# European Beneficial Owners Roundtable 2021

**Securities finance experts gathered in July to discuss the trends currently influencing their market in Europe and reflect on a challenging year.**

**Chair: Dimitri, can you give us an overview of how the market has performed so far this year?**

**Dimitri:** The lendable balance in 2021 has almost reached $30 trillion (£22 trillion). In comparison, the average for 2020 was $22 trillion. The breakdown of the lendable by client type shows that most of the supply continues to come from Collective Investment Vehicles which make up 47% of the total amount available to lend. The Beneficial Owner breakdown hasn't really changed much over the last few years.

In terms of on-loan balance, the average so far in 2021 stands at $2.6 trillion. You'll notice that the Beneficial Owner on-loan breakdown has changed compared to the lendable breakdown with Collective Investment Vehicles only accounting for about 20% of the amount on loan even though they supply the most inventory. This is largely because of the restrictive guidelines that some of those collective investment vehicles operate under, meaning they get less out on-loan. Again, the contribution to the on-loan balance for each client segment has remained consistent for the last few years.

Looking at the quarterly revenue we can see that there has been a decline compared to the record year of 2018. 2019 saw a decrease due to macro uncertainty driven by trade wars, Brexit and Central Bank actions leading to a general

## ATTENDEES:

Top row (left to right)
**Steve Kiely,** BNY Mellon
**Nick Davis,** JP Morgan
**James Day,** State Street
**Don D'Eramo,** RBC

Bottom row (left to right)
**Dimitri Arlando,** DataLend
**Bill Foley,** SecFinHub
**Ernst Dolce,** AXA IM
**Oliver Wade,** Global Investor (Chair)

"The rise in global revenue can be attributed to the short squeezes we saw at the end of January with GameStop and AMC Holdings doing well in the early part of the year."

Dimitri Arlando, DataLend

lack of conviction from Hedge Funds. 2020 then saw a further decline due to the Global Pandemic. So far in 2021, revenue seems to be climbing.

Year to date (Jan to May) revenue in 2021 is approx. 17% higher compared to the same period in 2020 - $3.65 billion versus $3.13 billion. In EMEA, year to date revenues are up around 16% climbing to $190 million from $170 million in 2020.

The rise in global revenue can be attributed to the short squeezes we saw at the end of January with GameStop and AMC Holdings doing well in the early part of the year. Equity markets have also been on the rise, so asset prices have been higher. The major US and European indices have all been up 10 to 20% so far this year compared to where they finished at in 2020. We've also had a lot of SPAC and IPO activity, with electric vehicles stocks in particular doing well like Blink Charging.

In EMEA revenue has benefited from a lack of short selling bans and a return of corporate dividends, both of which dampened European Equity revenue in 2020. Varta AG continued to perform well in the early part of this year. Shares in AXA also performed particularly well following their capital raise, and we expect to see some dividend related specials appearing in the top performers charts very soon.

From a government debt perspective, revenue has been up 30% mainly down to US Treasuries. The 10-year in particular has performed very well this year, and in March actually made it to the top five best performers globally which is quite a rare occurrence in recent times.

Corporate Debt was relatively flat this year compared to 2021. Even though lendable and on-loan balances have increased, this has been countered by a slight decrease in the fees so year on year revenue has remained broadly unchanged.

It is also important to note that cash reinvestment revenue has been down in 2021 as we have not experienced the same rate cuts that we saw in March 2020 when Central Banks eased monetary policy in order to counter the economic effects of the pandemic taking hold in Major Economies.

Looking at the rise of the retail investor in more detail and specifically looking at the behaviour of GameStop and AMC Holdings, the short squeeze at the end of January clearly caused revenue to spike for both of these stocks with GameStop and AMC Holdings contributing $42.4 million and $18.8 million in revenue, respectively, in 2021 so far. Utilisation levels over that initial short squeeze period remained close to 100%. Utilisation in GameStop has since fallen away; however, demand for AMC Holdings shares remains high and with recent social media coverage causing a spike in the share price it would seem that this will continue.

**Chair: What trends have emerged this year and how has the market bounced back from a turbulent 2020?**

**Nick:** From a macro perspective, the European markets enjoyed a good rally as countries start to reopen. Regional markets have also reacted well to the pace of the US re-opening coupled with President Biden's large stimulus packages, despite fears of a spike in inflation as we entered June. Indeed inflation risk is something that is seen by the market as one of the large risk factors for growth in the second half of the year.

At the start of 2021 the lending industry enjoyed an increase in corporate action activity such as rights issues and IPOs. The expectation is that Corporate Activity will continue into the second half of the year focusing on sectors that have struggled due to COVID, such as Travel & Tourism and Airlines that have not managed to capitalise as we have seen with other companies.

As Dimitri mentioned, companies had started to reward investors towards the end of 2020 with paying dividends

following the omissions we saw during 2020. The theme for giving back to shareholders continued in the form of an increase in companies offering scrip payments. All created good demand from borrowers following the reduced activity that we all saw during the majority of 2020.

We did witness some headwinds in EMEA, especially around specials. Long term directional shorts in Europe were being closed out following the contagion effect we saw from the US. Retail investor activity triggered a risk-off approach by Hedge Funds.

On the fixed income side, Euro sovereigns saw a good start with balances up year-on-year. Spreads remain thin due to secured funding levels in the short dates, moving lower as continued monetary policy support, maintained an abundance of excess liquidity in the secured funding space. Finally corporates performed well with ongoing central bank purchases supporting pricing. Hedge funds have maintained a long bias as a result which in turn has reflected in GC flow. This has led to good balanced growth against specific collateral sets.

**James:** On the European side, taxation agreements are reducing the amount of lower dividend supply in the market which has taken away a bit of revenue opportunity. We're witnessing a real push for those wishing to transact under a pledge agreement, something which was discussed a few years ago but is now really starting to see traction. Borrowers have started looking at smart buckets to access supply from counterparties with a much lower risk weight.

**Ernst:** The first half of 2020 could be summarised by the decrease in value of the equities, an increase of margin requirements, a spike of volatility and massive widening of CDS spread. This cocktail generated a huge demand from banks for High Quality of Liquid Assets (HQLA). This situation has created some strong opportunities to re-rate the on-loan transactions and increase the revenue from our securities lending activity during in Q1 and Q2 2020.

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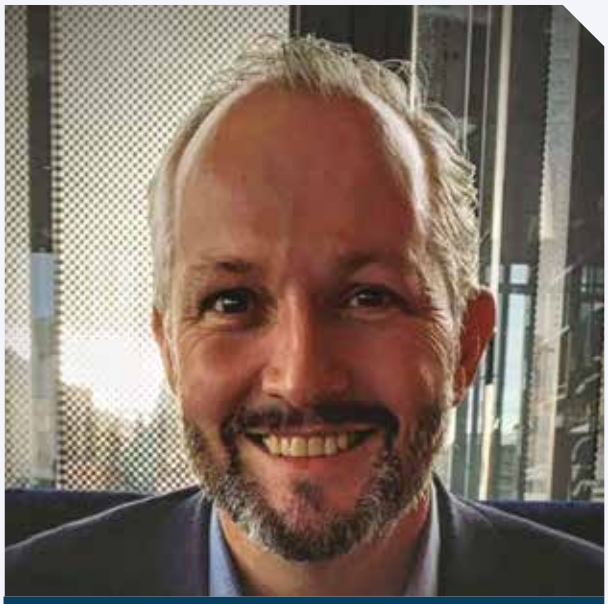
Ernst Dolce, AXA IM

During H2-2020, the approach taken by the Central Banks and Governments singing "whatever it takes" to save the financial market and the massive injection of liquidity in the markets (ECB Excess liquidity Index double between January 1 2020 and December 31 2020 – from €1.5 trillion



"The retail space across financial services is fascinating and has changed, and continues to change, at an incredible pace"

Bill Foley, SecFinHub

(£1.3 trillion) to €3.3 trillion have contributed to reverse all movements observed in H1-2020. The market liquidity remains abundant in H1 2021, the ECB Excess liquidity Index is €4.2 trillion.

**Chair: What role do retail investors play in the European market and do we need more regulatory regimes to protect investors?**

**Bill:** The retail space across financial services is fascinating and has changed, and continues to change, at an incredible pace. The picture is, as you would expect, an extremely varied one both in terms of the participants and the nature of participation. From a securities lending perspective, direct retail involvement is still in its infancy but clearly growing as technology facilitates access. If we look at the so called "meme stocks", it is perhaps unsurprising that the online communities driving them grew up in the US and, initially at least, had a US focus. Retail share ownership and direct pension investment are much more familiar and widespread there than in the UK and Europe.

The question around protections is also fascinating because of the nature of participation and the retail investor's chosen route to access these markets. Deciding to purchase securities via an online platform and acknowledging the risk statements and disclaimers with a click of your mouse is vastly different to traditional investment which came perhaps via an investment advisor. Clicking another button to agree to the securities you own being lent too is also rather novel. The other members of this roundtable are well versed in discussing the low-risk nature of the returns available from a securities lending programme and the protections and mitigants to risk are well known. There are lots of protections there already. I do think it's an interesting to consider whether additional protections are required for retail investors and if so, what those might be. The nature of their participation is very different from the majority of the established asset owners, accessing the securities lending market through an agent lender in accordance with pre-approved parameters. I will be interested to see how regulators, look at that and also how quickly.

As I mentioned earlier, we haven't seen the same level of retail activity in UK & Europe that we have seen in the States, however it's definitely growing. The drivers for that activity are manifold but I think it is also worth recognising the impact of both the pandemic and historically low interest rates. Many commentators have suggested that as a result of multiple lockdowns and homeworking, allied to the ease of access to markets provided by technology and the proliferation of new platforms, people had a lot of time on their hands to try and make some money – the crypto story is also a factor here. Why spend our lockdown time making yet more sourdough when I can join an investment revolution and make some money?! It is now amazingly easy and cheap to do. The returns, or lack of, from traditional savings options cannot be ignored either.

**Steve:** There has not been a sufficient passage of time to conduct a meaningful study, but it's worth asking how much of the meme stock phenomenon is due to the pandemic? You've got record numbers of people with access to brokerage platforms and a lot of those people are working from home, saving money because of the COVID restrictions. Those funds have found an outlet this way, but I'll be interested to see whether this activity survives or whether new meme stocks will emerge again on that scale, once people return to the office. Once the majority of people are back to work and COVID is as endemic as the flu without affecting our lives so much, I suggest it will be the latter.

**Don:** Approaching it from a slightly different perspective, we previously discussed the trends in the market over the past 12 months or so through the lens of the pandemic, but as we know the securities lending market has been affected by various different influences, whether that's macroeconomic impacts, financial crisis or Euro sovereign bond crisis.

It has a resiliency to be able to transmit the actual macro events into industry trends and demand, and if you step

back and you look at the retail investor environment as just another event, the scrutiny in this market sector will adjust accordingly. So, for the reasons we just stated, pandemic related, or not, you may want to look at this as a sector of the market that's been developing and will continue to do so, similar to the US, where the fully paid market is a relatively mature market now.

I'm sure there will be a little bit more scrutiny around protections and more discussions from regulators, as we saw with SEC post-GameStop. If you think of it as another source of supply, you see that volatility in the US and the North American market. That's where that retail market is really going to impact.

If we view this as just another event within the history of securities lending from a supply perspective, I think I agree with the comments that it needs to be looked at from a regulatory perspective. The institutional side is well versed and well entrenched in that, and I think that is the next step with retail investors.

**Bill:** When we think about the retail sector and its historic participation in financial markets, the main headlines regarding protections have been in relation to vast mis-selling campaigns and the resulting compensation being paid out to the retail sector. Where do these protections kick-in when there was no advisor or agent mis-selling? Sure, the trading platforms will be scrutinised, and their policies and T&Cs will need to be watertight, but who is at fault if I decide to trade on the back of something I read in a Tweet or on Reddit? Who's picking up the tab for letting me do that and it not working out for me?

**Don:** It's not just about lendables, it's about the type of lendable asset, and you'll see this supply probably not concentrated on GC. It's not going to be financing assets, as the supply is more likely going to be focused on directional and volatile names where there is significant intrinsic value.

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So what does that potentially do to the broader market in that specials space?

**Bill:** If we were to see a significant increase in lendable overall, what does that mean for the broader market in

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Nick Davis, JP Morgan

terms of those securities which aren't special? Where do we get to the point when we say, there's just too much main-index, liquid GC and the value for that is zero.

**James:** It has also had an impact on demand - seeing some hedge funds being squeezed out of their shorts, and the gamma squeeze kicking in and hurting them. A lot of the hedge funds have taken off some of their risk, you know, they are not going to have these concentrated short positions across the market where they may have historically. We may see that it impacts the demand profile that that we're used to.

**Nick:** As James mentioned you have seen a risk-off approach, however hedge funds may pay more attention to those regions where we didn't see as much contagion such as APAC. Specials will always be there, you just may see it more regionalised in the interim.

**Ernst:** The rise of retail investors seems to be correlated with the fact some US companies that are supported by more efficient technology have lowered costs and facilitated greater access to retail investors. In Europe, the trend is less strong as the fintechs have at this stage less power (i.e. less client base) compare to the US fintechs.

**James:** It's a slightly different dynamic in the US, which I think has helped to create this participation by retail investors, which doesn't exist to the same degree in in Europe or in Asia.

**Bill:** I think the motivations are interesting too. If you look at GameStop, that starts out with some people being disruptive on Reddit, to defend a company that they liked a lot more than some short sellers who clearly have a very different view to what that company's value is. The motivator was probably more emotional than actually financial.

It's still a different view and that's fine because that's how markets work. If you think it has more value and you want to do something about it, then do something about it – I wonder how early in the process it moves from an attempt to "stick it to the shorts" and become something more cynical. Does it help in terms of the way we traditionally value companies? Will it make more hedge funds go out of business if you get that the wrong way around? Well, we have certainly seen some forced to take a more circumspect approach.

It's a very different world we live in now, where you can get access to those markets you can express an opinion via buy, sell or whatever you want to do, and that's quite motivating for people who want to get involved with stocks.

**James:** I think social media platforms, such as Reddit, are changing the way people are thinking about research. There are investors out there that are reading Reddit, reading how many rockets are posted and the commentary about stocks, and taking this into consideration when investing, so it has changed. This has changed the landscape, quite dramatically and people are waking up to the new order.

**Bill:** From an ethical and regulatory standpoint, there undoubtedly needs to be some focus on social media and how it is being used. Governments and legislators around the world have been caught on the hop by social media and they're still struggling to catch up now so regulators are just discovering that there is a lot to consider in that space and it will be interesting to see their approach.

**Chair: July makes one year since the introduction of SFTR. What has the market learned from the introduction of the regime?**

"We've seen a trend the last couple of years, where some of our more sophisticated beneficial owners have chosen to become both borrowers and cash collateral reinvestment counterparts."

Steve Kiely, BNY Mellon

**Ernst:** It has been a challenge to implement but more important I think that it creates some opportunity for the market to embrace technology and create more efficient processes. For example, we can think about automated prospect confirmation matching schedule processing for reporting. So, clearly, that has pushed for greater automation and transparency, or to become more data focused.

SFTR's complexity has been challenging to implement but has also given firms the opportunity to embrace technology to create more efficient processes. SFTR has highlighted that more than ever there is a need for greater automation, greater transparency and more data focussed operations within sec financing. Automated post trade confirmation/ matching being a good example, and straight through processing for reporting

However, a year down the line, the market recognises SFTR data quality needs to improve. ESMA recognised that and has put a data quality framework with national regulators to follow up on the issue

If we look to the future, it still very much work in progress - as the regulators focus more on accuracy and sharing of data and with the upcoming CSDR regulation. The CSDR regime will bring challenges but also potential costs, particularly fines.

The market needs to embrace technology and needs to improve the processes. Clearly the matching solutions needs to work.

**Nick:** To add to what Ernst said, a large part is around collaboration. We saw ISLA and ICMA come together to aid the implementation of SFTR. From a booking perspective, we have noticed some differences. For example, we have witnessed securities lending transactions being booked as a repo, which has created challenges, therefore there is a view to try and get to a common ground. In 2022, there is a hope for an SFTR review which will tackle some of the core issues highlighted by the association members. For example, actual vs contractual lifecycle reporting, re-use reporting and the large challenges around understanding collateral data.

**James:** It is about optimisation as well. Every time you report, you incur a cost to file that report. It's looking across your businesses, assessing how often you reallocate your securities, how many times you allocate clients in and out of loans and reviewing your business models to ensure efficiency. We have mentioned that SFTR is up and running, now the real work is in optimising the business flows and processes.

**Steve:** A bi-product of SFTR is that organisations, such as DataLend, will benefit due to the improved quality of data that they are receiving. One of the benefits, painful though it was, has been that SFTR has forced us to take a root and branch overview of how we collect data and how we log certain things in our systems. So, there will be many intangible benefits from it, albeit it probably didn't feel like that in the build up to go live.

**Don:** It opens up an important point around standardisation. Here's an industry that prides itself on being bespoke to various different stakeholders, and now we are finding we have to come to some sort of common standard, and I think that is the real next challenge.

### Chair: What role will peer-to-peer lending play in the European market going forward?

**Ernst:** Peer-to-peer will not replace what the banks are doing, you go to peer-to-peer because you want to extend liquidity access in case of liquidity stress in the market and or to improve the income from securities lending activity.

Where you have this type of connectivity between peers, you can somehow reduce the bid-ask spread on some funding transactions.

Peer-to-peer will not become the new norm, but rather

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James Day, State Street

an additional liquidity tool. We still have work to do, and I believe it will gain popularity, but it's not something that I believe will replace the venue we have for most of our transactions.

**Nick:** We are going to see continued enquiries and execution when it comes to peer-to-peer. Beneficial owners and agent lenders continue to look for new demand. Lending directly to hedge funds can allow for better spreads and continues to diversify the lending book. That said when entering into transactions like this, technology comes to the forefront. Having the right platforms to execute and making sure hedge funds can support trading directly with an agent lender is key. One of the largest challenges being the (Agency Lender Disclosure) ALD approval process.

Secondly peer-to-peer can help maintain efficiency in the securities lending space. Demand continues to grow with asset managers amongst others, who want to use their long positions to cover their internal shorts, borrowing from their own inventory to begin with, before going externally to source supply.

**Steve:** We've seen a trend the last couple of years, where some of our more sophisticated beneficial owners have chosen to become both borrowers and cash collateral reinvestment counterparts.

The central counterparty concept took a long while to take off and you could argue it still hasn't really. For years, the big sticking point was that beneficial owners are not used to paying margin. They're used to receiving margin, and therefore, the industry had to overcome that hurdle.

With peer-to-peer lending, what has been holding that construct back, and everyone has said this in one way or another, is the credit intermediation which the agent lender performs. And we've got to find a way around that.

**Don:** Peer-to-peer is an important segment and within that backdrop, agent lenders are really trying to provide solutions. That's what we've done in various different ways, whether it is through solutions to beneficial owners, who may want to be a lender and a borrower to cover shorts internally, an agent lender who may want to support a direct lender, which is a form of peer-to-peer, or a platform that supports peer-to-peer.

To this point, it's an adjunct to the existing industry and agent lenders play an important role in the continued development of that.

**James:** I think the banks will continue to play a very important role. When you look at what agents and prime brokers do for their clients, such as the clearing and settlement. Most peers that we speak to still need that functionality, so they are looking at their agent lender and relying on them to facilitate the transaction and provide the indemnification. Agent lenders remain a central part of the peer-to-peer process and I do not see that changing, even if you move it to an electronic platform.

**Bill:** One thing we have not spoken about, and whilst not exactly peer-to-peer, it is another example of beneficial owners taking more direct control of their lending programmes by leveraging their own relationships with borrowers. They can still operate within an agent lenders programme, but where they have a strong corporate relationship with a bank who also happens to be an approved borrower, they may be able to leverage this better than their agent lender can. In essence it's more akin to a "directed borrowing" arrangement, where they'll enter into their own arrangements, but then use their agent's operational capabilities, and possibly indemnification, in exchange for a fee. I see it as a really healthy evolution and a useful tool to add to the securities lending toolkit.

> Ultimately, there'll be some standardisation, especially around collateral sets - it's an absolute necessity and that's why there are so many people on so many organisations and panels, trying to get their heads around this. ESG impacts our industry in many ways, but the collateral side is the most difficult to deal with.

**Steve Kiely,** BNY Mellon

**Chair: How successful has the industry been at applying ESG principles?**

**Bill:** I think ESG is a fantastic thing, and we should all live it, breathe it and think it in both our professional and personal life. I think it is that important. I also think that from a securities lending perspective, we have had an enormous number of conversations on the topic over the last 18 months that have added very little of use to the discussion. However, that's not to say that it isn't relevant because of course it is.

I think we just been approaching it from the wrong angle. Governance, in terms of corporate governance has been with us in securities lending forever. Socially Responsible Investing (SRI) and environmental considerations are also familiar themes. We've been managing these considerations in one form or another for a long time. One area that still needs work is collateral management, that is to say the ability to exclude "sin" stocks from acceptable collateral profiles quickly and easily, particularly within Triparty programmes. This is an element that we have not quite mastered yet, and perhaps not as easy to implement.

It's going to matter much more how your organisation measures up to its ESG objectives and those of your clients. RFPs are already including questions around green credentials, diversity and inclusion and how you live these things rather than just speaking to them. The make-up of your business is going to matter as much as your ability to carry out that business.

I think a lot of the conversation about ESG and securities finance has gone down the wrong path. As is the case across financial markets, we are still a long way from reaching any form of ESG standardisation for securities lending and we may never do so.

**Nick:** I agree and I do not think it will be pure standardisation, but rather automated customisation. What has the industry done today? Tri party agents such as JP Morgan have introduced ESG indices to meet the eligibility requirements of specific beneficial owners. Vendors feeding data into trading systems so that agents can navigate recalls or swaps if their underlying client wishes to vote on specific events, tracking specific ESG scoring, the list goes on. The process and development will continue to evolve as we align with ESG requirements. That said one must also remember that it is getting the right balance between a client's ESG parameters and their lending program.

**Don:** Short selling does impact capital flows in the greater market, and I think that is an equally important discussion and one I think we will continue to see evolve. There are a number of conversations at the beneficial owner level where ESG becomes a flag versus securities lending, because of the short-termism view. I think there's more to be debated and that's been happening for some time now, but it would be great to switch the discussion to how securities lending in the industry can facilitate ESG views by supporting that short-termism view with respect to the flow of capital in the greater macroeconomic market.

**James:** The opinion seems to be pointing that short selling and securities lending are compatible. And the argument stands that short selling supports ESG because it allows investors to take a view of a company.

**Steve:** Ultimately, there'll be some standardisation, especially around collateral sets - it's an absolute necessity and that's why there are so many people on so many organisations and panels, trying to get their heads around this. ESG impacts our industry in many ways, but the collateral side is the most difficult to deal with.

**Ernst:** I think we need maintain our stewardship in terms of responsible investment and implement security lending activities that are align with this role. In addition, we should continuously communicate on the compatibility of ESG and securities lending as well as on the role of liquidity provider of this activity.

**Chair: What role is data and technology playing in today's market?**

**Dimitri:** Technology and Data play a huge part in today's

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> Looking ahead, digitalisation of market infrastructure and tokenisation of assets, offers the securities finance industry in particular some quite extraordinarily exciting and revolutionary opportunities and will be transformational for securities lending.
>
> **Bill Foley,** SecFinHub

securities finance market. A lot of the points that we have discussed today are the result of or have been driven by technology—everything from social media platforms helping to drive short squeezes to technology enabling beneficial owners to lend directly to each other through peer-to-peer.

Over time, our industry has become more efficient through technological developments. EquiLend's NGT platform has facilitated more efficient and automated trading and that pattern continues to grow. The global pandemic highlighted the benefit of this automation and NGT actually experienced record trade flows in March 2020 as companies shifted their traders to work from home with very little disruption.

ESG is very much on everyone's radar at the moment and technology will play a big role here too. Whenever we talk about standardising things these days there is usually a technology build required to enable this to happen. An example here might be monitoring collateral received to ensure that it complies with the beneficial owner's ESG requirements – something which we are looking to develop at EquiLend.

One area which still needs work from a technology perspective is settlement. Our industry is still behind others when it comes to trade settlement with many firms still having to rely on manual processes to settle trades. Regulatory initiatives such as CSDR will provide some impetus for firms to update their technology as there will be a direct impact on the P&L.

The use of data has also been on the rise. My colleagues in EquiLend's Post Trade team are working on ways of using data to identify patterns in workflows that cause issues and ultimately impact the P&L. These might not be obvious to clients as they don't necessarily have the same level of access to data as we do. Now that we have more intra-day data this allows us to pick up issues quicker enabling clients to resolve issues a lot earlier.

More accurate and timely data will help with granularity and transparency and this in turn will help our industry be more efficient.

**Steve:** I think a natural route for us to take is the road to tokenisation and I believe that will really take off in the next couple of years.

**Don:** It's how stakeholders and beneficial owners consume data, and how they're going to use that data to make decisions going forward, which is an equally important part of this whole data discussion. Clients like to consume data in various different formats but also, as discussed earlier with a potential new supply like the retail segment, we know there are clients that are not participating proactively and may just want to participate opportunistically. This means having that data available in a way that clients can see those opportunities allows for better data-based decisions.

**Dimitri:** That's a really good point Don. One of the things that I have noticed is that some of our Beneficial Owner clients are now starting to use screens which previously only the trading desks were looking at. These Beneficial Owners are really focused on getting the most value they can out of their portfolios and they're looking at data and technology to help them do that.

**Nick:** Technology and data has always been a priority for JP Morgan and we continue to meet the requests of our clients and the regulatory bodies. Data remains at the forefront for our clients, API reporting for example will only continue to grow as more clients expect intraday analytics. As the securities lending market continues to evolve as we have seen with ESG and Peer-to-peer for example, so will our technology mandate.

**Bill:** I think non-automated trading will become vanishingly small over the next few years. Data will become ever more important as we move towards that greater automation – we may also see standardisation of the data across providers. Looking ahead, digitalisation of market infrastructure and tokenisation of assets, offers the securities finance industry in particular some quite extraordinarily exciting and revolutionary opportunities and will be transformational for securities lending. ■