

# Securities-Based Lending Expected to Grow 20% plus by Year-End, According to New Broadridge Report

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Digitization is enabling expansion of SBL to retail wealth

NEW YORK, Nov. 4, 2021 /PRNewswire/ -- **Broadridge Financial Solutions, Inc.** (NYSE:BR), a global Fintech leader, has published the 2021 Securities-Based Lending Survey Report, reflecting the views of the company's securities-based lending (SBL) customer base. The customers, representing over \$100B in securities-backed lines of credit, project significant growth in the year ahead as well as expansion of SBL into retail wealth.

"We have seen dramatic digitization of the SBL business, particularly in the last 24 months," said Luke Nestor, Founder of Rockall – a Broadridge business. "Loan origination on the workstation has made SBL accessible to the advisor who can now quickly initiate loans in the client meeting. Sales enablement and further process streamlining are driving the scalability that can answer demand from the mass affluent segment while machine learning can automatically generate pipeline, making the advisor more effective in getting their clients the liquidity they need. This technological evolution is supporting significant growth from a stronger product portfolio."

The wealth management industry has had to rapidly evolve in the wake of the Covid-19 pandemic. Systems that long-needed modernization are now being digitized and streamlined – making SBL even more scalable and accessible to the advisor than before. Across the business – from Ultra HNW through to the Mass Affluent and retail segments – successful advisors and investors are tapping into the low-cost lending efficiency offered by SBL.

The report reaches five conclusions that, in turn, lead to specific takeaways for institutions and advisors looking for SBL growth and yield:

- SBL growth is multi-dimensional as successful lenders are able to drive growth through the number of loans, the size of those loan facilities, and the level of loan utilization, driving growth expectations of 20% plus in the

next 12 months.

- The emergence of the "Lending Advisor" signals that sales teams are being motivated to consider the total balance sheet, going beyond asset management to meet their clients' full needs and desires, fuelled by the prospect of an AI-generated pre-qualified SBL sales pipeline directly on the advisor workstation.
- SBL process streamlining is helping firms respond to market demand with automated loan origination on the advisor dashboard, enabling scalability and supporting extension into the new segments.
- SBL's digital delivery makes it ripe for personalization and differentiation across an increasingly competitive landscape, enabling increased productivity in advisor marketing.
- Scalability driven by digitization is enabling the emerging retail wealth cohort to play an expanding role in the SBL market, enabling access to an asset class historically reserved for institutions and high net worth investors.

As technology-enabled scalability spurs growth and market expansion, the report shows that advisors need better training, marketing, and prospecting support to tap into the SBL opportunity. They must be able to quickly assess the suitability of SBL for their clients, and ultimately, to evaluate and originate loans directly.

## Methodology:

The Broadridge survey was conducted by Rockall – a Broadridge Business and includes the views of decision makers responsible for directing and executing the wealth lending strategies for a select number of leading U.S. banks and wealth managers currently underwriting more than \$100 billion in SBL business.

For further details on survey methodology, please contact a Broadridge media representative.

## About Broadridge

Broadridge Financial Solutions, Inc. (NYSE: BR), a \$5 billion global Fintech leader, is a leading provider of investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. Broadridge's infrastructure underpins proxy voting services for over 50 percent of public companies and mutual funds globally, and processes on average more than U.S. \$9 trillion in fixed income and equity securities trades per day. Broadridge is part of the S&P 500® Index and employs over 13,000 associates in 21 countries.

For more information about Broadridge, please visit [www.broadridge.com](http://www.broadridge.com).

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