in particular willingness to take on risk, profitability of market-making activities and the availability of balance sheet capacity as factors.

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. 2022	Dec. 2022	
Banks and dealers								
Price terms	4	17	79	0	0	+19	+21	24
Non-price terms	0	8	92	0	0	+4	+8	24
Overall	0	17	83	0	0	+23	+17	23
Hedge funds								
Price terms	5	14	81	0	0	+14	+19	21
Non-price terms	0	14	81	5	0	+5	+10	21
Overall	0	18	82	0	0	+14	+18	22
Insurance companies								
Price terms	4	17	79	0	0	+8	+21	24
Non-price terms	0	13	88	0	0	-4	+13	24
Overall	0	17	83	0	0	+8	+17	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	4	30	65	0	0	+20	+35	23
Non-price terms	0	26	74	0	0	0	+26	23
Overall	0	35	65	0	0	+16	+35	23
Non-financial corporations								
Price terms	4	17	78	0	0	+8	+22	23
Non-price terms	0	18	82	0	0	-4	+18	22
Overall	0	23	77	0	0	+8	+23	22
Sovereigns								
Price terms	4	9	87	0	0	+8	+13	23
Non-price terms	0	13	87	0	0	0	+13	23
Overall	0	9	91	0	0	+8	+9	22
All counterparties above								
Price terms	4	17	78	0	0	+15	+22	23
Non-price terms	0	9	91	0	0	0	+9	22
Overall	0	17	83	0	0	+15	+17	23

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

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Sep. 2022	Dec. 2022	
Banks and dealers								
Price terms	0	22	74	4	0	**+21**	**+17**	23
Non-price terms	0	5	95	0	0	**+13**	**+5**	22
Overall	0	22	78	0	0	**+21**	**+22**	23
Hedge funds								
Price terms	0	19	81	0	0	**+25**	**+19**	21
Non-price terms	0	10	90	0	0	**+14**	**+10**	21
Overall	0	23	77	0	0	**+18**	**+23**	22
Insurance companies								
Price terms	0	13	83	4	0	**+17**	**+9**	23
Non-price terms	0	9	91	0	0	**+9**	**+9**	22
Overall	0	13	87	0	0	**+17**	**+13**	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	17	83	0	0	**+30**	**+17**	23
Non-price terms	0	9	91	0	0	**+9**	**+9**	22
Overall	0	17	83	0	0	**+21**	**+17**	23
Non-financial corporations								
Price terms	0	18	77	5	0	**+14**	**+14**	22
Non-price terms	0	10	90	0	0	**+5**	**+10**	20
Overall	0	18	82	0	0	**+9**	**+18**	22
Sovereigns								
Price terms	0	9	91	0	0	**+14**	**+9**	22
Non-price terms	0	10	90	0	0	**+9**	**+10**	21
Overall	0	9	91	0	0	**+13**	**+9**	22
All counterparties above								
Price terms	0	13	83	4	0	**+33**	**+9**	23
Non-price terms	0	5	95	0	0	**+13**	**+5**	22
Overall	0	13	87	0	0	**+28**	**+13**	23

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. 2022	Either first, second or third reason: Dec. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	33	33	14	18
Willingness of your institution to take on risk	0	0	0	7	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	20	0	0	0	9
Availability of balance sheet or capital at your institution	0	0	0	14	0
General market liquidity and functioning	80	33	0	50	45
Competition from other institutions	0	33	33	14	18
Other	0	0	33	0	9
Total number of answers	5	3	3	14	11
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	4	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	100	0	33	33
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	33	0
General market liquidity and functioning	100	0	0	0	33
Competition from other institutions	0	0	100	0	33
Other	0	0	0	0	0
Total number of answers	1	1	1	3	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	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

To the extent that [price/ non-price] terms applied to [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. 2022	Dec. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	100	20	14
Willingness of your institution to take on risk	0	0	0	10	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	50	0	0	10	29
General market liquidity and functioning	50	50	0	50	43
Competition from other institutions	0	50	0	10	14
Other	0	0	0	0	0
Total number of answers	4	2	1	10	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	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	4	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	100	0	33	40
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	33	0	0	0	20
General market liquidity and functioning	33	0	0	33	20
Competition from other institutions	0	0	100	0	20
Other	0	0	0	0	0
Total number of answers	3	1	1	3	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	100	0
Competition from other institutions	0	0	0	0	0
Other	100	0	0	0	100
Total number of answers	1	0	0	3	1

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. 2022	Dec. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	100	13	13
Willingness of your institution to take on risk	20	0	0	13	13
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	13	13
General market liquidity and functioning	60	50	0	50	50
Competition from other institutions	0	50	0	13	13
Other	0	0	0	0	0
Total number of answers	5	2	1	8	8
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	4	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	50	0	0	17
Willingness of your institution to take on risk	33	0	0	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	0	17
General market liquidity and functioning	33	50	0	0	33
Competition from other institutions	0	0	100	0	17
Other	0	0	0	0	0
Total number of answers	3	2	1	0	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

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

Table 6

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

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2022	Dec. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	25	33	13	13
Willingness of your institution to take on risk	13	0	0	7	7
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	13	0	0	7	7
Availability of balance sheet or capital at your institution	13	0	0	13	7
General market liquidity and functioning	50	50	0	47	40
Competition from other institutions	0	25	33	13	13
Other	13	0	33	0	13
Total number of answers	8	4	3	15	15
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	4	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	17	50	0	0	22
Willingness of your institution to take on risk	17	0	0	0	11
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	17	0	0	0	11
General market liquidity and functioning	33	50	0	100	33
Competition from other institutions	0	0	100	0	11
Other	17	0	0	0	11
Total number of answers	6	2	1	1	9
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

To the extent that [price/ non-price] terms applied to [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. 2022	Either first, second or third reason Dec. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	33	18	8
Willingness of your institution to take on risk	20	0	33	18	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	20	25	33	9	25
General market liquidity and functioning	60	25	0	45	33
Competition from other institutions	0	50	0	9	17
Other	0	0	0	0	0
Total number of answers	5	4	3	11	12
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	14	0
General market liquidity and functioning	0	0	0	71	0
Competition from other institutions	0	0	0	14	0
Other	0	0	0	0	0
Total number of answers	0	0	0	7	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	33	0	33	11
Willingness of your institution to take on risk	25	0	50	33	22
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	25	0	0	0	11
General market liquidity and functioning	50	33	0	33	33
Competition from other institutions	0	33	50	0	22
Other	0	0	0	0	0
Total number of answers	4	3	2	3	9
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	17	0
General market liquidity and functioning	0	0	0	67	0
Competition from other institutions	0	0	0	17	0
Other	0	0	0	0	0
Total number of answers	0	0	0	6	0

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. 2022	Dec. 2022
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	100	13	20
Willingness of your institution to take on risk	0	0	0	13	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	33	0	0	13	20
General market liquidity and functioning	67	0	0	50	40
Competition from other institutions	0	100	0	13	20
Other	0	0	0	0	0
Total number of answers	3	1	1	8	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	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	4	0
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	33	100	0	100	40
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	0	20
General market liquidity and functioning	33	0	0	0	20
Competition from other institutions	0	0	100	0	20
Other	0	0	0	0	0
Total number of answers	3	1	1	1	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	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Sep. 2022	Dec. 2022	
Practices of CCPs	0	9	91	0	0	+7	+9	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		Total number of answers
						Sep. 2022	Dec. 2022	
Banks and dealers	0	0	85	12	4	-12	-15	26
Central counterparties	0	0	81	15	4	-12	-19	26

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

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2022	Dec. 2022	
Hedge funds								
Use of financial leverage	0	5	90	5	0	+10	0	21
Availability of unutilised leverage	0	5	90	5	0	+10	0	20
Insurance companies								
Use of financial leverage	0	4	96	0	0	+5	+4	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	4	21	75	0	0	+14	+25	24

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2022	Net percentage Dec. 2022	Total number of answers
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	4	92	4	0	+9	0	24
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-4	24
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	5	86	9	0	+4	-5	22
Provision of differential terms to most-favoured clients	0	0	95	5	0	+9	-5	22
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	4	96	0	0	+9	+4	24
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	8	88	4	0	+13	+4	24
Provision of differential terms to most-favoured clients	0	4	96	0	0	+10	+4	24
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	4	92	4	0	0	0	24
Provision of differential terms to most-favoured clients	0	0	96	4	0	0	-4	24

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

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 Sep. 2022	Net percentage Dec. 2022	Total number of answers
Banks and dealers								
Volume	0	4	92	4	0	-4	0	24
Duration and persistence	0	4	92	4	0	+4	0	24
Hedge funds								
Volume	0	0	95	5	0	-5	-5	20
Duration and persistence	0	0	100	0	0	+5	0	20
Insurance companies								
Volume	0	0	96	4	0	-8	-4	23
Duration and persistence	0	0	95	5	0	-9	-5	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	5	0	91	5	0	-4	0	22
Duration and persistence	0	0	100	0	0	-5	0	22
Non-financial corporations								
Volume	0	0	96	4	0	0	-4	23
Duration and persistence	0	4	96	0	0	+8	+4	23

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

2 Securities financing

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

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

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2022	Dec. 2022	
Domestic government bonds								
Maximum amount of funding	0	14	71	14	0	-12	0	14
Maximum maturity of funding	7	0	79	14	0	+6	-7	14
Haircuts	0	0	100	0	0	0	0	14
Financing rate/spread	0	21	50	29	0	-12	-7	14
Use of CCPs	0	0	93	7	0	-6	-7	14
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	83	8	0	+7	0	24
Maximum maturity of funding	4	0	79	17	0	-7	-13	24
Haircuts	0	0	92	8	0	-4	-8	24
Financing rate/spread	0	13	71	17	0	-11	-4	24
Use of CCPs	0	5	91	5	0	0	0	22
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	83	8	0	+15	0	24
Maximum maturity of funding	4	0	79	17	0	-4	-13	24
Haircuts	0	0	96	4	0	0	-4	24
Financing rate/spread	0	13	71	17	0	-4	-4	24
Use of CCPs	0	5	95	0	0	+4	+5	22
High-quality financial corporate bonds								
Maximum amount of funding	5	5	85	5	0	+5	+5	20
Maximum maturity of funding	10	0	80	10	0	0	0	20
Haircuts	0	0	100	0	0	-5	0	20
Financing rate/spread	0	5	75	15	5	-10	-15	20
Use of CCPs	0	0	93	7	0	+7	-7	14
High-quality non-financial corporate bonds								
Maximum amount of funding	5	5	86	5	0	0	+5	21
Maximum maturity of funding	5	0	86	10	0	0	-5	21
Haircuts	0	0	100	0	0	-9	0	21
Financing rate/spread	0	5	71	19	5	-9	-19	21
Use of CCPs	0	0	100	0	0	-6	0	14
High-yield corporate bonds								
Maximum amount of funding	0	6	89	6	0	0	0	18
Maximum maturity of funding	6	0	83	11	0	-6	-6	18
Haircuts	0	0	83	17	0	-11	-17	18
Financing rate/spread	0	6	67	22	6	-6	-22	18
Use of CCPs	0	0	90	10	0	0	-10	10

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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 Sep. 2022	Net percentage Dec. 2022	Total number of answers
Convertible securities								
Maximum amount of funding	0	29	71	0	0	**+6**	**+29**	14
Maximum maturity of funding	7	7	86	0	0	**+6**	**+14**	14
Haircuts	0	0	100	0	0	**-6**	**0**	14
Financing rate/spread	0	7	86	7	0	**-12**	**0**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Equities								
Maximum amount of funding	0	10	80	10	0	**0**	**0**	20
Maximum maturity of funding	5	5	75	15	0	**-5**	**-5**	20
Haircuts	0	0	100	0	0	**0**	**0**	20
Financing rate/spread	0	20	70	10	0	**-5**	**+10**	20
Use of CCPs	0	0	100	0	0	**0**	**0**	15
Asset-backed securities								
Maximum amount of funding	7	7	80	7	0	**0**	**+7**	15
Maximum maturity of funding	13	0	80	7	0	**0**	**+7**	15
Haircuts	0	0	87	13	0	**0**	**-13**	15
Financing rate/spread	0	0	73	20	7	**-6**	**-27**	15
Use of CCPs	0	0	100	0	0	**0**	**0**	9
Covered bonds								
Maximum amount of funding	5	5	86	5	0	**+4**	**+5**	22
Maximum maturity of funding	9	0	82	9	0	**0**	**0**	22
Haircuts	0	0	100	0	0	**-4**	**0**	22
Financing rate/spread	0	5	77	14	5	**-4**	**-14**	22
Use of CCPs	0	0	94	6	0	**+5**	**-6**	16

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

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2022	Dec. 2022	
Domestic government bonds								
Maximum amount of funding	0	7	79	14	0	-12	-7	14
Maximum maturity of funding	7	0	79	14	0	0	-7	14
Haircuts	0	0	100	0	0	0	0	14
Financing rate/spread	0	21	57	21	0	0	0	14
Use of CCPs	0	0	100	0	0	0	0	14
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	9	83	9	0	+12	0	23
Maximum maturity of funding	4	0	78	17	0	-4	-13	23
Haircuts	0	0	96	4	0	0	-4	23
Financing rate/spread	0	13	65	22	0	-4	-9	23
Use of CCPs	0	5	95	0	0	0	+5	22
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	9	83	9	0	+16	0	23
Maximum maturity of funding	4	0	78	17	0	-4	-13	23
Haircuts	0	0	100	0	0	0	0	23
Financing rate/spread	0	13	70	17	0	-4	-4	23
Use of CCPs	0	5	95	0	0	+4	+5	22
High-quality financial corporate bonds								
Maximum amount of funding	5	5	84	5	0	+5	+5	19
Maximum maturity of funding	11	0	79	11	0	0	0	19
Haircuts	0	0	100	0	0	-5	0	19
Financing rate/spread	0	5	68	21	5	-15	-21	19
Use of CCPs	0	0	92	8	0	+7	-8	13
High-quality non-financial corporate bonds								
Maximum amount of funding	0	5	90	5	0	0	0	20
Maximum maturity of funding	5	0	85	10	0	0	-5	20
Haircuts	0	0	100	0	0	-10	0	20
Financing rate/spread	0	5	70	20	5	-14	-20	20
Use of CCPs	0	0	100	0	0	-7	0	13
High-yield corporate bonds								
Maximum amount of funding	0	6	89	6	0	0	0	18
Maximum maturity of funding	6	0	83	11	0	-6	-6	18
Haircuts	0	0	89	11	0	-6	-11	18
Financing rate/spread	0	6	61	28	6	-11	-28	18
Use of CCPs	0	0	91	9	0	0	-9	11

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

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

Over the past three months, how have the [maximum amount of funding/ maximum maturity of funding/ haircuts/ financing rate/spreads/ use of CCPs] under which [collateral type] are funded changed for [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. 2022	Dec. 2022	
Convertible securities								
Maximum amount of funding	0	29	71	0	0	**+6**	**+29**	14
Maximum maturity of funding	0	14	86	0	0	**+6**	**+14**	14
Haircuts	0	0	100	0	0	**-6**	**0**	14
Financing rate/spread	0	7	86	7	0	**-12**	**0**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	11
Equities								
Maximum amount of funding	0	10	80	10	0	**+5**	**0**	20
Maximum maturity of funding	5	5	75	15	0	**-5**	**-5**	20
Haircuts	0	0	100	0	0	**0**	**0**	20
Financing rate/spread	0	20	70	10	0	**-5**	**+10**	20
Use of CCPs	0	0	100	0	0	**0**	**0**	15
Asset-backed securities								
Maximum amount of funding	7	7	79	7	0	**0**	**+7**	14
Maximum maturity of funding	14	0	79	7	0	**0**	**+7**	14
Haircuts	0	0	93	7	0	**0**	**-7**	14
Financing rate/spread	0	0	71	29	0	**-6**	**-29**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	8
Covered bonds								
Maximum amount of funding	5	5	86	5	0	**+8**	**+5**	21
Maximum maturity of funding	10	0	81	10	0	**-4**	**0**	21
Haircuts	0	0	100	0	0	**-4**	**0**	21
Financing rate/spread	0	5	76	19	0	**-4**	**-14**	21
Use of CCPs	0	0	93	7	0	**+5**	**-7**	15

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

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

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

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage Sep. 2022	Net percentage Dec. 2022	Total number of answers
Domestic government bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	10
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	10
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	18
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	18
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	15
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	14
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	15
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	13
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	14
Convertible securities								
Terms for average clients	0	0	93	7	0	**-7**	**-7**	14
Terms for most-favoured clients	0	0	93	7	0	**-7**	**-7**	14
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	19
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	19
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	12
Terms for most-favoured clients	0	9	91	0	0	**0**	**+9**	11
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	18
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17

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. 2022	Dec. 2022	
Domestic government bonds								
Overall demand	0	0	64	36	0	**-18**	**-36**	14
With a maturity greater than 30 days	0	7	79	14	0	**-12**	**-7**	14
High-quality government, sub-national and supra-national bonds								
Overall demand	0	0	68	32	0	**-15**	**-32**	22
With a maturity greater than 30 days	0	9	73	18	0	**-8**	**-9**	22
Other government, sub-national and supra-national bonds								
Overall demand	0	9	68	23	0	**0**	**-14**	22
With a maturity greater than 30 days	0	5	77	18	0	**-8**	**-14**	22
High-quality financial corporate bonds								
Overall demand	0	0	80	20	0	**-10**	**-20**	20
With a maturity greater than 30 days	0	5	80	15	0	**-10**	**-10**	20
High-quality non-financial corporate bonds								
Overall demand	0	5	75	20	0	**-5**	**-15**	20
With a maturity greater than 30 days	0	5	85	10	0	**-5**	**-5**	20
High-yield corporate bonds								
Overall demand	0	0	94	6	0	**0**	**-6**	17
With a maturity greater than 30 days	0	6	88	6	0	**0**	**0**	17
Convertible securities								
Overall demand	0	13	87	0	0	**0**	**+13**	15
With a maturity greater than 30 days	0	7	87	7	0	**0**	**0**	15
Equities								
Overall demand	0	5	80	10	5	**+5**	**-10**	20
With a maturity greater than 30 days	0	5	70	20	5	**+5**	**-20**	20
Asset-backed securities								
Overall demand	0	0	79	21	0	**+6**	**-21**	14
With a maturity greater than 30 days	0	7	71	14	7	**+6**	**-14**	14
Covered bonds								
Overall demand	0	0	80	20	0	**+9**	**-20**	20
With a maturity greater than 30 days	0	5	70	20	5	**+9**	**-20**	20
All collateral types above								
Overall demand	0	6	76	18	0	**+14**	**-12**	17
With a maturity greater than 30 days	0	12	76	12	0	**+9**	**0**	17

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

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. 2022	Dec. 2022	
Domestic government bonds								
Liquidity and functioning	7	29	57	7	0	**0**	**+29**	14
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	5	24	67	5	0	**+12**	**+24**	21
Other government, sub-national and supra-national bonds								
Liquidity and functioning	5	19	71	5	0	**+8**	**+19**	21
High-quality financial corporate bonds								
Liquidity and functioning	5	32	63	0	0	**+10**	**+37**	19
High-quality non-financial corporate bonds								
Liquidity and functioning	0	26	74	0	0	**+10**	**+26**	19
High-yield corporate bonds								
Liquidity and functioning	0	25	75	0	0	**+22**	**+25**	16
Convertible securities								
Liquidity and functioning	0	7	93	0	0	**+6**	**+7**	15
Equities								
Liquidity and functioning	10	15	75	0	0	**+10**	**+25**	20
Asset-backed securities								
Liquidity and functioning	0	43	57	0	0	**+12**	**+43**	14
Covered bonds								
Liquidity and functioning	5	25	70	0	0	**+9**	**+30**	20
All collateral types above								
Liquidity and functioning	6	24	71	0	0	**+9**	**+29**	17

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 Sep. 2022	Net percentage Dec. 2022	Total number of answers
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**-4**	**0**	21
Duration and persistence	0	0	100	0	0	**-4**	**0**	21
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	21
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	13
Duration and persistence	0	0	100	0	0	**0**	**0**	13
Equities								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
Asset-backed securities								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
Covered bonds								
Volume	0	0	100	0	0	**0**	**0**	16
Duration and persistence	0	0	100	0	0	**0**	**0**	16
All collateral types above								
Volume	0	0	94	6	0	**-5**	**-6**	17
Duration and persistence	0	0	94	6	0	**-5**	**-6**	17

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

3 Non-centrally cleared OTC derivatives

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

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

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2022	Dec. 2022	
Foreign exchange								
Average clients	0	0	88	12	0	**-13**	**-12**	25
Most-favoured clients	0	0	92	8	0	**-13**	**-8**	25
Interest rates								
Average clients	0	4	83	8	4	**-13**	**-8**	24
Most-favoured clients	0	4	88	4	4	**-13**	**-4**	24
Credit referencing sovereigns								
Average clients	0	0	83	11	6	**-6**	**-17**	18
Most-favoured clients	0	0	89	6	6	**-6**	**-11**	18
Credit referencing corporates								
Average clients	0	0	84	16	0	**-11**	**-16**	19
Most-favoured clients	0	0	84	16	0	**-11**	**-16**	19
Credit referencing structured credit products								
Average clients	0	0	93	7	0	**-12**	**-7**	15
Most-favoured clients	0	0	93	7	0	**-13**	**-7**	15
Equity								
Average clients	0	0	89	11	0	**-17**	**-11**	18
Most-favoured clients	0	6	89	6	0	**-17**	**0**	18
Commodity								
Average clients	0	0	81	13	6	**-27**	**-19**	16
Most-favoured clients	0	0	88	6	6	**-20**	**-13**	16
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	**+6**	**0**	14
Most-favoured clients	0	0	100	0	0	**+6**	**0**	14

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

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

Over the past three months, how 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		Total number of answers
						Sep. 2022	Dec. 2022	
Foreign exchange								
Maximum amount of exposure	0	4	91	4	0	**0**	**0**	23
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	23
Interest rates								
Maximum amount of exposure	0	9	86	5	0	**-4**	**+5**	22
Maximum maturity of trades	0	0	100	0	0	**-4**	**0**	22
Credit referencing sovereigns								
Maximum amount of exposure	0	0	94	6	0	**0**	**-6**	16
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	16
Credit referencing corporates								
Maximum amount of exposure	0	0	100	0	0	**+6**	**0**	17
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	17
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	**+7**	**0**	13
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	13
Equity								
Maximum amount of exposure	0	0	100	0	0	**-6**	**0**	17
Maximum maturity of trades	0	6	94	0	0	**0**	**+6**	17
Commodity								
Maximum amount of exposure	0	0	94	6	0	**-7**	**-6**	16
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	15
Total return swaps referencing non-securities								
Maximum amount of exposure	0	8	92	0	0	**+13**	**+8**	13
Maximum maturity of trades	0	0	100	0	0	**0**	**0**	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".

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		Total number of answers
						Sep. 2022	Dec. 2022	
Foreign exchange								
Liquidity and trading	0	4	92	4	0	**0**	**0**	24
Interest rates								
Liquidity and trading	0	4	96	0	0	**0**	**+4**	23
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	**0**	**0**	18
Credit referencing corporates								
Liquidity and trading	0	0	100	0	0	**+5**	**0**	19
Credit referencing structured credit products								
Liquidity and trading	0	0	100	0	0	**+6**	**0**	15
Equity								
Liquidity and trading	0	6	88	6	0	**0**	**0**	17
Commodity								
Liquidity and trading	0	0	94	6	0	**+6**	**-6**	16
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	**+6**	**0**	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. 2022	Dec. 2022	
Foreign exchange								
Volume	0	0	100	0	0	-4	0	22
Duration and persistence	0	0	95	5	0	-4	-5	22
Interest rates								
Volume	0	0	100	0	0	0	0	21
Duration and persistence	0	0	95	5	0	0	-5	21
Credit referencing sovereigns								
Volume	0	0	100	0	0	+6	0	15
Duration and persistence	0	0	93	7	0	+6	-7	15
Credit referencing corporates								
Volume	0	0	100	0	0	+6	0	16
Duration and persistence	0	0	94	6	0	+6	-6	16
Credit referencing structured credit products								
Volume	0	0	100	0	0	+6	0	15
Duration and persistence	0	0	93	7	0	+6	-7	15
Equity								
Volume	0	6	94	0	0	0	+6	18
Duration and persistence	0	6	89	6	0	-6	0	18
Commodity								
Volume	0	0	100	0	0	-13	0	15
Duration and persistence	0	0	93	7	0	-13	-7	15
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	14
Duration and persistence	0	0	93	7	0	-6	-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".

3.2 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 Sep. 2022	Net percentage Dec. 2022	Total number of answers
Margin call practices	0	0	100	0	0	+4	0	24
Acceptable collateral	0	4	96	0	0	-8	+4	24
Recognition of portfolio or diversification benefits	0	8	92	0	0	+4	+8	24
Covenants and triggers	0	4	96	0	0	+4	+4	24
Other documentation features	0	4	96	0	0	+4	+4	24

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2022	Net percentage Dec. 2022	Total number of answers
Posting of non-standard collateral	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".

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	26	43	30	0	-4	23
Derivatives	0	19	52	24	5	-10	21
Overall	0	23	50	27	0	-5	22
Domestic government bonds	0	17	50	33	0	-17	12
High-quality government, sub-national and supra-national bonds	0	21	58	21	0	0	19
Other government, sub-national and supra-national bonds	0	21	63	16	0	+5	19
High-quality financial corporate bonds	0	36	41	23	0	+14	22
High-quality non-financial corporate bonds	5	41	36	18	0	+27	22
High-yield corporate bonds	0	28	61	6	6	+17	18
Convertible securities	0	31	62	8	0	+23	13
Asset-backed securities	7	21	57	14	0	+14	14
Covered bonds	0	20	60	20	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 "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 2023?

Table 29

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

Expected changes in 2023	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	61	35	4	-39	23
Derivatives	0	0	67	33	0	-33	21
Overall	0	0	64	36	0	-36	22
Domestic government bonds	0	0	58	42	0	-42	12
High-quality government, sub-national and supra-national bonds	0	0	74	26	0	-26	19
Other government, sub-national and supra-national bonds	0	0	74	26	0	-26	19
High-quality financial corporate bonds	0	9	50	36	5	-32	22
High-quality non-financial corporate bonds	0	14	45	27	14	-27	22
High-yield corporate bonds	0	6	56	39	0	-33	18
Convertible securities	0	0	69	31	0	-31	13
Asset-backed securities	0	0	71	29	0	-29	14
Covered bonds	0	0	55	40	5	-45	20

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	17	40	0	21
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	33	7
Competition from other banks	17	0	0	7
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	17	20	0	14
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	33	40	33	36
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	17	0	33	14
Total number of answers	**6**	**5**	**3**	**14**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	60	0	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	80	24
Competition from other banks	0	0	20	6
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	29	20	0	18
Profitability of market making activities	29	20	0	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	43	0	0	18
Total number of answers	**7**	**5**	**5**	**17**
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	25	50	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	25	0	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	0	0	0	0
Profitability of market making activities	0	50	50	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	50	25
Total number of answers	**4**	**2**	**2**	**8**
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	33	8
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	50	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	20	0	0	8
Profitability of market making activities	40	0	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	8
Total number of answers	**5**	**4**	**3**	**12**

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	20	67	0	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	33	9
Competition from other banks	20	0	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	20	0	0	9
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	20	33	33	27
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	33	18
Total number of answers	**5**	**3**	**3**	**11**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	25	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	75	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	0	0	0
Availability of hedging instruments	0	25	0	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	0	0	8
Profitability of market making activities	50	25	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	8
Total number of answers	**4**	**4**	**4**	**12**
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	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	50	100	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	100	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	10
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	67	20
Competition from other banks	0	0	33	10
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	33	0	20
Profitability of market making activities	25	33	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	**4**	**3**	**3**	**10**

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	25	0	0	13
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	25	0	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	50	0	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	50	50	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**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	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	75	25
Competition from other banks	0	0	25	8
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	50	25	0	25
Profitability of market making activities	25	25	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	8
Total number of answers	**4**	**4**	**4**	**12**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	25	0	0	13
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	25	0	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	50	0	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	50	50	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**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	33	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	67	22
Competition from other banks	0	0	33	11
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	33	0	22
Profitability of market making activities	33	33	0	22
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	11
Total number of answers	**3**	**3**	**3**	**9**

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	14	17	0	11
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	0	40	17
Competition from other banks	0	17	0	6
Competition from non-bank financial institutions	0	17	20	11
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	20	6
Availability of hedging instruments	14	17	0	11
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	43	17	20	28
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	14	0	0	6
Total number of answers	**7**	**6**	**5**	**18**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	67	0	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	67	18
Competition from other banks	0	33	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	20	0	0	9
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	40	0	0	18
Profitability of market making activities	20	0	33	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**	**3**	**3**	**11**
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	11	13	0	9
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	0	33	13
Competition from other banks	11	0	17	9
Competition from non-bank financial institutions	0	25	17	13
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	11	25	0	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	13	17	9
Profitability of market making activities	44	25	17	30
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	0	0	4
Total number of answers	**9**	**8**	**6**	**23**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	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	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	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	25	0	0	13
Profitability of market making activities	25	0	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**	**2**	**2**	**8**

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	20	25	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	33	17
Competition from other banks	0	0	33	8
Competition from non-bank financial institutions	0	50	0	17
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	20	25	0	17
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	40	0	33	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	**5**	**4**	**3**	**12**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	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	100	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	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	50	0	0	20
Profitability of market making activities	50	0	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	50	0	20
Total number of answers	**2**	**2**	**1**	**5**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	25	0	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	25
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	50	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	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)	50	0	0	25
Total number of answers	**4**	**2**	**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	100	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	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	100	0	0	50
Total number of answers	**1**	**1**	**0**	**2**

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	25	33	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	67	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	33	0	10
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	25	33	0	20
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	33	30
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**	**3**	**10**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	50	0	40
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	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	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	50	50	0	40
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**
Covered bonds				
Possible reasons for a decrease				
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	50	11
Competition from other banks	25	0	0	11
Competition from non-bank financial institutions	0	33	0	11
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	25	33	0	22
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	33	50	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	**4**	**3**	**2**	**9**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	67	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	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	0	0	10
Profitability of market making activities	25	33	0	20
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**	**3**	**3**	**10**

Reasons for expected changes in market-making activities in 2023

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likey to decrease or increase in 2023 (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 2023	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	22	14	14	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	29	29	22
Competition from other banks	0	14	14	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	14	4
Availability of hedging instruments	0	14	0	4
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	22	14	0	13
Profitability of market making activities	22	14	14	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	22	0	14	13
Total number of answers	**9**	**7**	**7**	**23**
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	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	43	25	0	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	25	7
Competition from other banks	0	0	50	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	7
Availability of hedging instruments	0	25	0	7
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	43	0	0	20
Profitability of market making activities	14	0	0	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	25	25	13
Total number of answers	**7**	**4**	**4**	**15**

Reasons for expected changes in market-making activities in 2023 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likey to decrease or increase in 2023 (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 2023	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	25	14	17	19
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	29	33	19
Competition from other banks	0	14	17	10
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	14	0	5
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	19
Profitability of market making activities	13	14	17	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	13	14	17	14
Total number of answers	**8**	**7**	**6**	**21**
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	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	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	33	8
Competition from other banks	0	0	33	8
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	20	25	0	17
Profitability of market making activities	20	50	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	25	33	25
Total number of answers	**5**	**4**	**3**	**12**

Reasons for expected changes in market-making activities in 2023 (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 2023 (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 2023	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	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	20	0	25	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	20	25	14
Competition from other banks	20	0	25	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	20	20	0	14
Profitability of market making activities	20	40	0	21
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	20	25	21
Total number of answers	**5**	**5**	**4**	**14**
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	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	20	0	25	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	20	25	14
Competition from other banks	20	0	25	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	20	20	0	14
Profitability of market making activities	20	40	0	21
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	20	25	21
Total number of answers	**5**	**5**	**4**	**14**

Reasons for expected changes in market-making activities in 2023 (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 2023 (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 2023	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	100	33
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	100	0	0	33
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	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	22	43	14	26
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	43	43	30
Competition from other banks	0	0	14	4
Competition from non-bank financial institutions	0	14	0	4
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	11	0	0	4
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	11	0	0	4
Profitability of market making activities	33	0	29	22
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	0	0	4
Total number of answers	**9**	**7**	**7**	**23**
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	100	20
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	50	0	20
Compliance with current or expected changes in regulation	50	0	0	20
Growing importance of electronic trading platforms	0	50	0	20
Profitability of market making activities	50	0	0	20
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 an increase				
Willingness of your institution to take on risk	22	43	14	26
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	29	57	30
Competition from other banks	0	0	14	4
Competition from non-bank financial institutions	0	14	0	4
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	11	0	0	4
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	11	0	0	4
Profitability of market making activities	33	14	14	22
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	0	0	4
Total number of answers	**9**	**7**	**7**	**23**

Reasons for expected changes in market-making activities in 2023 (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 2023 (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 2023	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	100	0	50
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	100	0	0	50
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 an increase				
Willingness of your institution to take on risk	14	43	17	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	43	50	35
Competition from other banks	0	0	17	5
Competition from non-bank financial institutions	0	14	0	5
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	14	0	0	5
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	14	0	0	5
Profitability of market making activities	43	0	17	20
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	**7**	**7**	**6**	**20**
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	25	0	0	13
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	0	0	0
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	25	0	0	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	33	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 expected changes in market-making activities in 2023 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likey to decrease or increase in 2023 (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 2023	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	25	67	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	33	33	40
Competition from other banks	0	0	33	10
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	25	0	33	20
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**	**3**	**10**
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	33	25	14	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	50	29	29
Competition from other banks	0	0	14	4
Competition from non-bank financial institutions	0	13	0	4
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	11	0	0	4
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	11	0	0	4
Profitability of market making activities	22	13	43	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	0	0	4
Total number of answers	**9**	**8**	**7**	**24**

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	4	4	48	43	**-83**	23
Derivatives	5	10	35	50	**-70**	20
Overall	5	5	45	45	**-80**	20
Domestic government bonds	0	8	42	50	**-83**	12
High-quality government, sub-national and supra-national bonds	6	6	56	33	**-78**	18
Other government, sub-national and supra-national bonds	6	18	47	29	**-53**	17
High-quality financial corporate bonds	5	20	35	40	**-50**	20
High-quality non-financial corporate bonds	5	25	35	35	**-40**	20
High-yield corporate bonds	25	25	25	25	**0**	16
Convertible securities	9	0	45	45	**-82**	11
Asset-backed securities	25	17	33	25	**-17**	12
Covered bonds	5	11	53	32	**-68**	19

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	50	0	100	40
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	50	0	20
Availability of hedging instruments	50	0	0	20
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	50	0	20
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	25	10	67	24
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	42	20	0	28
Competition from other banks	0	20	0	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	25	10	0	16
Availability of hedging instruments	8	20	0	12
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	20	33	12
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	**12**	**10**	**3**	**25**
Derivatives				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	0	100	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	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	33	0	14
Availability of hedging instruments	33	0	0	14
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	67	0	29
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**	**1**	**7**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	100	28
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	22	29	0	22
Competition from other banks	0	14	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	33	14	0	22
Availability of hedging instruments	11	29	0	17
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	14	0	6
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	**9**	**7**	**2**	**18**

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	50	0	100	40
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	50	0	20
Availability of hedging instruments	50	0	0	20
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	50	0	20
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	33	0	100	28
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	29	0	28
Competition from other banks	0	14	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	22	29	0	22
Availability of hedging instruments	11	14	0	11
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	14	0	6
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	**9**	**7**	**2**	**18**
Domestic government bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	0	100	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	100	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	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 a "good"or "moderate" ability				
Willingness of your institution to take on risk	50	14	33	35
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	10	29	0	15
Competition from other banks	10	14	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	20	29	0	20
Availability of hedging instruments	10	14	0	10
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	33	5
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	33	5
Total number of answers	**10**	**7**	**3**	**20**

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	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	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	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	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	**2**	**1**	**0**	**3**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	44	13	0	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	25	0	18
Competition from other banks	0	13	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	33	25	0	29
Availability of hedging instruments	11	13	0	12
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	13	0	6
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	**9**	**8**	**0**	**17**
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	0	0	100	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	0	0	33
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	33	0	0	17
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	50	0	17
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**	**1**	**6**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	43	14	50	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	29	0	19
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)	43	29	0	31
Availability of hedging instruments	0	14	0	6
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	14	50	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	**7**	**7**	**2**	**16**

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	50	33
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	50	11
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	11
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	67	0	22
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	29	0	100	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	43	33	0	33
Competition from other banks	0	17	0	7
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	14	17	0	13
Availability of hedging instruments	14	17	0	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	0	17	0	7
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	**7**	**6**	**2**	**15**
High-quality non-financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	60	0	50	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	50	0	27
Competition from other banks	0	0	50	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	20	0	0	9
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	50	0	18
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	**5**	**4**	**2**	**11**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	17	0	100	23
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	20	0	31
Competition from other banks	0	20	0	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	20	0	15
Availability of hedging instruments	0	20	0	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)	0	0	0	0
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	50	0	33	31
Internal treasury charges for funding market-making activities	0	25	0	8
Availability of balance sheet or capital at your institution	17	25	33	23
Competition from other banks	0	0	33	8
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	17	0	0	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	50	0	15
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	**6**	**4**	**3**	**13**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	0	0	100	33
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	50	0	17
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	50	0	17
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**	**2**	**6**
Convertible 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	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	100	0	0	100
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**	**0**	**0**	**1**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	20	50	33
Internal treasury charges for funding market-making activities	0	20	0	7
Availability of balance sheet or capital at your institution	50	0	0	20
Competition from other banks	0	0	25	7
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	20	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	0	40	25	20
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	**6**	**5**	**4**	**15**

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	33	33
Internal treasury charges for funding market-making activities	0	33	0	11
Availability of balance sheet or capital at your institution	0	0	33	11
Competition from other banks	0	0	33	11
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	33	0	0	11
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	67	0	22
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**	**3**	**9**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	100	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	33	0	38
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	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	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**
Covered bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	0	50	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	14
Competition from other banks	0	0	50	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	33	0	0	14
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	29
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**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	17	67	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	33	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)	17	17	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	17	0	7
Profitability of market making activities	0	17	33	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	**6**	**6**	**3**	**15**

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