SECURITIESLENDINGTIMES

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SGX/ASX merger collapses

SINGAPORE 08.04.2011

The proposed merger of Singapore Stock Exchange and the Australian Stock Exchange has fallen apart following the announcement that the Australian Treasurer has rejected the deal.

SGX has been at the forefront of promoting securities lending on exchange in Asia, and experts said the merger could have helped increase liquidity across the region, particularly in Australia, whose securities lending market has been hit hard by the financial crisis

Earlier, the Foreign Investment Review Board (FIRB) of Australia said it was minded to reject the merger as not in Australia's national interest.

At the time, SGX put out a statement saying that it still believed the merger would result in significant benefits for both Australia and Singapore, including their market users and shareholders.

But following the Treasurer's announcement both parties have agreed to withdraw from merger negotiations.

In a statement released following the announcement by the Treasurer, SGX said: "Asia will remain the world's growth engine in the coming decades. SGX, as the Asian Gateway, is well-positioned to leverage on opportunities within Asia's vibrant and dynamic economies. As Asia's most international exchange, we will continue to pursue organic as well as other strategic growth opportunities, including further dialogue with ASX on other forms of cooperation."

It may not all be bad news for SGX, whose investors were unsure about the benefits of the tie-up. IAS Research vice-president Roger Tan said: "I think investors were looking at the merger and saying it may be not be a good thing for SGX.

"There are a lot of questions involved. When the merger was announced, share prices fell.

"There was a lot of pressure on share price because investors were not sure. Now that the merger is not going to happen, the pressure is being lifted.

"And investors are now looking at SGX again without this pressure in place, hoping that they would come back to basics, run the business properly with additional funds".

NEWSINBRIEF

SGX to relax securities lending rules

Singapore Exchange is to let market forces dictate the rate at which participants can borrow the securities of retail investors in a move that it says will increase liquidity.

Currently, retail investors can lend their stock scrips to SGX for a flat annual rate of four per cent. The exchange will then allow other parties to borrow the stocks at an annual rate of six per cent.

SGX says it plans to allow market forces to decide the interest rate on less liquid stocks, creating specials that can attract double-digit rates.

No timeframe has been set for the change to the current system.

Salvation Army sues BNY Mellon

The Southern Division of the Salvation Army in the US has started legal proceedings against BNY Mellon following losses incurred as a result of its securities lending programme.

The charity alleges that the bank 'mismanaged' some of its assets by investing the collateral used for securities lending in risky mortgage backed securities. The charity added that it had emphasised to the bank that it had little experience in securities lending and wanted little or no risk from participating.

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INSIDE SECURITIESLENDINGTIMES

Salvation Army sues BNY Mellon

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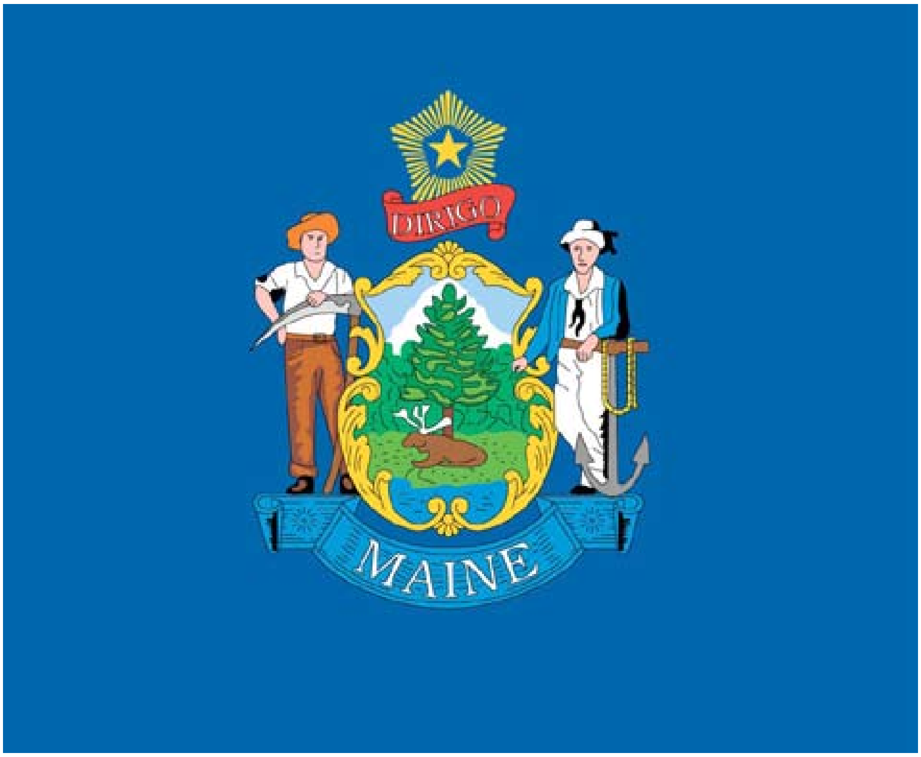
"As a result of BNY Mellon's misconduct, the Salvation Army has incurred losses and is left holding unproductive, toxic assets with extended maturity dates, the values of which have substantially declined," the organisation said in a lawsuit filed on Friday. "The Salvation Army cannot now devote those assets to its many charitable projects."

"We believe our actions were appropriate, and we will defend ourselves vigorously against these claims, which are without merit," said Ron Gruendl, a spokesman for BNY Mellon. "We have a very rigorous process, and our clients understand both the benefits and risks of securities lending."

"These investments were inconsistent with the conservative risk profile of the Salvation Army," the organisation said in the lawsuit. "Moreover, BNY Mellon's decision to overweight the Salvation Army's portfolio heavily in favour of asset-backed securities tied to the housing market and financial services companies violated basic principles of prudent investing."



Reporting on Indian securities lent by FIIs discontinued

The Securities and Exchange Board of India (SEBI) has said the reporting on Indian securities lent by FIIs to entities abroad will cease.

Presently, FIIs lending securities to entities other than in the Indian securities market (ie, where overseas derivative instruments are issued which has the effect of a short sale or synthetic short sale) are required to report the information to SEBI on a weekly basis.

SEBI has confirmed that no short positions are currently being reported by FIIs and as a result the requirement to submit the weekly report has been discontinued.

The prohibition on the activity of synthetic short sales continues.

J.P. Morgan wins MainePERS mandate

J.P. Morgan Worldwide Securities Services has been selected by the Maine Public Employees Retirement System (MainePERS) to provide custody and securities services for the State's $10.5 billion in assets.

J.P. Morgan will provide a wide range of custody and securities services including: global custody, fund accounting, performance analytics, alternative asset administration, compliance monitoring, securities lending, transition management, foreign exchange, and cash management.

Andrew Sawyer, chief investment officer for MainePERS, said: "We chose J.P. Morgan because they offer the complete breadth of services we require. We are impressed with the strength of the firm, their commitment to the public pension market - and we believe they have the right combination of customer service and technology to provide the best service for our funds. In addition, as MainePERS looks to increase our allocation into alternative investments, J.P. Morgan clearly has the expertise and tools to provide the administration, reporting, and transparency that we desire."

Robert Caporale, head of new business development – Americas for J.P. Morgan Worldwide Securities Services, said: "J.P. Morgan is proud to have been selected by MainePERS. We will provide the State of Maine with an outstanding set of global securities services delivered with award-winning technology by an expert team. This is the latest in a series of J.P. Morgan deals in the public pension space, demonstrating our commitment to this important market segment."

Indonesia sees 40 per cent growth in SBL

Securities lending and borrowing transactions have increased by over 40 per cent in Indonesia since the start of the year compared to the same period in 2010.

Transaction values reached 345.35 billion rupiahs ($39.71 million) compared to 251.55 billion rupiahs in the months up to the third week of March.

Mr Hoesen, chief director of the Indonesian Clearing and Guarantee Corporation, said that the data reflect a higher stock price compared to last year. He said that the transaction value increase is reasonable. "The transaction period is not too long, only one day, and it is only to anticipate investors' requirements," he added.

Northern Trust wins Shropshire mandate

Northern Trust has been appointed to provide securities lending services to Shropshire County Pension Fund.

This latest appointment follows Northern Trust's recent announcement that it provides custody and related services to 36 per cent of the Local Government Pension Schemes in the UK and underpins its commitment to the sector.

"Shropshire County Pension Fund has been a client of Northern Trust's since 1999, and we are delighted to support their securities lending requirements," said Mark Snowdon, senior sales and relationship manager for securities lending at Northern Trust. "We are seeing an increasing appetite for securities lending solutions, with clients attracted to Northern Trust's strong risk and control environment, excellent revenue performance and transparent reporting solutions, as well as our expertise in providing customised solutions for Local Government Pension Schemes."

"We were looking for a lending solution that would enable us to optimise returns within the context of thoughtful risk management," said Justin Bridges, treasury manager at Shropshire Council. "Northern Trust has also demonstrated its expertise and experience in the Local Government Pensions Scheme sector, and as our custodian has worked closely with us to develop solutions that meet our evolving requirements."

Clearstream registers March increase

In March 2011, the value of assets under custody held on behalf of customers registered an increase of five per cent to €11.3 trillion (compared to €10.8 trillion in March 2010).

Securities held under custody in Clearstream's international business experienced a rise of three per cent from €5.7 trillion in March 2010 to €5.9 trillion in March 2011 while domestic German securities held under custody increased by six per cent from €5.1 trillion in March 2010 to €5.4 trillion in March 2011.

In March 2011, 3.8 million international settlement transactions were processed, an eight per cent increase over March 2010 (3.5 million). Of all international transactions, 72 per cent were OTC transactions and 28 per cent were registered as stock exchange transactions.

On the German domestic market, settlement transactions reached 9.0 million, 31 per cent more than in March 2010 (6.9 million). Of these transactions, 69 per cent were stock exchange transactions and 31 per cent OTC transactions.

For Global Securities Financing (GSF) services, the monthly average outstanding reached €541.9 billion. The combined services, which include triparty repo, securities lending and collateral man-

agement, collectively experienced a rise of 10 per cent over March 2010 (€493.3 billion).

In the Investment Funds services, 0.55 million transactions were processed, a 25 per cent increase over March 2010 (0.44 million).

Genpact buys Headstrong

Genpact has agreed to acquire Headstrong Corporation, a global provider of consulting and IT services with a specialised focus in capital markets and healthcare, for $550 million.

Headstrong operates in several segments of the capital markets industry vertical, such as asset management, derivatives, wealth management, prime brokerage, reference data, compliance and mortgages. With a strong mix of onsite and offshore expertise, Headstrong counts nine of the world's top ten investment banks and three of the top five asset managers as clients.

"Headstrong is a complementary high-growth business, built by talented leaders, that is an excellent fit strategically, financially, operationally and culturally. With this acquisition, we are gaining critical domain and technology expertise in the complex, but highly attractive, capital markets industry vertical. This expertise – combined with our capabilities in business process management (BPM) and Smart Decision Services that encompass analytics and reengineering – will create a uniquely powerful value proposition for clients," said Pramod Bhasin, president and CEO of Genpact.

OCC increases volumes in March

Total volume at OCC reached 421,466,054 contracts in March, representing a 19 per cent increase over the March 2010 volume of 353,294,816 contracts.

This marks a new record month and quarter for OCC cleared volume and is the second time total cleared volume surpassed 400 million contracts in one month. OCC ended the first quarter with total volume reaching 1,160,299,965 contracts, up 25 percent from 2010.

Options: Exchange-listed options trading increased 19 per cent over March 2010 with 417,188,575 contracts and set a monthly trading record three per cent higher than the previous record set in May 2010. Index options trading rose 13 per cent from the previous March. The highest volume day for the month was recorded on March 17 when 28,603,262 contracts changed hands. Two of the top 10 highest volume days occurred during the month.

Futures: Futures cleared by OCC reached 4,277,479 contracts in March, up 87 per cent from 2010. Index and other futures volume came in at 3,797,711 contracts this month and show a year-to-date average of 154,715 daily contracts. Equity futures contract volume reached 479,402 in March, up 25 per cent from March of last year. OCC is averaging 168,010 futures contracts per day in 2011, up 63 per cent from 2010.

Securities Lending: OCC's stock loan programme, including OTC and AQS, saw a 45 per cent increase in new loan activity over March 2010 with 70,766 new loan transactions in March. Year- to-date securities lending activity is up 64 per cent from 2010 with 207,358 new loan transactions in 2011. OCC's stock loan program had an average daily notional value of $13,248,850,053.

Algorithmics publishes practitioners' guide to Dodd-Frank

Algorithmics' risk and capital management experts have launched the first comprehensive review of the Wall Street Reform and Consumer Protection Act to help affected firms and their employees formulate action plans to meet the new regulations. Despite much coverage of the Act since being signed into law in July last year, there remains a need for more clarity as to what each bank or individual banker needs to do in response.

Gabriella Symeonidou, Algorithmics' researcher and co-author of the report, 'Dodd-Frank Wall Street Reform and Consumer Protection Act: Business Model Implications', says: "The Act is definitely a step closer to a stronger and better regulated economy. However, the lengthy transition periods and numerous exemptions will hinder smooth implementation of the new requirements, and risk causing ambiguity within financial institutions and regulatory agencies."

Co-author of the report, Mario Onorato, head of balance sheet risk and capital management at Algorithmics, and honorary senior lecturer at Cass Business School, London, says: "To help practitioners better identify and adopt appropriate approaches for their banks for compliance, long term stability and continued growth, Algorithmics has reviewed the full contents of the Act and assessed the practical implications from the practitioners' perspective."

Institutions are already, reportedly, finding the inconsistencies that will limit the impact on earnings that the Act is expected to bring about. However, Algorithmics believes that institutions will need to understand the fundamentals of the changes that are coming in order for the risk, financial and business management teams to put in place the structure, systems and process to adapt advantageously.

PortfolioShop releases prime brokerage exposure monitoring system

PortfolioShop has released of FixQ BrokerRisk, a prime brokerage exposure monitoring system. According to PortfolioShop, the new system enables prime brokers to forecast their potential client-wide losses due to extreme market moves.

"BrokerRisk allows prime brokerages to put a dollar number on what they may be on the hook for if any of their client accounts lose too much money," said Harvey Sontag, CEO of PortfolioShop. The company says the system provides a series of dynamic reports, which examine the effect of simulated market moves on client portfolios down to the individual position.

"The system can pinpoint over-exposed accounts and then isolate and highlight which positions are problematic," Sontag said. The company says this allows prime brokerages to be proactive with regards to risky client positions before they become a liability for the brokerage itself.

PortfolioShop has employed the RiskAPI system, a distributed risk analysis service offered by Portfolio Science, a risk analysis vendor based in New York. The RiskAPI service offers detailed coverage of global markets as well as derivatives, making it possible for FixQ BrokerRisk to generate in-depth exposure analysis on several dimensions. PortfolioShop maintains that given the heightened volatility in the markets, a comprehensive risk analysis system is being increasingly viewed as an essential component needed to operate a prime brokerage.

"Many brokerages have a high number of client accounts and with an even larger number of exposed positions," Sontag said. "This makes it nearly impossible for individuals to manually account for every risky position." He says FixQ BrokerRisk provides a systemic approach to monitoring and avoiding unwanted losses due to client trading activity.

Wells Fargo Links To DTCC

The Depository Trust & Clearing Corporation today announced that Wells Fargo Bank has linked to its Loan/SERV Reconciliation Service to help automate and streamline the processing of syndicated loans by enabling the bank to view and reconcile loan positions with thousands of lenders on a daily basis.

"As our loan business continues to grow globally, the need for an automated reconciliation service to provide our customers with the most accurate and up-to-date information available on their loan positions becomes paramount," said Peter Amendola, executive vice president, Wells Fargo Wholesale Banking. "Loan/SERV provides us with the solution that will automate the reconciliation process, boost efficiencies and help reduce risk in the market."

"Wells Fargo is joining the leading global banks that have linked to Loan/SERV Reconciliation to boost customer satisfaction, improve marketwide data accuracy and increase operational efficiency," said Mathew Keshav Lewis, DTCC vice president, Global Loans Product Management. "Loan/SERV is the only service that provides a global reconciliation solution for the syndicated loan market and now serves lenders in more than 45 countries across North America, Latin America, Europe, Asia and Africa."

Agents banks already linked to Loan/SERV's reconciliation services are The Bank of New York Mellon, Barclays Capital, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, J.P. Morgan and The Royal Bank of Scotland.

Syndicated loans involve multiple lenders for each borrower, with agent banks acting as the liaison, transmitting information between parties. Prior to the launch of Loan/SERV, the reconciliation process was essentially manual and resulted in thousands of faxes going out into the market each month. Loan/SERV automates the process and enables agent banks and lenders to view and reconcile loans on a position basis, or at a more detailed level ranging from the commitment and transaction level down to the individual contracts, drawings and fees with all relevant transactions details.

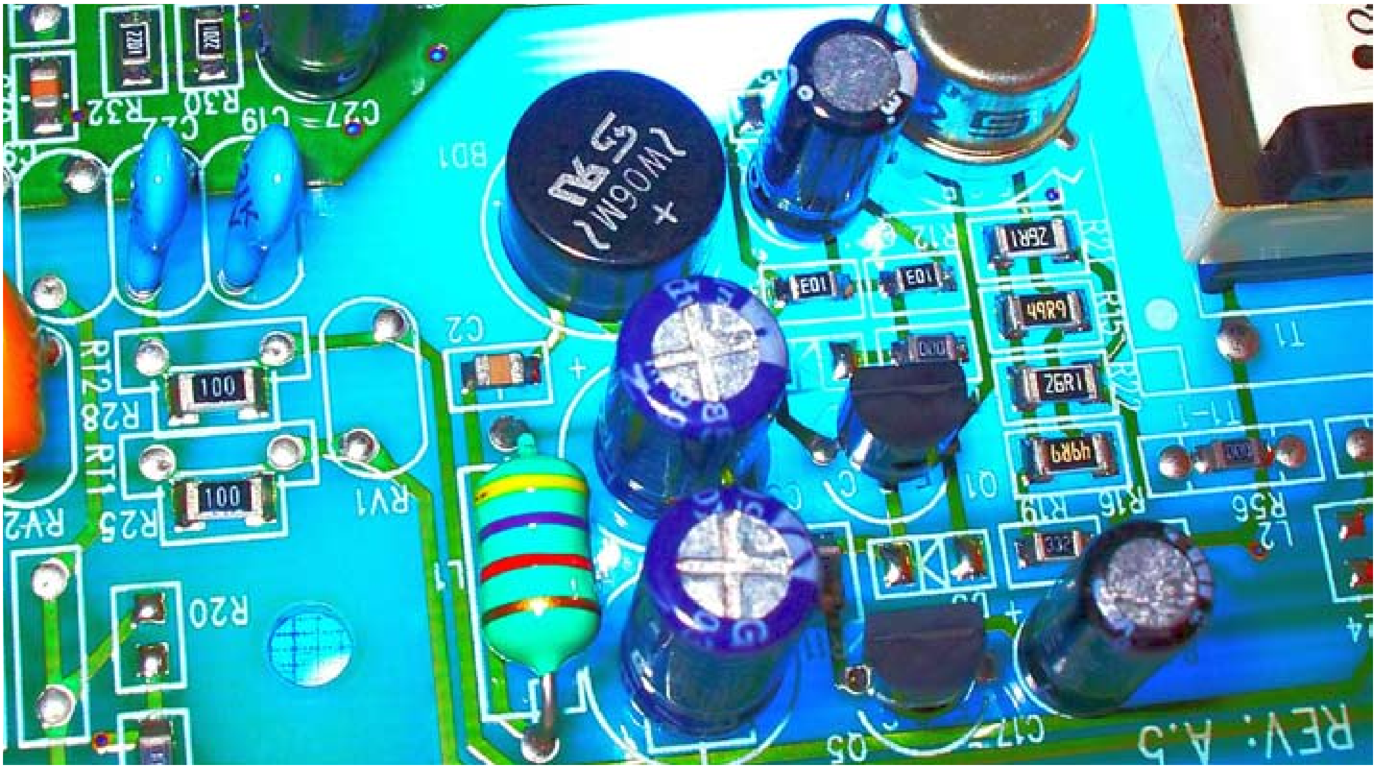
Along with the agent banks, more than 2,800 investment funds and lending entities administered by more than 250 leading funds managers and bank lenders have linked to the reconciliation service since Loan/SERV was launched in 2008. These firms now represent approximately 50 per cent of the global syndicated loan market.

DTCC will begin piloting a cash settlement service in the second quarter of 2011 called Cash on Transfer with a number of global loan agents, trading desk, paying agents, custodians and administrators. Cash on Transfer will provide the global syndicated loan market with its first delivery-versus-payment platform for secondary loan trading. It will help ensure that cash settles simultaneously with the change in legal ownership of the asset recorded by the agent bank. It will handle cash settlement in 50 different currencies.

BondLend expands into Canada

BondLend has expanded into the Canadian market. Several clients, including CIBC Mellon, Northern Trust and State Street have incorporated the platform into their daily businesses by using the low-touch technology solution, AutoBorrow, to automate their corporate and provincial bonds trading.

Alexa Lemstra of BondLend's Canadian office, commented: "We are thrilled the Canadian market is so eager to adopt the BondLend platform and be at the forefront of technological innovation in this space. We look forward to continuing expansion in the region as well as internationally."



Singapore

Securities lending is one of the smaller components of Singapore's market. But is that about to change?

BEN WILKIE REPORTS

The economic crisis has focused the global banking world into an area where excitement was already strong. Pretty much everyone now agrees that Asia is where everything is happening. And Singapore, as one of the most well-established markets, is reaping the benefits.

Although the one party state is unlikely to promote any bad news, Singapore has not seen any major upset to its economy in the last couple of years. Indeed, visitors to the country are unlikely to notice much difference now compared to two or three years ago.

In terms of infrastructure, there are few jurisdictions that can compete with this one. Singapore has one of the best-educated workforces, strong communications links and a welcoming tax environment that encourages high earning ex-pats. This is coupled with a low cost of living and a historical connection to Western economies, so plenty of ambitious finance staff are attracted to the island.

The opportunities in Asia continue to grow, both in established markets such as Hong Kong and Japan, as well as the newer economies of Vietnam and its neighbours. Meanwhile, the Chinese authorities appear constantly on the verge of further liberalisation - an event fund managers are already salivating over

Since full independence in 1965, Singapore has gone from strength to strength. A stable government that has long concentrated on ensuring the legal, technological and infrastructure resources are in line with the requirements of international investors.

As one of the four Asian Tigers - along with Hong Kong, South Korea and Taiwan - Singapore's population is educated and highly regarded as efficient and comparatively low-cost compared to other financial centres. It's now considered the fourth largest financial centre in the world.

Singapore is enjoying growth from all quarters. Domestically, savings are rising and institutional investment has had a relatively successful couple of years. As one of the safest jurisdictions in the world, let alone in Asia, it has also attracted regional and international investors looking for a flight to quality.

"Singapore has one of the best reputations of any domicile anywhere in the world," says local consultant John Ng. The government has good relations with most of the rest of the world, and it has made it a priority to remain a centre that is attractive to the global investment community. This is combined with a wealthy local populace who are comfortable with making investments through the many funds on offer to locals."

Technically, Singapore cannot be beaten. Its electronic infrastructure means that communication is fast and easy, with built-in failsafes for if anything ever does go wrong. It has a highly educated and motivated workforce, a low tax environment and a Western outlook when it comes to language and culture.

The Singapore Exchange (SGX) has long been regarded as one of the more forward-thinking exchanges, and has made great strides in attracting new participants. All CDP securities holder can participate in the SGX securities lending programme.

Securities lending

Unlike markets in North America, there has been no restriction - temporary or otherwise on short selling, the regulators believing that the market was functioning perfectly well without them. But to put the market in line with other exchanges in Asia, the SGX recently implemented compulsory identification of short sales with daily published aggregated short selling volumes.

While virtually every global banking player has a presence in the country, their securities lending operations tend to be run from Hong Kong or, occasionally, other jurisdictions. The securities lending market itself is mostly supported by local firms, often in association with the multinationals. “Opportunities are not as strong as in other markets in Asia and this does not give rise to fierce competition amongst firms or increase the maturity of the market in this region,” explains one Singapore-based trader.

“Singapore is typically regarded as the smaller brother to markets like Hong Kong. This is demonstrated by the fact that the majority of broker dealers’ front offices are located in Hong Kong,” he continues. “However, Singapore tends to be more of an operational hub providing global support. Singapore is making steps to increase its attractiveness for broker dealers as evidenced by recent structural announcements at SGX.”

SGX launched its securities lending programme on January 7, 2002. The motivations behind this move were to pave the way for the development of a securities lending market in Singapore, to provide improved investment and hedging opportunities for market participants and to help create a more sophisticated capital market structure in Singapore.

They can register as a lending participant even if they currently do not have eligible securities or the requisite quantity. Once registered participants have eligible shareholdings, the exchange will lend securities on their behalf.

By borrowing and lending in this way, lenders and borrowers remain mutually anonymous and with CDP as the principal all lenders are protected. Lenders can sell at any time, even if their securities are out on loan and lending is done based on an algorithm to maintain fairness.

From the start of July, SGX has had a new organisational structure, which it says will capitalise on all opportunities within the Asian markets. There are now 10 business units and seven support units, which are designed to ‘provide sharper focus on key products and customer segments’.

Under this facility, the Central Depository (CDP) acts as counterparty to both lenders and borrowers and assures the return of all lent securities or their cash value equivalent, in the unlikely event the borrowed securities are not returned.

Borrowers will need to pledge collateral (include cash, letters of credit from banks, and securities acceptable to CDP) for all loans.

Through Depository Agents (DAs) in Singapore, investors can register as lenders and/or borrowers of the list of selected stocks listed on the SGX Mainboard.

Currently, retail investors can lend their stock scrips to SGX for a flat annual rate of four per cent. The exchange will then allow other parties to borrow the stocks at an annual rate of six per cent.

But SGX looks set to allow market forces dictate the rate at which participants can borrow the securities of retail investors in a move that it says will increase liquidity.

SGX says it plans to allow market forces to decide the interest rate on less liquid stocks, creating specials that can attract double-digit rates. No timeframe has been set for the change to the current system.

“Right now there’s no incentive for participants to lend specials on exchange,” says one market player. “But this could change - liquidity at the moment is ok, but it could get a lot better if the market supports this plan.” **SLT**

Mizuho exits prime brokerage in Singapore

Mizuho Securities has closed the doors on its Singaporean prime brokerage offices, following rumoured significant losses.

In 2008, Mizuho hired the prime brokerage team of collapsed bank Lehman Brothers, but the difficulties of working with internal infrastructures are said to have led to issues between the team and its new parent.

According to an internal document obtained by Reuters, in the year to March 2011, the whole Singapore operation of Japan’s second largest bank made a loss of $15.6 million.

It is rumoured that most of that loss was a result of the prime brokerage operations, which had costs of $13.7 million and zero profits.

Next issue: Securities lending across Latin America

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Playing the game

Short sellers must consider politics when it comes to European banks, says Andrew Shinn, vice president, SunGard's Astec Analytics

DATA PROFILE

The acute crisis is over, and Greek authorities announced this week that Greek banks are in decent shape to pass upcoming stress tests.

However, many European banks need additional support as they struggle with massive loan losses. Irish banks, having already been provided with €46 billion, were the latest to undergo a series of stress tests. At the conclusion of the tests, the Irish government declared that the remaining four largest Irish banks need an additional €24 billion of capital. Spanish banks, meanwhile, are supposed to raise an additional €15 billion to bolster their tier-one capital ratios.

If banks are not able to raise the additional capital themselves, governments will step in. But in Portugal, the government is having difficulty raising money. While investors are still purchasing new issues of Portuguese government debt, they're demanding much higher interest rates. In addition, even though Portugal successfully issued another round of sovereign debt, it's selling most of it to Portuguese banks. It's not sustainable to have governments bail out domestic banks and banks return the favor by purchasing sovereign debt, although it does keep the wheel turning another day so that banks can deal with their loan losses without frightening the market.

Japanese banks suffered from similar speculative investments in the 1990s, when they kept non-performing loans on their balance sheet and ignored them. Unfortunately, this didn't solve the problem, and the sickly banks were a drain on the Japanese economy for years. The moral is that it's better for a country's economy if banks are forced to be upfront about losses.

Admitting to losses, however, means that someone will have to pay. In the case of European banks, governments have been careful to protect senior bond holders. With the Lehman bankruptcy still fresh, European governments are fearful of pushing banks to the point of default. But equity investors have suffered significant losses; subordinated debt holders of Irish banks are set to lose up to €6 billion as Irish banks reshuffle the liability side of their balance sheets.

Some countries have targeted short selling, blaming it for declining market values. For example, Greece banned regular short selling of all Greek stocks several times over the past three years, and Italy took drastic measures and banned both naked and regular short selling for all stocks. To their credit, perhaps, Portugal and Spain only banned naked short selling of financial firms' stock in 2008 and 2009.

However, Ireland's experience shows the fallacy of this practice. Ireland banned short selling bank stocks in 2008 and 2009. However, in 2010, despite the continued ban, brokers began borrowing and shorting shares of the Bank of Ireland on US exchanges. Last autumn, brokers began borrowing shares of Allied Irish Bank as well. In addition, the Irish Stock Exchange sometimes halted trading in shares of AIB and Bank of Ireland. Despite these extraordinary measures to protect share prices, Irish banks have lost almost all their value.

In fact, regardless of whether regulators banned naked or regular short selling, shares in European banks have declined in every PIIGS country because of poor fundamentals. It's a good reminder that markets can decline even without any short selling activity whatsoever. Share prices eventually find their true value.

Regarding the European bank stocks that investors are shorting right now, below is a table of the most expensive Portuguese, Italian, Irish, Greek, and Spanish bank shares to borrow as of April 5. **SLT**

Name	Market Intrinsic Rate	Market Loan Volume
Bco de Valencia	8.19	13,149,430
Agricultural Bank of Greece	6.39	2,103,517
EFG Eurobank Ergasias SA	5.02	2,912,157
Banco Pastor sa la Coruna	4.49	1,234,793
Banco Comercial Portugues	4.46	193,293,558
Allied Irish Bks plc	4.08	8,663,052
Credito Bergamasco	4.00	2,053
Bankinter, SA Madrid	3.79	23,365,698
Alpha Bank A.E.	3.34	3,798,365
Piraeus Bank SA	3.30	4,330,044

Andrew Shinn
Vice president, sales and development
SunGard Astec Analytics

1st Annual Conference on Canadian Securities Lending

Date: 4 May 2011
Location: Toronto
Website: www.canseclend.com

In this inaugural event, CASLA brings together Canada's key players to speak on the issues affecting its industry.

New York Securities Financing Forum

Date: 26 May 2011
Location: New York
Website: www.dataexplorers.com

The Securities Financing Forum is the one event that you really must attend. Senior delegates from the industry will be in attendance for a series of panel discussions and high-level networking.

Network Management 2011

Date: 15-16 June 2011
Location: Dubrovnik
Website: www.icbi-events.com/nema/

With over 300 attendees from the Network Management and Securities industry in 2010, NeMa has become THE most important event of the year for the network management community - bar none.

ISLA 20th Annual International Securities Lending Conference

Date: 28th-29th June 2011
Location: Penha Longa (Lisbon/Sintra)
Website: www.afme.eu/isla2011

ISLA is pleased to announce the date and venue for its 20th International Securities Lending Conference. The event will take place between 28th and 30th June 2011 in Penha Longa (Lisbon - Sintra).

Industry Appointments

BNY Mellon Asset Servicing has named **Michael McAuley** to the newly created position of managing director, senior business strategist, for the Global Securities Lending Business.

McAuley, who is based in Boston and reports to Kathy Rulong, executive director of securities lending, is responsible for leading the securities lending business' efforts to identify and capitalise on new opportunities in a changing business, tax and regulatory environment.

"Mike McAuley has a wealth of experience working with the Securities and Exchange Commission, the Federal Reserve Bank of New York, and other important regulators," said Rulong. "In an environment of increased global regulatory activity, we recognise the importance of having a senior manager devoted to the relevant issues and developments."

McAuley had been a senior managing director for Premier Global Securities Lending and previously had been a senior managing director and the chief product officer for securities finance at State Street Bank and Trust Company. He was one of the Group of Eight who left State Street last summer to create the firm, but it has so far had a disappointing time attracting investors.

McAuley also is the chairman of the Securities Lending Committee of the Risk Management Association (RMA) and a member of the RMA board. He was awarded his bachelor's degree by Boston College and juris doctorate from Suffolk University Law School.

The California Public Employees' Retirement System (CalPERS) has appointed **Russell Fong** as its acting chief financial officer (CFO), effective April 4.

In this newly-established position Fong will be responsible for managing the financial processes for CalPERS, including budgeting, accounting, cash management, and financial planning and analysis. He will also oversee CalPERS Enterprise Risk Management projects.

Fong is currently the interim assistant executive officer of the CalPERS Administrative Services Branch. He manages the Fiscal Services, Human Resources, Operation Support and Strategic Management Services Divisions. He joined CalPERS in 2005 as chief of fiscal services, where he oversaw the system's accounting and budgeting functions.

"We are establishing this position at CalPERS to ensure we maintain a high level of transparency and internal control, and Russell Fong's background and experience make him an excellent fit to start this new function," said CalPERS chief executive officer Anne Stausboll. "The CFO will be the single point of coordination for financial and risk-related activities across our organisation.

Jonathan Hodder has joined EquiLend as vice president and global head of communications and media relations. Hodder will be based in EquiLend's London office and joins the firm from Global Investor/ISF, where he was the publisher for five years. Prior to working at Global Investor, Jonathan worked for the Financial Times group, bringing to EquiLend more than 10 years of experience in publishing and media communications.

Brian Lamb, CEO of EquiLend, remarked: "We are thrilled to welcome Jonathan to EquiLend. He brings a wealth of experience through his positions at Global Investor/ISF and the Financial Times. We look forward to using his expertise to enhance EquiLend's global media message as our automated trading and post trade service offerings continue to expand."

Robert Druskin has been appointed chairman of the board of the Depository Trust & Clearing Corporation, effective April 18, 2011.

In December, DTCC announced that it would separate the roles of chairman and chief executive officer to ensure a best-in-class approach in DTCC's governance and risk management oversight. "This approach follows the global standard for corporate governance, and aims to ensure optimal checks and balances between the businesses and risk control functions," said Art Certosimo, presiding director of DTCC's board of directors.

As DTCC's chief executive officer, Donald Donahue will continue to oversee the company's domestic and international businesses, operations, technology and other functions (eg, customer outreach and staff areas), reporting to Druskin.

"DTCC has for years played a critical role in protecting the safety and soundness of the financial system, while helping foster growth and innovation in our capital markets," said Druskin. "This is certainly an exciting time to join DTCC, as market participants are relying even more heavily on the infrastructure to mitigate risk for the industry. I look forward to partnering with Don, the accomplished DTCC leadership team, and all our employees to continue delivering the world-class services that ensure the viability and efficiency of the financial markets and are the foundation of DTCC's global reputation."

"Bob has had a very distinguished career in working with the securities industry and regulators to promote the sustainable growth and integrity of the financial marketplace," said Certosimo. "His in-depth experience in corporate governance, risk oversight, investment banking and operations strongly complements Don's expertise and the talents of DTCC's senior management team. The Board is fully confident in Bob's and Don's leadership in this unprecedented time of change for our industry." **SLT**

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