EUROPEAN CENTRAL BANK

EUROSYSTEM

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

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 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 derivative 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 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.

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December 2015 SESFOD results

(reference period from September 2015 to November 2015)

Summary

The December 2015 **survey on credit terms and conditions in euro-denominated securities financing and over-the-counter (OTC) derivatives markets (SESFOD)** collected qualitative information on changes in credit terms between September 2015 and November 2015. This report summarises the findings of the responses from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area. In addition to the regular questions on changes observed over the past three months, the December 2015 survey contained questions about banks' market-making activities over the past and next year.

Highlights

Survey respondents reported less favourable **price and non-price credit terms** offered to all counterparty types covered by the survey over the three-month reference period ending in November 2015, in particular for counterparties which are hedge funds. Credit terms are expected to tighten further for all counterparties over the next three-month reference period, in some cases considerably.

The **maximum amount and the maximum maturity of funding** in securities financing transactions have decreased for many types of collateral. The reduction in the maximum amount of funding was most evident when government bonds and high-quality corporate bonds are used as collateral, while the reduction in the maximum maturity of funding was most pronounced when high-yield corporate bonds are used as collateral. **Financing rates/spreads** increased when high-yield corporate bonds are used as collateral, while they remained basically unchanged for most other collateral types.

The **use of central counterparties (CCPs)** has increased somewhat for securities financing transactions with government bonds, high-quality and high-yield corporate bonds, and covered bonds as collateral. Survey respondents reported an increase in the level of resources and attention devoted to the management of concentrated credit exposures to CCPs in particular.

The deterioration in **market liquidity and functioning** reported in the June 2015 and September 2015 SESFOD surveys accelerated over the September-November 2015 reference period and is most evident for government bonds, high-yield corporate bonds, high-quality financial corporate bonds, high-quality non-financial corporate bonds and covered bonds.

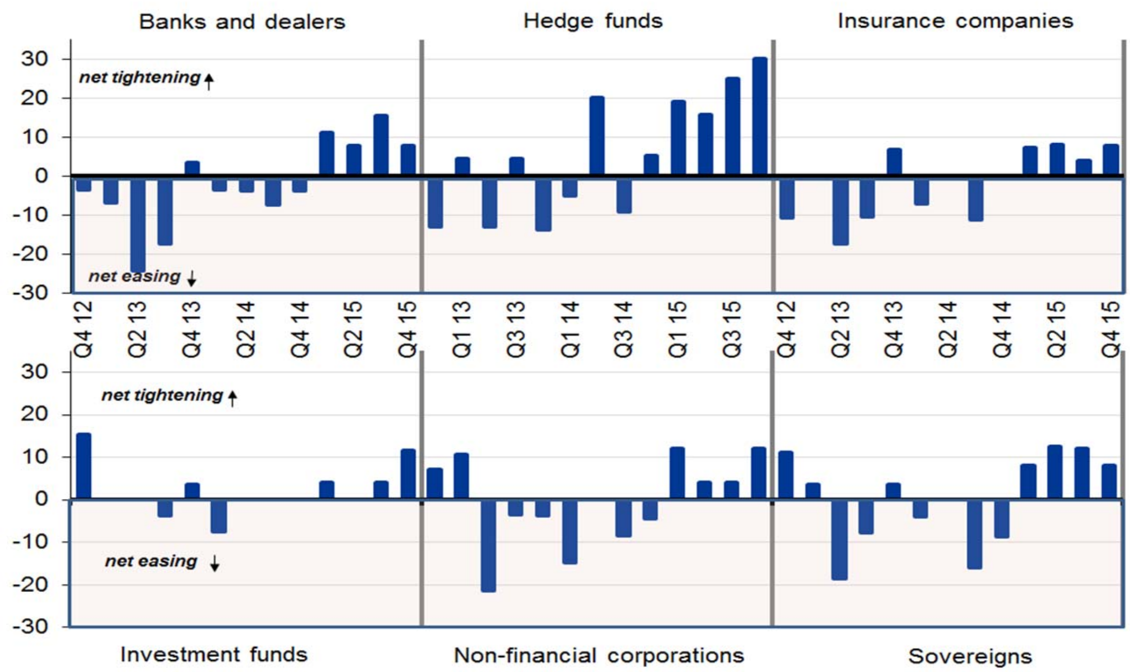
A considerable number of respondents indicated a decrease in their **market-making activities** over the past year, especially for government bonds and high-quality corporate bonds, with expectations of a further decrease in 2016. Respondents' confidence in their current ability to act as a market-maker in times of stress is strongest for government bonds and weakest for high-yield corporate bonds and asset-backed securities. Compared with previous years, fewer banks characterised their **ability to make markets in times of stress** as "good", and more banks characterised it as only "moderate". Results show a strong deterioration in respondents' ability to act as a market-maker in times of stress, particularly for high-yield corporate bonds.

Counterparty types

Changes: responses to the December 2015 survey suggest that, on balance, overall credit terms offered to counterparties across the entire spectrum of securities financing and OTC derivatives transaction types became less favourable over the three-month reference period ending in November 2015. This tightening was most pronounced for counterparties which are hedge funds, and follows the tightening of credit terms reported in previous SESFOD surveys (see Chart A).

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

(Q4 2012 – Q4 2015; net percentage of survey respondents)



Source: ECB.
Notes: 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”.

Price terms (such as financing rates/spreads) tightened on balance over the reference period, continuing the trend of the previous four reference periods. These results are in line with the expectations expressed in the September 2015 survey, although the reported tightening was more widespread in terms of survey respondents and counterparty type than was anticipated in September 2015. The tightening of price terms was most pronounced for counterparties which are hedge funds and investment funds. However, the overall results conceal some dispersion in the responses, in particular for counterparties which are insurance companies and, to a lesser extent, banks, with one-quarter of respondents indicating that they had increased price terms offered to insurance companies and others reporting more favourable price terms for insurance companies, in one case even considerably more favourable.

With respect to offered non-price credit terms (including, for example, the maximum amount of funding, haircuts, cure periods, covenants and triggers), survey respondents indicated, on balance, less favourable terms for almost all counterparty types over the review period except for banks and dealers as well as sovereigns, for which non-price credit terms remained, on balance, basically unchanged.

Expectations: respondents to the December 2015 survey mostly expected credit terms to tighten further over the next three-month reference period from December 2015 to February 2016 for all counterparties, and in some cases considerably. The expected tightening of credit terms is most noticeable for price terms, with more than a one-quarter of respondents indicating that they expected price terms to tighten. In particular, almost one-third of survey respondents expected less favourable price terms for banks and dealers as well as hedge funds over the next three-month reference period.

Reasons: survey respondents highlighted a number of reasons why, on balance, price terms had become less favourable over the September 2015 to November 2015 reference period, with worsened general market liquidity and functioning being the most frequently cited most important reason, while diminished availability of balance sheet or capital at their institutions and increased internal treasury charges for funding were also often cited as a reason for increasing price terms. Respondents cited the adoption of new market conventions (e.g. ISDA protocols) and increased internal treasury charges for funding as reasons for offering less favourable non-price credit terms. As in the previous surveys, a small percentage of respondents continued to point to CCP practices as a reason for tightening credit terms for bilateral transactions that are not cleared.

Management of concentrated credit exposures to large banks and CCPs: the December 2015 survey results indicate that the reporting banks have continued to increase the level of resources and attention devoted to the management of concentrated credit exposures, particularly to CCPs and to a lesser extent to banks. More than one-fifth of respondents reported that they had increased the level of such resources over the September-November 2015 review period, with one bank reporting a considerable increase. Qualitative answers to the survey suggest that the increase in resources is related to a widening of the range of CCPs used, as well as preparations ahead of the entry into force in 2016 of rules for the mandatory clearing of interest rate swaps.

Leverage: respondents reported that, on balance, the use of financial leverage by hedge funds, insurance companies and investment funds had remained basically unchanged during the three-month reference period from September 2015 to November 2015.

Client pressure and differential terms: the results of the December 2015 survey show only limited change in efforts to negotiate more favourable price and non-price terms for all counterparty types except hedge funds. As in the previous survey, approximately one-quarter of respondents reported that hedge funds had intensified their efforts to obtain more favourable terms which, according to qualitative responses to the survey, may be related to recent launches of higher-profile hedge funds with more negotiating power.

Valuation disputes: survey respondents reported very limited changes with respect to the volume, persistence and duration of valuation disputes with all counterparty types. One survey participant noted an increase in the volume of disputes with a small number of banks which use a different discount curve for the valuation of long-dated swaps.

Securities financing

Maximum amount of funding: respondents to the December 2015 survey indicated that the maximum amount of funding for average clients had decreased on balance for most types of collateral except equities and convertible securities, for which the maximum amount of funding remained basically unchanged. The reported decrease in the maximum amount of funding was most pronounced when government bonds and high-quality corporate bonds were used as collateral. Responses for most-favoured clients were similar, although the decrease was less pronounced.

Maximum maturity of funding: respondents to the December 2015 survey indicated that the maximum maturity of funding of euro-denominated securities also decreased over the three-month reference period ending in November 2015 for nearly all types of collateral (except equities, which remained basically unchanged), with similar responses for average and most-favoured clients. The reported decrease in the maximum maturity of funding was most pronounced for funding with high-yield corporate bonds as collateral, for which more than one-quarter of participants indicated a shortening of the maximum maturity of funding.

Haircuts: respondents mostly indicated, for both average and most-favoured clients, that haircuts for most types of euro-denominated collateral covered in the survey had remained basically unchanged over the September-November 2015 review period with, as in the previous survey, only a few institutions reporting changes.

Financing rates/spreads: in net terms, respondents reported that financing rates/spreads had remained basically unchanged for nearly all types of collateral except high-yield corporate bonds, for which more than one-fifth of survey respondents reported an increase in financing rates/spreads. However, these results mask some dispersion in the responses, with a similar number of survey participants reporting an increase or decrease in offered financing rates/spreads.

Use of CCPs: banks reported that the use of CCPs had increased somewhat over the three-month reference period for securities financing transactions with all types of government bond, high-quality and high-yield corporate bond, and covered bond as collateral.

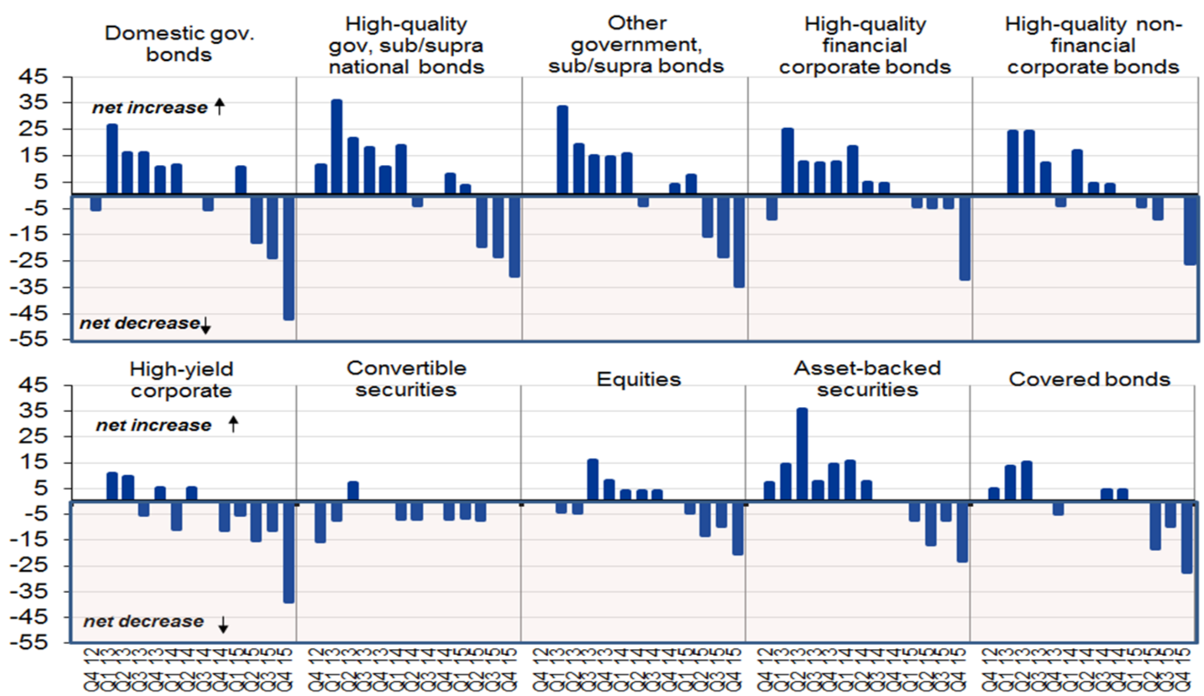
Covenants and triggers: as in the previous survey, responses to the December 2015 survey point to almost no changes in covenants and triggers for all collateral types over the reference period.

Demand for funding: on balance, responses to the December 2015 survey indicate that demand by counterparties for the funding of all types of government bond, high-quality financial and non-financial corporate bond and covered bond decreased (in some instances considerably) over the three-month reference period ending in November 2015. A small net percentage, however, reported an increase in the demand for funding with a maturity greater than 30 days with equities, convertible securities and asset-backed securities as collateral.

Liquidity of collateral: respondents reported that the liquidity and functioning of markets for the underlying collateral (as opposed to the securities financing market itself) deteriorated on balance for almost all types of euro-denominated collateral covered in the survey. The deterioration reported in the June 2015 and September 2015 SESFOD surveys accelerated over the September-November 2015 reference period. The evaporation of liquidity reported in the December 2015 survey was most evident for all types of government bond, high-yield corporate bond, high-quality financial corporate bond, high-quality non-financial corporate bond and covered bond (see Chart B).

Chart B: Changes in liquidity and functioning of markets

(Q4 2012 – Q4 2015; net percentage of survey respondents)



Source: ECB.
Notes: 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 "decrease considerably".

Collateral valuation disputes: as in previous surveys, respondents indicated that the volume, persistence and duration of valuation disputes for the various types of collateral included in the survey had remained essentially unchanged, with only a small number of respondents indicating that the volume, persistence and duration of valuation disputes had decreased for equities, government bonds and corporate bonds.

Non-centrally cleared OTC derivatives

Initial margin requirements: the vast majority of responses indicated that initial margin requirements for all types of non-centrally cleared euro-denominated derivatives contract covered in the survey had remained basically unchanged over the three-month reference period ending in November 2015.

Credit limits: the vast majority of responses indicated that the maximum amount of exposure and the maximum maturity of non-centrally cleared OTC derivatives trades had also remained basically unchanged, with some dispersion in the answers for interest rates and foreign exchange derivatives. Two banks reported that the maximum amount of exposure for credit referencing sovereigns had decreased somewhat over the three-month reference period.

Liquidity and trading: a small net percentage of respondents reported that liquidity and trading had deteriorated for several types of derivative covered in the December 2015 survey, including interest rate derivatives, foreign exchange derivatives, credit referencing sovereigns, credit referencing corporates, credit referencing structured credit products and equity derivatives. As in the previous survey, the deterioration was most pronounced for interest rate derivatives, with one bank reporting that liquidity and trading had deteriorated considerably. In spite of the observed turbulence in commodity markets during the review period, survey respondents reported that the liquidity and trading of OTC commodity derivatives had remained basically unchanged. Responses indicate that initial margin requirements, the maximum amount of exposures and the maximum maturity of trades set by respondents' respective institutions with respect to OTC commodity derivatives had also remained basically unchanged over the review period.

Valuation disputes: while most respondents reported that the volume, persistence and duration of disputes relating to the valuation of derivatives contracts had remained basically unchanged over the review period for most types of OTC derivatives contract covered by the survey, a few respondents reported that the volume of disputes over the valuation of foreign exchange derivatives, commodity derivatives, equity derivatives and sovereign CDS had increased somewhat. One bank, however, reported a decrease in disputes related to the valuation of interest rate derivatives.

Non-price changes in new agreements: most responses indicated basically no change in margin call practices, the recognition of portfolio or diversification benefits, covenants and triggers, as well as other documentation features incorporated in new or renegotiated OTC derivatives master agreements. However, five respondents reported that acceptable collateral standards incorporated in new or renegotiated agreements had tightened somewhat. One respondent linked this tightening of acceptable collateral standards to a desire to standardise collateral agreement terms.

Posting of non-standard collateral: according to the responses to the December 2015 survey, the posting of non-standard collateral (i.e. collateral other than cash and government debt securities) remained basically unchanged on balance, with only one bank reporting a decrease.

Special questions

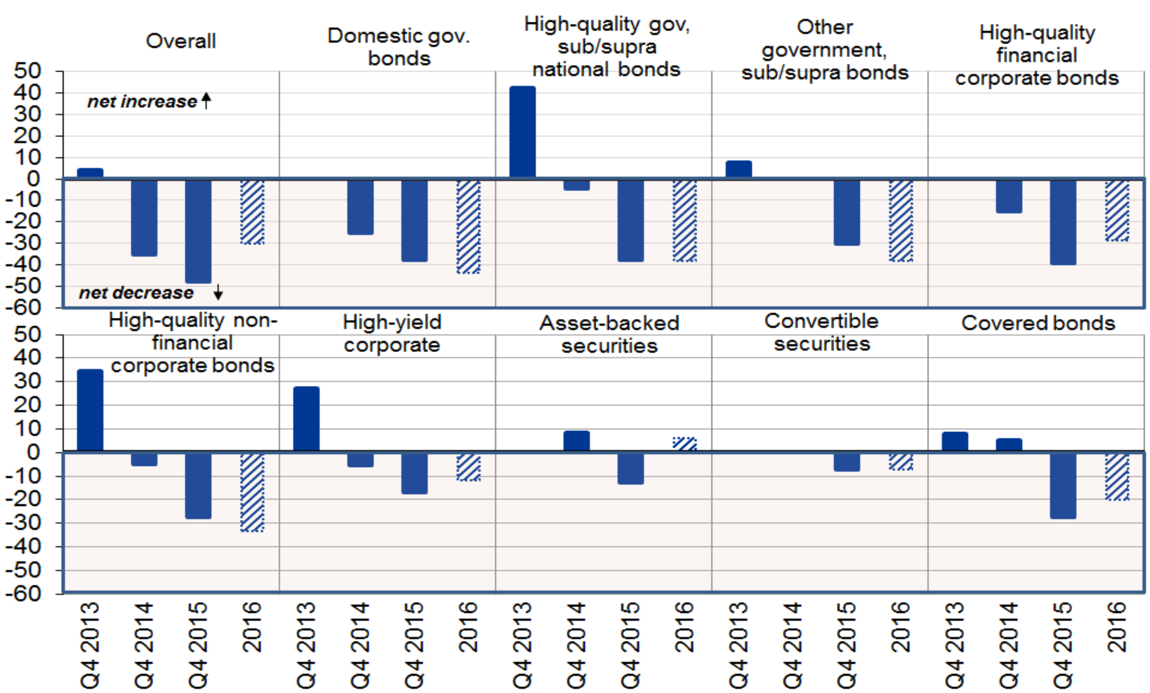
Survey respondents were asked special questions about their **market-making activities** amid continued reports of low secondary market liquidity in particular, market liquidity under strained market conditions). These special questions included how their market-making activities had changed over the past year, how such activities were expected to change in 2016, and how they assessed their ability to act as market-makers in times of stress. Similar special questions were asked in the December 2013 and December 2014 SESFOD surveys, allowing trends to be gauged from a longer-term perspective.

Changes over the past year: while a few banks reported an increase in their market-making activities, significantly more banks reported that their market-making activities for debt securities and derivatives had decreased over the past year, in a few cases considerably. This reduction in activity was most visible in market-making activities for overall debt securities, with more than 60% of respondents reporting that market-making activities had decreased somewhat, around 30% of respondents reporting that they had remained basically unchanged and fewer than 10% reporting that they had increased somewhat. The reported reduction in market-making activities for derivatives was also significant, with 36% of respondents reporting that activities had decreased somewhat, 56% reporting that they had remained basically unchanged and 8% reporting that they had increased somewhat. Going into more detail, the reported reduction in market-making activities was most pronounced for all types of government bond as well as for high-quality financial and non-financial corporate bonds, but to a lesser extent also for covered bonds, high-yield corporate bonds, asset-backed securities and convertible securities (see Chart C).

Expected changes in 2016: a significant net percentage of respondents expect their market-making activities to decrease further in 2016 for almost all types of security, in some cases considerably. The same asset classes for which most respondents reported a decrease in their market-making activities are also expected to be most affected in 2016, namely government bonds, high-quality corporate bonds and covered bonds (see Chart C).

Chart C: Changes and expected changes in market-making activities

(Q4 2012 – Q4 2016; net percentage of survey respondents)



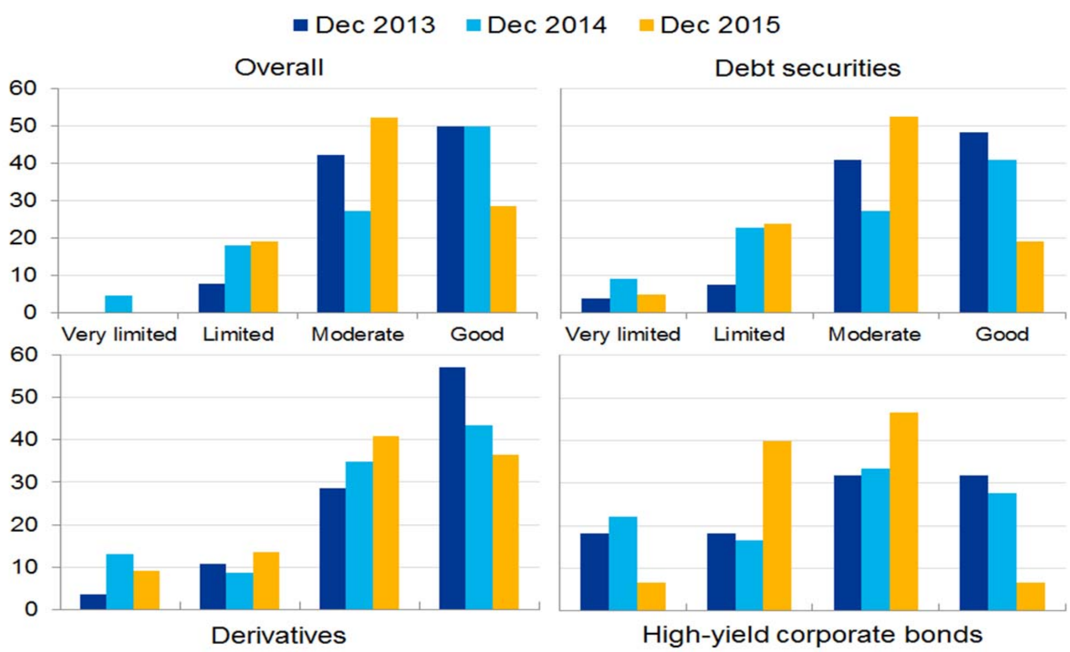
Source: ECB.
Notes: The net percentage is defined as the difference between the percentage of respondents reporting “increased somewhat” or “increased considerably” and those reporting “decreased somewhat” or “decreased considerably”. The dashed values for 2016 are taken from the answers to the questions about expectations of changes for 2016. The values for Q4 2013 represent changes over the period Q4 2008 – Q4 2013.

Reasons for changes and expected changes: the main reasons cited by respondents for the decrease in their market-making activities over the past year were compliance with current or expected changes in regulation, availability of balance sheet or capital at their respective institutions, reduced profitability of market-making activities, internal treasury charges for funding market-making activities, as well as a reduced willingness of their respective institutions to take on risks. Similar factors were cited as the main reasons why banks expect a further decrease in their market-making activities in 2016. These results were consistent across most asset classes. Survey respondents cited some additional factors for some specific asset classes. The growing importance of electronic trading platforms was also cited as a reason for the decrease in market-making activities for high-yield corporate bonds. Constraints imposed by internal risk management (e.g. VaR limits) were cited as a reason for the decrease in market-making activities for asset-backed securities.

Ability to act as a market-maker in times of stress: : a large majority of survey respondents indicated either a “moderate” or “good” ability to act as a market-maker in times of stress for government bonds and covered bonds. However, responses for the different asset classes were diverse. Respondents’ confidence in their ability to act as a market-maker in times of stress was strongest for all types of government bond, with significantly more banks reporting either a “moderate” or “good” ability than a “limited” or “very limited” ability. Confidence was lowest for high-yield corporate bonds and asset-backed securities, with almost as many banks reporting either a “limited” or “very limited” ability as a “moderate” or “good” ability to act as a market-maker. Compared with the results of the December 2013 and December 2014 SESFOD surveys, the December 2015 survey showed a marked shift in the distribution of responses regarding confidence in the ability to act as a market-maker in times of stress for all asset classes. Even though more respondents continued to report either a “good” or “moderate” ability than a “limited” or “very limited” ability, fewer banks now characterise their ability as “good” and more often as only “moderate” (see Chart D). Compared with previous surveys, the results of the December 2015 survey show a particularly strong deterioration in respondents’ ability to act as a market-maker in times of stress for high-yield corporate bonds.

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

(Q4 2012 – Q4 2015; percentage of survey respondents)



Source: ECB.

Reasons for (in)ability to act as a market-maker in times of stress: banks that reported either a “moderate” or “good” ability to act as a market-maker for debt securities and derivatives under strained market conditions mostly pointed to the availability of balance sheet or capital as well as a willingness to take on risk at their respective institutions as the main reasons for that self-assessment. Banks that reported either a “very limited” or “limited” ability to act as a market-maker in times of stress mostly pointed to compliance with current or expected changes in regulation as well as a limited availability of balance sheet or capital at their respective institutions as main reasons. Respondents’ qualitative answers to the survey also indicated confidence in their ability to act as effective market-makers by matching buyers and sellers in times of stress when the appetite to hold inventory is low, confirming a trend among traditional market-makers towards facilitation rather than providing liquidity on a principal basis.

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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]?

(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. 2015	Dec. 2015	
Banks and dealers								
Price terms	0	18	71	11	0	+21	+7	28
Non-price terms	0	4	93	4	0	+12	0	27
Overall	0	15	77	8	0	+19	+8	26
Hedge funds								
Price terms	0	29	67	5	0	+15	+24	21
Non-price terms	0	14	86	0	0	+10	+14	21
Overall	0	30	70	0	0	+20	+30	20
Insurance companies								
Price terms	0	25	64	7	4	+12	+14	28
Non-price terms	0	11	81	4	4	+4	+4	27
Overall	0	23	62	12	4	+4	+8	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	0	22	74	4	0	+4	+19	27
Non-price terms	0	12	88	0	0	+4	+12	26
Overall	0	24	68	8	0	+4	+16	25
Non-financial corporations								
Price terms	0	22	70	7	0	+4	+15	27
Non-price terms	0	4	96	0	0	0	+4	26
Overall	0	20	72	8	0	+4	+12	25
Sovereigns								
Price terms	0	15	81	4	0	+15	+11	27
Non-price terms	0	4	92	4	0	+8	0	26
Overall	0	16	76	8	0	+12	+8	25
All counterparties above								
Price terms	0	27	73	0	0	+13	+27	26
Non-price terms	0	13	88	0	0	+4	+13	24
Overall	0	25	71	4	0	+13	+21	24

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

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

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

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

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

(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. 2015	Dec. 2015	
Banks and dealers								
Price terms	4	29	68	0	0	+19	+32	28
Non-price terms	0	7	93	0	0	+4	+7	27
Overall	4	23	69	4	0	+12	+23	26
Hedge funds								
Price terms	10	19	71	0	0	+15	+29	21
Non-price terms	5	5	90	0	0	+5	+10	21
Overall	10	15	75	0	0	+15	+25	20
Insurance companies								
Price terms	4	21	68	7	0	0	+18	28
Non-price terms	4	8	85	4	0	+4	+8	26
Overall	4	19	65	12	0	0	+12	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Price terms	4	19	74	4	0	0	+19	27
Non-price terms	4	8	88	0	0	+4	+12	26
Overall	4	20	68	8	0	0	+16	25
Non-financial corporations								
Price terms	4	22	70	4	0	+4	+22	27
Non-price terms	0	8	92	0	0	+4	+8	26
Overall	4	20	72	4	0	+4	+20	25
Sovereigns								
Price terms	4	22	70	4	0	+4	+22	27
Non-price terms	0	12	85	4	0	0	+8	26
Overall	4	16	72	8	0	0	+12	25
All counterparties above								
Price terms	8	19	73	0	0	+8	+27	26
Non-price terms	4	8	88	0	0	+4	+13	24
Overall	8	17	71	4	0	+9	+21	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?

(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. 2015	Dec. 2015
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	7	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	20	0	0	7	8
Internal treasury charges for funding	0	25	33	14	17
Availability of balance sheet or capital at your institution	20	25	0	14	17
General market liquidity and functioning	60	0	0	43	25
Competition from other institutions	0	0	33	7	8
Other	0	50	33	7	25
Total number of answers	5	4	3	14	12
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	100	0	18
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	50	0	0	18
General market liquidity and functioning	80	0	0	67	36
Competition from other institutions	0	50	0	33	18
Other	20	0	0	0	9
Total number of answers	5	4	2	3	11
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)	100	0	0	0	50
Internal treasury charges for funding	0	100	0	0	50
Availability of balance sheet or capital at your institution	0	0	0	25	0
General market liquidity and functioning	0	0	0	75	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	4	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	100	0	0	0	50
Competition from other institutions	0	100	0	0	50
Other	0	0	0	0	0
Total number of answers	1	1	0	0	2

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?

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

Hedge funds	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2015	Dec. 2015
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	11	0
Adoption of new market conventions (e.g. ISDA protocols)	17	0	0	11	7
Internal treasury charges for funding	17	17	33	11	20
Availability of balance sheet or capital at your institution	33	33	0	33	27
General market liquidity and functioning	33	17	0	11	20
Competition from other institutions	0	0	33	0	7
Other	0	33	33	22	20
Total number of answers	6	6	3	9	15
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	100	0	17
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	0	17
General market liquidity and functioning	100	0	0	67	50
Competition from other institutions	0	50	0	33	17
Other	0	0	0	0	0
Total number of answers	3	2	1	3	6
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	50	0
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	0	17
Internal treasury charges for funding	0	50	100	0	33
Availability of balance sheet or capital at your institution	67	0	0	50	33
General market liquidity and functioning	0	50	0	0	17
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	3	2	1	2	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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

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

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

Insurance companies	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2015	Dec. 2015
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	10	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	14	0	0	0	6
Internal treasury charges for funding	0	14	50	10	17
Availability of balance sheet or capital at your institution	29	29	0	10	22
General market liquidity and functioning	43	14	0	40	22
Competition from other institutions	14	14	25	20	17
Other	0	29	25	10	17
Total number of answers	7	7	4	10	18
Possible reasons for easing					
Current or expected financial strength of counterparties	0	25	0	0	10
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	10
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	40	0	0	33	20
General market liquidity and functioning	40	50	0	67	40
Competition from other institutions	20	25	0	0	20
Other	0	0	0	0	0
Total number of answers	5	4	1	3	10
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	0	17
Internal treasury charges for funding	0	50	100	0	33
Availability of balance sheet or capital at your institution	33	0	0	0	17
General market liquidity and functioning	0	50	0	0	17
Competition from other institutions	33	0	0	100	17
Other	0	0	0	0	0
Total number of answers	3	2	1	1	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	50	0	0	20
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	100	0	20
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	50	0	0	0	20
Competition from other institutions	50	50	0	0	40
Other	0	0	0	0	0
Total number of answers	2	2	1	0	5

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?

(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. 2015	Dec. 2015
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)	17	0	0	0	6
Internal treasury charges for funding	0	17	50	17	19
Availability of balance sheet or capital at your institution	33	17	0	17	19
General market liquidity and functioning	50	33	0	33	31
Competition from other institutions	0	0	25	17	6
Other	0	33	25	17	19
Total number of answers	6	6	4	6	16
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	67	0	0	33	40
General market liquidity and functioning	33	100	0	67	60
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	3	2	0	3	5
Non-price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	33	0	0	0	17
Internal treasury charges for funding	0	50	100	0	33
Availability of balance sheet or capital at your institution	33	0	0	0	17
General market liquidity and functioning	0	50	0	0	17
Competition from other institutions	33	0	0	100	17
Other	0	0	0	0	0
Total number of answers	3	2	1	1	6
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	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?

(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. 2015	Dec. 2015
Price terms					
Possible reasons for tightening					
Current or expected financial strength of counterparties	0	0	0	14	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	17	0	0	0	6
Internal treasury charges for funding	0	17	50	14	19
Availability of balance sheet or capital at your institution	33	17	0	14	19
General market liquidity and functioning	33	17	0	29	19
Competition from other institutions	0	0	25	14	6
Other	17	50	25	14	31
Total number of answers	6	6	4	7	16
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	50	0	0	25	25
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	100	25	25
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	25	0	0	25	13
Competition from other institutions	0	100	0	25	25
Other	25	0	0	0	13
Total number of answers	4	2	2	4	8
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)	100	0	0	0	50
Internal treasury charges for funding	0	100	0	0	50
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	0	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	0	0	0	0	0

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?

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

Sovereigns	First reason	Second reason	Third reason	Either first, second or third reason	
				Sep. 2015	Dec. 2015
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)	25	0	0	0	9
Internal treasury charges for funding	0	25	33	17	18
Availability of balance sheet or capital at your institution	25	25	0	17	18
General market liquidity and functioning	50	0	0	50	18
Competition from other institutions	0	0	33	0	9
Other	0	50	33	17	27
Total number of answers	4	4	3	6	11
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	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
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)	100	0	0	0	50
Internal treasury charges for funding	0	100	0	0	50
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	100	0
Competition from other institutions	0	0	0	0	0
Other	0	0	0	0	0
Total number of answers	1	1	0	2	2
Possible reasons for easing					
Current or expected financial strength of counterparties	0	0	0	0	0
Willingness of your institution to take on risk	0	0	0	0	0
Adoption of new market conventions (e.g. ISDA protocols)	0	0	0	0	0
Internal treasury charges for funding	0	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0	0
General market liquidity and functioning	0	0	0	0	0
Competition from other institutions	0	0	0	0	0
Other	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?

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

Price and non-price terms	Contributed considerably to tightening	Contributed somewhat to tightening	Neutral contribution	Contributed somewhat to easing	Contributed considerably to easing	Net percentage		Total number of answers
						Sep. 2015	Dec. 2015	
Practices of CCPs	0	15	80	0	5	+5	+10	20

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

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?

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

Management of credit exposures	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2015	Dec. 2015	
Banks and dealers	0	4	85	11	0	-15	-7	27
Central counterparties	0	0	78	19	4	-16	-22	27

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?

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

Financial leverage	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2015	Dec. 2015	
Hedge funds								
Use of financial leverage	0	6	88	6	0	+16	0	17
Availability of unutilised leverage	0	6	88	6	0	+11	0	17
Insurance companies								
Use of financial leverage	0	0	100	0	0	0	0	23
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?

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

Client pressure	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2015	Dec. 2015	
Banks and dealers								
Intensity of efforts to negotiate more favourable terms	0	0	92	8	0	-4	-8	25
Provision of differential terms to most-favoured clients	0	4	91	4	0	-4	0	23
Hedge funds								
Intensity of efforts to negotiate more favourable terms	0	0	74	26	0	-30	-26	19
Provision of differential terms to most-favoured clients	0	0	83	17	0	-32	-17	18
Insurance companies								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	-4	-4	25
Provision of differential terms to most-favoured clients	0	0	96	4	0	-9	-4	23
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Intensity of efforts to negotiate more favourable terms	0	4	96	0	0	0	+4	23
Provision of differential terms to most-favoured clients	0	0	100	0	0	-5	0	21
Non-financial corporations								
Intensity of efforts to negotiate more favourable terms	0	0	96	4	0	0	-4	24
Provision of differential terms to most-favoured clients	0	0	95	5	0	-5	-5	22

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

1.6 Valuation disputes

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

(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. 2015	Dec. 2015	
Banks and dealers								
Volume	0	4	89	7	0	-4	-4	27
Duration and persistence	0	7	89	4	0	-11	+4	27
Hedge funds								
Volume	0	0	100	0	0	-5	0	20
Duration and persistence	0	0	100	0	0	-5	0	20
Insurance companies								
Volume	0	0	100	0	0	0	0	26
Duration and persistence	0	4	96	0	0	-4	+4	26
Investment funds (incl. ETFs), pension plans and other institutional investment pools								
Volume	0	0	96	4	0	-4	-4	25
Duration and persistence	0	0	100	0	0	0	0	25
Non-financial corporations								
Volume	0	0	96	4	0	-4	-4	27
Duration and persistence	0	0	100	0	0	0	0	27

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)?

(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. 2015	Dec. 2015	
Domestic government bonds								
Maximum amount of funding	0	24	71	6	0	+11	+18	17
Maximum maturity of funding	0	18	82	0	0	+6	+18	17
Haircuts	0	6	94	0	0	0	+6	17
Financing rate/spread	0	12	76	6	6	-17	0	17
Use of CCPs	0	6	76	18	0	-6	-12	17
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	23	73	0	0	+15	+27	26
Maximum maturity of funding	4	15	81	0	0	0	+19	26
Haircuts	0	0	100	0	0	-4	0	26
Financing rate/spread	0	8	77	15	0	-8	-8	26
Use of CCPs	0	0	88	13	0	-4	-13	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	27	73	0	0	+8	+27	26
Maximum maturity of funding	0	15	85	0	0	0	+15	26
Haircuts	0	4	96	0	0	-4	+4	26
Financing rate/spread	0	12	77	12	0	0	0	26
Use of CCPs	0	0	96	4	0	-4	-4	24
High-quality financial corporate bonds								
Maximum amount of funding	0	22	78	0	0	+4	+22	23
Maximum maturity of funding	0	13	87	0	0	0	+13	23
Haircuts	0	0	100	0	0	-4	0	23
Financing rate/spread	0	9	83	9	0	-4	0	23
Use of CCPs	0	0	95	5	0	0	-5	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	21	75	4	0	0	+17	24
Maximum maturity of funding	0	13	88	0	0	-4	+13	24
Haircuts	0	0	100	0	0	-4	0	24
Financing rate/spread	0	8	83	8	0	-4	0	24
Use of CCPs	0	0	90	10	0	-5	-10	20
High-yield corporate bonds								
Maximum amount of funding	0	17	78	6	0	-6	+11	18
Maximum maturity of funding	0	28	72	0	0	0	+28	18
Haircuts	0	0	94	6	0	-6	-6	18
Financing rate/spread	0	0	78	22	0	+6	-22	18
Use of CCPs	0	0	86	14	0	-8	-14	14

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

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

Terms for average clients	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage Sep. 2015	Net percentage Dec. 2015	Total number of answers
Convertible securities								
Maximum amount of funding	0	7	86	7	0	-8	0	14
Maximum maturity of funding	0	7	93	0	0	-7	+7	14
Haircuts	0	0	100	0	0	0	0	14
Financing rate/spread	0	7	86	7	0	-7	0	14
Use of CCPs	0	0	100	0	0	0	0	13
Equities								
Maximum amount of funding	0	10	76	14	0	+5	-5	21
Maximum maturity of funding	0	5	90	5	0	-10	0	21
Haircuts	0	5	95	0	0	+9	+5	21
Financing rate/spread	0	10	76	10	5	0	-5	21
Use of CCPs	0	0	100	0	0	0	0	17
Asset-backed securities								
Maximum amount of funding	0	14	79	7	0	-7	+7	14
Maximum maturity of funding	0	14	86	0	0	+7	+14	14
Haircuts	0	7	86	7	0	-7	0	14
Financing rate/spread	0	0	93	7	0	+7	-7	14
Use of CCPs	0	0	100	0	0	0	0	10
Covered bonds								
Maximum amount of funding	4	13	83	0	0	+5	+17	23
Maximum maturity of funding	0	17	83	0	0	+5	+17	23
Haircuts	0	0	100	0	0	-5	0	23
Financing rate/spread	0	9	83	9	0	-5	0	23
Use of CCPs	0	0	95	5	0	0	-5	19

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

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)?

(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. 2015	Dec. 2015	
Domestic government bonds								
Maximum amount of funding	0	12	76	12	0	+6	0	17
Maximum maturity of funding	0	18	82	0	0	+6	+18	17
Haircuts	0	6	94	0	0	0	+6	17
Financing rate/spread	0	12	76	6	6	-17	0	17
Use of CCPs	0	6	82	12	0	-6	-6	17
High-quality government, sub-national and supra-national bonds								
Maximum amount of funding	4	8	85	4	0	+12	+8	26
Maximum maturity of funding	4	12	85	0	0	0	+15	26
Haircuts	0	4	96	0	0	0	+4	26
Financing rate/spread	0	15	73	12	0	-4	+4	26
Use of CCPs	0	0	96	4	0	-4	-4	24
Other government, sub-national and supra-national bonds								
Maximum amount of funding	0	12	84	4	0	+8	+8	25
Maximum maturity of funding	0	16	84	0	0	0	+16	25
Haircuts	0	0	100	0	0	0	0	25
Financing rate/spread	0	12	76	12	0	-4	0	25
Use of CCPs	0	0	96	4	0	0	-4	24
High-quality financial corporate bonds								
Maximum amount of funding	0	9	87	4	0	+4	+4	23
Maximum maturity of funding	0	17	83	0	0	0	+17	23
Haircuts	0	0	100	0	0	0	0	23
Financing rate/spread	0	9	83	9	0	-4	0	23
Use of CCPs	0	0	95	5	0	0	-5	19
High-quality non-financial corporate bonds								
Maximum amount of funding	0	13	79	8	0	+4	+4	24
Maximum maturity of funding	0	17	83	0	0	-4	+17	24
Haircuts	0	0	100	0	0	0	0	24
Financing rate/spread	0	8	83	8	0	-4	0	24
Use of CCPs	0	0	90	10	0	-5	-10	20
High-yield corporate bonds								
Maximum amount of funding	0	16	79	5	0	0	+11	19
Maximum maturity of funding	0	26	74	0	0	0	+26	19
Haircuts	0	0	95	5	0	0	-5	19
Financing rate/spread	0	5	79	16	0	+12	-11	19
Use of CCPs	0	0	86	14	0	-8	-14	14

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

(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. 2015	Dec. 2015	
Convertible securities								
Maximum amount of funding	0	0	86	7	7	0	-14	14
Maximum maturity of funding	0	0	100	0	0	-7	0	14
Haircuts	0	0	93	7	0	+7	-7	14
Financing rate/spread	0	7	93	0	0	0	+7	14
Use of CCPs	0	0	100	0	0	0	0	13
Equities								
Maximum amount of funding	0	14	71	14	0	0	0	21
Maximum maturity of funding	0	5	90	5	0	-10	0	21
Haircuts	0	10	90	0	0	+9	+10	21
Financing rate/spread	0	10	76	10	5	+5	-5	21
Use of CCPs	0	0	100	0	0	0	0	17
Asset-backed securities								
Maximum amount of funding	0	14	79	7	0	0	+7	14
Maximum maturity of funding	0	14	86	0	0	+7	+14	14
Haircuts	0	7	86	7	0	0	0	14
Financing rate/spread	0	0	93	7	0	+14	-7	14
Use of CCPs	0	0	100	0	0	0	0	10
Covered bonds								
Maximum amount of funding	0	13	78	9	0	+9	+4	23
Maximum maturity of funding	0	17	83	0	0	+5	+17	23
Haircuts	0	0	100	0	0	0	0	23
Financing rate/spread	0	9	83	9	0	-5	0	23
Use of CCPs	0	0	95	5	0	0	-5	20

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

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

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

(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. 2015	Dec. 2015	
Domestic government bonds								
Terms for average clients	0	0	100	0	0	0	0	14
Terms for most-favoured clients	0	0	100	0	0	0	0	14
High-quality government, sub-national and supra-national 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
Other government, sub-national and supra-national 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	21
High-quality financial corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	19
Terms for most-favoured clients	0	0	100	0	0	0	0	19
High-quality non-financial corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	20
Terms for most-favoured clients	0	0	100	0	0	0	0	20
High-yield corporate bonds								
Terms for average clients	0	0	100	0	0	0	0	15
Terms for most-favoured clients	0	0	100	0	0	0	0	15
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	18
Terms for most-favoured clients	0	0	100	0	0	0	0	18
Asset-backed securities								
Terms for average clients	0	0	100	0	0	0	0	12
Terms for most-favoured clients	0	0	100	0	0	0	0	12
Covered bonds								
Terms for average clients	0	0	100	0	0	0	0	19
Terms for most-favoured clients	0	0	100	0	0	0	0	19

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

2.2 Demand for funding, liquidity and disputes by collateral type

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

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

(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. 2015	Dec. 2015	
Domestic government bonds								
Overall demand	6	24	65	6	0	0	+24	17
With a maturity greater than 30 days	0	24	71	6	0	+6	+18	17
High-quality government, sub-national and supra-national bonds								
Overall demand	4	19	65	12	0	0	+12	26
With a maturity greater than 30 days	4	12	85	0	0	+4	+15	26
Other government, sub-national and supra-national bonds								
Overall demand	4	15	73	4	4	0	+12	26
With a maturity greater than 30 days	4	12	85	0	0	0	+15	26
High-quality financial corporate bonds								
Overall demand	0	23	68	5	5	-5	+14	22
With a maturity greater than 30 days	0	14	86	0	0	0	+14	22
High-quality non-financial corporate bonds								
Overall demand	0	22	70	4	4	-5	+13	23
With a maturity greater than 30 days	0	17	83	0	0	-5	+17	23
High-yield corporate bonds								
Overall demand	0	16	68	11	5	-11	0	19
With a maturity greater than 30 days	0	11	79	11	0	-6	0	19
Convertible securities								
Overall demand	0	0	100	0	0	0	0	14
With a maturity greater than 30 days	0	0	93	7	0	0	-7	14
Equities								
Overall demand	0	5	76	14	5	0	-14	21
With a maturity greater than 30 days	0	5	80	15	0	-5	-10	20
Asset-backed securities								
Overall demand	0	7	86	7	0	-6	0	14
With a maturity greater than 30 days	0	0	93	7	0	+6	-7	14
Covered bonds								
Overall demand	0	17	83	0	0	-9	+17	23
With a maturity greater than 30 days	0	13	87	0	0	-5	+13	23
All collateral types above								
Overall demand	5	9	82	5	0	0	+9	22
With a maturity greater than 30 days	0	9	91	0	0	+5	+9	22

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

(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. 2015	Dec. 2015	
Domestic government bonds								
Liquidity and functioning	0	47	53	0	0	+17	+47	17
High-quality government, sub-national and supra-national bonds								
Liquidity and functioning	0	38	54	8	0	+19	+31	26
Other government, sub-national and supra-national bonds								
Liquidity and functioning	0	35	65	0	0	+19	+35	26
High-quality financial corporate bonds								
Liquidity and functioning	0	36	59	5	0	0	+32	22
High-quality non-financial corporate bonds								
Liquidity and functioning	0	30	65	4	0	-4	+26	23
High-yield corporate bonds								
Liquidity and functioning	0	39	61	0	0	+6	+39	18
Convertible securities								
Liquidity and functioning	0	0	100	0	0	0	0	14
Equities								
Liquidity and functioning	0	20	80	0	0	+9	+20	20
Asset-backed securities								
Liquidity and functioning	0	23	77	0	0	+7	+23	13
Covered bonds								
Liquidity and functioning	0	32	64	5	0	+5	+27	22
All collateral types above								
Liquidity and functioning	0	18	77	5	0	0	+14	22

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?

(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. 2015	Dec. 2015	
Domestic government bonds								
Volume	0	6	94	0	0	0	+6	16
Duration and persistence	0	6	94	0	0	0	+6	16
High-quality government, sub-national and supra-national bonds								
Volume	0	4	96	0	0	0	+4	25
Duration and persistence	0	4	96	0	0	0	+4	25
Other government, sub-national and supra-national bonds								
Volume	0	4	96	0	0	0	+4	25
Duration and persistence	0	4	96	0	0	0	+4	25
High-quality financial corporate bonds								
Volume	0	5	95	0	0	0	+5	21
Duration and persistence	0	5	95	0	0	0	+5	21
High-quality non-financial corporate bonds								
Volume	0	5	95	0	0	0	+5	22
Duration and persistence	0	5	95	0	0	0	+5	22
High-yield corporate bonds								
Volume	0	6	94	0	0	0	+6	17
Duration and persistence	0	6	94	0	0	0	+6	17
Convertible securities								
Volume	0	0	100	0	0	0	0	13
Duration and persistence	0	0	100	0	0	0	0	13
Equities								
Volume	0	5	95	0	0	0	+5	19
Duration and persistence	0	5	95	0	0	0	+5	19
Asset-backed securities								
Volume	0	0	100	0	0	-7	0	14
Duration and persistence	0	0	100	0	0	-7	0	14
Covered bonds								
Volume	0	0	100	0	0	0	0	21
Duration and persistence	0	0	100	0	0	0	0	21
All collateral types above								
Volume	0	0	100	0	0	0	0	22
Duration and persistence	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". "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?

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

Initial margin requirements	Decreased considerably	Decreased somewhat	Remained basically unchanged	Increased somewhat	Increased considerably	Net percentage		Total number of answers
						Sep. 2015	Dec. 2015	
Foreign exchange								
Average clients	0	0	95	5	0	-5	-5	21
Most-favoured clients	0	0	95	5	0	-5	-5	20
Interest rates								
Average clients	0	0	100	0	0	0	0	21
Most-favoured clients	0	0	100	0	0	0	0	20
Credit referencing sovereigns								
Average clients	0	0	100	0	0	-5	0	17
Most-favoured clients	0	0	100	0	0	0	0	17
Credit referencing corporates								
Average clients	0	0	100	0	0	0	0	17
Most-favoured clients	0	0	100	0	0	0	0	17
Credit referencing structured credit products								
Average clients	0	0	100	0	0	0	0	15
Most-favoured clients	0	0	100	0	0	0	0	15
Equity								
Average clients	0	0	100	0	0	0	0	21
Most-favoured clients	0	5	95	0	0	0	+5	21
Commodity								
Average clients	0	0	100	0	0	0	0	16
Most-favoured clients	0	0	100	0	0	0	0	16
Total return swaps referencing non-securities								
Average clients	0	0	100	0	0	-7	0	14
Most-favoured clients	0	0	100	0	0	-7	0	14

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

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

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?

(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. 2015	Net percentage Dec. 2015	Total number of answers
Foreign exchange								
Maximum amount of exposure	0	8	88	4	0	+4	+4	25
Maximum maturity of trades	0	0	100	0	0	0	0	25
Interest rates								
Maximum amount of exposure	0	8	88	4	0	+4	+4	24
Maximum maturity of trades	0	0	100	0	0	+4	0	24
Credit referencing sovereigns								
Maximum amount of exposure	0	11	89	0	0	0	+11	19
Maximum maturity of trades	0	0	100	0	0	-5	0	19
Credit referencing corporates								
Maximum amount of exposure	0	6	94	0	0	0	+6	18
Maximum maturity of trades	0	0	100	0	0	0	0	18
Credit referencing structured credit products								
Maximum amount of exposure	0	0	100	0	0	0	0	16
Maximum maturity of trades	0	0	100	0	0	0	0	16
Equity								
Maximum amount of exposure	0	4	96	0	0	+4	+4	23
Maximum maturity of trades	0	4	96	0	0	+4	+4	23
Commodity								
Maximum amount of exposure	0	0	100	0	0	+6	0	18
Maximum maturity of trades	0	0	100	0	0	0	0	18
Total return swaps referencing non-securities								
Maximum amount of exposure	0	0	100	0	0	0	0	15
Maximum maturity of trades	0	0	100	0	0	0	0	15

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

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

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

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

Liquidity and trading	Deteriorated considerably	Deteriorated somewhat	Remained basically unchanged	Improved somewhat	Improved considerably	Net percentage		Total number of answers
						Sep. 2015	Dec. 2015	
Foreign exchange								
Liquidity and trading	0	8	92	0	0	+7	+8	26
Interest rates								
Liquidity and trading	4	8	88	0	0	+15	+12	25
Credit referencing sovereigns								
Liquidity and trading	0	10	90	0	0	+5	+10	20
Credit referencing corporates								
Liquidity and trading	0	11	89	0	0	+5	+11	19
Credit referencing structured credit products								
Liquidity and trading	0	6	94	0	0	0	+6	17
Equity								
Liquidity and trading	0	4	96	0	0	+8	+4	24
Commodity								
Liquidity and trading	0	0	100	0	0	0	0	20
Total return swaps referencing non-securities								
Liquidity and trading	0	0	100	0	0	0	0	16

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 (continued)

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?

(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. 2015	Dec. 2015	
Foreign exchange								
Volume	0	0	93	7	0	-4	-7	27
Duration and persistence	0	0	93	7	0	0	-7	27
Interest rates								
Volume	0	4	96	0	0	0	+4	26
Duration and persistence	0	4	96	0	0	0	+4	26
Credit referencing sovereigns								
Volume	0	0	95	5	0	0	-5	21
Duration and persistence	0	5	90	5	0	0	0	21
Credit referencing corporates								
Volume	0	0	100	0	0	0	0	20
Duration and persistence	0	5	95	0	0	0	+5	20
Credit referencing structured credit products								
Volume	0	0	100	0	0	0	0	18
Duration and persistence	0	0	100	0	0	0	0	18
Equity								
Volume	0	0	92	8	0	-8	-8	24
Duration and persistence	0	4	92	4	0	-8	0	24
Commodity								
Volume	0	0	95	5	0	-6	-5	21
Duration and persistence	0	0	100	0	0	-6	0	21
Total return swaps referencing non-securities								
Volume	0	0	100	0	0	0	0	16
Duration and persistence	0	0	100	0	0	0	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".

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?

(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. 2015	Dec. 2015	
Margin call practices	0	4	93	4	0	-4	0	27
Acceptable collateral	0	19	78	4	0	+7	+15	27
Recognition of portfolio or diversification benefits	0	0	96	4	0	-4	-4	25
Covenants and triggers	0	4	96	0	0	0	+4	27
Other documentation features	0	0	100	0	0	0	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?

(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. 2015	Dec. 2015	
Posting of non-standard collateral	0	4	96	0	0	+4	+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".

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?

(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	63	29	8	0	+54	24
Derivatives	0	36	56	8	0	+28	25
Overall	0	48	52	0	0	+48	23
Domestic government bonds	6	44	38	6	6	+38	16
High-quality government, sub-national and supra-national bonds	0	52	30	17	0	+35	23
Other government, sub-national and supra-national bonds	0	48	35	13	4	+30	23
High-quality financial corporate bonds	4	39	52	4	0	+39	23
High-quality non-financial corporate bonds	5	32	55	5	5	+27	22
High-yield corporate bonds	0	22	72	6	0	+17	18
Convertible securities	0	14	79	7	0	+7	14
Asset-backed securities	19	13	50	19	0	+13	16
Covered bonds	0	41	45	5	9	+27	22

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 2016?

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

Expected changes in 2016	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	39	52	9	0	+30	23
Derivatives	0	36	56	8	0	+28	25
Overall	0	35	61	4	0	+30	23
Domestic government bonds	6	44	44	6	0	+44	16
High-quality government, sub-national and supra-national bonds	5	43	43	10	0	+38	21
Other government, sub-national and supra-national bonds	5	38	52	5	0	+38	21
High-quality financial corporate bonds	10	29	52	5	5	+29	21
High-quality non-financial corporate bonds	5	33	57	5	0	+33	21
High-yield corporate bonds	0	29	53	18	0	+12	17
Convertible securities	7	0	93	0	0	+7	14
Asset-backed securities	6	6	69	19	0	-6	16
Covered bonds	0	25	70	5	0	+20	20

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

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

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

(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	7	0	22	9
Internal treasury charges for funding market-making activities	14	0	11	9
Availability of balance sheet or capital at your institution	14	60	11	27
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	43	10	22	27
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	22	12
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	21	10	11	15
Total number of answers	*14*	*10*	*9*	*33*
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	50	0	0	50
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	50	0	0	50
Total number of answers	*2*	*0*	*0*	*2*
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	100	6
Internal treasury charges for funding market-making activities	11	0	0	6
Availability of balance sheet or capital at your institution	11	50	0	25
Competition from other banks	0	17	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	33	0	13
Compliance with current or expected changes in regulation	56	0	0	31
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)	22	0	0	13
Total number of answers	*9*	*6*	*1*	*16*
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	50	50	0	40
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	100	20
Profitability of market making activities	50	0	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*2*	*2*	*1*	*5*

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?

(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	18	17	0	14
Internal treasury charges for funding market-making activities	18	0	20	14
Availability of balance sheet or capital at your institution	9	83	0	27
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	45	0	40	32
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	20	5
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	0	20	9
Total number of answers	*11*	*6*	*5*	*22*
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*
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	13	0	20	10
Internal treasury charges for funding market-making activities	13	0	0	5
Availability of balance sheet or capital at your institution	13	29	20	20
Competition from other banks	13	0	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	20	5
Availability of hedging instruments	0	14	0	5
Compliance with current or expected changes in regulation	38	14	20	25
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	29	20	15
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	13	14	0	10
Total number of answers	*8*	*7*	*5*	*20*
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	100	0	33
Role of high-frequency automated trading in making markets	50	0	0	33
Other (please specify below)	50	0	0	33
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 [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?

(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	9	0	40	13
Internal treasury charges for funding market-making activities	9	0	40	13
Availability of balance sheet or capital at your institution	18	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	55	13	0	29
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	13	20	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	9	25	0	13
Total number of answers	*11*	*8*	*5*	*24*
Possible reasons for an increase				
Willingness of your institution to take on risk	0	50	0	14
Internal treasury charges for funding market-making activities	25	0	0	14
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	50	0	14
Compliance with current or expected changes in regulation	25	0	100	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)	50	0	0	29
Total number of answers	*4*	*2*	*1*	*7*
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	10	0	40	14
Internal treasury charges for funding market-making activities	10	0	40	14
Availability of balance sheet or capital at your institution	20	67	0	29
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	17	0	29
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	17	20	10
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*	*6*	*5*	*21*
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	100	17
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	25	0	0	17
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	75	0	0	50
Total number of answers	*4*	*1*	*1*	*6*

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?

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

Changes over the past year	First reason	Second reason	Third reason	Either first, second or third reason
High-quality financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	25	6
Internal treasury charges for funding market-making activities	0	0	50	11
Availability of balance sheet or capital at your institution	22	60	0	28
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	67	20	0	39
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	11	20	25	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	*9*	*5*	*4*	*18*
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	100	33
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	100	0	0	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*1*	*1*	*1*	*3*
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	25	6
Internal treasury charges for funding market-making activities	0	0	50	12
Availability of balance sheet or capital at your institution	13	40	0	18
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	13	0	0	6
Compliance with current or expected changes in regulation	63	20	0	35
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	13	40	25	24
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*8*	*5*	*4*	*17*
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	100	25
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	25
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	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*	*1*	*1*	*4*

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

To the extent that market-making activities of your institution for [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?

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

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

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

(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	50	0	11
Availability of balance sheet or capital at your institution	20	0	0	11
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	50	22
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	80	0	0	44
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	50	11
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*5*	*2*	*2*	*9*
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	100	0	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	50	0	0	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	100	50
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	25	6
Internal treasury charges for funding market-making activities	0	0	50	12
Availability of balance sheet or capital at your institution	0	60	0	18
Competition from other banks	13	0	0	6
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	38	40	0	29
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	25	0	25	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	25	0	0	12
Total number of answers	*8*	*5*	*4*	*17*
Possible reasons for an increase				
Willingness of your institution to take on risk	33	0	0	17
Internal treasury charges for funding market-making activities	0	0	100	17
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	50	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	33	0	0	17
Profitability of market making activities	0	50	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	33	0	0	17
Total number of answers	*3*	*2*	*1*	*6*

Reasons for expected changes in market-making activities in 2016

To the extent that market-making activities of your institution for [debt securities/ derivatives] are likey to decrease or increase in 2016 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

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

Expected changes in 2016	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	13	14	8
Internal treasury charges for funding market-making activities	0	0	29	8
Availability of balance sheet or capital at your institution	33	38	14	29
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	14	4
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	56	25	0	29
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	25	29	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	11	0	0	4
Total number of answers	*9*	*8*	*7*	*24*
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	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	50	0	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	50	0	100	40
Profitability of market making activities	0	50	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*2*	*2*	*1*	*5*
Derivatives				
Possible reasons for a decrease				
Willingness of your institution to take on risk	13	0	50	13
Internal treasury charges for funding market-making activities	0	20	0	7
Availability of balance sheet or capital at your institution	25	40	0	27
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	13	20	0	13
Compliance with current or expected changes in regulation	38	0	50	27
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	20	0	7
Other (please specify below)	13	0	0	7
Total number of answers	*8*	*5*	*2*	*15*
Possible reasons for an increase				
Willingness of your institution to take on risk	0	0	50	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	100	0	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	50	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	50	0	17
Profitability of market making activities	0	50	0	17
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*2*	*2*	*2*	*6*

Reasons for expected changes in market-making activities in 2016 (continued)

To the extent that market-making activities of your institution for [overall/ domestic government bonds] are likey to decrease or increase in 2016 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

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

Expected changes in 2016	First reason	Second reason	Third reason	Either first, second or third reason
Overall				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	33	8
Availability of balance sheet or capital at your institution	43	100	0	46
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	33	8
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	57	0	0	31
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	33	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*7*	*3*	*3*	*13*
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	100	0	0	100
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*1*	*0*	*0*	*1*
Domestic government bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	13	0	20	10
Internal treasury charges for funding market-making activities	0	0	20	5
Availability of balance sheet or capital at your institution	25	29	20	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	38	43	0	30
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	13	29	20	20
Role of high-frequency automated trading in making markets	0	0	20	5
Other (please specify below)	13	0	0	5
Total number of answers	*8*	*7*	*5*	*20*
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	100	0	0	100
Other (please specify below)	0	0	0	0
Total number of answers	*1*	*0*	*0*	*1*

Reasons for expected changes in market-making activities in 2016 (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 2016 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

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

Expected changes in 2016	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	11	0	20	10
Internal treasury charges for funding market-making activities	0	0	40	10
Availability of balance sheet or capital at your institution	33	33	20	30
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	44	33	0	30
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	20	15
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*
Possible reasons for an increase				
Willingness of your institution to take on risk	50	0	100	40
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	50	0	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	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	50	0	20
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*2*	*2*	*1*	*5*
Other government, sub-national and supra-national bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	11	0	20	10
Internal treasury charges for funding market-making activities	0	0	40	10
Availability of balance sheet or capital at your institution	33	33	20	30
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	44	33	0	30
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	20	15
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*
Possible reasons for an increase				
Willingness of your institution to take on risk	100	0	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	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	*1*	*1*	*0*	*2*

Reasons for expected changes in market-making activities in 2016 (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 2016 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

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

Expected changes in 2016	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	20	5
Internal treasury charges for funding market-making activities	0	0	40	11
Availability of balance sheet or capital at your institution	13	67	20	32
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	17	0	5
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	75	0	0	32
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	13	17	20	16
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*8*	*6*	*5*	*19*
Possible reasons for an increase				
Willingness of your institution to take on risk	50	50	0	40
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	50	0	20
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	50	0	0	20
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	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	0	0	0
Total number of answers	*2*	*2*	*1*	*5*
High-quality non-financial corporate bonds				
Possible reasons for a decrease				
Willingness of your institution to take on risk	0	0	20	5
Internal treasury charges for funding market-making activities	0	0	40	11
Availability of balance sheet or capital at your institution	13	67	20	32
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	17	0	5
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	75	0	0	32
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	13	17	20	16
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*8*	*6*	*5*	*19*
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	100	0	0	33
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	100	33
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*1*	*1*	*1*	*3*

Reasons for expected changes in market-making activities in 2016 (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 2016 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

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

Expected changes in 2016	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	20	0	7
Internal treasury charges for funding market-making activities	0	0	25	7
Availability of balance sheet or capital at your institution	20	40	25	29
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	0	7
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	60	0	25	29
Growing importance of electronic trading platforms	0	20	0	7
Profitability of market making activities	20	0	25	14
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*5*	*5*	*4*	*14*
Possible reasons for an increase				
Willingness of your institution to take on risk	0	100	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	67	0	100	60
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)	33	0	0	20
Total number of answers	*3*	*1*	*1*	*5*
Convertible securities				
Possible reasons for a decrease				
Willingness of your institution to take on risk	100	0	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	100	0	33
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	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	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*0*	*0*	*0*	*0*

Reasons for expected changes in market-making activities in 2016 (continued)

To the extent that market-making activities of your institution for [asset-backed securities/ covered bonds] are likey to decrease or increase in 2016 (as reflected in your responses above), what is the [first/ second/ third] most important reason for the expected change?

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

Expected changes in 2016	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	50	0	0	17
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	50	33
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	50	0	33
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	50	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	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	100	20
Competition from other banks	50	0	0	20
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	100	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)	50	0	0	20
Total number of answers	*2*	*2*	*1*	*5*
Covered 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	67	18
Availability of balance sheet or capital at your institution	0	100	0	27
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	60	0	0	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	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	100	0	0	33
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	0	100	0	33
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	100	33
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*1*	*1*	*1*	*3*

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?

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

Ability to act as a market-maker in time of stress	Very limited	Limited	Moderate	Good	Net percentage	Total number of answers
Debt securities	5	24	52	19	-43	21
Derivatives	9	14	41	36	-55	22
Overall	0	19	52	29	-62	21
Domestic government bonds	14	14	50	21	-43	14
High-quality government, sub-national and supra-national bonds	11	16	58	16	-47	19
Other government, sub-national and supra-national bonds	11	16	58	16	-47	19
High-quality financial corporate bonds	10	30	50	10	-20	20
High-quality non-financial corporate bonds	10	30	50	10	-20	20
High-yield corporate bonds	7	40	47	7	-7	15
Convertible securities	10	20	70	0	-40	10
Asset-backed securities	15	31	31	23	-8	13
Covered bonds	6	28	39	28	-33	18

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?

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Debt securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	17	50	19
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	17	0	13
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	25	6
Constraints imposed by internal risk management (e.g. VaR limits)	0	17	0	6
Availability of hedging instruments	17	0	0	6
Compliance with current or expected changes in regulation	67	0	0	25
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	25	19
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	17	0	6
Total number of answers	*6*	*6*	*4*	*16*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	18	13	17	16
Internal treasury charges for funding market-making activities	9	13	17	12
Availability of balance sheet or capital at your institution	36	25	17	28
Competition from other banks	9	0	17	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	8
Availability of hedging instruments	9	13	0	8
Compliance with current or expected changes in regulation	9	13	17	12
Growing importance of electronic trading platforms	9	0	17	8
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*11*	*8*	*6*	*25*
Derivatives				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	20	0	0	9
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	20	0	0	9
Competition from other banks	0	25	0	9
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	20	50	0	27
Availability of hedging instruments	20	0	50	18
Compliance with current or expected changes in regulation	20	25	50	27
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*5*	*4*	*2*	*11*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	8	22	20	15
Internal treasury charges for funding market-making activities	8	0	0	4
Availability of balance sheet or capital at your institution	33	0	20	19
Competition from other banks	8	11	0	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	22	0	8
Availability of hedging instruments	33	0	0	15
Compliance with current or expected changes in regulation	8	22	40	19
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	22	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	20	4
Total number of answers	*12*	*9*	*5*	*26*

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?

(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	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	25	50	0	25
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	50	0	13
Availability of hedging instruments	25	0	50	25
Compliance with current or expected changes in regulation	50	0	0	25
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	50	13
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*4*	*2*	*2*	*8*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	17	33	0	18
Internal treasury charges for funding market-making activities	8	17	0	9
Availability of balance sheet or capital at your institution	33	17	0	23
Competition from other banks	8	0	0	5
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	17	25	9
Availability of hedging instruments	17	0	0	9
Compliance with current or expected changes in regulation	17	17	50	23
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	25	5
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*12*	*6*	*4*	*22*
Domestic government bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	0	67	18
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	33	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)	25	25	0	18
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	50	0	0	18
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	25	0	9
Role of high-frequency automated trading in making markets	0	25	0	9
Other (please specify below)	0	25	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	10	50	0	20
Internal treasury charges for funding market-making activities	0	0	25	5
Availability of balance sheet or capital at your institution	40	0	0	20
Competition from other banks	10	17	25	15
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	17	0	5
Availability of hedging instruments	20	0	0	10
Compliance with current or expected changes in regulation	10	17	25	15
Growing importance of electronic trading platforms	10	0	0	5
Profitability of market making activities	0	0	25	5
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*10*	*6*	*4*	*20*

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

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

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
High-quality government, sub-national and supra-national bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	20	67	23
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	40	0	0	15
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	33	15
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	60	0	0	23
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	40	0	15
Total number of answers	*5*	*5*	*3*	*13*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	9	29	0	13
Internal treasury charges for funding market-making activities	9	0	17	8
Availability of balance sheet or capital at your institution	45	14	17	29
Competition from other banks	9	0	17	8
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	29	0	8
Availability of hedging instruments	9	14	0	8
Compliance with current or expected changes in regulation	9	14	50	21
Growing importance of electronic trading platforms	9	0	0	4
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*11*	*7*	*6*	*24*
Other government, sub-national and supra-national bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	25	67	25
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	40	0	0	17
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	33	17
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	60	0	0	25
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	25	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	25	0	8
Total number of answers	*5*	*4*	*3*	*12*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	18	33	0	18
Internal treasury charges for funding market-making activities	0	0	20	5
Availability of balance sheet or capital at your institution	36	0	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)	0	33	0	9
Availability of hedging instruments	9	17	0	9
Compliance with current or expected changes in regulation	9	17	20	14
Growing importance of electronic trading platforms	9	0	20	9
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	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 [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?

(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	20	50	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	12
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	25	6
Constraints imposed by internal risk management (e.g. VaR limits)	0	40	0	12
Availability of hedging instruments	13	0	0	6
Compliance with current or expected changes in regulation	38	0	25	24
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	40	0	12
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*8*	*5*	*4*	*17*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	20	17	0	14
Internal treasury charges for funding market-making activities	0	0	20	5
Availability of balance sheet or capital at your institution	20	17	20	19
Competition from other banks	10	17	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	17	20	10
Availability of hedging instruments	10	0	20	10
Compliance with current or expected changes in regulation	20	17	0	14
Growing importance of electronic trading platforms	10	0	0	5
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)	10	0	20	10
Total number of answers	*10*	*6*	*5*	*21*
High-quality non-financial corporate bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	25	20	50	29
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	25	0	0	12
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	25	6
Constraints imposed by internal risk management (e.g. VaR limits)	0	40	0	12
Availability of hedging instruments	13	0	0	6
Compliance with current or expected changes in regulation	38	0	25	24
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	40	0	12
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*8*	*5*	*4*	*17*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	20	17	0	14
Internal treasury charges for funding market-making activities	0	0	20	5
Availability of balance sheet or capital at your institution	20	17	20	19
Competition from other banks	10	17	0	10
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	17	20	10
Availability of hedging instruments	10	0	20	10
Compliance with current or expected changes in regulation	20	17	0	14
Growing importance of electronic trading platforms	10	0	0	5
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)	10	0	20	10
Total number of answers	*10*	*6*	*5*	*21*

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?

(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	29	0	0	15
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	29	0	0	15
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	33	8
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	8
Availability of hedging instruments	29	0	0	15
Compliance with current or expected changes in regulation	0	33	33	15
Growing importance of electronic trading platforms	14	0	0	8
Profitability of market making activities	0	33	33	15
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*7*	*3*	*3*	*13*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	17	20	0	13
Internal treasury charges for funding market-making activities	0	0	25	7
Availability of balance sheet or capital at your institution	17	0	25	13
Competition from other banks	17	20	0	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	20	0	7
Availability of hedging instruments	0	0	25	7
Compliance with current or expected changes in regulation	33	20	0	20
Growing importance of electronic trading platforms	17	0	0	7
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	25	7
Total number of answers	*6*	*5*	*4*	*15*
Convertible securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	100	0	50
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	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	33	0	0	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)	0	0	0	0
Total number of answers	*3*	*1*	*0*	*4*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	20	100	0	33
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	0	0	0	0
Competition from other banks	20	0	0	17
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	0	0	0
Availability of hedging instruments	20	0	0	17
Compliance with current or expected changes in regulation	0	0	0	0
Growing importance of electronic trading platforms	20	0	0	17
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	20	0	0	17
Total number of answers	*5*	*1*	*0*	*6*

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?

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

Ability to act as a market-maker in time of stress	First reason	Second reason	Third reason	Either first, second or third reason
Asset-backed securities				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	33	0	0	20
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	17	0	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)	0	0	100	10
Availability of hedging instruments	17	67	0	30
Compliance with current or expected changes in regulation	17	33	0	20
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	0	0	0
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	17	0	0	10
Total number of answers	*6*	*3*	*1*	*10*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	0	0	0	0
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	40	0	0	18
Competition from other banks	20	0	33	18
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	33	0	9
Availability of hedging instruments	0	0	0	0
Compliance with current or expected changes in regulation	40	33	0	27
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	33	33	18
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	33	9
Total number of answers	*5*	*3*	*3*	*11*
Covered bonds				
Possible reasons for a "very limited"or "limited" ability				
Willingness of your institution to take on risk	0	40	50	23
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	33	0	0	15
Competition from other banks	0	0	0	0
Competition from non-bank financial institutions	0	0	50	8
Constraints imposed by internal risk management (e.g. VaR limits)	0	40	0	15
Availability of hedging instruments	17	0	0	8
Compliance with current or expected changes in regulation	50	0	0	23
Growing importance of electronic trading platforms	0	0	0	0
Profitability of market making activities	0	20	0	8
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	0	0	0	0
Total number of answers	*6*	*5*	*2*	*13*
Possible reasons for a "good"or "moderate" ability				
Willingness of your institution to take on risk	25	25	0	19
Internal treasury charges for funding market-making activities	0	0	0	0
Availability of balance sheet or capital at your institution	38	0	0	19
Competition from other banks	13	0	25	13
Competition from non-bank financial institutions	0	0	0	0
Constraints imposed by internal risk management (e.g. VaR limits)	0	25	0	6
Availability of hedging instruments	0	25	0	6
Compliance with current or expected changes in regulation	13	0	25	13
Growing importance of electronic trading platforms	0	0	25	6
Profitability of market making activities	0	25	0	6
Role of high-frequency automated trading in making markets	0	0	0	0
Other (please specify below)	13	0	25	13
Total number of answers	*8*	*4*	*4*	*16*