

Securities Finance

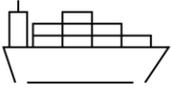
APAC Review 2025

All Values reported in USD



APAC 2025 – Positioning for the Next Phase of Asian Growth

A year of trade tariffs and trade protectionism



- A renewed wave of trade restrictions in 2025, led by higher U.S. tariffs on strategically sensitive imports, renewed uncertainty across Asia-Pacific's export-dependent economies.
- Markets across North and Southeast Asia experienced sharper price swings as investors reassessed earnings prospects tied to global trade volumes.
- Corporates responded by accelerating supply-chain reconfiguration within Asia, redirecting capital investment toward alternative production hubs across ASEAN.

Technology and Semiconductor Cycles Drove Market Rotation



- Demand linked to artificial intelligence and advanced computing supported parts of the regional technology sector.
- At the same time, heightened sensitivity to policy risk and valuation led to periodic corrections in tech-heavy markets.
- The sector's performance highlighted Asia-Pacific's central role in global innovation supply chains.

Japan's Shift Toward Higher Interest Rates Continued



- Japan's central bank extended its move away from exceptional policy accommodation in 2025, reinforcing expectations that the era of ultra-low rates is ending.
- This adjustment lifted Japanese bond yields, with knock-on effects for global fixed-income markets due to Japan's role as a major overseas investor.
- Currency and risk-asset markets in the Asia-Pacific region adjusted as less borrowing in Yen changed how money moved in and out of the region.

Strong but Uneven Performance Across Asian Equity Markets



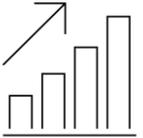
- Equity markets across Asia delivered strong returns over 2025, supported by resilient domestic demand in parts of the region and selective optimism around technology and manufacturing.
- Performance diverged meaningfully by country, with markets tied to domestic growth drivers outperforming those more exposed to global trade friction and Chinese slowdown concerns.
- Volatility remained elevated at times, prompting investors to favor selective sector and country allocation rather than broad regional exposure.

APAC 2025 Securities Lending– Insights and Trends



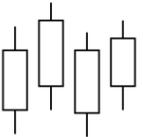
APAC revenues were a key global growth engine, led by Hong Kong and South Korea

- APAC equity revenues increased by +54% YoY and contributed 22% of global securities lending revenues, with activity concentrated in a few high impact markets.
- Hong Kong and South Korea led regional performance, driven by new listings, corporate actions, and country-specific positioning.
- **Forward-looking:** With deal flow and event-driven catalysts expected to remain active, we anticipate Asian equity revenues to remain elevated, driven by a narrow set of “specials” rather than broad-based short demand.



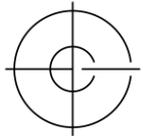
Rising lendable supply and balances supported revenue growth

- S&P reported record or near-record levels of lendable inventory, surpassing \$50T globally at the start of 2026, driven by higher equity valuations and expanding lending pools.
- The region experienced elevated GC balances which helped stabilize revenues between specials, reinforcing the importance of Asian lending markets.
- **Forward-looking:** If market valuations remain resilient, balance-driven revenue support should persist, but monetization will increasingly rely on inventory optimization rather than balance growth alone.



Fee dynamics were volatile and highly event-sensitive

- Average fees across Asia fluctuated throughout 2025, compressing during quieter market phases and rising sharply during periods of heightened utilization or stock-specific demand.
- S&P data highlighted wide dispersion in pricing, with select Asian markets recording materially higher fees during short, intense demand cycles.
- **Forward-looking:** Fee outcomes are likely to remain uneven in 2026, favoring lenders with the ability to respond quickly to discrete events rather than relying on sustained market-wide tightness.



ETFs and Depositary instruments gained growing strategic importance

- Our 2025 securities finance snapshots showed strong and persistent growth in ETFs and ADRs, with these instruments increasingly used for tactical and thematic exposure to Asian markets.
- Revenues, balances, and fees for listed vehicles expanded at a faster pace than many single-stock segments, reinforcing their role as core borrowing tools.
- **Forward-looking:** Given their liquidity and flexibility, ETFs and depositary instruments are expected to remain a structural source of demand, playing an even larger role in Asian securities lending revenues going forward.

2025 Revenues

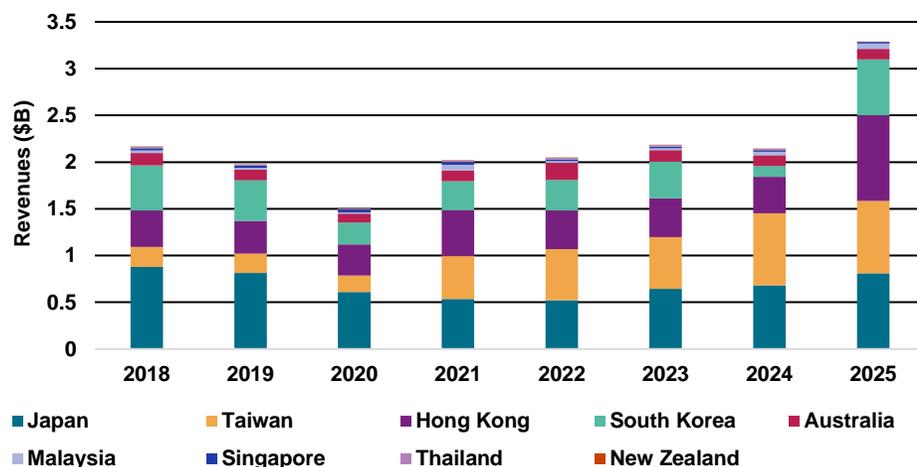
Asset Class	Rev (\$M)	Rev YoY % Change	Avg Balance (\$B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable (\$B)	Lendable YoY % Change	Avg Utilization	Util YoY % Change
Asia Equity	\$3,302	54%	\$271	25%	1.19%	22%	\$3,312	19%	5.4%	13%
Hong Kong Equity	\$914	134%	\$48	92%	1.84%	22%	\$675	40%	5.8%	42%
Japan Equity	\$809	18%	\$139	1%	0.56%	7%	\$1,421	13%	6.1%	5%
Taiwan Equity	\$777	1%	\$30	4%	2.57%	-2%	\$289	35%	6.4%	-5%
South Korea Equity	\$598	415%	\$25	113%	2.14%	121%	\$196	13%	5.3%	110%
Australia Equity	\$114	-3%	\$23	10%	0.49%	-13%	\$600	13%	3.2%	-3%
Malaysia Equity	\$56	58%	\$1.04	35%	5.42%	19%	\$13.67	5%	6.4%	34%
Singapore Equity	\$17	5%	\$3.1	18%	0.55%	-10%	\$81	24%	3.3%	-8%
Thailand Equity	\$14	8%	\$0.8	10%	1.73%	-1%	\$15	-11%	5.0%	22%
New Zealand Equity	\$2.3	31%	\$0.6	32%	0.40%	-5%	\$10	-0.4%	5.3%	29%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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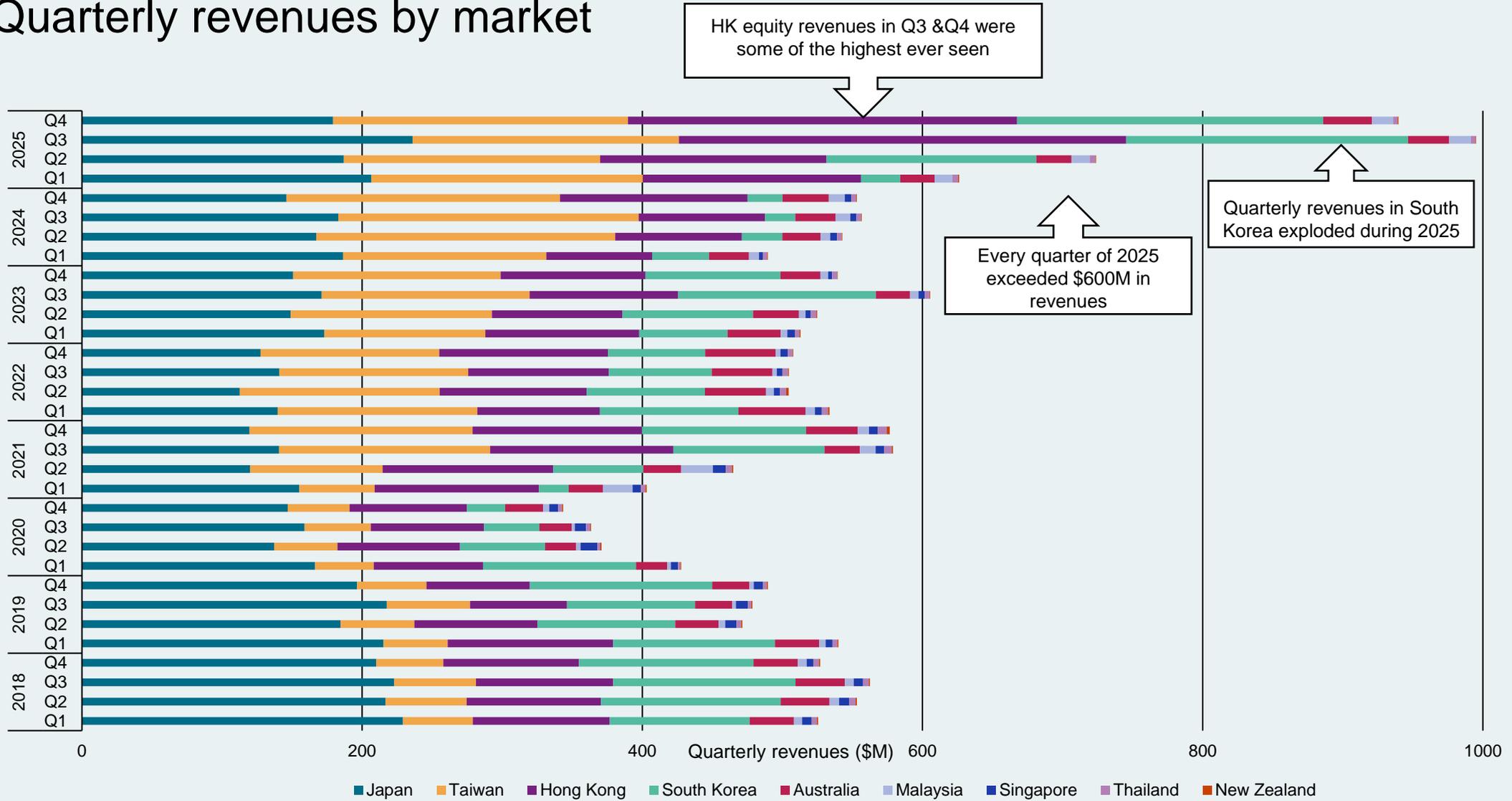
\$3.3B in APAC equity revenues generated during 2024

APAC equity revenues per market

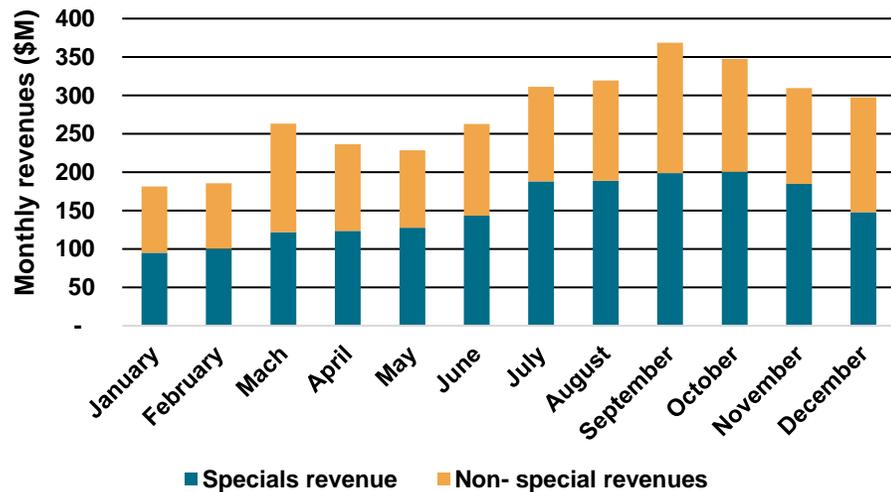
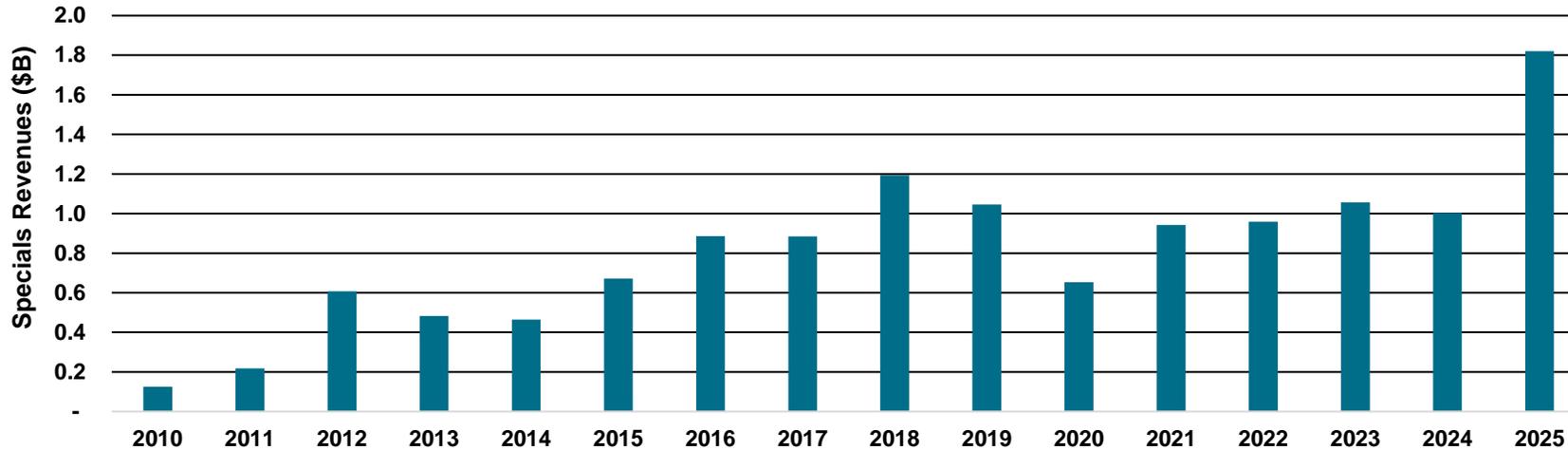


- Annual revenues increased by 54% YoY to \$3.3B.
- Hong Kong was the highest revenue generating market as returns increased 134% YoY.
- YoY revenues increased by 415% in South Korea as the short sale ban was lifted in Q1.
- Asian equity lendable soared to \$3.3 Trillion.
- Australia was the only market to not experience YoY revenue growth.

Quarterly revenues by market



Equity Specials - Revenue Breakdown

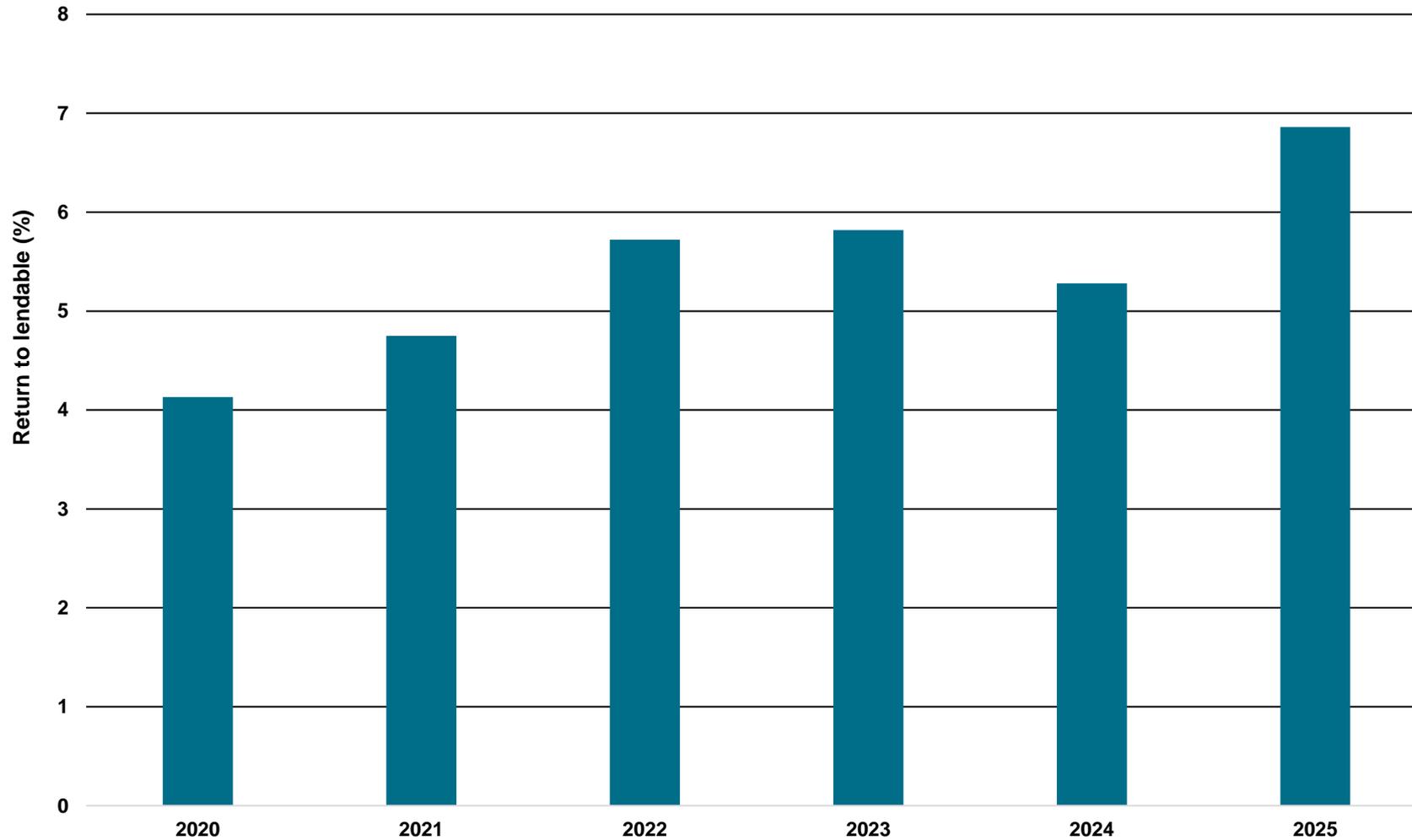


- Specials revenues increased YoY by 81% to \$1.8B.
- Revenues peaked in September as GC generated \$170M.
- Contemporary Amperex Technology Co Ltd (3750) was the highest revenue generating APAC equity of 2025, generating \$90.7 million.
- Asian Capital Goods stocks were some of the highest revenue generators as trade tariffs hit the headlines.
- Asia Semiconductors & Semiconductor Equipment and Asia Real Estate Management & Development stocks remained in focus throughout the year.

Specials > 500bps fee

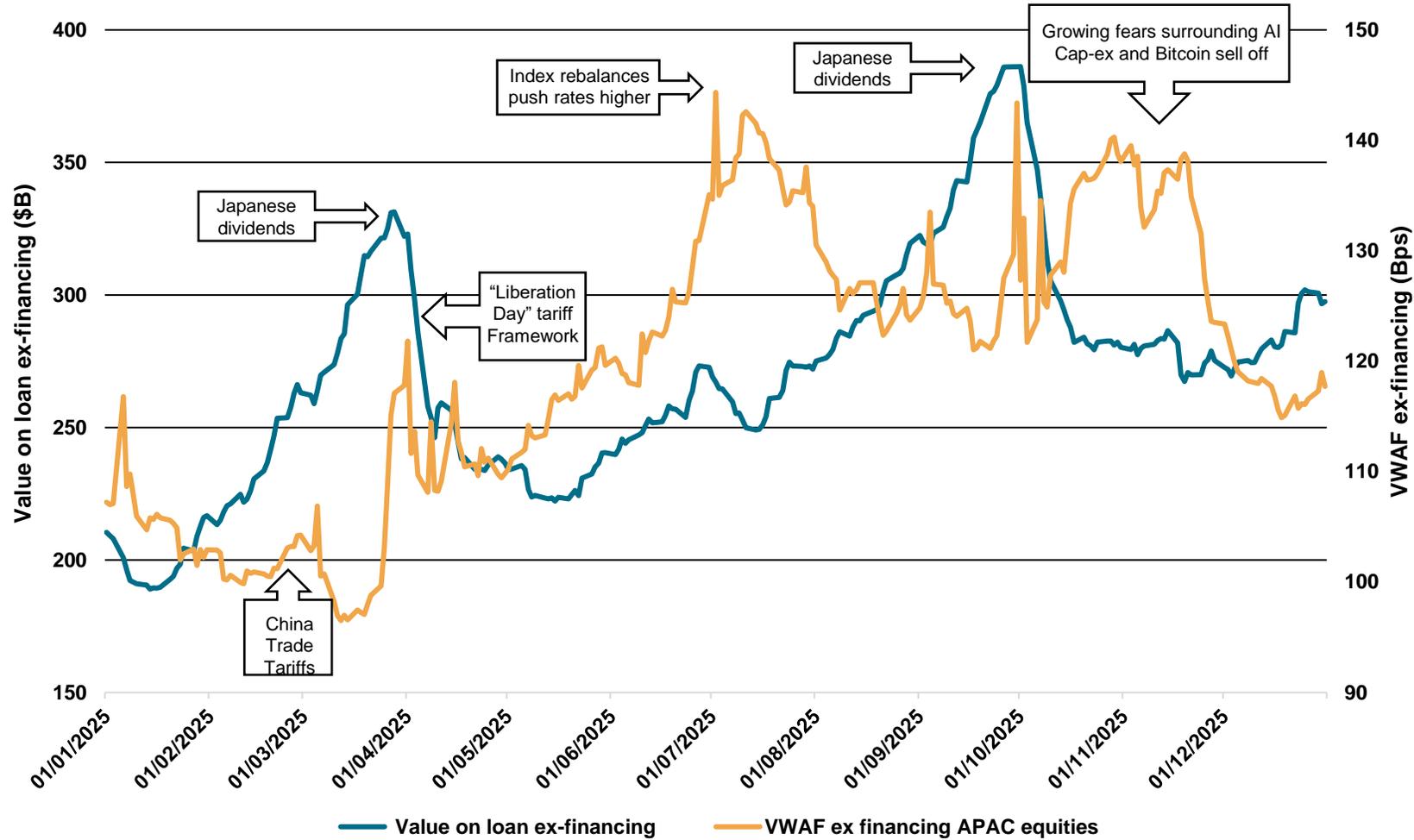
APAC equity specials revenues increase by 81% YoY

APAC equities return to lendable



Return to
lendable
increased YoY
to 6.86bps

Average balances and fees (VWAF)



VWAF = Volume Weighted Average

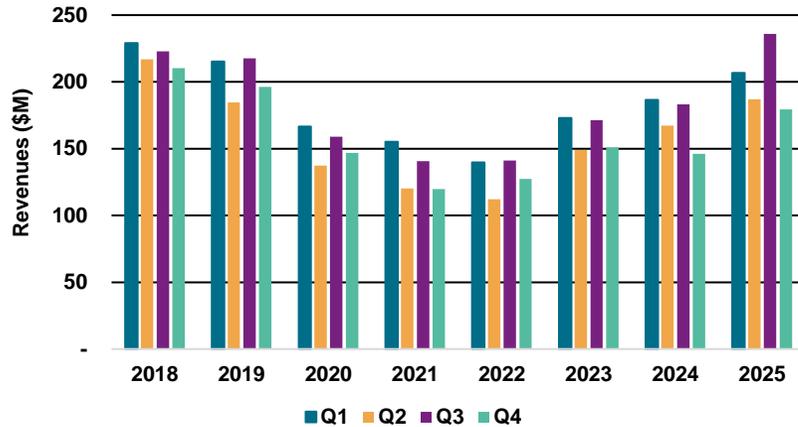
Average balances
\$271B (+25%
YoY)

Average APAC
equities fee
1.19% (+22%
YoY)

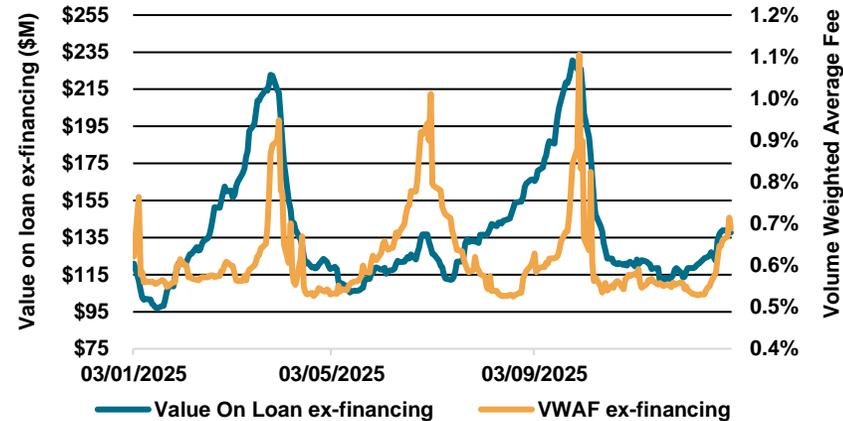
Japan revenues



Japan equity revenues



VWAF vs Value on loan



Stock Name	Ticker	Sector	Index	Revenues (\$M)
Metaplanet Inc	3350	Japan Consumer Services	JP Equity (Others)	\$55.9
Sakura Internet Inc	3778	Japan Software & Services	JP Equity (Others)	\$12.5
Remixpoint Inc	3825	Japan Software & Services	JP Equity (Others)	\$10.4
Kioxia Holdings Corp	285A	Japan Semiconductors & Semiconductor Equipment	JP Equity (Others)	\$9.6
Mitsubishi UFJ Financial Group Inc	8306	Japan Banks	JP Equity (Nikkei 225)	\$9.5
Datasection Inc	3905	Japan Software & Services	JP Equity (Others)	\$9.3
Toyota Motor Corp	7203	Japan Automobiles & Components	JP Equity (Nikkei 225)	\$9.1
Ise Chemicals Corp	4107	Japan Materials	JP Equity (Others)	\$9.1
Sanbio Co Ltd	4592	Japan Pharmaceuticals, Biotechnology & Life Sciences	JP Equity (Others)	\$9.0
Kasumi-gaseki Capital Co Ltd	3498	Japan Banks	JP Equity (Others)	\$8.5

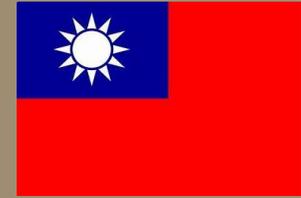
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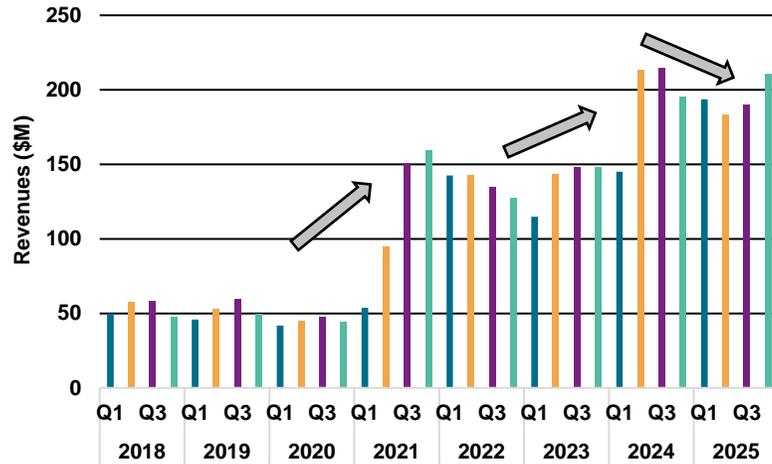
- Metaplanet was the highest revenue generating stock over the year after its large accumulation of Bitcoin led the company to become an equity-based Bitcoin alternative but without having to face Japan's high crypto taxes.
- Average fees increased YoY by 7% to 0.56%.
- Lendable surged during 2025 to \$1,421B.
- Q3 was the highest revenue generating quarter of the year, \$235.9M (+29% YoY)

Revenues from Japanese equities increased 18% YoY

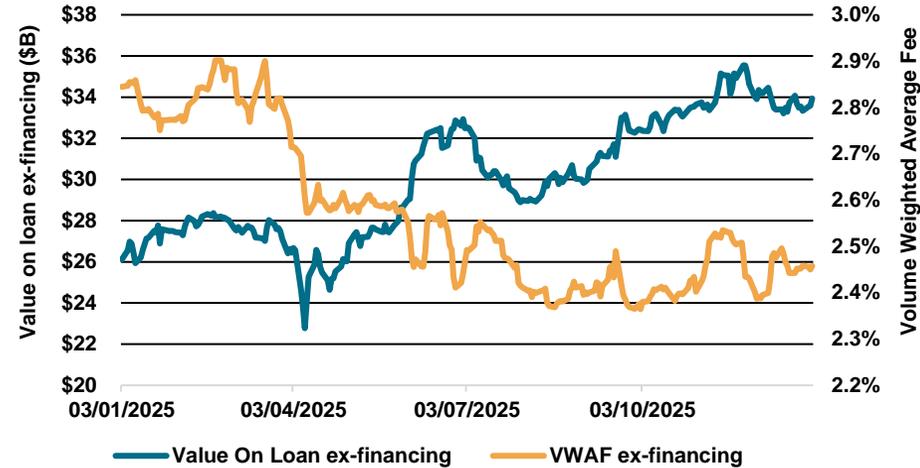
Taiwan



Taiwan equity revenues



VWAF vs Value on loan



Revenues from Taiwanese equities remained steady

Stock Name	Ticker	Sector	Index	Revenues (\$M)
United Microelectronics Corp	2303	Asia Semiconductors & Semiconductor Equipment	TW Equity (TWSE)	\$32.8
Evergreen Marine Corp Taiwan Ltd	2603	Asia Transportation	TW Equity (TWSE)	\$16.3
Novatek Microelectronics Corp	3034	Asia Semiconductors & Semiconductor Equipment	TW Equity (TWSE)	\$13.2
Fortune Electric Co Ltd	1519	Asia Capital Goods	TW Equity (TWSE)	\$12.2
Wan Hai Lines Ltd	2615	Asia Transportation	TW Equity (TWSE)	\$11.7
Gigabyte Technology Co Ltd	2376	Asia Technology Hardware & Equipment	TW Equity (TWSE)	\$11.1
Ts Financial Holding Co Ltd	2887	Asia Banks	TW Equity (TWSE)	\$11.1
Globalwafers Co Ltd	6488	Asia Semiconductors & Semiconductor Equipment	TW Equity (Others)	\$10.6
Yang Ming Marine Transport Corp	2609	Asia Transportation	TW Equity (TWSE)	\$10.3
Jinan Acetate Chemical Co Ltd	4763	Asia Materials	TW Equity (TWSE)	\$9.8

- Semiconductor stocks remained popular borrows throughout 2025 boosting revenues in the market.
- Annual revenues, whilst remaining elevated, grew by 1% YoY to \$777.3M.
- Balances increased to an average of \$30B throughout the year (+4%).
- Average fees fell for the first time, decreasing 2% YoY to 2.57%.

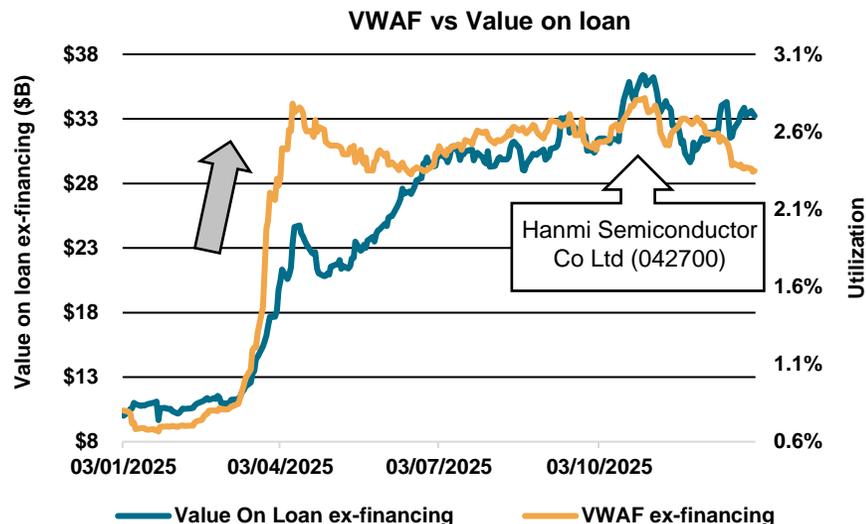
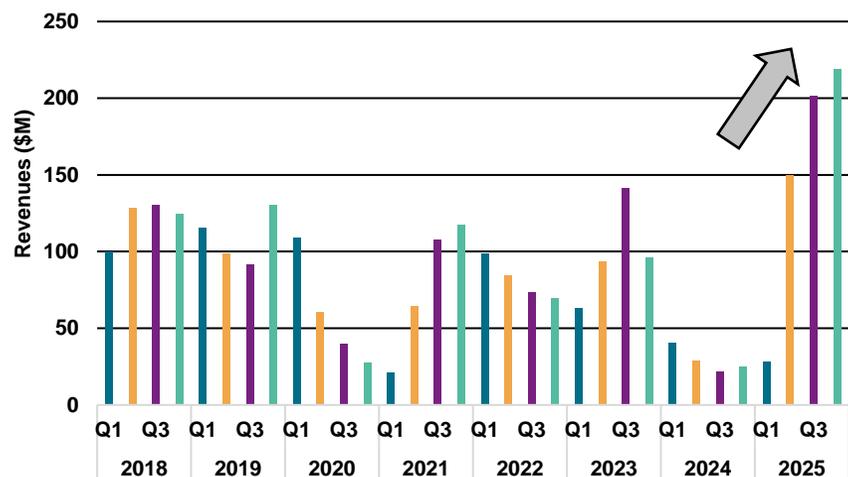
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South Korea



South Korea equity revenues



Stock Name	Ticker	Sector	Index	Revenues (\$M)
Lg Energy Solution Ltd	373220	Asia Capital Goods	KR Equity (KOSPI50)	\$69.4
Ecopro Bm Co Ltd	247540	Asia Capital Goods	KR Equity (Others)	\$36.6
Posco Future M Co Ltd	003670	Asia Capital Goods	KR Equity (KOSPI50)	\$26.5
Hanmi Semiconductor Co Ltd	042700	Asia Semiconductors & Semiconductor Equipment	KR Equity (KOSPI50)	\$23.6
Ecopro Co Ltd	086520	Asia Capital Goods	KR Equity (Others)	\$17.3
Hd Hyundai Heavy Industries Co Ltd	329180	Asia Capital Goods	KR Equity (KOSPI50)	\$16.0
L&F Co Ltd	066970	Asia Capital Goods	KR Equity (Others)	\$13.9
Skc Co Ltd	011790	Asia Materials	KR Equity (Others)	\$9.9
Posco Dx Co Ltd	022100	Asia Software & Services	KR Equity (Others)	\$8.3
Amorepacific Corp	090430	Asia Household & Personal Products	KR Equity (KOSPI50)	\$6.1

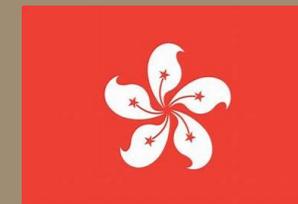
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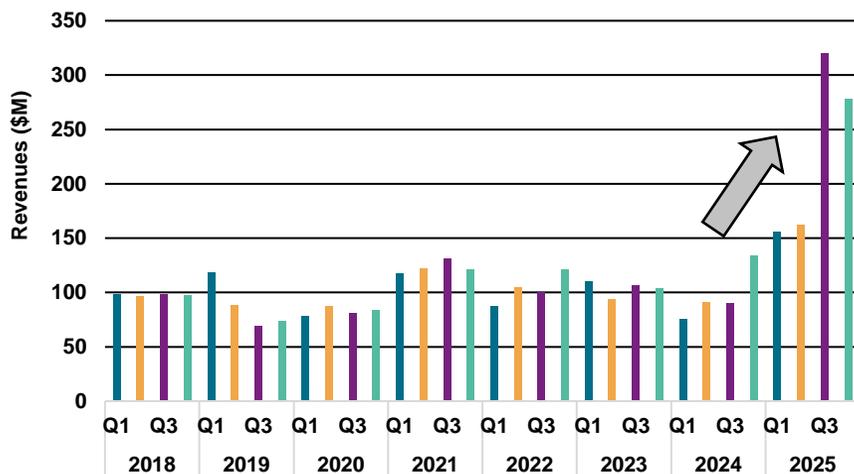
Balances increased sharply after the short sale ban was lifted in March

- The lifting of the short sale ban, just before the US administration announced their new trad policy, boosted activity across the market.
- Revenues increased 414% YoY to \$597.6M, the second highest market total across the region.
- Average fees increased substantially by 121% YoY to 2.14%.
- Average utilization climbed to a 2025 average of 5.3%, peaking at 6.51% during September and October.

Hong Kong



Hong Kong equity revenues



VWAF vs Vaue on loan



Annual equity revenues increased by 134% YoY

Hong Kong generated the highest market revenues in the region

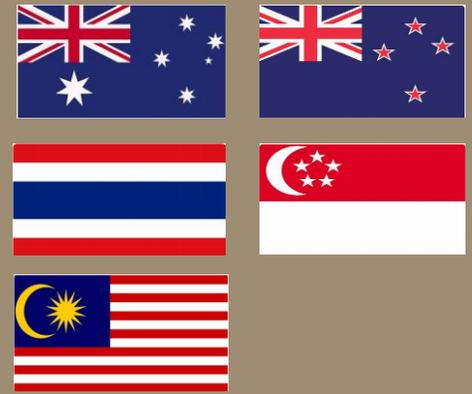
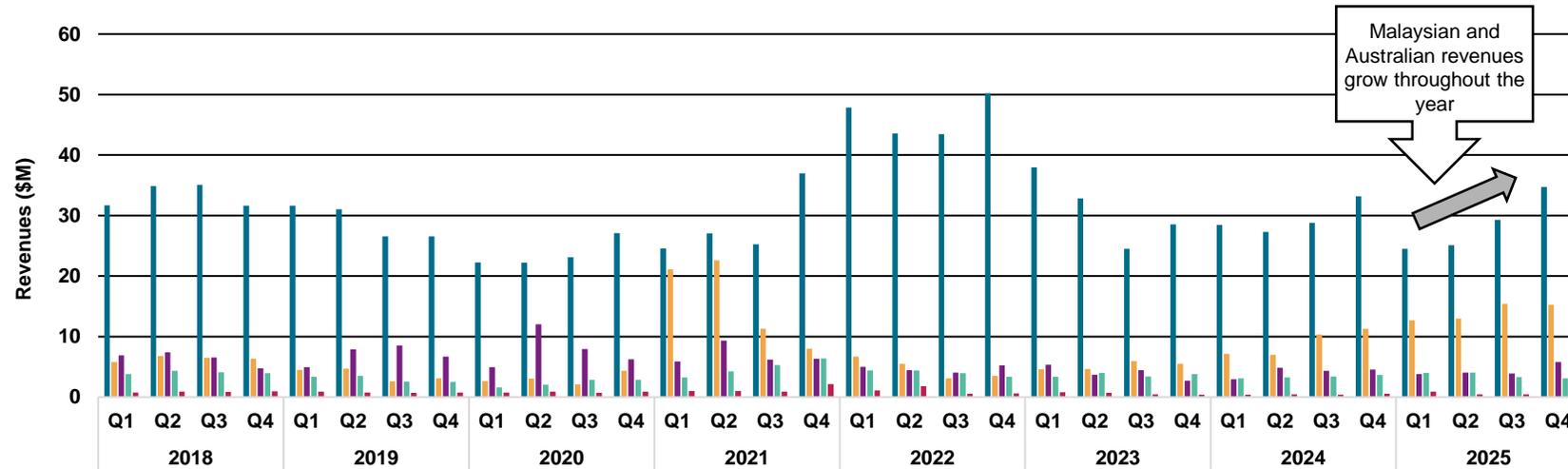
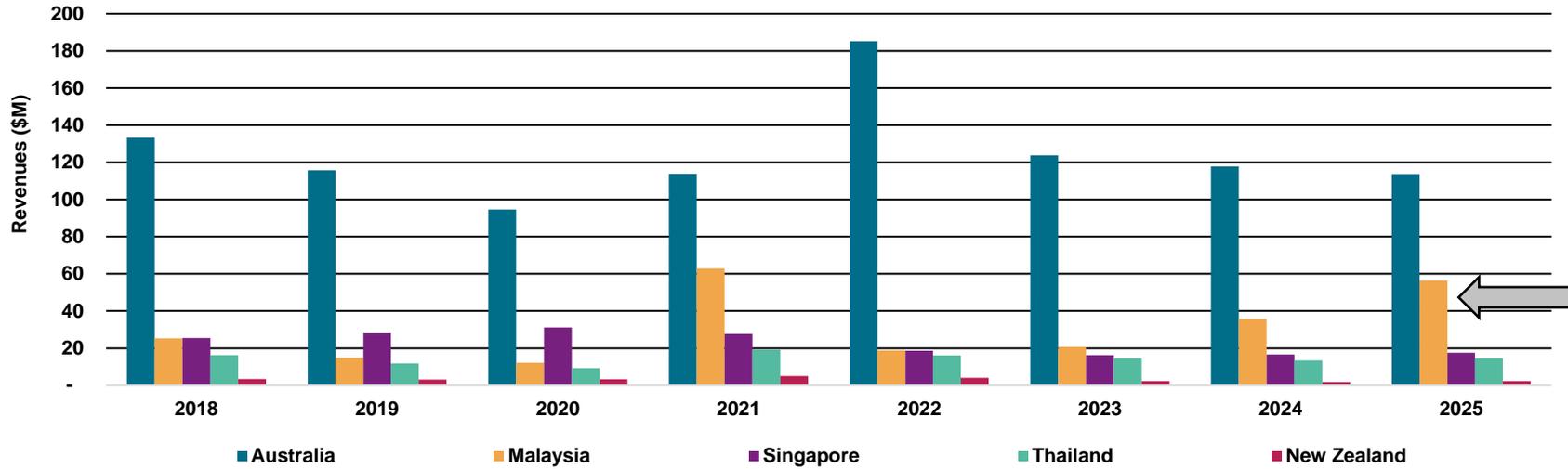
Stock Name	Ticker	Sector	Index	Revenues (\$M)
Contemporary Amperex Technology Co Ltd	3750	Asia Capital Goods	HK Equity (Others)	\$90.7
Guotai Junan International Holdings Ltd	1788	Asia Financial Services	HK Equity (Others)	\$84.1
Laopu Gold Co Ltd	6181	Asia Consumer Durables & Apparel	HK Equity (Others)	\$31.8
Sunac China Holdings Ltd	1918	Asia Real Estate Management & Development	HK Equity (Others)	\$31.7
Alibaba Health Information Technology Ltd	241	Asia Consumer Staples Distribution & Retail	HK Equity (HSI)	\$25.7
East Buy Holding Ltd	1797	Asia Consumer Discretionary	HK Equity (Others)	\$18.7
Bloks Group Ltd	325	Asia Consumer Durables & Apparel	HK Equity (Others)	\$18.1
Remegen Co Ltd	9995	Asia Pharmaceuticals, Biotechnology & Life Sciences	HK Equity (Others)	\$14.5
Ganfeng Lithium Group Co Ltd	1772	Asia Materials	HK Equity (Others)	\$12.9
Xtalpi Holdings Ltd	2228	Asia Pharmaceuticals, Biotechnology & Life Sciences	HK Equity (Others)	\$12.8

- Revenues in Hong Kong increased dramatically from Q3 onwards.
- Annual revenues of \$914.5M were generated during the year, an increase of 135% YoY.
- Average fees for 2025 were 1.84%, peaking during Q3 to 2.17%.
- Balances increased throughout the year, averaging \$48.2B and reaching over \$61B during October.

Source: S&P Global Market Intelligence Securities Finance

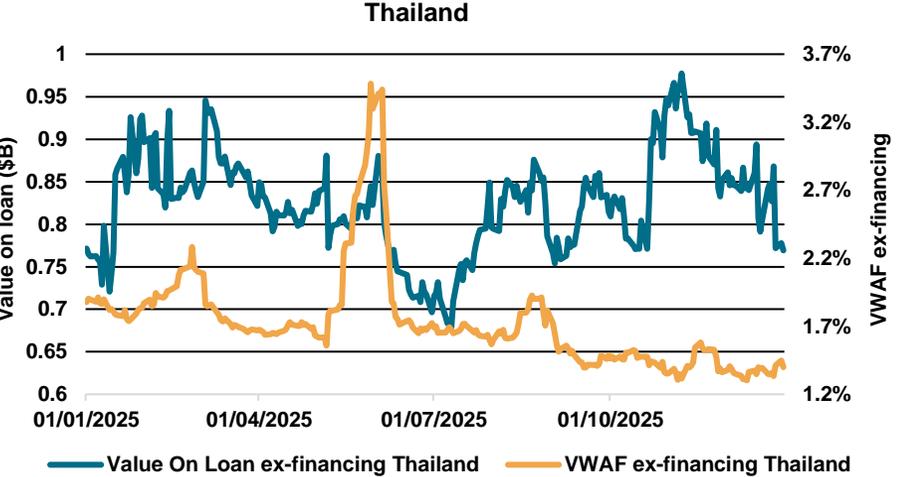
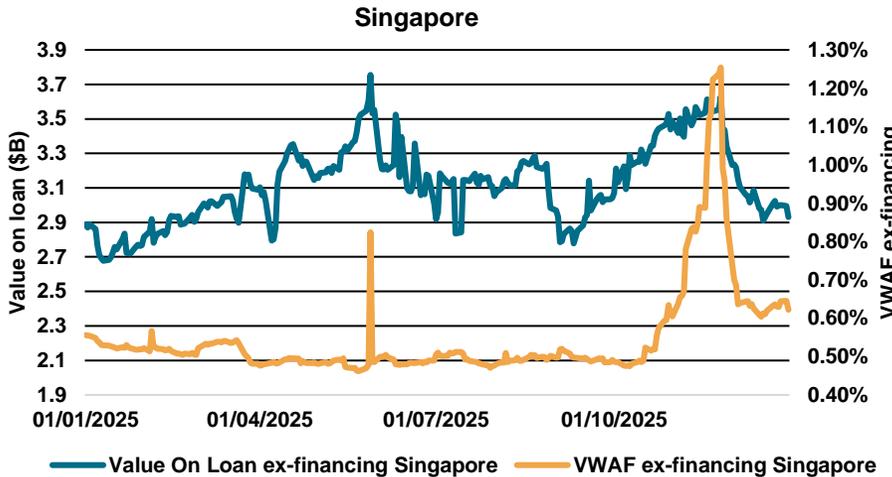
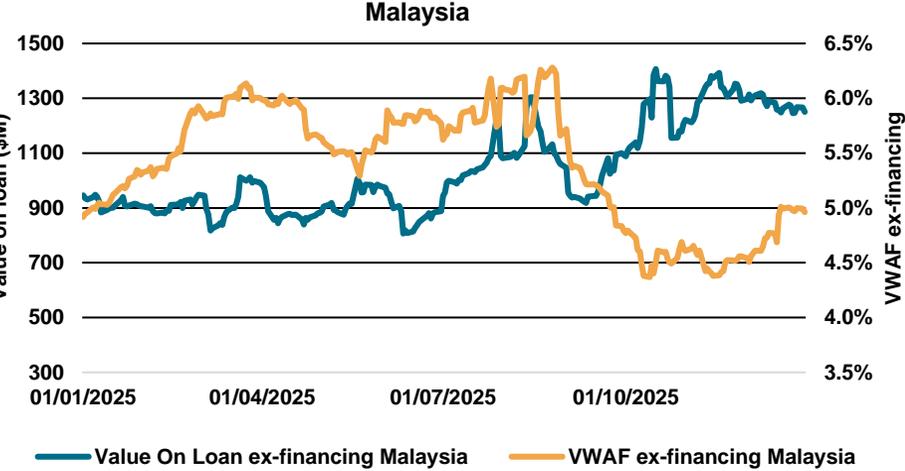
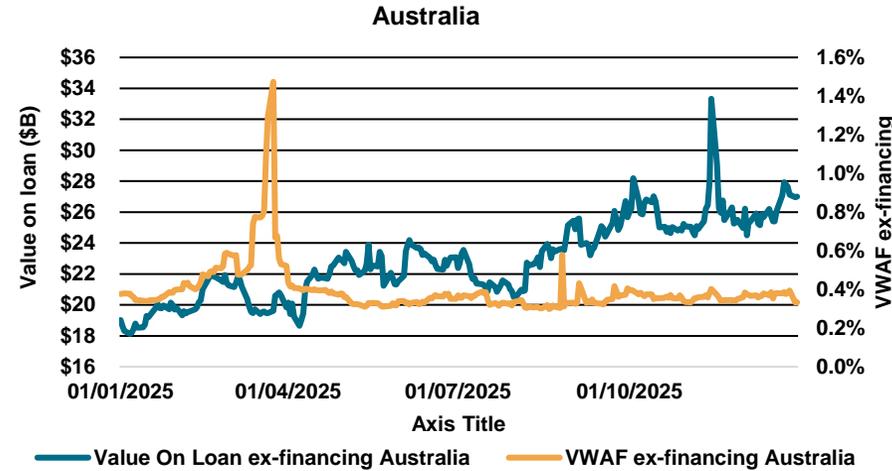
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Other markets



Malaysian equity revenues continued to grow, increasing by 58% YoY

Average balances vs average fees (VWAF)



Balances remained volatile across all regions as markets reacted to episodic sell-offs

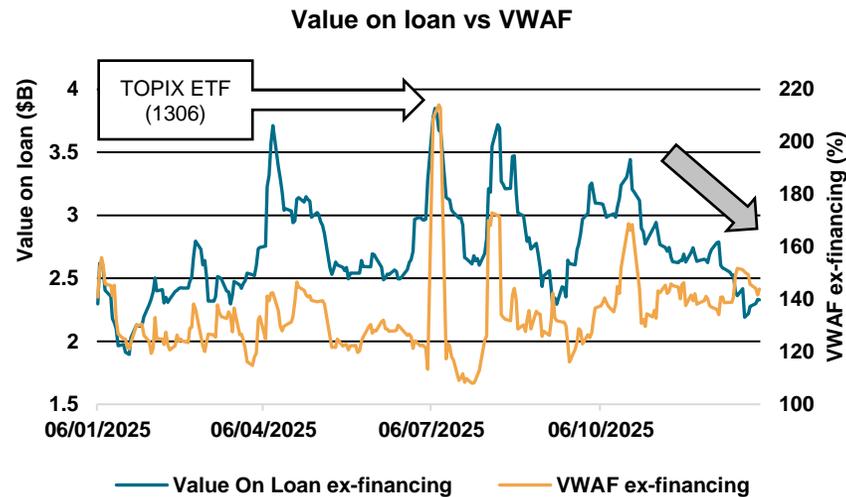
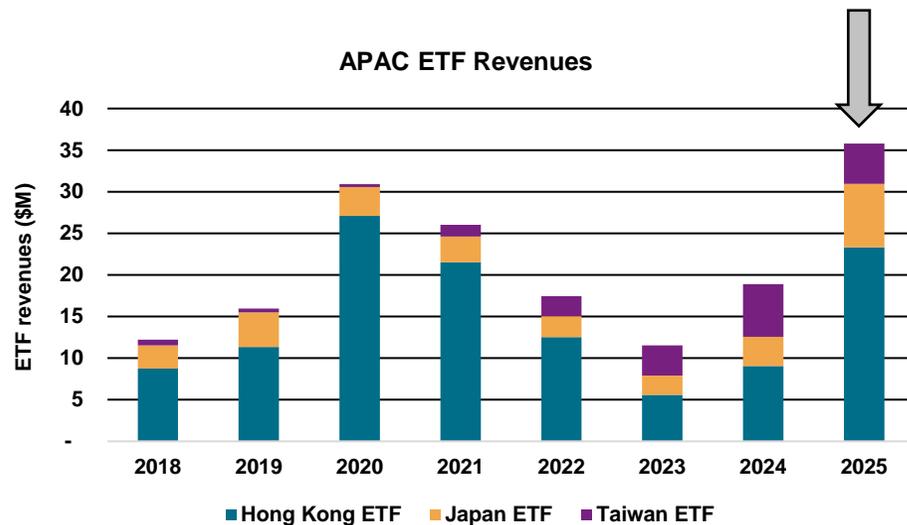
APAC ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated (\$M)
Tracker Fund ETF	2800	Equity	HK ETF	\$6.5
Cam Csi300	3188	Equity	HK ETF	\$4.9
HSCEI ETF	2828	Equity	HK ETF	\$2.6
Topix ETF	1306	Equity	JP ETF	\$2.6
iShares A50 ETF	2823	Equity	HK ETF	\$1.8
JP Physical Gold ETF	1540	Equity	JP ETF	\$1.6
Xi2Csophstech ETF	7226	Equity	HK ETF	\$1.4
CSOP Hs Tech ETF	3033	Equity	HK ETF	\$1.2
CSOP A50 ETF	2822	Equity	HK ETF	\$0.9
Xi2Csophstech ETF	7552	Equity	HK ETF	\$0.8

Source: S&P Global Market Intelligence Securities Finance

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- APAC ETFs experienced increasing demand throughout the year.
- Thematic trading opportunities linked to the trade tariffs and the Chinese economy boosted demand.
- 2025 revenues increased 92% YoY to \$37.4M.
- Average fees increase by 21% YoY to 1.34%.

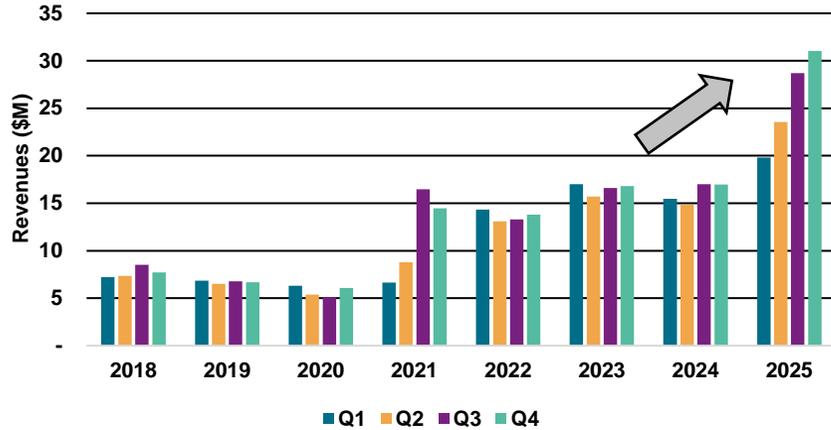


VWAF = Volume Weighted Average Fee ex financing

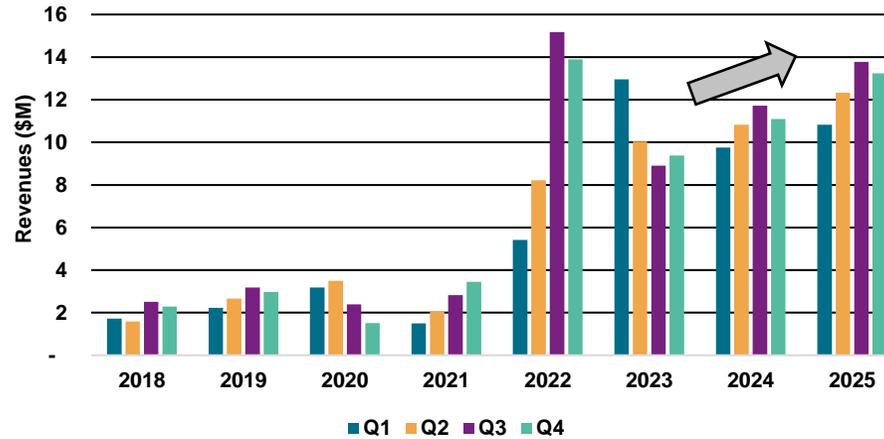
APAC ETF revenues grew throughout 2025 as did balances

Government Bonds

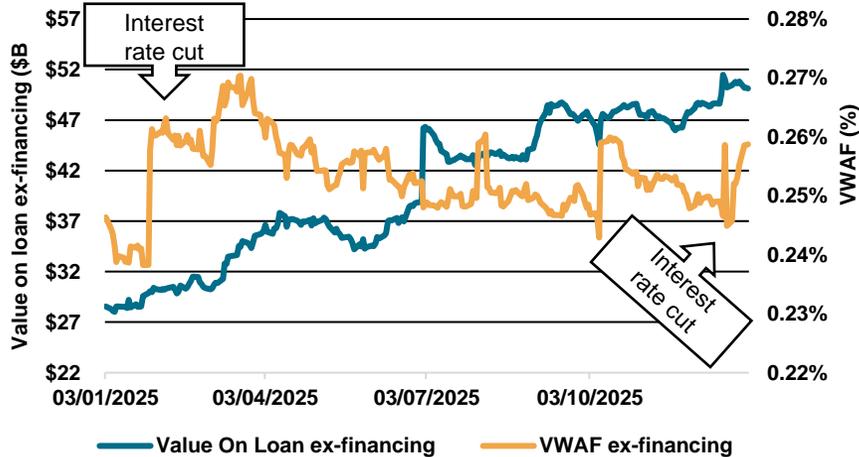
Japanese government bonds



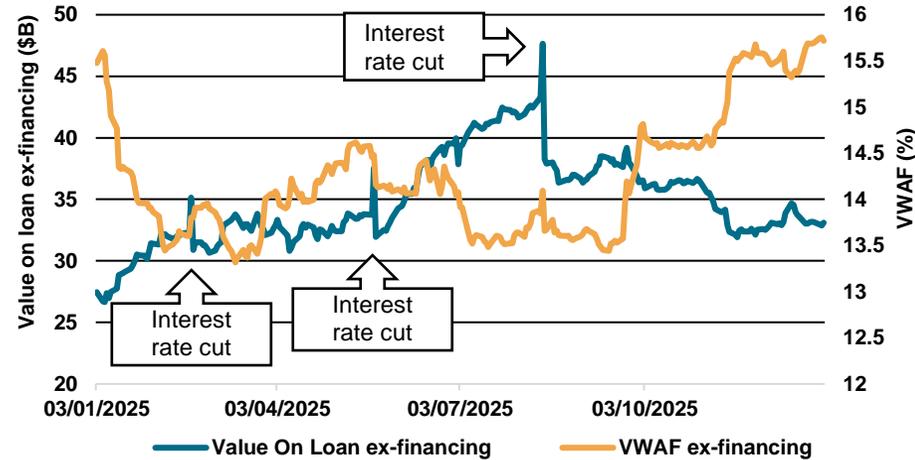
Australian Government bond revenues



JGBs



Australian Government bonds



VWAF = Volume Weighted Average Fee ex financing

Japanese government bonds experienced a surge in demand as interest rates increased

Top Borrows 2025

Equities

Stock Name	Ticker	Sector	Index	Revenues (\$M)
Contemporary Amperex Technology Co Ltd	3750	Asia Capital Goods	HK Equity (Others)	\$90.7
Guotai Junan International Holdings Ltd	1788	Asia Financial Services	HK Equity (Others)	\$84.1
Lq Energy Solution Ltd	373220	Asia Capital Goods	KR Equity (KOSPI50)	\$69.4
Metaplanet Inc	3350	Japan Consumer Services	JP Equity (Others)	\$55.9
Ecopro Bm Co Ltd	247540	Asia Capital Goods	KR Equity (Others)	\$36.6
United Microelectronics Corp	2303	Asia Semiconductors & Semiconductor Equipment	TW Equity (TWSE)	\$32.8
Laopu Gold Co Ltd	6181	Asia Consumer Durables & Apparel	HK Equity (Others)	\$31.8
Sunac China Holdings Ltd	1918	Asia Real Estate Management & Development	HK Equity (Others)	\$31.7
Posco Future M Co Ltd	003670	Asia Capital Goods	KR Equity (KOSPI50)	\$26.5
Alibaba Health Information Technology Ltd	241	Asia Consumer Staples Distribution & Retail	HK Equity (HSI)	\$25.7

Source: S&P Global Market Intelligence Securities Finance

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Government Bonds

Bond Issue	CUSIP	Revenue Generated (\$M)
Japan (Government) (0.8% 20-Mar-2034)	J2S39LY32	\$36.94
Japan (Government) (0.8% 01-Jun-2027)	J2S39L8S6	\$17.11
Australia, Commonwealth Of (Government) (2.5% 20-Sep-2030)	Q0819AFA3	\$21.56
Japan (Government) (0.8% 20-Mar-2058)	J2S39KK21	\$20.25
Japan (Government) (1.2% 20-Dec-2034)	J2S39L6D1	\$18.59
Australia, Commonwealth Of (Government) (2% 21-Aug-2035)	Q08184MH5	\$18.25
Australia, Commonwealth Of (Government) (1.25% 21-Aug-2040)	Q08184MT9	\$17.02
Australia, Commonwealth Of (Government) (4.5% 21-Apr-2033)	Q08184MK8	\$16.81
Japan (Government) (1.4% 20-Mar-2055)	J2S39KHP4	\$16.24
Australia, Commonwealth Of (Government) (2.5% 21-May-2030)	Q2R04NBD5	\$16.04

Source: S&P Global Market Intelligence Securities Finance

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- Microchip and Semiconductor stocks were popular borrows throughout the year as trade tariffs and quotas created volatility in the markets.
- Technology stocks remained in demand after the release of Deepseek created heightened competition amongst technology companies.
- Chinese Property stocks remained under pressure as the housing market in China remained subdued..

- Changes in interest rates across the region impacted borrower demand.
- Interest rate normalization in Japan increased demand to borrow as a new government shared its economic plans.
- Fiscal and monetary uncertainty in Australia led to increased positioning in the country's debt.

Tariffs and artificial intelligence dominated the news flow

Interest rate volatility increased positioning

Arbitrage opportunities in the SL vs Repo market grew

Securities Lending more expensive than repo market

APAC

Instrument Name	ISIN	Benchmark Fee (bps)	Repo Implied Benchmark Fee (bps)	Spread between Benchmark Fee and Repo Implied Benchmark Fee (bps)	
Nwd Finance (Bvi) Ltd (6.25% Undated)	XS1960476387		1,000	440	560
Vanke Real Estate Hong Kong Co Ltd (3.5% 12-Nov-2029)	XS2078642183		600	137	463
Tronox Inc (9.125% 30-Sep-2030)	US897051AD02		747	314	432
Norinchukin Bank (5.071% 14-Sep-2032)	USJ5901UAF96		500	70	430
Mgm China Holdings Ltd (5.875% 15-May-2026)	USG60744AB87		350	35	315
Nwd Finance (Bvi) Ltd (5.25% Undated)	XS2132986741		700	417	283
Sk Broadband Co Ltd (4.875% 28-Jun-2028)	XS2629403499		325	47	278
Posco Co Ltd (4.5% 04-Aug-2027)	USY7S272AE27		300	34	266
Gc Treasury Center Co Ltd (6.5% Undated)	US36830AAB35		363	98	265
China Cinda Finance (2017) I Ltd (4.75% 21-Feb-2029)	XS1948752826		401	157	244

Repo market more expensive than Securities Lending

APAC

Instrument Name	ISIN	Benchmark Fee (bps)	Repo Implied Benchmark Fee (bps)	Spread between Benchmark Fee and Repo Implied Benchmark Fee (bps)	
Krakatau Posco Pt (6.375% 11-Jun-2027)	XS2833229391		15	326	(311)
Motherson Global Investments Bv (5.625% 11-Jul-2029)	US784572AA70		63	310	(247)
Glp Pte Ltd (9.75% 20-May-2028)	XS3071310059		21	252	(231)
Mtr Corp Ltd (4.875% 01-Apr-2035)	HK0001127510		15	233	(218)
Bank Of China Ltd (Hong Kong Branch) (2.375% 24-Feb-2027)	XS2446844917		300	513	(213)
Hyundai Capital Services Inc (5.25% 22-Jan-2028)	US44920UAX63		8	212	(203)
National Australia Bank Ltd (3.5% 10-Jan-2027)	US6325C0DJ77		37	209	(173)
Three Gorges Finance I Cayman Islands Ltd (3.6% 28-Oct-2028)	XS3199981872		15	177	(162)
Softbank Group Corp (7.5% 10-Jul-2035)	XS3112542355		36	193	(157)
New World China Land Ltd (4.75% 23-Jan-2027)	XS1549621586		343	480	(138)

*Examples of opportunities as seen in the Securities Lending Data Portal

Arbitrage opportunities between the SL and Repo market continued across the region

A record year for APAC securities lending

Multiple opportunities from policy tightening, trade tariff uncertainty, corporate events and AI.

- **Solid revenue growth in 2025, led by specials:** Securities lending performance across Asia Pacific was strong, with revenues supported by persistent name-specific specials in Japan, Taiwan and Korea.
- **Macro volatility and policy divergence drove demand:** Increased trading around BoJ tightening, yen weakness, China policy uncertainty and US–Asia trade tensions boosted borrow demand while episodic equity sell-offs lifted utilization in high-beta stocks.
- **2026 outlook constructive but more selective:** Securities lending in APAC is expected to benefit from continued BoJ normalization, elevated geopolitical risk and corporate action-driven specials.



Securities finance APAC Review 2025

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