ISLA™

Securities Lending Market Report

>>> An ISLA Publication | 19th Edition | June 2023

Securities Lending Biannual Market Report

Jun 2023

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Foreword

Welcome to the 19th edition of ISLA's Securities Lending Market Report

Recent reports suggest that our markets generated US$7.02 billion in securities lending revenues during the first half of 2023, nearing heights not seen since 2008 when reported revenues for the half-year reached US$8.4 billion.

Similarly, financing businesses within prime brokers have delivered strong results so far this year. Even as deal-making, commercial property, and the tech sectors have been in the doldrums, the servicing of hedge fund clients, and particularly financing, has been resilient. While other businesses within investment firms may have some elements of cyclicality, it is clear that the provision of liquidity in the form of short coverage, hedging, and financing remains fundamental to the smooth running of our capital markets.

I have already mentioned 2008 in the context of the profitability that we are seeing in today's markets, but to some extent, and while the numbers may look similar, further comparisons are less compelling in my view. Today, banks are better capitalised and highly regulated, and although something like the LDI crisis did add stress to the markets, specific bank failures have thus far been restricted mainly to particular funding and balance sheet profiles.

In terms of regulation and thinking back to the immediate aftermath of the financial crisis, the final elements of the Basel regime that are working their way through the regulatory pipelines in most major jurisdictions can trace their history back to the roots of the financial crisis itself. While much has already been written about the impact the so-called Basel IV regime will have across our markets, there is no doubt, in my view, that not enough credence within the rules is given to short-dated liquidity-driven businesses, including SFTs.

The most recent proposal from the Fed in North America suggests that the largest banks will need significantly more capital to support the higher levels of reported Risk Weighted Assets (RWA) than the revised regime will require. This raises several important issues as new capital may not be that readily available. Investors may be less inclined to subscribe to new equity issuance, and growth from retained earnings can take years to reach the desired levels. In reality, we may see banks simply reducing or exiting those businesses that are high consumers of RWAs. While market participants can create new and novel solutions to reduce some of the extreme outcomes of this regime, the way that we all think about engaging with prudentially regulated entities is about to change. ISLA follows these developments closely and is already working with market participants and wider stakeholders to try and ensure that our markets remain open and are able to provide the liquidity that is the lifeblood of the capital markets that we all cherish.

In closing, I would also like to thank the team at Northern Trust for providing the market commentary for this report.

Finally, and by no means least, I would like to thank our data partners - tri-party agents BNY Mellon, Euroclear, Clearstream, and JP Morgan, as well as data firms DataLend, S&P Global, and FIS Global, for providing the underlying data, without which it would not have been possible to compile this report.

AD

Andrew Dyson, CEO, ISLA

I have already mentioned 2008 in the context of the profitability that we are seeing in today's markets, but to some extent, and while the numbers may look similar, further comparisons are less compelling in my view.

Market Highlights

Global Trends

Global Securities Lending Market

€27.5Tn Jun 23 — €26.2Tn Dec 22

Global Securites On-Loan

€2.4Tn Jun 23 — €2.8Tn Dec 22

Global SL Revenues - Lender to Broker (DataLend)

€5.3Bn Jun 23 — €4.5Bn Jun 22

Market Volatility (VIX)

13.59 Jun 23 — 21.67 Dec 22

S&P 500 Index

4450 Jun 23 — 3839 Dec 22

Global Government Bonds On Loan by Client Type

- Pension Plans - 25%
- Government/Sovereign Entities - 31%
- Insurance Companies - 3%
- Collective Investment Vehicle - 18%
- Undisclosed/Other - 15%
- Banks/Broker Dealers - 8%

Government Bond Markets

Utilisation

31% Jun 23 — 35% Dec 22

Securities On-Loan

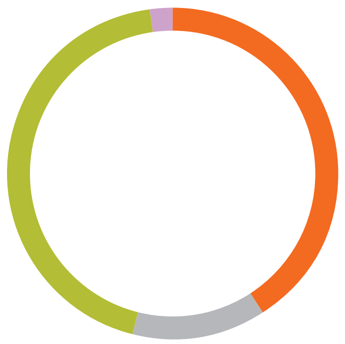
€1.1Tn Jun 23 — €1.2Tn Dec 22

Collateral

Government Bond Collateral Held in European Tri-Party by Domicile of Issuers

- Europe - 35%
- Asia - 27%
- North America - 30%
- Other - 8%

European Non-Cash Collateral Held in European Tri-Party



- Equities - 41%
- Corporate Bonds - 13%
- Government Bonds - 44%
- Other - 2%

Equity Markets

Securities On-Loan

€1.1Tn Jun 23 — €1.1Tn Dec 22

Lendable Assets

€20.4Tn Jun 23 — €19.3Tn Dec 22

Providers

DATALEND

S&P Global Market Intelligence

FIS

J.P.Morgan

BNY MELLON

clearstream

euroclear

Securities Lending Biannual Market Review

H1 2023

NORTHERN TRUST

Introduction

After a tumultuous 2022, some ongoing themes continue to impact our daily lives and global markets. The war in Ukraine continues to threaten geopolitical stability and lingering inflation and a higher rate environment have exacerbated the pressure on household finances across the world, as well as contributing to volatility in financial markets.

The big story of the first half of 2023, however, was clearly the collapse of Credit Suisse and the US regional banking crisis. Whilst markets, governments, and regulators navigated these events fairly effectively, and the knock-on effects were muted compared to previous banking crises, the consequences undoubtedly affected how we all approached the first half of the year. Preparations for upcoming market and regulatory changes began with the planned transition to T+1 in the US by May 2024, signalling potential operational challenges, and the impending effect of the revised Basel capital regulations driving the approach to the second half of 2023 and beyond.

In the face of these continuing challenges our industry remains robust with global revenues holding up well. In the following pages we will examine how the aforementioned events have impacted our industry more specifically, as well as assessing the outlook for the second half of the year.

Introduction & Outlook
Mark Jones
Head of Securities Finance, EMEA
Jonathan Lacey
Global Head of Equity Trading, Securities Finance
Joseph Gillingwater
Global Head of Fixed Income Trading, Securities Finance

Equities

EMEA

Safe to say it has been a turbulent period for EMEA equity markets throughout the first six months of the year. Central banks' rapid monetary policy tightening to curb stubborn inflation after years low rates is testing the global financial system and creating an air of uncertainty throughout equity markets. The Swiss government backed acquisition of Credit Suisse by rival UBS shocked investors and dampened market confidence. All this played out with the backdrop of on-going geopolitical risk with the conflict in Ukraine marking its first year anniversary in February.

The market uncertainty produced a tough environment for traditional long/short investment managers, which has influenced securities lending demand. Managers have looked to seek tactical opportunities in individual names within specific sectors or markets as opposed to market-wide exposures leading to narrow but heavily crowded themes.

Overall, securities lending general collateral balances remained robust with a continued focus from borrowers on pledging the most cost-efficient forms of collateral via cost-efficient structures to manage their regulatory binding constraints and balance sheet usage. Collateral mobility also remains a focus. As borrowers look to diversify their balance sheets, we are seeing greater local responsibility for asset optimization resulting in appetite to pledge a wider range of assets. Additionally, the UK's exit from the European Union has seen a shift in borrower demand within the securities lending market. A number of borrowers now prefer to conduct business for their European clients through their European banking entity. As a result, we have seen a rise in the number of prime brokers expanding operations in continental Europe.

The EMEA equity specials environment has been challenged given the volatility in the region, which has been elevated versus other regions. Short themes have been focused on those companies feeling the pressures of high interest rates, inflationary cost of raw materials, as well as a cost-of-living crisis impacting sales. Companies within the Consumer Discretionary and Real Estate sectors have been the primary focus. Additionally, given the struggles in the corporate debt space, due to rising rates and recessionary concerns, we have seen persistent demand for exchange traded funds (ETFs) tracking high yield and investment grade corporate bond indices.

In the UK, returns from scrip dividends continue to support equity revenues. The optionality embedded in scrip dividends continues to support higher lending fees as borrowers look to benefit from the discount associated with the stock versus the cash dividend entitlements.

Looking beyond Europe, short interest across the Middle East continues to emerge as investors look for new sources of alpha. Whilst regulatory developments in many of region's countries remains slow, Saudi Arabia is the exception. As the region liberalizes its capital markets, and with Saudi Arabia now part of major global equity indices, local regulators are recognizing the liquidity benefits a fully functioning SBL market can bring. We anticipate Saudi Arabia to be the emerging source of new securities lending revenue, along with the wider region over time.

Fig 1 - DataLend

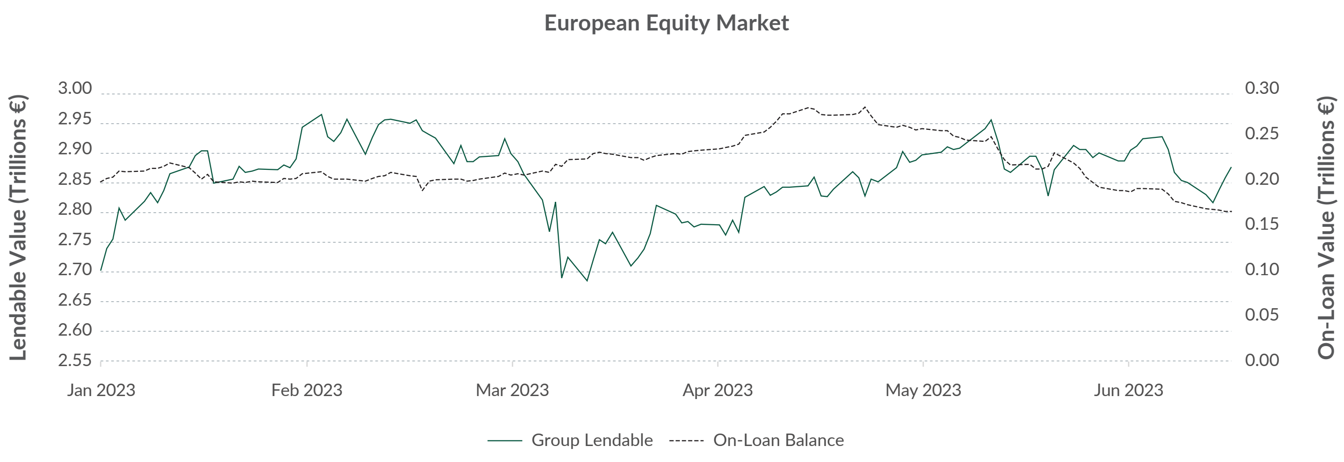
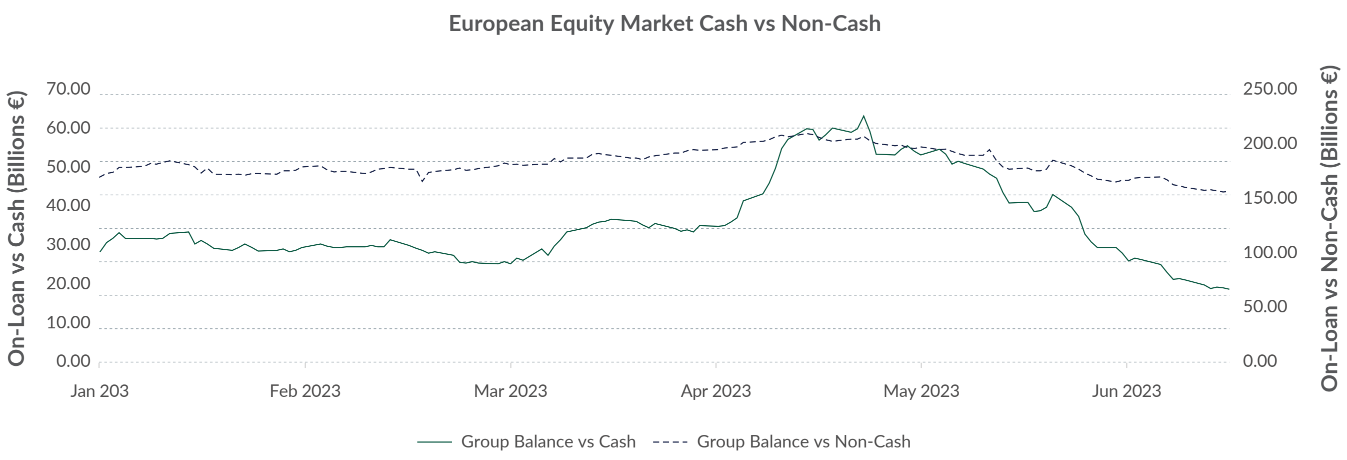


Fig 2 - DataLend



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APAC

In APAC, the post-Covid reopening of China was eagerly anticipated but has largely been underwhelming. China's sluggish economic growth has persisted as consumer spending and manufacturing activity continues to slow. At the centre of the weak consumer sentiment is the challenging property market as housing sales and prices continue to decline. This has resulted in the inability for some developers to service bond repayments, which has led to sizeable equity issuances to raise capital. Given these challenges and renewed corporate activity in the Chinese property sector, it remains popular for directional trading activities.

In Australia, the lithium sector was a core directional short play in Q1, particularly for companies that have yet to start production, as lithium prices declined due to weak electric vehicle sales in China. Lithium prices rebounded during Q2 on renewed sales in China and in conjunction with corporate activity resulting in short covering across the sector. The rising interest rate environment and the banking sector volatility seen globally renewed directional trading interest in the banking sector. This was driven by investor margin compression concerns and short-term cash funding trades for dividend reinvestment plans.

Japan has been the best performing equity market in the region as the Bank of Japan's yield curve control maintained low interest rates and a weak yen, creating an environment for domestic and international funds to position to the long side. Corporate activity for the period was up significantly year-on-year, though this was primarily driven by Japan Post Bank Co Ltd after its parent company, Japan Post Holdings, completed a large share sale to the public.

Elsewhere in Asia there has been much to be encouraged about; in February Taiwan lifted short sell restrictions that had been introduced in 2022, South Korean authorities may consider a full resumption of short selling this year, Malaysia expanded its universe of short sell eligible stock in June, Indonesia lifted a short sell ban which had been in place since 2020 and reopened the onshore SBL market whilst Philippines announced the acceptability of offshore collateral. Although Indonesia and Philippines are still not readily accessible to offshore lenders, they have made very positive strides with continued optimism for future reforms.

Fig 3 - FIS Global

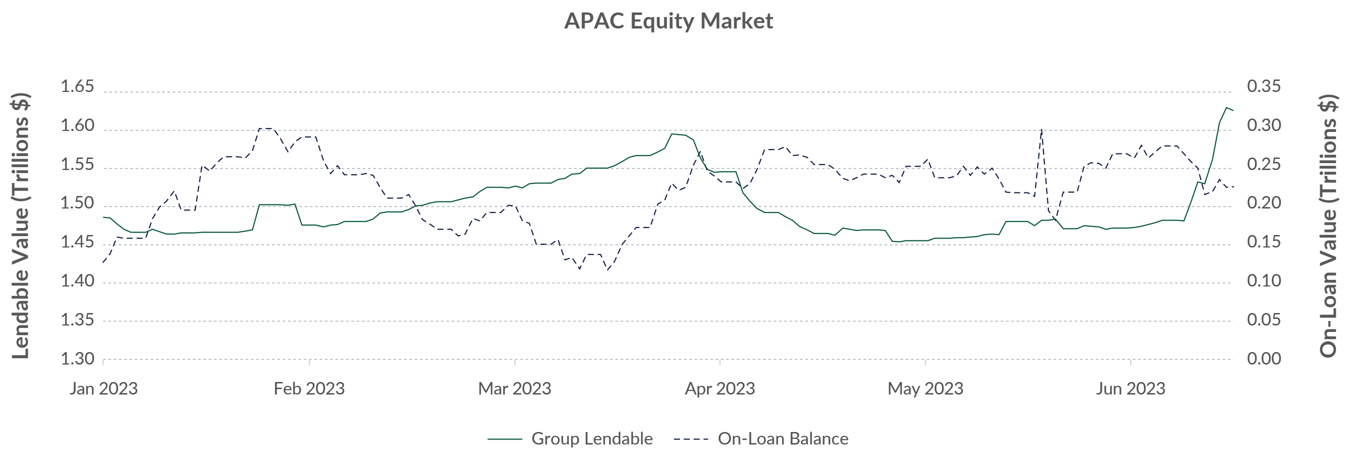
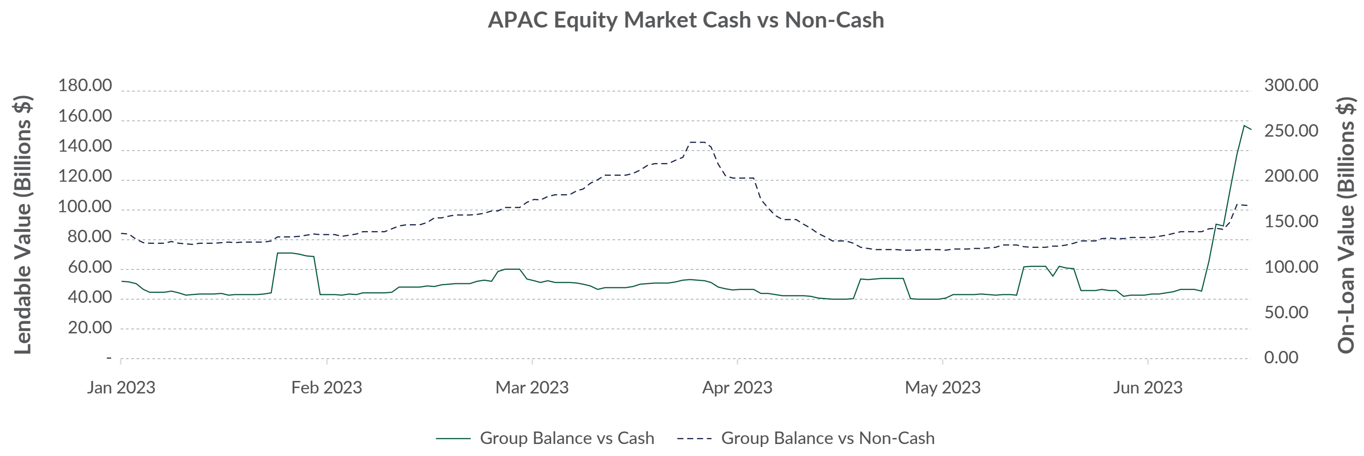


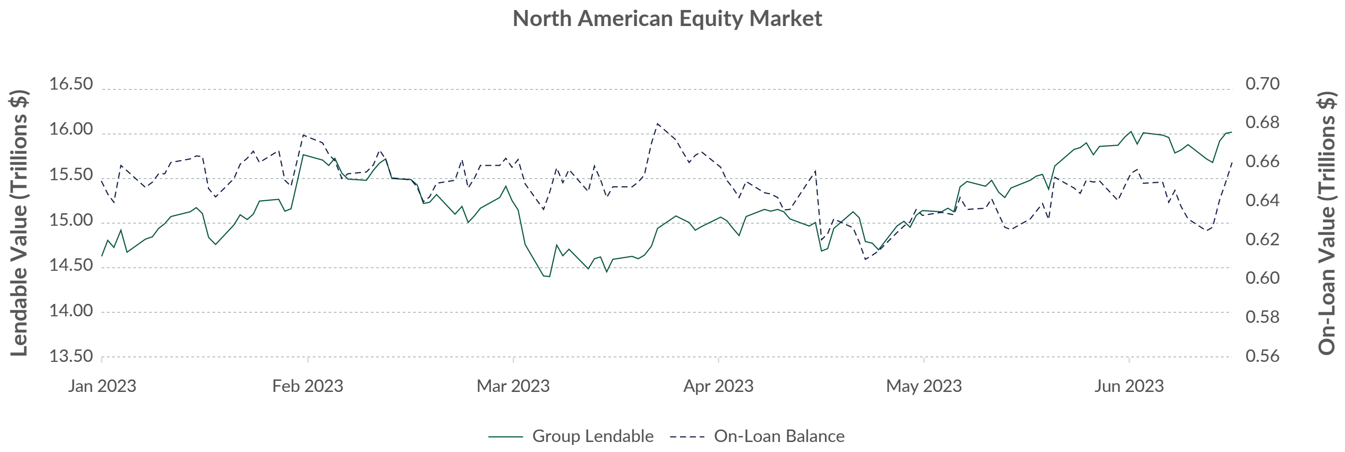
Fig 4 - FIS Global



US

Within the period, the big story in the US equity space was the turmoil across the US banking sector with failures of Silicon Valley Bank and Signature Bank shocking global markets. The quick withdraw of bank deposits created a liquidity shortage with contagion spreading across other regional banks. Despite these issues, major US indices were able to weather the storm surprisingly well, seeing large gains (SP500 16%, Nasdaq 39%) for the first half of the year. Additionally, the US navigated rising inflation better than many of its regional peers, providing greater clarity on the trajectory of interest rates. This triggered a natural rotation of asset allocation into the US equity market, elevating valuations.

Fig 5 - S&P Global



The largely upward trajectory of equity markets and the wider macro uncertainty has meant investors have remained cautious in picking an appropriate entry point against a rising market. This has lowered investors' conviction to deploy broad-based capital on the short side and has created an environment where the demand has been heavily concentrated in a relatively small number of overcrowded specials. Demand within this space has largely been driven by weak fundamentals or unique asset arbitrage prospects with specials revenue being close to all time highs.

Similar to other regions, less established companies within the electric vehicle sector continue to be a hotbed of demand given the competitive nature of the industry and growing pains to profitability. Corporate activity has cooled against the backdrop of rising borrowing cost, with companies reluctant to come to market at this time. IPO issuance has also suffered, posting some of its lowest numbers for new offerings in the past two decades with investor appetite for risk low.

Directional demand for corporate bond ETFs continues given policy rate expectations and funding pressures within the corporate debt asset class. Emerging market ETF trackers, especially those replicating an index within countries without a robust SBL model continue to attract healthy short demand. This is largely due to relentless inflationary concerns and higher financing rates, with geopolitical concerns and slowdown in China also acting as catalysts for demand.

Fixed Income

US Fixed Income

Rising inflation and subsequent global central bank interest rate increases have seen bond valuations decline, prompting significant shorting opportunities. In addition, the ongoing war between Russia and Ukraine, alongside specific market risk events, such as the US debt ceiling impasse, together with stresses in the global financial sector, have resulted in significant flight-to-quality demand for the safest and most highly rated assets.

Fig 6 - S&P Global

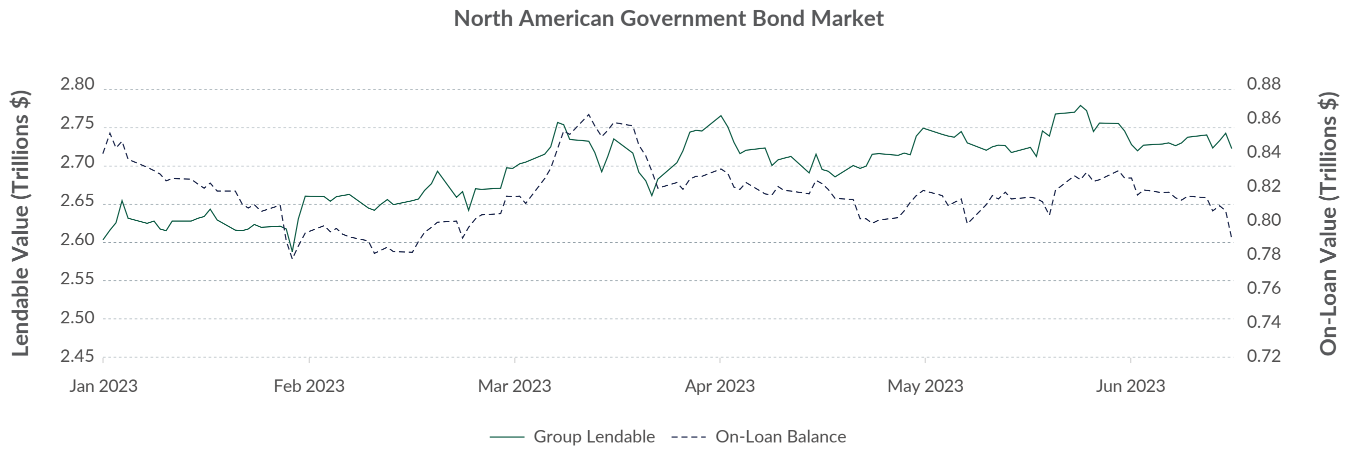
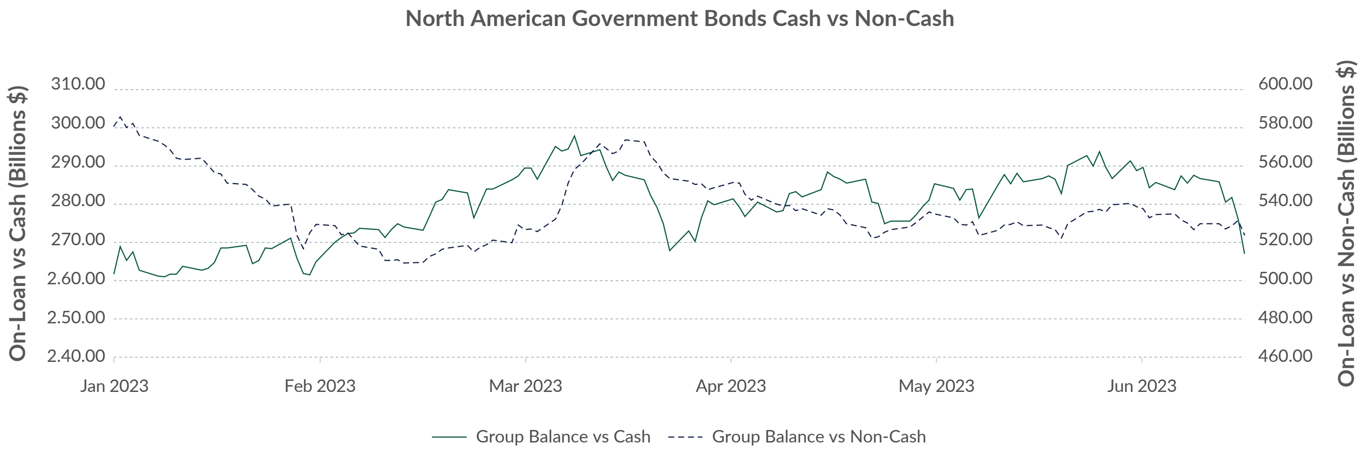


Fig 7 - S&P Global



This typically transpires in demand for sovereign debt, with US Treasuries the asset of choice. The Federal Reserve has lifted interest rates to 5.25-5.50%, driving significant demand along the curve, and prompting specials activity in the most recently issued bonds. Treasuries continue to be the most sought asset in the sovereign space, accounting for a large component of the top 10 revenue generating securities. To highlight, $570 million was generated from Americas sovereign bonds in the first half, approximately 60% of sovereign earnings globally. More recently, the US Treasury has been replenishing its coffers with vast amounts of new Treasury bill issuance, resulting in specials activity in shorter-dated securities.

Treasuries also remain well-sought from an upgrade perspective, with borrowing counterparties seeking to improve regulatory capital positions by sourcing treasuries in term maturity exposures versus equity and ETF collateral. Furthermore, recent policy changes by the Bank of Japan prompted renewed appetite to pledge Japanese Government bonds as collateral given widening cross-currency basis swap spreads. Diverging interest rate policies between the Fed and other global central banks boosted these low-risk revenue opportunities for our lending clients.

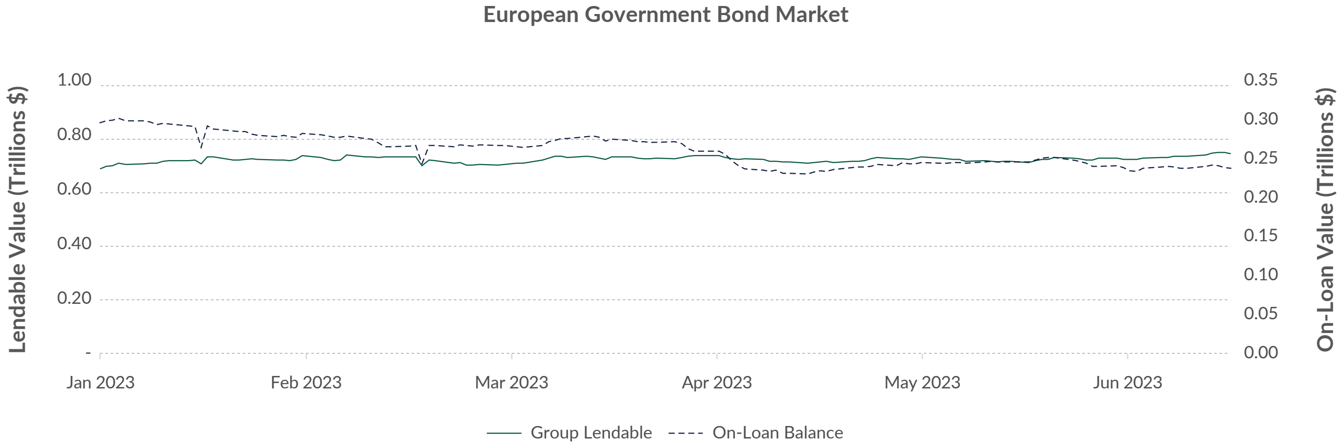
Repo markets remain extremely active in the US with the Fixed Income Clearing Corporation's (FICC) sponsored service reaching a new milestone of successfully processing over USD$750 billion in daily sponsored activity according to The Depository Trust & Clearing Corporation's press release announced in June. Rising rates and falling liquidity has prompted a return of the cash-futures bond basis trade, an opportunity for leveraged funds to benefit from very small dislocations in the US Treasury market. The basis trade works when futures pricing deviates from the notes underlying them, allowing investors to buy cheap bonds in cash markets, and sell or short the future. This trade typically reaps very small nominal returns; thus hedge funds use the repo market to borrow cash and leverage up their positions.

Given the availability of sponsored repo, particularly during times of market stress or at regulatory-sensitive periods when banks typically reduce balance sheet usage and shore up liquidity metrics, much of this flow has found its way into FICC activity. Looking ahead, we expect the huge swathe of T-bill issuance to continue draining liquidity from short-term markets, thus the bond-basis trade should remain very active. Moreover, the recent proposal and rhetoric from the Securities and Exchange Commission (SEC) around plans for mandatory clearing of certain Treasury transactions, including Treasury repo, has only accelerated the need to have as many routes to market as possible.

Europe & United Kingdom Fixed Income

In Europe, the European Central Bank (ECB) continued to hike rates over the period, most recently lifting the deposit rate to 3.75%, with President Christine Lagarde telegraphing further policy tightening will be required to temper inflationary pressures.

Fig 8 - DataLend



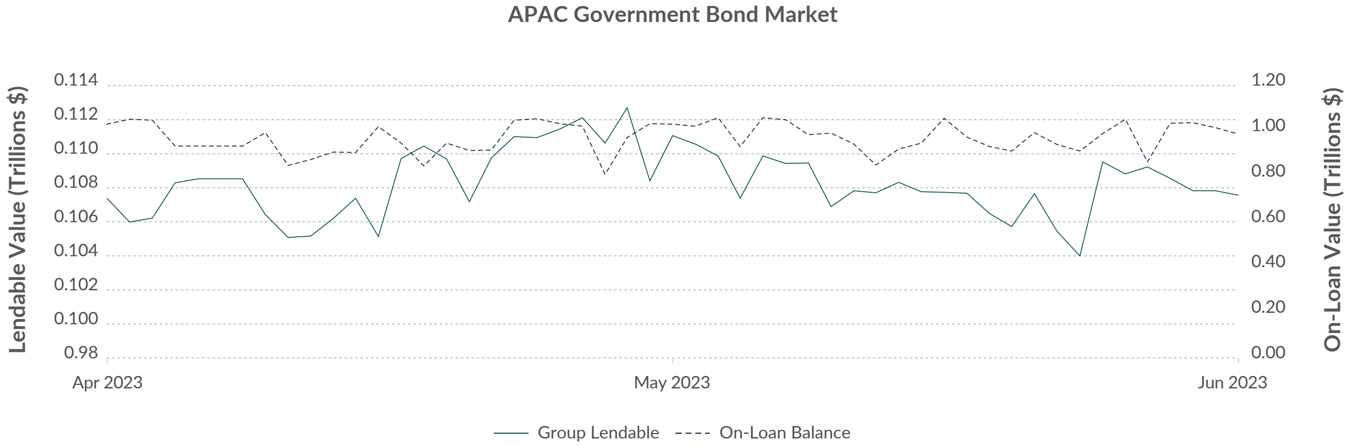
The pace and trajectory of rate hikes has resulted in robust activity remaining in European sovereign bond markets, with an elevated number of specials in place over the period. This was mostly evident in Germany, with the AAA-rated nation continuing to be most in demand, followed by France and the United Kingdom. Meanwhile, a forced merger of Credit Suisse and UBS highlighted banking risks on the European continent in addition to the US. The ECB also announced a recalibration of its pandemic-era cheap funding conditions during the period, in effect incentivising banks to repay their usage ahead of schedule. This was mostly felt in Italian sovereign bond repo and lending markets, with local banks having an elevated usage of central bank financing, thus seeking to finance Italian debt in the wider market. This resulted in growing rate disparity between core and peripheral repo yields and lending fees.

The United Kingdom has seen inflation remain uncomfortably high this year, forcing the Bank of England's hand with the Monetary Policy Committee (MPC) lifting the base rate aggressively. Indeed, the MPC hiked by an oversized 50bps at the June meeting, followed by a 0.25% increase to 5.25% in July. Policy makers received positive news following the June inflation print with the Consumer Prices Index declining to 7.9%, a sharp drop from the 8.7% seen in May, and the first inflation print below 8% in over a year. However, the unexpected slowdown is unlikely to alter the MPC's path, with the central bank remaining on course to hike rates through the remainder of the year, and a further 50 basis points of hikes priced in by year-end, which would take the base rate to 5.75%. As such, we continue to observe robust demand for gilts with fresh shorts in place given rising yields. Indeed, most issues in the five-10-year belly of the curve are trading with a specials premium.
We also continue to witness solid demand in term structures with borrowing counterparts keen to source in term evergreen exposures versus lower-rated or less-liquid collateral. This is most prevalent using pledge collateral structures as opposed to the traditional title-transfer method.

Corporate and Emerging Market Bonds

Lending activity in credit and Emerging Market (EM) bonds has enjoyed significant growth in volumes and fees, particularly for US corporate bonds and dollar-denominated EM debt.

Fig 9 - FIS Global



With the US Federal Reserve and other global central banks maintaining interest rate hikes in order to combat inflation, we have observed greater activity in credit markets as corporate bond issuers are forced to endure higher funding costs.
More recently, markets have pivoted to global recessionary fears, further denting sentiment. Therefore, corporate bond revenue set new records, rising close to USD$600 million in the first half of the year. This translated into an approximate 10% increase from the same period last year as average fees rose to 46 basis points. North American activity dominated borrowing demand and drove the bulk of the revenue, with USD and CAD-denominated issuance making up the top 10 revenue generating corporate bonds during the period. High-yield issuance remains well-sought from a borrow perspective, particularly Chinese real estate companies as a worsening liquidity crisis impacts access to funding markets. However, data does highlight a slowdown in revenue growth in the second quarter with revenue broadly flatlining from Q1, while utilisation dropped from a year high in March.

We have also observed the development of a market more focussed on specials, with shorter-dated bonds across investment grade, high-yield and private placements dominating the highest revenue generators list given the sensitivity to interest rate risk. Indeed, by the end of the period, five of the top ten revenue generators were high-yield issues. In the EM space, Sub-Sahara African sovereign bonds have seen heavy demand with a number of countries seeking financial support and debt restructuring. Ghana has seen a number of issues trading specials after the country was forced to seek a bailout and support from the International Monetary Fund.

Looking Ahead

As we look ahead to the second half of 2023 and beyond given the ever-changing macro-economic landscape it seems increasingly difficult to attempt to predict the trajectory of the global markets. However, one remaining constant is the on-going need to remain on top of the ever-evolving regulatory landscape.

At the end of July, U.S. banking regulators unveiled changes to the Basel III rule. The updated version of the regulations, known as "Basel III endgame", is expected to require banks to hold more regulatory capital to provision against potential risk within trading books and operational processes. A tightening of regulatory standards will likely see a greater emphasis on lending and borrowing trade structures. The emergence of workable centrally cleared securities lending models in both the US and EMEA are expected to gain momentum as market participants seek to manage a variety of regulatory binding constraints.

Furthermore, the industry has begun preparing for changes in the standard securities clearing and settlement cycles. In February 2023, the US Securities and Exchange Commission (SEC) adopted an amendment which brings T+1 into the US market by market by 28 May 2024 (after the Memorial Day long-weekend) with the Canadian Capital Markets Association announcing Canada will transition a day earlier on 27 May. We expect the EU and UK to face regulatory pressure to adopt this change in the coming years too. Naturally, this will require increased efficiency and automation at every touchpoint in the trade lifecycle. From an agent lender's perspective, accelerating the timings of when we receive sale notifications and the speed at which we can cover that sale through internal processing or external recall will be crucial. Readiness remains a key initiative for securities finance industry over the coming months, and collaboration between industry participants will be fundamental to this success.

From a Fixed Income perspective, the outlook for the second half of 2023 and beyond remains healthy with several factors continuing to drive the demand. Regulations such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) will continue to drive term activity, while the backdrop of elevated inflation will keep policymakers hawkish, thus driving ongoing specials activity.

As always, we are very aware of market liquidity challenges, so adequate buffers and potentially excluding a small subset of corporate bonds from lending availability will be prudent risk management tools. Lastly, collateral mobility will be key, particularly if signs of bond scarcity persist. As such, participants employing a full suite of collateral options stand to obtain the best returns from their lending programmes, with those lenders willing to deviate from the more traditional collateral parameters, having carefully assessed the risk versus reward dynamic, are likely to see outsized returns versus their peers. The ability to optimise the use of portfolio assets across competing needs such as collateral management, liquidity requirements, and the drive for enhanced returns will be critical for beneficial owners seeking to navigate this complex global market environment.

> "The emergence of workable centrally cleared securities lending models in both the US and EMEA are expected to gain momentum as market participants seek to manage a variety of regulatory binding constraints.

ISLA™

Exploring SFTR Data

Introduction

In many corners of our industry Securities Financing Transaction Regulation (SFTR) is thought of in the same breath as other business-as-usual processes. However, after attending probably hundreds of meetings on this regulation, like many others, it might be more appropriate to think of it as a semi-dormant volcano. That analogy chosen because it alludes to the vast size of the topic, its ability to influence tectonic sized developments and, like those sleeping mountains, could erupt with little notice.

Over the past year we have seen some 'relatively' minor changes to the validation rules applied to submitted data and, like a ground tremor, the rise and fall in expectations of an SFTR refit.

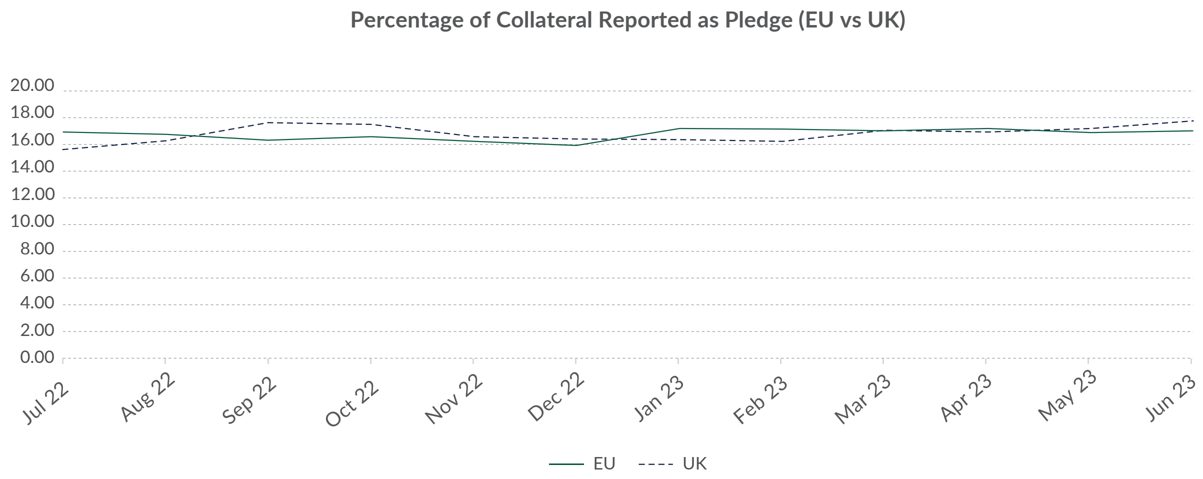
In March of this year ESMA updated the market on their Data Quality Report and the use of reported data, which includes submission under both EMIR and SFTR. The key messages in that presentation were that key fields had been identified in reported data and that those key metrics will form the foundation for national authorities to supervise within each jurisdiction. As it related to SFTR specifically, the message was that further and greater scrutiny will be applied as the year progresses and that, like many other supervisory functions, authorities will use thresholds to determine whether there should be a conversation with the submitter(s). From various conversations with ISLA member firms, we understand that this increased scrutiny is under way perhaps depending on location.

As we move through the remainder of 2023, ISLA will be revisiting the list of outstanding challenges that SFTR raises, a study first undertaken as a precursor to the impending SFTR refit. With the likelihood of a refit around the corner and, with the recent changes to validation rules, this is a worthwhile and valuable process. The updated list of issues will of course be shared with regulators and supervisors.

In the following pages we will explore some potential trends revealed by the publicly available trade repository data and, as in previous editions of this report, please be mindful that the available data may not contain the full story.

>>> Pledge Collateral

Fig 10 - REGIS-TR, KDPW, DTCC EU, DTCC UK

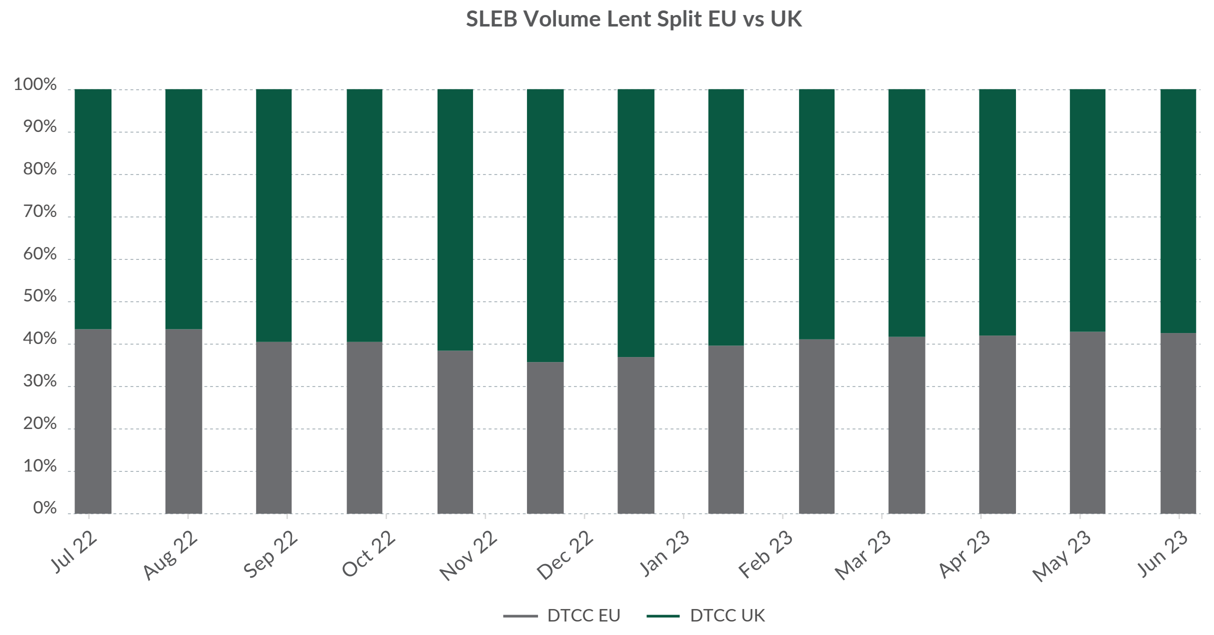


In previous market reports the use of security interest arrangements had shown a clear growth which, since this time last year has stabilised regarding UK reportable transactions.

From the graph, you could accidentally conclude the same for EU reported activity. From June 2022 to June 2023, the level of this type of activity rose from 15.66% to 17.49%.

>>> SFTR Reporting Trends Between EU & UK

Fig 11 - DTCC

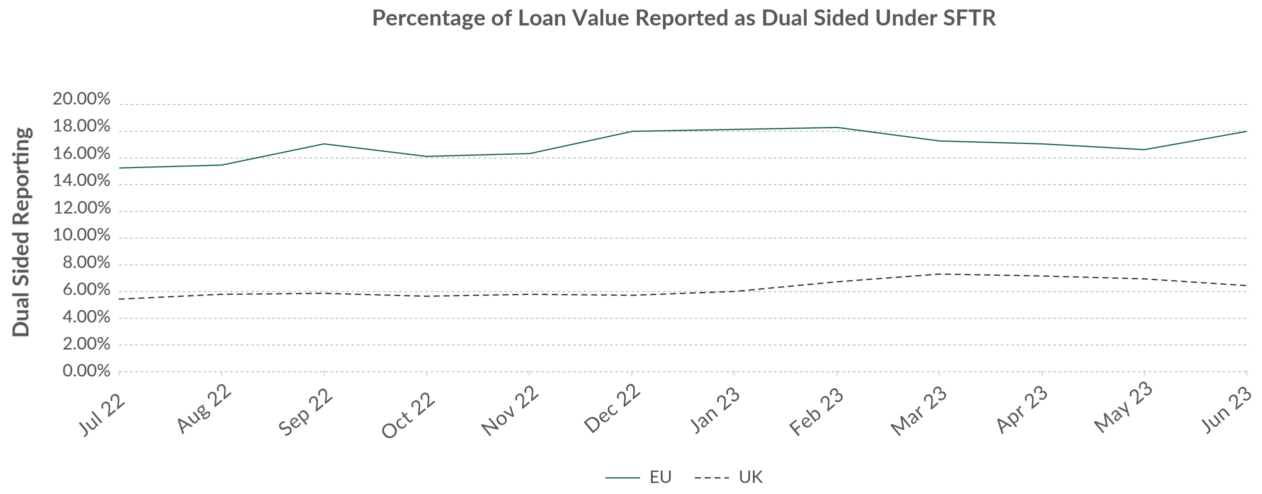


In previous ISLA market reports, we explained how data was presented to highlight the relationship between trading volumes in different jurisdictions rather than overall increases or decreases in activity. We have continued with this approach in the above graphic to highlight any further movement.

Referring to previous data, by June 2021 there was roughly a 60/40 split between UK and EU respectively. This past year has seen some small change to that ratio which, as of June '22 sits at 58/42, a very modest increase in the percentage of EU volumes relvative to UK reported transactions.

>>> Single-Sided Reporting vs Dual-Sided Reporting

Fig 12 - REGIS-TR, KDPW, DTCC EU, DTCC UK



For the last graph in our data series, we look at the percentage of single single-sided versus dual-sided reporting. The intention of looking at data from this perspective is to observe supply and demand patterns between counterparts in various jurisdictions.

In the above graph, we note an almost 2.5% drop in EU single-sided transactions this year which of course represents an increase in dual-sided transactions, or EU internal trading, a trend not mirrored in the UK data.

Data Methodologies

This ISLA Securities Lending Market Report has been compiled using a range of data contributors together with specific information provided directly by our members through questionnaires.

We would like at this point to thank all of the various contributors for their efforts in assisting ISLA in the production of this report.

Loan information that includes details of securities on-loan across different asset and client types has been provided by three institutions that provide commercial data and benchmarking services for the securities financing industry.

DataLend, S&P Global and FIS Global all collect data from industry participants on a high frequency basis and provide a range of securities lending benchmarking analytics that allow firms and their clients to better understand and assess the relative performance of any given lending programme.

Whilst each of these data providers covers broadly the same market we have chosen to use data from each to reflect the fact that each has a slightly different business model and client mix and therefore provide different perspectives across certain asset classes or regions.

All regional and geographic analysis reflects the location of the issuer of the securities (as opposed to the location of the lender or borrower) as this is the basis on which the providers collect and analyse their data.

Data from the principal tri-party service providers active in Europe today is also incorporated within the report as part of our analysis of collateral.

Providers

DATALEND	Find out more **www.datalend.com**
FIS	Find out more **www.fisglobal.com**
S&P Global Market Intelligence	Find out more **www.spglobal.com**
BNY MELLON	Find out more **www.bnymellon.com**
clearstream	Find out more **www.clearstream.com**
euroclear	Find out more **www.euroclear.com**
J.P.Morgan	Find out more **www.jpmorgan.com**

ISLA®

About ISLA

The International Securities Lending Association (ISLA) is a leading non-profit industry association, representing the common interests of securities lending and financing market participants across Europe, Middle East and Africa. Its geographically diverse membership of over 190 firms includes institutional investors, asset managers, custodial banks, prime brokers and service providers.

Working closely with the industry, as well as national, regional, and global regulators and policy makers, ISLA advocates for, amongst other things, the importance of securities lending to the broader financial services industry. It supports both the Global Master Securities Lending Agreement (GMSLA) legal framework, including the Title Transfer and Securities Interest over Collateral variants, as well as the periodical enforceability and security enforcement across global jurisdictions.

Through member working groups, industry guidance, consultations and first-class events, ISLA plays a pivotal role in the creation and promotion of market best practices and processes, thought leadership, standards for legal frameworks, and securities lending guides and related documents.

Found here: www.islaemea.org/about-isla

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