



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

19 October 2017

## Results of the September 2017 survey on credit terms and conditions in euro-denominated securities financing and over-the-counter derivatives markets (SESFOD)

- Little change reported in market liquidity and functioning
- Little overall change in credit terms for secured funding and OTC derivatives
- Less favourable non-price credit terms in new or renegotiated OTC derivatives master agreements

Survey respondents reported that, on balance, credit terms offered to counterparties in both securities financing and over-the-counter (OTC) derivatives transactions over the three-month reference period remained basically unchanged. The relative stability in overall credit terms over the past two reference periods follows the considerable net tightening of credit terms reported throughout the previous two years.

Regarding the provision of finance collateralised by euro-denominated securities, a small net percentage of respondents reported a decrease in the maximum amount and the maximum maturity of funding for many types of collateral, as well as a decrease in haircuts applied to government bonds and a decrease in financing rates when government and corporate bonds were used as collateral. On balance, respondents reported that the liquidity and functioning of markets for all types of underlying collateral covered by the survey remained basically unchanged. These results follow the deterioration reported since mid-2015 in liquidity and functioning of markets for many types of euro-denominated collateral.

Only few changes were reported regarding credit terms and conditions with respect to non-centrally cleared OTC derivatives. Survey respondents did, however, report less favourable non-price terms and conditions in new or renegotiated OTC derivatives master agreements. The implementation of new European Market Infrastructure Regulation (EMIR) margin requirements for OTC derivative contracts not

**European Central Bank** Directorate General Communications  
Global Media Relations Division, Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

**Reproduction is permitted provided that the source is acknowledged.**

**PRESS RELEASE / 19 October 2017**

Results of the September 2017 survey on credit terms and conditions in euro-denominated securities financing and OTC derivatives markets (SESFOD)

cleared by a central counterparty (CCP) was cited as the main driver of the less favourable contract terms.

The SESFOD survey is conducted four times a year and covers changes in credit terms and conditions over the three-month reference periods ending in February, May, August and November. The September 2017 survey collected qualitative information on changes between June and August 2017. The results are based on responses from a panel of 28 large banks, comprising 14 euro area banks and 14 banks with head offices outside the euro area.

**For media enquiries, please call William Lelieveldt on +49 69 1344 7316.**

**European Central Bank** Directorate General Communications  
Global Media Relations Division, Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

**Reproduction is permitted provided that the source is acknowledged.**