EUROPEAN CENTRAL BANK
EUROSYSTEM

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

December 2017

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

The survey questions are grouped into three sections:

1. **Counterparty types** – covers credit terms and conditions for various counterparty types in both securities financing and OTC derivatives markets;
2. **Securities financing** – focuses on financing conditions for various collateral types;
3. **Non-centrally cleared OTC derivatives** – credit terms and conditions for various derivatives types.

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

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

Reporting institutions should report about their **global credit terms** and thus the survey is directed to the senior credit officers responsible for maintaining a consolidated perspective on the management of credit risks. Where material differences exist across different business areas, for example between traditional prime brokerage and OTC derivatives, answers should refer to the business area generating the most exposure.

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

The questions focus on how terms have changed over the past three months; why terms have changed; and expectations for the future. Change data should reflect **how terms have tightened or eased over the past three months, regardless of how they stand relative to longer-term norms**. "Future" data should look at expectations of how terms will change over the next three months.

Firms are encouraged to answer all questions, unless some market segments are of marginal importance to the firm's business.

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

December 2017 SESFOD results

(reference period from September 2017 to November 2017)

The December 2017 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD) collected qualitative information on changes in credit terms between September and November 2017. This report summarises responses from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area.

Highlights

In line with the two previous survey rounds, respondents reported that, on balance, credit terms offered to counterparties in both securities financing and over-the-counter (OTC) derivatives transactions had remained basically unchanged over the three-month period from September to November 2017. Credit terms were expected to ease slightly for all types of counterparty over the coming three-month period (i.e. the period from December 2017 to February 2018). At the same time, respondents indicated that clients' efforts to negotiate more favourable credit terms had increased somewhat for all types of counterparty.

As regards the provision of finance collateralised by euro-denominated securities, survey respondents reported that, on balance, the maximum amount of funding, the maximum maturity of funding and haircuts had all remained basically unchanged for many types of collateral. The survey also indicated that client demand had increased for most collateralised funding, in some cases owing to the impending year-end. As in the previous survey round, the liquidity and functioning of markets had remained basically unchanged for most types of underlying collateral.

As regards non-centrally cleared OTC derivatives, a small net percentage of survey respondents reported a tightening of non-price terms and conditions for new or renegotiated OTC derivatives master agreements. That tightening was, however, less pronounced than in the two previous survey rounds.

The December 2017 survey also included special questions about market-making activities. For most types of debt security, a small net percentage of banks reported that market-making activities had increased over the past year, with corporate bonds recording stronger increases than government bonds. At the same time, more than a fifth of respondents reported a decline in market making activities for derivatives. That decline notwithstanding, respondents' confidence in their ability to act as market-makers for derivatives in times of stress remained relatively strong, and the same was observed for government and covered bonds. However, banks were less confident in their ability to act as market-makers in times of stress for other asset classes covered by the survey.

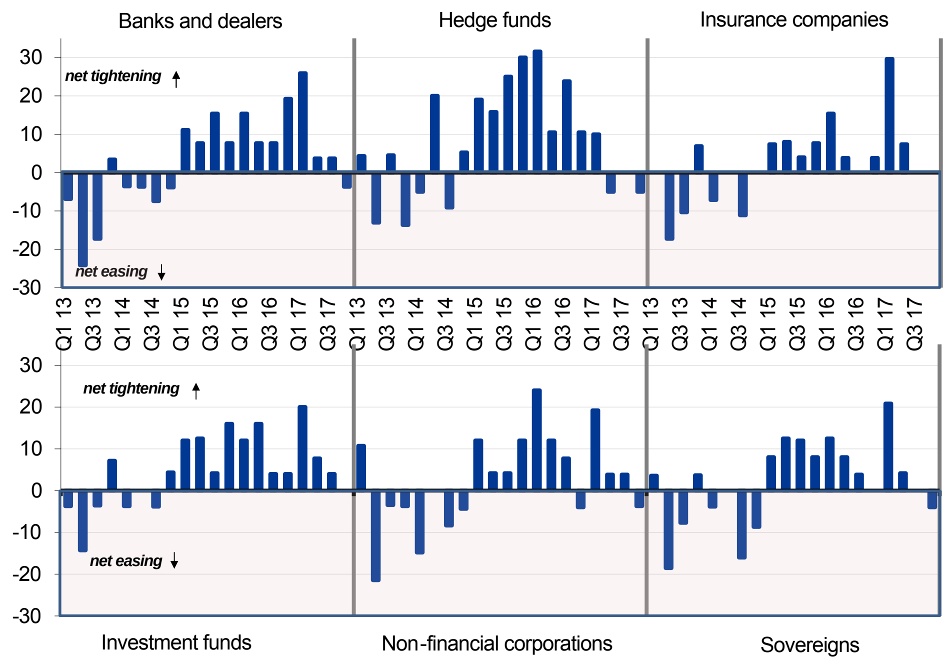
Counterparty types

Changes: responses to the December 2017 survey suggest that, on balance, credit terms offered to counterparties remained basically unchanged for both securities financing and OTC derivatives transactions between September and November 2017. The relative stability of credit terms over the last three reference periods follows considerable net tightening of credit terms throughout most of 2015 and 2016 (see Chart A). This notwithstanding, a small percentage of respondents reported that credit terms had become less favourable over the three-month reference period, while a similar percentage reported that they had become more favourable. One exception, however, was non-price credit terms offered to insurance companies, investment funds, pension funds and other institutional investment pools, with no respondents reporting that these had become more favourable.

Chart A

Changes in overall credit terms offered to counterparties across the entire spectrum of transaction types

(Q1 2013 – Q4 2017; net percentage of survey respondents)



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

Expectations: a small net percentage of respondents expected more favourable credit terms to be offered to all types of counterparty over the coming three-month period (i.e. the period from December 2017 to February 2018). The strongest expectations were expressed in relation to hedge funds, with a fifth of respondents reporting that they expected more favourable non-price credit terms to be offered to such counterparties.

Reasons: survey respondents highlighted a number of factors which had contributed to changes in credit terms over the period from September to November 2017. A deterioration in general market liquidity and functioning, competition from other institutions and the adoption of new market conventions (e.g. International Swaps and Derivatives Association protocols) were the factors most frequently cited by the few respondents who reported that credit terms offered to counterparties had become less favourable. On the other hand, the few respondents who indicated that the price terms they offered to counterparties had become less stringent cited an improvement in general market liquidity and competition from other institutions as the main reasons for offering more favourable credit terms.

Management of concentrated credit exposures to large banks and CCPs: a fifth of reporting banks indicated that they had increased the level of resources and attention that they devoted to the management of concentrated credit exposures to CCPs over the three-month reference period. Only a small percentage of respondents reported an increase in the management of credit exposures to banks and dealers.

Leverage: respondents reported that, on balance, the use of financial leverage by hedge funds, insurance companies, investment funds, pension plans and other institutional investment pools had remained basically unchanged over the three-month reference period.

Client pressure and differential terms: around a fifth of respondents reported that hedge funds, non-financial corporations, investment funds, pension plans and other institutional investment pools had increased their efforts to negotiate more favourable credit terms over the three-month reference period, with a small percentage of respondents reporting that banks and insurance companies had done likewise.

Valuation disputes: a small percentage of respondents reported that the volume, persistence and duration of valuation disputes with insurance companies had increased over the three-month reference period. Respondents reported that valuation disputes with other types of counterparty had, on balance, remained basically unchanged.

Securities financing

Maximum amount of funding: responses to the December 2017 survey indicated that, on balance, the maximum amount of funding had remained basically unchanged for many types of collateral over the three-month reference period. One exception was funding for most-favoured clients collateralised by equities, for which around a fifth of respondents indicated that the maximum amount had increased. On the other hand, more than 10% of respondents reported a decline in the maximum amount of funding for average clients where high-yield corporate bonds had been used as collateral.

Maximum maturity of funding: for most collateral types, survey respondents also reported only small changes in the maximum maturity of funding over the reference period – both for average and for most-favoured clients. In net terms, their responses suggested that the maximum maturity of funding had either decreased or remained unchanged for all types of collateral.

Haircuts: the majority of respondents reported no changes to haircuts for any of the types of euro-denominated collateral covered by the survey over the three-month reference period – neither for average nor for most-favoured clients.

Financing rates/spreads: a small net percentage of respondents reported a decline in financing rates/spreads when government, corporate and covered bonds were used as collateral. On balance, survey respondents reported that financing rates/spreads for other types of collateral had remained broadly unchanged over the reference period.

Use of CCPs: the majority of survey respondents reported that use of CCPs had remained basically unchanged for all types of euro-denominated collateral covered by the survey over the three-month reference period.

Covenants and triggers: as in previous survey rounds, responses to the December 2017 survey indicated that covenants and triggers had remained basically unchanged for all types of collateral over the three-month reference period – both for average and for most-favoured clients.

Demand for funding: In net terms, around a fifth of respondents indicated that clients' demand for funding collateralised by domestic government bonds had increased somewhat over the reference period. Around 15% of respondents reported an increase in demand for funding with a maturity greater than 30 days collateralised using other types of government bond and high-quality corporate bonds, and the same percentage reported an increase in overall demand for funding collateralised by equities. Some banks noted in their qualitative responses that the impending year-end had contributed to these increases.

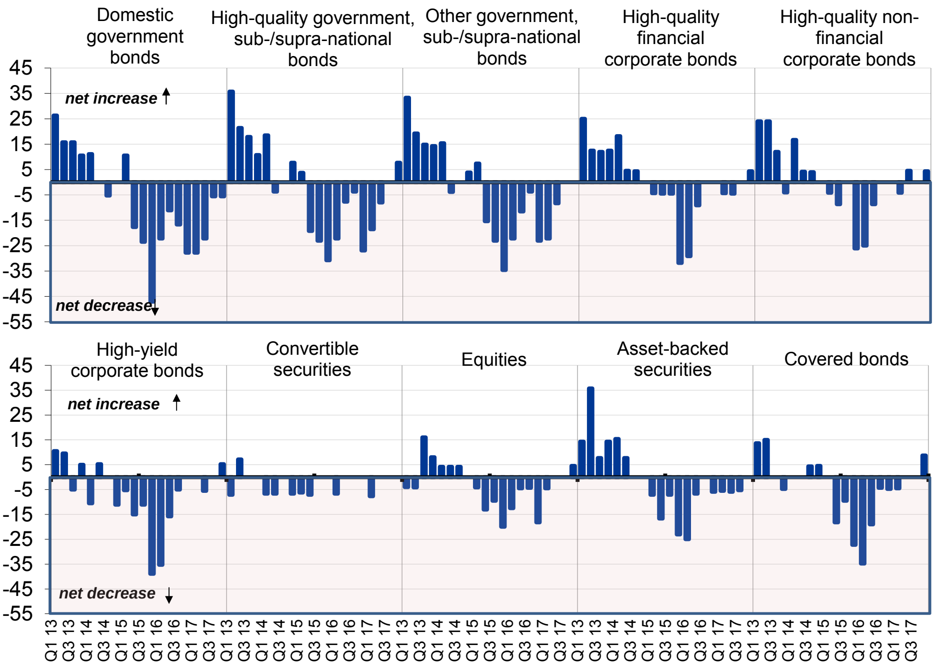
Liquidity of collateral: responses to the December 2017 survey indicated that, for most types of underlying collateral covered by the survey, the liquidity and functioning of the market had, on balance, remained basically unchanged over the three-month reference period, with a small percentage of respondents reporting improvements in the liquidity and functioning of the markets for high-quality government and covered bonds. The relative stability that was reported in this survey and the previous survey round contrasts with the deterioration that was reported for many types of euro-denominated collateral between mid-2015 and mid-2017 (see Chart B).

Collateral valuation disputes: as in previous surveys, respondents indicated that the volume, persistence and duration of valuation disputes had remained basically unchanged over the three-month reference period for the various types of collateral covered by the survey.

Chart B

Changes in liquidity and functioning of markets

(Q1 2013 – Q4 2017; net percentage of survey respondents)



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

Non-centrally cleared OTC derivatives

Initial margin requirements: respondents reported that initial margin requirements for many non-centrally cleared euro-denominated derivatives contracts covered by the survey had remained basically unchanged over the three-month reference period, with a small percentage of respondents indicating that initial margin requirements had increased somewhat for interest rate derivatives and credit derivatives referencing sovereigns.

Credit limits: respondents reported only few changes in the maximum amount of exposure or the maximum maturity set by their respective institutions for non-centrally cleared OTC derivatives covered by the survey.

Liquidity and trading: survey respondents indicated that liquidity and trading had, on balance, remained basically unchanged for most types of OTC derivative covered by the survey.

Valuation disputes: the majority of respondents reported that the volume of disputes relating to the valuation of OTC derivatives contracts covered by the survey had remained basically unchanged.

Non-price changes in new agreements: a small net percentage of survey respondents reported that there had been some tightening of margin call practices, acceptable collateral and covenants/triggers in new or renegotiated OTC derivatives master agreements with clients over the three-month reference period. However, the reported tightening was less pronounced than that observed in the two previous survey rounds.

Posting of non-standard collateral: a very small net percentage of respondents reported that the posting of non-standard collateral had declined somewhat.

Special questions

Market-making activities

The December 2017 survey included a number of special questions about market-making activities, with respondents being asked, for example, how their market-making activities had changed over the past year, how such activities were expected to change in 2018, and how they assessed their ability to act as market-makers in times of stress. Similar special questions had been asked in previous December rounds of the survey, allowing longer-term trends to be identified.

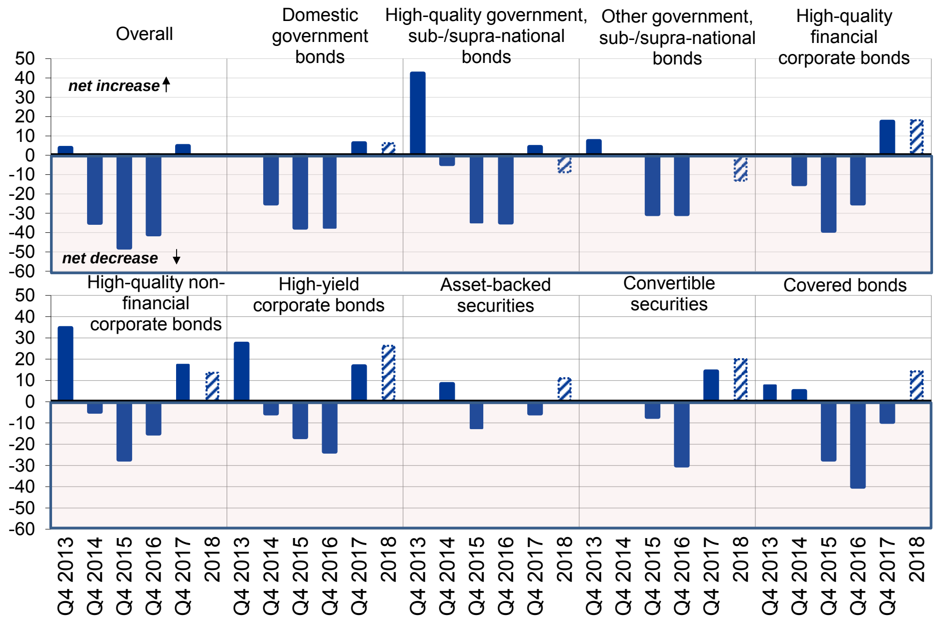
Changes over the past year: for most types of bond, a small net percentage of respondents indicated that market-making activities had increased over the past year. The strongest increase was reported for corporate bonds, with almost a fifth of respondents, in net terms, reporting increased activities in that area. Those results, however, mask some dispersion in responses, with around 25% to 35% of respondents reporting an increase and around 10% to 20% of respondents reporting a decrease. Responses regarding government debt securities were fairly balanced, resulting in a very small net percentage of respondents indicating an increase in market-making activities. Respondents reported increases for many asset classes in 2017, following significant reductions in the previous three years (see Chart D). However, one significant exception to those results was derivatives, with more than a fifth of respondents reporting a decline in market-making activities over the past year and no respondents indicating an increase.

Expected changes in 2018: for most asset classes, the number of respondents who expected their market-making activities to increase in 2018 exceeded the number who expected them to decrease (see Chart D). The only exceptions in this regard were derivatives and non-domestic government bonds, for which respondents forecasting a decline were slightly in the majority.

Chart D

Changes and expected changes in market-making activities

(Q4 2013 – Q4 2018; net percentage of survey respondents)



Source: ECB.

Notes: The net percentage is 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 2018 are taken from the answers to the questions about expected changes in 2018. The values for Q4 2013 represent changes over the period from Q4 2008 to Q4 2013.

Reasons for changes and expected changes: the main reasons cited by respondents for the increase in market-making activities over the past year were an increase in their willingness to take risks, a reduction in balance sheet or capital constraints at their institutions, reduced competition from other banks and the growing importance of electronic trading platforms. The same factors were also put forward as the main reasons for the expected increase in market-making activities in 2018. Meanwhile, compliance with current or expected changes in regulation was the main reason cited for declines in market-making activities over the past year and expected declines in 2018. These results were consistent across most asset classes.

Ability to act as a market-maker in times of stress: respondents' confidence in their ability to act as market-makers in times of stress was strongest in relation to derivatives, domestic government bonds, high-quality government bonds and covered bonds, with more than 70% of respondents reporting either a "moderate" or a "good" ability in relation to such instruments. Respondents were also reasonably confident in their ability to act as market-makers for other government bonds in times of stress, with approximately two-thirds of respondents reporting either a "moderate" or a "good" ability and approximately one-third of respondents reporting a "limited" or "very limited" ability. Respondents were less confident in relation to the other asset classes covered by the survey, with between 40% and 50% of respondents reporting a "limited" or "very limited" ability for convertible securities, asset-backed securities and all types of corporate bond.

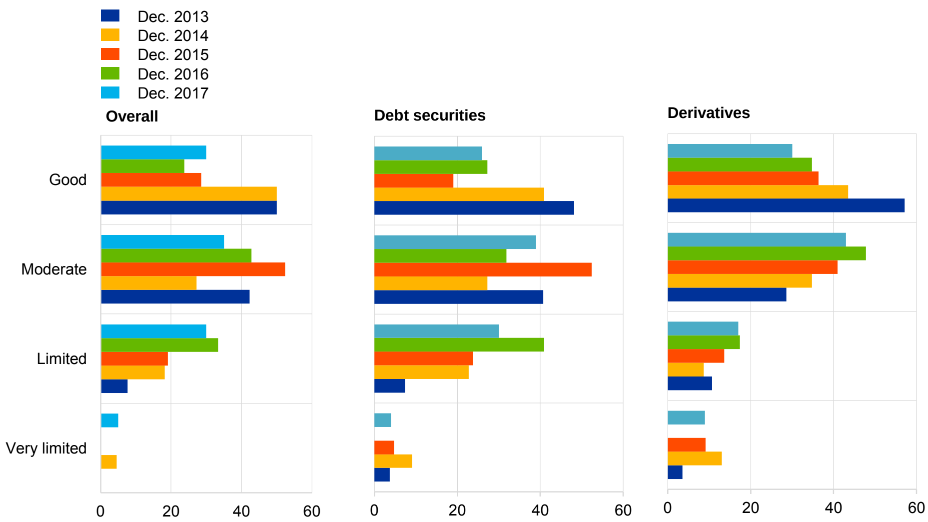
Compared with the results of the December 2016 survey, this survey showed a shift in the distribution of responses as regards confidence in the ability to act as a market-maker in times of stress (see Chart E). Changes to respondents' overall ability to act as a market-maker in times of stress were relatively muted, owing to (i) an improved ability in relation to debt securities and (ii) a reduced ability in relation to derivatives. Looking specifically at debt securities, the percentage of banks characterising their market-making ability as "moderate" increased somewhat, while the percentage describing it as "limited" fell somewhat, indicating a strengthening of confidence. When it comes to derivatives, however, banks' confidence in their ability to act as a market-maker in times of stress has fallen in the past year, albeit derivatives are still one of the asset classes where respondents are most confident about their market-making ability. The December 2017 survey showed fewer banks characterising their market-making ability as "good" or "moderate", while more banks reported a "very limited" ability.

Reasons for (in)ability to act as a market-maker in times of stress: banks reporting "limited" or "very limited" market-making ability for debt securities or derivatives in times of stress generally pointed to constraints imposed by internal risk management (e.g. value-at-risk limits), a limited willingness to take on risk on the part of their respective institutions and the limited availability of hedging instruments as the main underlying reasons. Banks reporting "moderate" or "good" market-making ability for debt securities or derivatives in strained market conditions typically pointed to a reduction in balance sheet or capital constraints at their institutions, compliance with current or expected changes in regulation, and their institution's willingness to take on risk as the main reasons for that assessment.

Chart E

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

(Q4 2013 – Q4 2017; percentage of survey respondents)



Source: ECB.

1 Counterparty types

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

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

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

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

Table 1

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

Realised changes	Tightened considerably	Tightened somewhat	Remained basically unchanged	Eased somewhat	Eased considerably	Net percentage		Total number of answers
						Sep. 2017	Dec. 2017	
Banks and dealers								
Price terms	0	7	86	7	0	**0**	**0**	28
Non-price terms	0	11	85	4	0	**+7**	**+7**	27
Overall	0	4	89	4	4	**+4**	**-4**	27
Hedge funds								
Price terms	0	10	85	5	0	**0**	**+5**	20
Non-price terms	0	14	71	14	0	**+10**	**0**	21
Overall	0	10	75	15	0	**0**	**-5**	20
Insurance companies								
Price terms	0	7	89	4	0	**-4**	**+4**	27
Non-price terms	0	12	88	0	0	**+4**	**+12**	26
Overall	0	4	92	0	4	**0**	**0**	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	8	88	4	0	**-4**	**+4**	26
Non-price terms	0	12	88	0	0	**+8**	**+12**	25
Overall	0	4	92	4	0	**+4**	**0**	25
Non-financial corporations								
Price terms	4	4	89	4	0	**-4**	**+4**	28
Non-price terms	0	7	89	4	0	**+8**	**+4**	27
Overall	0	4	89	7	0	**+4**	**-4**	27
Sovereigns								
Price terms	0	8	88	4	0	**-4**	**+4**	26
Non-price terms	0	8	88	4	0	**+4**	**+4**	25
Overall	0	4	88	8	0	**0**	**-4**	25
All counterparties above								
Price terms	0	7	89	4	0	**-7**	**+4**	27
Non-price terms	0	8	92	0	0	**+11**	**+8**	26
Overall	0	4	92	4	0	**+4**	**0**	26

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

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

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

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

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

Table 2

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

Expected changes	Likely to tighten considerably	Likely to tighten somewhat	Likely to remain unchanged	Likely to ease somewhat	Likely to ease considerably	Net percentage		Total number of answers
						Sep. 2017	Dec. 2017	
Banks and dealers								
Price terms	0	4	85	7	4	+7	-7	27
Non-price terms	0	4	85	8	4	+4	-8	26
Overall	0	8	84	8	0	+8	0	25
Hedge funds								
Price terms	0	0	84	11	5	0	-16	19
Non-price terms	0	0	80	15	5	0	-20	20
Overall	0	0	89	11	0	-5	-11	18
Insurance companies								
Price terms	0	4	85	7	4	0	-7	27
Non-price terms	0	0	88	8	4	-4	-12	26
Overall	0	4	88	8	0	-4	-4	25
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	4	85	8	4	+8	-8	26
Non-price terms	0	4	84	8	4	+8	-8	25
Overall	0	4	88	8	0	+8	-4	24
Non-financial corporations								
Price terms	0	4	85	7	4	+4	-7	27
Non-price terms	0	4	85	8	4	-4	-8	26
Overall	0	4	88	8	0	0	-4	25
Sovereigns								
Price terms	0	4	84	8	4	+4	-8	25
Non-price terms	0	0	88	8	4	-4	-13	24
Overall	0	4	87	9	0	0	-4	23
All counterparties above								
Price terms	0	4	85	8	4	0	-8	26
Non-price terms	0	0	88	8	4	0	-12	25
Overall	0	4	88	8	0	0	-4	24

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

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

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

Table 3

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

Banks and dealers	First reason	Second reason	Third reason	Either first, second or third reason Sep. 2017	Either first, second or third reason Dec. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	25	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	50	100	0	25	50
Competition from other institutions	50	0	0	25	25
Other	0	0	100	0	25
Total number of answers	2	1	1	4	4
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	25	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	100	0	0	50	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	4	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	50	14
Internal treasury charges for funding	0	0	50	0	14
Availability of balance sheet or capital at your institution	0	50	0	0	14
General market liquidity and functioning	33	50	0	50	29
Competition from other institutions	33	0	0	0	14
Other	0	0	50	0	14
Total number of answers	3	2	2	2	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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. 2017	Either first, second or third reason Dec. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	0	50
Competition from other institutions	50	0	0	0	25
Other	0	0	100	0	25
Total number of answers	2	1	1	0	4
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	100	0	0	0	100
Other	0	0	0	0	0
Total number of answers	1	0	0	0	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	50	20
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	33	100	0	50	40
Competition from other institutions	33	0	0	0	20
Other	0	0	100	0	20
Total number of answers	3	1	1	2	5
Possible reasons for easing					
Current or expected financial strength of counterparties	33	0	0	0	25
Willingness of your institution to take on risk	33	0	0	0	25
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	33	100	0	0	50
Other	0	0	0	0	0
Total number of answers	3	1	0	0	4

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

To the extent that [price/ non-price] terms applied to [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. 2017	Either first, second or third reason Dec. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	33	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	33	50
Competition from other institutions	50	0	0	33	25
Other	0	0	100	0	25
Total number of answers	2	1	1	3	4
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	25	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	100	0	0	50	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	4	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	33	14
Internal treasury charges for funding	0	0	50	0	14
Availability of balance sheet or capital at your institution	0	50	0	0	14
General market liquidity and functioning	33	50	0	33	29
Competition from other institutions	33	0	0	0	14
Other	0	0	50	33	14
Total number of answers	3	2	2	3	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	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

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. 2017	Dec. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	33	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	33	50
Competition from other institutions	50	0	0	33	25
Other	0	0	100	0	25
Total number of answers	2	1	1	3	4
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	25	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	100	0	0	50	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	4	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	33	14
Internal treasury charges for funding	0	0	50	0	14
Availability of balance sheet or capital at your institution	0	50	0	0	14
General market liquidity and functioning	33	50	0	33	29
Competition from other institutions	33	0	0	0	14
Other	0	0	50	33	14
Total number of answers	3	2	2	3	7
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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. 2017	Either first, second or third reason Dec. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	0	50
Competition from other institutions	50	0	0	0	25
Other	0	0	100	0	25
Total number of answers	2	1	1	0	4
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	25	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	100	0	0	50	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	4	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	33	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	33	50
Competition from other institutions	50	0	0	0	25
Other	0	0	100	33	25
Total number of answers	2	1	1	3	4
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	33	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	33	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	33	0
Other	100	0	0	0	100
Total number of answers	1	0	0	3	1

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

To the extent that [price/ non-price] terms applied to [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. 2017	Dec. 2017
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	33	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	33	50
Competition from other institutions	50	0	0	33	25
Other	0	0	100	0	25
Total number of answers	2	1	1	3	4
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	25	0
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	100	0	0	50	100
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	0	0	4	1
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	50	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	100	0	50	50
Competition from other institutions	50	0	0	0	25
Other	0	0	100	0	25
Total number of answers	2	1	1	2	4
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	100	0	0	0	100
Total number of answers	1	0	0	0	1

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. 2017	Net percentage Dec. 2017	Total number of answers
Practices of CCPs	0	13	80	7	0	+7	+7	15

Note: The net percentage is defined as the difference between the percentage of respondents reporting "contributed considerably to tightening" or "contributed somewhat to tightening" and those reporting "contributed somewhat to easing" and "contributed considerably to easing".

1.3 Resources and attention to the management of concentrated credit exposures

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

Table 10

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2017	Net percentage Dec. 2017	Total number of answers
Banks and dealers	0	0	88	12	0	-11	-12	26
Central counterparties	0	0	80	12	8	-11	-20	25

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

1.4 Leverage

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

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

Table 11

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2017	Net percentage Dec. 2017	Total number of answers
Hedge funds								
Use of financial leverage	0	6	89	6	0	-16	0	18
Availability of unutilised leverage	0	0	94	6	0	-5	-6	18
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	22
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Use of financial leverage	0	0	100	0	0	0	0	22

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

1.5 Client pressure and differential terms for most-favoured clients

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

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

Table 12

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2017	Net percentage Dec. 2017	Total number of answers
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-4	-8	26
Provision of differential terms to most-favoured clients	0	0	100	0	0	-4	0	25
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	5	76	19	0	-14	-14	21
Provision of differential terms to most-favoured clients	0	0	95	5	0	-5	-5	20
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	88	12	0	-4	-12	25
Provision of differential terms to most-favoured clients	0	0	92	8	0	-4	-8	24
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	0	79	21	0	-8	-21	24
Provision of differential terms to most-favoured clients	0	0	87	13	0	-12	-13	23
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	83	17	0	-8	-17	24
Provision of differential terms to most-favoured clients	0	0	92	8	0	-8	-8	24

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

1.6 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. 2017	Net percentage Dec. 2017	Total number of answers
Banks and dealers								
Volume	0	0	92	8	0	+4	-8	25
Duration and persistence	0	0	92	8	0	+4	-8	25
Hedge funds								
Volume	0	5	89	5	0	0	0	19
Duration and persistence	0	5	89	5	0	+5	0	19
Insurance companies								
Volume	0	0	91	9	0	0	-9	23
Duration and persistence	0	0	87	13	0	+4	-13	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	9	87	4	0	-4	+4	23
Duration and persistence	0	4	91	4	0	0	0	23
Non-financial corporations								
Volume	0	4	91	4	0	-8	0	23
Duration and persistence	0	9	87	4	0	-8	+4	23

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

2 Securities financing

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

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

Table 14

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2017	Dec. 2017	
Domestic government bonds								
Maximum amount of funding	0	6	83	11	0	+11	-6	18
Maximum maturity of funding	0	11	78	11	0	+17	0	18
Haircuts	0	0	100	0	0	+11	0	18
Financing rate/spread	0	17	72	11	0	0	+6	18
Use of CCPs	0	0	89	11	0	0	-11	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	85	12	0	+7	-8	26
Maximum maturity of funding	0	8	88	4	0	+15	+4	26
Haircuts	0	0	100	0	0	0	0	26
Financing rate/spread	0	8	88	4	0	+4	+4	26
Use of CCPs	0	0	96	4	0	0	-4	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	92	4	0	+12	0	25
Maximum maturity of funding	0	8	88	4	0	+12	+4	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	12	84	4	0	+8	+8	25
Use of CCPs	0	0	100	0	0	0	0	25
High-quality financial corporate bonds								
Maximum amount of funding	0	9	87	4	0	+13	+4	23
Maximum maturity of funding	0	9	87	4	0	+8	+4	23
Haircuts	0	0	100	0	0	0	0	23
Financing rate/spread	0	13	83	4	0	+4	+9	23
Use of CCPs	0	0	100	0	0	+5	0	20
High-quality non-financial corporate bonds								
Maximum amount of funding	0	13	83	4	0	+8	+8	24
Maximum maturity of funding	0	13	79	8	0	+8	+4	24
Haircuts	0	0	100	0	0	-4	0	24
Financing rate/spread	0	13	83	4	0	+8	+8	24
Use of CCPs	0	5	95	0	0	+5	+5	21
High-yield corporate bonds								
Maximum amount of funding	0	11	89	0	0	+11	+11	18
Maximum maturity of funding	0	11	89	0	0	+5	+11	18
Haircuts	0	6	94	0	0	0	+6	18
Financing rate/spread	0	11	89	0	0	+5	+11	18
Use of CCPs	0	0	100	0	0	-7	0	16

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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. 2017	Dec. 2017	
Convertible securities								
Maximum amount of funding	0	0	100	0	0	**0**	**0**	14
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	14
Haircuts	0	0	100	0	0	**0**	**0**	14
Financing rate/spread	0	0	100	0	0	**0**	**0**	14
Use of CCPs	0	0	100	0	0	**0**	**0**	13
Equities								
Maximum amount of funding	0	0	92	8	0	**-4**	**-8**	24
Maximum maturity of funding	0	0	100	0	0	**+4**	**0**	24
Haircuts	0	0	100	0	0	**0**	**0**	24
Financing rate/spread	0	0	96	4	0	**-4**	**-4**	24
Use of CCPs	0	0	100	0	0	**0**	**0**	20
Asset-backed securities								
Maximum amount of funding	0	6	94	0	0	**+10**	**+6**	18
Maximum maturity of funding	0	0	100	0	0	**+5**	**0**	18
Haircuts	0	0	100	0	0	**+10**	**0**	18
Financing rate/spread	0	11	83	6	0	**+5**	**+6**	18
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Covered bonds								
Maximum amount of funding	0	0	100	0	0	**-4**	**0**	23
Maximum maturity of funding	0	4	96	0	0	**+4**	**+4**	23
Haircuts	0	0	100	0	0	**0**	**0**	23
Financing rate/spread	0	13	87	0	0	**0**	**+13**	23
Use of CCPs	0	0	100	0	0	**-5**	**0**	21

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

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. 2017	Dec. 2017	
Domestic government bonds								
Maximum amount of funding	0	6	89	6	0	+6	0	18
Maximum maturity of funding	0	6	89	6	0	+11	0	18
Haircuts	0	6	94	0	0	+11	+6	18
Financing rate/spread	0	22	67	11	0	+6	+11	18
Use of CCPs	0	0	94	6	0	0	-6	18
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	88	8	0	+7	-4	26
Maximum maturity of funding	0	8	92	0	0	+15	+8	26
Haircuts	0	4	96	0	0	+7	+4	26
Financing rate/spread	0	15	81	4	0	+15	+12	26
Use of CCPs	0	0	96	4	0	0	-4	25
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	4	96	0	0	+8	+4	25
Maximum maturity of funding	0	8	92	0	0	+12	+8	25
Haircuts	0	0	100	0	0	+8	0	25
Financing rate/spread	0	12	84	4	0	+12	+8	25
Use of CCPs	0	0	100	0	0	0	0	25
High-quality financial corporate bonds								
Maximum amount of funding	0	8	92	0	0	0	+8	24
Maximum maturity of funding	0	13	88	0	0	+8	+13	24
Haircuts	0	4	96	0	0	+4	+4	24
Financing rate/spread	0	13	83	4	0	+4	+8	24
Use of CCPs	0	5	95	0	0	0	+5	21
High-quality non-financial corporate bonds								
Maximum amount of funding	0	8	92	0	0	-4	+8	24
Maximum maturity of funding	0	13	83	4	0	+8	+8	24
Haircuts	0	8	92	0	0	0	+8	24
Financing rate/spread	0	13	88	0	0	+4	+13	24
Use of CCPs	0	0	100	0	0	0	0	21
High-yield corporate bonds								
Maximum amount of funding	0	0	100	0	0	-5	0	18
Maximum maturity of funding	0	5	95	0	0	+5	+5	19
Haircuts	0	5	95	0	0	+10	+5	19
Financing rate/spread	0	16	84	0	0	+15	+16	19
Use of CCPs	0	0	100	0	0	-7	0	16

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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. 2017	Dec. 2017	
Convertible securities								
Maximum amount of funding	0	0	100	0	0	**0**	**0**	12
Maximum maturity of funding	0	0	100	0	0	**0**	**0**	13
Haircuts	0	0	100	0	0	**0**	**0**	13
Financing rate/spread	0	0	100	0	0	**0**	**0**	13
Use of CCPs	0	0	100	0	0	**0**	**0**	12
Equities								
Maximum amount of funding	0	0	83	17	0	**-17**	**-17**	24
Maximum maturity of funding	0	0	100	0	0	**+4**	**0**	24
Haircuts	0	0	100	0	0	**0**	**0**	24
Financing rate/spread	0	4	88	8	0	**0**	**-4**	24
Use of CCPs	0	0	100	0	0	**0**	**0**	20
Asset-backed securities								
Maximum amount of funding	0	0	100	0	0	**+5**	**0**	18
Maximum maturity of funding	0	0	100	0	0	**+5**	**0**	18
Haircuts	0	0	100	0	0	**+5**	**0**	18
Financing rate/spread	0	6	94	0	0	**0**	**+6**	17
Use of CCPs	0	0	100	0	0	**0**	**0**	13
Covered bonds								
Maximum amount of funding	0	0	100	0	0	**-4**	**0**	23
Maximum maturity of funding	0	4	96	0	0	**+4**	**+4**	23
Haircuts	0	0	100	0	0	**0**	**0**	23
Financing rate/spread	0	13	83	4	0	**0**	**+9**	23
Use of CCPs	0	0	100	0	0	**-5**	**0**	21

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

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. 2017	Dec. 2017	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	16
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	16
High-quality government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	24
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	24
Other government, sub-national and supra-national bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	23
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	23
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	21
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	22
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	22
High-yield corporate 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
Convertible securities								
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
Equities								
Terms for average clients	0	0	100	0	0	**0**	**0**	22
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	22
Asset-backed securities								
Terms for average clients	0	0	100	0	0	**0**	**0**	15
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	15
Covered bonds								
Terms for average clients	0	0	100	0	0	**0**	**0**	21
Terms for most-favoured clients	0	0	100	0	0	**0**	**0**	21

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

Table 19

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

Demand for lending against collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2017	Dec. 2017	
Domestic government bonds								
Overall demand	6	0	72	22	0	**0**	**-17**	18
With a maturity greater than 30 days	0	6	67	28	0	**0**	**-22**	18
High-quality government, sub-national and supra-national bonds								
Overall demand	0	4	81	15	0	**+11**	**-12**	26
With a maturity greater than 30 days	0	0	85	15	0	**+4**	**-15**	26
Other government, sub-national and supra-national bonds								
Overall demand	0	4	85	12	0	**+8**	**-8**	26
With a maturity greater than 30 days	0	0	85	15	0	**0**	**-15**	26
High-quality financial corporate bonds								
Overall demand	0	4	83	13	0	**+8**	**-9**	23
With a maturity greater than 30 days	0	0	87	13	0	**+4**	**-13**	23
High-quality non-financial corporate bonds								
Overall demand	0	9	83	9	0	**+13**	**0**	23
With a maturity greater than 30 days	0	0	87	13	0	**+4**	**-13**	23
High-yield corporate bonds								
Overall demand	0	5	90	5	0	**+5**	**0**	20
With a maturity greater than 30 days	0	0	90	10	0	**0**	**-10**	20
Convertible securities								
Overall demand	0	0	100	0	0	**0**	**0**	14
With a maturity greater than 30 days	0	0	100	0	0	**0**	**0**	14
Equities								
Overall demand	0	0	86	14	0	**-14**	**-14**	22
With a maturity greater than 30 days	0	0	91	9	0	**-14**	**-9**	22
Asset-backed securities								
Overall demand	0	0	100	0	0	**+11**	**0**	17
With a maturity greater than 30 days	0	0	94	6	0	**+5**	**-6**	17
Covered bonds								
Overall demand	0	0	91	9	0	**0**	**-9**	23
With a maturity greater than 30 days	0	0	91	9	0	**-4**	**-9**	23
All collateral types above								
Overall demand	0	8	92	0	0	**+8**	**+8**	24
With a maturity greater than 30 days	0	0	96	4	0	**0**	**-4**	24

Note: The net percentage is defined as the difference between the percentage of respondents reporting "decreased considerably" or "decreased somewhat" and those reporting "increased somewhat" and "increased considerably". "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. 2017	Dec. 2017	
Domestic government bonds								
Liquidity and functioning	0	11	83	6	0	**+6**	**+6**	18
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	85	12	0	**0**	**-8**	26
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	4	92	4	0	**0**	**0**	26
High-quality financial corporate bonds								
Liquidity and functioning	0	4	87	9	0	**0**	**-4**	23
High-quality non-financial corporate bonds								
Liquidity and functioning	0	4	87	9	0	**0**	**-4**	23
High-yield corporate bonds								
Liquidity and functioning	0	0	95	5	0	**0**	**-5**	19
Convertible securities								
Liquidity and functioning	0	0	100	0	0	**0**	**0**	14
Equities								
Liquidity and functioning	0	0	95	5	0	**0**	**-5**	22
Asset-backed securities								
Liquidity and functioning	0	0	100	0	0	**+5**	**0**	17
Covered bonds								
Liquidity and functioning	0	0	91	9	0	**0**	**-9**	23
All collateral types above								
Liquidity and functioning	0	0	96	4	0	**0**	**-4**	24

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

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

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

Table 21

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

Collateral valuation disputes	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2017	Dec. 2017	
Domestic government bonds								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
High-quality government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	23
Duration and persistence	0	0	100	0	0	**0**	**0**	22
Other government, sub-national and supra-national bonds								
Volume	0	0	100	0	0	**0**	**0**	23
Duration and persistence	0	0	100	0	0	**0**	**0**	22
High-quality financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	18
High-quality non-financial corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	20
Duration and persistence	0	0	100	0	0	**0**	**0**	19
High-yield corporate bonds								
Volume	0	0	100	0	0	**0**	**0**	17
Duration and persistence	0	0	100	0	0	**0**	**0**	17
Convertible securities								
Volume	0	0	100	0	0	**0**	**0**	14
Duration and persistence	0	0	100	0	0	**0**	**0**	14
Equities								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	18
Asset-backed securities								
Volume	0	0	100	0	0	**0**	**0**	15
Duration and persistence	0	0	100	0	0	**0**	**0**	15
Covered bonds								
Volume	0	0	100	0	0	**0**	**0**	19
Duration and persistence	0	0	100	0	0	**0**	**0**	18
All collateral types above								
Volume	0	0	100	0	0	**-4**	**0**	21
Duration and persistence	0	0	100	0	0	**0**	**0**	20

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

3 Non-centrally cleared OTC derivatives

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

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

Table 22

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2017	Net percentage Dec. 2017	Total number of answers
Foreign exchange								
Average clients	0	5	95	0	0	-10	+5	20
Most-favoured clients	0	5	95	0	0	-5	+5	20
Interest rates								
Average clients	0	0	86	14	0	-5	-14	21
Most-favoured clients	0	0	86	14	0	0	-14	21
Credit referencing sovereigns								
Average clients	0	0	88	13	0	0	-13	16
Most-favoured clients	0	0	94	6	0	0	-6	16
Credit referencing corporates								
Average clients	0	6	89	6	0	0	0	18
Most-favoured clients	0	6	89	6	0	0	0	18
Credit referencing structured credit products								
Average clients	0	6	88	6	0	0	0	16
Most-favoured clients	0	6	94	0	0	0	+6	16
Equity								
Average clients	0	0	88	12	0	-6	-12	17
Most-favoured clients	0	6	94	0	0	0	+6	17
Commodity								
Average clients	0	0	93	7	0	0	-7	14
Most-favoured clients	0	0	93	7	0	0	-7	15
Total return swaps referencing non-securities								
Average clients	0	0	93	7	0	0	-7	15
Most-favoured clients	0	0	100	0	0	0	0	15

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

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

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

Table 23

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

Credit limits	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2017	Net percentage Dec. 2017	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	0	96	4	0	-12	-4	26
Maximum maturity of trades	0	0	96	4	0	-8	-4	26
Interest rates								
Maximum amount of exposure	0	0	96	4	0	+8	-4	25
Maximum maturity of trades	0	0	100	0	0	0	0	25
Credit referencing sovereigns								
Maximum amount of exposure	0	6	94	0	0	-6	+6	18
Maximum maturity of trades	0	6	94	0	0	0	+6	18
Credit referencing corporates								
Maximum amount of exposure	0	5	95	0	0	0	+5	20
Maximum maturity of trades	0	5	95	0	0	0	+5	20
Credit referencing structured credit products								
Maximum amount of exposure	0	5	95	0	0	0	+5	19
Maximum maturity of trades	0	5	95	0	0	0	+5	19
Equity								
Maximum amount of exposure	0	0	100	0	0	-9	0	21
Maximum maturity of trades	0	5	95	0	0	0	+5	20
Commodity								
Maximum amount of exposure	0	0	100	0	0	0	0	17
Maximum maturity of trades	0	0	100	0	0	0	0	17
Total return swaps referencing non-securities								
Maximum amount of exposure	0	6	94	0	0	+6	+6	17
Maximum maturity of trades	0	6	94	0	0	0	+6	17

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

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. 2017	Net percentage Dec. 2017	Total number of answers
Foreign exchange								
Liquidity and trading	0	0	96	4	0	0	-4	26
Interest rates								
Liquidity and trading	0	4	96	0	0	+8	+4	25
Credit referencing sovereigns								
Liquidity and trading	0	6	94	0	0	0	+6	18
Credit referencing corporates								
Liquidity and trading	0	5	95	0	0	0	+5	20
Credit referencing structured credit products								
Liquidity and trading	0	5	95	0	0	0	+5	19
Equity								
Liquidity and trading	0	10	90	0	0	+10	+10	20
Commodity								
Liquidity and trading	0	6	94	0	0	0	+6	18
Total return swaps referencing non-securities								
Liquidity and trading	0	6	94	0	0	0	+6	17

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

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. 2017	Dec. 2017	
Foreign exchange								
Volume	0	0	92	8	0	+4	-8	25
Duration and persistence	0	4	88	8	0	+4	-4	25
Interest rates								
Volume	0	0	92	8	0	0	-8	24
Duration and persistence	0	4	92	4	0	0	0	24
Credit referencing sovereigns								
Volume	0	0	100	0	0	0	0	18
Duration and persistence	0	6	94	0	0	0	+6	18
Credit referencing corporates								
Volume	0	0	100	0	0	0	0	19
Duration and persistence	0	5	95	0	0	0	+5	19
Credit referencing structured credit products								
Volume	0	0	100	0	0	0	0	19
Duration and persistence	0	5	95	0	0	0	+5	19
Equity								
Volume	0	0	100	0	0	0	0	21
Duration and persistence	0	5	95	0	0	0	+5	21
Commodity								
Volume	0	6	94	0	0	0	+6	18
Duration and persistence	0	6	94	0	0	0	+6	18
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	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".

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. 2017	Dec. 2017	
Margin call practices	0	15	85	0	0	**+19**	**+15**	27
Acceptable collateral	0	11	85	4	0	**+8**	**+7**	27
Recognition of portfolio or diversification benefits	0	0	100	0	0	**0**	**0**	26
Covenants and triggers	0	7	93	0	0	**+12**	**+7**	27
Other documentation features	0	0	100	0	0	**+8**	**0**	26

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

3.3 Posting of non-standard collateral

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

Table 27

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

Non-standard collateral	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2017	Dec. 2017	
Posting of non-standard collateral	0	12	84	4	0	**+14**	**+8**	25

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

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	9	65	26	0	-17	23
Derivatives	0	22	78	0	0	+22	23
Overall	0	10	76	14	0	-5	21
Domestic government bonds	0	6	81	6	6	-6	16
High-quality government, sub-national and supra-national bonds	0	17	61	22	0	-4	23
Other government, sub-national and supra-national bonds	0	17	65	17	0	0	23
High-quality financial corporate bonds	0	17	48	30	4	-17	23
High-quality non-financial corporate bonds	0	17	48	35	0	-17	23
High-yield corporate bonds	0	11	61	28	0	-17	18
Convertible securities	0	0	86	7	7	-14	14
Asset-backed securities	0	17	72	6	6	+6	18
Covered bonds	5	14	71	10	0	+10	21

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

Expected changes in market-making activities

How are the market-making activities of your institution for [debt securities/ derivatives/ overall] likely to change in 2018?

Table 29

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

Expected changes in 2018	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	18	59	23	0	-5	22
Derivatives	0	26	65	9	0	+17	23
Overall	0	14	71	14	0	0	21
Domestic government bonds	0	19	56	25	0	-6	16
High-quality government, sub-national and supra-national bonds	0	22	65	13	0	+9	23
Other government, sub-national and supra-national bonds	0	22	70	9	0	+13	23
High-quality financial corporate bonds	0	18	45	32	5	-18	22
High-quality non-financial corporate bonds	0	18	50	32	0	-14	22
High-yield corporate bonds	0	5	63	32	0	-26	19
Convertible securities	0	0	80	20	0	-20	15
Asset-backed securities	0	0	89	6	6	-11	18
Covered bonds	0	10	67	19	5	-14	21

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

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

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

Table 30

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	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	50	0	20
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	100	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**2**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	33	21
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	60	0	21
Competition from other banks	33	20	0	21
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	17	0	0	7
Growing importance of electronic trading platforms	0	20	0	7
Profitability of market making activities	0	0	33	7
Role of high-frequency automated trading in making markets	0	0	33	7
Other (please specify below)	17	0	0	7
Total number of answers	**6**	**5**	**3**	**14**
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	25	0	8
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	8
Competition from other banks	20	25	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	67	17
Compliance with current or expected changes in regulation	20	25	0	17
Growing importance of electronic trading platforms	0	25	0	8
Profitability of market making activities	40	0	0	17
Role of high-frequency automated trading in making markets	0	0	33	8
Other (please specify below)	0	0	0	0
Total number of answers	**5**	**4**	**3**	**12**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	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 [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	100	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	33
Competition from other banks	50	0	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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	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	50	0	0	25
Growing importance of electronic trading platforms	50	0	0	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	100	100	50
Total number of answers	**2**	**1**	**1**	**4**
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	100	0	33
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	100	33
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**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	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	50	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	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**

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

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

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	50	14
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	0	0	14
Competition from non-bank financial institutions	0	50	0	14
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	50	0	14
Compliance with current or expected changes in regulation	0	0	50	14
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	67	0	0	29
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**2**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	67	0	20
Competition from other banks	20	0	50	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	20	0	0	10
Growing importance of electronic trading platforms	20	0	0	10
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	33	50	20
Total number of answers	**5**	**3**	**2**	**10**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	50	14
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	0	0	14
Competition from non-bank financial institutions	0	50	0	14
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	50	0	14
Compliance with current or expected changes in regulation	0	0	50	14
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	67	0	0	29
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**3**	**2**	**2**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	0	0	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	14
Competition from other banks	25	0	0	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	25	0	0	14
Growing importance of electronic trading platforms	25	0	0	14
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	50	100	29
Total number of answers	**4**	**2**	**1**	**7**

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

To the extent that market-making activities of your institution for [high-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	33	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	0	0	20
Competition from non-bank financial institutions	0	100	0	20
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	100	40
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**	**1**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	13	0	33	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	60	0	19
Competition from other banks	13	20	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	13	0	0	6
Growing importance of electronic trading platforms	13	0	33	13
Profitability of market making activities	13	0	0	6
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	38	20	33	31
Total number of answers	**8**	**5**	**3**	**16**
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	33	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	33	0	0	20
Competition from non-bank financial institutions	0	100	0	20
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	100	40
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**	**1**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	13	0	33	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	60	0	19
Competition from other banks	13	20	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	13	0	0	6
Growing importance of electronic trading platforms	13	0	33	13
Profitability of market making activities	13	0	0	6
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	38	20	33	31
Total number of answers	**8**	**5**	**3**	**16**

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

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

Table 30 (continued)

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

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

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

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

Table 30 (continued)

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	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	67
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**1**	**0**	**3**
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	50	0	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	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	25
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	100	25
Total number of answers	**2**	**1**	**1**	**4**
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	100	29
Availability of balance sheet or capital at your institution	33	0	0	14
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	14
Availability of hedging instruments	0	50	0	14
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	33	0	0	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	14
Total number of answers	**3**	**2**	**2**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	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	50	0	0	25
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	100	100	50
Total number of answers	**2**	**1**	**1**	**4**

Reasons for expected changes in market-making activities in 2018

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likey to decrease or increase in 2018 (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 2018	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	50	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	13
Competition from other banks	25	0	0	13
Competition from non-bank financial institutions	0	50	0	13
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	0	50	38
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)	25	0	0	13
Total number of answers	**4**	**2**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	40	0	20	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	20	0	7
Competition from other banks	40	20	20	27
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	20	0	7
Growing importance of electronic trading platforms	20	20	20	20
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	20	7
Other (please specify below)	0	20	20	13
Total number of answers	**5**	**5**	**5**	**15**
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	25	7
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	20	0	7
Competition from other banks	0	20	0	7
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	13
Compliance with current or expected changes in regulation	67	20	0	33
Growing importance of electronic trading platforms	0	20	0	7
Profitability of market making activities	17	20	25	20
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**	**5**	**4**	**15**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	25
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	25
Total number of answers	**2**	**2**	**0**	**4**

Reasons for expected changes in market-making activities in 2018 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likey to decrease or increase in 2018 (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 2018	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	100	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	20
Competition from other banks	33	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	67	0	0	40
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**	**1**	**1**	**5**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	33	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	0	13
Competition from other banks	33	0	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	50	25
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	33	50	38
Total number of answers	**3**	**3**	**2**	**8**
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	50	14
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	14
Competition from other banks	33	0	0	14
Competition from non-bank financial institutions	0	50	0	14
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	33	0	50	29
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	14
Total number of answers	**3**	**2**	**2**	**7**
Possible reasons for an increase				
Willingness of your institution to take on risk	25	0	50	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	20
Competition from other banks	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	50	10
Compliance with current or expected changes in regulation	0	25	0	10
Growing importance of electronic trading platforms	0	25	0	10
Profitability of market making activities	25	0	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**4**	**2**	**10**

Reasons for expected changes in market-making activities in 2018 (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 2018 (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 2018	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	33	9
Internal treasury charges for funding market-making activities	0	0	33	9
Availability of balance sheet or capital at your institution	0	33	0	9
Competition from other banks	20	0	0	9
Competition from non-bank financial institutions	0	33	0	9
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	33	0	9
Compliance with current or expected changes in regulation	40	0	33	27
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	20	0	0	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	9
Total number of answers	**5**	**3**	**3**	**11**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	33	0	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	0	13
Competition from other banks	33	0	50	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	13
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	33	50	25
Total number of answers	**3**	**3**	**2**	**8**
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	33	9
Internal treasury charges for funding market-making activities	0	0	33	9
Availability of balance sheet or capital at your institution	0	33	0	9
Competition from other banks	20	0	0	9
Competition from non-bank financial institutions	0	33	0	9
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	33	0	9
Compliance with current or expected changes in regulation	40	0	33	27
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	20	0	0	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	9
Total number of answers	**5**	**3**	**3**	**11**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	50	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	0	20
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	50	100	40
Total number of answers	**2**	**2**	**1**	**5**

Reasons for expected changes in market-making activities in 2018 (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 2018 (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 2018	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	50	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	13
Competition from other banks	25	0	0	13
Competition from non-bank financial institutions	0	50	0	13
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	75	0	50	50
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**2**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	29	0	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	40	0	13
Competition from other banks	14	0	33	13
Competition from non-bank financial institutions	14	0	0	7
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	14	20	33	20
Profitability of market making activities	14	0	0	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	14	40	33	27
Total number of answers	**7**	**5**	**3**	**15**
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	50	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	13
Competition from other banks	25	0	0	13
Competition from non-bank financial institutions	0	50	0	13
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	75	0	50	50
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**4**	**2**	**2**	**8**
Possible reasons for an increase				
Willingness of your institution to take on risk	29	0	0	13
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	40	0	13
Competition from other banks	14	0	33	13
Competition from non-bank financial institutions	14	0	0	7
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	14	20	33	20
Profitability of market making activities	14	0	0	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	14	40	33	27
Total number of answers	**7**	**5**	**3**	**15**

Reasons for expected changes in market-making activities in 2018 (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 2018 (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 2018	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	100	0	0	33
Competition from non-bank financial institutions	0	100	0	33
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	100	33
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**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	15
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	0	8
Competition from other banks	0	0	33	8
Competition from non-bank financial institutions	17	0	0	8
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	25	0	8
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	17	0	33	15
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	50	33	38
Total number of answers	**6**	**4**	**3**	**13**
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	50	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	33	0	0	20
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	50	0	40
Total number of answers	**3**	**2**	**0**	**5**

Reasons for expected changes in market-making activities in 2018 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likey to decrease or increase in 2018 (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 2018	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**0**	**0**	**0**	**0**
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	50	0	0	50
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**	**0**	**0**	**2**
Covered bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	50	17
Internal treasury charges for funding market-making activities	0	0	50	17
Availability of balance sheet or capital at your institution	0	50	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	50	0	17
Compliance with current or expected changes in regulation	50	0	0	17
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	50	0	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**2**	**2**	**2**	**6**
Possible reasons for an increase				
Willingness of your institution to take on risk	0	67	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	50	20
Competition from other banks	20	0	0	10
Competition from non-bank financial institutions	20	0	0	10
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	20	0	0	10
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)	20	33	50	30
Total number of answers	**5**	**3**	**2**	**10**

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

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

Table 32

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

Ability to act as a market-maker in time of stress	Very limited	Limited	Moderate	Good	Net percentage	Total number of answers
Debt securities	4	30	39	26	-30	23
Derivatives	9	17	43	30	-48	23
Overall	5	30	35	30	-30	20
Domestic government bonds	7	20	27	47	-47	15
High-quality government, sub-national and supra-national bonds	5	18	36	41	-55	22
Other government, sub-national and supra-national bonds	5	27	36	32	-36	22
High-quality financial corporate bonds	5	36	36	23	-18	22
High-quality non-financial corporate bonds	5	41	36	18	-9	22
High-yield corporate bonds	6	44	28	22	0	18
Convertible securities	0	46	31	23	-8	13
Asset-backed securities	13	33	27	27	-7	15
Covered bonds	0	25	45	30	-50	20

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

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

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

Table 33

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	14	14	0	11
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	0	0	6
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)	29	29	25	28
Availability of hedging instruments	14	29	0	17
Compliance with current or expected changes in regulation	0	0	25	6
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	25	6
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	29	29	25	28
Total number of answers	**7**	**7**	**4**	**18**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	22	33	25	26
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	33	25	21
Competition from other banks	22	17	0	16
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	25	5
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	25	21
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	17	0	5
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**	**6**	**4**	**19**
Derivatives				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	60	0	21
Internal treasury charges for funding market-making activities	0	20	0	7
Availability of balance sheet or capital at your institution	0	0	25	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)	20	0	50	21
Availability of hedging instruments	40	20	0	21
Compliance with current or expected changes in regulation	40	0	0	14
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	25	7
Total number of answers	**5**	**5**	**4**	**14**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	18	17	0	14
Internal treasury charges for funding market-making activities	9	0	0	5
Availability of balance sheet or capital at your institution	18	33	20	23
Competition from other banks	9	0	20	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	9	17	20	14
Availability of hedging instruments	9	17	0	9
Compliance with current or expected changes in regulation	18	17	20	18
Growing importance of electronic trading platforms	0	0	20	5
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)	9	0	0	5
Total number of answers	**11**	**6**	**5**	**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 [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	20	60	0	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	20	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	20	20	40	27
Availability of hedging instruments	20	0	20	13
Compliance with current or expected changes in regulation	20	0	20	13
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	0	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	**5**	**5**	**5**	**15**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	17	0	0	11
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	50	0	22
Competition from other banks	17	0	100	22
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	11
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	0	22
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)	17	0	0	11
Total number of answers	**6**	**2**	**1**	**9**
Domestic government bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	25	25	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	25	0	50	20
Availability of hedging instruments	25	50	0	30
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)	25	25	50	30
Total number of answers	**4**	**4**	**2**	**10**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	43	17	25	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	14	33	50	29
Competition from other banks	0	33	0	12
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	0	6
Compliance with current or expected changes in regulation	29	0	25	18
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	17	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	**7**	**6**	**4**	**17**

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	20	25	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	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)	20	0	33	17
Availability of hedging instruments	20	50	33	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	40	25	33	33
Total number of answers	**5**	**4**	**3**	**12**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	40	29	20	32
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	10	29	20	18
Competition from other banks	0	29	20	14
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	20	5
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	30	0	20	18
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	10	14	0	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	10	0	0	5
Total number of answers	**10**	**7**	**5**	**22**
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	33	20	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	20	25	20
Availability of hedging instruments	17	40	25	27
Compliance with current or expected changes in regulation	0	0	25	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)	33	20	25	27
Total number of answers	**6**	**5**	**4**	**15**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	33	25	32
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	17	25	16
Competition from other banks	0	33	0	11
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	25	5
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	33	0	25	21
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	11	17	0	11
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**	**6**	**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 [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	25	13	0	15
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	13	13	0	10
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	25	50	30
Availability of hedging instruments	13	25	0	15
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	13	0	5
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	13	25	20
Total number of answers	**8**	**8**	**4**	**20**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	43	25	0	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	25	33	14
Competition from other banks	0	25	0	7
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	43	0	33	29
Growing importance of electronic trading platforms	0	25	0	7
Profitability of market making activities	0	0	33	7
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	14	0	0	7
Total number of answers	**7**	**4**	**3**	**14**
High-quality non-financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	11	0	17
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	11	0	9
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)	22	22	40	26
Availability of hedging instruments	11	22	0	13
Compliance with current or expected changes in regulation	0	0	20	4
Growing importance of electronic trading platforms	0	11	0	4
Profitability of market making activities	0	11	20	9
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	22	11	20	17
Total number of answers	**9**	**9**	**5**	**23**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	33	33	0	27
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	33	50	18
Competition from other banks	0	33	0	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	0	50	36
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)	17	0	0	9
Total number of answers	**6**	**3**	**2**	**11**

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	22	14	0	15
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	11	14	0	10
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)	22	14	50	25
Availability of hedging instruments	11	14	0	10
Compliance with current or expected changes in regulation	11	0	25	10
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	29	0	10
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	22	14	25	20
Total number of answers	**9**	**7**	**4**	**20**
Possible reasons for a "good"or "moderate" 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	50	0	17
Competition from other banks	0	50	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	100	17
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	17
Total number of answers	**3**	**2**	**1**	**6**
Convertible securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	25	25	0	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	9
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	33	27
Availability of hedging instruments	25	25	0	18
Compliance with current or expected changes in regulation	0	0	67	18
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)	25	0	0	9
Total number of answers	**4**	**4**	**3**	**11**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	25	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	25	0	0	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	100	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	20
Total number of answers	**4**	**1**	**0**	**5**

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	17	33	0	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	0	40	18
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	17	33	40	29
Availability of hedging instruments	17	17	0	12
Compliance with current or expected changes in regulation	17	17	20	18
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)	17	0	0	6
Total number of answers	**6**	**6**	**5**	**17**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	60	0	0	38
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	13
Competition from other banks	0	50	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	100	13
Compliance with current or expected changes in regulation	20	0	0	13
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)	20	0	0	13
Total number of answers	**5**	**2**	**1**	**8**
Covered bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	33	0	10
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	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)	20	0	50	20
Availability of hedging instruments	20	33	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	60	33	50	50
Total number of answers	**5**	**3**	**2**	**10**
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	44	33	20	35
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	22	17	20	20
Competition from other banks	0	33	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	17	40	15
Compliance with current or expected changes in regulation	22	0	0	10
Growing importance of electronic trading platforms	0	0	20	5
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**	**6**	**5**	**20**

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