THE PURPLE

EQUILEND DATA & ANALYTICS
H1 2023 REVIEW

SECURITIES FINANCE H1 2023 REVENUE

Jan 1 to June 30, 2023

GLOBAL
$5,760,795,345

—

+19% YOY

AMERICAS
$3,395,382,520

—

+27% YOY

EMEA
$1,339,408,001

—

+14% YOY

ASIA PACIFIC
$1,026,004,825

—

+5% YOY

Figures represent lender to broker activity only.

Welcome to our 2023 half-year edition of The Purple! It was an eventful first half of the year marked by a regional banking crisis, a resurgence in meme stock activity and persistent interest rate hikes to battle global inflation. Securities lending revenue was up 20% year over year, generating $5.76 billion in the lender-to-broker market. Check out our H1 market review, "In a Turbulent H1 2023, Securities Lending Market Outperforms," in this issue for all the details.

While you are at it, enjoy our other articles taking a deeper dive into AI stocks, enhancements to our performance measurement analytics and a sneak peek at our upcoming social media sentiment data!

As always, thank you for your continued support. Please feel free to reach out to our team of experts at DataLendProductSpecialists@equilend.com with any questions!

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AMERICAS

LENDABLE	ON LOAN	REVENUE	FEES
$22.24 Trillion +22.5%	$1.66 Trillion -3.3%	$3.40 Billion +26.9%	40.14 bps +29.2%

Equity Revenue By Fee Band

- 0-25 bps
- 25-50 bps
- 50-250 bps
- 250-500 bps
- 500+ bps

12.26%
2.99%
6.16%
7.27%
71.32%

Fixed Income Revenue By Fee Band

- 0-25 bps
- 25-50 bps
- 50-250 bps
- 250-500 bps
- 500+ bps

13.56%
13.78%
13.85%
14.77%
44.04%
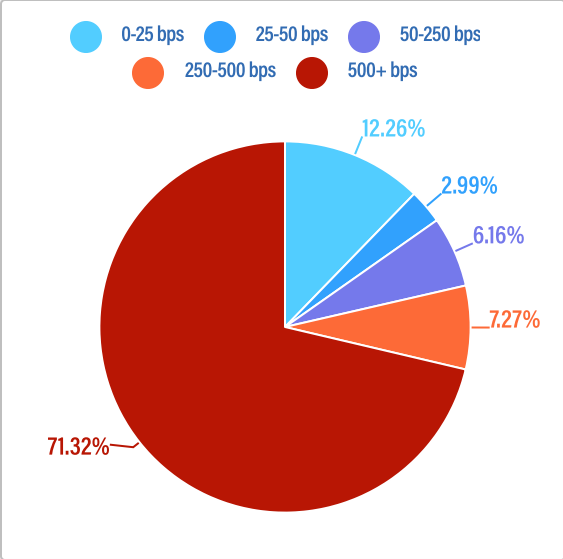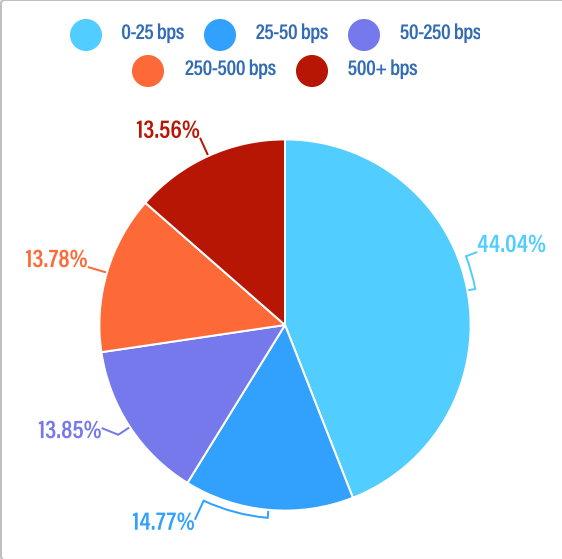
Top Equity Earners

Security	Revenue (USD)
AMC ENTERTAINMENT	354,376,837
LUCID GROUP INC	103,101,444
BEYOND MEAT INC	98,577,640
UPSTART HLDGS INC	72,962,064
GAMESTOP CORPORATION	72,757,147
SIRIUS XM HOLDINGS INC	54,736,838
MICROSTRATEGY	47,685,162
NIKOLA CORPORATION	46,769,451
QUANTUMSCAPE CORPORATION	40,644,495
FISKER INC	38,770,733

Top Corporate Debt Earners

Security	Revenue (USD)
MICRO 0.125% 15/11/24	5,380,722
MPH A 5.75% 01/11/28	5,363,757
3M CO 4% 14/09/48	5,212,646
SIX F 5.5% 15/04/2027	4,428,216
DEXCO 0.25% 15/11/25	3,827,836
AVIS 5.375% 01/03/29	3,488,169
BOOKI 0.75% 01/05/25	2,982,053
FORD 4.346% 6% SNR 08/12/26	2,807,043
FLUOR 4.25% 5% SNR 15/09/28	2,612,696
BIOMA 1.25% 15/05/27	2,436,540

AMERICAS

On Loan Vs Lendable

Total Lendable (USD Trillions)   On Loan (USD Trillions)
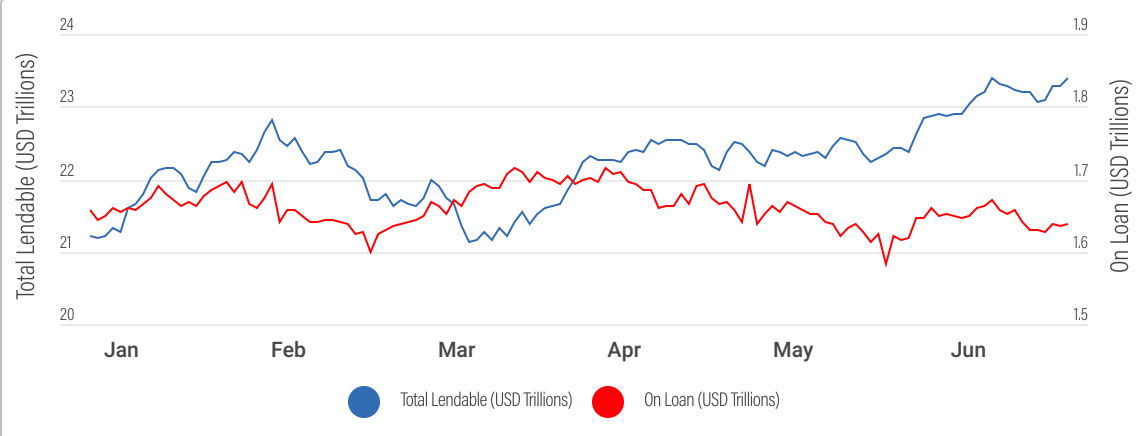
Top Sectors By Revenue

Consumer Discretionary	Communication Services	Financials	Information Technology	Industrials	Health Care
$534.32M	$476.88M	$332.81M	$273.78M	$223.90M	$212.87M
$89.59B	$38.18B	$135.71B	$82.87B	$69.25B	$60.25B
119.18 bps	255.39 bps	50.18 bps	66.19 bps	65.42 bps	70.85 bps

Revenue (USD)   Loan Value (USD)   Fees (bps)

Market Breakdown

EQUITY	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	UNITED STATES	$16.00T	35.0%	$628.87B	3.7%	75.92	22.0%	$2.37B	26.7%
	CANADA	$713.73B	-7.8%	$60.79B	19.1%	70.07	12.5%	$200.58M	34.0%
	LATIN AMERICA	$47.16B	21.3%	$1.91B	37.6%	136.31	63.1%	$12.92M	124.8%

FIXED INCOME	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	UNITED STATES	$4.49T	1.4%	$830.33B	-7.0%	14.54	26.8%	$691.25M	27.2%
	CANADA	$811.04B	-8.3%	$127.64B	-16.4%	13.67	19.2%	$86.73M	-0.4%
	LATIN AMERICA	$172.12B	-0.9%	$12.84B	-10.6%	50.15	106.2%	$32.08M	83.9%

EMEA

LENDABLE	ON LOAN	REVENUE	FEES
$5.06 Trillion -4.8%	$570.42 Billion -13.1%	$1.34 Billion +14.3%	48.30 bps +31.2%

Equity Revenue By Fee Band

- 0-25 bps
- 25-50 bps
- 50-250 bps
- 250-500 bps
- 500+ bps

14.23%
4.49%
11.44%
7.83%
62.01%

Fixed Income Revenue By Fee Band

- 0-25 bps
- 25-50 bps
- 50-250 bps
- 250-500 bps
- 500+ bps

5.42%
11.87%
27.75%
36.66%
18.29%
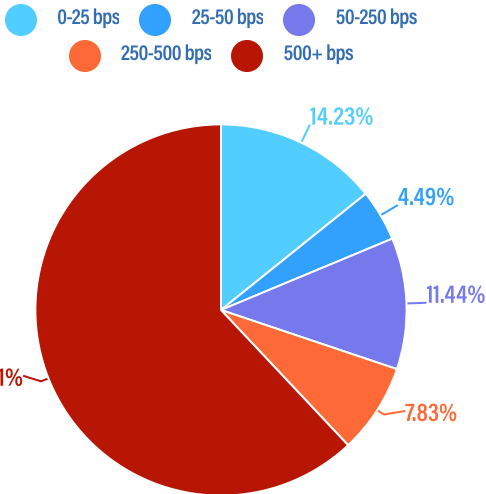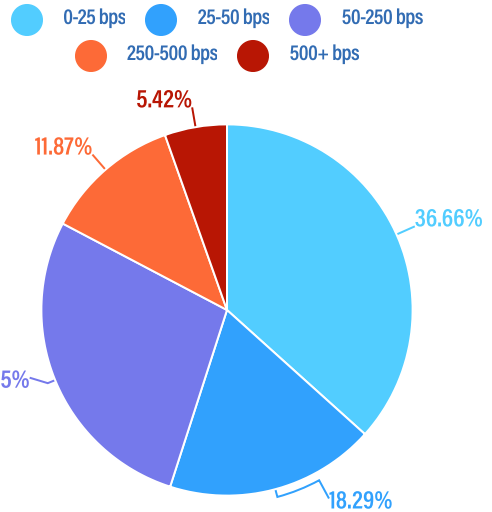
Top Equity Earners

	Security	Revenue (USD)
	AXA SA	23,000,132
	IDORSIA LTD	18,404,152
	ROCHE HOLDINGS	18,294,844
	BNP PARIBAS	17,929,484
	EQUINOR ASA	16,798,245
	TOTALENERGIES SE	16,694,503
	ENGIE	15,671,954
	SAMHALLSBYGGNADSBOLAGET	13,111,019
	DNB BANK ASA	12,621,352
	HAPAG-LLOYD AG NPV	11,990,980

Top Corporate Debt Earners

	Security	Revenue (USD)
	TEVA 5.125% 09/05/29	1,607,295
	ARCEL 4.25% 5% SNR 16/07/29	1,373,491
	PAYSA 4% 15/06/29	1,298,974
	SCHNE 0% 15/06/2026	931,620
	BNP P 0% 13/05/2025	917,922
	NOBIA 3.625% 15/07/2026	906,332
	THYSS 2.5% 25/02/25 '3	867,764
	TK EL 7.625% 15/07/28	860,055
	PROGR 3% 31/03/2026	812,030
	INEOS 6.625% 15/05/2028	743,241

EMEA

On Loan Vs Lendable

- Total Lendable (USD Trillions)
- On Loan (USD Billions)
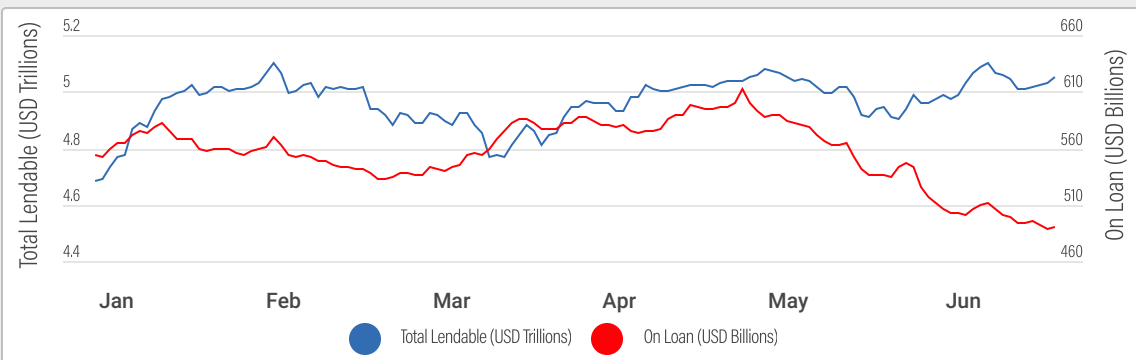
Top Sectors By Revenue

Financials	Industrials	Consumer Discretionary	Health Care	Materials	Energy
$180.04M	$152.93M	$108.65M	$102.84M	$69.42M	$52.55M
$36.21B	$35.11B	$26.55B	$21.26B	$18.21B	$15.32B
110.21 bps	89.76 bps	82.64 bps	98.68 bps	77.97 bps	74.04 bps

- Revenue (USD)
- Loan Value (USD)
- Fees (bps)

Market Breakdown

EQUITY

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	$551.36B	10.3%	$50.56B	-12.8%	84.34	27.2%	$195.23M	10.9%
Sweden	$158.31B	-9.9%	$18.09B	2.2%	137.32	17.9%	$119.47M	21.9%
Germany	$342.10B	-2.0%	$37.56B	-4.2%	62.17	0.0%	$117.19M	-0.4%
Switzerland	$403.40B	-5.8%	$27.07B	-12.8%	87.80	43.4%	$113.56M	30.2%
United Kingdom	$860.19B	-1.4%	$23.85B	-21.2%	67.84	55.6%	$81.92M	23.5%

FIXED INCOME

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	$312.91B	-9.2%	$76.25B	-17.2%	25.47	33.6%	$96.78M	9.7%
United Kingdom	$432.47B	-10.7%	$74.03B	-20.8%	24.69	54.9%	$94.37M	20.8%
Germany	$243.59B	-10.0%	$79.90B	-16.5%	19.90	2.6%	$79.24M	-14.7%
Italy	$118.54B	-10.4%	$24.81B	2.0%	21.61	47.0%	$26.71M	44.5%
Spain	$93.93B	-13.9%	$15.73B	-27.3%	19.58	84.1%	$15.32M	22.1%

ASIA PACIFIC

LENDABLE	ON LOAN	REVENUE	FEES
$2.94 Trillion -0.5%	$250.49 Billion +10.2%	$1.03 Billion +5.4%	82.36 bps -4.4%

Equity Revenue By Fee Band

- 0-25 bps
- 25-50 bps
- 50-250 bps
- 250-500 bps
- 500+ bps

9.83%
4.66%
19.97%
19.03%
46.52%
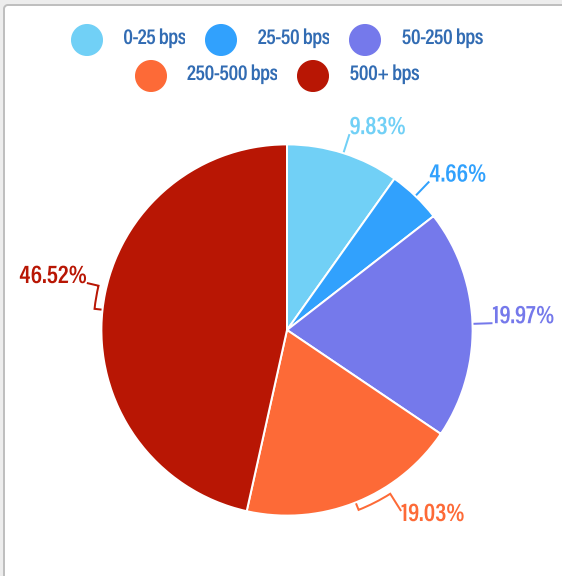
Top Equity Earners

	Security	Revenue (USD)
	ECOPRO CO LTD	11,621,264
	ECOPROBM CO.LTD	10,701,043
	POP MART INTL GRP LTD	9,718,423
	TIANNENG POWER INTERNATIONAL LTD	8,945,791
	CHINA AIR LINES	8,810,578
	EAST BUY HOLDING LIMITED	8,393,406
	SNOW PEAK INC NPV	8,069,998
	SMOORE INTL HDGS LTD	7,910,380
	JAPAN POST BANK CO LTD NPV	7,797,007
	NAN YA PRINTED CIRCUIT BOARD CORP	7,248,524

Offshore Vs Onshore Loan Balance

- Onshore
- Offshore

Australia
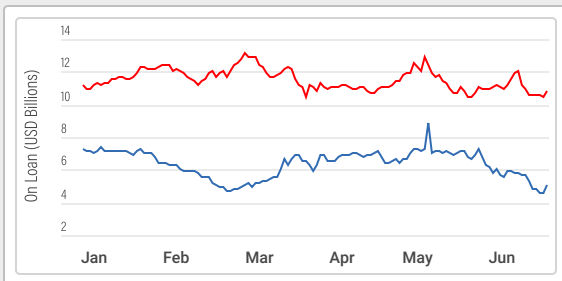
Korea
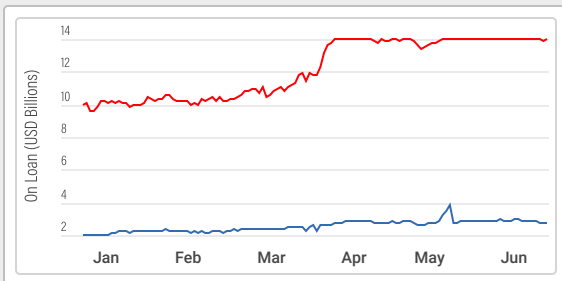
Taiwan

Japan

ASIA PACIFIC

On Loan Vs Lendable

Total Lendable (USD Trillions) ● On Loan (USD Billions) ●
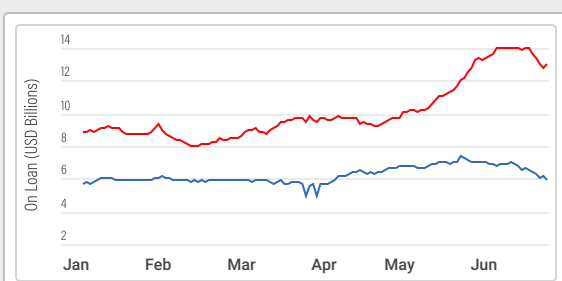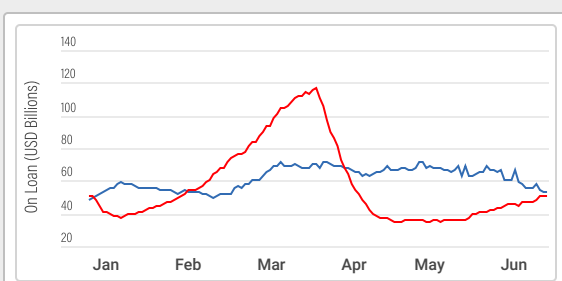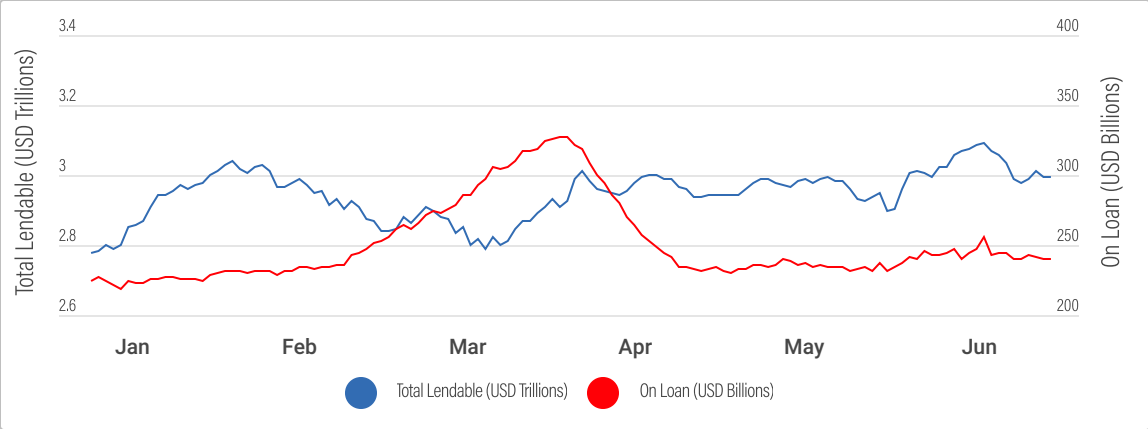
Top Sectors By Revenue

	Information Technology	Industrials	Consumer Discretionary	Health Care	Materials	Financials
Revenue (USD)	$231.92M	$158.22M	$130.05M	$89.05M	$84.28M	$78.59M
Loan Value (USD)	$30.14B	$37.74B	$35.08B	$14.71B	$16.71B	$23.00B
Fees (bps)	155.36 bps	84.63 bps	74.83 bps	122.11 bps	101.80 bps	68.76 bps

■ Revenue (USD)   ■ Loan Value (USD)   ■ Fees (bps)

Market Breakdown

|	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
EQUITY	Japan	$1.16T	1.2%	$121.12B	23.0%	51.10	16.1%	$306.46M	42.7%
	Taiwan	$124.01B	12.5%	$16.34B	-9.7%	281.73	-2.8%	$227.93M	-12.3%
	Hong Kong	$559.92B	-3.6%	$27.84B	-6.4%	125.88	22.5%	$173.18M	14.4%
	Korea, Republic of	$167.89B	-7.7%	$14.91B	5.5%	177.90	-15.8%	$131.21M	-11.4%
	Australia	$454.68B	2.7%	$18.44B	-1.2%	64.81	-26.5%	$59.41M	-26.7%
	Thailand	$31.60B	8.4%	$1.51B	-16.2%	356.10	-1.7%	$26.60M	-17.7%
	Malaysia	$9.81B	-15.3%	$427.14M	-10.5%	425.88	-16.6%	$9.02M	-23.7%
	Singapore	$58.72B	5.3%	$2.17B	27.6%	78.27	-23.2%	$8.44M	-1.8%

Wisdom of the Crowd?

Embracing the role of retail investors and social media in securities finance markets

By **Alec Rhodes**, Product Specialist, EquiLend Data & Analytics

In his June 21, 2023, testimony before congress, Federal Reserve Chair Jerome Powell referred to the central bank's view of bank-run mechanics as "outdated." His comments, which sought to address the events leading up to Silicon Valley Bank's collapse, allude to the fact that today, the genesis of financial panic is more likely to come from message boards than board rooms. The regional banking crisis is just the latest financial watershed in which social media played a pivotal role.

The securities finance market is certainly not insulated from the impacts of social media, and in fact, some of the most actively loaned securities in recent years have been those popular with retail investors. Whether it was the GameStop (GME) squeeze of 2021, the downfall of retailer Bed Bath and Beyond (BBBYQ) or the more recent AMC/APE legal battle, social media communities like Reddit's "Wall Street Bets" have certainly impacted short interest and subsequent lending demand.

While social media content is generally publicly available, the sheer volume of information in combination with the noise generated by bots and spam creates a challenge for investors looking to derive valuable insights. With this in mind, EquiLend is adding targeted social media sentiment data to its industry-leading Data and Analytics product suite, striving to continually improve its holistic view of the securities finance marketplace. With this new perspective, EquiLend aims to deliver a consolidated view of social-media activity, distilling the knowledge and opinions of the public into easily digestible analytics.
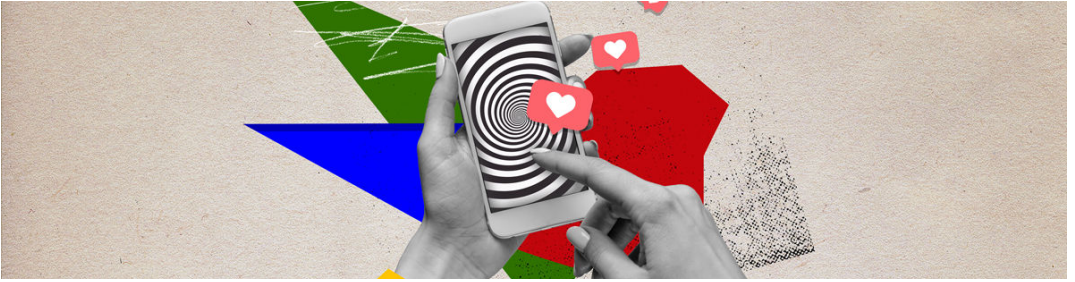
Social media analytics measuring both the volume of activity and a computed sentiment score will provide decision makers with an additional leading indicator derived from the vanguard of trending news. Additionally, the ability to integrate this data directly with traditional securities finance metrics will provide actionable datapoints for both existing lending activity and new opportunities.

Looking at the aforementioned GameStop craze, EquiLend analyzed the historical social media data in relation to its securities finance dataset. In the 48-hour period of Jan. 21-23, 2021, social media mentions of GameStop stock increased a whopping 1,600% as the company's share price began to edge upward. This jump in chatter preceded a 96% increase in the cost to borrow GME during the January 25 business day. GameStop's share price subsequently hit its record high on January 27.

While the GameStop story was an international phenomenon (even inspiring an upcoming feature film), retail investors on social media have not lost steam even as the public spotlight has faded. Looking at one recent example, on June 22, 2023, embattled biotech company Aeglea Biotherapeutics (AGLE) announced the acquisition of Spyre Therapeutics in a bid to remain afloat. This has resulted in significant swings in social media mentions and lending activity. AGLE represents just one of many examples where social media data offers valuable context or leading signals relative to securities finance activity.

AGLE Social Mentions vs. Utilization Percentage
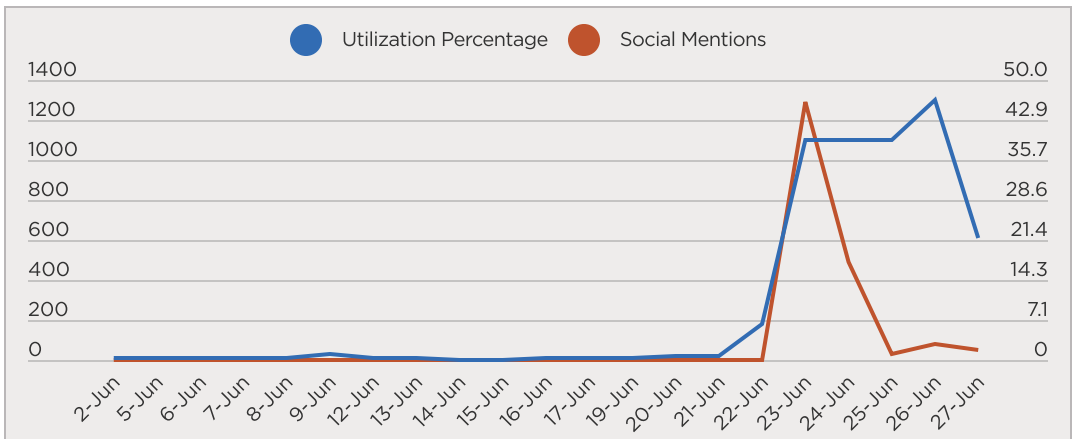
Stay tuned to EquiLend's channels for more information about the integration of social-media sentiment metrics into our Data & Analytics ecosystem.

The AI Gold Rush: Boom or Bust?

By Keith Min and Alec Rhodes
Product Specialists, EquiLend Data & Analytics Solutions

With tech stocks booming on the back of advancements in AI, EquiLend's Data & Analytics team reviews lending data for further insight.

Equities market performance has been something of a pleasant surprise in the first half of 2023. In the U.S. market, the S&P 500 closed out the 2nd quarter roughly 16% higher than its mark from the start of the year. This growth so far has exceeded the expectations of many market forecasters, who were largely divided on bull and bear predictions heading into 2023.

One of the biggest growth stories has been the rapid ascent of artificial intelligence and AI-adjacent stocks. Investor interest in AI-based technology exploded when a plethora of consumer-level AI applications, most notably ChatGPT, were released towards the end of last year. According to Societe Generale, most of the year-to-date growth in the S&P 500 can be attributed to firms that sit somewhere along the AI value chain.

Perhaps the most notable case of the AI bump is chipmaker NVIDIA (NVDA), the top-performing individual stock in the S&P 500 index. Looking at DataLend's data, there was evidence of short activity on NVIDIA stock earlier this year, with nearly 24 million shares on loan as of February 27. As AI demand rose and NVIDIA produced strong financial results, DataLend observed a steep drop-off in loaned shares, down to roughly 1 million as of June 28.

While the world's largest tech firms have certainly benefited, the momentum of AI has also been a boon to a multitude of smaller-cap names in the space. Companies like C3.ai (AI), Soundhound AI (SOUN) and Upstart Holdings (UPST), to name a few, have made significant gains in recent months. Naturally, market commentary has begun to question whether the AI revolution is truly here to stay, or if investors are witnessing the dot-com bubble in a different hue. Using DataLend market data, we can begin to draw some conclusions about short activity in the AI-focused technology sector.

C3.ai (AI)

The share price of C3.ai grew 256%, peaking at $46.37, in the period between Nov. 30, 2022 (ChatGPT's public release), and June 15, 2023. This coincided with a parallel increase in DataLend's on-loan quantity from 8.1 million shares to 26.5 million shares over the same period. The largest increase in on-loan quantity occurred from late January to mid-February, and perhaps predictably, the exchange-reported short interest increased as well, going from 7.9 million shares on January 31 to 22.1 million shares on February 15. While the shares on loan for C3.ai slightly tapered off in late Q2 following a drop in share price, utilization of lendable C3.ai shares remained well over 90% into the new quarter. C3.ai was the 12th top earner for the first half of 2023, earning $37 million in revenue for lenders.
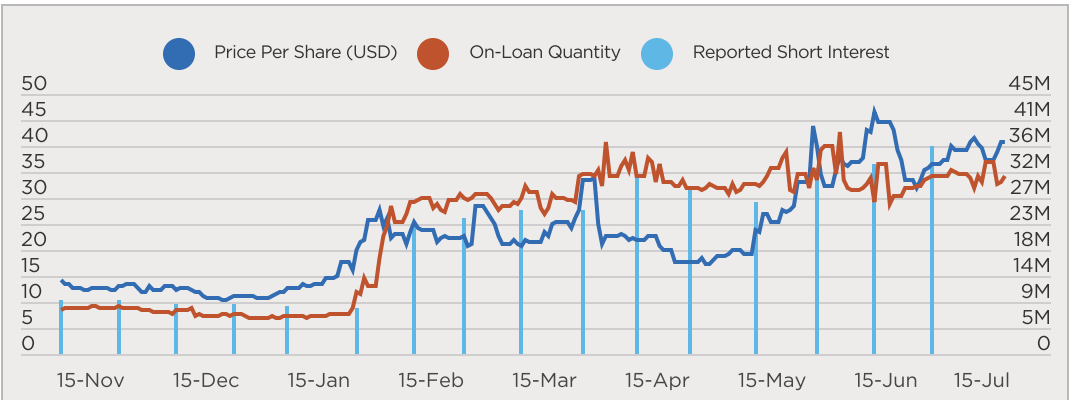
Soundhound AI (SOUN)

The audio and speech recognition company Soundhound AI observed similar late-January gains in share price, on-loan quantity and reported short interest following the influx of investors into AI-oriented companies. More recently, demand in the security drastically increased with the on-loan quantity rising from roughly 16 million shares to over 27 million shares as of the end of June. With June 30's short interest report of 13.6 million shares, the spike in loan activity signaled a reversal of the declining short interest trend from the 12.5 million shares on May 31 to 10.1 million shares on June 15. Throughout H1 2023, Soundhound AI was the 63rd top earner, generating $9 million in lending revenue.
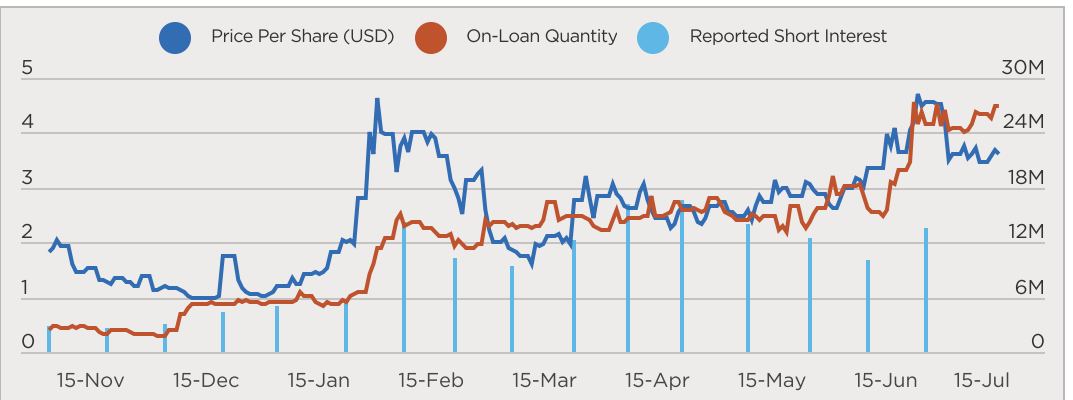
Upstart Holdings (UPST)

The AI lending platform Upstart Holdings, which uses non-traditional information to complement credit ratings, had a utilization of over 95% before the release of ChatGPT to the public. However, as the stock price rose in mid-May, utilization dropped roughly 10%, and the shares on loan began to taper from 25.7 million shares on May 11 to 21.2 million on July 12. Borrow demand for Upstart Holdings remains exceptionally high, but the last six weeks have shown signs of easing and short positions potentially closing as its share price exceeds its 52-week high. H1 revenue for Upstart Holdings was the highest of the three companies profiled here, earning $73 million as the 4th top earner of the period.
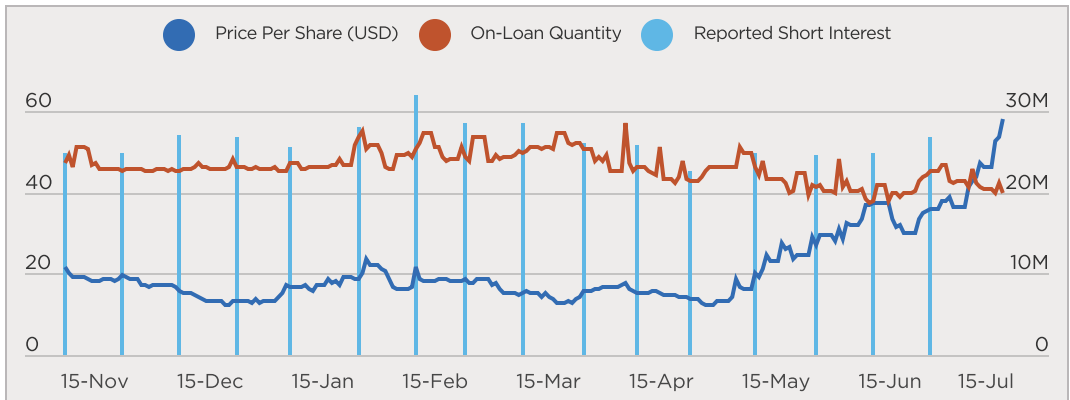
Over the years, EquiLend Data & Analytics has observed how major themes are reflected in the securities lending market. Cannabis, SPACs, EVs, meme stocks and now AI have all played pivotal roles in generating securities lending revenue in recent years. As the broad impact of AI continues to grow across many sectors, demand in the securities lending market may continue for the foreseeable future.

Stay tuned with the Data & Analytics team as we monitor AI and the rest of the securities lending industry.

What Agent Lenders and Beneficial Owners Should Look for When Analyzing Securities Lending Performance

By David Poulton,
Product Specialist, EquiLend Data & Analytics Solutions

Standards and accuracy are important factors in any data offering, but especially when using this data to measure performance and understand revenue relative to peers. EquiLend Data & Analytics has been setting standards in performance measurement in the securities lending market since inception, and we continue to raise those standards and provide actionable insights for our clients in conjunction with our vast global client network and industry bodies, such as ISLA's Performance Measurement Working Group.

When measuring performance, beneficial owners and agent lenders should be asking themselves:

| Which assets in their portfolio are generating the highest (or lowest) return and why? | What is driving that return: Collateral? Term? Intrinsic value? Cash reinvestment? | How are those returns attributed across different asset types, markets and sectors? | Are there dormant assets in their inventory that could be lent out profitably? | Are there other assets generating significant returns for similar funds to consider? |

These are just a few insights that can be derived from the DataLend Client Performance Reporting (CPR) and DataLend Portfolio tools, which have been providing that level of transparency to help agents and beneficial owners measure performance for many years.

Given the complexities of the market and the unique nature of each beneficial owner's program, some common questions emerge. For example, beneficial owners may ask:

"How can I get a true like-for-like analysis when comparing my program to the broader industry, and how can I ensure that my agents are reporting their performance in a consistent manner?"

The answer starts with data quality and a standardized peer group. A lender or a beneficial owner will know the types of entities that are included in their chosen peer group at any time. All peer groups are weighted at a security level to the portfolio being reviewed and are also matched at dividend rate; users are then able to select which benchmarking criteria are most important to them, such as fiscal location, legal structure, collateral type or all of them.

An agent lender might ask: *"My client's market share far exceeds my peers; how do you cater for this scenario?"*

How to handle outsized positions:
Over time, as more beneficial owner funds have been included in the securities lending market, scenarios arise where a security is held by a small number of peers, resulting in a benchmark where a single beneficial owner can hold a majority of the lendable market share. These instances are more frequent for lenders that have unique portfolios or more esoteric holdings. In these instances, the standard performance measurement approach of simply weighing a client's lendable based upon the industry's utilization could result in peer group results that exceed the true demand for the security. The ability to recognize these scenarios and apply new logic is a key factor in performance measurement to ensure results are fair and accurate based on true market conditions.

EquiLend Data & Analytics' performance measurement solutions are underpinned by robust algorithms to solve these issues and continue to monitor changes to securities lending portfolios.

Another common question is: ***"My beneficial owner imposes a minimum fee or hurdle rate; can you help to provide accurate performance metrics that take this into consideration?"***

How to measure performance when there are hurdle rates:
For many beneficial owners, attribution and relative performance measurement are sufficient and should be the minimum standards in terms of good practice. For others with more stringent assessment requirements, measuring performance is more complex. An example of this additional level of complexity is where a beneficial owner specifies that a minimum fee level must be achieved before lending. Working closely with multiple agent lenders, the Data & Analytics team has developed a bespoke benchmarking offering that allows minimum fees to be defined at a client or market level. This logic maintains the key concept of relative performance measurement by restricting the peer group to only other institutions lending the same securities with the same withholding tax regimes lending above the hurdle rate.

The EquiLend Data & Analytics team is committed to providing transparency to help agents and beneficial owners identify revenue attribution by offering unparalleled insight into their securities lending programs. With the benefit of standardized performance measurement, flexible DataLend-controlled peer groups and unique and exclusive data, it is possible to optimize your lending program and maximize revenue by making the most informed decisions with our DataLend CPR and Portfolio solutions.

For more details, please visit our website *(https://datalend.com/services/datalend-cpr/)* or reach out to your DataLend Product Specialists at: ***DataLendProductSpecialists@equilend.com***

In a Turbulent H1 2023, *Securities Lending Market* Outperforms

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EquiLend looks back on the drivers of lending revenue in the first half of 2023

As the second quarter concludes, we can reflect on an eventful first half of 2023 marked by a banking crisis, a resurgence in meme stock activity and persistent interest rate hikes to battle global inflation. Against the backdrop of market volatility, the securities lending market generated an impressive $5.76 billion in revenue over the first half of the year, an increase of 19.5% YoY. These numbers indicate a promising trajectory for 2023, setting pace to potentially surpass 2018's record revenue of $9.96 billion – the highest figure seen since DataLend started tracking revenue – should the trend continue.

Regionally, North America continued its stellar performance over H1 2023. Revenue was up 26.3%, driven by a 28.6% YoY increase in the cost of borrowing. In EMEA, a 13.1% drop in on-loan balances was offset by a 31.2% increase in fees, culminating in a modest 14% increase in revenue for the region. Conversely, on-loan balances in the APAC region grew by 10%, although fees decreased by 4.36%, resulting in securities lending revenue in the region increasing by only 5.4%.

Equities played a major role in the global increase in lending revenue, responsible for $4.42 billion in first-half revenue. That was an increase of 18% YoY and was driven by a 15% increase in fees over the same period. Higher interest rates created a conducive environment for fixed income lending, which generated $1.34 billion in revenue in H1 2023 with fees up 32% YoY.

Continue reading for a deep dive into the data and to explore the trends of 2023 so far.

North America Equities

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The North American equity lending market witnessed noteworthy performance over H1 2023, with securities lending revenue generating $2.57 billion, a substantial 27% increase YoY. While on-loan balances grew by a modest 4.87% compared to H1 2022, the main revenue driver for the period was a 21% increase in average fees YoY. Unsurprisingly, the bulk of the revenue came from lending activity in the United States, earning an impressive $2.37 billion in revenue, an increase of 26.7% YoY.

Consumer Discretionary and Communication Services dominated the top earners in the region and globally. Revenue for meme stock AMC Entertainment (AMC) earned more than the rest of the top five securities combined, coming in at $354 million over H1 2023. For more on top earners, visit our website for our article on the topic, "Q1 2023 for the Record Books," from the last issue of *The Purple*. Familiar names make up the remainder of the leader board: Lucid Group (LCID), Beyond Meat (BYND), Upstart Holdings (UPST) and Gamestop (GME).

North America - Top 5 Revenue Generating Equities

Equities	Revenue ($)
AMC ENTERTAINMENT HOLDINGS INC COM 'A'	354,376,837
LUCID GROUP INC COM CL A	103,101,444
BEYOND MEAT INC COM	98,577,640
UPSTART HLDGS INC COM	72,962,064
GAMESTOP CORPORATION COM CLASS A	72,757,147

EMEA and APAC Equities

EMEA and APAC Equities

The EMEA equities market continues the trend of an impressive first half of the year with lending revenue up by 12% YoY to $891 million. A 10% decrease in on-loan balances was counterbalanced by a 24% increase in fees over the same period. France topped the region, earning $195 million, up 100% compared to H2 2022 and 11% YoY, with Sweden and Germany following, earning $119 million and $117 million respectively.

Substantial lending activity of stocks in the Financials sector made it the top-performing sector in the region, earning $180 million in revenue. Leading the sector and the region was AXA SA (CS FP), generating $23 million in revenue, up 1,089% compared to H2 2022, but only up 2% YoY.

EMEA - Top 5 Revenue Generating Equities

Equities	Revenue ($)
AXA SA	23,000,132
IDORSIA LTD	18,404,152
ROCHE HOLDINGS AG GENUSSCHEINE NPV	18,294,844
BNP PARIBAS	17,929,484
EQUINOR ASA	16,798,245

Revenue generated from APAC equities came in at $944 million in H1 2023, up 3.5% compared to the same period last year, despite the cost of borrowing decreasing by 6% YoY. On-loan balances were up by 10.6% YoY, while lendable remained flat. The top revenue-generating markets within the region were Japan (+43% YoY), Taiwan (-12% YoY) and Hong Kong (+14% YoY), earning $306 million, $227 million and $173 million, respectively.

APAC - Top 5 Revenue Generating Equities

Equities	Revenue ($)
ECOPRO CO LTD	11,621,264
ECOPROBM CO. LTD	10,701,043
POP MART INTL GRP LTD	9,718,423
TIANNENG POWER INTERNATIONAL LTD	8,945,791
CHINA AIR LINES	8,810,578

North America Fixed Income

The lending market in North American government debt observed a modest 8% growth in revenue YoY for H1 2023, earning $530 million. While on-loan balances remained roughly the same, sovereign debt inventory balances and average fees increased 13% and 7%, respectively, from the same period last year. U.S. sovereign debt, namely Treasurys, proved to be the main revenue driver of the region, as impending rate hikes may be looming. Government debt lending activity in the U.S. amassed $456 million in revenue alone in H1 2023, a 10.4% rise from the year prior.

North America - Top 5 Revenue Generating Government Debt

Government Debt	Revenue ($)
UNITED STATES OF AMER TREAS BILLS 0% T-BILL 28/12/23	8,370,628
UNITED STATES OF AMER TREAS NOTES 3.375% NTS 15/05/33	7,094,393
UNITED STATES OF AMER TREAS BONDS 4% BDS 15/11/2042	6,609,820
UNITED STATES OF AMER TREAS BILLS 0% T-BILL 30/11/23	6,016,671
UNITED STATES OF AMER TREAS NOTES 1.125% TIPS 15/01/2033 USD	5,926,260

Corporate Debt performed notably well in North America during H1, as the securities lending market grossed $248 million in revenue, an extraordinary 77% increase YoY. Compared to H1 2022, the uptick in revenue was largely attributed to a 72% rise in fees, as well as corporate debt loan balances increasing by 2.64%. Corporate Debt activity for bonds issued by United States-based entities dominated the region as it accumulated $235 million in revenue, demonstrating a stunning 80% increase from the same period last year.

The top earners of the region included MICRO 0.125% 15/11/24, MPH A LLC 5.75% 01/11/28 and 3M COMPANY 4% 14/09/48, together generating almost $16 million in revenue. 3M COMPANY 4% 14/09/48 also topped the rankings for investment-grade debt as it grossed $5.2 million in revenue, a massive 1,403% increase compared to H1 2022. Across the region, revenue for high-yield debt soared 82% YoY, amassing $146 million over H1 2023. This revenue growth can largely be credited to an 84% spike in high-yield fees as well as a moderate 19% increase in lendable balances YoY.

North America - Top 5 Revenue Generating Investment Grade vs. High Yield Corporates

Investment Grade Corporate Debt	Revenue ($)
3M COMPANY 4% SNR MTN 14/09/48	5,212,644
BOOKING HOLDINGS INC 0.75% CNV SNR 01/05/25 USD	2,982,053
3M COMPANY 3.7% SNR 15/04/2050	2,201,168
3M COMPANY 3.25% SNR 26/08/49	2,059,178
DEERE & CO 3.75% SNR 15/04/50	1,854,816

High Yield Corporate Debt	Revenue ($)
MICROCHIP TECHNOLOGY 0.125% CNV SUB 15/11/24 USD	5,380,722
MPH ACQUISITION HLDGS LLC 5.75% GTD SNR 01/11/28 USD	5,370,415
SIX FLAGS ENT CORP NEW 5.5% GTD SNR 15/04/2027 USD	4,428,216
DEXCOM INC 0.25% CNV SNR 15/11/25 USD	3,827,857
AVIS BUDGET CAR RENT LLC / INC 5.375% GTD SNR 01/03/29 USD	3,488,169

EMEA and APAC Fixed Income

Lending activity in EMEA government debt generated $260 million in revenue this H1, a minor 3% improvement YoY. A 28% surge in fees was the main revenue driver for the period as it helped offset the 17% decline in loan balances compared to H1 2022. UK sovereign debt earned the most revenue of the region, grossing $70 million, up 16% YoY. Trailing behind, French and German debt were the next highest earners, generating $64 million and $54 million, respectively.

EMEA - Top 5 Revenue Generating Government Debt

Government Debt	Revenue ($)
FRANCE(GOVT OF) 5.5% SNR 25/04/29 'REGS	7,621,923
UNITED KINGDOM(GOVERNMENT OF) 1% GILT 22/04/2024	4,766,887
UNITED KINGDOM(GOVERNMENT OF) 1.25% SNR 22/07/27	4,678,197
UNITED KINGDOM(GOVERNMENT OF) 4.25% SNR 07/06/32	4,316,314
UNITED KINGDOM(GOVERNMENT OF) 0.125% SNR 30/01/26	4,003,673

The Corporate Debt market also performed strongly in EMEA, as revenue grew 56% from H1 2022 at $188 million. A 51% surge in fees YoY proved to be the main revenue driver combined with a boost in on-loan balances at 3.4%. The region's highest revenue-grossing markets were France, Germany and the United Kingdom, with combined revenue of $81 million making up 43% of the region's total revenue.

EMEA saw a significant increase in investment-grade corporate debt, accumulating $94 million in revenue, up 69% from H1 2022. The Materials and Financials sectors commanded investment-grade debt with top earners including ARCELORMITTAL 4.25% 16/07/29, SCHNEIDER ELECTRIC 0% 15/06/2026 and STANDARD CHARTERED PLC 4.3% SUB 19/02/27, together totaling $2.9 million in revenue for H1 2023. Impressively, high-yield corporates amassed a spike in revenue to $94.1 million, representing a 45% increase from the year prior. TEVA PHARMACEUTICAL FIN NETH III B 5.125% GTD SNR 09/05/29 USD was the top contributor, earning $1.6 million in revenue over the period.

EMEA - Top 5 Revenue Generating Investment Grade vs. High Yield Corporates

Investment Grade Corporate Debt	Revenue ($)
ARCELORMITTAL 4.25% SNR 16/07/29	1,373,491
SCHNEIDER ELECTRIC SE 0% SUST/LKD 15/06/2026 EUR	931,637
STANDARD CHARTERED PLC 4.3% SUB 19/02/27	690,136
UNIBAIL-RODAMCO-WESTFIELD 2.125%-FRN GTD SUB PERP EUR	536,877
COMPAGNIE DE ST-GOBAIN 1.875% SNR MTN 15/03/31 EUR	507,752

High Yield Corporate Debt	Revenue ($)
TEVA PHARMACEUTICAL FIN NETH III B 5.125% GTD SNR 09/05/29 USD	1,607,295
PAYSAFE FIN PLC / PAYSAFE HLDGS US 4% SNR SEC 15/06/29	1,298,974
BNP PARIBAS 0% ELN 13/05/2025	918,451
NOBIAN FINANCE B.V. 3.625% GTD 15/07/2026 EUR	906,332
THYSSENKRUPP AG 2.5% SNR 25/02/25 '3	867,764

Government debt activity in APAC soared during H1 2023, as generated revenue grew over 50% YoY at $33 million. A combination of average fees spiking 37% and sovereign loan balances growing 22% YoY contributed to the massive increase in revenue. Australia, Japan and Indonesia were the top earning markets of the region as well as some of the markets that experienced the most significant revenue increases YoY – 24.7%, 95% and 58% respectively.

APAC - Top 5 Revenue Generating Government Debt

Government Debt	Revenue ($)
PAKISTAN INTERNATIONAL SUKUK CO. 7.95% SUK 31/01/29	1,146,793
INDONESIA(REPUBLIC OF) 3.05% SNR 12/03/51	1,093,361
INDIAN RAILWAY FINANCE CORP 3.57% SNR 21/01/2032 USD	854,199
AUSTRALIA(COMMONWEALTH OF) 0.25% SNR 21/11/24	730,788
AUSTRALIA(COMMONWEALTH OF) 3.25% SNR 21/04/25	728,566

The APAC region witnessed a growth in corporate-debt activity as well, as $49 million in revenue was accumulated, reflecting a 23% increase YoY. Despite on-loan and lendable balances falling in the first half of the year, a 45% increase in fees helped to counteract, accounting for the overall increase in revenue. China led the pack of top earners, grossing $22.9 million, almost half of the region's total revenue. Following behind, lending activity in Japan and India generated the next highest revenue of the region, with each earning $5.8 million and $4.5 million respectively.

Over H1 2023, revenue across APAC's investment-grade debt swelled 117% YoY at $20.7 million. While both on-loan and lendable balances experienced a decline, investment-grade fees spiked 91% compared to last year. ALIBABA GROUP HOLDING, MEITUAN 2.125% SNR 28/10/25 and TSMC ARIZONA CORPORATION 3.25% 25/10/51 ranked as the highest earners, together grossing more than $2.6 million in revenue. Conversely, high-yield debt trended slightly downward at a mild 3% YoY for a total of $27.8 million in revenue.
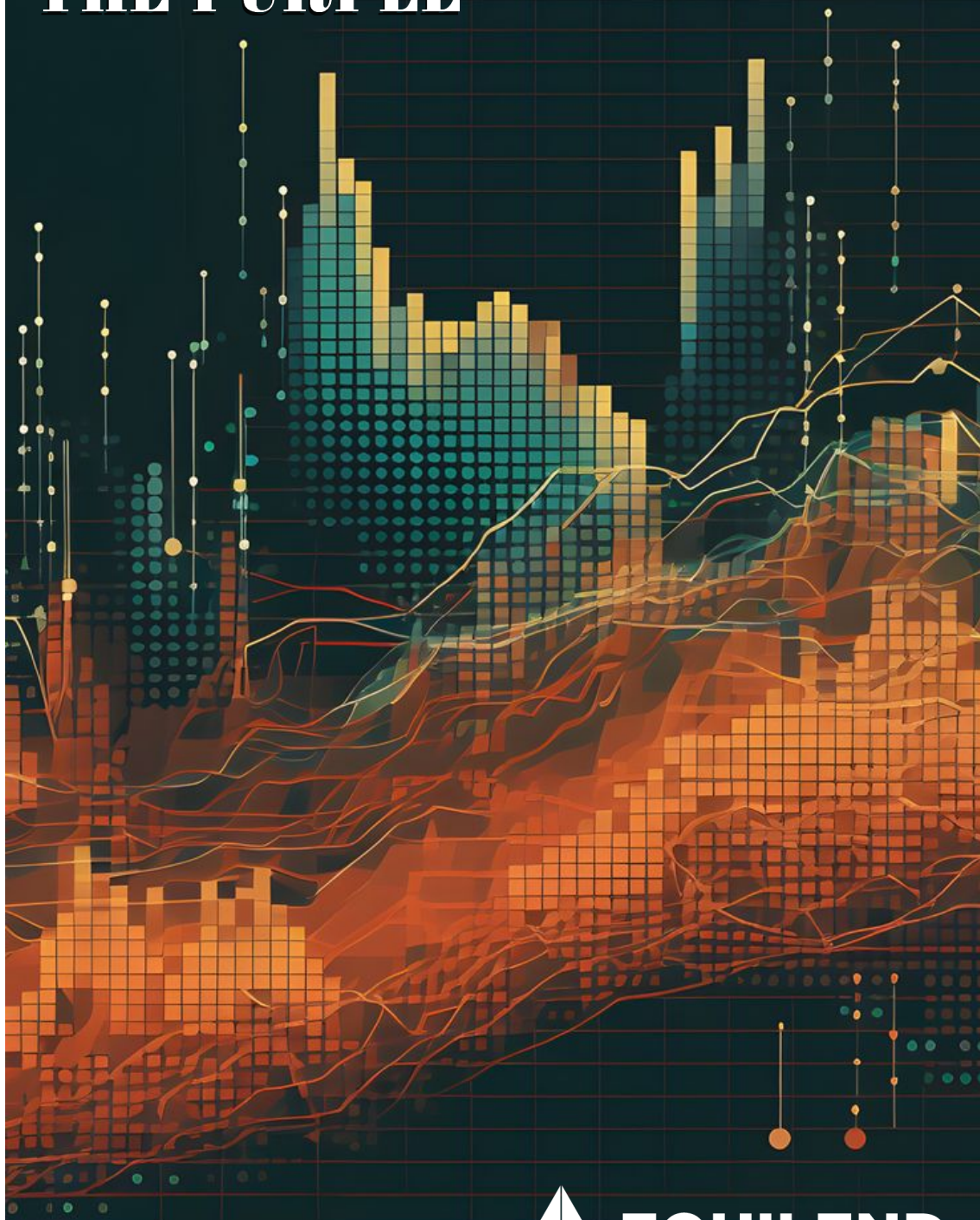
APAC - Top 5 Revenue Generating Investment Grade vs. High Yield Corporates

Investment Grade Corporate Debt	Revenue ($)
ALIBABA GROUP HOLDING LTD 2.125% SNR 09/02/31	1,149,676
MEITUAN 2.125% SNR 28/10/25	901,939
TSMC ARIZONA CORPORATION 3.25% GTD SNR 25/10/51 USD	498,525
MEITUAN 3.05% SNR 28/10/30	470,487
VANKE REAL ESTATE (HONG KONG) CO 3.5% SNR MTN 12/11/2029 USD	459,675

High Yield Corporate Debt	Revenue ($)
LONGFOR GROUP HLDGS LTD 4.5% SNR 16/01/28	1,271,290
BAIDU INC 2.375% SNR 23/08/31	1,037,439
COUNTRY GARDEN HLDGS CO LTD 8% GTD SNR 27/01/2024 USD	1,029,837
VEDANTA RESOURCES FINANCE II PLC 9.25% GTD SNR 23/04/26 USD	768,673
COUNTRY GARDEN HLDGS CO LTD 6.5% SNR MTN 08/04/2024 USD	668,888

As witnessed throughout H1 2023, securities lending activity has continued to outperform across global equity and fixed income markets. The turbulent macro-economic landscape has persisted, which may continue to drive securities lending revenue to record levels.

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