

The SGX logo consists of the letters "SGX" in a bold, dark blue sans-serif font, followed by a square icon containing three horizontal yellow bars of varying lengths.

News Release

27 November 2019

SGX enhances Securities Borrowing and Lending programme with introduction of variable rates

- Fixed rates to be replaced with competitive variable rates for over 450 securities

With effect from 2 December 2019, Singapore Exchange (SGX) will replace the fixed rates for its Securities Borrowing and Lending (SBL) programme with variable and more competitive rates which will benefit both borrowers and lenders.

The new rates make it more attractive for institutional investors to borrow, which could result in higher frequency of loans and in turn increase lenders' chances of securities being lent out. There are currently over 450 securities worth S\$2.5 billion available for loan.

Under the current SBL programme, the lending fee rate is fixed at 4% per annum, while the borrowing fee rate is 6% per annum. From 2 December 2019, the borrowing rates for index stocks, REITs and business trusts will be at 0.5% and the rest of securities at 4%. These rates will be reviewed on a periodic basis, taking into account factors such as market rates and demand and supply of the eligible securities. Lenders' fees will be calculated based on 70% of the borrowing fee.

These latest changes follow prior enhancements to the programme, such as real-time processing of borrowing requests and an expansion of borrowers' eligibility criteria beyond CDP members and depository agents, allowing entities licensed to deal in securities in selected foreign jurisdictions to also participate in the programme.

Michael Syn, Head of Equities at SGX, said, "Our enhanced SBL programme will give borrowers access to a wider range of securities, including small to mid-cap stocks, with real-time lending pool availability. We also provide instant delivery of loaned securities, with no minimum borrowing value and a low minimum borrowing period of two days. By improving the rates, range and accessibility of our SBL programme, we are improving the mobility of loan collateral, better serving our clients as owners of this collateral, and promoting liquidity in the stock market."

From 2 December 2019 onwards, any securities on loan will continue to be on loan at the enhanced 70% of the prevailing borrowing rate. CDP account holders can register for the programme for free and have the opportunity to earn additional income from their securities holdings. Information on how to participate as a lender can be found [here](#). The list of eligible Securities along with the indicative rates are available [here](#).

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About Singapore Exchange

Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

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