

Securities lending – additional return for you

Securities lending is a precondition for implementing many strategies in securities trading such as arbitrage transactions in spot and futures trading, option strategies, etc. Securities lending allows market makers (borrowers) to act flexibly, thus increasing market liquidity.

An attractive service

Securities lending supplements the traditional approach to asset management. As the lender, you make your securities available to us as the borrower for a determinate or indeterminate period of time. In return, you receive a fee.

Securities Lending



A transaction with many advantages

Optimisation of performance

With securities lending, you can generate additional returns via your portfolio.

Safety

As your contracting party, we are liable to you for the return of your securities. Our substantial equity base and our majority shareholder, the Principality of Liechtenstein, offer you stability and safety.

Full availability

Flexibility of investment and the option of active management of your portfolio are maintained for the entire duration of the loan. Securities can also be sold at any time.

Fair allocation

In the securities lending market, primarily Swiss and international equities as well as bonds are in demand. As a participant in the LLB lending pool, you are able to participate in major transactions even with small partial holdings. Individual lenders are selected according to fair allocation rules.

Preservation of your rights

For dividends and interest on loaned securities, the LLB makes a compensation payment on the correct value date. In general, your instructions as the lender are followed if there are options available for capital market transactions. You are able to exercise rights of membership, subject to an appropriate recall period.

Renowned partners

The securities in the LLB lending pool are offered to renowned, internationally operating counterparties on a daily basis. This increases the probability that securities will be effectively considered for transfer and thus that a return will be generated.

Simple and client-friendly

The effort required for you to participate in securities lending is minimal and is limited to signing the securities lending agreement. We take over the entire lending process for you. At your request, individual securities can be exempted from securities lending. We are happy to advise you.

Return example with company Z registered shares

Client A has 2'500 company Z registered shares in the custody account with a value of CHF 100'000.

The market currently offers a price of 0.70 % p. a. on the market value. This generates a lending fee of CHF 700. The fee split between the client and the LLB is 50-50. This means CHF 350 p. a. are credited to the client.

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