

# Securities Finance Consulting Services

Providing independent expertise  
and data led solutions



---

**S&P Global**  
Market Intelligence

# Securities Finance Consulting Services

S&P Global Market Intelligence provides independent consultancy services to help firms make data-led informed decisions. Our services provide a unique solution combining our extensive securities financing experience with the most in-depth data set available in the market.

Our unique approach is built around our securities finance data, which is comprised from an extensive global stock loan database dating back to 2002. Using this data, we provide research to support tactical or strategic securities lending reviews.

## Key Stats

**\$25 trillion**

securities in lending programmes

**20,000+**

equity instruments

**18**

years of history

**\$2.5 trillion**

value on loan

**222,000+**

fixed income instruments

**85%**

Coverage of securities lending market

## We provide services to



Pension Funds



Mutual Funds/  
UCITS



Sovereign Wealth  
Funds and Quasi –  
Governmental Bodies



Insurance Companies



Asset Managers



Corporates

# Our consulting service includes:

Our Finance Consultancy Services provide fully independent expertise and consultancy services to institutions already active, or considering becoming active, in the securities finance market.



On site presentations of operational and performance reviews to fund boards and senior management

Revenue estimate validation analysis

Strategic framework and policy



Independent observations on peer and industry best practices for comparison and to support recommendations for actions

Assessment of lending revenue potential



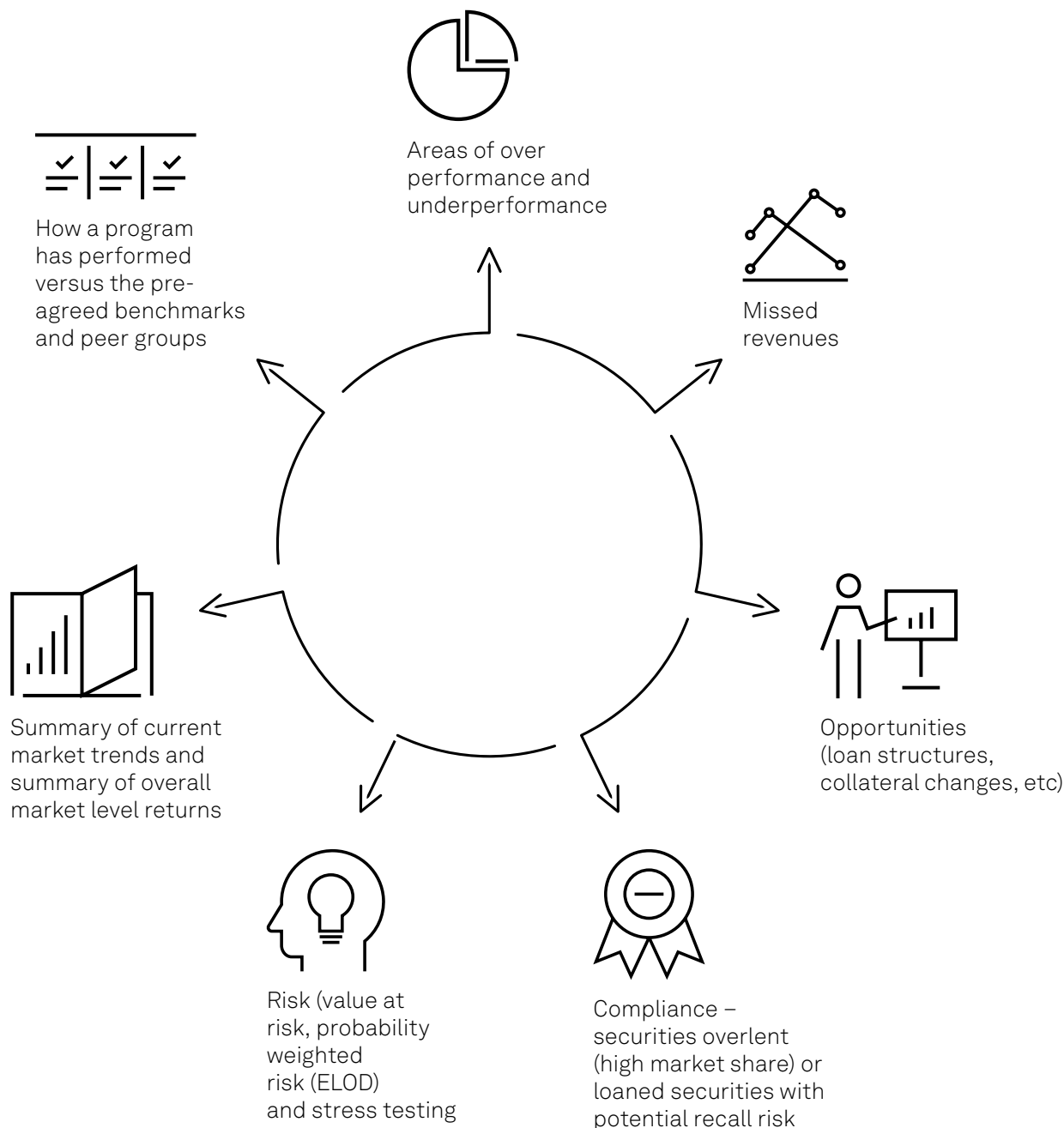
Independent periodic management review of performance and risk outcomes versus framework and strategic objectives

Benchmarking exclusive lending programme

# Our Advantage:

## Do you need to regularly validate your activity to internal stakeholders or merely give your programme a health check?

We provide a deep dive into your existing lending programme, which includes an independent review of the securities lending market, an overview of the rewards and risks of lending activities, the identification of potential opportunities and address additional points related to the securities lending. Our broad range of services includes:



# Our Advantage:

## What is the appropriate Oversight Management structure for my lending activity?

- We provide in depth reviews with detailed analysis of trading strategies, operational processes, the overall lending business, exclusives, compliance and comparisons against industry practices.
- Through a tailored Governance Framework Document, we help you manage your programme effectively providing a structured approach to internal approvals, lending parameters and activity.

## What if I want to change my collateral profile? How does it affect my risk level?

- We offer risk analysis based on a hypothetical collateral mix to examine the impact of changing collateral on programme risk level.
- We can also help you identify the optimal collateral mix which offers the highest return and risk ratio tailored to your risk appetite.
- By analysing different collateral profiles with our risk model, lenders can determine in a quantifiable way the increased revenue and associated risk. For example, we analysed the risk and revenue impact of lending government bonds versus equity collateral with an outcome that enables the client the option of adding revenue to the bottom line.

## How can I find out the revenue potential of my assets or validate my revenue estimate?

- RFPs (request for proposals) attract agent lenders with their own assessment of revenue potential and/or relative performance of different programs.
- Our consultancy services can assist in this process through the extensive Market Intelligence securities lending database, which includes prices, rates and volumes.
- This will enable you to make accurate decision based on a comparable set of normalised revenue/performance data across various programs/providers; the data is independently validated and serves to identify areas of discrepancy.
- We provide you with details on the value of a portfolio in terms of an opportunity lending basis, based on historical fee and utilisation data.

## Should I start lending?

- Our consultancy service produces potential revenue estimates using historical fee and utilisation data, alongside with risk estimates including VaR and probability weighted risk.
- This enables you to evaluate different types of programme structures, from high value intrinsic lending to high volume GC/Term lending programs.
- The comparison of both revenue potential and quantifiable risk will allow you to determine the appropriate programme approach for you given your own risk and reward appetite.



# Working together to find the right balance

## **Will my programme impact my core investment activity?**

Our Liquidity report and Compliance checks tool will provide liquidity of loan positions, liquidity indicators and provide support in management of lending limits and restrictions.

## **Is it important to manage risk?**

Our risk offering helps to quantify financial risk in securities lending and enables you to monitor your programme risk level on an ongoing basis. The main sources of risk include credit risk, mismatch risk, liquidity risk, and cash reinvestment risk, all of which measured, managed and mitigated.

## **Is my programme robust enough to withstand another market default?**

Our stress test analysis tests your current portfolio against significant markets events from the past such as the Lehman default and Global recession to derive new portfolio positions after these types of large market movements.

## **Am I comparing my performance with the correct peer group?**

In consultation with you, we create custom peer groups that most accurately reflect your organisation, helping you ensure the right comparison and understand your true performance. Our Intuitive Performance Benchmarking Report highlights in-depth comparative performance of your lending programme against your agreed peer group.

## About S&P Global Market Intelligence

At S&P Global Market Intelligence, we understand the importance of accurate, deep and insightful information. Our team of experts delivers unrivaled insights and leading data and technology solutions, partnering with customers to expand their perspective, operate with confidence, and make decisions with conviction.

S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI).

S&P Global is the world's foremost provider of credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help many of the world's leading organizations navigate the economic landscape so they can plan for tomorrow, today. For more information, visit [www.spglobal.com/marketintelligence](http://www.spglobal.com/marketintelligence).

### CONTACT US

#### The Americas

+1-877-863-1306

#### EMEA

+44-20-7176-1234

#### Asia-Pacific

+852-2533-3565

Copyright © 2022 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved. No content, including by framing or similar means, may be reproduced or distributed without the prior written permission of S&P Global Market Intelligence or its affiliates. The content is provided on an "as is" basis.

[spglobal.com/marketintelligence](http://spglobal.com/marketintelligence)