EUROPEAN CENTRAL BANK
EUROSYSTEM

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

December 2023

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

The survey questions are grouped into three sections:

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

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

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

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

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

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

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

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

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

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

December 2023 SESFOD results

(Review period from September to November 2023)

The December 2023 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) reports qualitative changes in credit terms between September and November 2023. Responses were collected from a panel of 25 large banks, comprising 13 euro area banks and 12 banks with head offices outside the euro area.

Overview of results

Overall credit terms and conditions offered to different counterparty types remained on balance unchanged between September and November 2023, contrasting with the expectations of further tightening expressed in the September 2023 survey. Survey respondents expected overall credit terms to tighten over the period from December 2023 to February 2024.

A significant percentage of respondents reported an increase in the maximum amount of funding secured against high-quality government bonds for most-favoured clients, while the picture was more mixed as regards the maximum amount of funding offered against other euro-denominated collateral types. A significant percentage of respondents also reported an increase in the maximum maturity of funding secured against government bonds for most-favoured clients but few changes as regards the maximum maturity of funding for other collateral types. Haircuts applied to euro-denominated collateral either increased or remained unchanged for almost all types of collateral, but decreased for government bonds. Financing rates/spreads increased significantly for funding secured against all types of collateral.

A significant net percentage of participants reported an increase in the use of central counterparties (CCPs) for securities financing transactions involving collateral in the form of domestic government bonds. A significant percentage of respondents reported an increase in overall demand for funding – particularly funding secured against domestic and high-quality government bonds, high-quality financial corporate bonds as well as equities. The liquidity and functioning of collateral markets deteriorated for almost all collateral types.

Initial margin requirements increased slightly for all derivative types except credit derivatives, for which they remained unchanged. Respondents reported almost no changes in liquidity and trading for most derivative types. Some respondents reported that terms in new or renegotiated master agreements eased as regards acceptable collateral while they remained unchanged for all other elements.

The December 2023 survey also contained the set of special questions about market-making activities included in each Q4 survey round since December 2013. Survey respondents reported that their market-making activities over the past year had increased for many debt securities and derivatives, and in particular for domestic government bonds and high-quality non-financial corporate bonds, but had decreased for convertible securities, high-yield corporate bonds and non-domestic government, sub-national and supra-national bonds. Market-making activities are expected to increase in 2024 for most types of debt securities and derivatives, except for convertible securities and non-domestic, sub-national and supra-national bonds.

The willingness of institutions to take on risk was cited as the main driver of an increase in market-making activities over the past year. The willingness to take on risk, the profitability of market-making activities and the availability of balance sheet or capital were the largest factors behind expected increases in market-making activities in the year ahead.

Respondents expressed confidence in their ability to act as market-makers in times of stress for all types of debt securities and for derivatives. Overall, the survey confirmed respondents' confidence in their ability to act as market-makers in times of stress as reported in the previous two survey rounds. Willingness to take on risk remained the main reason for banks' confidence in this regard.

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

Overall credit terms and conditions remained on balance unchanged between September and November 2023. This outcome contrasts with the expectations of further tightening expressed in the September 2023 survey. The overall unchanged conditions mask some heterogeneity between price and non-price terms, and between different types of counterparty, though the reported changes were relatively small. When asked to assess overall, price and non-price terms for specific types of counterparty, participants reported on balance unchanged overall conditions for all counterparty types except for non-financial corporations and sovereigns, for which overall conditions had tightened slightly. At the individual counterparty type level, on balance price terms had eased slightly for banks and dealers, hedge funds and insurance companies, tightened slightly for non-financial corporations and sovereigns and remained unchanged for investment funds (**Chart A**). Respondents reported on balance slightly tighter non-price terms for non-financial corporations and sovereigns, and unchanged non-price terms for all other counterparty types.

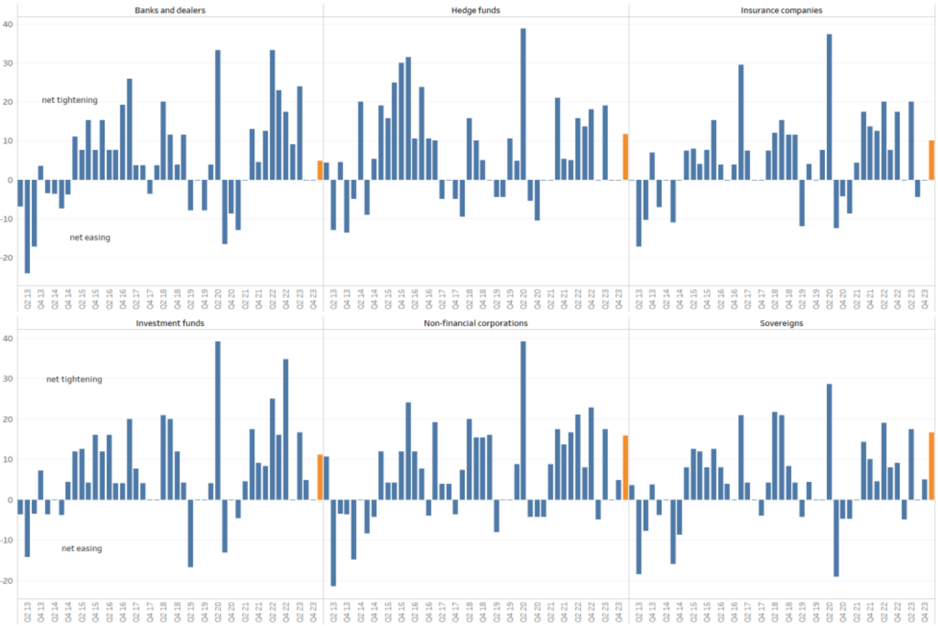
Respondents attributed the above-mentioned easing of price terms mainly to an improvement in general market liquidity and improvements in the current or expected financial strength of counterparties. They attributed the reported tightening of price terms for non-financial corporations and sovereigns to the reluctance of their institution to take on risk, a lack of availability of balance sheet or capital as well as a deterioration in general market liquidity.

Survey respondents expected overall credit terms to tighten over the period from December 2023 to February 2024 (Chart A). For all counterparty types, this expected tightening was driven more by price terms than by non-price terms. It was least pronounced for credit terms and conditions offered to banks and dealers, for which non-price terms were also expected on balance to remain unchanged.

Chart A

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

(Q1 2013 to Q4 2023 for observed changes; Q1 2024 for expected changes (orange bars); net percentages of survey respondents)



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

Changes to the practices of CCPs, including margin requirements and haircuts, have on balance contributed somewhat to a tightening of survey respondents’ price and non-price terms.

On balance, the amount of resources dedicated to managing concentrated credit exposures increased over the review period. Survey respondents have now reported increased attention being paid to the management of concentrated credit exposures to CCPs in each of the last nine SESFOD rounds.

The use of financial leverage declined somewhat over the review period. Two survey participants reported a decrease in the use of financial leverage by hedge funds, while one survey participant reported a decline in the use of financial leverage by investment funds. Respondents reported no change in the availability of unutilised leverage for hedge funds over the review period.

Respondents reported few changes in the intensity of efforts to negotiate more favourable terms. However, a small percentage of respondents did report that the intensity of efforts to negotiate more favourable price and non-price terms by hedge funds, and to a lesser extent by banks and dealers as well as investment funds, had increased over the past three months. The provision of differential terms remained largely unchanged for all counterparty types with only one respondent reporting an increase for banks and dealers, hedge funds and investment funds respectively.

Respondents reported few changes in the volume, duration and persistence of valuation disputes. A small percentage of respondents reported slight increases in the volume of valuation disputes across all counterparty types and specifically for investment funds. Respondents also reported a slight decrease in the duration and persistence of valuation disputes for insurance companies and non-financial corporations, though no changes for any other counterparty types.

Financing conditions for various collateral types

A significant percentage of respondents reported an increase in the maximum amount of funding secured against high-quality government bonds for most-favoured clients, while the picture was more mixed as regards the maximum amount of funding offered against other euro-denominated collateral types. On balance, the maximum amount of funding offered against domestic and high-quality government bonds as well as equities collateral increased slightly. For most-favoured clients, a net 22% of survey respondents reported an increase in the maximum amount of funding offered against high-quality government, sub-national and supra-national bonds. Survey respondents reported that the maximum amount of funding offered against all other collateral types declined or remained on balance unchanged.

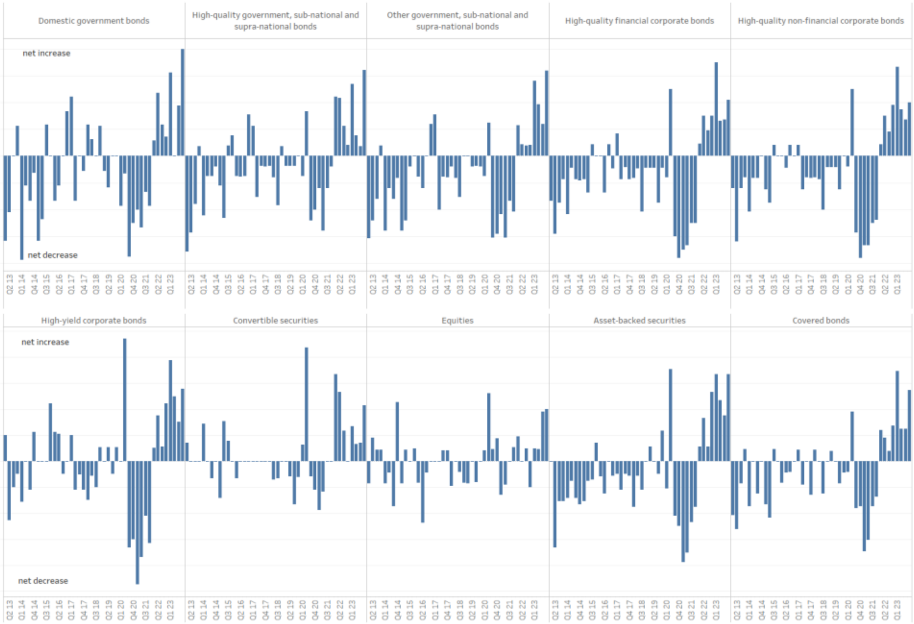
A significant percentage of respondents reported an increase in the maximum maturity of funding secured against government bonds for most-favoured clients but few changes as regards the maximum maturity of funding for other collateral types. On balance, respondents reported small decreases in the maximum maturity of funding for average clients using high-quality government bonds, convertible securities and equities as collateral. All in all they reported small increases in the maximum maturity of funding using domestic government, high-quality corporate and covered bonds as well as no changes in the maximum maturity of funding using other government, high-yield corporate bonds or asset-backed securities. However, a significant net percentage of respondents reported an increase in the maximum maturity of funding secured against government bonds for most-favoured clients.

Haircuts applied to euro-denominated collateral either increased or remained unchanged for almost all types of collateral but decreased for government bonds. Survey respondents reported that haircuts had increased for asset-backed securities and covered bonds, as well as high-quality non-financial corporate and high-yield corporate bonds. Survey respondents reported a slight decrease in haircuts for domestic and high-quality government bonds. Haircuts remained unchanged for all other collateral types.

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

Chart B
Financing rates/spreads

(Q1 2013 to Q4 2023; net percentages of survey respondents)



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

A significant net percentage of participants reported an increase in the use of CCPs for securities financing transactions involving collateral in the form of domestic government bonds. Respondents reported no change in the use of CCPs for securities financing transactions involving any other types of collateral.

Covenants and triggers remained unchanged for funding secured against all collateral types except convertible securities, for which they eased slightly.

A significant percentage of respondents reported an increase in overall demand for funding – particularly funding secured against domestic and high-quality government bonds, high-quality financial corporate bonds as well as equities. For all types of collateral the reported increase in demand for funding was a bit less pronounced, on balance, for funding with a maturity greater than 30 days. Only for other government bonds and covered bonds did respondents report a slightly stronger increase in demand. Demand for longer-term funding against asset-backed securities decreased slightly.

The liquidity and functioning of collateral markets deteriorated for almost all collateral types. Significant percentages of survey participants reported deteriorating liquidity conditions for all types of collateral except convertible securities. The reported deterioration was most pronounced for corporate bonds and covered bonds.

The volume, duration and persistence of collateral valuation disputes remained unchanged for most types of collateral. A small net percentage of respondents reported an increase in the volume of valuation disputes for collateral in the form of high-quality non-financial corporate bonds and in the duration and persistence of collateral valuation disputes for collateral in the form of non-domestic government and high-quality corporate bonds.

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

Initial margin requirements increased slightly for all derivative types except credit derivatives, for which they remained unchanged. A small percentage of survey participants reported that initial margin requirements had increased for equity, interest, foreign exchange and commodity derivatives as well as total return swaps between September and November 2023, but that initial margin requirements had remained unchanged on balance for all other OTC derivatives. Meanwhile, a small net percentage of survey participants reported declines in initial margin requirements for most-favoured clients for credit derivatives referencing sovereigns.

Survey respondents reported mostly unchanged conditions as regards the maximum amount of exposure and the maximum maturity of trades. Small net percentages of survey participants reported an increase in the maximum amount of exposure for commodity derivatives and a decrease for foreign exchange derivatives.

One respondent reported that liquidity and trading had improved somewhat for foreign exchange derivatives, while reporting no changes for any other derivative types.

A small net percentage of respondents reported that the volume, duration and persistence of valuation disputes had increased for interest rate derivatives and decreased for credit derivatives. A small net percentage of respondents reported a slight increase in the volume of valuation disputes for equity derivatives.

A few respondents reported that terms in new or renegotiated master agreements had eased as regards acceptable collateral while they had remained unchanged for all other elements.

Respondents reported no changes as regards the posting of non-standard collateral over the review period. This is the fourth consecutive survey round in which respondents have not reported any changes in the posting of non-standard collateral over the review period.

Special questions

The December 2023 survey also contained the set of special questions about market-making activities included in each Q4 survey round since December 2013. Respondents were asked how their market-making activities had changed over the past year, how such activities were expected to change in 2024 and how they assessed their ability to act as market-makers in times of stress. Similar special questions have been asked in previous December rounds of the survey, allowing longer-term trends to be identified.

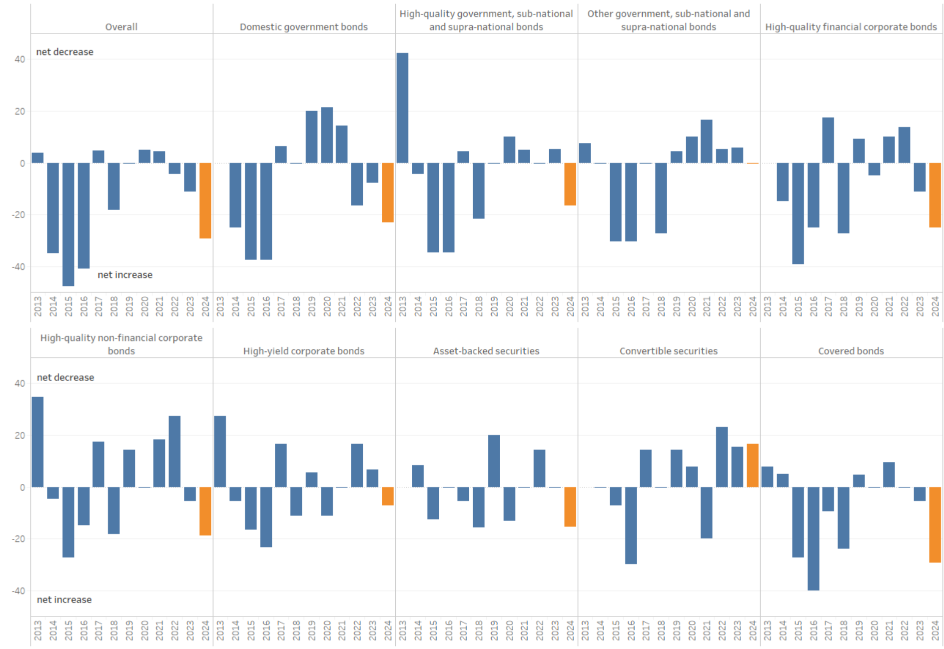
Market-making activities over the past year had increased for many debt securities and derivatives. The increase in market-making activities was most noticeable for domestic government, high-quality corporate and covered bonds. However, a significant net percentage of respondents reported a decrease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

Overall market-making activities including both debt securities and derivatives were expected to broadly increase in 2024. Whereas a net 29% of respondents expected overall market-making activities to increase, respondents also reported strong expectations of increases in market-making activities during 2024 for nearly all individual asset classes covered by the survey. The strongest expectations for increases in market-making activities were reported for covered bonds (a net 29% of survey respondents), high-quality financial corporate bonds (25%) and domestic government bonds (23%), as well as high-quality non-financial corporate bonds (19%). Respondents expected market-making activities to decrease for convertible securities (17%) and to remain unchanged for non-domestic government, sub-national and supra-national bonds (0%) (see Chart C).

Chart C

Changes and expected changes in market-making activities

(Q4 2013 to Q4 2023 for observed changes; 2024 for expected changes (orange bars); net percentages of survey respondents)



Source: ECB.
Notes: Net percentages are defined as the difference between the percentage of respondents reporting “increased/likely to increase somewhat” or “increased/likely to increase considerably” and those reporting “decreased/likely to decrease somewhat” or “decreased/likely to decrease considerably”. The values for 2024 are taken from the answers to the questions on expected changes reported in December 2023. 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.

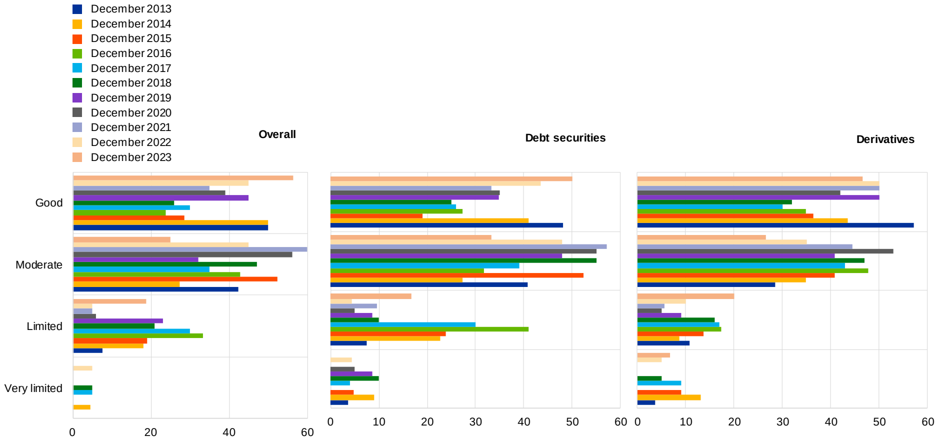
The willingness of institutions to take on risk was cited as the main driver of an increase in market-making activities over the past year. Next to the availability of balance sheet or capital at institutions, respondents also pointed to the availability of hedging instruments, the growing importance of electronic trading platforms as well as internal treasury charges for funding market-making activities as drivers of the increase in market-making activities over the past year.

The willingness to take on risk, the profitability of market-making activities and the availability of balance sheet or capital were the largest factors behind expected increases in market-making activities in the year ahead. Moreover, survey respondents identified expectations about the availability of hedging instruments and constraints imposed by internal risk management, e.g. value-at-risk (VaR) limits, as additional factors.

Respondents expressed confidence in their ability to act as market-makers in times of stress for all types of debt securities and for derivatives (see Chart D). Respondents’ confidence in their ability to act as market-makers in times of stress was strongest in relation to debt securities, with 84% of respondents assessing their capacity as either “moderate” or “good”. Respondents also expressed a strong confidence in their ability to act as market-makers in times of stress for derivatives (75%). As for individual debt segments, respondents were, in particular, very confident in their ability to act as market-makers for covered bonds, domestic and high-quality government bonds, high-quality financial and non-financial corporate bonds and convertible securities, with more than 70% of respondents assessing their ability as either “moderate” or “good” for these asset types. Respondents reported lower albeit still strong confidence in their ability to act as market-maker for other government bonds (67%), high-yield corporate bonds (62%) and asset-backed securities (58%).

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

(Q4 2013 to Q4 2023; percentages of survey respondents)



Source: ECB.

Willingness to take on risk remained the main reason for banks’ confidence in their ability to act as market-makers in times of stress. Banks typically cited willingness to take on risk, the availability of balance sheet capacity and internal risk management constraints (e.g. VaR) when reporting “moderate” or “good” market-making ability for debt securities and derivatives in strained market conditions. However, they also mentioned the availability of hedging instruments as an additional factor. Banks reporting a “very limited” or “limited” ability to act as market-makers in times of stress for high-yield corporate bonds, for asset-backed securities and for convertible securities mentioned, in particular, constraints imposed by internal risk management (e.g. VaR limits), the willingness of the institution to take on risk or the availability of hedging instruments as factors.

1 Counterparty types

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

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

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

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

Table 1

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

Realised changes	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage Sep. 2023	Net percentage Dec. 2023	Total number of answers
Banks and dealers								
Price terms	0	9	77	14	0	**-4**	**-5**	22
Non-price terms	0	4	92	4	0	**-4**	**0**	24
Overall	0	9	82	9	0	**0**	**0**	22
Hedge funds								
Price terms	0	11	72	17	0	**+15**	**-6**	18
Non-price terms	0	5	90	5	0	**+5**	**0**	20
Overall	0	11	78	11	0	**0**	**0**	18
Insurance companies								
Price terms	0	9	77	14	0	**+4**	**-5**	22
Non-price terms	0	4	92	4	0	**0**	**0**	24
Overall	0	9	82	9	0	**-5**	**0**	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	10	80	10	0	**+14**	**0**	20
Non-price terms	0	5	91	5	0	**0**	**0**	22
Overall	0	10	80	10	0	**+5**	**0**	20
Non-financial corporations								
Price terms	0	10	86	5	0	**+10**	**+5**	21
Non-price terms	0	5	95	0	0	**+5**	**+5**	22
Overall	0	10	86	5	0	**0**	**+5**	21
Sovereigns								
Price terms	0	10	85	5	0	**+5**	**+5**	20
Non-price terms	0	5	95	0	0	**+4**	**+5**	22
Overall	0	10	85	5	0	**0**	**+5**	20
All counterparties above								
Price terms	0	10	76	14	0	**0**	**-5**	21
Non-price terms	0	5	86	9	0	**-4**	**-5**	22
Overall	0	10	81	10	0	**0**	**0**	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". Percentages may not add up to 100% due to rounding.

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage Sep. 2023	Net percentage Dec. 2023	Total number of answers
Banks and dealers								
Price terms	0	14	76	10	0	+9	+5	21
Non-price terms	0	9	83	9	0	-4	0	23
Overall	0	14	76	10	0	+5	+5	21
Hedge funds								
Price terms	0	18	76	6	0	+20	+12	17
Non-price terms	0	11	84	5	0	+5	+5	19
Overall	0	18	76	6	0	+5	+12	17
Insurance companies								
Price terms	0	15	80	5	0	+17	+10	20
Non-price terms	0	9	86	5	0	+4	+5	22
Overall	0	15	80	5	0	+5	+10	20
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	17	78	6	0	+18	+11	18
Non-price terms	0	10	85	5	0	+4	+5	20
Overall	0	17	78	6	0	+10	+11	18
Non-financial corporations								
Price terms	0	16	84	0	0	+14	+16	19
Non-price terms	0	10	90	0	0	+9	+10	20
Overall	0	16	84	0	0	+5	+16	19
Sovereigns								
Price terms	0	18	82	0	0	+14	+18	17
Non-price terms	0	10	90	0	0	+4	+10	20
Overall	0	17	83	0	0	+5	+17	18
All counterparties above								
Price terms	0	15	80	5	0	+17	+10	20
Non-price terms	0	10	86	5	0	+4	+5	21
Overall	0	15	80	5	0	+9	+10	20

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". Percentages may not add up to 100% due to rounding.

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. 2023	Dec. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	20	0
Willingness of your institution to take on risk	0	0	100	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	10	0
Availability of balance sheet or capital at your institution	0	100	0	10	33
General market liquidity and functioning	100	0	0	30	33
Competition from other institutions	0	0	0	30	0
Other	0	0	0	0	0
Total number of answers	1	1	1	10	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	100	18	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	9	0
Availability of balance sheet or capital at your institution	0	0	0	9	0
General market liquidity and functioning	100	0	0	27	50
Competition from other institutions	0	50	0	18	17
Other	0	0	0	18	0
Total number of answers	3	2	1	11	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	50	100
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	25	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	25	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	4	1

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. 2023	Dec. 2023
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	100	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	11	0
Availability of balance sheet or capital at your institution	0	100	0	11	33
General market liquidity and functioning	100	0	0	22	33
Competition from other institutions	0	0	0	33	0
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	50	100	33	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	33	50
Competition from other institutions	0	50	0	33	17
Other	0	0	0	0	0
Total number of answers	3	2	1	3	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	0	100
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	0	1

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

To the extent that [price/ non-price] terms applied to [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. 2023	Either first, second or third reason Dec. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	14	0
Willingness of your institution to take on risk	0	0	100	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	14	0
Availability of balance sheet or capital at your institution	0	100	0	14	33
General market liquidity and functioning	100	0	0	29	33
Competition from other institutions	0	0	0	29	0
Other	0	0	0	0	0
Total number of answers	1	1	1	7	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	100	40	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	40	50
Competition from other institutions	0	50	0	20	17
Other	0	0	0	0	0
Total number of answers	3	2	1	5	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	100	100
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	1	1

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

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

Table 6

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

Investment funds (incl. ETFs), pension plans and other institutional investment pools	First reason	Second reason	Third reason	Either first, second or third reason Sep. 2023	Either first, second or third reason Dec. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	20	0
Willingness of your institution to take on risk	0	0	100	0	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	100	0	10	33
General market liquidity and functioning	100	0	0	30	33
Competition from other institutions	0	0	0	40	0
Other	0	0	0	0	0
Total number of answers	1	1	1	10	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	100	33	40
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	33	40
Competition from other institutions	0	50	0	33	20
Other	0	0	0	0	0
Total number of answers	2	2	1	3	5
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	100	0	0	0	100
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	100	0
Other	0	0	0	0	0
Total number of answers	1	0	0	1	1

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

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

Table 7

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

Non-financial corporations	First reason	Second reason	Third reason	Either first, second or third reason Sep. 2023	Either first, second or third reason Dec. 2023
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	14	0
Willingness of your institution to take on risk	0	0	100	0	33
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	14	0
Availability of balance sheet or capital at your institution	0	100	0	14	33
General market liquidity and functioning	100	0	0	29	33
Competition from other institutions	0	0	0	29	0
Other	0	0	0	0	0
Total number of answers	1	1	1	7	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	33	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	100	0	33	33
Other	0	0	0	0	0
Total number of answers	1	1	1	3	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

To the extent that [price/ non-price] terms applied to [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. 2023	Dec. 2023
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	100	0	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	100	0	17	33
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	1	1	1	6	3
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	100	33	33
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	33	33
Competition from other institutions	0	100	0	33	33
Other	0	0	0	0	0
Total number of answers	1	1	1	3	3
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	33	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	33	0
Competition from other institutions	0	0	0	33	0
Other	0	0	0	0	0
Total number of answers	0	0	0	3	0
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

Table 9

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage Sep. 2023	Net percentage Dec. 2023	Total number of answers
Practices of CCPs	0	20	70	10	0	+10	+10	10

Note: The net percentage is defined as the difference between the percentage of respondents reporting "contributed considerably to tightening" or "contributed somewhat to tightening" and those reporting "contributed somewhat to easing" and "contributed considerably to easing". Percentages may not add up to 100% due to rounding.

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. 2023	Net percentage Dec. 2023	Total number of answers
Banks and dealers	0	0	91	9	0	-16	-9	23
Central counterparties	0	4	87	9	0	-4	-4	23

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding.

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. 2023	Net percentage Dec. 2023	Total number of answers
Hedge funds								
Use of financial leverage	0	10	90	0	0	+5	+10	20
Availability of unutilised leverage	0	0	100	0	0	+5	0	18
Insurance companies								
Use of financial leverage	0	0	100	0	0	+4	0	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	5	95	0	0	+8	+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". Percentages may not add up to 100% due to rounding.

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2023	Net percentage Dec. 2023	Total number of answers
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	4	88	8	0	-12	-4	24
Provision of differential terms to most-favoured clients	0	4	92	4	0	-4	0	24
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	90	10	0	-4	-10	21
Provision of differential terms to most-favoured clients	0	0	95	5	0	0	-5	21
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	100	0	0	-4	0	24
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	0	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	23
Provision of differential terms to most-favoured clients	0	0	96	4	0	+4	-4	23
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	100	0	0	-4	0	23
Provision of differential terms to most-favoured clients	0	0	100	0	0	0	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". Percentages may not add up to 100% due to rounding.

1.6 Valuation disputes

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

Table 13

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

Valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2023	Net percentage Dec. 2023	Total number of answers
Banks and dealers								
Volume	0	0	95	5	0	0	-5	22
Duration and persistence	0	0	100	0	0	0	0	21
Hedge funds								
Volume	0	0	94	6	0	+5	-6	18
Duration and persistence	0	0	100	0	0	0	0	17
Insurance companies								
Volume	0	0	95	5	0	+4	-5	22
Duration and persistence	0	5	95	0	0	-4	+5	21
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	90	10	0	+4	-10	21
Duration and persistence	0	0	100	0	0	+4	0	20
Non-financial corporations								
Volume	0	0	95	5	0	+4	-5	21
Duration and persistence	0	5	95	0	0	-4	+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". Percentages may not add up to 100% due to rounding.

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. 2023	Net percentage Dec. 2023	Total number of answers
Domestic government bonds								
Maximum amount of funding	0	7	73	13	7	**+13**	**-13**	15
Maximum maturity of funding	0	13	73	13	0	**0**	**0**	15
Haircuts	0	7	93	0	0	**0**	**+7**	15
Financing rate/spread	0	0	60	40	0	**-19**	**-40**	15
Use of CCPs	0	0	80	13	7	**-20**	**-20**	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	76	8	4	**-7**	**0**	25
Maximum maturity of funding	0	8	88	4	0	**-4**	**+4**	25
Haircuts	0	4	96	0	0	**+4**	**+4**	25
Financing rate/spread	0	0	68	32	0	**-4**	**-32**	25
Use of CCPs	0	0	100	0	0	**0**	**0**	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	14	82	5	0	**-8**	**+9**	22
Maximum maturity of funding	0	5	91	5	0	**0**	**0**	22
Haircuts	0	0	100	0	0	**0**	**0**	22
Financing rate/spread	0	0	68	32	0	**-12**	**-32**	22
Use of CCPs	0	0	100	0	0	**-5**	**0**	20
High-quality financial corporate bonds								
Maximum amount of funding	5	11	79	5	0	**-9**	**+11**	19
Maximum maturity of funding	0	0	95	5	0	**0**	**-5**	19
Haircuts	0	5	89	5	0	**-5**	**0**	19
Financing rate/spread	0	0	79	21	0	**-14**	**-21**	19
Use of CCPs	0	0	100	0	0	**0**	**0**	15
High-quality non-financial corporate bonds								
Maximum amount of funding	0	10	85	5	0	**-5**	**+5**	20
Maximum maturity of funding	0	0	95	5	0	**0**	**-5**	20
Haircuts	0	0	95	5	0	**-5**	**-5**	20
Financing rate/spread	0	0	80	20	0	**-14**	**-20**	20
Use of CCPs	0	0	100	0	0	**0**	**0**	16
High-yield corporate bonds								
Maximum amount of funding	0	11	89	0	0	**+5**	**+11**	18
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	18
Haircuts	0	6	83	6	6	**-5**	**-6**	18
Financing rate/spread	0	0	72	28	0	**-15**	**-28**	18
Use of CCPs	0	0	100	0	0	**0**	**0**	14

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding. "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. 2023	Dec. 2023	
Convertible securities								
Maximum amount of funding	0	7	93	0	0	+7	+7	14
Maximum maturity of funding	0	7	93	0	0	0	+7	14
Haircuts	0	0	100	0	0	0	0	14
Financing rate/spread	0	0	79	21	0	-7	-21	14
Use of CCPs	0	0	100	0	0	0	0	14
Equities								
Maximum amount of funding	0	0	95	5	0	+10	-5	20
Maximum maturity of funding	0	5	90	5	0	-5	0	20
Haircuts	0	0	100	0	0	0	0	20
Financing rate/spread	0	0	80	20	0	-19	-20	20
Use of CCPs	0	0	100	0	0	0	0	17
Asset-backed securities								
Maximum amount of funding	0	13	87	0	0	+6	+13	15
Maximum maturity of funding	0	0	100	0	0	0	0	15
Haircuts	0	0	87	13	0	-6	-13	15
Financing rate/spread	0	0	67	33	0	-18	-33	15
Use of CCPs	0	0	100	0	0	0	0	11
Covered bonds								
Maximum amount of funding	0	9	86	0	5	-8	+5	22
Maximum maturity of funding	0	0	95	5	0	-8	-5	22
Haircuts	0	0	91	9	0	-8	-9	22
Financing rate/spread	0	0	73	27	0	-13	-27	22
Use of CCPs	0	0	100	0	0	0	0	18

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". Percentages may not add up to 100% due to rounding.

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

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

Table 16

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

Terms for most-favoured clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2023	Dec. 2023	
Domestic government bonds								
Maximum amount of funding	0	7	73	13	7	-6	-13	15
Maximum maturity of funding	0	7	80	13	0	-13	-7	15
Haircuts	0	7	93	0	0	0	+7	15
Financing rate/spread	0	0	60	40	0	-6	-40	15
Use of CCPs	0	7	73	13	7	-7	-13	15
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	8	68	20	4	-8	-16	25
Maximum maturity of funding	0	4	84	12	0	-15	-8	25
Haircuts	0	4	96	0	0	+4	+4	25
Financing rate/spread	0	0	60	40	0	-8	-40	25
Use of CCPs	0	0	100	0	0	0	0	23
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	9	82	9	0	0	0	22
Maximum maturity of funding	0	0	91	9	0	-4	-9	22
Haircuts	0	0	100	0	0	0	0	22
Financing rate/spread	0	0	68	32	0	-8	-32	22
Use of CCPs	0	0	100	0	0	-5	0	20
High-quality financial corporate bonds								
Maximum amount of funding	5	11	79	5	0	-10	+11	19
Maximum maturity of funding	0	0	100	0	0	-5	0	19
Haircuts	0	5	95	0	0	0	+5	19
Financing rate/spread	0	0	74	26	0	-14	-26	19
Use of CCPs	0	0	100	0	0	0	0	13
High-quality non-financial corporate bonds								
Maximum amount of funding	0	10	85	5	0	-10	+5	20
Maximum maturity of funding	0	0	100	0	0	-10	0	20
Haircuts	0	0	100	0	0	0	0	20
Financing rate/spread	0	0	75	25	0	-14	-25	20
Use of CCPs	0	0	100	0	0	0	0	14
High-yield corporate bonds								
Maximum amount of funding	0	11	89	0	0	+5	+11	18
Maximum maturity of funding	0	0	100	0	0	0	0	18
Haircuts	0	6	83	11	0	-5	-6	18
Financing rate/spread	0	0	67	33	0	-15	-33	18
Use of CCPs	0	0	100	0	0	0	0	12

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding. "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. 2023	Dec. 2023	
Convertible securities								
Maximum amount of funding	0	7	93	0	0	**+7**	**+7**	14
Maximum maturity of funding	0	7	93	0	0	**0**	**+7**	14
Haircuts	0	0	100	0	0	**0**	**0**	14
Financing rate/spread	0	0	79	21	0	**-7**	**-21**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Equities								
Maximum amount of funding	0	0	95	5	0	**+5**	**-5**	20
Maximum maturity of funding	0	5	90	5	0	**-10**	**0**	20
Haircuts	0	0	100	0	0	**0**	**0**	20
Financing rate/spread	0	0	80	20	0	**-19**	**-20**	20
Use of CCPs	0	0	100	0	0	**0**	**0**	16
Asset-backed securities								
Maximum amount of funding	0	7	93	0	0	**+6**	**+7**	15
Maximum maturity of funding	0	0	100	0	0	**+6**	**0**	15
Haircuts	0	0	87	13	0	**-6**	**-13**	15
Financing rate/spread	0	0	67	33	0	**-19**	**-33**	15
Use of CCPs	0	0	100	0	0	**0**	**0**	10
Covered bonds								
Maximum amount of funding	0	9	86	5	0	**-9**	**+5**	22
Maximum maturity of funding	0	0	95	5	0	**-9**	**-5**	22
Haircuts	0	0	86	14	0	**-9**	**-14**	22
Financing rate/spread	0	0	77	23	0	**-9**	**-23**	22
Use of CCPs	0	0	100	0	0	**0**	**0**	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding.

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

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

Table 18

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

Covenants and triggers	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Sep. 2023	Dec. 2023	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	11
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	11
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	20
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	20
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	14
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	14
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	15
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	15
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	13
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	14
Convertible securities								
Terms for average clients	0	0	92	8	0	**+7**	**-8**	13
Terms for most-favoured clients	0	0	92	8	0	**+7**	**-8**	13
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	12
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	12
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	17
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	17

Note: The net percentage is defined as the difference between the percentage of respondents reporting "tightened considerably" or "tightened somewhat" and those reporting "eased somewhat" and "eased considerably". Percentages may not add up to 100% due to rounding. "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. 2023	Dec. 2023	
Domestic government bonds								
Overall demand	0	0	71	29	0	-13	-29	14
With a maturity greater than 30 days	0	7	71	21	0	-13	-14	14
High-quality government, sub-national and supra-national bonds								
Overall demand	0	4	70	26	0	-12	-22	23
With a maturity greater than 30 days	0	4	78	17	0	-8	-13	23
Other government, sub-national and supra-national bonds								
Overall demand	5	5	75	15	0	-8	-5	20
With a maturity greater than 30 days	0	5	80	15	0	-8	-10	20
High-quality financial corporate bonds								
Overall demand	0	0	78	22	0	-19	-22	18
With a maturity greater than 30 days	0	0	83	17	0	-14	-17	18
High-quality non-financial corporate bonds								
Overall demand	0	6	78	17	0	-24	-11	18
With a maturity greater than 30 days	0	6	83	11	0	-19	-6	18
High-yield corporate bonds								
Overall demand	0	6	82	12	0	-10	-6	17
With a maturity greater than 30 days	0	6	82	12	0	-10	-6	17
Convertible securities								
Overall demand	0	0	93	7	0	+6	-7	15
With a maturity greater than 30 days	0	0	93	7	0	+6	-7	15
Equities								
Overall demand	0	0	79	21	0	-14	-21	19
With a maturity greater than 30 days	0	0	89	11	0	-9	-11	19
Asset-backed securities								
Overall demand	0	7	86	7	0	-13	0	14
With a maturity greater than 30 days	0	14	79	7	0	-13	+7	14
Covered bonds								
Overall demand	0	5	80	5	10	-27	-10	20
With a maturity greater than 30 days	0	0	85	10	5	-23	-15	20
All collateral types above								
Overall demand	0	5	75	20	0	-14	-15	20
With a maturity greater than 30 days	0	5	85	10	0	-14	-5	20

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding. "Domestic government bonds" are euro-denominated government bonds issued by the government of the country where a respondent's head office is.

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

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

Table 20

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

Liquidity and functioning of the collateral market	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Sep. 2023	Dec. 2023	
Domestic government bonds								
Liquidity and functioning	0	21	64	14	0	**+6**	**+7**	14
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	17	74	9	0	**+19**	**+9**	23
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	15	80	5	0	**+13**	**+10**	20
High-quality financial corporate bonds								
Liquidity and functioning	0	17	83	0	0	**+19**	**+17**	18
High-quality non-financial corporate bonds								
Liquidity and functioning	0	17	83	0	0	**+14**	**+17**	18
High-yield corporate bonds								
Liquidity and functioning	0	24	76	0	0	**+20**	**+24**	17
Convertible securities								
Liquidity and functioning	0	0	100	0	0	**0**	**0**	15
Equities								
Liquidity and functioning	0	5	95	0	0	**+5**	**+5**	19
Asset-backed securities								
Liquidity and functioning	0	13	87	0	0	**+17**	**+13**	15
Covered bonds								
Liquidity and functioning	0	21	79	0	0	**+18**	**+21**	19
All collateral types above								
Liquidity and functioning	0	19	81	0	0	**+14**	**+19**	21

Note: The net percentage is defined as the difference between the percentage of respondents reporting "deteriorated considerably" or "deteriorated somewhat" and those reporting "improved somewhat" and "improved considerably". Percentages may not add up to 100% due to rounding. "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. 2023	Dec. 2023	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	12
Duration and persistence	0	0	100	0	0	**0**	**0**	12
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	95	5	0	**0**	**-5**	20
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	94	6	0	**0**	**-6**	17
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**-6**	**0**	14
Duration and persistence	0	0	93	7	0	**0**	**-7**	14
High-quality non-financial corporate bonds								
Volume	0	0	93	7	0	**-6**	**-7**	14
Duration and persistence	0	0	93	7	0	**0**	**-7**	14
High-yield corporate bonds								
Volume	0	0	100	0	0	**-6**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	11
Duration and persistence	0	0	100	0	0	**0**	**0**	11
Equities								
Volume	0	0	100	0	0	**+6**	**0**	13
Duration and persistence	0	0	100	0	0	**+6**	**0**	13
Asset-backed securities								
Volume	0	0	100	0	0	**-6**	**0**	13
Duration and persistence	0	0	100	0	0	**0**	**0**	13
Covered bonds								
Volume	0	0	100	0	0	**-6**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
All collateral types above								
Volume	0	0	94	6	0	**0**	**-6**	18
Duration and persistence	0	0	100	0	0	**0**	**0**	18

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". Percentages may not add up to 100% due to rounding. "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. 2023	Dec. 2023	
Foreign exchange								
Average clients	0	4	88	8	0	**-4**	**-4**	24
Most-favoured clients	0	4	92	4	0	**0**	**0**	24
Interest rates								
Average clients	0	4	87	9	0	**0**	**-4**	23
Most-favoured clients	0	4	91	4	0	**+4**	**0**	23
Credit referencing sovereigns								
Average clients	0	6	89	6	0	**0**	**0**	18
Most-favoured clients	0	6	94	0	0	**+5**	**+6**	18
Credit referencing corporates								
Average clients	0	0	100	0	0	**0**	**0**	19
Most-favoured clients	0	0	100	0	0	**0**	**0**	19
Credit referencing structured credit products								
Average clients	0	0	100	0	0	**0**	**0**	15
Most-favoured clients	0	0	100	0	0	**0**	**0**	15
Equity								
Average clients	0	0	88	12	0	**0**	**-12**	17
Most-favoured clients	0	0	94	6	0	**+5**	**-6**	17
Commodity								
Average clients	0	0	93	7	0	**+11**	**-7**	15
Most-favoured clients	0	0	93	7	0	**+11**	**-7**	15
Total return swaps referencing non-securities								
Average clients	0	0	92	8	0	**0**	**-8**	13
Most-favoured clients	0	0	92	8	0	**0**	**-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". Percentages may not add up to 100% due to rounding.

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. 2023	Net percentage Dec. 2023	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	5	95	0	0	-8	+5	22
Maximum maturity of trades	0	0	100	0	0	0	0	22
Interest rates								
Maximum amount of exposure	0	0	100	0	0	-4	0	21
Maximum maturity of trades	0	0	100	0	0	0	0	21
Credit referencing sovereigns								
Maximum amount of exposure	0	0	100	0	0	0	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Credit referencing corporates								
Maximum amount of exposure	0	0	100	0	0	+5	0	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	0	0	13
Maximum maturity of trades	0	0	100	0	0	0	0	13
Equity								
Maximum amount of exposure	0	6	88	6	0	+12	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Commodity								
Maximum amount of exposure	0	0	92	8	0	0	-8	13
Maximum maturity of trades	0	0	100	0	0	0	0	13
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	0	0	12
Maximum maturity of trades	0	0	100	0	0	0	0	12

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding.

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. 2023	Net percentage Dec. 2023	Total number of answers
Foreign exchange								
Liquidity and trading	0	0	95	5	0	-4	-5	22
Interest rates								
Liquidity and trading	0	0	100	0	0	-4	0	21
Credit referencing sovereigns								
Liquidity and trading	0	0	100	0	0	0	0	16
Credit referencing corporates								
Liquidity and trading	0	0	100	0	0	+11	0	17
Credit referencing structured credit products								
Liquidity and trading	0	0	100	0	0	+6	0	13
Equity								
Liquidity and trading	0	0	100	0	0	+6	0	15
Commodity								
Liquidity and trading	0	0	100	0	0	0	0	13
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	+8	0	11

Note: The net percentage is defined as the difference between the percentage of respondents reporting "deteriorated considerably" or "deteriorated somewhat" and those reporting "improved somewhat" and "improved considerably". Percentages may not add up to 100% due to rounding.

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. 2023	Dec. 2023	
Foreign exchange								
Volume	0	5	91	5	0	**-4**	**0**	22
Duration and persistence	0	5	91	5	0	**0**	**0**	22
Interest rates								
Volume	0	0	95	5	0	**0**	**-5**	22
Duration and persistence	0	0	95	5	0	**0**	**-5**	22
Credit referencing sovereigns								
Volume	0	6	94	0	0	**0**	**+6**	17
Duration and persistence	0	6	94	0	0	**0**	**+6**	17
Credit referencing corporates								
Volume	0	6	94	0	0	**0**	**+6**	17
Duration and persistence	0	6	94	0	0	**0**	**+6**	17
Credit referencing structured credit products								
Volume	0	7	93	0	0	**0**	**+7**	15
Duration and persistence	0	7	93	0	0	**0**	**+7**	15
Equity								
Volume	0	0	94	6	0	**0**	**-6**	17
Duration and persistence	0	6	88	6	0	**0**	**0**	17
Commodity								
Volume	0	8	85	8	0	**0**	**0**	13
Duration and persistence	0	8	85	8	0	**0**	**0**	13
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	**0**	**0**	13
Duration and persistence	0	0	100	0	0	**0**	**0**	13

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding.

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. 2023	Dec. 2023	
Margin call practices	0	0	100	0	0	**0**	**0**	21
Acceptable collateral	0	0	90	10	0	**0**	**-10**	21
Recognition of portfolio or diversification benefits	0	0	100	0	0	**0**	**0**	21
Covenants and triggers	0	0	100	0	0	**0**	**0**	20
Other documentation features	0	0	100	0	0	**0**	**0**	20

Note: The net percentage is defined as the difference between the percentage of respondents reporting "tightened considerably" or "tightened somewhat" and those reporting "eased somewhat" and "eased considerably". Percentages may not add up to 100% due to rounding.

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. 2023	Dec. 2023	
Posting of non-standard collateral	0	0	100	0	0	**0**	**0**	21

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding.

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	10	62	19	10	-19	21
Derivatives	0	11	61	22	6	-17	18
Overall	0	17	56	22	6	-11	18
Domestic government bonds	0	23	46	23	8	-8	13
High-quality government, sub-national and supra-national bonds	0	16	74	11	0	+5	19
Other government, sub-national and supra-national bonds	0	12	82	6	0	+6	17
High-quality financial corporate bonds	0	17	56	28	0	-11	18
High-quality non-financial corporate bonds	0	17	61	17	6	-6	18
High-yield corporate bonds	0	20	67	13	0	+7	15
Convertible securities	0	15	85	0	0	+15	13
Asset-backed securities	0	23	54	23	0	0	13
Covered bonds	0	22	50	11	17	-6	18

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "lincreased somewhat" and "increased considerably". Percentages may not add up to 100% due to rounding.

Expected changes in market-making activities

How are the market-making activities of your institution for [debt securities/ derivatives/ overall] likely to change in 2024?

Table 29

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

Expected changes in 2024	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	5	60	30	5	-30	20
Derivatives	0	6	67	28	0	-22	18
Overall	0	6	59	29	6	-29	17
Domestic government bonds	0	8	62	31	0	-23	13
High-quality government, sub-national and supra-national bonds	0	6	72	17	6	-17	18
Other government, sub-national and supra-national bonds	0	13	75	13	0	0	16
High-quality financial corporate bonds	0	13	50	31	6	-25	16
High-quality non-financial corporate bonds	6	6	56	31	0	-19	16
High-yield corporate bonds	0	14	64	14	7	-7	14
Convertible securities	0	17	83	0	0	+17	12
Asset-backed securities	0	15	54	23	8	-15	13
Covered bonds	0	12	47	35	6	-29	17

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". Percentages may not add up to 100% due to rounding.

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	50	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	20
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	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	50	0	20
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)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	100	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	14
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	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	100	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)	40	0	0	29
Total number of answers	**5**	**1**	**1**	**7**
Derivatives				
Possible reasons for a decrease				
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	50	0	0	20
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	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	50	0	20
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)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	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	0	0	0
Competition from other banks	0	0	50	11
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	20	50	0	22
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	40	0	50	33
Profitability of market making activities	0	50	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	**5**	**2**	**2**	**9**

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	33	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	14
Competition from other banks	33	0	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	67	0	29
Profitability of market making activities	0	0	100	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	14
Total number of answers	**3**	**3**	**1**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	100	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	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	0	0	100	17
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	17
Total number of answers	**4**	**1**	**1**	**6**
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	33	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	14
Competition from other banks	67	0	0	29
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	33	0	14
Profitability of market making activities	0	0	100	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	100	0	0	100
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	**1**	**0**	**0**	**1**

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	33	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	14
Competition from other banks	67	0	0	29
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	33	0	14
Profitability of market making activities	0	0	100	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	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**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
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	50	0	0	20
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	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	50	0	20
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)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	0	33
Internal treasury charges for funding market-making activities	0	0	100	33
Availability of balance sheet or capital at your institution	100	0	0	33
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	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 changes in market-making activities over the past year (continued)

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

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	50	0	17
Internal treasury charges for funding market-making activities	33	0	0	17
Availability of balance sheet or capital at your institution	33	0	0	17
Competition from other banks	33	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	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	50	0	17
Profitability of market making activities	0	0	100	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**1**	**6**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	67	0	33
Internal treasury charges for funding market-making activities	0	0	50	11
Availability of balance sheet or capital at your institution	25	0	0	11
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	25	0	0	11
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	11
Profitability of market making activities	25	33	0	22
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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	33	50	0	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	33	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	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	50	0	17
Profitability of market making activities	0	0	100	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**1**	**6**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	0	33
Internal treasury charges for funding market-making activities	0	0	50	11
Availability of balance sheet or capital at your institution	50	0	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	25	0	0	11
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	50	11
Profitability of market making activities	25	0	0	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**3**	**2**	**9**

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

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

Table 30 (continued)

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

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

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

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

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	50	0	0	25
Availability of balance sheet or capital at your institution	0	0	0	0
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	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	100	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**1**	**1**	**4**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	50	29
Internal treasury charges for funding market-making activities	33	0	0	14
Availability of balance sheet or capital at your institution	33	50	0	29
Competition from other banks	0	0	50	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	33	0	0	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	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**
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	33	0	11
Internal treasury charges for funding market-making activities	25	0	0	11
Availability of balance sheet or capital at your institution	25	0	0	11
Competition from other banks	50	0	0	22
Competition from non-bank financial institutions	0	33	0	11
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	33	0	11
Profitability of market making activities	0	0	100	22
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**3**	**2**	**9**
Possible reasons for an increase				
Willingness of your institution to take on risk	20	67	0	27
Internal treasury charges for funding market-making activities	20	0	33	18
Availability of balance sheet or capital at your institution	40	33	0	27
Competition from other banks	0	0	33	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	20	0	0	9
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	33	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**	**3**	**3**	**11**

Reasons for expected changes in market-making activities in 2024

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likey to decrease or increase in 2024 (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 2024	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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	75	0	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	0	0	8
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	33	8
Availability of hedging instruments	0	0	33	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	25	33	31
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	17	0	0	8
Total number of answers	**6**	**4**	**3**	**13**
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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	50	38
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	50	50	25
Profitability of market making activities	0	50	0	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	25
Total number of answers	**4**	**2**	**2**	**8**

Reasons for expected changes in market-making activities in 2024 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likey to decrease or increase in 2024 (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 2024	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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	67	25	0	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	0	0	7
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	25	50	21
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	50	50	29
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	17	0	0	7
Total number of answers	**6**	**4**	**4**	**14**
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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	67	50	0	43
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	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	50	14
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	0	0
Profitability of market making activities	33	50	0	29
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**2**	**7**

Reasons for expected changes in market-making activities in 2024 (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 2024 (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 2024	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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	50	0	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	25	0	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	50	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	50	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**2**	**2**	**8**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
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	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	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	100	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**1**	**1**	**4**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
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	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	50	0	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**1**	**1**	**4**

Reasons for expected changes in market-making activities in 2024 (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 2024 (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 2024	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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	50	0	31
Internal treasury charges for funding market-making activities	0	0	25	8
Availability of balance sheet or capital at your institution	20	25	25	23
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	20	0	25	15
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	20	25	25	23
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**
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
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	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	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	100	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**1**	**1**	**4**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	50	0	31
Internal treasury charges for funding market-making activities	0	0	25	8
Availability of balance sheet or capital at your institution	20	25	25	23
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	20	0	25	15
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	20	25	25	23
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 expected changes in market-making activities in 2024 (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 2024 (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 2024	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	0	67	0	25
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	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	33	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	33	0	50	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**

Reasons for expected changes in market-making activities in 2024 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likey to decrease or increase in 2024 (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 2024	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	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	33	33	30
Internal treasury charges for funding market-making activities	0	0	33	10
Availability of balance sheet or capital at your institution	75	33	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	33	0	10
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	33	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**3**	**3**	**10**
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	100	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	100	0	33
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**1**	**1**	**1**	**3**
Possible reasons for an increase				
Willingness of your institution to take on risk	57	20	20	35
Internal treasury charges for funding market-making activities	0	0	20	6
Availability of balance sheet or capital at your institution	29	40	0	24
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	14	0	20	12
Compliance with current or expected changes in regulation	0	20	0	6
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	40	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**7**	**5**	**5**	**17**

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

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

Table 32

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

Ability to act as a market-maker in time of stress	Very limited	Limited	Moderate	Good	Net percentage	Total number of answers
Debt securities	0	16	37	47	-68	19
Derivatives	6	19	25	50	-50	16
Overall	0	19	25	56	-63	16
Domestic government bonds	0	17	25	58	-67	12
High-quality government, sub-national and supra-national bonds	6	12	35	47	-65	17
Other government, sub-national and supra-national bonds	7	27	27	40	-33	15
High-quality financial corporate bonds	6	13	38	44	-63	16
High-quality non-financial corporate bonds	13	13	31	44	-50	16
High-yield corporate bonds	23	15	15	46	-23	13
Convertible securities	18	9	18	55	-46	11
Asset-backed securities	25	17	17	42	-17	12
Covered bonds	0	13	31	56	-75	16

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	67	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	50	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)	33	67	0	38
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	50	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	36	20	57	36
Internal treasury charges for funding market-making activities	0	10	0	4
Availability of balance sheet or capital at your institution	45	20	14	29
Competition from other banks	9	0	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	30	14	14
Availability of hedging instruments	9	10	14	11
Compliance with current or expected changes in regulation	0	10	0	4
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	**11**	**10**	**7**	**28**
Derivatives				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	75	0	0	30
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	50	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)	25	75	0	40
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	50	10
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**	**2**	**10**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	38	29	50	37
Internal treasury charges for funding market-making activities	0	14	0	5
Availability of balance sheet or capital at your institution	25	14	25	21
Competition from other banks	13	0	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	43	0	16
Availability of hedging instruments	13	0	0	5
Compliance with current or expected changes in regulation	0	0	25	5
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)	13	0	0	5
Total number of answers	**8**	**7**	**4**	**19**

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	67	0	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	50	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)	33	67	0	38
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	50	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**3**	**2**	**8**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	25	60	36
Internal treasury charges for funding market-making activities	0	13	0	5
Availability of balance sheet or capital at your institution	33	13	20	23
Competition from other banks	11	0	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	38	0	14
Availability of hedging instruments	11	13	0	9
Compliance with current or expected changes in regulation	0	0	20	5
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)	11	0	0	5
Total number of answers	**9**	**8**	**5**	**22**
Domestic government 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	0	100	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	40
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	**2**	**2**	**1**	**5**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	17	20	50	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	20	0	20
Competition from other banks	0	20	0	7
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	40	25	20
Availability of hedging instruments	17	0	0	7
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	25	7
Profitability of market making activities	33	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	**6**	**5**	**4**	**15**

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

Given the ability of your institution to act as a market-maker for [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	67	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	33	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)	33	67	0	50
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**	**0**	**6**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	25	0	29
Internal treasury charges for funding market-making activities	0	13	0	6
Availability of balance sheet or capital at your institution	33	25	0	29
Competition from other banks	11	0	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	12
Availability of hedging instruments	11	0	0	6
Compliance with current or expected changes in regulation	0	13	0	6
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**	**8**	**0**	**17**
Other government, sub-national and supra-national bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	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	50	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)	25	50	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	0	0
Profitability of market making activities	0	0	100	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**4**	**1**	**9**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	25	38	50	36
Internal treasury charges for funding market-making activities	0	0	17	5
Availability of balance sheet or capital at your institution	38	13	0	18
Competition from other banks	13	0	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	38	17	18
Availability of hedging instruments	25	0	17	14
Compliance with current or expected changes in regulation	0	13	0	5
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	**8**	**8**	**6**	**22**

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	100	0	0	40
Internal treasury charges for funding market-making activities	0	50	0	20
Availability of balance sheet or capital at your institution	0	0	100	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	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	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	40	10	71	37
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	40	20	0	22
Competition from other banks	10	0	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	30	0	11
Availability of hedging instruments	10	30	14	19
Compliance with current or expected changes in regulation	0	10	0	4
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	14	4
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	**10**	**10**	**7**	**27**
High-quality non-financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	100	0	0	43
Internal treasury charges for funding market-making activities	0	33	0	14
Availability of balance sheet or capital at your institution	0	33	100	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	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	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**	**1**	**7**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	11	71	36
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	44	11	0	20
Competition from other banks	11	0	0	4
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	12
Availability of hedging instruments	11	33	14	20
Compliance with current or expected changes in regulation	0	11	0	4
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	14	4
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**	**9**	**7**	**25**

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	33	0	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	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)	33	50	0	33
Availability of hedging instruments	0	50	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	100	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**1**	**6**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	20	0	80	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	60	20	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)	0	40	0	13
Availability of hedging instruments	20	20	20	20
Compliance with current or expected changes in regulation	0	20	0	7
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**	**5**	**15**
Convertible securities				
Possible reasons for a "very limited"or "limited" ability				
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	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	100	0	50
Availability of hedging instruments	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 a "good"or "moderate" ability				
Willingness of your institution to take on risk	25	0	75	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	25	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	17
Availability of hedging instruments	25	0	25	17
Compliance with current or expected changes in regulation	0	25	0	8
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**	**4**	**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 [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	33	0	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	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)	33	50	0	33
Availability of hedging instruments	0	50	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	100	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**1**	**6**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	20	0	80	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	60	20	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)	0	40	0	13
Availability of hedging instruments	20	20	20	20
Compliance with current or expected changes in regulation	0	20	0	7
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**	**5**	**15**
Covered 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	50	0	20
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)	50	0	0	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	0	0	100	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	0	71	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	44	25	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	25	0	8
Availability of hedging instruments	11	38	14	21
Compliance with current or expected changes in regulation	0	13	0	4
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	11	0	14	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	**9**	**8**	**7**	**24**

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