

# The Money Market Liaison Committee Sterling Money Market Survey

Survey results | 2016 H1



BANK OF ENGLAND





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## Survey results | 2016 H1

The Sterling Money Market Survey is conducted by the Bank of England on a biannual basis, on behalf of the Money Market Liaison Committee (MMLC). Established in 1999, the MMLC comprises representatives from market participants, trade associations and the authorities, and provides a forum for discussion of structural issues in the money market.

The sterling money market brings together banks, other financial institutions and non-financial companies looking to borrow or lend money, and enables them to manage their liquidity. Transactions can be secured or unsecured and include deposits, loans, repo and the sale and purchase of tradable financial instruments such as commercial paper (CP) and certificates of deposit (CDs). The market plays a central role in the Bank's pursuit of its monetary and financial stability policy objectives, and is the market in which the Bank implements the interest rate decisions of the Monetary Policy Committee and provides liquidity insurance to the banking system.

The Money Market Survey gathers quantitative and qualitative information on developments in the sterling money market. Launched in May 2011, it adds to existing data sources available for different segments of the market and supplements the Bank's market intelligence. It complements similar surveys conducted by other central banks. Over time, the survey is intended to increase public understanding of the sterling money market, identify emerging trends, and help policymakers assess the impact of their actions on the behaviour of market participants. This report presents the data from the survey and provides a brief commentary.

The survey sample comprises 37 commercial banks, building societies and investment banks active in the sterling money market. The list of participants is detailed in the annex. Selection is based on the scale of institutions' involvement in the sterling money market and is kept under active review.

Additional background information on the survey can be found in the 2011 Q3 *Quarterly Bulletin* article, 'The Money Market Liaison Group Sterling Money Market Survey'.

The 2016 H1 report covers sterling money market transactions that took place during May 2016. The 2015 H2 report can be found at: [www.bankofengland.co.uk/publications/Documents/other/markets/mmlc/smms2015h2.pdf](http://www.bankofengland.co.uk/publications/Documents/other/markets/mmlc/smms2015h2.pdf).

Detail on data definitions and interpretation is included alongside the data tables in the annex.

This report is available on the Bank's website, along with copies of the questionnaire and data tables from the annex in Excel format, at [www.bankofengland.co.uk/publications/Pages/other/mmlg/default.aspx](http://www.bankofengland.co.uk/publications/Pages/other/mmlg/default.aspx).

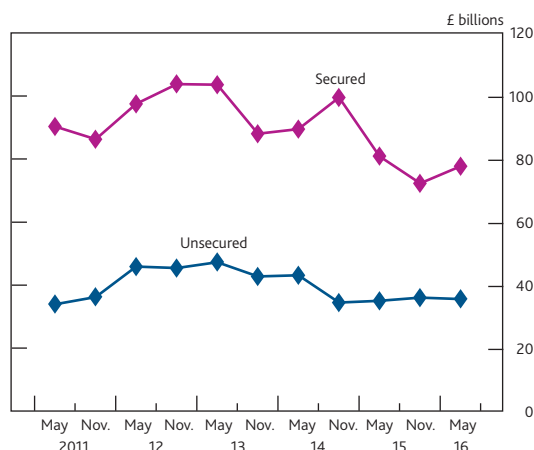
# The Money Market Liaison Committee Sterling Money Market Survey

The 2016 H1 report covers sterling money market transactions that took place during May 2016. The total value of sterling money market transactions rose 5% since the previous survey in November 2015. Secured activity rose 7% and made up 69% of total reported transactions, while unsecured activity remained broadly stable. The majority of both secured and unsecured activity continued to be carried out at overnight maturities. The share of turnover at overnight maturity fell relative to November 2015, with the share increasing in all longer maturity buckets. Perceptions of the functioning of the unsecured sterling money market continued to improve, while perceptions of liquidity in the secured market also improved but were deemed negative overall.

## The overall sterling money market

The total value of average daily flows in the sterling money market rose 5% since November 2015. There was a 7% increase in secured turnover relative to the previous survey, while unsecured fell by 1% (Chart 1). Secured transactions constituted 69% of overall money market turnover, a slight increase from the previous survey.

**Chart 1** Reported daily average transactions in the sterling money market<sup>(a)(b)</sup>

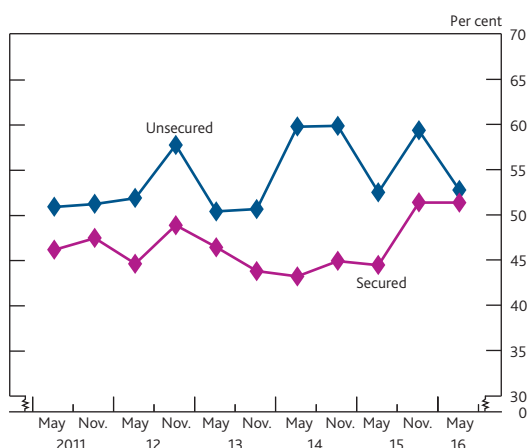


Sources: MMLC Sterling Money Market Survey and Bank calculations.

- (a) Daily average flows are reported as the value of sterling money market transactions in the survey month divided by the number of working days during that period.  
 (b) The calculation adjusts for the double counting of matched interbank borrowing and lending flows. See note v in the data annex for more detail.

Activity in the sterling money market continued to be relatively concentrated. The top five survey respondents in both the secured and unsecured market continued to account for over half of turnover. The concentration in the unsecured market fell relative to the previous survey, while the concentration of the secured market was unchanged (Chart 2).

**Chart 2** Concentration of top five respondents



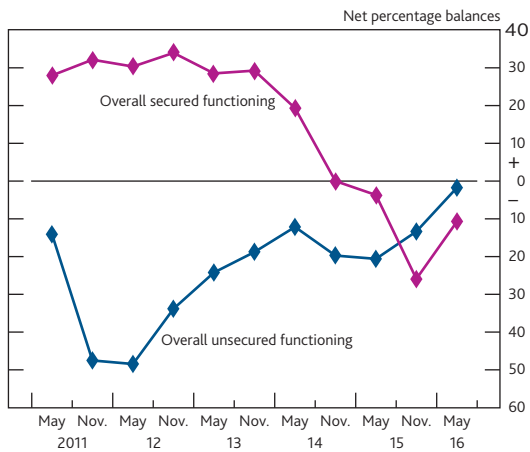
Sources: MMLC Sterling Money Market Survey and Bank calculations.

Overall, perceptions of secured market functioning have improved since the previous survey, although the market was still deemed to be functioning poorly in May 2016 (Chart 3). Respondents reported that unsecured market functioning had continued to improve and was neutral on balance for the first time since the surveys introduction in May 2011. Some contacts noted the market had continued to function reasonably well during periods of stress in the wider financial markets, such as the sharp Chinese equity price falls in early 2016, which may have improved perceptions of market functioning. But other contacts cautioned that this may not reflect a genuine improvement in market functioning but rather an acceptance that poor levels of market functioning seen in recent years may be the 'new normal'.

## The secured sterling money market

Since the November 2015 MMLC survey — where secured activity was lower than reported in any previous survey — secured activity increased slightly, but remained below the

**Chart 3 Respondents' views of overall market functioning<sup>(a)</sup>**



Sources: MMLC Sterling Money Market Survey and Bank calculations.

(a) 'Net percentage balance' is calculated as the difference between the balance of lenders reporting that, on a scale of 1-5, the market was functioning very poorly (1) to very well (5). The net percentage balances are scaled to lie between ±100: more extreme responses (1 and 5) attract a weight of 100%, less extreme responses (2 and 4) attract a weight of 50% and central responses (3) attract a weight of zero.

levels reported in earlier surveys (Chart 1).<sup>(1)</sup> Contacts did not think the increase in activity reflected underlying conditions and may be due to seasonal factors, such as the proximity to year end in the November 2015 survey. Overall, contacts noted continued pressure to reduce balance sheet size due to regulatory reporting requirements, such as the leverage ratio. These pressures were binding for a number of reporters, and extended beyond just end month reporting dates. There were expectations that this would continue to evolve, with some commenting that the cost of the Net Stable Funding Ratio (NSFR) was continuing to be passed through into repo pricing, and would make repo less attractive in future.

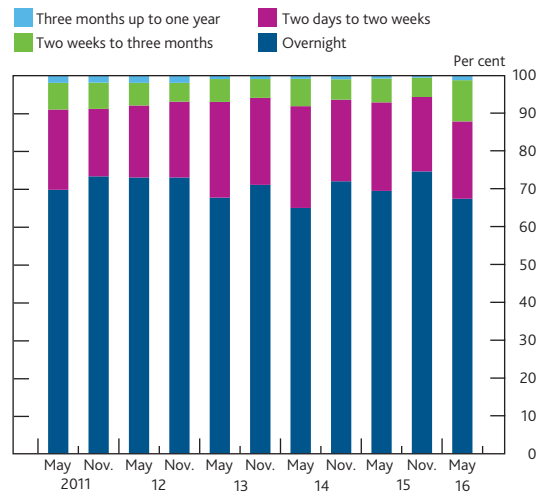
In May 2016, the majority of secured borrowing turnover took place at an overnight maturity (Chart 4), although the share had fallen, compared to the previous survey, to 67%. The share in longer maturity buckets increased, most notably the share at two days to two weeks' maturity, which more than doubled from 5% to 11% of turnover. Contacts thought this trend was likely to be temporary, and may have been partly driven by uncertainty in the run up to the EU referendum.

There was no notable change in the proportion of secured borrowing or lending taking place via central counterparties (CCPs), bilaterally or via tri-party repo (Chart 5).

Consistent with previous surveys, over 90% of secured transactions were collateralised by UK government debt in May 2016. This proportion was little changed when compared to previous surveys.

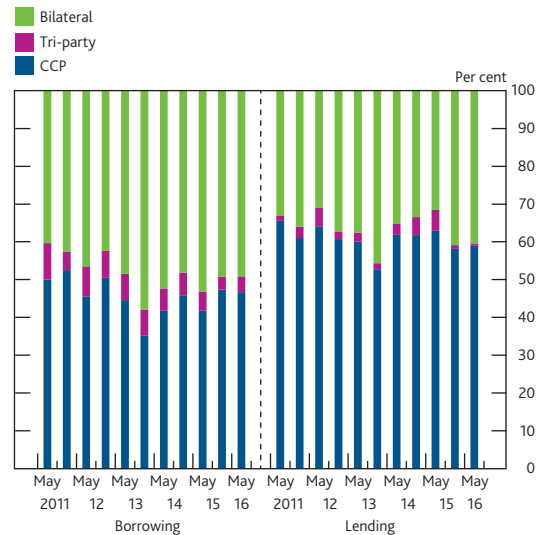
While participants reported a slight improvement in overall secured market functioning, most individual indicators of market functioning were deemed to have deteriorated further,

**Chart 4 Maturity of secured transactions**



Sources: MMLC Sterling Money Market Survey and Bank calculations.

**Chart 5 Distribution of secured transaction types<sup>(a)</sup>**



Sources: MMLC Sterling Money Market Survey and Bank calculations.

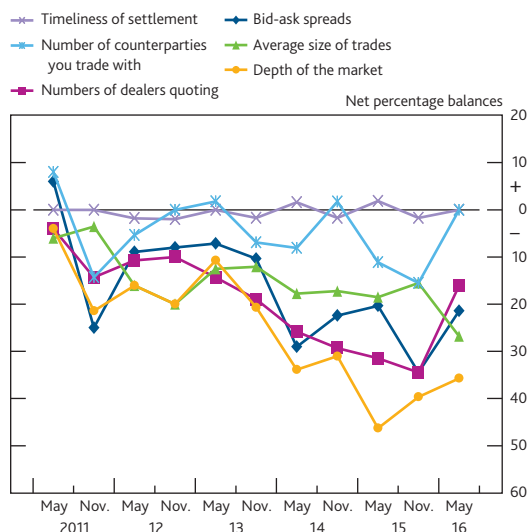
(a) All transactions via CCPs are assumed to be interbank. Other interbank transactions are captured as a subset of bilateral and tri-party transactions. See Table A5 of data annex for more detail.

albeit at a slower pace, when compared to previous surveys (Charts 3 and 6). Respondents reported less market depth, wider bid-ask spreads, smaller average trade size and fewer dealers quoting. Of these indicators, only average trade size was deemed to have deteriorated at a faster pace than in the six months to the November 2015 survey, while timeliness of settlement and number of counterparties traded with were both reported to be unchanged. Consistent with previous surveys, respondents reported liquidity conditions were worse at longer maturities. This decline in liquidity was perhaps reflected in the widening of bid-ask spreads. The reported widening of bid-offer spreads may have made repo activity more attractive to banks with some balance sheet capacity. This may be consistent with the slight increase in headline

(1) Although, the number of respondents has increased since the inaugural survey — there were 33 participants in May 2011 and 37 in the current survey.

secured turnover, although contacts cautioned that the impact was likely to be small.

**Chart 6** Change in secured market functioning indicators<sup>(a)</sup>



(a) 'Net percentage balance' is calculated as the difference between the balance of lenders reporting that, on a scale of 1-5, the market was functioning much worse than six months ago (1) to much better than six months ago (5). A negative balance reflects worsening conditions when compared to six months ago. The net percentage balances are scaled to lie between  $\pm 100$ : more extreme responses (1 and 5) attract a weight of 100%, less extreme responses (2 and 4) attract a weight of 50% and central responses (3) attract a weight of zero.

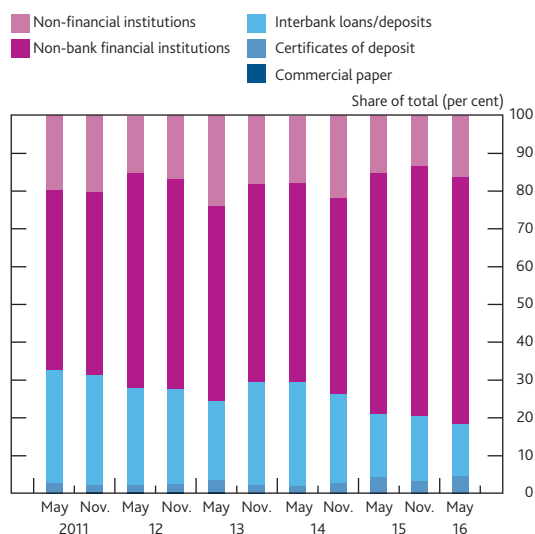
## The unsecured sterling money market

The value of unsecured transactions fell 1% compared to the value reported in the previous survey (Chart 1). Despite small headline changes in activity, the composition of participants in the unsecured money market was thought to have changed in recent years, as banks less constrained by the leverage ratio became relatively more active in the market.

The vast majority (97%) of unsecured activity reported in the survey is borrowing, unchanged from the previous survey. Although unsecured lending turnover rose in May 2016 it averaged around £1 billion a day, having been nearly £5 billion in the inaugural May 2011 MMLC survey. This trend may be driven in part by wider access to Bank of England facilities and reserves accounts, meaning more survey respondents have the option to deposit at the Bank of England, rather than lend to other banks who already had a reserves account.

The share of unsecured borrowing sourced from non-bank financial institutions was broadly unchanged at two-thirds (Chart 7). The share from non-financial institutions increased from 13% to 16%, and the share of interbank deposits decreased to 14%, from 17% in November 2015. The amount of Certificates of Deposits (CDs) issued by survey respondents increased slightly to 5%. Contacts thought this reflected increased demand for CDs from banks' clients relative to earlier survey periods.

**Chart 7** Source of unsecured borrowing<sup>(a)</sup>

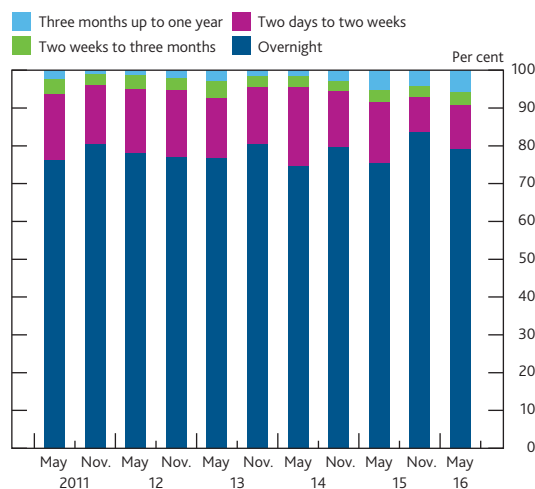


Sources: MMLC Sterling Money Market Survey and Bank calculations.

(a) Chart shows borrowing by reporting institutions from bank and non-bank institutions.

The overnight share of unsecured borrowing in overall unsecured market turnover fell to 79% in May 2016 from 84% in the previous survey. The share of unsecured borrowing in all three term maturity buckets increased when compared to the November 2015 survey results. While the share of turnover at maturities between two days and two weeks, and two weeks and three months remained smaller than in earlier surveys, the share of turnover at three months or longer has more than doubled from early surveys and accounted for 6% of turnover in May 2016 (Chart 8). As for secured market, contacts thought this development was likely to be temporary, again citing uncertainty in the run up to the EU referendum.

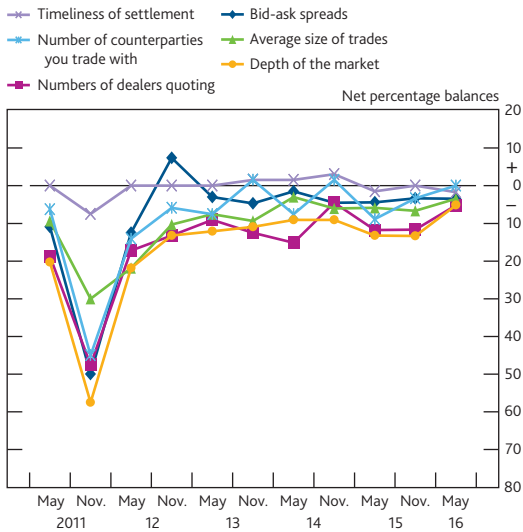
**Chart 8** Maturity of unsecured borrowing transactions



Sources: MMLC Sterling Money Market Survey and Bank calculations.

Overall perceptions of unsecured market functioning were neutral on balance, having been poor in every previous survey (Chart 3). Individual indicators of unsecured market

**Chart 9** Change in unsecured market functioning indicators<sup>(a)</sup>



Sources: MMLC Sterling Money Market Survey and Bank calculations.

(a) 'Net percentage balance' is calculated as the difference between the balance of lenders reporting that, on a scale of 1–5, the market was functioning much worse than six months ago (1) to much better than six months ago (5). A negative balance reflects worsening conditions when compared to six months ago. The net percentage balances are scaled to lie between ±100: more extreme responses (1 and 5) attract a weight of 100%, less extreme responses (2 and 4) attract a weight of 50% and central responses (3) attract a weight of zero.

functioning were broadly unchanged since the last survey (Chart 9).

Since May 2013, survey participants have been asked how the number of banks to which they apply credit limits in the unsecured market has changed since the previous survey. Seventy four per cent of respondents reported that there had been no further change in the number of credit limits set in the past six months, which is a slightly lower proportion than in the previous survey. A small minority reported a further modest fall, while as in the previous three surveys, no respondents reported that the number of credit limits were 'much lower'.

### Future of the MMLC Survey report and the Sterling Money Market data collection

In 2015, the Bank announced the introduction of the Sterling Money Markets (SMM) data collection. The H2 2015 Survey report outlined that the Bank's formal SMM data collection will succeed the data presented in this Survey, in order to avoid duplication.

Moreover, taken together, the Sterling Money Markets data collection gives the Bank access to a broader, richer and more timely set of information related to activity in the sterling money markets.

The Bank will share detailed insights and analysis of these data in a more targeted manner than can be achieved by the publication of this semi-annual Survey. Instead, we will do so through the Bank's usual communication channels, such as the *Quarterly Bulletin*, the *Sterling Monetary Framework Annual Report*, or the *Bank Underground* blog. As a result, this 2016 May MMLC Sterling Money Market Survey report is the last to be published.

The Bank will also maintain the time series of those data presented in the semi-annual Money Market Survey within the Bank's interactive database, using the Sterling Money Markets data collection to the extent it is feasible to do so. In addition, a new set of time series will also be published based on the new data collected. A *Bankstats* article containing details of these time series will be published in due course.

## Notes to annexes

- i. The survey sample comprises 37 commercial banks, building societies and investment banks that are active in the sterling money market. The list of participants is detailed in Annex C. The MMLC Survey reporting population will be aligned with the SMMD reporting population from November 2016.
- ii. Sterling money market transactions are defined as wholesale borrowing and lending of a maturity no longer than one year. Non-sterling and intra-group trades are excluded.
- iii. Participants are asked to exclude trades with the Bank of England but, from May 2012, to include transactions with the UK Debt Management Office (DMO). This change was based on feedback from survey participants that suggested they may not be able to identify the ultimate counterparty to transactions made in the secured market via a central counterparty when using an automated trading system. So, to the extent that such transactions included those with the DMO, survey respondents may not have been able to exclude them. For more details on the DMO's money market activity see [www.dmo.gov.uk](http://www.dmo.gov.uk).
- iv. Borrowing and lending figures are not equal because the survey only captures the survey participants' side of each transaction. In common with other central banks' money market surveys, there are likely a number of lenders who do not participate in the survey, and whose lending therefore is not captured in the survey lending figures, but is nonetheless captured in survey participants' borrowing returns. In particular, this affects the MMLC survey interbank data, yielding a discrepancy whereby interbank borrowing is larger than interbank lending. Discussions with a subgroup of survey participants indicate that this is likely to be because the survey sample excludes a range of, particularly foreign-based, banks that are regular net lenders.
- v. Reported daily average transactions in the sterling money market (**Table A1** and **Chart 1**) are calculated by adjusting for the double counting of matched interbank borrowing and lending flows (double counting occurs because respondents are asked to record both borrowing and lending, so the same transaction appears as lending in one participant's return and as borrowing in another). The calculations are as follows:
  - Secured transactions: secured borrowing (**Table A2**) + secured lending (**Table A2**) – secured interbank lending (CCP and interbank excluding CCP, **Table A5**)
  - Unsecured transactions: unsecured borrowing + unsecured lending – unsecured interbank lending (**Table A7**).



## Annex A: Data tables for quantitative survey questions

Table A1: Reported daily average transactions in the sterling money market (£ billions)<sup>(a)</sup>

	2011		2012		2013		2014		2015		2016
	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May
Unsecured	34	36	46	45	47	43	43	34	35	36	36
Secured	90	86	98	104	104	88	89	100	81	72	78

Table A2: Borrowing and lending (daily averages, £ billions)<sup>(b)</sup>

	2011		2012		2013		2014		2015		2016
	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May
Unsecured borrowing	34	37	45	45	47	42	43	34	34	36	35
Unsecured lending	5	4	4	3	3	2	2	2	2	1	1
Secured borrowing	78	75	85	90	88	72	74	81	68	59	66
Secured lending	57	63	66	60	65	51	51	62	50	42	40

Table A3: Average borrowing and lending transaction size (£ millions)

	2011		2012		2013		2014		2015		2016
	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May	Nov.	May
Unsecured borrowing	19	21	25	16	28	30	29	24	22	33	29
Unsecured lending	54	53	39	22	43	19	22	15	10	46	50
Secured borrowing	39	44	43	36	32	36	26	35	27	34	36
Secured lending	28	31	34	16	17	26	26	31	31	25	25

(a) Reported daily average transactions in the sterling money market (Table A1 and Chart 1) are calculated by adjusting for the double counting of matched interbank borrowing and lending flows (double counting occurs because respondents are asked to record both borrowing and lending, so the same transaction appears as lending in one participant's return and as borrowing in another). The calculations are as follows: secured transactions: secured borrowing (Table A2) + secured lending (Table A2) – secured interbank lending (CCP and interbank excluding CCP, Table A5); unsecured transactions: unsecured borrowing + unsecured lending – unsecured interbank lending (Table A7).

(b) Borrowing and lending do not sum to the totals in Table A1. This is because the totals in Table A1 are adjusted for the double counting of matched interbank borrowing and lending.



Table A4: Maturity distribution of borrowing and lending (per cent)

	2011							
	May				Nov.			
	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year
Unsecured borrowing	76	17	4	2	80	16	3	1
Unsecured lending	79	12	7	1	81	12	6	1
Secured borrowing	69	21	7	2	74	18	7	2
Secured lending	68	19	10	2	76	16	6	2
	2012							
	May				Nov.			
	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year
Unsecured borrowing	78	17	4	1	77	18	3	2
Unsecured lending	72	20	6	2	63	24	8	5
Secured borrowing	73	19	6	2	73	20	5	2
Secured lending	71	20	7	2	69	20	9	2
	2013							
	May				Nov.			
	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year
Unsecured borrowing	77	16	4	3	81	15	3	1
Unsecured lending	80	14	3	3	78	14	5	4
Secured borrowing	67	25	6	1	71	23	5	1
Secured lending	69	23	7	2	70	22	6	2
	2014							
	May				Nov.			
	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year
Unsecured borrowing	75	21	3	2	80	15	3	3
Unsecured lending	77	15	4	4	68	26	4	2
Secured borrowing	65	27	7	1	72	22	5	1
Secured lending	63	27	8	2	69	21	8	2
	2015							
	May				Nov.			
	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year
Unsecured borrowing	75	16	3	5	84	9	3	4
Unsecured lending	53	18	14	15	74	15	6	6
Secured borrowing	69	23	6	1	75	20	5	1
Secured lending	64	25	8	2	71	21	7	2
	2016							
	May							
	Overnight	Two days to two weeks	Two weeks to three months	Three months up to one year				
Unsecured borrowing	79	11	4	6				
Unsecured lending	57	35	4	4				
Secured borrowing	67	20	11	1				
Secured lending	64	24	8	4				

Table A5: Distribution of secured borrowing and lending by type of transaction (per cent)

	2011				2012				2013			
	May		Nov.		May		Nov.		May		Nov.	
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending
Tri-party	10	1	5	3	8	5	7	2	7	2	7	2
Bilateral	40	33	43	36	46	31	42	37	48	38	58	46
Central counterparty (CCP)*	50	66	53	61	46	64	51	61	45	60	35	53
Interbank excluding CCP	18	14	23	20	22	16	16	17	18	16	17	16
	2014				2015				2016			
	May		Nov.		May		Nov.		May			
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending		
Tri-party	6	3	6	5	5	6	3	1	4	1		
Bilateral	52	35	48	33	53	32	49	40	49	40		
Central counterparty (CCP)*	42	62	46	62	42	63	47	59	47	59		
Interbank excluding CCP	14	9	11	8	16	12	11	12	12	13		

\* All transactions via CCP are assumed to be interbank.

Table A6: Distribution of secured borrowing and lending by type of collateral (per cent)

	2011				2012				2013			
	May		Nov.		May		Nov.		May		Nov.	
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending
UK government debt and Bank bills	82	78	87	95	89	90	90	93	93	95	94	96
Other sovereign and central bank debt from selected issuers	5	2	9	2	8	5	5	5	2	1	2	0
Other securities	13	20	4	3	3	5	5	2	5	4	4	4
	2014				2015				2016			
	May		Nov.		May		Nov.		May			
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending		
UK government debt and Bank bills	96	95	92	95	94	88	92	91	92	90		
Other sovereign and central bank debt from selected issuers	1	0	1	0	1	3	1	4	0	4		
Other securities	2	4	7	5	5	8	7	5	8	6		

Table A7: Source/destination of unsecured borrowing and lending (per cent)

	2011				2012				2013			
	May		Nov.		May		Nov.		May		Nov.	
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending
Non-financial institutions	20	3	20	1	15	2	17	6	24	4	18	7
Other financial institutions	47	5	48	9	57	8	55	6	51	7	52	7
Interbank:												
Interbank loans/deposits	30	85	29	85	25	82	25	81	21	81	27	82
Certificates of deposit	2	1	2	1	2	2	2	1	3	4	2	2
Commercial paper	0	6	0	4	1	6	0	6	0	5	0	2
	2014				2015				2016			
	May		Nov.		May		Nov.		May			
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending		
Non-financial institutions	18	7	22	6	15	2	13	12	16	13		
Other financial institutions	53	7	52	9	64	13	66	25	65	22		
Interbank:												
Interbank loans/deposits	27	81	24	74	17	52	17	60	14	61		
Certificates of deposit	2	0	2	2	4	25	3	3	5	1		
Commercial paper	0	3	0	9	0	8	0	0	0	3		



Table B3: Change in secured market functioning indicators during previous six months (per cent)

	2011					2012									
	Nov.					May					Nov.				
	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse
Bid-ask spreads	0	7	43	43	7	0	7	71	18	4	0	4	76	20	0
Number of dealers quoting	0	0	71	29	0	0	4	75	18	4	0	0	80	20	0
Average size of trades	0	14	64	21	0	0	11	46	43	0	0	4	56	36	4
Timeliness of settlement	0	0	100	0	0	0	4	89	7	0	0	0	96	4	0
Number of counterparties you trade with	0	0	71	29	0	0	11	68	21	0	0	12	76	12	0
Depth of the market	0	7	57	21	14	0	11	54	29	7	0	4	56	36	4
	2013										2014				
	May					Nov.					May				
	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse
Bid-ask spreads	0	4	82	11	4	0	3	76	17	3	0	3	42	48	6
Number of dealers quoting	0	0	75	21	4	0	0	66	31	3	0	0	55	39	6
Average size of trades	0	7	64	25	4	0	3	72	21	3	0	10	45	45	0
Timeliness of settlement	0	0	100	0	0	0	0	97	3	0	0	3	97	0	0
Number of counterparties you trade with	0	21	64	11	4	0	10	69	17	3	0	10	65	26	0
Depth of the market	0	4	75	18	4	0	3	59	31	7	0	6	42	29	23
	2014					2015									
	Nov.					May					Nov.				
	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse
Bid-ask spreads	0	7	41	52	0	4	4	41	52	0	0	3	31	59	7
Number of dealers quoting	0	0	48	45	7	0	0	48	41	11	0	0	31	69	0
Average size of trades	0	3	59	38	0	0	7	52	37	4	0	3	62	34	0
Timeliness of settlement	0	0	97	3	0	0	4	96	0	0	0	0	97	3	0
Number of counterparties you trade with	0	17	69	14	0	0	11	59	26	4	0	7	55	38	0
Depth of the market	0	4	41	45	10	0	0	22	63	15	0	0	28	66	7
	2016														
	May														
	Better	Slightly better	Same	Slightly worse	Worse										
Bid-ask spreads	0	7	46	43	4										
Number of dealers quoting	0	4	64	29	4										
Average size of trades	0	0	50	46	4										
Timeliness of settlement	0	0	100	0	0										
Number of counterparties you trade with	0	14	71	14	0										
Depth of the market	0	0	36	57	7										

Table B4: Change in unsecured market functioning indicators during previous six months (per cent)

	2011					2012									
	Nov.					May					Nov.				
	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse
Bid-ask spreads	0	0	30	40	30	0	6	63	31	0	6	21	62	6	6
Number of dealers quoting	0	0	25	55	20	0	3	59	38	0	0	6	68	21	6
Average size of trades	0	10	35	40	15	0	3	53	41	3	0	6	74	15	6
Timeliness of settlement	0	0	85	15	0	0	0	100	0	0	0	3	94	3	0
Number of counterparties you trade with	0	15	5	55	25	0	22	34	38	6	0	24	47	24	6
Depth of the market	0	0	15	55	30	0	13	38	44	6	0	18	47	26	9
	2013										2014				
	May					Nov.					May				
	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse
Bid-ask spreads	0	9	79	9	3	0	9	75	13	3	0	6	85	9	0
Number of dealers quoting	0	0	85	12	3	0	3	72	22	3	0	0	70	30	0
Average size of trades	0	9	70	18	3	0	9	66	22	3	3	9	70	15	3
Timeliness of settlement	0	0	100	0	0	0	3	97	0	0	0	3	97	0	0
Number of counterparties you trade with	0	21	52	18	9	0	28	50	19	3	0	18	55	21	6
Depth of the market	0	6	67	24	3	0	9	63	25	3	0	9	67	21	3
	2014					2015									
	Nov.					May					Nov.				
	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse	Better	Slightly better	Same	Slightly worse	Worse
Bid-ask spreads	0	0	91	9	0	0	6	82	9	3	0	7	80	13	0
Number of dealers quoting	0	0	91	9	0	0	0	79	18	3	0	0	77	23	0
Average size of trades	0	9	70	21	0	0	6	76	18	0	0	7	73	20	0
Timeliness of settlement	0	6	94	0	0	0	0	97	3	0	0	0	100	0	0
Number of counterparties you trade with	0	12	79	9	0	0	18	53	24	6	0	17	60	23	0
Depth of the market	0	3	76	21	0	0	0	76	21	3	0	0	73	27	0
	2016														
	May														
	Better	Slightly better	Same	Slightly worse	Worse										
Bid-ask spreads	0	0	93	7	0										
Number of dealers quoting	0	0	90	10	0										
Average size of trades	0	10	72	17	0										
Timeliness of settlement	0	0	97	3	0										
Number of counterparties you trade with	0	14	72	14	0										
Depth of the market	0	3	83	14	0										

Table B5: Changes in unsecured credit limits during previous six months (per cent)

	2013									
	May					Nov.				
	Much higher	Somewhat higher	The same	Somewhat lower	Much lower	Much higher	Somewhat higher	The same	Somewhat lower	Much lower
Compared with six months ago, is the number of banks with which you hold credit limits to lend unsecured...	0	3	76	18	3	0	6	72	19	3
	2014									
	May					Nov.				
	Much higher	Somewhat higher	The same	Somewhat lower	Much lower	Much higher	Somewhat higher	The same	Somewhat lower	Much lower
Compared with six months ago, is the number of banks with which you hold credit limits to lend unsecured...	0	3	78	19	0	0	6	81	13	0
	2015									
	May					Nov.				
	Much higher	Somewhat higher	The same	Somewhat lower	Much lower	Much higher	Somewhat higher	The same	Somewhat lower	Much lower
Compared with six months ago, is the number of banks with which you hold credit limits to lend unsecured...	0	3	85	12	0	0	0	81	19	0
	2016									
	May									
	Much higher	Somewhat higher	The same	Somewhat lower	Much lower					
Compared with six months ago, is the number of banks with which you hold credit limits to lend unsecured...	0	3	74	23	0					



Table B6: Coverage questions

	2012				2013			
	May		Nov.		May		Nov.	
	Respondents	Average	Respondents	Average	Respondents	Average	Respondents	Average
Approximate percentage of your institution's global unsecured sterling money market transactions not conducted via your main London (or UK) desk(s)	32	6%	34	8%	33	6%	32	7%
Approximate percentage of your institution's global secured sterling money market transactions not conducted via your main London (or UK) desk(s)	28	3%	28	5%	28	1%	29	1%
Approximate percentage of turnover where there is uncertainty over the nature of the counterparty	–	–	33	2%	37	1%	32	2%
	2014				2015			
	May		Nov.		May		Nov.	
	Respondents	Average	Respondents	Average	Respondents	Average	Respondents	Average
Approximate percentage of your institution's global unsecured sterling money market transactions not conducted via your main London (or UK) desk(s)	33	6%	33	5%	34	7%	31	7%
Approximate percentage of your institution's global secured sterling money market transactions not conducted via your main London (or UK) desk(s)	31	1%	29	1%	21	1%	30	8%
Approximate percentage of turnover where there is uncertainty over the nature of the counterparty	33	1%	30	2%	25	1%	29	4%
	2016							
	May							
	Respondents	Average						
Approximate percentage of your institution's global unsecured sterling money market transactions not conducted via your main London (or UK) desk(s)	30	19%						
Approximate percentage of your institution's global secured sterling money market transactions not conducted via your main London (or UK) desk(s)	30	9%						
Approximate percentage of turnover where there is uncertainty over the nature of the counterparty	29	0%						

## Annex C: 2016 H1 MMLC Sterling Money Market Survey Participants

Bank of America Merrill Lynch  
Bank of New York Mellon  
Bank of Tokyo Mitsubishi UFJ  
Barclays  
BNP Paribas  
BPCE Group  
Citigroup  
Clydesdale  
Commerzbank  
Co-operative Bank  
Coventry Building Society  
Crédit Agricole CIB  
Danske Bank  
Debt Management Office  
Deutsche Bank  
Goldman Sachs  
HSBC  
ING UK  
JPMorgan Chase  
Lloyds Banking Group  
Mizuho Bank  
Morgan Stanley  
Nationwide  
Nomura  
Nord LB  
Northern Trust  
Rabobank  
Royal Bank of Canada  
Royal Bank of Scotland  
Santander  
Société Générale  
Standard Chartered  
State Street  
Svenska Handelsbanken  
UBS  
UniCredit  
Yorkshire Building Society