EUROPEAN CENTRAL BANK
EUROSYSTEM

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

December 2020

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

The survey questions are grouped into three sections:

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

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

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

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

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

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

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

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

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

December 2020 SESFOD results

(Reference period from September to November 2020)

The December 2020 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between September 2020 and November 2020. Responses were collected from a panel of 26 large banks, comprising 14 euro area banks and 12 banks with head offices outside the euro area.

Highlights

Following significant changes in the previous three reporting periods, overall credit terms and conditions remained broadly unchanged over the September 2020 to November 2020 review period. At the same time, there was some divergence between price and non-price terms. Whereas price terms tightened slightly for all counterparties except banks and hedge funds, non-price terms eased on balance for all counterparty types. Respondents reported an easing in overall credit terms for each individual counterparty type. This was in line with the expectations expressed in the September 2020 survey. Looking ahead, a small net percentage of respondents expected overall terms to tighten over the December 2020 to February 2021 period.

A small percentage of respondents reported that central counterparties (CCPs) had contributed to an easing of credit terms, a first since the start of the survey in 2013. Respondents additionally reported that the use of financial leverage increased for insurance companies but remained unchanged for hedge funds and investment firms. Pressure from all counterparty types to obtain more favourable conditions increased, being most pronounced from hedge funds and non-financial corporates, while the provision of differential terms to most-favoured clients rose slightly over the reference period for almost all counterparty types but in particular for hedge funds.

Participants in the survey reported that the maximum amount of funding increased slightly or was unchanged on balance for many types of euro-denominated collateral. The maximum maturity of funding against euro-denominated collateral increased for most collateral types. Haircuts applied to euro-denominated collateral decreased for almost all types of collateral. Following the significant decreases reported in the previous SESFOD summary, respondents reported further substantial decreases in financing rates/spreads for funding secured by all types of collateral except equities. The use of CCPs increased slightly or remained unchanged for most types of collateral. In line with previous surveys, responses indicated only small changes in the use of CCPs for many types of collateral. On balance, covenants and triggers eased somewhat for funding against most collateral types. Demand for funding of all collateral types except equities continued to weaken. The liquidity of collateral improved for most collateral types. Collateral valuation disputes for all collateral types remained unchanged.

Respondents also reported that initial margin requirements remained unchanged for almost all OTC derivatives except for credit derivatives referencing sovereigns. They reported very few changes for the maximum amount of exposure and maximum maturity of trades. Liquidity and trading deteriorated for commodity, foreign exchange and equity derivatives. However, a small net percentage of survey respondents reported an improvement in liquidity and trading for credit derivatives. Valuation disputes increased in volume for all types of derivatives except foreign exchange and interest rate derivatives, while they decreased in duration and persistence for most types of derivatives. Respondents conveyed mixed messages on changes in new or renegotiated master agreements. Finally, the posting of non-standard collateral increased slightly.

The December 2020 survey included a number of special questions about market-making activities. Survey respondents reported that market-making activities increased for both debt securities and derivatives over the past year. Notable exceptions, for which market-making activities decreased, were asset-backed securities, high-yield corporate bonds and high-quality financial corporate bonds. Respondents reported willingness to take on risk and the growing importance of electronic trading platforms as the main drivers of changes and expected changes in market-making activities. Respondents expressed strong confidence in their ability to act as market-makers in times of stress for all asset classes. They reported willingness to take on risk as the main reason for banks' ability to act as market-makers in times of stress.

Counterparty types

Following significant changes in the previous three reporting periods, overall credit terms and conditions remained broadly unchanged over the September 2020 to November 2020 review period. However, respondents reported an easing in overall credit terms for each individual counterparty type (see Chart A). This overall assessment masks some divergence between price and non-price terms. Whereas price terms tightened slightly for all counterparties except banks and hedge funds, non-price terms eased on balance for all counterparty types. The reported easing of overall credit terms affected all counterparty types and was in line with the expectations expressed in the September 2020 survey. However, respondents reported that price terms tightened somewhat for investment funds, pension plans and other institutional investment pools, sovereigns, insurance companies and non-financial corporations. The easing of non-price terms was most noticeable for counterparties that are banks and dealers, sovereigns, insurance companies and non-financial corporations.

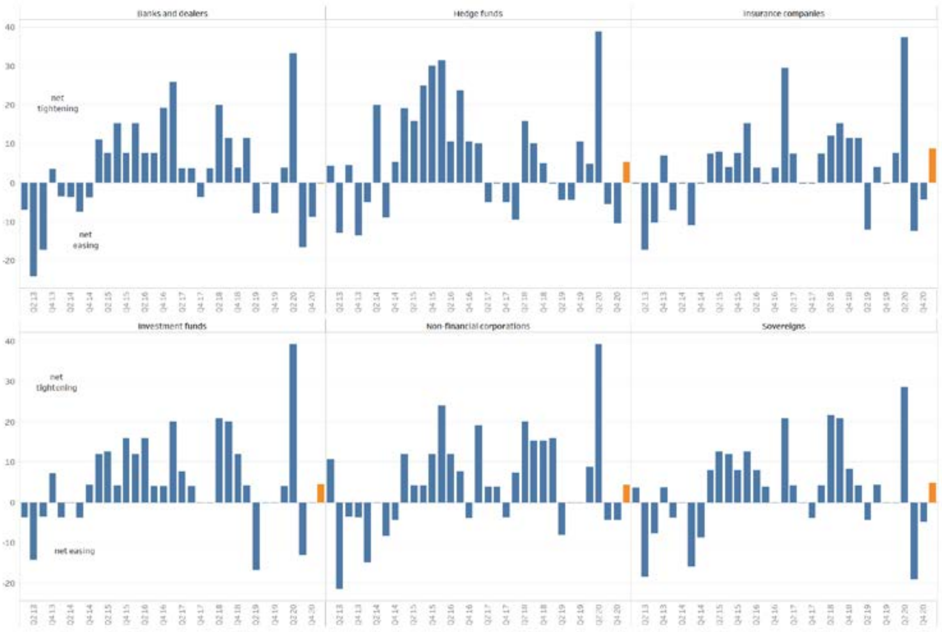
Respondents mainly attributed the less favourable price terms to a general deterioration in liquidity and market functioning. They also pointed to reduced availability of balance sheet or capital as well as competition from other institutions as additional motivations for tightening credit terms and conditions for all counterparties except banks and hedge funds. Meanwhile, the more favourable non-price terms were attributed to general market liquidity and functioning, the current or expected financial strength of counterparties, the adoption of new market conventions (e.g. ISDA protocols) and competition from other institutions.

A small net percentage of respondents expected overall terms to tighten over the December 2020 to February 2021 period (see Chart A). Respondents expected tighter price terms for all types of counterparties except banks and more favourable non-price terms for all types of counterparties except insurance companies.

Chart A

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

(Q1 2013 to Q4 2020 for observed, Q1 2021 for expected (yellow bars); net percentages of survey respondents)



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

A small percentage of respondents reported for the September 2020 to November 2020 review period that central counterparties (CCPs) had contributed to an easing of credit terms. This was the first time since the start of the survey in 2013 that respondents reported that the practices of CCPs had contributed to an easing of conditions.

Resources devoted to managing concentrated credit exposures to large banks and CCPs during the reference period remained unchanged. Respondents to the December survey reported no changes in the resources and attention devoted to managing concentrated credit exposures to banks and dealers or to CCPs.

The use of financial leverage increased for insurance companies but remained unchanged for hedge funds and investment firms. A small percentage of survey respondents reported that the use of leverage by insurance companies increased over the review period. Respondents also reported, on balance, no changes in the use of leverage by hedge funds or investment funds, pension plans and other institutional investment pools. A small percentage reported an increase in the availability of hedge funds' unutilised leverage.

Pressure from all counterparty types to obtain more favourable conditions increased, being most pronounced from hedge funds and non-financial corporates.

At the same time, the provision of differential terms to most-favoured clients increased slightly over the reference period for almost all counterparty types but in particular for hedge funds. However, a small net percentage of respondents reported a decrease in the provision of differential terms to most-favoured clients for investment funds, pension plans and other institutional investment pools.

Respondents reported a mixed picture as regards the volume, duration and persistence of valuation disputes. The December 2020 survey respondents reported that while the volume of valuation disputes they experienced with investment pools as well as banks and dealers decreased, they remained unchanged for insurance companies and non-financial corporations and even increased slightly for hedge funds. The duration and persistence of these valuation disputes remained unchanged on balance, increasing only slightly for investment funds and decreasing slightly for insurance companies.

Securities financing

The maximum amount of funding increased slightly or was unchanged on balance for many types of euro-denominated collateral. Participants in the December 2020 survey highlighted an increase in the maximum amount of funding offered to clients against collateral in the form of euro-denominated equities, high-quality government bonds, other government bonds, non-financial corporate bonds and covered bonds. However, respondents also indicated that the amount of funding offered against high-yield corporate bonds and asset-backed securities decreased over the reference period.

The maximum maturity of funding against euro-denominated collateral increased for most collateral types. Survey respondents reported a particular increase in the maximum maturity of funding against high-quality government and other government bonds, high-quality corporate bonds, asset-backed securities, covered bonds and – to a lesser extent – domestic government bonds. However, a small net percentage of respondents also reported a decrease or no change in the maximum maturity of funding against equities, high-yield corporate bonds and convertible securities.

Haircuts applied to euro-denominated collateral decreased for almost all types of collateral. Survey respondents reported decreased haircuts for high-quality and other government bonds, corporate bonds, covered bonds and asset-backed securities. They reported increased haircuts for equities and convertible securities, and unchanged haircuts for domestic government bonds.

Financing rates/spreads continued to decrease for funding secured by all types of collateral except equities. Following the significant decreases reported in the previous SESFOD summary, respondents reported further substantial decreases in financing rates/spreads for funding secured by corporate bonds (a net one-third of respondents) as well as government bonds and asset-backed securities (around a net one-quarter of respondents). A small net percentage reported an increase for funding against equities. Responses were similar for both average and most-favoured clients.

The use of CCPs increased slightly or remained unchanged for most types of collateral. In line with previous surveys, responses to the December 2020 survey indicated only small changes in the use of CCPs for many types of collateral. Respondents only reported net decreases – applicable to both their average and most-favoured clients – in the use of CCPs for funding secured by other government and high-quality non-financial corporate bonds.

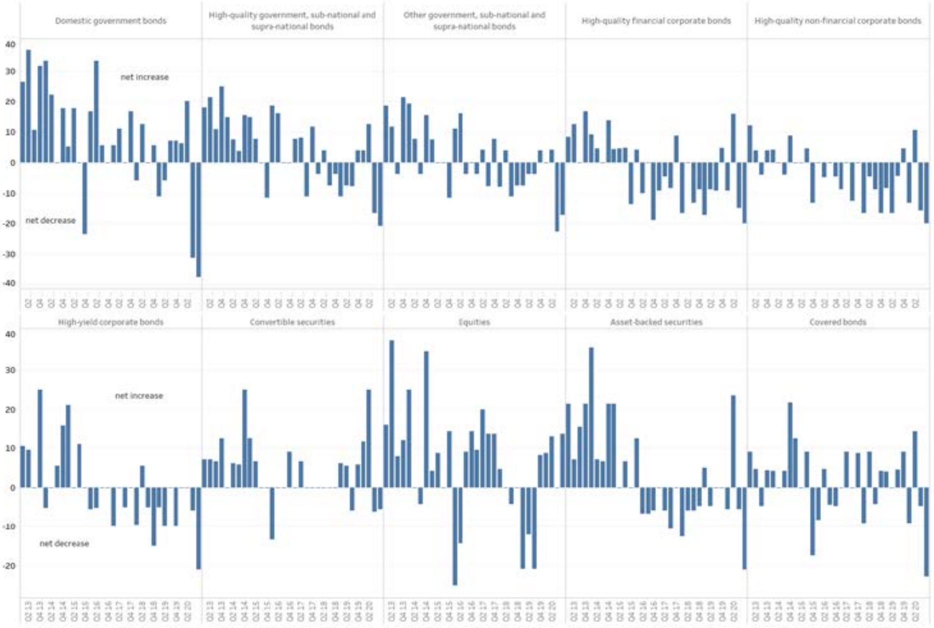
On balance, covenants and triggers eased somewhat for funding against most collateral types. Survey respondents reported – for both average and most-favoured clients – unchanged conditions for the covenants and triggers under which domestic government bonds, high-yield corporate bonds, convertible securities and asset-backed securities are funded and reported only small changes for other types of collateral.

Demand for funding of all collateral types except equities continued to weaken. Survey respondents reported weaker demand for funding across all types of collateral except equities, with the strongest decrease in demand being for funding against government, corporate and covered bonds as well as asset-backed securities (see Chart B). In general, the maturity of the funding did not affect the reported changes.

Chart B

Demand for funding

(Q1 2013 to Q4 2020; net percentages of survey respondents)



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

The liquidity of collateral improved for most collateral types. Survey respondents reported an improvement or no changes in the liquidity and functioning of the markets for all types of collateral. The improvement was most noteworthy for the liquidity and functioning of corporate bonds and asset-backed securities markets.

Collateral valuation disputes for all collateral types remained unchanged. Following the strong increases in collateral valuation disputes for all collateral types reported by respondents for the first two survey rounds in 2020 and a small decrease reported for the third one, survey respondents reported no change in either the volume or the duration and persistence of collateral valuation disputes for the review period from September 2020 to November 2020.

Non-centrally cleared OTC derivatives

Initial margin requirements remained unchanged for almost all OTC derivatives except for credit derivatives referencing sovereigns. More specifically, one respondent reported a decrease in initial margins for OTC derivatives referencing sovereigns and – for most-favoured clients – equity derivatives.

Very few changes were reported for the maximum amount of exposure and maximum maturity of trades. The maximum amount of exposure to credit derivatives referencing structured credit products and to foreign exchange derivatives increased somewhat while the maximum maturity of trades decreased somewhat for foreign exchange derivatives. A small net share of survey respondents reported an unchanged or decreasing credit limit and maximum maturity of trades for all other types of derivatives.

Liquidity and trading deteriorated for commodity, foreign exchange and equity derivatives. However, a small net percentage of survey respondents reported an improvement in liquidity and trading for credit derivatives.

Valuation disputes increased in volume for all types of derivatives except foreign exchange and interest rate derivatives, while they decreased in duration and persistence for most types of derivatives. Survey respondents reported the strongest increase in the volume of valuation disputes for credit derivatives referencing sovereigns and equity derivatives, while the duration and persistence of valuation disputes increased slightly for all types of derivatives except credit derivatives referencing sovereigns and equity derivatives.

There were mixed messages on changes in new or renegotiated master agreements. Respondents reported that new or renegotiated master agreements incorporate easier criteria for acceptable collateral as well as covenants and triggers. They also reported a net tightening of conditions for margin call practices and other documentation features but no change as regards the recognition of portfolio or diversification benefits.

The posting of non-standard collateral increased slightly. As in all surveys since December 2018, a small net percentage of respondents reported that the posting of non-standard collateral had increased somewhat.

Special questions

Market-making activities

The December 2020 survey included a number of special questions about market-making activities, with respondents being asked, for example, how their market-making activities had changed over the past year, how such activities were expected to change in 2021 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.

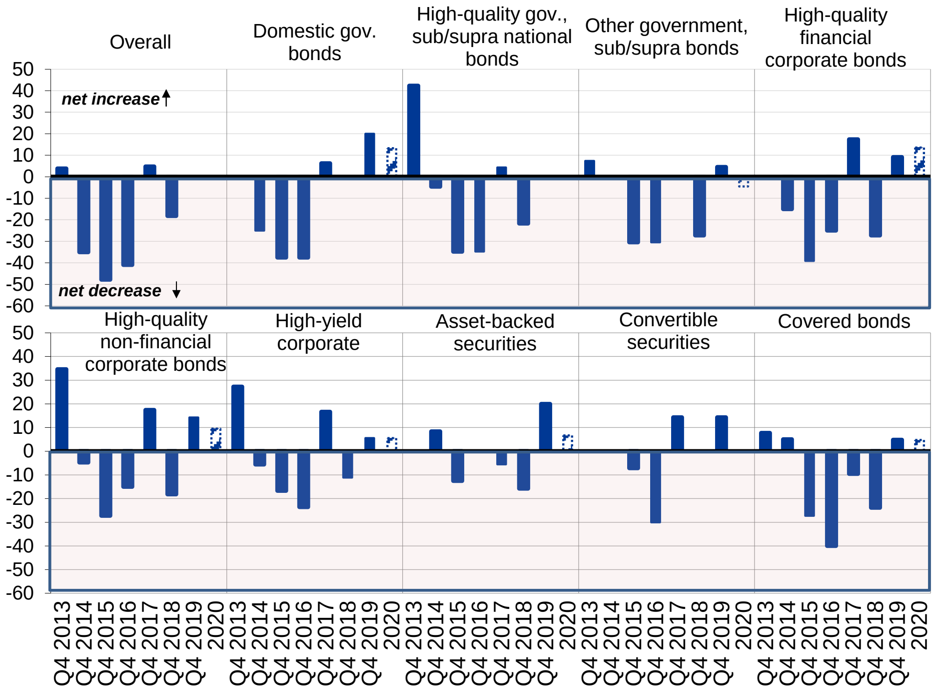
Market-making activities increased for both debt securities and derivatives over the past year. The increase in market-making activities was particularly noticeable for domestic, high-quality and other government bonds and convertible securities. After reporting an increase in market-making activities for all types of debt securities in the previous year, respondents reported unchanged market-making activities for high-quality non-financial corporate and covered bonds while they reported decreasing market-making activities for asset-backed securities, high-yield corporate bonds and high-quality financial corporate bonds (see Chart C).

Market-making activities are expected to increase further in 2021. Whereas 38% of respondents expected market-making activities for debt securities to increase, a net 5% expected those for derivatives to increase. Close to or above 20% of respondents reported expectations of an increase for all asset classes covered by the survey except convertible and asset-backed securities. For these securities, only small net percentages of respondents (8% and 7% respectively) expected their market-making activities to increase in 2021 (see Chart C). The strongest expectations of an increase were reported for high-quality government, sub-national and supra-national bonds (30%) and for high-quality non-financial corporate bonds (29%).

Chart C

Changes and expected changes in market-making activities

(Q4 2013 - Q4 2020; 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 2019 are taken from the answers to the questions on expected changes reported in December 2018. 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.

Willingness to take on risk and the growing importance of electronic trading platforms were cited as the main drivers of changes and expected changes in market-making activities. The main reasons given by respondents for the increase in market-making activities over the past year were the growing importance of electronic trading platforms, increased willingness to take on risk, increased competition from other banks and increased profitability of market-making activities. Survey respondents also identified willingness to take on risk, the growing importance of electronic trading platforms and increased profitability of market-making activities as drivers of increased market-making activities in the year ahead.

Respondents expressed strong confidence in their ability to act as market-makers in times of stress for all asset classes. Respondents' confidence in their ability to act as market-makers in times of stress was strongest in relation to derivatives, with 90% of respondents assessing their capacity as either "moderate" or "good". Respondents were also very confident in their ability to act as market-makers for high-quality government bonds (79%), covered bonds (77%) and domestic government bonds (71%). Confidence for other asset classes ranged from 58% for high-quality financial corporate bonds to 9% for convertible securities.

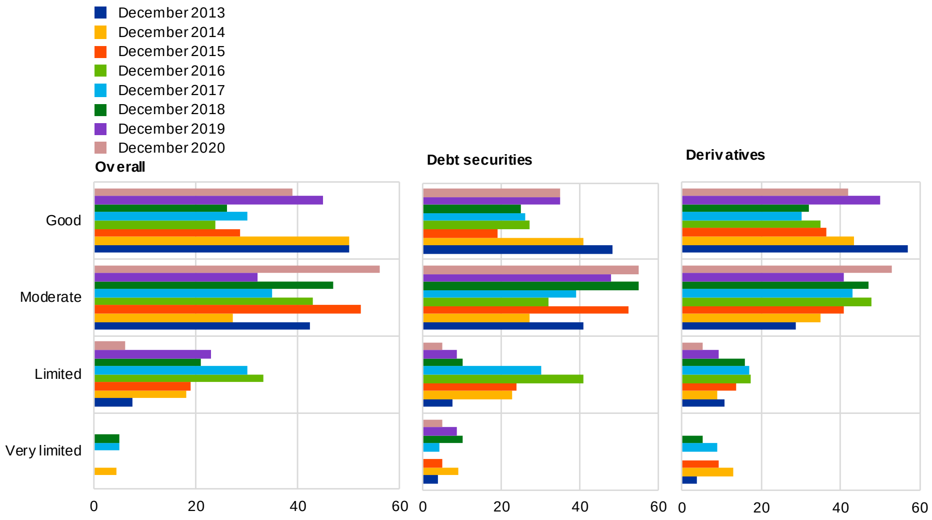
Overall, the survey confirmed the confidence in respondents' ability to act as market-makers in times of stress reported in the previous year (see Chart D). While, as in December 2019, more respondents described their ability to act as market-makers in times of stress as either "good" or "moderate" than "limited" or "very limited", the number of respondents selecting "good" fell compared with a year earlier, while the number selecting "moderate" rose, benefiting in particular from a decline in the number describing their ability as "limited". For derivatives, more banks characterised their ability to act as market-makers in times of stress as "good" or "moderate" compared with a year ago. Interestingly, as in the previous December SESFOD survey, no respondent reported their market-making ability as "very limited". For debt securities, significantly more banks described their ability to act as market-makers in times of stress as "good", and fewer banks said their ability was either "limited" or "very limited".

Willingness to take on risk was the main reason for banks' ability to act as market-makers in times of stress. Whereas banks typically cited willingness to take on risk and the availability of balance sheet capacity when reporting "moderate" or "good" market-making ability for debt securities in strained market conditions, they mentioned willingness to take on risk, the availability of hedging instruments and internal risk management constraints (e.g. Value at Risk) when reporting "moderate" or "good" market-making ability for derivatives in times of stress.

Chart D

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

(Q4 2013 - Q4 2020; percentages of survey respondents)



Source: ECB.

1 Counterparty types

1.1 Realised and expected changes in price and non-price credit terms

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

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

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

Table 1

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

Realised changes	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Banks and dealers								
Price terms	0	17	67	13	4	-24	0	24
Non-price terms	0	4	78	9	9	0	-13	23
Overall	0	9	74	13	4	-17	-9	23
Hedge funds								
Price terms	0	11	74	16	0	-11	-5	19
Non-price terms	0	5	84	11	0	+11	-5	19
Overall	0	5	79	16	0	-6	-11	19
Insurance companies								
Price terms	0	17	71	8	4	-20	+4	24
Non-price terms	0	4	83	9	4	+4	-9	23
Overall	0	9	78	9	4	-13	-4	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	4	17	65	9	4	-21	+9	23
Non-price terms	5	5	77	9	5	+4	-5	22
Overall	5	9	73	9	5	-13	0	22
Non-financial corporations								
Price terms	0	17	71	8	4	-13	+4	24
Non-price terms	0	4	83	9	4	+4	-9	23
Overall	0	9	78	9	4	-4	-4	23
Sovereigns								
Price terms	0	18	68	9	5	-27	+5	22
Non-price terms	0	5	81	10	5	+5	-10	21
Overall	0	10	76	10	5	-19	-5	21
All counterparties above								
Price terms	0	20	68	8	4	-24	+8	25
Non-price terms	0	8	79	8	4	0	-4	24
Overall	0	13	75	8	4	-17	0	24

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

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Banks and dealers								
Price terms	0	8	83	8	0	-4	0	24
Non-price terms	0	0	96	4	0	-8	-4	23
Overall	0	9	83	9	0	-4	0	23
Hedge funds								
Price terms	0	5	95	0	0	-6	+5	19
Non-price terms	0	0	95	5	0	-6	-5	19
Overall	0	5	95	0	0	-6	+5	19
Insurance companies								
Price terms	0	13	83	4	0	-4	+8	24
Non-price terms	0	4	91	4	0	-8	0	23
Overall	0	13	83	4	0	-4	+9	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	9	87	4	0	-4	+4	23
Non-price terms	0	0	95	5	0	-9	-5	22
Overall	0	9	86	5	0	-4	+5	22
Non-financial corporations								
Price terms	0	8	88	4	0	-4	+4	24
Non-price terms	0	0	96	4	0	-9	-4	23
Overall	0	9	87	4	0	-4	+4	23
Sovereigns								
Price terms	0	9	86	5	0	-5	+5	22
Non-price terms	0	0	95	5	0	-10	-5	21
Overall	0	10	86	5	0	-5	+5	21
All counterparties above								
Price terms	0	12	84	4	0	-4	+8	25
Non-price terms	0	4	92	4	0	-8	0	24
Overall	0	13	83	4	0	-4	+8	24

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2020	Dec. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	50	0	11
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	67	0	25	22
General market liquidity and functioning	100	0	0	50	44
Competition from other institutions	0	33	50	25	22
Other	0	0	0	0	0
Total number of answers	4	3	2	4	9
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	14	0
Willingness of your institution to take on risk	0	33	0	14	11
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	33	0	0	11
Availability of balance sheet or capital at your institution	0	33	50	7	22
General market liquidity and functioning	100	0	0	50	44
Competition from other institutions	0	0	50	14	11
Other	0	0	0	0	0
Total number of answers	4	3	2	14	9
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	33	33
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	0	100	33	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	100	0	100	20
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	20
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	67	0	0	0	40
Competition from other institutions	33	0	0	0	20
Other	0	0	0	0	0
Total number of answers	3	1	1	1	5

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. 2020	Either first, second or third reason Dec. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	17	0
Willingness of your institution to take on risk	0	0	0	17	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	100	0	17	40
General market liquidity and functioning	100	0	0	33	40
Competition from other institutions	0	0	100	17	20
Other	0	0	0	0	0
Total number of answers	2	2	1	6	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	33	0	17	12
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	33	0	0	12
Availability of balance sheet or capital at your institution	0	33	50	17	25
General market liquidity and functioning	100	0	0	67	38
Competition from other institutions	0	0	50	0	13
Other	0	0	0	0	0
Total number of answers	3	3	2	6	8
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	22	0
Willingness of your institution to take on risk	0	0	0	22	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	100	0	22	33
General market liquidity and functioning	100	0	0	22	33
Competition from other institutions	0	0	100	11	33
Other	0	0	0	0	0
Total number of answers	1	1	1	9	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	100	0	50	25
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	25
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	50	25
Competition from other institutions	50	0	0	0	25
Other	0	0	0	0	0
Total number of answers	2	1	1	2	4

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. 2020	Either first, second or third reason Dec. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	50	0	11
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	67	0	25	22
General market liquidity and functioning	100	0	0	50	44
Competition from other institutions	0	33	50	25	22
Other	0	0	0	0	0
Total number of answers	4	3	2	4	9
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	8	0
Willingness of your institution to take on risk	0	0	0	15	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	50	0	0	17
Availability of balance sheet or capital at your institution	0	50	0	8	17
General market liquidity and functioning	100	0	0	54	50
Competition from other institutions	0	0	100	15	17
Other	0	0	0	0	0
Total number of answers	3	2	1	13	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	33	33
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	0	100	33	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	100	0	0	25
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	25
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	25
Competition from other institutions	50	0	0	0	25
Other	0	0	0	0	0
Total number of answers	2	1	1	0	4

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. 2020	Either first, second or third reason Dec. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	50	0	10
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	67	0	20	20
General market liquidity and functioning	100	0	0	60	50
Competition from other institutions	0	33	50	20	20
Other	0	0	0	0	0
Total number of answers	5	3	2	5	10
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	13	0
Willingness of your institution to take on risk	0	0	0	19	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	50	0	0	20
Availability of balance sheet or capital at your institution	0	50	0	6	20
General market liquidity and functioning	100	0	0	50	40
Competition from other institutions	0	0	100	13	20
Other	0	0	0	0	0
Total number of answers	2	2	1	16	5
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	33	25
General market liquidity and functioning	100	0	0	33	50
Competition from other institutions	0	0	100	33	25
Other	0	0	0	0	0
Total number of answers	2	1	1	3	4
Possible reasons for easing					
Current or expected financial strength of counterparties	0	100	0	33	25
Willingness of your institution to take on risk	0	0	0	33	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	25
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	33	25
Competition from other institutions	50	0	0	0	25
Other	0	0	0	0	0
Total number of answers	2	1	1	3	4

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

To the extent that [price/ non-price] terms applied to [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. 2020	Dec. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	25	0	50	40	22
Willingness of your institution to take on risk	0	0	50	20	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	0	33	0	0	11
General market liquidity and functioning	75	33	0	40	44
Competition from other institutions	0	33	0	0	11
Other	0	0	0	0	0
Total number of answers	4	3	2	5	9
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	8	0
Willingness of your institution to take on risk	0	0	0	17	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	50	0	0	17
Availability of balance sheet or capital at your institution	0	50	0	8	17
General market liquidity and functioning	100	0	0	50	50
Competition from other institutions	0	0	100	17	17
Other	0	0	0	0	0
Total number of answers	3	2	1	12	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	100	0	0	33	33
Willingness of your institution to take on risk	0	0	100	33	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	100	0	33	33
Competition from other institutions	0	0	0	0	0
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	100	0	0	25
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	25
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	25
Competition from other institutions	50	0	0	0	25
Other	0	0	0	0	0
Total number of answers	2	1	1	0	4

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. 2020	Either first, second or third reason Dec. 2020
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	50	0	11
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	67	0	33	22
General market liquidity and functioning	100	0	0	33	44
Competition from other institutions	0	33	50	33	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	8	0
Willingness of your institution to take on risk	0	0	0	15	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	50	0	0	17
Availability of balance sheet or capital at your institution	0	50	0	8	17
General market liquidity and functioning	100	0	0	54	50
Competition from other institutions	0	0	100	15	17
Other	0	0	0	0	0
Total number of answers	3	2	1	13	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	33	33
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	0	100	33	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	100	0	0	25
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	25
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	25
Competition from other institutions	50	0	0	0	25
Other	0	0	0	0	0
Total number of answers	2	1	1	0	4

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Practices 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 "contributed considerably to tightening" or "contributed somewhat to tightening" and those reporting "contributed somewhat to easing" and "contributed considerably to easing".

1.3 Resources and attention to the management of concentrated credit exposures

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

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Banks and dealers	0	0	100	0	0	**-8**	**0**	23
Central counterparties	0	0	100	0	0	**-8**	**0**	23

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

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Hedge funds								
Use of financial leverage	0	11	78	11	0	**-12**	**0**	18
Availability of unutilised leverage	0	0	94	6	0	**-6**	**-6**	18
Insurance companies								
Use of financial leverage	0	0	95	5	0	**0**	**-5**	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	100	0	0	**+5**	**0**	23

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-4	-12	25
Provision of differential terms to most-favoured clients	0	0	96	4	0	-4	-4	24
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	80	20	0	-6	-20	20
Provision of differential terms to most-favoured clients	0	0	85	15	0	0	-15	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-4	-12	25
Provision of differential terms to most-favoured clients	0	0	96	4	0	-4	-4	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	0	-4	24
Provision of differential terms to most-favoured clients	0	4	96	0	0	0	+4	23
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	80	20	0	-17	-20	25
Provision of differential terms to most-favoured clients	0	0	96	4	0	-9	-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		Total number of answers
						Sep. 2020	Dec. 2020	
Banks and dealers								
Volume	0	4	96	0	0	-4	+4	24
Duration and persistence	0	0	100	0	0	-4	0	24
Hedge funds								
Volume	0	0	95	5	0	+6	-5	19
Duration and persistence	0	0	100	0	0	+6	0	19
Insurance companies								
Volume	0	4	92	4	0	-4	0	24
Duration and persistence	0	4	96	0	0	-9	+4	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	9	91	0	0	+9	+9	23
Duration and persistence	0	0	96	4	0	+5	-4	23
Non-financial corporations								
Volume	0	4	92	4	0	0	0	24
Duration and persistence	0	4	92	4	0	+4	0	24

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

2 Securities financing

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

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

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	6	88	6	0	+6	0	16
Maximum maturity of funding	0	6	81	13	0	0	-6	16
Haircuts	0	0	100	0	0	0	0	16
Financing rate/spread	0	31	63	6	0	+38	+25	16
Use of CCPs	0	6	75	13	6	-6	-13	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	84	12	0	-16	-8	25
Maximum maturity of funding	0	4	80	16	0	-20	-12	25
Haircuts	0	4	96	0	0	+8	+4	25
Financing rate/spread	4	24	64	8	0	+24	+20	25
Use of CCPs	0	4	83	13	0	0	-9	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	92	8	0	-13	-8	24
Maximum maturity of funding	0	0	88	13	0	-13	-13	24
Haircuts	0	8	92	0	0	+9	+8	24
Financing rate/spread	8	21	71	0	0	+30	+29	24
Use of CCPs	0	5	95	0	0	-5	+5	22
High-quality financial corporate bonds								
Maximum amount of funding	0	14	71	14	0	-10	0	21
Maximum maturity of funding	0	0	86	14	0	0	-14	21
Haircuts	0	14	81	5	0	+10	+10	21
Financing rate/spread	10	29	62	0	0	+30	+38	21
Use of CCPs	0	0	100	0	0	-6	0	17
High-quality non-financial corporate bonds								
Maximum amount of funding	0	14	67	19	0	-5	-5	21
Maximum maturity of funding	0	5	76	19	0	0	-14	21
Haircuts	0	14	81	5	0	+14	+10	21
Financing rate/spread	10	29	62	0	0	+29	+38	21
Use of CCPs	0	6	94	0	0	+6	+6	17
High-yield corporate bonds								
Maximum amount of funding	0	15	80	5	0	0	+10	20
Maximum maturity of funding	0	10	80	10	0	-6	0	20
Haircuts	0	15	80	5	0	+17	+10	20
Financing rate/spread	10	20	70	0	0	+33	+30	20
Use of CCPs	0	0	92	8	0	+8	-8	13

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

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

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

Table 15

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Convertible securities								
Maximum amount of funding	0	0	100	0	0	0	0	18
Maximum maturity of funding	0	0	100	0	0	-6	0	18
Haircuts	0	0	94	6	0	0	-6	18
Financing rate/spread	0	17	78	6	0	+6	+11	18
Use of CCPs	0	0	100	0	0	-7	0	13
Equities								
Maximum amount of funding	0	9	74	17	0	-23	-9	23
Maximum maturity of funding	0	9	87	4	0	-18	+4	23
Haircuts	0	0	96	4	0	-9	-4	23
Financing rate/spread	0	9	74	13	4	-5	-9	23
Use of CCPs	0	0	94	6	0	-12	-6	16
Asset-backed securities								
Maximum amount of funding	0	10	85	5	0	-5	+5	20
Maximum maturity of funding	0	0	85	15	0	-16	-15	20
Haircuts	0	15	80	5	0	+16	+10	20
Financing rate/spread	10	20	65	5	0	+21	+25	20
Use of CCPs	0	0	100	0	0	-8	0	13
Covered bonds								
Maximum amount of funding	4	0	87	9	0	+5	-4	23
Maximum maturity of funding	0	0	87	13	0	0	-13	23
Haircuts	0	9	91	0	0	+5	+9	23
Financing rate/spread	4	17	74	4	0	+18	+17	23
Use of CCPs	0	0	95	5	0	-5	-5	21

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

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 Sep. 2020	Net percentage Dec. 2020	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	6	88	6	0	+6	0	16
Maximum maturity of funding	0	6	88	6	0	+13	0	16
Haircuts	0	0	100	0	0	0	0	16
Financing rate/spread	0	31	63	6	0	+38	+25	16
Use of CCPs	0	6	88	6	0	0	0	16
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	84	16	0	-20	-16	25
Maximum maturity of funding	0	0	80	20	0	-16	-20	25
Haircuts	0	4	96	0	0	+8	+4	25
Financing rate/spread	4	24	64	8	0	+20	+20	25
Use of CCPs	0	4	91	4	0	-4	0	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	0	88	13	0	-13	-13	24
Maximum maturity of funding	0	0	88	13	0	-13	-13	24
Haircuts	0	8	88	4	0	+9	+4	24
Financing rate/spread	8	25	67	0	0	+30	+33	24
Use of CCPs	0	5	95	0	0	-5	+5	22
High-quality financial corporate bonds								
Maximum amount of funding	0	14	71	14	0	-15	0	21
Maximum maturity of funding	0	0	90	10	0	-5	-10	21
Haircuts	0	14	81	5	0	+10	+10	21
Financing rate/spread	10	24	67	0	0	+35	+33	21
Use of CCPs	0	0	100	0	0	-6	0	16
High-quality non-financial corporate bonds								
Maximum amount of funding	0	14	71	14	0	-5	0	21
Maximum maturity of funding	0	5	76	19	0	0	-14	21
Haircuts	0	14	81	5	0	+14	+10	21
Financing rate/spread	10	29	62	0	0	+29	+38	21
Use of CCPs	0	6	94	0	0	+6	+6	16
High-yield corporate bonds								
Maximum amount of funding	0	15	80	5	0	0	+10	20
Maximum maturity of funding	0	10	80	10	0	-6	0	20
Haircuts	0	15	80	5	0	+17	+10	20
Financing rate/spread	10	25	65	0	0	+33	+35	20
Use of CCPs	0	0	93	7	0	+7	-7	14

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

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

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

Table 17

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Convertible securities								
Maximum amount of funding	0	0	100	0	0	**0**	**0**	18
Maximum maturity of funding	0	0	100	0	0	**-6**	**0**	18
Haircuts	0	0	94	6	0	**0**	**-6**	18
Financing rate/spread	0	11	83	6	0	**+6**	**+6**	18
Use of CCPs	0	0	100	0	0	**-8**	**0**	14
Equities								
Maximum amount of funding	0	4	78	17	0	**-19**	**-13**	23
Maximum maturity of funding	0	13	83	4	0	**-19**	**+9**	23
Haircuts	0	0	96	4	0	**-10**	**-4**	23
Financing rate/spread	0	9	74	17	0	**-5**	**-9**	23
Use of CCPs	0	0	100	0	0	**-13**	**0**	17
Asset-backed securities								
Maximum amount of funding	0	10	85	5	0	**-11**	**+5**	20
Maximum maturity of funding	0	5	80	15	0	**-5**	**-10**	20
Haircuts	0	15	75	5	5	**+16**	**+5**	20
Financing rate/spread	10	30	55	5	0	**+26**	**+35**	20
Use of CCPs	0	0	100	0	0	**-8**	**0**	13
Covered bonds								
Maximum amount of funding	0	4	87	9	0	**0**	**-4**	23
Maximum maturity of funding	0	0	87	13	0	**+5**	**-13**	23
Haircuts	0	9	91	0	0	**+5**	**+9**	23
Financing rate/spread	4	22	65	9	0	**+18**	**+17**	23
Use of CCPs	0	0	90	10	0	**-5**	**-10**	20

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

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. 2020	Net percentage Dec. 2020	Total number of answers
Domestic government bonds								
Terms for average clients	0	0	100	0	0	-8	0	13
Terms for most-favoured clients	0	0	100	0	0	-8	0	13
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	95	5	0	-10	-5	21
Terms for most-favoured clients	0	0	95	5	0	-10	-5	21
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	95	5	0	-6	-5	20
Terms for most-favoured clients	0	0	95	5	0	-6	-5	20
High-quality financial corporate bonds								
Terms for average clients	0	0	94	6	0	-6	-6	18
Terms for most-favoured clients	0	0	94	6	0	-6	-6	18
High-quality non-financial corporate bonds								
Terms for average clients	0	0	94	6	0	-6	-6	18
Terms for most-favoured clients	0	0	94	6	0	-6	-6	18
High-yield corporate bonds								
Terms for average clients	0	6	88	6	0	-7	0	17
Terms for most-favoured clients	0	6	89	6	0	-6	0	18
Convertible securities								
Terms for average clients	0	0	100	0	0	0	0	16
Terms for most-favoured clients	0	6	94	0	0	0	+6	16
Equities								
Terms for average clients	0	0	95	5	0	0	-5	19
Terms for most-favoured clients	0	0	95	5	0	0	-5	19
Asset-backed securities								
Terms for average clients	0	6	88	6	0	-7	0	16
Terms for most-favoured clients	0	6	88	6	0	-7	0	16
Covered bonds								
Terms for average clients	0	0	95	5	0	-5	-5	21
Terms for most-favoured clients	0	0	95	5	0	-5	-5	21

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. 2020	Dec. 2020	
Domestic government bonds								
Overall demand	0	38	63	0	0	+31	+38	16
With a maturity greater than 30 days	0	31	63	6	0	+38	+25	16
High-quality government, sub-national and supra-national bonds								
Overall demand	4	21	71	4	0	+17	+21	24
With a maturity greater than 30 days	4	21	71	4	0	+25	+21	24
Other government, sub-national and supra-national bonds								
Overall demand	4	17	74	4	0	+23	+17	23
With a maturity greater than 30 days	4	17	74	4	0	+23	+17	23
High-quality financial corporate bonds								
Overall demand	5	15	80	0	0	+15	+20	20
With a maturity greater than 30 days	5	15	80	0	0	+30	+20	20
High-quality non-financial corporate bonds								
Overall demand	5	15	80	0	0	+16	+20	20
With a maturity greater than 30 days	5	15	80	0	0	+32	+20	20
High-yield corporate bonds								
Overall demand	5	16	79	0	0	+6	+21	19
With a maturity greater than 30 days	5	16	79	0	0	+18	+21	19
Convertible securities								
Overall demand	6	0	94	0	0	+6	+6	18
With a maturity greater than 30 days	6	0	94	0	0	+6	+6	18
Equities								
Overall demand	0	5	77	18	0	0	-14	22
With a maturity greater than 30 days	0	0	90	10	0	-5	-10	21
Asset-backed securities								
Overall demand	5	16	79	0	0	+6	+21	19
With a maturity greater than 30 days	5	16	79	0	0	+11	+21	19
Covered bonds								
Overall demand	5	18	77	0	0	+5	+23	22
With a maturity greater than 30 days	5	18	77	0	0	+24	+23	22
All collateral types above								
Overall demand	0	14	82	5	0	+14	+9	22
With a maturity greater than 30 days	0	18	77	5	0	+19	+14	22

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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 Sep. 2020	Net percentage Dec. 2020	Total number of answers
Domestic government bonds								
Liquidity and functioning	0	13	75	13	0	**-13**	**0**	16
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	13	71	17	0	**-21**	**-4**	24
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	9	74	13	4	**-18**	**-9**	23
High-quality financial corporate bonds								
Liquidity and functioning	0	5	75	15	5	**-20**	**-15**	20
High-quality non-financial corporate bonds								
Liquidity and functioning	0	5	75	15	5	**-21**	**-15**	20
High-yield corporate bonds								
Liquidity and functioning	5	0	74	16	5	**-24**	**-16**	19
Convertible securities								
Liquidity and functioning	0	6	89	6	0	**0**	**0**	18
Equities								
Liquidity and functioning	0	5	91	5	0	**-10**	**0**	22
Asset-backed securities								
Liquidity and functioning	5	0	74	21	0	**-28**	**-16**	19
Covered bonds								
Liquidity and functioning	0	9	77	14	0	**-19**	**-5**	22
All collateral types above								
Liquidity and functioning	0	4	83	13	0	**-32**	**-9**	23

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Domestic government bonds								
Volume	0	0	100	0	0	+7	**0**	15
Duration and persistence	0	0	100	0	0	+7	**0**	15
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	+4	**0**	22
Duration and persistence	0	0	100	0	0	+4	**0**	22
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	+5	**0**	21
Duration and persistence	0	0	100	0	0	+5	**0**	21
High-quality financial corporate bonds								
Volume	0	0	100	0	0	+5	**0**	17
Duration and persistence	0	0	100	0	0	+5	**0**	17
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	+6	**0**	17
Duration and persistence	0	0	100	0	0	+6	**0**	17
High-yield corporate bonds								
Volume	0	0	100	0	0	+6	**0**	16
Duration and persistence	0	0	100	0	0	+6	**0**	16
Convertible securities								
Volume	0	0	100	0	0	+7	**0**	16
Duration and persistence	0	0	100	0	0	+7	**0**	16
Equities								
Volume	0	0	100	0	0	+11	**0**	20
Duration and persistence	0	0	100	0	0	+11	**0**	20
Asset-backed securities								
Volume	0	0	100	0	0	+6	**0**	16
Duration and persistence	0	0	100	0	0	+6	**0**	16
Covered bonds								
Volume	0	0	100	0	0	+5	**0**	19
Duration and persistence	0	0	100	0	0	+5	**0**	19
All collateral types above								
Volume	0	0	100	0	0	+5	**0**	21
Duration and persistence	0	0	100	0	0	+5	**0**	21

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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. 2020	Dec. 2020	
Foreign exchange								
Average clients	0	0	100	0	0	+9	0	22
Most-favoured clients	0	0	100	0	0	+9	0	22
Interest rates								
Average clients	0	0	100	0	0	+5	0	21
Most-favoured clients	0	0	100	0	0	+5	0	21
Credit referencing sovereigns								
Average clients	0	6	94	0	0	+6	+6	17
Most-favoured clients	0	6	94	0	0	+12	+6	17
Credit referencing corporates								
Average clients	0	0	100	0	0	+11	0	19
Most-favoured clients	0	0	100	0	0	+11	0	19
Credit referencing structured credit products								
Average clients	0	0	100	0	0	0	0	17
Most-favoured clients	0	0	100	0	0	0	0	17
Equity								
Average clients	0	0	100	0	0	+11	0	17
Most-favoured clients	0	6	94	0	0	+11	+6	17
Commodity								
Average clients	0	0	100	0	0	+6	0	16
Most-favoured clients	0	0	100	0	0	+6	0	16
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	+7	0	17
Most-favoured clients	0	0	100	0	0	+7	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".

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

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

Table 23

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	0	96	4	0	-4	-4	23
Maximum maturity of trades	0	0	96	4	0	-4	-4	23
Interest rates								
Maximum amount of exposure	0	0	100	0	0	0	0	22
Maximum maturity of trades	0	0	100	0	0	0	0	22
Credit referencing sovereigns								
Maximum amount of exposure	0	7	87	7	0	0	0	15
Maximum maturity of trades	0	7	93	0	0	0	+7	15
Credit referencing corporates								
Maximum amount of exposure	0	6	88	6	0	0	0	17
Maximum maturity of trades	0	6	94	0	0	0	+6	17
Credit referencing structured credit products								
Maximum amount of exposure	0	0	93	7	0	0	-7	15
Maximum maturity of trades	0	7	93	0	0	0	+7	15
Equity								
Maximum amount of exposure	0	13	80	7	0	+13	+7	15
Maximum maturity of trades	0	13	75	13	0	+6	0	16
Commodity								
Maximum amount of exposure	0	7	86	7	0	+7	0	14
Maximum maturity of trades	0	14	86	0	0	+7	+14	14
Total return swaps referencing non-securities								
Maximum amount of exposure	0	7	93	0	0	0	+7	15
Maximum maturity of trades	0	0	100	0	0	0	0	15

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

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

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

Table 24

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage Sep. 2020	Net percentage Dec. 2020	Total number of answers
Foreign exchange								
Liquidity and trading	0	4	96	0	0	-8	+4	23
Interest rates								
Liquidity and trading	0	0	100	0	0	+4	0	22
Credit referencing sovereigns								
Liquidity and trading	0	6	81	13	0	+13	-6	16
Credit referencing corporates								
Liquidity and trading	0	6	83	11	0	+6	-6	18
Credit referencing structured credit products								
Liquidity and trading	0	6	81	13	0	+6	-6	16
Equity								
Liquidity and trading	0	18	71	12	0	+6	+6	17
Commodity								
Liquidity and trading	0	13	87	0	0	0	+13	15
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	0	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. 2020	Dec. 2020	
Foreign exchange								
Volume	0	4	91	4	0	**0**	**0**	23
Duration and persistence	0	4	96	0	0	**+4**	**+4**	23
Interest rates								
Volume	0	5	91	5	0	**+5**	**0**	22
Duration and persistence	0	9	91	0	0	**+5**	**+9**	22
Credit referencing sovereigns								
Volume	0	0	88	13	0	**+6**	**-13**	16
Duration and persistence	0	6	88	6	0	**+6**	**0**	16
Credit referencing corporates								
Volume	0	0	94	6	0	**+6**	**-6**	17
Duration and persistence	0	6	94	0	0	**+6**	**+6**	17
Credit referencing structured credit products								
Volume	0	0	94	6	0	**+12**	**-6**	17
Duration and persistence	0	6	94	0	0	**+6**	**+6**	17
Equity								
Volume	0	0	88	12	0	**+12**	**-12**	17
Duration and persistence	0	6	88	6	0	**+12**	**0**	17
Commodity								
Volume	0	0	93	7	0	**0**	**-7**	15
Duration and persistence	0	7	93	0	0	**0**	**+7**	15
Total return swaps referencing non-securities								
Volume	0	0	94	6	0	**+8**	**-6**	16
Duration and persistence	0	6	94	0	0	**+8**	**+6**	16

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

3.2 Changes in new or renegotiated master agreements

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

Table 26

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

Changes in agreements	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Margin call practices	0	8	92	0	0	+9	+8	24
Acceptable collateral	0	0	92	8	0	-4	-8	24
Recognition of portfolio or diversification benefits	0	0	100	0	0	0	0	24
Covenants and triggers	0	0	96	4	0	+5	-4	24
Other documentation features	0	4	96	0	0	+4	+4	24

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2020	Dec. 2020	
Posting of non-standard collateral	0	0	95	5	0	-5	-5	22

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

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	14	57	24	5	-14	21
Derivatives	0	5	80	15	0	-10	20
Overall	0	10	75	15	0	-5	20
Domestic government bonds	0	7	64	14	14	-21	14
High-quality government, sub-national and supra-national bonds	0	10	70	15	5	-10	20
Other government, sub-national and supra-national bonds	0	10	70	15	5	-10	20
High-quality financial corporate bonds	0	20	65	15	0	+5	20
High-quality non-financial corporate bonds	0	24	52	24	0	0	21
High-yield corporate bonds	0	17	78	6	0	+11	18
Convertible securities	0	8	77	8	8	-8	13
Asset-backed securities	0	20	73	7	0	+13	15
Covered bonds	0	11	79	11	0	0	19

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "Iincreased 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 2021?

Table 29

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

Expected changes in 2021	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	62	38	0	-38	21
Derivatives	0	10	75	15	0	-5	20
Overall	0	0	75	25	0	-25	20
Domestic government bonds	0	0	79	21	0	-21	14
High-quality government, sub-national and supra-national bonds	0	0	70	25	5	-30	20
Other government, sub-national and supra-national bonds	0	0	75	25	0	-25	20
High-quality financial corporate bonds	0	0	80	20	0	-20	20
High-quality non-financial corporate bonds	0	0	71	29	0	-29	21
High-yield corporate bonds	0	0	83	17	0	-17	18
Convertible securities	0	0	92	8	0	-8	13
Asset-backed securities	0	0	93	7	0	-7	15
Covered bonds	0	0	79	21	0	-21	19

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

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

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

Table 30

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	20
Competition from other banks	33	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	100	20
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	33	0	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	20
Total number of answers	**3**	**1**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	33	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	13
Competition from other banks	20	0	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	13
Availability of hedging instruments	0	33	0	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	20	0	0	13
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)	40	0	0	25
Total number of answers	**5**	**3**	**0**	**8**
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)	100	0	0	100
Total number of answers	**1**	**0**	**0**	**1**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	100	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	0	0	0
Role of high-frequency automated trading in making markets	0	0	100	25
Other (please specify below)	50	0	0	25
Total number of answers	**2**	**1**	**1**	**4**

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

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

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	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	50	0	0	50
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	50
Total number of answers	**2**	**0**	**0**	**2**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	0	33
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	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	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	**2**	**1**	**0**	**3**
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)	100	0	0	100
Total number of answers	**1**	**0**	**0**	**1**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	13
Competition from other banks	0	0	50	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	0	50	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	50	0	38
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-quality government, sub-national and supra-national bonds/other government, sub-national and supra-national bonds] have decreased or increased over the past year (as reflected in your responses above), what was the [first/ second/ third] most important reason for the change?

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	25
Competition from other banks	0	100	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	100	25
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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	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	100	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	100	100	0	80
Total number of answers	**3**	**1**	**1**	**5**
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	50	0	0	25
Competition from other banks	0	100	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	100	25
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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	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	100	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	100	100	0	80
Total number of answers	**3**	**1**	**1**	**5**

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

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	33	33	0	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	100	29
Competition from other banks	0	33	0	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	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	67	0	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 an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	100	0	0	50
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	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	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**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	100	0	0	50
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)	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	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	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	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	100	0	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**

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	67	33	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	100	14
Competition from other banks	0	33	0	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	14
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	33	0	0	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**1**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	100
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**
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	50	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	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 an increase				
Willingness of your institution to take on risk	100	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	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**

Reasons for expected changes in market-making activities in 2021

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likey to decrease or increase in 2021 (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 2021	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	43	0	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	50	0	20
Competition from other banks	14	0	100	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	14	0	0	10
Profitability of market making activities	0	50	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	14	0	0	10
Total number of answers	**7**	**2**	**1**	**10**
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	100	0	50
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	67	0	0	50
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	100	0	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	25
Total number of answers	**3**	**1**	**0**	**4**

Reasons for expected changes in market-making activities in 2021 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likey to decrease or increase in 2021 (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 2021	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	40	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	17
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	20	0	0	17
Profitability of market making activities	0	100	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	17
Total number of answers	**5**	**1**	**0**	**6**
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	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	33	0	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	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)	67	0	0	67
Total number of answers	**3**	**0**	**0**	**3**

Reasons for expected changes in market-making activities in 2021 (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 2021 (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 2021	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	25	0	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	25	0	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	100	0	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	33
Total number of answers	**4**	**2**	**0**	**6**
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	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	25	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	100	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	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	75	0	0	60
Total number of answers	**4**	**1**	**0**	**5**

Reasons for expected changes in market-making activities in 2021 (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 2021 (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 2021	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	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	75	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	67	0	22
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	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	50	22
Profitability of market making activities	0	33	50	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**
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	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	75	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	67	0	22
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	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	50	22
Profitability of market making activities	0	33	50	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**

Reasons for expected changes in market-making activities in 2021 (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 2021 (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 2021	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	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	100	0	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	29
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	14
Profitability of market making activities	0	0	50	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**2**	**7**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	100	0	0	100
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**

Reasons for expected changes in market-making activities in 2021 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likey to decrease or increase in 2021 (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 2021	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	0	100	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	100	0	0	50
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	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**
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	100	0	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	14
Competition from other banks	0	50	0	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	14
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	**3**	**2**	**2**	**7**

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	5	5	55	35	**-80**	20
Derivatives	0	5	53	42	**-90**	19
Overall	0	6	56	39	**-89**	18
Domestic government bonds	0	14	50	36	**-71**	14
High-quality government, sub-national and supra-national bonds	0	11	42	47	**-79**	19
Other government, sub-national and supra-national bonds	0	26	42	32	**-47**	19
High-quality financial corporate bonds	0	21	47	32	**-58**	19
High-quality non-financial corporate bonds	0	32	42	26	**-37**	19
High-yield corporate bonds	25	19	38	19	**-13**	16
Convertible securities	18	27	27	27	**-9**	11
Asset-backed securities	29	7	29	36	**-29**	14
Covered bonds	0	12	47	41	**-77**	17

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

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

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

Table 33

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	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	0	0
Competition from other banks	50	0	0	20
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	100	40
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	55	0	25	32
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	27	57	0	32
Competition from other banks	9	0	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	29	0	9
Availability of hedging instruments	0	14	0	5
Compliance with current or expected changes in regulation	0	0	25	5
Growing importance of electronic trading platforms	0	0	50	9
Profitability of market making activities	9	0	0	5
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	**11**	**7**	**4**	**22**
Derivatives				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	100	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	33
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	23	25	33	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	8	13	0	8
Competition from other banks	15	0	0	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	8	25	0	13
Availability of hedging instruments	23	25	33	25
Compliance with current or expected changes in regulation	8	0	0	4
Growing importance of electronic trading platforms	8	0	33	8
Profitability of market making activities	8	13	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	**13**	**8**	**3**	**24**

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

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

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	100	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	33
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	60	33	41
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	20	0	12
Competition from other banks	22	0	0	12
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	33	12
Availability of hedging instruments	22	0	33	18
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	11	0	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**	**5**	**3**	**17**
Domestic government bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	50	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	20
Availability of hedging instruments	50	0	0	20
Compliance with current or expected changes in regulation	0	0	100	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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	38	33	25	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	17	25	17
Competition from other banks	25	0	0	11
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	11
Availability of hedging instruments	13	0	25	11
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	25	6
Profitability of market making activities	13	17	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**8**	**6**	**4**	**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 [high-quality government, sub-national and supra-national bonds/ other government, sub-national and supra-national bonds] in times stress (as reflected in your responses above), what is the [first/ second/ third] most important reason for this?

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	50	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	25
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	25
Availability of hedging instruments	50	0	0	25
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**2**	**0**	**4**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	38	33	0	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	17	0	14
Competition from other banks	25	0	0	14
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	13	0	0	7
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	13	17	0	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**8**	**6**	**0**	**14**
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	60	20	0	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	60	0	27
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)	20	20	0	18
Availability of hedging instruments	20	0	0	9
Compliance with current or expected changes in regulation	0	0	100	9
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	**5**	**5**	**1**	**11**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	40	25	25	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	25	15
Competition from other banks	40	0	0	15
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	15
Availability of hedging instruments	0	0	25	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	25	8
Profitability of market making activities	0	25	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	**5**	**4**	**4**	**13**

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

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

Table 33 (continued)

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	50	0	0	22
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	100	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)	25	50	0	33
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	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**4**	**1**	**9**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	57	14	33	35
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	43	0	24
Competition from other banks	29	0	0	12
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	29	0	12
Availability of hedging instruments	0	14	33	12
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	6
Profitability of market making activities	0	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	**7**	**7**	**3**	**17**
High-quality non-financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	67	0	0	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	40	50	23
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	60	0	31
Availability of hedging instruments	17	0	0	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	8
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	**6**	**5**	**2**	**13**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	40	20	50	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	40	0	25
Competition from other banks	40	0	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	0	8
Availability of hedging instruments	0	20	50	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	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	**5**	**5**	**2**	**12**

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	67	0	0	31
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	40	50	23
Competition from other banks	17	0	0	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	40	0	23
Availability of hedging instruments	0	20	0	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	8
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	**6**	**5**	**2**	**13**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	33	50	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	33	50	38
Competition from other banks	33	0	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	13
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	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	**3**	**3**	**2**	**8**
Convertible securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	80	0	0	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	75	0	27
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)	20	25	0	18
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	50	9
Growing importance of electronic trading platforms	0	0	50	9
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	**5**	**4**	**2**	**11**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	100	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	17
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	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	33	0	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**

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	80	0	0	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	18
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	20	25	0	18
Availability of hedging instruments	0	25	0	9
Compliance with current or expected changes in regulation	0	0	50	9
Growing importance of electronic trading platforms	0	0	50	9
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	**5**	**4**	**2**	**11**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	0	50	50	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	13
Competition from other banks	50	0	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	13
Availability of hedging instruments	0	0	50	13
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	25	0	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	**4**	**2**	**2**	**8**
Covered bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	100	0	0	40
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	40
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	100	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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	67	17	20	35
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	17	20	18
Competition from other banks	17	17	0	12
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	18
Availability of hedging instruments	0	0	40	12
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	20	6
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**6**	**6**	**5**	**17**