



November 2021 Senior Financial Officer Survey

Summary

In November 2021, the Federal Reserve conducted a Senior Financial Officer Survey (SFOS) to gather views systematically from a number of banks on reserve management experiences in recent months, expectations for balance sheet management in the months ahead, wholesale funding market activity, and the potential for additional investment in high-quality liquid assets (HQLA).¹ In addition, the survey gathered views on the Federal Reserve’s recently established standing repurchase agreement (repo) facility (SRF).

As in previous surveys, the November SFOS was distributed to 80 banks, representing a wide range of asset sizes and business models. The Federal Reserve distributed the survey to senior financial officers at these banks on November 5, 2021, with replies due by November 19, 2021.² Responses were received from 79 banks, comprising 45 domestic banks and 34 foreign banking organizations (FBOs).³ In aggregate, respondents’ banks held roughly three-fourths of total reserve balances in the banking system at the time of the survey.

Key takeaways from the survey included the following:

- Close to one-half of the survey respondents reported that their bank had taken actions to reduce either the level or growth in its reserve balances in the last six months.
 - Among these respondents, a concern about net interest margins and an increase in the expected return on alternative HQLA investments relative to the interest on reserve balances (IORB) rate were the factors most commonly cited as important or very important in the decision to take such actions. Among respondents who rated these factors highly, most reported that increased holdings of other assets, including other Level 1 HQLA, non-Level 1 HQLA, and non-HQLA assets, were an important or very important component of their bank’s reserve management strategy.
 - Among respondents who reported that a concern about net interest margins or a desire to preserve or decrease balance sheet size was an important or very important factor that prompted their bank’s actions, the most commonly reported important or very important liability adjustment actions were allowing outstanding wholesale funding liabilities to mature without replacement and reducing deposit rates on non-operational deposits.
- About one-fourth of respondents reported that their bank had taken actions to reduce the level or growth of its entire balance sheet in the last six months.
- Looking ahead, about 40 percent of respondents reported that they expect their bank to take actions to reduce the level or growth of its reserve balances in the next six months.
- Almost 40 percent of the respondents whose bank is not already a counterparty to the SRF reported that their bank has expressed or intends to express interest in becoming a counterparty. Among these respondents, the factors that were most commonly reported as important or very important in explaining the interest in the SRF were that the SRF complements the discount window as a backstop liquidity source, that the respondent’s bank holds

¹ HQLA, including Level 1 HQLA, are defined in section 249.20 of Regulation WW (Liquidity Risk Measurement Standards).

² Respondents were asked to specify the reserve holding entities that were covered in their survey responses.

³ The FBOs consisted of U.S. branches and agencies of foreign banks as well as one U.S. commercial bank that exhibited reserve management behavior more akin to this group than to similarly sized domestic banks.

a large amount of eligible securities so an additional liquidity source would be beneficial, and that the SRF would provide increased short-term monetization capacity for the bank's HQLA portfolio. Among the respondents whose bank is not interested in becoming a counterparty to the SRF, the factors most commonly reported as important or very important to that outlook were that the respondent's bank does not need an additional source of liquidity and that the respondent's bank is not set up to transact as a cash borrower on the tri-party platform and the incremental cost of establishing and maintaining this capacity exceeds the benefit of being an SRF counterparty.

The remainder of this summary is organized into three parts that reflect the structure of the survey, and the summary is followed by a detailed tabular presentation of responses.⁴

Part I: Reserve Balance Management Strategies and Practices

(Questions 1–4)

The questions in Part I asked respondents about the actions and plans that affect their bank's reserve balances and overall balance sheet.

The first part of the first question asked respondents whether their bank had taken actions to reduce or increase the level or growth of its reserve balances in the last six months. Close to one-half of the respondents—37 of 79, almost all of them from domestic banks—reported that their bank had taken action to reduce either the level or growth of its reserve balances. An equal number of respondents, predominantly from foreign banks, reported that their bank took no action to adjust the level or growth of its reserve balances, while a small number reported that their bank took actions to increase the level or growth of its reserve balances.

In the second part of the first question, the 37 respondents who reported their bank had taken actions to reduce the level or growth of its reserve balances in the last six months were asked to rate the factors that prompted these actions. Of these respondents, about 60 percent (22 of the 37) reported that a concern about net interest margins was an important or very important factor and about 55 percent (20 of 37) indicated that an increase in the expected return on alternative HQLA investments relative to the IORB rate that banks earn on their reserve balances was an important or very important factor. In addition, 35 percent of these respondents (13 of 37) reported that a desire to preserve or decrease balance sheet size was an important or very important factor.

The third part of the first question was answered by the 25 respondents who reported that an increase in the expected return on alternative HQLA investments relative to the IORB rate or a concern about net interest margins was an important or very important factor that prompted their bank's actions to reduce the level or growth of its reserve balances. These respondents were asked to rate the importance of certain asset adjustment actions as components of their bank's reserve management strategy over the last six months. Majorities of these respondents reported that increased holdings of other Level 1 HQLA (such as Treasury securities), non-Level 1 HQLA (such as mortgage-backed securities and corporate bonds),

⁴ For the most part, the instructions and survey questions presented in each table are the same as the ones distributed to the respondents, with minor adjustments to enhance clarity. As not all respondents answered every question, the number of respondents answering each question is reported in the accompanying data tables.

and non-HQLA assets (such as commercial loans) were important or very important actions; these actions were cited by 14, 15, and 14 respondents, respectively.

The fourth part of the first question was answered by the 32 respondents who reported that a concern about net interest margins or a desire to preserve or decrease balance sheet size was an important or very important factor that prompted their bank's actions to reduce the level or growth of its reserve balances. These respondents were asked to rate the importance of certain liability adjustment actions as components of their bank's reserve management strategy over the last six months. Among these respondents, the most commonly reported important or very important actions were allowing outstanding wholesale funding liabilities to mature without replacement and reducing deposit rates on non-operational deposits; these actions were each cited by 17 respondents.

The first part of the second question asked respondents whether their bank had taken action to reduce the level or growth of its entire balance sheet in the last six months. About one-fourth of respondents—21 of 79—reported that their bank had taken such action, with the remainder reporting that their bank had not taken such action.

In the second part of the second question, the 21 respondents who reported their bank had taken action to reduce the level or growth of its entire balance sheet in the last six months were asked to rate the factors that prompted such action. No specific factors were cited as important or very important by a majority of these respondents.

The first part of the third question asked respondents whether they expect their bank to take actions to reduce or increase the level or growth in its reserve balances in the next six months. Over 50 percent of the respondents—44 of 79—reported that they expect their bank to not take specific actions to adjust the level or growth in its reserve balances. Another 40 percent of respondents—33 of 79—reported that they expect their bank to take actions to reduce the level or growth in its reserve balances, while the remaining few respondents reported that they expect their bank to take actions to increase the level or growth of its reserve balances.

In the second part of the third question, the 33 respondents who reported that they expect their bank to take actions to reduce the level or growth of its reserve balances in the next six months were asked to rate the likelihood that their bank would take specific actions in this regard. Among these respondents, the actions most commonly reported as likely or very likely included encouraging clients to place funds in alternative liquid investments and allowing outstanding term wholesale funding liabilities (for example, negotiable certificates of deposit or commercial paper) to mature without replacing, each cited by 14 respondents.

The fourth question provided respondents with an opportunity to share any additional information relevant to their bank's reserve or balance sheet management strategy. Twenty-three respondents provided substantive comments. Most of the comments reinforced or elaborated on views that had already been expressed. Some respondents provided more context for their bank's reserve and balance sheet management strategies, but these comments did not have common themes.

Part II: Overnight Wholesale Funding Market Activity

(Questions 5–7)

In Part II of the survey, respondents were asked to explain the considerations that motivate their bank’s activity in overnight wholesale funding markets, such as those for federal funds, Eurodollars, and repos.⁵

The first part of the fifth question asked respondents whether their bank is an active borrower in unsecured overnight wholesale funding markets, such as federal funds, Eurodollars, or commercial paper.⁶ About 35 percent of respondents—28 of 79—reported that their bank is an active borrower in these markets.

In the second part of the question, the 28 respondents whose bank is an active borrower in unsecured wholesale funding markets were asked to rate the importance of factors motivating their bank’s borrowing. Among these respondents, about 60 percent (17 of the 28) reported that earning a positive spread by receiving the IORB rate on the borrowing proceeds was an important or very important factor. Similarly, borrowing to provide a short-term investment option to customers to maintain relationships was cited as an important or very important factor by about 60 percent (16 of 27) of respondents for whom this activity is applicable.

The third part of the fifth question asked the same 28 respondents to indicate whether certain factors may dampen their bank’s borrowing in unsecured wholesale funding markets. The factor most frequently reported as having a significant or very significant effect on their bank’s activity was balance sheet size constraints, cited by 12 of these respondents (about 45 percent).

The sixth question asked respondents for the smallest level of returns, measured as the spread over the IORB rate earned on reserve balances, that would be needed for their institution to be willing to invest in certain high-quality assets, including short- and longer-dated Treasury securities and overnight reverse repurchase agreements collateralized by such securities (Treasury reverse repos). Among the respondents reporting their bank’s willingness to invest in the respective assets, a large majority (59 of 65) reported that the smallest spread above the IORB rate at which their institution would be willing to invest in Treasury reverse repos was 10 basis points or less. Similarly, a smaller majority (43 of 61) reported that their institution would be willing to invest in short-dated Treasury securities—defined as those with remaining maturity of one year or less—at a spread of 10 basis points or less. The reported spreads that would be needed to invest in intermediate-dated Treasury securities—defined as those with remaining maturity between one and five years—were more widely distributed between 0 and 100 basis points. The returns required to induce investment in longer-term Treasury securities were generally much higher. In particular, of the respondents who reported their bank’s willingness to invest in longer-dated Treasury securities—defined as those with remaining maturity of greater than five years—45 percent (21 of 46) indicated that a spread of more than 100 basis points over the IORB rate would be needed. A large majority (17 of 22) of the relatively small number of respondents whose bank invests in FX (foreign exchange) deposits at

⁵ Respondents whose bank is affiliated with a broker-dealer were instructed to not include the normal financing activity of the broker-dealer for the purposes of the questions.

⁶ For the purposes of this question, respondents were instructed to consider a bank that borrows for non-test purposes at least once a month as an active borrower.

foreign central banks reported a willingness to invest at low spreads. The reported spreads that would be needed for willingness to invest in non-U.S. dollar-denominated sovereign debt were more disparate.

The seventh question provided respondents with an opportunity to share any comments on their bank's money market activities or on current money market conditions. Sixteen respondents provided substantive comments. Many of the comments reinforced or elaborated on views that had already been expressed. In addition, several respondents provided more context for their bank's money market strategies and activities, with some noting that the minimum spreads expressed in response to the previous question were subject to change based on market conditions and rate expectations.

Part III: Standing Repo Facility

(Questions 8–11)

The questions in Part III asked respondents for their bank's views of the Federal Reserve's new SRF. In July 2021, the Federal Reserve announced the establishment of the SRF, which will serve as a liquidity backstop in money markets to support the effective implementation of monetary policy and smooth market functioning.⁷ Under the SRF, the Federal Reserve conducts overnight repo operations against Treasury, agency debt, and agency mortgage-backed securities. The SRF is cleared and settled on the privately operated tri-party repo platform. Initially, SRF counterparties comprise the primary dealers, and beginning in October 2021 depository institutions that meet announced initial eligibility criteria could express interest in becoming a counterparty. These criteria will be adjusted over time to expand depository institution eligibility.⁸

The eighth question of the survey asked respondents whether their bank meets the initial eligibility criteria with regard to total assets or holdings of SRF-eligible securities and how they would characterize their bank's view on becoming an SRF counterparty. Four of the respondents reported that their bank is a primary dealer and is already an SRF counterparty. Another 61 respondents reported that their bank meets the initial criteria and is not already an SRF counterparty; of these 61 respondents, 26—or about 45 percent—reported that their bank intends to or has expressed interest in becoming a counterparty, while the remaining 35 reported that their bank is not interested in becoming a counterparty. Fourteen respondents reported that their bank does not meet the initial eligibility criteria. Of these 14 respondents, 5 reported that their bank would express interest in becoming an SRF counterparty when the initial criteria are adjusted, while 9 reported that their bank would not expect to express such interest even when the criteria are adjusted.

The ninth question asked respondents whose bank is not interested in becoming a counterparty to the SRF—whether or not the bank meets the initial eligibility criteria—to rate the factors behind their bank's outlook. The factors most commonly reported as important or

⁷ Board of Governors of the Federal Reserve System (2021), "Statement Regarding Repurchase Agreement Arrangements," press release, July 28, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210728b.htm>.

⁸ Federal Reserve Bank of New York (2021), "Statement Regarding Repurchase Agreements," July 28, https://www.newyorkfed.org/markets/operating_policy/operating_policy_210728. Additional information on the SRF is available at <https://www.newyorkfed.org/markets/repo-agreement-ops-faq>.

very important were that the respondent's bank does not need an additional source of liquidity (cited by 19 of 44 respondents) and that the respondent's bank is not set up to transact as a cash borrower on the tri-party platform and the costs of establishing and maintaining this capacity exceed the benefit of being an SRF counterparty (cited by 18 of 44 respondents).

In the 10th question, respondents whose bank intends to or has expressed interest in becoming an SRF counterparty—whether or not the bank meets the initial eligibility criteria—were asked to rate the factors behind their bank's interest. The factors most commonly reported as important or very important were that the SRF complements the discount window as a back-stop liquidity source, that the respondent's bank holds a large amount of eligible securities so an additional liquidity source would be beneficial, and that the SRF would provide increased short-term monetization capacity for the bank's HQLA portfolio; these factors were cited by 18, 16, and 16 of 31 respondents, respectively.

The 11th question provided respondents with an opportunity to share any additional comments on the SRF. Eleven respondents provided substantive comments. Some of the comments reinforced or elaborated on views that had already been expressed. Other responses offered opinions on the potential effectiveness of the SRF, but these comments did not have common themes.

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Results

The following results include the instructions provided to the survey respondents. Please note that percentages are based on the number of financial institutions that gave responses other than “Not applicable”. Components may not sum to totals because of rounding.

Part 1: Reserve Balance Management Strategies and Practices

1.

A. Looking back over the last 6 months, did your bank? (select one)

| | All respondents | | Domestic | | Foreign | |
|--|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| I. Take actions to reduce either the level or growth in your reserve balances | 37 | 46.8 | 33 | 73.3 | 4 | 11.8 |
| II. Not take specific actions to adjust the level or growth in your reserve balances | 37 | 46.8 | 11 | 24.4 | 26 | 76.5 |
| III. Take actions to increase either the level or growth in your reserve balances | 5 | 6.3 | 1 | 2.2 | 4 | 11.8 |
| Total | 79 | 100.0 | 45 | 100.0 | 34 | 100.0 |

If you answered II or III to question 1.A, please skip to question 2.

B. If you answered I to question 1.A, what factors prompted your bank to seek to reduce the level or growth of your reserve balance position? Please rate the factors on a scale of 1 (not important) to 5 (very important). If an important factor for your institution is not listed, or you would like to provide clarification on any action, please provide it in the comment box.

i. An increase in the expected return on alternative high quality liquid assets (HQLA) investments relative to IORB

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 9 | 24.3 | 7 | 21.2 | 2 | 50.0 |
| 2 | 4 | 10.8 | 3 | 9.1 | 1 | 25.0 |
| 3 | 4 | 10.8 | 4 | 12.1 | 0 | 0.0 |
| 4 | 5 | 13.5 | 4 | 12.1 | 1 | 25.0 |
| 5 (Very important) | 15 | 40.5 | 15 | 45.5 | 0 | 0.0 |
| Total | 37 | 100.0 | 33 | 100.0 | 4 | 100.0 |

ii. Concern about net interest margins

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 13.5 | 4 | 12.1 | 1 | 25.0 |
| 2 | 5 | 13.5 | 4 | 12.1 | 1 | 25.0 |
| 3 | 5 | 13.5 | 5 | 15.2 | 0 | 0.0 |
| 4 | 13 | 35.1 | 12 | 36.4 | 1 | 25.0 |
| 5 (Very important) | 9 | 24.3 | 8 | 24.2 | 1 | 25.0 |
| Total | 37 | 100.0 | 33 | 100.0 | 4 | 100.0 |

iii. A desire to preserve or decrease balance sheet size

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 12 | 32.4 | 12 | 36.4 | 0 | 0.0 |
| 2 | 5 | 13.5 | 4 | 12.1 | 1 | 25.0 |
| 3 | 7 | 18.9 | 7 | 21.2 | 0 | 0.0 |
| 4 | 5 | 13.5 | 3 | 9.1 | 2 | 50.0 |
| 5 (Very important) | 8 | 21.6 | 7 | 21.2 | 1 | 25.0 |
| Total | 37 | 100.0 | 33 | 100.0 | 4 | 100.0 |

iv. Expected resumption of loan demand from creditworthy borrowers

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 19 | 51.4 | 17 | 51.5 | 2 | 50.0 |
| 2 | 7 | 18.9 | 6 | 18.2 | 1 | 25.0 |
| 3 | 10 | 27.0 | 9 | 27.3 | 1 | 25.0 |
| 4 | 1 | 2.7 | 1 | 3.0 | 0 | 0.0 |
| 5 (Very important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 37 | 100.0 | 33 | 100.0 | 4 | 100.0 |

v. Other (please explain in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 10 | 58.8 | 9 | 60.0 | 1 | 50.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 5 | 29.4 | 4 | 26.7 | 1 | 50.0 |
| 5 (Very important) | 2 | 11.8 | 2 | 13.3 | 0 | 0.0 |
| Total | 17 | 100.0 | 15 | 100.0 | 2 | 100.0 |

Note: 0 respondents provided an answer of N/A and 20 left it blank.

Written comments generally offered more context for the respondent's bank's reserve management strategy and actions. These comments did not have common themes.

C. If you rated option I or II in question 1.B as important (4) or very important (5), please indicate in the table below whether the asset adjustment actions were a component of your bank’s reserve management strategy over the last 6 months on a scale of 1 (not important) to 5 (very important). If the action is not applicable to your bank (for example, your bank does not engage in the described activity), please select “N/A”. If an action has already been taken and cannot be expanded beyond its current stance, please select “No Room for Further Adjustment”. If an important asset adjustment for your bank is not listed, or you would like to provide clarification on any action, please provide it in the comment box.

i. Increased lending in short-term unsecured money markets (for example, fed funds)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 11 | 100.0 | 11 | 100.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 11 | 100.0 | 11 | 100.0 | 0 | 0.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 13 respondents provided an answer of N/A, and 0 left it blank.

ii. Increased lending in short-term secured money markets (for example, reverse repurchase agreements against Treasury securities)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 12 | 66.7 | 12 | 75.0 | 0 | 0.0 |
| 2 | 2 | 11.1 | 1 | 6.3 | 1 | 50.0 |
| 3 | 1 | 5.6 | 1 | 6.3 | 0 | 0.0 |
| 4 | 1 | 5.6 | 1 | 6.3 | 0 | 0.0 |
| 5 (Very important) | 2 | 11.1 | 1 | 6.3 | 1 | 50.0 |
| Total | 18 | 100.0 | 16 | 100.0 | 2 | 100.0 |

Note: 2 respondents provided an answer of 'No Room for Further Adjustment', 5 respondents provided an answer of N/A, and 0 left it blank.

iii. Increased holdings of other Level 1 High Quality Liquid Assets (HQLA) (for example, purchase Treasury securities)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 4 | 17.4 | 4 | 18.2 | 0 | 0.0 |
| 2 | 1 | 4.3 | 1 | 4.5 | 0 | 0.0 |
| 3 | 4 | 17.4 | 3 | 13.6 | 1 | 100.0 |
| 4 | 7 | 30.4 | 7 | 31.8 | 0 | 0.0 |
| 5 (Very important) | 7 | 30.4 | 7 | 31.8 | 0 | 0.0 |
| Total | 23 | 100.0 | 22 | 100.0 | 1 | 100.0 |

Note: 0 respondents provided an answer of 'No Room for Further Adjustment', 2 respondents provided an answer of N/A, and 0 left it blank.

iv. Increased holdings of non-Level 1 HQLA securities (for example, mortgage-backed securities or corporate bonds)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 2 | 8.7 | 2 | 9.1 | 0 | 0.0 |
| 3 | 6 | 26.1 | 6 | 27.3 | 0 | 0.0 |
| 4 | 5 | 21.7 | 4 | 18.2 | 1 | 100.0 |
| 5 (Very important) | 10 | 43.5 | 10 | 45.5 | 0 | 0.0 |
| Total | 23 | 100.0 | 22 | 100.0 | 1 | 100.0 |

Note: 0 respondents provided an answer of 'No Room for Further Adjustment', 2 respondents provided an answer of N/A, and 0 left it blank.

v. Increased holdings of other non-HQLA assets (for example, commercial loans)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 3 | 14.3 | 3 | 15.0 | 0 | 0.0 |
| 2 | 3 | 14.3 | 2 | 10.0 | 1 | 100.0 |
| 3 | 1 | 4.8 | 1 | 5.0 | 0 | 0.0 |
| 4 | 6 | 28.6 | 6 | 30.0 | 0 | 0.0 |
| 5 (Very important) | 8 | 38.1 | 8 | 40.0 | 0 | 0.0 |
| Total | 21 | 100.0 | 20 | 100.0 | 1 | 100.0 |

Note: 0 respondents provided an answer of 'No Room for Further Adjustment', 4 respondents provided an answer of N/A, and 0 left it blank.

vi. Other (please explain in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 1 | 100.0 | 1 | 100.0 | 0 | 0.0 |
| Total | 1 | 100.0 | 1 | 100.0 | 0 | 0.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 7 respondents provided an answer of N/A, and 16 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

- D. If you rated option II or III in question 1.B as important (4) or very important (5), please indicate in the table below whether the liability adjustment actions were a component of your bank's reserve management strategy over the last 6 months on a scale of 1 (not important) to 5 (very important). If the action is not applicable to your bank (for example, your bank does not engage in the described activity), please select "N/A". If an action has already been taken and cannot be expanded beyond its current stance, please select "No Room for Further Adjustment". If an important liability adjustment for your bank is not listed, or you would like to provide clarification on any action, please provide it in the comment box.

i. Reduce deposit rates for operational deposits

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 9 | 39.1 | 8 | 38.1 | 1 | 50.0 |
| 2 | 2 | 8.7 | 2 | 9.5 | 0 | 0.0 |
| 3 | 2 | 8.7 | 2 | 9.5 | 0 | 0.0 |
| 4 | 6 | 26.1 | 5 | 23.8 | 1 | 50.0 |
| 5 (Very important) | 4 | 17.4 | 4 | 19.0 | 0 | 0.0 |
| Total | 23 | 100.0 | 21 | 100.0 | 2 | 100.0 |

Note: 4 respondents provided an answer of 'No Room for Further Adjustment', 5 respondents provided an answer of N/A, and 0 left it blank.

ii. Reduce deposit rates for non-operational deposits

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 20.0 | 5 | 22.7 | 0 | 0.0 |
| 2 | 1 | 4.0 | 1 | 4.5 | 0 | 0.0 |
| 3 | 2 | 8.0 | 2 | 9.1 | 0 | 0.0 |
| 4 | 7 | 28.0 | 5 | 22.7 | 2 | 66.7 |
| 5 (Very important) | 10 | 40.0 | 9 | 40.9 | 1 | 33.3 |
| Total | 25 | 100.0 | 22 | 100.0 | 3 | 100.0 |

Note: 5 respondents provided an answer of 'No Room for Further Adjustment', 2 respondents provided an answer of N/A, and 0 left it blank.

iii. Impose fees on operational deposits

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 15 | 93.8 | 14 | 93.3 | 1 | 100.0 |
| 2 | 1 | 6.3 | 1 | 6.7 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 16 | 100.0 | 15 | 100.0 | 1 | 100.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 15 respondents provided an answer of N/A, and 0 left it blank.

iv. Impose fees on non-operational deposits

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 16 | 94.1 | 15 | 93.8 | 1 | 100.0 |
| 2 | 1 | 5.9 | 1 | 6.3 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 17 | 100.0 | 16 | 100.0 | 1 | 100.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 14 respondents provided an answer of N/A, and 0 left it blank.

v. Impose caps on non-operational deposit inflows

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 10 | 45.5 | 9 | 47.4 | 1 | 33.3 |
| 2 | 4 | 18.2 | 4 | 21.1 | 0 | 0.0 |
| 3 | 2 | 9.1 | 1 | 5.3 | 1 | 33.3 |
| 4 | 4 | 18.2 | 4 | 21.1 | 0 | 0.0 |
| 5 (Very important) | 2 | 9.1 | 1 | 5.3 | 1 | 33.3 |
| Total | 22 | 100.0 | 19 | 100.0 | 3 | 100.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 9 respondents provided an answer of N/A, and 0 left it blank.

vi. Encourage clients to place funds in alternative liquid investments

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 6 | 26.1 | 5 | 22.7 | 1 | 100.0 |
| 2 | 4 | 17.4 | 4 | 18.2 | 0 | 0.0 |
| 3 | 5 | 21.7 | 5 | 22.7 | 0 | 0.0 |
| 4 | 2 | 8.7 | 2 | 9.1 | 0 | 0.0 |
| 5 (Very important) | 6 | 26.1 | 6 | 27.3 | 0 | 0.0 |
| Total | 23 | 100.0 | 22 | 100.0 | 1 | 100.0 |

Note: 0 respondents provided an answer of 'No Room for Further Adjustment', 9 respondents provided an answer of N/A, and 0 left it blank.

vii. Allowing outstanding term wholesale funding liabilities (for example, negotiable certificates of deposit or commercial paper) to mature without replacing

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 20.8 | 2 | 10.0 | 3 | 75.0 |
| 2 | 1 | 4.2 | 1 | 5.0 | 0 | 0.0 |
| 3 | 1 | 4.2 | 1 | 5.0 | 0 | 0.0 |
| 4 | 4 | 16.7 | 3 | 15.0 | 1 | 25.0 |
| 5 (Very important) | 13 | 54.2 | 13 | 65.0 | 0 | 0.0 |
| Total | 24 | 100.0 | 20 | 100.0 | 4 | 100.0 |

Note: 7 respondents provided an answer of 'No Room for Further Adjustment', 1 respondent provided an answer of N/A, and 0 left it blank.

viii. Decreased advances from FHLBs (“N/A” for banks that are not FHLB members)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 3 | 23.1 | 3 | 23.1 | 0 | 0.0 |
| 2 | 1 | 7.7 | 1 | 7.7 | 0 | 0.0 |
| 3 | 1 | 7.7 | 1 | 7.7 | 0 | 0.0 |
| 4 | 2 | 15.4 | 2 | 15.4 | 0 | 0.0 |
| 5 (Very important) | 6 | 46.2 | 6 | 46.2 | 0 | 0.0 |
| Total | 13 | 100.0 | 13 | 100.0 | 0 | 0.0 |

Note: 11 respondents provided an answer of ‘No Room for Further Adjustment’, 8 respondents provided an answer of N/A, and 0 left it blank.

ix. Other (please explain in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 1 | 20.0 | 1 | 25.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 2 | 40.0 | 2 | 50.0 | 0 | 0.0 |
| 5 (Very important) | 2 | 40.0 | 1 | 25.0 | 1 | 100.0 |
| Total | 5 | 100.0 | 4 | 100.0 | 1 | 100.0 |

Note: 1 respondent provided an answer of ‘No Room for Further Adjustment’, 7 respondents provided an answer of N/A, and 19 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

2.

A. Question 2 asks about your bank’s entire balance sheet. Did you take action to reduce the level or growth of your bank’s balance sheet in the past 6 months?

| | All Respondents | Domestic | Foreign |
|-------|-----------------|----------|---------|
| Yes | 21 | 17 | 4 |
| No | 58 | 28 | 30 |
| Total | 79 | 45 | 34 |

If you answered “No” to question 2.A, please skip to question 3.

B. Please rate the factors that prompted your bank to seek to reduce the level or growth of your balance sheet? Please rate the following factors on a scale of 1 (not important) to 5 (very important). If the factor is not applicable to your bank, please select “N/A”. If an important factor for you bank is not listed, or you would like to provide clarification on any action, please provide it in the comment box.

i. Net interest margin pressure

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 4 | 20.0 | 3 | 17.6 | 1 | 33.3 |
| 2 | 2 | 10.0 | 1 | 5.9 | 1 | 33.3 |
| 3 | 8 | 40.0 | 8 | 47.1 | 0 | 0.0 |
| 4 | 3 | 15.0 | 2 | 11.8 | 1 | 33.3 |
| 5 (Very important) | 3 | 15.0 | 3 | 17.6 | 0 | 0.0 |
| Total | 20 | 100.0 | 17 | 100.0 | 3 | 100.0 |

Note: 1 respondent provided an answer of N/A and 0 left it blank.

ii. Return on assets

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 25.0 | 4 | 23.5 | 1 | 33.3 |
| 2 | 4 | 20.0 | 3 | 17.6 | 1 | 33.3 |
| 3 | 6 | 30.0 | 5 | 29.4 | 1 | 33.3 |
| 4 | 1 | 5.0 | 1 | 5.9 | 0 | 0.0 |
| 5 (Very important) | 4 | 20.0 | 4 | 23.5 | 0 | 0.0 |
| Total | 20 | 100.0 | 17 | 100.0 | 3 | 100.0 |

Note: 1 respondent provided an answer of N/A and 0 left it blank.

iii. U.S. tier 1 leverage ratio

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 26.3 | 4 | 23.5 | 1 | 50.0 |
| 2 | 4 | 21.1 | 3 | 17.6 | 1 | 50.0 |
| 3 | 3 | 15.8 | 3 | 17.6 | 0 | 0.0 |
| 4 | 3 | 15.8 | 3 | 17.6 | 0 | 0.0 |
| 5 (Very important) | 4 | 21.1 | 4 | 23.5 | 0 | 0.0 |
| Total | 19 | 100.0 | 17 | 100.0 | 2 | 100.0 |

Note: 2 respondents provided an answer of N/A and 0 left it blank.

iv. U.S. supplementary leverage ratio (SLR) for bank holding companies

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 3 | 37.5 | 2 | 28.6 | 1 | 100.0 |
| 2 | 1 | 12.5 | 1 | 14.3 | 0 | 0.0 |
| 3 | 1 | 12.5 | 1 | 14.3 | 0 | 0.0 |
| 4 | 2 | 25.0 | 2 | 28.6 | 0 | 0.0 |
| 5 (Very important) | 1 | 12.5 | 1 | 14.3 | 0 | 0.0 |
| Total | 8 | 100.0 | 7 | 100.0 | 1 | 100.0 |

Note: 13 respondents provided an answer of N/A and 0 left it blank.

v. U.S. enhanced SLF (applicable only to U.S. GSIBs)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|----------------|----------------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 1 | 14.3 | 1 | 14.3 | Not Applicable | Not Applicable |
| 2 | 0 | 0.0 | 0 | 0.0 | Not Applicable | Not Applicable |
| 3 | 2 | 28.6 | 2 | 28.6 | Not Applicable | Not Applicable |
| 4 | 2 | 28.6 | 2 | 28.6 | Not Applicable | Not Applicable |
| 5 (Very important) | 2 | 28.6 | 2 | 28.6 | Not Applicable | Not Applicable |
| Total | 7 | 100.0 | 7 | 100.0 | Not Applicable | Not Applicable |

Note: 14 respondents provided an answer of N/A and 0 left it blank.

vi. U.S. GSIB capital surcharge

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|----------------|----------------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 1 | 14.3 | 1 | 14.3 | Not Applicable | Not Applicable |
| 2 | 0 | 0.0 | 0 | 0.0 | Not Applicable | Not Applicable |
| 3 | 1 | 14.3 | 1 | 14.3 | Not Applicable | Not Applicable |
| 4 | 2 | 28.6 | 2 | 28.6 | Not Applicable | Not Applicable |
| 5 (Very important) | 3 | 42.9 | 3 | 42.9 | Not Applicable | Not Applicable |
| Total | 7 | 100.0 | 7 | 100.0 | Not Applicable | Not Applicable |

Note: 14 respondents provided an answer of N/A and 0 left it blank.

vii. U.S. SLR for depository institutions

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 4 | 36.4 | 3 | 30.0 | 1 | 100.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 4 | 36.4 | 4 | 40.0 | 0 | 0.0 |
| 4 | 1 | 9.1 | 1 | 10.0 | 0 | 0.0 |
| 5 (Very important) | 2 | 18.2 | 2 | 20.0 | 0 | 0.0 |
| Total | 11 | 100.0 | 10 | 100.0 | 1 | 100.0 |

Note: 10 respondents provided an answer of N/A and 0 left it blank.

viii. Other U.S. regulations (Please specify in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 45.5 | 4 | 44.4 | 1 | 50.0 |
| 2 | 2 | 18.2 | 2 | 22.2 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 1 | 9.1 | 1 | 11.1 | 0 | 0.0 |
| 5 (Very important) | 3 | 27.3 | 2 | 22.2 | 1 | 50.0 |
| Total | 11 | 100.0 | 9 | 100.0 | 2 | 100.0 |

Note: 10 respondents provided an answer of N/A and 0 left it blank.

ix. Foreign regulations (Please specify in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 55.6 | 4 | 66.7 | 1 | 33.3 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 1 | 11.1 | 1 | 16.7 | 0 | 0.0 |
| 4 | 2 | 22.2 | 1 | 16.7 | 1 | 33.3 |
| 5 (Very important) | 1 | 11.1 | 0 | 0.0 | 1 | 33.3 |
| Total | 9 | 100.0 | 6 | 100.0 | 3 | 100.0 |

Note: 11 respondents provided an answer of N/A and 1 left it blank.

x. Internal metrics (Please specify in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 5 | 41.7 | 5 | 55.6 | 0 | 0.0 |
| 2 | 1 | 8.3 | 1 | 11.1 | 0 | 0.0 |
| 3 | 1 | 8.3 | 0 | 0.0 | 1 | 33.3 |
| 4 | 2 | 16.7 | 1 | 11.1 | 1 | 33.3 |
| 5 (Very important) | 3 | 25.0 | 2 | 22.2 | 1 | 33.3 |
| Total | 12 | 100.0 | 9 | 100.0 | 3 | 100.0 |

Note: 7 respondents provided an answer of N/A and 2 left it blank.

xi. Other (please explain in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 2 | 40.0 | 2 | 40.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 1 | 20.0 | 1 | 20.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 2 | 40.0 | 2 | 40.0 | 0 | 0.0 |
| Total | 5 | 100.0 | 5 | 100.0 | 0 | 0.0 |

Note: 10 respondents provided an answer of N/A and 6 left it blank.

Most written comments reinforced or elaborated on views already expressed, with some providing examples of specific regulations. Some respondents offered additional factors that prompted their bank's actions but these comments did not have common themes.

3.

A. Looking ahead to the next 6 months, do you expect your bank to: (select one)

| | All respondents | | Domestic | | Foreign | |
|--|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| I. Take actions to reduce either the level or growth in your reserve balances | 33 | 41.8 | 29 | 64.4 | 4 | 11.8 |
| II. Not take specific actions to adjust the level or growth in your reserve balances | 44 | 55.7 | 14 | 31.1 | 30 | 88.2 |
| III. Take actions to increase either the level or growth in your reserve balances | 2 | 2.5 | 2 | 4.4 | 0 | 0.0 |
| Total | 79 | 100.0 | 45 | 100.0 | 34 | 100.0 |

If you answered II or III to question 3.A, please skip to question 4.

B. Please rate the likelihood that your bank would pursue the actions listed in the table below over the next 6 months in order to reduce the level or growth of your bank's balance sheet. Please rate the following actions on a scale of 1 (very unlikely) to 5 (very likely). If the action is not applicable to your bank, please select "N/A". If an action has already been taken and cannot be expanded beyond its current stance, please select "No Room for Further Adjustment". If an important action for your bank is not listed, or you would like to provide clarification on any action, please provide it in the comment box.

i. Reduce deposit rates for operational deposits

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 11 | 47.8 | 10 | 45.5 | 1 | 100.0 |
| 2 | 4 | 17.4 | 4 | 18.2 | 0 | 0.0 |
| 3 | 4 | 17.4 | 4 | 18.2 | 0 | 0.0 |
| 4 | 3 | 13.0 | 3 | 13.6 | 0 | 0.0 |
| 5 (Very likely) | 1 | 4.3 | 1 | 4.5 | 0 | 0.0 |
| Total | 23 | 100.0 | 22 | 100.0 | 1 | 100.0 |

Note: 7 respondents provided an answer of 'No Room for Further Adjustment', 3 respondents provided an answer of N/A, and 0 left it blank.

ii. Reduce deposit rates for non-operational deposits

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 5 | 19.2 | 5 | 21.7 | 0 | 0.0 |
| 2 | 5 | 19.2 | 5 | 21.7 | 0 | 0.0 |
| 3 | 4 | 15.4 | 3 | 13.0 | 1 | 33.3 |
| 4 | 4 | 15.4 | 3 | 13.0 | 1 | 33.3 |
| 5 (Very likely) | 8 | 30.8 | 7 | 30.4 | 1 | 33.3 |
| Total | 26 | 100.0 | 23 | 100.0 | 3 | 100.0 |

Note: 6 respondents provided an answer of 'No Room for Further Adjustment', 1 respondent provided an answer of N/A, and 0 left it blank.

iii. Impose fees on operational deposits

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 19 | 70.4 | 17 | 68.0 | 2 | 100.0 |
| 2 | 7 | 25.9 | 7 | 28.0 | 0 | 0.0 |
| 3 | 1 | 3.7 | 1 | 4.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very likely) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 27 | 100.0 | 25 | 100.0 | 2 | 100.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 5 respondents provided an answer of N/A, and 0 left it blank.

iv. Impose fees on non-operational deposits

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 17 | 63.0 | 15 | 60.0 | 2 | 100.0 |
| 2 | 7 | 25.9 | 7 | 28.0 | 0 | 0.0 |
| 3 | 1 | 3.7 | 1 | 4.0 | 0 | 0.0 |
| 4 | 1 | 3.7 | 1 | 4.0 | 0 | 0.0 |
| 5 (Very likely) | 1 | 3.7 | 1 | 4.0 | 0 | 0.0 |
| Total | 27 | 100.0 | 25 | 100.0 | 2 | 100.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 5 respondents provided an answer of N/A, and 0 left it blank.

v. Impose caps on non-operational deposit inflows

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 12 | 40.0 | 10 | 37.0 | 2 | 66.7 |
| 2 | 4 | 13.3 | 4 | 14.8 | 0 | 0.0 |
| 3 | 3 | 10.0 | 3 | 11.1 | 0 | 0.0 |
| 4 | 6 | 20.0 | 6 | 22.2 | 0 | 0.0 |
| 5 (Very likely) | 5 | 16.7 | 4 | 14.8 | 1 | 33.3 |
| Total | 30 | 100.0 | 27 | 100.0 | 3 | 100.0 |

Note: 0 respondents provided an answer of 'No Room for Further Adjustment', 3 respondents provided an answer of N/A, and 0 left it blank.

vi. Impose caps on non-operational deposit inflows

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 6 | 20.0 | 6 | 20.7 | 0 | 0.0 |
| 2 | 7 | 23.3 | 6 | 20.7 | 1 | 100.0 |
| 3 | 3 | 10.0 | 3 | 10.3 | 0 | 0.0 |
| 4 | 3 | 10.0 | 3 | 10.3 | 0 | 0.0 |
| 5 (Very likely) | 11 | 36.7 | 11 | 37.9 | 0 | 0.0 |
| Total | 30 | 100.0 | 29 | 100.0 | 1 | 100.0 |

Note: 0 respondents provided an answer of 'No Room for Further Adjustment', 3 respondents provided an answer of N/A, and 0 left it blank.

vii. Encourage clients to place funds in alternative liquid investments

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 3 | 15.0 | 3 | 15.8 | 0 | 0.0 |
| 2 | 1 | 5.0 | 1 | 5.3 | 0 | 0.0 |
| 3 | 2 | 10.0 | 2 | 10.5 | 0 | 0.0 |
| 4 | 3 | 15.0 | 3 | 15.8 | 0 | 0.0 |
| 5 (Very likely) | 11 | 55.0 | 10 | 52.6 | 1 | 100.0 |
| Total | 20 | 100.0 | 19 | 100.0 | 1 | 100.0 |

Note: 12 respondents provided an answer of 'No Room for Further Adjustment', 1 respondent provided an answer of N/A, and 0 left it blank.

viii. Decrease advances from FHLBs (“N/A” for banks that are not FHLB members)

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 2 | 18.2 | 2 | 18.2 | 0 | 0.0 |
| 2 | 2 | 18.2 | 2 | 18.2 | 0 | 0.0 |
| 3 | 1 | 9.1 | 1 | 9.1 | 0 | 0.0 |
| 4 | 1 | 9.1 | 1 | 9.1 | 0 | 0.0 |
| 5 (Very likely) | 5 | 45.5 | 5 | 45.5 | 0 | 0.0 |
| Total | 11 | 100.0 | 11 | 100.0 | 0 | 0.0 |

Note: 18 respondents provided an answer of 'No Room for Further Adjustment', 4 respondents provided an answer of N/A, and 0 left it blank.

ix. Other (Please specify in comment box)

| | All respondents | | Domestic | | Foreign | |
|-------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Very unlikely) | 1 | 25.0 | 1 | 33.3 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 1 | 25.0 | 0 | 0.0 | 1 | 100.0 |
| 5 (Very likely) | 2 | 50.0 | 2 | 66.7 | 0 | 0.0 |
| Total | 4 | 100.0 | 3 | 100.0 | 1 | 100.0 |

Note: 1 respondent provided an answer of 'No Room for Further Adjustment', 7 respondents provided an answer of N/A, and 21 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

4. If you would like to share any additional information relevant to your reserve or balance sheet management strategy, please do so in the comment box below.

Twenty-three respondents provided substantive comments. Most of the comments reinforced or elaborated on views that had already been expressed. Some respondents provided more context for their bank's reserve and balance sheet management strategies, but these comments did not have common themes.

Part 2: Overnight Wholesale Funding Market Activity

The questions in Part 2 of the survey ask you to explain the considerations that motivate your bank's activity in overnight wholesale funding markets such as fed funds, Eurodollars, and repurchase agreements. If your bank is affiliated with a broker-dealer, do not include the normal financing activity of your broker-dealer for the purposes of these questions.

- 5.
- A. Is your bank an active borrower in unsecured (federal funds, Eurodollars, or commercial paper) overnight wholesale funding markets (Yes or No)? For the purposes of this question, consider an active borrower as a bank that borrows for non-test purposes at least once a month.

| | All Respondents | Domestic | Foreign |
|-------|-----------------|----------|---------|
| Yes | 28 | 2 | 26 |
| No | 51 | 43 | 8 |
| Total | 79 | 45 | 34 |

If you answered No to question 5.A, please skip to question 6.

- B. Please rate the importance of the following motivations for your bank's current borrowing in unsecured overnight wholesale funding markets on a scale of 1 (not important) to 5 (very important), or if the factor is not applicable to your bank's decisions, please select "N/A". If an important motivation for your bank is not listed, or you would like to provide clarification on any motivation, please provide it in the comment box.

i. Earning a positive spread on the proceeds by investing at Interest on Reserve Balances (IORB)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 4 | 14.3 | 0 | 0.0 | 4 | 15.4 |
| 2 | 3 | 10.7 | 0 | 0.0 | 3 | 11.5 |
| 3 | 4 | 14.3 | 0 | 0.0 | 4 | 15.4 |
| 4 | 10 | 35.7 | 2 | 100.0 | 8 | 30.8 |
| 5 (Very important) | 7 | 25.0 | 0 | 0.0 | 7 | 26.9 |
| Total | 28 | 100.0 | 2 | 100.0 | 26 | 100.0 |

Note: 0 respondents provided an answer of N/A and 0 left it blank.

ii. Meeting anticipated intraday payment or liquidity needs

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 8 | 32.0 | 1 | 50.0 | 7 | 30.4 |
| 2 | 6 | 24.0 | 0 | 0.0 | 6 | 26.1 |
| 3 | 2 | 8.0 | 0 | 0.0 | 2 | 8.7 |
| 4 | 6 | 24.0 | 1 | 50.0 | 5 | 21.7 |
| 5 (Very important) | 3 | 12.0 | 0 | 0.0 | 3 | 13.0 |
| Total | 25 | 100.0 | 2 | 100.0 | 23 | 100.0 |

Note: 3 respondents provided an answer of N/A and 0 left it blank.

iii. Borrowing to provide a short-term investment option to customers to maintain relationships

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 2 | 7.4 | 1 | 50.0 | 1 | 4.0 |
| 2 | 7 | 25.9 | 1 | 50.0 | 6 | 24.0 |
| 3 | 2 | 7.4 | 0 | 0.0 | 2 | 8.0 |
| 4 | 5 | 18.5 | 0 | 0.0 | 5 | 20.0 |
| 5 (Very important) | 11 | 40.7 | 0 | 0.0 | 11 | 44.0 |
| Total | 27 | 100.0 | 2 | 100.0 | 25 | 100.0 |

Note: 1 respondent provided an answer of N/A and 0 left it blank.

iv. Improving or maintaining regulatory (e.g., LCR) metrics

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 6 | 24.0 | 1 | 50.0 | 5 | 21.7 |
| 2 | 4 | 16.0 | 1 | 50.0 | 3 | 13.0 |
| 3 | 5 | 20.0 | 0 | 0.0 | 5 | 21.7 |
| 4 | 7 | 28.0 | 0 | 0.0 | 7 | 30.4 |
| 5 (Very important) | 3 | 12.0 | 0 | 0.0 | 3 | 13.0 |
| Total | 25 | 100.0 | 2 | 100.0 | 23 | 100.0 |

Note: 3 respondents provided an answer of N/A and 0 left it blank.

v. Executing relative value trades across borrowing and lending markets

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 10 | 47.6 | 2 | 100.0 | 8 | 42.1 |
| 2 | 3 | 14.3 | 0 | 0.0 | 3 | 15.8 |
| 3 | 5 | 23.8 | 0 | 0.0 | 5 | 26.3 |
| 4 | 3 | 14.3 | 0 | 0.0 | 3 | 15.8 |
| 5 (Very important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 21 | 100.0 | 2 | 100.0 | 19 | 100.0 |

Note: 7 respondents provided an answer of N/A and 0 left it blank.

vi. Other (Please explain in comment below)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 1 | 100.0 | 1 | 100.0 | 0 | 0.0 |
| Total | 1 | 100.0 | 1 | 100.0 | 0 | 0.0 |

Note: 12 respondents provided an answer of N/A and 15 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

- C. The table below lists potential factors that may dampen a bank's overnight unsecured borrowing activity. Please indicate whether these factors have affected your bank's activity on a scale of 1 (no effect on activity), 5 (very significant effect on activity), or if the factor is not applicable to your bank's decisions, please select "N/A". If an important motivation for your bank is not listed, or you would like to provide clarification on any motivation, please provide it in the comment box.

i. Lender counterparty credit limits

| | All respondents | | Domestic | | Foreign | |
|---|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (no effect on activity) | 15 | 55.6 | 2 | 100.0 | 13 | 52.0 |
| 2 | 6 | 22.2 | 0 | 0.0 | 6 | 24.0 |
| 3 | 4 | 14.8 | 0 | 0.0 | 4 | 16.0 |
| 4 | 2 | 7.4 | 0 | 0.0 | 2 | 8.0 |
| 5 (very significant effect on activity) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 27 | 100.0 | 2 | 100.0 | 25 | 100.0 |

Note: 1 respondent provided an answer of N/A and 0 left it blank.

ii. Limited available liquidity in the market

| | All respondents | | Domestic | | Foreign | |
|---|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (no effect on activity) | 17 | 65.4 | 2 | 100.0 | 15 | 62.5 |
| 2 | 1 | 3.8 | 0 | 0.0 | 1 | 4.2 |
| 3 | 3 | 11.5 | 0 | 0.0 | 3 | 12.5 |
| 4 | 4 | 15.4 | 0 | 0.0 | 4 | 16.7 |
| 5 (very significant effect on activity) | 1 | 3.8 | 0 | 0.0 | 1 | 4.2 |
| Total | 26 | 100.0 | 2 | 100.0 | 24 | 100.0 |

Note: 2 respondents provided an answer of N/A and 0 left it blank.

iii. Balance sheet size constraints

| | All respondents | | Domestic | | Foreign | |
|---|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (no effect on activity) | 3 | 10.7 | 1 | 50.0 | 2 | 7.7 |
| 2 | 3 | 10.7 | 0 | 0.0 | 3 | 11.5 |
| 3 | 10 | 35.7 | 1 | 50.0 | 9 | 34.6 |
| 4 | 5 | 17.9 | 0 | 0.0 | 5 | 19.2 |
| 5 (very significant effect on activity) | 7 | 25.0 | 0 | 0.0 | 7 | 26.9 |
| Total | 28 | 100.0 | 2 | 100.0 | 26 | 100.0 |

Note: 0 respondents provided an answer of N/A and 0 left it blank.

iv. Internal governance/ approval processes

| | All respondents | | Domestic | | Foreign | |
|---|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (no effect on activity) | 10 | 38.5 | 2 | 100.0 | 8 | 33.3 |
| 2 | 4 | 15.4 | 0 | 0.0 | 4 | 16.7 |
| 3 | 7 | 26.9 | 0 | 0.0 | 7 | 29.2 |
| 4 | 2 | 7.7 | 0 | 0.0 | 2 | 8.3 |
| 5 (very significant effect on activity) | 3 | 11.5 | 0 | 0.0 | 3 | 12.5 |
| Total | 26 | 100.0 | 2 | 100.0 | 24 | 100.0 |

Note: 2 respondents provided an answer of N/A and 0 left it blank.

v. Unattractive expected risk-adjusted return

| | All respondents | | Domestic | | Foreign | |
|---|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (no effect on activity) | 10 | 40.0 | 0 | 0.0 | 10 | 43.5 |
| 2 | 5 | 20.0 | 0 | 0.0 | 5 | 21.7 |
| 3 | 3 | 12.0 | 0 | 0.0 | 3 | 13.0 |
| 4 | 5 | 20.0 | 1 | 50.0 | 4 | 17.4 |
| 5 (very significant effect on activity) | 2 | 8.0 | 1 | 50.0 | 1 | 4.3 |
| Total | 25 | 100.0 | 2 | 100.0 | 23 | 100.0 |

Note: 3 respondents provided an answer of N/A and 0 left it blank.

vi. Other (Please explain in comment below)

| | All respondents | | Domestic | | Foreign | |
|---|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (no effect on activity) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (very significant effect on activity) | 1 | 100.0 | 0 | 0.0 | 1 | 100.0 |
| Total | 1 | 100.0 | 0 | 0.0 | 1 | 100.0 |

Note: 11 respondents provided an answer of N/A and 16 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

6. What is the smallest spread above IORB at which your bank would be willing to invest reserve balances into the following high-quality liquid assets? If your bank would not invest in the asset irrespective of the spread, please enter “N/A”.

i. Overnight Treasury reverse repos

| | All respondents | | Domestic | | Foreign | |
|----------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 10 bps or less | 59 | 90.8 | 35 | 87.5 | 24 | 96.0 |
| 11-25 bps | 5 | 7.7 | 5 | 12.5 | 0 | 0.0 |
| 26-50 bps | 1 | 1.5 | 0 | 0.0 | 1 | 4.0 |
| 51-100 bps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| greater than 100 bps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 65 | 100.0 | 40 | 100.0 | 25 | 100.0 |

Note: 13 respondents provided an answer of N/A and 1 left it blank.

ii. Short-dated Treasury securities (remaining maturity of 1 year or less)

| | All respondents | | Domestic | | Foreign | |
|----------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 10 bps or less | 43 | 70.5 | 22 | 59.5 | 21 | 87.5 |
| 11-25 bps | 15 | 24.6 | 12 | 32.4 | 3 | 12.5 |
| 26-50 bps | 2 | 3.3 | 2 | 5.4 | 0 | 0.0 |
| 51-100 bps | 1 | 1.6 | 1 | 2.7 | 0 | 0.0 |
| greater than 100 bps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 61 | 100.0 | 37 | 100.0 | 24 | 100.0 |

Note: 17 respondents provided an answer of N/A and 1 left it blank.

iii. Intermediate Treasury securities (remaining maturity between 1 year and 5 years)

| | All respondents | | Domestic | | Foreign | |
|----------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 10 bps or less | 15 | 28.3 | 3 | 9.1 | 12 | 60.0 |
| 11-25 bps | 9 | 17.0 | 5 | 15.2 | 4 | 20.0 |
| 26-50 bps | 9 | 17.0 | 6 | 18.2 | 3 | 15.0 |
| 51-100 bps | 14 | 26.4 | 14 | 42.4 | 0 | 0.0 |
| greater than 100 bps | 6 | 11.3 | 5 | 15.2 | 1 | 5.0 |
| Total | 53 | 100.0 | 33 | 100.0 | 20 | 100.0 |

Note: 24 respondents provided an answer of N/A and 2 left it blank.

iv. Longer-dated Treasury securities (remaining maturity greater than 5 years)

| | All respondents | | Domestic | | Foreign | |
|----------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 10 bps or less | 2 | 4.3 | 0 | 0.0 | 2 | 15.4 |
| 11-25 bps | 13 | 28.3 | 5 | 15.2 | 8 | 61.5 |
| 26-50 bps | 3 | 6.5 | 2 | 6.1 | 1 | 7.7 |
| 51-100 bps | 6 | 13.0 | 5 | 15.2 | 1 | 7.7 |
| greater than 100 bps | 22 | 47.8 | 21 | 63.6 | 1 | 7.7 |
| Total | 46 | 100.0 | 33 | 100.0 | 13 | 100.0 |

Note: 31 respondents provided an answer of N/A and 2 left it blank.

v. FX deposits at foreign central banks

| | All respondents | | Domestic | | Foreign | |
|----------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 10 bps or less | 17 | 77.3 | 3 | 37.5 | 14 | 100.0 |
| 11-25 bps | 3 | 13.6 | 3 | 37.5 | 0 | 0.0 |
| 26-50 bps | 1 | 4.5 | 1 | 12.5 | 0 | 0.0 |
| 51-100 bps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| greater than 100 bps | 1 | 4.5 | 1 | 12.5 | 0 | 0.0 |
| Total | 22 | 100.0 | 8 | 100.0 | 14 | 100.0 |

Note: 55 respondents provided an answer of N/A and 2 left it blank.

vi. Non-USD sovereign debt

| | All respondents | | Domestic | | Foreign | |
|----------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 10 bps or less | 5 | 26.3 | 2 | 18.2 | 3 | 37.5 |
| 11-25 bps | 6 | 31.6 | 3 | 27.3 | 3 | 37.5 |
| 26-50 bps | 4 | 21.1 | 3 | 27.3 | 1 | 12.5 |
| 51-100 bps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| greater than 100 bps | 4 | 21.1 | 3 | 27.3 | 1 | 12.5 |
| Total | 19 | 100.0 | 11 | 100.0 | 8 | 100.0 |

Note: 58 respondents provided an answer of N/A and 2 left it blank.

7. If you would like to share any comments on your bank's money market activity or current money market conditions, please do so in the comment box below.

Sixteen respondents provided substantive comments. Many of the comments reinforced or elaborated on views that had already been expressed. In addition, several respondents provided more context for their bank's money market strategies and activities, with some noting that the minimum spreads expressed in response to the previous question were subject to change based on market conditions and rate expectations.

Part 3: Standing Repo Facility

On July 28, the Federal Open Market Committee (FOMC) announced⁹ the establishment of a standing repurchase agreement (repo) facility (SRF) that would serve as a backstop in money markets to support the effective implementation of monetary policy and smooth market functioning. In addition, the FOMC announced that SRF counterparties would be expanded to include depository institutions subject to initial criteria established to effectively manage onboarding of interested depository institutions.

On July 28, the Open Markets Trading Desk at the Federal Reserve Bank of New York (“the Desk”) announced¹⁰ eligibility criteria for interested depository institutions. The initial eligibility criteria for interested depository institutions to become counterparties to the SRF indicate that institutions with holdings of Treasury, agency debt, and agency mortgage-backed securities greater than \$5 billion or with total assets greater than \$30 billion as of the last quarter for which FFIEC reports are available can express interest. These criteria will be adjusted over time to expand depository institution eligibility. On August 31, the Desk released¹¹ its expression of interest form for SRF counterparties.

8. In light of these actions, how would you characterize your bank’s status relative to the initial eligibility criteria for becoming a counterparty to the SRF (select one):

| | All respondents | | Domestic | | Foreign | |
|--|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| I. My bank is a primary dealer that already has access to the SRF | 4 | 5.1 | 0 | 0.0 | 4 | 11.8 |
| II. My bank meets either the initial securities holdings or total assets eligibility criteria, and intends to or has expressed interest in becoming a counterparty | 26 | 32.9 | 19 | 42.2 | 7 | 20.6 |
| III. My bank meets the initial eligibility criteria, and does not intend to express interest in becoming a counterparty at this time | 35 | 44.3 | 25 | 55.6 | 10 | 29.4 |
| IV. My bank does not meet the initial eligibility criteria, and would express interest in becoming a counterparty when initial criteria are adjusted | 5 | 6.3 | 0 | 0.0 | 5 | 14.7 |
| V. My bank does not meet the initial eligibility criteria, and would not expect to express interest in becoming a counterparty even when the initial criteria are adjusted | 9 | 11.4 | 1 | 2.2 | 8 | 23.5 |
| Total | 79 | 100.0 | 45 | 100.0 | 34 | 100.0 |

9. If you answered III or V to question 8, that you are not interest in becoming a counterparty even when the initial eligibility criteria are adjusted, please rate factors behind your bank’s outlook on a scale of 1 (not important) to 5 (very important). If the factor is not applicable to your bank, please select “N/A”. If an important factor for your bank is not listed, or you would like to provide clarification on any factors, please provide it in the comment box.

⁹ <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210728b.htm>

¹⁰ https://www.newyorkfed.org/markets/opolicy/operating_policy_210728

¹¹ https://www.newyorkfed.org/markets/opolicy/operating_policy_210831

i. My bank does not need an additional source of liquidity

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 10 | 28.6 | 7 | 31.8 | 3 | 23.1 |
| 2 | 2 | 5.7 | 1 | 4.5 | 1 | 7.7 |
| 3 | 4 | 11.4 | 0 | 0.0 | 4 | 30.8 |
| 4 | 6 | 17.1 | 4 | 18.2 | 2 | 15.4 |
| 5 (Very important) | 13 | 37.1 | 10 | 45.5 | 3 | 23.1 |
| Total | 35 | 100.0 | 22 | 100.0 | 13 | 100.0 |

Note: 7 respondents provided an answer of N/A and 2 left it blank.

ii. SRF rate is set at a backstop level and is more expensive relative to other backup funding sources

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 13 | 37.1 | 8 | 38.1 | 5 | 35.7 |
| 2 | 3 | 8.6 | 1 | 4.8 | 2 | 14.3 |
| 3 | 7 | 20.0 | 6 | 28.6 | 1 | 7.1 |
| 4 | 4 | 11.4 | 3 | 14.3 | 1 | 7.1 |
| 5 (Very important) | 8 | 22.9 | 3 | 14.3 | 5 | 35.7 |
| Total | 35 | 100.0 | 21 | 100.0 | 14 | 100.0 |

Note: 7 respondents provided an answer of N/A and 2 left it blank.

iii. My bank is not set up to transact as a cash borrower on the tri-party platform and the incremental cost of establishing and maintaining this capacity exceeds the benefit of being an SFR counterparty

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 6 | 18.2 | 5 | 22.7 | 1 | 9.1 |
| 2 | 3 | 9.1 | 3 | 13.6 | 0 | 0.0 |
| 3 | 6 | 18.2 | 3 | 13.6 | 3 | 27.3 |
| 4 | 7 | 21.2 | 5 | 22.7 | 2 | 18.2 |
| 5 (Very important) | 11 | 33.3 | 6 | 27.3 | 5 | 45.5 |
| Total | 33 | 100.0 | 22 | 100.0 | 11 | 100.0 |

Note: 9 respondents provided an answer of N/A and 2 left it blank.

iv. My bank does not have a material amount of SRF-eligible assets

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 20 | 58.8 | 18 | 90.0 | 2 | 14.3 |
| 2 | 3 | 8.8 | 0 | 0.0 | 3 | 21.4 |
| 3 | 3 | 8.8 | 1 | 5.0 | 2 | 14.3 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 8 | 23.5 | 1 | 5.0 | 7 | 50.0 |
| Total | 34 | 100.0 | 20 | 100.0 | 14 | 100.0 |

Note: 8 respondents provided an answer of N/A and 2 left it blank.

v. Discount window offers more flexibility with respect to the time of day relative to SRF

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 14 | 38.9 | 11 | 50.0 | 3 | 21.4 |
| 2 | 3 | 8.3 | 1 | 4.5 | 2 | 14.3 |
| 3 | 8 | 22.2 | 5 | 22.7 | 3 | 21.4 |
| 4 | 5 | 13.9 | 2 | 9.1 | 3 | 21.4 |
| 5 (Very important) | 6 | 16.7 | 3 | 13.6 | 3 | 21.4 |
| Total | 36 | 100.0 | 22 | 100.0 | 14 | 100.0 |

Note: 6 respondents provided an answer of N/A and 2 left it blank.

vi. Discount window accepts a wider range of collateral than the SRF

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 15 | 42.9 | 10 | 45.5 | 5 | 38.5 |
| 2 | 3 | 8.6 | 2 | 9.1 | 1 | 7.7 |
| 3 | 8 | 22.9 | 4 | 18.2 | 4 | 30.8 |
| 4 | 6 | 17.1 | 4 | 18.2 | 2 | 15.4 |
| 5 (Very important) | 3 | 8.6 | 2 | 9.1 | 1 | 7.7 |
| Total | 35 | 100.0 | 22 | 100.0 | 13 | 100.0 |

Note: 7 respondents provided an answer of N/A and 2 left it blank.

vii. SRF activity cannot be netted against other repo activity

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 21 | 72.4 | 14 | 73.7 | 7 | 70.0 |
| 2 | 3 | 10.3 | 2 | 10.5 | 1 | 10.0 |
| 3 | 1 | 3.4 | 1 | 5.3 | 0 | 0.0 |
| 4 | 3 | 10.3 | 2 | 10.5 | 1 | 10.0 |
| 5 (Very important) | 1 | 3.4 | 0 | 0.0 | 1 | 10.0 |
| Total | 29 | 100.0 | 19 | 100.0 | 10 | 100.0 |

Note: 12 respondents provided an answer of N/A and 3 left it blank.

viii. Other (Please explain in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 1 | 14.3 | 1 | 50.0 | 0 | 0.0 |
| 4 | 1 | 14.3 | 0 | 0.0 | 1 | 20.0 |
| 5 (Very important) | 5 | 71.4 | 1 | 50.0 | 4 | 80.0 |
| Total | 7 | 100.0 | 2 | 100.0 | 5 | 100.0 |

Note: 12 respondents provided an answer of N/A and 25 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

10. If you answered II or IV to question 8, that you are interested in becoming a counterparty, please rate the following factors on a scale of 1 (not important) to 5 (very important) in explaining your answer. If the factor is not applicable to your bank, please select "N/A". If an important factor for your bank is not listed, or you would like to provide clarification on any factors please provide it in the comment box.

- i. My bank holds a large amount of eligible securities, so additional liquidity source is beneficial

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 3 | 9.7 | 1 | 5.3 | 2 | 16.7 |
| 2 | 3 | 9.7 | 1 | 5.3 | 2 | 16.7 |
| 3 | 9 | 29.0 | 6 | 31.6 | 3 | 25.0 |
| 4 | 7 | 22.6 | 4 | 21.1 | 3 | 25.0 |
| 5 (Very important) | 9 | 29.0 | 7 | 36.8 | 2 | 16.7 |
| Total | 31 | 100.0 | 19 | 100.0 | 12 | 100.0 |

Note: 0 respondents provided an answer of N/A and 0 left it blank.

- ii. The incremental cost would be low to become an SRF counterparty, given that my bank already has or is planning to put in place arrangements to receive cash in the triparty repo market

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 4 | 15.4 | 2 | 11.1 | 2 | 25.0 |
| 2 | 6 | 23.1 | 5 | 27.8 | 1 | 12.5 |
| 3 | 9 | 34.6 | 7 | 38.9 | 2 | 25.0 |
| 4 | 4 | 15.4 | 3 | 16.7 | 1 | 12.5 |
| 5 (Very important) | 3 | 11.5 | 1 | 5.6 | 2 | 25.0 |
| Total | 26 | 100.0 | 18 | 100.0 | 8 | 100.0 |

Note: 5 respondents provided an answer of N/A and 0 left it blank.

- iii. SRF complements discount window as a backstop liquidity source

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 7 | 22.6 | 5 | 26.3 | 2 | 16.7 |
| 3 | 6 | 19.4 | 4 | 21.1 | 2 | 16.7 |
| 4 | 7 | 22.6 | 4 | 21.1 | 3 | 25.0 |
| 5 (Very important) | 11 | 35.5 | 6 | 31.6 | 5 | 41.7 |
| Total | 31 | 100.0 | 19 | 100.0 | 12 | 100.0 |

Note: 0 respondents provided an answer of N/A and 0 left it blank.

- iv. Increases my short-term monetization capacity for my HQLA/Highly Liquid Assets (HLA) portfolio

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 2 | 6.7 | 1 | 5.6 | 1 | 8.3 |
| 2 | 5 | 16.7 | 3 | 16.7 | 2 | 16.7 |
| 3 | 7 | 23.3 | 5 | 27.8 | 2 | 16.7 |
| 4 | 8 | 26.7 | 4 | 22.2 | 4 | 33.3 |
| 5 (Very important) | 8 | 26.7 | 5 | 27.8 | 3 | 25.0 |
| Total | 30 | 100.0 | 18 | 100.0 | 12 | 100.0 |

Note: 1 respondent provided an answer of N/A and 0 left it blank.

v. Other (Please explain in comment box)

| | All respondents | | Domestic | | Foreign | |
|--------------------|-----------------|---------|----------|---------|---------|---------|
| | Banks | Percent | Banks | Percent | Banks | Percent |
| 1 (Not important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 5 (Very important) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |

Note: 10 respondents provided an answer of N/A and 21 left it blank.

Written comments generally reinforced or elaborated on views that had already been expressed.

11. If you would like to share any additional comments on the standing repo facility, please do so in the comment box below.

Eleven respondents provided substantive comments. Some of the comments reinforced or elaborated on views that had already been expressed. Other responses offered opinions on the potential effectiveness of the SRF, but these comments did not have common themes.